

28 September 2021

**Digitalbox plc**  
("Digitalbox", the "Group" or the "Company")

**Unaudited interim results for the six months ended 30 June 2021**

Digitalbox plc, the mobile-first digital media business, which owns leading websites Entertainment Daily, The Daily Mash and The Tab, today publishes its interim results for six months to 30 June 2021.

The Company is also pleased to announce that it will provide a live investor presentation through the Investor Meet Company platform today at 09.30am (further details below).

**Financial Highlights**

- Group revenue of £1.3 million, up 37% (H1 2020: £1.0 million)
- Gross profit of £1.1 million, up 61.5% (H1 2020: £0.7million)
- Gross margin of 84% (H1 2020: 71%)
- Adjusted operating profit<sup>1</sup> of £0.3 million (H1 2020: £0.1 million)
- Profit before taxation of £0.1 million (H1 2020: loss of £0.1 million)
- Positive total comprehensive income of £0.1 million (H1 2020: loss of £0.1 million) and positive basic EPS of 0.08 pence (H1 2020: loss of 0.15 pence) for the first time since readmission to AIM in February 2019
- Cash generated by operating activities £0.2 million (H1 2020: £0.7m)
- Cash balance of £2.0 million as at 30 June 2021 (31<sup>st</sup> December 2020: £1.9m)

<sup>1.</sup> Adjusted operating profit is stated before amortisation, depreciation, share based payment charges, direct costs associated with business combinations and capital restructure costs.

**Operational Highlights**

- Increased auction competition for high-quality mobile inventory has fueled growth in session values across the portfolio
- Entertainment Daily session values up 43%
- Entertainment Daily Interactive Advertising Bureau (IAB) ad unit prices up over 30% in Q1
- The Tab website users up 15% to a total of 34 million for the period
- The Tab continued to generate an adjusted operating profit through every month in the period
- The Daily Mash TV show commissioned for nine episodes in H2 2021 compared to six episodes in H2 2020

**Current trading and outlook**

- Trading has remained strong since the end of H1 2021, with the positive trend in the ad market continuing alongside some very strong traffic attached to some seasonal TV shows.
- Building on the strong trading in the first half of 2021, the Group is optimistic regarding the continued trading momentum in the second half of the year, which represents the biggest trading period for the Group.
- Although there remains some uncertainty in the second half of 2021 due to COVID 19, the full year 2021 outcome is anticipated to be materially ahead of market consensus.

**James Carter, CEO, Digitalbox plc, said:** "Digitalbox's performance has exceeded our expectations amid the turbulent economic conditions of the first half of 2021, reaching profitability at profit after tax and EPS levels. This is evidence of our resilient operating model and strong management. The success is in part due to the latest addition to our stable, The Tab, validating our buy and build strategy. Our focus on mobile publishing has seen disproportionate growth in advertising revenues. With the excellent trading performance the Group experienced

in the first half of the year we expect the shift in advertising budgets to mobile channels to continue and competition for audience share of voice on key platforms such as Google and Facebook to intensify. Whilst the effects of COVID 19 still injects some uncertainty, the Group is optimistic that the continued recovery in the advertising market will benefit revenue in the second half, traditionally the Group's strongest trading period."

### **Investor Presentation – Investor Meet Company**

Digitalbox will also provide a live investor presentation through the Investor Meet Company platform today at 09.30am. The presentation is open to all existing and potential shareholders. Questions can be submitted at any time during the live presentation. Investors can sign up to Investor Meet Company for free and add to meet Digitalbox plc via <https://www.investormeetcompany.com/digitalbox-plc/register-investor>. Investors who have already registered and added to meet the Company will be automatically invited.

### **Market abuse regulation**

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("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 and seeks to acquire scale through its buy and build strategy.

Digitalbox operates three trading brands, "Entertainment Daily", "The Daily Mash" and "The Tab". Entertainment Daily produces and publishes online UK entertainment news covering TV, showbiz and celebrity news. The Daily Mash produces and publishes satirical news content. The Tab is the UK's biggest youth culture site fueled by students.

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.

## CHIEF EXECUTIVE'S STATEMENT

### Overview

In spite of the aftershocks from last year's market disruption caused by the pandemic, the performance of the Group in the first six months has been encouraging, and the market recovery has exceeded our expectations. As a result of the Group's strong operating margins, Digitalbox has reported an adjusted operating profit of £0.3 million, which is ahead of management expectations. Furthermore, the cash balance has increased from £1.9 million at 31 December 2020 to £2.0 million at 30 June 2021.

### 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 our 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 significantly increased in the first half, in part as a result of the acquisition of the Tab. While we anticipated continued advertising uncertainty in the first quarter as a result of Brexit and the Spring lockdown, there was strong competition for high quality mobile inventory that saw session values push considerably ahead of management expectations in the first six months.

The delivery of the Group's strategy has progressed in the first six months, and the total audience has grown. Entertainment Daily, which is focused on TV and showbusiness news, had a solid six months with the number of users up 17% on the same period last year. The Daily Mash saw its traffic position normalise after the surge in the consumption of humour within the first lockdown of 2020, while the Tab user base grew by 15%. As a result, Digitalbox's total average monthly unique users for the Period rose to 14 million.

Advertisers across the market re-established their priorities in the second half of 2020 with an acceleration towards mobile advertising inventory. We were further encouraged by how the market adapted at the start of 2021. Session values across the portfolio performed ahead of internal expectations among the challenging UK environment of lockdown combined with Brexit. For example, a segment of Entertainment Daily's inventory - IAB inventory - traded at over 30% up year on year in the first quarter compared to the same pre-pandemic levels of 2020.

The Daily Mash started to develop a paid content offering at the start of the second quarter with some positive early feedback. Testing continues as we look to maintain a direct dialogue with the site's audience base. At the beginning of last year, we were disappointed to learn that the BBC wasn't going to recommission the Mash Report TV show despite its

fantastic ratings performance in 2020. Subsequently, we are very pleased that the show has now been commissioned by UKTV/Dave for an Autumn 2021 run of 9 episodes under the new name of Late Night Mash.

The Tab has delivered a profit every month since it was acquired in October 2020. The editorial team have remained as engaged as ever on serving the 16-24 student-focused demographic. The commercial operations have pivoted to an automated advertising solution delivered through Digitalbox's Graphene ad stack. This approach has led the site to deliver revenue in a much more efficient manner hence the conversion of the site to a profitable model. This approach forms part of our plan when evaluating future acquisition targets.

### **Financial review**

The Directors are pleased to report strong absolute growth in revenues with a year-on-year uplift of 37% to £1.3 million driven by sustained recovery from last year's market disruption and by the addition of The Tab in October 2020. On a like for like basis, excluding The Tab, revenues were flat year on year. In the first quarter, revenue was 21% down, but importantly 39% up in the second quarter. The recovery was evident.

Furthermore, gross margins are up from 71% last year to 84% this year, highlighting the high efficiency of successful digital media businesses like Digitalbox.

The business passed an important milestone in the period, reporting positive total comprehensive income and positive earnings per share for the first time since readmission to AIM in February 2019.

With adjusted operating profit of £0.3 million, which is the true cash-generating indicator for the business, and cash in hand of £2.0 million, the stage is set for the second half of the year, typically the significantly larger trading period, although there is material uncertainty surrounding the visibility of forecast revenues.

### **The future**

Digitalbox has delivered strong results despite significant challenges presented by the aftershocks from last year's market disruptions resulting from COVID 19. This reinforces the view that the Company's continued focus on mobile content consumption is the right one and that the consumer behaviour that was accelerated by the pandemic is here to stay. Although there remains some uncertainty in the second half of 2021 due to COVID 19, the Directors expect the full year results for 2021 to be materially ahead of the current market consensus.

DIGITALBOX PLC  
INTERIM CONSOLIDATED INCOME STATEMENT  
for the six months ended 30 June 2021

	Notes	Unaudited Six months to 30 June 21 £'000	Unaudited Six months to 30 June 20 £'000	Audited 12 months to 31 December 20 £'000
<b>Continuing Operations</b>				
Revenue		1,345	983	2,187
Cost of sales		(219)	(286)	(529)
Gross profit		<u>1,126</u>	<u>697</u>	<u>1,658</u>
Administrative expenses		(1,028)	(818)	(1,823)
Other operating income		5	18	24
Operating profit/(loss)		<u>103</u>	<u>(103)</u>	<u>(141)</u>
“Adjusted operating profit” being operating profit before exceptional charges, amortisation and depreciation		294	54	305
Depreciation		(15)	(15)	(30)
Amortisation		(105)	(63)	(149)
Share based payment charge		(71)	(79)	(140)
Direct costs of business combinations		-	-	(98)
Capital restructure costs		-	-	(29)
Operating profit/(loss)		<u>103</u>	<u>(103)</u>	<u>(141)</u>
Finance income		1	1	-
Finance costs		(5)	-	(2)
Profit/(loss) before taxation		<u>99</u>	<u>(102)</u>	<u>(143)</u>
Tax charge		(8)	(31)	(48)
Profit/(loss) for the period from continuing operations		<u>91</u>	<u>(133)</u>	<u>(191)</u>
TOTAL INCOME/(EXPENSE) FOR THE PERIOD		<u><u>91</u></u>	<u><u>(133)</u></u>	<u><u>(191)</u></u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD		<u><u>91</u></u>	<u><u>(133)</u></u>	<u><u>(191)</u></u>
Earnings per share	4			
Basic EPS from continuing operations		Pence 0.08	Pence (0.15)	Pence (0.20)
Basic EPS from loss for the period		<u>0.08</u>	<u>(0.15)</u>	<u>(0.20)</u>
Diluted EPS from continuing operations		0.08	(0.15)	(0.20)
Diluted EPS from loss for the period		<u>0.08</u>	<u>(0.15)</u>	<u>(0.20)</u>

DIGITALBOX PLC  
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the six months ended 30 June 2021

	Share Capital	Share Premium reserve	Share based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2020</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>
Total comprehensive expense for the period	-	-	-	(58)	<b>(58)</b>
Issue of new shares	244	956	-	-	<b>1,200</b>
Share issue costs	-	(84)	-	-	<b>(84)</b>
Capital reduction	(20,428)	(19,500)	-	39,928	-
Share based payment charge	-	-	61	-	<b>61</b>
<b>Balance at 31 December 2020</b>	<b>1,163</b>	<b>11,149</b>	<b>321</b>	<b>(99)</b>	<b>12,534</b>
Total comprehensive income for the period	-	-	-	91	<b>91</b>
Share based payment charge	-	-	71	-	<b>71</b>
<b>Balance at 30 June 2021</b>	<b>1,163</b>	<b>11,149</b>	<b>392</b>	<b>(8)</b>	<b>12,696</b>

DIGITALBOX PLC  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 30 June 2021

	Notes	Unaudited 30 June 21 £'000	Unaudited 30 June 20 £'000	Audited 31 December 20 £'000
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		61	34	19
Intangible assets	5	10,741	10,185	10,839
<b>TOTAL NON-CURRENT ASSETS</b>		<u>10,802</u>	<u>10,219</u>	<u>10,858</u>
<b>CURRENT ASSETS</b>				
Trade and other receivables		951	556	1,047
Cash and cash equivalents		2,042	1,207	1,853
<b>TOTAL CURRENT ASSETS</b>		<u>2,993</u>	<u>1,763</u>	<u>2,900</u>
<b>TOTAL ASSETS</b>		<u>13,795</u>	<u>11,982</u>	<u>13,758</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables		269	351	449
Lease liabilities		28	14	2
Bank loans		71	-	25
Corporation tax payable		55	70	51
<b>TOTAL CURRENT LIABILITIES</b>		<u>423</u>	<u>435</u>	<u>527</u>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities		17	-	-
Bank loans		423	-	465
Deferred tax		236	132	232
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>676</u>	<u>132</u>	<u>697</u>
<b>TOTAL LIABILITIES</b>		<u>1,099</u>	<u>567</u>	<u>1,224</u>
<b>TOTAL NET CURRENT ASSETS</b>		<u>2,570</u>	<u>1,328</u>	<u>2,373</u>
<b>TOTAL NET ASSETS</b>		<u>12,696</u>	<u>11,415</u>	<u>12,534</u>
<b>CAPITAL AND RESERVES</b>				
<b>ATTRIBUTABLE TO EQUITY</b>				
<b>SHAREHOLDERS</b>				
Issued share capital	6	1,163	21,347	1,163
Share premium account		11,149	29,777	11,149
Share based payment reserve		392	260	321
Retained earnings		(8)	(39,969)	(99)
		<u>12,696</u>	<u>11,415</u>	<u>12,534</u>

DIGITALBOX PLC  
CONSOLIDATED CASH FLOW STATEMENT  
for the six months ended 30 June 2021

	Unaudited Six months to 30 June 21 £'000	Unaudited Six months to 30 June 20 £'000	Audited Period to 31 December 20 £'000
<b>OPERATING ACTIVITIES</b>			
Profit / (loss) from ordinary activities	91	(133)	(191)
Adjustments for:			
Tax expense	8	31	48
Share based payment charge	71	79	140
Amortisation of intangibles	105	63	149
Depreciation on property, plant and equipment	15	15	30
Finance costs	5	-	2
Finance income	(1)	(1)	-
Taxes paid	-	(55)	(109)
Operating profit/(loss) before changes in working capital and provisions	<u>294</u>	<u>(1)</u>	<u>69</u>
Decrease in trade and other receivables	96	851	518
Decrease in trade and other payables	(185)	(145)	(205)
Cash generated by/(used in) working capital	<u>(89)</u>	<u>706</u>	<u>313</u>
Cash generated by operating activities	<u>205</u>	<u>705</u>	<u>382</u>
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiary	-	-	(841)
Cash on acquisition of subsidiary	-	-	269
Purchase of intangible assets	(7)	-	-
Finance income	1	1	-
Cash generated by/(used in) investing activities	<u>(6)</u>	<u>1</u>	<u>(572)</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from share issues	-	36	1,236
Share issue costs	-	-	(84)
Finance costs	-	-	(2)
New loans	-	-	440
Loan and finance lease repayments	(10)	(12)	(24)
Cash (used in)/generated by financing activities	<u>(10)</u>	<u>24</u>	<u>1,566</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>189</u>	<u>730</u>	<u>1,376</u>
Cash and cash equivalents brought forward	1,853	477	477
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<u>2,042</u>	<u>1,207</u>	<u>1,853</u>
Represented by:			
Cash at bank and in hand	<u>2,042</u>	<u>1,207</u>	<u>1,853</u>



DIGITALBOX PLC  
NOTES TO THE INTERIM REPORT  
for the six months ended 30 June 2021

## 1. Corporate information

The interim consolidated financial statements of the group for the period ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 27 September 2021. 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 2021 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 the Group had £2.0m 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 2021

### 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 core media assets.

#### Unaudited six months to 30 June 2021

	Entertainment Daily	The Daily Mash	The Tab	Head Office	Total Six months to 30 June 2021 £'000
	£'000	£'000	£'000	£'000	£'000
Revenue	917	95	333	-	1,345
Cost of sales	(105)	(84)	(30)	-	(219)
Admin expenses*	(221)	(39)	(142)	(435)	(837)
Other operating income	-	-	-	5	5
	<u>591</u>	<u>(28)</u>	<u>161</u>	<u>(430)</u>	<u>294</u>
Adjusted operating profit/(loss)					
Amortisation and depreciation	-	-	-	(120)	(120)
Share based payment charge	-	-	-	(71)	(71)
Finance income	-	-	-	1	1
Finance costs	-	-	-	(5)	(5)
Tax	-	-	-	(8)	(8)
	<u>591</u>	<u>(28)</u>	<u>161</u>	<u>(633)</u>	<u>91</u>
Profit/(loss) for the period					

#### Unaudited six months to 30 June 2020

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

DIGITALBOX PLC  
 NOTES TO THE INTERIM REPORT  
 for the six months ended 30 June 2021

**3. Segment Information (continued)**

**12 months to 31 December 2020**

	Entertainment Daily	The Daily Mash	The Tab	Head Office	Total Year to 31 December 2020
	£'000	£'000	£'000	£'000	£'000
Revenue	1,641	334	208	4	2,187
Cost of sales	(307)	(192)	(30)	-	(529)
Admin expenses*	(447)	(40)	(71)	(819)	(1,377)
Other operating income	-	-	-	24	24
Adjusted operating profit/(loss)	<u>887</u>	<u>102</u>	<u>107</u>	<u>(791)</u>	<u>305</u>
Amortisation and depreciation	-	-	-	(179)	(179)
Acquisition and listing costs	-	-	-	(98)	(98)
Capital restructure costs	-	-	-	(29)	(29)
Share based payment charge	-	-	-	(140)	(140)
Finance costs	-	-	-	(2)	(2)
Tax	-	-	-	(48)	(48)
Profit/(loss) for the period	<u>887</u>	<u>102</u>	<u>107</u>	<u>(1,287)</u>	<u>(191)</u>

\* Admin expenses exclude share-based payment charges, amortisation, depreciation and acquisition and listing costs.

**External revenue by location of customer**

	Six months to 30 June 2021	Six months to 30 June 2020	Year to 31 December 2020
	£'000	£'000	£'000
United Kingdom	572	473	1,024
Europe	313	356	704
Rest of World	460	154	459
<b>Total</b>	<u>1,345</u>	<u>983</u>	<u>2,187</u>

DIGITALBOX PLC  
 NOTES TO THE INTERIM REPORT  
 for the six months ended 30 June 2021

**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 21 £'000	Unaudited Six months to 30 June 20 £'000	Audited 12 months to 31 December 20 £'000
<b>The earnings per share is based on the following:</b>			
Continuing earnings post tax profit/(loss) attributable to shareholders	91	(133)	(191)
Basic Weighted average number of shares	<u>116,332,457</u>	<u>91,370,626</u>	<u>96,425,598</u>
Diluted Weighted average number of shares	<u>116,332,457</u>	<u>91,699,911</u>	<u>96,425,598</u>
	pence	pence	pence
Basic earnings per share	0.08	(0.15)	(0.20)
Diluted earnings per share	<u>0.08</u>	<u>(0.15)</u>	<u>(0.20)</u>

Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. 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 diluted EPS.

DIGITALBOX PLC  
 NOTES TO THE INTERIM REPORT  
 for the six months ended 30 June 2021

**5. Intangible Assets**

	Other Intangible Assets	Goodwill arising on consolidation	Development costs	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2021	1,476	9,610	35	11,121
Additions	-	-	7	7
<b>At 30 June 2021</b>	<u>1,476</u>	<u>9,610</u>	<u>42</u>	<u>11,128</u>
<b>Amortisation</b>				
At 1 January 2021	247	-	35	282
Charge for the period	105	-	-	105
<b>At 30 June 2021</b>	<u>352</u>	<u>-</u>	<u>35</u>	<u>387</u>
<b>Net book value</b>				
<b>30 June 2021</b>	<u>1,124</u>	<u>9,610</u>	<u>7</u>	<u>10,741</u>
<b>31 December 2020</b>	<u>1,229</u>	<u>9,610</u>	<u>-</u>	<u>10,839</u>

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 2021

**6. Share capital**

<b>Allotted, issued and fully paid</b>	No.	Value £'000
Ordinary shares of 0.01p each	116,332,457	1,163
Total	<u>116,332,457</u>	<u>1,163</u>

No shares issued in the 6-month period to 30 June 2021.

**7. Related party transactions**

At 30 June 2021, the Group was due £171k (30 June 2020: £172k, 31 December 2020: £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.

Prior to the readmission of Digitalbox plc (formerly Polemos plc) onto AIM, and its subsequent acquisition of Digitalbox Publishing Holdings Ltd, James Carter and Jim Douglas each held shares in Digitalbox Publishing Holdings Ltd. It was agreed by the then board that these shares would form the basis for their physical shareholding in Digitalbox plc once the acquisition had completed and that the loans would transfer to the plc. The loan facility from the Company was part of a package to ensure key management were sufficiently incentivised and locked into the success of the business. Where any individuals' personal bonus payment exceeds £100,000 in a calendar year, the excess will be used to pay down these loans. The current board of Directors view this arrangement as satisfactory and believe it has served well to incentivise management.

During the period, Integral 2 Limited charged £26k (30 June 2020: £27k, 31 December 2020: £57k) to the Group, a company related by virtue of David Joseph, a member of key management personnel, having control over the entity. As at 30 June 2021, £5k (30 June 2020: £5k, 31 December 2020: £5k) was owed to Integral 2 Limited.

During the period, the Group received revenue of £nil (30 June 2020: £2k, 31 December 2020: £1.5k) from Immotion Group plc, a company related by virtue of Martin Higginson being a member of key management personnel of both entities. As at 30 June 2021, £nil (30 June 2020: £nil, 31 December 2020: £nil) was owed to the Group.

During the period, M Capital Investment Partners (Holdings) Limited billed £12.5k (30 June 2020: £15k, 31 December 2020: £25k) to the Group, a company related by virtue of Martin Higginson, a member of key management personnel, having control over the entity. As at 30 June 2021, £nil (30 June 2020: £3k, 31 December 2020: £2.5k) was owed to M Capital Investment Partners (Holdings) Limited.

During the period, Robin Miller Consultants Limited billed £6k (30 June 2020: £9k, 31 December 2020: £17k) to the Group, a company related by virtue of Robin Miller, a former member of key management personnel, having control over the entity. As at 30 June 2021, £nil (30 June 2020: £nil, 31 December 2020: £1.7k) was owed to Robin Miller Consultants Limited.

The key management personnel are considered to be the Board of Directors, and were remunerated £196k in the period (30 June 2020: £191k, 31 December 2020: £382k).

The key management personnel were provided 3,008,808 share options contributing to a charge of £71k in the period (30 June 2020: £47k, 31 December 2020: £99k).

DIGITALBOX PLC  
NOTES TO THE INTERIM REPORT  
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**8. Seasonality**

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