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Dotdigital Group plc
("Dotdigital" or the "Group")

Dotdigital acquires Fresh Relevance

Acquisition of personalisation platform strengthens Dotdigital's CXDP offering

Dotdigital Group plc (AIM: DOTD), the leading SaaS provider of an all-in-one customer experience and data platform (CXDP), is pleased to announce the acquisition of Fresh Relevance Limited ("Fresh Relevance"), a vendor of cross-channel personalisation technology ("the Acquisition").

Highlights:

- Acquisition accelerates Dotdigital's CXDP roadmap, bringing highly complementary cross-channel personalisation and website technology together with technical expertise
- Increases 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
- Strong existing relationship between Dotdigital and Fresh Relevance, with established technology integration and shared values and culture
- Expected to add over £6.0m of annual revenues, of which 93% are recurring SaaS revenue, and £0.6m annual EBITDA before integration costs
- Revenue and cost synergies over the medium term and is expected to be earnings enhancing in the financial year ending 30 June 2025

About Fresh Relevance

Fresh Relevance was founded in 2013 and operates from its offices in London and Southampton. The platform increases conversions and boosts revenues by using data to personalise customer experiences across web, email, mobile app, SMS and ads. Capabilities include triggered emails, product recommendations, onsite popovers, dynamic content, behavioural and geotargeting, optimisation and customer data management. Fresh Relevance has more than 300 customers around the world spanning consumer and B2B ecommerce and travel. Customers include Rip Curl, Dreams, Hoseasons and Wowcher.

Background to and Reasons for the Acquisition

The acquisition brings highly complementary personalisation technology and website expertise to the Group, supporting marketers in delivering exceptional customer experiences across all customer touchpoints. Personalisation is a growing trend: 76% of consumers say they're more likely to purchase from brands that personalise interactions¹, with websites often representing the final gateway to customer conversion. This is reflected in the investment choices of marketers, with one third of marketers spending 50% or more of their budgets on personalisation² and two thirds of North American and European eCommerce companies planning to invest more into it in the future³.

Dotdigital and Fresh Relevance have a strong existing relationship and a proven track record of joint success. Having worked together in a partnership capacity for years, the two firms share a number of joint customers that utilise the existing technology integration.

As part of Dotdigital, Fresh Relevance will operate under its existing brand. The integration of Fresh Relevance into the Group will be overseen by Dotdigital's newly appointed Chief Business Operations Officer, Helen Thomazin (a non-Board position), and Fresh Relevance CEO and co-founder, Mike Austin, who will join the Dotdigital leadership team (also non-Board).

As long-standing partners, Dotdigital and Fresh Relevance already have a level of integration where the technology works hand-in-hand to deliver memorable cross-channel experiences with hyper targeting and personalisation across all stages of a customer's journey. Over the next 12 months, the Group will be leveraging the functionality of the Fresh Relevance platform and integrating this into the Dotdigital experience platform to enable a more seamless user experience for customers as part of its vision of launching a differentiated all-in-one CXDP. This will create a higher value proposition and provide revenue expansion opportunities across both customer bases, as well as open up substantial new, higher value customer acquisition opportunities. Dotdigital will leverage Fresh Relevance's capabilities and experience specifically in website journey orchestration, personalisation and optimisation, not just for known identifiable customers but also the 95%-98% of visitors that are anonymous.

Consideration

Dotdigital is paying a total consideration of £25.0 million, 100% payable on completion, with c.£18.9 million being satisfied in cash and c.£6.1 million by the issue of 6,862,683 new ordinary shares in Dotdigital at 88.698p, which are subject to a 12 month lock-in.

The cash portion of the consideration will be funded through the Group's own cash reserves. Post Acquisition, the Group will have a cash balance of £38.3m giving the flexibility to look at further strategic acquisition opportunities.

The Acquisition will complete on admission of the equity shares to trading on AIM.

Milan Patel, Chief Executive Officer of Dotdigital, commented:

"The acquisition of Fresh Relevance and its expertise in the realm of web significantly enhances our personalisation capabilities and provides opportunity for average revenue per user expansion. Its addition marks a leap forward in our CXDP growth journey, bringing together customer insights, cross-channel engagement, and on-site personalisation capabilities to provide marketers with the tools to exert greater influence across the customer journey."

Having worked together as partners for five years, we have been long-term admirers of Fresh Relevance and its talented staff. Our cultural alignment gives me confidence that customers old and new will reap the benefits of a more comprehensive offering that extends beyond traditional marketing channels."

On behalf of the Board and everyone at Dotdigital I would like to welcome Fresh Relevance to the organisation. I look forward to working closely with them to achieve our shared ambitions and drive increased value for the Group's shareholders."

¹McKinsey: [The value of getting personalization right-or wrong-is multiplying](#)

²Adobe: [Study: Where is Personalization Missing the Mark?](#)

³Statista: [Share of e-commerce companies planning on investing more in personalization in North America and Europe in 2021](#)

Admission

An application has been made for 6,862,683 new ordinary shares, to be issued to satisfy the equity consideration for the Acquisition, to be admitted to trading on AIM ("Admission"). Admission is expected to occur on 11 September 2023. Following Admission, the Company will have 306,078,813 ordinary shares in issue admitted to trading on AIM, which figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules. Of this total 660,000 ordinary shares are held in treasury.

Dotdigital Group Plc

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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, Cape Town, and Warsaw. Dotdigital's solutions empower over 4,000 brands across 150 countries.

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