29 June 2023

Moonpig Group plc ("Moonpig Group" or the "Group")

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2023

FY23 results demonstrate resilient profitability and robust cash generation

Summary financial results

	Year ended 30 April 2023	Year ended 30 April 2022	Year-on-year growth %
Group revenue (£m)	**320.1**	304.3	5.2%
Gross profit (£m)	**179.7**	150.1	19.7%
Gross margin (%)	**56.1%**	49.3%	6.8%pts
Adjusted EBITDA (£m)[1]	**84.2**	74.9	12.4%
Adjusted EBITDA margin (%)[1]	**26.3%**	24.6%	1.7%pts
Reported profit before taxation (£m)	**34.9**	40.0	(12.6%)
Adjusted profit before taxation (£m)[1]	**48.0**	51.5	(6.9%)
Basic earnings per share (pence)	**7.8**	9.3	(15.6%)

1. Before adjusting items of £13.1m in FY23 and £11.6m in FY22. See Adjusting Items at Note 5 and definition of Alternative Performance Measures below.

Results summary

- Revenue growth of 5.2% year-on-year to £320.1m.
- Adjusted EBITDA growth to £84.2m (FY22: £74.9m) with Adjusted EBITDA margin increased to 26.3% (FY22: 24.6%).
- Adjusted Profit before Taxation of £48.0m (FY22: £51.5m).
- Net debt to pro forma Adjusted EBITDA decreased to 1.97x as at 30 April 2023 from 2.45x as at 31 October 2022.

Strategic and operational highlights

A milestone year establishing key capabilities to drive future growth:

- Scaled our technology team to 250 (April 2022: 195) roles and transitioned from re-platforming to a focus on initiatives that are delivering new features for our customers.
- Opened new operational facilities in Almere, Netherlands, and Tamworth, UK.
- Continued customer acquisition across our brands, with revenue from new customers at Moonpig and Greetz of £31.7m, remaining ahead of pre-pandemic levels (FY19: £23.9m).
- Delivered significant operational improvements at Experiences, including appointing a new leadership team and investing in the technology platform.

Resilient profitability through the economic cycle:

- Our business model's inherent flexibility enabled us to deliver Adjusted EBITDA in line with expectations despite the challenging economic context from October 2022 onwards.
- Adjusted EBITDA for Moonpig and Greetz was £71.2m (FY22: £74.9m), surpassing the level implied by pre-IPO guidance.
- Resilience is rooted in the stability of the greeting cards market and in our loyal customer cohorts, with 88.6% of Moonpig and Greetz revenue from existing customers (FY22: 86.5%). It is bolstered by our proprietary data, with 84m occasion reminders (April 2022: 72m).
- Experiences revenue grew year-on-year, albeit more slowly in the second half of the year in light of the macroeconomic environment.

Strong cash generation:

- Operating cash inflow of £56.2m (FY22: £59.6m).
- Continued deleveraging, with net debt to pro forma Adjusted EBITDA decreasing to 1.97x as at 30 April 2023 from 2.45x as at 31 October 2022.
- Significant liquidity headroom and covenant against £255.0m senior debt facilities, committed until 8 December 2025.
- Floating interest rate exposure hedged for broadly three quarters of expected senior debt (less cash) until 30 November 2024.

Focus on digital innovation to drive growth:

- Full launch of Moonpig Plus, our low-cost, affordable subscription service.
- Innovation to differentiate and elevate Moonpig cards:
  - Video messages rolled out across the card range, with over 75,000 messages sent by Father's Day 2023.
  - Ability to use digital codes for gift experiences in Moonpig cards.
  - Ability to add stickers and photos to the inside of Moonpig and Greetz cards.
  - New functionality for Moonpig group cards, providing opportunity to convert message contributors into future customers.
- Recommended gift bundles and gift cross-sell at the basket stage of the customer journey at Moonpig.
- Developed new iOS and Android apps for Greetz.
- New recommendation algorithms tailored to Dutch customer preferences to drive gift attachment at Greetz.
- Commenced building a new content management system and on-site search at Experiences ahead of roll-out in FY24.

Outlook

Trading since the start of the year has been in line with our expectations. In the context of the current macroeconomic environment, we expect pro forma revenue to grow at a low single digit percentage rate in the first half of FY24, underpinned by the Moonpig brand, which has been in growth since March.

For the full financial year, we expect consolidated revenue growth at a mid to high single digit percentage rate, with all of our brands returning to growth in the second half. Adjusted EBITDA margin is expected to remain resilient.

Nickyl Raithatha, CEO, commented:

"Today's results demonstrate the resilience of our business model which is rooted in the stability of the greeting cards market and our unique use of data to drive customer loyalty. We have high profitability, strong cash generation and inherent flexibility that allows us to respond rapidly to a dynamic macroeconomic environment.

We are innovating to differentiate and elevate Moonpig cards with embedded video messages, personalised content and the ability to include a gift experience within the card. We have continued to extend our market leadership in online cards and we expect to return to growth during the year ahead, underpinned by our continued investments in our technology, marketing and operational capabilities. As the clear online leader in greetings cards, Moonpig Group is well positioned to benefit from the long-term structural market shift to online."

Investor and analyst meeting

The full year results presentation will be available on the Investor Relations section of Moonpig Group's corporate website (www.moonpig.group/investors) shortly after 7:00am on 29 June 2023.

Nickyl Raithatha (CEO) and Andy MacKinnon (CFO) will host a Q&A for analysts and investors via webcast at 9:30am. Please note that the presentation will not be repeated during the webcast. Analysts wishing to register for the event should email investors@moonpig.com.

Investors wishing to join the Q&A should register via the following link:
https://www.lsegissuerservices.com/spark/MoonpigGroup/events/9aa6b9a3-02dd-477f-a830-bcd687826fa3

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About Moonpig Group:

Moonpig Group plc (the "Group") is a leading online greeting cards and gifting platform, comprising the Moonpig, Red Letter Days and Buyagift brands in the UK and the Greetz brand in the Netherlands. The Group's leading customer proposition includes an extensive range of cards, a curated range of gifts, personalisation features and next day delivery offering.

The Group offers its products through its proprietary technology platforms and apps, which utilise unique data science capabilities designed by the Group to optimise and personalise the customer experience and provide scalability. Learn more at https://www.moonpig.group/.

Forward Looking Statements:

This announcement contains certain forward-looking statements with respect to the financial condition, results or operation and businesses of Moonpig Group plc. Such statements and forecasts by their nature involve risks and uncertainty because they relate to future events and circumstances. There are a number of other factors that may cause actual results, performance or achievements, or industry results to be materially different from those projected in the forward-looking statements.

These factors include general economic and business conditions; changes in technology; timing or delay in signing, commencement, implementation and performance of programmes, or the delivery of products or services under them; industry; relationships with customers; competition and ability to attract personnel. You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. We undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances.

Business review

Overview

The Group's business model is resilient, profitable and cash generative. This has enabled us to maintain investment in our technology, marketing and operations throughout the year ended 30 April 2023, laying the groundwork for an expected return to organic revenue growth during FY24:

- We have scaled our technology team to 250 skilled data scientists, analysts, and engineers, up from 195 in April 2022 and 153 in April 2021.

- After four years of foundational work and the successful migration of Greetz onto our unified technology platform, our technology teams are now accelerating growth initiatives that can be leveraged across both of our card-first brands. A technology and data-led innovation roadmap is being implemented, including features such as Moonpig Plus subscriptions, video messages in greeting cards and group cards that will enhance the Moonpig and Greetz value proposition relative to online and offline alternatives.

- We have opened new operational facilities on ten-year leases in Almere, Netherlands and Tamworth, UK. Insourcing operations enhances scalability, provides flexibility for driving customer basket size through bundling gifts and offers potential for gross margin efficiencies.

- We have continued to build our brands. Our principle of maintaining marketing efficiency led to a lower marketing spend in light of fewer available online search engine impressions, however our customer acquisition activity remained substantial, with revenue from new customers continuing to exceed pre-pandemic levels.

- We completed the acquisition of Red Letter Days and Buyagift, welcoming them to the Group as our Experiences segment. Following acquisition, we have implemented significant operational changes, including appointing a new Managing Director and leadership team and are now investing to deliver the strategic roadmap set out at acquisition, including modernising the Experiences technology platform.

The Group has a compelling market growth opportunity ahead of it, as online penetration of the single greeting cards market remains low at approximately 15% in the UK and 21% in the Netherlands for 2022 (source: OC&C). As the clear leader in the online segment, we are well placed to capitalise on and drive the transition from offline to online. We also now own Experiences, which provides opportunities to unlock innovation through digital gifting and has equipped us with a profitable presence in the standalone gifting market.

Despite facing a more challenging trading environment from October 2022 onwards, we have delivered a strong set of results. This reflects the commitment of our people across the UK, Guernsey and the Netherlands, and has been made possible by the strength and flexibility of our business model:

- Our focus on customer lifetime value equips us with resilience in more challenging conditions. Our approach at Moonpig and Greetz is focused on acquiring loyal customer cohorts that drive recurring annual revenue and 88.6% of revenue at these brands was generated from existing customers (FY22: 86.5%). The long-term "sticky" nature of these customer cohorts is supported by our data and technology platform, which allows us to personalise the user experience. Our database of 84m reminders (April 2022: 72m) enables us to communicate directly with customers at times of maximum purchase intent. More generally, the greeting cards market has a long track record of recession-resilience.

- We have delivered £84.2m (FY22: £74.9m) of Adjusted EBITDA, reflecting 12.4% year-on-year growth. The acquisition of Experiences contributed £13.0m of Adjusted EBITDA, which was broadly offset by the impact of the post-Covid reversion of trading at Moonpig and Greetz. Gross margin rate has improved year-on-year, reflecting management action to improve intake margin, the category mix impact of prioritising resources towards higher-margin cards, the use of our personalised promotions engine to target discounts more precisely and the impact of the acquisition of Experiences. We have prioritised resources where the return on investment is highest. We have taken a disciplined approach to the management of indirect costs.

- Our business is highly cash generative. Net debt to pro forma Adjusted EBITDA decreased from 2.45x at 31 October 2022 to 1.97x at 30 April 2023 and we expect this trajectory of deleveraging to continue in the year ahead.

We delivered FY23 Adjusted EBITDA of £84.2m (FY22: £74.9m) and operating cash flow of £56.2m (FY22: £59.6m) whilst maintaining investment for growth and delivering on our three strategic pillars. These pillars focus on leveraging data and technology to make the gifting experience effortless, building our brands so receiving our product always means more and ensuring the perfect range of cards and gifts for every occasion.

Leveraging data and technology

In 2018, we embarked on a multi-year journey to transform Moonpig and Greetz into technology and data-led businesses. We accomplished this in September 2022 with the completion of a unified technology platform. After four years of work on foundational projects, the majority of our skilled data scientists, analysts and engineers are now focused on iteration, testing and improvement to drive revenue growth at Moonpig and Greetz.

The pace of technology innovation has risen, with key developments including:

- The full launch of Moonpig Plus, our low-cost, affordable subscription service, in May 2023. Based on extensive testing throughout FY23 we expect that this will increase customer order frequency.
- The introduction of new iOS and Android apps for Greetz.
- The launch of tailored recommendation algorithms at Greetz to drive gift attachment by Dutch customers.
- The implementation of suggested gift bundles, an improved gift/flower image carousel, and gift cross-sell at the basket stage of the customer journey at Moonpig.
- The roll-out of video messages across the card range, with over 75,000 messages sent by Father's Day 2023.
- The launch of digital codes for gift experiences in Moonpig cards.
- The introduction of stickers and photos for the inside of cards at Moonpig and Greetz.
- The phased roll-out of new features and functionality for Moonpig group cards.

At Experiences, we have extended direct voucher redemption to more products including The View from The Shard and city cruises to drive recipient-into-customer conversion. We are also investing in modernising the Experiences technology platform, with a new content management system and on-site search scheduled for roll-out in FY24.

Building our brands

Through continued, disciplined marketing activity, we delivered FY23 revenue from new customers that was 33% higher than in FY19, the largest pre-Covid year. Moonpig launched its most comprehensive cross-channel marketing campaign ahead of Mother's Day in the UK, enabling Moonpig to record its largest ever week of sales during March 2023.

Over the past five years, our strategy has consistently emphasised delivering revenue growth through the existing customer base, and the share of revenue from existing customers increased year-on-year to 88.6% (FY22: 86.5%). We maintained our disciplined approach to new customer acquisition in which we ensure that payback periods stay within our framework. We aim to acquire high-quality, loyal customer cohorts that deliver lifetime value rather than pursuing short-term, transactional revenue.

We have broadened the marketing mix through increased consumer PR coverage and partnerships, such as the successful launch of the "Disney 100" flowers range. At Greetz, we focused on driving app downloads after launching new iOS and Android apps in September 2022.

Reminders are one of the most effective ways for Moonpig and Greetz to communicate with customers and growing the number of reminders set has been a key business objective across recent years. We delivered against this in FY23, further increasing the size of the database from 72m reminders at April 2022 to 84m reminders at April 2023. In the year ahead we will emphasise reminder collection at Greetz, where a smaller proportion of customers have set more than one reminder, compared to Moonpig. We are also implementing initiatives such as "upcoming occasions" panels on customer landing pages to improve reminder conversion.

Whilst Experiences primarily focused on optimising online performance marketing, we have begun the process of differentiating the Red Letter Days and Buyagift brands, so that the former emphasises iconic experiences and a more curated range, whilst the latter will be more value-led. Moonpig became the Experiences segment's largest online distribution partner in FY23 after launching the first version of digital gift experiences in a card. As we expand digital gifting beyond the current 300 SKU range and enhance search and browse functionality, we anticipate further sales growth.

Expanding our range

We aim to have the perfect card and gift for every relationship and every occasion. For greeting cards, we have formed a single global design team to leverage the strength and breadth of our UK range across geographies. This team manages in-house and licensed card designs, with a current key focus on bringing global licensed properties that already feature on Moonpig (such as Marvel, Disney and Star Wars) to Greetz.

In gifting, we have expanded our offering with personalised balloons at Greetz and Moonpig's most extensive flower range to date, with 72 bouquets at Valentine's Day and 102 bouquets at Mother's Day. We have emphasised bringing new products and curating gift sets and bundles to differentiate our offering.

We have partnered with new gifting brands, such as My 1st Years for baby and young children's gifts and Mars for personalised chocolates. We have enhanced our flowers offering through co-branding with Cath Kidston and Disney. Moreover, we have introduced the Red Letter Days and Buyagift brands at Moonpig, offering both physical gift boxes and digital gifting options.

In response to customer demand for more affordable gifting we have strengthened our range of gifts at price points below £16, launched a new letterbox gifting range at Greetz and added numerous new designs to Moonpig's balloon and personalised mug ranges. We have also offered value for customers through an expanded range of supplier-funded promotions.

Finally, we continue to enhance the Experiences range by launching new experiences with premium partners such as Harvey Nichols, Harrods, Côte, Macdonald Hotels and the Gordon Ramsay Academy.

Maintaining high ethical, environmental and sustainability standards

We continue to execute against our ESG strategy, which commits the Group to eight long-term goals focused on the environment, its people and its communities.

Progress has been strong on climate-related goals. We surpassed our expectations with respect to Scope 1 and 2 greenhouse gas emissions, achieving 95% renewable energy mix at Tamworth and Almere. We have fully measured out our Scope 3 emissions baseline and have developed the Group's inaugural climate transition plan. In view of the progress made, we have set new goals for greenhouse gas emissions reduction, comprising near-term and long-term targets for each of Scope 1 and 2 (direct) emissions and Scope 3 (value chain) emissions.

We have also made good progress on our diversity goals. One of our ESG goals is for new hires into technology security, engineering, product and analytics roles to be at least 45% from women by 2025. For the year ended 30 April 2023, 45% of new hires into these technical roles were women (FY22: 37%).

Our employee engagement KPI has been impacted by the need for disciplined control of costs during an economic downturn. Customer net promoter score reflects repeated industrial action at Royal Mail in the UK. We are confident in our ability to deliver significant improvements in both areas during the months ahead.

Financial review

Overview

Throughout the year our resilient, profitable and cash-generative business model has enabled us to maintain investment in the drivers of expected long-term growth. We have increased the size of our technology team and transitioned its focus from re-platforming to customer-facing growth initiatives. We have invested in our operational network by opening new facilities on ten-year leases in Almere, Netherlands and Tamworth, UK. Although we reduced marketing spend to maintain its efficiency in the light of lower year-on-year online search engine impressions, we have maintained revenue from new customers above pre-pandemic levels.

We also completed the acquisition of Red Letter Days and Buyagift, welcoming them to the Group as our Experiences segment. Following acquisition, we have implemented significant operational changes, including appointing a new Managing Director and leadership team, commencing modernisation of the Experiences technology platform, relocating fulfilment to Tamworth, outsourcing customer services and co-locating Experiences employees at the Group's head office.

As expected, the Group's robust generation of operating cash flows has driven rapid deleveraging. We increased borrowings to fund the acquisition of Experiences in July 2022, since when net debt to pro forma Adjusted EBITDA has reduced to 2.45x as at 31 October 2022 and 1.97x as at 30 April 2023, with further reduction expected in the year ahead. Both liquidity headroom and covenant headroom remain substantial.

Despite the economic downturn that impacted our business from October 2022, the Group delivered Adjusted EBITDA of £84.2m, with Moonpig and Greetz contributing £71.2m of the total. These figures surpass the level implied by guidance in the IPO Prospectus and demonstrate the key strengths of the Group's differentiated financial model, which are: resilience rooted in loyal customer cohorts and the characteristics of the greeting card market; flexibility to respond rapidly to market changes; sustainably high profit margins; and strong cash generation.

Financial performance – Group

	Year ended 30 April 2023	Year ended 30 April 2022	Year-on-year growth %
Revenue (£m)	**320.1**	304.3	5.2%
Gross profit (£m)	**179.7**	150.1	19.7%
Gross margin (%)	**56.1%**	49.3%	6.8%pts
Adjusted EBITDA (£m)[1]	**84.2**	74.9	12.4%
Adjusted EBITDA margin (%)[1]	**26.3%**	24.6%	1.7%pts
Reported profit before taxation (£m)	**34.9**	40.0	(12.6%)
Adjusted profit before taxation (£m)[1]	**48.0**	51.5	(6.9%)
Earnings per share – basic (pence)[2]	**7.8**	9.3	(15.6%)
Earnings per share – diluted (pence)[2]	**7.7**	9.1	(15.6%)
Net debt (£m)[3]	**(167.7)**	(83.8)	(100.0%)

1. Before adjusting items of £13.1m in FY23 and £11.6m in FY22. See Adjusting Items at Note 5 and definition of Alternative Performance Measures below.
2. Earnings per share not disclosed for periods arising prior to the Group's formation because of the pre-IPO reorganisation in February 2021.
3. Net debt is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents.

Trading performance in FY23 has demonstrated the resilience of our business, with the Group delivering Adjusted EBITDA of £84.2m (FY22: £74.9m) despite the economic context. The acquisition of Experiences contributed £13.0m of Adjusted EBITDA which broadly offset the impact of the post-Covid reversion in trading at Moonpig and Greetz. The delivery of Adjusted EBITDA margin of 26.3% (FY22: 24.6%) was made possible through a combination of price optimisation, improvements to gross margin rate, resource allocation decisions (for instance shifting marketing activity into peak trading periods) and efficient management of indirect costs.

Year-on-year revenue growth of 5.2% reflects the acquisition of Experiences, partially offset by the positive impact on prior year from lockdown restrictions at Moonpig and Greetz. The most resilient areas of trading included greeting card orders (reflecting the overall market's low sensitivity to GDP changes), orders from existing customer cohorts and the proportion of orders with attached gifts. More challenging economic conditions have primarily impacted new customer acquisition levels and the average selling price of gifts, as some customers opted for lower-priced items.

Adjusted PBT was £48.0m (FY22: £51.5m), with the decrease resulting from higher finance charges and increases in depreciation and amortisation. Higher finance charges were driven by additional borrowings to fund the Experiences acquisition and rising interest rates, partially offset by the Group's hedging arrangements. The increase in depreciation and amortisation reflects the full year impact of the Group's technology development investments and the depreciation of fit-out costs and right-of-use assets related to the new leasehold operational facilities. Reported PBT additionally reflected the impact of Adjusting Items, which comprised pre-IPO incentive scheme costs and M&A transaction costs.

Net debt is a non-GAAP measure and is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents. Group net debt as at 30 April 2023 was £167.7m (FY22: £83.8m), resulting in a ratio of net debt to pro forma Adjusted EBITDA of 1.97x. The year-on-year increase in net debt reflects financing for the acquisition of Experiences and initial recognition of an additional lease for the new operational facility at Almere, Netherlands.

Revenue

	Year ended 30 April 2023	Year ended 30 April 2022	Year-on-year growth %
Moonpig and Greetz orders (m)	**33.8**	39.8	(14.9%)
Moonpig and Greetz AOV (£ per order)	**8.2**	7.7	7.6%
Moonpig and Greetz revenue (£m)	**278.5**	304.3	(8.5%)
Moonpig revenue (£m)	**223.1**	234.7	(4.9%)
Greetz revenue (£m)	**55.4**	69.7	(20.4%)
Moonpig and Greetz revenue (£m)	**278.5**	304.3	(8.5%)
Experiences revenue (£m)	**41.6**	-	N/a
Group revenue (£m)	**320.1**	304.3	5.2%

Group revenue increased by 5.2% year-on-year, reflecting annualisation against the prior year impact on sales from lockdown restrictions, offset in part by the consolidation of £41.6m revenue from Experiences from 13 July 2022 onwards.

Moonpig and Greetz revenue decreased year-on-year by 8.5%:

- Management estimates that FY22 revenue included approximately £39m resulting from the impact of Covid lockdowns on customer order frequency, translating to an approximate 13% effect on FY23 growth. This estimation is based on a comparison of actual customer behaviour at the individual cohort level against historical pre-Covid behaviour for similarly aged cohorts, which generally displayed consistency over time. Although rooted in analysis, this assessment unavoidably involves some subjectivity and should be considered a management belief statement.

- Orders decreased by 14.9%, primarily driven by the impact of annualisation against periods of Covid lockdown. The macroeconomic downturn from October 2022 onwards also affected the level of orders from new customers in the UK and the Netherlands. There was also a more limited impact in the UK from industrial action at Royal Mail affected trading in the months leading up to Christmas 2022.

- Average Order Value increased by 7.6% year-on-year, reflecting card price increases and more targeted use of promotional discounting, offset in part by lower average selling prices on gifting as customers traded down to cheaper price points in view of macroeconomic pressures.

Consistent with previous periods, the movement in year-on-year revenue remained stronger at Moonpig than at Greetz, supported by sustained investment in technology over the last four years. Greetz was successfully migrated onto our unified technology platform during September 2022, which we expect will contribute to future revenue growth. Greetz also faced tougher prior year comparatives due to full lockdown measures in the Netherlands from November 2021 to February 2022, in contrast to voluntary social distancing guidelines effective in the UK during the same period.

Experiences revenue was £41.6m and represents agency commission earned from partners for the distribution of experiences rather than the gross transaction value. Full year revenue increased from £43.8m in FY22 to £47.9m in FY23, with year-on-year growth decelerating from 19.4% in H1 FY23 to 4.1% in H2 FY23 due to the macroeconomic downturn.

Gifting mix of revenue

	Year ended 30 April 2023	Year ended 30 April 2022	Year-on-year growth %
Moonpig and Greetz cards revenue (£m)	**157.7**	159.2	(1.0%)
Moonpig and Greetz attached gifting revenue (£m)	**109.4**	129.8	(15.8%)
Moonpig and Greetz standalone gifting revenue (£m)	**11.5**	15.3	(24.7%)
Moonpig and Greetz revenue (£m)	**278.5**	304.3	(8.5%)
Experiences gifting revenue (£m)	**41.6**	-	N/a
Group revenue (£m)	**320.1**	304.3	5.2%
Moonpig / Greetz total gifting revenue (£m)	**120.9**	145.1	(16.7%)
Moonpig / Greetz gifting revenue mix (%)	**43.4%**	47.7%	(4.3%pts)
Group gifting mix of revenue (%)	**50.7%**	47.7%	3.0%pts

The Group’s gifting mix of revenue increased to 50.7% (FY22: 47.7%) driven by the acquisition of Experiences. At Moonpig and Greetz, gifting mix of revenue decreased to 43.4% (FY22: 47.7%). Cards revenue benefited from price changes in the UK, whilst gifting revenue was adversely impacted by consumers trading down to lower price points in both the UK and the Netherlands. Our inventory-light model enables us to flex our offering at short notice and we have reacted to changing demand patterns by strengthening the gifting range at lower price points.

Gross margin rate

	Year ended 30 April 2023	Year ended 30 April 2022	Year-on-year growth %
Moonpig gross margin (%)	**51.8%**	49.5%	2.3%pts
Greetz gross margin (%)	**46.8%**	48.9%	(2.1%pts)
Moonpig and Greetz gross margin (%)	**50.8%**	49.3%	1.5%pts
Experiences gross margin (%)	**92.0%**	N/a	N/a
Group gross margin (%)	**56.1%**	49.3%	6.8%pts

Gross margin rate strengthened year-on-year at Moonpig, reflecting greeting card price changes, management action to improve intake margin on gifts, the category mix impact of prioritising resources towards higher-margin cards and the use of our personalised promotions engine to target discounts. The year-on-year trend in gross margin rate at Greetz reflects atypically low intensity of promotional activity last year.

Experiences gross margin stood at 92.0%, with the cost of goods relating primarily to packaging and distribution for those orders requiring physical gift box delivery rather than digital fulfilment. Full year gross margin rate increased from 84.3% in FY22 to 92.3% in FY23, reflecting growth in high-margin revenue from upselling to recipients, consistent application of fees for voucher extension (waived during lockdown), revenue growth through third-party websites where retail partners cover shipping costs and an increase in the proportion of orders fulfilled digitally. In addition, we have seen redemptions of experience vouchers issued during the pandemic 5% lower than implied by the historical trend, causing an increase in the deferred liability when compared to normalised redemption levels. Experiences gross margin rate is expected to remain stable at around the FY23 level into next year and beyond.

Adjusted EBITDA margin

	Year ended 30 April 2023	Year ended 30 April 2022	Year-on-year growth %
Moonpig Adjusted EBITDA margin %	**26.8%**	25.2%	1.6%pts
Greetz Adjusted EBITDA margin %	**20.3%**	22.7%	(2.4%pts)
Moonpig and Greetz Adjusted EBITDA margin %	**25.5%**	24.6%	0.9%pts
Experiences Adjusted EBITDA margin %	**31.4%**	N/a	N/a
Group Adjusted EBITDA margin %	**26.3%**	24.6%	1.7%pts

Group Adjusted EBITDA margin rate was 26.3% (FY22: 24.6%) reflecting the first-time consolidation of Experiences and the actions taken by management to maintain absolute Adjusted EBITDA in more challenging trading conditions.

Moonpig Adjusted EBITDA margin rate increased by 1.6%pts to 26.8%, reflecting card price increases, gross margin discipline and careful management of indirect costs. Greetz Adjusted EBITDA margin decreased by 2.4% to 20.3% reflecting planned additional promotional activity to incentivise customer migration to the new Greetz apps.

Experiences Adjusted EBITDA margin rate was 31.4% (FY22 full year: 31.1%). The impact of higher gross margin rate was offset by operational restructuring costs for customer service outsourcing, relocation of fulfilment, head office relocation and employee severance.

Alternative Performance Measures

The Group has identified certain Alternative Performance Measures ("APMs") that it believes provide additional useful information on the performance of the Group. These APMs are not defined within IFRS and are not intended to substitute or be considered as superior to IFRS measures. Furthermore, these APMs may not necessarily be comparable to similarly titled measures used by other companies. The Group’s Directors and management use these APMs in conjunction with IFRS measures when budgeting, planning and reviewing business performance. Executive management bonus targets include an Adjusted EBITDA measure and long-term incentive plans include an Adjusted Basic Pre-Tax Earnings Per Share ("EPS") measure.

	Year ended 30 April 2023		Year ended 30 April 2022		Year-on-year growth %	
	IFRS Measures £m	**Adjusted Measures[1] £m**	IFRS Measures £m	Adjusted Measures[1] £m		
Pre-IPO share-based payment charges	**-**	**(5.4)**	-	(7.0)	-	23.0%
Pre-IPO bonus awards	**-**	**(3.3)**	-	(3.6)	-	9.8%
M&A related transaction costs	**-**	**(4.4)**	-	(0.9)	-	(373.7%)
Total Adjusting Items	**-**	**(13.1)**	-	(11.6)	-	(12.9%)
Revenue	**320.1**	**320.1**	304.3	304.3	5.2%	5.2%
PAT	**26.6**	**37.9**	31.4	41.7	(15.4%)	(9.1%)
Taxation	**(8.3)**	**(10.1)**	(8.5)	(9.9)	2.6%	(2.0%)
PBT	**34.9**	**48.0**	40.0	51.5	(12.6%)	(6.8%)
PBT margin	**10.9%**	**15.0%**	13.1%	16.9%	(2.2%pts)	(1.9%pts)
Finance costs	**(13.6)**	**(13.6)**	(9.0)	(9.0)	(51.2%)	(51.2%)
EBIT	**48.5**	**61.5**	48.9	60.5	(0.8%)	1.8%
EBIT margin	**15.2%**	**19.2%**	16.1%	19.9%%	(0.9%pts)	(0.7%pts)
Depreciation and amortisation	**(22.7)**	**(22.7)**	(14.4)	(14.4)	(57.7%)	(57.7%)
EBITDA	**71.1**	**84.2**	63.3	74.9	12.3%	12.4%
EBITDA margin	**22.2%**	**26.3%**	20.8%	24.6%	1.4%pts	1.7%pts

1 See Adjusting Items at Note 5.

The definitions for the adjusted measures in the table are as follows:

- Adjusted PAT is profit after taxation and before Adjusting Items.
- Adjusted PBT is profit before taxation and Adjusting Items. Adjusted PBT margin is Adjusted PBT divided by total revenue.
- Adjusted EBIT is profit before taxation, interest and Adjusting Items. Adjusted EBIT margin is Adjusted EBIT divided by total revenue.
- Adjusted EBITDA is profit before taxation, interest, depreciation, amortisation and Adjusting Items. Adjusted EBITDA margin is Adjusted EBITDA divided by total revenue.

Adjusting Items comprise:

- Pre-IPO incentive scheme costs, consisting of £5.4m (FY22: £7.0m) share-based payment charges and £3.3m (FY22: £3.6m) cash bonus awards. These relate to one-off compensation arrangements granted prior to IPO and set out in the Prospectus. The Group treats these costs as Adjusting Items as they relate to one-off awards implemented whilst the Group was under private equity ownership and are not part of the Group’s ongoing remuneration arrangements.

- M&A-related transaction costs of £4.4m arising in FY23 comprise advisers' fees, stamp duty and other costs directly relating to the acquisition of Experiences. These are additional to the £0.9m of such costs recognised in the second half of FY22. The Group treats these costs as Adjusting Items as they are not part of normal business operations.

The charge relating to pre-IPO incentive schemes comprises £2.3m (FY22: £3.0m) relating to shares that were restricted and have now vested and £6.4m (FY22: £7.6m) relating to the "Pre-IPO Awards", which consist of cash and nil-cost options over shares. The Pre-IPO Awards vest in two tranches on 30 April 2023 and 30 April 2024, subject to FY23 revenue and Adjusted EBITDA performance conditions. The Group exceeded maximum performance for both measures, including on an organic basis without the post-acquisition revenue and profit from Experiences. The FY23 charge is lower than expected with an anticipated offsetting increase in FY24, reflecting the fact that when a participant leaves their award may be reallocated to another employee (excluding the Executive Directors) affecting the timing of charges to profit and loss. Cash outflows for each tranche of the Pre-IPO Award are expected to arise in the first quarter of FY24 and the first quarter of FY25 respectively.

Determining which items should be classified as Adjusting Items involves the exercise of judgement. Our classification of items as Adjusting Items has remained unchanged year-on-year. We do not classify the following as Adjusting Items on the basis that they are recurring costs associated with delivery of financial performance for the year. However, we have observed that certain users of our accounts adopt a different approach in their own financial modelling and have therefore provided the information below to assist these users:

	Year ended 30 April 2023	Year ended 30 April 2022
Amortisation of acquired intangible assets (£m)	**7.5**	1.8
Share-based payment charges relating to operation of post-IPO Remuneration Policy[1] (£m)	**2.5**	1.3

1 Share-based payment charges are stated inclusive of national insurance of £0.3m (FY22: £0.2m).

Profit before taxation ("PBT")

Although Adjusted EBITDA increased year-on-year, PBT decreased from £40.0m in FY22 to £34.9m in FY23 because of higher Adjusting Items, additional depreciation and amortisation and an increase in finance costs.

Depreciation and amortisation increased to £22.7m (FY22: £14.4m). The primary reason for this was a £5.6m increase in the amortisation of acquired intangible fixed assets arising on business combination with Experiences. The amortisation of internally generated intangible fixed assets also increased by £2.6m, due to the decision taken last financial year to expand the size of the technology team and increase investment in our technology. The depreciation of plant, property and equipment also increased due to expenditure on fitting out new operational facilities. There has been no change in the Group's accounting policies or practices relating to the capitalisation of costs as internally generated intangible assets. We continue to amortise internally generated intangible assets over a relatively short useful life of three years.

Finance costs increased from £9.0m in FY22 to £13.6m in FY23:

- Interest on senior debt rose from £6.3m in FY22 to £11.6m in FY23 reflecting additional senior debt drawn down in July to finance the acquisition of the Experiences segment, together with increases in the SONIA reference rate. All amounts drawn under the revolving credit facilities were repaid in full as at 30 April 2023.

- Amortisation of fees increased from £1.4m in FY22 to £2.0m in FY23, reflecting the additional costs for arranging the Additional revolving credit facility ("Additional RCF") in July 2022 and putting in place interest rate hedging.

- Deemed interest on lease liabilities increased from £0.7m to £0.9m because of new leases relating to warehouses in Tamworth, UK and Almere, Netherlands.

- In addition, the Group recognised a £0.9m gain (FY22: £0.7m loss) in respect of the monetary foreign exchange gain on a Euro-denominated intercompany loan balance, with the corresponding intercompany loss recognised in Other Comprehensive Income in accordance with IAS 21.

The taxation charge was £8.3m (FY22: £8.5m), which represents an effective taxation rate of 23.8% (FY22: 21.3%). This exceeded the prevailing rate of corporation tax of 19.4% in the UK (19.0% until 1 April 2023 when the rate increased to 25.0%) primarily because of the non-deductible nature of the M&A-related transaction costs relating to the acquisition of the Experiences segment. Expressed as a percentage of Adjusted Profit Before Taxation, the effective tax rate was 21.0% (FY22: 19.2%).

Earnings Per Share ("EPS")

Basic EPS for FY23 was 7.8p (FY22: 9.3p) and Adjusted basic EPS, which is stated before Adjusting Items was 11.1p (FY22: 12.3p). After accounting for the effect of employee share arrangements, diluted earnings per share was 7.7p (FY22: 9.1p).

The calculation of basic EPS is based on the weighted average number of ordinary shares outstanding during the year of 340,061,402 (FY22: 339,036,292). Throughout both years, the total issued share capital was 342,111,621, however 3,075,329 shares issued to employees prior to the IPO remained subject to recall within a two-year period if employment conditions were not met. These shares were excluded from the number of ordinary shares outstanding in FY22 and the relevant portion of FY23 in accordance with paragraph 24 of IAS 33 on the basis that they were contingently returnable.

Cash flow

Cash generated from operating activities was £57.9m (FY22: £63.9m):

- There was a cash outflow in the year of £0.8m (FY22: £4.8m inflow), due to a temporary increase in inventories from the opening of our new operations facilities. Inventory acquired upon business combination with the Experiences segment was £1.4m. Total inventory at 30 April 2023 was £12.3m (FY22: £10.1m).

- There was a trade and other payables working capital outflow in the year of £22.1m (FY22: £10.8m). The outflow derived from Moonpig and Greetz was £7.7m (compared to the £10.8m outflow in FY22, which was driven by annualisation against periods of Covid-related lockdown restrictions). The remaining outflow of £14.5m (FY22: £nil) is driven by a reduction in Experiences trade and other payables since acquisition, reflecting the one-off settlement of legacy incentive obligations of £13.5m associated with the acquisition, which were fully provided for in the opening balance sheet, and movement in the merchant accrual during the year.

The merchant accrual balance acquired upon business combination with Experiences was £61.2m. A payables balance is recognised when a gift experience is sold to a consumer to reflect the expected future liability to the merchant; this balance is settled through the remittance of cash to the merchant following redemption of the voucher by the recipient.

The acquisition of Experiences (comprising the legal entity Experience More Limited) was completed on 13 July 2022 for net consideration of £88.6m, comprising gross cash consideration paid of £124.3m net of cash balances acquired of £35.7m. There was no deferred element to the purchase consideration. M&A transaction costs of £0.9m in FY22 and £4.4m in FY23 are recognised as Adjusting Items.

Capital expenditure increased year-on-year to £22.6m (FY22: £9.7m) reflecting one-off tangible capex to expand our operations footprint and higher intangible capex resulting from an increase in the size of the technology organisation that is intended to remain in place in future periods.

Adjusted Operating Cash Conversion

The Group generated an operating cash inflow of £56.2m in FY23, compared to £59.6m in the previous year. Adjusted Operating Cash Conversion decreased from 80% in FY22 to 67% in FY23, reflecting higher capital expenditure, including an increase in tangible capital expenditure to £9.7m due to the fit out of new operational facilities in the UK and the Netherlands. This is not expected to recur, and annual tangible capex is expected to be below £2m in future periods, with total expected tangible and intangible capex reverting to the pre-Covid trend of around 5% of revenue in FY24 and beyond.

	Year ended 30 April 2023 £m	Year ended 30 April 2022 £m
Profit before taxation	**34.9**	40.0
Add back: Finance costs	**13.6**	9.0
Add back: Adjusting items (excluding share-based payments)	**7.7**	4.5
Add back: Share-based payments	**5.4**	7.0
Add back: Depreciation and amortisation	**22.7**	14.4
Adjusted EBITDA	**84.2**	74.9
Less: Capital expenditure (fixed and intangible assets)	**(22.6)**	(9.7)
Adjust: Impact of share-based payments[1]	**1.9**	0.7
Add back: (Increase) / decrease in inventories[2]	**(0.8)**	4.8
Add back: Decrease / (increase) in trade and other receivables[2]	**5.3**	(0.3)
Add back: Decrease in trade and other payables[2]	**(11.8)**	(10.8)
Operating cash flow[3]	**56.2**	59.6
Adjusted Operating Cash Conversion	**67%**	80%
Add back: Capital expenditure	**22.6**	9.7
Add back: Loss on disposal and right of use asset impairment	**0.5**	**-**
Add back: Increase / (decrease) in debtors and creditors with undertakings formerly under common control	**0.3**	(0.4)
Less: Adjusting items (excluding share-based payments)	**(7.7)**	(4.5)
Less: Research and development tax credit	**(0.4)**	(0.5)
Cash generated from underlying operating activities	**71.4**	63.9
Settlement of M&A related employee bonuses at Experiences[3]	**(13.5)**	-
Cash generated from operating activities	**57.9**	63.9

1 Comprises non-cash share-based payment charges recognised within Adjusted EBITDA and relating to operation of post-IPO Remuneration Policy (£2.2m), net of employer's national insurance on the share-based payments relating to pre-IPO awards recognised below Adjusted EBITDA (£0.3m).
2 Working capital movements for the year ended 30 April 2023 have been adjusted for the opening balances arising upon acquisition of Experiences.
3 Operating cash flow excludes settlement of legacy incentive obligations associated with the acquisition, which were fully provided for in the opening balance sheet.

Operating cash flow and Adjusted Operating Cash Conversion are non-GAAP measures. Adjusted Operating Cash Conversion is defined as operating cash flow divided by Adjusted EBITDA, expressed as a ratio. Adjusted Operating Cash Conversion informs management and investors about the cash operating cycle of the business and how efficiently operating profit is converted into cash.

Capital structure

The Group deleveraged during the second half of the financial year, driven by H2 FY23 operating cash conversion of 111% (H2 FY22: 116%). Net debt decreased to £167.7m as at 30 April 2023, and the ratio of net debt to pro forma Adjusted EBITDA decreased to 1.97x. Net debt remained higher than at the start of the financial year, reflecting the acquisition of Experiences. Net debt is a non-GAAP measure and is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents.

	As at 30 April 2023 £000	As at 31 October 2022 £000	As at 30 April 2022 £000
Borrowings[1]	**(170.5)**	(229.9)	(170.2)
Cash and cash equivalents	**22.4**	41.0	101.7
Borrowings less cash and cash equivalents	**(148.1)**	188.9	(68.5)
Lease liabilities	**(19.5)**	(19.8)	(15.3)
Net debt	**(167.7)**	(208.8)	(83.8)
Last twelve months Adjusted EBITDA	**84.2**	74.4	74.9
Net debt to last twelve months' Adjusted EBITDA	**1.99:1**	2.80:1	1.12:1
Last twelve months pro forma Adjusted EBITDA[2]	**85.1**	85.1	74.9
Net debt to last twelve months pro forma Adjusted EBITDA[2]	**1.97:1**	2.45:1	1.12:1
Secured debt facilities	**255.0**	255.0	195.0

1 Borrowings are stated net of capitalised loan arrangement fees and hedging instrument fees of £4.6m as at 30 April 2023 (31 Oct 2022: £5.2m, 30 April 2022: £5.1m,).

2 Pro forma Adjusted EBITDA is stated inclusive of a full year of profit from acquired businesses.

The Group maintains considerable liquidity headroom, with senior facilities of £255.0m. These facilities consist of a Term Loan of £175.0m with a bullet repayment profile, an Original revolving credit facility (“Original RCF”) of £20.0m and an Additional RCF of £60.0m. The senior facilities agreement runs until 8 January 2026 with the facilities committed until 8 December 2025.

The Group has significant covenant headroom. Senior facilities are subject to a single covenant of net debt to last twelve months' pro forma Adjusted EBITDA which is tested six-monthly. The covenant threshold it set at 4.00x for 30 April 2023 and 3.50x for all subsequent test dates. As the Senior Facilities Agreement was put in place under a previous ownership structure, the definition of Adjusted EBITDA for covenant purposes includes favourable add-backs that are typical of an acquisition finance facility, for instance the pre-acquisition profits of acquired businesses, the anticipated pro forma impact of any planned cost reduction actions and the exclusion of recurring share-based expenses that are not treated by the Group as an Adjusting Item for reporting purposes.

The Group has in place an interest rate swap at a rate of 2.4725% with a floor strike rate of 0% on £90m notional until 1 December 2022 and £55m notional until the term expires on 30 November 2023 and an interest rate cap with a cap strike rate of 3.0000% on £70m notional until 30 November 2024. This is intended to hedge floating rate exposure to SONIA interest for broadly three quarters of expected senior debt (less cash) for the duration of the hedge.

The Group’s short term capital allocation priority is continued deleveraging. Net leverage remains on a strong downward trajectory. We do not intend to pay a dividend as we continue to invest in growth. We will continue to evaluate dividend policy over time.

Technical guidance

Adjusting items	We anticipate that Adjusting Items will include a charge of between £3m and £4m in FY24 and nil thereafter relating to the Pre-IPO Award. We had previously estimated the FY24 cost at around £3m, however there has been a re-phasing of costs from FY23 into FY24 due to the scheme's operation. As set out in the Prospectus, if a participant leaves employment, their award may be reallocated to another employee (excluding Executive Directors) and the charge relating to that award will be recognised from that point onwards. The pre-IPO award is conditional on employment and is subject to FY23 revenue and Adjusted EBITDA performance conditions. The Group exceeded maximum performance measures, including on an organic basis without the post-acquisition revenue and profit from Experiences. The Pre-IPO Award consists of two tranches that have either vested or will vest on 30 April 2023 and 30 April 2024. Payments are made after the respective vesting dates, resulting in expected cash outflows of approximately £4m in Q1 FY24 and £5m in Q1 FY25 (excluding national insurance costs).
Capital expenditure	We expect total tangible and intangible capital expenditure to revert to the pre-Covid trend level of around 5% of revenue in FY24 and we plan to maintain this ratio going forward. Within this, we expect that tangible capex will remain below £2m per year. The higher level of spend in FY23 was driven by investment in fitting-out two new operational facilities on ten-year leases terms and we currently have no plans for additional leasehold facilities. In FY22, we made the strategic decision to increase investment in technology, which led to a year-on-year increase in internally generated intangible capex in FY23. We believe this investment will serve as a sustained driver of medium-term revenue growth. Assuming we continue to see benefits from this investment, we plan to increase our investment in this area whilst maintaining total capex to revenue at a broadly constant ratio.
Depreciation and amortisation	For FY24, we expect a total charge for depreciation and amortisation of between £27m and £29m: • The combined charge for depreciation of purchased tangible fixed assets and amortisation of internally generated intangible fixed assets is expected to increase to between £16m and £18m in FY24, reflecting the fit-out of operational facilities in FY23 and ongoing increased technology investment. • We anticipate a charge of around £3m per annum for the depreciation of IFRS 16 right-of-use assets, reflecting the full-year impact of depreciation related to new leases for Tamworth and Almere. • We expect the amortisation of intangible fixed assets arising on business combination to be approximately £8m per annum (comprising approximately £6m relating to Experiences and approximately £2m relating to Greetz).
Net finance costs	We expect net finance costs in FY24 to be in the region of £15m. This assumes that the Group's £175m Term Loan will remain fully drawn throughout the year, as we have no current plans for partial repayment. • Senior interest payments are expected to be around £12m. This reflects higher average SONIA rates, as a portion of the Group's borrowings are unhedged and SONIA was below the strike rate of the interest rate cap throughout H1 FY23. We expect this to be partly offset by lower facility utilisation resulting from the full repayment of all amounts drawn under the Additional RCF as at 30 April 2023. • We expect the amortisation of fees to be approximately £2m. Deemed interest on lease liabilities is expected to be approximately £1m. We have assumed no monetary gain or loss on Euro-denominated intercompany loan balances.
Taxation	We expect the Group's effective tax rate to be approximately 26% of PBT in FY24 and 25% in FY25 and thereafter. The expected effective rate for FY24 is higher than the prevailing tax rate in the UK and in the Netherlands due to the impact of the Group's legacy share schemes.
Operating cash conversion	We expect an improved operating cash conversion rate in FY24 driven by lower capital expenditure, partially offset by cash outflows relating to the vesting of the first tranche of the Pre-IPO incentives. Net working capital is expected to increase in line with revenue on an annual basis. Operating cash conversion is expected to remain strongly weighted towards the second half of each financial year, as most peak trading occasions occur during this period, including Christmas, Valentine's Day and UK Mother's Day. In addition, operating cash flow at Experiences is stronger in H2, reflecting the seasonal importance of Christmas trading to its business.

Outlook

Trading since the start of the year has been in line with our expectations. In the context of the current macroeconomic environment, we expect pro forma revenue to grow at a low single digit percentage rate in the first half of FY24, underpinned by the Moonpig brand, which has been in growth since March.

For the full financial year, we expect consolidated revenue growth at a mid to high single digit percentage rate, with all of our brands returning to growth in the second half. Adjusted EBITDA margin is expected to remain resilient.

Condensed Consolidated Financial Information
Condensed Consolidated Income Statement
For the year ended 30 April 2023

	Note	2023 £000	2022 £000
Revenue	3	**320,125**	304,333
Cost of sales		**(140,449)**	(154,225)
Gross profit		**179,676**	150,108
Selling and administrative expenses	4,5	**(132,534)**	(102,604)
Other income	4	**1,319**	1,433
Operating profit		**48,461**	48,937
Finance income	6	**21**	–
Finance costs	6	**(13,577)**	(8,977)
Profit before taxation		**34,905**	39,960
Taxation	8	**(8,298)**	(8,521)
Profit after taxation		**26,607**	31,439
Profit attributable to:			
Equity holders of the Company		**26,607**	31,439
Earnings per share (pence)			
Basic	9	**7.8**	9.3
Diluted	9	**7.7**	9.1

All activities relate to continuing operations.

The accompanying notes are an integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Comprehensive Income
For the year ended 30 April 2023

	Note	2023 £000	2022 £000
Profit for the year	4	**26,607**	31,439
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(158)**	190
Cash flow hedge:			
Fair value changes in the year	21	**1,891**	–
Cost of hedging reserve	21	**126**	–
Fair value movements on cash flow hedges transferred to the profit or loss	21	**(136)**	–
Total other comprehensive income		**1,723**	190
Total comprehensive income for the year		**28,330**	31,629

The accompanying notes are an integral part of this condensed consolidated financial information.

Condensed Consolidated Balance Sheet

As at 30 April 2023

	Note	2023 £000	2022 £000
Non-current assets			
Intangible assets	11	**210,455**	34,028
Property, plant and equipment	12	**32,311**	21,241
Other non-current assets	14	**2,153**	1,928
Financial derivatives	22	**1,757**	–
		246,676	57,197
Current assets			
Inventories	13	**12,333**	10,117
Trade and other receivables	14	**6,331**	4,292
Current tax receivable		**1,260**	256
Financial derivatives	22	**711**	–
Cash and cash equivalents	15	**22,394**	101,677
		43,029	116,342
Total assets		**289,705**	173,539
Current liabilities			
Trade and other payables	16	**110,119**	43,302
Provisions for other liabilities and charges	17	**1,617**	1,837
Current tax payable		**805**	–
Contract liabilities	18	**2,589**	2,247
Lease liabilities	19	**3,443**	2,151
Borrowings	19	**27**	213
		118,600	49,750
Non-current liabilities			
Trade and other payables	16	**4,858**	6,312
Borrowings	19	**170,493**	169,950
Lease liabilities	19	**16,082**	13,169
Deferred tax liabilities	8	**10,978**	2,168
Provisions for other liabilities and charges	17	**2,413**	1,509
		204,824	193,108
Total liabilities		**323,424**	242,858
Equity			
Share capital	21	**34,211**	34,211
Share premium	21	**278,083**	278,083
Merger reserve		**(993,026)**	(993,026)
Retained earnings		**603,849**	576,507
Other reserves	21	**43,164**	34,906
Total equity		**(33,719)**	(69,319)
Total equity and liabilities		**289,705**	173,539

The accompanying notes are an integral part of this condensed consolidated financial information.

Approved by the Board of Moonpig Group plc on 28 June 2023.

Condensed Consolidated Statement of Changes in Equity

For the year ended 30 April 2023

	Note	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Other reserves £000	Total equity £000
Balance at 1 May 2021		34,211	277,837	(1,000,586)	550,183	27,015	(111,340)
Profit for the year		–	–	–	31,439	–	31,439
Other comprehensive income:							
Exchange differences on translation of foreign operations		–	–	–	–	190	190
Total comprehensive income for the year		**–**	**–**	**–**	31,439	190	31,629
Group relief reclassification[1]	21	–	–	7,560	(5,115)	–	2,445
Share-based payments	20, 21	–	–	–	–	7,701	7,701
Proceeds from IPO share issue	21	–	246	–	–	–	246
As at 30 April 2022		**34,211**	**278,083**	**(993,026)**	**576,507**	**34,906**	**(69,319)**
Profit for the year		**–**	**–**	**–**	**26,607**	**–**	**26,607**
Foreign currency translation reserve reclassification[1]		**–**	**–**	**–**	**735**	**(735)**	**–**
Other comprehensive (expense)/income:							
Exchange differences on translation of foreign operations		**–**	**–**	**–**	**–**	**(158)**	**(158)**
Cash flow hedges:							
Fair value changes in the year		**–**	**–**	**–**	**–**	**1,891**	**1,891**
Cost of hedging reserve		**–**	**–**	**–**	**–**	**126**	**126**
Fair value movements on cash flow hedges transferred to profit and loss		**–**	**–**	**–**	**–**	**(136)**	**(136)**
Total comprehensive income for the year		**–**	**–**	**–**	**27,342**	**988**	**28,330**
Share-based payments	20, 21	**–**	**–**	**–**	**–**	**7,270**	**7,270**
As at 30 April 2023		**34,211**	**278,083**	**(993,026)**	**603,849**	**43,164**	**(33,719)**

1 For Group relief reclassification adjustment, see Note 21.

The accompanying notes are an integral part of this condensed consolidated financial information.

Condensed Consolidated Cash Flow Statement

For the year ended 30 April 2023

	Note	2023 £000	2022 £000
Cash flow from operating activities			
Profit before taxation		**34,905**	39,960
Adjustments for:			
Depreciation, amortisation and impairment	11,12	**22,653**	14,361
Impairment of right-of-use asset	12	**428**	-
Loss on disposal of tangible assets		**48**	215
Net finance costs	6	**13,556**	8,977
R&D tax credit		**(423)**	(470)
Share-based payment charges		**7,270**	7,701
Changes in working capital:			
(Increase)/decrease in inventories		**(835)**	4,765
Decrease/(increase) in trade and other receivables		**2,112**	(295)
Decrease in trade and other payables		**(22,092)**	(10,832)
Decrease/(increase) in trade and other receivables and payables with undertakings formerly under common control		**308**	(503)
Cash generated from operating activities		**57,930**	63,879
Income tax paid		**(8,590)**	(8,945)
Net cash generated from operating activities		**49,340**	54,934
Cash flow from investing activities			
Capitalisation of intangible assets	11	**(12,949)**	(8,297)
Purchase of property, plant and equipment	12	**(9,680)**	(1,444)
Acquisition of subsidiary, net of cash acquired	10	**(88,598)**	–
Net cash used in investing activities		**(111,227)**	(9,741)
Cash flow from financing activities			
Proceeds from new borrowings	19	**60,000**	–
Payment of fees related to new borrowings		**(988)**	–
Repayment of borrowings	19	**(60,000)**	–
Payment of interest rate cap premium		**(940)**	–
Interest paid on borrowings	19	**(12,144)**	(6,451)
Interest received on swap derivatives		**327**	–
Lease liabilities paid	19	**(2,641)**	(2,442)
Interest paid on leases	19	**(863)**	(663)
Proceeds from IPO share issue	20	**–**	246
Net cash used in financing activities		**(17,249)**	(9,310)
Net cash flows (used in)/generated from operating, investing and financing activities		**(79,136)**	35,883
Differences on exchange		**(147)**	(226)
(Decrease)/increase in cash and cash equivalents in the year		**(79,283)**	35,657
Net cash and cash equivalents at 1 May		**101,677**	66,020
Net cash and cash equivalents at 30 April		**22,394**	101,677

The accompanying notes are an integral part of this condensed consolidated financial information.

Notes to the Condensed Consolidated Financial Information

1 General information

Moonpig Group plc (the “Company” or "Parent Company") is a public limited company incorporated in the United Kingdom under the Companies Act 2006, whose shares are traded on the London Stock Exchange. The condensed consolidated financial information of the Company as at and for the year ended 30 April 2023 comprise the Company and its interests in subsidiaries (together referred to as the “Group”). The Company is domiciled in the United Kingdom and its registered address is Herbal House, 10 Back Hill, London, EC1R 5EN, England, United Kingdom. The Company’s LEI number is 213800VAYO5KCAXZHK83.

Basis of preparation
The condensed consolidated financial information of Moonpig Group plc has been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

All figures presented are rounded to the nearest thousand (£000), unless otherwise stated.

The condensed consolidated financial information has been prepared on the going concern basis and under the historical cost convention modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss.

Basis of consolidation
Subsidiaries are entities over which the Group has control. Control exists when the Group has existing rights that give it the ability to direct the relevant activities of an entity and has the ability to affect the returns the Group will receive as a result of its involvement with the entity. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial information of subsidiaries is included in the condensed consolidated financial information from the date that control commences until the date that control ceases.

Intercompany transactions and balances between Group companies are eliminated on consolidation.

The financial statements of all subsidiary undertakings are prepared to the same reporting date as the Company. All subsidiary undertakings have been consolidated.

The subsidiary undertakings of the Company at 30 April 2023 are detailed in Note 25 to the condensed consolidated financial information.

Consideration of climate change
In preparing the financial information, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosures within the Annual Report and Accounts for the year ended 30 April 2023. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:
- Going concern and viability of the Group over the next three years;
- Cash flow forecasts used in the impairment assessments of non-current assets including goodwill and other intangible assets;
- Carrying amount and useful economic lives of property, plant and equipment.

Whilst there is currently no material medium-term financial impact expected from climate change, the Directors will assess climate-related risks at each reporting date against judgements and estimates made in preparation of the Group’s condensed consolidated financial information.

Going concern
The Group’s business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report of the Annual Report and Accounts for the year ended 30 April 2023.

The Group has continued to generate positive operating cash flow and finished the year with liquidity headroom of £102,394,000 (2022: £121,677,000) comprising gross cash and unutilised committed senior facilities. The Group has a Senior Facilities Agreement which is committed until 8 December 2025 and comprises a Term Loan of £175,000,000, an Original RCF of £20,000,000 and an Additional RCF of £60,000,000, which was entered into during the year.

The Term Loan and amounts drawn under the Original RCF and Additional RCF bear interest at a floating rate (which was linked to LIBOR until 8 December 2021 and linked to SONIA since that date) plus a margin.

On 1 August 2022, the Group executed two interest rate derivative agreements, with the intention of hedging its exposure to increases in SONIA for broadly three quarters of its current expected future senior debt (net of cash) until November 2024. For the remaining term, the agreements comprise an interest rate swap at a rate of 2.4725% with a floor strike rate of 0% on £55m notional until 30 November 2023 and an interest rate cap with a cap strike rate of 3.0000% on £70m notional until 30 November 2024.

The Senior Facilities Agreement is subject to a Total Net Debt to last twelve months’ pro forma Adjusted EBITDA covenant of 4.00x at 30 April 2023 and 3.50x thereafter. It is tested on a semi-annual basis, with Total Net Debt and last twelve months’ pro forma Adjusted EBITDA as defined in the Senior Facilities Agreement. The Group has complied with all covenants from entering the Senior Facilities Agreement until the date of this condensed financial information and is forecast to comply with these during the going concern assessment period.

The Directors have reviewed the severe but plausible scenarios as described within the viability statement of the Annual Report and Accounts for the year ended 30 April 2023; in these scenarios, the Group continues to have sufficient resources to continue in operational existence. In the event that more severe impacts occur, controllable mitigating actions are available to the Group should they be required.

The Directors also reviewed the results of reverse stress testing performed throughout the going concern and viability periods, to provide an illustration of the extent to which existing customer purchase frequency and levels of new customer acquisition would need to deteriorate in order that their cumulative effect should either trigger a breach in the Group's covenants under the Senior Facilities Agreement or else exhaust liquidity. The probability of this scenario occurring was deemed to be remote given the resilient nature of the business model and strong cash conversion of the Group.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing this condensed financial information. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial information, in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Critical accounting judgements and estimates
In preparing this condensed financial information, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas of judgement which have the greatest potential effect on the amounts recognised in the condensed financial information are:

Capitalisation of internally generated assets
Certain costs incurred in the developmental phase of an internal project, which include the development of technology, app and platform enhancements, internally generated software and trademarks, are capitalised as intangible assets if a number of criteria are met. The costs of internally developed assets include capitalised expenses of employees working full time on software development projects, third-party firms and software licence fees. Management has made judgements and assumptions when assessing whether development meets these criteria and on measuring the costs attributed to such projects. Further details of the amounts of, and movements in, such assets are given in Note 11.

Acquisition of Experiences
On acquisition of Experience More Limited, the Group has used judgement in determining the fair values of identifiable assets acquired and liabilities assumed on business combination. This includes determining whether any intangible assets should be recognised separately from goodwill and estimating their useful lives.

The areas of estimates and assumptions which have the greatest potential effect on the amounts recognised in the condensed financial information are:

Useful life of internally generated assets
The estimated useful lives which are used to calculate amortisation of internally generated assets (the Group's platforms and applications) are based on the length of time these assets are expected to generate income and be of benefit to the Group. The uncertainty included in this estimate is that if the useful lives are estimated to differ from the actual useful lives of the intangible assets, this could result in accelerated amortisation in future years and/or impairments. The economic lives of internally generated intangible assets are estimated at three years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. If the useful life of internally generated assets were estimated to be shorter or longer by one year, than the current useful life of three years, the net book value would (decrease)/increase by (£3,825,000)/£1,912,000 from the amount recognised as at 30 April 2023. Further details of the amounts of, and movements in, such assets are given in Note 11.

Experiences merchant accrual
The merchant accrual has been identified as a significant estimate following the acquisition of Experiences, which acts as an agent at the point of sale. When a voucher is purchased, the expected value of future amounts that will become payable to merchant providers is recorded within Trade and Other Payables on the Balance Sheet. The Group takes into account historical redemption rates when estimating future payments to merchant providers, with the span between the upper and the lower ends of the range in historical trends for these rates equivalent to a £2,916,000 movement in the amount recognised in revenue. The estimates are trued up for actual customer utilisation rates in the year.

Carrying amount of Experiences Goodwill
Annually, the goodwill balance is subject to an impairment review. The critical accounting estimate made in the calculation of the recoverable amount is the pre-perpetuity compound annual revenue growth rate of 10.5% (April 2022: N/a). Sensitivity analysis relating to this critical account estimate and further disclosure is set out in Note 11.

2 Summary of significant accounting policies

New standards, amendments and interpretations adopted from 1 May 2022
The following amendments are effective for the year beginning 1 May 2022:

- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use;
- Annual Improvements to IFRS Standards 2018-2020;
- Amendments to IFRS 17 Insurance contracts;
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date to be confirmed).

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 May 2022 and had no material impact on the year-end condensed consolidated financial information of the Group.

New standards, amendments and interpretations not yet adopted
The following adopted IFRSs have been issued but have not been applied by the Group in these condensed consolidated financial information. Their adoption is not expected to have material effect on the financial information unless otherwise indicated:

The following amendments are effective for the year beginning 1 May 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the year beginning 1 May 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial statements (Amendment – Non-current Liabilities with Covenants).

The principal accounting policies are set out below. Policies have been applied consistently, other than where new policies have been applied.

a) Foreign currency translation
The condensed consolidated financial information is presented in pounds sterling, which is the Group's presentational currency and are rounded to the nearest thousand. The income and cash flow statements of Group undertakings that are expressed in other currencies are translated to Sterling using exchange rates applicable on the dates of the underlying transactions. Average rates of exchange in each year are used where the average rate approximates the relevant exchange rate on the date of the underlying transactions. Assets and liabilities of Group undertakings are translated at the applicable rates of exchange at the end of each year.

The differences between retained profits translated at average and closing rates of exchange are taken to the foreign currency translation reserve, as are differences arising on the retranslation to Sterling (using closing rates of exchange) of overseas net assets at the beginning of the year and are presented as a separate component of equity. They are recognised in the income statement when the gain or loss on disposal of a Group undertaking is recognised.

Foreign currency transactions are initially recognised in the functional currency of each entity in the Group using the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign currency assets and liabilities at year-end rates of exchange are recognised in the income statement. Foreign exchange gains or losses recognised in the income statement are included in operating profit or finance costs / income depending on the underlying transactions that gave rise to these exchange differences.

b) Revenue
The Group recognises revenue when it has satisfied its performance obligations to external customers and control of the goods has been transferred. The Group is principally engaged in the sale of cards, physical gifts and gift experiences.

i) Sale of cards and physical gifts
The Group generates revenue from the sale of cards and physical gifts. Shipping and handling is not a separate performance obligation and any shipping fees charged to the customer are included in the transaction price. The sale of goods and any shipping and handling represents a single performance obligation which is satisfied upon delivery of the relevant goods and the transfer of control to that customer. Revenue is measured at the transaction price received net of value added tax, discounts and is reduced for provisions of customer returns and remakes based on the history of such matters. The cost of shipping is directly associated with generating revenue and therefore presented within cost of sales.

ii) Subscription revenue
The Group operates subscription plans that provide access to products, services and product discounts on future purchases in return for an annual fee. Revenue from the fee is recognised over the period to which the subscription relates. Amounts invoiced relating to services not yet performed are reported as contract liabilities.

iii) Sale of gift experiences
The Group operates a platform for the distribution of gift experience vouchers that may be redeemed for a wide choice of experiences provided by third party merchant partners and either gifted or kept for a consumer's own use. Revenue is recognised when a consumer purchases a gift experience, acting as an agent at the point of sale. At this point the Group's obligations are substantially complete, subject to a provision for refunds as stipulated in the terms of the sale, as gift experience services are

provided by the Group’s merchant partners, following redemption either through the Group’s websites or directly with the recipient’s chosen merchant partner.

The amount of revenue recognised primarily comprises the expected value of fees and any other income receivable in accordance with the Group’s contracts with third party merchant partners, rather than the gross value of vouchers purchased. This includes an estimate of the revenue to be recognised in relation to vouchers which are not redeemed based on historical rates.

Each voucher is multi-purpose and can be exchanged for any experience at any point until redemption, on account of which merchants are not paid a share of the gross value of a voucher until after redemption. The expected value of future amounts that will become payable to merchants is included within trade and other payables on the Balance Sheet. Where a recipient does not redeem the voucher prior to its expiry date, the Group recognises revenue from unredeemed vouchers and derecognises the accrued merchant payable once its legal obligations to the merchant expires.

c) Taxation
Taxation is chargeable on the profits for the year, together with deferred taxation.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group’s subsidiaries operate and generate taxable income.

Deferred taxation is provided in full using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or deferred tax liability is settled. Deferred tax relating to items recognised outside of profit or loss is also recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the statement of other comprehensive income or the statement of changes in equity.

d) Business combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred which is measured at the acquisition date. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

Acquisition-related items such as legal or professional fees are recognised as expenses in the year in which the costs are incurred as adjusting items.

e) Goodwill
Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill relates to the Greetz and Experiences cash-generating units.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested for impairment annually or whenever there is evidence that it may be required. Any impairment of goodwill is recognised immediately in the income statement and is not subsequently reversed. Goodwill is denominated in the currency of the acquired entity and revalued to the closing exchange rate at each reporting year date.

Goodwill in respect of subsidiaries is included in intangible assets. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

f) Intangible assets other than goodwill
i) Separately acquired intangible assets
Intangible assets acquired separately are measured on initial recognition at fair value at the acquisition date, provided they are identifiable and capable of reliable measurement.

Intangible assets with a finite useful life that are acquired separately are carried at cost less accumulated amortisation and impairment losses. These intangible assets are amortised on a straight-line basis over their remaining useful lives, consistent with the pattern of economic benefits expected to be received. The amortisation charge is included within selling and administrative expenses in the income statement.

ii) Internally generated research and development costs
Research expenditure is charged to the income statement in the year in which it is incurred. Development expenditure is charged to the income statement in the year it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets to be capitalised as an intangible asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and impairment losses. Amortisation begins when development is complete and the asset is available for use; the charge is included within selling and administrative expenses in the income statement. The estimated useful lives of separately acquired and internally generated assets are as follows:

	Straight-line amortisation period
Trademark	10 years
Technology and development costs	3 years
Customer relationships	1 to 12 years
Software	3 to 5 years
Other intangibles	2 to 4 years

g) Impairment of non-financial assets
Assets are reviewed for impairment whenever events indicate that the carrying amount of a cash-generating unit or the carrying amounts of non-financial assets may not be recoverable. In addition, assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognised to the extent that the carrying amount exceeds the higher of the asset's fair value less costs to sell and its value in use.

A cash-generating unit is the smallest identifiable group of assets that generates cash flows which are largely independent of the cash flows from other assets or groups of assets. At the acquisition date, any goodwill acquired is allocated to the relevant cash-generating unit or group of cash-generating units expected to benefit from the acquisition for the purpose of impairment testing of goodwill.

h) Impairment of financial assets held at amortised cost
As permitted by IFRS 9 Financial Instruments, loss allowances on trade receivables arising from the recognition of revenue under IFRS 15 Revenue from Contracts with Customers are initially measured at an amount equal to lifetime expected losses. Allowances in respect of loans and other receivables are initially recognised at an amount equal to 12-month expected credit losses. Allowances are measured at an amount equal to the lifetime expected credit losses where the credit risk on the receivables increases significantly after initial recognition.

i) Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis to write off the assets over their useful economic life. No depreciation is provided on freehold land.
The estimated useful lives are as follows:

	Straight-line depreciation period
Freehold property	25 years
Plant and machinery	4 years
Fixtures and fittings	4 years
Leasehold improvements	10 years or the unexpired term of lease if lower
Computer equipment	3 years
Right-of-use assets (plant and machinery, land and buildings)	Lease length

Climate change is not considered to materially impact the estimated useful lives of assets. Although extreme weather events could potentially damage manufacturing and distribution facilities, the probability of this occurring at the Group's most vulnerable location, Guernsey, is only 0.2% annually over the expected lifespan of the assets. Furthermore, the Group has flexibility in its production network and could shift production to other locations to mitigate any business interruptions.

j) Leased assets
Group as lessee
The Group records its lease obligations in accordance with the principles for the recognition, measurement, presentation and disclosures of leases as set out in IFRS 16. The Group applies IFRS 16 Leases to contractual arrangements which are, or contain, leases of assets and consequently recognises right-of-use assets and lease liabilities at the commencement of the leasing arrangement, with the asset included in Note 12 and the liabilities included as part of borrowings in Note 19. The nature of the Group's leases are offices, warehouses, and printing machinery.

Lease liabilities are initially recognised at an amount equal to the present value of estimated contractual lease payments at the inception of the lease, after taking into account any options to extend the term of the lease to the extent they are reasonably certain to be exercised. Lease commitments are discounted to present value using the interest rate implicit in the lease if this can be readily determined, or the applicable incremental rate of borrowing, as appropriate. Right-of-use assets are initially recognised at an amount equal to the lease liability, adjusted for initial direct costs in relation to the assets, then depreciated over the shorter of the lease term and their estimated useful lives.

Group as lessor
The Group has entered into a lease agreement as a lessor with respect to one of its properties. This is accounted for as an operating lease as the lease does not transfer substantially all the risks and rewards of ownership to the lessee.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

k) Inventories
Inventories include raw materials and finished goods and are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost incurred in acquiring inventories and bringing them to their existing location and condition, which will include raw materials, direct labour and overheads, where appropriate.

l) Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, call deposits, cash held by payment service providers and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, with a maturity of three months or less. Cash equivalents relate to cash in transit from various payment processing intermediaries that provide receipting services to the Group.

For the purposes of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above and are shown net of bank overdrafts, which are included as current borrowings in the liabilities section on the balance sheet.

m) Financial instruments
The primary objective with regard to the management of cash of the Group's business model for managing financial assets is to protect against the loss of principal. Additionally, the Group aims to maximise liquidity by concentrating cash centrally; to align the maturity profile of external investments with that of the forecast liquidity profile; to wherever practicable, match the interest rate profile of external investments to that of debt maturities or fixings; and to optimise the investment yield within the Group's investment parameters.

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party. Such assets and liabilities are classified as current if they are expected to be realised or settled within 12 months after the balance sheet date. If not, they are classified as non-current. In addition, current liabilities include amounts where the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Non-derivative financial assets are classified on initial recognition in accordance with the Group's business model as investments, loans and receivables, or cash and cash equivalents and accounted for as follows:

- **Loans and other receivables:** These are non-derivative financial assets with fixed or determinable payments that are solely payments of principal and interest on the principal amount outstanding, that are primarily held in order to collect contractual cash flows. These balances include trade and other receivables and are measured at amortised cost, using the effective interest rate method and stated net of allowances for credit losses.

- **Cash and cash equivalents:** Cash and cash equivalents include cash in hand and deposits held on call. Cash equivalents normally comprise instruments with maturities of three months or less at their date of acquisition. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in the liabilities section on the balance sheet.

Non-derivative financial liabilities, including borrowings and trade payables, are stated at amortised cost using the effective interest method. For borrowings, their carrying amount includes accrued interest payable.

Derivative financial instruments are used to manage risks arising from changes in interest rates relating to the Group's external debt. The Group does not hold or issue derivative financial instruments for trading purposes. The Group uses the derivatives to hedge highly probable forecast transactions and therefore, the instruments are designated as cash flow hedges.

Derivatives are initially recognised at fair value on the date a contract is entered into and are subsequently remeasured at their fair value at each reporting date. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in the cash flows of the hedged item and hedging instrument are expected to offset each other.

The effective element of any gain or loss from remeasuring the derivative instrument is recognised in Other Comprehensive Income ("OCI") and accumulated in the hedging reserve (presented in "Other Reserves" in the Statement of Changes in Equity). Any change in the fair value of time value of the derivative instrument is also recognised in OCI as part of cash flow hedges and accumulated in the cost of hedging reserve (presented in "Other Reserves" in the Statement of Changes in Equity). Any element of the remeasurement of the derivative instrument that does not meet the criteria for an effective hedge is recognised immediately in the Group Income Statement within finance costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in OCI at that time remains in OCI and is recognised when the forecast transaction is ultimately recognised in the Income Statement within finance costs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is recycled to the Income Statement. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months or, as a current asset or liability, if the remaining maturity of the hedged item is less than 12 months.

n) Segmental analysis
The Group is organised and managed based on its segments (Moonpig, Greetz and Experiences). These are the reportable and operating segments for the Group as they form the focus of the Group's internal reporting systems and are the basis used by the chief operating decision maker ("CODM"), identified as the CEO and CFO, for assessing performance and allocating resources. The prices agreed between Group companies for intra-group services and fees are based on normal commercial practices which would apply between independent businesses.

o) Provisions
Provisions are recognised when either a legal or constructive obligation as a result of a past event exists at the balance sheet date, it is probable that an outflow of economic resources will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

p) Pensions and other post-employment benefits
The Group contributes to defined contribution pensions schemes and payments to these are charged as an expense and accrued over time.

q) Adjusting items
Adjusting items are significant items of income or expense which individually or, if of a similar type, in aggregate, are relevant to an understanding of the Group's underlying financial performance because of their size, nature or incidence. In identifying and quantifying adjusting items, the Group consistently applies a policy that defines criteria that are required to be met for an item to be classified as an adjusting item. These items are separately disclosed in the segmental analyses or in the notes to the condensed financial information as appropriate.

The Group believes that these items are useful to users of the condensed consolidated financial information in helping them to understand the underlying business performance and are used to derive the Group's principal non-GAAP measure of Adjusted EBITDA, which is before the impact of adjusting items and which is reconciled from operating profit.

r) Equity
Called-up share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share premium
The amount subscribed for the ordinary shares in excess of the nominal value of these new shares is recorded in share premium. Costs that directly relate to the issue of ordinary shares are deducted from share premium net of corporation tax.

Merger reserve
The merger reserve relates to the merger reserve arising from the prior group restructuring, accounted for under common control.

Invested capital
Invested capital represents the total equity of the Group during the period prior to the restructuring that occurred as part of the Group's IPO.

Other reserves
Share-based payment reserve
The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the consolidated income statement.

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred and the cumulative net change in the fair value of time value on the cash flow hedging instruments.

Foreign currency translation reserve
The foreign currency translation reserve represents the accumulated exchange differences arising since the acquisition of Greetz from the impact of the translation of subsidiaries with a functional currency other than Sterling.

s) Earnings per share
The Group presents basic and diluted EPS for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. For diluted EPS, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

t) Share-based payments
The Group has equity-settled compensation plans.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of awards that will eventually vest. For plans where the vesting conditions are based on a market condition, such as total shareholder return, the fair value at date of grant reflects the probability that this condition will not be met and therefore is fixed thereafter irrespective of actual vesting.

Fair value is measured using the Black-Scholes and Monte Carlo option pricing model, except where vesting is subject to market conditions when the Stochastic option pricing model is used. A Chaffe model is used to value the holding period. The expected term used in the models has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

3 Segmental analysis

The CODM reviews external revenues and Adjusted EBITDA to evaluate segment performance and allocate resources to the overall business. "Adjusted EBITDA" is a non-GAAP measure. Adjustments are made to the statutory IFRS results to arrive at an underlying result which is in line with how the business is managed and measured on a day-to-day basis. Adjustments are made for items that are individually important in order to understand the financial performance. If included, these items could distort understanding of the performance for the year and the comparability between periods. Management applies judgement in determining which items should be excluded from underlying performance. See Note 5 for details of these adjustments.

The Group is organised and managed based on its segments, namely Moonpig and Experiences in the UK and Greetz in the Netherlands. These are the reportable and operating segments for the Group as they form the focus of the Group's internal reporting systems and are the basis used by the CODM for assessing performance and allocating resources.

Most of the Group's revenue is derived from the sale of cards, gifts and related services to consumers, or from the distribution of gift experiences acting as agent. No single customer accounted for 10% or more of the Group's revenue.

Finance income and expense are not allocated to the reportable segments, as this activity is managed centrally.

In common with many retailers, revenue and trading profit are subject to seasonal fluctuations and are weighted towards the second half of the year which includes the key peak periods for the business.

Segment analyses

The following table shows revenue by segment that reconciles to the consolidated revenue for the Group.

	2023 £000	**2022 £000**
Moonpig	**223,127**	234,670
Greetz	**55,421**	69,663
Experiences	**41,577**	–
Total external revenue	**320,125**	304,333

The following table shows revenue by key geography that reconciles to the consolidated revenue for the Group. The geographical split of revenue is based on the ordering website location:

	2023 £000	**2022 £000**
UK and Ireland	**258,234**	230,931
Netherlands	**55,421**	69,663
Rest of the world[1]	**6,470**	3,739
Total external revenue	**320,125**	304,333

1 Rest of the world revenue includes the USA and Australia.

The following table shows the information regarding assets by segment that reconciles to the consolidated Group.

	2023 £000	2022 £000
Moonpig		
Non-current assets[1]	**41,063**	35,986
Capital expenditure[2]	**(7,317)**	(7,329)
Intangible expenditure	**(11,668)**	(8,262)
Depreciation and amortisation	**(11,851)**	(8,803)
Greetz		
Non-current assets[1]	**27,336**	19,283
Capital expenditure[2]	**(8,770)**	(686)
Intangible expenditure	**–**	(35)
Depreciation and amortisation	**(3,861)**	(5,558)
Experiences		
Non-current assets[1]	**174,342**	–
Capital expenditure	**(25)**	–
Intangible expenditure	**(1,281)**	–
Depreciation and amortisation	**(6,941)**	–
Group		
Non-current assets[1]	**242,741**	55,269
Capital expenditure[2]	**(16,112)**	(8,015)
Intangible expenditure	**(12,949)**	(8,297)
Depreciation and amortisation	**(22,653)**	(14,361)

1 Comprises intangible assets, property, plant and equipment (inclusive of ROU assets).

2 Includes ROU assets capitalised in each year.

The Group's measure of segment profit, Adjusted EBITDA, excludes adjusting items; refer to the APMs section of the Annual Report and Accounts for the year ended 30 April 2023 for calculation.

	2023 £000	2022 £000
Adjusted EBITDA		
Moonpig	**59,891**	59,062
Greetz	**11,262**	15,821
Experiences	**13,046**	–
Group Adjusted EBITDA	**84,199**	74,883
Depreciation and amortisation		
Moonpig	**11,851**	8,803
Greetz[1]	**3,861**	5,558
Experiences[2]	**6,941**	–
Group depreciation and amortisation	**22,653**	14,361

1 Includes amortisation arising on Group consolidation of intangibles forming part of the Greetz Cash Generating Unit ("CGU").

2 Includes amortisation arising on consolidation of intangibles forming part of the Experiences CGU.

The following table shows Adjusted EBITDA that reconciles to the consolidated results of the Group.

	Note	2023 £000	2022 £000
Adjusted EBITDA		**84,199**	74,883
Depreciation and amortisation	11,12	**(22,653)**	(14,361)
Adjusting items	5	**(13,085)**	(11,585)
Operating profit		**48,461**	48,937
Finance income	6	**21**	–
Finance costs	6	**(13,577)**	(8,977)
Profit before taxation		**34,905**	39,960
Taxation charge	8	**(8,298)**	(8,521)
Profit for the year		**26,607**	31,439

4 Operating profit

Nature of expenses charged/(credited) to operating profit from continuing operations:

	2023 £000	2022 £000
Research and development expenses	**1,732**	1,608
Depreciation on property, plant and equipment	**6,941**	4,660
Amortisation of intangible fixed assets	**15,712**	9,701
Share-based payment charges (inclusive of NI)	**7,919**	8,308
Foreign exchange loss	**67**	69
Loss on disposal of tangible assets	**48**	215
Impairment of right-of-use asset	**428**	–
Expense relating to short-term leases	**12**	12
Other income[1]	**(1,319)**	(1,433)
Auditors' remuneration:		
– Fees to auditors for the audit of the consolidated financial statements	**934**	591
– Fees to auditors' firms and associates for local audits	**82**	77
Total audit fees expense	**1,016**	668
Fees to auditors' firms and associates for other services:		
– Assurance services	**141**	107
	1,157	775

1 Other income relates to a sublease with an associate of the Former Parent Undertaking for its portion of the space used at the Group's head offices at Herbal House.

During the year, PricewaterhouseCoopers LLP charged the Group as follows:

- In respect of audit-related assurance services: £141,000 (2022: £107,000).
- In respect of non-audit-related services: £nil (2022: £nil).

5 Adjusting items

	2023 £000	2022 £000
Pre-IPO bonus awards	**(3,263)**	(3,618)
Pre-IPO share-based payment charges	**(5,419)**	(7,038)
M&A-related transaction costs	**(4,403)**	(929)
Total adjustments made to operating profit	**(13,085)**	(11,585)

Pre-IPO bonus awards
Pre-IPO bonus awards are one-off cash-settled bonuses, and the cash component of the Pre-IPO schemes, awarded in relation to the IPO process that completed during the year ended 30 April 2021.

Pre-IPO share-based payment charges
Pre-IPO share-based payment charges relate to the Legacy Schemes, Pre-IPO awards that were granted in relation to the IPO process that completed during the year ended 30 April 2021.

M&A-related transaction costs
M&A related transaction costs relate to fees and costs incurred in relation to the acquisition of the Experiences segment.

Cash paid in the year in relation to adjusting items totalled £5,490,000 (2022: £2,146,000).

6 Finance income and costs

Finance income

	2023 £000	2022 £000
Bank interest receivable	**21**	–
Total finance income	**21**	–

Finance costs

	2023 £000	2022 £000
Interest payable on leases	**(863)**	(663)
Bank interest payable	**(11,639)**	(6,297)
Amortisation of capitalised borrowing costs	**(1,619)**	(1,360)
Amortisation of interest rate cap premium	**(352)**	–
Net foreign exchange gain/(loss) on financing activities	**896**	(657)
Total finance costs	**(13,577)**	(8,977)
Net finance costs	**(13,556)**	(8,977)

7 Employee benefit costs

The average monthly number of employees (including Directors) during the year was made up as follows:

	2023 Number	2022 Number
Administration	**582**	358
Production	**148**	89
Total employees	**730**	447

	2023 £000	2022 £000
Wages and salaries	**41,664**	33,343
Social security costs	**5,047**	4,753
Other pension costs	**1,619**	977
Share-based payment expense	**7,270**	7,701
Total gross employment costs	**55,600**	46,774
Staff costs capitalised as intangible assets	**(12,750)**	(8,297)
Total net employment costs	**42,850**	38,477

The Group's employees are members of defined contribution pension schemes with obligations recognised as an operating cost in the income statement as incurred.

The Group pays contributions into separate funds on behalf of the employee and has no further obligations to employees. The risks associated with this type of plan are assumed by the member. Contributions paid by the Group in respect of the current year are included within the consolidated income statement.

8 Taxation

(a) Tax on profit
The tax charge is made up as follows:

	2023 £000	2022 £000
Profit before taxation	**34,905**	39,960
Current tax:		
UK corporation tax on profit for the year	**8,385**	7,267
Foreign tax charge	**1,644**	2,959
Adjustment in respect of prior years	**(992)**	(654)
Total current tax	**9,037**	9,572
Deferred tax:		
Origination and reversal of temporary differences	**(820)**	(1,224)
Impact of changes in tax law and rates	**–**	(75)
Adjustment in respect of prior years	**81**	248
Total deferred tax	**(739)**	(1,051)
Total tax charge in the income statement	**8,298**	8,521

(b) The tax assessed for the year is higher than the standard UK rate of corporation tax applicable of 19.4% (2022: 19.0%); the 19.4% reflects eleven months of the financial year at a 19% rate of corporation tax and one month at 25%. The differences are explained below:

	2023 £000	2022 £000
Profit before taxation	**34,905**	39,960
Profit on ordinary activities multiplied by the UK tax rate	**6,775**	7,592
Effects of:		
Expenses not deductible for tax purposes	**2,079**	1,391
Non-taxable income	**(20)**	(371)
Effect of higher tax rates in overseas territories	**287**	411
Adjustment in respect of prior years	**(912)**	(407)
Change in UK deferred tax rate	**282**	(204)
Other permanent differences	**(193)**	109
Total tax charge for the year	**8,298**	8,521

Taxation for other jurisdictions is calculated at the rates prevailing in each jurisdiction.

The effective tax rate is higher than the UK tax rate, which primarily reflects the non-deductible nature of the M&A costs (refer to Note 5).

(c) Deferred tax:

	Accelerated capital allowances £000	Intangible assets £000	Share-based payments £000	Other short-term temporary differences £000	Total £000
Balance at 1 May 2021	(213)	(3,819)	302	492	(3,238)
Adjustments in respect of prior years	(522)	56	–	218	(248)
Current year (credit)/charge to income statement	(293)	926	481	185	1,299
Effects of movements in exchange rates	–	19	–	–	19
Balance at 30 April 2022	(1,028)	(2,818)	783	895	(2,168)

	Accelerated capital allowances £000	Intangible assets £000	Share-based payments £000	Other short-term temporary differences £000	Total £000
Balance at 1 May 2022	**(1,028)**	**(2,818)**	**783**	**895**	**(2,168)**
Adjustments in respect of prior years	**–**	**(10)**	**(73)**	**2**	**(81)**
Current year credit/(charge) to income statement	**(1,018)**	**1,331**	**482**	**25**	**820**
Acquired through business combinations	**157**	**(9,581)**	**–**	**28**	**(9,396)**
Effects of movements in exchange rates	**–**	**(153)**	**–**	**–**	**(153)**
Balance at 30 April 2023	**(1,889)**	**(11,231)**	**1,192**	**950**	**(10,978)**

The Finance Bill 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This rate change is included above as the Finance Bill 2021 has been substantively enacted.

According to the Netherlands 2023 Tax Plan, the general corporate income tax rate will remain 25.8% for the year 2023 whereby the first €200K profit is taxed at 19%.

9 Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. For the purposes of this calculation, the weighted average number of ordinary shares in issue during the year was 340,061,402 (2022: 339,036,292). The year-on-year increase reflects the release of 3,075,329 shares, on 7 January 2023, from repurchase obligations that were deducted from ordinary shares outstanding at 30 April 2022:

	2023 Number of shares	2022 Number of shares
Weighted average number of shares in issue	**342,111,621**	342,111,621
Less: weighted average number of shares held subject to potential repurchase	**(2,050,219)**	(3,075,329)
Weighted average number of shares for calculated basic earnings per share	**340,061,402**	339,036,292

Diluted earnings per share
For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. The Group has potentially dilutive ordinary shares arising from share options granted to employees under the share schemes as detailed in Note 20 of this condensed financial information.

Adjusted earnings per share
Earnings attributable to ordinary equity holders of the Group for the year, adjusted to remove the impact of adjusting items and the tax impact of these; divided by the weighted average number of ordinary shares outstanding during the year.

	2023 Number of shares	2022 Number of shares
Weighted average number of shares for calculated basic earnings per share	**340,061,402**	339,036,292
Weighted average number of dilutive shares	**6,860,822**	6,957,427
Total number of shares for calculated diluted earnings per share	**346,922,224**	345,993,719

	2023 £000	2022 £000
Basic earnings attributable to equity holders of the Company	**26,607**	31,439
Adjusting items (see Note 5)	**13,085**	11,585
Tax on adjusting items	**(1,823)**	(1,350)
Adjusted earnings attributable to equity holders of the Company before adjusting items	**37,869**	41,674

	2023	2022
Basic earnings per ordinary share (pence)	**7.8**	9.3
Diluted earnings per ordinary share (pence)	**7.7**	9.1
Basic earnings per ordinary share before adjusting items (pence)	**11.1**	12.3
Diluted earnings per ordinary share before adjusting items (pence)	**10.9**	12.0

10 Acquisition of subsidiary

On 13 July 2022, the Group acquired 100% of the issued share capital of Experience More Limited. The total outflow of cash to acquire the subsidiary was £88,598,000, comprising cash consideration of £124,313,000 net of cash balances acquired of £35,715,000.

Details of the purchase consideration, goodwill and the fair value of identifiable assets and liabilities acquired are as follows:

	Book value £000	Fair value adjustment £000	Final fair value £000
Intangible assets	**1,177**	**39,819**	**40,996**
Tangibles assets	**835**	**–**	**835**
Right-of-use asset	**2,105**	**(801)**	**1,304**
Investments	**528**	**(528)**	**–**
Inventories	**1,335**	**47**	**1,382**
Trade and other receivables	**5,009**	**(255)**	**4,754**
Trade and other payables	**(87,141)**	**89**	**(87,052)**
Lease liability	**(2,286)**	**1,299**	**(987)**
Current tax asset	**474**	**(154)**	**320**
Provision	**(165)**	**(651)**	**(816)**
Deferred tax asset / (liability)	**176**	**(9,581)**	**(9,405)**
Total	**(77,953)**	**29,284**	**(48,669)**

Goodwill recognised as a result of the acquisition is as follows:

	£000
Cash consideration	**124,313**
Less: cash balances acquired	**(35,715)**
Outflow of cash to acquire subsidiary, net of cash acquired	**88,598**
Fair value of identifiable liabilities	**48,669**
Goodwill	**137,267**

Intangible assets:	
Development costs	**1,177**
Customer relationships	**32,133**
Brand names	**7,686**
Total	**40,996**

None of the goodwill acquired is expected to be deductible for income tax purposes. The goodwill constitutes the value of a high-quality complementary business that will significantly enhance the Group's overall gifting proposition, unlock innovation through digital gifting and provide a profitable presence in the standalone gifting market.

Experiences contributed £41,577,000 of revenue and £11,409,000 on a profit before taxation basis for the period between the date of acquisition and the Balance Sheet date.

If the acquisition of Experiences had completed on the first day of the financial year, Group revenue for the year would have been £6,282,000 higher and Group profit before taxation for the year would have been £1,982,000 higher. The pre-acquisition profit before tax was a loss of £13,003,000. This profit before taxation includes a pre-acquisition charge of £13,533,000 (recognised as a liability in the opening balance sheet) relating to cash bonuses payable to the Experiences management team which vested upon completion of the acquisition in accordance with an incentive scheme established by the vendor and fair value adjustments made by the Group on acquisition.

Acquisition costs of £5,332,000 arose as a result of the transaction, of which £929,000 were incurred in the year ended 30 April 2022 and £4,403,000 were incurred in the year ended 30 April 2023. These have been recognised as Adjusting Items within operating profit in the Consolidated Income Statement (see Note 5).

11 Intangible assets

	Goodwill £000	Trademark £000	Technology and development costs[1] £000	Customer relationships £000	Software £000	Other intangibles £000	Total £000
Cost							
1 May 2021	6,459	8,855	16,382	15,241	714	1,573	49,224
Additions	–	35	8,262	–	–	–	8,297
Disposals	–	–	(4,602)	–	(423)	–	(5,025)
Transfers	–	–	–	–	(9)	–	(9)
Foreign exchange	(223)	(311)	(60)	(53)	205	(54)	(496)
30 April 2022	6,236	8,579	19,982	15,188	487	1,519	51,991
Accumulated amortisation and impairment							
1 May 2021	–	2,332	4,460	4,187	350	1,573	12,902
Amortisation charge	–	766	5,519	3,207	209	–	9,701
Disposals	–	–	(4,602)	–	(344)	–	(4,946)
Transfers	–	–	–	–	(4)	–	(4)
Foreign exchange	–	80	40	45	199	(54)	310
At 30 April 2022	–	3,178	5,417	7,439	410	1,519	17,963
Net book value 30 April 2022	6,236	5,401	14,565	7,749	77	–	34,028

	Goodwill £000	Trademark £000	Technology and development costs[1] £000	Customer relationships £000	Software £000	Other intangibles £000	Total £000
Cost							
1 May 2022	**6,236**	**8,579**	**19,982**	**15,188**	**487**	**1,519**	**51,991**
Additions	**–**	**–**	**12,749**	**–**	**200**	**–**	**12,949**
Additions from acquisition of subsidiary	**137,267**	**7,686**	**1,177**	**32,133**	**–**	**–**	**178,263**
Disposals	**–**	**–**	**(3,653)**	**–**	**–**	**(1,594)**	**(5,247)**
Foreign exchange	**308**	**418**	**–**	**750**	**4**	**75**	**1,555**
30 April 2023	**143,811**	**16,683**	**30,255**	**48,071**	**691**	**–**	**239,511**
Accumulated amortisation and impairment							
1 May 2022	**–**	**3,178**	**5,417**	**7,439**	**410**	**1,519**	**17,963**
Amortisation charge	**–**	**1,494**	**8,396**	**5,675**	**147**	**–**	**15,712**
Disposals	**–**	**–**	**(3,653)**	**–**	**–**	**(1,594)**	**(5,247)**
Foreign exchange	**–**	**179**	**–**	**372**	**2**	**75**	**628**
At 30 April 2023	**–**	**4,851**	**10,160**	**13,486**	**559**	**–**	**29,056**
Net book value 30 April 2023	**143,811**	**11,832**	**20,095**	**34,585**	**132**	**–**	**210,455**

1 The technology and development costs include assets under construction of £3,821,000 (2022: £3,950,000).

(a) Goodwill

Goodwill of £6,544,000 (2022: £6,236,000) relates to the acquisition of Greetz in 2018, recognised within the Greetz CGU. Goodwill of £137,267,000 (2022: nil) relates to the acquisition of Experiences and is allocated to the Experiences CGU.

(b) Trademark
£4,627,000 (2022: £5,401,000) of the asset balance are trademarks relating to the acquisition of Greetz with finite lives. The remaining useful economic life at 30 April 2023 on the trademark is 5 years 4 months (2022: 6 years 4 months).
£7,072,000 (2022: nil) of trademark assets relate to the brands valued on the acquisition of Experiences. The remaining useful economic life at 30 April 2023 on these trademarks is 9 years and 3 months.

(c) Technology and development costs
Technology and development costs of £19,232,000 (2022: £14,565,000) relate to internally developed assets. The costs of these assets include capitalised expenses of employees working full-time on software development projects and third-party consulting firms.
Technology and development costs of £864,000 (2022: nil) relate to the acquisition of Experiences and are allocated to the Experiences CGU. The remaining useful economic life at 30 April 2023 is 2 years and 3 months.

(d) Customer relationships
£7,173,000 (2022: £7,749,000) of the asset balance relates to the valuation of existing customer relationships held by Greetz on acquisition. The remaining useful economic life at 30 April 2023 on these customer relationships is 7 years 4 months (2022: 8 years 4 months).

£27,411,000 (2022: nil) of customer relationship assets relates to those valued on the acquisition of the Experiences segment. The remaining useful economic life at 30 April 2023 on these customer relationships ranges between 6 years 3 months and 5 months.

(e) Software
Software intangible assets include accounting and marketing software purchased by the Group and software licence fees from third-party suppliers.

(f) Other intangibles
Other intangible assets include non-compete agreements and information content for products and software that have been valued and separately recognised.

(g) Annual impairment tests

Goodwill
Goodwill is allocated to two cash-generating units ("CGUs"), namely the Greetz and Experiences segments, based on the smallest identifiable group of assets that generates cash inflows independently in relation to the specific goodwill. The recoverable amount of a CGU or group of CGUs is determined as the higher of its fair value less costs of disposal and its value in use ("VIU"). In determining VIU, estimated future cash flows are discounted to their present value. The Group performed its annual impairment test as at 30 April 2023.

The estimated future cash flows are based on the approved plan, including the FY24 budget, for the three years ending 30 April 2026. The estimated future cash flows are identical to those used for the viability statement. They have been extended by a further four years before applying a perpetuity using an estimated long-term growth rate. When estimating value in use, the Group does not include estimated future cash flows that are expected arise from improving or enhancing the asset's performance.

The use of a pre-perpetuity projections period of more than five years is an accounting judgement. The reasons why the Group considers that a seven-year period is appropriate, and why it considers that the Group meets the reliability requirements of IAS 36, are set out at Note 4 to the Condensed Company Financial Information.

The Group has considered the potential impact of climate change on estimated future cash flows, including the primary climate risks discussed in the TCFD report within the Annual Report and Accounts for the year ended 30 April 2023. These risks are not considered to have a material impact on estimated future cash flows and therefore have not been modelled as part of the Group's forecasts. Any revenue upsides from climate opportunities are not expected to be significant and have also not been modelled. The Group does not operate in an energy-intensive industry and any cash outflows needed to factor in any incremental costs, other operational disruption that could impact operating margin or reduced trade, are not expected to be material.

The Group has identified the following key assumptions as having the most significant impact on the VIU calculation:

	Greetz CGU		Experiences CGU	
	2023	**2022**	**2023**	**2022**
Pre-tax discount rate (%)[1]	12.2%	9.6%	13.5%	–
Revenue growth rate (%)[2]	12.4%	13.3%	10.5%	–
Pre-perpetuity period (years)	7	8	7	–

1 The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the cash generating units. The pre-tax discount rates used to calculate value in use are derived from the Group's post-tax weighted average cost of capital.

2 The compound annual growth rate ("CAGR") represents the average yearly growth rate over the pre-perpetuity period.

The Group has performed sensitivity analysis to assess the impact of a change in each key assumption in the VIU. The relevant scenario, in relation to a revenue decrease, is consistent with the more severe downside scenario (Plausible Scenario 2) prepared in connection with the viability statement within the Annual Report and Accounts for the year ended 30 April 2023.

For the goodwill allocated to the Experiences and Greetz CGUs the Group modelled the impact of a 1%pts increase in the discount rate, a 15% decrease in the forecasted revenue and a reduction in the pre-perpetuity period from seven to six years. The Group also modelled a scenario in which all three of these changes arise concurrently. The results of this sensitivity analysis are summarised below:

	Greetz CGU	**Experiences CGU**
	2023 £m	**2023 £m**
Original headroom	**193.6**	**89.7**
Headroom using a discount rate increased by 1%pts	**167.7**	**64.1**
Headroom using a 15% decrease in forecasted revenue	**123.1**	**2.7**
Headroom using a pre-perpetuity period reduced by one year	**180.1**	**77.3**
Headroom combining all three sensitivity scenarios detailed above	**97.7**	**(21.2)**

For goodwill allocated to the Greetz CGU, the headroom over carrying amount is more than adequate and there is no plausible change in key assumptions including those relating to future sales performance that would lead to an impairment.

For goodwill allocated to the Experiences CGU, further modelling was undertaken to assess the point at which headroom would be reduced to £nil for each of the individual sensitivities. For the carrying amount and recoverable amount to be equal, the pre-tax discount rate would need to increase by 5.4%pts from 13.5% to 18.9%, the forecasted revenue would need to reduce by 16% (assuming no action was taken to reduce indirect costs from the forecasted level) and the pre-perpetuity period would need to reduce from seven to one years (each sensitivity applied individually).

No impairment to the carrying amount of Experiences goodwill has been recorded in the current period, reflecting the fact that it remains lower than the recoverable amount. However, in view of the outcome of the sensitivity analysis, the Directors have identified the compound annual revenue growth rate as a matter of major source of estimation uncertainty.

Other finite-life intangible assets
At each reporting year date, the Group reviews the carrying amounts of other finite-life intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

12 Property, plant and equipment

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Leasehold improvements £000	Computer equipment £000	Right-of-use assets plant and machinery £000	Right-of-use assets land and buildings £000	Total £000
Cost								
1 May 2021	3,999	6,758	1,245	4,132	2,415	1,292	12,240	32,081
Additions	–	803	94	11	536	–	6,571	8,015
Disposals	(92)	(812)	(74)	(420)	(526)	–	–	(1,924)
Foreign exchange	–	(75)	(1)	(15)	(32)	(39)	(67)	(229)
30 April 2022	3,907	6,674	1,264	3,708	2,393	1,253	18,744	37,943
Accumulated depreciation and impairment								
1 May 2021	1,931	3,907	759	1,673	1,504	784	3,522	14,080
Depreciation charge	158	1,030	291	399	502	251	2,029	4,660
Disposals	(36)	(802)	(73)	(420)	(488)	43	–	(1,776)
Foreign exchange	–	(35)	(1)	(14)	(15)	(116)	(81)	(262)
30 April 2022	2,053	4,100	976	1,638	1,503	962	5,470	16,702
Net book value 30 April 2022	1,854	2,574	288	2,070	890	291	13,274	21,241

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Leasehold improvements £000	Computer equipment £000	Right-of-use assets plant and machinery £000	Right-of-use assets land and buildings £000	Total £000
Cost								
1 May 2022	**3,907**	**6,674**	**1,264**	**3,708**	**2,393**	**1,253**	**18,744**	**37,943**
Additions	**–**	**2,146**	**268**	**6,679**	**587**	**880**	**5,552**	**16,112**
Acquired additions	**–**	**–**	**2,875**	**–**	**564**	**371**	**933**	**4,743**
Disposals	**(2)**	**(331)**	**(1,867)**	**(149)**	**(961)**	**(1,196)**	**(2,063)**	**(6,569)**
Transfers	**–**	**(1,701)**	**1,619**	**207**	**(125)**	**–**	**–**	**–**
Foreign exchange	**–**	**74**	**23**	**37**	**49**	**47**	**208**	**438**
30 April 2023	**3,905**	**6,862**	**4,182**	**10,482**	**2,507**	**1,355**	**23,374**	**52,667**
Accumulated depreciation and impairment								
1 May 2022	**2,053**	**4,100**	**976**	**1,638**	**1,503**	**962**	**5,470**	**16,702**
Depreciation charge	**156**	**979**	**768**	**808**	**631**	**391**	**3,208**	**6,941**
Acquired accumulated depreciation	**–**	**–**	**2,182**	**–**	**421**	**–**	**–**	**2,603**
Disposals	**(2)**	**(331)**	**(1,867)**	**(149)**	**(941)**	**(1,211)**	**(2,020)**	**(6,521)**
Transfers	**–**	**(821)**	**814**	**7**	**–**	**–**	**–**	**–**
Impairment	**–**	**–**	**–**	**–**	**–**	**–**	**428**	**428**
Foreign exchange	**–**	**31**	**13**	**6**	**28**	**45**	**80**	**203**
30 April 2023	**2,207**	**3,958**	**2,886**	**2,310**	**1,642**	**187**	**7,166**	**20,356**
Net book value 30 April 2023	**1,698**	**2,904**	**1,296**	**8,172**	**865**	**1,168**	**16,208**	**32,311**

13 Inventories

	2023 £000	2022 £000
Raw materials and consumables	**2,128**	2,109
Finished goods	**13,425**	9,987
Total inventory	**15,553**	12,096
Less: Provision for write off of:		
Raw materials and consumables	**(153)**	(194)
Finished goods	**(3,067)**	(1,785)
Net inventory	**12,333**	10,117

The cost of inventories recognised as an expense and included in cost of sales during the year amounted to £45,855,000 (2022: £51,313,000).

14 Trade and other receivables

	2023 £000	2022 £000
Current:		
Trade receivables	**1,901**	138
Less: provisions	**(470)**	–
Trade receivables – net	**1,431**	138
Other receivables	**2,117**	1,944
Other receivables with entities formerly under common control	**151**	458
Prepayments	**2,632**	1,752
Total current trade and other receivables	**6,331**	4,292

The movements in provisions are as follows:

	2023 £000	2022 £000
At 1 May	**–**	(17)
Acquired	**(310)**	–
Charge for the year	**(160)**	–
Utilised	**–**	–
Released	**–**	17
At 30 April	**(470)**	–

Trade and other receivables are predominantly denominated in the functional currencies of subsidiary undertakings. There is no material difference between the above amounts for trade and other receivables (including loan receivables) and their fair value due to their contractual maturity of less than 12 months.

Other receivables with entities formerly under common control relate to costs in connection with leased property.

As permitted by IFRS 9, the Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics such as ageing of the debt and the credit risk of the customers. A historical credit loss rate is then calculated and then adjusted to reflect expectations about future credit losses. A customer balance is written off when it is considered that there is no reasonable expectation that the amount will be collected and legal enforcement activities have ceased.

The Group's credit risk on trade and other receivables is primarily attributable to trade receivables. There are no significant concentrations of credit risk since the risk is spread over a large number of unrelated counterparties.

The Group's businesses implement policies, procedures and controls to manage customer credit risk. Outstanding balances are regularly monitored and reviewed to identify any change in risk profile.

The Group considers its credit risk to be low with Group revenues derived from electronic payment processes (including credit card, debit card, PayPal, iDeal and Single Euro Payments Area) executed over the internet, with the majority of receipts reaching the bank accounts in one to two days.

At 30 April 2023, the Group had net trade receivables of £1,431,000 (2022: £138,000). Trade receivables are reviewed regularly for any risk of impairment and provisions are booked where necessary.

The maximum exposure to credit risk is the trade receivable balance at the year-end. The Group has assessed its exposure below:

Trade receivables ageing

	2023 £000	2022 £000
Up to 30 days	**973**	74
Past due but not impaired:		
30 to 90 days	**250**	55
More than 90 days	**678**	9
Gross	**1,901**	138
Less: provisions (all relating to balances more than 90 days)	**(470)**	–
Net trade receivables	**1,431**	138

	2023 £000	2022 £000
Non-current other receivables:		
Other receivables	**2,153**	1,928
Total non-current trade and other receivables	**2,153**	1,928

Non-current other receivables relate to security deposits in connection with leased property.

15 Cash and cash equivalents

	2023 £000	2022 £000
Cash and bank balances	**19,597**	100,242
Cash equivalents	**2,797**	1,435
Total cash and cash equivalents	**22,394**	101,677

The carrying amount of cash and cash equivalents approximates their fair value. Cash equivalents relate to cash in transit from various payment processing intermediaries that provide receipting services to the Group.

Cash and cash equivalents are denominated in Pound Sterling or other currencies as shown below.

	2023 £000	2022 £000
Pound Sterling	**16,467**	97,394
Euro	**4,989**	3,687
Australian Dollar	**841**	546
US Dollar	**97**	50
Total cash and cash equivalents	**22,394**	101,677

16 Trade and other payables

	2023 £000	2022 £000
Current		
Trade payables	**26,726**	19,402
Other payables	**4,569**	–
Other taxation and social security	**6,756**	4,370
Accruals	**16,272**	19,530
Merchant accrual	**55,796**	–
Total current trade and other payables	**110,119**	43,302

Trade and other payables are predominantly denominated in the functional currencies of subsidiary undertakings. The increase in other payables relates to the vested tranche of the cash component of the Pre-IPO awards that will be paid out within one year. Refer to Note 20 for further details.

There is no material difference between the above amounts for trade and other payables and their fair value due to materially all of the trade and other payables having a contractual maturity of less than 12 months.

	2023 £000	2022 £000
Non-current		
Other payables	**3,168**	4,207
Other taxation and social security	**1,052**	1,338
Accruals	**–**	129
Other payables with entities formerly under common control	**638**	638
Total non-current trade and other payables	**4,858**	6,312

Non-current other payables predominantly relate to the cash component of the Pre-IPO awards, refer to Note 20 for further details.

17 Provisions for other liabilities and charges

	Other provisions £000	Dilapidations provisions £000	Total £000
At 1 May 2021	1,697	816	2,513
Charged in the year	235	693	928
Release of provisions in the year	(64)	–	(64)
Foreign exchange	(31)	–	(31)
At 30 April 2022	1,837	1,509	3,346
Analysed as:			
Current	1,837	–	1,837
Non-current	–	1,509	1,509

	Other provisions £000	Dilapidations provisions £000	Total £000
At 1 May 2022	**1,837**	**1,509**	**3,346**
Acquired	**494**	**317**	**811**
Charged in the year	**1,093**	**724**	**1,817**
Utilisation	**(938)**	**–**	**(938)**
Release of provisions in the year	**(1,051)**	**–**	**(1,051)**
Foreign exchange	**26**	**19**	**45**
At 30 April 2023	**1,461**	**2,569**	**4,030**
Analysed as:			
Current	**1,240**	**377**	**1,617**
Non-current	**221**	**2,192**	**2,413**

Current provisions
Other provisions primarily relate to royalty provisions, a refund provision and a sabbatical provision. The above provisions are due to be settled within the year. During the year the dilapidations provision for the former head office of the Experiences segment was moved to current as it is due to be settled in 2023.

Non-current provisions
Dilapidations provisions relate to the Herbal House head office, Almere facility in the Netherlands and the Tamworth facility in the UK and are non-current due to their settlement date. The earliest current lease end date of these three locations is 2027.

18 Contract liabilities

In all material respects, current deferred revenue at 1 May 2021 and 1 May 2022 was recognised as revenue during the respective subsequent year. Other than business-as-usual movements there were no significant changes in contract liability balances during the year.

19 Borrowings

	2023 £000	2022 £000
Current		
Lease liabilities	**3,443**	2,151
Borrowings	**27**	213
Non-current		
Lease liabilities	**16,082**	13,169
Borrowings	**170,493**	169,950
Total borrowings and lease liabilities	**190,045**	185,483

The Group's sources of borrowing for liquidity purposes include the Senior Facilities Agreement, which was executed on 7 January 2021 and amended on 22 June 2022. This facility comprises a Term Loan of £175,000,000, the Original RCF of £20,000,000 and the Additional RCF of £60,000,000, provided by a syndicate of banks. All facilities provided under the Senior Facilities Agreement are committed until 8 December 2025. Lease liabilities arising are also reported in borrowings. As at 30 April 2023 both the Original RCF and the Additional RCF remain undrawn.

Interest on all amounts drawn under the Senior Facilities Agreement (referred to as "senior debt") is calculated at a floating reference rate plus a margin. Prior to December 8, 2021, the reference rate was LIBOR, and since that date, it has been SONIA.

On 1 August, the Group executed two interest rate derivative agreements, with the intention of hedging its exposure to increases in SONIA for broadly three quarters of its current expected future senior net debt (net of cash) for the period until November 2024. The agreements comprise an interest rate swap at a rate of 2.4725% with a floor strike rate of 0% on £90m notional until 1 December 2022 and £55m notional until the term expires on 30 November 2023 and an interest rate cap with a cap strike rate of 3.0000% on £70m notional until 30 November 2024.

The Senior Facilities Agreement is subject to a Total Net Debt to last twelve months' Adjusted EBITDA (stated pro forma to include a full year's profit from acquired businesses) covenant of 4.00x at 30 April 2023 and 3.50x thereafter, tested semi-annually, with Total Net Debt and Adjusted EBITDA as defined in the Senior Facilities Agreement.

Borrowings are repayable as follows:

	2023 £000	2022 £000
Within one year	**27**	213
Within one and two years	**–**	–
Within two and three years	**170,493**	–
Within three and four years[1]	**–**	169,950
Within four and five years	**–**	–
Beyond five years	**–**	–
Total borrowings	**170,520**	170,163

1 Total borrowings include £27,000 (2022: £213,000) in respect of accrued unpaid interest and are shown net of capitalised borrowing costs of £4,507,000 (2022: £5,050,000).

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes.

	Borrowings £000	Lease liabilities £000	Total £000
1 May 2021	169,071	12,032	181,103
Cash flow	(6,451)	(3,105)	(9,556)
Foreign exchange	–	(68)	(68)
Interest and other[1]	7,543	6,461	14,004
30 April 2022	170,163	15,320	185,483
Cash flow	**(12,144)**	**(3,504)**	**(15,648)**
Foreign exchange	**–**	**98**	**98**
Interest and other[1]	**12,501**	**7,611**	**20,112**
30 April 2023	**170,520**	**19,525**	**190,045**

1 Interest and other within borrowings comprises amortisation of capitalised borrowing costs and the interest expense in the year. Interest and other within lease liabilities comprises interest on leases as disclosed in Note 6 as well as the lease liability addition in relation to the new Netherlands facility and office and the lease liability recognised on acquisition of the Experiences segment.

20 Share-based payments

Legacy schemes
Prior to Admission to the London Stock Exchange during the year ended 30 April 2021, share and cash-based incentives were awarded by the Former Parent Undertaking in relation to legacy compensation agreements for certain employees, senior management and Directors. Such shares have been converted into separate shares in Moonpig Group plc and other companies formerly under common control. These were accounted for in accordance with IFRS 2 and disclosed in the Prospectus, which can be found at www.moonpiggroup/investors. The awards included 3,075,329 shares in Moonpig Group plc that did not vest at the date of Admission, and which vested on the 7 January 2023. In respect of these shares, there were non-cash charges of £3,260,000 in FY22 and £2,251,000 in FY23. National Insurance is not included on these schemes as they operated at an unrestricted tax market value.

Pre-IPO awards
Awards were granted on 27 January 2021 and comprise two equal tranches, with the first tranche vesting on 30 April 2023 and the second tranche on 30 April 2024. The share awards vesting is subject to the achievement of revenue and Adjusted EBITDA performance conditions and participants to remain employed by the Company over the vesting period. Given the constituents of the scheme, no attrition assumption has been applied. New share awards were granted under the existing scheme in May, September, October and December 2022 and January, February and April 2023, they will all vest on 30 April 2024.

The performance period for the pre-IPO awards ended on 30 April 2023, with vesting subject to revenue (50% weighting) and Adjusted EBITDA (50% weighting). For both of these financial performance conditions, the maximum target was met and would have been met even excluding the revenue and profits of the acquired Experiences segment. The awards will be payable half in cash and half in shares (based on the share price at Admission) in two tranches. The first tranche vested on 30 April 2023 and will be paid in July 2023, with the second tranche vesting on 30 April 2024 and payable immediately thereafter.

The below tables give the assumptions applied to the options granted in the year and the shares outstanding:

	February 2023	**January 2023**	**December 2022**	**October 2022**	**September 2022**	**May 2022**
Valuation model	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Weighted average share price (pence)	114.20	117.20	109.00	127.00	189.80	236.20
Exercise price (pence)	0	0	0	0	0	0
Expected dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	3.94%	3.74%	3.56%	3.30%	3.10%	1.52%
Volatility	36.58%	35.86%	35.12%	33.97%	32.86%	34.64%
Expected term (years)	1.19	1.27	1.36	1.51	1.65	1.95
Weighted average fair value (pence)	114.20	117.20	109.00	127.00	189.80	236.20
Attrition	0%	0%	0%	0%	0%	0%
Weighted average remaining contractual life (years)	1.00	1.00	1.00	1.00	1.00	1.00

Pre-IPO awards	**Number of shares**	**Weighted average exercise price (£)**
Outstanding at the beginning of the year	**2,546,859**	–
Granted	**295,357**	–
Exercised	**–**	–
Forfeited	**(225,500)**	–
Outstanding at the end of the year	**2,616,716**	–
Exercisable at the end of the year	**1,165,753**	–

Long-Term Incentive Plan ("LTIP")
Awards were granted on 1 February 2021 and will vest on 30 June 2024. Half of the share awards vesting is subject to a relative Total Shareholder Return ("TSR") performance condition measured against the constituents of the FTSE 250 Index (excluding Investment Trusts). The other half of the share awards vesting is subject to the achievement of an Adjusted Basic Pre-Tax EPS performance condition (calculated as Adjusted Profit Before Taxation, divided by the undiluted weighted average number of ordinary shares outstanding during the year). Participants are also required to remain employed by the Company over the vesting period, with Executive Directors to 30 April 2026. Given the constituents of the scheme, no attrition assumption has been applied. On 5 July 2022 and 25 October 2022 new awards were granted under the existing scheme and will vest on 5 July and 25 October 2025 respectively. Consistent with the existing scheme, participants are required to remain employed by the Company over the vesting period, with the Executive Directors to 5 July 2027. The below tables give the assumptions applied to the options granted in the year and the shares outstanding:

	October 2022	**July 2022**
Valuation model	Stochastic and Black-Scholes	Stochastic, Black-Scholes and Chaffe
Weighted average share price (pence)	127.00	211.20
Exercise price (pence)	0	0
Expected dividend yield	0%	0%
Risk-free interest rate	3.43%	1.64%/1.76%
Volatility	34.84%	35.10%/34.38%
Expected term (years)	3.00	3.00/2.00
Weighted average fair value (pence)	127.0/62.3	211.2/131.7
Attrition	0%	0%
Weighted average remaining contractual life (years)	2.49	2.30/1.30

LTIP awards	**Number of shares**	**Weighted average exercise price (£)**
Outstanding at the beginning of the year	**871,275**	–
Granted	**2,296,209**	–
Exercised	**–**	–
Forfeited	**(102,486)**	–
Outstanding at the end of the year	**3,064,998**	–
Exercisable at the end of the year	**–**	–

Share Incentive Plan ("SIP")
The SIP was used to grant share awards to all eligible employees at Admission based on their length of service. No costs were incurred by employees to acquire the shares. The share awards were granted on 1 February 2021. The free share awards granted to UK-based staff are subject to a minimum three-year holding period. The awards made to employees in Guernsey and the Netherlands are not subject to a holding period.

Deferred Share Bonus Plan ("DSBP")
The Group has bonus arrangements in place for Executive Directors and certain key management personnel within the Group whereby a proportion of the annual bonus is subject to deferral over a period of three years with vesting subject to continued service only.

On 6 August 2021, 92,970 shares were granted in relation to the deferred element of the FY21 bonus. These shares will vest on 6 August 2024. On 5 July 2022, 299,319 shares were granted in relation to the deferred element of the FY22 bonus. These shares will vest on 5 July 2025.

The outstanding number of shares at the end of the year is 392,289 (2022: 92,970).

	July 2022
Valuation model	Black-Scholes
Weighted average share price (pence)	211.20
Exercise price (pence)	0
Expected dividend yield	0%
Risk-free interest rate	1.64%
Volatility	35.10%
Expected term (years)	3.00
Weighted average fair value (pence)	211.20
Attrition	0%
Weighted average remaining contractual life (years)	2.30

DSBP	Number of shares	Weighted average exercise price (£)
Outstanding at the beginning of the year	**92,970**	–
Granted	**299,319**	–
Exercised	**–**	–
Forfeited	**–**	–
Outstanding at the end of the year	**392,289**	–
Exercisable at the end of the year	–	–

Save As You Earn ("SAYE")

The Group entered a SAYE scheme for all eligible employees under which employees are granted an option to purchase ordinary shares in the Company at an option price set at a 20% discount to the average market price over the three days before the invitation date, in three years' time, dependent on their entering into a contract to make monthly contributions into a savings account over the relevant period.

The FY22 awards were granted on 3 September 2021 and will vest on 1 October 2024, with a six-month exercise period following vesting. The awards are subject only to service conditions with the requirement for the recipients of awards to remain in employment with the Company over the vesting period. FY23 awards were granted on 8 September 2022 and will vest on 1 October 2025, they are subject to the same conditions as the FY22 grant. The below tables give the assumptions applied to the options granted in the year and the shares outstanding:

	SAYE
Valuation model	Black-Scholes
Weighted average share price (pence)	194.90
Exercise price (pence)	162.00
Expected dividend yield	0%
Risk-free interest rate	2.93%
Volatility	34.47%
Expected term (years)	3.25
Weighted average fair value (pence)	59.11
Attrition	15%
Weighted average remaining contractual life (years)	2.40

SAYE	Number of shares	Weighted average exercise price (£)
Outstanding at the beginning of the year	**318,021**	–
Granted	**692,957**	–
Exercised	**–**	–
Cancelled	**(209,399)**	
Forfeited	**(17,760)**	–
Outstanding at the end of the year	**783,819**	–
Exercisable at the end of the year	**–**	–

The fair value of awards under the Pre-IPO and DSBP awards are equal to the share price on the date of award as there is no price to be paid and employees are entitled to dividend equivalents. For awards with a market condition, volatility is calculated over the period commensurate with the remainder of the performance period immediately prior to the date of grant. For all other conditions, volatility is calculated over the period commensurate with the expected term. As the Company had only recently listed, a proxy volatility equal to the median volatility of the FTSE 250 (excluding Investment Trusts) over the respective periods has been used. Consideration has also been made to the trend of volatility to return to its mean, by disregarding extraordinary periods of volatility.

Share-based payments expenses recognised in the income statement:

	2023 £000	**2022 £000**
Legacy schemes	2,251	3,260
Pre-IPO awards	3,168	3,778
LTIP	1,876	822
SAYE	351	79
DSBP	273	369
Share-based payments expense[1]	7,919	8,308

1 The £7,919,000 (FY22: £8,308,000) stated above is presented inclusive of employer's national insurance contributions of £649,000 (FY22: £607,000).

21 Share capital and reserves

The Group considers its capital to comprise its ordinary share capital, share premium, merger reserve, retained earnings, share-based payments reserve and foreign exchange translation reserve. Quantitative detail is shown in the consolidated statement of changes in equity. The Directors' objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders.

Called-up share capital

Ordinary share capital represents the number of shares in issue at their nominal value. Ordinary shares in the Company are issued, allotted and fully paid up.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The shareholding as at 30 April 2023 is:

	2023 Number of shares	**2023 £000**	**2022 Number of shares**	**2022 £000**
Allotted, called-up and fully paid ordinary shares of £0.10 each	342,111,621	34,211	342,111,621	34,211

Share premium

Share premium represents the amount over the par value which was received by the Company upon the sale of the ordinary shares. Upon the date of listing the par value of the shares was £0.10 but the initial offering price was £3.50. Share premium is stated net of direct costs of £736,000 (2022: £736,000) relating to the issue of the shares.

Merger reserve

The merger reserve arises from the Group reorganisation accounted for under common control. In the prior year £7,560,000 was reclassified between the merger reserve and retained earnings (net of £2,445,000 included within other creditors) in relation to Group relief settled with the Former Parent Undertaking in FY21.

Other reserves

Other reserves represent the share-based payment reserve, the foreign currency translation reserve and the hedging reserve.

Share-based payment reserve

The share-based payment reserve is built up of charges in relation to equity-settled share-based payment arrangements which have been recognised within the consolidated income statement.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred and the cumulative net change in the fair value of time value on the cash flow hedging instruments.

Foreign currency translation reserve
The foreign currency translation reserve represents the accumulated exchange differences arising since the acquisition of Greetz from the impact of the translation of subsidiaries with a functional currency other than Sterling.

	Share-based payment reserve £000	Foreign currency translation reserve £000	Hedging reserve £000	Total other reserves £000
At 1 May 2021	27,240	(225)	–	27,015
Other comprehensive income	–	190	–	190
Share-based payment charge (excluding National Insurance)	7,701	–	–	7,701
30 April 2022	34,941	(35)	–	34,906
Other comprehensive income:				
Foreign currency translation reserve reclassification	**–**	**(735)**	**–**	**(735)**
Cash flow hedges:				
Fair value changes in the year	**–**	**–**	**1,891**	**1,891**
Cost of hedging reserve	**–**	**–**	**126**	**126**
Fair value movements on cash flow hedges transferred to profit and loss	**–**	**–**	**(136)**	**(136)**
Exchange differences on translation of foreign operations	**–**	**(158)**	**–**	**(158)**
Share-based payment charge (excluding National Insurance)	**7,270**	**–**	**–**	**7,270**
30 April 2023	**42,211**	**(928)**	**1,881**	**43,164**

22 Financial risk management
The principal financial risks faced by the Group relate to capital risk, liquidity risk, credit risk, foreign currency risk and interest rate risk.

Market risk
Foreign currency risk
The Group's exposure to the risk of changes in foreign currency relates primarily to its operating activities. Operating companies generally only trade in their own currency. The Group is therefore not subject to any significant foreign exchange transactional exposure within these subsidiaries.

The Group transacts mainly in Sterling and Euros. The Group generates sufficient cash flows in each respective currency to service operating costs, therefore it does not see foreign currency risk as a significant risk.

The Group's principal exposure to foreign currency lies in the translation of overseas profits into Sterling; this exposure is not hedged. Other currency exposures comprise those currency gains and losses recognised in the income statement, reflecting other monetary assets and liabilities that are not denominated in the functional currency of the entity involved. At 30 April 2023 and 30 April 2022, these exposures were not material to the Group.

Interest rate risk
The Group is exposed to interest rate risk arising from borrowings under the Senior Facilities Agreement, which incurs interest at a floating reference rate plus a margin. The reference rate was LIBOR until 8 December 2021, after which it was replaced by SONIA.

On 1 August 2022, the Group executed two interest rate derivative agreements, with the intention of hedging its exposure to increases in SONIA for broadly three quarters of its current expected future senior net debt (net of cash) for the period until November 2024. For the remaining term, the agreements comprise an interest rate swap at a rate of 2.4725% with a floor strike rate of 0% on £55m notional until 30 November 2023 and an interest rate cap with a cap strike rate of 3.0000% on £70m notional until 30 November 2024.

The Group has elected to adopt the hedge accounting requirements of IFRS 9 Financial instruments. The Group enters into hedge relationships where the critical terms of the hedging instrument and the hedged item match, therefore, for the prospective assessment of effectiveness a qualitative assessment is performed. Hedge effectiveness is determined at the origination of the hedging relationship. Quantitative effective tests are performed at each year end to determine the continuing effectiveness of the relationship.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the interest rate, amount and timing of their respective cash flows. The Group assesses whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting changes in cash flows of the hedging item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:
- The effect of the counterparty and Group's own interest rate risk on the fair value of the cap and swap, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- Changes in the timing of the hedged item.

The derivative financial assets are all net settled; therefore, the maximum exposure to interest rate risk at the reporting date is the fair value of the derivative assets which are included in the Consolidated Balance Sheet:

Derivative financial assets	**2023 £000**	**2022 £000**
Derivatives designated as hedging instruments		
Interest rate swaps – cash flow hedges	**706**	–
Interest rate cap – cash flow hedges	**1,762**	–
Total derivatives financial assets	**2,468**	–

	2023 £000	**2022 £000**
Current and non-current:		
Current	**711**	–
Non-current	**1,757**	–
Total derivatives financial assets	**2,468**	–

a) Cash flow interest rate swap and cap
The was no ineffective portion recognised in finance expense that arose from cash flow hedges during the year (2022: £nil).
At 30 April 2023, the main floating rates were SONIA. Gains and losses recognised in the cash flow hedging reserve in equity on interest rate swap and cap contracts as at 30 April 2023 will be released to the consolidated statement of comprehensive income as the related interest expense is recognised.

The effects of the cash flow interest rate swap and cap hedging relationships are as follows at 30 April:

	Interest rate swap		**Interest rate cap**	
	2023	**2022**	**2023**	**2022**
Carrying amount of derivatives (£000)	706	–	1,762	–
Changes in fair value of the designated hedged item (£000)	842	–	1,175	–
Notional amount (£000)	55,000	–	70,000	–
Hedge ratio	1:1	–	1:1	–
Maturity date	30/11/2023	–	30/11/2024	–

Interest rate movements on deposits, lease liabilities, trade payables, trade receivables and other financial instruments do not present a material exposure to the Group's Balance Sheet.

Market risk sensitivity analysis
Financial instruments affected by market risks include borrowings and deposits.

The following analysis, required by IFRS 7 Financial Instruments: Disclosures, is intended to illustrate the sensitivity to changes in market variables, being Sterling interest rates, and Sterling/Euro exchange rates.

The sensitivity analysis assumes reasonable movements in foreign exchange and interest rates before the effect of tax. The Group considers a reasonable interest rate movement in SONIA to be 3%, based on current interest rate projections. Similarly, sensitivity to movements in Sterling/Euro exchange rates of 10% are shown, reflecting changes of reasonable proportion in the context of movement in that currency pair over the last year.

The following table shows the illustrative effect on profit before tax resulting from a 10% change in Sterling/Euro exchange rates:

	Income (losses)/gains 2023 £000	**Equity (losses)/gains 2023 £000**	**Income (losses)/gains 2022 £000**	**Equity (losses)/gains 2022 £000**
10% strengthening of Sterling versus the Euro	(390)	(814)	(778)	(662)
10% weakening of Sterling versus the Euro	477	995	951	809

The following table shows the illustrative effect on the consolidated income statement from a 3% change in market interest rates on the Group's interest expense. Refer to borrowings in Note 19.

	2023 £000	2022 £000
3% increase in market interest rates	**(6,350)**	(5,250)
3% decrease in market interest rates	**6,350**	5,250

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or banking institution fails to meet its contractual obligations. The Group's credit risk primarily arises from trade and other receivables. The Group has a very low operational credit risk due to the transactions being principally of a high volume, low value and short maturity. The Group has no significant concentration of operational credit risk.

The credit risk on liquid funds held with HSBC, JP Morgan, Citibank, Rabobank and Bank of Scotland is considered to be low. The long-term credit rating for HSBC is A1/A+ per Moody's/Standard & Poor's. The long-term credit rating for Rabobank is Aa2/A+ per Moody's/Standard & Poor's. The long-term credit rating for Bank of Scotland is A/A-1. The long-term credit rating for both JP Morgan and Citibank is Aa3/A+ per Moody's/Standard & Poor's.

Further information on the credit risk management procedures applied to trade receivables is given in Note 14 and to cash and cash equivalents in Note 15. The carrying amounts of trade receivables and cash and cash equivalents shown in those notes represent the Group's maximum exposure to credit risk and there is no customer that accounts for more than 10% of the balance.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Cash flow forecasting is performed centrally with rolling forecasts of the Group's liquidity requirements regularly monitored to ensure it has sufficient cash to meet operational needs. The Group's revenue model results in a strong level of cash conversion allowing it to service working capital requirements.

The Group's sources of borrowing for liquidity purposes include the Senior Facilities Agreement, which was executed on 7 January 2021 and amended on 22 June 2022. These facilities comprise a Term Loan of £175,000,000, the Original RCF of £20,000,000 and the Additional RCF of £60,000,000, provided by a syndicate of banks. All facilities provided under the Senior Facilities Agreement are committed until 8 December 2025. Lease liabilities are also reported in borrowings.

The amounts in the consolidated balance sheet and related notes that are accounted for as financial instruments and their classification under IFRS 9, are as follows:

Financial assets

	Note	2023 £000	2022 £000
Financial assets at amortised cost:			
Current assets			
Trade and other receivables[1]	14	**3,699**	2,540
Cash	15	**22,394**	101,677
Non-current assets			
Trade and other receivables	14	**2,153**	1,928
Financial assets at fair value:			
Current assets			
Financial derivatives		**711**	–
Non-current assets			
Financial derivatives		**1,757**	–
		30,714	106,145

Financial liabilities

	Note	2023 £000	2022 £000
Financial liabilities at amortised cost:			
Current liabilities			
Trade and other payables[2]	16	**103,363**	38,932
Lease liabilities	19	**3,443**	2,151
Borrowings	19	**27**	213
Non-current liabilities			
Trade and other payables[2]	16	**3,806**	4,974
Lease liabilities	19	**16,082**	13,169
Borrowings	19	**170,493**	169,950
		297,214	229,389

1 Excluding prepayments.

2 Excluding other taxation and social security.

The following tables provide an analysis of the anticipated contractual cash flows including interest payable for the Group's financial liabilities and derivative instruments on an undiscounted basis. Where interest payments are calculated at a floating rate, rates of each cash flow until maturity of the instruments are calculated based on the forward yield curve prevailing at the respective year ends. All derivative contracts are presented on a net basis:

Contractual cash flows 2023	Due within 1 year £000	Due within 1 and 3 years £000	Due between 3 and 5 years £000	Due after 5 years £000	Total £000	Carrying amount at balance sheet date £000
Borrowings[1]	–	175,000	–	–	175,000	170,493
Interest on borrowings	12,533	24,804	–	–	37,337	27
Lease capital repayments	3,444	6,212	4,946	4,923	19,525	19,525
Lease future interest payments	776	1,089	532	379	2,776	–
Trade and other financial liabilities[2]	103,363	3,806	–	–	107,169	107,169
Non-derivative financial liabilities	120,116	210,911	5,478	5,302	341,807	297,214
Interest rate swap	723	–	–	–	723	706
Interest rate cap	1,216	422	–	–	1,638	1,762
Derivative financial liabilities	1,923	422	–	–	2,361	2,468

Contractual cash flows 2022	Due within 1 year £000	Due within 1 and 3 years £000	Due between 3 and 5 years £000	Due after 5 years £000	Total £000	Carrying amount at balance sheet date £000
Borrowings[1]	–	175,000	–	–	175,000	169,950
Interest on borrowings	8,937	23,433	–	–	32,371	213
Lease capital repayments	2,151	4,391	4,811	3,967	15,320	15,320
Lease future interest payments	863	1,396	798	582	3,639	–
Trade and other financial liabilities[2]	38,932	4,974	–	–	43,906	43,906
Non-derivative financial liabilities	50,883	209,194	5,609	4,549	270,236	229,389
Interest rate swap	–	–	–	–	–	–
Interest rate cap	–	–	–	–	–	–
Derivative financial liabilities	–	–	–	–	–	–

1 For the purpose of these tables, borrowings are defined as gross borrowings excluding lease liabilities and fair value of derivative instruments.

2 Consists of trade and other payables that meet the definition of financial liabilities under IAS 32.

There is no difference between the fair value and carrying amounts of the financial assets and liabilities except for borrowings as detailed below.

Capital management
The objectives for managing capital are to safeguard the Group’s ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient cost of capital structure. To maintain or adjust the capital structure in future periods, the Group may pay dividends, return capital through share buybacks, issue new shares or take other steps to increase share capital and reduce or increase debt facilities.

As at 30 April 2023, the Group had gross borrowings of £175,000,000 through the Term Loan B. At time, during FY23, the Additional RCF of £60,000,000 was drawn. The Group remains compliant with its banking covenants.

Interest on senior facilities is based on a margin ratchet, which operates within a range of 3.00% to 3.75% for the Term Loan B and a range of 2.50% to 3.25% for the Additional RCF, dependent on the Group's latest six-monthly consolidated senior net leverage ratio:

- At 30 April 2022, the ratio was below 2.00:1, therefore interest was payable in the first half of FY23 at SONIA plus a margin of 3.00% on the Term Loan B and a margin of 2.50% on the Additional RCF.
- At 31 October 2022, the ratio was between 2.00:1 and 2.50:1, therefore interest was payable in the second half of FY23 at SONIA plus a margin of 3.25% for the Term Loan B and 2.75% for the Additional RCF.
- At 30 April 2023, the ratio was below 2.00:1, therefore the margins payable on senior facilities in the first half of FY24 will revert to the rates prevailing in H1 FY23.

Bank loans and loan notes
The fair value of bank loans is determined using a discounted cash flow valuation technique calculated at a prevailing interest rate of 7.47%, which is an unobservable input, and therefore can be considered as a level 3 fair value as defined within IFRS 13:

	Note	2023 Book value £000	2023 Fair value £000	2022 Book value £000	2022 Fair value £000
Non-current borrowing – external bank loans	19	**170,493**	**144,109**	169,950	154,230

23 Commitments and contingencies

a) Commitments
The Group entered a financial commitment in respect of floristry supplies of £59,000 (2022: £126,000) and rental commitments of £12,000 (2022: £72,000) which are due within one year.

b) Contingencies
Group companies have given a guarantee in respect of the external bank borrowings of the Group which amounted to £255,000,000 at 30 April 2023. This includes the Term Loan B of £175,000,000, the RCF of £20,000,000 and the additional RCF of £60,000,000. Both the Original RCF and the Additional RCF were undrawn at 30 April 2023.

24 Related party transactions

Transactions with related parties
The Group has earned other income from subletting space at its head office to an entity formerly under common control.

	2023 **£000**	**2022** **£000**
Other income from related parties formerly under common control	**1,319**	1,433

At the balance sheet date, the Group had the following balances with entities formerly under common control:

	2023 **£000**	**2022** **£000**
Trade and other receivables from other related parties formerly under common control	**150**	458
Trade and other payables with other related parties formerly under common control	**(638)**	(638)

There is no expected credit loss provision recognised in relation to the above receivables as the probability of default and any corresponding expected credit loss are immaterial to the Group.

Compensation of key management personnel of Moonpig Group plc
The amounts disclosed in the table are the amounts recognised as an expense during the reporting year related to key management personnel. Key management personnel are defined as the Directors as they are the members of the Group with the authority and responsibility for planning, directing and controlling the activities of the Group.

Further detail in respect of the Directors remuneration can be found within the Directors' Remuneration report within the Annual Report and Accounts for the year ended 30 April 2023.

	2023 **£000**	**2022** **£000**
Short-term employee benefits	**1,655**	3,007
Post-employment pension and medical benefits	**54**	53
Share-based payment schemes	**7,435**	6,667
Total compensation relating to key management personnel	**9,144**	9,727

25 Related undertakings

A full list of subsidiary undertakings as defined by IFRS as at 30 April 2023 is disclosed below. Titan Midco Limited is held directly by the Company and all other subsidiary undertakings are held indirectly.

The equity shares held are in the form of ordinary shares or common stock. The effective percentage of equity shares held in subsidiary undertakings is 100% in all cases.

Subsidiary undertakings	Number	Country of incorporation	Principal activity
Cards Holdco Limited[1]	12170467	England and Wales	Trading company, management services
Moonpig.com Limited[1]	03852652	England and Wales	Trading company
Titan Midco Limited[1]	13014525	England and Wales	Holding company
Horizon Bidco B.V.[2]	72238402	Netherlands	Holding company
Greetz B.V.[2]	34312893	Netherlands	Trading company
Full Colour B.V.[2]	34350020	Netherlands	Trading company
Experience More Limited[1]	03883868	England and Wales	Trading company

1 Registered office address is Herbal House, 10 Back Hill, London, EC1R 5EN, United Kingdom.

2 Registered office address is Herikerbergweg 1-35, 1101 CN Amsterdam, Noord-Holland.

All subsidiaries have a year-end of 30 April.

Titan Midco Limited is exempt from the Companies Act 2006 requirements relating to the audit of their individual financial statements by virtue of Section 479A of the Companies Act as this Company has guaranteed its subsidiary companies under Section 479C of the Companies Act.

In accordance with article 408 of the Dutch Civil Code, Horizon Bidco B.V. issued a declaration of joint and several liability in respect of its consolidated participants. The declaration covered and resulted in the standalone Horizon Bidco B.V. entity being exempt from an audit. Additionally, Full Colour B.V. is exempt from an audit under the Dutch Civil Code by virtue of its size.

Experience More Limited was acquired on 13 July 2022.

26 Events after the balance sheet date

There were no adjusting or non-adjusting events after the balance sheet date.