



**dotdigital** GROUP  
PLC

## **INTERIM RESULTS**

**For the six months ended 31 December 2023**

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## Dotdigital Group plc

("Dotdigital" or the "Group")

### Interim results for the six months ended 31 December 2023

*Strong growth in line with expectations and expanded addressable market*

**Dotdigital Group plc** (AIM: DOTD), the leading SaaS provider of an all-in-one customer experience and data platform (CXDP), announces its unaudited interim results for the six months ended 31 December 2023 ("H1 FY24").

#### Financial Highlights

- Group revenue increased 15% to £38.7m (H1 FY23: £33.8m)
  - Organic revenue (excluding Fresh Relevance) increased 11% in constant currency (9% on a reported basis) to £36.9m
- Recurring and repeating revenue as a percentage of total revenue was 94% (H1 FY23: 95%) and contracted recurring revenue represents 79% of total revenue (H1 FY23: 79%)
- ARPC<sup>1</sup> increased 9% to £1,709 per month (H1 FY23: £1,573 per month), not materially affected by the Fresh Relevance acquisition
- Adjusted EBITDA<sup>2</sup> of £12.4m up 13% from £11.1m
- Adjusted profit before tax<sup>3</sup> of £8.9m, in line with management expectations and 16% above prior year (H1 FY23: £7.7m), driven by revenue growth and increased interest income
- Net cash balance of £37.1m on 31 December 2023 (H1 FY23: £49.6m) following acquisition of Fresh Relevance (of which £18.8m was in cash)

#### Operational Highlights

- Healthy demand with total bookings ahead of last year, and particularly strong contribution from new customers as the broader platform offering gains traction in higher value deals
- Fresh Relevance integration on track with joint offering delivering new, larger enterprise customer wins
- International footprint delivering growth in all markets, with organic international revenue growth of 11.5% (18% in constant currency) driving total international revenues to £12.9m (H1 FY23: £11.5m), representing 33% of total revenue (H1 FY23: 34%)
- Ongoing product innovation with a focus on predictive analytics and real time automation functionality
- Growing new business pipeline, including larger enterprise opportunities, with trading at the start of H2 tracking in line with Board and market expectations<sup>4</sup> for the full year

#### Milan Patel, CEO of Dotdigital, commented:

*"We're pleased to report on a period of continued financial growth alongside the acceleration of our product roadmap and a growing market opportunity. We have invested into broadening and enhancing our platform offering, and we are seeing good levels of uptake, particularly from new customers, and our strengthened foundations across territories are translating into growth."*

*The acquisition of Fresh Relevance during the period added highly complementary personalisation technology to our offering, delivering early new business and cross selling success and a growing*

*pipeline of larger value deals. Our proposition is now even further aligned with the market-wide demand for an all-in-one digital marketing platform, complemented by our sophisticated AI and machine learning tools.*

*We enter the second half with continued momentum, in line with Board expectations. Whilst cognisant of wider macroeconomic conditions across our markets, our robust financial position, comprehensive product offering servicing a diverse customer base and an expanded pipeline of opportunities leave us confident in the Group's continued success."*

## About Dotdigital

Dotdigital Group plc (AIM: DOTD) is a leading provider of cross-channel marketing automation technology to marketing professionals. Dotdigital's customer experience and data platform (CXDP) combines the power of automation and AI to help businesses deliver hyper-relevant customer experiences at scale. With Dotdigital, marketing teams can unify and enrich their customer data, identify valuable customer segments, and deliver personalised cross-channel customer journeys that result in engagements, conversions, and loyalty.

Founded in 1999, Dotdigital is headquartered in London with offices in Croydon, Manchester, New York, Melbourne, Sydney, Singapore, Tokyo, Amsterdam, Cape Town, and Warsaw. Dotdigital's solutions empower over 4,000 brands across 150 countries.

## Operational Review

The Group reports a period of strong operational and financial progress in the first half of the year, in line with management expectations. In addition to further building out our Customer Experience and Data Platform (CXDP), we have continued to grow in all regions, demonstrating the demand for Dotdigital's digital marketing proposition despite tough macroeconomic conditions.

We delivered double-digit revenue growth of 15% to £38.7m (H1 FY23: £33.8m), with underlying organic revenue growth (excluding Fresh Relevance) of 11% in constant currency (9% reported). This follows major enhancements to our platform offering following prior year investment in the product portfolio and business operations. As expected, adjusted profit before tax was £8.9m (H1 FY23: £7.7m). Cash generation continues to be strong, and the Group ended the period with a net cash balance of £37.1m, in line with Board expectations, following the acquisition of Fresh Relevance during the period (for up-front cash of £18.8m).

A core focus of our investments in the half has been to enhance our product offering as we build out a comprehensive CXDP platform to address a larger addressable market. Having implemented and enhanced our AI capabilities, personalisation and omni-channel functionality during the first half, Dotdigital is positioned with a significantly enhanced competitive edge within our market, characterised by strong underlying demand for AI and machine learning capabilities across all spheres of marketing, as organisations look to optimise their campaigns and improve efficiency and ROI.

More broadly, we observe a continuation of the shift to digital marketing, with marketers increasing their portion of spend towards digital channels, particularly around retention marketing, favouring Dotdigital's proposition.

In September, we acquired personalisation software provider Fresh Relevance to accelerate our CXDP offering. Fresh Relevance's cross-channel personalisation and web technology is highly complementary to the Group's existing proposition, and through the additional capabilities and technical expertise brought about by the acquisition we are now better positioned to grow our addressable market and attract higher value customers and contracts.

The integration of Fresh Relevance has progressed well to date, and we have made significant headway to drive further growth both in combining our proposition for customers through a unified onboarding, single sign-on process, and the establishment of a joint go-to-market strategy.

The acquisition has brought 66 new people to the Group and, with the teams having a strong existing relationship prior to September, we are pleased to see the benefits of further collaboration. We now have established cross-heritage teams, including within our product and engineering teams, enabling Dotdigital and Fresh Relevance employees to learn from each other, share best practices and share workload. The integration of our finance functions has also progressed well, and we are slightly ahead of schedule with delivering tangible cost savings from the process of integration.

Customer feedback has been very positive, and Fresh Relevance is already contributing to new agreements with customers in larger segments, alongside cross-selling to existing customers.

We have signed a number of new joint customers across e-commerce and not for profit organisations, cross-sold in the EMEA region and now have three 'beta' customers signed up in APAC, with a significant and increasing pipeline for further agreements ahead. At the time of acquisition, we reported that Fresh Relevance was expected to add c.£6.0m of annual revenues to the Group, and the business is performing in line with expectations of revenue and profitability for FY24.

Looking ahead, our achievements in the first half and strengthened proposition have laid the groundwork for further growth into H2, with Dotdigital now better positioned to grow within its verticals and ability to attract larger customers. At the same time, the Board has the flexibility to continue investing in the organic and inorganic growth opportunity through its strong cash generation and high visibility of future venues.

## **Market**

Digital marketing represents the core priority for marketing budgets, with marketing professionals across all sectors set to further increase their portion of spend towards digital channels. Supporting this, research shows that 76% of business leaders plan to invest more or the same into digital marketing in 2024<sup>1</sup>, with a recognition that this channel generates the highest return on their investment. Equally, with global economic conditions remaining unsteady, there is a reinforced focus on retention marketing alongside customer acquisition in order to deliver tangible ROI.

We operate in a large and growing market, estimated to be worth \$6.5bn in 2023 and forecast to be worth \$9.5bn in 2027<sup>2</sup>. Alongside this, the personalisation market is forecast to grow by over 23% annually from \$943m in 2022 to \$5.6bn by 2030<sup>3</sup>. Our focus within these markets lies primarily in the mid-market and enterprise segments, which form the bulk of value within this market.

AI, machine learning and data-driven analytics are increasingly becoming more important to power campaigns and we are seeing growing levels of inbound interest in our AI-enabled platform. According to recent research, 63% of marketers plan to invest in generative AI in the next two years<sup>4</sup>. Alongside this, many organisations are looking to consolidate their Martech stack to more cost effective and quicker to deploy all-in-one solutions, positioning Dotdigital well for further traction as it builds out its CXDP.

Email marketing continues to be the primary channel for customer engagement with the highest return on investment. According to Litmus (2023), 87% of brands say that Email Marketing is very critical to business success<sup>5</sup>. Email marketing still generates one of the highest returns from digital marketing activity for every \$1 spent generates a \$36 return<sup>6</sup>. Email Marketing continues to become more highly personalised through the use of data across their business systems and the use of AI functionality to create content. Dotdigital has continued to enhance the platform in both of these areas to help our customers drive efficiencies and ROI from their Marketing campaigns.

Alongside this, demand for omnichannel remains strong, with continued adoption of SMS and a growing pipeline for WhatsApp and In-app Push messaging capabilities across all regions. Reports show 63% of marketers have started or plan to implement omnichannel as part of their marketing strategy in the next 6-12 months<sup>7</sup>, reflecting the growing opportunities in these areas. The Group will shortly be introducing the capability for customers to deploy campaigns through WhatsApp native to the platform. These campaigns are based on pre-approved templates approved by WhatsApp, reducing the need for verification, which are expected to increase adoption rates across Dotdigital's customers.

<sup>1</sup><https://www.webfx.com/blog/marketing/digital-marketing-spend-insights/>

<sup>2</sup>[https://www.researchandmarkets.com/report/marketing-automation?gclid=Cj0KCQjwJKqBhCaARIsAN\\_yS\\_kZE2sgsfplTecCX23s4zuRvN4g](https://www.researchandmarkets.com/report/marketing-automation?gclid=Cj0KCQjwJKqBhCaARIsAN_yS_kZE2sgsfplTecCX23s4zuRvN4g)

<sup>3</sup><https://www.statista.com/statistics/1415357/personalization-software-market-size-worldwide/>

<sup>4</sup><https://digitalmarketingsolutionssummit.co.uk/briefing/63-of-marketing-leaders-plan-to-invest-in-generative-ai-in-next-two-years/>

<sup>5</sup><https://www.litmus.com/resources/state-of-email-workflows>

<sup>6</sup><https://www.litmus.com/resources/email-marketing-roi/>

<sup>7</sup><https://www.digizuite.com/blog/omnichannel-statistics>

## Strategy

The Group growth strategy centres around its three strategic pillars: geographic expansion, product innovation, and building on our strategic partnership relationships.

### **Geographic expansion**

*Regional breakdown reported in local currency*

The Group is pleased to report growth in all regions.

EMEA, the Group's largest market, organically grew 9% to £27.7m, in line with our expectations. Including acquired revenues, growth was 16% to £29.3m. We saw a good level of new bookings in the region, particularly from higher value new customers, as organisations increasingly opt for a more comprehensive, all-in-one marketing solution. We were also pleased to see a recovery in professional services to more normalised levels as customers re-initiated delayed projects.

The Group's momentum in North America continued to accelerate from FY23 levels, with revenues organically growing 8% to \$7.0m. Including acquired revenue, growth was 13% to \$7.3m. Following investment in the region and the bedding in of our regional team, we are delighted to see the re-established pipeline converting to sales, with the foundation now in place for a return to double-digit growth over the medium term.

APAC continues its strong trajectory of double-digit growth, increasing 33% to AUS\$6.9m. Whilst it is a newer market for us, growing from a smaller base, we see good potential in the region to take market share across the ANZ and Far East Asia market. The Group continues to invest in its sales teams in Japan and Singapore to support this expansion.

### ***Product Innovation***

As we work towards our vision of building the leading CXDP for marketers, R&D efforts during the period were focused on two main product releases: the release of '23three', launched in September, which was a milestone for Dotdigital's unified customer data platform through the acquisition of Fresh Relevance; and the release of '24four', launched in November just before the busy peaks of Black Friday & Cyber Monday.

A continuous pace of product updates and new functionality continues to unlock new value opportunities, both with new customers and up- and cross-selling within the Group's extensive customer base. Existing customers expanding their engagement of our platform offering is demonstrated by the increase in functionality recurring revenue<sup>3</sup>, which grew organically 8% to £13.2m (22% to £14.9m including Fresh Relevance) (H1 FY23: £12.2m). Key innovation highlights achieved during the period include:

- Single Sign On between the Dotdigital & Fresh Relevance platforms, enabling a seamless authentication experience between the products. This has now been adopted by over 30% of existing and new joint customers.
- WinstonAI™ our marketing intelligence engine now includes enhancements to its generative AI by providing customers with campaign content grammar checking, the ability to rewrite for tone, change the length of content, rephrase content, add emojis and, in one-click, convert an email to an SMS campaign. This is supported by user experience enhancements which have made WinstonAI™ even easier to use and find in-app.
- The launch of a new Connect area to easily allow customers to manage, browse & install integrations built by Dotdigital and verified technology partners. Customers can now integrate their data with 170+ technologies within their existing Martech stack.
- MMS (Multimedia Messaging Service) is now available as a native marketing channel within the platform to enable rich communication to audiences within North America. Early adopting customers have enjoyed up to 28x ROI from their campaign deployments with increase engagement rates.
- SMS/MMS now can be personalised with liquid scripting to enable highly advanced personalisation use cases such as abandoned cart, booking notifications and order notifications on the SMS/MMS channel.

The initial phase of product integration of the Fresh Relevance platform was completed in H1 and the second phase will continue into H2 with a focus on the homogenisation of user experience between the products, streamlined onboarding and further updates to the cross-platform data exchange of customer data. We expect the final phases of product integration roadmap work to be complete by the end of calendar 2024.

We are pleased to report that global software marketplace G2 recently announced Dotdigital as a Winter 2024 Grid Leader in the Marketing Automation, Transactional Email, Email Deliverability, Email

Template Builder, Landing Page Builder and CPaaS (Communications Platform As A Service) categories while also being highly placed in; Customer Data Platform, SMS Marketing, Personalization Engines, Mobile Marketing and Customer Journey Analytics. G2 reviews are based on customer feedback and the awards demonstrate our continued innovation and the successful execution of our all-in-one CXDP strategy.

### ***Strategic Partnerships***

Revenue from strategic partnerships continued to grow, albeit more modestly than in H1 FY23, with growth in CRM connectors offset through the larger e-commerce connectors. As a result, revenue through strategic partners grew 8% to £16.7m (H1 FY23: £15.5m). The strategic partnerships assist in driving brand awareness and provide global reach to complement our direct marketing channels. The Group saw growth in both the verticals that we focus on. Our customers using the e-commerce connectors grew 7% in the period from £10.6m to £11.4m. Over the same period we also saw strong growth in customers using the CRM connectors which grew 11% in the period from £4.8m to £5.3m.

As we look forwards, we will continue to enhance our strategic partnerships into other business systems to make it very easy for our customers to bring data into our customer data platform and see value in the combined offering.

We have also over the last six months strengthened our partner program which is focussed around adding agency and technology partners that work within the various ecosystems.

### **M&A**

In line with the ongoing enhancement of the Group's CXDP proposition, the Board continues to appraise acquisition opportunities to supplement organic growth at appropriate target valuations.

As previously stated, the Group's acquisition strategy is broadly focused on the following key categories: adjacent CXDP-related technologies that will drive ARPC expansion and deepen our international markets; for talent and brand to expand geographical coverage; and specialist functionality for target verticals.

### **Current trading and outlook**

Having significantly strengthened our offering in H1, we enter the second half with good trading momentum and the ability to attract higher value deals, underpinned by continuous product enhancements to drive cross- and up-sells from the existing base. Supporting this are the long-term market drivers, with customers increasing their digital marketing spend and exploring the range of sophisticated AI and machine learning tools available to enhance their campaigns and deliver better ROI.

Our focus in the second half continues to be around enhancing our proposition, progressing the integration of Fresh Relevance capabilities into the Group's platform, growing our presence across all of our regions and capturing the increased opportunities now available to the Group. At the same time, we continue to appraise acquisition opportunities to accelerate our product development and unlock new verticals for the Group.

We remain confident in the Group's ability to continue to execute against its stated strategy and meet market expectations and look forward to updating shareholders on our progress in H2.

## **FINANCIAL REVIEW**

### **Revenue**

Revenue during the period grew 15% to £38.7m from £33.8m in H1 FY23. The acceleration vs prior periods was driven by the acquisition of Fresh Relevance. Organic Growth was 9% as acceleration in North America and APAC was in part offset by adverse FX rate movement.

Recurring and repeating revenue continues to represent c.94% of revenues which is substantially unchanged by the acquisition of Fresh Relevance. The gross retention rate has remained stable despite macro-economic pressure which is testament to the strength and diversity of our customer base. This same pressure can be seen in relatively low growth rates to messaging volumes vs previous years, however net retention rates and ARPC growth (now £1,709, up 9% from £1,573) have been maintained by strong positive movement in pricing and upsell of additional functionality.

International revenue represented 33% of total revenues in the period, from 34% in H1 FY23. Rapid growth in APAC and strengthening in North America (33% and 13% growth respectively in local currency) increased the proportion of international revenues in the Group, but this was in part offset by changes to FX rates and the relatively higher proportion of Fresh Relevance revenue which is UK based. North American revenue was \$7.3m (H1 FY23: \$6.5m), while APAC revenue was AUS\$6.9m (H1 FY23: AUS\$5.2m). EMEA revenues grew 16% in the period to £29.3m (H1 FY23: £25.3m) largely accelerated by the Fresh Relevance acquisition.

### **Gross Margin**

Product gross margins remain consistent with the prior period. Total Gross margin was 79.3% (H1 FY23: 79.1%) as Fresh Relevance gross margin was consistent with Dotdigital organic margins.

### **EBITDA**

We are pleased that the Group achieved an adjusted EBITDA margin of 32% and an adjusted operating profit margin of 22% in the first half, which was in line with management expectations. The Group saw the full period impact of costs which ramped through the prior year as well as the impact of the Fresh Relevance acquisition which had lower margins. We have experienced cost inflation in many areas which is consistent with levels reported for the wider economy, however this has been substantially mitigated through rationalisation of certain back office costs negotiation with our suppliers and partners. Exceptional costs in the period are driven by share based payments, acquisition and integration costs of Fresh Relevance.

EBITDA growth of 13% to £12.4m (H1 FY23: £11.1m) is ahead of our organic revenue growth, while Fresh relevance is expected to contribute positive EBITDA in future periods as cost synergies are realised.

### **Balance Sheet & Cash Position**

Dotdigital continues to generate strong cash flow from operations with an interim period end net cash balance of £37.1m. Whilst there has been a brief period of normalisation of working capital balances

following the acquisition of Fresh Relevance, the Group's historical strong cash generation has continued and so we retain strategic options, particularly involving opportunities to explore potential acquisitions of relevant adjacent technologies.

Cash management has been an increasing priority over the past 18 months such that we can optimise returns. We now use a mix of accounts at banks with the highest credit ratings to balance security, accessibility and interest income. Interest in the period increased to £0.6m vs £0.2m in H1 FY23, despite having a lower balance following our acquisition of Fresh Relevance.

The Group continues to prioritise product development and so we have increased spend broadly in line with revenue such that we spent c.£4.4m on development (compared to £4.0m in H1 FY23).

### **Dividend Policy**

A dividend of 1p per ordinary share (FY23: 0.98p) was proposed by the Company at the time of its Final Results in November last year, demonstrating a commitment from the Board to deliver value by focusing on total shareholder return. This dividend was approved by shareholders at the Annual General Meeting on 19 December 2023 and paid on 31 January 2024.

The Group will review the dividend at year end; therefore, in line with previous years the Board is not proposing an interim dividend. We expect to maintain our dividend policy of growing the full year dividend in line with EBITDA.

Dotdigital Group Plc

Consolidated Income Statement  
For the six months ended 31 December 2023

|                                                                                        |   | 6 months<br>to 31 Dec<br>2023<br>Unaudited<br>£'000s | 6 months<br>to 31 Dec<br>2022<br>Unaudited<br>£'000s | 12 months<br>to 30 June<br>2023<br>Audited<br>£'000s |
|----------------------------------------------------------------------------------------|---|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Revenue from contracts with customers                                                  | 4 | 38,745                                               | 33,822                                               | 69,228                                               |
| Cost of sales                                                                          |   | <u>(8,022)</u>                                       | <u>(7,053)</u>                                       | <u>(14,351)</u>                                      |
| Gross profit                                                                           | 4 | 30,723                                               | 26,769                                               | 54,877                                               |
| Administrative expenses                                                                |   | <u>(22,358)</u>                                      | <u>(19,222)</u>                                      | <u>(40,359)</u>                                      |
| <b>Operating profit from operations pre share based payments and exceptional costs</b> |   | <b>8,365</b>                                         | <b>7,547</b>                                         | <b>14,518</b>                                        |
| Share based payments                                                                   |   | (364)                                                | (262)                                                | (736)                                                |
| Exceptional costs                                                                      | 7 | <u>(1,200)</u>                                       | <u>(60)</u>                                          | <u>(234)</u>                                         |
| <b>Operating profit</b>                                                                |   | <b>6,801</b>                                         | <b>7,225</b>                                         | <b>13,548</b>                                        |
| Finance income                                                                         |   | 608                                                  | 214                                                  | 895                                                  |
| Finance costs                                                                          |   | <u>(27)</u>                                          | <u>(23)</u>                                          | <u>(57)</u>                                          |
| <b>Profit before income tax</b>                                                        |   | <b>7,382</b>                                         | <b>7,416</b>                                         | <b>14,386</b>                                        |
| Income tax expense                                                                     |   | <u>(1,346)</u>                                       | <u>(936)</u>                                         | <u>(1,791)</u>                                       |
| <b>Profit for the period attributable to the owners of the Company</b>                 |   | <b><u>6,036</u></b>                                  | <b><u>6,480</u></b>                                  | <b><u>12,595</u></b>                                 |
| <b>Earnings per share (pence per share)</b>                                            |   |                                                      |                                                      |                                                      |
| Basic                                                                                  | 6 | 1.99                                                 | 2.17                                                 | 4.21                                                 |
| Diluted                                                                                | 6 | 1.95                                                 | 2.13                                                 | 4.11                                                 |
| Adjusted basic                                                                         | 6 | 2.50                                                 | 2.27                                                 | 4.53                                                 |
| Adjusted diluted                                                                       | 6 | 2.46                                                 | 2.23                                                 | 4.43                                                 |

Dotdigital Group Plc

Consolidated Statement of Comprehensive Income  
For the six months ended 31 December 2023

|                                                                 | 6 months<br>to 31 Dec<br>2023<br>Unaudited<br><i>note</i><br>£'000s | 6 months<br>to 31 Dec<br>2022<br>Unaudited<br>£'000s | 12 months<br>to 30 June<br>2023<br>Audited<br>£'000s |
|-----------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>Profit for the period</b>                                    | 6,036                                                               | 6,480                                                | 12,595                                               |
| <b>Other comprehensive (expense)/income</b>                     |                                                                     |                                                      |                                                      |
| Items that may be subsequently reclassified to profit and loss: |                                                                     |                                                      |                                                      |
| Exchange differences on translating foreign operations          | <u>(42)</u>                                                         | <u>(43)</u>                                          | <u>(38)</u>                                          |
| <b>Total comprehensive income attributable to:</b>              |                                                                     |                                                      |                                                      |
| <b>Owners of the parent</b>                                     | 4<br><b>5,994</b>                                                   | <b>6,437</b>                                         | <b>12,557</b>                                        |

Dotdigital Group Plc

Consolidated Statement of Financial Position  
As at 31 December 2023

|                                                        | <i>Note</i> | As at<br>31 Dec<br>2023<br>Unaudited<br>£'000s | As at<br>31 Dec<br>2022<br>Unaudited<br>£'000s | As at<br>30 June<br>2023<br>Audited<br>£'000s |
|--------------------------------------------------------|-------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------|
| <b>Assets</b>                                          |             |                                                |                                                |                                               |
| <i>Non-current assets</i>                              |             |                                                |                                                |                                               |
| Goodwill                                               | 8           | 22,175                                         | 9,680                                          | 9,680                                         |
| Intangible assets                                      |             | 37,236                                         | 18,631                                         | 19,860                                        |
| Property, plant and equipment                          |             | 2,276                                          | 2,905                                          | 2,696                                         |
|                                                        |             | <u>61,687</u>                                  | <u>31,216</u>                                  | <u>32,236</u>                                 |
| <i>Current assets</i>                                  |             |                                                |                                                |                                               |
| Trade and other receivables                            |             | 17,050                                         | 12,970                                         | 15,261                                        |
| Cash and cash equivalents                              |             | 37,149                                         | 49,574                                         | 52,676                                        |
|                                                        |             | <u>54,199</u>                                  | <u>62,544</u>                                  | <u>67,937</u>                                 |
| <b>Total assets</b>                                    | 4           | <b><u>115,886</u></b>                          | <b><u>93,760</u></b>                           | <b><u>100,173</u></b>                         |
| <b>Equity attributable to the owners of the parent</b> |             |                                                |                                                |                                               |
| Called up share capital                                | 10          | 1,536                                          | 1,496                                          | 1,496                                         |
| Share premium                                          |             | 12,786                                         | 7,124                                          | 7,124                                         |
| Reverse acquisition reserve                            |             | (4,695)                                        | (4,695)                                        | (4,695)                                       |
| Other reserves                                         |             | 2,225                                          | 2,063                                          | 2,591                                         |
| Retranslation reserve                                  |             | 216                                            | 253                                            | 258                                           |
| Retained earnings                                      |             | 80,292                                         | 70,345                                         | 73,536                                        |
| <b>Total equity</b>                                    |             | <b><u>92,360</u></b>                           | <b><u>76,586</u></b>                           | <b><u>80,310</u></b>                          |

Dotdigital Group Plc

Consolidated Statement of Financial Position  
As at 31 December 2023

|                                     | As at<br>31 Dec<br>2023<br>Unaudited<br>£'000s | As at<br>31 Dec<br>2022<br>Unaudited<br>£'000s | As at<br>30 June<br>2023<br>Audited<br>£'000s |
|-------------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------|
| <b>Liabilities</b>                  |                                                |                                                |                                               |
| <i>Non-current liabilities</i>      |                                                |                                                |                                               |
| Lease liabilities                   | 1,153                                          | 1,426                                          | 1,321                                         |
| Deferred tax                        | <u>6,688</u>                                   | <u>2,853</u>                                   | <u>2,644</u>                                  |
|                                     | <u>7,841</u>                                   | <u>4,279</u>                                   | <u>3,965</u>                                  |
| <i>Current liabilities</i>          |                                                |                                                |                                               |
| Trade and other payables            | 14,743                                         | 11,931                                         | 14,629                                        |
| Lease liabilities                   | 634                                            | 832                                            | 823                                           |
| Current tax payable                 | <u>308</u>                                     | <u>132</u>                                     | <u>446</u>                                    |
|                                     | <u>15,685</u>                                  | <u>12,895</u>                                  | <u>15,898</u>                                 |
| <b>Total liabilities</b>            | <u><b>23,526</b></u>                           | <u><b>17,174</b></u>                           | <u><b>19,863</b></u>                          |
| <b>Total equity and liabilities</b> | <u><b>115,886</b></u>                          | <u><b>93,760</b></u>                           | <u><b>100,173</b></u>                         |

Dotdigital Group Plc

Consolidated Statement of Changes in Equity

For the six months ended 31 December 2023

|                               | Share capital | Share premium | Reverse Acquisition Reserve | Other reserves | Re-translation Reserve | Retained Earnings | Total         |
|-------------------------------|---------------|---------------|-----------------------------|----------------|------------------------|-------------------|---------------|
|                               | £'000s        | £'000s        | £'000s                      | £'000s         | £'000s                 | £'000s            | £'000s        |
| <b>As at 1 July 2022</b>      | <b>1,496</b>  | <b>7,124</b>  | <b>(4,695)</b>              | <b>2,005</b>   | <b>296</b>             | <b>63,582</b>     | <b>69,808</b> |
| Profit for the period         | -             | -             | -                           | -              | -                      | 6,480             | 6,480         |
| Retranslation reserve         | -             | -             | -                           | -              | (43)                   | -                 | (43)          |
| Reserve Transfer              | -             | -             | -                           | (283)          | -                      | 283               | -             |
| Deferred tax on share options | -             | -             | -                           | 79             | -                      | -                 | 79            |
| Share based payments          | -             | -             | -                           | 262            | -                      | -                 | 262           |
| <b>As at 31 December 2022</b> | <b>1,496</b>  | <b>7,124</b>  | <b>(4,695)</b>              | <b>2,063</b>   | <b>253</b>             | <b>70,345</b>     | <b>76,586</b> |
| As at 1 January 2023          | 1,496         | 7,124         | (4,695)                     | 2,063          | 253                    | 70,345            | 76,586        |
| Profit for the period         | -             | -             | -                           | -              | -                      | 6,115             | 6,115         |
| Dividends                     | -             | -             | -                           | -              | -                      | (2,926)           | (2,926)       |
| Retranslation reserve         | -             | -             | -                           | -              | 5                      | -                 | 5             |
| Reserve Transfer              | -             | -             | -                           | (2)            | -                      | 2                 | -             |
| Deferred tax on share options | -             | -             | -                           | 71             | -                      | -                 | 71            |
| Share based payments          | -             | -             | -                           | 459            | -                      | -                 | 459           |
| <b>As at 30 June 2023</b>     | <b>1,496</b>  | <b>7,124</b>  | <b>(4,695)</b>              | <b>2,591</b>   | <b>258</b>             | <b>73,536</b>     | <b>80,310</b> |
| As at 1 July 2023             | 1,496         | 7,124         | (4,695)                     | 2,591          | 258                    | 73,536            | 80,310        |
| Profit for the period         | -             | -             | -                           | -              | -                      | 6,036             | 6,036         |
| Retranslation reserve         | -             | -             | -                           | -              | (42)                   | -                 | (42)          |
| Issue of share capital        | 40            | 5,662         | -                           | -              | -                      | -                 | 5,702         |
| Reserve transfer              | -             | -             | -                           | (720)          | -                      | 720               | -             |
| Deferred tax on share options | -             | -             | -                           | 6              | -                      | -                 | 6             |
| Share based payments          | -             | -             | -                           | 348            | -                      | -                 | 348           |
| <b>As at 31 December 2023</b> | <b>1,536</b>  | <b>12,786</b> | <b>(4,695)</b>              | <b>2,225</b>   | <b>216</b>             | <b>80,291</b>     | <b>92,360</b> |

**Consolidated Statement of Changes in Equity  
For the six months ended 31 December 2023**

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- Share capital is the amount subscribed for shares at nominal value.
- Share premium represents the excess of the amount subscribed for Share Capital over the nominal value net of the share issue expenses.
- Retained earnings represents the cumulative earnings of the Group attributable to equity shareholders.
- The reverse acquisition reserve relates to the adjustment required to account the reverse acquisition in accordance with International Financial Reporting Standards.
- Other reserves relate to the charge for the share-based payments in accordance with International Financial Reporting Standard 2. The reserve transfer in the period relates to lapsed share options.
- Retranslation reserve relates to the retranslation of a foreign subsidiary into the functional currency of the Group.

Dotdigital Group Plc

Consolidated Statement of Cash Flows  
For the six months ended 31 December 2023

|                                                                |          | 6 months<br>to 31 Dec<br>2023<br>Unaudited<br>£'000s | 6 months<br>to 31 Dec<br>2022<br>Unaudited<br>£'000s | 12 months<br>to 30 June<br>2023<br>Audited<br>£'000s |
|----------------------------------------------------------------|----------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>Cash flow from operating activities</b>                     | <b>9</b> | <b>9,078</b>                                         | <b>10,569</b>                                        | <b>21,985</b>                                        |
| Tax paid                                                       |          | (1,295)                                              | (440)                                                | (1,119)                                              |
| <b>Net cash generated from operating activities</b>            |          | <b>7,783</b>                                         | <b>10,129</b>                                        | <b>20,866</b>                                        |
| <b>Cash flow from investing activities</b>                     |          |                                                      |                                                      |                                                      |
| Purchase of subsidiary net of cash acquired                    |          | (18,325)                                             | -                                                    | -                                                    |
| Additional consideration for repayment of debts at acquisition |          | (607)                                                | -                                                    | -                                                    |
| Purchase of intangible fixed assets                            |          | (4,365)                                              | (3,989)                                              | (8,760)                                              |
| Purchase of property, plant and equipment                      |          | (65)                                                 | (178)                                                | (306)                                                |
| Interest received                                              |          | 608                                                  | 214                                                  | 895                                                  |
| <b>Net cash used in investing activities</b>                   |          | <b>(22,754)</b>                                      | <b>(3,953)</b>                                       | <b>(8,171)</b>                                       |
| <b>Cash flows from financing activities</b>                    |          |                                                      |                                                      |                                                      |
| Equity dividends paid                                          |          | -                                                    | -                                                    | (2,926)                                              |
| Payment of leasing liabilities                                 |          | (493)                                                | (455)                                                | (917)                                                |
| Interest paid                                                  |          | (27)                                                 | (23)                                                 | (57)                                                 |
| Proceeds from share issues                                     |          | 6                                                    | -                                                    | -                                                    |
| <b>Net cash used in financing activities</b>                   |          | <b>(514)</b>                                         | <b>(478)</b>                                         | <b>(3,900)</b>                                       |
| (Decrease)/Increase in cash and cash equivalents               |          | (15,485)                                             | 5,698                                                | 8,795                                                |
| Cash and cash equivalents at beginning of period               |          | 52,676                                               | 43,919                                               | 43,919                                               |
| Effect of foreign exchange rate changes                        |          | (42)                                                 | (43)                                                 | (38)                                                 |
| <b>Cash and cash equivalents at end of period</b>              |          | <b>37,149</b>                                        | <b>49,574</b>                                        | <b>52,676</b>                                        |

## **Dotdigital Group Plc**

### **Notes to interim financial statements For the six months ended 31 December 2023**

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#### **1. GENERAL INFORMATION**

Dotdigital Group Plc is a company incorporated in England and Wales and quoted on the AIM market.

#### **2. BASIS OF INFORMATION**

These consolidated interim financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IAS') and on a historical basis, using the accounting policies which are consistent with those set out in the Group's annual report and accounts for the year ended 30 June 2023. The interim financial information for the six months to 31 December 2023, which complies with IAS 34 'Interim Financial Reporting' has been approved by the Board of Directors on 4 March 2024.

The unaudited interim financial information for the period ended 31 December 2023 does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 30 June 2023 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and contain an unqualified audit report and did not contain statements under Section 498 to 502 of the Companies Act 2006.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2023, as described in those financial statements.

## Dotdigital Group Plc

### Notes to interim financial statements For the six months ended 31 December 2023

#### 4. SEGMENTAL REPORTING

The Group's single line of business is the provision of data-driven omnichannel marketing automation. The chief operating decision maker considers the Group's reportable segments to be by geographical location this being EMEA, US and APAC operations as shown below:

#### Geographical revenue and results

|                                                                            | 6 months to 31 December 2023 |                            |                              |                 |
|----------------------------------------------------------------------------|------------------------------|----------------------------|------------------------------|-----------------|
|                                                                            | EMEA<br>Operations<br>£'000s | US<br>Operations<br>£'000s | APAC<br>Operations<br>£'000s | Total<br>£'000s |
| <b>Income statement</b>                                                    |                              |                            |                              |                 |
| Revenue                                                                    | 29,295                       | 5,853                      | 3,597                        | 38,745          |
| Gross profit                                                               | 22,247                       | 5,232                      | 3,244                        | 30,723          |
| Profit/(Loss) before income tax                                            | 7,073                        | 524                        | (215)                        | 7,382           |
| <b>Total comprehensive income attributable to the owners of the parent</b> | 5,721                        | 504                        | (231)                        | 5,994           |
| <b>Financial position</b>                                                  |                              |                            |                              |                 |
| Total assets                                                               | 105,785                      | 7,087                      | 3,014                        | 115,886         |
| Net current assets                                                         | 32,025                       | 4,678                      | 1,811                        | 38,514          |
|                                                                            |                              |                            |                              |                 |
|                                                                            | 6 months to 31 December 2022 |                            |                              |                 |
|                                                                            | EMEA<br>Operations<br>£'000s | US<br>Operations<br>£'000s | APAC<br>Operations<br>£'000s | Total<br>£'000s |
| <b>Income statement</b>                                                    |                              |                            |                              |                 |
| Revenue                                                                    | 25,342                       | 5,520                      | 2,960                        | 33,822          |
| Gross profit                                                               | 19,205                       | 4,942                      | 2,622                        | 26,769          |
| Profit/(Loss) before income tax                                            | 7,147                        | 603                        | (334)                        | 7,416           |
| <b>Total comprehensive income attributable to the owners of the parent</b> | 6,217                        | 608                        | (388)                        | 6,437           |
| <b>Financial position</b>                                                  |                              |                            |                              |                 |
| Total assets                                                               | 86,146                       | 4,849                      | 2,765                        | 93,760          |
| Net current assets                                                         | 44,251                       | 3,944                      | 1,454                        | 49,649          |

## Dotdigital Group Plc

### Notes to interim financial statements For the six months ended 31 December 2023

#### 4. SEGMENTAL REPORTING (CONTINUED...)

|                                                                            | 12 months to 30 June 2023    |                            |                              |                 |
|----------------------------------------------------------------------------|------------------------------|----------------------------|------------------------------|-----------------|
|                                                                            | EMEA<br>Operations<br>£'000s | US<br>Operations<br>£'000s | APAC<br>Operations<br>£'000s | Total<br>£'000s |
| <b>Income statement</b>                                                    |                              |                            |                              |                 |
| Revenue                                                                    | 52,338                       | 10,862                     | 6,028                        | 69,228          |
| Gross profit                                                               | 39,773                       | 9,702                      | 5,402                        | 54,877          |
| Profit/(Loss) before income tax                                            | 14,067                       | 921                        | (602)                        | 14,386          |
| <b>Total comprehensive income attributable to the owners of the parent</b> | 12,522                       | 686                        | (651)                        | 12,557          |
| <b>Financial position</b>                                                  |                              |                            |                              |                 |
| Total assets                                                               | 95,742                       | 4,170                      | 261                          | 100,173         |
| Net current assets/(liabilities)                                           | 50,620                       | 2,647                      | (1,228)                      | 52,039          |

#### 5. DIVIDENDS

The proposed final dividend of £3,065,980 for the year ended 30 June 2023 of 1.00p per share was paid on the 31 January 2024.

#### 6. EARNINGS PER SHARE

Earnings per share data is based on the consolidated profit using the weighted average number of shares in issue of the parent Company. Basic earnings per share are calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. Adjusted earnings per share is based on the consolidated profit deducting the acquisition related exceptional costs and share-based payment.

Dotdigital Group Plc

Notes to interim financial statements  
For the six months ended 31 December 2023

6. EARNINGS PER SHARE (CONTINUED...)

A number of non-IFRS adjusted profit measures are used in the annual report and financial statements and in these interim financial statements. Adjusting items are excluded from our headline performance measures by virtue of their size and nature, in order to reflect management's view of the performance of the Group. Summarised below is a reconciliation between statutory results to adjusted results. The Group believes that alternative performance measures such as adjusted EBITDA are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred) or based on factors which do not reflect the underlying performance of the business. The adjusted profit after tax earnings measure is also used for the purpose of calculating adjusted earnings per share.

| <b>Reconciliations to earnings figures used in arriving at adjusted earnings per share are as follows:</b> | 6 months to<br>31<br>December<br>2023 | 6 months<br>to 31<br>December<br>2022 | 12 months<br>to 30 June<br>2023 |
|------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------------------------|
|                                                                                                            | £'000s                                | £'000s                                | £'000s                          |
| Profit for the year attributable to the owners of the parent                                               | 6,036                                 | 6,480                                 | 12,595                          |
| Amortisation of acquisition-related intangible fixed asset                                                 | 571                                   | 60                                    | 120                             |
| Other exceptional costs                                                                                    | 629                                   | -                                     | 114                             |
| Share-based payment                                                                                        | 364                                   | 262                                   | 736                             |
| <b>Adjusted profit for the year attributable to the owners of the parent</b>                               | <b>7,600</b>                          | <b>6,802</b>                          | <b>13,565</b>                   |

Management does not consider the above adjustments to reflect the underlying business performance.

|                              | 6 months<br>to 31 Dec 2023<br>Unaudited | 6 months<br>to 31 Dec 2022<br>Unaudited | 12 months<br>to 30 June 2023<br>Audited |
|------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| Earnings per Ordinary share: |                                         |                                         |                                         |
| Basic (pence)                | 1.99                                    | 2.17                                    | 4.21                                    |
| Diluted (pence)              | 1.95                                    | 2.13                                    | 4.11                                    |
| Adjusted basic (pence)       | 2.50                                    | 2.27                                    | 4.53                                    |
| Adjusted diluted (pence)     | <u>2.46</u>                             | <u>2.23</u>                             | <u>4.43</u>                             |

**Dotdigital Group Plc**  
**Notes to interim financial statements**  
**For the six months ended 31 December 2023**

**6. EARNINGS PER SHARE (CONTINUED...)**

|                                                                             | to 31 Dec 2023<br>Unaudited<br>£'000s | to 31 Dec 2022<br>Unaudited<br>£'000s | to 30 June 2022<br>Audited<br>£'000s |
|-----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|
| <b>Profit for the period<br/>for the purpose of earnings<br/>per share:</b> |                                       |                                       |                                      |
| <b>Basic</b>                                                                | 6,036                                 | 6,480                                 | 12,595                               |
| <b>Adjusted</b>                                                             | <u>7,600</u>                          | <u>6,802</u>                          | <u>13,565</u>                        |

Weighted average number of shares in issue as follows:

|                         | 6 months<br>to 31 Dec<br>2023<br>Unaudited | 6 months<br>to 31 Dec<br>2022<br>Unaudited | 12 months<br>to 30 June<br>2023<br>Audited |
|-------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| Weighted average number |                                            |                                            |                                            |
| Basic                   | 303,546,425                                | 299,216,130                                | 299,216,130                                |
| Diluted                 | <u>309,341,173</u>                         | <u>304,819,814</u>                         | <u>306,435,606</u>                         |

The adjusted profit for the period, adjusted basic earnings per ordinary share and adjusted diluted earnings per ordinary share exclude exceptional costs £1,200,000 (FY22: £60,000, FY23: £234,000) and share based payments £364,000 (FY22: £262,000, FY23: £736,000).

**7. Exceptional costs**

Exceptional costs relate to the amortisation of acquired intangibles £571,000 (FY22: £60,000, FY23: £120,000), acquisition costs of £477,000 (FY22: £nil, FY23 £100,000), Employers' NI on share option exercise of £143,000 (FY22: £nil, FY23 £nil), and professional fees related to the valuation of share options of £9,000 (FY22: £nil, FY23 £14,000).

Dotdigital Group Plc

Notes to interim financial statements  
For the six months ended 31 December 2023

8. GOODWILL

|                                        | As at<br>31 Dec<br>2023<br>Unaudited<br>£'000s | As at<br>31 Dec<br>2022<br>Unaudited<br>£'000s | As at<br>30 June<br>2023<br>Audited<br>£'000s |
|----------------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------|
| <b>Group</b>                           |                                                |                                                |                                               |
| <b>Cost</b>                            |                                                |                                                |                                               |
| At beginning of period                 | 13,192                                         | 13,192                                         | 13,192                                        |
| Additions                              | <u>12,495</u>                                  | <u>-</u>                                       | <u>-</u>                                      |
| At end of period                       | <u>25,687</u>                                  | <u>13,192</u>                                  | <u>13,192</u>                                 |
| <b>Amortisation</b>                    |                                                |                                                |                                               |
| At beginning of period                 | 3,512                                          | 3,512                                          | 3,512                                         |
| Impairment                             | <u>-</u>                                       | <u>-</u>                                       | <u>-</u>                                      |
| At end of period                       | <u>3,512</u>                                   | <u>3,512</u>                                   | <u>3,512</u>                                  |
| <b>Net book value at end of period</b> | <u><b>22,175</b></u>                           | <u><b>9,680</b></u>                            | <u><b>9,680</b></u>                           |

On the 11 September 2023, the Group acquired all the voting rights of Fresh Relevance Limited for a purchase consideration of £18.8m in cash and £5.7m in shares in exchange for all Fresh Relevance Limited shares. Further consideration of £0.6m was paid at acquisition to aid Fresh Relevance Limited in the repayment of debt.

The Directors believe the acquisition will:

- Accelerate Dotdigital's CXDP roadmap, bringing highly complementary cross-channel personalisation and website technology together with technical expertise.
- Increase the Group's addressable market, enabling the acquisition of higher value customers and supporting customer retention by providing the means to expand its role in existing customers' technology stacks.
- Add over £6.0m of annual revenues, of which 93% are recurring SaaS revenue, and £0.6m annual EBITDA before integration costs.
- Create revenue and cost synergies over the medium term and is expected to be earnings enhancing in the financial year ending 30 June 2025.

Goodwill of £12.5m was recognised on the acquisition, being the excess of the purchase consideration over the provisional fair value of net assets acquired as set out below.

**Notes to interim financial statements**  
**For the six months ended 31 December 2023**

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**8. GOODWILL (CONTINUED...)**

The provisional assets and liabilities recognised as a result of the acquisition are as follows:

**Fair value of assets acquired (provisional)**

|                                            | £'000s               |
|--------------------------------------------|----------------------|
| <b>Assets</b>                              |                      |
| Non-current assets                         |                      |
| Intangibles assets                         | 17,129               |
| Property, plant and equipment              | <u>22</u>            |
|                                            | <u>17,151</u>        |
| <b>Current assets</b>                      |                      |
| Trade and other receivables                | 792                  |
| Tax Asset                                  | 118                  |
| Cash and cash equivalents                  | <u>498</u>           |
|                                            | <u>1,408</u>         |
| <b>Total assets</b>                        | <u><b>18,559</b></u> |
| <b>Liabilities</b>                         |                      |
| Non-current liabilities                    |                      |
| Deferred tax                               | <u>3,974</u>         |
|                                            | <u>3,974</u>         |
| <b>Current liabilities</b>                 |                      |
| Trade and other payables                   | <u>2,561</u>         |
|                                            | <u>2,561</u>         |
| <b>Total liabilities</b>                   | <u><b>6,535</b></u>  |
| <b>Total fair value of assets acquired</b> | <u><b>12,024</b></u> |
| <b>Goodwill</b>                            | <u><b>12,495</b></u> |
| <b>Total consideration</b>                 | <u><b>24,519</b></u> |

Acquisition costs of £0.5m were recognised in the Consolidated Income Statement under exceptional costs.

In accordance with IFRS 3 'Business Combinations', the acquisition accounting will be finalised within 12 months of the acquisition date of 11 September 2023.

Dotdigital Group Plc

Notes to interim financial statements  
For the six months ended 31 December 2023

**9. RECONCILIATION OF PROFIT BEFORE INTEREST AND CORPORATION TAX TO NET CASH GENERATED FROM OPERATIONS**

|                                                       | 6 months<br>to 31 Dec<br>2023<br>Unaudited<br>£'000s | 6 months<br>to 31 Dec<br>2022<br>Unaudited<br>£'000s | 12 months<br>to 30 June<br>2023<br>Audited<br>£'000s |
|-------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>Profit before tax from all operations</b>          | <b>7,382</b>                                         | <b>7,416</b>                                         | <b>14,386</b>                                        |
| Adjustments for:                                      |                                                      |                                                      |                                                      |
| Depreciation                                          | 525                                                  | 535                                                  | 1,035                                                |
| Amortisation                                          | 4,123                                                | 3,038                                                | 6,578                                                |
| Loss on disposal of fixed assets                      | -                                                    | 18                                                   | 38                                                   |
| Share-based payments                                  | 348                                                  | 262                                                  | 721                                                  |
| Finance lease non-cash movement                       | 118                                                  | 159                                                  | 326                                                  |
| Net finance expense                                   | (581)                                                | (191)                                                | (838)                                                |
| (Increase)/decrease in trade and other<br>receivables | (997)                                                | 55                                                   | (2,236)                                              |
| (Decrease)/increase in trade and other<br>payables    | (1,840)                                              | (723)                                                | 1,975                                                |
| <b>Net cash from operations</b>                       | <b>9,078</b>                                         | <b>10,569</b>                                        | <b>21,985</b>                                        |

**10. CALLED UP SHARE CAPITAL**

During the period ended 31 December 2023, 8,041,830 Ordinary Shares of £0.005 per share (FY22: nil, FY23: nil) were issued.

The issued share capital as at 31 December 2023 was 307,257,960 Ordinary Shares of £0.005 per share (2022: 299,216,130 Ordinary Shares of £0.005 per share, FY23: 299,216,130 Ordinary Shares of £0.005 per share).

**Dotdigital Group Plc**  
**Notes to interim financial statements**  
**For the six months ended 31 December 2023**

**11. RELATED PARTY NOTE**

Transactions between the company and its subsidiaries, who are related parties, have been eliminated on consolidation and are not disclosed in this note.

**Key management remuneration:**

Key management include Directors and non-executive Directors

The remuneration paid for key management for employee services are as follows:

|                                                        | 6 months<br>to 31 Dec 2023<br>Unaudited<br>£'000s | 6 months<br>to 31 Dec 2022<br>Unaudited<br>£'000s | 12 months<br>to 30 June<br>2023<br>Audited<br>£'000s |
|--------------------------------------------------------|---------------------------------------------------|---------------------------------------------------|------------------------------------------------------|
| Aggregate emoluments                                   | 401                                               | 363                                               | 1,191                                                |
| Share-based payments on the LTIP options granted       | 114                                               | 86                                                | 248                                                  |
| Company contributions to money purchase pension scheme | 13                                                | 12                                                | 22                                                   |
|                                                        | <u>528</u>                                        | <u>461</u>                                        | <u>1,461</u>                                         |

Performance Share Plan (PSP) awards granted to Milan Patel on 21 December 2020 over 306,728 shares will partially vest (currently estimated to be between 25% to 35% of maximum potential) against the relative three-year total shareholder return and earnings per share targets. Full details of the actual performance against the targets and number of shares vesting will be set out in next year's Directors' Remuneration Report.

During the year ended 30 June 2023, the Chief Executive Officer was granted a PSP award over 600,379 shares while the Chief Finance Officer was granted an award over 276,490 PSP shares. These become exercisable subject to continued service and the Company's relative three-year total shareholder return and earnings per share in respect of the year ending 30 June 2025.

**12. SUBSEQUENT EVENTS TO 31 DECEMBER 2023**

As at the date of these statements and the date they were approved by the Board of Directors there were no such events to report.

Copies of this interim statement are available from the Company at its registered office at, No 1 London Bridge London, SE1 9BG. The interim financial information document will also be available on the Company's website [www.dotdigitalgroup.com](http://www.dotdigitalgroup.com).