RNS Number : 0387T
CPPGroup PLC
29 July 2025

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CPPGroup Plc

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

Publication of Circular
Notice of General Meeting

Further to the announcement of 23 July 2025, CPP Group (AIM: CPP) is pleased to confirm that it has dispatched a circular, to convene a general meeting of the Company, in order to seek shareholders' approval for the proposed disposal of CPP Assistance Services Private Ltd (the "Sale") (the "Circular").

The Sale is a fundamental disposal pursuant to Rule 15 of the AIM Rules for Companies and accordingly is conditional on shareholder approval.

The General Meeting of the Company will be held at the offices of Squire Patton Boggs (UK) LLP at 60 London Wall, London, EC2M 5TQ at 11:00 a.m. on 14 August 2025.

Extracts from the letter from the Chairman are set out below.

A copy of the Circular will be available on the Company's website at https://corporate.cppgroup.com/ with effect from today.

Unless otherwise indicated, defined terms in this announcement shall have the same meanings as those given to them in the Circular.

ENQUIRIES

CPPGroup plc

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David Bowling, Chief Financial Officer

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Appendix

Extracts from the Circular

1 INTRODUCTION

1. INTRODUCTION

On 18 June 2025, the Company announced a revised strategy to focus solely on Blink Parametric ("Blink"), the Group's digitally focused InsurTech business, and to dispose of the Group's remaining legacy assets to generate additional capital to accelerate investment to support Blink's commercial and technology roadmap.

The Company also announced the disposal of the entire registered share capital of CPP Sigorta Aracilik Hizmetleri Anonim Sirketi ("CPP Turkey") on 18 June 2025, which will generate combined proceeds of £6.1 million, comprising cash consideration of £4.6 million together with a £1.5 million three-year license agreement with Blink granting distribution rights for its cyber security solution. Of the proceeds of the disposal of CPP Turkey, £2.5 million was used to repay the Group's Revolving Credit Facility ("RCF").

The Group also disclosed that it was in negotiations regarding the sale of CPP Assistance Services Private Limited ("CPP India"). These negotiations have now concluded and on 23 July 2025 the Company announced that its subsidiaries, CPP European Holdings Limited ("CPP Europe") and CPP Holdings Limited ("CPP Holdings") (together, "CPP Europe" and "CPP Holdings" as the "Sellers") and CPP India, had exchanged contracts with OneAssist Consumer Solutions Private Limited ("OneAssist") and Bolttech Device Protection India Private Limited ("Bolt") (together, "OneAssist" and "Bolt" as the "Buyers") regarding the conditional sale of the entire issued share capital of CPP India for a total cash consideration of USD 21.0 million (approximately £15.7* million) (the "Sale").

The Board considers the Sale to be an attractive opportunity, representing a key milestone in the Group's revised strategy and reflecting a fair net present value for CPP India's future revenue and profitability.

The Sale is of sufficient size relative to that of the Group to constitute a fundamental change of business pursuant to Rule 15 of the AIM Rules and accordingly is conditional (inter alia) on Shareholders' approval. Should Shareholder approval not be received at the General Meeting, the Sale will not proceed.

The Company has received letters of intent from certain shareholders to vote or procure votes in favour of the Resolution to be proposed at the General Meeting in respect of a total of 5,660,961 Ordinary Shares, representing in aggregate, approximately 61.7 per cent. of the issued ordinary share capital of the Company as at 28 July 2025 (being the Latest Practicable Date).

The Resolution is an ordinary resolution, requiring a simple majority of Shareholders only. The purpose of the Circular is to provide you with the background to the Sale and to explain why the Directors consider that it is in the best interests of the Company and its Shareholders as a whole and why they recommend that Shareholders should vote in favour of the Resolution to be proposed at the General Meeting. A notice convening the General Meeting to be held at the offices of Squire Patton Boggs (UK) LLP at 60 London Wall, London, EC2M 5TQ at 11:00 a.m. on 14 August 2025 is set out at the end of the Circular.

**Calculated at current £:US exchange rate of 1.34.*

2. BACKGROUND TO AND REASONS FOR THE SALE

In September 2022, the Group announced the objective of its Change Management Programme (the "CMP") aimed at repositioning the Group as an InsurTech business led by Blink and supported by CPP India and CPP Turkey. Under the CMP, the Group prioritised investment in Blink's operational capacity to support future growth, whilst divesting several legacy businesses in the UK and internationally.

As part of the CMP, the Group invested significantly in Blink's infrastructure and secured several large global and regional business partners. Over the past three years, Blink has progressed well beyond proof of concept and is now an established, high-margin platform with significant long-term growth potential. As at the end of 2024, Blink reported annualised recurring revenue ("ARR") of £1.6 million compared to £1.0 million at the end of 2023 and the business is on track to deliver ARR growth in 2025 materially ahead of that achieved in 2024.

The Board believes that Blink is well positioned in a favourable market, where technology-led InsurTech and parametric solution providers like Blink typically attract higher valuation multiples than either traditional insurers or legacy assistance models such as CPP India or CPP Turkey.

However, to scale Blink meaningfully and complete the necessary restructuring of the Group's remaining legacy operations (including the central functions), the Group will require additional capital. To support this, the Group has disposed of CPP Turkey and, subject to (inter alia) Shareholder approval, will also dispose of CPP India pursuant to the Sale.

By contrast, without access to new investment capital, the Directors believe that CPP India faces diminishing long-term prospects due to heavy dependence on key distribution partners (CPP India derives the majority of its revenue from a single business partner (85% in the year ended 31 December 2024)), increasing regulatory complexity, and limited access to reinvestment capital.

As such, the Board has assessed the extent to which proceeds of the Sale could accelerate the growth of Blink through new partnerships, expansion into additional markets and investment into its technology platform, and believes that:

i. Blink offers the potential to deliver superior returns for shareholders over the medium to long term, compared to the Group's legacy businesses;

ii. the decision to divest the Group's legacy businesses in order to focus investment on Blink reflects a disciplined approach to capital allocation; and

iii. the Sale is in the best long-term interests of CPP India and the Group.

In addition, as the Group realigns its strategy around Blink, it will become less complex and far smaller. In line with this transformation, the Group will commence the implementation of a restructuring 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.

3. INFORMATION ON CPP INDIA

CPP India is a provider of assistance and protection services, offering a range of white labelled products in collaboration with banks, NBFCs, and financial technology businesses across India. CPP India's core offerings include Card Protection for lost or stolen cards, FoneSafe insurance for mobile devices, Asset Secure warranties for consumer electronics, and LivPlus wellness packages. These solutions are delivered through a digital-first, omnichannel model.

CPP India serves over 9 million customers through several distribution partners, co-developing bespoke services designed to enhance customer engagement and retention. CPP India has performed well in recent years, with growth driven by product innovation, strong distribution networks, and increased consumer demand for value-added services.

For the year ended 31 December 2024, CPP India reported a turnover of £145.4 million with a contribution to Group EBITDA of £6.6 million and a profit before tax of £4.7 million, representing approximately 93.0%, 82.5%* and 80.7%* of the overall Group respectively.

CPP India is currently performing broadly in line with the Boards expectations.

The Board believes that CPP India's business model has become increasingly constrained with 85% of FY2024 revenue derived from a single partner, limited growth prospects, rising regulatory pressure, and a requirement for, but limited access to, further investment.

**Proportion of EBITDA and profit before tax represents EBITDA and profit before tax from the Group's profitable operations as at 31 December 2024, being CPP India and CPP Turkey.*

4. INFORMATION ON THE BUYERS

OneAssist and Bolt as a group operates as a subscription-driven assistance platform in India, combining tech-led service delivery with broad distribution via consumer-facing partnerships and provides assistance and protection services focused on everyday essentials for consumers in India.

Founded in 2011, OneAssist delivers white-labelled and retail-branded solutions targeting personal gadgets, financial tools and home appliances. OneAssist has formed strategic partnerships with a number of leading brands and organisations offering multiple consumer propositions.

Bolt is a wholly owned subsidiary of OneAssist (acquired in 2021).

5. PRINCIPAL TERMS OF THE SALE

On 22 July 2025, the Company's subsidiaries, CPP Europe, CPP Holdings and CPP India entered into the Sale and Purchase Agreement, pursuant to which they have conditionally agreed to dispose of the entire issued share capital of CPP India to the Buyers.

The principal terms of the Sale and Purchase Agreement are as follows:

- **Consideration**

The consideration payable to the Sellers from the Buyers is the Indian Rupees equivalent of USD21 million (the "Purchase Price"), payable on the completion date adjusted as follows:

a) applicable deductions and withholding taxes shall be deducted from the Purchase Price;

b) if CPP India does not have a minimum amount of cash in the sum equal to the Indian Rupees equivalent of USD 7 million (net of transaction expenses) as at the completion date, an amount equal to any such shortfall shall be deducted from the Purchase Price; and

c) an amount equal to 25% of the consideration payable to CPP Europe shall be held back and such balance shall be payable to CPP Europe in two instalments, six and twelve months post-completion, contingent on the satisfaction of agreed performance conditions in relation to CPP India.

- **Conditions**

Completion of the Sale is conditional, *inter alia*, upon:

a) the approval of the Sale by the Shareholders at the General Meeting;

b) no material adverse effect occurring in relation to CPP India's business or any event giving rise to such a material adverse effect;

c) the sale shares having been dematerialised;

d) valuation reports being in agreed form; and

e) a draft 281 report (confirming whether there are any pending proceedings or outstanding demands in respect of tax against the Sellers and CPP India) being in agreed form.

- **Termination**

The Sale and Purchase Agreement may be terminated at any time prior to the completion date:

a) by the parties' mutual written agreement;

b) by any party upon the occurrence of a liquidation event;

c) by the Sellers if after receipt of the certificate from the Buyers confirming satisfaction of the conditions, completion has not occurred by the long stop date (being 60 days from 22 July 2025 of such other date as has been agreed by the Buyers and the Sellers) (the "Long Stop Date") due to the actions or omissions solely attributable to the Buyers;

d) by the Buyers if after receipt of the certificate from the Sellers confirming satisfaction of the conditions, completion has not occurred by the Long Stop Date due to the actions or omissions solely attributable to the Sellers;

e) by the Sellers, if the Sale has not been approved by Shareholders at the General Meeting prior to the completion date;

f) by the Sellers, if the Buyers' conditions precedent are not satisfied by the Long Stop Date, unless the Sellers have decided to waive the requirement to fulfil any of the Buyers' conditions precedent;

g) by the Buyers, if the Sellers' conditions precedent or CPP India's conditions precedent are not satisfied by the Long Stop Date, unless the Buyers have decided to waive the requirement to fulfil any of the Sellers' conditions precedent and, or CPP India's conditions precedent;

h) by the Sellers, in the event a material adverse effect has occurred with respect to the Buyers or is subsisting;

i) by the Buyers, in the event a material adverse effect has occurred with respect to any Seller or CPP India or is subsisting;

j) by the Buyers, in the event of breach of any of the warranties given by the Sellers; or

k) by either party, if the updated disclosure letter is not in agreed form by the Long Stop Date.

- **Representations and Warranties**

Customary fundamental warranties, business warranties and tax warranties are given by the Sellers and CPP India to the Buyers. Such representations and warranties are subject to customary and other negotiated limitations.

- **Indemnities**

The Sale and Purchase Agreement contains a number of indemnities and specific indemnities.

Specific indemnities have been provided by the Sellers in respect of:

a) any claim made by the GST authorities on the Company in relation to the ongoing GST litigation for the FY 2018-2019 in relation to alleged excess ITC claimed in GSTR-3B when compared with GSTR-2A; and

b) any and all litigations disclosed in the disclosure letter in which the claim amount in not quantified.

The Company has guaranteed the payment obligations (if any) in respect of the indemnities and specific indemnities, in the event that the Sellers are unable to fulfil the payment obligations (if any) under the Sale and Purchase Agreement.

- **Restrictive Covenants**

The Sale and Purchase Agreement contains customary non-compete and non-solicitation restrictive covenants on the part of the Sellers for up to five years.

- **Governing Law**

The Sale and Purchase Agreement is governed by and will be construed in accordance with the laws of India.

6. FINANCIAL EFFECTS OF THE PROPOSED SALE AND USE OF THE PROCEEDS

For the year ended 31 December 2024, CPP India generated revenue of £145.4 million, representing approximately 93.0% of Group revenue, EBITDA of £6.6 million, representing 82.5%* of Group EBITDA, and profit before tax of £4.7 million, representing 80.7%* of Group profit before tax. As at 31 December 2024, CPP India had gross assets of £20.0 million, representing 69.2% of Group total asset value. Should Shareholders approve the Sale, ongoing revenue and EBITDA for the Group will be reduced and, after deducting liabilities, the Sale is expected to result in a gain on disposal of approximately £10 million** which will be recognised in the Group's accounts for the year ending 31 December 2025.

Indian tax laws require taxation on the Sale, which is expected to total approximately £2 million, to be withheld by the Buyers. Additionally, costs associated with the Sale in FY2025 are expected to total approximately £0.9 million. It is therefore expected that, upon Completion, the Company will receive total initial cash consideration of approximately £11.8*** million (£8.9 million after deducting tax liabilities and fees relating to the Sale).

Following Completion, it is anticipated that the net proceeds from the Sale, along with the combined proceeds from the disposal of CPP Turkey, will be used to:

- fund near to medium term investment in Blink, in line with the Group's strategy as set out in paragraph 8 below;
- repay and cancel in full the Group's RCF balance at Completion; and
- fund the Group's ongoing working capital requirements, including the necessary run-off of the Group's remaining legacy operations and the Group restructuring and cost reduction programme.

The Board does not expect to make any distributions to Shareholders from the proceeds of the Sale.

**Proportion of EBITDA and profit before tax represents EBITDA and profit before tax from the Group's profitable operations as* *at 31 December 2024, being CPP India and CPP Turkey.*

***Gain on disposal is estimated based on 30 June 2025 closing position in India, being the latest financial information available at the time of issue and is subject to audit. Estimates are also subject to movements in the £:US exchange rate.*

**** Calculated at current £:US exchange rate of 1.34.*

7. AIM RULE 15

In accordance with AIM Rule 15, the Sale will result in a fundamental change of business of the Company and is accordingly subject to the approval of Shareholders. However, as the Sale will not result in the Company divesting of all, or substantially all, of its existing trading business, activities or assets, the Company will not, following the completion of the Sale, be deemed to become an AIM Rule 15 cash shell.

8. CURRENT TRADING AND STRATEGY FOLLOWING COMPLETION

Should Shareholders approve the Sale, the Company's remaining assets and operations post Completion (the "Continuing Group") will comprise Blink and the residual UK back book which is in run-off.

Blink provides real-time, data driven, white-label assistance solutions that are designed to be embedded into insurance provider products, which on an "event" being triggered, provides immediate, digitally delivered, support to their (the insurers') customers. 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 from which Blink (with the additional investment from the proceeds of the Sale) is well positioned to benefit.

During the year ended 31 December 2024, Blink made considerable progress where it was providing travel disruption and cyber solutions to 28 partners (2023: 17) across 22 geographies (2023: 12). Blink's solutions, which are digitally delivered, are included in over 1.5 million customer policies, with some 615,000 flights tracked and 8,000 automated claims resolutions processed during 2024. In addition, Blink ended the 2024 financial year with 100% renewal rate of existing contracts and increased its annual recurring revenue ("ARR") by 62% to £1.6 million (2023: £1.0 million), which the Board believes is testament to both the quality of service and growing demand for Blink's solutions.

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 significant experience in scaling global fintech and SaaS platforms, having previously held leadership roles at Accenture, Bank of Ireland, and BoatyardX, a global fintech software services provider.

As such, the Board believes Blink is now an established, high-margin, scalable platform strongly positioned within a favourable market environment and with realisable long-term growth prospects. However, the Board also maintains that the proposed investment of the proceeds of the Sale is required in Blink's technology platform and new product development to better support its current and future business partners, most of whom operate multiple brands in multiple geographies.

The Sale also creates an opportunity to further reduce the size and complexity of the Group and streamline the current Group structure. As such, in line with realignment of the Group's strategy around Blink, the Group will implement a restructure and cost reduction programme in September 2025 which is expected to deliver a material reduction in annualised central costs.

Blink is forecast to increase its ARR to at least £3.0 million by 31 December 2025 and for ARR to continue to grow strongly in 2026 to at least £5.0 million by 31 December 2026. The Board expects Blink to achieve break-even EBITDA in the year ended 31 December 2028.

9. RISK FACTORS

Subsequent to the Sale, the Board considers the following to be the principal risks relating to Blink. However, the risks listed do not purport to be an exhaustive summary of the risks affecting Blink or the Continuing Group and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or which the Directors deem immaterial may also have an adverse effect on the Continuing Group. In particular, the Continuing Group's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements. If any of the following risks were to materialise, the Continuing Group's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part of all of his or her investment. There can be no certainty that the Continuing Group will be able to successfully implement its strategy.

a) Pace of execution of Blink's business plan

Blink's insurance partner adoption and roll-out of its services may be slower than anticipated or investment into Blink may materially deviate from the Boards expectations. Either scenario may lead to Blink not achieving its forecasted growth or reaching break-even in line with the Boards current expectations.

The Board believes that Blink's experience in agreeing multi-year relationships with global insurers leads it to understand the average timescales to contract with its global distribution partners. Furthermore, the Board, alongside Blink's management team, have experience investing in Blink's infrastructure and have developed a clear and targeted strategy for investment into Blink following the Sale and realignment of the Group's strategy.

b) Competition

Well-funded competitors could enter the parametric travel and cyber markets which may lead to a dilution of Blink's existing partner base or pipeline.

The Board considers Blink to be a market-leader with proprietary technology developed over several years and a specialist understanding of the travel and cyber data on which its services are based. In addition, the travel and cyber sectors are substantial and growing, providing space for other operators.

c) Pandemic or other event leading to a global travel slowdown

80% of Blink's closing 2024 ARR is through partnerships in the global travel sector. Another global pandemic or other event leading to a global travel slowdown may significantly reduce or remove demand for Blink's travel product set.

The Board acknowledges that alongside Blink's focus on the travel market, it has also successfully diversified into the global cyber market. In addition, Blink's strategic plan includes new product development in conjunction with its global insurance partners.

10. LETTERS OF INTENT

The Company has received non-binding letters of intent from all of the Directors of the Company (excluding Alice Glenister who holds no Ordinary Shares), to vote in favour of the Resolution to be proposed at the General Meeting (and, where relevant, to procure votes by the relevant registered holders if that is not them) in respect of their entire beneficial holdings. The Directors' aggregate shareholding in the Company as at the date of the Circular is 295,837 Ordinary Shares (representing approximately 3.2% of the Company's issued share capital and total voting rights) as at the date of the Circular.

In addition, the Company has received non-binding letters of intent from Shareholders who collectively hold 5,365,124 Ordinary Shares (representing approximately 58.5% of the Company's issued share capital and total voting rights) as at the date of the Circular, to vote in favour of the Resolution to be proposed at the General Meeting (and, where relevant, to procure votes by the relevant registered holders if that is not them) in respect of their respective entire beneficial holdings.

As such, as at the date of the Circular, the Company has received non-binding letters of intent from Shareholders holding in aggregate 5,660,961 Ordinary Shares (representing approximately 61.7% of the Company's issued share capital and total voting rights) to vote in favour of the Resolution to be proposed at the General Meeting (and, where relevant, to procure votes by the relevant registered holders if that is not them).

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