UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended December 31, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission file number 000-51539

Cimpress plc

(Exact Name of Registrant as Specified in Its Charter)

Ireland	**98-0417483**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

Building D, Xerox Technology Park A91 H9N9,
Dundalk, Co. Louth
Ireland
(Address of Principal Executive Offices)
Registrant's telephone number, including area code: 353 42 938 8500
Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on Which Registered
Ordinary Shares, nominal value of €0.01 per share	CMPR	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer
		Smaller reporting company	☐	
		Emerging growth company	☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☑

As of January 23, 2023, there were 26,242,142 Cimpress plc ordinary shares outstanding.

CIMPRESS PLC
QUARTERLY REPORT ON FORM 10-Q
For the Three and Six Months Ended December 31, 2022

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

CIMPRESS PLC
CONSOLIDATED BALANCE SHEETS
(unaudited in thousands, except share and per share data)

	December 31, 2022	June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 111,279	$ 277,053
Marketable securities	85,070	49,952
Accounts receivable, net of allowances of $6,473 and $6,140, respectively	70,433	63,885
Inventory	140,517	126,728
Prepaid expenses and other current assets	118,015	108,697
Total current assets	525,314	626,315
Property, plant and equipment, net	278,347	286,826
Operating lease assets, net	70,142	80,694
Software and website development costs, net	93,686	90,474
Deferred tax assets	9,519	113,088
Goodwill	776,788	766,600
Intangible assets, net	131,274	154,730
Marketable securities, non-current	17,107	—
Other assets	49,929	48,945
Total assets	$ 1,952,106	$ 2,167,672
Liabilities, noncontrolling interests and shareholders' deficit		
Current liabilities:		
Accounts payable	$ 318,554	$ 313,710
Accrued expenses	264,510	253,841
Deferred revenue	48,911	58,861
Short-term debt	10,218	10,386
Operating lease liabilities, current	22,857	27,706
Other current liabilities	31,685	28,035
Total current liabilities	696,735	692,539
Deferred tax liabilities	47,178	41,142
Long-term debt	1,679,059	1,675,562
Operating lease liabilities, non-current	50,218	57,474
Other liabilities	79,662	64,394
Total liabilities	2,552,852	2,531,111
Commitments and contingencies (Note 12)		
Redeemable noncontrolling interests	12,565	131,483
Shareholders' deficit:		
Preferred shares, nominal value €0.01 per share, 100,000,000 shares authorized; none issued and outstanding	—	—
Ordinary shares, nominal value €0.01 per share, 100,000,000 shares authorized; 44,211,416 and 44,083,569 shares issued, respectively; 26,240,169 and 26,112,322 shares outstanding, respectively	615	615
Treasury shares, at cost, 17,971,247 shares for both periods presented	(1,363,550)	(1,363,550)
Additional paid-in capital	521,531	501,003
Retained earnings	256,152	414,138
Accumulated other comprehensive loss	(28,059)	(47,128)
Total shareholders' deficit	(613,311)	(494,922)
Total liabilities, noncontrolling interests and shareholders' deficit	$ 1,952,106	$ 2,167,672

See accompanying notes.

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited in thousands, except share and per share data)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Revenue	$ 845,202	$ 849,716	$ 1,548,617	$ 1,507,315
Cost of revenue (1)	455,393	423,937	833,128	762,926
Technology and development expense (1)	77,723	70,267	152,198	137,544
Marketing and selling expense (1)	205,148	208,616	406,078	383,313
General and administrative expense (1)	49,791	46,726	103,863	93,274
Amortization of acquired intangible assets	12,362	13,882	24,712	27,340
Restructuring expense (1)	11,207	307	13,027	(2)
Income from operations	33,578	85,981	15,611	102,920
Other (expense) income, net	(17,392)	12,839	10,005	26,009
Interest expense, net	(28,597)	(25,369)	(53,403)	(51,057)
(Loss) income before income taxes	(12,411)	73,451	(27,787)	77,872
Income tax expense	126,129	17,298	135,494	26,679
Net (loss) income	(138,540)	56,153	(163,281)	51,193
Add: Net (income) attributable to noncontrolling interests	(1,460)	(1,364)	(2,160)	(3,102)
Net (loss) income attributable to Cimpress plc	$ (140,000)	$ 54,789	$ (165,441)	$ 48,091
Basic net (loss) income per share attributable to Cimpress plc	$ (5.34)	$ 2.10	$ (6.31)	$ 1.84
Diluted net (loss) income per share attributable to Cimpress plc	$ (5.34)	$ 2.08	$ (6.31)	$ 1.82
Weighted average shares outstanding — basic	26,234,747	26,096,786	26,206,782	26,084,518
Weighted average shares outstanding — diluted	26,234,747	26,402,703	26,206,782	26,493,258

(1) Share-based compensation is allocated as follows:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Cost of revenue	$ 176	$ 127	$ 369	$ 243
Technology and development expense	4,267	3,355	7,308	6,258
Marketing and selling expense	1,752	2,798	4,211	5,475
General and administrative expense	5,352	6,225	10,134	11,535
Restructuring expense	493	—	649	—

See accompanying notes.

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(unaudited in thousands)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Net (loss) income	$ (138,540)	$ 56,153	$ (163,281)	$ 51,193
Other comprehensive income (loss), net of tax:				
Foreign currency translation gains, net of hedges	11,120	3,542	2,938	3,359
Net unrealized (losses) gains on derivative instruments designated and qualifying as cash flow hedges	(5,649)	(2,498)	11,111	(4,423)
Amounts reclassified from accumulated other comprehensive loss to net (loss) income on derivative instruments	3,136	7,768	198	13,314
Gain on pension benefit obligation, net	—	444	—	444
Comprehensive (loss) income	(129,933)	65,409	(149,034)	63,887
Add: Comprehensive loss (income) attributable to noncontrolling interests	2,015	(760)	2,662	(1,641)
Total comprehensive (loss) income attributable to Cimpress plc	$ (127,918)	$ 64,649	$ (146,372)	$ 62,246

See accompanying notes.

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
(unaudited in thousands)

	Ordinary Shares		Deferred Ordinary Shares		Treasury Shares					
	Number of Shares Issued	Amount	Number of Shares Issued	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Deficit
Balance at June 30, 2021	44,080	$ 615	25	$ 28	(18,045)	$ (1,368,595)	$ 459,904	$ 530,159	$ (71,482)	$ (449,371)
Restricted share units vested, net of shares withheld for taxes	—	—	—	—	54	3,516	(6,095)	—	—	(2,579)
Share-based compensation expense	—	—	—	—	—	—	11,129	—	—	11,129
Net loss attributable to Cimpress plc	—	—	—	—	—	—	—	(6,698)	—	(6,698)
Redeemable noncontrolling interest accretion to redemption value	—	—	—	—	—	—	—	(7,592)	—	(7,592)
Net unrealized gain on derivative instruments designated and qualifying as cash flow hedges	—	—	—	—	—	—	—	—	3,621	3,621
Foreign currency translation, net of hedges	—	—	—	—	—	—	—	—	674	674
Balance at September 30, 2021	44,080	$ 615	25	$ 28	(17,991)	$ (1,365,079)	$ 464,938	$ 515,869	$ (67,187)	$ (450,816)
Restricted share units vested, net of shares withheld for taxes	—	—	—	—	11	743	(1,062)	—	—	(319)
Share-based compensation expense	—	—	—	—	—	—	12,398	—	—	12,398
Net income attributable to Cimpress plc	—	—	—	—	—	—	—	54,789	—	54,789
Redeemable noncontrolling interest accretion to redemption value	—	—	—	—	—	—	—	(8,444)	—	(8,444)
Decrease in noncontrolling interest due to share purchase	—	—	—	—	—	—	(272)	—	—	(272)
Net unrealized gain on derivative instruments designated and qualifying as cash flow hedges	—	—	—	—	—	—	—	—	5,270	5,270
Foreign currency translation, net of hedges	—	—	—	—	—	—	—	—	4,146	4,146
Unrealized gain on pension benefit obligation, net of tax	—	—	—	—	—	—	—	—	444	444
Balance at December 31, 2021	44,080	$ 615	25	$ 28	(17,980)	$ (1,364,336)	$ 476,002	$ 562,214	$ (57,327)	$ (382,804)

See accompanying notes.

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT (CONTINUED)
(unaudited in thousands)

	Ordinary Shares		Deferred Ordinary Shares		Treasury Shares					
	Number of Shares Issued	Amount	Number of Shares Issued	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Deficit
Balance at June 30, 2022	44,084	$ 615	—	$ —	(17,971)	$ (1,363,550)	$ 501,003	$ 414,138	$ (47,128)	$ (494,922)
Restricted share units vested, net of shares withheld for taxes	112	—	—	—	—	—	(2,212)	—	—	(2,212)
Share-based compensation expense	—	—	—	—	—	—	10,653	—	—	10,653
Net loss attributable to Cimpress plc	—	—	—	—	—	—	—	(25,441)	—	(25,441)
Redeemable noncontrolling interest accretion to redemption value	—	—	—	—	—	—	—	(2,725)	—	(2,725)
Net unrealized gain on derivative instruments designated and qualifying as cash flow hedges	—	—	—	—	—	—	—	—	13,822	13,822
Foreign currency translation, net of hedges	—	—	—	—	—	—	—	—	(6,835)	(6,835)
Balance at September 30, 2022	44,196	$ 615	—	$ —	(17,971)	$ (1,363,550)	$ 509,444	$ 385,972	$ (40,141)	$ (507,660)
Restricted share units vested, net of shares withheld for taxes	15	—	—	—	—	—	(158)	—	—	(158)
Share-based compensation expense	—	—	—	—	—	—	12,245	—	—	12,245
Net loss attributable to Cimpress plc	—	—	—	—	—	—	—	(140,000)	—	(140,000)
Redeemable noncontrolling interest accretion to redemption value	—	—	—	—	—	—	—	10,180	—	10,180
Net unrealized loss on derivative instruments designated and qualifying as cash flow hedges	—	—	—	—	—	—	—	—	(2,513)	(2,513)
Foreign currency translation, net of hedges	—	—	—	—	—	—	—	—	14,595	14,595
Balance at December 31, 2022	44,211	$ 615	—	$ —	(17,971)	$ (1,363,550)	$ 521,531	$ 256,152	$ (28,059)	$ (613,311)

See accompanying notes.

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited in thousands)

	Six Months Ended December 31, 2022	Six Months Ended December 31, 2021
Operating activities		
Net (loss) income	$ (163,281)	$ 51,193
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation and amortization	81,816	89,746
Share-based compensation expense	22,671	23,511
Deferred taxes	116,927	3,977
Unrealized loss (gain) on derivatives not designated as hedging instruments included in net (loss) income	25,897	(23,020)
Effect of exchange rate changes on monetary assets and liabilities denominated in non-functional currency	(4,982)	(6,302)
Other non-cash items	11,908	(1,699)
Changes in operating assets and liabilities, net of effects of businesses acquired:		
Accounts receivable	(5,465)	(13,102)
Inventory	(26,249)	(23,327)
Prepaid expenses and other assets	(13,176)	(9,969)
Accounts payable	10,960	69,318
Accrued expenses and other liabilities	(1,151)	19,585
Net cash provided by operating activities	55,875	179,911
Investing activities		
Purchases of property, plant and equipment	(26,490)	(26,539)
Business acquisitions, net of cash acquired	(498)	(68,946)
Capitalization of software and website development costs	(29,246)	(32,134)
Proceeds from the sale of assets	1,365	25,835
Purchases of marketable securities	(84,030)	—
Proceeds from maturity of held-to-maturity investments	32,330	27,000
Payments for settlement of derivatives designated as hedging instruments	—	(1,880)
Other investing activities	—	(617)
Net cash used in investing activities	(106,569)	(77,281)
Financing activities		
Proceeds from borrowings of debt	10,000	—
Payments of debt	(16,586)	(7,671)
Payments of debt issuance costs	(51)	(1,435)
Payments of purchase consideration included in acquisition-date fair value	(225)	—
Payments of withholding taxes in connection with equity awards	(2,370)	(2,898)
Payments of finance lease obligations	(4,264)	(33,107)
Purchase of noncontrolling interests	(95,567)	(324)
Distributions to noncontrolling interests	(3,652)	(3,963)
Other financing activities	—	41
Net cash used in financing activities	(112,715)	(49,357)
Effect of exchange rate changes on cash	1,765	(5,137)
Change in cash held for sale	(4,130)	—
Net (decrease) increase in cash and cash equivalents	(165,774)	48,136
Cash and cash equivalents at beginning of period	277,053	183,023
Cash and cash equivalents at end of period	$ 111,279	$ 231,159

See accompanying notes.

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(unaudited in thousands)

	Six Months Ended December 31,	
	2022	**2021**
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest	$ 50,820	$ 49,687
Income taxes	11,166	15,825
Non-cash investing and financing activities		
Property and equipment acquired under finance leases	8,643	3,596
Amounts accrued related to property, plant and equipment	9,903	9,818
Amounts accrued related to capitalized software development costs	82	475
Amounts accrued related to business acquisitions	6,838	52,677

See accompanying notes.

1. Description of the Business

Cimpress is a strategically focused group of more than a dozen businesses that specialize in mass customization of printing and related products, via which we deliver large volumes of individually small-sized customized orders. Our products include a broad range of marketing materials, business cards, signage, promotional products, logo apparel, packaging, books and magazines, wall decor, photo merchandise, invitations and announcements, and other categories. Mass customization is a core element of the business model of each Cimpress business and is a competitive strategy which seeks to produce goods and services to meet individual customer needs with near mass production efficiency.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements include the accounts of Cimpress plc, its wholly owned subsidiaries, entities in which we maintain a controlling financial interest, and those entities in which we have a variable interest and are the primary beneficiary. Intercompany balances and transactions have been eliminated. Investments in entities in which we cannot exercise significant influence, and for which the related equity securities do not have a readily determinable fair value, are included in other assets on the consolidated balance sheets; otherwise the investments are recognized by applying equity method accounting. Our equity method investments are included in other assets on the consolidated balance sheets.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We believe our most significant estimates are associated with the ongoing evaluation of the recoverability of our long-lived assets and goodwill, estimated useful lives of assets, share-based compensation, accounting for business combinations, and income taxes and related valuation allowances, among others. By their nature, estimates are subject to an inherent degree of uncertainty. Actual results could differ from those estimates.

Mandatorily Redeemable Noncontrolling Interests

Noncontrolling interests held by third parties in consolidated subsidiaries are considered mandatorily redeemable when they are subject to an unconditional obligation to be redeemed by both parties. The redeemable noncontrolling interest must be required to be repurchased on a specified date or on the occurrence of a specified event that is certain to occur and is to be redeemed via the transfer of assets. Mandatorily redeemable noncontrolling interests are presented as liability-based financial instruments and are re-measured on a recurring basis to the expected redemption value.

During the second quarter of fiscal 2023, the exercise of put options by the minority shareholders of three PrintBrothers businesses to redeem a portion of their equity interests triggered a mandatory redemption feature for the remaining minority interests after exercise. As such, we reclassified the remaining minority equity interests from redeemable noncontrolling interest to mandatorily redeemable noncontrolling interest, which is presented as part of other liabilities on the consolidated balance sheets. Refer to Note 10 for additional details.

Marketable Securities

We hold certain investments that are classified as held-to-maturity (HTM) as we have the intent and ability to hold them to their maturity dates. Our policy is to invest in the following permitted classes of assets: overnight money market funds invested in U.S. Treasury securities and U.S. government agency securities, U.S. Treasury securities, specifically U.S. Treasury bills, notes, and bonds, U.S. government agency securities, bank time deposits, commercial paper, corporate notes and bonds, and medium term notes. We invest in securities with a maturity of two years or less. As the investments are classified as held-to-maturity they are recorded at amortized cost and interest income is recorded as it is earned within interest expense, net.

We will continue to assess our securities for impairment when the fair value is less than amortized cost to determine if any risk of credit loss exists. As our intent is to hold the securities to maturity, we must assess whether any credit losses related to our investments are recoverable and determine if it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis. We did not record an allowance for credit losses and we recognized no impairments for these marketable securities during the three and six months ended December 31, 2022 and 2021.

The following is a summary of the net carrying amount, unrealized gains, unrealized losses, and fair value of held-to-maturity securities by type and contractual maturity as of December 31, 2022 and June 30, 2022.

	December 31, 2022		
	Amortized cost	Unrealized losses	Fair value
Due within one year or less:			
Commercial paper	$ 40,985	$ (227)	$ 40,758
Corporate debt securities	39,821	(304)	39,517
U.S. government securities	4,264	(66)	4,198
Total due within one year or less	85,070	(597)	84,473
Due between one and two years:			
Corporate debt securities	12,144	(253)	11,891
U.S. government securities	4,963	(80)	4,883
Total due within between one and two years	17,107	(333)	16,774
Total held-to-maturity securities	$ 102,177	$ (930)	$ 101,247

	June 30, 2022		
	Amortized cost	Unrealized losses	Fair value
Due within one year or less:			
Corporate debt securities	$ 49,952	$ (546)	$ 49,406
Total held-to-maturity securities	$ 49,952	$ (546)	$ 49,406

Other (Expense) Income, Net

The following table summarizes the components of other (expense) income, net:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
(Losses) gains on derivatives not designated as hedging instruments (1)	$ (24,196)	$ 6,481	$ 4,449	$ 19,808
Currency-related gains, net (2)	6,227	5,551	6,030	5,874
Other gains (losses)	577	807	(474)	327
Total other (expense) income, net	$ (17,392)	$ 12,839	$ 10,005	$ 26,009

(1) Includes realized and unrealized gains and losses on derivative currency forward and option contracts not designated as hedging instruments, as well as the ineffective portion of certain interest rate swap contracts that were de-designated from hedge accounting in the prior periods. For contracts not designated as hedging instruments, we realized gains of $16,368 and $30,988 for the three and six months ended December 31, 2022, and losses of $746 and $4,418 for the three and six months ended December 31, 2021. Refer to Note 4 for additional details relating to our derivative contracts.

(2) Currency-related gains, net primarily relates to significant non-functional currency intercompany financing relationships that we may change at times and are subject to currency exchange rate volatility. In addition, we have a cross-currency swap designated as a cash flow hedge which hedges the remeasurement of an intercompany loan. Refer to Note 4 for additional details relating to this cash flow hedge.

Net (Loss) Income Per Share Attributable to Cimpress plc

Basic net (loss) income per share attributable to Cimpress plc is computed by dividing net (loss) income attributable to Cimpress plc by the weighted-average number of ordinary shares outstanding for the respective period. Diluted net (loss) income per share attributable to Cimpress plc gives effect to all potentially dilutive securities, including share options, restricted share units (“RSUs”), warrants, and performance share units ("PSUs"), if the effect of the securities is dilutive using the treasury stock method. Awards with performance or market conditions are included using the treasury stock method only if the conditions would have been met as of the end of the reporting period and their effect is dilutive.

The following table sets forth the reconciliation of the weighted-average number of ordinary shares:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Weighted average shares outstanding, basic	26,234,747	26,096,786	26,206,782	26,084,518
Weighted average shares issuable upon exercise/vesting of outstanding share options/RSUs/warrants (1)	—	305,917	—	408,740
Shares used in computing diluted net (loss) income per share attributable to Cimpress plc	26,234,747	26,402,703	26,206,782	26,493,258
Weighted average anti-dilutive shares excluded from diluted net (loss) income per share attributable to Cimpress plc (1)(2)	3,286,936	567,220	2,987,875	292,834

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(1) In the periods in which a net loss is recognized, the impact of share options, RSUs and warrants is not included as they are anti-dilutive.

(2) On May 1, 2020, we entered into a financing arrangement with Apollo Global Management, Inc., which included 7-year warrants with a strike price of $60 that have a potentially dilutive impact on our weighted average shares outstanding. For the three and six months ended December 31, 2022, the weighted average anti-dilutive effect of the warrants was 1,055,377 shares in both periods, and 281,884 and 345,722 shares for the three and six months ended December 31, 2021, respectively.

Recently Issued or Adopted Accounting Pronouncements

Adopted Accounting Standards

In December 2022, the FASB issued Accounting Standards Update No. 2022-06 "Reference Rate Reform (Topic 848) - Deferral of the Sunset Date of Topic 848" (ASU 2022-06), which extends the optional transition relief to ease the potential burden in accounting for reference rate reform on financial reporting. The transition relief is provided through December 30, 2024 based on the expectation that the London Interbank Offered Rate (LIBOR) will cease to be published as of June 30, 2023. We applied the transition guidance to our two Term SOFR interest rate swap contracts this quarter and will apply the guidance when updating existing interest rate swap contracts to index to a replacement rate. There was no material impact on our consolidated financial statements in the periods presented.

In May 2021, the FASB issued Accounting Standards Update No. 2021-04 "Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40)" (ASU 2021-04), which provides authoritative guidance for the accounting treatment of contracts in an entity's own equity when calculating earnings per share. We adopted the standard on July 1, 2022. We recognize freestanding equity-classified warrants on our consolidated balance sheet and as the standard is applied prospectively, there was no impact on our consolidated financial statements in the current period.

Issued Accounting Standards to be Adopted

In September 2022, the FASB issued Accounting Standards Update No. 2022-04 "Liabilities - Supplier Finance Programs (Subtopic 405-50)" (ASU 2022-04), which provides authoritative guidance for expanded disclosure requirements for supply chain finance programs. The standard is effective on July 1, 2023. Cimpress businesses have an active supply chain finance program which will require additional disclosure after adoption of this standard. We will include the expanded disclosure requirements starting in the first quarter of fiscal 2024.

3. Fair Value Measurements

We use a three-level valuation hierarchy for measuring fair value and include detailed financial statement disclosures about fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- *Level 1:* Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- *Level 2:* Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- *Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following tables summarize our assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy:

	December 31, 2022			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Interest rate swap contracts	$ 23,550	$ —	$ 23,550	$ —
Currency forward contracts	4,579	—	4,579	—
Currency option contracts	4,514	—	4,514	—
Total assets recorded at fair value	$ 32,643	$ —	$ 32,643	$ —
Liabilities				
Cross-currency swap contracts	$ (1,313)	$ —	$ (1,313)	$ —
Currency forward contracts	(3,654)	—	(3,654)	—
Currency option contracts	(599)	—	(599)	—
Total liabilities recorded at fair value	$ (5,566)	$ —	$ (5,566)	$ —

	June 30, 2022			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Interest rate swap contracts	$ 14,336	$ —	$ 14,336	$ —
Currency forward contracts	20,638	—	20,638	—
Currency option contracts	10,611	—	10,611	—
Total assets recorded at fair value	$ 45,585	$ —	$ 45,585	$ —
Liabilities				
Cross-currency swap contracts	$ (446)	$ —	$ (446)	$ —
Currency forward contracts	(505)	—	(505)	—
Currency option contracts	(9)	—	(9)	—
Total liabilities recorded at fair value	$ (960)	$ —	$ (960)	$ —

During the six months ended December 31, 2022 and year ended June 30, 2022, there were no significant transfers in or out of Level 1, Level 2 and Level 3 classifications.

The valuations of the derivatives intended to mitigate our interest rate and currency risk are determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each instrument. This analysis utilizes observable market-based inputs, including interest rate curves, interest rate volatility, or spot and forward exchange rates, and reflects the contractual terms of these instruments, including the period to maturity. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparties' nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements.

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to appropriately reflect both our own nonperformance risk and the respective counterparties' nonperformance risk in the fair value measurement. However, as of December 31, 2022, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 in the fair value hierarchy.

As of December 31, 2022 and June 30, 2022, the carrying amounts of our cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximated their estimated fair values. As of December 31, 2022 and June 30, 2022, the carrying value of our debt, excluding debt issuance costs and debt premiums and discounts, was $1,706,972 and $1,705,365, respectively, and the fair value was $1,530,471 and $1,600,627, respectively. Our debt at December 31, 2022 includes variable-rate debt instruments indexed to LIBOR that resets periodically, as well as fixed-rate debt instruments. The estimated fair value of our debt was determined using available market information based on recent trades or activity of debt instruments with substantially similar risks, terms and maturities, which fall within Level 2 under the fair value hierarchy.

As of December 31, 2022 and June 30, 2022 our held-to-maturity marketable securities were held at an amortized cost of $102,177 and $49,952, respectively, while the fair value was $101,247 and $49,406, respectively. The securities were valued using quoted prices for identical assets in active markets, which fall into Level 1 under the fair value hierarchy.

The estimated fair value of assets and liabilities disclosed above may not be representative of actual values that could have been or will be realized in the future.

4. Derivative Financial Instruments

We use derivative financial instruments, such as interest rate swap contracts, cross-currency swap contracts, and currency forward and option contracts, to manage interest rate and foreign currency exposures. Derivatives are recorded in the consolidated balance sheets at fair value. If a derivative is designated as a cash flow hedge or net investment hedge, then the change in the fair value of the derivative is recorded in accumulated other comprehensive loss and subsequently reclassified into earnings in the period the hedged forecasted transaction affects earnings. We have designated one intercompany loan as a net investment hedge, and any unrealized currency gains and losses on the loan are recorded in accumulated other comprehensive loss. Additionally, any ineffectiveness associated with an effective and designated hedge is recognized within accumulated other comprehensive loss.

The change in the fair value of derivatives not designated as hedges is recognized directly in earnings as a component of other (expense) income, net.

Hedges of Interest Rate Risk

We enter into interest rate swap contracts to manage variability in the amount of our known or expected cash payments related to a portion of our debt. Our objective in using interest rate swaps is to add stability to interest expense and to manage our exposure to interest rate movements. We designate our interest rate swaps as cash flow hedges. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for us making fixed-rate payments over the life of the contract agreements without exchange of the underlying notional amount. Realized gains or losses from interest rate swaps are recorded in earnings as a component of interest expense, net. Amounts reported in accumulated other comprehensive loss related to interest rate swap contracts will be reclassified to interest expense, net as interest payments are accrued or made on our variable-rate debt.

As of December 31, 2022, we estimate that $8,207 will be reclassified from accumulated other comprehensive loss to interest expense, net during the twelve months ending December 31, 2023. As of December 31, 2022, we had fourteen effective outstanding interest rate swap contracts. Twelve of our swaps are indexed to USD LIBOR, while the remaining two are indexed to Term SOFR. The transition relief guidance from ASC 848 was applied to designate the two Term SOFR swap contracts that we entered into during the current quarter for hedge accounting. After USD LIBOR sunsets on June 30, 2023, we may convert our contracts to index to Term SOFR, otherwise the contracts will be subject to the fallback language within our credit agreement.

Our interest rate swap contracts have varying start and maturity dates through April 2028.

Interest rate swap contracts outstanding:	**Notional Amounts**
Contracts accruing interest as of December 31, 2022	$ 400,000
Contracts with a future start date	430,000
Total	$ 830,000

Hedges of Currency Risk

Cross-Currency Swap Contracts

From time to time, we execute cross-currency swap contracts designated as cash flow hedges or net investment hedges. Cross-currency swaps involve an initial receipt of the notional amount in the hedged currency in exchange for our reporting currency based on a contracted exchange rate. Subsequently, we receive fixed rate payments in our reporting currency in exchange for fixed rate payments in the hedged currency over the life of the contract. At maturity, the final exchange involves the receipt of our reporting currency in exchange for the notional amount in the hedged currency.

Cross-currency swap contracts designated as cash flow hedges are executed to mitigate our currency exposure to the interest receipts as well as the principal remeasurement and repayment associated with certain intercompany loans denominated in a currency other than our reporting currency, the U.S. dollar. As of December 31, 2022, we had one outstanding cross-currency swap contract designated as a cash flow hedge with a total notional amount of $58,478, maturing during June 2024. We entered into the cross-currency swap contract to hedge the risk of changes in one Euro-denominated intercompany loan entered into with one of our consolidated subsidiaries that has the Euro as its functional currency.

Amounts reported in accumulated other comprehensive loss will be reclassified to other (expense) income, net as interest payments are accrued or paid and upon remeasuring the intercompany loan. As of December 31, 2022, we estimate that $1,794 of income will be reclassified from accumulated other comprehensive loss to interest expense, net during the twelve months ending December 31, 2023.

Other Currency Hedges

We execute currency forward and option contracts in order to mitigate our exposure to fluctuations in various currencies against our reporting currency, the U.S. dollar. These contracts or intercompany loans may be designated as hedges to mitigate the risk of changes in the U.S. dollar equivalent value of a portion of our net investment in consolidated subsidiaries that have the Euro as their functional currency. Amounts reported in accumulated other comprehensive loss are recognized as a component of our cumulative translation adjustment.

As of December 31, 2022, we have one intercompany loan designated as a net investment hedge with a total notional amount of $364,524 that matures in May 2028.

We have elected to not apply hedge accounting for all other currency forward and option contracts. During the three and six months ended December 31, 2022 and 2021, we experienced volatility within other (expense) income, net, in our consolidated statements of operations from unrealized gains and losses on the mark-to-market of outstanding currency forward and option contracts. We expect this volatility to continue in future periods for contracts for which we do not apply hedge accounting. Additionally, since our hedging objectives may be targeted at non-GAAP financial metrics that exclude non-cash items such as depreciation and amortization, we may experience increased, not decreased, volatility in our GAAP results as a result of our currency hedging program.

As of December 31, 2022, we had the following outstanding currency derivative contracts that were not designated for hedge accounting and were used to hedge fluctuations in the U.S. dollar value of forecasted transactions or balances denominated in Australian Dollar, British Pound, Canadian Dollar, Danish Krone, Euro, Indian Rupee, Japanese Yen, Mexican Peso, New Zealand Dollar, Norwegian Krone, Philippine Peso, Swiss Franc and Swedish Krona:

Notional Amount	Effective Date	Maturity Date	Number of Instruments	Index
$534,594	March 2021 through December 2022	Various dates through Dec 2024	536	Various

Financial Instrument Presentation

The table below presents the fair value of our derivative financial instruments as well as their classification on the balance sheet as of December 31, 2022 and June 30, 2022. Our derivative asset and liability balances fluctuate with interest rate and currency exchange rate volatility.

	December 31, 2022							
	Asset Derivatives				Liability Derivatives			
	Balance Sheet line item	Gross amounts of recognized assets	Gross amount offset in Consolidated Balance Sheet	Net amount	Balance Sheet line item	Gross amounts of recognized liabilities	Gross amount offset in Consolidated Balance Sheet	Net amount
Derivatives in cash flow hedging relationships								
Interest rate swaps	Other assets	$ 23,554	$ (4)	$ 23,550	Other current liabilities / other liabilities	$ —	$ —	$ —
Cross-currency swaps	Other assets	—	—	—	Other liabilities	(1,313)	—	(1,313)
Total derivatives designated as hedging instruments		$ 23,554	$ (4)	$ 23,550		$ (1,313)	$ —	$ (1,313)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets / other assets	$ 5,920	$ (1,341)	$ 4,579	Other current liabilities / other liabilities	$ (6,128)	$ 2,474	$ (3,654)
Currency option contracts	Other current assets / other assets	4,537	(23)	4,514	Other liabilities	(1,243)	644	(599)
Total derivatives not designated as hedging instruments		$ 10,457	$ (1,364)	$ 9,093		$ (7,371)	$ 3,118	$ (4,253)

	June 30, 2022							
	Asset Derivatives				Liability Derivatives			
	Balance Sheet line item	Gross amounts of recognized assets	Gross amount offset in Consolidated Balance Sheet	Net amount	Balance Sheet line item	Gross amounts of recognized liabilities	Gross amount offset in Consolidated Balance Sheet	Net amount
Derivatives designated as hedging instruments								
Derivatives in cash flow hedging relationships								
Interest rate swaps	Other current assets / other assets	$ 14,336	$ —	$ 14,336	Other current liabilities / other liabilities	$ —	$ —	$ —
Cross-currency swaps	Other assets	—	—	—	Other liabilities	(446)	—	$ (446)
Total derivatives designated as hedging instruments		$ 14,336	$ —	$ 14,336		$ (446)	$ —	$ (446)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets / other assets	$ 24,440	$ (3,802)	$ 20,638	Other current liabilities / other liabilities	$ (505)	$ —	$ (505)
Currency option contracts	Other current assets / other assets	10,612	(1)	10,611	Other current liabilities / other liabilities	(9)	—	(9)
Total derivatives not designated as hedging instruments		$ 35,052	$ (3,803)	$ 31,249		$ (514)	$ —	$ (514)

The following table presents the effect of our derivative financial instruments designated as hedging instruments and their classification within comprehensive (loss) income, net of tax, for the three and six months ended December 31, 2022 and 2021:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Derivatives in cash flow hedging relationships				
Interest rate swaps	$ (1,266)	$ 5,021	$ 11,688	$ 5,540
Cross-currency swaps	(4,383)	(7,519)	(577)	(9,963)
Derivatives in net investment hedging relationships				
Intercompany loan	(18,636)	8,359	(5,684)	17,386
Currency forward contracts	—	2,922	—	6,414
Total	$ (24,285)	$ 8,783	$ 5,427	$ 19,377

The following table presents reclassifications out of accumulated other comprehensive loss for the three and six months ended December 31, 2022 and 2021:

	Amount of Net Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income				Affected line item in the Statement of Operations
	Three Months Ended December 31,		Six Months Ended December 31,		
	2022	2021	2022	2021	
Derivatives in cash flow hedging relationships					
Interest rate swaps	$ (1,089)	$ 2,973	$ (692)	$ 5,470	Interest expense, net
Cross-currency swaps	4,606	3,821	864	7,808	Other (expense) income, net
Total before income tax	3,517	6,794	172	13,278	(Loss) income before income taxes
Income tax	(381)	974	26	36	Income tax expense
Total	$ 3,136	$ 7,768	$ 198	$ 13,314	

The following table presents the adjustment to fair value recorded within the consolidated statements of operations for the three and six months ended December 31, 2022 and 2021 for derivative instruments for which we did not elect hedge accounting and de-designated derivative financial instruments that did not qualify as hedging instruments.

	Amount of Gain (Loss) Recognized in Net (Loss) Income				Affected line item in the Statement of Operations
	Three Months Ended December 31,		Six Months Ended December 31,		
	2022	2021	2022	2021	
Currency contracts	$ (24,196)	$ 7,161	$ 4,449	$ 20,024	Other (expense) income, net
Interest rate swaps	—	(680)	—	(216)	Other (expense) income, net
Total	$ (24,196)	$ 6,481	$ 4,449	$ 19,808	

5. Accumulated Other Comprehensive Loss

The following table presents a roll forward of amounts recognized in accumulated other comprehensive income (loss) by component, net of tax of $3,888 for the six months ended December 31, 2022:

	Gains on cash flow hedges (1)	Losses on pension benefit obligation	Translation adjustments, net of hedges (2)	Total
Balance as of June 30, 2022	$ 5,179	$ (86)	$ (52,221)	$ (47,128)
Other comprehensive income before reclassifications	11,111	—	7,760	18,871
Amounts reclassified from accumulated other comprehensive loss to net loss	198	—	—	198
Net current period other comprehensive income	11,309	—	7,760	19,069
Balance as of December 31, 2022	$ 16,488	$ (86)	$ (44,461)	$ (28,059)

(1) Gains on cash flow hedges include our interest rate swap and cross-currency swap contracts designated in cash flow hedging relationships.
(2) As of December 31, 2022 and June 30, 2022, the translation adjustment is inclusive of both the unrealized and realized effects of our net investment hedges. Gains on currency forward and swap contracts, net of tax, of $15,079 have been included in accumulated other comprehensive loss as of December 31, 2022 and June 30, 2022. Intercompany loan hedge gains of $42,519 and $51,003 have been included in accumulated other comprehensive loss as of December 31, 2022 and June 30, 2022, respectively.

6. Goodwill

The carrying amount of goodwill by reportable segment as of December 31, 2022 and June 30, 2022 was as follows:

	Vista	PrintBrothers	The Print Group	All Other Businesses	Total
Balance as of June 30, 2022	$ 291,498	$ 130,828	$ 143,969	$ 200,305	$ 766,600
Adjustments	—	—	—	225	225
Effect of currency translation adjustments (1)	2,384	3,619	3,960	—	9,963
Balance as of December 31, 2022	$ 293,882	$ 134,447	$ 147,929	$ 200,530	$ 776,788

(1) Related to goodwill held by subsidiaries whose functional currency is not the U.S. dollar.

7. Other Balance Sheet Components

Accrued expenses included the following:

	December 31, 2022	June 30, 2022
Compensation costs	$ 67,900	$ 78,521
Income and indirect taxes	55,261	41,886
Advertising costs	20,887	25,925
Shipping costs	13,492	10,228
Third party manufacturing and digital content costs	17,961	15,790
Variable compensation incentives (1)	8,578	—
Sales returns	6,686	6,286
Restructuring costs (2)	5,239	13,449
Professional fees	3,998	2,394
Interest payable	2,901	2,477
Other	61,607	56,885
Total accrued expenses	$ 264,510	$ 253,841

(1) Includes cash-based employee long-term incentives, which are variable based on the performance of individual businesses and vest over four years.

(2) Includes accrued restructuring charges related to severance benefits primarily from our fiscal year 2022 actions. Refer to Note 13 for additional details.

Other current liabilities included the following:

	December 31, 2022	June 30, 2022
Current portion of finance lease obligations	$ 7,198	$ 6,684
Short-term derivative liabilities	7,593	4,299
Other	16,894	17,052
Total other current liabilities	$ 31,685	$ 28,035

Other liabilities included the following:

	December 31, 2022	June 30, 2022
Long-term finance lease obligations	$ 19,935	$ 14,699
Long-term derivative liabilities	2,460	463
Mandatorily redeemable noncontrolling interest (1)	11,724	—
Long-term compensation incentives	17,577	19,934
Other	27,966	29,298
Total other liabilities	$ 79,662	$ 64,394

(1) During the second quarter of fiscal year 2023, we reclassified the noncontrolling interest for three businesses in the PrintBrothers reportable segment to other liabilities, due to the exercise of a put option in the current quarter for a portion of the minority equity interests that triggered a mandatory redemption feature for the remaining minority equity interest. Subsequent to the option exercise, we recognized an accretion adjustment to increase the liability by $2,142 to the estimated redemption value due to the businesses' continued strong performance, which is recognized within interest expense, net in our consolidated statements of operations. Refer to Note 10 for additional details.

8. Debt

	December 31, 2022	June 30, 2022
7.0% Senior Notes due 2026	$ 600,000	$ 600,000
Senior secured credit facility	1,100,238	1,097,302
Other	6,734	8,063
Debt issuance costs and debt premiums (discounts)	(17,695)	(19,417)
Total debt outstanding, net	1,689,277	1,685,948
Less: short-term debt (1)	10,218	10,386
Long-term debt	$ 1,679,059	$ 1,675,562

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(1) Balances as of December 31, 2022 and June 30, 2022 are inclusive of short-term debt issuance costs, debt premiums and discounts of $3,502 and $3,498, respectively.

Our various debt arrangements described below contain customary representations, warranties and events of default. As of December 31, 2022, we were in compliance with all covenants in our debt contracts, including those under our amended and restated senior secured credit agreement ("Restated Credit Agreement") and the indenture governing our 2026 Notes (as defined below).

Senior Secured Credit Facility

On May 17, 2021, we entered into a Restated Credit Agreement consisting of the following:

- A senior secured Term Loan B with a maturity date of May 17, 2028 (the “Term Loan B”), consisting of:
  - a $795,000 tranche that bears interest at LIBOR (with a LIBOR floor of 0.50%) plus 3.50%, and
  - a €300,000 tranche that bears interest at EURIBOR (with a EURIBOR floor of 0%) plus 3.50%; and
- A $250,000 senior secured revolving credit facility with a maturity date of May 17, 2026 (the “Revolving Credit Facility”). Borrowings under the Revolving Credit Facility bear interest at LIBOR (with a LIBOR floor of 0%) plus 2.50% to 3.00% depending on the Company’s First Lien Leverage Ratio, a net leverage calculation, as defined in the Restated Credit Agreement.

LIBOR is expected to sunset on June 30, 2023, and under the terms of our Restated Credit Agreement our benchmark rate will automatically transition to Term SOFR.

The Restated Credit Agreement contains covenants that restrict or limit certain activities and transactions by Cimpress and our subsidiaries, including, but not limited to, the incurrence of additional indebtedness and liens; certain fundamental organizational changes; asset sales; certain intercompany activities; and certain investments and restricted payments, including purchases of Cimpress plc’s ordinary shares and payment of dividends. In addition, if any loans made under the Revolving Credit Facility are outstanding on the last day of any fiscal quarter, then we are subject to a financial maintenance covenant that the First Lien Leverage Ratio calculated as of the last day of such quarter does not exceed 3.25 to 1.00.

As of December 31, 2022, we have borrowings under the Restated Credit Agreement of $1,100,238 consisting of the Term Loan B, which amortizes over the loan period, with a final maturity date of May 17, 2028. We have no outstanding borrowings under our Revolving Credit Facility as of December 31, 2022.

As of December 31, 2022, the weighted-average interest rate on outstanding borrowings under the Restated Credit Agreement was 6.52%, inclusive of interest rate swap rates. We are also required to pay a commitment fee for our Revolving Credit Facility on unused balances of 0.35% to 0.45% depending on our First Lien Leverage Ratio. We have pledged the assets and/or share capital of a number of our subsidiaries as collateral for our debt as of December 31, 2022.

Senior Unsecured Notes

We have issued $600,000 in aggregate principal of 7.0% Senior Notes due 2026 (the "2026 Notes"), which are unsecured. We can redeem some or all of the 2026 Notes at the redemption prices specified in the indenture that governs the 2026 Notes, plus accrued and unpaid interest to, but not including, the redemption date. As of December 31, 2022, we have not redeemed any of the 2026 Notes.

Other Debt

Other debt consists primarily of term loans acquired through our various acquisitions or used to fund certain capital investments. As of December 31, 2022 and June 30, 2022, we had $6,734 and $8,063, respectively, outstanding for those obligations that are payable through March 2027.

9. Income Taxes

Our income tax expense was $126,129 and $135,494 for the three and six months ended December 31, 2022, respectively, as compared to $17,298 and $26,679 for the three and six months ended December 31, 2021, respectively. Tax expense increased year over year for both comparable periods due to the Swiss valuation allowance, discussed below, offset by lower tax expense on decreased profits. Excluding the effect of discrete tax adjustments, our estimated annual effective tax rate is lower for fiscal year 2023 as compared to fiscal year 2022 primarily due to a forecasted pre-tax loss. Our effective tax rate continues to be negatively impacted by losses in certain jurisdictions where we are unable to recognize a tax benefit in the current period.

During the second quarter of fiscal year 2023, we recorded a full valuation allowance on Swiss deferred tax assets of $116,694 primarily related to Swiss tax reform benefits recognized in fiscal year 2020 and tax loss carryforwards. Management concluded that based on the current period results, that objective and verifiable negative evidence of recent losses in Switzerland outweighed more subjective positive evidence of anticipated future income.

As of December 31, 2022 we had unrecognized tax benefits of $15,852, including accrued interest and penalties of $1,658. We recognize interest and, if applicable, penalties related to unrecognized tax benefits in the provision for income taxes. If recognized, $7,777 of unrecognized tax benefits would reduce our tax expense. It is reasonably possible that a reduction in unrecognized tax benefits may occur within the next twelve months in the range of $370 to $420 related to the lapse of applicable statutes of limitations. We believe we have appropriately provided for all tax uncertainties.

We conduct business in a number of tax jurisdictions and, as such, are required to file income tax returns in multiple jurisdictions globally. The years 2014 through 2022 remain open for examination by the U.S. Internal Revenue Service and the years 2015 through 2022 remain open for examination in the various states and non-U.S. tax jurisdictions in which we file tax returns. We believe that our income tax reserves are adequately maintained taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain, and there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows.

10. Noncontrolling Interests

Redeemable Noncontrolling Interests

For some of our subsidiaries, we own a controlling equity stake, and a third party or key members of the business management team own a minority portion of the equity. The put options for several of our noncontrolling interests were exercised during the current quarter as summarized below. In addition to the noncontrolling interests described below, we also have several less significant minority interests that span multiple businesses and reportable segments.

PrintBrothers

Members of the PrintBrothers management team hold minority equity interests in several businesses within the reportable segment. During the second quarter of fiscal year 2023, put options were exercised by the minority interest holders for a portion of their equity interests that required us to purchase 10% to 11% in three of the respective businesses for a total of $90,841. The exercise of the put options triggered a mandatory redemption feature for the remaining minority equity interests, which requires the purchase of the remaining 1% equity interests on the third anniversary of the put option exercise, absent the earlier exercise of a call option on the first and second anniversaries by Cimpress. The remaining noncontrolling interests are mandatorily redeemable, which requires the reclassification of the remaining equity interests to a liability, which has been presented in other liabilities within our consolidated balance sheet.

The following table presents the reconciliation of changes in our redeemable noncontrolling interests:

	Redeemable Noncontrolling Interest
Balance as of June 30, 2022	$ 131,483
Net income attributable to noncontrolling interests	2,160
Distribution to noncontrolling interests (1)	(3,652)
Purchase of noncontrolling interest (2)	(95,567)
Accretion to redemption value (3)	(7,455)
Reclassification to mandatorily redeemable noncontrolling interest (4)	(9,582)
Foreign currency translation	(4,822)
Balance as of December 31, 2022	$ 12,565

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(1) Distributions to noncontrolling interests include contractually required profit sharing payments made annually to the minority interest holders in one of the PrintBrothers businesses.

(2) As discussed above, we purchased an additional 10% to 11% of the equity interests in three PrintBrothers businesses during the second quarter of fiscal year 2023. We also purchased the 1% minority interest in our BuildASign business this quarter.

(3) Accretion of redeemable noncontrolling interests to redemption value recognized in retained earnings is the result of changes in the estimated redemption amount to the extent increases do not exceed the estimated fair value.

(4) During the second quarter of fiscal year 2023, the minority equity interest holders of three PrintBrothers businesses exercised a put option that triggered a mandatory redemption feature for the remaining minority equity interests. The remaining minority equity interests were reclassified to mandatorily redeemable noncontrolling interests, as part of other liabilities within the consolidated balance sheets. Refer above for additional information regarding the transaction and Note 7 for additional details about the reclassified liability balance.

11. Segment Information

Our operating segments are based upon the manner in which our operations are managed and the availability of separate financial information reported internally to the Chief Executive Officer, who is our Chief Operating Decision Maker ("CODM") for purposes of making decisions about how to allocate resources and assess performance.

As of December 31, 2022, we have numerous operating segments under our management reporting structure which are reported in the following five reportable segments:

- *Vista* - Vista is the parent brand of multiple offerings including VistaPrint, VistaCreate, 99designs by Vista, Vista Corporate Solutions, and Depositphotos, which together represent a full-service design, digital and print solution, elevating small businesses' presence in physical and digital spaces and empowering them to achieve success.
- *PrintBrothers* - Includes the results of our druck.at, Printdeal, and WIRmachenDRUCK businesses.
- *The Print Group* - Includes the results of our Easyflyer, Exaprint, Pixartprinting, and Tradeprint businesses.
- *National Pen* - Includes the global operations of our National Pen business, which manufactures and markets custom writing instruments and promotional products, apparel and gifts.
- *All Other Businesses* - Includes two businesses grouped together based on materiality. In addition to BuildASign, which is a larger and profitable business, the All Other Businesses reportable segment consists of another, smaller business that we continue to manage at a relatively modest operating loss.
    - BuildASign is an internet-based provider of canvas-print wall décor, business signage and other large-format printed products, based in Austin, Texas.
    - Printi is an online printing leader in Brazil, which offers a superior customer experience with transparent and attractive pricing, reliable service and quality.

Central and corporate costs consist primarily of the team of software engineers that is building our mass customization platform; shared service organizations such as global procurement; technology services such as hosting and security; administrative costs of our Cimpress India offices where numerous Cimpress businesses have dedicated business-specific team members; and corporate functions including our Board of Directors, CEO, and the team members necessary for managing corporate activities, such as treasury, tax, capital allocation, financial consolidation, internal audit and legal. These costs also include certain unallocated share-based compensation costs.

The expense value of our PSU awards is based on a Monte Carlo fair value analysis and is required to be expensed on an accelerated basis. In order to ensure comparability in measuring our businesses' results, we allocate the straight-line portion of the fixed grant value to our businesses. Any expense in excess of the amount as a result of the fair value measurement of the PSUs and the accelerated expense profile of the awards is recognized within central and corporate costs.

Our definition of segment EBITDA is GAAP operating income excluding certain items, such as depreciation and amortization, expense recognized for contingent earn-out related charges including the changes in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment, share-based compensation related to investment consideration, certain impairment expense, and restructuring charges. We include insurance proceeds that are not recognized within operating income. We do not allocate non-operating income, including realized gains and losses on currency hedges, to our segment results.

During the fourth quarter of fiscal 2022, we revised our internal reporting to reallocate certain third-party technology costs that were previously held within our Central and corporate costs to our Vista business and reportable segment. These include certain third-party costs that are variable in nature and the cost variability is primarily driven by decisions or volumes in the Vista business. We revised our presentation of the prior period results to reflect our updated segment reporting, which decreased both Vista segment EBITDA and Central and corporate costs by $1,923 and $3,042 for the three and six months ended December 31, 2021.

Our balance sheet information is not presented to the CODM on an allocated basis, and therefore we do not present asset information by segment. We do present other segment information to the CODM, which includes purchases of property, plant and equipment and capitalization of software and website development costs, and therefore include that information in the tables below.

Revenue by segment is based on the business-specific websites or sales channel through which the customer’s order was transacted. The following tables set forth revenue by reportable segment, as well as disaggregation of revenue by major geographic region and reportable segment.

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Revenue:				
Vista	$ 437,736	$ 448,114	$ 807,105	$ 797,594
PrintBrothers	148,598	137,694	281,297	263,051
The Print Group	89,336	90,130	166,159	162,950
National Pen	120,621	124,717	202,287	193,981
All Other Businesses	59,998	57,719	111,825	105,590
Total segment revenue	856,289	858,374	1,568,673	1,523,166
Inter-segment eliminations (1)	(11,087)	(8,658)	(20,056)	(15,851)
Total consolidated revenue	$ 845,202	$ 849,716	$ 1,548,617	$ 1,507,315

(1) Refer to the "Revenue by Geographic Region" tables below for detail of the inter-segment revenue within each respective segment.

	Three Months Ended December 31, 2022					
	Vista	PrintBrothers	The Print Group	National Pen	All Other	Total
Revenue by Geographic Region:						
North America	$ 291,885	$ —	$ —	$ 62,208	$ 52,200	$ 406,293
Europe	110,143	148,089	86,291	50,799	—	395,322
Other	35,206	—	—	2,130	6,251	43,587
Inter-segment	502	509	3,045	5,484	1,547	11,087
Total segment revenue	437,736	148,598	89,336	120,621	59,998	856,289
Less: inter-segment elimination	(502)	(509)	(3,045)	(5,484)	(1,547)	(11,087)
Total external revenue	$ 437,234	$ 148,089	$ 86,291	$ 115,137	$ 58,451	$ 845,202

	Six Months Ended December 31, 2022					
	Vista	PrintBrothers	The Print Group	National Pen	All Other	Total
Revenue by Geographic Region:						
North America	$ 558,371	$ —	$ —	$ 111,655	$ 95,492	$ 765,518
Europe	180,639	280,471	161,282	75,744	—	698,136
Other	67,083	—	—	4,682	13,198	84,963
Inter-segment	1,012	826	4,877	10,206	3,135	20,056
Total segment revenue	807,105	281,297	166,159	202,287	111,825	1,568,673
Less: inter-segment elimination	(1,012)	(826)	(4,877)	(10,206)	(3,135)	(20,056)
Total external revenue	$ 806,093	$ 280,471	$ 161,282	$ 192,081	$ 108,690	$ 1,548,617

	Three Months Ended December 31, 2021					
	Vista	PrintBrothers	The Print Group	National Pen	All Other	Total
Revenue by Geographic Region:						
North America	$ 289,615	$ —	$ —	$ 57,976	$ 51,035	$ 398,626
Europe	117,627	137,173	87,596	53,797	—	396,193
Other	39,767	—	—	9,229	5,901	54,897
Inter-segment	1,105	521	2,534	3,715	783	8,658
Total segment revenue	448,114	137,694	90,130	124,717	57,719	858,374
Less: inter-segment elimination	(1,105)	(521)	(2,534)	(3,715)	(783)	(8,658)
Total external revenue	$ 447,009	$ 137,173	$ 87,596	$ 121,002	$ 56,936	$ 849,716

	Six Months Ended December 31, 2021					
	Vista	PrintBrothers	The Print Group	National Pen	All Other	Total
Revenue by Geographic Region:						
North America	$ 534,064	$ —	$ —	$ 99,014	$ 92,343	$ 725,421
Europe	189,160	262,301	158,751	74,648	—	684,860
Other	72,563	—	—	12,762	11,709	97,034
Inter-segment	1,807	750	4,199	7,557	1,538	15,851
Total segment revenue	797,594	263,051	162,950	193,981	105,590	1,523,166
Less: inter-segment elimination	(1,807)	(750)	(4,199)	(7,557)	(1,538)	(15,851)
Total external revenue	$ 795,787	$ 262,301	$ 158,751	$ 186,424	$ 104,052	$ 1,507,315

The following table includes segment EBITDA by reportable segment, total income from operations and total (loss) income before income taxes:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Segment EBITDA:				
Vista	$ 55,157	$ 90,766	$ 85,894	$ 157,686
PrintBrothers	19,509	18,605	34,500	34,888
The Print Group	13,681	16,358	25,901	30,747
National Pen	24,783	31,599	23,486	23,551
All Other Businesses	5,406	6,264	11,584	11,155
Total segment EBITDA	118,536	163,592	181,365	258,027
Central and corporate costs	(33,802)	(34,703)	(68,380)	(68,856)
Depreciation and amortization	(40,874)	(45,314)	(81,816)	(89,746)
Certain impairments and other adjustments	925	2,713	(2,531)	3,493
Restructuring-related charges	(11,207)	(307)	(13,027)	2
Total income from operations	33,578	85,981	15,611	102,920
Other (expense) income, net	(17,392)	12,839	10,005	26,009
Interest expense, net	(28,597)	(25,369)	(53,403)	(51,057)
(Loss) income before income taxes	$ (12,411)	$ 73,451	$ (27,787)	$ 77,872

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Depreciation and amortization:				
Vista	$ 14,193	$ 17,563	$ 28,863	$ 33,966
PrintBrothers	5,149	5,106	9,922	10,340
The Print Group	5,799	6,612	11,661	13,196
National Pen	5,795	6,220	11,686	12,128
All Other Businesses	4,326	4,381	8,842	9,423
Central and corporate costs	5,612	5,432	10,842	10,693
Total depreciation and amortization	$ 40,874	$ 45,314	$ 81,816	$ 89,746

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Purchases of property, plant and equipment:				
Vista	$ 6,445	$ 7,881	$ 9,569	$ 10,359
PrintBrothers	1,053	1,204	1,761	2,716
The Print Group	5,270	5,249	10,089	6,677
National Pen	846	1,023	2,447	2,211
All Other Businesses	767	2,157	1,835	3,672
Central and corporate costs	351	401	789	904
Total purchases of property, plant and equipment	$ 14,732	$ 17,915	$ 26,490	$ 26,539

	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Capitalization of software and website development costs:				
Vista	$ 5,139	$ 8,618	$ 11,774	$ 16,190
PrintBrothers	1,069	236	1,458	468
The Print Group	771	519	1,261	945
National Pen	512	1,053	1,100	1,731
All Other Businesses	899	1,083	1,823	2,267
Central and corporate costs	5,526	4,986	11,830	10,533
Total capitalization of software and website development costs	$ 13,916	$ 16,495	$ 29,246	$ 32,134

The following table sets forth long-lived assets by geographic area:

	December 31, 2022	June 30, 2022
Long-lived assets (1):		
United States (2)	$ 83,937	$ 95,589
Switzerland	74,775	72,394
Netherlands	68,074	67,240
Canada	58,746	58,498
Italy	46,328	48,262
France	25,855	25,383
Jamaica	18,642	18,744
Australia	20,048	17,751
Japan (3)	—	11,392
Other	94,263	90,677
Total	$ 490,668	$ 505,930

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(1) Excludes goodwill of $776,788 and $766,600, intangible assets, net of $131,274 and $154,730, deferred tax assets of $9,519 and $113,088, and marketable securities, non-current of $17,107 and zero as of December 31, 2022 and June 30, 2022, respectively.

(2) The decrease of the United States long-lived assets is primarily driven by the termination of our Waltham, MA lease in August 2022 that resulted in a reduction to the operating lease asset and related leasehold improvements.

(3) The decrease in Japan's long-lived assets is due to the planned sale of the land and building, which resulted in the reclassification of the carrying value to prepaid expenses and other current assets because it meets held-for-sale criteria during the current quarter. Refer to Note 13 for additional details.

12. Commitments and Contingencies

Purchase Obligations

At December 31, 2022, we had unrecorded commitments under contract of $235,619, including third-party cloud services of $87,452; inventory, third-party fulfillment and digital service purchase commitments of $69,588; software of $28,874; advertising of $20,862; production and computer equipment purchases of $5,798; professional and consulting fees of $4,206, and other unrecorded purchase commitments of $18,839.

Other Obligations

We deferred payments for several of our acquisitions, resulting in the recognition of a liability of $6,838 as of December 31, 2022, which primarily relates to a deferred payment for our acquisition of Depositphotos that is expected to be paid during the third quarter of fiscal 2023.

Legal Proceedings

We are not currently party to any material legal proceedings. Although we cannot predict with certainty the results of litigation and claims to which we may be subject from time to time, we do not expect the resolution of any of our current matters to have a material adverse impact on our consolidated results of operations, cash flows or financial position. For all legal matters, at each reporting period, we evaluate whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. We expense the costs relating to our legal proceedings as those costs are incurred.

13. Restructuring Charges

Restructuring costs include one-time employee termination benefits, acceleration of share-based compensation, write-off of assets, costs to exit loss-making operations, and other related costs including third-party professional and outplacement services. All restructuring costs are excluded from segment and adjusted EBITDA.

During the three and six months ended December 31, 2022, we recognized restructuring charges of $11,207 and $13,027, respectively, and immaterial charges in the prior comparable periods. For the three and six months ended December 31, 2022, $7,265 and $8,722, respectively, were recognized in our Vista reportable segment primarily related to the impairment and write-off of assets associated with our previously announced plan to exit the Japanese market. In addition, we recognized $3,561 for the three and six months ended December 31, 2022 within our All Other Businesses reportable segment, which includes losses related to our planned sale of our Chinese business, which closed in January 2023. The remaining costs in the current periods include severance and related benefits associated with previously announced actions in our National Pen reportable segment and in our central and corporate costs.

The following table summarizes the restructuring activity during the six months ended December 31, 2022.

	Severance and Related Benefits	Other Restructuring Costs	Accrued restructuring liability
Balance as of June 30, 2022	$ 13,449	$ —	$ 13,449
Restructuring charges	2,335	10,692	13,027
Cash payments	(9,827)	—	(9,827)
Non-cash charges (1)	(649)	(10,692)	(11,341)
Foreign currency translation	(69)	—	(69)
Balance as of December 31, 2022	$ 5,239	$ —	$ 5,239

(1) During the three and six months ended December 31, 2022, non-cash restructuring charges primarily includes the loss recorded on assets that are held-for-sale for our planned Japan and China exits as described above, and share-based compensation expense upon modification to accelerate the vesting of share-based compensation awards for the actions described above.

Item 2. ***Management’s Discussion and Analysis of Financial Condition and Results of Operations***

This Report contains forward-looking statements that involve risks and uncertainties. The statements contained in this Report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including but not limited to our statements about the anticipated growth and development of our businesses and financial results; the persistence of higher costs and supply chain disruptions and the expected impacts of those costs and disruptions on our business; our planned cost reductions and the expected effects of the cost reductions; the expected impacts of our mass customization platform; our competitive advantages; the expected effects of mid- and upper-funnel advertising in Vista; sufficiency of our liquidity position; legal proceedings; and sufficiency of our tax reserves. Without limiting the foregoing, the words “may,” “should,” “could,” “expect,” “plan,” “intend,” “anticipate,” “believe,” “estimate,” “predict,” “designed,” “potential,” “continue,” “target,” “seek” and similar expressions are intended to identify forward-looking statements. All forward-looking statements included in this Report are based on information available to us up to, and including the date of this document, and we disclaim any obligation to update any such forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts and estimates are based; the development, severity, and duration of supply chain constraints, inflation, and the lingering effects of the COVID-19 pandemic; our inability to mitigate increases in our costs by increasing our prices and taking other measures; our inability to make the cost reductions that we plan to make or the failure of the cost reductions to affect our financial results as expected; our inability to make the investments that we plan to make or the failure of those investments to achieve the results we expect; our failure to execute on the transformation of the Vista business; loss of key personnel or our inability to recruit talented personnel to drive performance of our businesses; the failure of businesses we acquire or invest in to perform as expected; our failure to develop and deploy our mass customization platform or the failure of the platform to drive the efficiencies and competitive advantages we expect; unanticipated changes in our markets, customers, or businesses; changes in the laws and regulations, or in the interpretation of laws and regulations, that affect our businesses; our failure to manage the growth and complexity of our business and expand our operations; our failure to maintain compliance with the covenants in our debt documents or to pay our debts when due; competitive pressures; general economic conditions, including the possibility of an economic downturn in some or all of our markets; and other factors described in this Report and the documents that we periodically file with the SEC.

Executive Overview

Cimpress is a strategically focused group of more than a dozen businesses that specialize in mass customization of printing and related products, via which we deliver large volumes of individually small-sized customized orders. Our products include a broad range of marketing materials, business cards, signage, promotional products, logo apparel, packaging, books and magazines, wall decor, photo merchandise, invitations and announcements, and other categories. Mass customization is a core element of the business model of each Cimpress business and is a competitive strategy which seeks to produce goods and services to meet individual customer needs with near mass production efficiency.

As of December 31, 2022, we have numerous operating segments under our management reporting structure that are reported in the following five reportable segments: Vista, PrintBrothers, The Print Group, National Pen, and All Other Businesses. Refer to Note 11 in our accompanying consolidated financial statements for additional information relating to our reportable segments and our segment financial measures.

Financial Summary

The primary financial metric by which we set quarterly and annual budgets both for individual businesses and Cimpress wide is our adjusted free cash flow before cash interest expense; however, in evaluating the financial condition and operating performance of our business, management considers a number of metrics including revenue growth, organic constant-currency revenue growth, operating income, adjusted EBITDA, cash flow from operations and adjusted free cash flow. Reconciliations of our non-GAAP financial measures are included within the "Consolidated Results of Operations" and "Additional Non-GAAP Financial Measures" sections of Management's Discussion and Analysis. A summary of these key financial metrics for the three and six months ended December 31, 2022 as compared to the three and six months ended December 31, 2021 follows:

Second Quarter Fiscal Year 2023

- Revenue was flat at $845.2 million.
- Constant-currency revenue increased by 6% and by 5% when excluding the revenue of acquired companies for the first twelve months after acquisition (both non-GAAP financial measures).
- Operating income decreased by $52.4 million to $33.6 million.
- Adjusted EBITDA (a non-GAAP financial measure) decreased by $30.9 million to $111.2 million.
- Diluted net (loss) income per share attributable to Cimpress plc decreased from income of $2.08 to a loss of $5.34 per share in the current period.

Year to Date Fiscal Year 2023

- Revenue increased by 3% to $1,548.6 million.
- Constant-currency revenue increased by 10% and by 9% when excluding the revenue of acquired companies for the first twelve months after acquisition (both non-GAAP financial measures).
- Operating income decreased by $87.3 million to $15.6 million.
- Adjusted EBITDA (a non-GAAP financial measure) decreased by $52.9 million to $156.8 million.
- Diluted net (loss) income per share attributable to Cimpress plc decreased from income of $1.82 to a loss of $6.31 in the current period.
- Cash provided by operating activities decreased by $124.0 million to $55.9 million.
- Adjusted free cash flow (a non-GAAP financial measure) decreased by $121.1 million to $0.1 million.

For the three months ended December 31, 2022, reported revenue was flat year over year, and currency exchange fluctuations had a significant negative effect on revenue. Constant-currency revenue grew across all segments including growth in revenue from new customers in the Vista business; however, constant-currency revenue from consumer products in Vista and BuildASign during this seasonally important quarter was down slightly. The increase in constant-currency revenue was due to growth across all businesses including the impact of increased pricing during the past twelve months, as these actions were one tool we used to mitigate inflationary cost pressures.

For the three months ended December 31, 2022, the decrease in operating income was primarily due to the impact of cost inflation, as well as unfavorable product mix shifts in our Vista business, which both weighed on gross margins. Inflationary pressures on raw materials, energy and labor were partially offset by actions taken to increase pricing. We also recognized an increase in restructuring charges of $10.9 million, primarily related to exiting our businesses in Japan and China, as well as increased advertising spend mainly in Vista, driven by mid- and upper-funnel advertising. These cost increases were partially offset by cost containment measures put in place during the current quarter, which offset some of the year-over-year decline in gross profit.

Adjusted EBITDA decreased year over year, primarily for the same reasons operating income decreased. Adjusted EBITDA excludes restructuring charges, share-based compensation expense, certain impairments, and non-cash gains on the sale of assets, and includes the realized gains or losses on our currency derivatives intended to hedge adjusted EBITDA. The net year-over-year impact of currency on consolidated adjusted EBITDA was a benefit of approximately $6.5 million for the three months ended December 31, 2022.

Diluted net loss per share attributable to Cimpress plc increased for the three months ended December 31, 2022 primarily due to an increase in income tax expense of $108.8 million, driven by the recognition of a valuation allowance against Swiss deferred tax assets, for which we concluded recognition was no longer supported; the decrease in operating income as described above; and the effects of unrealized currency losses caused by exchanged rate volatility that more than offset realized gains recognized in the current quarter.

As described above, the impact of cost inflation, net of price increases, continues to weigh on year-over-year profitability, and, in the Vista business, unfavorable product mix shift also was a significant contributor to a year-over-year reduction in gross profit. Each of our reportable segments has seen material increases in the cost of product substrates like paper, production materials like aluminum plates, freight and shipping charges, energy and higher compensation costs due to inflationary pressures and a more competitive labor market. We believe our scale-based shared strategic capabilities and supplier relationships provide competitive advantages for our businesses to weather these challenges. However, during the second quarter of the current fiscal year, we put in place further operating cost containment measures that helped offset some of these impacts. Over the remainder of the fiscal year, we plan to take further steps to significantly reduce our cost base in support of expanding profitability as we exit the fiscal year.

During the six months ended December 31, 2022, cash from operations decreased $124.0 million year over year due to the decrease in operating income described above, as well as decreased working capital cash flows of $77.6 million, largely driven by the continuation of elevated inventory levels that are intended to minimize availability risk, as well as less favorable benefits from accounts payable due in part to timing.

Adjusted free cash flow decreased year over year by $121.1 million for the six months ended December 31, 2022, due to the operating cash flow decrease described above.

Consolidated Results of Operations

Consolidated Revenue

Our businesses generate revenue primarily from the sale and shipment of customized products. We also generate revenue, to a much lesser extent (and primarily in our Vista business), from digital services, graphic design services, website design and hosting, and email marketing services, as well as a small percentage of revenue from order referral fees and other third-party offerings. For additional discussion relating to segment revenue results, refer to the "Reportable Segment Results" section included below.

Total revenue and revenue growth by reportable segment for the three and six months ended December 31, 2022 and 2021 are shown in the following table:

In thousands	Three Months Ended December 31,			Currency Impact:	Constant-Currency	Impact of Acquisitions/Divestitures:	Constant- Currency Revenue Growth
	2022	2021	% Change	(Favorable)/Unfavorable	Revenue Growth (1)	(Favorable)/Unfavorable	Excluding Acquisitions/Divestitures (2)
Vista	$ 437,736	$ 448,114	(2)%	4%	2%	—%	2%
PrintBrothers	148,598	137,694	8%	12%	20%	(2)%	18%
The Print Group	89,336	90,130	(1)%	12%	11%	—%	11%
National Pen	120,621	124,717	(3)%	6%	3%	—%	3%
All Other Businesses	59,998	57,719	4%	(1)%	3%	—%	3%
Inter-segment eliminations	(11,087)	(8,658)					
Total revenue	$ 845,202	$ 849,716	(1)%	7%	6%	(1)%	5%

In thousands	Six Months Ended December 31,			Currency Impact:	Constant-Currency	Impact of Acquisitions/Divestitures:	Constant- Currency Revenue Growth
	2022	2021	% Change	(Favorable)/Unfavorable	Revenue Growth (1)	(Favorable)/Unfavorable	Excluding Acquisitions/Divestitures (2)
Vista	$ 807,105	$ 797,594	1%	4%	5%	—%	5%
PrintBrothers	281,297	263,051	7%	15%	22%	(2)%	20%
The Print Group	166,159	162,950	2%	15%	17%	—%	17%
National Pen	202,287	193,981	4%	7%	11%	—%	11%
All Other Businesses	111,825	105,590	6%	—%	6%	—%	6%
Inter-segment eliminations	(20,056)	(15,851)					
Total revenue	$ 1,548,617	$ 1,507,315	3%	7%	10%	(1)%	9%

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(1) Constant-currency revenue growth, a non-GAAP financial measure, represents the change in total revenue between current and prior year periods at constant-currency exchange rates by translating all non-U.S. dollar denominated revenue generated in the current period using the prior year period's average exchange rate for each currency to the U.S. dollar. Our reportable segments-related growth is inclusive of inter-segment revenues, which are eliminated in our consolidated results.

(2) Constant-currency revenue growth excluding acquisitions/divestitures, a non-GAAP financial measure, excludes revenue results for businesses in the period in which there is no comparable year-over-year revenue. Our reportable segments-related growth is inclusive of inter-segment revenues, which are eliminated in our consolidated results. For example, revenue from 99designs, which we acquired on October 1, 2020 in Q2 2021, is excluded from revenue growth in Q1 of fiscal year 2022 since there are no full quarter results in the comparable period, but revenue is included in revenue growth for Q2 through Q4 of fiscal year 2022. Our reportable segments-related growth is inclusive of inter-segment revenues, which are eliminated in our consolidated results.

We have provided these non-GAAP financial measures because we believe they provide meaningful information regarding our results on a consistent and comparable basis for the periods presented. Management uses these non-GAAP financial measures, in addition to GAAP financial measures, to evaluate our operating results. These non-GAAP financial measures should be considered supplemental to and not a substitute for our reported financial results prepared in accordance with GAAP.

Consolidated Cost of Revenue

Cost of revenue includes materials used by our businesses to manufacture their products, payroll and related expenses for production and design services personnel, depreciation of assets used in the production process and in support of digital marketing service offerings, shipping, handling and processing costs, third-party production and design costs, costs of free products and other related costs of products our businesses sell.

In thousands	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Cost of revenue	$ 455,393	$ 423,937	$ 833,128	$ 762,926
% of revenue	*53.9 %*	*49.9 %*	*53.8 %*	*50.6 %*

For the three and six months ended December 31, 2022, cost of revenue increased by $31.5 million and $70.2 million, respectively, as compared to the prior year periods, primarily due to the continued effects of global supply chain challenges that resulted in increased costs for product substrates like paper, production materials like aluminum plates, freight and shipping charges, and energy costs, as well as additional variable cost increases driven by the constant-currency revenue growth described above. Compensation costs were also higher due to the combination of a more competitive labor market and the inflationary environment in many jurisdictions where we operate. The overall impact of increased costs, net of pricing increases and manufacturing efficiencies, had varying impacts on our businesses during the three and six months ended December 31, 2022. We expect higher input costs to persist, although we are unable to predict for how long. We believe we are advantaged in this environment versus smaller competitors because our scale provides us with a stronger supplier negotiation position for both costs and availability of supply.

Consolidated Operating Expenses

The following table summarizes our comparative operating expenses for the following periods:

In thousands	Three Months Ended December 31,			Six Months Ended December 31,		
	2022	2021	2022 vs. 2021	2022	2021	2022 vs. 2021
Technology and development expense	$ 77,723	$ 70,267	11%	$ 152,198	$ 137,544	11%
% of revenue	*9.2 %*	*8.3 %*		*9.8 %*	*9.1 %*	
Marketing and selling expense	$ 205,148	$ 208,616	(2)%	$ 406,078	$ 383,313	6%
% of revenue	*24.3 %*	*24.6 %*		*26.2 %*	25.4 %	
General and administrative expense	$ 49,791	$ 46,726	7%	$ 103,863	$ 93,274	11%
% of revenue	*5.9 %*	*5.5 %*		*6.7 %*	*6.2 %*	
Amortization of acquired intangible assets	$ 12,362	$ 13,882	(11)%	$ 24,712	$ 27,340	(10)%
% of revenue	*1.5 %*	*1.6 %*		*1.6 %*	1.8 %	
Restructuring expense (1)	$ 11,207	$ 307	3,550%	$ 13,027	$ (2)	651,450%
% of revenue	*1.3 %*	*0.0 %*		*0.8 %*	*0.0 %*	

(1) Refer to Note 13 in our accompanying consolidated financial statements for additional details relating to restructuring expense.

Technology and development expense

Technology and development expense consists primarily of payroll and related expenses for employees engaged in software and manufacturing engineering, information technology operations and content development, as well as amortization of capitalized software and website development costs, including hosting of our websites, asset depreciation, patent amortization, and other technology infrastructure-related costs. Depreciation expense for information technology equipment that directly supports the delivery of our digital marketing services products is included in cost of revenue.

Technology and development expenses increased by $7.5 million and $14.7 million for the three and six months ended December 31, 2022, respectively, as compared to the prior year periods. This increase is primarily driven by increased volume-related third-party technology costs due in part to higher customer demand. In addition, compensation costs increased year-over-year by $1.4 million and $4.4 million for the three and six months ended December 31, 2022, respectively, due to increases from our inflation-adjusted annual merit cycle and market adjustments. Other operating costs increased due to higher travel and training costs. These increases were partially offset by cost savings resulting from restructuring actions that reduced headcount in the fourth quarter of fiscal year 2022.

Marketing and selling expense

Marketing and selling expense consists primarily of advertising and promotional costs; payroll and related expenses for our employees engaged in marketing, sales, customer support and public relations activities; direct-mail advertising costs; and third-party payment processing fees. Our Vista, National Pen and BuildASign businesses have higher marketing and selling costs as a percentage of revenue as compared to our PrintBrothers and The Print Group businesses due to differences in the customers that they serve.

For the three and six months ended December 31, 2022, marketing and selling expenses decreased by $3.5 million and increased by $22.8 million, respectively, as compared to the prior year periods. The decrease for the three months ended December 31, 2022 was primarily driven by favorable impacts from currency exchange rate fluctuations, partially offset by increased advertising spend of $5.1 million, with increased spend across most businesses. The increased spend for the six months ended December 31, 2022 was due to higher advertising spend of $25.8 million across Cimpress (including increases in mid- and upper-funnel spend, partially offset by lower performance advertising in Vista) and higher compensation costs in Vista year over year.

General and administrative expense

General and administrative expense consists primarily of transaction costs, including third-party professional fees, insurance and payroll and related expenses of employees involved in executive management, finance, legal, strategy, human resources and procurement.

For the three and six months ended December 31, 2022, general and administrative expenses increased by $3.1 million and $10.6 million, respectively, as compared to the prior year periods. Compensation costs increased year over year from higher headcount and the impacts of our inflation-adjusted annual merit cycle. Other cost increases included higher travel and training costs and consulting spend.

Other Consolidated Results

Other (expense) income, net

Other (expense) income, net generally consists of gains and losses from currency exchange rate fluctuations on transactions or balances denominated in currencies other than the functional currency of our subsidiaries, as well as the realized and unrealized gains and losses on some of our derivative instruments. In evaluating our currency hedging programs and ability to qualify for hedge accounting in light of our legal entity cash flows, we considered the benefits of hedge accounting relative to the additional economic cost of trade execution and administrative burden. Based on this analysis, we execute certain currency derivative contracts that do not qualify for hedge accounting.

The following table summarizes the components of other (expense) income, net:

In thousands	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
(Losses) gains on derivatives not designated as hedging instruments	$ (24,196)	$ 6,481	$ 4,449	$ 19,808
Currency-related gains, net	6,227	5,551	6,030	5,874
Other gains (losses)	577	807	(474)	327
Total other (expense) income, net	$ (17,392)	$ 12,839	$ 10,005	$ 26,009

The decrease in other (expense) income, net was primarily due to the currency exchange rate volatility impacting our derivatives that are not designated as hedging instruments, of which our Euro and British Pound contracts are the most significant exposures that we economically hedge. We expect volatility to continue in future periods, as we do not apply hedge accounting for most of our derivative currency contracts.

We experienced currency-related gains due to currency exchange rate volatility on our non-functional currency intercompany relationships, which we may alter from time to time. The impact of certain cross-currency swap contracts designated as cash flow hedges is included in our currency-related gains, net, offsetting the impact of certain non-functional currency intercompany relationships.

Interest expense, net

Interest expense, net primarily consists of interest paid on outstanding debt balances, amortization of debt issuance costs, debt discounts, interest related to finance lease obligations and realized gains (losses) on effective interest rate swap contracts and certain cross-currency swap contracts. In addition, accretion adjustments related to our mandatorily redeemable noncontrolling interests are recognized in interest expense, net. Refer to Note 7 in the accompanying consolidated financial statements for additional details.

Interest expense, net increased by $3.2 million and $2.3 million during the three and six months ended December 31, 2022, respectively, as compared to the prior year periods, primarily due to an accretion adjustment of $2.1 million during the second quarter of fiscal year 2023 for our mandatorily redeemable noncontrolling interests. In addition, the interest expense, net increase was impacted by a higher weighted-average interest rate, partially offset by an increase in interest income earned on our cash and marketable securities.

Income tax expense

In thousands	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
Income tax expense	$ 126,129	$ 17,298	$ 135,494	$ 26,679
Effective tax rate	*(1,016.3)%*	*23.6 %*	*(487.6)%*	*34.3 %*

Income tax expense for the three and six months ended December 31, 2022 increased versus the prior comparative periods. During the second quarter of fiscal 2023, we recorded a full valuation allowance on Swiss deferred tax assets of $116.7 million primarily related to Swiss tax reform benefits recognized in fiscal 2020 and tax loss carryforwards. As of December 31, 2022, we concluded that objective and verifiable negative evidence of recent losses in Switzerland outweighed more subjective positive evidence of anticipated future income.

We believe that our income tax reserves are adequately maintained by taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain and therefore there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows. Refer to Note 9 in our accompanying consolidated financial statements for additional discussion.

Reportable Segment Results

Our segment financial performance is measured based on segment EBITDA, which is defined as operating income plus depreciation and amortization; plus proceeds from insurance; plus share-based compensation expense related to investment consideration; plus earn-out related charges; plus certain impairments; plus restructuring related charges; less gain on purchase or sale of subsidiaries.

Vista

During the fourth quarter of fiscal year 2022, we revised our internal reporting to reallocate certain third-party technology costs that were previously held within our Central and corporate costs to our Vista business and reportable segment. These include certain third-party costs that are variable in nature and the cost variability is primarily driven by decisions or volumes in the Vista business. We revised our presentation of all prior periods presented to reflect our updated segment reporting, which decreased both Vista segment EBITDA and Central and corporate costs by $1.9 million and $3.0 million, respectively, for the three and six months ended December 31, 2021.

In thousands	Three Months Ended December 31,			Six Months Ended December 31,		
	2022	2021	2022 vs. 2021	2022	2021	2022 vs. 2021
Reported Revenue	$ 437,736	$ 448,114	(2)%	$ 807,105	$ 797,594	1%
Segment EBITDA	55,157	90,766	(39)%	85,894	157,686	(46)%
% of revenue	*13 %*	*20 %*		*11 %*	*20 %*	

Segment Revenue

Vista's reported revenue growth for the three and six months ended December 31, 2022 was negatively affected by a currency impact of 4% in both periods. Vista's organic constant-currency revenue growth was 2% and 5%, respectively, for the three and six months ended December 31, 2022. Constant-currency revenue growth remained stronger in Europe, and constant-currency revenue in North America was flat during the typically seasonally significant second quarter. From a product perspective, the strongest growth was in the promotional products, apparel and gifts (PPAG) category, while holiday cards and invitations and announcements declined year over year particularly in the U.S. market. For the three and six months ended December 31, 2022, revenue growth was negatively impacted year over year by a decline in face mask sales of $3.4 million and $8.5 million, respectively, as well as lower revenue year over year of $2.6 million and $3.2 million, respectively, due to our planned exit from the Japanese market.

Segment Profitability

For the three and six months ended December 31, 2022, segment EBITDA declined by $35.6 million and $71.8 million, respectively. Gross profit declined year over year due to cost inflation partially offset by price increases, unfavorable changes in product mix, and negative currency impacts. Vista is experiencing the fastest growth in categories like promotional products, apparel and gifts that have lower gross margins despite higher average order values. Vista's advertising expense increased by $3.5 million and $23.5 million for the three and six months ended December 31, 2022, respectively, driven by higher mid- and upper-funnel advertising which we are testing in certain markets as we believe it may improve awareness and consideration with customers and prospects, as well as reduce our reliance on paid search advertising. The increase to higher mid- and upper-funnel advertising spend was partially offset by reduced performance advertising spend for both periods presented.

For the three and six months ended December 31, 2022, operating expenses increased $6.1 million and $10.6 million, respectively, year over year. The increase for the year-to-date period is primarily due to increased growth investments made last year, which is lower sequentially as the investments have largely been lapped during the current quarter. These cost increases primarily relate to growth investments that include the hiring of talent, especially in user experience, design, product management, and data and analytics, as well as the impacts of inflation-adjusted merit increases effective July 1, 2022 that were larger than recent years. Increased investment in our VistaCreate business (acquired with Depositphotos in October 2021) also negatively impacted Vista's segment EBITDA results by approximately $2.1 million for the six months ended December 31, 2022. The investments are partially offset by the benefits from recent restructuring actions as well as further cost savings actions.

PrintBrothers

In thousands	Three Months Ended December 31,			Six Months Ended December 31,		
	2022	2021	2022 vs. 2021	2022	2021	2022 vs. 2021
Reported Revenue	$ 148,598	$ 137,694	8%	$ 281,297	$ 263,051	7%
Segment EBITDA	19,509	18,605	5%	34,500	34,888	(1)%
% of revenue	*13 %*	*14 %*		*12 %*	*13 %*	

Segment Revenue

PrintBrothers' reported revenue growth for the three and six months ended December 31, 2022 was negatively affected by currency impacts of 12% and 15%, respectively, resulting in a constant-currency revenue growth of 20% and 22%, respectively. This strong growth was driven by the recent introduction of new products, growth in order volumes and price increases implemented to address inflationary cost increases.

Segment Profitability

Despite a challenging supply chain and inflationary environment, PrintBrothers' segment EBITDA for the three months ended December 31, 2022 grew year over year, driven by the constant-currency revenue growth described above, as well as profit contribution from a business acquired in the last twelve months. For the six months ended December 31, 2022, Euro-based profitability increases were more than offset by year-over-year currency fluctuations. Currency exchange fluctuations negatively impacted segment EBITDA year over year by $1.8 million and $3.9 million, for the three and six months ended December 31, 2022, respectively. We continue to focus on key areas within these businesses to exploit scale advantages and improve their cost competitiveness. These businesses also continue to adopt technologies that are part of our mass customization platform, which we believe will further improve customer value and the efficiency of each business over the long term.

The Print Group

In thousands	Three Months Ended December 31,			Six Months Ended December 31,		
	2022	2021	2022 vs. 2021	2022	2021	2022 vs. 2021
Reported Revenue	$ 89,336	$ 90,130	(1)%	$ 166,159	$ 162,950	2%
Segment EBITDA	13,681	16,358	(16)%	25,901	30,747	(16)%
% of revenue	*15 %*	*18 %*		*16 %*	*19 %*	

Segment Revenue

The Print Group's reported revenue for the three and six months ended December 31, 2022 was negatively affected by a currency impact of 12% and 15%, respectively, resulting in an increase to revenue on a constant-currency basis of 11% and 17%, respectively. Constant-currency revenue growth was largely driven by price increases that have been implemented over the past year to address inflationary cost increases.

Segment Profitability

The decrease in The Print Group's segment EBITDA during the three and six months ended December 31, 2022, as compared to the prior year periods, was driven by cost increases that included higher input costs that are impacted by ongoing supply chain disruptions and higher shipping and energy costs, which more than offset the benefits from the revenue growth described above. For the three and six months ended December 31, 2022, currency exchange fluctuations negatively impacted segment EBITDA year over year by $1.7 million and $3.9 million, respectively.

National Pen

In thousands	Three Months Ended December 31,			Six Months Ended December 31,		
	2022	2021	2022 vs. 2021	2022	2021	2022 vs. 2021
Reported Revenue	$ 120,621	$ 124,717	(3)%	$ 202,287	$ 193,981	4%
Segment EBITDA	24,783	31,599	(22)%	23,486	23,551	—%
% of revenue	*21 %*	*25 %*		*12 %*	*12 %*	

Segment Revenue

For the three and six months ended December 31, 2022, National Pen's revenue growth was negatively affected by currency impacts of 6% and 7%, respectively, resulting in constant-currency revenue growth of 3% and 11%, respectively. Constant-currency revenue growth was driven by price increases that have been implemented over the past year to address inflationary cost increases, as well as volume growth in new product categories that include bags and drinkware. The year-over-year decline in face mask sales impacted National Pen's revenue by approximately $3.2 million and $7.3 million for the three and six months ended December 21, 2022, respectively.

Segment Profitability

The decrease in National Pen's segment EBITDA for the three and six months ended December 31, 2022 was driven by negative currency impacts of $5.2 million and $5.4 million, respectively. Both gross margin and contribution margin were flat year over year when excluding currency impacts. National Pen has benefited from the start of cost reductions related to inbound and outbound freight costs that are more significant for this business given the extent of the supply chain that originates in China.

All Other Businesses

In thousands	Three Months Ended December 31,			Six Months Ended December 31,		
	2022	2021	2022 vs. 2021	2022	2021	2022 vs. 2021
Reported Revenue	$ 59,998	$ 57,719	4%	$ 111,825	$ 105,590	6%
Segment EBITDA	5,406	6,264	(14)%	11,584	11,155	4%
% of revenue	*9 %*	*11 %*		*10 %*	*11 %*	

This segment consists of BuildASign, which is a larger and profitable business, and Printi, an early-stage business that we have managed at a relatively modest operating loss as previously described and planned.

Segment Revenue

All Other Businesses' constant-currency revenue growth was 3% and 6% during the three and six months ended December 31, 2022, respectively. BuildASign's signage products grew at double-digit rates, while home decor products were flat during the seasonally significant second quarter. Printi delivered solid revenue growth across product lines and channels.

Segment Profitability

The decrease in segment EBITDA for the three months ended December 31, 2022 as compared to the three months ended December 31, 2021, was due to higher input costs that had a larger impact during BuildASign's seasonally important second quarter and its home decor products. The increase in segment EBITDA for the six months ended December 31, 2022 as compared to the six months ended December 31, 2021, was driven by higher revenue and increased marketing efficiencies at both businesses during the first quarter of the current year. As Printi grows, it continues to increase gross margins and contribution margins, driving closer to delivering a positive contribution to segment EBITDA.

During the fourth quarter of fiscal year 2022, we decided to divest our small, loss-making business in China (YSD), which is reported as part of this segment. Our loss was lower this quarter due to the decreased operating expenses as we prepared to divest the business, which was completed in early January 2023.

Central and Corporate Costs

Central and corporate costs consist primarily of the team of software engineers that is building our mass customization platform; shared service organizations such as global procurement; technology services such as hosting and security; administrative costs of our Cimpress India offices where numerous Cimpress businesses have dedicated business-specific team members; and corporate functions including our Board of Directors, CEO, and the team members necessary for managing corporate activities, such as treasury, tax, capital allocation, financial consolidation, internal audit and legal. These costs also include certain unallocated share-based compensation costs.

During the fourth quarter of fiscal year 2022, we revised our internal reporting to reallocate certain third-party technology costs that were previously held within our Central and corporate costs to our Vista business. We have revised our presentation of all prior periods presented to reflect our revised segment reporting. Refer to Note 11 in our accompanying consolidated financial statements for additional details.

Central and corporate costs increased by $0.9 million and $0.5 million during the three and six months ended December 31, 2022, respectively, as compared to the prior periods, due to compensation increases as a result of our inflation-adjusted annual merit cycle and volume-related technology costs. Partially offsetting the compensation increases were savings from actions taken in the fourth quarter of fiscal 2022 to reduce headcount. In addition, unallocated share-based compensation was favorable versus the prior year, due in part to the granting of RSUs and options for most employees during the current year, as compared to PSUs in prior years.

Liquidity and Capital Resources

Consolidated Statements of Cash Flows Data

In thousands	Six Months Ended December 31, 2022	Six Months Ended December 31, 2021
Net cash provided by operating activities	$ 55,875	$ 179,911
Net cash used in investing activities	(106,569)	(77,281)
Net cash used in financing activities	(112,715)	(49,357)

The cash flows during the six months ended December 31, 2022 related primarily to the following items:

Cash inflows:

- Net loss of $163.3 million, adjusted for non-cash items of $254.2 million primarily related to adjustments for deferred taxes of $116.9 million, depreciation and amortization of $81.8 million, unrealized currency-related losses of $20.9 million, and share-based compensation costs of $22.7 million

Cash outflows:

- Exercise of PrintBrothers' and BuildASign minority equity interest holders' put options for $95.6 million; refer to Note 10 in the accompanying consolidated financial statements for additional details
- Total net working capital impacts of $35.1 million were a use of cash. The majority of this change in net working capital is impacted by increases to inventory that is held to mitigate the risk of supply availability due to ongoing supply chain disruptions and unfavorable changes to accounts payable, accrued expenses and other liabilities
- Purchase of held-to-maturity securities for $51.7 million, net of maturities
- Internal and external costs of $29.2 million for software and website development that we have capitalized
- Capital expenditures of $26.5 million of which the majority related to the purchase of manufacturing and automation equipment for our production facilities
- Repayments of debt, net of proceeds from debt, for $6.6 million
- Payments for finance lease arrangements of $4.3 million

- $3.7 million of distributions to noncontrolling interest holders
- Payment of withholding taxes in connection with share awards of $2.4 million

Additional Liquidity and Capital Resources Information. At December 31, 2022, we had $111.3 million of cash and cash equivalents, $102.2 million of marketable securities and $1,707.0 million of debt, excluding debt issuance costs and debt premiums and discounts. During the six months ended December 31, 2022, we financed our operations and strategic investments through internally generated cash flows from operations and cash on hand. We expect to finance our future operations through our cash, investments, operating cash flow and borrowings under our debt arrangements.

Indefinitely Reinvested Earnings. As of December 31, 2022, a portion of our cash and cash equivalents were held by our subsidiaries, and undistributed earnings of our subsidiaries that are considered to be indefinitely reinvested were $51.8 million. We do not intend to repatriate these funds as the cash and cash equivalent balances are generally used and available, without legal restrictions, to fund ordinary business operations and investments of the respective subsidiaries. If there is a change in the future, the repatriation of undistributed earnings from certain subsidiaries, in the form of dividends or otherwise, could have tax consequences that could result in material cash outflows.

Contractual Obligations

Contractual obligations at December 31, 2022 are as follows:

In thousands	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases, net of subleases (1)	$ 77,213	$ 23,747	$ 28,262	$ 8,164	$ 17,040
Purchase commitments	235,619	139,177	84,609	11,833	—
Senior unsecured notes and interest payments	747,000	42,000	84,000	621,000	—
Senior secured credit facility and interest payments (2)	1,487,487	83,383	170,949	162,034	1,071,121
Other debt	6,734	2,549	4,000	185	—
Finance leases, net of subleases (1)	25,572	6,741	8,247	3,304	7,280
Other	6,838	6,838	—	—	—
Total (3)	$ 2,586,463	$ 304,435	$ 380,067	$ 806,520	$ 1,095,441

(1) Operating and finance lease payments above include only amounts which are fixed under lease agreements. Our leases may also incur variable expenses which are not reflected in the contractual obligations above.

(2) Senior secured credit facility and interest payments include the effects of interest rate swaps, whether they are expected to be payments or receipts of cash.

(3) We may be required to make cash outlays related to our uncertain tax positions. However, due to the uncertainty of the timing of future cash flows associated with our uncertain tax positions, we are unable to make reasonably reliable estimates of the period of cash settlement, if any, with the respective taxing authorities. Accordingly, uncertain tax positions of $9.5 million as of December 31, 2022 have been excluded from the contractual obligations table above. See Note 9 in our accompanying consolidated financial statements for further information on uncertain tax positions.

Operating Leases. We rent manufacturing facilities and office space under operating leases expiring on various dates through 2037. The terms of certain lease agreements require security deposits in the form of bank guarantees and letters of credit, with $1.8 million in the aggregate outstanding as of December 31, 2022.

Purchase Commitments. At December 31, 2022, we had unrecorded commitments under contract of $235.6 million. Purchase commitments consisted of third-party cloud services of $87.5 million; inventory, third-party fulfillment and digital service purchase commitments of $69.6 million; software of $28.9 million; advertising of $20.9 million; production and computer equipment purchases of $5.8 million; commitments for professional and consulting fees of $4.2 million; and other unrecorded purchase commitments of $18.8 million.

Senior Secured Credit Facility and Interest Payments. As of December 31, 2022, we have borrowings under our Restated Credit Agreement of $1,100.2 million consisting of the Term Loan B, which amortizes over the loan period, with a final maturity date of May 17, 2028. Our $250.0 million Revolving Credit Facility under our Restated

Credit Agreement has $243.7 million unused as of December 31, 2022. There are no drawn amounts on the Revolving Credit Facility, but our outstanding letters of credit reduce our unused balance. Our unused balance can be drawn at any time so long as we are in compliance with our debt covenants and if any loans made under the Revolving Credit Facility are outstanding on the last day of any fiscal quarter, then we are subject to a financial maintenance covenant that the First Lien Leverage Ratio (as defined in the Restated Credit Agreement) calculated as of the last day of such quarter shall not exceed 3.25 to 1.00. Any amounts drawn under the Revolving Credit Facility will be due on May 17, 2026. Interest payable included in the above table is based on the interest rate as of June 30, 2022 and assumes all LIBOR-based revolving loan amounts outstanding will not be paid until maturity but that the term loan amortization payments will be made according to our defined schedule.

Senior Unsecured Notes and Interest Payments. Our $600.0 million of 2026 Notes bear interest at a rate of 7.0% per annum and mature on June 15, 2026. Interest on the notes is payable semi-annually on June 15 and December 15 of each year.

Debt Covenants. The Restated Credit Agreement and the indenture that governs our 7.0% Senior Notes due 2026 contain covenants that restrict or limit certain activities and transactions by Cimpress and our subsidiaries. As of December 31, 2022, we were in compliance with all covenants under our Restated Credit Agreement and the indenture governing our 2026 Notes. Refer to Note 8 in our accompanying consolidated financial statements for additional information.

Other Debt. In addition, we have other debt which consists primarily of term loans acquired through our various acquisitions or used to fund certain capital investments. As of December 31, 2022, we had $6.7 million outstanding for those obligations that have repayments due on various dates through March 2027.

Finance Leases. We lease certain machinery and plant equipment under finance lease agreements that expire at various dates through 2028. The aggregate carrying value of the leased equipment under finance leases included in property, plant and equipment, net in our consolidated balance sheet at December 31, 2022 is $23.6 million, net of accumulated depreciation of $35.6 million. The present value of lease installments not yet due included in other current liabilities and other liabilities in our consolidated balance sheet at December 31, 2022 amounts to $27.1 million.

Other Obligations. Other obligations consist of deferred payments relating to previous acquisitions, including the deferred payment relating to our Depositphotos acquisition that is payable in October 2022, subject to any outstanding indemnification claims.

Additional Non-GAAP Financial Measures

Adjusted EBITDA and adjusted free cash flow presented below, and constant-currency revenue growth and constant-currency revenue growth excluding acquisitions/divestitures presented in the consolidated results of operations section above, are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. Adjusted EBITDA is defined as GAAP operating income plus depreciation and amortization plus share-based compensation expense plus proceeds from insurance plus earn-out related charges plus certain impairments plus restructuring related charges plus realized gains or losses on currency derivatives less gain on purchase or sale of subsidiaries.

Adjusted EBITDA is the primary profitability metric by which we measure our consolidated financial performance and is provided to enhance investors' understanding of our current operating results from the underlying and ongoing business for the same reasons it is used by management. For example, as we have become more acquisitive over recent years we believe excluding the costs related to the purchase of a business (such as amortization of acquired intangible assets, contingent consideration, or impairment of goodwill) provides further insight into the performance of the underlying acquired business in addition to that provided by our GAAP operating income. As another example, as we do not apply hedge accounting for certain derivative contracts, we believe inclusion of realized gains and losses on these contracts that are intended to be matched against operational currency fluctuations provides further insight into our operating performance in addition to that provided by our GAAP operating income. We do not, nor do we suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

Adjusted free cash flow is the primary financial metric by which we set quarterly and annual budgets both for individual businesses and Cimpress-wide. Adjusted free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment, purchases of intangible assets not related to acquisitions, and capitalization of software and website development costs that are included in net cash used in investing activities, plus the payment of contingent consideration in excess of acquisition-date fair value and gains on proceeds from insurance that are included in net cash provided by operating activities, if any. We use this cash flow metric because we believe that this methodology can provide useful supplemental information to help investors better understand our ability to generate cash flow after considering certain investments required to maintain or grow our business, as well as eliminate the impact of certain cash flow items presented as operating cash flows that we do not believe reflect the cash flow generated by the underlying business.

Our adjusted free cash flow measure has limitations as it may omit certain components of the overall cash flow statement and does not represent the residual cash flow available for discretionary expenditures. For example, adjusted free cash flow does not incorporate our cash payments to reduce the principal portion of our debt or cash payments for business acquisitions. Additionally, the mix of property, plant and equipment purchases that we choose to finance may change over time. We believe it is important to view our adjusted free cash flow measure only as a complement to our entire consolidated statement of cash flows.

The table below sets forth operating income and adjusted EBITDA for the three and six months ended December 31, 2022 and 2021:

In thousands	Three Months Ended December 31,		Six Months Ended December 31,	
	2022	2021	2022	2021
GAAP operating income	$ 33,578	$ 85,981	$ 15,611	$ 102,920
Exclude expense (benefit) impact of:				
Depreciation and amortization	40,874	45,314	81,816	89,746
Share-based compensation expense	11,547	12,505	22,022	23,511
Certain impairments and other adjustments	(925)	(2,713)	2,531	(3,493)
Restructuring-related charges	11,207	307	13,027	(2)
Realized gains (losses) on currency derivatives not included in operating income (1)	14,901	674	21,770	(2,998)
Adjusted EBITDA	$ 111,182	$ 142,068	$ 156,777	$ 209,684

(1) These realized gains (losses) include only the impacts of certain currency derivative contracts that are intended to hedge our exposure to foreign currencies for which we do not apply hedge accounting. See Note 4 in our accompanying consolidated financial statements for further information.

The table below sets forth net cash provided by operating activities and adjusted free cash flow for the six months ended December 31, 2022 and 2021:

In thousands	Six Months Ended December 31,	
	2022	2021
Net cash provided by operating activities	$ 55,875	$ 179,911
Purchases of property, plant and equipment	(26,490)	(26,539)
Capitalization of software and website development costs	(29,246)	(32,134)
Adjusted free cash flow	$ 139	$ 121,238

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Interest Rate Risk. Our exposure to interest rate risk relates primarily to our cash, cash equivalents and debt.

As of December 31, 2022, our cash and cash equivalents consisted of standard depository accounts which are held for working capital purposes, money market funds, and marketable securities with an original maturity of less than 90 days. We do not believe we have a material exposure to interest rate fluctuations related to our cash and cash equivalents.

As of December 31, 2022, we had $1,100 million of variable-rate debt. As a result, we have exposure to market risk for changes in interest rates related to these obligations. In order to mitigate our exposure to interest rate changes related to our variable rate debt, we execute interest rate swap contracts to fix the interest rate on a portion of our outstanding or forecasted long-term debt with varying maturities. As of December 31, 2022, a hypothetical 100 basis point increase in rates, inclusive of the impact of our outstanding interest rate swaps that are accruing interest as of December 31, 2022, would result in a $7.4 million impact to interest expense over the next 12 months.

Currency Exchange Rate Risk. We conduct business in multiple currencies through our worldwide operations but report our financial results in U.S. dollars. We manage these currency risks through normal operating activities and, when deemed appropriate, through the use of derivative financial instruments. We have policies governing the use of derivative instruments and do not enter into financial instruments for trading or speculative purposes. The use of derivatives is intended to reduce, but does not entirely eliminate, the impact of adverse currency exchange rate movements. A summary of our currency risk is as follows:

- *Translation of our non-U.S. dollar revenues and expenses:* Revenue and related expenses generated in currencies other than the U.S. dollar could result in higher or lower net loss when, upon consolidation, those transactions are translated to U.S. dollars. When the value or timing of revenue and expenses in a given currency are materially different, we may be exposed to significant impacts on our net loss and non-GAAP financial metrics, such as adjusted EBITDA.

  Our currency hedging objectives are targeted at reducing volatility in our forecasted U.S. dollar-equivalent adjusted EBITDA in order to maintain stability on our incurrence-based debt covenants. Since adjusted EBITDA excludes non-cash items such as depreciation and amortization that are included in net loss, we may experience increased, not decreased, volatility in our GAAP results due to our hedging approach. Our most significant net currency exposures by volume are in the Euro and British Pound.

  In addition, we elect to execute currency derivatives contracts that do not qualify for hedge accounting. As a result, we may experience volatility in our consolidated statements of operations due to (i) the impact of unrealized gains and losses reported in other (expense) income, net, on the mark-to-market of outstanding contracts and (ii) realized gains and losses recognized in other (expense) income, net, whereas the offsetting economic gains and losses are reported in the line item of the underlying activity, for example, revenue.

- *Translation of our non-U.S. dollar assets and liabilities*: Each of our subsidiaries translates its assets and liabilities to U.S. dollars at current rates of exchange in effect at the balance sheet date. The resulting gains and losses from translation are included as a component of accumulated other comprehensive loss on the consolidated balance sheet. Fluctuations in exchange rates can materially impact the carrying value of our assets and liabilities. We have currency exposure arising from our net investments in foreign operations. We enter into currency derivatives to mitigate the impact of currency rate changes on certain net investments.

- *Remeasurement of monetary assets and liabilities:* Transaction gains and losses generated from remeasurement of monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are included in other (expense) income, net, on the consolidated statements of operations. Certain of our subsidiaries hold intercompany loans denominated in a currency other than their functional currency. Due to the significance of these balances, the revaluation of intercompany loans can have a material impact on other (expense) income, net. We expect these impacts may be volatile in the future, although our largest intercompany loans do not have a U.S. dollar cash impact for the consolidated group because they are either 1) U.S. dollar loans or 2) we elect to hedge certain non-U.S. dollar loans with cross-currency swaps and forward contracts. A hypothetical 10% change in currency exchange rates was applied to total net monetary assets denominated in currencies other than the functional currencies at the balance sheet dates to compute the impact these changes would have had on our income before taxes in the near term. The balances are inclusive of the notional value of any cross-currency swaps designated as cash flow hedges. A hypothetical decrease in exchange rates of 10% against the functional currency of our subsidiaries would have resulted in a change of $10.5 million and $14.0 million on our (loss) income before income taxes for the three and six months ended December 31, 2022.

Item 4. *Controls and Procedures*

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2022, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no significant changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended December 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 6. ***Exhibits and Financial Statement Schedules***

Exhibit No.	Description
10.1	2020 Equity Incentive Plan, as amended, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on November 17, 2022
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Executive Officer
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Financial Officer
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Executive Officer and Chief Financial Officer

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

January 26, 2023 Cimpress plc

By: /s/ Sean E. Quinn

Sean E. Quinn
Chief Financial Officer
(Principal Financial and Accounting Officer)

Amendment No. 1 to
2020 Equity Incentive Plan

The 2020 Equity Incentive Plan of Cimpress plc is amended as follows, and capitalized terms used and not defined herein have the respective meanings ascribed to such terms in the 2020 Equity Incentive Plan:

Section 4(a)(1) is deleted in its entirety and replaced with the following:

"Authorized Number of Ordinary Shares. Subject to adjustment under Section 9, the Company may make Awards under the Plan for up to a total of 5,500,000 ordinary shares, €0.01 nominal value per share, of the Company (the "***Ordinary Shares***") plus the number of Ordinary Shares subject to awards granted under the 2016 Performance Equity Plan that expire or are terminated, surrendered, canceled, or forfeited as more specifically set forth in Section 4(a)(2)(B) below. The Company may grant Incentive Stock Options (as defined in Section 5(b)) under the Plan covering a maximum of 5,500,000 Ordinary Shares in the aggregate. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares."

Amendment adopted by the Board on September 21, 2022 and by the Company's shareholders on November 16, 2022

CIMPRESS PLC

2020 EQUITY INCENTIVE PLAN

1. Purpose

The purpose of this 2020 Equity Incentive Plan (the "***Plan***") of Cimpress plc, a public limited company incorporated under the laws of Ireland (the "***Company***"), is to advance the interests of the Company's shareholders by enhancing the Company's ability to attract, retain and motivate individuals who are expected to make important contributions to the Company and by providing such individuals with equity ownership opportunities and performance-based incentives that are intended to better align the interests of the individuals with those of the Company's shareholders. Except where the context otherwise requires, the term "***Company***" includes any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the United States Internal Revenue Code of 1986, as amended, and any regulations thereunder (the "***Code***") and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a controlling interest, as determined by the board of directors of the Company (the "***Board***").

2. Eligibility

All of the Company's employees, officers and directors, as well as consultants and advisors to the Company (as the terms "consultants" and "advisors" are defined and interpreted for purposes of Form S-8 under the Securities Act of 1933, as amended (the "***Securities Act***"), or any successor form) are eligible to be granted Awards under the Plan. Each person who is granted an Award under the Plan is deemed a "***Participant***." "***Award***" means Options (as defined in Section 5), SARs (as defined in Section 6), Restricted Shares (as defined in Section 7), RSUs (as defined in Section 7), and Other Share-Based Awards (as defined in Section 8).

3. Administration and Delegation

(a) Administration by Board. The Board administers the Plan and has the authority to grant Awards, including but not limited to determining which individuals will be granted Awards, the timing of granting Awards, the type(s) of Awards to be granted, and the terms and conditions of each Award; to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it deems advisable; and to exercise such powers and perform such acts as the Board deems necessary, desirable, convenient or expedient to promote the best interests of the Company that are not in conflict with the provisions of the Plan. The Board may construe and interpret the terms of the Plan and any Award agreements entered into under the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it deems expedient, and it is the sole and final judge of such expediency. All decisions by the Board are made in the Board's sole discretion and are final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "***Committee***"). All references in the Plan to the "***Board***" mean the Board, a Committee or the officers referred to in Section 3(c), in the latter two cases to the extent that the Board's powers or authority under the Plan have been delegated to such Committee or officers. The Board may revoke or amend the terms of a delegation under this Section 3(b) or under Section 3(c) at any time, but such action shall not invalidate any prior actions of the Board's delegate or delegates that were consistent with the terms of the Plan.

(c) Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Awards (subject to any limitations under the Plan) to employees or officers of the Company and to exercise such other powers under the Plan as the Board may determine. However, the Board shall fix the terms of such Awards to be granted by such officers (including the exercise price of such Awards, if any, which may include a formula by which the exercise price is determined) and the maximum number of shares subject to such Awards that the officers may grant, and no officer is authorized to grant such Awards to any (1) "executive officer" of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")), (2) "officer" of the Company (as defined by Rule 16a-1 under the Exchange Act), or (3) member of the Board.

4. Ordinary Shares Available for Awards; Plan Limits

(d) Number of Shares; Share Counting.

(1) Authorized Number of Ordinary Shares. Subject to adjustment under Section 9, the Company may make Awards under the Plan for up to a total of 3,500,000 ordinary shares, €0.01 nominal value per share, of the Company (the "***Ordinary Shares***") plus the number of Ordinary Shares subject to awards granted under the 2016 Performance Equity Plan that expire or are terminated, surrendered, canceled, or forfeited as more specifically set forth in Section 4(a)(2)(B) below. The Company may grant Incentive Stock Options (as defined in Section 5(b)) under the Plan covering a maximum of 3,500,000 Ordinary Shares in the aggregate. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(2) Share Counting. For purposes of counting the number of shares available under the share limits specified in this Section 4(a), the following provisions apply:

(A) All Ordinary Shares covered by SARs are counted against the share limits specified in this Section 4(a), except that if the Company grants an SAR in tandem with an Option for the same number of Ordinary Shares and provides that only one such Award may be exercised (a "***Tandem SAR***"), only the shares covered by the Option, and not the shares covered by the Tandem SAR, are so counted, and the expiration of one in connection with the other's exercise does not restore shares to the Plan.

(B) If any Award or, after the Effective Date (as defined below), any award granted under the Company's 2016 Performance Equity Plan (i) expires or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of Ordinary Shares subject to such award being redeemed by the Company at the original issuance price pursuant to a contractual redemption right) or (ii) results in any Ordinary Shares not being issued (including as a result of an SAR that was settleable either in cash or in shares actually being settled in cash), the unused Ordinary Shares covered by such award are again available for the grant of Awards; for clarity, without limiting the foregoing, with respect to performance share unit awards under the 2016 Performance Equity Plan that are outstanding as of the Effective Date and that subsequently expire or are terminated, surrendered, canceled or forfeited in whole or in part, one Ordinary Shares for each unit subject to each such award becomes available for the grant of Awards under this Plan. However, in the case of Incentive Stock Options, the foregoing is subject to any limitations under the Code; in the case of the exercise of an SAR, the number of shares counted against the share limits specified in this Section 4(a) is the full number of shares subject to the SAR multiplied by the percentage of the SAR actually exercised, regardless of the number of shares actually used to settle such SAR upon exercise; and the shares covered by a Tandem SAR do not again become available for grant upon the expiration or termination of such Tandem SAR.

(C) Ordinary Shares that a Participant delivers to the Company (whether by actual delivery, attestation or net exercise) to (i) purchase Ordinary Shares upon the exercise of an Award or (ii) satisfy tax withholding obligations (including shares retained from the Award or, after the Effective Date, any award granted under the Company's 2016 Performance Equity Plan creating the tax obligation) are not added back to the number of shares available for the future grant of Awards.

(D) Ordinary Shares repurchased or redeemed by the Company on the open market using the proceeds from the exercise of an Award do not increase the number of shares available for future grant of Awards.

(a) Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof, on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards do not count against the overall share limit set forth in Section 4(a) or any sublimits contained in the Plan, except as may be required by reason of Section 422 and related provisions of the Code.

5. Share Options

(a) General. The Board may grant options to purchase Ordinary Shares (each, an "***Option***") and shall determine the number of Ordinary Shares covered by each Option, the exercise price of each Option and such conditions and limitations applicable to the exercise of each Option, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable.

(b) Incentive Stock Options. An Option that is designated and qualified as an "incentive stock option" as defined in Section 422 of the Code (an "***Incentive Stock Option***") may be granted only to employees of Cimpress plc, any of the parent or subsidiary corporations of Cimpress plc as defined in Sections 424(e) or (f) of the Code, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code, in each case as of the date of grant of the Option. An Option that is not designated, or does not qualify, as an Incentive Stock Option is a "***Nonstatutory Share Option***." The Company has no liability to a Participant or any other party if an Option (or any part thereof) that is intended to be an Incentive Stock Option does not qualify as an Incentive Stock Option or if the Company converts an Incentive Stock Option to a Nonstatutory Share Option.

(c) Exercise Price. The Board shall establish the exercise price of each Option and specify the exercise price in the applicable Option agreement. The exercise price may not be less than 100% of the Fair Market Value per Ordinary Share on the date the Option is granted, unless the Board approves the grant of an Option with an exercise price to be determined on a future date, in which case the exercise price may not be less than 100% of the Fair Market Value on such future date. Notwithstanding the foregoing, Options may be granted with an exercise price per share that is less than 100% of the Fair Market Value on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code. "***Fair Market Value***" means the fair market value of the Ordinary Shares determined in good faith by the Board, unless the Ordinary Shares are listed on a stock exchange or traded on an established market, in which case Fair Market Value shall be determined by reference to market quotations.

(d) Duration of Options. Each Option is exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable Option agreement, except that no Option may have a term in excess of 10 years.

(e) Exercise of Options. Options may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with payment in full (in the manner specified in Section 5(f)) of the exercise price for the number of Ordinary Shares for which the Option is exercised. The Company shall deliver Ordinary Shares subject to the Option as soon as practicable after the Participant has fulfilled the requirements contained in the Option agreement and applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the Participant).

(f) Payment Upon Exercise. Ordinary Shares purchased upon the exercise of an Option granted under the Plan must be paid for as follows:

(1) in cash or by check, payable to the order of the Company;

(2) except as the applicable Option agreement may provide or the Board may approve in its sole discretion, by an arrangement that is acceptable to the Company with a creditworthy broker to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding;

(3) to the extent provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by delivery (either by actual delivery or attestation) of Ordinary Shares owned by the Participant valued at their Fair Market Value, so long as (A) such method of payment is then permitted under applicable law, (B) the Participant owned such Ordinary Shares, if acquired directly from the Company, for such minimum period of time, if any, as the Board may establish in its discretion and (C) such Ordinary Shares are not subject to any redemption, forfeiture, unfulfilled vesting or other similar requirements;

(4) to the extent permitted by applicable law and provided for in the applicable Nonstatutory Share Option agreement or approved by the Board in its sole discretion, by delivery of a notice of "net exercise" to the Company, as a result of which the Participant would receive (A) the number of shares underlying the portion of the Option being exercised, less (B) such number of shares as is equal to (i) the aggregate exercise price for the portion of the Option being exercised divided by (ii) the Fair Market Value on the date of exercise;

(5) to the extent permitted by applicable law and provided for in the applicable Option agreement or approved by the Board, in its sole discretion, by payment of such other lawful consideration as the Board may determine; or

(6) by any combination of the above permitted forms of payment.

(b) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the Ordinary Shares with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by a Participant during any calendar year shall not exceed $100,000. To the extent that any Option exceeds this limit, it constitutes a Nonstatutory Share Option.

(c) Limitation on Repricing. Unless such action is approved by the Company's shareholders, the Company may not (except as provided for under Section 9) (1) amend any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option; (2) cancel any outstanding option (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(b)) covering the same or a different number of Ordinary Shares and having an exercise price per share lower than the then-current exercise price per share of the cancelled option; (3) cancel in exchange for a cash payment any outstanding Option with an exercise price per share above the then-current Fair Market Value, other than pursuant to Section 9; or (4) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of the NASDAQ Stock Market ("***NASDAQ***").

6. Share Appreciation Rights

(g) General. The Board may grant Awards consisting of share appreciation rights ("***SARs***") entitling the holder, upon exercise, to receive an amount of Ordinary Shares or cash or a combination thereof (such form to be determined by the Board) determined by reference to appreciation, from and after the date of grant, in the Fair Market Value of an Ordinary Share over the measurement price established pursuant to Section 6(b). The date as of which such appreciation is determined is the exercise date.

(h) Measurement Price. The Board shall establish the measurement price of each SAR and specify it in the applicable SAR agreement. The measurement price may not be less than 100% of the Fair Market Value on the date the SAR is granted, unless the Board approves the grant of an SAR effective as of a future date, in which case the measurement price may not be less than 100% of the Fair Market Value on such future date.

(i) Duration of SARs. Each SAR is exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable SAR agreement, except that no SAR may have a term in excess of 10 years.

(j) Exercise of SARs. SARs may be exercised by delivery to the Company of a notice of exercise in a form (which may be electronic) approved by the Company, together with any other documents required by the Board.

(k) Limitation on Repricing. Unless such action is approved by the Company's shareholders, the Company may not (except as provided for under Section 9) (1) amend any outstanding SAR granted under the Plan to provide a measurement price per share that is lower than the then-current measurement price per share of such outstanding SAR; (2) cancel any outstanding SAR (whether or not granted under the Plan) and grant in substitution therefor new Awards under the Plan (other than Awards granted pursuant to Section 4(b)) covering the same or a different number of Ordinary Shares and having an exercise or measurement price per share lower than the then-current measurement price per share of the cancelled SAR; (3) cancel in exchange for a cash payment any outstanding SAR with a measurement price per share above the then-current Fair Market Value, other than pursuant to Section 9; or (4) take any other action under the Plan that constitutes a "repricing" within the meaning of the rules of NASDAQ.

7. Restricted Shares; Restricted Share Units

(a) General. The Board may grant Awards entitling recipients to acquire Ordinary Shares ("***Restricted Shares***"), subject to the right of the Company to redeem all or part of such shares at their issue price or other stated or formula price (or to require forfeiture of such shares if issued at no cost) from the recipient if conditions specified by the Board in the applicable Award are not satisfied before the end of the applicable restriction period(s) established by the Board for such Award. The Board may also grant Awards consisting of restricted share units entitling the recipient to receive Ordinary Shares or cash to be delivered when such Award vests ("***RSUs***") (Awards of Restricted Shares and RSUs are each referred to herein as a "***Restricted Share Award***").

(b) Terms and Conditions for All Restricted Share Awards. The Board shall determine the terms and conditions of a Restricted Share Award, including the conditions for vesting and redemption (or forfeiture) and the issue price, if any. Upon the grant of Restricted Shares and payment of any applicable purchase price, a Participant has the rights of a shareholder with respect to the voting of the Restricted Shares and receipt of dividends, but any dividends paid by the Company during the vesting period will accrue and will not be paid to the Participant until and only to the extent the Restricted Shares vest.

(c) Additional Provisions Relating to RSUs.

(1) Settlement. Upon the vesting of and/or lapsing of any other restrictions (i.e., settlement) with respect to RSUs, the Participant is entitled to receive from the Company the number of Ordinary Shares determined by the Board and set forth in the applicable Award agreement or (if so provided in the applicable Award agreement) an amount of cash equal to the Fair Market Value of the number of Ordinary Shares determined by the Board and set forth in the applicable Award agreement. The Board may, in its discretion, provide that settlement of RSUs be deferred, on a mandatory basis or at the election of the Participant in a manner that complies with Section 409A of the Code, if applicable.

(2) Voting Rights. A Participant has no voting rights with respect to any RSUs.

(3) Dividend Equivalents. The Award agreement for RSUs may provide Participants with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding Ordinary Shares ("***Dividend Equivalents***"). The Company may pay Dividend Equivalents currently or credit them to an account for the Participant, may settle Dividend Equivalents in cash and/or Ordinary Shares and may provide that the Dividend Equivalents are subject to the same restrictions on transfer and forfeitability as the RSUs with respect to which they are paid, in each case to the extent provided in the Award agreement. Dividend Equivalents granted as a component of an Award of RSUs must provide that such Dividend Equivalents will be settled only upon settlement or payment of, or lapse of restrictions on, such RSUs, and that such Dividend Equivalents will expire or be forfeited or annulled under the same conditions as such RSUs.

8. Other Share-Based Awards

(a) General. The Company may grant to Participants hereunder other Awards of Ordinary Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Ordinary Shares or other property ("***Other Share-Based-Awards***"). Such Other Share-Based Awards are also available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled. The Company may pay Other Share-Based Awards in Ordinary Shares or cash, as the Board determines.

(b) Terms and Conditions. Subject to the provisions of the Plan, the Board shall determine the terms and conditions of each Other Share-Based Award, including any purchase price applicable thereto.

9. Adjustments for Changes in Ordinary Shares and Certain Other Events

(c) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Ordinary Shares other than an ordinary cash dividend, the Company shall equitably adjust (or make substituted Awards, if applicable) in the manner determined by the Board (1) the number and class of securities available under the Plan, (2) the share counting rules and sublimits set forth in Section 4(a), (3) the number and class of securities and exercise price per share of each outstanding Option, (4) the share and per-share provisions and the measurement price of each outstanding SAR, (5) the number of shares subject to and the redemption price per share subject to each outstanding Restricted Share Award, and (6) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Share-Based Award. Without limiting the generality of the foregoing, if the Company effects a split of the Ordinary Shares by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend is entitled to receive, on the distribution date, the stock dividend with respect to the Ordinary Shares acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(d) Reorganization Events.

(1) Definition. A "***Reorganization Event***" means (A) any merger or consolidation of the Company with or into another entity as a result of which all of the Ordinary Shares of the Company are converted into or exchanged for the right to receive cash, securities or other property or are cancelled; (B) any transfer or disposition of all of the Ordinary Shares of the Company for cash, securities or other property pursuant to a share exchange or other transaction; (C) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity; (D) any other transaction in which the owners of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company; or (E) any liquidation or dissolution of the Company.

(2) Consequences of a Reorganization Event on Awards Other than Restricted Shares.

(A) In connection with a Reorganization Event, the Board may take any one or more of the following actions as to all or any (or any portion of) outstanding Awards other than Restricted Shares on such terms as the Board determines (except to the extent specifically provided otherwise in an applicable Award agreement or another agreement between the Company and the Participant): (i) provide that the acquiring or succeeding corporation (or an affiliate thereof) assume such Awards or substitute substantially equivalent awards; (ii) upon written notice to a Participant, provide that all of the Participant's unexercised Awards will terminate immediately before the consummation of such Reorganization Event unless exercised by the Participant (to the extent then exercisable) within a specified period after the date of such notice; (iii) provide that outstanding Awards become exercisable, realizable, or deliverable, or restrictions applicable to an Award lapse, in whole or in part before or upon such Reorganization Event; (iv) in the event of a Reorganization Event under the terms of which holders of Ordinary Shares will receive upon consummation thereof a cash payment for each Ordinary Share surrendered in the Reorganization Event (the "***Acquisition Price***"), make or provide for a cash payment to Participants with respect to each Award held by a Participant equal to (A) the number of Ordinary Shares subject to the vested portion of the Award (after giving effect to any acceleration of vesting that occurs upon or immediately before such Reorganization Event) multiplied by (B) the excess, if any, of (I) the Acquisition Price over (II) the exercise, measurement or purchase price of such Award and any applicable tax withholdings, in exchange for the termination of such Award; (v) provide that, in connection with a liquidation or dissolution of the Company, Awards convert into the right to receive liquidation proceeds (if applicable, net of the exercise, measurement or purchase price thereof and any applicable tax withholdings); and (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 9(b)(2), the Board is not obligated by the Plan to treat all Awards, all Awards held by a Participant, or all Awards of the same type, identically.

(B) Notwithstanding the terms of Section 9(b)(2)(A), in the case of outstanding RSUs that are subject to Section 409A of the Code: (i) if the applicable RSU agreement provides that the RSUs shall be settled upon a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5)(i), and the Reorganization Event constitutes such a "change in control event," as defined under Treasury Regulation Section 1.409A-3(i)(5)(i), then no assumption or substitution is permitted pursuant to Section 9(b)(2)(A)(i) and the RSUs shall instead be settled in accordance with the terms of the applicable RSU agreement; and (ii) the Board may only undertake the actions set forth in clauses (iii), (iv) or (v) of Section 9(b)(2)(A) if such action is permitted or required by Section 409A of the Code. If the Reorganization Event is not a "change in control event" as so defined or such action is not permitted or required by Section 409A of the Code, and the acquiring or succeeding corporation does not assume or substitute the RSUs pursuant to clause (i) of Section 9(b)(2)(A), then the unvested RSUs terminate immediately before the consummation of the Reorganization Event without any payment in exchange therefor.

(C) For purposes of Section 9(b)(2)(A)(i), an Award (other than Restricted Shares) is considered assumed if, after consummation of the Reorganization Event, such Award confers the right to purchase or receive pursuant to the terms of such Award, for each Ordinary Share subject to the Award immediately before the consummation of the Reorganization Event, the consideration (whether cash, securities or other property) received as a result of the Reorganization Event by holders of Ordinary Shares for each Ordinary Share held immediately before the consummation of the Reorganization Event (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Ordinary Shares); *provided, however*, that if the consideration received as a result of the Reorganization Event is not solely common stock of the acquiring or succeeding corporation (or an affiliate thereof), the Company may, with the consent of the acquiring or succeeding corporation, provide for the consideration to be received upon the exercise or settlement of the Award to consist solely of such number of shares of common stock of the acquiring or succeeding corporation (or an affiliate thereof) that the Board determined to be equivalent in value (as of the date of such determination or another date specified by the Board) to the per share consideration received by holders of outstanding Ordinary Shares as a result of the Reorganization Event.

(1) <u>Consequences of a Reorganization Event on Restricted Shares</u>. Upon the occurrence of a Reorganization Event other than a liquidation or dissolution of the Company, the redemption and other rights of the Company with respect to outstanding Restricted Shares inure to the benefit of the Company's successor and, unless the Board determines otherwise, apply to the cash, securities or other property which the Ordinary Shares were converted into or exchanged for pursuant to such Reorganization Event in the same manner and to the same extent as they applied to such Restricted Shares; *provided*, *however*, that the Board may provide for termination or deemed satisfaction of such redemption or other rights under the instrument evidencing any Restricted Shares or any other agreement between a Participant and the Company, either initially or by amendment. Upon the occurrence of a Reorganization Event involving the liquidation or dissolution of the Company, except to the extent specifically provided to the contrary in the instrument evidencing any Restricted Shares or any other agreement between a Participant and the Company, all restrictions and conditions on all Restricted Shares then outstanding are automatically deemed terminated or satisfied.

10. General Provisions Applicable to Awards

(a) Transferability of Awards. The person who is granted an Award may not sell, assign, transfer, pledge or otherwise encumber such Award, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an Incentive Stock Option and Awards that are subject to Section 409A of the Code, pursuant to a qualified domestic relations order. During the life of the Participant, only the Participant may exercise such Award. Notwithstanding the immediately preceding two sentences, the Board may permit or provide in an Award for the gratuitous transfer of the Award by the Participant without consideration, subject to any limitations that the Board deems appropriate. The Company is not required to recognize any such permitted transfer until such time as such permitted transferee, as a condition to such transfer, delivers to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee is bound by all of the terms and conditions of the Award and the Plan. References to a Participant, to the extent relevant in the context, include references to authorized transferees. For the avoidance of doubt, nothing contained in this Section 10(a) is deemed to restrict a transfer to the Company.

(b) Documentation. Each Award is evidenced in such form (written, electronic or otherwise) as the Board determines. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) Board Discretion. Except as otherwise provided by the Plan, the Company may make each Award alone or in addition or in relation to any other Award. The terms of each Award need not be identical, and the Board need not treat Participants uniformly. The Board may also use different methods to determine Fair Market Value depending on whether the Fair Market Value is in reference to the grant, exercise, vesting, settlement, or payout of an Award.

(d) Termination of Status. The Board shall determine the effect on an Award of the disability, death, termination or other cessation of employment, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant or the Participant's legal representative, conservator, guardian or Designated Beneficiary may exercise rights under the Award. "***Designated Beneficiary***" means (1) the beneficiary that a Participant designates, in a manner determined by the Board, to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (2) in the absence of an effective designation by a Participant, the Participant's estate.

(e) Tax Withholding. The Participant must satisfy all applicable taxes, charges, levies or social insurance contributions required to be withheld in any jurisdiction before the Company will deliver Ordinary Shares or otherwise recognize ownership of Ordinary Shares under an Award. The Company may decide to satisfy the tax withholding obligations through additional withholding on salary, wages or other compensation or amounts owed to the Participant. If the Company elects not to or cannot withhold from other compensation, the Participant must pay the Company the full amount, if any, required for tax withholding or have a broker tender to the Company cash equal to the tax withholding obligations. The Participant shall be accountable for any taxes, which are chargeable on any assessable income deriving from the grant, exercise, purchase, or vesting of, or other dealing in Awards or Ordinary Shares issued pursuant to an Award. The Company shall not become liable for any of the Participant's taxes as a result of the Participant's participation in the Plan. In respect of such assessable income, the Participant shall indemnify the Company which is or may be treated as the employer of the Participant in respect of the taxes. Pursuant to this indemnity, where necessary, the Participant shall make such arrangements as the Company requires to meet the cost of the tax withholding obligations. Payment of tax withholding obligations is due before the Company will issue any Ordinary Shares on exercise, vesting or release from forfeiture of an Award or at the same time as payment of the exercise or purchase price, unless the Company determines otherwise. If provided for in an Award or approved by the Board in its sole discretion, a Participant may satisfy such tax withholding obligations in whole or in part by delivery (either by actual delivery or attestation) of Ordinary Shares, including Ordinary Shares retained from the Award creating the tax withholding obligation, valued at their Fair Market Value. If provided for in an Award or approved by the Board in its sole discretion, the Company may also require such tax withholding obligations to be satisfied, in whole or in part, by an arrangement whereby a certain number of Ordinary Shares issued pursuant to any Award are immediately sold and proceeds from such sale are remitted to the Company in an amount that would satisfy the tax withholding obligations. However, except as otherwise provided by the Board, the total tax withholding where Ordinary Shares are being used or sold to satisfy such tax withholding obligations cannot exceed the Company's maximum statutory withholding obligations, except that, to the extent that the Company is able to retain or cause the sale of Ordinary Shares having a Fair Market Value that exceeds the statutory maximum applicable withholding tax without financial accounting implications or the Company is withholding in a jurisdiction that does not have a statutory maximum withholding tax, the Company may retain or cause the sale of such number of Ordinary Shares (up to the number of Ordinary Shares having a Fair Market Value equal to the maximum individual statutory rate of tax) as the Company determines in its sole discretion to satisfy the tax withholding obligations associated with any Award. The Company (i) makes no representations or undertaking regarding the tax consequences to any Participant with respect to any Award and (ii) does not commit to structure the terms of the Award to reduce or eliminate the Participant's liability for taxes.

(f) Amendment of Award. Except as otherwise provided in the Plan, the Board may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or realization, and converting an Incentive Stock Option to a Nonstatutory Share Option. The Participant's consent to such action is required unless (1) the Board determines that the action, taking into account any related action, does not materially and adversely affect the Participant's rights under the Plan or (2) the change is permitted under Section 9.

(g) Conditions on Delivery of Shares. The Company is not obligated to deliver any Ordinary Shares pursuant to the Plan or to remove restrictions from shares previously issued or delivered under the Plan until (1) all conditions of the Award have been met or removed to the satisfaction of the Company; (2) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and regulations and any applicable stock exchange or stock market rules and regulations; and (3) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

(h) Payment of Nominal Value. Notwithstanding any other provision of this Plan, no Ordinary Shares in the authorized but unissued share capital of the Company shall be issued in settlement of an Award unless they are paid-up, on issuance, to at least their nominal value. If the Board determines that an Award is to be settled by the issuance of authorized but unissued Shares, the Board may decide that the Shares so issued will be: (1) paid-up from the exercise price (if any); (2) otherwise paid-up by the Participant; (3) subject to applicable law, paid-up by the Company from distributable profits or other reserves which may be applied for that purpose; or (4) subject to applicable law, paid-up by a subsidiary of the Company or by another person.

(i) Acceleration. The Board may at any time provide that any Award becomes immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part, as the case may be.

11. Miscellaneous

(a) No Right To Employment or Other Status. No person has any claim or right to be granted an Award by virtue of the adoption of the Plan, and the grant of an Award may not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan, except as expressly provided in the applicable Award.

(b) No Rights As Shareholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary has any rights as a shareholder with respect to any Ordinary Shares to be distributed with respect to an Award until becoming the record holder of such shares.

(c) Effective Date and Term of Plan. The Plan becomes effective the date it is approved by the Company's shareholders (the "***Effective Date***"). The Company shall not grant any Awards under the Plan after the expiration of 10 years from the Effective Date, but Awards previously granted may extend beyond that date. No grants of Incentive Stock Options may be made under the Plan after the expiration of 10 years from the date the Plan is approved by the Board.

(d) Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time, except that (1) no amendment that would require shareholder approval under the rules of NASDAQ may be made effective until the Company's shareholders approve such amendment, and (2) no amendment to the Plan (A) materially increasing the number of shares authorized under the Plan (other than pursuant to Sections 4(b) or 9), (B) expanding the types of Awards that may be granted under the Plan, or (C) materially expanding the class of participants eligible to participate in the Plan is effective until the Company's shareholders approve such amendment. In addition, if at any time the approval of the Company's shareholders is required as to any other modification or amendment under Section 422 of the Code or any successor provision with respect to Incentive Stock Options, the Board may not effect such modification or amendment without such approval. Unless otherwise specified in the amendment, any amendment to the Plan adopted in accordance with this Section 11(d) applies to, and is binding on the holders of, all Awards outstanding under the Plan at the time the amendment is adopted, so long as the Board determines that such amendment, taking into account any related action, does not materially and adversely affect the rights of Participants under the Plan.

(e) Determination of Participating Affiliates; Authorization of Sub-Plans (including for grants to non-U.S. employees). The Board has the authority to determine which of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code are covered by and eligible to participate in the Plan. The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities, tax or other laws of various jurisdictions. The Board may establish such sub-plans by adopting supplements to the Plan containing (1) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (2) such additional terms and conditions not otherwise inconsistent with the Plan as the Board deems necessary or desirable. All supplements adopted by the Board are deemed to be part of the Plan, but each supplement applies only to Participants within the affected jurisdiction and the Company is not required to provide copies of any supplement to Participants in any jurisdiction that is not the subject of such supplement.

(f) Compliance with Section 409A of the Code. Except as provided in individual Award agreements initially or by amendment, if and to the extent (1) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her employment termination constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code and (2) the Participant is a "specified employee" as defined in Section 409A(a)(2)(B)(i) of the Code, in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit will not be paid before the earlier of six months plus one day after the date of "separation from service" (as determined under Section 409A of the Code) or the Participant's death (the "***New Payment Date***"), except as Section 409A of the Code may then permit. The Company shall pay to the Participant in a lump sum on such New Payment Date the aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date, and the Company shall make any remaining payments on their original schedule. The Company makes no representation or warranty and has no liability to the Participant or any other person if any provisions of or payments, compensation or other benefits under the Plan are determined to constitute nonqualified deferred compensation subject to Section 409A of the Code but do not to satisfy the conditions of that section.

(g) Limitations on Liability. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, employee or agent of the Company is liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor is any such individual personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as a director, officer, employee or agent of the Company. The Company shall indemnify and hold harmless each director, officer, employee or agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan is delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Board's approval) arising out of any act or omission to act concerning the Plan unless arising out of such person's own fraud or bad faith.

(h) Governing Law. The provisions of the Plan and all Awards made hereunder are governed by and interpreted in accordance with the laws of Ireland, excluding choice-of-law principles.

(i) Right to Repurchase Shares. To the extent any Award granted by the Company, whether prior to, or after, the Effective Time contains a contractual right on the part of the Company to repurchase Ordinary Shares, such right shall, for all purposes of the Companies Act 2014 of Ireland, as amended, constitute a right to redeem the Ordinary Shares (and any relevant Ordinary Shares which are issued subject to such a redemption right shall be issued as redeemable Ordinary Shares without further action on the part of the Board, any committee of the Board or any delegate of the Board).

Adopted by the Board on August 26, 2020 and by the Company's shareholders on November 25, 2020

Exhibit 31.1

CERTIFICATION

I, Robert S. Keane, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cimpress plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: January 26, 2023

/s/ Robert S. Keane

Robert S. Keane
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Sean E. Quinn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cimpress plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrants fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 26, 2023

/s/ Sean E. Quinn

Sean E. Quinn
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Cimpress plc (the “Company”) for the quarter ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, Robert S. Keane, Chief Executive Officer, and Sean E. Quinn, Chief Financial Officer, of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, that, to his knowledge on the date hereof:

a. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

b. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 26, 2023

/s/ Robert S. Keane
Robert S. Keane
Chief Executive Officer

Date: January 26, 2023

/s/ Sean E. Quinn
Sean E. Quinn
Chief Financial Officer