9 December 2021

MOONPIG GROUP PLC
HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2021

Strong half year results and the Group's highest ever gifting share of total revenue

Summary H1 FY22 financial results

£m	**Six months to 31 October 2021**	Six months to 31 October 2020	Six months to 31 October 2019	H1 FY22 Year-on-year %	H1 FY22 Two-year growth %
Group revenue	**142.6**	155.9	66.3	(8.5%)	115.2%
Adjusted EBITDA[1]	**35.0**	41.2	15.0	(15.1%)	132.5%
Adjusted EBITDA margin[1]	**24.5%**	26.4%	22.7%	(1.9%pts)	1.8%pts
Reported profit before tax	**18.7**	33.0	9.4	(43.2%)	99.7%
Adjusted profit before tax[1]	**24.1**	34.8	9.8	(30.6%)	147.0%
Basic earnings per share (pence)[2]	**4.5p**	N/A	N/A	N/A	N/A
Net debt	**(113.0)**	(30.9)	(33.9)	(265.4%)	(233.0%)

1 Before adjusting items of £5.4m in H1 FY22 and £1.8m in H1 FY21. See definition of Alternative Performance Measures on page 8 and 9.
2 Earnings per share not disclosed for periods arising prior to the Group's formation as a result of the pre-IPO restructuring in February 2021.
3 Two-year growth included to contextualise the short-term effect of Covid-19 upon trading.

Results Summary

- Revenue growth of 115% on a two-year basis, reflecting significant customer base growth, higher customer purchase frequency and growth in attached gifting.
- Revenue and Adjusted EBITDA down 8.5% and 15.1% year-on-year respectively, reflecting lapping of periods of severe Covid-19 related lockdown restrictions.
- Adjusted EBITDA margin rate of 24.5% (FY21: 25.0%), consistent with the Group's medium-term target range of approximately 24.0% to 25.0%.
- Operating cash conversion of 38% (H1 FY21: 62%), reflecting working capital seasonality and the unwind of high year-end creditor balances related to trading through lockdown.

Strategic & Operational Highlights

An enduring transformation in the scale of our business:

- Delivered 19.5 million orders, helping our customers to stay connected with their loved ones through the emergence from lockdowns in the UK and the Netherlands (H1 FY20: 9.5 million).
- Very high retention of customers acquired during Covid-19, with 89% of year-to-date revenue derived from existing customers.

The technology and data platform continues to drive our growth flywheel:

- Grew the app to over 42% of Moonpig's orders for H1 FY22.
- Continued expansion of the Group's database to over 60 million reminders set as at 31 October 2021 (30 April 2021: over 50 million).
- Data science initiatives to improve search to help consumers navigate our constantly expanding cards range, deliver personalised landing pages for customers through reminder, and more relevant gift recommendations.
- New feature launches include a new editor for the customisation of cards and personalised gifts, and improved user interface for card size format upsell.
- Migration of Greetz onto the Group platform remains on course for completion by the end of calendar year 2022.

Continued progress on enhancing our leading customer proposition:

- Highest ever gifting share of total revenue, at 48%, reflecting further progress in our strategy to become the ultimate gifting companion (H1 FY21: 44%).
- Expanded our gifting range including a branded "shop-in-shop" partnership with Virgin Wines, the launch of fragrances, innovation in our letterbox gifting range and expansion of our branded toys offering.
- Launch of new packaging designs and formats across our gifting range to elevate the recipient experience.
- Continued expansion of our Global Design Platform, which now features over 33,000 card designs and several new licence partners (30 April 2021: 27,000).

Outlook

- Group annual revenue for FY22 is now expected to be at the upper end of the previous guidance range of between approximately £270 million and £285 million. This includes approximately £20 million that is non-recurring as it relates to elevation in frequency above the expected exit rate, of which more than three quarters arose in the first half of the year.
- Customer purchase frequency has not yet fully normalised, but the data we now have provides us with confidence that we will exit the financial year with an enduring uplift in UK customer purchase frequency of approximately 15% compared to pre-Covid-19 levels.
- In the Netherlands, we expect customer purchase frequency to settle at a rate that is in line with existing expectations, reflecting the fact that Greetz does not yet have access to the new Group technology platform.
- With respect to the medium-term, the Group continues to target underlying annual revenue growth in the mid-teens and an Adjusted EBITDA margin rate of approximately 24% to 25%.

Nickyl Raithatha, CEO, commented:

Moonpig Group continues to successfully deliver against its strategy to become the ultimate gifting companion. Our new technology and data platform continues to make it easier for customers to remember, find, create and send the perfect greeting card and the perfect gift to their loved ones. As a result, our half year results demonstrated even stronger customer retention and our highest-ever proportion of revenue from gifting.

With revenue more than doubling over the past two years, we are confident that we have achieved an enduring transformation in the scale of our business. The long-term opportunity remains vast, and we have never been in a better position to capture this growth.

Investor and analyst meeting

The half 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 9 December 2021. Nickyl Raithatha (CEO) and Andy MacKinnon (CFO) will host a Q&A for analysts and investors via webcast at 9:30am. Please note the presentation will not be repeated during the webcast. Anyone wishing to join the Q&A should register via the following link:

https://www.lsegissuerservices.com/spark/MoonpigGroup/events/dd217909-1690-4fc2-94cf-0194a2f6e7a4

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About Moonpig:

Moonpig Group plc (the "Group") is a leading online greeting card and gifting platform, comprising the Moonpig brand in the UK and the Greetz brand in the Netherlands. In both markets, the Group is the clear online market leader in cards.

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 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

The Group has continued to trade strongly in the first half of the year, reflecting the continued dedication and hard work of all our people across the UK, Guernsey and the Netherlands. This performance was underpinned by three factors which are critical to Moonpig Group's long-term success: delivery of strategic initiatives to accelerate our data-driven customer retention flywheel, progress in enhancing our attached gifting proposition, and continued profitable investment in our brands.

The Group's success in engaging customers and encouraging them deeper into our data-driven ecosystem through reminders and personalised recommendations has been key to our year-to-date performance. Retention rates for cohorts of customers that we acquired during lockdown are broadly in line with previous cohorts, underlining our confidence in the step-change in the scale of the business. In consequence, 89% of H1 FY22 revenue was derived from existing customers. This reflects the Group's world-class proprietary technology platform, the scale and depth of its data on consumers' relationships and gifting intentions and its ability to apply this through self-learning algorithms, all of which is supported by two powerful consumer brands.

Customer purchase frequency remained elevated during the first half of the year as consumer mobility gradually normalised following release from lockdown, and an element of H1 FY22 revenue reflects this temporary elevation. Based on data from the half year and the preceding financial year, we are confident that the impact of the strategic initiatives we have delivered (including app migration, reminder collection, and range enhancements) will result in an enduring 15% uplift in order frequency for UK customers. In the Netherlands, where Greetz does not yet have access to the new Group technology platform, our expectations for the equivalent uplift remain 5%.

Our second key success during the year-to-date has been growth in attached gifting, which grew from 33.7% of total revenue in H1 FY20, to 38.1% in H1 FY21 and 43.2% in H1 FY22. Continuous improvements to our gifting range, the recommendation algorithms driving our cross-sell, and the user interface continue to drive customer propensity to attach a gift to their card. Total gifting revenue (including standalone gifting) accounted for 47.5% of total revenue in the first half of this year (H1 FY21: 44.3%).

Thirdly, we have seen continued strong marketing performance throughout the half-year. We have been able to consistently acquire new customers at a faster rate than before the arrival of the pandemic, in an environment for new customer acquisition that was normalised throughout the half-year in both the UK and the Netherlands following the release of lockdown measures.

Our strategy – becoming the ultimate gifting companion

Leveraging data and technology

Ongoing investment in technology and data is key to our future growth plans, and completion of the three-year re-platforming in FY21 has enabled us to start rolling out new functionality for the Moonpig brand:

- new features that make it even more effortless for customers to find the perfect card and the perfect gift, including:
    - a new editor for the customisation of cards and personalised gifts,
    - an improved search service to help consumers navigate our constantly expanding cards range,
    - personalised landing pages for customers who click on a reminder, and
    - an improved user interface for card size format up-sell,
- continued to upgrade our algorithms to enable more personal and relevant recommendations from our expanding gift range,
- improved the gift journey through enhancements to search and navigation, and
- introduced a new cross-sell touchpoint on the basket page of the website journey allowing customers a further opportunity to attach a gift before finalising their order.

Our platform is designed to leverage data on gifting intentions, and our online market leadership means that each day we capture more new data than the rest of the market combined, constantly widening our relative competitive advantage. To accelerate reminders collection, we have further optimised the purchase journey so that we now allow customers to add reminders for multiple occasions in a single tap. This has delivered growth in our reminders database to over 60 million as at 31 October 2021 (30 April 2021: over 50 million).

We have also made further significant progress on our journey to becoming an app-first company, raising the app share of orders to over 42% for Moonpig across the first half of the year. We will continue to focus on driving app penetration, and this will be supported by the launch of an AI driven personalised promotions engine in the coming months that will allow us to deploy targeted incentives to customers to drive specific behaviours.

Work to transition Greetz onto the Group's technology platform remains on-schedule for completion by the end of calendar year 2022. This will unlock significant opportunities for strengthening retention and lifetime value for our Dutch customers, through both raising frequency of purchase (for instance through enabling the launch of a native Greetz app) and raising average order value (for instance through user experience optimisations that encourage customers to attach a gift to their order or upsell to a larger item).

Expanding our range

We strive to have the perfect card and gift for every relationship and every occasion. We now have our largest-ever range of greeting cards, with over 33,000 designs available on our Global Design Platform (30 April 2021: 27,000). We have launched more exclusive partnerships, including Team GB, the British and Irish Lions, Peter Rabbit and Warhammer, whilst maintaining fresh and topical content through a combination of in-house design and collaboration with independent artists. We have placed particular focus on leveraging the Global Design Platform at the Greetz brand, for instance through the translation of selected designs into Dutch.

We have leveraged the breadth in our card design range to launch campaigns offering free cards to consumers for missions that are currently of relatively low order volume, to drive purchase frequency and raise awareness of our offering in these areas. We saw a 180% year-on-year increase in orders of Diwali cards this year, and a free Thank You card campaign drove year-on-year orders growth of 360% for this mission during August.

Our strategy to drive our gifting business is through broadening our range in parallel with enhancing the algorithms driving our cross-sell recommendations. We have expanded our gifting range through partnerships with category experts, including a branded "shop-in-shop" with Virgin Wines. Partnering with a brand that has authority within its category gives our customers confidence that any wine they buy with us will be the best quality, whilst allowing us to leverage their category expertise in supply chain and merchandising. We have also partnered with a third party to launch a range of premium fragrances.

Customers love our letterbox gift offering, where gifts fit in a recipient's letterbox and there is no need to be home to receive a delivery. We have grown sales in this category over 350% through product range innovation to develop gift sets that are tailored to specific customer gifting missions. We have also delivered over 50% year-on-year growth in sales of toys and are now working with even more of the most recognisable toy brands, including Mattel, Barbie and Nerf.

Building our brands

A key pillar of our strategy is to ensure that the customer is always excited to send, and the receiver is always delighted to open, their Moonpig or Greetz product. It underpins the loyalty of our customers and drives a virtuous customer acquisition cycle as recipients become customers.

A particular focus in the year-to-date has been upon elevating the recipient experience through the launch of new packaging across our gifting range, together with premium packaging for gifts at higher price points. The new packaging features a layer-on-layer unboxing journey which will make the Moonpig recipient experience stand out from the competition and help to promote viral customer base growth by persuading recipients to become future customers.

We have continued to expand UK delivery options with the launch of Royal Mail's Tracked 24 service. This has enabled both our latest-ever non-peak card cut off time of 9:00pm for next day delivery and the launch of Sunday ordering for Monday delivery. Ahead of Father's Day we also worked with Royal Mail to offer their first ever trial of Sunday delivery and now offer Sunday delivery for gifts every weekend.

We entered the year with both brands in a very strong position, as a result of additional brand marketing investment carried out in the final quarter of FY21. The environment for new customer acquisition was normalised throughout the half-year in both the UK and the Netherlands following the release of lockdown measures, and importantly, we have been able to consistently acquire new customers at a faster rate than before the arrival of the pandemic. In particular, the scale of the Moonpig business means that we have been able to implement an "always on" approach to above the line marketing in the UK, in contrast to the previous concentration of marketing activity during peak trading periods.

Maintaining high ethical, environmental and sustainability standards

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

We remain on course for 100% of our paper, card and packaging to be sustainably sourced by 2022. This year we obtained full Forest Stewardship Council (FSC) chain of custody certification for our UK operations, which means that our manufactured products are now fully certified across the Group. We have also undertaken an extensive review of all our purchased third-party packaging and envelope SKUs and are working to ensure that all are certified by either the FSC or The Programme for the Endorsement of Forest Certification (PEFC) or comprise more than 75% recycled content by 2022. We have also ensured that all of our card, packaging and envelopes are 100% reusable, recyclable or compostable. We have an ongoing programme of action to reduce direct emissions from our offices and factories and we have had our Net Zero by 2030 goal approved by the Science Based Target initiative. We are currently building a plan to measure our scope 3 value chain emissions.

Employee engagement remains a key priority given the intensity of competition for talent in the technology sector. We have launched hybrid and fully remote working models, aligned our employee benefits package across Moonpig and Greetz, launched new Group-wide values and behaviours and continued to invest in learning and development. We are pleased that our recent investments in people have been reflected on Glassdoor, where 93% of participating employees would recommend Moonpig to a friend.

We are proud to sponsor and work with Cajigo and Stemettes, two organisations that share our aspiration to increase diversity in the technology sector. We are making steady progress in raising the leadership representation of women and ethnic minorities within our extended leadership team, and the Board has committed to meet the Hampton-Alexander target for female representation on the Board of Directors by the 2022 AGM.

We are committed to reaching and maintaining a top-quartile customer net promoter score of 70, and for H1 FY22 our Group average score was 72.4. Alongside visible changes such as range expansion, new gift packaging and later cut-off for next-day delivery, we are delivering improvements such as the roll-out of a chatbot.

Financial review

Overview

Throughout last year and the current year-to-date, the Group has focused upon strengthening its existing virtuous cycle of strong customer retention and lifetime value. We have increased the proportion of orders placed on an app, accelerated the setting of customer reminders, continued to improve our algorithms and online user experience, materially expanded our range and service offering and invested in marketing to further strengthen our leading brands.

The strong trading performance that we have delivered in the six months ended 31 October 2021 ("H1 FY22") confirms the scale of the transformation of our business across the period of the pandemic. Retention rates for cohorts of customers that were acquired during lockdown are in line with those historically observed for previous cohorts; we continue to acquire new customers at a higher monthly run rate than before the lockdown; and a higher proportion of our customers attached a gift to their card orders than in any previous half year period.

Performance in the year-to-date was lifted by elevated rates of customer purchase frequency, which were higher than expected at the start of the financial year and saw a month-on-month decrease as lockdown restrictions were progressively relaxed. Frequency remained elevated through the summer months reflecting limited change in consumer mobility before declining through September and October. As a result, the year-on-year percentage rate of reduction in revenue is likely to be greater during the second half of FY22 than in the first half.

The datapoints that we have provide us with confidence that the business has delivered an enduring uplift in order frequency of 15% for UK customers, driven by initiatives such as app migration, the reminders ecosystem and broadening the range of gifts and cards. In the Netherlands, where Greetz does not yet have access to the new Group technology platform, the equivalent uplift is expected to be 5%.

Financial performance

	Six months to 31 October 2021	Six months to 31 October 2020	Six months to 31 October 2019	H1 FY22 Year-on-year %	H1 FY22 Two-year growth %
Revenue £m	**142.6**	155.9	66.3	(8.5%)	115.2%
Gross profit £m	**69.9**	80.8	35.2	(13.5%)	98.6%
Gross margin %	**49.0%**	51.8%	53.1%	(2.8%pts)	(4.1%pts)
Adjusted EBITDA £m[1]	**35.0**	41.2	15.0	(15.1%)	132.5%
Adjusted EBITDA margin %[1]	**24.5%**	26.4%	22.7%	(1.9%pts)	1.8%pts
Reported profit before tax £m	**18.7**	33.0	9.4	(43.2%)	99.7%
Adjusted profit before tax £m[1]	**24.1**	34.8	9.8	(30.6%)	147.0%
Earnings per share – basic (pence)[2]	**4.5p**	N/A	N/A	N/A	N/A
Earnings per share – diluted (pence)[2]	**4.4p**	N/A	N/A	N/A	N/A

1 Before adjusting items of £5.4m in H1 FY22 and £1.8m in H1 FY21. See definition of Alternative Performance Measures on pages 8 and 9.
2 Earnings per share not disclosed for periods arising prior to the Group's formation as a result of the pre-IPO restructuring in February 2021.
3 Two-year growth included to contextualise the short-term effect of Covid-19 upon trading.

The Group delivered revenue of £142.6m, which was down 8.5% year-on-year as a result of lapping periods when online market demand was accentuated by severe lockdown restrictions in spring and early summer 2020. However, revenue was 115.2% higher than in the six months ended 31 October 2019, reflecting the uplift to the size of the customer base, the successful delivery of further growth in attached gifting and the temporary elevation of customer purchase frequency whilst consumer mobility gradually normalised following release from lockdown.

The Group achieved gross profit of £69.9m (H1 FY21: £80.8m). Gross margin rate of 49.0% was lower than in previous periods, reflecting growth in the proportion of revenue relating to gifting, together with discretionary promotional activity to drive app downloads and reminder setting and incentives to drive frequency such as offering free cards for purchase missions that are currently of low volume such as Diwali and Thank You cards. The business has seen some limited instances of cost inflation, primarily related to paper and packaging prices, and wages for warehouse staff employed by third party fulfilment partners; however, these have not had a material impact on gross margin rate.

Adjusted EBITDA was £35.0m (H1 FY21: £41.2m), with the Adjusted EBITDA margin rate of 24.5% remaining in line with medium-term guidance of approximately 24.0% to 25.0%.

Adjusted profit before tax was £24.1m (H1 FY21: £34.8m), primarily reflecting the impact of interest charges resulting from entering into the Group's £195.0m Senior Facilities Agreement on 7 January 2021.

Orders and Average Order Value (AOV)

	Six months to 31 October 2021	Six months to 31 October 2020	Six months to 31 October 2019	H1 FY22 Year-on-year %	H1 FY22 Two-year growth %
Orders millions	**19.5**	21.9	9.5	(11.3%)	103.8%
AOV £ per order	**£7.3**	£7.1	£6.9	3.2%	5.6%
Group revenue £m	**142.6**	155.9	66.3	(8.5%)	115.2%

The Group delivered 19.5m total orders in the six months to 31 October 2021, which was down 11.3% year-on-year but was 103.8% higher than in the six months ended 31 October 2019.

Average order value increased by 3.2% year-on-year. This was driven by growth in attached gifting, offset in part by:

- The Group choosing to continue investment in promotional incentives to accelerate the delivery of strategic objectives including the migration of Moonpig customers from web to app and customer reminder setting. Promotional activity has low efficacy for driving incremental orders because of existing high purchase intent for greeting card orders, however it is a lever for driving changes in customer behaviour.

- The year-on-year appreciation of Sterling against the Euro, which had an adverse impact of 3% on Greetz revenue and 1% on Group revenue.

Gifting Mix of Revenue %

	Six months to 31 October 2021	Six months to 31 October 2020	Six months to 31 October 2019	H1 FY22 Year-on-year %pts	H1 FY22 Two-year growth %pts
Attached gifting % of total revenue	**43.2%**	38.1%	33.7%	5.2%pts	9.5%pts
Standalone gifting % of total revenue	**4.3%**	6.2%	6.8%	(1.9%pts)	(2.5%pts)
Total gifting % of total revenue	**47.5%**	44.3%	40.5%	3.3%pts	7.0%pts

We have continued to grow the proportion of revenue derived from gifts that are attached to a card order. Whilst there was some temporary elevation of gifting sales during the full lockdowns of H2 FY21, we consider that there has been no elevation of gifting sales due to lockdown in the first half of the current year. Growth in gifting penetration of total revenue is part of an established multi-year progression reflecting successful execution against the Group's strategy. It has been driven by the ongoing evolution of our recommendation algorithms, enhancements to on-site search and navigation that increase the opportunities for attaching a gift across the customer journey and the continued expansion of our gifting merchandise range.

Attached gifting mix of Group total revenue has increased from 33.7% in H1 FY20, to 38.1% in H1 FY21 and 43.2% in H1 FY22.

Revenue

	Six months to 31 October 2021	Six months to 31 October 2020	Six months to 31 October 2019	H1 FY22 Year-on-year %	H1 FY22 Two-year growth %
Moonpig £m	**108.5**	120.8	47.1	(10.2%)	130.4%
Greetz £m	**34.1**	35.1	19.2	(2.6%)	77.8%
Group revenue £m	**142.6**	155.9	66.3	(8.5%)	115.2%

Group revenue decreased by 8.5% year-on-year to £142.6m reflecting a decrease of 10.2% at Moonpig and 2.6% at Greetz. The greater rate of year-on-year reduction at Moonpig reflects the fact that trading at Moonpig was particularly strong during summer 2020.

Across two years, Group revenue has been uplifted by 115.2%, with growth of 130.4% at Moonpig and 77.8% at Greetz. Moonpig has benefited from significant investment in its technology platform across a period of more than three years. Greetz will be migrated to this platform by the end of calendar year 2022.

Gross margin rate %

	Six months to 31 October 2021	Six months to 31 October 2020	Six months to 31 October 2019	H1 FY22 Year-on-year %pts	H1 FY22 Two-year growth %pts
Moonpig	**49.6%**	53.8%	57.9%	(4.2%pts)	(8.3%pts)
Greetz	**47.1%**	44.9%	41.6%	2.3%pts	5.6%pts
Group gross margin rate %	**49.0%**	51.8%	53.1%	(2.8%pts)	(4.1%pts)

The Group's gross margin rate decreased by 2.8%pts year-on-year, driven by Moonpig, where gross margin rate was 4.2%pts lower than in the prior year. This was driven primarily by growth in gifting revenue at lower-than-average percentage gross margin rate, and also by the (discretionary and controllable) use of promotional incentives to drive migration to the app and to incentivise reminder setting.

Whilst the business has seen some instances of cost inflation (primarily related to paper and packaging prices, and wages for warehouse staff employed by third party fulfilment partners), these have not had a significant impact on gross margin rate.

Greetz gross margin increased by 2.3%pts year-on-year, reflecting continuing growth of cards as a share of revenue (as a consequence of the ongoing alignment of Greetz towards the Group's card-first strategy) and delivery of operational efficiencies through the application of the Group's management expertise to Greetz's merchandising and operational processes.

Adjusted EBITDA margin %

	Six months to 31 October 2021	Six months to 31 October 2020	Six months to 31 October 2019	H1 FY22 Year-on-year %pts	H1 FY22 Two-year growth %pts
Moonpig	**25.6%**	29.9%	31.0%	(4.3%pts)	(5.3%pts)
Greetz	**21.0%**	14.5%	2.4%	6.5%pts	18.6%pts
Group	**24.5%**	26.4%	22.7%	(1.9%pts)	1.8%pts

The Adjusted EBITDA margin rate of the Moonpig segment decreased to 25.6% (H1 FY21: 29.9%). This is a decrease of 4.3%pts and reflects the operational leverage impact from lower revenue, together with incremental costs associated with operating the Group as a listed business. These were offset in part by lower marketing costs, as the market opportunity for new customer acquisition has normalised following the removal of lockdown restrictions.

The Adjusted EBITDA margin rate at Greetz increased to 21.0% (H1 FY21: 14.5%). The Greetz segment, which had a 15-year track record of negligible operating profit prior to its acquisition in August 2018, has been transformed through the application of the Group's card-first strategy and operational playbook. Migration onto the Group's technology platform by the end of calendar year 2022 will provide further opportunities for improvement in revenue growth and profitability.

Depreciation and amortisation increased to £6.0m (H1 FY21: £5.7m), with the increase reflecting investment in the three-year technology re-platforming of Moonpig brand and the ongoing work to migrate Greetz onto this platform. Taking this into account, Adjusted EBIT decreased to £29.0m (H1 FY21: £35.5m). Group PBT decreased to £18.7m (H1 FY21: £33.0m).

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 considered to be a substitute for, or superior to, IFRS measures. These APMs may not be necessarily comparable to similarly titled measures used by other companies.

Directors and management use these APMs alongside IFRS measures when budgeting and planning, and when reviewing business performance. Executive management bonus targets include an Adjusted EBITDA measure and long-term incentive plans include an adjusted basic EPS measure.

	Six months to 31 October 2021		Six months to 31 October 2020		Six months to 31 October 2019		H1 FY22 Year-on-year %	
	IFRS Measures	**Adjusted Measures**	IFRS Measures	Adjusted Measures	IFRS Measures	Adjusted Measures	IFRS Measures	Adjusted Measures
Pre-IPO share-based payment charges	**-**	**(3.5)**	-	-	-	-	-	-
IPO related bonuses	**-**	**(1.9)**	-	-	-	-	-	-
Remeasurement of Greetz pension indemnity	**-**	**-**	-	(1.5)	-	-	-	-
Greetz pension provision	**-**	**-**	-	2.1	-	-	-	-
IPO related transaction costs	**-**	**-**	-	(2.3)	-	-	-	-
Restructuring costs	**-**	**-**	-	-	-	(0.4)	-	-
Other	**-**	**-**	-	-	-	(0.0)	-	-
Total Adjusting Items		**(5.4)**		(1.8)		(0.4)		204.3%
Revenue	**142.6**	**142.6**	155.9	155.9	66.3	66.3	(8.5%)	(8.5%)
PAT	**15.4**	**20.4**	27.8	29.2	8.8	9.1	(44.6%)	(30.4%)
Taxation	**(3.4)**	**(3.7)**	(5.2)	(5.6)	(0.6)	(0.7)	(34.6%)	(32.7%)
PBT	**18.7**	**24.1**	33.0	34.8	9.4	9.8	(43.2%)	(30.6%)
PBT margin	**13.1%**	**16.9%**	21.2%	22.3%	14.1%	14.7%	(8.0%pt)	(5.4%pt)
Net interest	**(4.9)**	**(4.9)**	(0.7)	(0.7)	(0.4)	(0.4)	566.3%	566.3%
EBIT	**23.6**	**29.0**	33.7	35.5	9.7	10.1	(30.0%)	(18.3%)
EBIT margin	**16.5%**	**20.3%**	21.6%	22.8%	14.7%	15.3%	(5.1%pt)	(2.4%pt)
Depreciation and amortisation	**(6.0)**	**(6.0)**	(5.7)	(5.7)	(4.9)	(4.9)	4.6%	4.6%
EBITDA	**29.6**	**35.0**	39.4	41.2	14.7	15.0	(25.0%)	(15.1%)
EBITDA margin	**20.8%**	**24.5%**	25.3%	26.4%	22.1%	22.7%	(4.6%pt)	(1.9%pt)

Adjustment has been made for the one-off compensation arrangements granted prior to Initial Public Offering ('IPO') and described in the Prospectus as the Legacy Items and the All-Employee IPO Awards (together "Legacy Incentives"). These Legacy Incentives comprise a combination of cash and share-based payments and those that have not yet vested and will vest across each of the subsequent financial years ending 30 April 2023 and 2024. The Group believes that it is appropriate to treat these costs as an adjusting item as they relate to a one-off award, designed and implemented whilst the Group was under private equity ownership (and are reasonably typical of that market and appropriate in that context). The Group now operates in a new environment and the Remuneration Committee will apply the Remuneration Policy in a listed company context, hence similar awards are not expected in future. For clarity, where share-based payment charges arise as a consequence of the operation of the Group's post-Admission Remuneration Policy, these are not treated as adjusting items and the cost is not deducted from the calculation of each of the APMs defined below.

Adjusting items associated with the Greetz pension case recognised in FY21 (both the provision for historical pension liabilities and the associated indemnification asset due from the sellers of Greetz) relate to the remeasurement of balances recognised in connection with an M&A transaction that are material, non-recurring and outside the ordinary course of business.

Costs arising in connection with the IPO have been isolated in recognition of the nature, infrequency and materiality of this capital markets transaction.

Restructuring and other costs in 2020 relate to the reorganisation of the Group's operating model in order to prepare the Group for Admission to the London Stock Exchange in 2021.

The definitions for the above adjusted measures are as follows:

- Adjusted PAT is the profit after tax, before Legacy Incentive costs, charges or credits relating to the Greetz pension provision and associated indemnity asset, IPO costs and restructuring and other costs.
- Adjusted PBT is the profit before tax, before Legacy Incentive costs, charges or credits relating to the Greetz pension provision and associated indemnity asset, IPO costs and restructuring and other costs. Adjusted PBT margin is Adjusted PBT divided by total revenue.
- Adjusted EBIT is the profit before tax, interest, Legacy Incentive costs, charges or credits relating to the Greetz pension provision and associated indemnity asset, IPO costs and restructuring and other costs. Adjusted EBIT margin is Adjusted EBIT divided by total revenue.
- Adjusted EBITDA is the profit before tax, interest, depreciation, amortisation, Legacy Incentive costs, charges or credits relating to the Greetz pension provision and associated indemnity asset, IPO costs and restructuring and other costs. Adjusted EBITDA margin is Adjusted EBITDA divided by total revenue.

Net finance expense

Net finance expense was £4.9m (H1 FY21: £0.7m) comprising £4.6m of debt facility related costs and £0.3m relating to lease liabilities. The year-on-year increase reflects the results of entering into the £195.0m Senior Facilities Agreement on 7 January 2021 in connection with the Group's restructuring and demerger. Prior to the demerger, the Group's principal operating entities had been guarantors of the debt facilities of the predecessor holding company but did not act as borrower and hence did not incur interest payable on those facilities.

Tax

The Group tax charge was £3.4m (H1 FY21: £5.2m), which represents an effective tax rate of 18.0% (H1 FY21: 15.6%). The statutory rates of corporation tax that prevailed during the period were 19% in the UK and 25% in the Netherlands. The lower effective tax rate is primarily driven by the research and development expenditure credit which the Group estimates they will receive in relation to their applicable technology and development expenditure in the period.

Prior to the demerger that was completed in January 2021, the Group's operating legal entities were part of a different corporation tax group. Undertakings formerly under common control surrendered their losses by way of group relief and the Group utilised these to offset its own taxable profits in accordance with prevailing tax regulations.

Earnings per share ("EPS")

Basic EPS for H1 FY22 was 4.5p based on the weighted average number of ordinary shares outstanding during the period of 342,112,621 less 3,076,329 shares subject to potential repurchase. After accounting for the effect of employee share arrangements, diluted earnings per share was 4.4p.

Adjusted basic EPS was 6.0p. Adjusted basic EPS adjusts for the impact of the Adjusting Items (as set out above under Alternative Performance Measures).

Cash flow

Cash generated from operating activities was £14.6m, which is lower than cash generated in H1 FY21 (H1 FY21: £26.1m) primarily due to lower trading levels compared to last year and phasing of creditor payments. In the latter months of FY21 management increase inventories and took advantage of lockdown to increase customer acquisition and brand marketing spend, consequently carrying forward a large trade payables balance into the first month of FY22. This has resulted in a significant reduction in our trade payables balance as this was paid down during H1 FY22.

Inventory stands at £12.0m as at 31 October 2021, compared to £14.9m as at 30 April 2021.The Group operates to an inventory-light model with short supply chains. The Group built buffer inventory through last winter and spring to allow for any disruption caused by either Brexit or Covid-19 lockdown and have chosen to maintain this in view of reports by other businesses of supply chain continuity issues. This is a precautionary step, as our discussions with suppliers have provided no grounds for concern.

The Group has an asset-light business model and most capital expenditure relates to software development. Capital expenditure remained broadly constant year-on-year at £4.1m (H1 FY21: £5.0m). As set out in the Prospectus, ordinary course capital expenditure is expected to grow in line with the Group's target medium term revenue growth rate.

Management has committed to investing in the Group's operations network, both to increase resilience and to support expected long-term sales growth. In the UK and Guernsey, we intend to achieve this by expanding our in-house footprint alongside existing third-party capacity. In the Netherlands, we are both broadening our third-party fulfilment base and investing to relocate in-house operations to new modern premises. We therefore expect to incur one-off capital expenditure that is outside the ordinary course, as follows:

- We are in advanced commercial negotiations in respect of a proposed lease on new operations facilities on the UK mainland. This, alongside our existing Guernsey facility and continued relationships with outsourced partners, represents the network that will support our significant long-term growth ambitions for the UK. Upon the lease commencement for this or equivalent premises in the second half of FY22, we expect to account for a 10-year lease with an annual rental in the region of £0.8m in accordance with IFRS16 Leases. We expect capital expenditures on fit-out, which are a one-off additional requirement, to be in the region of £5m to £6m.

- The lease on Greetz's existing warehouse expires in October 2022. During the year-to-date, we have secured high-quality replacement premises in Almere, Netherlands on a 10-year lease. Upon the lease commencement date in FY23, we will account for the ten-year lease liability with an annual rental of £0.5m. We have previously disclosed that the relocation will require capital expenditures outside of the ordinary course and we expect these to be in the region of £2.0m to £3.0m.

Net cash used in financing activities was an outflow of £4.9m (H1 FY21: £19.7m outflow), comprising £3.3m of interest payments on the Group's Senior Facilities Agreement and £1.6m of lease repayments and lease interest, with no changes to utilisation of the £175.0m five-year term loan under the Group's Senior Facilities Agreement. The Group's £20.0m five-year multicurrency Revolving Credit Facility ("RCF") remains undrawn.

Operating cash conversion

Operating cash flow was an inflow of £13.4m (H1 FY21: £25.6m), representing adjusted operating cash conversion of 38% (H1 FY21: 62%). The Group is cash generative and operating cash flow in each of the last three full financial years has been within the range of 90% to 115% (as set out in the FY21 Annual Report and Accounts). Lower operating cash conversion in the year-to-date reflects seasonality in working capital, accentuated by the unwind of the atypically high trade and other payables balances at 30 April 2021, which reflected very strong trading, investment in brand marketing and the build-up of buffer inventory in case of any interruption to supply chains during the spring 2021 lockdown.

Adjusted operating cash conversion is a non-GAAP measure and 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.

	Six months to 31 October 2021 £m	Six months to 31 October 2020 £m	Six months to 31 October 2019 £m
Profit before tax	**18.7**	33.0	9.4
Add back: Net finance costs	**4.9**	0.7	0.4
Add back: Adjusting items (excluding Share-Based Payments)	**1.9**	1.8	0.4
Add back: Share-Based Payments	**3.5**	-	-
Add back: Depreciation and Amortisation	**5.9**	5.7	4.9
Adjusted EBITDA	**35.0**	41.2	15.1
Less: Capital expenditure (Fixed Assets)	**(4.1)**	(5.0)	(4.0)
Add back: (Increase) / decrease in inventories	**2.9**	(3.2)	(0.9)
Add back: (Increase) / decrease in trade and other receivables	**1.4**	0.5	(0.2)
Add back: Increase / (decrease) in trade and other payables	**(21.8)**	(7.8)	1.3
Operating cash flow	**13.4**	25.7	11.3
Operating cash conversion	**38%**	62%	75%
Add back: Capital expenditure (Fixed Assets)	**4.1**	5.0	4.0
Add back: Loss on disposal of non-current assets	**0.3**	-	-
Add back: Increase / (decrease) in debtors and creditors with undertakings formerly under common control	**(1.2)**	(2.6)	0.1
Less: Adjusting items (excluding Share-Based Payments)	**(1.9)**	(1.8)	(0.4)
Less: Non-cash movement with undertakings formerly under common control	**-**	-	-
Less: Research and Development tax credit	**(0.1)**	(0.2)	(0.2)
Cash generated from operating activities	**14.6**	26.1	14.8

Capital structure

On 7 January 2021 in connection with the demerger, the Group entered into a 5-year Senior Facilities Agreement comprising a Term Loan B of £175.0m (with fees of approximately £6.4m capitalised on the balance sheet) and a committed RCF of £20.0m.

The Company raised gross proceeds of £20.4m from the issue and sale of shares in connection with the IPO, with the intention of ensuring that the Group's ratio of net debt to Last Twelve Months Adjusted EBITDA is below 2.0x at each subsequent reporting date.

Net debt is a non-GAAP measure and is defined as total borrowings less cash and cash equivalents. Group net debt as at 31 October 2021 was £113.0m (31 October 2020: £30.9m), comprising total debt of £180.4m (31 October 2020: £38.2m) less cash and cash equivalents of £67.4m (31 October 2020: £7.3m). The year-on-year increase in net debt reflects the entering of the Senior Facilities Agreement, prior to which the Group's principal operating entities had been guarantors of the debt facilities of the predecessor holding company but did not act as borrower.

Actual net debt to Last Twelve Months Adjusted EBITDA as at 31 October 2021 was 1.32x (FY21: 1.25x), based on Adjusted EBITDA for the 12 months ended 31 October 2021 of £85.9m. This is comfortably lower than was anticipated at the IPO and reflects the Group's strong trading performance and cash flow generation.

Capital allocation

In capital allocation, our priority remains organic investment to drive growth. We have set out earlier in this statement our plans for investing to enhance the flexibility and scalability of our operations footprint. Future investment may also include additional marketing investment to drive customer acquisition or further strengthen our brands; promotional activity to incentivise customer reminder setting and app downloads; and an increase to the rate of investment in our technology and data platform.

We will consider value-accretive M&A opportunities in our current markets and in areas that will accelerate our medium-term goals. We will only do so where this is complementary to our strategy and our current financial model.

The Company does not intend to pay dividends as the Group invests in growth. Similarly, the Group has no current intention to repay any of the Term Loan B. The Revolving Credit Facility remains in place and is undrawn. The Group intends to keep both its capital structure and its dividend policy under review and may revise these from time to time.

Principal risks and uncertainties

The Board of Directors has overall responsibility for the identification and management of the principal and emerging risks to the Group. The Board has identified the principal risks and uncertainties to the successful operation of the business, which are detailed at the end of this report on page 35 onwards.

Outlook

Group annual revenue for FY22 is now expected to be at the upper end of the previous guidance range of between approximately £270 million and £285 million. This includes approximately £20 million that is non-recurring as it relates to elevation in frequency above the expected exit rate, of which more than three quarters arose in the first half of the year.

Customer purchase frequency has not yet fully normalised, but the data we now have provides us with confidence that we will exit the financial year with an enduring uplift in UK customer purchase frequency of approximately 15% compared to pre-Covid-19 levels.

In the Netherlands, we expect customer purchase frequency to settle at a rate that is in line with existing expectations, reflecting the fact that Greetz does not yet have access to the new Group technology platform.

With respect to the medium-term, the Group continues to target underlying annual revenue growth in the mid-teens and an Adjusted EBITDA margin rate of approximately 24% to 25%.

Responsibility statement of the Directors in respect of the Half-Yearly financial report

The Directors of Moonpig Group plc (set out on page 44 and 45 of the latest Annual Report and Accounts) confirm that to the best of their knowledge:

- the condensed consolidated set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;

- the interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board of Directors

Nickyl Raithatha	Andy MacKinnon
Chief Executive Officer	Chief Financial Officer
8 December 2021	8 December 2021

Condensed Consolidated Income Statement
For the six-month period ended 31 October 2021

	Note	**Six months to 31 October 2021 £'000**	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Revenue	2	**142,649**	155,898	368,183
Cost of sales		**(72,771)**	(75,140)	(182,137)
Gross profit		**69,878**	**80,758**	**186,046**
Selling and administrative expenses		**(46,984)**	(47,773)	(148,874)
Other income		**717**	738	1,482
Operating profit		**23,611**	**33,723**	**38,654**
Finance income	4	**-**	356	686
Finance costs	4	**(4,884)**	(1,089)	(6,472)
Profit before taxation		**18,727**	**32,990**	**32,868**
Taxation	5	**(3,361)**	(5,150)	(12,097)
Profit for the period		**15,366**	**27,840**	**20,771**
Profit attributable to:				
Equity holders of the Company		**15,366**	27,840	20,771
Earnings per share (pence)				
Basic	6	**4.5**	N/A	6.1
Diluted	6	**4.4**	N/A	6.0

All activities relate to continuing operations.

Condensed Consolidated Statement of Comprehensive Income
For the six-month period ended 31 October 2021

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Profit for the period	**15,366**	**27,840**	**20,771**
Other comprehensive income and expenses			
Items that may be reclassified to profit or loss			
Exchange differences gains/(losses) on translation of foreign operations	186	(253)	(232)
Total other comprehensive income/(expense)	**186**	**(253)**	**(232)**
Total comprehensive income for the period	**15,552**	**27,587**	**20,539**

Condensed Consolidated Balance Sheet
As at 31 October 2021

	Note	At 31 October 2021 £'000	At 31 October 2020 £'000	At 30 April 2021 £'000
Non-current assets				
Intangible assets	7	**35,489**	37,161	36,322
Property, plant and equipment	8	**16,149**	18,069	18,001
Other non-current assets	10	**1,389**	208	1,412
		53,027	**55,438**	**55,735**
Current assets				
Inventories	9	**12,041**	6,190	14,882
Trade and other receivables	10	**3,794**	46,131	4,302
Current tax receivable		**748**	1,551	237
Cash and cash equivalents		**67,400**	7,296	66,020
		83,983	**61,168**	**85,441**
Total assets		**137,010**	**116,606**	**141,176**
Current liabilities				
Trade and other payables	11	**37,856**	30,569	60,717
Provisions for other liabilities and charges		**1,527**	904	1,697
Contract liabilities		**2,691**	3,333	3,422
Lease liabilities	12	**2,328**	-	2,406
Borrowings	12	**323**	27,879	389
		44,725	**62,685**	**68,631**
Non-current liabilities				
Trade and other payables	11	**3,152**	-	1,523
Borrowings	12	**169,359**	-	168,682
Lease liabilities	12	**8,381**	10,341	9,626
Deferred tax liabilities		**2,720**	3,133	3,238
Provisions for other liabilities and charges		**816**	906	816
		184,428	**14,380**	**183,885**
Total liabilities		**229,153**	**77,065**	**252,516**
Equity				
Share capital	14	**34,211**	-	34,211
Share premium	14	**277,837**	251,362	277,837
Merger reserve	14	**(1,000,586)**	(229,814)	(1,000,586)
Retained earnings		**565,549**	18,239	550,183
Other reserves	14	**30,846**	(246)	27,015
Total equity		**(92,143)**	**39,541**	**(111,340)**
Total equity and liabilities		**137,010**	**116,606**	**141,176**

Condensed Consolidated Statement of Changes in Equity
For the six-month period ended 31 October 2021

	Note	Share Capital £'000	Share Premium £'000	Merger reserve £'000	Retained Earnings £'000	Other Reserves £'000	Total equity £'000
At 1 May 2020		**-**	**251,362**	**(229,814)**	**(2,040)**	**7**	**19,515**
Profit for the period		-	-	-	27,840	-	27,840
Other comprehensive (loss)		-	-	-	-	(253)	(253)
Total comprehensive income for the period		**-**	**-**	**-**	**27,840**	**(253)**	**27,587**
Settlement of Group relief		-	-	-	(7,561)	-	(7,561)
As at 31 October 2020		**-**	**251,362**	**(229,814)**	**18,239**	**(246)**	**39,541**
(Loss) for the period		-	-	-	(7,069)	-	(7,069)
Other comprehensive income		-	-	-	-	21	21
Total comprehensive (loss) for the period		**-**	**-**	**-**	**(7,069)**	**21**	**(7,048)**
Issue of shares	**14**	50	-	-	-	-	50
Insertion of new top company		25,950	(251,362)	(236,875)	-	-	(462,287)
Share issue to extinguish shareholder loan notes	**14**	7,618	259,003	-	-	-	266,621
Shares issued on listing net of fees	**14**	593	18,834	-	-	-	19,427
Capitalisation of merger reserve		533,897	-	(533,897)	-	-	-
Share capital reduction		(533,897)	-	-	533,897	-	-
Settlement of Group relief		-	-	-	5,116	-	5,116
Share-based payments		-	-	-	-	27,240	27,240
As at 30 April 2021		**34,211**	**277,837**	**(1,000,586)**	**550,183**	**27,015**	**(111,340)**
Profit for the period		-	-	-	15,366	-	**15,366**
Other comprehensive income		-	-	-	-	186	**186**
Total comprehensive income for the period		**-**	**-**	**-**	15,366	186	**15,552**
Share-based payments		-	-	-	-	3,645	**3,645**
As at 31 October 2021		**34,211**	**277,837**	**(1,000,586)**	**565,549**	**30,846**	**(92,143)**

Condensed Consolidated Cash Flow Statement
For the six-month period ended 31 October 2021

	Notes	**Six months to 31 October 2021 £'000**	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Cash flow from operating activities				
Profit before taxation		**18,727**	32,990	32,868
Adjustments for:				
Depreciation, amortisation and impairment	7,8	**5,908**	5,717	11,732
Loss on disposal of non-current assets		**244**	-	47
Net finance expense	4	**4,884**	733	5,786
R&D tax credit		**(115)**	(168)	(534)
Share-based payment charges		**3,695**	-	27,105
Non-cash movement with undertakings formerly under common control		**-**	-	(25,485)
Changes in working capital:				
(Increase)/decrease in inventories		**2,841**	(3,248)	(12,001)
(Increase)/decrease in trade and other receivables		**1,412**	522	(1,786)
Increase/(decrease) in trade and other payables		**(21,798)**	(7,893)	29,755
Net working capital outflow with undertakings formerly under common control		**(1,215)**	(2,579)	(3,113)
Cash generated from operating activities		**14,583**	**26,074**	**64,374**
Interest (paid)		**-**	(18)	-
Income tax (paid)		**(4,314)**	(6,469)	(11,096)
Net cash generated from operating activities		**10,269**	**19,587**	**53,278**
Cash flow from investing activities				
Purchase of intangible assets	7	**(3,746)**	(4,016)	(7,694)
Purchase of property, plant and equipment	8	**(390)**	(1,016)	(3,115)
Deferred consideration on purchase of Greetz		**-**	-	(3,562)
Net cash used in investing activities		**(4,136)**	**(5,032)**	**(14,371)**
Cash flow from financing activities				
Proceeds from increases in and new borrowings	12	**-**	196	175,000
Payment of fees related to new borrowings	12	**-**	-	(6,544)
Repayment of pre-IPO borrowings		**-**	-	(168,800)
Interest paid	12	**(3,315)**	-	(1,697)
Lease liabilities paid	12	**(1,260)**	(1,109)	(1,779)
Interest paid on leases	12	**(328)**	(397)	(763)
Payments to undertakings formerly under common control	12	**-**	(18,373)	-
Proceeds from IPO share issue	14	**-**	-	19,468
Net cash generated from / (used in) financing activities		**(4,903)**	**(19,683)**	**14,885**
Net cash flows generated from operating, investing and financing activities		**1,230**	**(5,128)**	**53,792**
Differences on exchange		**150**	345	149
Increase/(decrease) in cash and cash equivalents in the year		**1,380**	**(4,783)**	**53,941**
Net cash and cash equivalents at the beginning of the period		**66,020**	12,079	12,079
Net cash and cash equivalents at the end of the period		**67,400**	**7,296**	**66,020**

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

Moonpig Group plc (the '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 interim financial statements of the Company as at and for the six-month period ended 31 October 2021 comprise the Company and its interest 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, United Kingdom. The Company's LEI number is 213800VAYO5KCAXZHK83.

Basis of preparation
The annual financial statements of Moonpig Group plc will be prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The annual financial statements will also comply with International Financial Reporting Standards as adopted by the United Kingdom. These condensed consolidated interim financial statements for the six-month period ended 31 October 2021 have been prepared in accordance with UK adopted International Accounting Standard ('IAS') 34, 'Interim Financial Reporting' and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

These financial statements do not constitute statutory accounts as defined by the Companies Act 2006, Section 435. This report should be read in conjunction with the Group's Annual Report and Accounts as at and for the year ended 30 April 2021 ('last Annual Report and Accounts'), which were prepared in accordance with IFRSs adopted pursuant to Regulation (EC) No. 1606/2002 as it applies to the European Union. The last Annual Report and Accounts have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified.

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

The condensed consolidated interim financial statements were approved by the Board of Directors on 8 December 2021 and have been reviewed and not audited by PricewaterhouseCoopers LLP, the auditors, and its report is set out at the end of this document.

Standards, amendments, and interpretations not yet effective
A number of amendments and interpretations have been issued which are not expected to have any significant impact on the accounting policies and reporting.

Standards and amendments effective for the period
The LIBOR reform Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 are effective for annual periods starting after 1 January 2021. They provide a series of reliefs from accounting requirements when a change required by interest rate benchmark reform occurs. These amendments are not expected to have a material impact on the balance sheet.

Summary of impact of Group restructure and Initial Public Offering

Preparatory Sub-Group Reorganisation
As detailed in the last Annual Report and Accounts, on 9 April 2020, a sub-group reorganisation was completed whereby Cards Holdco Limited became the holding company of the entities comprising the Group at that point in time (the "Preparatory Sub-Group Reorganisation"). This was accounted for using common control merger accounting.

The members of the Cards Holdco group included Cards Holdco Limited (since its incorporation on 22 August 2019), Moonpig.com Limited, a company incorporated and domiciled in England and Wales, and Horizon Bidco B.V., a company incorporated and domiciled in the Netherlands (since its incorporation on 26 July 2018) and its subsidiaries.

The Cards Holdco group formed part of the previous, wider private group comprising Horizon Holdco Limited (the "Former Parent Undertaking"), a company incorporated and domiciled in England and Wales, and its subsidiaries.

Demerger
As set out in the Prospectus and detailed in the last Annual Report and Accounts, the "Demerger" was completed on 8 January 2021, whereby Cards Holdco Limited and its subsidiaries were separated from the Former Parent Undertaking. The Demerger was carried out through a series of reorganisation steps, including the insertion of holding companies above Cards Holdco Limited, share for share exchanges, a solvency statement capital reduction pursuant to s.642 of the Companies Act 2006 in one of the new holding companies and Titan Holdco Limited purchasing Cards Holdco Limited and becoming the parent company.

On 7 January 2021, Titan Bidco Limited, one of the new intermediate holding companies of the Group, entered into a five-year Senior Facilities Agreement, comprising a Term Loan B of £175,000,000 and drew down in full the Term Loan B facility. On 8 January 2021, Term Loan B facility was utilised in full and £nil was outstanding under the RCF, with fees of £6,318,000 capitalised on the balance sheet. The amount of £168,800,000 drawn net of fees was remitted to the Former Parent Undertaking in order to repay the Existing Facilities.

Pre-IPO Reorganisation
On 1 February 2021 Moonpig Group plc acquired the entire issued share capital of Titan Holdco Limited in exchange for shares issued by the Company, thereby making the Company the holding company of the Group. This formed part of the pre-IPO Reorganisation, as set out in the Prospectus.

On 2 February 2021, the Company's shares began trading on the London Stock Exchange. Thereafter, a further Group simplification process took place, whereby borrower obligations pursuant to the Senior Facilities Agreement were pushed down to Cards Holdco Limited.

Further detail can be found within the Prospectus and last Annual Report and Accounts.

Going concern
These condensed consolidated interim financial statements have been prepared on a going concern basis.

Throughout the six months ended 31 October 2021 the Group has continued to generate positive operating cash flow with a cash and cash equivalents balance of £67,400,000 at 31 October 2021 (30 April 2021: £66,020,000). The Group has access to a multicurrency RCF. The RCF has total commitments of £20,000,000, a term of 60 months and expires in January 2026. At 31 October 2021, the RCF remains undrawn. As part of this going concern assessment, management has considered the negative net asset position of the Group. The Group has complied with all covenants until the date of these interim financial statements.

Stress testing has been performed with the impact of more severe decreases in frequency and reduced levels of new customer acquisitions being considered. In these severe stress 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 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, robust balance sheet and continued 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 these condensed consolidated interim financial statements.

Accounting policies
The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies set out on pages 105-111 of the last Annual Report and Accounts.

Critical accounting judgements and estimates
In preparing these condensed consolidated interim financial statements, 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 area of judgement which has the greatest potential effect on the amounts recognised in these financial statements is the capitalisation of internally generated assets, whilst the area of estimates and assumption which has the greatest potential effect on the amounts recognised in these financial statements is the useful life of internally generated assets. These are consistent with matters disclosed on pages 104 and 105 in the last Annual Report and Accounts.

2 Segmental analysis

The chief operating decision maker ('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 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 3 for details of these adjustments.

The two brands (Moonpig and Greetz) are the reportable segments for the Group, with Moonpig based in the UK and Greetz in the Netherlands. 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.

The majority of the Group's revenue is derived from the retail of cards and gifting to the general public. No single customer accounted for 10% or more of the Group's revenue.

Finance income and expenses borne by the Group's corporate entities 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.

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Moonpig	**108,509**	120,841	281,737
Greetz	**34,140**	35,057	86,446
Revenue	**142,649**	155,898	368,183

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

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
UK and Ireland	**106,653**	118,605	276,972
Netherlands	**33,422**	35,057	84,642
Rest of the World[1]	**2,574**	2,236	6,569
Revenue	**142,649**	155,898	368,183

1 Rest of the World revenue includes the USA, Australia and Belgium.

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

	At 31 October 2021 £'000	At 31 October 2020 £'000	At 30 April 2021 £'000
Moonpig			
Non-current assets[1]	**28,982**	25,817	27,113
Capital expenditure	**(116)**	(268)	(1,606)
Expenditure on intangible assets	**(3,746)**	(3,758)	(7,611)
Depreciation and amortisation	**(4,084)**	(3,466)	(7,426)
Greetz			
Non-current assets[1]	**22,656**	29,413	27,210
Capital expenditure	**(274)**	(748)	(1,509)
Expenditure on intangible assets	**-**	(258)	(83)
Depreciation and amortisation	**(1,899)**	(2,251)	(4,306)
Group			
Non-current assets[1]	**51,638**	55,230	54,323
Capital expenditure	**(390)**	(1,016)	(3,115)
Expenditure on intangible assets	**(3,746)**	(4,016)	(7,694)
Depreciation and amortisation	**(5,983)**	(5,717)	(11,732)

1 Comprises intangible assets and property, plant and equipment.

The Group's measure of segment profit, Adjusted EBITDA, excludes depreciation, amortisation and adjusting items, refer to APMs section for calculation.

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Adjusted EBITDA			
Moonpig	**27,814**	36,131	78,268
Greetz	**7,174**	5,082	13,860
Group Adjusted EBITDA	**34,988**	**41,213**	**92,128**
Depreciation and amortisation			
Moonpig	**4,084**	3,466	7,426
Greetz[1]	**1,899**	2,251	4,306
Group depreciation and amortisation	**5,983**	**5,717**	**11,732**

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

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

	Note	**Six months to 31 October 2021 £'000**	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Adjusted EBITDA		**34,988**	**41,213**	**92,128**
Depreciation and amortisation	7,8	**(5,983)**	(5,717)	(11,732)
Adjusting items	3	**(5,394)**	(1,773)	(41,742)
Operating profit		**23,611**	**33,723**	**38,654**
Finance income	4	**-**	356	686
Finance expense	4	**(4,884)**	(1,089)	(6,472)
Profit before taxation		**18,727**	**32,990**	**32,868**
Taxation charge	5	**(3,361)**	(5,150)	(12,097)
Profit for the period		**15,366**	**27,840**	**20,771**

3 Adjusting items

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Admission related transaction costs	-	(2,322)	(10,625)
Admission related bonuses	(1,895)	-	(4,292)
Admission related share-based payment charges	(3,499)	-	(27,105)
Pension provision	**-**	2,086	2,086
Recognition and remeasurement of pension indemnity	**-**	(1,537)	(1,806)
Total adjustments made to operating profit	**(5,394)**	**(1,773)**	**(41,742)**

Admission related transaction costs
Admission related transaction costs comprise the expenditure incurred, including fees and costs, in relation to the IPO process that completed during the year ended 30 April 2021.

Admission related bonuses
Admission related bonuses 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.

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

Pension provision and recognition and remeasurement of pension indemnity
In December 2020, Greetz and the Retail Pension Fund entered into a settlement and agreed that the Retail Pension Fund will exempt Greetz from any past and future obligation to participate in the Retail Pension Fund in relation to the claim. As a result, £2,086,000 of the provision was released in the year ended 30 April 2021. The indemnification asset was correspondingly reduced by £1,806,000. In February 2021, Greetz and the Sellers entered into a settlement and agreed to settle the claim. As a result, a final payment of £542,000 was made to the Sellers. The Group has now settled in full with the Sellers. Only charges related to periods before Greetz was acquired by the Group have been treated as adjusting items.

Cash paid in relation to adjusting items in the six months ended 31 October 2021 was £Nil (H1 FY21: £930,000).

4 Net Finance costs

Finance income

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Bank interest receivable	-	-	686
Interest receivable from other undertakings formerly under common control	-	356	-
Total finance income	**-**	**356**	**686**

Finance costs

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Interest payable on leases	(328)	(397)	(755)
Bank interest payable	(3,336)	(19)	(2,107)
Interest payable to entities formerly under common control	-	(673)	(2,711)
Amortisation of capitalised borrowing costs	(676)	-	(226)
Net foreign exchange loss on financing activities	(544)	-	(673)
Total finance costs	**(4,884)**	**(1,089)**	**(6,472)**
Net finance (costs)	**(4,884)**	**(733)**	**(5,786)**

5 Taxation

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Total current tax	**3,921**	4,986	11,618
Total deferred tax	**(560)**	164	479
Total tax charge in the income statement	**3,361**	5,150	12,097
Effective tax rate %	**18.0%**	15.6%	36.8%

The Group's corporation tax of £3,361,000 (H1 FY21: £5,150,000) was calculated at 19% (H1 FY21: 19%) of the taxable UK profit for the period and 25% (H1 FY21: 25%) of the taxable Netherlands profit for the period. The income tax expense was recognised based on management's best estimate of the consolidated annual effective tax rate expected for each jurisdiction for the full financial year applied to profit before tax for the interim period.

The effective tax rate is lower (H1 FY21: lower); than the UK tax rate of 19%, which is primarily driven by the research and development expenditure credit which the Group estimates it will receive in relation to the applicable technology and development expenditure in the period.

6 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.

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 13 of these condensed consolidated interim financial statements.

Adjusted earnings per share
Earnings attributable to ordinary equity holders of the Group for the period, 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 period.

No comparative earnings per share is disclosed, as the existing capital structure has been in existence from Admission (February 2021) with the incorporation of the Parent Company and subsequent formation of the new Group.

	Adjusted Six months to 31 October 2021	**IFRS Six months to 31 October 2021**	Adjusted Six months to 31 October 2020[2]	IFRS Six months to 31 October 2020[2]	Adjusted Year ended 30 April 2021	IFRS Year ended 30 April 2021
Earnings attributable to equity holders of the Company (£'000)						
Profit for the year	**20,448**[1]	**15,366**	29,184[1]	27,840	61,337[1]	20,771
Number of shares						
Weighted average number of ordinary shares – Basic	**339,036,292**	**339,036,292**	3	3	339,036,292	339,036,292
Weighted average number of ordinary shares – Diluted	**345,993,719**	**345,993,719**	3	3	345,625,737	345,625,737
Earnings per share attributable to equity holders of the Company – continuing operations						
Basic earnings per share (pence)	**6.0**	**4.5**	N/A	N/A	18.1	6.1
Diluted earnings per share (pence)	**5.9**	**4.4**	N/A	N/A	17.7	6.0

1 Refer to the Alternative Performance Measures section for reconciliation.
2 Earnings per share not disclosed for periods arising prior to the Group's formation as a consequence of the pre-IPO restructuring in February 2021.

7 Intangible assets

	Goodwill £'000	Trademark £'000	Technology and development costs £'000	Customer database £'000	Software £'000	Other intangibles £'000	**Total £'000**
Net Book Value ('NBV') at 1 May 2020	6,459	7,250	8,933	12,632	315	262	**35,851**
Additions	-	105	3,790	-	121	-	**4,016**
Amortisation charge for the period	-	(455)	(2,124)	(820)	(55)	(272)	**(3,726)**
Foreign exchange	246	278	2	483	1	10	**1,020**
NBV at 31 October 2020	6,705	7,178	10,601	12,295	382	-	**37,161**
Additions	-	37	3,553	-	88	-	**3,678**
Disposals	-	-	-	-	(5)	-	**(5)**
Transfers	-	3	-	-	(3)	-	**-**
Amortisation charge for the period	-	(451)	(2,330)	(800)	(107)	-	**(3,688)**
Foreign exchange	(246)	(244)	98	(441)	9	-	**(824)**
NBV at 30 April 2021	6,459	6,523	11,922	11,054	364	-	**36,322**
Additions	-	-	3,746	-	-	-	**3,746**
Disposals	-	-	-	-	(152)	-	**(152)**
Amortisation for the period	-	(438)	(2,455)	(775)	(83)	-	**(3,751)**
Foreign exchange	(189)	(257)	(100)	(132)	2	-	**(676)**
NBV at 31 October 2021	6,270	5,828	13,113	10,147	131	-	**35,489**

(a) Goodwill
Goodwill relates to the acquisition of Greetz in 2019, recognised within the Greetz CGU.

(b) Trademark
Included in the net book value of trademarks are trademarks relating to the acquisition of Greetz with finite lives. The remaining useful economic life at 31 October 2021 on the trademark is 6 years 10 months (31 October 2020: 7 years 10 months).

(c) Technology and development costs
The costs of internally developed assets include capitalised expenses of employees working full time on software development projects, third-party consultants, and software licence fees from third-party suppliers.

(d) Customer database
Customer database relates to the valuation of existing customer relationships held by Greetz on acquisition. The remaining useful economic life at 31 October 2021 on the customer database is 8 years 10 months (31 October 2020: 9 years 10 months).

(e) Software
Software intangible assets include accounting and marketing software purchased by the Group.

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

8 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 Leasehold Improvements £'000	**Total £'000**
Net Book Value ('NBV') at 1 May 2020	2,227	1,601	481	2,876	706	843	10,114	**18,848**
Additions	-	758	53	3	202	-	-	**1,016**
Modifications	-	-	-	-	-	-	90	**90**
Depreciation charge for the period	(80)	(297)	(118)	(228)	(199)	(160)	(907)	**(1,989)**
Foreign exchange	-	22	-	4	12	28	38	**104**
31 October 2020	**2,147**	**2,084**	**416**	**2,655**	**721**	**711**	**9,335**	**18,069**
Additions	-	1,352	223	-	469	55	-	**2,099**
Disposals	-	(20)	-	(15)	(7)	-	-	**(42)**
Modifications	-	-	-	-	-	-	306	**306**
Depreciation charge for the period	(80)	(523)	(154)	(173)	(250)	(238)	(912)	**(2,330)**
Foreign exchange	1	(42)	1	(8)	(22)	(20)	(11)	**(101)**
30 April 2021	**2,068**	**2,851**	**486**	**2,459**	**911**	**508**	**8,718**	**18,001**
Additions	-	269	-	-	121	-	-	**390**
Disposals	(57)	(10)	(2)	(4)	(19)	-	-	**(92)**
Depreciation charge for the period	(80)	(491)	(145)	(197)	(206)	(232)	(806)	**(2,157)**
Foreign exchange	-	(29)	-	3	(15)	76	(28)	**7**
31 October 2021	1,931	2,590	339	2,261	792	352	7,884	**16,149**

9 Inventories

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Raw materials and consumables	**2,395**	2,526	1,978
Finished goods	**11,210**	3,847	13,645
Total inventory	**13,605**	**6,373**	**15,623**
Less: Provision for write off of:			
Raw materials and consumables	**(210)**	(177)	(149)
Finished goods	**(1,354)**	(6)	(592)
Net inventory	**12,041**	**6,190**	**14,882**

The cost of inventories recognised as an expense and included in cost of sales during the period amounted to £34,751,000 (H1 FY21: £22,294,000).

10 Trade and other receivables

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Current:			
Trade receivables	**125**	297	700
Related party trade receivables with entities formerly under common control	**1,090**	340	-
Less: provisions	**(44)**	(46)	(17)
Trade receivables - net	**1,171**	**591**	**683**
Other receivables	**1,010**	252	777
Related party other receivables with entities formerly under common control	**-**	-	209
Prepayments	**1,613**	1,867	2,633
Loan receivables from undertakings formerly under common control[1]	**-**	43,421	-
	3,794	**46,131**	**4,302**

1 In the prior period this related to cash pooling arrangements with undertakings formerly under common control which are repayable on demand and interest is accrued based on market rates. Expected credit loss has been assessed and was not material and no expected credit loss on the loan receivables was recognised.

Non-current:

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Non-Current:			
Other receivables	**1,389**	208	1,412

Other non-current receivables relate to security deposits in connection with leased properties.

11 Trade and other payables

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Current:			
Trade payables	14,065	6,181	32,500
Other payables	-	1,551	226
Other taxation and social security	4,801	1,844	2,558
Accruals	16,632	17,262	22,741
Trade payables with entities formerly under common control[1]	2,358	3,731	2,692
	37,856	**30,569**	**60,717**

1 Trade payables with entities formerly under common control are repayable on demand and do not accrue interest.

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Non-Current:			
Other payables	2,514	-	885
Trade payables with entities formerly under common control[1]	638	-	638

1 Trade payables with entities formerly under common control are repayable on demand and do not accrue interest.

12 Borrowings

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Current			
Lease liabilities	**2,328**	2,331	2,406
Borrowings	**323**	-	389
Related party loan payables to undertakings formerly under common control	-	25,548	-
Non-current			
Lease liabilities	**8,381**	10,341	9,626
Borrowings	**169,359**	-	168,682
Total borrowings	**180,391**	**38,220**	**181,103**

The Group's sources of borrowing for liquidity purposes include the Senior Facilities Agreement executed on 7 January 2021. Liabilities arising from the Group's lease arrangements are also reported in borrowings. The Senior Facilities Agreement comprises a sterling (GBP) Term Loan B facility of £175,000,000 and a multicurrency revolving credit facility (RCF) in an initial aggregate amount equal to £20,000,000, provided by a syndicate of banks.

The Term Loan B facility has a term of 60 months. The RCF shall be used to finance general corporate expenditure and other working capital requirements should they arise, has a term of 60 months and expires in January 2026. As at 31 October 2021, the RCF remains undrawn.

The Term Loan under the Senior Facilities Agreement bears interest at a floating rate of interest linked to LIBOR. Due to the reference rate reform away from LIBOR, the Group has negotiated a transition to an alternative benchmark rate, namely the Sterling Overnight Index Average Rate ("SONIA").

The Senior Facilities Agreement is subject to an EBITDA to Senior Net Debt covenant of 4.50x until and including the year ending 30 April 2022, 4.00x until and including the year ended 30 April 2023 and 3.50x thereafter, tested semi-annually, with EBITDA and Senior Net Debt as defined in the Senior Facilities Agreement.

Borrowings are repayable as follows:

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Within one year[1]	**323**	25,548	389
Within one and two years	**-**	-	-
Within two and three years	**-**	-	-
Within three and four years[2]	**-**	-	-
Within four and five years[2]	**169,359**	-	168,682
Beyond five years	**-**	-	-
Total borrowings	**169,682**	**25,548**	**169,071**

1. In the prior period this included related party loans from undertakings formerly under common control which are repayable on demand. Interest is accrued based on market rates pegged to the rates of the external borrowings of subsidiaries of the Former Parent Undertaking. There is no material difference between the above amounts for related party loans and their fair value due to the short-term duration.
2. Total borrowings are net of capitalised borrowing costs of £5,641,000.

Lease liabilities are repayable as follows:

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Within one year	**2,868**	3,013	2,989
Within one and two years	**2,029**	2,495	2,556
Within two and three years	**1,934**	2,024	1,939
Within three and four years	**1,926**	1,926	1,929
Within four and five years	**1,926**	1,926	1,926
Beyond five years	**1,698**	3,691	2,728
	12,381	**15,075**	**14,067**
Effect of discounting	**(1,672)**	(2,403)	(2,035)
Total lease liability	**10,709**	**12,672**	**12,032**

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 2020	26,722	13,706	**40,428**
Cash flow	(2,859)	(1,506)	**(4,365)**
Foreign exchange	1,012	75	**1,087**
Interest and other[1]	673	397	**1,070**
31 October 2020	**25,548**	**12,672**	**38,220**
Cash flow	169,618	(1,036)	**168,582**
Foreign exchange	(1,012)	38	**(974)**
Interest and other[1]	(25,083)	358	**(24,725)**
30 April 2021	**169,071**	**12,032**	**181,103**
Cash flow	(3,315)	(1,588)	**(4,903)**
Foreign exchange	-	(63)	**(63)**
Interest and other[1]	3,926	328	**4,254**
31 October 2021	**169,682**	**10,709**	**180,391**

1 Other comprises amortisation of capitalised borrowing costs and non-cash movements with undertakings formerly under common control.

13 Share Based Payments

The Group currently operates six share plans: the Legacy Schemes, Pre-IPO, Long Term Incentive Plan, Share Incentive Plan, Deferred Share Bonus Plan and Save as You Earn schemes.

Legacy schemes
Prior to Admission and prior to the Demerger 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. In connection with the Demerger, 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.

Awards were granted in respect of 13,880,160 shares in Moonpig Group plc. Of these, 10,811,580 vested on the date of Admission, with the remainder vesting on 7 January 2023. A portion of the shares which vested on the date of Admission are subject to a one-year sale restriction. Awards were granted in respect of 53,416 for shares in other companies formerly under common control, which vested on the date of Admission. This resulted in a non-cash charge of £25,695,000 in FY21 from both share awards which vested on the date of Admission, and the accrual for share awards due to vest on 7 January 2023. For the share awards due to vest on 7 January 2023, there was a non-cash charge of £1,643,000 in H1 FY22 and there are expected further non-cash charges of

£1,617,000 in H2 2022 and £2,251,000 in 2023. National Insurance is not included on these schemes as they operated at an unrestricted tax market value.

Pre-IPO awards
These awards were granted on 27 January 2021 and comprise two equal tranches, with the first tranche vesting on 30 June 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. The outstanding number of awards at the end of the period is 2,558,286 (H1 FY21: Nil).

Long Term Incentive Plan ('LTIP')
These awards were granted on 1 February 2021 and will vest on 30 April 2024. Half of the share awards vesting is subject to a relative 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 EBITDA performance condition. Participants are also required to remain employed by the Company over the vesting period. Given the constituents of the scheme, no attrition assumption has been applied. The outstanding number of shares at the end of the period is 871,275 (H1 FY21: Nil).

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 3 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. The outstanding number of shares at the end of the period is 92,970 (H1 FY21: Nil).

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 market price at invitation, in three years' time, dependent on their entering into a contract to make monthly contributions into a savings account over the relevant period.

These awards were granted on 1 October 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.

	SAYE
Valuation model	Black-Scholes
Weighted average share price (pence)	381.8
Exercise price (pence)	302
Expected dividend yield	0%
Risk-free interest rate	0.19%
Volatility	29.32%
Expected term (years)	3.00
Weighted average fair value (pence)	113.73
Attrition	0%
Weighted average remaining contractual life	2.9 years

SAYE	Number of shares	Weighted average exercise price (£)
Outstanding at the beginning of the period	-	-
Granted	358,316	-
Exercised	-	-
Outstanding at the end of the period	**358,316**	-
Exercisable at the end of the period	-	-

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 the fair value assumptions related to the remaining share-based schemes can be found in Note 19 of the last Annual Report and Accounts.

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 has 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:

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Legacy schemes	1,643	-	25,695
Pre-IPO awards	1,856	-	1,008
LTIP	410	-	198
SIP	-	-	402
SAYE	11	-	-
DSBP	58	-	-
Share-based payments expense	**3,978**	**-**	**27,303**

14 Share capital and reserves

The Group considers its capital to comprise its invested capital, 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. In the prior financial year, the share capital of the Former Parent Undertaking has been replaced with the newly issued listed shares following the IPO. Ordinary shares in the Company, Post-IPO, 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 31 October 2021 is:

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

As at 31 October 2021, ordinary share capital represents 342,111,621 (H1 FY21: 3) ordinary shares with a par value of £0.10 (H1 FY21: £1).

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 were £0.10 but the initial offering price was £3.50. Share premium is stated net of direct costs of £982,000 relating to the issue of the shares.

Merger reserve
The merger reserve relates to the merger reserve arising from the Group Reorganisation accounted for under common control.

Other reserves
Other reserves represent the share-based payment reserve and the foreign currency translation 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 Income Statement.

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	**Total other reserves £'000**
At 1 May 2020	-	7	**7**
Other comprehensive (expense)	-	(253)	**(253)**
Share-based payment charge (excluding National Insurance)	-	-	**-**
31 October 2020	**-**	**(246)**	**(246)**
Other comprehensive income	-	21	**21**
Share-based payment charge (excluding National Insurance)	27,240	-	**27,240**
30 April 2021	**27,240**	**(225)**	**27,015**
Other comprehensive income	-	186	**186**
Share-based payment charge (excluding National Insurance)	3,645	-	**3,645**
31 October 2021	**30,885**	**(39)**	**30,846**

15 Commitments and contingencies

a) Commitments
The Group signed a lease for a new rental property in the Netherlands with a commencement date of 1 June 2022. As such, there is no recognition of this lease on the Balance Sheet within these results. The Group will have rental commitments of approximately £500,000 per annum. The Group also entered a financial commitment in respect of floristry goods for resale of £93,000 which is 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 £195,000,000 at 31 October 2021. This includes the Term Loan B facility of £175,000,000 and the undrawn revolving credit facility of £20,000,000.

16 Related party transactions

Transactions with related parties
In prior periods the Group transacted with entities formerly under common control which are presented below. The only related party transaction in the current period with related parties formerly under common control is the Other Income noted below. Transactions with subsidiaries of the Former Parent Undertaking ceased with the Group's Demerger as of January 2021, as detailed in the last Annual Report and Accounts.

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Year ended 30 April 2021 £'000
Revenues from other related parties formerly under common control[1]	**717**	1,171	2,458
Costs incurred from other related parties formerly under common control	**-**	3,573	4,329
Costs incurred from related parties formerly under common control	**-**	530	-
Interest receivable from related parties formerly under common control	**-**	356	-
Interest payable to related parties formerly under common control	**-**	(673)	(2,711)

1 This includes £717,000 (H1 FY21: £738,000) of related party rental income recognised within Other Income.

At the balance sheet date the following balances were held with entities formerly under common control:

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Trade and other receivables from other related parties formerly under common control	**1,090**	314	209
Other receivables from Former Parent Undertaking	**-**	26	-
Other receivables from related parties formerly under common control	**-**	43,421	-
Trade and other payables with other related parties formerly under common control	**(2,996)**	(1,562)	(3,330)
Trade payables with related parties formerly under common control	**-**	(2,169)	-
Borrowings with related parties formerly under common control	**-**	(25,548)	-

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.

17 Events after the balance sheet date

Subsequent to the period end, two internal mergers within the Greetz subgroup structure were initiated.

In view of announcements made by LIBOR regulators (including the Financial Conduct Authority) regarding the transition away from GBP LIBOR to the Sterling Overnight Index Average Rate ("SONIA"), the Group has negotiated with its lenders regarding the transition of its Senior Facilities Agreement to SONIA. These negotiations were concluded after the Balance Sheet. The Senior Facilities Agreement is the Group's only contract with reference to LIBOR.

ALTERNATIVE PERFORMANCE MEASURES

The Group has identified certain alternative performance measures ('APMs') that it believes will assist the understanding of the performance of the business. The Group believes that Adjusted EBITDA, last twelve-month ('LTM') EBITDA, adjusted EBIT, adjusted PBT, adjusted PAT, net debt, ratio of net debt to LTM Adjusted EBITDA and operating cash conversion provides useful information to users of the condensed consolidated interim financial statements. The terms are a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. Therefore, the measures used by the Group may not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, IFRS measures.

Adjusted EBITDA
Adjusted EBITDA is a measure of the Group's operating performance and debt servicing ability. It is calculated as operating profit adding back depreciation and amortisation and adjusting items (Note 3 in these condensed consolidated interim financial statements). LTM EBITDA is the adjusted EBITDA for the trailing twelve months.

Depreciation and amortisation can fluctuate and is a non-cash adjustment.

Adjusting items are excluded as management believe their nature distorts trends in the Group's underlying earnings. This is because they are often one-off in nature or not related to underlying trade.

A reconciliation of operating profit to Adjusted EBITDA is as follows:

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Six months to 31 October 2019 £'000	Year ended 30 April 2021 £'000
Operating profit	**23,611**	**33,723**	**9,741**	**38,654**
Depreciation and amortisation	5,983	5,717	4,917	11,732
Adjusting items	5,394	1,773	388	41,742
Adjusted EBITDA	**34,988**	**41,213**	**15,046**	**92,128**

Adjusted EBIT
Adjusted EBIT is the profit before tax, net finance costs (or operating profit), and before adjusting items.

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Six months to 31 October 2019 £'000	Year ended 30 April 2021 £'000
Operating profit	**23,611**	**33,723**	**9,741**	**38,654**
Adjusting items	5,394	1,773	388	41,742
Adjusted EBIT	**29,005**	**35,496**	**10,129**	**80,396**

Adjusted PBT
Adjusted PBT is the profit before tax and before adjusting items.

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Six months to 31 October 2019 £'000	Year ended 30 April 2021 £'000
PBT	**18,727**	**32,990**	**9,378**	**32,868**
Adjusting items	5,394	1,773	388	41,742
Adjusted PBT	**24,121**	**34,763**	**9,766**	**74,610**

Adjusted PAT
Adjusted PAT is the profit after tax, before adjusting items and the tax impact of these adjustments.

The adjusted PAT is used to calculate the underlying basic earnings per share in Note 6.

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Six months to 31 October 2019 £'000	Year ended 30 April 2021 £'000
PAT	**15,366**	**27,840**	**8,798**	**20,771**
Adjusting items	5,394	1,773	388	41,742
Tax impact of the above	(312)	(429)	(74)	(1,176)
Adjusted PAT	**20,448**	**29,184**	**9,112**	**61,337**

Net debt
Net debt is a measure used by the Group to measure the overall debt position after accounting for cash held by the Group.

The calculation is as follows:

	31 October 2021 £'000	31 October 2020 £'000	31 October 2019 £'000	30 April 2021 £'000
Borrowings	(169,682)	(25,548)	(25,573)	(169,071)
Lease liabilities	(10,709)	(12,672)	(10,295)	(12,032)
Cash and cash equivalents	67,400	7,296	1,935	66,020
Net debt	**(112,991)**	**(30,924)**	**(33,933)**	**(115,083)**

Ratio of net debt to LTM Adjusted EBITDA
The ratio of net debt to Adjusted EBITDA helps management to measure its ability to service debt obligations. The calculation is as follows:

	Six months to 31 October 2021 £'000	Six months to 31 October 2020 £'000	Six months to 31 October 2019 £'000	Year ended 30 April 2021 £'000
Net debt	**(112,991)**	**(30,924)**	**(33,933)**	**(115,083)**
LTM Adjusted EBITDA	**85,903**	**70,570**	**28,463**	**92,128**
Net debt to LTM Adjusted EBITDA	**1.32:1**	**0.44:1**	**1.19:1**	**1.25:1**

Operating cash conversion
Operating cash conversion is operating cash flow divided by Adjusted EBITDA, expressed as a ratio.

The calculation of operating cash conversion is as follows:

	Six months to 31 October 2021 £m	Six months to 31 October 2020 £m	Six months to 31 October 2019 £m	Year ended to 30 April 2021 £m
Profit before tax	**18.7**	33.0	9.4	**32.9**
Add back: Net finance costs	**4.9**	0.7	0.4	5.8
Add back: Adjusting items (excluding Share-Based Payments)	**1.9**	1.8	0.4	14.6
Add back: Share-Based Payments	**3.6**	-	-	27.1
Add back: Depreciation and Amortisation	**5.9**	5.7	4.9	11.7
Adjusted EBITDA	**35.0**	**41.2**	**15.1**	**92.1**
Less: Capital expenditure (Fixed Assets)	**(4.1)**	(5.0)	(4.0)	(10.8)
Add back: Increase in inventories	**2.9**	(3.2)	(0.9)	(12.0)
Add back: Increase/(decrease) in trade and other receivables	**1.4**	0.5	(0.2)	(1.8)
Add back: Increase/(decrease) in trade and other payables	**(21.8)**	(7.8)	1.3	29.7
Operating cash flow	**13.4**	**25.7**	**11.3**	**97.2**
Operating cash conversion	**38%**	**62%**	**75%**	**106%**
Add back: Capital expenditure (Fixed Assets)	**4.1**	5.0	4.0	10.8
Loss on disposal of non-current assets	**0.3**	-	-	-
Add back: Increase / (decrease) in debtors and creditors with undertakings formerly under common control	**(1.2)**	(2.6)	0.1	(3.1)
Less: Adjusting items (excluding Share-Based Payments)	**(1.9)**	(1.8)	(0.4)	(14.6)
Less: Non-cash movement with undertakings formerly under common control	**-**	-	-	(25.4)
Less: Research and Development tax credit	**(0.1)**	(0.2)	(0.2)	(0.5)
Cash generated from operating activities	**14.6**	**26.1**	**14.8**	**64.4**

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors has overall responsibility for the identification and management of the principal and emerging risks to the Group. The Board has identified the following principal risks and uncertainties to the successful operation of the business.

The Group has amended its assessment of the risk relating to emergence from Covid-19 lockdown, as uncertainty relating to this has lessened partially as we continue to collect data on customer behaviour. The Group has added a risk relating to potential disruption to our supply chains or upward pressure on input costs; whilst the our business has not been significantly impacted by this, we remain alert to fact that other businesses have reported issues. Otherwise, the principal risks remain unchanged from those set out in the Group's most recent Annual Report and Accounts, which are accessible at www.moonpig.group/investors.

Risk	Description	Mitigation
1. Uncertainty regarding the impact of emergence from Covid-19 lockdown	Since March 2020, revenue from each of the Group's customer cohorts has been uplifted by the impact of Covid-19 and lockdown. Until consumer behaviour fully normalises, in particular with respect to mobility, there will remain risk and uncertainty as to the implications for online demand. This risk will be impacted by factors including whether or not there are future variants of the virus, the duration, nature and extent of any further government lockdown measures in the UK and the Netherlands, and the deployment and uptake of vaccine booster programmes. As context, we note that the Netherlands government announced a new, partial lockdown on 12 November 2021.	Uncertainty relating to the revenue impact of emergence from lockdown is has been reduced in part: • Retention rates for customer cohorts acquired during lockdown are at least as strong as historical retention rates for previously acquired customer cohorts. • As the Group continues to collect data on customer behaviour, we better understand trends in customer purchase frequency. The Group's FY22 budget envisages a year-on-year reduction in revenue, which reflects an expected moderation in the higher levels of purchase frequency seen in FY21. As at 31 October 2021, the Group has significant liquidity headroom of £87.9m under its Senior Facilities Agreement.
2. Supply chain disruption and input cost inflation	The Group has not been significantly impacted by supply chain issues. The Group has not seen significant inflation in cost of goods sold. Whilst there have been some instances of rising costs (primarily related to paper and packaging prices, and wages for warehouse staff employed by third party fulfilment partners) these have not had a material impact. Management nevertheless observes that there has been wide reporting of supply chain issues impacting other businesses and remains vigilant.	The Group does not directly source from outside Europe. The largest cost of sale for greeting cards is postage, which the Group passes on to our card customers at the price of a stamp. Consumers have historically accepted postage price increases above inflation from both Royal Mail and PostNL. There is significant substitutability between gifting product lines. The Group exists to help our customers fulfil missions (e.g. seeking to recommend the ideal gift for a mother's birthday) rather than to fulfil product-category-specific demand.
3. Data protection and technology security	As a digital platform, the Group is reliant on its IT infrastructure to continue to operate. Any downtime of the Group's systems, as a result of a technology security breach, would result in an interruption to trading. Either a technology security breach or a failure to appropriately process and control the data that the Group's customers share, (whether as a result of internal failures or a malicious attack by a third party), could result in reputational damage, loss of customers, loss of revenue and financial losses from litigation or regulatory action.	The Group has a disaster recovery and business continuity plan in place which is regularly reviewed and tested. The Moonpig platform is cloud-based and the Greetz platform includes the use of two data centres. The Group's IT Security team performs regular security testing of the platform and applications, and reviews internal processes and capabilities. The Group subscribes to bug bounty schemes that reward friendly hackers who uncover security vulnerabilities. Quarterly health checks are performed on critical security tools to ensure they are configured and operating appropriately. The Group works closely with suppliers to ensure that they only receive and store the

		minimum data for the purposes required (and for the duration required); security audits are performed to confirm these suppliers operate at a high standard to protect and manage data. Annual GDPR training is mandatory for all employees.
4. Brand strength and reputation	The Group's business depends on the strength of its Moonpig and Greetz brands. If events occur that damage the Group's reputation or brands, this could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.	The Group has market-leading brands, with high levels of unprompted brand awareness. The Group also has a top-quartile customer Net Promoter Score. Ongoing investment in brand marketing across a range of media maintains the brand in consumers' minds. The Group's brands are further strengthened by the network that is created with each customer interaction. The Group's investment in data protection and technology security helps to protect us from the adverse impact of a data breach or cyber-attack.
5. Securing, development and retention of talent	The Group's delivery against its strategic objectives is dependent upon it being able to attract, recruit, motivate and retain its highly skilled workforce. Competition remains intense, in particular for technology and data expertise.	The Group has competitive reward schemes in place for all employees. For senior management, these include a blend of short- and long-term incentives. The Group performs ongoing succession planning and invests in leadership development. On an ongoing basis, management works to strengthen the culture of the Group, which generates employee engagement. Operating from four hubs in London, Amsterdam, Guernsey and Manchester provides the Group with access to a broader pool of talent.
6. Disruption to operations	Any disruption to in-house or third-party facilities within the Group's production and fulfilment network could have an adverse effect on trading. The Group uses select third-party suppliers for certain solutions on its platforms, and any disruptions, outages or delays in these would affect the availability of, prevent or inhibit the ability of customers to access or complete purchases on its platforms.	The Group operates flexible fulfilment technology with application programming interface ("API") based data architecture, allowing the Group to add third-party suppliers to its production and fulfilment network with relative speed. The Group fulfils orders for UK greeting cards and gifts from multiple locations for resilience. The resilience of the Dutch operation is being progressively increased. Whilst flowers are fulfilled by a single supplier in each of the UK and the Netherlands, there is partial substitutability of demand between flowers and other gifting product categories. The Group has contracts and service level agreements in place with all key suppliers, each of which have appropriate contract length and notice periods. The Group carries out due diligence on all key suppliers at the onset of a relationship. This includes technology and data protection due diligence and checks on financial viability. The Group's procurement function supports the business with the selection of strategic third-party suppliers and negotiation of contracts.
7. Competitive environment	The Group competes in the gifting market, which is large, evolving and highly competitive and includes the sale of greeting cards and gifts. The	The Group's key sources of competitive advantage are its brands, its pools of data on

	Group faces competition from a wide range of companies, ranging from traditional brick and mortar competitors that serve the offline channel to other online gifting companies. The Group's business model is characterised by strong revenue growth, customer loyalty, high operating profit margins and strong cash conversion. This may be attractive to both existing and potential new competitors. Additional disclosure relating to the Group's strategy and its execution following the IPO may encourage others to attempt to copy elements of its business model.	customer gifting intent, its relative scale and its proprietary technology platform. The Group is the clear market leader in online cards in the UK and the Netherlands, with category-defining brands and (as noted above) high levels of brand awareness in both the UK and the Netherlands. The Group's proprietary recommendation algorithms are optimised across rich pools of customer data. The Group's scale means that it captures more than three times the customer data of the nearest competitor, and its brands are amplified by viral effects, as recipients become users. The Group has a proprietary technology platform, which is constantly optimised through experimentation. Its smart routing technology enables market-leading cut-off times for same-day dispatch. Whilst competitors may seek to mimic external facing aspects of the Group's proposition (such as elements of its website user experience or product range) it will be much harder for them to replicate the Group's data, or the cumulative insight built up by its self-learning algorithms.

Independent review report to Moonpig Group plc
Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Moonpig Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the Half Year Results Announcement of Moonpig Group plc for the 6 month period ended 31 October 2021 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed
The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 31 October 2021;
- the Condensed Consolidated Income Statement for the period then ended;
- the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended;
- the Condensed Consolidated Cash Flow Statement for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Results Announcement of Moonpig Group plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The Half Year Results Announcement, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half Year Results Announcement in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Results Announcement based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half Year Results Announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
8 December 2021