



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

Full Year Results

Year of organic growth, enhanced profitability and significant product advancement aligned to market demand

Dotdigital Group (AIM: DOTD), the leading SaaS provider of an AI-powered customer experience and data platform for intelligent, personalised marketing engagement at scale, announces its final audited results for the year ended 30 June 2025 ("FY25").

Financial Highlights

- FY25 revenue performance in line and profitability performance slightly ahead of market expectations¹.
- Group revenue increased 6% to £83.9m (FY24: £79.0m); 7% on a constant-currency basis; driven by organic growth.
 - o Recurring and repeating revenue represented 94% of total (FY24: 94%); contracted recurring was 80% of Group revenue (FY24: 79%).
 - o Average revenue per customer (ARPC) increased 8% on a constant-currency, normalised basis to £1,923 per month (FY24: £1,781 normalised).
- Forward looking ARR growth totalling 14% (or 9% on an organic basis) to £72.6m (FY24: £63.6m) in our core CXDP business.
- Adjusted EBITDA up 10% to £26.8m (FY24: £24.3m).
- Adjusted profit before tax up 13% to £19.0m (FY24: £16.8m).
- Adjusted diluted EPS up 2% to 4.80p (FY24: 4.71p).
- Cash balance of £36.2m at 30 June 2025 (30 June 2024: £42.2m), after the 20m initial cash payment for the Social Snowball acquisition in late June 2025 and continued strong cash generation.
- Proposed final dividend of 1.21p per ordinary share (FY24: 1.10p) in line with progressive dividend policy.

Operational Highlights

- Growth in every region with revenues from international regions increasing to 33% of Group (FY24: 32%) with North America and APAC delivering c. 20% growth in local currency.
- Leading new global logos added, including Science in Sport, the QCA, KFC, New York Botanical Gardens, The Royal National Ballet, FujiFilm, The Body Shop and BBC Children in Need.
- Functionality recurring revenue² increased by 12% on a constant currency basis to £35.5m (FY24: £31.6m), supported by new customer growth and existing customers expanding usage of the platform as new capabilities are introduced.
- Acquisition of Social Snowball (June 2025) added influencer, affiliate and referral marketing capability, immediately earnings-enhancing, with a strong Shopify footprint and clear cross-sell potential. Post acquisition, ARR growth is approximately 50% to date on an annualised basis.
- Product innovation: continued investment in AI and data; expansion of Winston AI; additional platform enhancements including improved data capability, reporting and connectivity to business systems.
- WhatsApp fully launched in April 2025 and now generating revenue, with more than 30 customers adopting the functionality across regions.
- Fresh Relevance fully integrated, strengthening personalisation and helping to secure higher-value wins and cross-sell.
- Partner ecosystem: revenue from customers using named technology

connectors increased 8% to £37.0m, with notable growth in Shopify, Netsuite and Salesforce.

Outlook

- The Group is well positioned to deliver results in line with full-year market expectations for FY26.
- Strong market tailwinds as demand shifts to integrated platforms, like Dotdigital, that can leverage automation and AI to deliver increased efficiency, reduced complexity, improved consumer experience and clear ROI.
- The Group entered FY26 with a broader product suite, higher-value pipeline and expectation of continued sustainable growth and strong cash generation.

Milan Patel, CEO of Dotdigital, said:

"We are pleased to report another year of profitable growth alongside meaningful progress on our platform strategy. New customer wins were complemented by consistently high retention and expansion within our existing base, underscoring the strategic value clients place on our platform as the foundation of their digital marketing strategy.

Customers are consolidating around fewer, more capable systems and demanding clear returns; we are meeting that need. With advances in AI, data and mobile messaging, the addition of Social Snowball and the integration of Fresh Relevance, our CXDP is broader and more valuable than ever.

With market conditions improving, our pipeline is healthy, our balance sheet is strong and our partner network continues to expand. We enter the new financial year focused on disciplined execution: expanding usage, growing internationally and delivering innovation that drives measurable outcomes for our customers."

¹ Consensus market expectations for the year to 30 June 2025 were: Revenue £83.9m; Adjusted EBITDA £26.0m; Adjusted PBT £18.3m; Adjusted EPS 4.7p; DPS 1.2p.

² Functionality recurring revenue refers to the value charged to customers for the core software platform and functionality, excluding contracted or transactional based revenue in relation to communication volumes.

Analyst Briefing

Management will host an in-person-only briefing and Q&A for analysts today at 9am UK time. To register to attend, please contact dotdigital@almastrategic.com.

Investor Presentation

Management will host a virtual investor presentation and Q&A via the Investor Meet Company platform on Thursday 6 November at 12.00 GMT. Investors can sign up for free and follow Dotdigital [here](#).

A copy of the Results Presentation and FY25 Annual Report will be available on our [website](#) shortly.

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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 Manchester, Southampton, New York, Melbourne, Sydney, Singapore, Tokyo, Warsaw and Cape Town. Dotdigital's solutions empower over 4,000 brands across 150 countries.

Chairman's Statement

Financial year 2025 (FY25) was a year of encouraging delivery against the strategy, combining solid financial performance with further strengthening of the platform and development of the organisation to prepare it for global scaling in the years to come.

Profitable growth and strategic progress

We delivered growth across all regions, with international markets the standout. North America was particularly strong, while APAC achieved sustained double-digit growth supported by continued investment in product and people on the ground. We also delivered a solid performance in EMEA, albeit at lower growth rates than previously experienced, pleasingly this was more than offset by the acceleration overseas. It was encouraging to broadly maintain Group-level growth across a period of softer conditions for much of the wider software sector, including for many of our significantly larger competitors, reflecting the strength and resilience of our model.

Selective acquisitions remain a core component of our strategy. The addition of Social Snowball at the end of our financial year is both strategically and financially important and broadens our capability into the influencer, affiliate and referral marketing space, and strengthens our presence in the Shopify ecosystem. This follows the integration of our acquisition of Fresh Relevance in financial year 2024 (FY24), which deepened our personalisation offering and has contributed to higher-value customer wins. We will continue to assess opportunities that are earnings enhancing, strategically aligned and fairly valued, recognising the benefits that come from adding adjacent capabilities to an increasingly coherent platform.

Alongside this, we continued to build out our Customer Experience Data Platform (CXDP), unifying data, personalisation and communications into a connected suite that is easier to adopt and scale. Our investment in Winston AI continues to benefit our customers, with capabilities continuously being added and adopted. We will continue to invest in research and development (R&D) with spend being directed towards Winston AI, as well as driving AI adoption throughout our own operations. With over 250 integrations now in place and new channels such as WhatsApp launched, customers can access richer insights and deliver more tailored campaigns. These developments deepen adoption across our base, enhance retention and reinforce Dotdigital's position as a differentiated, future-ready platform.

High-quality financial model

Our financial model remains a key strength and differentiator. With 94% recurring or repeating revenue and c. 80% contracted, we enjoy high levels of visibility and resilience, supporting attractive margins and do not chase non-profitable business. With strong cash generation and a robust balance sheet, we are committed to continuing to reinvest in innovation while funding selective acquisitions that bolster our product offering and enhance our long-term opportunity.

Strengthened executive

During the period, we strengthened our leadership with the appointment of Tom Mullan as Chief Financial Officer. Tom brings significant public tech company and international software sector experience that will support the Group's financial discipline, scalability and M&A ambitions.

We are in the process of appointing a Chief Revenue Officer, a new role designed to centralise and align our go-to-market activities across regions and with an emphasis on expansion, retention and enhancing lifetime value. Together, these appointments will deepen the expertise of the executive team, enhance operational execution and ensure the Group is well positioned to capture the opportunities ahead.

ESG in action

We continued to advance our sustainability agenda during the year, building upon strong foundations, and remain on track to achieve our Net Zero 2030 objective. From a social standpoint, we continue to focus on our people and their communities. It's encouraging to see the increased uptake of the government-backed electric vehicle scheme from our UK employees as well as strong participation across our global teams in dotCommunity initiatives to give back to local communities.

Growing momentum and increasing opportunity

With each year that passes, the opportunity for Dotdigital increases. Organisations increasingly want the highest-quality products, cutting-edge capabilities and demonstrable ROI. At the same time, there is a growing trend towards rationalising their technology stack to fewer providers. With Fresh Relevance and now Social Snowball, alongside the stellar work of our R&D teams introducing new functionality and bolstering existing features, we are uniquely positioned to respond, with a broad, independent platform that meets the needs of marketers globally now and tomorrow.

On behalf of the Board, I would like to thank our employees for their commitment and energy this year amid a challenging macroeconomic backdrop, to our customers for choosing us and to our shareholders for their continued support. We are making steady progress as we move through the new financial year; our integrated platform has significant strategic value as the industry evolves, and we have a clear plan to enhance it further and increase penetration across marketers globally. We look to the future with confidence.

CEO's Report

Overview

Dotdigital delivered yet another year of resilient progress and strong cash generation. We grew in every region, with international revenue now accounting for 33% of Group revenue (FY24: 32%). North America delivered the strongest growth in absolute value terms, APAC continued to build as we ramped up localisation, and EMEA remained our anchor for scale and stability while delivering a solid performance. Our execution centred on expanding usage and retention through disciplined implementations and customer success, and a continued focus of driving new logo wins in international regions.

Our Customer Experience and Data Platform (CXDP) advanced at pace. We strengthened Winston AI, expanded data and reporting capabilities, and broadened connectivity across social and commerce ecosystems. WhatsApp moved from trial to full launch and is already in production with customers across regions, reinforcing our position in mobile messaging. These enhancements are being adopted steadily as customers look to augment their engagement strategies and seek measurable return on investment.

The acquisition of Social Snowball just before the end of the period adds high-growth influencer, affiliate and referral capability while bolstering the Group's presence in the Shopify ecosystem. Fresh Relevance, acquired in FY24, is now fully embedded and performing, deepening our personalisation capability and helping us win and expand higher-value accounts. In the year we also expanded the go-to-market strategies for our personalisation capabilities into international markets. Together, these acquisitions broaden our addressable market and create clear opportunities to expand average revenue per

customer, increase customer retention and win higher value customers.

Operational discipline remained a priority throughout, strengthening our long-term prospects. We focused on accelerating onboarding so customers realise value sooner, stepped away from a lower margin contract that would have become loss-making, and continued to invest selectively in product and go-to-market where we see the most attractive returns.

With a strong balance sheet, a comprehensive product suite and an expanding partner ecosystem, we enter the new financial year with measured confidence, underpinned by a highly recurring, contracted revenue base.

Results

Group revenue increased to £83.9m (FY24: £79.0m), up 6% on an actual currency basis and 7% on a constant currency basis, driven by organic growth. Recurring and repeating revenue represented 94% of total revenue, consistent with FY24, and 80% of Group revenue was high margin CXDP and related contracted recurring (FY24: 79%). Gross profit was £66.6m at a margin of 79%, consistent with the prior year.

Profitability was slightly ahead of market expectations. Adjusted EBITDA increased to £26.8m (FY24: 24.3m) and adjusted profit before tax to £19.0m (FY24: £16.8m). Adjusted diluted EPS was 4.80p (FY24: 4.71p) slightly ahead of market expectations.

Integration synergies from Fresh Relevance were delivered as planned, and the exit from competitor resellers improved revenue quality with a modest ARR impact already reflected in the year.

Cash generation remained strong. The cash balance at 30 June 2025 was £36.2m, after the 20m initial cash payment for the Social Snowball acquisition and continued cash inflow. The Board intends to pay an increased final dividend in line with adjusted EBITDA growth. The balance sheet supports ongoing investment in product and go-to-market, together with selective, earnings-enhancing acquisitions.

Business Review

Our product offering

Dotdigital's AI powered platform gives marketers a single suite of products based upon real-time data to connect with their customers more effectively. We help our customers create and manage automated personalised communications and understand customer behaviour across multiple channels. Key elements of the suite include:

- **Core CXDP** - underpinned by unified data and analytics, our core offering provides marketers a single place to design, deliver and measure personalised end customer journeys.
- **Comms and channels** - technology delivering communications via email, SMS and MMS, WhatsApp, social media channels, app push, on-site personalisation, landing pages and forms, with unrivalled delivery success. These capabilities are all extensions, leveraging the power of our core CXDP platform.
- **Personalisation** - originally acquired with our acquisition of Fresh Relevance in FY24, this enables web personalisation capabilities for our customers to provide to their audience. Customers can either use this technology as an extension to our core CXDP or on a standalone basis.
- **Influencer and affiliate marketing** - acquired with our late June 2025 acquisition of Social Snowball, providing customers with the technology to seamlessly manage their influencer, affiliate and referral programmes so brands can move from single campaigns to orchestrated, data-led engagement that is easy to evidence and optimise.

Our **WinstonAI** offering is embedded within and underpins the suite, enabling our customers to amplify their results whilst driving efficiencies.

In addition to our core product offerings, we have a smaller number of heritage customers, using the originally acquired SMS communications offering on an API-only basis without the power of our CXDP.

This CPaaS or transactional messaging business generates high-volume, largely repeatable revenues, albeit at lower margins.

Market Opportunity

Marketing teams are operating with increased scrutiny on outcomes. Buyers want clear, defensible ROI, simpler stacks and faster time to value. That environment favours platforms that unify data and channels, reduce handoffs and make performance obvious. Dotdigital's CXDP is built for this shift: a single place to bring customer data together, orchestrate journeys across email, SMS, WhatsApp, app push and web, and evidence results in one view.

Rather than adding more tools, organisations are prioritising fewer, interoperable enterprise grade systems that plug into existing commerce and CRM platforms and can be rolled out across brands and regions without the risk of a single global 'rip and replace' implementation process. Our breadth of native channels and deep connector set - now extended with Fresh Relevance for web personalisation and Social Snowball for influencer, affiliate and referral programmes - positions the Group as a practical consolidation choice for mid-market and enterprise customers.

AI is now expected to make a tangible impact. Marketers expect measurable gains in speed, quality and return on investment, not gimmicks or window-dressing. Our 15+ years of investment into AI, culminating in the launch of WinstonAI in 2023, along with our reporting enhancements, meet that brief; assisting with content, imagery and analysis inside existing workflows, while the underlying platform enables predictive and real-time use cases as customers mature. Our AI functionality delivers both stronger ROI for our customers as well as creating efficiencies within the Marketing department.

Customer engagement continues to lean towards mobile-first, with messaging apps and social platforms becoming core to how brands reach and retain audiences. Our native WhatsApp, expanding mobile messaging and social integrations allow customers to meet users where they are, while keeping zero- and first-party data and attribution inside the CXDP.

Taken together, these trends play to Dotdigital's strengths: a unified, extensible platform, clear routes to value and an ecosystem that helps customers achieve more with less complexity.

M&A Strategy: Social Snowball

Social Snowball provides influencer, affiliate and referral capability with an analytics-first design that attributes creator activity to revenue. This broadens the CXDP, expands our total addressable market and creates tangible opportunities to increase ARPC through targeted cross-sell.

Acquired in June 2025 for up to 35m, being an initial cash payment of 20m and maximum deferred consideration of 15m (funded from existing cash resources), the business was immediately earnings-enhancing. It reported 200% revenue growth in FY24 to 3m and entered 2025 cash-flow positive with run-rate revenues above 5m at the time of acquisition. Since completion, ARR has risen to approximately 6m, supported by strong merchant engagement across a base of 1,500+ Shopify brands including Crocs, G Fuel, Blume, Sharma Brands and True Classic.

As we have entered FY26, back- and middle-office functions have been onboarded, and product integration is progressing so that creator programmes can be planned and measured within Dotdigital alongside existing channels with unified reporting.

Go-to-market remains focused on Shopify through a dedicated team where there is a significant scope for further expansion across its brand network, complemented by a growing flow of referrals from Dotdigital customers.

Progress Against Organic and Select Acquisitive Growth Strategy

Our strategy is consistent and focused on three organic growth pillars: Geographic Expansion, Product Innovation and Partnerships. We target the mid-market while serving larger enterprises, across commerce and selected non-commerce verticals. A broad ecosystem of commerce, CRM and data

commerce and selected non-commerce verticals. A broad ecosystem of commerce, CRM and data integrations means quicker results and wider adoption. The business model is predominantly recurring subscription revenues, with multi-year contracts priced by selected modules, data volumes and messaging usage. Growth is driven by new customer wins and by increasing average revenue per customer through additional functionality and products, channels and integrations, supported by selective, earnings-enhancing acquisitions that strengthen the platform.

Geographic Expansion

Regional revenue and growth are shown in local currency. Recurring revenue growth rates are on a constant-currency basis.

We delivered growth across all regions in the period. Performance reflected disciplined execution of our geographic plan, namely focusing on our core commerce target customer profile, expanding global brands across markets and driving platform adoption to support net retention. Headline growth also reflects the previously reported increase in customer administrations in the first half and our decision in the second half to exit a low-margin contract to strengthen revenue quality.

We expect solid double-digit international growth in FY26, driven by expansion with global brands and a continued focus on adoption and retention.

EMEA

Revenue grew 3% to £61.5m (FY24: £59.7m), in spite of headwinds incurred as a result of the planned exit from specific competitor resellers within Fresh Relevance and the previously announced Board's decision not to renew the low margin CPaaS contract due to unprofitable pricing requirements. Through the year we leaned into implementations and deeper CXDP adoption to improve retention as trading conditions remained mixed. Fresh Relevance continued to drive higher-value work across the region, with joint go-to-market activity converting both new logos and cross-sell. Procurement cycles increasingly favoured vendors that can break down data siloes and simplify stacks, a trend that played to our strengths and supported steady progress across enterprise and mid-market accounts.

North America

Revenue increased 19% to US 18.2m (FY24: US 15.2m). Growth was driven by expanded usage within existing accounts and wins with larger customers, consistent with the progress delivered in the first half. The region now has a clearer path to land-and-expand across mid and enterprise commerce, supported by strengthened customer success and solutions consulting. Fresh Relevance was brought to market in the region late in the year and added to our credibility in data-led personalisation, helping us compete for multi-brand and global mandates. We continue to view North America as a significant opportunity, with growth expected to track in the mid-teens over the medium term.

APAC

Revenue rose 20% to A 16.6m (FY24: A 13.8m). APAC remains a largely mobile-first region. Localisation remained a differentiator: in Japan; we expanded in-app translation, introduced regional templates and added local delivery expertise, which shortened time to value and improved conversion. Fresh Relevance supported several wins and the pipeline continues to grow, while investments in people and R&D in Japan positioned us to capitalise on rising demand for WhatsApp, app push and social integrations such as TikTok.

Product Innovation

We strengthened the CXDP offering during the period with a series of high-impact releases.

We made significant additions and enhancements to WinstonAI in the year, including the release of in-campaign language translation and AI-powered image search. Adoption statistics across the AI platform have all increased significantly and, particularly of note, AI email campaign translation was responsible for £100k+ wins in Europe and Japan.

WhatsApp progressed from trial to wider revenue generating usage. More than 50 brands have trialled the channel, with retention of approximately 80% amongst adopters, while well-targeted campaigns have achieved open rates of up to 95%. WhatsApp functionality is currently only available on our premium packages, which we are encouraged to see is beginning to drive package upgrades to CXDP.

Further enhancements in our data capabilities have been released, including strengthening firehose capabilities to Amazon S3, SFTP and Snowflake (beta).

We also completed the Personalisation (Fresh Relevance) integration and launched joint roadmap items that simplify activation, including a unified script with Dotdigital, Shopify Marketplaces support and high-resolution image handling. These improvements allow teams to run web personalisation alongside email and mobile with one set of data and reporting capabilities.

Connectivity broadened so that customers can activate data faster and reach audiences across more social channels, including TikTok and LinkedIn, building on existing connections to Facebook and Google.

Looking ahead to FY26, we will continue to strengthen the CXDP and extend our lead in AI. Priorities include deepening WinstonAI so that it operates as a truly agentic assistant, expanding the underlying Customer Data Platform to support broader audience types and more real-time experiences, and accelerating audience-growth tools that maximise reach. We are also progressing plans to broaden the CXDP with an in-house-developed Loyalty product which will launch early in calendar year 2026.

Strategic Partnerships

Revenue from customers using named technology connectors increased by 8% to £37.0m (FY24: £34.1m), highlighting the part our ecosystem plays in adoption and expansion on the CXDP. Revenue per connected customer increased by 19% in FY25, indicating deeper deployments and therefore stickier customers with higher revenue potential.

Within e-commerce, connector-attached revenue increased by 8% to £25.1m (FY24: £23.3m). Stand-out growth came from Shopify, up 25% to £6.5m. In addition, Adobe (Magento), BigCommerce, WooCommerce and Shopware all experienced increases.

In CRM and ERP, connector-attached revenue increased by 10% to £11.9m (FY24: £10.8m), led by Salesforce increasing 13%. Dynamics also saw strong growth and, pleasingly, we saw early momentum in NetSuite, indicating developing ERP momentum.

Personalisation (Fresh Relevance) remains a catalyst for connector adoption and is now native within our CXDP. This is helping customers activate data from commerce and CRM connectors more quickly and at greater depth, which in turn supports higher average contract values.

Alongside this, we broadened the ecosystem with additions such as Blackbaud Raiser's Edge, Trustpilot service reviews, Segment and Bynder. We will continue to invest in enablement, co-marketing, certification and marketplace presence to extend our reach in priority regions and verticals.

Outlook

We enter FY26 with measured confidence, supported by a robust pipeline and sustained international momentum, further strengthened by a growing Social Snowball pipeline. International markets and Social Snowball are expected to be the main growth accelerators as they continue to build scale. We also expect EMEA growth rates to normalise following the previously mentioned one-off events which moderated growth in FY25. We are seeing the market converge around integrated platform offerings, driven by organisations' need for efficiency, simplicity, and measurable ROI; precisely the strengths of our secure, data-driven platform that enables seamless automation and AI integration.

Execution will continue to centre on expanding usage and retention. We are investing in customer success, implementations and onboarding to shorten time to value and to support durable net retention. The revenue mix remains highly recurring with a strong contracted component, which underpins visibility.

Our product priorities are clear. We will deepen WinstonAI, expand the underlying Customer Data

Our product priorities are clear. We will deepen WinstonAI, expand the underlying Customer Data Platform for broader audiences and real-time use cases, and progress our Loyalty product. Social Snowball is progressing to plan - ARR has increased since acquisition, operations are onboarded and product integration into the Dotdigital platform is advancing.

Capital allocation will remain disciplined. We will continue to fund organic growth and targeted M&A from free cash flow, with a proactive pipeline and intention to continue with our stated acquisition strategy to assess opportunities that broaden our proposition and where the asset, valuation and timing are right.

Our focus is on adding bolt-on capabilities that can be rapidly integrated into the platform to extend workflow coverage across clients, unlock new revenue streams, and expand our total addressable market (TAM).

Overall, we expect FY26 to be another year of sustainable growth and strong cash generation.

Financial Review

Business Model

We sell access to our CXDP and messaging (email, SMS, MMS, WhatsApp, push) on 1-3 year contracts priced by modules taken, data volumes and message volumes. Revenue is recognised evenly over the contract life under IFRS 15, with customers able to upgrade during term as usage grows.

Fresh Relevance, acquired in FY24, added website-personalisation capability and an additional pricing lever via page-view volumes.

In late June 2025 we acquired Social Snowball, a subscription SaaS product for influencer, affiliate and referral programmes. Social Snowball's revenues are recognised in the same way as our other software revenues, albeit the vast majority of contracts are currently month-to-month. The product broadens our addressable market and increases cross-sell potential, with a margin profile consistent with the Group.

Professional services remain a small contributor (well under 5% of group revenue) and are recognised as delivered.

Revenue and gross margin

Total revenue increased 6% on an actual currency basis or 7% on a constant currency basis to £83.9m (FY24: £79.0m), including a £0.7m in-year headwind from the previously announced exit of a non-core, low margin contract. Growth was driven by the core SaaS and contracted messaging base and continued expansion in international markets.

Core CXDP (and related) recurring revenue rose by 8% on a constant currency basis to £67.8m (FY24: £62.7m), while repeating revenues from our low margin transactional messaging CPaaS business were £12.0m (FY24: £11.7m). Together with repeating revenue, ~94% of Group revenue was recurring or repeating.

By region (local currency): EMEA £61.5m (+3%); North America US \$18.2m (+19%); APAC A\$16.6m (+20%). International revenue represented 33% of Group revenue (FY24: 32%).

Gross profit was £66.6m (FY24: £62.8m), with a gross margin of 79%, consistent with the prior year. Core CXDP and related margins are at ~90%, with overall Group revenues being diluted by the standalone transactional CPaaS business which operates on gross margins of ~15%.

R&D credit presentation change & tax

From FY25, the UK R&D incentive is presented in Other income under the RDEC regime rather than as a tax credit, which amounted to £0.7m in FY25. When considered together with the tax expense of £3.9m (FY24: £2.1m), the net tax position has increased by £1.1m to £3.2m, equating to a like-for-like effective

tax rate increase from 16% to 21%. This increase in effective tax rate is a result of the increase in the UK tax rate and the significant reductions to the UK R&D tax incentive scheme for FY25.

Operating expenses

Total operating expenses were £49.8m (FY24: £47.2m), up 5%, reflecting disciplined investment in go-to-market and product while managing inflationary pressure.

Profitability

Adjusted EBITDA increased 10% to £26.8m (FY24: £24.3m), a margin of 32% (FY24: 31%). Adjusted operating profit rose 13% to £17.5m (FY24: £15.6m). Adjusted PBT increased 13% to £19.0m (FY24: £16.8m). The tax charge was £3.9m (FY24: £2.1m), reflecting the higher UK rate and the change to the RDEC presentation noted above. Statutory PAT was £11.2m (FY24: £11.1m), up 1%.

EPS

Adjusted diluted EPS growth of 2% to 4.80p (FY24: 4.71p), with underlying profit growth being partly offset by the higher effective tax rate.

Balance sheet and cash

The Group remained strongly cash-generative with a robust working-capital profile. The upfront cash consideration for the acquisition of Social Snowball in June 2025 was funded from existing cash resources. We continue to allocate cash with discipline across organic investment and selective, earnings-enhancing M&A.

Dividend policy

We remain committed to a progressive dividend policy aligned to earnings and cash generation. The Board are proposing a dividend for shareholder approval of 1.21p per share (FY24: 1.10p) an increase of 10% in line with adjusted EBITDA growth. The dividend record and payment timetable will be announced following the approval of the dividend payment at the 2025 annual general meeting.

Dotdigital Group Plc Consolidated Income Statement For the year ended 30 June 2025

		30.06.25	30.06.24
	<i>Notes</i>	£'000s	£'000s
Revenue from contracts with customers	3	83,921	78,973
Cost of sales		<u>(17,371)</u>	<u>(16,177)</u>
Gross profit		66,550	62,796
Administrative expenses		(49,765)	(47,222)
Other operating income		<u>736</u>	<u>-</u>
Operating profit from continuing operations pre share-based payments, amortisation of acquired intangibles and exceptional costs		17,521	15,574
Share-based payments		(702)	(1,219)

Amortisation of acquired intangibles	6	(1,786)	(1,462)
Exceptional costs	7	<u>(1,463)</u>	<u>(973)</u>
Operating profit from continuing operations		13,570	11,920
Finance costs	8	(133)	(88)
Finance income	8	<u>1,652</u>	<u>1,351</u>
Profit before income tax from continuing operations		15,089	13,183
Income tax expense	4	<u>(3,879)</u>	<u>(2,117)</u>
Profit for the year from continuing operations		<u>11,210</u>	<u>11,066</u>
Profit for the year attributable to the owners of the Company		<u>11,210</u>	<u>11,066</u>

Earnings per share from all operations (pence per share)

Basic	5	3.65	3.62
Diluted	5	3.55	3.54
Adjusted basic	5	4.93	4.82
Adjusted diluted	5	4.80	4.71

Dotdigital Group Plc
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2025

	Notes	30.06.25 £'000s	30.06.24 £'000s
Profit for the year		11,210	11,066
Other comprehensive (expense)/income			
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translating foreign operations		<u>(682)</u>	<u>(27)</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>10,528</u>	<u>11,039</u>
Total comprehensive income for the year			
Comprehensive income from continuing operations		<u>10,528</u>	<u>11,039</u>

Dotdigital Group Plc
Consolidated Statement of Financial Position
As at 30 June 2025

	Notes	30.06.25 £'000s	30.06.24 £'000s
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Assets*Non-current assets*

Goodwill	9	35,392	22,278
Intangible assets	6	48,356	37,556
Property, plant and equipment		<u>2,350</u>	<u>3,568</u>
		<u>86,098</u>	<u>63,402</u>

Current assets

Trade and other receivables		17,320	18,011
Current tax recoverable		1,063	-
Cash and cash equivalents		<u>36,211</u>	<u>42,160</u>
		<u>54,594</u>	<u>60,171</u>

Total assets		<u>140,692</u>	<u>123,573</u>
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Equity attributable to the owners of the parent

Called up share capital		1,538	1,538
Share premium		12,786	12,786
Reverse acquisition reserve		(4,695)	(4,695)
Share-based payment reserve		3,263	2,835
Retranslation reserve		(451)	231
Retained earnings		<u>90,669</u>	<u>82,505</u>

Total equity		103,110	95,200
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Liabilities**Non-current liabilities**

Lease liabilities		1,249	2,334
Contingent Consideration	10	6,786	-
Deferred tax		<u>8,307</u>	<u>6,330</u>
		16,342	8,664

Current Liabilities

Trade and other payables	10	20,709	18,348
Lease liabilities		531	746
Current tax payable		-	615
		<u>21,240</u>	<u>19,709</u>

Total Liabilities		<u>37,582</u>	<u>28,373</u>
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Total equity and liabilities		<u>140,692</u>	<u>123,573</u>
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Dotdigital Group Plc
Company Statement of Financial Position
As at 30 June 2025

	<i>Notes</i>	30.06.25 £'000s	30.06.24 £'000s
Assets			
Non-current assets			
Intangible assets	6	2	3
Property, plant and equipment		6	0

Property, plant and equipment		0	0
Investments	11	<u>44,211</u>	<u>43,794</u>
		<u>44,219</u>	<u>43,806</u>
Current assets			
Trade and other receivables		14,450	11,321
Cash and cash equivalents		<u>372</u>	<u>724</u>
		<u>14,822</u>	<u>12,045</u>
Total assets		<u>59,041</u>	<u>55,851</u>
Equity attributable to the owners of the parent			
Called up share capital		1,538	1,538
Share premium		12,786	12,786
Share-based payment reserve		3,205	2,828
Retained earnings		<u>7,217</u>	<u>7,057</u>
TOTAL EQUITY		24,746	24,209
Liabilities			
Current liabilities			
Trade and other payables	10	<u>34,295</u>	<u>31,642</u>
Total liabilities		<u>34,295</u>	<u>31,642</u>
Total equity and liabilities		<u>59,041</u>	<u>55,851</u>

As permitted by section 408 of the Companies Act 2006, the parent company's income statement has not been included in these financial statements. The profit for the Company was £3,205,824 (2024: loss of £1,814,895).

Dotdigital Group Plc
Consolidated Statement of Changes in Equity
For the year ended 30 June 2025

	Called up Share Capital £'000	Retained Earnings £'000	Share Premium £'000
Balance as at 1 July 2023	1,496	73,536	7,124
Transactions with owners			
Issue of share capital	42	-	5,662
Dividends	-	(3,066)	-
Transfer in reserves	-	969	-
Deferred tax on share options	-	-	-
Share-based payments	-	-	-
Transactions with owners	<u>42</u>	<u>(2,097)</u>	<u>5,662</u>
Total comprehensive income			
Profit for the year	-	11,066	-
Other comprehensive income	-	-	-
Total comprehensive income	<u>-</u>	<u>11,066</u>	<u>-</u>

income

Balance as at 30 June 2024	1,538	82,505	12,786
Balance as at 1 July 2024	1,538	82,505	12,786
Transactions with owners			
Issue of share capital	-	-	-
Dividends	-	(3,375)	-
Transfer in reserves	-	329	-
Deferred tax on share options	-	-	-
Share-based payments	-	-	-
Transactions with owners	-	(3,046)	-
Profit for the year	-	11,210	-
Other comprehensive income	-	-	-
Total comprehensive income	-	11,210	-
Balance as at 30 June 2025	1,538	90,669	12,786

	Retranslation Reserve	Reverse acquisition reserve	Share-based payment reserve	Total equity
	£'000s	£'000s	£'000s	£'000s
Balance as at 1 July 2023	258	(4,695)	2,591	80,310
Transactions with owners				
Issue of share capital	-	-	-	5,704
Dividends	-	-	-	(3,066)
Transfer in reserves	-	-	(969)	-
Deferred tax on share options	-	-	16	16
Share-based payments	-	-	1,197	1,197
Transactions with owners	-	-	244	3,851
Total comprehensive income				
Profit for the year	-	-	-	11,066
Total comprehensive income	(27)	-	-	(27)
Balance As at 30 June 2024	231	(4,695)	2,835	95,200
Balance As at 1 July 2024	231	(4,695)	2,835	95,200
Transactions with owners				
Issue of share capital	-	-	-	-
Dividends	-	-	-	(3,375)

	-	-	-	(3,975)
Transfer in reserves	-	-	(329)	-
Deferred tax on share options	-	-	51	51
Share-based payments	-	-	706	706
Transactions with owners	-	-	428	(2,618)
Total comprehensive income				
Profit for the year	-	-	-	11,210
Other comprehensive income	(682)	-	-	(682)
Total comprehensive income	(682)	-	-	10,528
As at 30 June 2025	(451)	(4,695)	3,263	103,110

- Share capital is the amount subscribed for shares at nominal value.
- Retained earnings represents the cumulative earnings of the Group attributable to equity shareholders.
- Share premium represents the excess of the amount subscribed for share capital over the nominal value net of the share issue expenses.
- Retranslation reserve relates to the retranslation of foreign subsidiaries into the functional currency of the Group.
- The reverse acquisition reserve relates to the adjustment required to account for the reverse acquisition in accordance with UK Adopted International Accounting Standards.
- Share-based payment reserve relates to the charge for the share-based payment in accordance with IFRS 2 and the transfer on the exercise or lapsing of share options.

Dotdigital Group plc
Company Statement of Changes in Equity
For the year ended 30 June 2025

	Called up share capital	Retained earnings	Share-based premium	Share-based payment reserve	Total equity
	£'000s	£'000s	£'000s	£'000s	£'000s
Balance as at 1 July 2023	1,496	10,969	7,124	2,600	22,189
Transactions with owners					
Issue of share capital	42	-	5,662	-	5,704
Dividends	-	(3,066)	-	-	(3,066)
Transfer in reserves	-	969	-	(969)	-
Share-based payments	-	-	-	1,197	1,197
Transactions with owners	42	(2,097)	5,662	228	3,835
Total comprehensive loss					

Loss for the year	-	(1,815)	-	-	(1,815)
Total comprehensive loss	-	(1,815)	-	-	(1,815)
Balance As at 30 June 2024	1,538	7,057	12,786	2,828	24,209

Balance As at 1 July 2024	1,538	7,057	12,786	2,828	24,209
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Transactions with owners

Issue of share capital	-	-	-	-	-
Dividends	-	(3,375)	-	-	(3,375)
Transfer in reserves	-	329	-	(329)	-
Share-based payments	-	-	-	706	706
Transactions with owners	-	(3,046)	-	377	(2,669)

Total comprehensive income

Profit for the year	-	3,206	-	-	3,206
Total comprehensive income	-	3,206	-	-	3,206

As at 30 June 2025	1,538	7,217	12,786	3,205	24,746
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- Share capital is the amount subscribed for shares at nominal value.
- Retained earnings represents the cumulative earnings of the Company attributable to equity shareholders.
- Share premium represents the excess of the amount subscribed for share capital over the nominal value net of the share issue expenses.
- Share-based payment reserve relates to the charge for the share-based payment in accordance with IFRS 2 and the transfer on the exercise or lapsing of share options.

Dotdigital Group Plc
Consolidated Statement of Cash Flows
For the year ended 30 June 2025

	Notes	30.06.25 £'000s	30.06.24 £'000s
Cash flow from operating activities			
Cash generated from operations	15	28,007	23,212
Interest paid	8	(133)	(88)
Tax paid		(5,533)	(2,057)
Net cash generated from operating activities		22,341	21,067
Cash flow from investing activities			
Acquisition of subsidiaries net of cash acquired	9	(14,469)	(18,325)
Additional consideration for repayment of debts at acquisition		-	(607)
Purchase of intangible fixed assets	6	(10,322)	(9,709)
Purchase of property, plant and equipment		(315)	(195)
Interest received	8	1,652	1,351
Net cash used in investing activities		(23,454)	(27,485)
Cash flows from financing activities			

Equity dividends paid	(3,375)	(3,066)
Payment of leasing liabilities	(779)	(1,012)
Proceeds from share issues	-	7
Net cash used in financing activities	(4,154)	(4,071)
Decrease in cash and cash equivalents	(5,267)	(10,489)
Cash and cash equivalents at beginning of year	42,160	52,676
Effect of foreign exchange rate changes	(682)	(27)
Cash and cash equivalents at end of year	36,211	42,160

Dotdigital Group plc

Company statement of cash flows

For the year ended 30 June 2025

	Notes	30.06.25 £'000	30.06.24 £'000
Cash flows from operating activities			
Cash generated from operations	15	3,066	22,217
Net cash generated from operating activities		3,066	22,217
Cash used in investing activities			
Acquisition of subsidiaries net of cash acquired		-	(18,323)
Additional subsidiary investment		(40)	-
Purchase of intangible fixed assets	6	-	(3)
Purchase of property, plant and equipment		(3)	(4)
Net cash flows used in investing activities		(43)	(18,830)
Cash flows used in financing activities			
Equity dividends paid		(3,375)	(3,066)
Proceeds from share issues		-	7
Net cash flows used in financing activities		(3,375)	(3,059)
(Decrease)/Increase in cash and cash equivalents		(352)	328
Cash and cash equivalents at beginning of year		724	396
Cash and cash equivalents at end of year		372	724

Dotdigital Group Plc

Notes to consolidated financial statements

For the year ended 30 June 2025

1. GENERAL INFORMATION

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

2. RESPONSIBILITY STATEMENTS UNDER THE DISCLOSURE AND TRANSPARENCY RULES

The Annual Financial Report for the year ended 30 June 2025 contains the following statements:

The directors confirm that to the best of their knowledge:

- the Group financial statements have been prepared in accordance with IFRS as issued by IASB and Article 4 of the IAS Regulation, and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Annual Financial Report 2025 includes a fair review of the development and performance of the business and the financial position of the Group and the Parent

Company, together with a description of the principal risks and uncertainties that they face.

The name and function of each of the directors for the year ended 30 June 2025 are set out in the Annual Financial Report 2025.

3. SEGMENTAL REPORTING

Dotdigital's single line of business is the provision of intuitive software as a service (SaaS) via an AI-powered customer experience and data platform for intelligent, personalised marketing engagement at scale. The chief operating decision-maker considers the Group's segments to be by geographical location, this being EMEA, US and APAC operations as shown in the tables that follow:

Geographical revenue and results (from all operations)

	30.06.25			
	EMEA Operations £'000s	US Operations £'000s	APAC Operations £'000s	Total £'000s
Income statement				
Revenue	61,556	14,042	8,323	83,921
Gross profit	46,024	12,838	7,688	66,550
Profit before income tax	11,813	2,592	684	15,089
Total comprehensive income attributable to the owners of the parent	7,983	1,673	872	10,528
Financial position				
Total assets	122,272	15,873	2,547	140,692
Net current assets	26,939	4,820	1,595	33,354

	30.06.24			
	EMEA Operations £'000s	US Operations £'000s	APAC Operations £'000s	Total £'000s
Income statement				
Revenue	59,731	12,082	7,160	78,973
Gross profit	45,576	10,737	6,483	62,796
Profit/(loss) before income tax	12,390	1,159	(366)	13,183
Total comprehensive income/(loss) attributable to the owners of the parent	10,690	991	(642)	11,039
Financial position				
Total assets	113,894	8,552	1,127	123,573
Net current assets	36,777	2,843	842	40,462

The Company is domiciled in the UK, its consolidated non-current assets, other than financial instruments and deferred tax assets are as follows:

	30.06.25 £'000	30.06.24 £'000
Non-current assets		
United Kingdom	63,944	62,867
Rest of the World	22,154	535
	<u>86,098</u>	<u>63,402</u>

4. INCOME TAX EXPENSE

Analysis of the tax charge from continuing operations:

30.06.25 30.06.24

	£'000	£'000
Current tax on profits for the year	4,032	2,030
Foreign tax suffered	422	301
Changes in estimates related to prior years	137	48
Deferred tax on origination and reversal of timing differences	(712)	(262)
	<u>3,879</u>	<u>2,117</u>
Factors affecting the tax charge:		
	30.06.25 £'000	30.06.24 £'000
Profit on ordinary activities from all operations before tax	15,089	13,183
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK: 25% (2024: 25%)	3,772	3,296
Effects of:		
Adjustments in respect of prior years	188	(67)
Expenses not deductible	95	300
Research and development enhanced claim	(51)	(1,469)
Income not taxable	(11)	(1)
Losses	(15)	-
Share options	185	55
Amounts not recognised and previously unrecognised	(285)	(4)
Tax rate changes	-	1
Effects of overseas tax rates	1	8
Other	-	(2)
Total tax charge for the year	<u>3,879</u>	<u>2,117</u>

Taxation for each region is calculated at the rates prevailing in the respective jurisdiction.

The effective tax rate in the period was 25.71% (2024: 16.06%).

5. EARNINGS PER SHARE

Earnings per share data is based on the consolidated profit and 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 year.

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 exceptional costs, share based payment and amortisation of acquired intangibles.

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.

Reconciliations to earnings figures used in arriving at adjusted earnings per share are as follows:

	30.06.25 £'000s	30.06.24 £'000s
From all operations		
Profit for the year attributable to the owners of the parent	11,210	11,066
Amortisation of acquisition-related intangible fixed asset (see note 6)	1,786	1,462
Professional costs in relation to the acquisition (see note 7)	750	389
Other exceptional costs (see note 7)	713	584
Share-based payment	702	1,219
Adjusted profit for the year attributable to the owners of the parent	<u>15,161</u>	<u>14,720</u>

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

	30.06.25		
From all operations		Weighted average number of shares	Per share Amount Pence
	Earnings £'000		
Basic EPS			
Profit for the year attributable to the owners of the parent	11,210	307,508,354	3.65
Adjusted basic EPS			
Adjusted profit for the year attributable to the owners of the parent	15,161	307,508,354	4.93
Options and warrants	-	8,609,979	-
Diluted EPS			
Profit for the year attributable to the owners of the parent	11,210	316,118,333	3.55
Adjusted diluted EPS			
Adjusted profit for the year attributable to the owners of the parent	15,161	316,118,333	4.80

	30.06.24		
From all operations		Weighted average number of shares	Per share Amount Pence
	Earnings £'000		
Basic EPS			
Profit for the year attributable to the owners of the parent	11,066	305,472,095	3.62
Adjusted basic EPS			
Adjusted profit for the year attributable to the owners of the parent	14,720	305,472,095	4.82
Options and warrants	-	7,192,298	-
Diluted EPS			
Profit for the year attributable to the owners of the parent	11,066	312,664,393	3.54
Adjusted diluted EPS			
Adjusted profit for the year attributable to the owners of the parent	14,720	312,664,393	4.71

Weighted average number of shares in issue as follows:

	30.06.25 £'000	30.06.24 £'000
Weighted average number		
Basic	307,508,354	305,472,095
Diluted	316,118,333	312,664,393

6. INTANGIBLE ASSETS

Group	Technology	Customer relationships	Brand Names	Intellectual property
	£'000	£'000	£'000	£'000
At 1 July 2024	8,451	11,083	-	58

At 1 July 2024	9,761	11,000	-	3
Additions	-	-	-	-
Disposals	-	-	-	(6)
Acquisition	9,366	123	1,469	-
At 30 June 2025	17,817	11,206	1,469	52
AMORTISATION				
At 1 July 2024	1,520	1,817	-	48
Amortisation for the year	1,026	760	-	8
Disposals	-	-	-	(6)
At 30 June 2025	2,546	2,577	-	50
NET BOOK VALUE				
At 30 June 2024	15,271	8,629	1,469	2

Group

	Computer software £'000	Internally generated development costs £'000	Domain names £'000	Totals £'000
At 1 July 2024	1,096	60,049	51	80,788
Additions	4	10,318	-	10,322
Disposals	-	-	-	(6)
Acquisition	-	-	-	10,958
At 30 June 2025	1,100	70,367	51	102,062
AMORTISATION				
At 1 July 2024	1,029	38,780	38	43,232
Amortisation for the year	37	8,648	1	10,480
Disposals	-	-	-	(6)
At 30 June 2025	1,066	47,428	39	53,706
NET BOOK VALUE				
At 30 June 2025	34	22,939	12	48,356

Group

	Technology £'000	Customer relationships £'000	Intellectual property £'000
At 1 July 2023	1,200	1,205	55
Additions	-	-	3
Acquisition	7,251	9,878	-
At 30 June 2024	8,451	11,083	58
AMORTISATION			
At 1 July 2023	670	1,205	47
Amortisation for the year	850	612	1
At 30 June 2024	1,520	1,817	48
NET BOOK VALUE			
At 30 June 2024	6,931	9,266	10

Group

	Computer software £'000	Internally generated development costs £'000	Domain names £'000	Totals £'000
At 1 July 2023	1,080	50,359	51	53,950
Additions	16	9,690	-	9,709
Acquisition	-	-	-	17,129
At 30 June 2024	1,096	60,049	51	80,788

AMORTISATION

At 1 July 2023	980	31,151	37	34,090
Amortisation for the year	49	7,629	1	9,142
At 30 June 2024	<u>1,029</u>	<u>38,780</u>	<u>38</u>	<u>43,232</u>
NET BOOK VALUE				
At 30 June 2024	<u>67</u>	<u>21,269</u>	<u>13</u>	<u>37,556</u>

Development cost additions represent resources the Group has invested in the development of new, innovative and ground-breaking technology products for marketing professionals. This platform allows them to create, send and automate marketing campaigns. Following development of the products the Group licences the use of the platform. Technology represents the cost that would be incurred to build the entire Comapi and Fresh Relevance platforms had the acquisitions not occurred plus the value of Social Snowball's technology based on future economic earnings. Customer relationships represent the value of customer contracts within Comapi, Fresh Relevance and Social Snowball. Brand names represent the value of the trade name of Social Snowball.

Company

	Intellectual Property £'000
COST	
At 1 July 2024	3
Additions	<u>-</u>
At 30 June 2025	<u>3</u>
DEPRECIATION	
At 1 July 2024	-
Depreciation for the year	<u>1</u>
At 30 June 2025	<u>1</u>
NET BOOK VALUE	
At 30 June 2025	<u>2</u>
NET BOOK VALUE	
At 30 June 2024	<u>3</u>

7. EXCEPTIONAL**COSTS**

	30.06.25 £'000	30.06.24 £'000
Professional costs in relation to the acquisition	750	389
Surrender of Croydon office lease	264	-
Restructuring costs	166	430
Professional fees related to the valuation of share options	13	11
Adjustment to Useful Economic Life of CRM due to replacement	270	-
Employers NI paid on the exercise of LTIPs	<u>-</u>	<u>143</u>
	<u>1,463</u>	<u>973</u>

8. NET FINANCE INCOME

	30.06.25 £'000	30.06.24 £'000
Deposit account interest	1,652	1,351
Finance income:	<u>1,652</u>	<u>1,351</u>
Interest on lease liabilities	(143)	(81)
Other net interest payable	-	(28)

Interest capitalised	10	21
Finance expense:	<u>(133)</u>	<u>(88)</u>
Net finance income	<u>1,519</u>	<u>1,263</u>

9. GOODWILL

Group

	30.06.25	30.06.24
COST	£'000	£'000
At 1 July	25,790	13,192
Additions	<u>13,114</u>	<u>12,598</u>
At 30 June	<u>38,904</u>	<u>25,790</u>
IMPAIRMENT		
At 1 July	<u>3,512</u>	<u>3,512</u>
At 30 June	<u>3,512</u>	<u>3,512</u>
NET BOOK VALUE	<u>35,392</u>	<u>22,278</u>

On 25 June 2025, the Group acquired all the voting rights of Social Snowball Holdings, Inc ("Social Snowball") a US-based influencer, affiliate and referral marketing platform for e-commerce brands. The total consideration is up to 35m comprising an initial cash payment of 20m and an earnout dependent on two-year performance of up to 15m.

The Directors believe the acquisition:

- Adds complementary capability to Dotdigital in the fast-growing influencer, affiliate and referral marketing segments.
- Extends capability of Dotdigital's AI-powered customer experience and data platform, strengthening the Group's competitive positioning and increasing its total addressable market.
- Provides Dotdigital with an enhanced value proposition to enable Average Revenue Per Customer expansion through cross-sell and up-sell opportunities.
- Will be immediately earnings enhancing, with a complementary SaaS business model and an equivalent margin profile to the existing Group.

Goodwill of £13.1m was recognised on the acquisition, being the excess of the purchase consideration over the fair value of net assets acquired as set out below.

Fair value of assets acquired

	£'000s
Assets	
Non-current assets	
Intangibles assets	<u>10,958</u>
	<u>10,958</u>
Current assets	
Trade and other receivables	1
Cash and cash equivalents	<u>280</u>
	<u>281</u>
Total assets	<u>11,239</u>
Liabilities	
Non-current liabilities	
Deferred tax	<u>2,740</u>
	<u>2,740</u>
Current liabilities	
Trade and other payables	<u>17</u>
	<u>17</u>
Total liabilities	<u>2,757</u>
Total fair value of assets acquired	<u>8,482</u>
Goodwill	<u>13,114</u>

Consideration in cash	14,749
Consideration in ordinary shares	<u>6,847</u>
Total consideration	<u>21,596</u>
Consideration transferred settled in cash	14,749
Cash and cash equivalents acquired	<u>(280)</u>
Net cash outflow on acquisition	<u>14,469</u>

10. TRADE AND OTHER PAYABLES

	Group		Company	
	30.06.25 £'000	30.06.24 £'000	30.06.25 £'000	30.06.24 £'000
Current:				
Trade payables	3,242	2,262	40	52
Social security and other taxes	549	688	-	-
Other payables	593	214	-	-
Amounts owed to Group undertakings	-	-	34,115	31,492
VAT	1,688	1,202	-	-
Accruals and contract liabilities	14,637	13,982	140	98
	<u>20,709</u>	<u>18,348</u>	<u>34,295</u>	<u>31,642</u>
Non-current:				
Contingent Consideration	<u>6,786</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,786</u>	<u>-</u>	<u>-</u>	<u>-</u>

Contingent consideration

At the date of acquisition of Social Snowball Holdings Inc, contingent consideration was recognised of US 9,311,000 within Dotdigital Inc. The Earnout is based on the Monthly Recurring Revenue in the previous calendar month multiplied by 12. The Earnout payment dates are 31 August 2026 and 2027. The discount period has been based on the payment dates with a discount factor of 28%.

11. INVESTMENTS

Company	Group undertakings 30.06.25 £'000	Group undertakings 30.06.24 £'000
COST		
At 1 July	48,554	22,837
Additions	746	25,717
At 30 June	<u>49,300</u>	<u>48,554</u>
IMPAIRMENT		
At 1 July	4,760	3,790
Impairment (lapsed share options)	329	970
At 30 June	<u>5,089</u>	<u>4,760</u>
NET BOOK VALUE		
At 30 June	<u>44,211</u>	<u>43,794</u>

Subsidiaries	Nature of business	Class of share	Proportion of voting power
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			held directly %
Dotdigital EMEA Limited	All-in-one customer experience and data platform	Ordinary	100
Dotdigital Inc	All-in-one customer experience and data platform	Ordinary	100
Dotdigital APAC Pty Limited	All-in-one customer experience and data platform	Ordinary	100
Dotdigital B.V.	All-in-one customer experience and data platform	Ordinary	100
Dotdigital Development SA Pty	Development hub	Ordinary	100
Dotdigital SG Pte Limited	All-in-one customer experience and data platform	Ordinary	100
Dynmark International Limited	Non-trading	Ordinary	100
Dotdigital Poland S.p. z.o.o	Development hub	Ordinary	100
Dotdigital Japan Limited	All-in-one customer experience and data platform	Ordinary	100
Fresh Relevance Limited	Cross-channel personalisation platform	Ordinary	100
Fresh Relevance Inc	Cross-channel personalisation platform	Ordinary	100
Social Snowball Holdings Inc	Influencer, affiliate and referral marketing platform	Ordinary	100

Subsidiary

Registered office

Dotdigital EMEA Ltd
Dynmark International Ltd
Fresh Relevance Ltd

No.1 London Bridge
London
SE1 9BG

Dotdigital Inc

16192 Coastal Highway
Lewes
Delaware 19958-9776
County of Sussex
USA

Fresh Relevance Inc

6 Liberty Square
Unit 248
Boston
MA 02109
USA

Social Snowball Holdings Inc

80 Mallard Drive
Delray Beach
Florida
33444, USA

Dotdigital APAC Pty Ltd

60/2 O'Connell Street
Parramatta
New South Wales 2150
Australia

Dotdigital SG Pte Ltd

6001 Beach Road
11-06 Golden Mile Tower
199589 Singapore

Dotdigital Japan Ltd

3-1-6 Motoazabu

Minato-ku
Tokyo
Japan

Dotdigital Development SA Pty Ltd

BDO Building
Wanderers Office Park
52 Corlett Drive
Illovo
Johannesburg 2196
South Africa

Dotdigital B.V.

Spaces Amstel
Mr. Treublaan 7
Amsterdam
1097DP
Netherlands

Dotdigital Poland S.p. z.o.o

Al. Jana Pawla II 22
00-133 Warsaw
Poland

12. CONTINGENT LIABILITIES

The Company has no contingent liabilities at the year end (2024: £Nil). The Group has a contingent liability due to the acquisition of Social Snowball Holdings Inc by way of contingent cash consideration of up to US 9.3m over two years (2024: £nil). This would be payable if Social Snowball Holdings Inc maintains its historical growth rate at a sufficiently accretive margin for the Group. See note 10 for further details.

13. ADJUSTED PROFIT BEFORE TAX

	30.6.25 £'000	30.6.24 £'000
Profit before income tax	15,089	13,183
Amortisation of acquired intangibles (see note 6)	1,786	1,462
Professional acquisition costs (see note 7)	750	389
Other exceptional costs (see note 7)	713	584
Share-based payment	702	1,219
Adjusted profit before income tax	19,040	16,837
Amortisation charge *	8,424	7,680
Depreciation charge *	839	1,027
Finance income	(1,652)	(1,351)
Finance costs	133	88
Adjusted EBITDA	26,784	24,281

* Both amortisation of intangibles and depreciation charge will not agree to the relevant notes as these numbers include amounts in cost of sales but exclude amounts capitalised as development expenditure and amounts included in exceptional costs.

14. PROJECT DEVELOPMENT

During the year the Group incurred £10,318,000 (2024: £9,690,000) in development investments. All resources utilised in development have been capitalised as outlined in the accounting policy governing this area

15. GROUP RECONCILIATION OF PROFIT BEFORE CORPORATION TAX TO CASH GENERATED FROM OPERATIONS

	Group		Company	
	30.06.25 £'000	30.06.24 £'000	30.06.25 £'000	30.06.24 £'000
Current:				
Profit/(loss) before tax from all operations	15,089	13,183	3,205	(1,815)
Amortisation	10,480	9,142	1	-
Depreciation	839	985	6	4
Finance lease non-cash movement	67	265	-	-
Loss on disposal of fixed	22			

Loss on disposal of fixed assets	33	-	-	-
Finance Income	(1,652)	(1,351)	-	-
Share-based payments	702	1,197	-	-
Impairment on investment	-	-	329	970
R&D tax credit	(736)	-	-	-
Finance expense	133	88	-	-
	24,955	23,509	3,541	(841)
(Increase)/decrease in trade receivables	691	(1,941)	(3,129)	4,088
Increase in trade payables	2,361	1,644	2,654	18,970
Cash generated from operations	28,007	23,212	3,066	22,217

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