

Digitalbox plc  
Interim Report and Accounts  
6 months ended 30 June 2020

**Digitalbox plc**  
("Digitalbox", the "Group" or the "Company")  
**Unaudited interim results for the six months ended 30 June 2020**

Digitalbox plc, the mobile-first digital media business, which owns leading websites Entertainment Daily and The Daily Mash, today publishes its interim results for six months to 30 June 2020 (the "First Half", the "Period", or "H1 2020").

**Financial Highlights**

- Group revenue of £1.0 million, up 38% year on year.
- Gross profit of £0.7 million, up 74%.
- Gross margin of 71%, up from 56%.
- Adjusted operating profit<sup>1</sup> of £0.05 million.
- Loss before taxation of £0.1 million.
- Cash balance of £1.2 million, up from £0.5 million at 31 December 2019.

<sup>1</sup> Adjusted operating profit is stated before amortisation, depreciation, acquisition and listing costs and share options charges.

**Operational Highlights**

- Growth in traffic and revenue in Q1 helped to alleviate the impact of COVID 19 in Q2.
- Entertainment Daily website sessions up 16% to 94 million but session values down.
- Entertainment Daily 6 million users in February 2020, similar to December 2019, typically the site's biggest traffic month.
- Daily Mash saw record traffic during lockdown, likely linked with the nation spending more time online and looking to brighten its mood.
- Record viewing figures for BBC TV's The Mash Report.
- Mitigation measures offset revenue shortfall in order to protect the margin.
- Early signs of Q3 ad revenues recovering.

**James Carter, CEO, Digitalbox plc, said:** "Digitalbox has exceeded our expectations in these difficult conditions, which is evidence of a resilient operating model and strong management. Our success in the first quarter has positioned us to withstand the challenges presented by COVID 19. We quickly adapted to deal with the new environment, and our content teams made a seamless switch to homeworking. Running a primarily automated commercial operation through programmatic and header bidding solutions has enabled us to continue the trading of our inventory without disruption."

"While the lockdown has presented great opportunities for the Daily Mash to showcase the talent of its writers, the flow of news for Entertainment Daily slowed as TV production stopped and celebrities were out of view. We remain cautiously optimistic about the second half of 2020 as big TV shows return to our screens, retail opens up again, and the economy returns to a more positive position."

**Commenting on the Group's performance and prospects for the year, Chairman Robin Miller said:** "We have exceeded our expectations in challenging conditions, clear evidence of a resilient operating model and nimble leadership. The economic impact of Coronavirus and its uncertainty going forward make it impossible to forecast with any accuracy how the remainder of the year will play out. But the advertising market is beginning to show tentative signs of recovery and we are confident the Digitalbox approach will continue to serve us well."

*Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014 ("MAR")) prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of MAR.*

## Enquiries:

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## About Digitalbox plc

Based in Bath, UK, Digitalbox is a 'pure-play' digital media business with the aim of profitable publishing at scale on mobile platforms.

Digitalbox operates two trading brands, "Entertainment Daily" and "The Daily Mash". Entertainment Daily produces and publishes online UK entertainment news covering TV, showbiz and celebrity news. The Daily Mash produces and publishes satirical news content.

Digitalbox generates revenue from the sale of advertising in and around the content it publishes. The Group's optimisation for mobile enables it to achieve revenues per session significantly ahead of market norms for publishers on mobile.

## INTERIM STATEMENT

### Overview

Despite the impact of COVID 19, the performance of the Group in the first six months has been encouraging and exceeded our expectations. As a result of the Group's strong operating margins, Digitalbox reports adjusted operating profit ahead of management expectations. Furthermore, the cash balance has increased from £0.5 million at 31 December 2019 to £1.2 million at 30 June 2020.

### Operating Review

The two factors that drive revenue are the volume and value of advertising. The volume is reflected in the number of visits (or sessions) that the Group's websites receive from users that come to read the content. The value is the price paid by advertisers to reach these users during these sessions. The number of visits to the Group's websites has increased significantly but this has been offset by the sharp fall in the value per session because of the impact of COVID 19 on advertisers' spending appetite. The Executive team took measures to mitigate the impact of the lockdown to offset the revenue shortfall, which protected the profit margin.

The performance of the Group's online publishing assets has progressed during the period. Entertainment Daily which is focused on TV and showbusiness news, had a solid six months. The number of sessions recorded was up 16% to 94 million compared to the same period last year. In February 2020, Entertainment Daily had more than six million unique users to its site, a similar level to December 2019. December is historically the biggest month of the year for Entertainment Daily. In the second quarter, the lockdown dominated the news agenda and reduced the flow of entertainment news and the value received per session. As a result, overall revenue for Entertainment Daily in the period was flat.

The Daily Mash, which the Group acquired in March 2019, has been successfully expanding its user base. The site saw record audience figures through the early stages of lockdown as the nation looked to brighten its mood. Top articles through the period included: '*School kid who didn't revise and prayed for a miracle scared of his own powers*'; '*Waitrose limits food sales to people with detached houses*'; and '*Your guide to holding out till midday before starting to drink*'. This increase was also helped by The Mash Report TV show which aired on BBC2 through April and May. The show achieved record viewing figures as it successfully adapted its production format. Importantly, its share of the younger audience demographic grew, which is a key metric for the BBC when judging success.

## **Financial review**

The Directors are pleased to report strong absolute growth in revenues with a year on year uplift of 38% to £1.0 million driven by a full six months of trading compared to four months last year. More pleasing is the business's ability to trade through the impact of COVID 19 with underlying revenues, on a like for like basis, not losing any ground and remaining flat year on year.

Further, gross margins are up from 56% last year to 71% this year serving to highlight the high efficiency of successful digital media businesses like Digitalbox.

With adjusted operating profit of £0.05 million, which is the true cash generating indicator for the business, and cash in hand of £1.2 million, the stage is set for the second half of the year, typically the significantly larger trading period.

## **Outlook**

Digitalbox has delivered strong results despite significant challenges presented by COVID 19. While much uncertainty remains, the Group remains cautiously optimistic that the positive early signs of recovery in the advertising market will continue to benefit revenues through H2, traditionally the Group's strongest trading period.

DIGITALBOX PLC  
INTERIM CONSOLIDATED INCOME STATEMENT  
for the six months ended 30 June 2020

Notes	Unaudited Six months to 30 June 20 £'000	Unaudited Six months to 30 June 19 £'000	Audited 12 months to 31 December 19 £'000																								
<b>Continuing Operations</b>																											
Revenue	983	712	2,240																								
Cost of sales	(286)	(311)	(394)																								
Gross profit	<u>697</u>	<u>401</u>	<u>1,846</u>																								
Administrative expenses	(818)	(1,113)	(2,303)																								
Other operating income	18	-	-																								
Operating loss	<u>(103)</u>	<u>(712)</u>	<u>(457)</u>																								
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">“Adjusted operating profit” being operating profit before exceptional charges, amortisation and depreciation</td> <td style="text-align: right;">54</td> <td style="text-align: right;">90</td> <td style="text-align: right;">525</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(15)</td> <td style="text-align: right;">(5)</td> <td style="text-align: right;">(11)</td> </tr> <tr> <td>Amortisation</td> <td style="text-align: right;">(63)</td> <td style="text-align: right;">(41)</td> <td style="text-align: right;">(133)</td> </tr> <tr> <td>Acquisition &amp; listing costs</td> <td style="text-align: right;">-</td> <td style="text-align: right;">(689)</td> <td style="text-align: right;">(689)</td> </tr> <tr> <td>Share based payment charge</td> <td style="text-align: right;">(79)</td> <td style="text-align: right;">(67)</td> <td style="text-align: right;">(149)</td> </tr> <tr> <td>Operating loss</td> <td style="text-align: right;"><u>(103)</u></td> <td style="text-align: right;"><u>(712)</u></td> <td style="text-align: right;"><u>(457)</u></td> </tr> </table>				“Adjusted operating profit” being operating profit before exceptional charges, amortisation and depreciation	54	90	525	Depreciation	(15)	(5)	(11)	Amortisation	(63)	(41)	(133)	Acquisition & listing costs	-	(689)	(689)	Share based payment charge	(79)	(67)	(149)	Operating loss	<u>(103)</u>	<u>(712)</u>	<u>(457)</u>
“Adjusted operating profit” being operating profit before exceptional charges, amortisation and depreciation	54	90	525																								
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Operating loss	<u>(103)</u>	<u>(712)</u>	<u>(457)</u>																								
Finance income	1	-	-																								
Finance costs	-	(1)	(3)																								
Loss before taxation	<u>(102)</u>	<u>(713)</u>	<u>(460)</u>																								
Tax charge	(31)	65	23																								
Loss for the period from continuing operations	<u>(133)</u>	<u>(648)</u>	<u>(437)</u>																								
TOTAL EXPENSE FOR THE PERIOD	<u><u>(133)</u></u>	<u><u>(648)</u></u>	<u><u>(437)</u></u>																								
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD	-	-	-																								
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	<u><u>(133)</u></u>	<u><u>(648)</u></u>	<u><u>(437)</u></u>																								
Earnings per share	4																										
	pence	pence	pence																								
Basic EPS from continuing operations	(0.15)	(1.03)	(0.57)																								
Basic EPS from loss for the period	<u>(0.15)</u>	<u>(1.03)</u>	<u>(0.57)</u>																								
Diluted EPS from continuing operations	(0.15)	(1.03)	(0.57)																								
Diluted EPS from loss for the period	<u>(0.15)</u>	<u>(1.03)</u>	<u>(0.57)</u>																								

DIGITALBOX PLC  
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the six months ended 30 June 2020

	Share Capital	Share Premium reserve	Share based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2019</b>	<b>20,488</b>	<b>19,164</b>	<b>32</b>	<b>(39,399)</b>	<b>285</b>
Total comprehensive expense for the period	-	-	-	(648)	<b>(648)</b>
Issue of new shares	843	10,710	-	-	<b>11,553</b>
Share issue costs	-	(117)	-	-	<b>(117)</b>
Share based payment charge	-	-	67	-	<b>67</b>
<b>Balance at 30 June 2019</b>	<b>21,331</b>	<b>29,757</b>	<b>99</b>	<b>(40,047)</b>	<b>11,140</b>
Total comprehensive expense for the period	-	-	-	211	<b>211</b>
Share based payment charge	-	-	82	-	<b>82</b>
<b>Balance at 31 December 2019</b>	<b>21,331</b>	<b>29,757</b>	<b>181</b>	<b>(39,836)</b>	<b>11,433</b>
Total comprehensive expense for the period	-	-	-	(133)	<b>(133)</b>
Issue of new shares	16	20	-	-	<b>36</b>
Share based payment charge	-	-	79	-	<b>79</b>
<b>Balance at 30 June 2020</b>	<b>21,347</b>	<b>29,777</b>	<b>260</b>	<b>(39,969)</b>	<b>11,415</b>

DIGITALBOX PLC  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 30 June 2020

	Notes	Unaudited 30 June 20 £'000	Unaudited 30 June 19 £'000	Audited 31 December 19 £'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		34	13	49
Intangible assets	5	10,185	10,341	10,248
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,219</u>	<u>10,354</u>	<u>10,297</u>
<b>CURRENT ASSETS</b>				
Trade and other receivables		556	908	1,407
Cash and cash equivalents		1,207	443	477
<b>TOTAL CURRENT ASSETS</b>		<u>1,763</u>	<u>1,351</u>	<u>1,884</u>
<b>TOTAL ASSETS</b>		<u>11,982</u>	<u>11,705</u>	<u>12,181</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables		351	391	488
Lease liabilities		14	-	24
Corporation tax payable		70	36	98
<b>TOTAL CURRENT LIABILITIES</b>		<u>435</u>	<u>427</u>	<u>610</u>
<b>NON-CURRENT LIABILITIES</b>				
Other payables		-	-	8
Lease liabilities		-	-	2
Deferred tax		132	138	128
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>132</u>	<u>138</u>	<u>138</u>
<b>TOTAL LIABILITIES</b>		<u>567</u>	<u>565</u>	<u>748</u>
<b>TOTAL NET CURRENT ASSETS</b>		<u>1,328</u>	<u>924</u>	<u>1,274</u>
<b>TOTAL NET ASSETS</b>		<u>11,415</u>	<u>11,140</u>	<u>11,433</u>
<b>CAPITAL AND RESERVES</b>				
<b>ATTRIBUTABLE TO EQUITY SHAREHOLDERS</b>				
Issued share capital	6	21,347	21,331	21,331
Share premium account		29,777	29,757	29,757
Share based payment reserve		260	99	181
Retained earnings		(39,969)	(40,047)	(39,836)
		<u>11,415</u>	<u>11,140</u>	<u>11,433</u>

DIGITALBOX PLC  
CONSOLIDATED CASH FLOW STATEMENT  
for the six months ended 30 June 2020

	Unaudited Six months to 30 June 20 £'000	Unaudited Six months to 30 June 19 £'000	Audited Period to 31 December 19 £'000
<b>OPERATING ACTIVITIES</b>			
Loss before taxation from ordinary activities	(102)	(713)	(437)
Adjustments for:			
Share based payment charge	79	67	149
Amortisation of intangibles	63	41	133
Depreciation on property plant and equipment	15	-	11
Finance costs	-	1	22
Finance income	(1)	-	-
Taxes paid	(55)	-	-
Operating loss before changes in working capital and provisions	<u>(1)</u>	<u>(604)</u>	<u>(122)</u>
Decrease/(increase) in trade and other receivables	851	412	(86)
Decrease in trade and other payables	(145)	(109)	(100)
Cash generated by/(used in) working capital	<u>706</u>	<u>303</u>	<u>(186)</u>
Cash generated by/(used in) operating activities	<u>705</u>	<u>(301)</u>	<u>(308)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of intangible fixed assets	-	(36)	-
Purchase of property, plant and equipment	-	(13)	(13)
Acquisition of subsidiary	-	(993)	(993)
Cash on acquisition of subsidiary	-	433	433
Finance income	1	-	-
Cash generated by/(used in) investing activities	<u>1</u>	<u>(609)</u>	<u>(573)</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from share issues	36	1,240	1,240
Share issue costs	-	(117)	(117)
Finance costs	-	(1)	(22)
New loans and finance leases	-	-	33
Loan and finance lease repayments	(12)	-	(7)
Cash generated by financing activities	<u>24</u>	<u>1,122</u>	<u>1,127</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>730</u>	<u>212</u>	<u>246</u>
Cash and cash equivalents brought forward	477	231	231
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u>1,207</u>	<u>443</u>	<u>477</u>
Represented by:			
Cash at bank and in hand	<u>1,207</u>	<u>443</u>	<u>477</u>



DIGITALBOX PLC  
NOTES TO THE INTERIM REPORT  
for the six months ended 30 June 2020

**1. Corporate information**

The interim consolidated financial statements of the group for the period ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 7 September 2020. Digitalbox plc (“the company”) is a Public Limited Company listed on AIM, incorporated in England and Wales. The interim consolidated financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

**2. Statement of Accounting policies**

**2.1 Basis of Preparation**

The entities consolidated in the half year financial statements of the company for the six months to 30 June 2020 comprise the company and its subsidiaries (together referred to as “the group”).

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements.

The directors are satisfied that, at the time of approving the consolidated interim financial statements, it is appropriate to adopt a going concern basis of accounting and in accordance with the recognition and measurement principles of International Financial Reporting Standards adopted for use in the European Union (“IFRS”). In reaching this conclusion the directors have considered the financial position of the Group, its cash, liquidity position and borrowing facilities together with its forecasts and projections for a period in excess of 12 months from the date of approval. In particular, the Group has reviewed the current situation with COVID 19 and produced several scenario plans assessing the impact on the Group. The directors believe that they can mitigate the risks arising from COVID 19 to ensure that the Group is able to continue to meet its liabilities as they fall due for the foreseeable future. At the reporting date had £1.2m of cash at bank and in hand providing a strong position to support the continued and future success of the Group.

**2.2 Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The interim results announcement has been prepared in accordance with International Financial Reporting Standards (“IFRS”), International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the European Union (“IFRSs”) and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRSs. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of these consolidated half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates in preparing these consolidated half year financial statements.

DIGITALBOX PLC  
NOTES TO THE INTERIM REPORT  
for the six months ended 30 June 2020

**3. Segment Information**

The Group's primary reporting format for segment information is business segments which reflect the management reporting structure in the Group and of its two core media assets.

**Unaudited six months to 30 June 2020**

	<b>Entertainment Daily</b>	<b>The Daily Mash</b>	<b>Head Office</b>	<b>Total Six months to 30 June 2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revenue	826	156	1	983
Cost of sales	(180)	(106)	-	(286)
Admin expenses*	(227)	(23)	(411)	(661)
Other operating income	-	-	18	18
Operating profit/(loss)	<u>419</u>	<u>27</u>	<u>(392)</u>	<u>54</u>
Amortisation and depreciation	(2)	(61)	(15)	(78)
Share based payment charge	-	-	(79)	(79)
Finance income	-	-	1	1
Tax	-	-	(31)	(31)
Profit/(loss) for the period	<u>417</u>	<u>(34)</u>	<u>(516)</u>	<u>(133)</u>

**Unaudited six months to 30 June 2019**

	<b>Entertainment Daily</b>	<b>The Daily Mash</b>	<b>Head Office</b>	<b>Total Six months to 30 June 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revenue	625	75	12	712
Cost of sales	(243)	(68)	-	(311)
Admin expenses*	(120)	-	(191)	(311)
Operating profit/(loss)	<u>262</u>	<u>7</u>	<u>(179)</u>	<u>90</u>
Amortisation and depreciation	(5)	(36)	(5)	(46)
Acquisition and listing costs	-	-	(689)	(689)
Share based payment charge	-	-	(67)	(67)
Finance costs	-	-	(1)	(1)
Tax	-	-	65	65
Profit/(loss) for the period	<u>257</u>	<u>(29)</u>	<u>(876)</u>	<u>(648)</u>

DIGITALBOX PLC  
NOTES TO THE INTERIM REPORT  
for the six months ended 30 June 2020

**3. Segment Information (continued)**

**12 months to 31 December 2019**

	<b>Entertainment Daily</b>	<b>The Daily Mash</b>	<b>Head Office</b>	<b>Total Year to 31 December 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revenue	1,864	358	18	2,240
Cost of sales	(263)	(131)	-	(394)
Admin expenses*	(288)	(60)	(973)	(1,321)
Operating profit/(loss)	<u>1,313</u>	<u>167</u>	<u>(955)</u>	<u>525</u>
Amortisation and depreciation	-	-	(144)	(144)
Acquisition and listing costs	-	-	(689)	(689)
Share based payment charge	-	-	(149)	(149)
Finance costs	-	-	(3)	(3)
Tax	-	-	23	23
Profit/(loss) for the period	<u>1,313</u>	<u>167</u>	<u>(1,917)</u>	<u>(437)</u>

\* Admin expenses exclude share option charge, amortisation, depreciation and acquisition and listing costs.

**External revenue by location of customer**

	Six months to 30 June 2020	Six months to 30 June 2019	Year to 31 December 2019
United Kingdom	473	468	1,434
Europe	356	188	612
Rest of World	154	56	194
<b>Total</b>	<u>983</u>	<u>712</u>	<u>2,240</u>

DIGITALBOX PLC  
NOTES TO THE INTERIM REPORT  
for the six months ended 30 June 2020

**4. Earnings per share**

The calculation of the group basic and diluted loss per ordinary share is based on the following data:

	Unaudited Six months to 30 June 20 £'000	Unaudited Six months to 30 June 19 £'000	Audited 12 months to 31 December 19 £'000
<b>The earnings per share is based on the following:</b>			
Continuing earnings post tax loss attributable to shareholders	(133)	(648)	(437)
Basic Weighted average number of shares	91,370,626	62,717,686	76,597,859
Diluted Weighted average number of shares	91,699,911	68,419,804	76,597,859
Basic earnings per share	pence (0.15)	pence (1.03)	pence (0.57)
Diluted earnings per share	(0.15)	(1.03)	(0.57)

Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the year. The weighted average number of equity shares in issue was 91,370,626. IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. The exercise price of the outstanding share options is significantly more than the average and closing share price. Therefore, as per IAS 33 the potential ordinary shares are disregarded in the calculation of EPS.

NOTES TO THE INTERIM REPORT  
for the six months ended 30 June 2020

**5. Intangible Assets**

	Other Intangible Assets	Goodwill arising on consolidation	Development costs	Total £'000
	£'000	£'000	£'000	
<b>Cost</b>				
<b>At 1 January 2020 and 30 June 2020</b>	854	9,492	35	10,381
	_____	_____	_____	_____
<b>Amortisation</b>				
At 1 January 2020	(102)	-	(31)	(133)
Charge for the period	(61)	-	(2)	(63)
<b>At 30 June 2020</b>	(163)	-	(33)	(196)
	_____	_____	_____	_____
<b>Net book value</b>				
<b>30 June 2020</b>	691	9,492	2	10,185
	_____	_____	_____	_____
<b>31 December 2019</b>	752	9,492	4	10,248
	_____	_____	_____	_____

The other intangible assets are being amortised over a period of 7 years.

Amortisation is charged to administrative costs in the Statement of Comprehensive Income.

DIGITALBOX PLC  
NOTES TO THE INTERIM REPORT  
for the six months ended 30 June 2020

**6. Share capital**

<b>Allotted, issued and fully paid</b>	No.	Value £
Ordinary shares of 0.01p each	91,842,662	918,427
Deferred shares of 0.0499p each	386,907,464	19,306,682
Deferred shares of 0.01p each	112,176,000	1,121,760
	<u>590,926,126</u>	<u>21,346,869</u>
<b>Total</b>	<u><u>590,926,126</u></u>	<u><u>21,346,869</u></u>

Shares issued in the 6-month period to 30 June 2020:

Date	Description	No shares	Price/ share Pence	Gross share value £	Cash received £	Total consideration £
24.02.20	Issue of 1p shares	1,590,936	2.28	15,909	36,275	36,275
		<u>1,590,936</u>		<u>15,909</u>	<u>36,275</u>	<u>36,275</u>
	<b>As at 30 June 2020</b>	<b>590,926,126</b>		<b>21,346,868</b>		
	<b>As at 31 December 2019</b>	<b>589,335,190</b>		<b>21,330,959</b>		

**7. Related party transactions**

At 30 June 2020, the Group was due £172k (30 June 2019: £171k, 31 December 2019: £171k) from James Carter and Jim Douglas, two Directors of the company. The outstanding balance is split equally between the directors and is included within trade and other receivables. The amounts are repayable either on sale of shares by the Directors, by prior charge over the proceeds of dividends or distributions due to the directors' net of tax or by prior charge over remuneration payments in excess of a pre-determined level. Interest is charged at 0.75% per annum.

During the period, Integral2 Limited charged £27k (30 June 2019: £24k, 31 December 2019: £43k) to the Group, a company related by virtue of David Joseph being a common director. As at 30 June 2020, £5k (30 June 2019: £2k, 31 December 2019: £5k) was owed to Integral2 Limited.

During the period, the Group received revenue of £2k (30 June 2019: £13k, 31 December 2019: £17k) from Immotion Group plc, a company related by virtue of Martin Higginson being a common director. As at 30 June 2020, £nil (30 June 2019: £7k, 31 December 2019: £2k) was owed to the Group.

During the period, M Capital Investment Partners (Holdings) Limited billed £15k (30 June 2019: £5k, 31 December 2019: £23k) to the Group, a company related by virtue of Martin Higginson being a common director. As at 30 June 2020, £3k (30 June 2019: £nil, 31 December 2019: £nil) was owed to M Capital Investment Partners (Holdings) Limited.

During the period, Robin Miller Consultants Limited billed £9k (30 June 2019: £4k, 31 December 2019: £10k) to the Group, a company related by virtue of Robin Miller being a common director. As at 30 June 2020, £nil (30 June 2019: £1k, 31 December 2019: £nil) was owed to Robin Miller Consultants Limited.

NOTES TO THE INTERIM REPORT  
for the six months ended 30 June 2020

**7. Related party transactions (continued)**

The key management personnel are considered to be the Board of Directors, and were remunerated £191k in the period (30 June 2019: £170k, 31 December 2019: £444k).

The key management personnel were provided 3,008,808 share options resulting in a charge of £47k in the period (30 June 2019: £47k, 31 December 2019: £93k).

**8. Seasonality**

The Group's activities are not subject to significant seasonal variation outside the normal parameters of a consumer media business.

**9. Events after the reporting date**

On 20 May 2020 the shareholders resolved to cancel the Company's deferred shares as disclosed in note 6, and to reduce the share premium account by £19.5m. These resolutions were designed to simplify the capital structure of the Group and will give rise to a much-improved retained earnings position to enable the Board to make future dividend distributions as they consider appropriate. The Court approved this capital restructure on 30 July 2020, and this was subsequently certified at Companies House on 31 July 2020. Accordingly, this will be reflected in the annual report for the year ending 31 December 2020.