

Revenue and profit growth underpinned by technology and innovation

Annual Report and Accounts 2024



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Welcome to Moonpig Group.

We are the online market leader for cards and gifting.

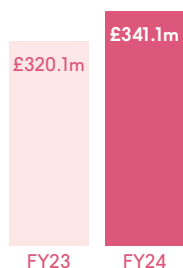
At heart we are a technology platform, but our customers know us as the leading online destination for greeting cards, gifts and flowers.



Financial highlights

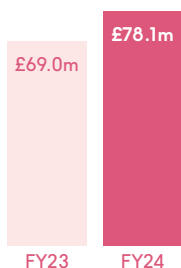
Revenue (£m)

Year-on-year growth: 6.6%



Adjusted EBIT^{1,2} (£m)

Year-on-year growth: 13.2%



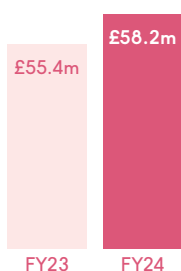
Reported PBT (£m)

Year-on-year growth: 32.9%



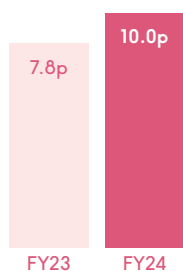
Adjusted PBT^{1,2} (£m)

Year-on-year growth: 5.0%



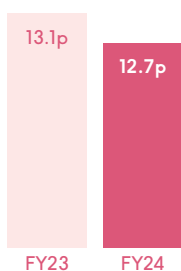
Reported Basic EPS (p)

Year-on-year growth: 27.3%



Adjusted Basic EPS^{1,2} (p)

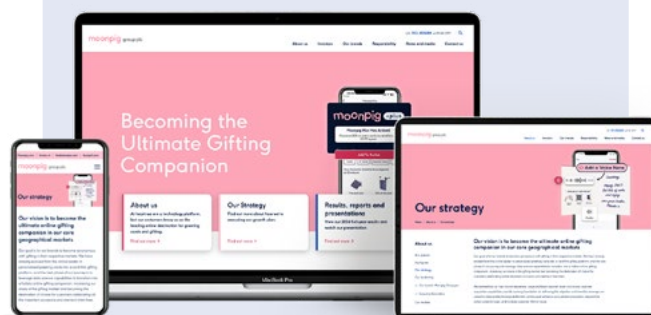
Year-on-year growth: (3.1)%



- Adjusted EBIT, Adjusted PBT and Adjusted Basic EPS are Alternative Performance Measures, definitions of which are set out on pages 176 to 177.
- The Group has amended its definition of Adjusting Items such that amortisation of intangible assets arising on business combinations (acquisition amortisation) is now treated as an Adjusting Item. As a result, current and prior year Alternative Performance Measures are stated excluding acquisition amortisation of £8.3m (FY23: £7.5m).

Operational highlights

- Moonpig Plus subscriptions passed half a million members and Greetz Plus launched.
- Database of customer occasion reminders grown to 90 million (April 2023: 84 million).
- Our creativity features were used over 10 million times to add video and audio messages, "sticker" images, digital gift vouchers and AI-driven customised messages to the inside of greeting cards.
- App penetration of orders at Greetz increased to 33% as at April 2024.
- Launch of AI semantic search capability, delivering more relevant and accurate search results.
- Upgrade to our recommendation algorithms to incorporate customer-level data including gift price preferences.
- A tailored online journey for every user, including personalised homepage banners and personalised promotions.
- Increase in automated customer service resolutions through AI chatbot deployment.
- Targeted testing underway to identify profitable ways to scale marketing activity in new geographical markets. Total revenue in Ireland, Australia and the US grew by 34.3% to £8.7m (FY23: £6.5m).
- Same-day digital gifting launched on Moonpig, combining gift experiences with e-cards.
- Re-platforming of Red Letter Days and Buyagift is on track with new gallery and landing pages launched.



To find out more visit us at:
www.moonpig.group/investors

At a glance

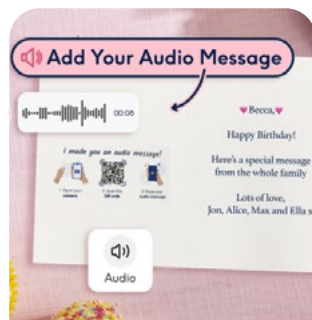
The leading data and technology platform for online greeting cards and gifting in the UK and the Netherlands.

The UK and the Netherlands are our current core markets.

Proportion of revenue by country % of FY24 Group revenue



We operate through four online brands.



moonpig

Moonpig has been a pioneer since it was founded as the UK's first online greeting cards business in 2000.

It has since grown to become a well-loved brand and the number one online destination for our customers' gifting needs.



greetz

Greetz was founded in 2004 as the Netherlands' first online greeting card service.

Since then it has evolved into the leading online choice for our Dutch customers' card and gifting needs.



buyagift

Founded in 1999, Buyagift is a leading UK gift experiences platform with options in categories such as dining, theatre and family outings.

With the broadest and deepest geographical footprint in the UK, it offers customers something to suit every taste and occasion.



RED LETTER DAYS

Launched in 1989, Red Letter Days pioneered the concept of giving unforgettable experiences as a gift.

The idea caught people's imaginations and today Red Letter Days, with its iconic red gift box, remains the "go-to" gift experiences company.

Our strategy is to become the ultimate gifting companion.

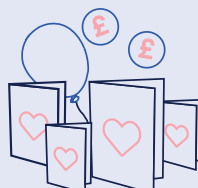
Gifts share of revenue



50%

FY23¹: 51%

Cards and gifts sold



48.8m

FY23¹: 49.0m

Orders²



33.9m

FY23: 33.8m

We have a broad and balanced customer demographic.

% total users split by age group in FY24



FY23¹: 40%

FY23¹: 38%

FY23¹: 22%

% total users split by gender in FY24



FY23¹: 44%

FY23¹: 56%

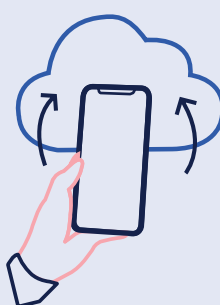
We use data and technology to create loyal customer relationships.



Skilled data scientists, analysts and engineers

242

April 2023¹: 250



Moonpig and Greetz customer reminders set²

90m

April 2023: 84m



Card creative feature usage³

10m

FY23: N/a

¹ FY23 stated for the Group (including Experiences since acquisition on 13 July 2022).

² As at 30 April 2024. Moonpig and Greetz only.

³ Our creativity features were used over 10 million times to add video and audio messages, "sticker" images, digital gift vouchers and AI-driven customised messages to the inside of greeting cards. Not applicable for prior year as the features are newly introduced.

Chair's statement



Moonpig Group delivered growth in revenue and profit in FY24, driven by continued focus on technology and data.



Overview

The past year has been characterised by strengthening in trading performance with positive and improving revenue growth across H1 and H2, combined with order volumes moving into growth in the second half of the year. This trajectory of improvement has been driven by the Group's continued focus on technology and is underpinned by a resilient, profitable and cash generative business model that uses data to drive customer loyalty.

The majority of the Group's technology team are now focused on innovation, which has driven an acceleration of the pace at which new features are deployed. The Group has delivered functionality to encourage customers to place orders more frequently, including the Moonpig Plus and Greetz Plus subscription memberships, together with card creativity features such as video and audio messages and AI-driven customised messages. The Group has continued to tailor how it personalises recommendations to customers, including more sophisticated gifting recommendation algorithms and the implementation of a tailored online journey for every user, including personalised homepage banners and personalised promotions.

Alongside innovation on the core platform, the Group is developing a pipeline of initiatives that the Board expects will drive medium-term growth. Revenue from Moonpig's websites outside the UK and the Netherlands increased year-on-year by 34.3% to £8.7m (FY23: £6.5m). The Group is now able to acquire customers profitably in Ireland and, with the Board's support, management is carrying out targeted testing to identify profitable ways to scale customer acquisition in Australia. Management is also testing the prototype Moonpig for Work solution for SME business-to-employee greeting cards and gifting.

Technology re-platforming of the Experience Division websites continues at pace with a full rebuild of the front end now complete. Our new integration with a premium dining partner has unlocked access to a range of gourmet restaurants in London. We have also launched same-day gifting capability on Moonpig by combining e-cards with Red Letter Days and Buyagift gift experiences, with encouraging early traction across peak event days so far.

FY24 performance

The Group delivered revenue of £341.1m in FY24, representing year-on-year growth of 6.6%. On a pro forma basis (as if Experiences had been owned throughout FY23) full year revenue growth was 4.5%, strengthening to 6.6% in the second half of the year.

Growth was underpinned by trading at Moonpig, where revenue increased by 8.2% in FY24 with a trajectory of improvement across the twelve months. In the second half of the year, revenue from both new and existing customers was in year-on-year growth. Performance throughout FY24 was strong given a challenging macroeconomic context in which the wider UK online non-food market declined year-on-year in every month of FY24¹. Technology innovation has enabled the Moonpig brand to outperform its competitors and continue capturing UK online market share².

The revenue trajectory at Greetz continued to improve, with year-on-year revenue declines abating to 5.3% in H2 FY24 from 9.8% in H1 FY24 and 20.4% in FY23. Migrating Greetz onto our unified technology platform in late 2022 prioritised a card-first online customer journey, impacting headline revenue growth due to the foregoing of non-core standalone gifting revenue. The resulting card-first business is now positioned for growth in FY25. Furthermore, organisational changes have been made such that Greetz can better leverage Group capabilities in areas such as marketing and card design and there has been a strong focus on new technology features such as video and audio messages and Greetz Plus subscription membership.

¹ Source: KPMG-BRC Retail Sales Monitor.

² Source: OC&C, June 2024.

The Board was pleased that the Group's focus on technology innovation delivered a return to volume growth in the second half of the year. Across Moonpig and Greetz, year-on-year orders growth improved from a decrease of 5.1% in H1 to an increase of 5.2% in H2 FY24. This more than compensated for the impact from moving past the full annualisation of card pricing changes implemented in 2022.

Trading at Experiences has been resilient, increasing by 1.5% year-on-year on a pro forma basis. The management team continues to make good progress with strategic delivery, including the new technology platforming for Red Letter Days and Buyagift and launch on the Moonpig platform of same-day digital delivery of gift experiences with an e-card.

The Group has remained focused on profitability, delivering Adjusted EBITDA of £95.5m (FY23: £84.2m) and an Adjusted EBITDA margin rate of 28.0% (FY23: 26.3%). Adjusted profit before tax increased by 5.0% to £58.2m (FY23: £55.4m). This includes the full-year benefits of insourcing UK fulfilment in FY23.

The Group remains strongly cash generative, with operating cash inflows of £74.2m (FY23: £56.2m) delivering a reduction in net leverage to 1.31x (April 2023: 1.99x). The Group has also agreed a new four-year committed revolving credit facility of £180m, improving the efficiency and flexibility of our bank borrowings.

Employees

The dedication and hard work of the Group's people in the Netherlands, Guernsey and the UK has enabled it to deliver the return to revenue growth in FY24. On behalf of the Board, I would like to thank all employees for their contribution during the year.

Sustainability

Moonpig Group's purpose is to help its customers to connect with people who they care about. The Board is pleased with the Group's progress against its sustainability goals during FY24.

In particular, the Group has made strong progress against its target to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria representing 67% of Scope 3 emissions by 30 April 2030. At the end of the financial year, the Group had obtained supplier commitments covering 19.3% of Scope 3 emissions, compared to 9.7% at 30 April 2023.

The Moonpig Group Foundation has continued to support organisations with missions that align with the Group's aim of creating better and more personal connections between people who care about each other. Beneficiaries in FY24 included the Campaign Against Living Miserably in the UK, the Guernsey Society for Cancer Relief and Stichting Jarige Job in the Netherlands.

Customer net promoter score continues to be affected by the delivery performance of the postal service providers in the UK and the Netherlands. Management has a clear strategy to address this, focused on leveraging the Group's database of reminders to encourage earlier ordering and delivery, improving how the Group communicates estimated delivery dates, providing more options for tracked delivery and expanding our range of digital delivery options.

Board and governance

The Group maintained full compliance with the UK Corporate Governance Code in FY24, as detailed in the Corporate governance statement on pages 76 to 85.

The Board has been briefed on the UK Corporate Governance Code 2024, which will apply to the Group from FY26 generally and from FY27 for Provision 29, which concerns the Company's internal control framework. Work has commenced to facilitate compliance from the effective dates.

The Board continues to meet the requirement that at least half its members (excluding the Chair) are Independent Non-Executive Directors.

During the year, the Group completed its first externally-facilitated evaluation of the Board and its Committees. The results were discussed at our March 2024 Board meeting, together with progress against actions from previous years' evaluations. These are summarised in the Corporate governance statement on page 83.

Directorate change

Simon Davidson resigned as Nominee Director in April 2024, following Exponent Private Equity LLP's reduction in its shareholding below the 10% threshold at which it had a right to nominate a director to the Board. On behalf of the Board, I would like to thank Simon for the significant contribution that he has made to Moonpig Group across the last eight years. His insight and expertise have been of great value to the Board.

Diversity

As at 30 April 2024 and at the date of this report, the Board has 43% female representation, and therefore meets the Listing Rule target for at least 40% of individuals on the Board to be women. We also meet the Listing Rule targets for at least one senior board position to be held by a woman (by virtue of my appointment as Chair) and for at least one Board member to be from an ethnic minority background (as the Board currently has two ethnic minority directors).

During the year, the Board considered the new Parker Review requirements to improve the ethnic diversity of FTSE 350 senior management teams and approved an updated Board Diversity Policy which includes a voluntary target for 15% representation of ethnic minorities in the Extended Leadership Team by 2027.

The Board remains committed to the FTSE Women Leaders Review target of at least 40% female representation on the Extended Leadership Team. Current female representation at this level is 41%. The Group is ranked 32nd in the FTSE 250 for women on boards and in leadership by the FTSE Women Leaders Review 2023.

Audit tender

During the year the Audit Committee carried out a formal tender of the external audit for the year ending 30 April 2026. Based on the recommendations of the Audit Committee, the Board selected PricewaterhouseCoopers LLP. The tender process and selection criteria are set out in the Audit Committee report on pages 86 to 95.

Looking ahead

The Board is pleased with the start to the new financial year and is confident that the business will deliver long-term value for shareholders. The Group remains ideally placed to maintain and increase its online market share whilst leading the shift in its markets from offline to online.

Kate Swann

Non-Executive Chair
26 June 2024

Chief Executive Officer's review



We delivered a return to revenue growth, underpinned by acceleration in technology innovation.



Overview

FY24 has been a period of strong financial and strategic delivery, with activity focused in the following key areas:

- Innovation on our unified technology platform, which drove a strengthening in revenue growth to 6.6% in the second half of the year. Our product, data and technology teams have significantly increased the velocity of delivery for customer-facing growth initiatives. These include Moonpig Plus and Greetz Plus subscriptions, card creativity features (such as audio and video messages, group cards, digital delivery of gift experiences) and AI technologies that leverage data on previous customer purchase behaviour to enhance gifting recommendation algorithms.
- Continued execution of the transformation project at Experiences, including phased migration to a new technology platform and the launch of a new visual identity for both brands to support differentiated market positioning.
- Developing our pipeline of initiatives intended to drive medium-term growth, including marketing investment in Ireland, targeted testing to identify profitable ways to scale customer acquisition in Australia and the US, and testing of our prototype Moonpig for Work solution for SME business to employee gifting.

Moonpig Group has maintained its investment in technology, marketing and operations through the economic cycle due to the resilience, profitability and cash generation of our business:

- Our focus on customer lifetime value equips us with resilience in more challenging conditions. Our approach at Moonpig and Greetz is focused on acquiring loyal customer cohorts that drive recurring revenue and 89% of revenue at these brands was generated from existing customers (FY23: 89%). The long-term “sticky” nature of these customer cohorts is supported by our data and technology platform, which allows us to personalise the user experience. More generally, the greeting cards market has a long track record of recession-resilience.
- Adjusted EBITDA margin rate increased to 28.0% (FY23: 26.3%) through a combination of gross margin rate improvement and disciplined control of indirect costs. Our low-inventory strategy means that profit margins are not exposed to significant stock-related risks.
- Our business is highly cash generative. We improved the ratio of net debt to Adjusted EBITDA to 1.31x at 30 April 2024, from 1.99x at 30 April 2023.

Leveraging data and technology

Last year, we completed a multi-year project to unite Moonpig and Greetz onto a single technology platform. This freed most of our technology teams to focus on innovation and experimentation, driving an acceleration of the pace at which we deploy new features.

We have further enhanced our use of AI to personalise customer experience:

- Significant upgrade to our algorithms by incorporating individual customer level data into our gift recommendation engine, unlocking the ability to show different price ranges to different customer cohorts.
- Introduced personalisation elements into all parts of the journey, including homepage banners and promotions unique to the individual customer.
- Enhanced the capabilities of our AI-powered Customer Service chatbot, driving a significant reduction in the number of customer contacts being handled by agents.
- Launched AI semantic search capability, using large language models to better understand and interpret customer search terms, which will drive increasingly more relevant search results over time.

We are leveraging technology to drive higher customer lifetime value:

- Moonpig Plus subscriptions passed the milestone of half a million members, with continued strong sign-up rates and promising renewal rates for the first cohort who joined in June 2023.
- Greetz Plus launched in January 2024 and is following a similar encouraging trajectory to the UK.
- Our creativity features were used over 10 million times, allowing customers to add video and audio messages, "sticker" images, digital gift vouchers and AI-driven customised messages to greeting cards.

We are building deeper network effects:

- We have deployed features that enable online interaction with recipients (such as video messages and digital gifts) and message contributors (group cards), increasing the potential to convert them into new customers.
- Moonpig for Work is live in beta version for several customers ahead of planned launch in FY25. This solution is initially targeted at SME business-to-employee card giving and gifting around events such as birthdays, work anniversaries and Christmas.

We are investing in technology at Experiences, and upgrading how we cross-sell gift experiences to Moonpig customers:

- We have launched same-day gifting capability on Moonpig by combining e-cards with digital gift experiences, with encouraging early traction across peak event days so far.
- Technology re-platforming of the Red Letter Days and Buyagift websites continues at pace with a full rebuild of the front end now complete.
- We completed an integration with a premium dining partner unlocking access to restaurants in London such as Harvey Nichols, Benihana, Colonel Saab, Corrigan's Mayfair and Harrods.

Building our brands

Our strategy remains focused on delivering revenue growth through our existing customer base and we grew Moonpig and Greetz revenue from existing customers by 5.9% to £261.3m (FY23: £246.8m). Our key areas of focus remain:

- Continuously improving how we leverage our database of 90 million customer occasion reminders (April 2023: 84 million) to communicate with customers. Reminders represent a powerful ecosystem, enabling us to engage with customers at moments of high card-giving intent, and drive a significant proportion of Moonpig and Greetz revenue.
- Encouraging customer sign-up to Moonpig Plus and Greetz Plus, as well as migrating Greetz customers to the app that we launched in FY23. Greetz app penetration increased during the year to 33% (April 2023: 22%).
- Raising customer awareness of differentiated card creativity options that we believe will drive customer loyalty and increase lifetime value. By showcasing innovative features such as video and audio messages, we emphasise that our offering is superior to the online and offline competition. This message is delivered through our website real estate, social media and video on demand. Initiatives include the "With Greetz you give more than a card" campaign in the Netherlands and new creative advertising copy for Moonpig, which we plan to launch across all channels including TV in the UK in FY25.

We were pleased that revenue from newly acquired customers moved back into year-on-year growth at Moonpig in H2 FY24, whilst the behaviour of cohorts acquired in the past year remained consistent with historical cohorts. Our brands are powerful assets, built over several decades, with high levels of consumer awareness and a strong association with convenience, service and range. Across FY24 we have maintained significant investment in marketing in the UK and the Netherlands, in line with prior year levels. We continue to acquire loyal customer cohorts that deliver lifetime value rather than pursuing short-term, transactional revenue.

We want to build a pipeline of early-stage revenue expansion initiatives and have increased our activity in new geographical markets. Revenue from Moonpig websites in Ireland, Australia and the US grew by 34.3% to £8.7 million (FY23: £6.5 million). We successfully increased new customer acquisition in Ireland and are conducting tests to identify scalable marketing strategies in Australia and the US. Additionally, we are enhancing the customer proposition by introducing localised card design ranges, expanding the gifting range (through physical gifts in Ireland and Australia and retail gift vouchers in the US) and building partnerships with local gifting providers. Where we gain confidence in customer lifetime value in any of these markets, we would look to further scale our marketing investment.

At Experiences, we have continued the process of differentiating the Red Letter Days and Buyagift brands, so that the former emphasises iconic experiences and a more curated range, whilst the latter is more value-led. A new, fresh visual identity has been rolled-out at each brand. We have also increased marketing investment during the key pre-Christmas trading period, supplementing the optimisation of performance marketing with new brand marketing activity focused around online video and social media to build awareness and purchase consideration.

Chief Executive Officer's review continued

Evolving our range

Our customers love well-known brands that provide reassurance that the gift will delight the recipient. As part of our ongoing programme to onboard "trusted brands" at Moonpig, we expanded our partnership with Virgin Wines to cover personalised still and sparkling wine and launched Hotel Chocolat in February 2024, which instantly became one of our most popular gifting options. Similarly, at Greetz we are likewise strengthening our roster of trusted brands, for instance through the recent launch of Lindt chocolate.

We have established a unified global team responsible for all designs on greeting cards and personalised gifts. This team continues to negotiate with global licensors to bring internationally recognised properties to Greetz that already feature on Moonpig. Given the popularity of "sticker" images that customers can use to personalise the inside of greeting cards on Moonpig and Greetz, we have also expanded our range of sticker designs to include images from franchises such as Disney Princess, Marvel, Star Wars and Harry Potter.

In FY24, our Experiences division onboarded "hero" brands such as Champneys Health Spa and W Hotels. With Moonpig scaling sales of gift experiences as both physically printed codes in cards and instantly delivered digital attachments to e-cards, we are now focused on expanding our range of mid-priced experiences in categories such as casual dining that resonate well with Moonpig customers.

In the current trading environment, we have also focused on operational process efficiency and the delivery of improvements in gross margin. We delivered an increase in Group gross margin rate to 59.4% (FY23: 56.1%), the reduction in inventories to £7.1m (April 2023: £12.3m) and an extension in the Greetz cut-off time for same-day dispatch to 11pm for all cards, gifts and flowers.

Maintaining high ethical, environmental and sustainability standards

We continue to execute against our sustainability strategy, which commits the Group to eight long-term goals focused on the environment, its people and its communities. In particular, the Group has made strong progress against its target to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria, representing 67% of Scope 3 emissions by 30 April 2030. At the end of the financial year, the Group had obtained supplier commitments covering 19.3% of Scope 3 emissions, compared to 9.7% at 30 April 2023.

A key area of focus remains customer net promoter score, which has been impacted by the delivery performance of postal service providers in the UK and the Netherlands. To address this, we have implemented a clear strategy focused on:

- Encouraging earlier ordering and delivery, including sending the first reminder message to customers 14 days before each occasion.
- Improving how we communicate estimated delivery dates. Our new "date first" user experience flows at the checkout on our website and apps clearly inform customers about the possibility of scheduling their orders for cards and gifts in advance.
- Providing more options for tracked delivery. We have collaborated with Royal Mail to introduce a tracked delivery service at an attractive consumer price. This service, available during peak demand periods such as Christmas, Valentine's Day, and Mother's Day, allows customers to send greeting cards even after the cut-off for first-class letter post.
- Expanding our digital offering to include e-cards with same-date digital delivery of a gift experience, leveraging the range of Red Letter Days and Buyagift.

We are passionate about diversity in the technology sector. As at 30 April 2024, the combined representation of women and ethnic minorities on our extended leadership team stands at 49% (April 2023: 52%). Female representation at this level is 41%, exceeding the 40% target set by the FTSE Women Leaders Review Target. We were proud to be ranked 32nd in the FTSE 250 for women on boards and in leadership by the FTSE Women Leaders Review 2023.

Nickyl Raithatha

Chief Executive Officer
26 June 2024

Moonpig Plus and Greetz Plus

At the end of May 2023, we introduced Moonpig Plus subscriptions. This scheme offers a package of benefits including discounts on greeting card purchases in return for an annual fee, incentivising and rewarding increased usage. The response has been positive, with over half a million customers becoming members so far.

Building on this success, we launched Greetz Plus in January 2024, which has resulted in customer order frequency increases similar to those seen with Moonpig Plus.

Looking ahead, we will continue to refine and enhance the scheme, adding benefits and features to encourage higher subscription uptake and increase order frequency.



Personalised audio messages

As part of our strategy to differentiate the inside of our cards from competitors, we introduced a unique feature in FY23 that allows customers to add custom video messages to any Moonpig or Greetz greeting card. Building on this, we launched audio messages across both brands in October 2023.

Customers can choose their favourite card design and upload a personalised video or audio message. We then print the card with a QR code linked to this media. The recipient can easily access and enjoy the personalised message by scanning the QR code with their smartphone.

Both innovations have proven popular. By 30 April 2024, over 500,000 audio and video messages had been sent, helping our customers to connect meaningfully with those they care about.



Our journey

We have transformed our business into a technology and data platform for gifting.

Moonpig Group is a leading international gifting platform with a rich history of innovation and growth. It all began in April 2000 when moonpig.com was launched as the UK's first online card retailer. The vision was simple: to create a better card than customers could find on the high street, by combining digital printing and the internet. As time went on, the Group expanded into card-attached gifting, adding flowers, off-the-shelf gifts and balloons to its range.

In 2018, the Group acquired Greetz, one of the Netherlands' leading online card and gifting businesses. Greetz was founded in 2004, since then it has established itself as a clear market leader in online cards with strong brand awareness.

On 5 February 2021, the Company was admitted to trading on the London Stock Exchange's Main Market for listed securities.

In July 2022, the Group completed the acquisition of Experiences, which operates the Red Letter Days and Buyagift brands. The acquisition was closely aligned to our strategy of becoming the ultimate gifting companion.

From 2018 onwards, the Group has invested in transforming itself into the world's leading technology and data platform for greeting cards and gifting. This has involved several large foundational projects, including the migration of Greetz onto our unified technology platform and the opening of new, state-of-the-art operational facilities in the UK and the Netherlands.

Since completing these foundational projects, the Group's technology, data and product teams have focused on growth initiatives and product innovations, such as AI-generated 'smart text' greeting card messages, the ability to add personalised video and audio messages to cards and the ability to send group cards containing messages from multiple contributors.

Features launched in the last twelve months include Moonpig Plus and Greetz Plus membership subscriptions, same-day digital capability on Moonpig by combining gift experiences with e-cards, a range of physical gifts in Australia and retail gift cards in the US. In addition, our B2B product Moonpig for Work is live in beta version for several customers ahead of planned launch in FY25.

- 01 Innovator of personalised cards
- 02 The leading online card and gift shop
- 03 Transformation into a technology and data platform
- 04 Transition to innovation and growth initiatives

01

2000

Moonpig, the first online greeting cards business, was founded

2004

Greetz was founded in the Netherlands

2007

Moonpig introduced gifts

02

2010

Greetz introduced flowers

03

2018

Moonpig Group acquired Greetz

2021

Moonpig Group floated on the London Stock Exchange

Following our IPO

04

2022

March

Moonpig launched in Ireland

July

Moonpig Group acquired Experiences (Red Letter Days and Buyagift)

September

- Greetz completed its migration onto the unified technology platform
- Moonpig Group opened operational facilities in the UK and the Netherlands
- Greetz launched new iOS and Android apps

2024

- Greetz launched its membership subscription service, Greetz Plus
- Moonpig introduced same-day digital gifting with an e-card
- Moonpig launched a physical gift range in Australia and retail gift cards in the US



2023

Moonpig introduced digital gifting in greeting cards

Moonpig launched its subscription membership service, Moonpig Plus

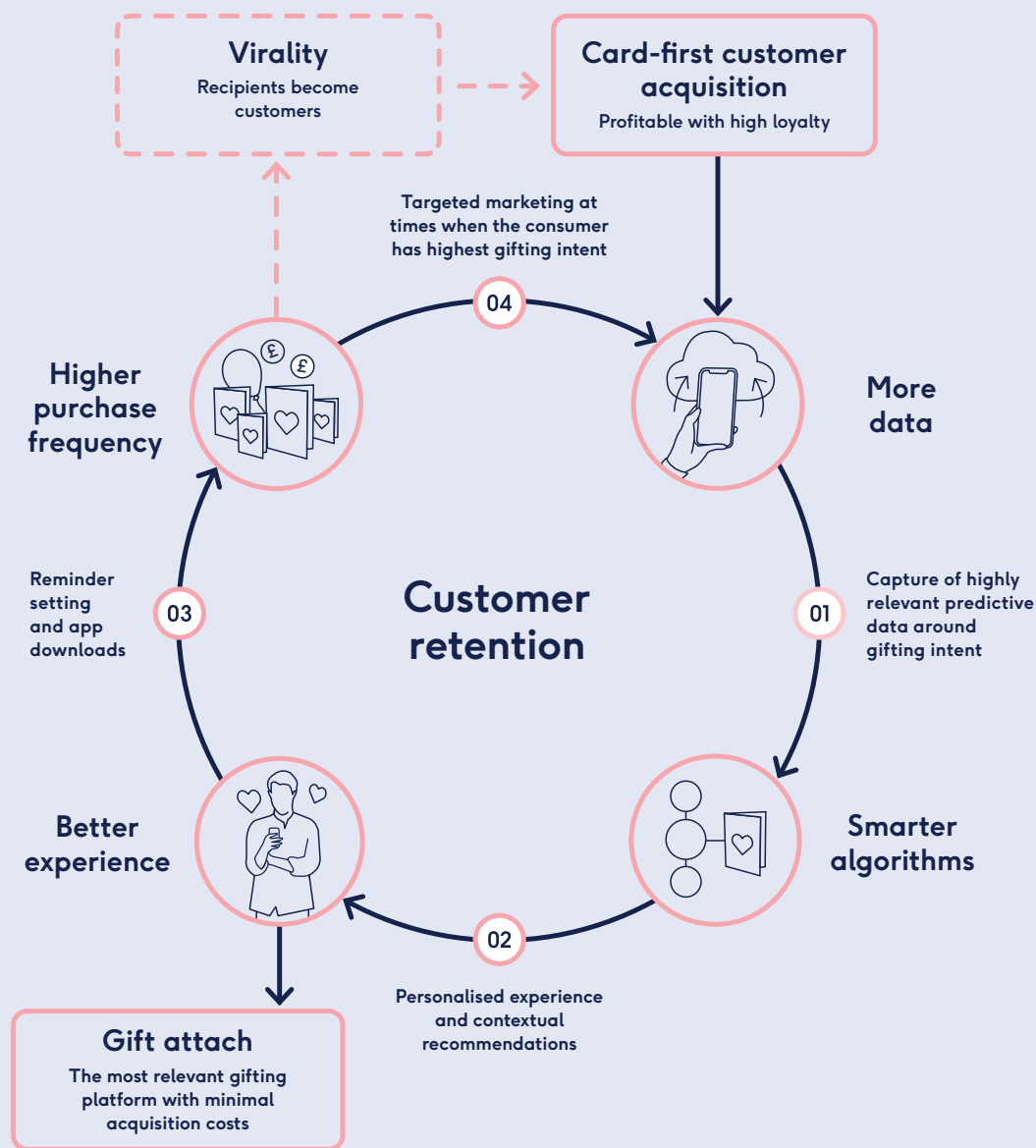
Moonpig and Greetz launched innovative new card features, including:

- Video and audio messages
- Expanded library of “sticker” images and enhanced photo options
- Group cards
- ‘Smart text’ AI functionality to help customers create personalised messages



Business model

At Moonpig and Greetz, our data-driven growth flywheel drives customer retention and lifetime value.



Competitive advantages

Brand power

Clear market leader, with two category-defining brands and high brand awareness.

Rich data pools

Proprietary recommendation algorithms are optimised across 90m reminders as at 30 April 2024.

Scale

Each day, the Group captures approximately six times¹ the customer data of its nearest competitor.

Platform

A world-class technology platform, which is constantly optimised through ongoing testing.

¹ Source: OC&C, June 2024. Based on Moonpig's relative UK market share.

At Experiences, our strategy is to drive growth by focusing on the conversion of recipients into future customers.



Range

The broadest and deepest range of gift experiences in the UK, including the widest range across categories and the most comprehensive geographical coverage in the UK.

Brands

Red Letter Days and Buyagift are two long-established brands with high levels of customer satisfaction.

Recipients become customers

Conversion of gift experience recipients into future customers, leveraging the online touchpoints during the redemption and booking journey.

Revenue synergy with Moonpig

The only gift experiences platform that can leverage Moonpig's proprietary dataset on customer gifting intent. This journey is underway with an offering of over 300 digital gifts on Moonpig.com as at 30 April 2024.

Business model in action

Our platform is a data-driven gifting recommendation engine.

We leverage proprietary data on customers' gifting intent and self-learning algorithms to make it as effortless as possible to find the perfect card and gift.



Card-first acquisition of loyal customers

- The card purchase journey captures multiple unique datapoints including relationship, occasion, age, style, mood, recipient address and propensity to spend.
- 90%¹ of card occasions are linked to a calendar event (for instance birthdays, anniversaries) that repeats every year. This builds long-term relationship data, which strengthens over time.
- Customer loyalty is supported by personalised occasion reminders.
- The typical customer buys approximately three cards per year.



Every card order is an opportunity to cross-sell gifts

- Extensive data collected during the card personalisation journey powers proprietary cross-sell algorithms, which enable us to provide highly relevant gift recommendations.
- There is a significant upsell opportunity, with 72%¹ of all cards in the UK being given with a gift.
- It is key to build the right range of curated gifts, so that our algorithms can recommend the perfect gift for every gifting relationship and occasion.
- Cross-sell allows us to participate in physical and experiential gifting categories with negligible incremental marketing costs.



Driving customer acquisition through network effects

- The Group creates network effects with every customer interaction. When each of the millions of group cards, physical gifts and gift experiences are sent, the Group gains exposure and the recipient becomes a potential future customer.
- Red Letter Days and Buyagift have direct opportunities to interact with recipients during the online experience code redemption process.
- Moonpig has extended the online redemption touchpoint to recipients through digital gift experiences that are redeemed using a code printed on the inside of the card. This will expand opportunities for recipient-to-customer conversion.

¹ Source: OC&C, December 2020.

Market overview

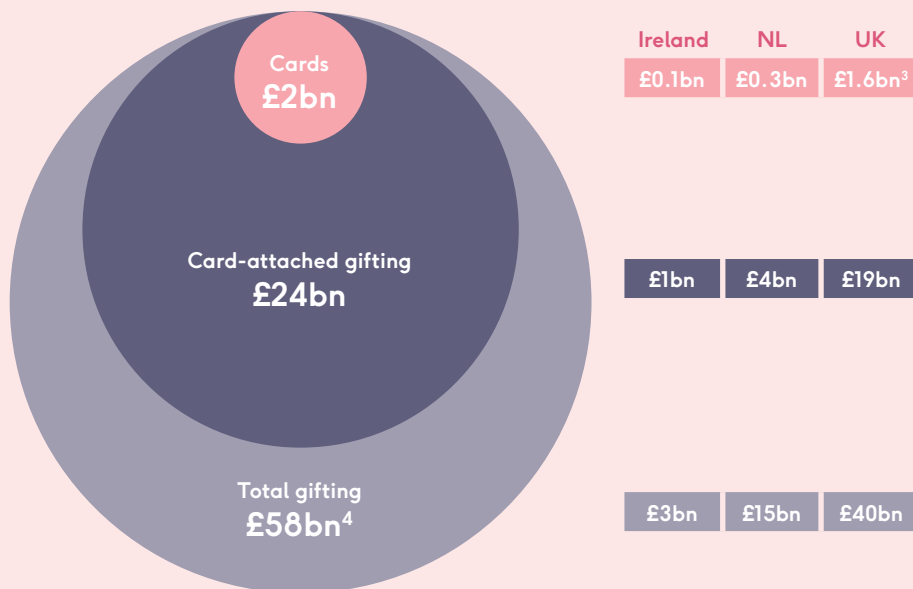
The overall gifting market is large and underpenetrated.

Total addressable market size – UK, Ireland and the Netherlands^{1, 2}

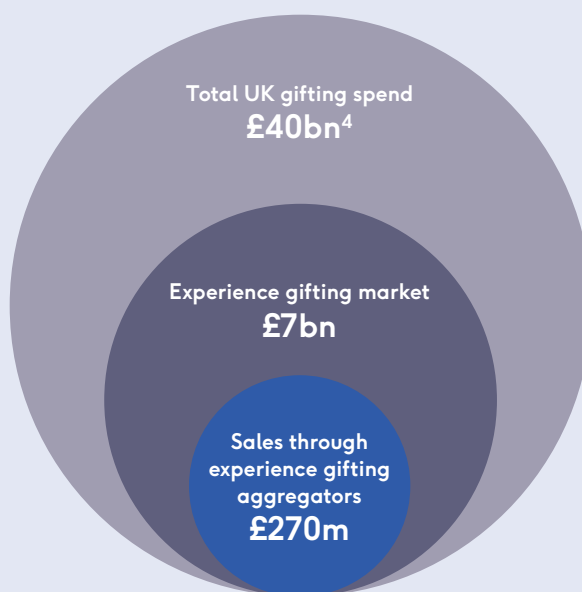
Data-driven insight into customers' intent

Competitive advantage in attached-gifting

Untapped non-attached gifting opportunity



UK gift experience market size 2023



¹ Source: OC&C, June 2024.

² Of the £58bn total gifting market, £34bn is standalone gifts, £22bn is gifts attached to a card and £2bn is greeting cards.

³ UK total cards market of £1.6bn in 2023 comprises £1.4bn single greeting cards and £0.2bn boxed card sets.

⁴ Addressable market stated excluding gifting in cash. In the UK this is estimated by OC&C at £10bn, suggesting a total gifting market in the UK of £50bn including gifting in cash.

Our strategy

Our strategy is to become the ultimate gifting companion.

Strategic focus



Leveraging data and technology

What this means

We aim to use technology to harness our extensive and unique dataset on customers' gifting behaviour, generating highly relevant, personalised gifting recommendations.

Our algorithms are optimised across 301m cumulative transactions as at April 2024 (April 2023: 266m)¹. As leaders in the online segment of the greeting card market, Moonpig captures approximately six times² and Greetz captures over three times² more customer data daily compared to our closest competitors.

What we have done

- We have continued to roll out innovative card features. Last year's launch of video messages has been followed by the introduction of audio messages, a broader range of "sticker" images that can be added to the inside of each card and introducing AI-generated 'smart text'.
- We continue to use AI to personalise recommendations to customers. For instance, our gift recommendations now use customer-level data (in addition to the data from personalisation of greeting cards).
- On Moonpig and Greetz we have implemented a significant improvement in on-site search functionality through the deployment of AI semantic search technology.
- We have implemented social sign-in through Google and Apple for Moonpig and Greetz.
- We have implemented changes to increase customer confidence around delivery including a new "delivery date first" checkout user experience, improved address validation and improved order tracking.
- At Experiences, we are re-platforming the shopper website to enhance site speed, improve on-site search results and boost search engine optimisation ("SEO"). The new platform will also enable the deployment of new functionalities, such as the additional payment options introduced this year.

Strategic focus



Building our brands

What this means

We aim to ensure that customers are excited to send Moonpig, Greetz, Red Letter Days and Buyagift products while recipients are delighted to receive them.

To achieve this, we invest in strengthening our brands and building trust in our quality and service. This trust underpins customer loyalty and drives growth in our customer base as recipients become customers themselves, generating a virtuous cycle of growth.

What we have done

- Marketing campaigns at both Moonpig and Greetz have showcased the creative personalisation features such as video messages, which make our cards more meaningful to the recipient.
- We launched Moonpig Plus subscription membership for UK customers in May 2023, followed by Greetz Plus in January 2024, to promote existing customer purchase frequency and retention.
- We have grown our database of customer occasion reminders across Moonpig and Greetz from 84m at April 2023 to 90m at April 2024.
- We are testing our prototype Moonpig for Work solution for SME business-to-employee greeting cards and gifting ahead of intended full launch in FY25.
- At Experiences we have continued to differentiate the Red Letter Days and Buyagift brands, so that the former emphasises iconic experiences and a more curated range, whilst the latter is more value-led. A new visual identity has been rolled-out at each brand.

Strategic focus



Evolving our range

What this means

We strive to offer the perfect card and gift for every relationship and occasion.

To achieve this, we continuously improve our range for cards, physical gifts and gift experiences. As we refine our algorithms to help customers discover the full extent of our range, we aim to capture a greater share of their gifting wallet, raising purchase frequency and gift attach rate.

What we have done

- We have continued to adapt our greeting card range for international markets, for instance rolling out licensed properties at Greetz, introducing 'mom' cards for the US and strengthening our range of Holy Communion and Confirmation cards in Ireland.
- In the UK, we have continued to build our range of trusted brands that give consumers confidence in the gifting proposition, including the launch of Hotel Chocolat and the extension of our partnership with Virgin Wines to cover sparkling wines.
- We have launched our first range of physical gifts in Ireland and in Australia.
- We launched a range of digital retail gift cards, which can be added to physical greeting cards in the US and to e-cards in the UK.
- At Experiences, we have focused on acquiring premium partners such as Champneys Health Spa and W Hotels, and launched a restaurant booking integration that has strengthened our gourmet restaurant offering.

Transforming the inside of our greeting cards

Having set a market-leading standard for the outside of greeting cards, we have focused in the last year on transforming the customer and recipient experience relating to the inside of each card.

In FY24, our innovative card creativity features including video and audio messages, "sticker" images for the inside of cards, emojis, flexible photographs, code-in-a-card digital gifting and AI-driven customised messages were used over 10 million times.

Creative features are a key component of our strategy to increase purchase frequency. Our card editor offers a market-leading user experience and enables customers to create feature-rich greeting cards that delight recipients. By innovating new personalisation features, we aim to deepen customer engagement and enhance the overall appeal of Moonpig and Greetz greeting cards.



1 Cumulative transactions as of April 2024. All-time for Moonpig, from 1 September 2018 (post-acquisition) to April 2024 for Greetz and from 13 July 2022 (post-acquisition) to April 2024 for Experiences.

2 By virtue of the ratio of Moonpig and Greetz share of the online segment of the market, relative to that of their closest competitor.

Key drivers of growth

A compelling growth opportunity with clear, compounding growth drivers.

Moonpig and Greetz

Growth drivers

Customer acquisition

What this means

There are an estimated 53.8m¹ card purchasers in the Group's existing core markets of the UK and the Netherlands. As online market leaders, the Group expects to continue to capitalise on the structural shift to online.

The Group's superior online proposition drives significant competitive advantage versus the offline market.

Future priorities

- Maintaining and growing brand awareness, highlighting the creative features that differentiate our greeting cards.
- Always-on marketing to acquire customers in the UK, Ireland and the Netherlands.
- Ongoing, focused marketing tests in Australia and the US to identify the most efficient strategies for acquiring new customers in these regions.
- Improving the recipient experience to amplify network effects, increasing the propensity of recipients to become future customers.

Share of wallet (order frequency)

What this means

The Group's active customers are estimated to purchase, on average, 23 cards per annum¹ (versus 20 cards per annum for consumers in the market as a whole), of which only a small proportion are purchased from the Group.

We aim to make gifting for every occasion easy to remember, to choose, to create and to purchase.

Future priorities

- Data-driven personalisation of the customer journey.
- Continuing to grow our database of occasion reminders.
- Developing the Moonpig Plus and Greetz Plus subscription memberships.
- Increasing iOS and Android app penetration at Greetz.
- Ongoing testing of our prototype Moonpig for Work solution for SME business-to-employee greeting cards and gifting.

Driving gift attachment

What this means

In the UK, approximately 72%¹ of cards are given with a gift. The card-first journey enables highly relevant gift recommendations. Purchase intent is high following card creation.

Cross-selling gifts means negligible incremental marketing costs, sidestepping expensive online competition in paid marketing for gifts and flowers.

Future priorities

- Ongoing programme of improvements in user experience and personalised gift recommendations.
- Continuing to onboard more of the trusted consumer brands that resonate with our customers and recipients.
- Driving growth in digital gifting, for instance e-cards plus gift experiences in the UK.
- Extending our range of physical gifts in Ireland and Australia and expanding sales of third-party retail gift vouchers in the US.

Enabler

Technology and data platform

What this means

Moonpig and Greetz have scalable, custom-built technology and proprietary algorithms optimised across millions of data points.

As we capture more data on gifting intent, we are able to offer increasingly relevant gifting recommendations to customers, in turn driving revenue.

Future priorities

- The majority of our technology resource is now focused on revenue growth initiatives, either through developing new and innovative features or optimisation of our algorithms and user experience.

¹ Source: OC&C, December 2020. The weighted average number of cards sent based on 24 cards per UK customer and 18 per Netherlands customer.

Experiences

Growth drivers

Customer acquisition

What this means

The UK gift experiences segment of the market is estimated at £7 billion¹ and there is a long-term secular trend from physical towards experiential gifting.

Platforms are better positioned than direct suppliers and category specialists to continue increasing overall market share, given their superior customer proposition for both givers and recipients.

Future priorities

- Further strengthening and differentiating the Red Letter Days and Buyagift brands.
- Optimisation of performance marketing capabilities.
- Improving site speed through technology re-platforming, which should improve SEO and increase the percentage of website traffic that converts into orders.
- Emphasising complete flexibility to exchange, giving peace of mind to the giver.

Recipient-to-customer conversion

What this means

We want to capture recipient data consent during the online redemption journey to convert recipients into customers.

The key to this is building a compelling range of experiences that can be booked online, so that recipients browse the best range, have a great recipient experience and interact directly with Red Letter Days and Buyagift during the redemption process.

Future priorities

- Continuing to expand our experiences range to ensure we have the broadest and best offering.
- Expanding the proportion of the range that can be booked directly online, so that redemption is on the Red Letter Days and Buyagift platforms.
- Adding new opportunities for upsell at the point of redemption.

Leveraging synergy with Moonpig

What this means

We are using Moonpig's proprietary dataset on gifting intent to drive sales of gift experiences on the Moonpig website and app.

At the same time, we are leveraging the Group's capabilities in technology, data and marketing with the intention of accelerating growth at Experiences.

Future priorities

- Roadmap of technology development to improve the way that we recommend and present experience gifts on the Moonpig website and apps.
- Driving Moonpig customer awareness of digital gifting options, including same-day digital delivery of gift experiences with an e-card and gift experiences printed inside physical greeting cards.
- Strengthening the Experiences product range in those categories and price-points that appeal most to Moonpig customers.

Enabler

Technology and data platform

What this means

We are part-way through transforming Experiences from a transactional online retailer into a technology-first business.

Future priorities

- We will complete the roll-out of a new technology platform for the shopper websites, increasing site speed and hence SEO and conversion rate.
- Implementing a new data platform to facilitate business decision making based on data and analytics.
- On the redemption websites, we will continue to integrate with experience providers so that more experiences are redeemed on our platform.

¹ Source: OC&C, June 2024.

Section 172 statement and stakeholder engagement

Section 172(1) statement

The Directors of the Company (and those of all UK companies) are required to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, whilst also having regard to the matters listed in Section 172 of the Companies Act 2006.

The interests of key stakeholders and the Board's approach to these are explained below. Further information on the Board's approach during FY24 to the matters set out in s172 of the Act and on decisions made by the Board, are set out in the Governance Report at pages 70 to 121 and forms part of this s172(1) statement and is thereby incorporated by reference in this Strategic report.

Stakeholder	What matters to them	How we engage
Customers At Moonpig and Greetz, our business model is built around the progressive accumulation of loyal customer cohorts. The use of data and technology differentiates the Group from its competitors. At Experiences we focus on the conversion of recipients into future customers.	<ul style="list-style-type: none"> Ability to express that they care about the recipient The right card design Relevant gifting recommendations Ability to personalise Convenience, including same day despatch and digital delivery Product quality Timely delivery Data protection Wide geographical choice of location for gift experiences and peace of mind that the recipient has flexibility of choice 	<ul style="list-style-type: none"> We collect continuous customer feedback for each of our brands through multivariate testing, on-site surveys, consumer research, reviews on third party websites and brand awareness tracking. We extensively A/B test new features such as audio messages and digital gifts within greeting cards before rolling them out to all customers. The Group aims to achieve a customer Net Promoter Score ("NPS") of at least 70 and surveys NPS on an ongoing basis. Our customer service team operates seven days per week at each of our four brands. Issues and themes from customer feedback are communicated to our operational teams daily. We engage with customers through multi-channel marketing and provide personalised reminders by email and app notification. Our unified technology platform now leverages AI and data to provide a personalised online customer experience at Moonpig and Greetz. We continue to improve the Experiences technology platform to enable a better and more personalised online customer experience. We offer a range of delivery options to suit customers' timescales. We are committed to prioritising technology security and data protection as explained on page 66.
Recipients We want recipients to be delighted to open their card or gift. Positive recipient experience drives viral customer acquisition through word-of-mouth. At Experiences, we focus on accelerating recipient-to-customer conversion by investing in the online redemption experience.	<ul style="list-style-type: none"> A memorable and enjoyable experience Convenient and reliable delivery High quality products and packaging Sustainability and ease of recycling Ease of redemption for gift experiences Wide geographical choice of location for gift experiences 	<ul style="list-style-type: none"> The breadth of our card design range means that recipients should see a highly relevant card upon opening their envelope. The Group invests in technology development to deliver innovations such as group cards, video messages in greeting cards and digital gifting. These differentiate our offerings from those of our offline and online competitors. We have launched new flowers and gifts ranges, and now offer the ability for card customers to add digital gifts from our Red Letter Days and Buyagift ranges. In both the UK and the Netherlands, we offer seven or eight days' guaranteed freshness on cut flowers. We offer a seven-day parcel delivery service in the UK and the Netherlands. To enhance our customers' experience, we have invested in expanding the proportion of gift experience categories that can be redeemed on the Red Letter Days and Buyagift websites, rather than with the merchant.

Stakeholder	What matters to them	How we engage
<p>Employees</p> <p>The Group's delivery against its strategic objectives is dependent upon it being able to attract, recruit, motivate and retain its highly skilled workforce.</p>	<ul style="list-style-type: none"> • Career and personal development • Reward • Employee engagement • Health and wellbeing • Safe working conditions • Dignity, respect and inclusivity 	<ul style="list-style-type: none"> • We foster an open, transparent culture through regular "All Hands" meetings, an annual all-employee strategy conference, and an annual strategy showcase, all of which are led by the Executive Committee. • We conduct twice-annual employee engagement surveys, which are used to build engagement action plans at divisional and functional level. • Management engages with employee networks and affinity groups, which provide supportive forums for under-represented employee groups. See page 42. • Regular health and safety assessments are carried out to ensure the wellbeing of all employees. • We engaged with the Dutch Works Council ahead of organisational changes at Greetz and the planned relocation of the Amsterdam office to Almere. • The Board engages with employees both through a defined programme of meetings carried out by the Designated Non-Executive Director for workforce engagement ("DNED") and through direct engagement with employees by the other NEDs. The full Board engages in oversight of employee engagement through reviewing employee engagement survey results and receiving regular feedback from the DNED. Refer to page 78. • The Group provides an independent whistleblowing service to encourage employees to raise relevant concerns anonymously and/or confidentially. This service is communicated proactively to employees and annual training on whistleblowing is provided to all employees. During FY24, one whistleblowing report was raised (FY23: none). The report was made directly to the Company Secretary who investigated the allegations thoroughly and confidentially, with oversight from the Audit Committee Chair. No evidence was found to support the allegations. The outcome was reported to the Board.
<p>Investors</p> <p>Access to capital is crucial for the Group's long-term performance.</p> <p>To provide investors and analysts with a clear understanding of our strategy, business model, culture, performance and governance, we aim to provide fair, balanced and understandable information.</p>	<ul style="list-style-type: none"> • High governance standards • A balanced and fair representation of financial results and prospects • Confidence in the Company's leadership • Clarity around principal risks and uncertainties • Total shareholder return • Progress on business and sustainability strategy delivery 	<ul style="list-style-type: none"> • We maintain open communication with investors through disclosures in the Annual Report, investor presentations and trading updates. These are available on our corporate website, along with other market-related information via the regulatory news service. • The Executive Directors interact with investors at formal roadshows, investor meetings and attendance at investor conferences. See page 79. • All Directors attended the Annual General Meeting held on 19 September 2023. • Proactive shareholder engagement is carried out by the Non-Executive Directors whenever the Board or its Committees identify matters arising that merit discussion with shareholders. See page 79 of the Corporate governance statement. • Regular updates are provided to the Board on market sentiment, investor relations activity and equity research reports. • At IPO, a Relationship Agreement was put in place to ensure that the Company was capable at all times of carrying on its business independently of Exponent, its former controlling shareholder. On 25 April 2024, Exponent ceased to be a substantial shareholder of the Company, the Relationship Agreement accordingly ceased to have effect and the Nominee Director appointed by Exponent resigned.

Section 172 statement and stakeholder engagement continued

Stakeholder	What matters to them	How we engage
<p>Suppliers</p> <p>Strong relationships with suppliers are critical to the Group's success.</p> <p>We prioritise building long-term, mutually-beneficial relationships with our suppliers, collaborating with them to uphold high standards and expectations of business conduct.</p>	<ul style="list-style-type: none"> • Long-term collaborative relationships • Growth opportunities • Fair terms and conditions • Responsible, ethical procurement • Prompt and accurate payment 	<ul style="list-style-type: none"> • The Group engages with suppliers and partners regularly, including through members of the Executive Committee. • Our supplier onboarding process is rigorous and includes technology security and data protection due diligence, as well as checks on financial viability, modern slavery, anti-facilitation of tax evasion, anti-bribery and sanctions and GHG emissions. • A Supplier Code of Conduct is available on our corporate website, outlining expectations for ethical conduct, environmental sustainability and social responsibility. • We collaborate with key outsourcing partners to raise operational performance. • The Group's Global Design Platform provides independent designers with opportunities to make their card designs available to our customers in return for royalties. • We report on supplier payment practices. • We have set a goal to obtain commitments to set net zero targets from suppliers representing 67% of Scope 3 emissions by April 2030 and in FY24 we commenced a related programme of supplier engagement.
<p>Communities and environment</p> <p>The Group is committed to making a positive impact on the communities and the environment in which it operates.</p>	<ul style="list-style-type: none"> • Positive impact on the community • Energy usage and carbon emissions • Sustainability 	<ul style="list-style-type: none"> • The Group has a long-standing commitment to charitable activity. Our charitable donations in FY24 are summarised on page 25. • The Group continues to pursue a strategy to support the wider technology sector. This includes extending our successful apprenticeship programme and recruiting a diverse range of candidates to participate in our coding bootcamps. • Our operational facilities in the UK and the Netherlands are designed with the environment in mind. The UK facility has achieved a BREEAM Excellent rating, and the Netherlands facility has been retrofitted in line with best practice. • The Group is committed to sustainable sourcing and continues to ensure that 100% (FY23: 100%) of our card, envelope and paper packaging SKUs for our core UK and Netherlands markets are 100% sustainably sourced, either through FSC or PEFC certification or containing more than 75% recycled content. • In FY24, the Group planted 66 hectares of woodland in partnership with Tree-Nation, in addition to offsetting Scope 1 and 2 emissions. • The Group has set a target to reduce Scope 3 emissions by 97% tCO₂/Revenue by 2050 versus FY22. • The Board monitors the Group's progress against our climate transition plan, which sets out how the business plans to adapt as the world transitions to a low carbon economy.

Sustainability

The Group's sustainability strategy focuses on making a difference to the environment, its people and its communities.

Across an extended period, Moonpig Group has contributed to society through its core purpose, which is to create better, more personal connections between people who care about each other and through its support for charities. We have built on these foundations through ongoing delivery against the Group's sustainability strategy.

Our sustainability strategy commits the Group to eight long-term goals focused on the environment, its people and its communities.

- ➔ Sustainability goals
See pages 23 to 25
- ➔ Environment (including TCFD)
See pages 26 to 41
- ➔ People
See pages 42 to 43
- ➔ Communities
See pages 44 to 45
- ➔ SASB Standards
See pages 46 to 47

UN Sustainable Development Goals

We focus on six of the United Nations' 17 Sustainable Development Goals that we consider most relevant to the business.



SDG 4 – Quality education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- Goal 7: Technology representation



SDG 5 – Gender equality

Achieve gender equality and empower all women and girls

- Goal 4: Leadership representation
- Goal 7: Technology representation



SDG 8 – Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- Goal 5: Employee engagement



SDG 12 – Responsible consumption and production

Protect, restore and promote sustainable use of terrestrial ecosystems and sustainably manage forests

- Goal 3: Forest positive



SDG 13 – Climate action

Take urgent action to combat climate change and its impacts

- Goal 1: Net zero operational emissions
- Goal 2: Net zero value chain emissions



SDG 15 – Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems and sustainably manage forests

- Goal 3: Forest positive

Sustainability continued

Delivery against the Group's sustainability goals in FY24

Goal	Progress to date	Next steps for FY25
<p>Goal 1 – Deliver net zero direct emissions by 2050.</p> <p>The Group is committed to: (a) reduce absolute emissions arising from its own operations (Scope 1 and Scope 2) by at least 50% by 2030, validated by the SBTi; (b) reduce operational emissions by at least 90% by 2050; and (c) offset any emissions that cannot be reduced. Reduction targets are expressed relative to total emissions of 677tCO₂e in the baseline year of FY20^{1,2}.</p>	<p>In FY24, the Group's total Scope 1 and 2 emissions were 535tCO₂e², (FY23: 540tCO₂e⁴) representing a reduction of 21% from FY20 baseline¹ emissions of 677tCO₂e.</p> <p>The Scope 1 and 2 baseline validated by the SBTi was for total emissions of 635tCO₂e at Moonpig and Greetz in FY20¹, which has been re-calculated for the acquisition of Experiences.</p> <p>The reduction in emissions was driven by the full-year impact of the FY23 opening of two new fulfilment sites with high environmental standards (including a BREEAM Excellent-rated facility in the UK and a Netherlands facility retrofitted in line with best practice) and making continuous improvements.</p> <p>During FY24 we conducted energy audits to understand potential actions to reduce operational emissions.</p> <p>We have offset Scope 1 and 2 emissions from the previous year by investing through Climate Impact Partners, which obtains independent verification from a recognised accreditation body for each project that it works with.</p>	<p>Solar panels are to be fitted at our Netherlands facility in FY25 under a lease agreement recently put in place with the landlord.</p> <p>We will implement the findings of the recently completed energy audits.</p> <p>We will consolidate our Dutch footprint by relocating head office functions from Amsterdam to our facility in Almere.</p> <p>We will continue to procure renewable energy for our offices and operational facilities, exploring decentralised options such as solar panels. We will also prioritise energy efficiency enhancements and investigate strategies to reduce natural gas consumption.</p>
<p>Goal 2 – Deliver net zero value chain emissions by 2050.</p> <p>The Group aims to deliver Net Zero value chain emissions by 2050:</p> <ul style="list-style-type: none"> Obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria representing 67% of Scope 3 emissions by 30 April 2030. Reduce Scope 3 emissions intensity by 97% tCO₂e/£1m of revenue³ by 2050, using FY22 as the baseline year, offsetting any emissions which cannot be reduced. 	<p>We have re-expressed Scope 3 emissions intensity for the baseline year of FY22¹ from 433tCO₂e/£1m of gross profit to 233tCO₂e/£1m of revenue³. Absolute baseline Scope 3 emissions remain unchanged at 80,928tCO₂e.</p> <p>In FY24, we reduced emissions by 60tCO₂e from our baseline. Revenue intensity remained broadly consistent between FY22 and FY24, offsetting the reduction in absolute emissions is the £39m Covid-related revenue boost in FY22. Emissions by category and measurement methodologies are set out at pages 35 to 41.</p> <p>As at 30 April 2024, we had obtained commitments from suppliers representing 19.3% of Scope 3 emissions to set net zero emissions reduction targets aligned with SBTi criteria.</p> <p>The GHG emissions disclosure on pages 35 to 36 includes details of our Scope 3 categories, our organisational and operational boundaries and the methodologies we use to measure value chain emissions.</p>	<p>The Group intends to continue to work with its delivery partners, focusing in FY25 on those that do not have publicly disclosed reduction targets.</p>
<p>Goal 3 – Reforest at least 330 hectares of woodland by the end of calendar year 2025.</p> <p>The Group relies on wood pulp to make its products and therefore aims to be "forest positive". This means that we will plant more trees than we use in our operations and value chain.</p>	<p>In FY24, we achieved 66% cumulative delivery against this five-year goal (FY23: 46%). In partnership with Tree-Nation, we planted 66 hectares of woodland, comprising 103,000 trees (FY23: 99,000), in addition to any emissions offsetting conducted within Goal 1.</p> <p>We worked with Tree-Nation to focus planting activity in ecologically sensitive areas and safeguard the long-term impact of tree planting by managing the forests. We contributed to projects in Madagascar, Nepal, Tanzania, Columbia, Thailand, India and the UK.</p>	<p>The Group intends to plant a further 66 hectares of forest in FY25.</p>

1 For Scope 1 and Scope 2 emissions, the baseline year is FY20 and this has been validated by the SBTi. The FY20 baseline has been re-calculated for FY20 emissions at Experiences, following the acquisition of that segment. For Scope 3, the baseline year is FY22, which includes FY22 Experiences emissions.

2 Scope 2 emissions are calculated using the "location-based" method. For comparatives using the "market-based" method, see page 35.

3 The emissions target has been re-expressed as the Group has decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a function of revenue. In FY23 the target was expressed as a reduction of 97% tCO₂e/£1m gross profit.

4 The FY23 Scope 1 emissions have been increased by 9tCO₂e compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

Goal	Progress to date	Next steps for FY25
<p>Goal 4 – Maintain the combined representation of women and ethnic minorities on the Leadership Team¹ at around 50%.</p> <p>The Group wants to be representative of its customers and the communities in which it operates.</p>	<p>As at 30 April 2024, the combined representation of women and ethnic minorities on the Leadership Team¹ was 49% (April 2023: 52%).</p> <p>Across the Group, 50% of individuals newly appointed into Leadership Team¹ roles were female (FY23: 42%).</p>	<p>We will continue to develop our next generation of female leaders and monitor the retention of women and ethnic minorities currently in leadership roles.</p>
<p>Goal 5 – Reach and maintain an employee engagement score at or above 72%.</p> <p>Improving engagement in our teams will improve productivity and hence business performance. It will help to ensure that employees are retained for longer, reducing recruitment costs.</p>	<p>The Group's average engagement score across two surveys was 61%, in-line with the prior year² (61%) but below our long-term goal (72%). The results reflect the continued challenges of operating in an economic downturn, characterised by more disciplined cost control and greater pressure to meet targets.</p> <p>Management has focused during the year on increasing employees' understanding of the Group's strategy and it was particularly pleasing that the April 2024 score for "I understand the long-term strategic direction for Moonpig Group" improved from 62% to 81%.</p>	<p>Our action plan for FY25 employee engagement is built around raising the proportion of employees who agree with the survey statement "I feel proud to work for this company."</p>
<p>Goal 6 – Invest £1m between 2020-2025 through the Moonpig Group Foundation.</p> <p>Through the Moonpig Group Foundation, we want to support initiatives that create connections and spark moments of joy in our communities.</p>	<p>During FY24 the Moonpig Group Foundation made charitable donations totalling £176,000 (FY23: £211,000).</p> <p>As at 30 April 2024 the Foundation has cumulatively donated £620,000 (30 April 2024: £444,000) to third-party charities since being set up in FY21.</p> <p>The Group also made charitable donations on its own account totalling £436,000; £304,000 to the Foundation and £132,000 direct to charities (FY23: £70,000, all to the Foundation).</p>	<p>Employees in each of our locations have chosen a cause to support in FY25. The chosen charities are Campaign Against Living Miserably (UK), The Willow Foundation, The Ivy Trust (Guernsey) and Stichting Jarige Job (Netherlands).</p>
<p>Goal 7 – Maintain the level of new hires into technical roles³ at around 45% women.</p> <p>To deliver the Group's strategy, we need to hire highly skilled technology workers from all areas of society.</p>	<p>In FY24 40% of new hires into technical roles were female (FY23: 45%). As at 30 April 2024, 33% of employees in these teams are female (FY23: 34%).</p> <p>We have confidence in our ability to increase these KPIs. Our current performance remains favourable compared to the wider market, which we attribute to having built excellent relationships with gender diversity organisations such as SheCanCode and Women In Tech.</p> <p>During the year, we have continued to develop our mentoring and experiences programmes with them.</p>	<p>There are opportunities to more closely align recruitment processes at Experiences with recruitment processes already operated at Moonpig and Greetz.</p> <p>We will continue our partnership with Cajigo, a technology platform focused on mentoring women in technology.</p>
<p>Goal 8 – Reach and maintain a top-quartile Customer NPS score of at least 70.</p> <p>The Group's mission is to help people connect and it is important that the Group's customers believe it is doing this.</p>	<p>For FY24, the Group's weighted average customer NPS score was 57 (FY23²: 60). The reduction in customer NPS from 71 in FY22 is driven by issues with postal delivery and primarily reflects the impact of poor delivery performance by the postal services in both the UK and the Netherlands.</p>	<p>Our FY25 plans focus on: (1) leveraging our database of reminders to encourage earlier ordering and delivery. (2) UX improvements in relation to how we communicate estimated delivery dates; (3) providing more options for tracked letter delivery.</p>

1 Comprises the Executive Committee (including Executive Directors) and their direct reports who are also members of the Extended Leadership Team.

2 Employee engagement score and customer NPS for FY23 is stated for Moonpig and Greetz only. For FY24 we have extended measurement to Experiences, hence figures are stated for the Group.

3 Technical roles for these purposes comprise those in technology security, engineering, product and analytics.

Sustainability continued

The environment

The Group aims to reduce emissions across its value chain and proactively manage the transition to a lower-carbon economy.

Environmental impact of products and services

In FY24, the proportion of sustainably sourced paper, card and packaging across all our brands was 100% (FY23: 100%) in the UK and the Netherlands and 98% (FY23: 98%) globally. In addition, all cards, envelopes and packaging procured by Moonpig and Greetz in the UK and Netherlands are reusable, recyclable or compostable.

The Group is committed to phasing out single-use plastic packaging through our own operations and throughout its value chain. Single-use plastics have been completely removed from the Group's operations in the UK during FY24 and we intend to completely remove them from our operations in the Netherlands in FY25. The Group also has a packaging waste management programme in place. At Experiences, all experience gift cards are made of compressed paper rather than plastic.

Statement of the extent of consistency with the TCFD framework

The Group's disclosure is based on the requirements of "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 and "Implementing the Recommendations of the TCFD" published in June 2021 by the TCFD. To ensure clear and concise disclosure of the progress made during the past year, only material changes are set out in this report. The Group's full sustainability disclosure, including relating to climate is set out in the Sustainability Report, which can be accessed at www.moonpig.group/investors. Additionally, the Group has ensured compliance with the Companies Act 414CB and has indicated in the below table which of the climate-related disclosures, outlined in Section 414CB, are addressed by the TCFD recommended disclosures.

The following table sets out the extent of consistency of Group's disclosures with the four recommendations and the eleven recommended disclosures set out in the initial TCFD report. Disclosure outlined in the "Guidance for All Sectors", included within the updated report published in 2021, has been presented against each Pillar section of this TCFD report on pages 26 to 41:

TCFD pillar	TCFD recommended disclosure	Status	CA 414CB
1. Climate governance The organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities.		The Board's oversight is described at page 28. (a)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.		Management's role is described at page 28. (a)
2. Climate strategy The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.		The Group's climate-related risks and opportunities are disclosed across pages 29 to 33. (d)
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.		The impact of this risk assessment on business strategy and financial planning is set out at page 30. (e)
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate scenarios.		The Group has qualitatively assessed its resilience to individual climate risks, but has not prepared integrated, quantified climate scenarios due to transitional challenges in embedding the relevant capabilities. We intend to ensure full consistency with this requirement within the next three years. Refer to page 30. (f)

TCFD pillar	TCFD recommended disclosure	Status	CA 414CB
3. Climate risk management How the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks.	●	The Group's processes for identifying and assessing climate-related risks are set out at page 34. (b)
	b) Describe the organisation's processes for managing climate-related risks.	●	The Group's processes for managing climate-related risks are set out at page 34. (b)
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	●	Climate risk management is fully embedded within the Group's overall risk management framework. Refer to statement on page 34 and summary of the Group's risk management process at pages 60 to 66. (c)
4. Climate metrics and targets The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	●	The Group's climate-related metrics are disclosed on page 35. One TCFD cross-industry metric category (internal carbon prices) is not disclosed, however this is because the Group does not use internal carbon prices due to its low carbon footprint. (h)
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions and the related risks.	●	Disclosure of absolute Scope 1, 2 and 3 GHG emissions for FY24 and FY23 is set out on page 36 to 37. (h)
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	●	The Group has set targets for Scope 1, 2 and 3 emissions and the proportion of Scope 3 emissions from suppliers with an emissions reduction target aligned with SBTi criteria. Refer to page 37 to 41. (g)

Disclosure level:

● Full consistency ● Partial consistency ○ Omitted disclosure

Voluntary assurance over TCFD disclosures

The Group has not obtained voluntary assurance over any area of FY24 TCFD reporting.

Sustainability continued

The environment continued

TCFD Pillar 1: climate governance

Disclosures (a) and (b) – Board oversight and management role

The Group has governance arrangements in place relating to the assessment and management of climate-related risks and opportunities that are based on the TCFD's all-sector guidance. These are set out in full in the FY23 Annual Report and Accounts and in the Group's FY24 Sustainability Report, which can be accessed at www.moonpig.group/investors.

During FY24, the Board continued its oversight of the Group's climate-related risks and opportunities. Three key focus areas were the Group's sustainability governance framework, the expansion of focus from climate-related risks and opportunities to incorporate sustainability-related risks and opportunities and the alignment of incentives for the Extended Leadership team to that of the Executive Committee with respect to climate-related measures.

Stakeholder engagement

We took significant steps in FY23 to strengthen and formalise our sustainability governance framework. We have focused in the last twelve months on embedding this, whilst engaging with external stakeholders.

Several independent agencies rate our sustainability performance throughout the year including MSCI, Sustainalytics and ISS ESG, and we engage on a regular basis to ensure the accuracy of their monitoring.

We also participate voluntarily in the Carbon Disclosure Project ("CDP"), a not-for-profit charity that runs a global disclosure system for investors, companies, states and public authorities. Our engagement with the CDP involves disclosure of our carbon emissions data and climate-related strategies allowing investors, stakeholders and the public to assess our environmental impact and efforts to mitigate climate change. Through the disclosure process, we gather insights into our environmental impact and identify areas for improvement. We were pleased to see our CDP score for 2023 improve year-on-year from D to B, which is the third highest of the eight CDP scoring bands.

Sustainability risk management

In FY24, the Group incorporated the review of sustainability risks into its risk management framework, producing its first sustainability risk register, which was approved by the Board in March 2024. The principal sustainability risks are set out in the Sustainability Report on the Group's corporate website.

This followed an exercise, led by the Group's Sustainability Working Group, to identify potential risks relating to climate change, nature, human capital, human rights, circular economy, materials sourcing and value chain, technology security and data protection and water and marine resources.

This work is part of the Group's work for the expected UK Government endorsement of IFRS S1 and S2, the first two IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board.

Alignment of incentives

The Board considers that the inclusion of climate-related measures in leadership remuneration is important for ensuring alignment of interests. The Remuneration Committee has applied a phased approach, starting with the introduction of sustainability measures for the annual bonus in FY22, initially for the Executive Directors and Executive Committee members.

In FY23, the Group introduced a sustainability measure relating to climate change, based on the renewable energy mix at the Group's two new fulfilment centres. Recognising that most of our carbon footprint relates to value chain emissions, this was accompanied by a gateway requirement to measure the Group's Scope 3 GHG emissions and set a reduction target.

For FY24 and FY25, we have expanded this approach such that all members of the Executive Committee and Extended Leadership Team have a bonus measure that aligns with the Group's Sustainability Goal 2. This goal is to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria.

TCFD Pillar 2: climate strategy

Disclosure (a) – description of climate-related risks and opportunities

The Group has identified the following key climate-related risks and opportunities, which are unchanged from prior year and further described on pages 31 to 33:

Category	Theme	Risk or opportunity	
Physical risks	Acute and chronic physical risks	R1	Operational sites and distribution exposure to physical risks
Transition risks	Price analysis and regulatory changes	R2	Carbon tax and pricing mechanisms in a Paris Agreement Aligned scenario
	The path to decarbonisation	R3	Potential consumer preference changes in a Paris Agreement Aligned scenario
		R4	Future failure of suppliers to decarbonise in a Paris Agreement Aligned scenario
Transition opportunities	Price analysis and regulatory changes	O1	Increased usage of renewable energy and on-site solar generation
	The path to decarbonisation	O2	Decarbonisation of distribution
		O3	Lower carbon product portfolio, sustainable wood products and packaging
		O4	Increased consumer demand for recycled content
		O5	Reforestation initiatives

The Group considers that the above risks are common to all the Group's segments and principal geographies.

For operational risks, the Group considers impact over three years, which aligns to the Group's viability statement period. However, climate risks and opportunities may crystallise over a longer period, therefore our assessment of climate-related risks considers three time horizons:

- **Short term (up to 3 years)** – climate-related risks which are identified as material within this time frame will additionally be categorised as a principal risk, in line with our overall risk management process.
- **Medium term (3 to 10 years)** – climate-related risks which are identified as material during this time frame are monitored and assessed.
- **Long term (over 10 years)** – the Group recognises that it must consider and address longer-terms risks as it formulates business strategy.

When assessing climate-related risks and opportunities, the Group applies the "double materiality" approach recommended by the Global Reporting Initiative. This recognises that the impacts of an organisation's activities extend beyond its own operations and financial performance, and that sustainability issues can have both external and internal materiality. Materiality is determined based on the assessed potential impact (for each of the two temperature pathways) on both:

- **Group financial performance** – categorised as either High (>10%), Medium (>5% <=10%) or Low (<=5%) impact on consolidated Adjusted EBITDA.
- **Relevance to stakeholders** – the risk classification is raised where management judgement determines a matter as having become sufficiently important to stakeholders.

Whilst the Group has assessed each risk in relation to the above defined impact, the Group considers a risk to be material if it has either a high impact on Adjusted EBITDA or is judged to have a sufficiently important impact to our stakeholders. This definition of material differs from that used within our financial reporting as we have deemed a material financial impact to the business, in this scenario, to be aligned to our risk management criteria and thus would be deemed a principal risk if it met this threshold.

Sustainability continued

The environment continued

TCFD Pillar 2: climate strategy continued

Disclosure (b) – impact of climate-related risks and opportunities

The Group's assessment of the impact of climate-related risks and opportunities is based on the TCFD's all-sector guidance. During the current financial year, there has been no material change to this assessment. It is disclosed in full in the Group's FY23 Annual Report and Accounts and in the FY24 Sustainability Report, which can be accessed at www.moonpig.group/investors.

Implications for financial statements

The Group has considered the impact of climate-related risks and opportunities in preparing the financial statements in the Notes to the consolidated financial statements on page 134. The nature of the Group's business model and the low assessed materiality of climate-related risks meant that there were no significant judgements and estimates relating to climate change in FY24.

The Board considered the carrying amount of freehold land and buildings in Guernsey, which is the Group's site most exposed to physical risk. It was concluded that no impairment of accelerated depreciation is required. This was not deemed to involve the exercise of significant judgement given the low probability of impact.

As the Group's Scope 3 emissions make up 99.3% of its carbon footprint, the Group's focus is on obtaining commitments from suppliers to set emissions reduction targets aligned with SBTi criteria (in line with the Group's Sustainability Goal 2). It therefore does not expect to deploy material capital expenditure on the delivery of Scope 1 and 2 emissions reductions.

Disclosure (c) – resilience under different climate scenarios

The Group analyses risks and opportunities using two climate scenarios:

- **Scenario 1** – "Paris Agreement Aligned": Under this transition scenario, there is sustained and coordinated collective action, with emissions reductions meeting the required levels to keep global average temperature increases to below 1.5°C by 2100. There is a lower likelihood of severe climate-change-related weather events, but potential impact from the climate change policies implemented globally to align to the 1.5°C warming pathway.
- **Scenario 2** – "Business as Usual": Under this scenario, there is inadequate action to limit emissions and modelling reflects a world where increasing concentrations of CO₂ put global average temperature increases on a trajectory towards 4°C by 2100. There is no further climate policy intervention, but increased risk of physical impacts due to the severity and frequency of climate-change-related weather events.

The Group has qualitatively assessed its resilience to key climate risks, as detailed on page 32. In both the short and medium term these risks have a low impact whilst in the long term, they do not exceed a medium impact. Consequently, the Board considers that the Group's resilience to climate-related risks is high in both scenarios.

This assessment relies on our evaluation of risk R2, which pertains to carbon taxation and pricing mechanisms in a Paris Agreement Aligned scenario. By applying the latest carbon price projections from the International Energy Agency's World Energy Model, we have estimated the financial impact of Scope 3 emissions to be approximately £30m per year by 2050, which initially indicates a "High" risk rating. However, we believe it is improbable that governments would in practice enforce such substantial carbon taxes on a relatively non-energy-intensive sector, considering the devastating consequences that this would have for the wider economy. Therefore, we have exercised discretion to classify the risk as "Medium" for the long term.

The Group is not yet able to perform comprehensive, quantitative scenario analysis and we state on page 26 that this is an area where disclosure is not yet consistent with the TCFD framework. This reflects transitional challenges in embedding the relevant capabilities, given the complexity inherent in modelling such scenarios. We are committed to ensuring compliance with this requirement within the next three years.

Primary climate-related opportunities

The Group's primary climate-related opportunities are summarised below. The Group does not assess the potential revenue or profit upside from climate opportunities to be material.

Opportunity	Potential impact	Next steps
Increased usage of renewable energy; on-site solar generation	The cost of energy from traditional sources is expected to rise due to the transition to a lower carbon economy, causing a relative fall in costs for renewable energy. Shifting to 100% renewable energy could enable the Group to take advantage of cheaper power and lower its Scope 2 emissions.	<ul style="list-style-type: none"> Solar panels are to be fitted at our Netherlands facility in FY25 under a lease agreement recently put in place with the landlord.
Decarbonisation of distribution	The UK and EU are committing to reduce emissions across forms of transport leading to an increase in adoption of electric vehicles. This may provide an opportunity for the Group to decarbonise its distribution channels more easily.	<ul style="list-style-type: none"> We have set a goal to obtain commitments from suppliers to set net zero targets covering 67% of Scope 3 emissions by April 2030, and increased coverage from 9.7% to 19.3% during FY24. Our main distribution partners across the UK, NL, Ireland and Australia have SBTi commitments. The Group intends to continue to work with its delivery partners focusing in FY25 on those that do not have publicly disclosed reduction targets.
Lower carbon product portfolio; sustainable paper packaging	Changes in consumer habits might provide opportunities to capitalise on a growing market for sustainable or zero-carbon gifting.	<ul style="list-style-type: none"> Our card, envelopes and packaging are 98% from sustainable sources. This has reduced the likelihood of deforestation in the supply chain and associated emissions. The Group plans to continue its existing work on the development of its digital gifting proposition, which accelerated following the acquisition of Experiences in FY23.
Increased consumer demand for recycled content	In the Paris Agreement Aligned scenario, greater demand for circularity is expected. There may be opportunities to take advantage of this trend by improving the prominence of labelling and recycling instructions.	<ul style="list-style-type: none"> The Group plans to continue engaging with suppliers to increase the quality of labelling and recycling instruction on products and investigate opportunities to increase the level of recycled content in its products where possible. We display FSC recycling logos on all our cards sold in the UK and the Netherlands. We are now working to implement the same for cards ordered and printed in other geographies.
Reforestation initiatives	By meeting its reforestation goal (see page 24), the Group can improve its reputation amongst consumers.	<ul style="list-style-type: none"> The Group intends to fund the planting of a further 66 hectares of forest in FY25.

Sustainability continued

The environment continued

TCFD Pillar 2: climate strategy continued

Primary climate-related risks

TCFD category	Risk	Potential impact
Physical (acute and chronic)	R1 Operational sites and distribution exposure to physical risks	<p>An increase in the frequency and severity of extreme weather conditions could result in damage and/or interruption to manufacturing and distribution facilities. Third-party analysis suggests coastal inundation is likely the most significant hazard in both scenarios.</p> <p>The highest levels of exposure relate to the Group's Guernsey operations.</p> <p>Levels of impact for the Group's Dutch operations are low within the time horizons considered by our assessment, owing to strong coastal defences in the Netherlands.</p> <p>Coastal inundation is a risk for the UK mainland; however, key in-house and outsourced facilities are either located well inland (Tamworth, Droitwich, Northampton) or in locations not expected to be at risk of inundation prior to 2050 in a Business-as-Usual scenario (Sleaford).</p>
Policy and legal	R2 Carbon tax and pricing mechanisms in a Paris Agreement Aligned scenario	<p>Carbon taxation is assumed to be the primary lever by which governments around the globe will incentivise decarbonisation. Increases to carbon tariffs could lead to additional operational costs, through direct carbon costs on Scope 1 and 2 emissions or indirectly through increased input costs from suppliers (Scope 3).</p> <p>Quantification of potential future liabilities for Scope 1 and 2 emissions show the financial impact to the Group is not expected to be significant out to 2050 even if the Group fails to meet decarbonisation goals (less than £2m Adjusted EBITDA impact in a Business-as-Usual scenario).</p> <p>Applying carbon price projections from the International Energy Agency's World Energy Model, we have calculated the financial impact of Scope 3 emissions to be approximately £30m per year by 2050, which initially indicates a "High" risk rating. However, we believe it is unlikely that governments could in practice impose such significant carbon taxes on a comparatively non-energy-intensive sector, as the repercussions of such a policy for the broader economy could be devastating. As a result, we have exercised discretion and classified the long-term risk as "Medium" in this case.</p>
Market	R3 Potential future consumer preference changes in a Paris Agreement Aligned scenario	<p>Shifts in consumption habits are expected to be a prerequisite for the transition to a lower-carbon economy and limiting global warming to 1.5°C. In the Paris Agreement Aligned scenario, there is a possibility that consumer preferences might change in future in ways that could reduce demand for the Group's product offering.</p> <p>Given that pulpwood is a small proportion of the Group's value chain, this would require continued high carbon emissions in other services consumed by the Group, for instance postal services. Should transition not be achieved in the relevant industry sectors, then there may be an impact over the long term.</p>
Technology	R4 Future failure of suppliers to decarbonise in a Paris Agreement Aligned scenario	<p>A future failure of the Group's suppliers to decarbonise at sufficient speed and scale could impact the Group's reputation with consumers leading to a fall in demand in the long term.</p> <p>Decarbonising the Group's product offering in a 1.5°C scenario will be dependent on efforts by third-party suppliers.</p>

Note: the Group applies the "double materiality" approach recommended by the Global Reporting Initiative, in the first instance, RAG ratings are based on financial impact, with each risk classified as either High (>10% impact on Group Adjusted EBITDA), Medium (>5% <=10% impact on Group Adjusted EBITDA) or Low (<=5% impact on Group Adjusted EBITDA) within each time horizon. The risk classification is raised where a matter is assessed as having become sufficiently important to stakeholders.

Potential mitigation

- The Group has significant flexibility in its production network, which would enable it to mitigate business interruptions by shifting production to unaffected sites. The Group temporarily rerouted Guernsey volumes to different sites during periods of 2020 and 2021 when lockdown restrictions imposed by the States of Guernsey significantly limited production capacity at the site.
- The Group will consider coastal flood risk when considering future changes to the Group's operational network, making site-specific assessments at the appropriate time.

Impact assessment

	Short term	Medium term	Long term
1.5°C	Low	Low	Low
4.0°C	Low	Low	Low

- Successful implementation of the Group's Scope 1 and 2 emissions reduction goals would mitigate any increase in direct carbon costs.
- The Group's climate transition plan (pages 39 to 41) sets out the areas of focus which management intends to pursue to reduce Scope 3 emissions.

	Short term	Medium term	Long term
1.5°C	Low	Low	Medium
4.0°C	N/a	N/a	N/a

- Delivery of the Group's climate transition plan (pages 39 to 41), and hence its decarbonisation targets, will drive a reduction in the emissions intensity of its product offering.
- The Group will continue its existing work on the development of its digital gifting proposition, leveraging the launch of e-cards with digital gift experiences during FY24.

	Short term	Medium term	Long term
1.5°C	Low	Low	Medium
4.0°C	N/a	N/a	N/a

- The Group has set a goal to obtain commitments from suppliers to set net zero emissions reduction targets aligned with SBTi criteria representing 67% of Scope 3 emissions by 30 April 2030.
- The Group engages proactively with suppliers and as at 30 April 2024 had obtained commitments from suppliers covering 19.3% of Scope 3 emissions (April 2023: 9.7%).

	Short term	Medium term	Long term
1.5°C	Low	Low	Medium
4.0°C	N/a	N/a	N/a

Sustainability continued

The environment continued

TCFD Pillar 3: climate risk management

Disclosure (a) – processes for identifying and assessing climate-related risks

In FY22, we established a working group to conduct the Group's first climate risk management assessment. With support from a third-party specialist and with executive-level sponsorship we identified the Group's material climate-related risks and opportunities as follows:

- For physical risks and for transition risks related to price analysis and regulatory changes, the Group performed a quantitative assessment of individual key risks under two scenarios, with support from external advisers.
- For physical risks, the Group considered acute physical risks (coastal inundation, extreme wind, extreme heat, riverine and surface water flooding and forest fires) across its UK and Netherlands operations. The Group also performed site-specific analysis on its Guernsey manufacturing site.
- Potential physical impacts were assessed through two metrics, site damage (the potential impact of hazards on site infrastructure) and business interruption (the potential revenue loss associated with hazards).
- For transition risks related to price analysis and regulatory change, these were analysed using climate scenario modelling to assess the potential financial impact in both the Paris Agreement Aligned and the Business-as-Usual scenarios.
- For transition risks related to the path to decarbonisation, and for climate opportunities, we have performed a qualitative assessment of risk and impact, using available internal data and external literature.

Thereafter, a climate risk register has been maintained on an ongoing basis with oversight from the CFO. Twice each year, the primary climate-related risks and opportunities are considered and approved by the Board on recommendation from the Audit Committee. This process follows the Group's risk management process, which is set out at page 61.

The Group's assessment of its material climate-related risks and opportunities is summarised at pages 31 to 33. There have been no changes made in FY24.

Disclosure (b) – processes for managing climate-related risks

The Group's processes for managing climate-related risks are as follows:

- **Managing risks:** The climate risk register is the primary mechanism for the management of climate-related risks. Mitigation of identified risks is considered first by executive management and then presented for discussion with the Audit Committee and Board, in accordance with the Group's overall risk management process.
- **Mitigate, transfer, accept or control risks:** Most of the identified climate-related risks have been assessed as low materiality for all timeframes and scenarios, and the Group's approach has been to accept these risks. However, there are two long-term, assessed medium impact market and technology risks (labelled R3 and R4 on page 32) in a Paris Agreement Aligned (below 1.5°C) scenario, which envisage potential reputation impact from failure to decarbonise the Group's products and/or value chain. The Group's mechanism for mitigation of these risks is through the climate transition plan set out on page 39.
- **Prioritisation of risks and materiality determination:** The organisation prioritises climate-related risks based on the materiality of impact and likelihood of occurrence. Materiality determination is performed on a "double materiality" basis as set out on page 29, considering the potential impact on its financial performance and reputation, as well as the expectations of stakeholders.
- **Assessment of climate-related issues:** Assessment of climate-related issues is performed by a management Sustainability Working Group that meets across the year and comprises the CFO and the Chief Operations Officer together with individuals in finance and sustainability roles. No new climate-related issues arose during the year.

Disclosure (c) – climate risk integration into overall risk management

The Group's climate risk management procedures are integrated into its overall risk management framework, as set out at page 60. The Group's climate risk register was approved by the Board on three occasions during the year.

There are differences in approach for the assessment of climate-related risks, compared to the assessment of principal risks and uncertainties. Principal risks and uncertainties are assessed based on the materiality of their potential financial impact, with a focus on a three-year horizon, whereas climate-related risks are assessed based on "double materiality" over an extended time horizon.

None of the Group's climate-related risks are currently classified as principal risks as none have been assessed as having a material impact on the Group's business model, strategy or the Directors' assessment of viability (as set out in the viability statement on page 67).

TCFD Pillar 4: climate metrics and targets

Disclosure (a) – climate-related metrics

The following table sets out the metrics used by the Group to assess climate-related risks and opportunities. These are drawn from the seven cross-industry metric categories identified by TCFD, together with five metrics which are specific to the Group's climate transition plan. An internal carbon price is not disclosed, as the Group has not defined and does not currently use internal carbon prices.

Metric category	Metric	Risk or Opportunity	Unit of measure	FY24	FY23 ²
Cross-industry metrics:					
Absolute GHG emissions	Absolute Scope 1 emissions	R2 R3	tCO ₂ e	31	35 ⁶
Absolute GHG emissions	Absolute Scope 2 emissions ¹	R2 R3 O1	tCO ₂ e	504	505
Absolute GHG emissions	Absolute Scope 3 emissions	R2 R3 R4	tCO ₂ e	80,868	87,486
Transition risks	Proportion of fixed assets exposed to transition risks	N/a	%	–	–
Physical risks	Proportion of fixed assets exposed to physical risks	R1	%	19	27
Climate-related opportunities	Revenue from products or services that support transition to a lower-carbon economy	O3 O4 O5	%	–	–
Capital deployment	Percentage of annual revenue invested in R&D of low-carbon products/services	O3 O4	%	–	–
Internal carbon prices	Internal carbon price	R2	N/a ³	N/a ³	N/a ³
Remuneration	Proportion of executive management remuneration linked to climate considerations	O1 O2 O3	%	10.0	6.7
Company-specific metrics:					
Sustainably sourced cards and gifts	Proportion of Scope 3 emissions from suppliers with an emissions reduction commitment aligned with SBTi criteria	R4	%	19.3	9.7
Sustainably sourced cards and gifts	Scope 3 economic emissions intensity (tCO ₂ e/£1m of revenue ⁴)	R3 R4	tCO ₂ e/£1m of revenue ⁴	237.0	268.0
Low carbon delivery	Distribution emission per 1,000 orders	O2	tCO ₂ e/order	0.136	0.115
Low carbon manufacturing and fulfilment	Proportion of energy consumption from renewable sources	O1	%	65	59
More accurate emissions measurement	Proportion of Scope 3 emissions measured using primary data ⁵	O2	%	46	41

1 Absolute Scope 2 emissions calculated using the "market-based" method were 110tCO₂e in FY24, a 4.0% decrease year-on-year compared to 114 tCO₂e in FY23.

2 FY23 data is stated pro forma, inclusive of Experiences data for the full financial year.

3 The Group has not defined and does not currently use internal carbon prices.

4 The emissions target has been re-expressed since FY23 as the Group has made the decision to align reporting with the Corporate Sustainability Reporting Directive and therefore has presented its intensity targets as a product of revenue rather than gross profit.

5 Primary data is data provided by suppliers or others that directly relate to specific activities within the value chain.

6 The FY23 Scope 1 emissions have been increased by 9tCO₂e compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

Sustainability continued

The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (b) – greenhouse gas emissions

The greenhouse gas reporting period is aligned to the financial reporting year. The Group reports emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") and Corporate Value Chain (Scope 3) Accounting and Reporting Standard ("Scope 3 Standard"). The 2022 (for FY23) and 2023 (for FY24) UK Government GHG Conversion Factors for Company Reporting are used to convert energy use in operations to emissions of tCO₂e.

The tables below set out the Group's mandatory reporting on greenhouse gas emissions and global energy use pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the Government's policy on Streamlined Energy and Carbon Reporting ("SECR").

GHG emissions (tCO ₂ e)	FY24				FY23 ^{1,6}			
	UK ²	NL	Rest of world	Total	UK ²	NL	Rest of world	Total
Scope 1: Emissions from combustion of gas	10	21	–	31	10	25	–	35 ⁵
Scope 2: Emissions from purchased electricity	236	268	–	504	220	285	–	505
Total operational emissions (tCO₂e)	246	289	–	535	230	310	–	540
Scope 1 and 2 Intensity ratio: tCO₂e/£1m of revenue⁴	0.87	5.64	–	1.57	0.87	5.59	–	1.65
Scope 3: Emissions from indirect sources								
Category 1: Purchased goods and services	60,969	10,052	329	71,350	58,698	13,835	119	72,651
Category 2: Capital goods	430	78	–	508	3,523	2,758	–	6,281
Category 3: Fuel and energy related activities	63	14	–	77	63	16	–	79
Category 4: Upstream transportation and distribution	483	99	5	587	243	26	1	270
Category 5: Waste generated in operations	10	3	–	13	8	9	–	17
Category 6: Business travel	105	28	–	133	66	16	–	82
Category 7: Employee commuting	370	71	–	441	1,095	236	–	1,331
Category 8: Upstream leased assets	–	–	–	–	57	–	–	57
Category 9: Downstream transportation and distribution ⁶	3,285	1,167	262	4,714	2,634	1,168	253	4,055
Category 10: Processing of sold products ³	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Category 11: Use of sold products	22	1	–	23	11	1	–	12
Category 12: End of life treatment of sold products	2,017	931	19	2,967	1,591	1,017	5	2,613
Category 13: Downstream leased assets	55	–	–	55	37	–	–	37
Category 14: Franchises ³	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Category 15: Investments ³	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Scope 3: Emissions from indirect sources	67,809	12,444	615	80,868	68,026	19,082	378	87,486
Total emissions (tCO₂e)	68,055	12,733	615	81,403	68,256	19,392	378	88,026
Scope 3 Intensity ratio: tCO₂e/£1m of revenue⁴	241.1	242.8	70.7	237.0	257.2	344.3	58.4	268.0

1 FY23 emissions are stated pro forma, inclusive of Experiences data for the full financial year.

2 The UK data also includes emissions produced within the factory located in Guernsey.

3 Categories 10, 14 and 15 are not applicable for the Group, as explained within our Sustainability Report, accessed at www.moonpig.group/investors.

4 The emissions target has been re-expressed since FY23 as the Group has decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a product of revenue rather than gross profit.

5 The FY23 Scope 1 emissions have been increased by 9tCO₂e compared to the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

6 FY23 restated to include Ireland within rest of world to align with segmental reporting in the consolidated financial statements.

Energy consumption in with line SECR

Energy consumption (kWh)	FY24				FY23 ¹			
	UK ²	NL	Total	% Renewable	UK ^{2,3}	NL	Total	% Renewable
Gas	53,915	125,278	179,193	0%	54,726	140,936	195,662	0%
Electricity (purchased)	1,139,544	725,757	1,865,301	65%	1,135,881	772,044	1,907,925	59%
Total energy consumption	1,193,459	851,035	2,044,494	65%	1,190,607	912,980	2,103,587	59%
Mileage claims (miles)	96,169	7,739	103,908	–	33,359	8,426	41,785	–

1 FY23 data is stated pro forma, inclusive of Experiences data for the full financial year.

2 The UK data also includes energy used within the factory located in Guernsey.

3 The FY23 gas consumption has been increased to 54,726 kWh since that presented in the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

Baseline years and reporting boundary

The baseline year for Scope 1 and 2 is FY20, as re-expressed to take into account the subsequent acquisition of Experiences. For Scope 3 emissions, the baseline year is FY22, which was selected because it is the first year for which the Group had the necessary understanding and data for each respective emissions category.

To ensure accurate progress tracking toward our targets, we may adjust the baseline year due to significant changes, such as acquisitions or divestments, methodology or activity changes, or data errors. Restatement will only occur if the recalculated emissions differ by more than 10% from the previously reported baseline year emissions. The Group will review and, if needed, recalculate and validate our baseline and targets at least once every five years.

Our organisational emissions reporting boundary, as defined by the GHG Protocol, includes Moonpig Group and its subsidiaries, taking an operational control approach. This method allows us to “manage what we measure”. As at 30 April 2024, Moonpig Group consisted of eight controlled entities. Additional information on our subsidiary undertakings and controlled entities can be found in Note 25 to the consolidated financial statements on page 167.

Our operational boundary covers Scope 1, Scope 2 and all fifteen Scope 3 reporting categories set out in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard for which there are relevant activities in our value chain. Our operational boundaries are consistent with those disclosed within the FY23 Annual Report and Accounts and can be found in our FY24 Sustainability Report, which can be accessed at www.moonpig.group/investors

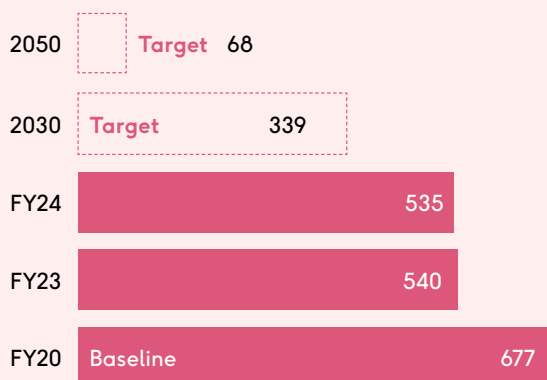
Sustainability continued

The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (c) – climate-related targets

The targets used by the Group to manage climate-related risks and opportunities are summarised below, together with performance against these targets. These targets align to the Group's Sustainability Goals 1 and 2, set out on page 24.

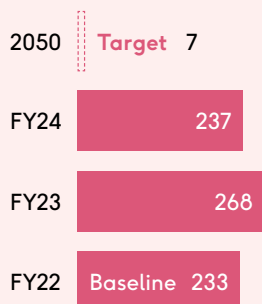
Absolute Scope 1 and 2 emissions (tCO₂e)

We have set a goal to reduce absolute Scope 1 and 2 emissions by at least 50% by 2030 and achieve at least a 90% reduction by 2050, using FY20 as the baseline year.

The Scope 1 and 2 baseline validated by the SBTi was for Moonpig and Greetz in FY20, which has been re-expressed for the acquisition of Experiences (see page 24).

We reduced absolute Scope 1 emissions by 11.4% from 35tCO₂e in FY23 to 31tCO₂e in FY24, maintaining a low level consistent with earlier years. This reflects a reduction in the use of natural gas to a minimum possible level which will be maintained in future years.

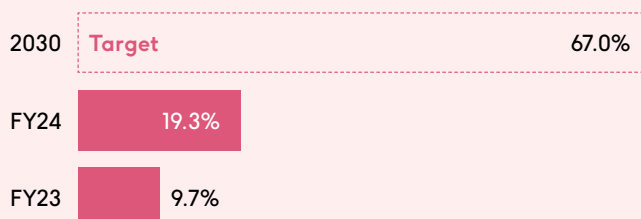
Absolute Scope 2 emissions reduced by 0.2% from 505tCO₂e in FY23 to 504tCO₂e in FY24, as measured on a location-based methodology which are influenced by emission factors which have increased year-on-year. Normalising for the effect of the emissions factor increase, our Scope 2 emissions would have decreased year-on-year by 3.3% as we continue to source renewable electricity.

Scope 3 economic emissions intensity (tCO₂e/£1m of revenue¹)

We have set a long-term goal to reduce Scope 3 emissions intensity by 97% tCO₂e/£1m of revenue¹ by 2050, using FY22 as a baseline.

Absolute location-based Scope 3 emissions decreased by 7.6% from 87,486tCO₂e in FY23 to 80,868tCO₂e in FY24. This was primarily due to lower capital expenditure on physical assets in FY24, whereas FY23 included the furnishing of our operational facilities in Tamworth (UK) and Almere (Netherlands).

Proportion of Scope 3 emissions from suppliers with an emissions reduction commitment aligned with SBTi criteria (%)



We have set a goal to obtain commitments to set SBTi aligned net zero emissions reduction targets from suppliers representing 67% of Scope 3 emissions by 30 April 2030.

As at 30 April 2024, the Group had identified suppliers with SBTi-aligned net zero commitments in place covering 19.3% (FY23: 9.7%) of its Scope 3 emissions.

¹ The emissions target has been re-expressed since FY23 as the Group decided to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presented its intensity targets as a product of revenue rather than gross profit.

Disclosure (c) – climate-related targets continued

Climate transition plan

The Group is committed to achieving its climate-related targets set out above. As part of this commitment, the Board approved our climate transition plan in April 2023. It is intended to address the long-term, assessed Medium impact market and technology risks (labelled R2, R3 and R4 on pages 32 to 33) in a Paris Agreement Aligned (below 1.5°C) scenario, which envisage potential financial impact from carbon tax and pricing mechanisms as well as potential reputation impact from failure to decarbonise the Group's products and/or value chain. It focuses on four pathways: sustainably sourced cards and gifts, low carbon delivery, low carbon manufacturing and fulfilment, and more accurate emissions data measurement.

Pathway	Objectives	Areas of focus	FY24 Progress
Sustainably sourced cards and gifts	<p>Cards and gifts represent the greatest proportion of our Scope 3 emissions and so reducing the emissions footprint of our purchased goods is the highest priority in our transition plan.</p> <p>We aim to evolve a lower carbon product portfolio, continue to source sustainable paper and packaging and motivate our suppliers to set and deliver specific emission reduction goals.</p> <p>We will initially focus on three product categories: flowers and plants, (24% of our Scope 3 emissions in our FY22 baseline year), food and drink (12% of our Scope 3 emissions in our FY22 baseline year) and card, paper, and packaging (6% of our Scope 3 emissions in our FY22 baseline year).</p>	<ul style="list-style-type: none"> • Sustainable floristry: we plan to work with flower and plant suppliers, which have sustainability roadmaps already in place. We intend to develop specific emission reduction plans, and support initiatives to deliver these goals including water usage reduction, waste reduction, and single-use plastic reduction. • Sustainable food gifts: we plan to increase the proportion of food gifts (comprising food, drink, alcohol and chocolate categories) sold with carbon reduction plans in place focusing on risk areas including being deforestation-free and containing only sustainable palm oil, cocoa and wood products. We aim to source products with verified certifications. • Sustainable card, paper and packaging: we intend to continue to sustainably source card, paper, and cardboard packaging certified as FSC, PEFC or >80% recycled content. Reduce single-use plastic packaging and increase recycled content across our packaging range. We plan to reduce packaging void space to reduce transport emissions. 	<p>Alongside our UK flowers supplier we have enhanced our bouquet packaging by increasing the number of ranges wrapped in paper, reducing our plastic consumption. Additionally we have introduced a closed-loop waste system for certain wraps, effectively minimising waste generated during the harvesting of stems. Green offcuts are redirected to a paper mill where they are converted into packaging materials, thereby decreasing the need for wood-based cellulose.</p> <p>We have focused on encouraging customers to adopt innovative digital card personalisation features (such as emojis, "sticker" images and photos). These features negate the need for options such as glitter, plastic and foil within our cards which are non-recyclable.</p> <p>During the year, our Dutch flowers supplier and one of our key UK confectionery suppliers each made SBTi-aligned commitments to set net zero emissions reduction targets.</p>

Sustainability continued

The environment continued

TCFD Pillar 4: climate metrics and targets continued

Disclosure (c) – climate-related targets continued

Pathway	Objectives	Areas of focus	FY24 Progress
Low carbon delivery	<p>Upstream and downstream transport and distribution together account for 6,216tCO₂e and 8% of our Scope 3 footprint in our FY22 baseline year. The ability to order late and for the recipient to receive their gift the next day is a key part of our offering.</p> <p>To mitigate the risk that delivery partners fail to decarbonise through their own ambition, we are committed to engaging with those partners on decarbonising their distribution networks, to reducing the number of delivery miles required, and increase the carbon efficiency of those miles.</p> <p>We will also expand our digital gifting offering to reduce the need for physical transportation.</p>	<ul style="list-style-type: none"> • Digital gifting: we plan to expand our gifting offering to increase the proportion of electronically fulfilled products to reduce the need for physical product deliveries. • Reduce the number of shipments: we aim to minimise void space in our packaging and combine orders into single packages to reduce the number of shipments required. • Reduce transport miles: we intend to continue to locate our operations close to distribution hubs to reduce the distance travelled by our deliveries. • Work with our partners: we plan to collaborate with our delivery and third-party logistics partners on reducing emissions from distribution by focusing on low carbon distribution, low carbon last mile delivery, and low carbon distribution centre operations. 	<p>At Moonpig, we have expanded our digital gifting offering by enabling the delivery of gift experiences both as an attachment to an e-card and as a code within a physical greeting card.</p> <p>In the Netherlands, we implemented new processes to consolidate multiple gifting items into single-delivery packaging, reducing the number of shipments where possible.</p> <p>Our main distribution supplier in the UK had its Scope 1, 2 and 3 SBTi targets approved in August 2023.</p>
Low carbon manufacturing and fulfilment	<p>Our Scope 1 and 2 emissions represent a small proportion of our total footprint, but they are areas within our direct control.</p> <p>We aim to further reduce our emissions in these areas, both through absolute reductions in energy consumption and by increasing renewable energy mix of consumption.</p>	<ul style="list-style-type: none"> • Increase energy efficiency of our sites: we plan to minimise on-site data processing in favour of more efficient cloud computing, manage energy demand between renewable and non-renewable energy sources, and use technology to reduce energy demand. • Power our sites through renewable energy: we intend to source renewable electricity in all locations and use on-site solar generation where possible. • Procurement: we aim to prioritise energy-efficiency when procuring new assets or operating locations. • Implement low carbon transportation: we aim to optimise transportation routes to reduce our emissions. • Engage employees: we plan to educate and engage employees in low-carbon practices, such as turning off equipment when not in use. 	<p>Following the acquisition of Experiences, we have migrated several systems from on-premise to the cloud, aligning with standard practice for the rest of the Group. This has reduced our data storage requirements, improving energy efficiency and lowering operational costs.</p> <p>During FY24 we carried out energy savings opportunity assessments, in line with ESOS Phase 3. These assessments identified potential to reduce emissions through improved energy management policies and utilisation of building management systems, creation of a lighting inventory and improvements to fenestration. These will be prioritised in FY25.</p> <p>We plan to install solar panels at our Almere facility in the Netherlands in FY25 under a lease agreement recently put in place with the landlord.</p>

Pathway	Objectives	Areas of focus	FY24 Progress
More accurate emissions measurement	<p>More accurate measurement of Scope 3 emissions will enable us to develop more effective emissions reduction strategies, and better manage climate-related risks.</p> <p>At present, we have a robust baseline calculated on a consistent basis with the GHG Protocol, and we have leveraged industry-specific standards and frameworks to measure emissions in our value chain.</p> <p>However, as best practices evolve and we support our suppliers to improve procedures, we aim to progressively increase the accuracy of our Scope 3 emissions data.</p>	<ul style="list-style-type: none"> • Primary data: we aim to increase the proportion of Scope 3 emissions that are measured using primary data, which is provided by suppliers or others and directly relates to specific activities within the value chain. • Data protocols: we plan to work closely with our suppliers to establish clear and consistent data collection protocols, ensuring that we receive accurate and complete data that aligns with our requirements. • Data verification: we plan to establish procedures to validate and verify data to ensure its accuracy, including verifying data provided by suppliers, as well as conducting internal audits to ensure that emissions from all relevant sources are included. • Data management systems: we intend to continue to invest in systems that allow for efficient data collection, analysis, and reporting. This will involve using software tools and platforms to collect and analyse data from a range of sources, such as supplier surveys and customer data. 	<p>To improve the measurement of Scope 3 emissions in FY24 we have gathered primary data relating to capital goods and leased assets.</p> <p>In FY24, we expanded our contract with Rizikon to gather data on suppliers' carbon footprints and assess their alignment with SBTi standards. We systematically request emissions reduction and net zero targets from suppliers, as well as specific emissions data relating to goods and services provided. Since implementation, this has been rolled out to all new key suppliers and any key suppliers due for periodic review.</p>

Sustainability continued

Our people

Our people strategy is focused on promoting high performance, engagement and inclusion. We foster an environment where people can learn, grow and develop their careers.

Developing our people

We continue to invest in employee learning and development. In FY24 we recorded 5,558 hours of structured learning (FY23: 1,715 hours) excluding mandatory compliance and systems training. This encompasses self-learning, mentoring, coaching and formal programmes. We operate a learning portal that offers a range of tools to assist employees with their career progression. We provide opportunities for independent learning, supported by an annual allowance that is funded by the Group, in addition to our central learning and development programme. We sponsor employees pursuing professional qualifications and support employees in their access to continuing professional development. In FY24, we also supported ten employees through apprenticeships, across fields including software development, data literacy, and leadership.

Engaging our people

We conduct employee engagement surveys twice each year, encouraging participation from our entire workforce. The surveys allow us to collect open and honest feedback which enables us to improve the experience of working for the Group. Following each survey, we ensure that all employees have access to the results for their Division and functional department, to allow team members to contribute to decisions relating to the actions that follow.

The Group's average engagement score across two surveys in FY24 was 61% (FY23: 61%) below our long-term goal of 72%. This reflects the continued challenges of operating in an economic downturn, characterised by more disciplined cost control and greater pressure to meet targets. Management has focused during the year on increasing employees' understanding of the Group's strategy and it was particularly pleasing that the April 2024 score for "I understand the long-term strategic direction for Moonpig Group" improved from 62% to 81%. Our action plan for FY25 employee engagement is built around raising the proportion of employees who agree with the survey statement "I feel proud to work for this company."

Supporting our people

We support employee wellbeing through initiatives that include enhanced Company-paid parental (maternity, paternity, adoption or shared parental) leave for all new parents in the UK; we have fertility and baby loss policies in place; we provide discretionary sabbaticals which allow eligible employees within our Experiences business to take a 4-week sabbatical after 5 years of employment and provide both financial support and paid time off to many employees who are working towards a professional qualification.

We provide access to mental health experts who can provide a spectrum of support from struggling to self-improvement where our employees can ask a question, book a one-off therapy session or a course of therapy sessions.

Where practicable, we support different working patterns and 9.7% (FY23: 10.5%) of our total headcount is employed on a part-time basis.

Rewarding our people

Substantially all employees participate each year in a variable performance-based bonus scheme, with targets that align to those of the Executive Directors. We also offer a range of benefits which include matched employer pension contributions, life assurance, medical insurance and dental insurance. We also operate a Save-As-You-Earn ("SAYE") share scheme, subject to minimum service, offering the opportunity for UK employees to purchase Company shares at a discounted price in accordance with HMRC rules. 16% (FY23: 20%) of eligible employees participate in one of the current SAYE schemes.

We pay all employees in the UK and Guernsey at or above both the legal minimum wage (National Living Wage) and the Real Living Wage as defined by the Living Wage Foundation². In the Netherlands we pay at or above the legal minimum wage (Minimumloon). There is a Works Council in place at Greetz.

Ensuring the safety of our people

We are committed to creating a safe environment at both our offices and our fulfilment locations. Our principal objective is to minimise accidents, injury and illness to staff working within one of our premises or remotely. The Group's Health and Safety policy is reviewed at least annually and covers all aspects of our working environment with appropriate insurance in place for all employees. We offer a hybrid working environment for many of our staff (excluding those in fulfilment or similar roles) and offer ergonomic assessments to employees who work from home to ensure it is safe and effective.

We had no serious injuries during the year and recorded a 0.00 incident rate per 200,000 working hours (FY23: 0.00 per 200,000 working hours).

Diversity, equity and inclusion

We are dedicated to creating a working environment where everyone enjoys coming to work, feels supported and can express their individuality and perspectives without fear of discrimination. Our commitment is underpinned by an equal opportunities and equality and diversity policy, which is applicable to all employees.

Our organisation proudly supports a variety of internal networking and affinity groups. These groups focus on areas such as accessibility and inclusion, ethnic diversity, LGBTQ+, gender equality and neurodiversity.

We are focused on creating a diverse and inclusive workforce, with balanced representation at all levels of the business. This is embedded in our sustainability goals. Goal 4 focuses on increasing the representation of women and ethnic minorities on the Leadership Team and Goal 7 relates to female new hires into technical roles. See page 25.

1 Employee engagement score for FY23 is stated for Moonpig and Greetz only. For FY24 we have extended measurement to Experiences, hence figures are stated for the Group.

2 Guernsey employees are paid in line with the UK Real Living Wage as defined by the Living Wage Foundation for "rates outside London".

Gender and ethnicity data – leadership⁶

As at 30 April 2024	Male	Female	Total	% Female	Non- minority ethnic ⁵	Minority ethnic ⁵	Total	% Minority ethnic ⁵	Non- ethnic minority male ⁵	Women and ethnic minority ⁵	Total ⁵	% Women and ethnic minority ⁵
Board ¹	4	3	7	43%	5	2	7	29%	3	4	7	57%
Executive Committee ²	4	2	6	33%	5	1	6	17%	3	3	6	50%
Extended Leadership ³	17	14	31	45%	27	4	31	13%	16	15	31	48%
Combined Leadership Team ⁴	23	16	39	41%	33	6	39	15%	20	19	39	49%
As at 30 April 2023												
Board ¹	5	3	8	38%	6	2	8	25%	4	4	8	50%
Executive Committee ²	5	2	7	29%	6	1	7	14%	4	3	7	43%
Extended Leadership ³	19	14	33	42%	28	5	33	15%	15	18	33	55%
Combined Leadership Team ⁴	26	16	42	38%	35	7	42	17%	20	22	42	52%

Gender representation – whole business

	As at 30 April 2024				As at 30 April 2023			
	Male	Female	Total	% Female	Male	Female	Total	% Female
Board ¹	4	3	7	43%	5	3	8	38%
Executive Committee ²	4	2	6	33%	5	2	7	29%
Extended Leadership ³	17	14	31	45%	19	14	33	42%
Total Group	334	354	688	51%	360	375	735	51%

1 Includes Executive Directors. All Board members have British nationality.

2 Comprises the Executive Committee excluding Executive Directors.

3 Comprises direct reports to the Executive Committee who are also members of the Extended Leadership Team.

4 Comprises the Executive Committee, Extended Leadership and the Executive Directors.

5 Ethnicity is special category data under Data Protection legislation and is therefore not collected and held for all employees. Data has been collected based on explicit consent for the purposes of monitoring racial and ethnic diversity at senior levels. In any instance where a relevant employee has not consented to the collection of data, they are counted in the denominator but not the numerator for the percentage representation KPIs.

6 Data required to be disclosed under LR 9.8.6R(10) is shown in the Nomination Committee report on page 99.

Gender pay gap

The Group's 2024 gender pay report discloses the mean and median gender pay gap for the Group's main UK trading entity, Moonpig.com Limited as required by legislation, together with voluntary disclosures for the whole of Moonpig Group. It can be accessed at www.moonpig.group/investors.

The gender pay gap is not the same thing as equal pay. Equal pay requires that men and women are paid the same amount for performing the same or similar work, which is a legal requirement. The gender pay gap, however, looks across all jobs at all levels within an organisation.

We have continued to make progress in reducing the gender pay gap. For Moonpig Group, we have improved the mean hourly gender pay gap by 6.1%pts year-on-year to 23.5% at 5 April 2024.

There has been a headline increase in the bonus rate gender pay gap, however this is driven by the vesting of the first tranche of the pre-IPO award, which is a legacy scheme and is not part of our ongoing remuneration policy. We do not consider it to be representative of the Group's trajectory or the improvements that we have made across the period since the IPO. Excluding the pre-IPO award, Moonpig Group's median bonus gender pay gap improved year-on-year by 3.2%pts to 38.4% and its mean bonus gender pay gap improved year-on-year by 3.6%pts to 48.5%.

The Group's gender pay gap is primarily due to relative under-representation of women in our technology function (which reflects the wider societal challenge of female under-representation in technical roles) together with the current gender composition of the Executive Committee.

Our long-term aim is to close the Group's gender pay gap, through systemic action to balance gender representation across our business, as set out in the sustainability Goal 4 (combined leadership representation of women and ethnic minorities) and Goal 7 (female new hires into technology roles), however the impacts of these actions will take time to be realised.

Sustainability continued

Our communities

Our community strategy focuses on charitable giving, creating opportunity in under-represented communities and on the customer and recipient experience.

Charitable giving

Through the Moonpig Group Foundation, we support initiatives that create connections and spark moments of joy in our communities. The Foundation is an account within the Charities Aid Foundation (“CAF”), a donor-advised fund and Registered Charity (Number 268369). Governance of the charity is provided by the trustees of the CAF. Giving requests for the Moonpig Group Foundation to donate to other charities are managed internally by a charity committee that is chaired by the CEO.

We have several mechanisms in place to facilitate employee engagement and involvement with our charitable partners. The Moonpig Group Foundation provides our employees with access to matched funding to increase the value of their donations. We also encourage our skilled and motivated workforce to volunteer for causes, allowing paid time off to do so.

£000	FY24	FY23	Cumulative ¹
Donations by Moonpig Group to the Foundation	304	70	
Donations by Moonpig Group to other charities	132	–	
Total donations made by Moonpig Group	436	70	
Donations by the Foundation to other charities	176	211	620

1 Cumulative since the Foundation was set up in January 2021.

Creating opportunity in under-represented communities

We are committed to increasing female representation in the technology industry, thereby expanding the pool of potential female applicants for technology roles.

We have continued our collaboration with Cajigo, a technology mentoring platform for women in STEM careers. This programme featured workshops, panel discussions and mentoring sessions on a range of topics from software engineering to cybersecurity. The activities were designed to equip participants with skills and knowledge that will enable them to excel in the technology industry.

To ensure fair and equitable recruitment for open roles at Moonpig Group, our talent acquisition team operates processes to promote diverse and inclusive candidate sourcing. For example, we utilise diversity and inclusion application surveys to gain insight into the backgrounds of applicants and ensure that we source gender-balanced candidate shortlists for open roles.

Moonpig and CALM

In FY24, Moonpig partnered with the Campaign Against Living Miserably (“CALM”), a suicide prevention charity, to launch a unique range of greeting cards designed to make reaching out to loved ones easier during difficult times.

The card collection, which was designed in collaboration with CALM, features a variety of messages, from humorous to heartfelt. It aims to encourage open conversations and reconnect friends and family, reflecting the urgent need to address the issue of suicide, which claims around 125 lives weekly in the UK. This aligns closely with Moonpig Group’s purpose, which is to create better, more personal, connections between people that care about each other.

Moonpig also supported CALM’s mission by donating £50,000 from the proceeds of their CALM-themed Christmas card collection.

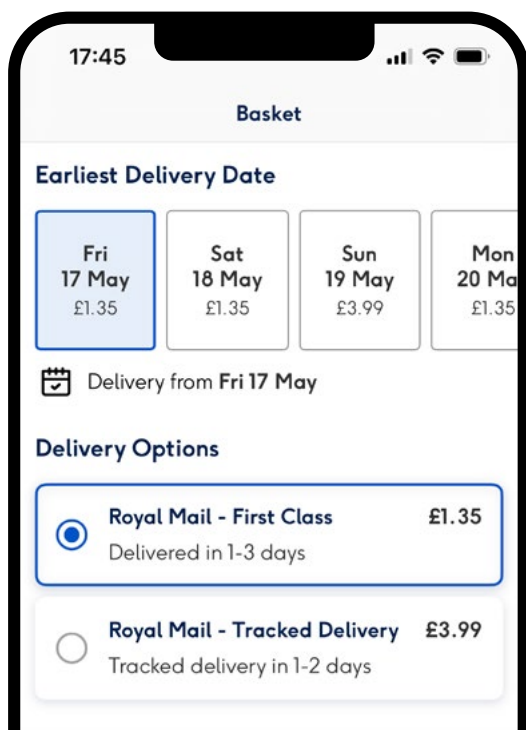


Improving customer and recipient experience

Over the past two years, the postal operators in the UK and the Netherlands have demonstrated poor service performance. In the UK, Royal Mail consistently failed to meet the Service Level Agreement for next-day letter post deliveries, alongside implementing significant increases in stamp prices. This has negatively impacted our customer net promoter scores in FY23 and FY24.

In response, we are redesigning business processes to mitigate these impacts on our customers, by focusing on four key areas:

- 1. Encouraging early ordering and dispatch.** To enhance delivery reliability, we have initiated early shipping for future orders, which has significantly reduced customer inquiries related to these orders. Leveraging our database of 90m customer occasions reminders (FY23: 84m), we now send the first reminder 14 days before each occasion, encouraging customers to place their orders well in advance.
- 2. Improving how we communicate estimated delivery dates.** We have implemented “date first” user experience flows at the checkout on our website and apps to inform customers more clearly about the possibility of scheduling their orders for cards and gifts in advance.
- 3. Providing more options for tracked delivery.** We have collaborated with Royal Mail to introduce a tracked delivery service at an attractive consumer price. This service, available during peak demand periods such as Christmas, Valentine’s Day and Mother’s Day, allows customers to send greeting cards even after the cut-off for first class letter post.
- 4. Expanding our digital offering.** We have launched same-day digital gifting capability on Moonpig by combining gift experiences with e-cards, leveraging the range of Red Letter Days and Buyagift.



Consultation on the USO

In January 2024, the UK regulator Ofcom launched a consultation on its document “The Future of the Universal Postal Service” which proposed potential modifications to the universal service obligation (“USO”) that governs Royal Mail. In response, Moonpig Group submitted a formal response expressing significant concerns about the document’s prejudicial tone and its failure to meet Ofcom’s obligations to protect consumer interests in terms of choice, price, quality, and value.

Our response outlined deficiencies in Ofcom’s evaluation. Firstly, we noted that Ofcom’s analysis of trends in demand for postal services disregards the persistent underperformance of Royal Mail compared to its mandated service levels. Secondly, we pointed out that the analysis of Royal Mail’s costs and revenue seemed incomplete.

We also stressed the importance of considering the broader repercussions that any changes might have on stakeholders. This includes the essential role of physical mail in maintaining social connections, ensuring inclusivity and bridging the “digital divide” with those who do not have ready access to the internet. An affordable, consistent and universally available next-day service is critical for many communications such as medical appointments and is also relied upon by many small businesses.

We have urged Ofcom to fundamentally reconsider its approach. Rather than overseeing a continued decline in service quality, Ofcom should explore strategies to promote operational reforms that enable Royal Mail to fulfil its service obligations effectively.

Alcohol sales

Some investors require visibility of exposure to alcohol sales. The proportion of revenue generated from alcohol products during FY24 was 5.3% (FY23: 5.2%).

Sustainability continued

SASB Standards

The Group's FY24 disclosure against the SASB Standards maintained by the International Sustainability Standards Board of the IFRS Foundation is set out below and is aligned to the E-Commerce SASB Standard. Use of SASB Standards is voluntary and the standards specify that it is for the reporting entity to determine which disclosure topics are financially material to its business and which associated metrics to report. Where the Group does not currently provide disclosure metrics, this is indicated.

Topic	SASB Accounting or Activity Metric	SASB Code	Moonpig Group Disclosure
Hardware, Infrastructure, Energy & Water Management	(1) Total energy consumed,	CG-EC-130a.1	(1) 2,044,494kWh (FY23: 2,103,587kWh) ¹ .
	(2) percentage grid electricity,		(2) 28% (FY23: 36%).
	(3) percentage renewable		(3) 72% (FY23: 64%).
	(1) Total water withdrawn,	CG-EC-130a.2	(1) 3,991 (FY23: 6,394).
	(2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress		(2) 3,991 (FY23: 6,394).
	Discussion of the integration of environmental considerations into strategic planning for data centre needs	CG-EC-130a.3	We handle most of our data in cloud services provided by AWS and Azure, both of whom have committed to 100% renewable energy by 2025. The Group uses one internal data centre in the Netherlands, which is powered by 100% renewable electricity. We have no plans to expand the number of data centres or increase energy consumption at the existing data centre.
Data Privacy & Advertising Standards	Number of users whose information is used for secondary purposes	CG-EC-220a.1	The Group does not provide quantitative disclosure. The Group provides its customers transparency where personal data is collected within our privacy and cookies notices. Where a customer opts in, data collected is primarily used to improve our services and enable users to enjoy a personalised user experience on our own website and app. As soon as personal data is no longer required, it is either deleted or anonymised.
	Description of policies and practices relating to behavioural advertising and user privacy	CG-EC-220a.2	We are committed to protecting the privacy of our customers and the confidentiality of the data processed. A privacy notice is provided to all customers. It clearly and transparently details how and for what purpose customer data is processed and sets out customer rights in relation to this processing. Additionally, our customers are provided access to our cookie policy and can manage and update their preferences in relation to this. The Group has a dedicated Technology Security Team and Data Protection Office who carry out privacy impact assessments.
Data Security	Description of approach to identifying and addressing data security risks	CG-EC-230a.1	The Group operates a "three lines of defence" model for the management and mitigation of risks relating to data security, including robust data security procedures and the maintenance of a detailed data security risk register. Further detail is set out in our Technology Security and Data Protection disclosure on page 66.
	(1) Number of data breaches,	CG-EC-230a.2	The Group does not disclose this.
	(2) percentage involving personally identifiable information ("PII"),		
	(3) number of users affected		

Topic	SASB Accounting or Activity Metric	SASB Code	Moonpig Group Disclosure
Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage	CG-EC-330a.1	Engagement score averaged 61% across two surveys conducted in FY24 (FY23: 61% ²).
	(1) Voluntary and (2) involuntary turnover rate for all employees	CG-EC-330a.2	Voluntary staff turnover for FY24 was 22.0% (FY23: 22.8%). Involuntary staff turnover for FY24 was 3.3% (FY23: 13.1%). These figures are stated excluding the direct workforce at our fulfilment and production centres and exclude casual and fixed-term staff and contractors.
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	CG-EC-330a.3	Percentage of female employees in the respective roles at 30 April 2024 was: (1) 48.7% (FY23: 39.6%) (2) 33.1% (FY23: 34.0%) (3) 62.5% (FY23: 61.2%) The Group discloses ethnicity data for senior leaders on page 43. Equivalent data is not provided for all employees due to legal restrictions on the ability to gather a reliable dataset of such information.
	Percentage of technical employees who are foreign nationals ³	CG-EC-330a.4	As at 30 April 2024, the percentage of visa holders was 4.7% of total employees (FY23: 5.9%). The Group ensures sponsorship requirements are met for all visa-holding employees.
Product Packaging & Distribution	Total GHG footprint of product shipments	CG-EC-410a.1	Scope 3 Category 9 emissions for the year were 4,714tCO ₂ e (FY23: 4,055tCO ₂ e).
	Discussion of strategies to reduce the environmental impact of product delivery	CG-EC-410a.2	The Group has GHG emission reduction goals that include a goal to obtain commitments to set net zero emissions reduction targets aligned with SBTi criteria from suppliers representing 67% of Scope 3 emissions by 30 April 2030 as well as to reduce Scope 3 emissions intensity by 97% tCO ₂ e/£1m of revenue by 2050, using FY22 as the baseline year ⁴ . During FY24, the Group commenced a programme of supplier engagement to deliver against this goal, which has included product delivery service providers.
Activity Metrics	Entity-defined measure of user activity	CG-EC-000.A	The Group's chosen disclosure is the number of orders fulfilled in the year at Moonpig and Greetz, which was 33.9m in FY24 (FY23: 33.8m).
	Data processing capacity, percentage outsourced	CG-EC-000.B	The Group does not disclose this.
	Number of shipments	CG-EC-000.C	The Group does not disclose this.

1 The FY23 gas consumption has been increased by 54,726 kWh since that presented in the FY23 ARA to correctly reflect the measurement of gas consumption in kWh.

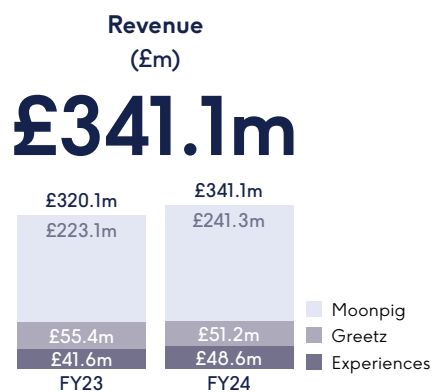
2 For FY23, this metric was measured for Moonpig and Greetz. The Group's employee engagement survey was extended to Experiences for FY24.

3 This metric has been changed to reflect the jurisdictions where Moonpig Group operates.

4 The emissions intensity target has been re-expressed since FY23 as the Group has made the decision to align its intensity reporting metric with the Corporate Sustainability Reporting Directive and therefore is presenting its intensity targets as a product of revenue rather than gross profit.

Key performance indicators

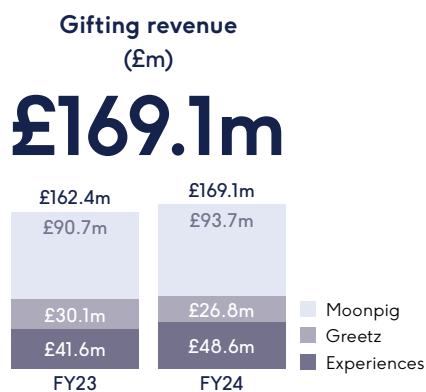
The Group uses a range of financial and non-financial KPIs to measure strategic performance.



Revenue increased by 6.6% on a consolidated basis. This was driven by the strengthening of Moonpig revenue, which increased by 8.2% through a combination of orders and AOV growth.

Greetz revenue decreased by 7.5%, showing a trajectory of improvement with a decrease of 5.3% in H2 FY24.

Experiences revenue increased by 1.5% a pro forma basis, against FY23 full year revenue of £47.9m.

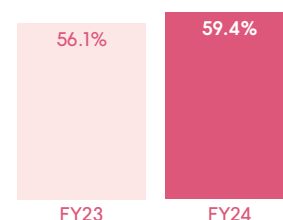


Gifting mix of revenue remained broadly flat at 49.6% (FY23: 50.7%), reflecting a full year of revenue at Experiences.

Across Moonpig and Greetz, gifting revenue mix decreased from 43.4% in FY23 to 41.2% in FY24. This primarily reflected the full year impact of prior year greeting card price increases. There was stability in gift attachment rate.

Gross margin rate
(% Total revenue)

59.4%

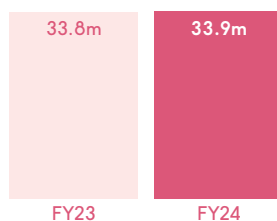


The increase in gross margin rate primarily reflects a 3.4%pts improvement at Moonpig, driven by operational efficiencies in the UK and the full year impact of FY23 card price increases.

Experiences gross margin rate increased by 0.9%pts. The positive impact from higher non-redemption of vouchers issued during Covid was offset by provisions against gift box inventory.

Orders
Moonpig and Greetz
(m)

33.9m

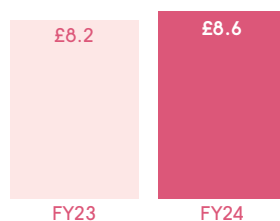


The trajectory of Moonpig and Greetz orders growth has been positive. Orders decreased by 14.9% in FY23 and by 5.1% in H1 FY24 but increased by 5.2% in H2 FY24.

The key driver of orders growth in H2 FY24 was the performance of existing customer cohorts at Moonpig, reflecting initiatives including Moonpig Plus. New customer orders at Moonpig fell, albeit reaching flat year-on-year in the final quarter. Greetz order performance also improved although the exit run-rate was not yet in growth.

Average order value ("AOV")
Moonpig and Greetz
(£ Revenue per order)

£8.6

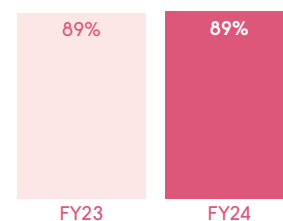


AOV at Moonpig and Greetz increased by 5.1%, reflecting the annual impact of card price increases implemented in H2 FY23, stamp price increases and stability in gift attachment rates.

The Experiences segment is not included in the calculation of average order value as revenue per order is not directly comparable. It represents agency commission earned from suppliers rather than amounts earned from consumers.

Existing customer mix
Moonpig and Greetz
(% Total revenue)

89%



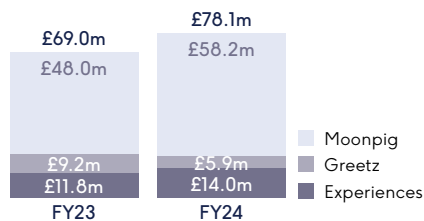
Our strategy at Moonpig and Greetz is centred around acquiring loyal customer cohorts that generate recurring revenue.

The long-term value of these customer cohorts is strengthened by our data and technology platform. Our database of 90m reminders (April 2023: 84m) allows us to communicate directly with customers at key moments of purchase intent.

This metric is less relevant for Experiences, for which our strategy is focused around driving recipient-to-customer conversion.

Adjusted EBIT^{1,2} (£m)

£78.1m

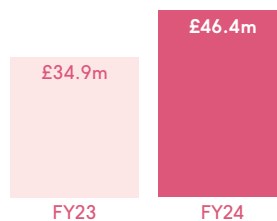


Adjusted EBIT increased by 13.2% to £78.1m reflecting revenue growth and the pass through of higher gross margin.

Adjusted EBIT margin rate increased by 1.3%pts to 22.9%, whereas Adjusted EBITDA margin rate increased by 1.7%pts to 28.0%. This reflects a rise in depreciation and amortisation (excluding acquisition amortisation) from £15.2m in FY23 to £17.4m in FY24, resulting from additional investment in operational facilities and technology development.

Reported PBT (£m)

£46.4m



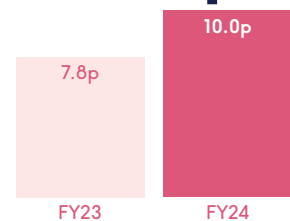
Reported profit before taxation increased by 32.9% as stronger Adjusted EBIT and lower Adjusting Items were partially offset by higher finance costs.

Net finance costs increased from £13.6m in FY23 to £19.9m in FY24 primarily due to higher SONIA and the accelerated amortisation of loan arrangement fees arising on the refinancing.

Adjusted PBT^{1,2} increased by 5.0% to £58.2m. Adjusting Items² were lower in FY24 as there were no M&A transaction fees and the cost of only the final tranche of the pre-IPO award.

Basic earnings per share (p)

10.0p

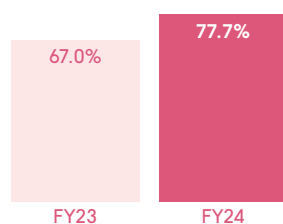


Basic EPS increased by 28.2% from 7.8p in FY23 to 10.0p in FY24, reflecting higher Reported PBT.

Adjusted basic EPS^{1,2} decreased by 3.1% from 13.1p in FY23 to 12.7p in FY24. Prior year Adjusting Items included transaction costs relating to the Experiences acquisition and a full year charge for the first tranche of the pre-IPO award which vested in June 2023.

Operating cash conversion¹ (%)

77.7%

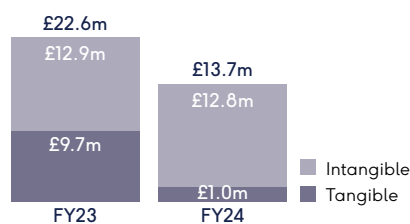


The Group generated an operating cash inflow of £74.2m in FY24, compared to £56.2m in FY23.

Adjusted Operating Cash Conversion increased from 67.0% in FY23 to 77.7% in FY24, predominantly driven by a rise in Adjusted EBITDA from £84.2m in FY23 to £95.5m in FY24 and by the reduction in capital expenditure.

Capital expenditure (£m)

£13.7m

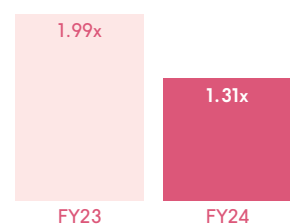


Capital expenditure comprises acquired tangible fixed assets and internally generated intangible assets. It excludes IFRS16 right-of-use assets.

Tangible capital expenditure decreased from £9.7m to £1.0m reflecting one-time spend in the prior year to fit out new operational facilities. Intangible capital expenditure remained broadly consistent at £12.8m in FY24.

Net debt to Adjusted EBITDA¹ (Ratio)

1.31x



Net debt to Adjusted EBITDA decreased from 1.99x at 30 April 2023 to 1.31x at 30 April 2024, reflecting the Group's strong operating cash flow.

In February 2024, the Group agreed a new four-year, committed, multi-currency RCF of £180m with a syndicate of banks. The Group's previous £175m term loan and £80m revolving credit facilities have been fully repaid and cancelled.

¹ Adjusted EBITDA margin, Adjusted EBIT, Adjusted EBIT margin, Adjusted PBT, Adjusted PBT margin, Adjusted EPS, net debt, net debt to Adjusted EBITDA and Operating Cash Conversion are Alternative Performance Measures. Refer to pages 174 to 175.

² Prior year Alternative Performance Measures have been restated to classify acquisition amortisation as an Adjusting Item. Refer to pages 174 to 175.

³ In addition to the above, specific environmental and employee KPIs are set out in the Sustainability section on pages 24 to 25.

Chief Financial Officer's review



We have delivered a return to revenue growth, increased profitability and strong cash generation.



Overview

The Group delivered consolidated revenue growth at 6.6% in FY24, underpinned by revenue at the Moonpig brand, which grew year-on-year at 8.2% and by the consolidation of a full year of trading at Experiences.

Alongside positive and strengthening Group revenue growth, we have continued to focus on profitability, raising Adjusted EBIT margin rate to 22.9% (FY23: 21.6%) through a combination of gross margin rate improvement and disciplined control of indirect costs. Our low-inventory strategy means that profit margins are not exposed to significant stock-related risks.

The Group has amended its definition of Adjusting Items such that amortisation of intangible assets arising on business combinations (acquisition amortisation) is now treated as an Adjusting Item.

The change has been made in response to investor feedback that it would bring the Group's approach into closer alignment with majority market practice and result in the reporting of Alternative Performance Measures that are more readily comparable with those of other listed businesses. As a result, current year and prior year Adjusted EBIT, Adjusted profit before taxation and Adjusted EPS are stated excluding acquisition amortisation of £8.3m (FY23: £7.5m).

The Group remains strongly cash generative, with operating cash inflows of £74.2m in FY24, compared to £56.2m in FY23. Net debt to Adjusted EBITDA decreased from 1.99x at 30 April 2023 to 1.31x at 30 April 2024. In February 2024, the Group agreed a new four-year, committed, multi-currency revolving credit facility ("RCF") of £180m with a syndicate of banks. The Group's previous £175m term loan and £80m revolving credit facilities have been fully repaid and cancelled. The RCF is fully available for general corporate purposes.

Financial performance – Group

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Revenue (£m)	341.1	320.1	6.6%
Gross profit (£m)	202.5	179.7	12.7%
Gross margin (%)	59.4%	56.1%	3.3%pts
Adjusted EBITDA (£m) ¹	95.5	84.2	13.5%
Adjusted EBITDA margin (%) ¹	28.0%	26.3%	1.7%pts
Adjusted EBIT (£) ²	78.1	69.0	13.2%
Adjusted EBIT margin (%) ²	22.9%	21.6%	1.3%pts
Reported profit before taxation (£m)	46.4	34.9	32.9%
Adjusted profit before taxation (£m) ²	58.2	55.4	5.0%
Earnings per share – basic (pence)	10.0	7.8	28.2%
Earnings per share – diluted (pence)	9.6	7.7	24.7%
Net debt (£m) ³	(125.1)	(167.7)	25.4%

1 Before Adjusting Items of £3.5m in FY24 and £13.1m in FY23. See Adjusting Items at Note 6 and definition of Alternative Performance Measures at page 174.

2 Before Adjusting Items of £11.8m in FY24 and £20.6m in FY23. The Group has amended its definition of Adjusting Items such that £8.3m of acquisition amortisation (FY23: £7.5m) is treated as an Adjusting Item in both the current year and prior year. See Adjusting Items at Note 6 and definition of Alternative Performance Measures at page 174.

3 Net debt is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents.

The Group delivered revenue of £341.1m in FY24, representing year-on-year growth of 6.6% on a consolidated basis. This reflects the inclusion of a full year of Experiences revenue in FY24, which would have contributed an additional £6.3m of prior year revenue if owned throughout FY23. Pro forma revenue growth was 4.5%, underpinned by the Moonpig brand.

Gross margin rate strengthened by 3.3%pts year-on-year reflecting the benefits from insourcing fulfilment in the UK, the full year impact of changes to card prices and shipping prices for gifts and the mix impact of a full year of trading at Experiences. Combined with continued disciplined control of indirect costs, this enabled the Group to deliver increases in Adjusted EBITDA margin to 28.0% (FY23: 26.3%) and Adjusted EBIT margin to 22.9% (FY23: 21.6%).

FY24 revenue and Adjusted EBIT include a mid-single-digit millions uplift from temporarily higher breakage on gift boxes (primarily distributed through high street retail partners) and individual experience vouchers that were sold during Covid with extended expiry dates. As these extended expiry dates have now passed, this benefit is not expected to recur in future years.

Reported profit before taxation increased by 32.9% to £46.4m (FY23: £34.9m), as a lower charge for Adjusting Items was offset in part by higher depreciation and amortisation and higher finance costs. Net finance costs increased from £13.6m in FY23 to £19.9m in FY24, primarily reflecting higher SONIA charges on the unhedged element of borrowings, the accelerated amortisation of loan arrangement fees arising on refinancing and the imputation of interest on the Experiences merchant liability balance. Adjusted profit before taxation increased year-on-year by 5.0% to £58.2m. Adjusting Items were lower in FY24 as there were no M&A transaction fees and the cost of only the final tranche of the pre-IPO award which vested on 30 April 2024.

Net debt is a non-GAAP measure and is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents. Group net debt as at 30 April 2024 was £125.1m (30 April 2023: £167.7m), resulting in a ratio of net debt to Adjusted EBITDA of 1.31x (30 April 2023: 1.99x). Net debt excluding lease liabilities was £108.8m (30 April 2023: £148.1m).

Revenue

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig and Greetz orders (m)	33.9	33.8	0.1%
Moonpig and Greetz average order value (£ per order)	8.6	8.2	5.1%
Moonpig and Greetz revenue (£m)	292.5	278.5	5.0%
Moonpig revenue (£m)	241.3	223.1	8.2%
Greetz revenue (£m)	51.2	55.4	(7.5%)
Moonpig and Greetz revenue (£m)	292.5	278.5	5.0%
Experiences revenue (£m)	48.6	41.6	16.8%
Group revenue (£m)	341.1	320.1	6.6%

Chief Financial Officer's review continued

Moonpig and Greetz orders were flat year-on-year for full year FY24. However, there has been a positive trend in performance, with new technology features delivering volume growth in the second half of the year. Orders decreased by 14.9% in full year FY23, decreased by 5.1% in H1 FY24 and increased by 5.2% in H2 FY24. The key driver of orders growth in H2 FY24 was the strong performance of existing customer cohorts at Moonpig, reflecting initiatives including Moonpig Plus subscriptions. New customer orders at Moonpig decreased year-on-year but with an improving trajectory, reaching flat year-on-year in the final quarter. Greetz order performance also improved although the exit run-rate was not yet in growth.

Average order value at Moonpig and Greetz increased by 5.1% year-on-year, reflecting the full annual impact of card price increases implemented at the end of H1 FY23, stamp price increases and subscription membership fee income.

This was reflected in the strengthening of Moonpig revenue, which increased by 8.2% across the full year and 11.0% in H2 FY24, underpinned by orders growth in the second half. However this includes annualisation against prior year disruption from industrial action at Royal Mail, excluding which, growth would have been at a high single digit rate.

The revenue trajectory at Greetz has continued to improve with year-on-year revenue declines abating to 5.3% in H2 FY24 from 9.8% in H1 FY24 and 20.4% in FY23. This reflects organisational changes that have enabled Greetz to better leverage Group capabilities, the roll-out of new technology features such as audio and video messaging for Dutch customers, a sharper brand marketing focus on the differentiated features of Greetz cards and encouraging customer adoption of functionality that drive lifetime value such as Greetz Plus subscription membership and the Greetz app. Trading across the last two years has been impacted by the migration of Greetz onto our unified technology platform, which features a clearly card-first online customer journey and has therefore led to the foregoing of standalone gifting revenue, which is not core to our strategy; however, the resulting card-first business is now positioned for growth in FY25.

Trading at Red Letter Days and Buyagift has been resilient, in the context of its higher average selling price and the more discretionary nature of its gifting offering. We continue to make good progress with strategic delivery, including the technology re-platforming of Red Letter Days and Buyagift and launch of same-day gifting on Moonpig by combining e-cards with digital gift experiences. Experiences revenue totalled £48.6m, which represents an increase of 1.5% relative to full-year revenue for FY23 of £47.9m (stated pro forma to include the period prior to acquisition). Pro forma revenue would have decreased year-on-year if not for the mid-single-digit million upside from temporarily higher breakage on gift boxes and vouchers that were sold during Covid with extended expiry dates; these expiry dates have now passed, so this benefit is not expected to recur in future years.

Breakage is revenue earned in respect of vouchers that expire without being redeemed. When a voucher is purchased, the expected value of future amounts that will become payable to merchant providers is recorded within trade and other payables on the consolidated balance sheet. The Group considers historical redemption rates when estimating future payments to merchant providers and estimates are trued up for actual customer redemption rates. For cohorts of vouchers where non-redemption exceeds the expected rate, the Group recognises revenue from the additional unredeemed vouchers and derecognises the accrued merchant payable once its legal obligations to the merchants expire.

Gifting mix of revenue

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig and Greetz cards revenue (£m)	172.0	157.7	9.1%
Moonpig and Greetz attached gifting revenue (£m)	110.8	109.4	1.3%
Moonpig and Greetz standalone gifting revenue (£m)	9.7	11.4	(14.8)%
Moonpig and Greetz revenue (£m)	292.5	278.5	5.0%
Experiences gifting revenue (£m)	48.6	41.6	16.8%
Group revenue (£m)	341.1	320.1	6.6%
Moonpig/Greetz total gifting revenue (£m)	120.5	120.8	(0.2)%
Moonpig/Greetz gifting revenue mix (%)	41.2%	43.4%	(2.2)%pts
Group gifting mix of revenue (%)	49.6%	50.7%	(1.1)%pts

Gifting mix of revenue remained broadly flat at 49.6% (FY23: 50.7%), reflecting a full year of consolidated revenue at Experiences. Excluding the Experiences segment, gifting revenue mix decreased from 43.4% in FY23 to 41.2% in FY24. This primarily reflected the full year impact of greeting card price increases implemented during the prior year. Gift attachment rate was stable notwithstanding the more challenging market environment for gifting. Standalone gifting revenue decreased by 14.8% year-on-year, however this is not an area of focus as our strategy at Moonpig and Greetz is to drive growth in cards and attached gifting.

Gross margin rate

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig gross margin (%)	55.2%	51.8%	3.4%pts
Greetz gross margin (%)	47.1%	46.8%	0.3%pts
Moonpig and Greetz gross margin (%)	53.8%	50.8%	3.0%pts
Experiences gross margin (%)	92.9%	92.0%	0.9%pts
Group gross margin (%)	59.4%	56.1%	3.3%pts

Management has maintained its focus on margin rate improvement, increasing the Group's gross margin rate to 59.4% (FY23: 56.1%). This primarily reflects a 3.4%pts year-on-year improvement in gross margin rate at Moonpig, which was driven by operational efficiencies in the UK delivered in the year after opening new operational facilities, and the full year impact of FY23 greeting card price increases.

Experiences gross margin rate remained relatively consistent year-on-year at 92.9% (FY23: 92.0%). The relatively high gross margin rate at Experiences reflects the nature of revenue recognised at this segment, which comprises agency commission earned from partners for the distribution of experiences, rather than gross transaction value. Cost of goods at the Experiences segment relates primarily to packaging and distribution for those orders where the consumer elects to pay for a physical gift box rather than digital delivery.

Adjusted EBITDA margin

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig Adjusted EBITDA margin (%)	30.1%	26.8%	3.3%pts
Greetz Adjusted EBITDA margin (%)	15.3%	20.3%	(5.0)%pts
Moonpig and Greetz Adjusted EBITDA margin (%)	27.5%	25.5%	2.0%pts
Experiences Adjusted EBITDA margin (%)	30.9%	31.4%	(0.5)%pts
Group Adjusted EBITDA margin (%)	28.0%	26.3%	1.7%pts

Adjusted EBITDA margin rate at Moonpig increased by 3.3%pts, reflecting pass-through of the higher gross margin rate. The reduction in Adjusted EBITDA margin rate at Greetz reflects the operational leverage impact of lower revenue. Across both businesses, we have applied disciplined management of indirect costs.

Adjusted EBITDA margin at Experiences was 30.9%, which is comparable to a pro forma Adjusted EBITDA margin rate of 29.2% for FY23 (stated as though the business had been owned throughout the year). The reported prior year Adjusted EBITDA margin rate of 31.4% relates to only part of the year and is therefore impacted by the seasonality of trading, which is typically lower in the pre-acquisition months that were excluded from consolidation.

Adjusted EBIT margin

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Moonpig Adjusted EBIT margin (%)	24.1%	21.5%	2.6%pts
Greetz Adjusted EBIT margin (%)	11.6%	16.6%	(5.0)%pts
Moonpig and Greetz Adjusted EBIT margin (%)	21.9%	20.6%	1.3%pts
Experiences Adjusted EBIT margin (%)	28.7%	28.3%	0.4%pts
Adjusted EBIT margin (%)	22.9%	21.6%	1.3%pts

Adjusted EBIT increased year-on-year by 13.2% to £78.1m reflecting revenue growth and the pass through of higher gross margin rates. Adjusted EBIT margin rate increased year-on-year by 1.3%pts to 22.9%, whereas Adjusted EBITDA margin rate increased by 1.7%pts to 28.0%. This reflects an increase in depreciation and amortisation (excluding acquisition amortisation) from £15.2m in FY23 to £17.4m in FY24, resulting from additional investment in operational facilities and technology development. There has been no change in the Group's accounting policies or practices relating to the capitalisation of costs as internally generated intangible assets. We continue to amortise internally generated intangible assets over a relatively short useful life of three years.

Chief Financial Officer's review continued

Profit before taxation

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year growth %
Adjusted EBIT (£m) ¹	78.1	69.0	13.2%
Net finance costs (£m)	(19.9)	(13.6)	(46.7)%
Adjusted profit before taxation (£m)	58.2	55.4	5.0%
Adjusting Items (£m)	(11.8)	(20.6)	42.6%
Reported profit before taxation (£m)	46.4	34.9	32.9%

¹ Adjusted EBIT for both FY24 and FY23 excludes acquisition amortisation following a change in the definition of Adjusting Items. The impact of this change on Adjusted EBIT is set out in the Alternative Performance Measures section at page 174.

Reported profit before taxation increased by 32.9% to £46.4m (FY23: £34.9m), as stronger operating profit and a lower charge for Adjusting Items were only partially offset by higher net finance costs.

Net finance costs increased from £13.6m in FY23 to £19.9m in FY24:

- Interest on bank borrowings increased from £11.6m in FY23 to £12.3m in FY24. The impact of a higher reference rate on the unhedged element of the Group's interest rate exposure was offset in part by lower draw-down of the Group's revolving credit facilities.
- Amortisation of fees increased from £2.0m in FY23 to £5.0m in FY24, reflecting a non-cash interest charge of £3.1m in FY24 for the accelerated amortisation of loan arrangement fees arising on refinancing (which would otherwise have been recognised in FY25 and FY26).
- There was an additional £1.6m relating to imputation of interest on the Experiences merchant liability balance, which we treat as a financial liability and discount to present value in accordance with IFRS 9.
- Interest on lease liabilities remained unchanged year-on-year at £0.9m.
- There was a £1.3m year-on-year movement in the monetary foreign exchange impact of Euro-denominated intercompany loan balances. The Group recognised a £0.4m loss (FY23: £0.9m gain), with the corresponding intercompany gain recognised in other comprehensive income in accordance with IAS 21.

Adjusted profit before taxation increased year-on-year by 5.0% to £58.2m. Adjusting Items were lower in FY24 as there were no M&A transaction fees and the cost of the pre-IPO award related only to the final tranche following vesting of the first tranche in June 2023.

Taxation

The taxation charge of £12.2m (FY23: £8.3m) represents an effective taxation rate of 26.4% (FY23: 23.8%). This exceeded the prevailing rates of corporation tax of 25.0% in the UK and 25.8% in the Netherlands primarily because of the impact of the Group's share schemes. Expressed as a percentage of Adjusted profit before taxation, the effective tax rate was 25.1% (FY23: 19.9%).

Earnings Per Share ("EPS")

Basic EPS for FY24 was 10.0p (FY23: 7.8p) and Adjusted Basic EPS, which is stated before Adjusting Items was 12.7p (FY23: 13.1p). After accounting for the effect of employee share arrangements, diluted earnings per share was 9.6p (FY23: 7.7p).

The calculation of basic EPS is based on the weighted average number of ordinary shares outstanding during FY24 of 343,093,868 (FY23: 340,061,402), which includes the issue of 1,198,394 shares to employees following vesting of the first tranche of the pre-IPO award and in relation to the DSBP where shares have been awarded to good leavers.

Throughout FY23, total issued share capital was 342,111,621, however 3,075,329 shares issued to employees prior to the IPO remained subject to recall within a two-year period if employment conditions were not met. These shares were excluded from the relevant portion of FY23 in accordance with paragraph 24 of IAS 33 on the basis that they were contingently returnable. The employment condition fell away in January 2023 therefore these shares are included in the number of ordinary shares outstanding throughout FY24.

Alternative Performance Measures

The Group has identified certain Alternative Performance Measures (“APMs”) that it believes provide additional useful information on the performance of the Group. These APMs are not defined within IFRS and are not intended to substitute or be considered as superior to IFRS measures. Furthermore, these APMs may not necessarily be comparable to similarly titled measures used by other companies. The Group’s Directors and management use these APMs in conjunction with IFRS measures when budgeting, planning and reviewing business performance. Executive management bonus targets for FY25 include an Adjusted EBIT measure (FY24: Adjusted EBITDA) and long-term incentive plans include an Adjusted Basic Pre-Tax Earnings Per Share (“EPS”) measure.

	Year ended 30 April 2024			Year ended 30 April 2023		
	Adjusted Measures ¹	Adjusting Items ¹	IFRS Measures	Adjusted Measures ^{1,2}	Adjusting Items ^{1,2}	IFRS Measures
EBITDA (£m)	95.5	(3.5)	92.0	84.2	(13.1)	71.1
Depreciation and amortisation (£m)	(17.4)	(8.3)	(25.7)	(15.2)	(7.5)	(22.7)
EBIT (£m)	78.1	(11.8)	66.3	69.0	(20.6)	48.5
Finance costs (£m)	(19.9)	–	(19.9)	(13.6)	–	(13.6)
Profit before taxation (£m)	58.2	(11.8)	46.4	55.4	(20.6)	34.9
Taxation (£m)	(14.6)	2.4	(12.2)	(11.0)	2.7	(8.3)
Profit after taxation (£m)	43.6	(9.4)	34.2	44.4	(17.9)	26.6
Basic earnings per share (pence)	12.7p	(2.7)p	10.0p	13.1p	(5.3)p	7.8p
EBITDA margin (%)	28.0%	–	27.0%	26.3%	–	22.2%
EBIT margin (%)	22.9%	–	19.5%	21.6%	–	15.2%
PBT margin (%)	17.1%	–	13.6%	17.3%	–	10.9%

1 See Adjusting Items at Note 6 and Alternative Performance Measures at page 174.

2 The Group has amended its definition of Adjusting Items, which now include acquisition amortisation in both the current and prior year.

Note: figures in this table are individually rounded to the nearest £0.1m. As a result, there may be minor discrepancies in the subtotals and totals due to rounding differences.

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

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

	Year ended 30 April 2024	Year ended 30 April 2023	Year-on-year movement
Pre-IPO share-based payment charges (£m)	(1.1)	(5.4)	4.3
Pre-IPO bonus awards (£m)	(2.4)	(3.3)	0.9
M&A related transaction costs (£m)	–	(4.4)	4.4
Acquisition amortisation (£m)	(8.3)	(7.5)	(0.8)
Adjusting Items (£m)	(11.8)	(20.6)	8.8

Adjusting Items comprise:

- Pre-IPO incentive scheme costs, consisting of £1.1m (FY23: £5.4m) share-based payment charges and £2.4m (FY23: £3.3m) cash bonus awards. These relate to one-off compensation arrangements, which have now fully vested, granted prior to IPO and set out in the Prospectus. The Group treats these costs as Adjusting Items as they relate to one-off awards implemented whilst the Group was under private equity ownership and are not part of the Group’s ongoing remuneration arrangements.
- M&A-related transaction costs of £nil (FY23: £4.4m). The prior year costs comprise advisers’ fees, stamp duty and other costs directly relating to the acquisition of Experiences. The Group treats these costs as Adjusting Items as they are not part of normal business operations.
- Acquisition amortisation of £8.3m (FY23: £7.5m). For FY24, the Group has changed its definition of Adjusting Items to include acquisition amortisation. The change means that the Group now reports Alternative Performance Measures on a basis that is more readily comparable with other listed businesses. Adjusted taxation includes the deferred taxation impact of acquisition amortisation.

Chief Financial Officer's review continued

The impact of changing the definition of Adjusting Items to include acquisition amortisation is summarised below.

	Revised Definition			Previous Definition		
	FY24	FY23	Year-on-year %	FY24	FY23	Year-on-year %
Revenue (£m)	341.1	320.1	6.6%	341.1	320.1	6.6%
Adjusted EBITDA (£m)	95.5	84.2	13.5%	95.5	84.2	13.5%
Adjusted depreciation and amortisation (£m)	(17.4)	(15.2)	(14.9)%	(25.7)	(22.7)	(13.6)%
Adjusted EBIT (£m)	78.1	69.0	13.2%	69.8	61.5	13.5%
Net finance costs (£m)	(19.9)	(13.6)	(46.7)%	(19.9)	(13.6)	(46.7)%
Adjusted profit before taxation (£m)	58.2	55.4	5.0%	49.9	48.0	4.2%
Adjusted taxation (£m)	(14.6)	(11.0)	(36.8)%	(12.5)	(10.1)	(28.7)%
Adjusted profit after taxation (£m)	43.6	44.4	(2.9)%	37.4	37.9	(2.6)%
Adjusted basic earnings per share (pence)	12.7p	13.1p	(3.1)%	10.9p	11.1p	(1.8)%
Adjusted EBITDA margin (%)	28.0%	26.3%	1.7%pts	28.0%	26.3%	1.7%pts
Adjusted EBIT margin (%)	22.9%	21.6%	1.3%pts	20.5%	19.2%	1.3%pts
Adjusted PBT margin (%)	17.1%	17.3%	(0.2)%pts	14.6%	15.0%	(0.4)%pts

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

	Year ended 30 April 2024	Year ended 30 April 2023
Share-based payment charges relating to operation of post-IPO Remuneration Policy ¹ (£m)	(3.1)	(2.5)

¹ Stated inclusive of employer's national insurance of £0.5m (FY23: £0.3m).

Net debt

Net debt decreased during the period, from £167.7m at 30 April 2023 to £125.1m as at 30 April 2024. Net leverage improved to 1.31x (30 April 2023: 1.99x). Net debt is a non-GAAP measure and is defined as total borrowings, inclusive of lease liabilities, less cash and cash equivalents.

	As at 30 April 2024 £m	As at 30 April 2023 £m
Borrowings ¹	(118.4)	(170.5)
Cash and cash equivalents	9.6	22.4
Borrowings less cash and cash equivalents	(108.8)	(148.2)
Lease liabilities	(16.3)	(19.5)
Net debt	(125.1)	(167.7)
Last twelve months Adjusted EBITDA	95.5	84.2
Net debt to last twelve months' Adjusted EBITDA	1.31:1	1.99:1
Committed debt facilities (£m)	180.0	255.0

¹ Borrowings are stated net of capitalised loan arrangement fees and hedging instrument fees of £2.7m as at 30 April 2024 (30 April 2023: £4.6m).

In February 2024, the Group agreed a new four-year, committed, multi-currency revolving credit facility ("RCF") of £180m with a syndicate of banks. The Group's previous £175m term loan and £80m revolving credit facilities have been fully repaid and cancelled. The RCF is fully available for general corporate purposes.

The RCF has an initial maturity date of 29 February 2028 with an option to extend by one year, subject to lender approval. Borrowings are subject to interest at a margin over the relevant currency reference interest rate dependent on net leverage, with margins of between 2.00%-2.50% at net leverage levels of 1.0x-2.0x. The facility covenants are tested semi-annually and comprise a maximum ratio of net debt to Adjusted EBITDA of 3.5x until 30 April 2025 and 3.0x thereafter and a minimum Adjusted EBITDA interest cover ratio of 3.5x for the term of the facility. For FY24 the actual interest cover was 7.5x calculated as the ratio of Adjusted EBITDA (£95.5m) plus share based payments (£3.1m) to the total of bank interest payable (£12.3m) and interest payable on leases (£0.9m). Other line items within finance income and charges are excluded from the covenant definition in the facility agreement.

The Group's interest rate hedging arrangements now comprise an interest rate cap in place with a cap strike rate of 3.00% on £70m notional until 30 November 2024 and a new cap, put in place during the current financial year, of 5.00% on £50m notional from this date until 1 June 2025 and £35m until 30 November 2025. This follows the expiry of an interest rate swap (a rate of 2.4725% on £90m notional) on 30 November 2023.

Cash flow

Cash generated from operations was £85.3m (FY23: £57.9m):

- There was a cash inflow from lower inventory of £5.2m (FY23: £0.8m outflow) driven through more efficient stock management. Net inventory at 30 April 2024 was £7.1m (FY23: £12.3m).
- Trade and other receivables remained broadly unchanged year-on-year, with a net inflow of £0.3m (FY23: £5.3m). The prior year inflow includes the collection of a £3.2m receivable balance in the Experiences opening balance sheet at acquisition, consisting of funds placed in escrow to settle deferred legacy incentive obligations.
- There was a cash outflow from trade and other payables of £16.2m (FY23: £25.3m). This reflects lower trade creditors and a reduction in the Experiences merchant accrual, including the impact of additional breakage on vouchers sold during Covid with extended expiry dates. The prior year outflow includes the impact of the one-off settlement in FY23 of £13.5m of legacy incentive obligations associated with the acquisition, which were fully provided for in the opening balance sheet.
- Capital expenditure decreased year-on-year to £13.7m (FY23: £22.6m) reflecting one-time expenditure on plant and equipment in the prior year to fit out new operational facilities in both the UK and the Netherlands.

Within trade and other payables as at 30 April 2023, we have reclassified £2.3m from merchant accrual to other taxation and social security. As such, merchant accrual balances of £45.3m as at 30 April 2024 and £53.5m as at 30 April 2023 are stated excluding the corresponding VAT.

Chief Financial Officer's review continued

Adjusted Operating Cash Conversion

The Group is strongly cash generative, with operating cash inflows of £74.2m (FY23: £56.2m) representing Adjusted Operating Cash Conversion of 78% (FY23: 67%). The increase in Operating Cash Conversion reflects prior year one-time capital expenditure on new operational facilities in both the UK and the Netherlands.

	Year ended 30 April 2024	Year ended 30 April 2023 ⁴
Profit before taxation	46.4	34.9
Add back: Finance costs	19.9	13.6
Add back: Adjusting Items (excluding share-based payments) ¹	10.7	15.1
Add back: Adjusting Items - Share-based payments	1.1	5.4
Add back: Depreciation and amortisation (excluding acquisition amortisation) ¹	17.4	15.2
Adjusted EBITDA	95.5	84.2
Less: Capital expenditure (fixed and intangible assets)	(13.7)	(22.6)
Adjust: Impact of share-based payments ²	3.1	1.9
Add back: Decrease/(increase) in inventories ³	5.2	(0.8)
Add back: Increase in trade and other receivables ³	0.3	5.3
Add back: (Decrease) in trade and other payables ³	(16.2)	(11.8)
Operating cash flow⁴	74.2	56.2
Adjusted Operating Cash Conversion	78%	67%
Add back: Capital expenditure	13.7	22.6
Add back: Loss on disposal and right of use asset impairment	0.2	0.5
Add back: (Decrease)/increase in debtors and creditors with undertakings formerly under common control	–	0.3
Less: Adjusting Items (excluding share-based payments and amortisation)	(2.4)	(7.7)
Less: Research and development tax credit	(0.4)	(0.4)
Cash generated from underlying operations	85.3	71.5
Settlement of M&A related employee bonuses at Experiences ⁴	–	(13.5)
Cash generated from / (used in) operations	85.3	57.9

1 The prior year Adjusting Items (excluding share-based payments) and Depreciation and Amortisation numbers have been restated to reflect the classification of acquisition amortisation as an Adjusting Item.

2 Comprises: (1) the add-back of non-cash share-based payment charges of £2.6m (FY23: £2.2m) relating to operation of post-IPO Remuneration Policy, which are not classified as an Adjusting Item; offset by (2) the cash impact of employer's national insurance of £0.2m (FY23: £0.3m) arising on pre-IPO share-based payment charges, which are classified as an Adjusting Item (Refer to Note 6). In FY24 the charge was offset by a release of £0.7m in relation to a true up of NI at year end to reflect the share price at the vesting date of the pre-IPO share awards.

3 Working capital movements for the year ended 30 April 2023 have been adjusted for the opening balances arising upon acquisition of Experiences.

4 Operating cash flow excludes settlement of legacy incentive obligations in FY23 associated with the acquisition, which were fully provided for in the opening balance sheet.

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

Capital allocation

We remain disciplined in our approach to allocation of capital and continue to prioritise organic investment to drive growth, including investment in technology and marketing. Future investments may extend to new geographical markets, contingent upon achieving optimal customer acquisition costs and confidence in customer lifetime value. We will also selectively consider value-accretive M&A opportunities, maintaining a high threshold for strategic and financial returns.

Over the past two financial years, we have also focused on balance sheet deleveraging. In FY24, we reduced net leverage from 1.99x to 1.31x, a decrease of approximately 0.7 turns. Given our strong cash generation, there is potential for a similar reduction in net leverage in FY25. To maintain an efficient capital structure, our target is to operate with net leverage of approximately 1.0x over the medium term, with flexibility to move beyond this as business needs require.

We will continue to prioritise investment to drive the execution of our growth strategy. With our consistent strong operating cash generation and the progress being made with deleveraging, we will also have the financial flexibility to consider returning excess capital to shareholders.

Outlook

Trading since the start of the year has been in line with our expectations, with both new and existing customer orders in growth. In the context of the current macroeconomic environment, we expect FY25 revenue growth (after adjusting for temporarily higher breakage on experience vouchers in FY24) at a mid to high single digit percentage rate, underpinned by growth in orders at the Moonpig brand.

Our business is well positioned to deliver sustained growth in revenue, profit and free cash flow, driven by our continued focus on data and technology. With respect to the medium-term, we are targeting double digit percentage annual revenue growth, an Adjusted EBITDA margin rate of approximately 25% to 26% and growth in Adjusted earnings per share at a mid-teens percentage rate.

Technical guidance

Capital expenditure	<p>We expect total recurring tangible and intangible capital expenditure to equate to between 4% and 5% of revenue in FY25, and we plan to maintain this ratio in the same range going forwards. Within this, we expect that tangible capital expenditure will be in the region of £2m per year.</p> <p>We are evaluating potential for investment in automation and robotics at our UK fulfilment centre to increase efficiency and provide additional capacity at periods of peak throughput for gifting. If pursued, this would require additional capital expenditure in the range of low to mid single digit millions in FY26.</p>
Depreciation and amortisation	We expect depreciation and amortisation of between £20m and £23m in FY25. This includes depreciation of purchased tangible fixed assets (including right-of-use assets) and amortisation of internally generated intangible fixed assets but excludes the amortisation of intangible fixed assets arising on business combinations.
Acquisition amortisation	We expect the amortisation of intangible fixed assets arising on business combinations to be approximately £8m in FY25 and anticipate that this will be the only Adjusting Item for the year.
Net finance costs	We expect net finance costs in FY25 to be in the region of £12m. This includes expected interest payments on the new RCF of approximately £8m (based on the Group's expected deleveraging profile, current forward market expectations for SONIA and hedging arrangements currently in place). Deemed interest on the merchant accrual is expected to be approximately £2m. The remainder relates to deemed interest on lease liabilities and the amortisation of up-front RCF arrangement fees and hedging fees. We have assumed no monetary gain or loss on Euro-denominated intercompany loan balances.
Taxation	We expect the Group's effective tax rate to be between 25% and 26% of reported profit before taxation in FY25 and thereafter.
Share based payments	We expect the total charge for share based payments (relating to the LTIP, DSBP and SAYE share schemes) to be approximately £6m in FY25. The actual charge may vary to the extent that there are "bad" leavers and, for the element of each LTIP award which is subject to an EPS performance condition, in the event of profit outcomes that vary from current expectations. These share based payment charges will not be classified as an Adjusting Item.
Pre-IPO Award	The final tranche of the pre-IPO award vested on 30 April 2024. This is expected to result in cash outflows of approximately £5m (excluding national insurance costs) and the expected issue of 1,413,971 shares, both arising in Q1 FY25.

Andy MacKinnon

Chief Financial Officer
26 June 2024

Risk management

The Group's risk appetite is an expression of the amount and type of risks that it is willing to take to achieve its strategic objectives. The Group operates to a set of Board-approved risk appetite principles, which enable consistent, informed decision making that is aligned with strategy, define the risk culture that flows through the Group and support corporate governance by setting clear boundaries for risk taking.

The Group's risk management and internal control framework provides the Board with assurance that risks are being appropriately identified and managed in line with its risk appetite. The Board has collective responsibility for risk management and the Board does not have a separate risk committee.

We recognise both that excessive risk-taking could threaten our long-term success and that some level of risk is inherent or necessary to drive growth and value creation. The Group's risk management framework is therefore designed to manage, rather than eliminate, the risk of not meeting business objectives, providing reasonable rather than absolute protection.

Board

- Overall responsibility for the Group's risk management and internal control framework.
- Determines the Group's risk appetite.
- Determines the Group's culture.
- Approves the risk register (and the sustainability risk register) taking account of advice from the Audit Committee.

Audit Committee

- Assists the Board in reviewing the effectiveness of the risk management internal control framework.
- Advises the Board on risk appetite, tolerance and strategy and on principal and emerging risks.
- Agrees the scope of the internal audit and external audit functions and reviews their work.
- Advises the Board on the identification and assessment of sustainability risks.

First Line: Executive Committee

- Operational management has primary day-to-day responsibility for risk management.
- Ensures that risk management is an integral part of implementing the strategic objectives.
- Ensures that the Group operates within the set risk appetite and tolerances.
- Supported by and contributes to internal risk management systems and processes.

Second Line: Oversight functions

- Operational management has primary day-to-day responsibility for risk management.
- Ensures that risk management is an integral part of implementing the strategic objectives.
- Ensures that the Group operates within the set risk appetite and tolerances.
- Supported by and contributes to internal risk management systems and processes.

Third Line: Independent assurance

- Provides independent assurance that risk is being appropriately managed.
- The internal audit programme is outsourced to KPMG LLP with its annual review plan aligned to identified risks.

Risk management process

- Twice-annual assessment of the Group's principal and emerging risks and the effectiveness of risk mitigations.
- Sustainability risk management is assessed as part of the Group's overall risk management framework.

Risk management process

Effective risk management is key in enabling the Group to achieve its strategic objectives and maintain long-term growth. The Group follows a five-step process to identify, monitor and manage risks. Management of sustainability risks is performed as part of this overall risk management process. Identified risks and mitigations are captured in a risk register:



1 Establish strategy

The Board approves the Group's strategy annually, which serves as the basis for the Group's risk identification process, enabling a focus on risks that could impact the achievement of strategic objectives.

2 Identify risks

A top-down and bottom-up approach is used to identify the principal and emerging risks facing the Group. The detailed work is performed by management and approved by the Board, taking account of advice from the Audit Committee.

3 Evaluate risks

Risks are evaluated based on the likelihood of occurrence over the next three years and their potential impact from a financial, reputational, compliance, ethical and safety perspective if they were to crystallise. Risks are categorised and rated based on the aggregate impact of these two parameters.

4 Manage and mitigate risks

Management identifies mitigating actions for each risk, based on an assessment of the effectiveness of the existing control environment. The control environment is reviewed and changes implemented when necessary.

5 Monitor and review

On an ongoing basis, management monitors risks and mitigations, which are captured in the risk register. The Executive Committee is assisted in this monitoring process by the Group's internal audit programme, which is outsourced to KPMG LLP. The Board has most recently approved the risk register at Board meetings in June 2023, November 2023 and June 2024, with particular focus on the principal risks identified.

Effectiveness of risk management and internal control

The Audit Committee supported the Board to complete its annual review of the effectiveness of the Group's risk management and internal control framework in March 2024. The Audit Committee report (page 86 onwards) summarises the work carried out as part of this review as well as the activities performed by the Audit Committee to monitor the framework throughout the year.

During FY24, the Group undertook various initiatives to progress its management of risk, some of which are outlined below:

- Migration of Experiences onto the Group's finance and payments systems.
- Establishment of a single financial operations team that is responsible for processing transactions relating to all of the Group's segments.
- Revision of the Group's treasury policy to set out a more structured framework for the operationalisation of interest rate and foreign currency hedging.
- Implementation of internal audit recommendations relating to inventory management, technology security and a cross-functional "health check" review of key internal controls at Experiences.
- Creation of a sustainability risk management process, encompassing existing climate risk management procedures.
- Ongoing work relating to the implementation of new systems that are expected to commence operation in FY25, including systems for financial planning and forecasting, for the preparation of external financial reporting, for contract management, for UK demand planning and for warehouse management in the UK.

Risk management continued

Emerging risks

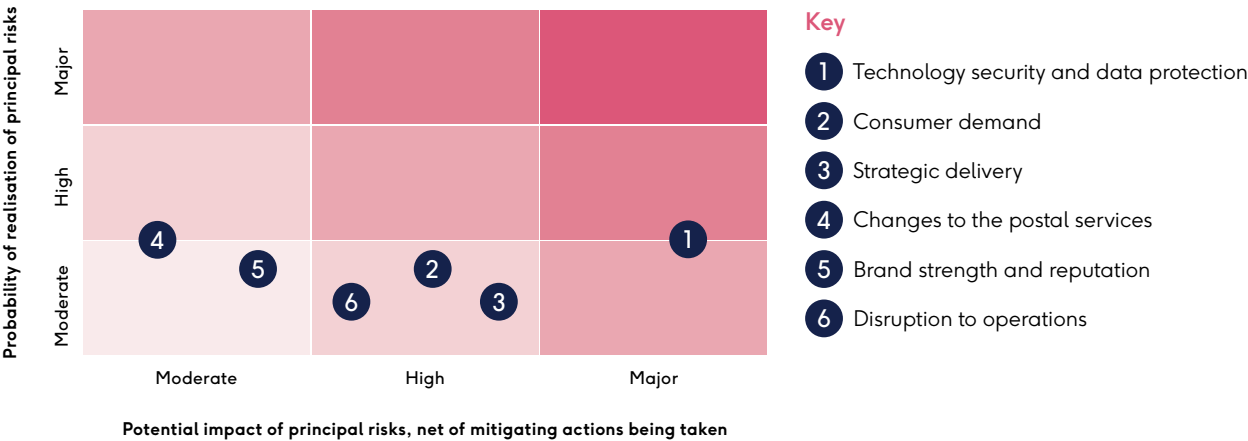
Emerging risks are new or changing risks, for which likelihood and impact are uncertain or unknown, which we believe are not immediate but which may represent a significant future threat. Horizon scanning for emerging risks is performed as an integral part of the risk management process, with input from risk owners across the business, with review by the Executive Committee and approval by the Board, taking account of advice from the Audit Committee. Examples of emerging risks that we continue to monitor include:

- The pace of technological change with regards to Artificial Intelligence. Our current assessment it that this presents significant opportunities, however we remain vigilant with respect to future developments that might impact either customer behaviour or competitive dynamics.
- The possibility that physical greeting cards might become less culturally relevant in the markets where the Group operates. There is no evidence of this currently, either for consumers generally or for any age cohort. We have seen no evidence of generational shifts in behaviour, and consumers see digital alternatives (such as video or voice messages and e-cards) as complementary rather than substitutional.

In addition, whilst the risk of changes to postal services is one of the Group’s principal risks, we also monitor changes in risk relating to this topic, for instance in connection with the UK regulator Ofcom’s 2024 consultation on the design of the universal postal service.

Principal risks and uncertainties

The Board has carried out a thorough assessment of the Group’s emerging and principal risks, evaluating the probability and potential impact of each risk while considering any mitigating actions that were being implemented. As part of this assessment, the Board reviewed and adjusted risk levels as necessary to reflect its current understanding of the significance of each risk.






The Group’s principal risks and uncertainties are set out below. When considering principal risks, the Board has regard for the Group’s three-year viability assessment period, which aligns to its technology investment cycle. Additional risks and uncertainties for the Group, including those that are not currently known or are not considered material, may individually or cumulatively also have a material effect on the Group’s business, results of operations and/or financial condition.



The Group’s sustainability risks are set out on page 29. None of these risks are currently classified as a principal risk as none have been assessed as having a material impact on the Group’s business model, strategy or the Directors’ assessment of viability (as set out in the viability statement).


The Board has approved amendments of the Group’s assessment of principal risks since the prior year. The risk in relation to leadership retention has been removed following approval of the 2023 Remuneration Policy at AGM. The risk in relation to input cost inflation has been removed as the Group has not seen significant input cost inflation; the Group continues to monitor this closely. Other risks have been amended as appropriate based on the output of risk management assessment.

- Key
- ↑ Increasing
 - ↓ Decreasing
 - ↔ Stable

Risk	Description	Management and mitigation	Developments in FY24	Risk trend ¹
1 Technology security and data protection	<p>As a digital platform business, the Group requires its technology infrastructure to operate. Downtime of the Group's systems resulting from a technology security breach would cause an interruption to trading.</p> <p>Either a technology security breach or a failure to appropriately process and control the data that the Group's customers share (whether because of internal failures or a malicious attack by a third party), could result in reputational damage, loss of customers, loss of revenue and financial losses from litigation or regulatory action.</p>	<p>Page 66 summarises how the Group manages technology security and data protection risks using a Three Lines of Defence model.</p> <p>Whilst risk cannot be eliminated, the Board attaches a high level of importance to how our risk management framework operates in relation to technology security and data protection.</p>	<p>The Group's technology security team, which oversees Moonpig and Greetz, additionally assumed responsibility for Experiences during FY24.</p> <p>An FY24 internal audit review of key internal controls at Experiences identified no significant findings relating to data privacy.</p> <p>Internal audit performed a review of the technology security environment across the Group in FY24 and implementation of its recommendations is underway.</p>	
2 Consumer demand	<p>Should macroeconomic conditions worsen in future, this could impact demand and Group revenue.</p>	<p>The UK greeting card market has proven to be relatively resilient to recession.</p> <p>At Moonpig and Greetz, our approach is focused around acquiring loyal customer cohorts that drive recurring annual revenue, with 89% (FY23: 89%) of revenue at these segments from existing customers.</p> <p>Our business model is flexible, and we can respond rapidly to economic changes, for instance with respect to pricing, merchandise range and cost base.</p>	<p>The Group has not experienced any further deterioration in the economic environment during FY24.</p> <p>We have continued the development of new technology features that promote customer lifetime value, such as Moonpig Plus, Greetz Plus and card creativity features.</p>	
3 Strategic delivery	<p>The Group's strategy is focused on investment in technology and data to drive growth across each of our businesses. There is a risk that this strategy does not deliver growth in revenue and profit to the extent expected.</p> <p>Our strategy for Experiences is to transform it from an ecommerce marketing operation into a technology and data-led platform. As with any business acquisition, the delivery of plans carries a higher level of execution risk compared to segments that have been operated by the Group for some time.</p>	<p>The Group monitors return on investment for all technology development. The product, data and technology functions are managed to enable rapid redirection of resource towards those projects that most strongly contribute to revenue growth.</p> <p>Should our strategy not deliver growth in revenue to the extent expected, there is scope to flex investment accordingly.</p>	<p>The velocity of new product development on the Moonpig and Greetz technology platform has remained high across FY24.</p> <p>The re-platforming of Experiences has progressed in line with our expectations.</p> <p>Work to deliver revenue synergies from the Experiences acquisition is ongoing, with developments in FY24 including the launch of digital gift experiences with e-cards.</p>	

Risk management continued

Risk	Description	Management and mitigation	Developments in FY24	Risk trend ¹
4 Changes to the postal services	<p>Moonpig and Greetz use regulated postal services for the delivery for greeting cards sent by envelope post.</p> <p>Demand for single greeting cards could be impacted by changes to the frequency, reliability or affordability of postal delivery.</p> <p>In 2024, the UK regulator with responsibility for the universal postal service (Ofcom) carried out a consultation on the future of Royal Mail's universal service obligation.</p> <p>It is possible that Royal Mail could in future cease daily mail flights from Guernsey, where one of Moonpig's production facilities is based.</p>	<p>We maintain good relationships with postal service providers and there is regular, senior-level communication.</p> <p>We have engaged in Ofcom's "The Future of the Universal Postal Service" consultation.</p> <p>Our strategy is to grow attached gifting, which moves orders from envelope post to parcel courier delivery for which there are multiple providers.</p> <p>At Experiences, a significant proportion of orders are fulfilled digitally rather than physically. We are also innovating solutions for digital delivery at Moonpig and Greetz.</p> <p>Cessation of mail flights from Guernsey would not impact our ability to fulfil Moonpig greeting card orders.</p>	<p>A core part of our strategy is to grow the proportion of orders with a gift. Roughly one-in-six UK orders have a gift attached, which means that they are a parcel delivery through a courier network and hence would be unaffected by any changes.</p> <p>We have a growing database of 90m (April 2023: 84m) customer occasions reminders. We now send the first reminder to customers 14 days before each occasion, to encourage them to place card orders earlier.</p> <p>For recent peak trading periods we have operated an arrangement with Royal Mail to send cards through their Tracked 24 service (which is a different, separate network from the regular postal service) at an attractive consumer price point.</p> <p>In December 2023 we launched the ability to send an e-card with a digital gift experience, a proposition that effectively eliminates potential postal delays.</p>	
5 Brand strength and reputation	<p>The Group's continued success depends on the strength of its brands: Moonpig, Greetz, Red Letter Days and Buyagift.</p> <p>Any event that damages the Group's reputation or brands could adversely impact its business, results of operations, financial condition or prospects.</p>	<p>There is high consumer awareness of the Group's brands, which is maintained by ongoing investment in marketing. This is further strengthened by network effects from recipients receiving cards and gifts.</p> <p>Significant ongoing investment in technology, with innovations such as video and audio messages in greeting cards, helps to differentiate our brand from its online and offline competitors.</p> <p>Investment in data protection and technology security helps to protect the Group from the adverse impact of a data breach or cyber-attack.</p>	<p>The Group has continued to invest significantly in brand marketing throughout FY24.</p> <p>We have continued to invest significantly in technology, focusing on innovations that differentiate our brand from its online and offline competitors, such as audio messages, AI driven 'smart text' message recommendations, Moonpig Plus, Greetz Plus and testing the prototype Mooning for Business solution for SME business-to-employee greeting cards and gifts.</p>	

Risk	Description	Management and mitigation	Developments in FY24	Risk trend ¹
6 Disruption to operations	<p>Any disruption to in-house or third-party facilities within the Group's production and fulfilment network could have an adverse effect on trading.</p> <p>In the UK, there was service disruption at Royal Mail during FY23 due to industrial action. This could recur in future periods.</p> <p>The Group uses third-party suppliers for solutions on its platforms and any disruptions, outages or delays in these would affect the availability of, prevent or inhibit the ability of customers to access or complete purchases on its platforms.</p>	<p>We operate flexible fulfilment technology with application programming interface ("API") based data architecture which allows the addition of third-party suppliers to the production and fulfilment network with relative speed.</p> <p>The Group carries out due diligence on key suppliers at the onset of a relationship. This includes technology and data protection due diligence and checks on financial viability.</p> <p>Experiences offers digital voucher fulfilment, so could continue to trade in the event of disruption to its operations.</p>	<p>The Group continues to operate a multi-site approach to ensure UK operational resilience. The Group's facilities at Tamworth and Guernsey operate alongside the use of outsourced partners.</p> <p>In the Netherlands, we have a standby agreement with a third party that would provide card fabrication and gift fulfilment services in the event of significant disruption to our facility in Almere.</p> <p>Flowers are fulfilled by a single supplier in both the UK and the Netherlands, however there is partial substitutability of demand between flowers and other gifting product categories.</p>	

¹ This risk trend is based on the risk position in the current year compared to the previous year, as assessed at the June 2023 and June 2024 Board meeting.

Risk management continued

Technology security and data privacy

The Group operates a technology platform for gifting, with a strategy based upon utilising its unique data science capabilities to optimise and personalise customer experience. It processes significant volumes of data on customers' gifting intent and as such, technology and data security are key areas of risk management focus.

Risk management objectives	Technology and information security	Protection of data privacy
	<i>The Group's risk management framework incorporates controls to protect its technology systems and the data contained therein from damage, unauthorised use and exploitation (and in addition to enable restoration where needed), with the purpose of maintaining their confidentiality, integrity and availability.</i>	<i>The Group's risk management framework incorporates controls to ensure that its collection and processing of personal data is compliant with UK privacy laws and with equivalent laws in territories where it has operations.</i>
First line of defence	<p>The Group has in place a comprehensive set of policies covering all aspects of technology and information security.</p> <p>Security incident response processes are regularly reviewed and with ransomware specific technical playbooks.</p> <p>Multi-Factor Authentication ("MFA") is in place across the Group for admin/privileged application access and remote access to infrastructure.</p> <p>Network segmentation is in place, reducing the ability for an impacted instance to infect other instances.</p> <p>Endpoint Detection and Response ("EDR") tooling and anti-virus tooling are in place across all Group infrastructure.</p> <p>Strong perimeter defences (including Web Application Firewalls) are in place to protect public-facing infrastructure.</p> <p>Security scanning of developed code is automated and in place across the Group.</p> <p>The Group implements patching within 7 days for Critical or High vulnerabilities across the Group. In most cases patching occurs in under 3 days.</p> <p>The Group works closely with suppliers to ensure that they only receive and store the minimum data for the purposes required; security audits are performed to confirm these suppliers operate at a high standard to protect and manage data.</p> <p>Annual technology security training is mandatory for all employees and contractors.</p>	<p>Data protection policies are in place that embed each of the key principles set out in UK GDPR.</p> <p>Key data flows are mapped and captured in a Record of Processing Activities ("RoPA").</p> <p>The Data Protection Office works closely with stakeholders to embed privacy by design. Data Protection Impact Assessments ("DPIAs") and other regulatory impact assessments are completed as appropriate for proposed new data processing activities.</p> <p>External and internal privacy policies are in place. The website privacy policies include clear and accessible mechanisms for data subjects to manage their data sharing preferences, raise concerns, or to request that their accounts be amended, rectified or erased.</p> <p>We are committed to notifying data subjects in a timely manner in case of policy changes or breach of privacy of their personal data.</p> <p>There are clear processes in place to manage data handling by suppliers through implementation of robust contractual arrangements.</p> <p>A data retention policy is in place.</p> <p>Annual data protection training is mandatory for all employees and contractors.</p>
Second line of defence	<p>The Technology Security Team performs regular security testing of the key platform and applications and reviews internal processes and capabilities.</p> <p>Quarterly health checks ensure that critical security tools are configured and operating appropriately.</p> <p>The Group subscribes to bug bounty schemes that reward friendly hackers who uncover security vulnerabilities.</p> <p>A technology security risk register is maintained and regularly reviewed. This feeds into the Group's overall risk register.</p> <p>Technology Security continues to follow industry standards, aligning to the UK's National Institute of Standards and Technology ("NIST") Cyber Security Framework and utilising threat intelligence feeds from both Government and Private Sector to ensure defensive measures are up to date and appropriate for a business of our nature and scale.</p>	<p>Oversight is provided by the Group Data Protection Office, which leads a cross-functional Data Protection Governance Committee to drive continuous improvement.</p> <p>A data protection risk register is maintained. This feeds into the Group's overall risk register.</p> <p>Documented procedures are in place for data protection incident management.</p>
Third line of defence	<p>Independent third party review of the Group's technology security was performed in FY21, with the findings of this exercise reviewed by the Board. All recommendations have been implemented in full.</p> <p>The same independent third party specialist was commissioned to perform due diligence on the Experiences business prior to acquisition.</p> <p>Internal audit performed a review of the technology security environment across the Group in FY24 and implementation of its recommendations is underway.</p>	<p>Following the establishment of the Group's internal audit programme, Data privacy posture at Moonpig and Greetz was reviewed by internal audit in FY22. All recommendations have been implemented in full.</p> <p>The data protection control environment at the Experiences segment was scrutinised and reported on as part of pre-acquisition legal due diligence.</p> <p>An FY24 internal audit "health check" review of key internal controls at Experiences identified no significant findings relating to data privacy.</p>

Viability statement

The Directors have assessed the prospects and viability of the Group over a period of three years, significantly longer than 12 months from the approval of these financial statements.

Assessment of prospects

The Directors have assessed the Group's prospects taking into account its current financial position, its recent historical financial performance, its business model (pages 12 to 13), its strategy (pages 16 to 17) and the principal risks and uncertainties (as described on pages 62 to 65).

The Group's prospects are assessed primarily through its strategic planning process. This includes an annual review which considers forecast monthly profitability, cash flows and liquidity over three years. The first year of the forecast is the Group's annual budget. The second and third years are prepared using the same calculation methodology as the budget with a top-down strategic overlay.

Financial forecasts for Moonpig and Greetz are based on modelling of KPIs that include orders and revenue for each monthly cohort of customers that has (or is expected in future to be) acquired by the Group. For the Experiences segment, financial forecasts are developed based on the number of orders that can be generated from its marketing activity. Detailed monthly financial forecasts are then prepared for each segment that consider orders, revenue, profit, capital expenditure, working capital, cash flow and key financial ratios.

During the financial year the Group replaced its previous debt facilities with a new £180m committed four-year RCF. The RCF has an initial maturity date of 29 February 2028 with an option to extend by one year, subject to lender approval.

The Group's forecast liquidity headroom and forecast ongoing compliance with the six-monthly financial covenants set out in the RCF agreement are both considered.

The CEO and CFO, through the Executive Committee, lead the planning process. The Board participates fully in the annual process and considers whether the plan continues to take appropriate account of the external environment including technological, social and macroeconomic changes. The most recent plan was approved by the Board in April 2024.

As set out in the Audit Committee report at pages 86 to 95, the Audit Committee reviews and discusses with management the schedules supporting the assessments of going concern and viability.

The assessment period

The Directors have determined that three years to 30 April 2027 is an appropriate period over which to provide the Board's viability statement. This was considered the appropriate timeframe by the Directors because it is consistent with the three-year horizon of the Group's strategic planning process and it aligns to the investment cycle of a technology platform business.

Assessment of viability

The output of the Group's strategic planning process reflects the Board's best estimate of the future prospects of the business. To make the assessment of viability, additional scenarios have been modelled over and above those in the ongoing plan. These scenarios were overlaid into the plan to quantify the potential impact of one or more of the Group's principal risks and uncertainties crystallising over the assessment period.

The Group's principal risks and uncertainties are set out on pages 62 to 65.

Each of the Group's principal risks has a potential impact and has therefore been considered as part of the assessment.

Scenario modelled	Principal risks included in the scenario
Data breach <p>The impact of a significant data breach has been considered. We modelled a reduction in revenue of 5% as a result of any reputational brand damage in each of the assessment years. It is additionally assumed that the Group receives the maximum possible fine of £17.5m under the General Data Protection Regulation ("GDPR") in one of its countries of operation.</p>	<ul style="list-style-type: none"> Technology security and data protection Brand strength and reputation
Significant disruption to trading <p>We have modelled a 5.3 percentage point reduction in the compound annual growth rate (CAGR) of forecast revenue across the viability period to capture potential risks such as lower purchase frequency, fewer new customers, reduced attach rates, lower average order value, decreased gross margin rate, disruption to fulfilment operations or disruption to regulated postal services. Different revenue sensitivities have been applied to each segment to reflect their respective risk profiles. The modelling is consistent with the sensitivity analysis related to the value in use (VIU) of the parent company investment (see Note 4 of the Company financial statements). The percentage CAGR is expressed for the three-year viability period rather than for the six-year pre-perpetuity period assumed in the VIU calculation, however it is based on the same absolute forecast revenue figures.</p>	<ul style="list-style-type: none"> Consumer demand Strategic delivery Brand strength and reputation Changes to the postal services Disruption to operations

The results of this scenario modelling indicate that the business would be able to withstand a combination of both scenarios, without recourse to mitigating actions. This reflects the resilience of the Group's business model, its profitability and strong operating cash conversion and its current liquidity headroom.

In the event of such a scenario, management would have options available to maintain the Group's financial position including cost-reduction measures and reducing acquisition marketing spend.

The Directors also reviewed the results of reverse stress testing performed to provide an illustration of the extent to which existing customer purchase frequency and levels of new customer acquisition would need to deteriorate in order that their cumulative effect should either trigger a breach in the Group's covenants under the RCF or else exhaust liquidity.

The probability of this scenario occurring was deemed to be remote given the resilient nature of the Group's business model and its strong operating cash conversion.

Viability statement

Based on the assessment above, the Directors confirm that they have a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due over the three-year period ending 30 April 2027.

Going concern

The Directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the Basis of preparation paragraph in Note 1 to the financial statements.

Non-financial and sustainability information statement

The Group complies with the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The below table outlines the Group's position on non-financial and sustainability matters and identifies where the information required is included in the report.

Reporting requirement	Policies and Standards which govern the Group's approach	Additional information and risk management
Description of business model	N/a	Business model pages 12 to 13
Non-financial KPIs	N/a	Key performance indicators pages 48 to 49
Stakeholders	Group Data Protection Policies Code of Conduct	Stakeholder engagement pages 20 to 22 s172 statement pages 20 to 22 Board activities page 84 Sustainability disclosures pages 23 to 47 Task Force for Climate-related Financial Disclosures ("TCFD") pages 26 to 41 Employee engagement page 21 Technology security and data privacy page 66 Corporate governance report pages 70 to 121 Audit Committee report pages 86 to 95
Environmental	Environmental Policy	Sustainability disclosure pages 23 to 47
Climate-related financial disclosures	N/a	Sustainability disclosure pages 23 to 47 Task Force for Climate-related Financial Disclosures ("TCFD") pages 26 to 41 SASB Standards pages 46 to 47
Employees	Code of Conduct Flexible Working Policy Whistleblowing Policy Health and Safety Policy Health, Safety and Environment Integrated Management System	Sustainability disclosure pages 23 to 47 s172 statement pages 20 to 22
Human rights	Anti-Slavery and Human Trafficking Policy Code of Conduct	Human rights page 69
Social matters	Anti-Slavery and Human Trafficking Policy	Sustainability disclosure pages 23 to 47 Directors' report pages 118 to 120
Anti-corruption and anti-bribery	Anti-Bribery and Anti-Corruption Policy (which includes clauses on hospitality, gifts, political involvement and political expenditure and charitable donations) Conflicts of Interest Policy Anti-Money Laundering Policy	Anti-bribery and anti-corruption page 69
Principal risks and impact on the business	N/a	Risk management pages 60 to 66 Principal risks pages 62 to 65 Business model pages 12 to 13 Audit Committee report pages 86 to 95

Across the Group, policies and codes of conduct are in place to ensure consistent governance. For the purposes of the Non-Financial Reporting requirements, these include, but are not limited to the following:

People

The Group has a Health, Safety and Environment Integrated Management System which is communicated to all employees through a handbook, which is regularly reviewed and updated. A Code of Conduct applies to all employees and sets out the Group's commitment to:

- Behave ethically.
- Comply with relevant laws and regulations.
- Do the right thing.

Disclosure concerning employment of disabled persons

We give full and fair consideration to applications for employment by the Company made by disabled persons, having regard to their particular aptitudes and abilities. We make reasonable adjustments during the application process as well as during employment. We are also committed to continuing employment of, and for arranging appropriate training for, employees who have become disabled whilst employed by the Company. Training, development and promotion opportunities are provided for all employees, with learning and development provided in flexible and accessible ways.

Human rights

The Group's Code of Conduct confirms that it respects and upholds internationally proclaimed human rights principles as specified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work ("ILO Convention") and the United Nations' Universal Declaration of Human Rights. The Group's Procurement Policy outlines how it procures goods and services. In addition, the Group has an Anti-Slavery and Human Trafficking Policy which applies to both suppliers and employees.

Online training is provided to all employees, including part-time employees and contractors, on issues of modern slavery.

The Group is committed to implementing and enforcing effective systems and controls to ensure modern slavery does not take place anywhere in its own business or in any of its supply chains.

The Group publishes its Modern Slavery Act Transparency Statement annually on its corporate website and it can be accessed at www.moonpig.group.

Data protection

As a data-driven business, the Group is committed to respecting and protecting the privacy and security of personal information. The Group's Privacy Statement governs how it collects, handles, stores, shares, uses and disposes (including timely deletion) of information about people, whether they are customers, employees or people in the Group's supply chain. The Group does not rent, sell, or provide personal data to third parties for purposes other than completing transactions or providing our services. Data Protection Policies are a key element of corporate governance within the Group. The Group's privacy notices are available on the Group's corporate website at www.moonpig.group.

Anti-bribery and anti-corruption

The Chief Financial Officer is the Board member with responsibility for executive oversight of anti-bribery and anti-corruption. The Group has an Anti-Bribery and Anti-Corruption Policy, a Conflict of Interest Policy and an Anti-Money Laundering Policy, as well as a Code of Conduct. Each policy incorporates the Group's key principles and standards, governing business conduct towards key stakeholder groups. The Anti-Bribery and Anti-Corruption Policy is supported by clear guidelines and processes for giving and accepting gifts and hospitality from third parties.

Whistleblowing

The Group's Whistleblowing Policy is supported by an external, confidential reporting hotline which enables employees to raise concerns in confidence. Any reported issues will be reported to the full Board and handled in the first instance by the Company Secretary, with support from the Chair of the Audit Committee and, where appropriate, remedial actions taken. Employees receive annual training on our whistleblowing policy, and posters advertising the service are displayed in all locations.

Tax strategy

The Group is committed to acting with integrity and transparency in all tax matters. The Group undertakes tax planning only where it supports genuine commercial activity and in doing so is committed to remaining compliant with all relevant tax laws and practices. A copy of the Group's tax strategy can be accessed on the Group's corporate website at www.moonpig.group.

Dividend policy

Consistent with prior year, the Company's current policy is not to pay dividends. This is to be kept under review, in the context of the approach to capital allocation set out on page 58.

The Strategic report was approved by the Board of Directors and signed on its behalf by:

Nickyl Raithatha

Chief Executive Officer
26 June 2024

Board of Directors

The Board brings the right balance of skills and expertise to deliver long-term success.



Kate Swann
Chair



Appointed

Kate joined the Group as Chair in August 2019 and was appointed to the Board in January 2021. She is also the Chair of the Nomination Committee.

Background and experience

Kate has more than 30 years of experience leading businesses, having held many senior positions throughout her career. She was Chair of Secret Escapes from 2019 to 2021 and was previously Chancellor of the University of Bradford.

She has extensive listed company experience, having served as the Chief Executive Officer of SSP Group from 2013 to 2019 and of WH Smith from 2003 to 2013. Prior to this, Kate held roles as Managing Director of Homebase and of Argos.

Kate holds a Bachelor of Science with honours in Business Management from the University of Bradford and, in 2007, was awarded an honorary doctorate from the University of Bradford.

Current external appointments

Listed appointments: Chair of Beijer Ref.

Other appointments: Chair of IVC Evidensia and Chair of Parques Reunidos.



Nickyl Raithatha
Chief Executive Officer

Appointed

Nickyl is the Chief Executive Officer of the Group, having held the role since June 2018. Nickyl was appointed to the Board at incorporation on 23 December 2020.

Background and experience

Nickyl has significant e-commerce leadership experience, having founded and served as Chief Executive Officer of Finery, an online British womenswear brand from 2014 until 2017. Nickyl was the Chief Executive Officer of the e-commerce business, Rocket Internet, a company that incubates and invests in internet and technology companies globally, from 2012 to 2014.

Nickyl spent the early part of his career in financial services, where he was Vice President at Goldman Sachs until 2010 and then worked at Arrowgrass Capital Partners until 2012, leading research and investments into global technology, media and telecoms companies.

Nickyl holds an MBA from Harvard Business School and a bachelor's degree in Economics from Cambridge University.

Current external appointments

Listed appointments: None.

Other appointments: None.

Committee Key

A Audit **N** Nomination **R** Remuneration **○** Chair



Andy MacKinnon
Chief Financial Officer

Appointed

Andy is the Chief Financial Officer of the Group, having held the role since January 2019. Andy was appointed to the Board at incorporation on 23 December 2020.

Background and experience

Andy has extensive operational and financial leadership experience in e-commerce, having previously held roles as Chief Financial Officer of Wowcher, an online consumer business, from 2015 to 2018 and as Chief Financial Officer of The LateRooms Group, an online travel agency, from 2012 until 2015. Prior to that, he worked at Shop Direct Group (now The Very Group).

Andy spent his early career working in corporate finance with professional service firm Deloitte and at HSBC's investment banking division.

Andy holds a Bachelor of Science with honours in Management Sciences from the University of Manchester and has, since 2009, been a Fellow of the ICAEW, having qualified as a Chartered Accountant with KPMG in 1999.

Current external appointments

Listed appointments: None.

Other appointments: None.



David Keens
Senior Independent
Non-Executive Director

A **N** **R**

Appointed

David joined the Board as an Independent Non-Executive Director in January 2021. David is the Senior Independent Non-Executive Director, Chair of the Audit Committee and a member of the Remuneration and Nomination Committees.

Background and experience

David brings a breadth of experience in online, consumer-facing businesses, together with core skills in finance. He was Independent Non-Executive Director and Chair of the Audit Committee of J Sainsbury from 2015 until July 2021. He was formerly Group Finance Director of NEXT from 1991 to 2015 and Group Treasurer from 1986 to 1991. Previous management experience also includes nine years in the United Kingdom and overseas operations of multinational food manufacturer Nabisco and, prior to that, seven years in the accountancy profession.

David is a member of the Association of Chartered Certified Accountants and of the Association of Corporate Treasurers.

Current external appointments

Listed appointments: Senior Independent Director and Chair of the Audit Committee of Auto Trader Group.

Other appointments: None.

David Keens will formally retire from the board of Auto Trader Group at the conclusion of its AGM on 19 September 2024.

Board of Directors continued



Susan Hooper
Independent
Non-Executive Director



Appointed

Susan joined the Board as an Independent Non-Executive Director in January 2021. Susan is the Chair of the Remuneration Committee, the Designated Non-Executive Director for workforce engagement ("DNED") and the Non-Executive Director responsible for oversight of Sustainability matters. She is also a member of the Audit and Nomination Committees.

Background and experience

Susan has broad non-executive experience. She has a focus upon Sustainability and is a founding Director of Chapter Zero, which promotes corporate awareness of climate change.

Susan has previously been a Non-Executive Director and Chair of the Remuneration Committee of Affinity Water and a Non-Executive Director of Rank Group, Caresourcer, Wizz Air and the Department for Exiting the European Union. Prior to this, she was Managing Director of British Gas Residential Services and Chief Executive of Acromas Group's travel division (including the brands Saga and the AA). She has also held senior roles at Royal Caribbean International, Avis Europe, PepsiCo International, McKinsey & Co and Saatchi & Saatchi.

Susan holds bachelor's and master's degrees in International Politics and Economics from the John Hopkins University.

Current external appointments

Listed appointments: None.

Other appointments: Chair of Tangle Teezer and Non-Executive Director of Uber Britannia. Director of Chapter Zero.



Niall Wass
Independent
Non-Executive Director



Appointed

Niall joined the Board as an Independent Non-Executive Director in January 2021. He is a member of the Audit, Nomination and Remuneration Committees.

Background and experience

Niall has deep experience in the online consumer business space both as an executive, investor and now as a Chair and NED. He is currently Chair of a number of growth stage tech businesses, as well as previously Chair of Glovo (sold to Delivery Hero), and Trouva (sold to Made). He was also previously a Partner at Atomico, a pan-European venture capital fund, leading consumer investments and remains an adviser there. In his executive career, Niall spent over 15 years as a CEO, COO and SVP in early-stage tech-enabled consumer businesses, such as Betfair (now listed as Flutter: LSE). His last executive role was as part of the Executive Team at Uber, leading the international business into 50 countries.

Current external appointments

Listed appointments: None.

Other appointments: Chair at Vay.io, World of Books Group and Jobandtalent. Non-Executive Director at Koru Kids.

Committee Key

A Audit **N** Nomination **R** Remuneration **○** Chair



ShanMae Teo

Independent
Non-Executive Director

A **N** **R**

Appointed

ShanMae joined the Board as an Independent Non-Executive Director on 27 June 2022. She is a member of the Audit, Nomination and Remuneration Committees.

Background and experience

ShanMae has extensive experience in driving growth with organic and M&A strategies through executive and investor roles. She is currently Chief Financial Officer at Climate Impact Partners. Prior to that, she was Chief Financial Officer at Third Bridge Group, a primary research provider and expert network and before that, she was Chief Financial Officer at the Ambassador Theatre Group.

She has over ten years of experience as a private equity and venture capital investor at Providence Equity Partners and M/C Venture Partners, focusing on consumer, media and technology sectors. Prior to that, she held roles in strategy consulting and investment banking at Bain & Company and Salomon Smith Barney.

ShanMae holds a Bachelor of Science degree in Accounting and Finance from Boston College and an MBA from INSEAD.

Current external appointments

Listed appointments: None.

Other appointments: Chief Financial Officer of Climate Impact Partners and Director of Opera Holland Park.

Chair's corporate governance introduction



The Board is committed to maintaining high standards of corporate governance.

On behalf of the Board, I am pleased to present the Group's corporate governance statement for the year ended 30 April 2024.

The following report explains the key features of the Group's governance framework and how it complies with the UK Corporate Governance Code 2018 (the "Code").

Code compliance

The Board is committed to maintaining high standards of corporate governance. We have a clear governance structure, which ensures that the Board and the business act responsibly in decision-making, risk management and delivery of objectives. We have applied the principles of the Code and complied with its provisions in full during the year and up to the date of publication of this report.

The Board has been briefed on the changes introduced by the UK Corporate Governance Code 2024 that will apply to the Group with effect from FY26 and for Provision 29 (which deals with the effectiveness of the Company's risk management and internal control framework) with effect from FY27. We intend to comply with the new code from its effective dates and work has commenced to facilitate compliance.

Culture and purpose

The Board sets the tone and culture for the Group and the expectations placed on its people. The Group has a clear purpose, which focuses on creating better, more personal, connections between people. It combines this with a dynamic growth culture that emphasises high performance, employee engagement and inclusion. Our corporate values are described in the Corporate governance statement on pages 76 to 85.

Board diversity

Board appointments are based on merit with the objective of ensuring an appropriate balance of skills and knowledge. The Board's Diversity Policy, which can be accessed on the Group's website at www.moonpig.group/investors, sets out our policy on diversity with respect to the Board of Directors, the Board Committees, the Executive Committee and their direct reports within the Extended Leadership Team.

I am pleased to report that as at 30 April 2024 and as at the date of this report, the Board meets the Listing Rules' diversity targets: for at least 40% of individuals on the Board to be women (we have 43% female representation); for at least one senior board position to be held by a woman (by virtue of my appointment as Chair); and for at least one Board member to be from an ethnic minority background (as the Board currently has two ethnic minority directors).

We value having a diverse and balanced Board and the benefits of diversity will be a key consideration in any future Board recruitment.

Board evaluation

The outcomes from our first externally-facilitated Board and Committee evaluation were discussed at our March 2024 Board meeting, together with progress against actions from prior years' evaluations. These are summarised in the Corporate governance statement on page 83. We intend to conduct an internal review in FY25.

Stakeholder engagement

The success of the Group's strategy is reliant on stakeholder engagement. The Board considers the impact on stakeholders in key decision-making discussions. A review of stakeholder engagement can be found in the Strategic report on pages 20 to 22.

Remuneration policy

As reported in last year's Annual Report, we consulted with our largest shareholders regarding the proposed changes to the Remuneration Policy that was brought to shareholders for approval at the 2023 AGM. I was pleased that over 82% of votes cast were in favour of the new Remuneration Policy.

External audit tender

During the year, the Group carried out a competitive tender process for the role of external auditor, in compliance with the requirement to tender the external audit at a minimum every ten years. Based on the recommendation of the Audit Committee, which oversaw the tender process, the Board approved the selection of PricewaterhouseCoopers LLP as external auditors for the financial year ending 30 April 2026, subject to shareholder approval at the September 2025 AGM. Details are set out in the Audit Committee report on pages 86 to 95.

Annual General Meeting

The 2024 AGM is scheduled to take place at 10:00am on 19 September 2024 and will be held at the offices of Allen Overy Shearman Sterling LLP, One Bishops Square, London E1 6AD.

Details of the resolutions and the business of the meeting are set out in the Notice of Meeting. The Board encourages all shareholders to vote on the resolutions whether or not they intend to attend the meeting.

Kate Swann

Non-Executive Chair
26 June 2024

Board leadership and Company purpose	See page 76
Division of responsibilities	See page 80
Composition, succession and evaluation	See page 82

Operation of the Board	See page 84
Audit, risk and internal control	See page 86
Remuneration	See page 102

Governance framework

The Board

- Sets the Group's purpose, values and strategy and satisfies itself that these are aligned with culture.
- Provides entrepreneurial leadership, promoting long-term sustainable success and shareholder value creation.
- Oversees the Group's risk management and internal control framework.
- The roles of the Chair, Executive and Non-Executive Directors, and the Company Secretary are set out in the Corporate governance statement.

Board Committees

- The Board delegates certain matters to its three permanent Committees, the terms of reference of which can be accessed at www.moonpig.group/investors/corporate-governance/.

Audit Committee

- Reviews and reports to the Board on the Group's financial reporting, internal control, whistleblowing, internal audit and the independence and effectiveness of the external auditors.

Audit Committee report – pages 86 to 95

Nomination Committee

- Reviews the structure, size and composition of the Board and its Committees and makes recommendations to the Board. Reviews diversity, talent development and succession planning.

Nomination Committee report – pages 96 to 101

Remuneration Committee

- Responsible for all elements of the remuneration of the Executive Directors, the Chair and the Executive Committee. Also reviews workforce remuneration policies and practices.

Remuneration Committee report – pages 102 to 117

Executive Committee

- Supports the CEO in the development and delivery of strategy.
- Responsible for day-to-day management of the Group's operations.
- Comprises the Executive Directors, the Moonpig and Greetz leadership team and the Managing Director of Experiences.

To assist the Board in discharging its obligations relating to monitoring the existence of inside information and its disclosure, the Group has a Disclosure Committee which is convened on an ad hoc basis as required. The Committee has a quorum of two and its current members are Kate Swann, David Keens, Nickyl Raithatha and Andy MacKinnon.

The Group has a delegation of authority framework in place, which ensures that decisions are taken at the appropriate level and supports the effective management of the Group. The delegation of authority framework includes a schedule of Matters Reserved for the Board. The Matters Reserved for the Board and the Terms of Reference of the three permanent Board Committees can be accessed at www.moonpig.group/investors/corporate-governance/.

Corporate governance statement

This statement explains key features of the Company's governance framework and how it complies with the UK Corporate Governance Code 2018.

Board leadership and Company purpose

Purpose, values and culture

The Board is responsible for setting the Group's purpose, values and strategy and ensuring alignment with the Group's culture.

Our purpose

Creating better, more personal connections between people who care about each other.

Be
BRAVE

When we see opportunities, big or small, we grab them. Our strong judgement and the knowledge that others have our back means we feel confident to take risks. Being brave comes in all shapes and sizes; sometimes it's "just" speaking up or giving a colleague some feedback that you know will help them grow. It's about challenging, getting involved and making yourself heard.

*Raise
the
Bar*

We take ownership, deliver on our promises and continuously strive to raise the bar in everything we do. We don't just meet our goals, we exceed them - and we're always thinking five steps ahead to figure out how we can increase our impact even further.

*Keep
it
Simple*

We always strive to simplify both what we do and how we do it. That means that we focus on the things that will have the most impact, figure out the simplest way to deliver them and don't over-complicate things.

*Think
Team*

We do what's right to help everyone thrive - not what feeds our ego. We think beyond the boundaries of our immediate team and call on others to make magic happen across teams. We have deep levels of trust with one another and share information generously, but never excessively. We win together because we think of the "we" before the "I".

Our strategy

To become the ultimate gifting companion to our customers.





This is reflected in an entrepreneurial, high-performance, growth-oriented culture with high inclusivity. Our culture is what makes Moonpig Group a great place to work and attracts talent to the business. Our culture also sets our approach to engaging with our stakeholders.

Executive management continues to embed our values across the business. For prospective and new employees, the four values are a core element of the Group's candidate attraction, hiring and onboarding activities, whilst for existing employees they are embedded in recognition programmes, for instance "values shout outs" in regular All Hands meetings, and in the performance appraisal and management processes.

The Board uses a variety of methods for assessing and monitoring the Group's culture, which include:

- Reviewing the results of the twice-annual employee engagement survey carried out by executive management. As was the case last year, the survey includes five questions to assess how the Group's values are resonating. The Board was pleased to note that, across the two surveys carried out during the year, 67%¹ (FY23: 70%) of respondents agreed that "I believe our Company values match our culture".
- Reviewing culture KPI data including employee turnover, vacancies and promotions.
- Reviewing whistleblowing reports, where these arise. During FY24, there was one whistleblowing report (FY23: nil) which was made directly to the Company Secretary, who is the Whistleblowing Reporting Officer for the Group. The Company Secretary investigated the allegations made confidentially and thoroughly through interviews, written responses to questions and a review of documents, with oversight from the Audit Committee Chair. No evidence was found to support the allegations. The outcome was reported to the Board.
- As part of an open and transparent culture, the Board has access not just to the Executive Committee but to employees at all levels and makes its own assessment of the culture from seeing employees in Board presentations, from other meetings with employees and from spending time in the Group's open-plan working environment.
- In addition, part of the role of the DNED is understanding how culture is manifested by the employee population and bringing the views of employees back to the Boardroom. During the year the DNED met with groups of employees at each of our main sites.
- During the financial year, the Group has incurred nil (FY23: nil) fines associated with violations of bribery, corruption, or anti-competitive standards.

On this basis, the Board is satisfied that policy, practices and behaviour throughout the business are aligned with the Company's purpose, values and strategy. For FY24, specific examples of alignment with values include:

 <p>Be Brave is reflected in the delivery of significant projects including the launch of Moonpig Plus and Greetz Plus subscription memberships, testing our prototype Moonpig for Work solution for SME business-to-employee greeting cards and gifting and the rapid growth of Moonpig in Australia and the United States of America.</p>	 <p>Raise the Bar is apparent both in the ambitious pace of operational delivery during the year and in the accelerating pace of technology development.</p>	 <p>Keep It Simple is reflected in organisation structure changes that we made this year to further improve cross-functional collaboration across Moonpig and Greetz.</p>	 <p>Think Team can be seen in the way all parts of the business have collaborated to deliver improvements to product, operations, technology, customer experience and the use of artificial intelligence.</p>
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¹ For FY23 these surveys operated across Moonpig and Greetz; for FY24 these surveys operate across the whole Group, including the Experiences segment (which was acquired in July 2022).

Corporate governance statement continued

Workforce engagement

Day-to-day workforce engagement is the responsibility of executive management. Alongside this, the Board also engages with employees throughout the year, and keeps engagement mechanisms under review to ensure they remain effective. The current arrangements are as follows:

DNED engagement

There is a clearly defined programme for workforce engagement by the Designated Non-Executive Director for workforce engagement (“DNED”).

- Susan Hooper is appointed as the DNED in accordance with the Code and has held this role since 2021. A defined programme of workforce engagement meetings was drawn up for FY24 to enable the DNED to meet with groups of employees from various locations.
- The Board regularly reviews the effectiveness of the workforce engagement activities to ensure they add value to employees and to the Board. For FY24 it was decided that the DNED would give a presentation at each workforce engagement session.
- This year the DNED gave a presentation to each group on the role the Board and its Committees play in the business, and the main areas of activity of each committee, including the Remuneration Committee’s role. This was followed by a time of discussion and for feedback from employees on the presentation and location-specific feedback on topics raised by employees. The Board was provided with feedback from those sessions.
- As a result of the presentations, employees felt they had a better understanding of how the Board and its Committees operated. Other feedback relating to employee pay was reported to management to be addressed in future employee face to face and written communications.
- The DNED also met with the leadership of the People Team (human resources function) to review the output from employee engagement surveys.
- The DNED joins several employee “All Hands” meetings each year as an observer.
- In FY24 we have increased the frequency of reporting to the Board on workforce engagement activities.

Wider Board engagement

The NEDs engage directly with the workforce in ways that are relevant and provide the full Board with insight into employee engagement.

- To ensure that all members of the Board have good visibility of the key business operations, Executive Committee members attend Board meetings regularly to provide updates on their areas of expertise and the execution of the Group’s strategy.
- Individual NEDs have interacted with employees on various occasions during the year. These ongoing interactions not only allow Group employees to benefit from the guidance of the NEDs, but also allow the Board to better inform their perspectives on workforce engagement and succession planning:
 - Kate Swann meets monthly with the Executive Committee to discuss financial performance.
 - David Keens and other Audit Committee members have engaged with the finance function leadership team in connection with the external audit tender.
 - Niall Wass participated in a hosted session at the Group’s all-employee annual strategy day.
 - Susan Hooper meets quarterly with the Sustainability lead on the Executive Committee to discuss matters related to the Group’s climate transition plan.

Board oversight

The Board reviews twice-annual engagement survey results as part of its oversight of workforce engagement and receives regular feedback from the DNED.

- Executive management commissions twice-annual, externally-facilitated employee engagement surveys to ensure that employees are given a voice and that the business can act on employee feedback. The Board uses these as one basis for assessing overall levels of workforce engagement.
- The Group has set a goal to reach an employee engagement score of at least 72%, which is embedded in the Group’s Sustainability strategy (see page 25).
- On average, across the two employee surveys that the Group carried out in the year, 74% of employees were proud to work for the Group (FY23: 78%).
- The Group’s average overall employee engagement score for the two surveys improved year-on-year to 61% (FY23: 61%), but remained below target, reflecting the continued impacts from operating in an environment of greater cost discipline and lower FY23 Group bonus scheme outcomes for measures relating to financial performance. Further information is provided on page 25.

Shareholder engagement

The Board maintains a clear understanding of the views of investors, through the following means:

Investor relations

The CFO is responsible for a defined investor relations programme that aims to ensure that existing and potential investors understand the Group's strategy and business.

- The Executive Directors make formal presentations on the half-year and full-year results which are made available to all existing and potential shareholders on the Group's investor relations website.
- The results presentations are followed by formal investor roadshows. There is also an ongoing programme of meetings with investors, in response to both inbound and outbound requests. These meetings cover topics including strategy, performance and sustainability matters, with care taken to ensure that price-sensitive information is released to all shareholders at the same time.
- During FY24, the Executive Directors between them attended one-on-one shareholder meetings, group meetings (including meetings hosted by equity research analysts) and investor conference days. A combination of face-to-face and virtual meetings were held. A wide range of topics were discussed, including the Group's progress in implementing new technology features, strategic progress at Experiences, the drivers of the Group's return to revenue growth, the extent to which improvements in gross margin rate are expected to be sustained, deleveraging and capital allocation.
- In response to unprompted feedback received from several of the Group's major shareholders during meetings with management, a change was made to the definition of Adjusting Items to include the amortisation of intangible assets arising on business combination. Further information is set out in the Audit Committee report on page 88.
- The CFO liaises directly with analysts to obtain their feedback on investor sentiment. This includes the eleven sell-side analysts that maintained research coverage and published financial estimates relating to the Group as at 30 April 2024 (30 April 2023: eleven).

Non-executive engagement

The Chair, the SID and the Committee Chairs directly engage with shareholders where appropriate.

- The Chair, the SID and the Chairs of the three permanent Board Committees are each available for meetings with major shareholders to discuss matters related to their areas of responsibility and, together with all other Directors, attended the 2023 AGM to meet shareholders and answer any questions.
- At the request of the Audit Committee, the Company Secretary wrote to the Company's ten largest shareholders, including Exponent, advising them of the Company's intention to put the external audit out to tender and outlining the process. Further information on the external audit tender is set out in the Audit Committee report on pages 94 to 95.
- In response to inbound requests, the Chair engaged face to face and virtually with several shareholders on a variety of topics including governance and remuneration.
- During the year, the Company Secretary engaged with one shareholder that wanted further detail on the Group's approach to addressing its gender pay gap.
- The Chair of the Remuneration Committee (together with the Chair) consulted with the Group's ten largest shareholders after Exponent in relation to the 2023 Remuneration Policy. The policy was amended to reflect feedback, and the revised policy was approved at the September 2023 AGM.
- Shareholders can provide information for sharing with the Board on particular topics or voting policies via the Company Secretary.

Board oversight

The Board is kept informed of the views and opinions of shareholders and analysts.

- Directors receive investor relations updates from the CFO at each Board Meeting.
- The Company's corporate brokers, J.P. Morgan Cazenove, attend several Board meetings each year at which they provide insight on investor sentiment and feedback.
- The Board is provided with monthly share register analysis, market reports from the Company's corporate brokers and published equity research reports.

Corporate governance statement continued

Division of responsibilities

There is a clear division between executive and non-executive responsibilities. The roles of Non-Executive Chair and CEO are not held by the same person. The division of role responsibilities between the Non-Executive Chair and the CEO is set out in a written statement that has been approved by the Board and can be accessed at www.moonpig.group/investors/corporate-governance/.

Non-Executive Chair	<ul style="list-style-type: none"> Leads the Board and is responsible for the overall effectiveness of Board governance. Sets the Board's agenda, with emphasis on strategy, performance and value creation. Ensures good governance. Shapes the culture of the Board, promoting openness and debate. Ensures the Board receives the information necessary to fulfil their duties.
Chief Executive Officer	<ul style="list-style-type: none"> Develops strategies, plans and objectives for proposing to the Board. Runs the Group on a day-to-day basis and implements the Board's decisions. Provides leadership to the Executive Committee and Extended Leadership team. Leads the organisation to ensure the delivery of the strategy agreed by the Board.
Chief Financial Officer	<ul style="list-style-type: none"> Provides strategic financial leadership of the Group, runs the finance function and works alongside the CEO in the day-to-day running of the Group. Has operational responsibility for risk management. Ensures the Group remains appropriately funded and capital structure is effectively managed. Responsible for investor relations.
Senior Independent Non-Executive Director	<ul style="list-style-type: none"> Acts as a sounding board for the Non-Executive Chair. Available to shareholders if they require contact both generally and when the normal channels of Non-Executive Chair, CEO or CFO are not appropriate. Leads the annual appraisal of the Non-Executive Chair's performance and the search for a new Chair, when necessary.
Non-Executive Directors	<ul style="list-style-type: none"> Demonstrate independence and impartiality (other than the Nominee Director, until his resignation on 25 April 2024). Bring experience and special expertise to the Board. Constructively challenge the Executive Directors. Monitor the delivery of the strategy within the risk and control framework set by the Board. Monitor the integrity and effectiveness of the Group's financial reporting, internal controls and risk management systems.
Company Secretary	<ul style="list-style-type: none"> Responsible for advising the Board and assisting the Non-Executive Chair in all corporate governance matters.

The Board's approach to section 172

The Code requires the Board to understand the views of the Company's key stakeholders and describe how their interests and the matters set out in section 172 of the Companies Act 2006 (the "Act") have been considered in Board discussions and decision-making. The Board's approach during FY24 to the matters set out in section 172 of the Act is summarised below. Our key stakeholder groups, the interests of these key stakeholders and the Board's approach to considering these interests are set out in the Strategic report on pages 20 to 22.

Section 172(1) of the Companies Act 2006	The Board's actions
(a) Long-term decision-making The Board maintains oversight of the Group's performance, and reserves to itself specific matters for approval, including the strategic direction of the Group, M&A activity and entering material contracts above set thresholds.	<ul style="list-style-type: none"> • Agreed the Group's strategy, which is set out on pages 16 to 17 of this Report. • Reviewed the Group's risk management framework (see pages 60 to 61) and considered the Group's principal risks (see pages 62 to 65). • Approved the Group's FY25 annual budget and three-year plan.
(b) Interests of employees The success of the Group depends upon a highly skilled and motivated workforce and an entrepreneurial and innovative culture, set within structures that provide fairness for all.	<ul style="list-style-type: none"> • Reviewed the Group's Sustainability strategy, which includes goals focused on increasing the representation of women and ethnic minorities in our leadership and raising employee engagement (see pages 23 to 25). • Approved an all-employee award under the Group's SAYE Scheme. • Received regular updates from the DNED on workforce engagement activities. • Received updates on the results of employee engagement surveys.
(c) Fostering business relationships with suppliers, customers and others The Group works with a significant number and variety of customers, suppliers, providers and other third parties. It is of great importance that relationships with those parties are appropriate.	<ul style="list-style-type: none"> • Received presentations on specific business areas from members of the Executive Committee. In each case, discussion includes the impact of the Group's activities upon customers, suppliers and partners. • Reviewed the Customer NPS. The score for FY24 is 56.5% (FY23: 60.0%). • Considered and approved the Group's Modern Slavery Statement. • Discussed the impact on suppliers of the Group's aim to obtain commitments to set net zero reduction targets aligned with SBTi criteria from suppliers covering 67% of its Scope 3 emissions by 30 April 2030.
(d) Impact of operations on the community and the environment The Group seeks to ensure that it provides a positive contribution to the communities in which it operates and to the environment.	<ul style="list-style-type: none"> • Reviewed the Group's delivery to date against its Sustainability strategy, which includes goals focused on community and environmental impact. • Approved updates to the Sustainability strategy (see pages 23 to 25).
(e) Maintaining high standards of business conduct The Board sets the Group's purpose, values and strategy and satisfies itself that these are aligned with the Group's culture. It oversees the Group's risk management processes and internal control environment.	<ul style="list-style-type: none"> • Operated a comprehensive corporate governance framework, which is summarised on page 75. • Complied with the Code in full throughout the year. • Approved a range of policies and procedures which promote corporate responsibility and ethical behaviour. • On an annual basis all Directors complete online compliance training modules and receive an update from the Group's legal advisers. During the year, the Board received training on artificial intelligence. No additional training needs were identified during the Board's annual evaluation. • Received regular corporate governance updates and an update on culture and values.
(f) Acting fairly between members The Board aims to understand the views of shareholders and to always act in their best interests.	<ul style="list-style-type: none"> • The CEO and CFO spent considerable time engaging with the Group's shareholders through a mixture of emails, video calls and face to face meetings. • The Non-Executive Directors engaged with shareholders through the Chair, Senior Independent Non-Executive Director ("SID") and Committee Chairs as appropriate. • Attended the AGM, which is held near the Group's London head office. We consider central London, with its access to national and international travel networks, to be the most convenient location for our shareholder base (28% registered overseas, 55% based in London and the south east of England, and 17% based in the rest of the UK). • At IPO, a Relationship Agreement was put in place to ensure the Company was capable at all times of carrying on its business independently of Exponent, its former controlling shareholder. On 25 April 2024, Exponent ceased to be a substantial shareholder of the Company, accordingly the Relationship Agreement ceased to have effect.

Corporate governance statement continued

Composition, succession and evaluation

Board composition

The Board comprises seven Directors: The Non-Executive Chair (who the Board considers was independent on appointment), two Executive Directors and four Independent Non-Executive Directors. Until 25 April 2024 the Board also included one Non-Executive Director (the "Nominee Director").

The Company regards each of the Independent Non-Executive Directors as "independent" within the meaning of the Code and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. Accordingly, the Company complies with the Code recommendation that at least half the Board, excluding the Chair, should be independent.

The Nomination Committee reviews the independence of the Non-Executive Directors annually and has confirmed to the Board that it considers each of the Independent Non-Executive Directors to be independent and the Non-Executive Chair to have been independent on appointment, in accordance with the Code and as explained in the 2021 Annual Report and Accounts.

Relationship Agreement

The Company and Exponent had entered into a relationship agreement (the "Relationship Agreement") to ensure that the Company was capable at all times of carrying on its business independently of its former controlling shareholder.

Under the Relationship Agreement, Exponent had a right to nominate one Non-Executive Director to the Board whilst its shareholding in the Company were greater than or equal to 10%. On 25 April 2024 Exponent's shareholding in the Company fell to 8.22%, and therefore the Relationship Agreement fell away and the Nominee Director, Simon Davidson, resigned from the Board. Simon was not considered to be independent within the meaning of the Code.

Board and Committee membership

The membership of the Committees of the Board, Director tenure and attendance at scheduled Board and Committee meetings for FY24 are set out in the table below:

Attendance at meetings during FY24²

Name ¹	Date of appointment to the Board	Tenure as at 30 April 2024 (years)	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
Kate Swann	10/01/2021	4 years 6 months ³	8/8 ⁴	N/a	N/a	2/2 ⁴
Nickyl Raithatha	23/12/2020	3 years 4 months	8/8	N/a	N/a	N/a
Andy MacKinnon	23/12/2020	3 years 4 months	8/8	N/a	N/a	N/a
David Keens	10/01/2021	3 years 3 months	8/8	4/4 ⁴	4/4	2/2
Susan Hooper	10/01/2021	3 years 3 months	8/8	4/4	4/4 ⁴	2/2
Niall Wass	10/01/2021	3 years 3 months	8/8	4/4	4/4	2/2
ShanMae Teo	27/06/2022	1 year 10 months	8/8	4/4	4/4	2/2
Simon Davidson ¹	10/01/2021	N/a	7/7	N/a	N/a	N/a
Average tenure as at 30 April 2024		3 years 3 months				

¹ The composition of the Board and its Committees is shown as at 30 April 2024, with the exception of Simon Davidson, who resigned from the Board on 25 April 2024. His attendance is shown up to the date of his resignation.

² The Disclosure Committee has been omitted from the above table as it meets only on an ad hoc basis, rather than on a scheduled basis.

³ The following Board members previously served as Directors of the predecessor ultimate holding company, Kate Swann (since 23 October 2019), Nickyl Raithatha (since 12 September 2019), Andy MacKinnon (since 12 September 2019) and Simon Davidson (since 5 October 2015).

⁴ Indicates Chair of Board or relevant Committee.

Ad hoc conference calls and Committee meetings were also convened or papers circulated to the Board or Committee for approval to deal with specific matters which required attention between scheduled meetings.

Board evaluation

During the year, the Board completed its first externally-facilitated evaluation of the Board, its Committees, the Chair and the individual Directors. The Company Secretary conducted interviews with five firms and after consideration of proposals from each as to their experience, approach and value for money, prepared a shortlist for consideration by the Chair. Following discussion with the Board, it was decided to appoint Lintstock Limited (Lintstock) to conduct the review. Lintstock has no other connection with the Group or individual directors. Lintstock has approved the references in this report to the evaluation.

The external review took the form of online questionnaires completed by each Director. Lintstock engaged with the Chair and the Company Secretary to ensure that the review would identify both the Board's performance against an external benchmark and any year-on-year trends. The questions covered strategy, purpose and culture, the Board's role and composition, including diversity, time management, Board effectiveness, risk management, accountability, relationships with stakeholders, behaviours of the Board as a whole and of the individual Directors and the operation of each of the Board's Committees. The Senior Independent Non-Executive Director ("SID") then conducted interviews with each of the Directors, excluding the Chair, to assess the Chair's performance. Following those interviews the SID provided feedback to the Chair on her performance. The questionnaires were collated by Lintstock on an unattributed basis and summaries presented to the appropriate Committees and to the Board for discussion. The individual Director's performance evaluation questionnaires were shared by Lintstock directly with the Chair who determined that no follow up with any Director was required.

The results of the evaluation show that the Board is highly rated overall by its members. The Board also scored highly relative to Lintstock's external benchmark.

The annual evaluation of the Board's performance included an assessment of the Chair's commitment to her role. The Board determined that the Chair's appointment as Chair of Moonpig is not subservient to her other interests. Her diary management and time management of Moonpig Board meetings is exemplary and she has recorded 100% attendance at all Board and Committee meetings. The Chair is available at all times outside of scheduled Company meetings and she engages with the Executive Directors and wider management on a regular and frequent basis. The Board therefore concludes that the Chair continues to devote sufficient time to meet her Board and Nomination Committee responsibilities and continues to demonstrate commitment to her role.

The time commitments of the other Directors were also assessed and considered as part of the evaluation process and the Board concluded that each of the Non-Executive Directors also continue to devote sufficient time to meet their Board and Committee responsibilities and continue to demonstrate commitment to their respective roles. Following the board evaluation process, it was agreed that no changes to the Board's composition are currently required. The outcomes of the evaluation process and the composition of the Board and its Committees will be taken into consideration as part of the Board succession planning process.

The following actions have been taken in response to prior year Board and Committee evaluations:

Forum	Development area	Action taken as at 30 April 2024
Nomination Committee	Succession planning	This item was identified as a focus area for FY23 reflecting the fact that the Board had been in the process of scaling its activities in this area during the relatively short time period since the IPO. During FY23 and FY24 work continued on the talent management and development programme. In both FY23 and FY24 the CEO updated the Nomination Committee on short-term and long-term succession planning for the Executive Directors, Executive Committee and Extended Leadership Team.
Board	Workforce engagement	Identified as a focus area for FY23. During FY23 the DNED and Company Secretary enhanced the workforce engagement programme. In FY24 further changes were made to the programme and the frequency of workforce engagement updates to the Board was increased.

The following priorities to improve the Board's performance and the value it adds to the business were identified through this year's evaluation process:

Forum	Development area	Focus for the year ahead
Board	Strategy	The Board's oversight of strategy was very highly rated. The focus in FY25 will be on balancing strategic priorities and managing short-term and longer-term objectives.
Remuneration Committee	Remuneration	Monitor the operation of the Remuneration Policy that was approved by shareholders at the 2023 AGM to ensure it operates as intended.

The Board currently intends that the next two annual evaluation cycles will be internally-facilitated. It is anticipated that the evaluation for FY27 will then be externally-facilitated in compliance with the Code recommendation that an externally-facilitated evaluation takes place at least every three years.

Corporate governance statement continued

Operation of the Board

Board activities in FY24

The Board makes decisions in order to ensure the long-term success of the Group whilst taking into consideration the interests of wider stakeholders as required under section 172 of the Act. Board meetings are one of the mechanisms through which the Board discharges this duty. Further information about the Board's approach to section 172 is set out earlier in this section and further information on stakeholder engagement is included on pages 20 to 22.

The following table sets out some of the Board's key activities during FY24:

Strategy and operations	<ul style="list-style-type: none"> • Held a Board strategy review day at which the Group's strategy and the risks to that strategy were discussed. • Reviewed strategic and operational performance at each Board meeting. • Approved the relocation of the Group's Dutch office from Amsterdam to Almere during FY25.
People and culture	<ul style="list-style-type: none"> • Received feedback from employee engagement surveys. • Approved the updated Board Diversity Policy. • Considered the Group's culture and values. • The DNED and other Non-Executive Directors met directly with employees throughout the year. • The CEO and CFO attend "Group All Hands" meetings with employees.
Financial	<ul style="list-style-type: none"> • Reviewed trading updates and financial performance against budget. • Approved the FY25 annual budget and three-year plan. • Approved the Group's trading updates, half year and full year results announcements. • Approved audited financial statements for the year ended 30 April 2023. • Approved the refinancing of the Group's debt facilities.
Governance	<ul style="list-style-type: none"> • Reviewed the Group's compliance with the UK Corporate Governance Code. • Agreed the annual programme of business for the Board and each of the Committees. • Undertook an externally-facilitated evaluation of the Board, its Committees and the Chair's and individual Directors' performance and time commitments. • Reviewed the Committees' Terms of Reference. • Reviewed the internal systems of control. • Received an update from the Group's legal advisers. • Considered the implications of the UK Corporate Governance Code 2024 that will apply to the Group with effect from FY26 and for Provision 29 (which deals with the effectiveness of the Company's risk management and internal control framework) from FY27. • Considered the recommendations from the Audit Committee relating to the external audit tender and selected the external auditors for FY26.
Risk management	<ul style="list-style-type: none"> • Reviewed principal and emerging risks. • Reviewed the Group's sustainability risk register, including climate-related risks.
Investors and other stakeholders	<ul style="list-style-type: none"> • Received reports and updates on investor relations activities. • Reviewed the Group's Sustainability strategy and progress to date in delivery against it. • The CEO and CFO met regularly with existing and potential investors as part of a defined investor relations programme, as set out on page 79. • The Chair and Remuneration Committee Chair directly engaged with shareholders as set out on page 79. • At the request of the Audit Committee, the Company Secretary wrote to the Company's top ten shareholders, including Exponent, ahead of the external audit tender. • All Directors attended the AGM and were available to shareholders at that meeting.

Advice for Directors

All Directors have the right to have any concerns about the operation of the Board recorded in the minutes. All Directors may seek independent professional advice in connection with their roles as Directors at the expense of the Company and have access to the advice and services of the Company Secretary.

Election and re-election

The Company's Articles of Association ("Articles") specify that a Director appointed by the Board must stand for election at the first AGM after such appointment and at each AGM thereafter every Director shall retire from office and seek re-election by shareholders. This is in line with the Code, which recommends that Directors should be subject to annual re-election. All Directors will offer themselves for re-election at the 2024 AGM.

Appointment, removal and tenure

The rules relating to the appointment and removal of Directors are set out in the Company's Articles.

Non-Executive Directors are appointed for a term of three years, subject to earlier termination, including provision for early termination by either the Company or by the individual on three months' notice. All Non-Executive Directors serve based on letters of appointment, which are available for inspection at the Company's registered office and at the AGM.

Board succession planning for Non-Executive Directors will become a focus for the Nomination Committee over the next few years to ensure an orderly rotation of Directors appointed at IPO. There are both contingency and long-term succession plans in place for the Executive Directors, which are regularly reviewed by the Nomination Committee.

Conflicts of interest and time commitments

In accordance with the Company's Articles, the Board has a formal system in place for Directors to declare conflicts of interest and for such conflicts to be considered for authorisation. The register of Directors' external appointments is reviewed at each Board meeting. Any external appointments or other significant commitments of the Directors require the prior approval of the Board. The Board is comfortable that the external appointments of the Chair and the Independent Non-Executive Directors do not create any conflict of interest and believes that this experience enhances the capability of the Board. None of the Executive Directors have any external directorships as at the date of this report.

The Board considers new external appointments in advance to determine that there are no conflicts of interest and that the Director would continue to have sufficient time to devote to his or her role with the Group. There have been no new appointments during the year.

Kate Swann stepped down from the supervisory board of Zooplus in May 2023. Susan Hooper stepped down as Chair of Carbon Gap in January 2024 and as a Non-Executive Director of WAG Payment Solutions in May 2024. David Keens will formally retire from the board of Auto Trader Group at the conclusion of its AGM on 19 September 2024.

All Non-Executive Directors are required to devote sufficient time to meet their Board responsibilities and demonstrate commitment to their role. The time commitment of each Non-Executive Director was considered prior to their appointment to determine that it was appropriate. The letters of appointment for each Non-Executive Director specify the time commitment expected of them and contain an undertaking that they will have sufficient time to meet the expectations of their role.

The time commitment of the Chair and of each Non-Executive Director is reviewed as part of the annual Board performance evaluation, and this year's evaluation concluded that they each continued to devote sufficient time to their role. No instances of overboarding were identified.

Audit, risk and internal control

The Board accepts responsibility for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives and monitors and reviews the effectiveness of the Company's risk management and internal control systems. Further information is set out in the Audit Committee report and in the risk management section of the Strategic report.

On 12 March 2024, the Audit Committee completed its annual reassessment of risk management and internal control systems and this was considered in detail and approved by the Board.

Remuneration

The Directors' remuneration report describes the policies and practices in place to ensure that the Group's leadership is motivated to deliver long-term sustainable growth. The work of the Remuneration Committee is also described in the Directors' Remuneration report, which is set out later in this Governance section on pages 102 to 117.

Kate Swann

Chair

26 June 2024

Audit Committee report

The Audit Committee has overseen a competitive tender of the external audit.

Overview

- The Audit Committee (“Committee”) comprises four Independent Non-Executive Directors.
- David Keens and ShanMae Teo are considered by the Board to have recent and relevant financial and accounting experience. All members have relevant commercial and operating experience.
- Four meetings were held during the year.
- The CFO, other Directors, members of management, the internal auditors and the external auditors attend meetings by invitation.
- The Committee members hold closed sessions with the external auditors and the internal auditors.

Main Committee activities during FY24

- Oversaw the competitive tender of the external audit for FY26 and recommended its first choice and second choice candidates to the Board.
- Approved the financial statements for the year ended 30 April 2023.
- Reviewed key areas of financial judgement and ensured consistency of approach has been applied.
- Approved the external audit plan and fee and reviewed the effectiveness of PricewaterhouseCoopers LLP as external auditors.
- Approved the internal audit plan and reviewed the effectiveness of KPMG LLP as internal auditors.
- Assisted the Board in its review of the effectiveness of the Group’s risk management framework, including the consistency of application across Moonpig, Greetz and Experiences.
- Reviewed the Group’s evaluation of principal and emerging risks and uncertainties.
- Reviewed the Committee’s performance, its composition and Terms of Reference.

Committee focus areas for FY25

- Approve the financial statements for the year ended 30 April 2024.
- Discuss key areas of financial judgement and estimates used by management.
- Assist the Board in its review of the effectiveness of the Group’s risk management and internal control systems.
- Review the principal and emerging risks identified by management and the mitigating actions taken.
- Review the performance of the external auditors.
- Review the performance of the internal auditors and monitor progress against the internal audit plan.

Committee member	Meetings attended
David Keens (Chair of the Committee and Senior Independent NED)	4/4
Susan Hooper (Independent NED)	4/4
Niall Wass (Independent NED)	4/4
ShanMae Teo (Independent NED)	4/4

More information on the Committee’s Terms of Reference can be accessed at www.moonpig.group/investors.



Dear shareholders,

I am pleased to present the Group's Audit Committee report. This provides a summary of the Committee's role and activities for the year ended 30 April 2024 and sets out the work that the Committee has performed in respect of this Annual Report.

The Committee comprises the four Independent Non-Executive Directors: David Keens, Susan Hooper, Niall Wass and ShanMae Teo. All members (and therefore the Committee as a whole) have relevant commercial and operational experience, whilst David Keens and ShanMae Teo fulfil the requirement for at least one Committee member to have recent and relevant financial experience. The biographies of each member of the Committee are set out on pages 70 to 73.

The internal audit function is outsourced to KPMG LLP, which provides the Group with specialist expertise in delivering a risk-based rolling review programme. KPMG LLP and the Group's external auditors PricewaterhouseCoopers LLP each attended all four Committee meetings held during the year. The CFO, other Directors and members of management attended by invitation.

The Committee's Terms of Reference include monitoring the integrity of the Group's financial reporting, the effectiveness of the risk management and internal control framework, internal audit and the independence, objectivity and effectiveness of the external audit. When carrying out its work during FY24, the Committee has focused on significant business developments, in particular:

- Oversight of the external audit tender process and recommending to the Board that incumbent auditors PricewaterhouseCoopers LLP should be selected for appointment for FY26, subject to shareholder approval.
- Approval of a change to the definition of Adjusting Items to include the amortisation of intangible assets arising on business combination.
- Review of the accounting for the merchant accrual at the Experiences segment.
- Approval of the Group's first sustainability risk register.

During the year, the Committee conducted a review of its performance as part of the triennial externally-facilitated evaluation of the Board and its Committees. The Audit Committee's overall performance was rated highly by its members, with the Committee said to be well run and comprehensive in its oversight. Full details of the process and outcomes are set out on page 83.

During the year, the Committee performed a review of the external auditors' performance and concluded that the external auditors remained effective.

The Committee has reviewed the content of the Annual Report and considers that it is fair, balanced and understandable.

Whilst this Audit Committee report contains some of the matters addressed during the year, it should be read in conjunction with the external auditors' report starting on page 122 and the Moonpig Group plc financial statements in general.

We disclosed in the FY23 Audit Committee report that we intended to put the external audit to tender no later than the audit for the year ending 30 April 2026. We carried out the tender process between September 2023 and June 2024, as summarised on page 94. The process was overseen by the Committee and carried out by a Selection Panel comprising all four Committee members, the CFO and three of his direct reports. Exploratory discussions were held with several potential candidate firms, and a Request for Expression of Interest was sent to three of these. The two final tender candidates both provided high-quality tender submissions, based on which the Committee recommended to the Board two choices, reporting that its first choice recommendation was the Group's incumbent auditors, PricewaterhouseCoopers LLP, with the order of preference based on the Committee's assessment of audit quality, audit approach, independence, experience and capability. The decision was finely balanced. Value for money was not a significant differentiating factor. The Board agreed with this and approved the selection of PricewaterhouseCoopers LLP as external auditors for FY26 subject to shareholder approval at the September 2025 AGM.

David Keens

Chair of the Audit Committee
26 June 2024

Audit Committee report continued

Financial reporting

The primary role of the Committee in relation to financial reporting is to review and monitor the integrity of the financial statements, including annual and half-year reports and any other formal announcement relating to the Group's financial performance.

In the preparation of the Group's FY24 financial statements, the Committee assessed the accounting principles and policies adopted and whether management had made appropriate estimates and judgements. In doing so, the Committee discussed management reports and enquired into judgements made. The Committee reviewed the reports prepared by the external auditors on the FY24 Annual Report.

The Committee, together with management, identified significant areas of financial statement risk and judgement as described below.

Description of significant area	Audit Committee action
Capitalised development costs	
The amount of employee costs that the Group capitalises as internally-generated intangible assets is significant.	The Committee reviewed the Group's capitalisation policies, which remain unchanged year-on-year, and is satisfied that these are appropriate and in accordance with accounting standards.
Management makes estimates and judgements when assessing whether development costs incurred meets the criteria for capitalisation under IAS 38 Intangible Assets.	The Committee considered the procedures and controls in place for capitalised development costs, including those relating to capitalisation of employee benefits and assessing the carrying amounts and remaining useful economic lives of previously capitalised intangible assets. The Committee is satisfied that these controls are appropriate and have been consistently applied year-on-year.
Experiences merchant accrual	
Measurement of the Experiences segment merchant accrual requires estimation of the expected future amounts that will become payable to merchant providers.	The Committee reviewed the estimates of future payments to merchant providers prepared by management and was satisfied that these were consistent both with the actual commission rates relating to experience deals sold and with the trend in actual rates of redemption by recipients.
Alternative Performance Measures	
The Annual Report includes reference to Alternative Performance Measures ("APMs"), including Adjusted EBIT and Adjusted PBT, which the Directors consider provide useful financial information in addition to IFRS measures. Determining which items should be classified as Adjusting Items involves the exercise of judgement.	<p>The Committee reviewed the definition of Adjusting Items and the disclosures around APMs to satisfy itself that these are appropriate, including whether definitions are clear, whether there is a clear reconciliation to IFRS measures and ensuring balanced prominence of APMs and IFRS measures taken across the Annual Report as a whole.</p> <p>During the year, management proposed a change to the definition of Adjusting Items to include acquisition amortisation. This was in response to unprompted feedback, received from several of the Group's major shareholders during meetings with management, that the change should be considered as it would bring the Group's approach into closer alignment with majority market practice. The Committee's process of challenge relating to this included the following:</p> <ul style="list-style-type: none"> • Review of benchmarking data compiled by management, which indicated that a significant majority of FTSE 350 companies that amortise intangible assets arising on business combination classify such amortisation as an Adjusting Item. • Assessment of disclosures in the FY24 Annual Report. The Committee ensured that these provide a clear reconciliation to the previously used classification basis and that there is consistency of presentation with prior year comparatives. • Discussion with the Group's external auditors, corporate broker and internal auditors to obtain their perspectives on the proposed change. • Discussion with management. The Committee agrees with management's view that Adjusting Items should generally be few in number, with a preference for consistency in their definition across years. The decision to amend the definition this year is considered to be one-time, with no anticipation of further changes in the foreseeable future. <p>The Committee satisfied itself that the revision to the definition of Adjusting Items is appropriate and will result in the reporting of APMs that are more readily comparable with those of other listed businesses. This change reflects the Group's commitment to continuous improvement and addressing feedback received from our shareholders.</p>
The Group has amended its definition of Adjusting Items to include charges for amortisation of intangible assets arising on business combination ("acquisition amortisation").	

Description of significant area

Audit Committee action

Assessment of impairment

Goodwill in the consolidated financial statements and the investment in subsidiary in the Company financial statements were each assessed for impairment at 30 April 2024.

In view of the Company's market capitalisation, judgement is required to assess the extent to which this represents evidence of impairment.

The assessment of the carrying amount involves estimation of growth rates applied to cash flows in the value in use model, the discount rate and the determination of the duration of the projections period prior to applying a perpetuity growth rate.

On the basis that the pre-perpetuity projections period exceeds five years, judgement is required to establish that the reliability and past forecast accuracy requirements of paragraph 35 of IAS 36 are met.

Judgement is also required to determine appropriate sensitivity scenarios that capture plausible changes in the key assumptions of the value in use calculation.

The Committee considered whether the Group's market capitalisation, which is lower than the Company's net assets and the estimated recoverable amount of the investment in subsidiary, represents evidence of impairment. The Committee agrees with management's view that listed companies' share prices are not directly correlated with the recoverable amount of their investments in subsidiaries.

The Committee considered the assumed pre-perpetuity growth rates in the value in use model and was satisfied that these were appropriate, taking into account third party estimates of growth for the online segment of the market, the continued capture of online market share, revenue growth driven through gift attachment and investment to date in technology and data platforms.

Management's calculation of estimated value in use as at April 2024 incorporates a six-year pre-perpetuity period (April 2023: seven years), with the year-on-year movement reflecting the effluxion of time. The Committee considered the application of this and was satisfied that the online segments of the Group's markets have headroom for continued growth at the assumed rates for at least six years.

The Committee satisfied itself as to management's justification that it can forecast cash flows accurately over a period longer than five years per the requirements of paragraph 35 of IAS 36, noting that: (i) The nature of the Group's markets and the stable, predictable behaviour of its customer base resulted in a relatively consistent historical profile of revenue growth outside of periods impacted by Covid; and (ii) the Group has a positive track record of forecasting accuracy.

The Committee considered the sensitivity analysis performed by management and was satisfied that disclosure is sufficient to provide information on the impact of a plausible change in the key assumptions of the value in use calculation.

The Committee agreed with the Directors that, in view of the outcome of the sensitivity analysis, the assessment of impairment should be considered as a major source of estimation uncertainty that has a significant risk of resulting in a material adjustment to the carrying amount within the year ending 30 April 2025 under paragraph 125 of IAS 1. This applies both in respect of goodwill recognised in the consolidated financial statements relating to the Experiences CGU and to the carrying amount of investments in the Parent Company financial statements. The Committee noted that the Group and Company has accordingly disclosed the quantification of all key assumptions in its value in use estimates and the impact of a plausible change in each key assumption.

Going concern and viability statement

The Directors must satisfy themselves as to the Group's viability and confirm that they have a reasonable expectation that it will continue to operate and meet its liabilities as they fall due.

The period over which the Directors have determined it is appropriate to assess the prospects of the Group has been defined as three years. In addition, the Directors must consider if the going concern assumption is appropriate.

The Committee reviewed management's schedules supporting the going concern assessment and viability statements. These included the Group's medium-term plan and cash flow forecasts for the period to April 2027. The Committee discussed with management the appropriateness of the three-year period.

Scenarios covering events that could adversely impact the Group were considered and the Committee concluded that these are appropriately aligned to the Group's principal risks and uncertainties as disclosed on pages 62 to 65. The feasibility of mitigating actions and the potential speed of implementation were discussed.

The Committee confirmed that it agreed with management's conclusions relating to the appropriateness of the going concern basis of accounting, that it was satisfied as to the Group's viability and that the associated disclosures in the financial statements were appropriate.

Audit Committee report continued

Fair, balanced and understandable

At the request of the Board, the Committee has reviewed the content of the FY24 Annual Report and considered whether, taken as a whole, in its opinion it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy. The Committee was provided with an early draft of the Annual Report and provided feedback on areas where further clarity or information was required to provide a complete picture of the Group's performance. The final draft was presented to the Committee for review before being recommended for approval by the Board. When forming its opinion, the Committee reflected on discussions held during the year and reports received from the internal auditors and external auditors and considered the following:

Key considerations

Is the report fair?	<ul style="list-style-type: none"> • Is a complete picture presented and has any sensitive material been omitted that should have been included? • Are key messages in the narrative aligned with the KPIs and are they reflected in the financial reporting? • Are the revenue streams described in the narrative consistent with those used for financial reporting in the financial statements?
Is the report balanced?	<ul style="list-style-type: none"> • Is there a good level of consistency between the reports in the front and the reporting in the back of the Annual Report? • Do you get the same messages when reading the front end and the back end independently? • Is there an appropriate balance between statutory and adjusted measures and are any adjustments explained clearly with appropriate prominence? • Are the key judgements referred to in the narrative reporting and significant issues reported in the Report of the Audit Committee consistent with disclosures of key estimation uncertainties and critical judgements set out in the financial statements? • How do these disclosures compare with the risks that PricewaterhouseCoopers LLP include in their report?
Is the report understandable?	<ul style="list-style-type: none"> • Is there a clear and cohesive framework for the Annual Report? • Are the important messages highlighted and appropriately themed throughout the document? • Is the report written in accessible language and are the messages clearly drawn out?

Following the Committee's review, the Directors confirmed that, in their opinion, the FY24 Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Risk management and internal control

The Committee's responsibilities include assisting the Board in its oversight of risk management. This includes:

- Overall risk appetite, tolerance, strategy and culture.
- Current risk exposures and future risk strategy.
- Risks related to climate change and transition to a low-carbon economy, in accordance with TCFD.
- Compliance with relevant legal and regulatory requirements.
- Reviewing annually the effectiveness of the Group's internal control framework.
- Reviewing reports from the external and internal auditors on any issues identified in the course of their work and ensuring that there are appropriate responses from management.

In March 2024, the Committee conducted its annual review of the effectiveness of the Group's risk management and internal control systems, to support the Board in doing the same. The Committee received a report from management outlining their assessment of risk management and internal controls, which they discussed with both the internal and external auditors.

The Committee's review was informed by their ongoing oversight of risk management and internal control throughout the year. This included the review of reports on internal and external audit, whistleblowing and improvements to risk management systems, as well as discussions with the internal and external auditors (including closed sessions where management are not present). It also included consideration of the impact of significant changes that occurred during the year (which are summarised in the risk management section of the strategic report on pages 62 to 65). The Committee's oversight of risk management and internal control informed decisions on the internal audit programme for the upcoming year.

The Committee concluded that the Group has effective risk management and internal control systems in place for financial reporting and the preparation of consolidated accounts in line with the FRC's current guidance. These systems include policies and procedures to maintain adequate accounting records, accurately and fairly record transactions and permit the preparation of financial statements in accordance with IFRS. No significant failings or weaknesses were identified in the year. These systems have been in place throughout the financial year and up to the date of this report. Management ensures that systems are maintained and appropriate enhancements are introduced in a timely manner, taking into account the findings of third line assurance performed by the outsourced internal auditors.

The Group's internal control systems include the elements described below.

Element	Approach and basis for assurance
Risk management	Risk management is the responsibility of the full Board. Day-to-day management of risks resides with the Executive Committee and is documented in a risk register. A review and update of the risk register is undertaken twice a year and reviewed by the Audit Committee, which makes recommendations to the Board.
Financial reporting	Group consolidation is performed monthly with a month-end pack produced that includes an income statement, balance sheet, cash flow and supporting analysis. The month-end pack also includes KPIs, which are reviewed each month by the Executive Committee and the Board. Results are compared against the budget, or the latest forecast and narrative is provided by management to explain significant variances.
Budgeting and reforecasting	An annual budget is produced and monthly results are reported against this. Forecasts are also produced, typically on a quarterly basis to identify management's latest expectations for how the Group will perform over the balance of the year versus the original budget. The budget is prepared using a bottom-up approach, informed by a high-level assessment of the external environment. Reviews are performed by the Executive Committee, the Executive Directors and by the Board. The budget is approved by the Board.
Delegation of authority and approval limits	A documented structure of delegated authorities and approval for transactions is maintained outside the Schedule of Matters Reserved for the Board. This is reviewed regularly by management to ensure it remains appropriate for the business.
Segregation of duties	Procedures are defined to segregate duties across significant transaction cycles, including purchase-to-pay, order-to-cash and hire-to-retain. Key reconciliations are prepared and reviewed monthly to ensure accurate reporting.

The Group does not currently meet the requirements of Provision 29 of the UK Corporate Governance Code 2024, as this will require the implementation of an internal control framework. Provision 29 will not be effective until the Group's FY27 financial year, which the FRC has stated is intended to provide companies with sufficient time to implement the new arrangements. Management has already commenced work on the implementation of an internal control framework with a view to meeting the new requirements ahead of FY27.

Internal audit

During the year, the Committee reviewed the effectiveness of the arrangement whereby KPMG LLP operates the Group's outsourced internal audit function. The Committee confirmed that this approach remains appropriate, provides good value compared to operating an in-house internal audit function and provides access to specialised expertise relevant to functional business areas. The Committee reviews KPMG LLP's performance as internal auditors annually.

KPMG LLP is accountable to the Committee and uses a risk-based approach to provide independent assurance over the adequacy and effectiveness of the Group's control environment. The Committee has met with representatives from KPMG LLP without management present and with management without representatives of KPMG LLP present, to ensure that there were no issues in the relationship between management and the internal auditors which it should address. There were none.

During FY24, the internal audit programme focused on three areas identified through the Group's risk management framework. These were a review of the control environment across multiple functional areas at Experiences, a review of inventory management at the Group's fulfilment operations in Tamworth, UK and a Group technology security review.

The focus of internal audit for FY25 will be on reviewing the Group's implementation of a risk management and internal controls framework to support the declaration of effectiveness of material controls that the Board will be required to make from FY27 onwards in accordance with Provision 29 of the UK Corporate Governance Code 2024. Internal audit reviews are planned in respect of management's assessments of materiality, fraud risk and financial reporting risks, management's identification and review of the effectiveness of Group-wide controls, as well as identification of the Group's material controls and management's maturity assessments relating to business processes and IT systems.

Audit Committee report continued

External auditors

Oversight of the external auditors and audit

The Committee is responsible for overseeing and assessing the entity's external audit and its auditors, including reviewing the effectiveness of the external audit process (taking into consideration relevant UK professional and regulatory requirements) and reviewing and monitoring the external auditors' independence and objectivity. It is responsible for making recommendations to the Board about the appointment, reappointment and removal of the external auditors, and approving their remuneration and terms of engagement.

Effective oversight throughout the year is achieved through the external auditors' attendance and participation at each of the four Committee meetings, and through one-on-one meetings with the Audit Committee Chair.

At each Committee meeting, the Committee met with representatives from PricewaterhouseCoopers LLP without management present and with management without representatives of PricewaterhouseCoopers LLP present, to ensure that there were no issues in the relationship between management and the external auditors which it should address. There were none. The Committee is satisfied that the external auditors have regular, open communication with both the Audit Committee and management, and that the external auditors have full access to management and records. The Committee works to create a culture which recognises the work of, and encourages challenge by, the auditors.

The Committee engages with shareholders on the scope of the external audit where appropriate, however no circumstances requiring such engagement arose during the year. The Committee invited challenge by the external auditors and (based on its assessment of significant areas of financial statement risk and judgement) asked the external auditors to consider three financial reporting items in FY24; accounting for subscription revenue, the classification of acquisition amortisation as an Adjusting Item and measurement of the merchant accrual. The external auditors disclosed specific narrative on these areas in terms of their testing strategy and conclusions in their audit report.

The Committee reviewed the external auditors' findings in respect of the audit of the financial statements for the year ended 30 April 2024, discussed these with the external auditors and gave due consideration to the points raised. The Committee concluded that it was appropriate to make no changes to the financial statements in response.

Effectiveness of the external audit process

The Committee reviews the performance of the external auditors annually, to assess audit quality and to identify areas for improvement. Consistent with previous years, the review carried out during FY24 (relating to the audit of the financial statements for FY23) was structured around the FRC's Audit Quality Practice Aid for Audit Committees 2019, and therefore included consideration of the external auditors' mind-set and culture, skills, character and knowledge, quality control and judgement. As part of its enquiries, the Committee considered evidence which included:

- A written paper setting out management's assessment of the external auditors' effectiveness, capturing the perspectives of key people involved in the audit process, supported by discussion with the Committee during the meeting at which effectiveness is assessed.
- Enquiries made by the Committee Chair with senior management at PricewaterhouseCoopers LLP as to the performance of Christopher Richmond, the Senior Statutory Auditor.
- Instances where the external auditors had challenged management's assumptions relating to the financial statements for FY23. These included challenge relating to the merchant accrual which resulted in enhanced disclosure and challenge relating to key assumptions in the value in use ("VIU") model used for assessing the carrying value of the Parent Company investment in subsidiary, which resulted in additional sensitivity disclosure.
- Consideration of the external auditors' reports to the Audit Committee. The Committee confirmed that these were based on a good understanding of the Group's business and clearly set out whether recommendations had been acted upon and, if not, the reasons why they had not been acted upon.
- Consideration of the annual audit plan, which the Committee considered to have been met. The Committee confirmed that the volume, seniority and specialisms of resource envisaged in the annual audit plan had been deployed. The Committee reviewed subsequent changes to the approved audit plan, which comprised refinements to the external auditors' risk assessment, and confirmed that it considered these to be appropriate.
- How the external auditors responded to the Committee's previous assessments. It was observed that the external auditors had made positive changes to the structure and resourcing of their team in response to previous feedback.
- Understanding the risks to audit quality identified by the auditors and how these have been addressed, as well as discussing the network level controls the auditor relied upon to address these risks to audit quality.
- Consideration of the FRC's PricewaterhouseCoopers LLP Audit Quality Inspection and Supervision Report 2023.
- PricewaterhouseCoopers LLP's own assessment of the quality of the audit, and its quality assurance systems more broadly, as set out in its FY24 audit planning document.

The Committee concluded that the quality, delivery and execution of the external audit continued to be of a high standard and consistent with that of prior years and therefore the review concluded that the external auditors remained effective.

The Committee reported to the Board on how it has discharged its responsibilities with respect to the external audit.

Independence and objectivity

The Committee is satisfied with the independence of PricewaterhouseCoopers LLP as external auditors. The Committee reviewed an assessment performed by management and agreed with the conclusion that no independence issues exist. The assessment was aligned to the FRC's Revised Ethical Standard 2024 (the "Ethical Standard"), covering financial, business, employment and personal relationships, fees and the provision of non-audit services and long association with the audit engagement.

FY24 is the fourth year for which Christopher Richmond will sign the auditors' report as Senior Statutory Auditor. FY25 is the final year for which Christopher Richmond will be able to act as Senior Statutory Auditor under the provisions of the Ethical Standard.

The external auditors are primarily engaged to carry out statutory audit work. There may be other services where the external auditors are the most suitable supplier by reference to their skills and experience. The Committee ensures that the external auditors' independence and objectivity are safeguarded through the application of the following policy for non-audit related services:

Service	Policy
Audit-related services For example, the review of half-year financial statements and reports to regulators.	The half-year review, an audit-related assurance service, is approved as part of the Committee's approval of the external audit plan. All permitted non-audit services require approval in advance by either the Audit Committee Chair, the Audit Committee, or the Board, subject to the cap of 70% of the fees paid for the audit in the last three consecutive financial years.
Permissible services Permissible services are detailed in the FRC's whitelist of Permitted Audit-Related and Non-Audit Services. Any Audit-Related Service or Non-Audit Service which is not on the list cannot be provided by the external auditors.	Permissible in accordance with FRC Revised Ethical Standard 2024.

This policy is consistent with the Ethical Standard. There were no matters relating to non-audit related services in respect of which the Committee identified a need to report to the Board on improvements or action required.

During the year, PricewaterhouseCoopers LLP charged the Group £139,000 in relation to audit-related assurance services, of which £119,000 was for the FY24 half-year review and the remaining £20,000 for other assurance services which are permissible in accordance with FRC Ethical and Auditing Standards. There were no non-audit related services provided during the year.

PricewaterhouseCoopers LLP has complied with requirements for the rotation of the audit partner and senior staff, has confirmed compliance of its staff and partners with its internal policies and processes around independence, including that no partners or staff held financial interests in the Group, and has provided confirmation of independence to the Committee. The Group has not employed members of the audit team or partners of the firm.

Minimum Standard

In May 2023, the FRC published Audit Committees and the External Audit: Minimum Standard ("Minimum Standard"), which operates on a "comply or explain" basis for FTSE 350 companies. The Committee has performed a review of its activities in the last twelve months against the requirements of the Minimum Standard, based on which the Committee has concluded that it has complied with the Minimum Standard with the exception of paragraph 14.

Paragraph 14 of the Minimum Standard states that a committee "should remind eligible firms that refuse to tender that they may as a result be ineligible to bid for non-audit service work". The Committee chose not to pursue the approach with the "challenger firm" that declined to participate, judging that this would be ineffective given the Group had never previously commissioned work from the firm.

The Committee complied with Paragraph 10 of the Minimum Standard, which states that "all Members of the Audit Committee should be involved throughout the tender process, not just attending the audit firms' final presentation" as all Committee members were involved in approving the firms to be approached, the request for expression of interest, the request for proposal and the tender evaluation criteria. Specifically for tender due diligence meetings, participation was limited to the management team, the Committee Chair and the Chair of the Board as this was judged sufficient to provide the final tender candidates with appropriate access to information.

The Committee complied with Paragraph 11 of The Minimum Standard, which states that a "typical tender process may involve three or four firms" as it issued a formal Request for Expression of Interest to three firms (including one "challenger firm" that was not one of the four largest auditors). Whilst only two firms participated in the Request for Proposal stage of the tender process, the Committee was satisfied that this provided sufficient choice and enabled the Committee to recommend two high-quality candidates to the Board in order of preference.

The Committee complied with Paragraph 13 of the Minimum Standard as it considered whether to run a price-blind tender. The outcome of discussions was that it chose not to pursue this approach as it was interested in the candidate firms' plan for future deployment of technology, AI data analysis and how these would improve both audit quality and value-for money across the short term and medium term. The Committee Chair stipulated that fee would not be discussed in the audit tender presentation meetings.

In June 2024, the Committee approved updated Terms of Reference, including revisions to clarify that the Committee's existing responsibilities align to the Minimum Standard.

Audit Committee report continued

External audit tender

We disclosed in the FY23 Audit Committee report that we would put the external audit to tender no later than the audit for the year ending 30 April 2026. This was for compliance with the Order (as defined on page 95), given PricewaterhouseCoopers LLP has continuously audited Moonpig.com Limited and its Former Parent Undertaking since (and including) the year ended 30 April 2017, when the most recent previous tender took place. PricewaterhouseCoopers LLP was first appointed as statutory auditors of the Company in January 2021, following incorporation. In anticipation of the tender, the Group has managed its non-audit relationships with all audit firms to ensure that the Committee had available to it a broad choice of suitable potential candidates.

The tender of the external audit for FY26 was carried out between September 2023 and June 2024, as follows:

September to mid-November 2023	<p>The Audit Committee confirmed its intention to tender. The Audit Committee approved that it would oversee the process, and that a Selection Panel (comprising all four Audit Committee members, the CFO and three of his direct reports) would assist the Committee in its assessment of tender proposals.</p> <p>The Committee approved a Request for Expression of Interest. This was sent to three of the potential candidate firms with whom management had held exploratory discussions during the preceding year. The Audit Committee Chair, CFO and Group Finance Director each interviewed prospective lead audit partners from each of the three firms. In all cases, the partner candidates were new to the Group, as the incumbent Senior Statutory Auditor is required to rotate at the end of FY25.</p> <p>PricewaterhouseCoopers LLP and another of the four largest audit firms each responded to confirm their interest in participating in the tender process. The third firm was a “challenger firm” outside the four largest audit firms, which declined to participate stating in its response that this was based on its own assessment of its probability of a successful outcome, measured against the necessary time commitment and investment in the process.</p>
Late November to December 2023	<p>The Committee approved a Request for Proposal letter which was issued to PricewaterhouseCoopers LLP and another of the four largest audit firms in December 2023. The two tender candidates who participated at this stage were each given access to an identical, comprehensive virtual data room to allow them to build their understanding of the Group.</p> <p>The Committee approved the tender evaluation criteria, which it considers to be transparent and non-discriminatory:</p> <ul style="list-style-type: none"> • Business understanding. • The proposed audit approach, including the use of technology. • Service delivery, including proactivity, new ideas and value add from the audit. • Value for money (not price), to the extent that it does not compromise audit quality. • The capability and experience of the team (including the Dutch audit team and specialist teams involved in the audit). • The capability and commitment to audit quality of the firm. This included consideration of public reports published by the FRC. • Performance during the tender process. <p>The Company Secretary then wrote to the Group’s ten largest shareholders to inform them of the tender, providing an outline of the anticipated process and the tender evaluation criteria.</p>
January to March 2024	<p>Each firm participated in a series of management meetings, with the CEO, the CFO, the Group Finance Director, the Divisional Finance Directors, the Head of Tax, the Group Legal Director and with Technology Security. They then met with the Audit Committee Chair and the Chair of the Board. They were provided with access to the outsourced KPMG Internal Audit function.</p> <p>Both firms gave a presentation to the Group regarding the current and anticipated future use of technology in their audit approach.</p> <p>The firms were each provided with one full month of transaction data for all divisions in the Group relating to revenue and cash receipts from sales, to enable them to assess the most appropriate approach to auditing revenue.</p> <p>The meeting schedule was coordinated by the Company Secretary, acting on behalf of the Audit Committee Chair. Care was taken to ensure equal access to information and to personnel.</p>

April to June 2024	<p>Formal tender documents were submitted by each firm ahead of tender presentation meetings. The Selection Panel discussed and debated their scoring of the firms to inform the Audit Committee's decision. The Committee was impressed with the quality of the tender submissions of the two final candidate firms and assessed that both were technically competent and capable of delivering a high-quality, independent audit. After the tender presentation meetings, the Committee's follow-up enquiries were sent to each of the two final candidate firms, and their written responses were considered by the Committee.</p> <p>The Audit Committee submitted two recommendations to the Board, identifying PricewaterhouseCoopers LLP as its first choice candidate, with the order of preference based on the Committee's overall assessment of audit quality, audit approach, independence, experience and capability. The decision was finely balanced. Value for money was not a significant differentiating factor. The Board agreed with this and at the June 2024 meeting, the Board approved the selection of PricewaterhouseCoopers LLP as external auditors for FY26 subject to shareholder approval at the September 2025 AGM.</p>
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The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the "Order")

As a FTSE 350 constituent, the Group is required to comply with the Order. The Group has completed a competitive tender process in respect of the external audit for FY26 and is therefore compliant with the provisions of the Order. The Company confirms that it intends to tender the external audit at a minimum every ten years and will therefore next put the external audit to tender no later than the audit for the year ending 30 April 2036.

David Keens

Chair of the Audit Committee
26 June 2024

Nomination Committee report



The Nomination Committee has performed the first externally-facilitated evaluation of the Board and its Committees.



Overview

- The Nomination Committee (“Committee”) comprises the Chair of the Board and the four Independent Non-Executive Directors.
- All members have relevant commercial and operating experience.
- Two meetings were held during the year.
- Meetings are attended by the CEO, CFO and other relevant attendees by invitation.

Main Committee activities during FY24

- Performed the first externally-facilitated annual evaluation of the Board and its Committees.
- Acted on the findings of the Board evaluation conducted in FY23.
- Undertook the annual review of the composition and diversity of the Board and its Committees to ensure they remain appropriately equipped to promote the success of the Company and its stakeholders.
- Continued to review succession planning for the Board, Executive Committee and Extended Leadership Team.
- Undertook the annual evaluation of the skills of the Board.

Committee focus areas for FY25

- Perform the annual evaluation of the Board and its Committees.
- Oversee progress on areas for improvement or focus areas agreed from the findings of the Board evaluation conducted in FY24.
- Undertake the annual review of the composition and diversity of the Board and its Committees to ensure they remain appropriately equipped to promote the success of the Company and its stakeholders.
- Continue to review succession planning for the Board, Executive Committee and Extended Leadership Team.
- Undertake the annual evaluation of the skills of the Board.
- Review the effectiveness of the Committee as part of the Board evaluation.

Committee member	Meetings attended
Kate Swann (Chair of the Committee and Non-Executive Chair of the Board)	2/2
David Keens (Senior Independent NED)	2/2
Susan Hooper (Independent NED)	2/2
Niall Wass (Independent NED)	2/2
ShanMae Teo (Independent NED)	2/2

More information on the Committee’s Terms of Reference can be accessed at www.moonpig.group/investors.

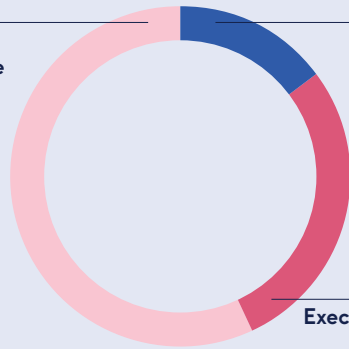
Board composition¹

Independence² (%)

Independent
Non-Executive
Directors

57%

April 2023:
50%



Chair
14%

April 2023:
13%

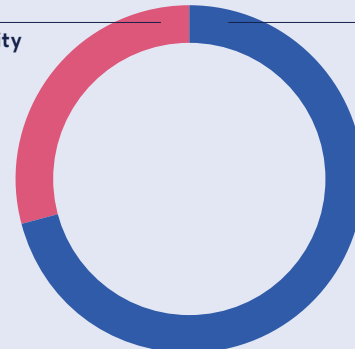
Executive Directors
29%

April 2023:
25%

Ethnicity⁴ (%)

Ethnic minority
29%

April 2023:
25%



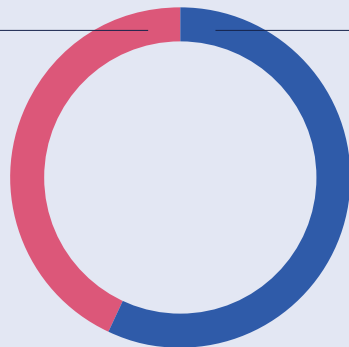
White
71%

April 2023:
75%

Gender³ (%)

Female
43%

April 2023:
38%



Male
57%

April 2023:
62%

Non-Executive Director tenure as at 30 April 2024



Notes

- The composition of the Board is shown as at the date of this report, which is unchanged from the position at 30 April 2024. Comparatives are shown for 30 April 2023. Simon Davidson was a Non-Independent Executive Director throughout FY23, representing 12.5% of the Board's composition at 30 April 2023. Simon resigned on 25 April 2024 and is therefore not included in the Board composition at 30 April 2024.
- The Chair of the Board was considered by the Board to be independent on appointment.
- Gender disclosure is based on sex rather than identified gender for consistency with other reporting requirements, for instance Gender Pay Gap reporting.
- From an ethnic minority background excluding white ethnic groups (as set out in categories used by the Office for National Statistics).
- Kate Swann served as a Director of the predecessor ultimate holding company from 23 October 2019.

Nomination Committee report continued

Dear shareholders,

I am pleased to present the Nomination Committee report for the year ended 30 April 2024. During the year, the Committee has continued to make good progress across the full range of its responsibilities.

The Committee comprises Kate Swann (Chair of the Committee and Non-Executive Chair of the Board) and the four Independent Non-Executive Directors: David Keens, Niall Wass, Susan Hooper and ShanMae Teo. The biographies of each member of the Committee are set out on pages 70 to 73.

The Committee's Terms of Reference include regular review of the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees, leading the process for new appointments to the Board, ensuring orderly succession planning to both the Board and Executive Committee positions, supporting the development of a representative pipeline for succession and ensuring that there is a rigorous annual evaluation of the performance of the Board, its Committees, the Chair and individual Directors. The Committee meets at least twice each year.

Diversity and inclusivity

The Committee regards breadth of Board and Committee representation as a key area of focus as it believes that diversity is important for Board effectiveness and business competitive advantage. The Board considers that diversity encompasses a broad range of factors, such as gender, ethnicity, physical abilities, sexual orientation, education and socioeconomic background, nationality, country or cultural background, together with diversity of skills, background, knowledge and experience.

During FY24, the Committee reviewed and approved an updated Board Diversity Policy (which can be accessed at www.moonpig.group/investors). The Policy now specifies a voluntary target for the ethnic minority representation on the senior leadership team to be achieved by 2027, as recommended by the Parker Review, which the Board has set at 15%. It also states the Board's aim to meet or exceed the FTSE Women Leaders review recommendation for at least 40% female representation on the Extended Leadership Team.

The Policy addresses female representation on the Board itself (with targets in line with those set by the Listing Rules and the FTSE Women Leaders Review), and also includes a target that at least 40% of the Board's main Committees should be women.

The Listing Rules require the Company to make "comply or explain" statements on whether it has met the Board level diversity targets specified in the Listing Rules. These statements are set out below, alongside information on our performance against other targets referred to in the Board Diversity Policy. Our chosen reference date is 30 April 2024.

Requirement or recommendation	Target	Current status ¹	Reason for compliance
Listing Rules	At least 40% of the Board should be women.	Met	The Board is 43% female. The Company meets the Listing Rules target for at least 40% of Directors to be women.
Listing Rules	At least 40% of the Board's main committees should be women.	Met	The Nomination Committee comprises 60% women. The Audit and Remuneration Committees each comprise 50% women.
Listing Rules	At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Chief Financial Officer (CFO) or Senior Independent Non-Executive Director (SID) should be a woman.	Met	The Company meets this target by virtue of having a woman as the Chair.
Listing Rules	At least one member of the Board should be from an ethnic minority background excluding white ethnic groups. ²	Met	The Company meets this target as two Directors are from an ethnic minority background.
Parker Review	Voluntary target set by the Board for the ethnic minority representation on the senior leadership team by 2027.	Met	The Board has approved a voluntary target of 15% by 2027. Current ethnic minority representation is 15%. ³
FTSE Women Leaders Review	At least 40% of the Extended Leadership Team (comprising the Executive Directors, the Executive Committee and its direct reports who are also part of the Extended Leadership Team) should be women.	Met	The Extended Leadership Team is 45% women.

¹ As at 30 April 2024 and as at the date of this report.

² As set out in categories used by the Office for National Statistics.

³ The data was collected from the Board and all members of the senior leadership team who were asked if they would be willing to disclose on a voluntary basis their gender and ethnic background.

The Committee wants breadth of representation in the leadership pipeline below Board level. The Group's Sustainability Strategy (pages 23 to 25) commits the Group to maintaining the combined representation of women and ethnic minorities in the Group's Extended Leadership Team (comprising the Executive Directors, the Executive Committee and its direct reports who are also part of the Extended Leadership Team) at around 50%. As at 30 April 2024, the figure stood at 49% (April 2023: 52%).

Disaggregated disclosure of female leadership representation and ethnic minority leadership representation is set out in the Sustainability section on page 43. The following tables provide additional required information in the format prescribed by the Listing Rules (LR 9.8.6R(10)). The approach to data collection is described in Note 3 to the table above.

Prescribed reporting on gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	57%	3	23	59%
Women	3	43%	1	16	41%

Prescribed reporting on ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	5	71%	3	33	85%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	2	29%	1	–	–
Black/African/Caribbean/Black British	–	–	–	6	15%
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

When considering Board appointments and hiring or promoting to leadership positions, the Group intends to continue to take account of its diversity targets, while seeking to ensure that each post is offered on merit against objective criteria to the best available candidate.

Succession planning

The Committee aims to actively manage leadership succession and has therefore developed a succession planning process for the Board, Executive Committee and the Extended Leadership Team.

On an annual basis, the Committee reviews management succession plans, based on a CEO update on senior management succession planning and the Group's talent development programme. The Committee has ensured that there are plans in place for contingency, short and medium-term succession, comprising either the identification of internal candidates or where most appropriate a requirement for external search. The Committee is satisfied that all key roles have credible succession plans in place. Notwithstanding this, the Committee considers succession planning at each of its meetings and will continue to make appropriate recommendations to the Board, as necessary.

Succession planning for the Board itself is considered at least annually by the full Board, and on an ongoing basis by the Committee. The Committee will define a set of specific criteria for potential new Non-Executive Directors, in particular giving consideration to the skills, experience and knowledge required in any candidates, whilst being cognisant of the need for a Board that is diverse. Each Director annually completes a skills self-assessment questionnaire. These support the Committee in its ongoing assessment of the suitability of the current composition of the Board and also assist when searching for new Non-Executive Directors, whilst ensuring orderly succession of those Non-Executive Directors who have been in role since the IPO.

Nomination Committee report continued

Changes to the Board

There were no new appointments to the Board during the year. Simon Davidson, Exponent's Nominee Director, resigned on 25 April 2024 following Exponent's shareholding falling below 10%.

For Board vacancies, an externally-facilitated recruitment exercise will be conducted with the assistance of a suitably accredited search firm. The search process will concentrate on independence, diversity and ensuring a combination of skills including listed company and committee experience to complement the skills of the existing members of the Board.

Director induction

The Chair, supported by the Company Secretary, oversees the induction of new Directors.

For any new appointment to the Board, the Non-Executive Chair, working with the Company Secretary, will ensure that there is a thorough and detailed induction programme. The Group's external lawyers will be asked to provide training in respect of the Directors' legal, regulatory and governance duties, responsibilities and obligations. Any newly appointed Director will also be invited to participate in a range of meetings with members of the Executive Committee to familiarise themselves with the business, its strategy and goals.

Skills evaluation

The Board is satisfied that it has the appropriate range of skills, experience, independence and knowledge of the Group to enable it to effectively discharge its duties and responsibilities. The matrix below details some of the key skills and experience that the Board has identified as valuable to the effective oversight of the Group and execution of its strategy as at 30 April 2024:

Skill/ Rating	No. of Directors				
	No experience	Low (less than 2 years)	Medium (2-5 years)	High (more than 5 years)	High and current
Digital technology	–	–	1	2	4
Digital marketing	–	–	1	4	2
Retail/consumer business	–	–	–	3	4
Financial	–	–	1	1	5
Governance and risk	–	–	1	1	5
Listed board experience (executive)	1	1	1	–	4
Listed board experience (non-executive)	2	1	1	–	3
M&A	–	–	–	2	5
Strategy development and implementation	–	–	–	–	7
Change management	–	–	–	1	6
Sustainability	–	–	2	2	3

Training

Board meetings generally include one or more presentations from senior management on areas of strategic focus. Specific business-related presentations are given to the Board by senior management and external advisers when appropriate.

A regulatory update is a standing item at Board meetings and an annual legal and regulatory update is provided by the Group's external lawyers. All Directors are required to complete our annual compliance training modules covering a range of subjects including anti-bribery and anti-corruption, anti-money laundering, data protection and anti-modern slavery. Additional training is available on request, where appropriate, so that Directors can update their skills and knowledge as applicable. During FY24, the Board requested training on artificial intelligence, which was delivered during the year. No other training needs were identified during this year's Board evaluation.

Board evaluation

During the year, the Committee undertook its first externally-facilitated Board evaluation which is described on page 83 within the Corporate governance statement. Having undertaken an externally-facilitated evaluation in FY24, in compliance with the Code recommendation that an externally-facilitated evaluation should take place every three years, the Committee intends to conduct an internal Board evaluation in FY25.

Re-election of Directors

In accordance with the Code, all Directors will offer themselves for re-election by shareholders at the AGM. Both the Committee and the Board are satisfied that all Directors continue to be effective in and demonstrate commitment to their respective roles on the Board and that each makes a valuable contribution to the leadership of the Company.

The Board therefore recommends that shareholders approve the resolutions to be proposed at the 2024 AGM relating to the re-election of the Directors.

Kate Swann

Chair of the Nomination Committee

26 June 2024

Directors’ remuneration report



The Committee implemented the new shareholder-approved Remuneration Policy.



Overview

- The Remuneration Committee (the “Committee”) comprises four Independent Non-Executive Directors.
- All members have relevant commercial and operating experience.
- The Chair of the Committee has previous experience serving on the Remuneration Committees of other listed businesses.
- Four Committee meetings were held in FY24.
- The Non-Executive Chair of the Board, the Nominee Director (until his resignation), the CEO, the CFO and the Group’s independent remuneration consultants attended Committee meetings for certain agenda items by invitation.
- No individual takes part in any decision in relation to his or her own remuneration.

Main Committee activities during FY24

- Consultation with the Group’s ten largest shareholders (excluding Exponent and their co-investors) regarding the proposed 2023 Remuneration Policy and associated revisions to the LTIP rules.
- Approval of FY24 LTIP grants in accordance with the 2021 Remuneration Policy.
- Approval of further one-off LTIP grants following approval of the 2023 Remuneration Policy at the 2023 AGM.
- Approval of remuneration arrangements for joiners to and leavers from the Executive Committee.
- Alignment of remuneration at the Experiences segment, including extending the Group annual bonus scheme to all Experiences employees for FY24.
- Determination of FY23 bonus outcomes.
- Approval of FY25 bonus weightings, targets, and measures applicable for the Executive Directors and Executive Committee (which operates similarly to that of the wider workforce).
- Consideration of feedback from investors and proxy agencies from the 2023 AGM.
- Review of pay and employment conditions for the wider workforce.
- Reviewing market and governance updates and impact on the Company, and monitoring developments in best practice.

Committee focus areas for FY25

- Review implementation of the 2023 Remuneration Policy to ensure it operates as intended.
- Review of pay and employment conditions for the wider workforce.
- Review of market and governance updates and impact on the Company and monitor developments in best practice.
- Determination of FY21 LTIP award vesting levels.
- Determination of FY24 bonus outcomes.
- Approval of FY26 bonus weightings, targets, and measures applicable for the Executive Directors and Executive Committee.
- Approval of FY25 LTIP grants.
- Consideration of feedback from investors and proxy agencies from the 2024 AGM.

Committee member	Meetings attended
Susan Hooper (Chair of the Committee and Independent NED)	4/4
David Keens (Senior Independent NED)	4/4
ShanMae Teo (Independent NED)	4/4
Niall Wass (Independent NED)	4/4

More information on the Committee’s Terms of Reference can be accessed at www.moonpig.group/investors.

Advisers

The Committee appointed FIT Remuneration Consultants LLP (“FIT”) as their independent adviser at IPO following a competitive tender process. FIT advised on all aspects of the Policy and practice and reviewed remuneration structures against corporate governance requirements. FIT is a member of the Remuneration Consultants’ Group and complies with its Code of Conduct which sets out guidelines to ensure that its advice is independent and free of undue influence. FIT carries out no other work for the Group. During the year FIT was paid fees of £50,710 on a time spent basis (FY23: £52,540, comprising a combination of fixed fees and fees on a time spent basis). The Committee conducts an annual review of the performance and independence of FIT and is satisfied that the advice provided by FIT is objective.

The Directors’ remuneration report that follows has been prepared in accordance with the Listing Rules, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Companies Act 2006.

Dear shareholders,

On behalf of the Board, I am pleased to present the Directors' remuneration report (the "Report") for the financial year ended 30 April 2024. The Directors' remuneration report comprises three sections:

- This Annual Statement, which summarises the activities of the Remuneration Committee (the "Committee") and its approach to Directors' remuneration during the year.
- The Annual Report on Remuneration, which comprises all aspects of the Report other than the Remuneration Policy, including this statement. It explains how the Directors have been rewarded in the financial year and how we intend to operate the Remuneration Policy (the "Policy" or "Remuneration Policy") for FY25. It will be subject to an advisory vote at the 2024 AGM.
- A summary of the Policy, which is provided for information. The Policy was approved by shareholders in a binding vote at the 2023 AGM and can be accessed at www.moonpig.group/investors.

The consultation process with shareholders regarding the proposed 2023 Remuneration Policy resulted in revision to the Policy before it was put to shareholders for approval at the 2023 AGM. I would like to thank shareholders for their support for the Policy.

Remuneration outcomes for FY24

Annual bonus measures, weightings and targets were set at the start of FY24 and comprised:

- Financial measures: Revenue (30% weighting) and Adjusted EBITDA (50% weighting); and
- Sustainability measures: Customer Net Promoter Score ("Customer NPS") (5% weighting), Employee Engagement Score (5% weighting) and a climate-related metric (10% weighting) focused on engaging suppliers to set emission reduction commitments aligned to Science-Based Targets initiative ("SBTi") criteria.

The Group's financial performance in FY24 was strong, given the challenging macroeconomic context. Whereas the wider UK online non-food market declined year-on-year in every month of FY24¹, the Group grew revenue by 6.6% to £341.1m, which was between Threshold and Target. The Group also delivered a significant year-on-year improvement in gross margin rate which, combined with disciplined management of indirect costs, resulted in Adjusted EBITDA of £95.5m, which exceeded Target and was lower than Maximum. This was accompanied by an acceleration in the pace of technology development and strong cash generation.

Regarding Sustainability measures, the Group's Customer NPS was below Threshold, driven in particular by issues with the postal service level provided by Royal Mail; whilst the Group has implemented initiatives to mitigate this, the improving trend during the second half of the year was not sufficient to raise the annual average Customer NPS above Threshold. Employee engagement has improved year-on-year and was above Threshold but below Target, impacted by low employee bonus outcomes at the end of FY23 and the challenges of operating in an environment of heightened cost discipline. For the climate-related metric, management secured commitments to set net zero emissions reduction targets aligned with SBTi criteria from suppliers representing 19.3% of our Scope 3 emissions, therefore the outcome for this measure was above Maximum.

The resulting bonus represented 63.1% of the maximum opportunity, resulting in payments of £565,342 and £365,523 for the CEO and CFO, respectively. The Committee believes that the formulaic outcomes of the bonus calculation are appropriate in light of the Group's overall performance during the year and has

not applied discretion. In line with the Policy, 33% of the bonus will be deferred into shares that vest after three years.

The LTIP awards granted at IPO were based on TSR and Adjusted pre-tax EPS performance conditions for the period to 30 April 2024. The TSR target was not met, however the threshold target of 14.5p per share for the Adjusted pre-tax EPS condition was met, accordingly 12.5% of these awards will vest. The amounts that will vest² equate to £68,273 for the CEO and £33,107 for the CFO. The Committee has not exercised discretion in relation to the minimum vesting level of this award.

The Group has changed its definition of Adjusting Items in FY24 to include the amortisation of intangible assets arising on business combination ("acquisition amortisation"). Specifically for these purposes, we have continued to deduct acquisition amortisation when calculating Adjusted pre-tax EPS, to ensure outcomes relating to the 2021 LTIP are consistent with the basis on which the target was set. In other words, we have ensured that the change in definition has not impacted the LTIP outcomes.

In addition, the policy as revised in the year was implemented with two grants under the LTIP. The first made at the normal time and the second following approval of the new policy at the 2023 AGM. The key elements of this comprise:

- Normal grant over shares worth 250% of salary in total (including the top-up grant) in September 2023 subject to EPS and TSR performance conditions as outlined on page 108;
- An additional 200% of salary subject to more stretching EPS and TSR performance conditions as outlined on page 108 which only commence their vesting if the maximum levels are achieved for the normal award.

These awards were considered an important means to both ensure the continued retention and incentivisation of the Executive Directors who continue to deliver superior performance albeit in the context of a more difficult external environment which has led to challenges and a de-rating of most technology companies.

The Committee also froze the salaries of the two Executive Directors for the FY24 year.

Context of remuneration

The Group's employees play a critical role in the development of the business and it is an important part of the Group's remuneration approach that they are able to share in the success of the business. In FY24, the Group launched a further grant under the SAYE Scheme, inviting all eligible employees to participate. Furthermore, at Admission, the Group granted share awards to all eligible employees under the SIP Scheme, which allowed them to receive a free share award of between £500 and £1,500 based on the share price at IPO. As at 30 April 2024 47% (30 April 2023: 37%) of our employees participate in the Group's all employee share schemes.

The Committee considers the pay and employment conditions of the Group when making decisions on Executive pay and is also responsible for reviewing wider all-employee pay. The Group's approach to cost-of-living pressures is to maintain ongoing pay rates that meet employees' everyday needs so that business-wide, one-off support measures are not necessary. Since 1 May 2022, the Group has paid all employees in the UK and Guernsey at least the UK Real Living Wage as published by the Living Wage Foundation. The Group also considers support requirements on a case-by-case basis where employees' individual circumstances mean that they may be experiencing hardship.

The Executive Directors' remuneration structure aligns with that of the all-employee population, with components being the same. The Executive annual bonus scheme is similar to that for

1 Source: KPMG-BRC Retail Sales Monitor.

2 Calculated by using the three-day average share price on the three trading days prior to the date of grant.

Directors' remuneration report continued

all employees and financial targets are aligned (with targets cascaded to the relevant business level). Employees are updated on how the business is performing against bonus targets each half-year in line with our external reporting timetable at "All Hands" meetings, where they can engage and ask questions.

Implementing the Policy for FY25

The base salaries for the Executive Directors increased from 1 May 2024 by 4.0% (1 May 2023: nil), which is below the average employee pay increase across the Group's wider workforce of 4.7% (prior year: 6.2%). As set out on page 111, the total change in salaries between FY24 and the preceding financial year, including promotions and the changes in the composition of the workforce was 3.0% (prior year: 8.8%).

Bonus arrangements will operate in line with the Policy, by which the maximum will be 150% of salary, with 33% subject to deferral. The bonus will be assessed against a combination of revenue, Adjusted EBIT and sustainability metrics as set out on pages 23 to 25. The Committee has decided to use Adjusted EBIT (FY24: Adjusted EBITDA) as a profit measure to ensure that the Group's operating cost base is more fully captured and for closer alignment with the shareholder experience.

LTIP awards are due to be granted in 2024 in line with the Policy limits at 250% of salary for the CEO and CFO. The top-up awards made in September 2023 were one-off awards and will not be repeated. Consistent with the amending of the Group's definition of Adjusting Items such that acquisition amortisation is now treated as an Adjusting Item, (see page 55) the Adjusted pre-tax EPS targets for this and future awards will be expressed on this basis. The number of shares awarded will be based on the average of the closing middle-market quotations for the trading days that fall within the 90 day period prior to the date of grant. The awards will be subject to the performance conditions set out on page 108.

Committee composition and evaluation

Throughout the year the Committee comprised the four Independent Non-Executive Directors, namely Susan Hooper (Chair of the Committee), David Keens, ShanMae Teo and Niall Wass. The biographies of each Committee member are set out on pages 70 to 73.

The Committee's performance was reviewed by its members as part of the externally-facilitated Board evaluation process. The Committee's performance was highly rated overall. Full details of the process and outcomes are set out on page 83.

Conclusion

FY24 was a year of strong performance, characterised by a return to top-line growth (notwithstanding the difficult macroeconomic environment), growth in absolute and percentage profitability, strong cash generation, continued strategic progress and an acceleration in the pace of technology development. The Committee considers the reward outcomes for the Executive Directors to be appropriate without the exercise of any discretion.

We are pleased with the support we received from shareholders at the 2023 AGM, with over 82% approval for the Policy and over 96% for the annual Remuneration report.

I look forward to engaging with shareholders at the 2024 AGM where I will be available to answer any questions. I would welcome any feedback or comments more generally and can be reached through the Company Secretary.

Susan Hooper

Chair of the Remuneration Committee
26 June 2024

Illustration of the Policy in different performance scenarios

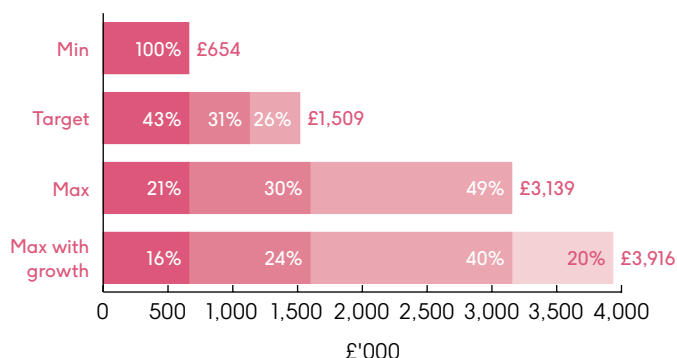
The table and charts below illustrate the potential future value and composition of the Executive Directors' remuneration opportunities in four performance scenarios: minimum, on-target (i.e., in line with the Company's expectations), maximum, and maximum plus 50% share price appreciation, a scenario where 50% share price appreciation is included.

Performance scenario	Includes, for both CEO and CFO
Minimum	Salary, pension and benefits (fixed remuneration). No bonus award. No vesting under the LTIP. Fixed remuneration.
On-target	50% of maximum annual bonus award (75% of salary). 25% vesting of the core award under the LTIP (62.5% of salary). Fixed remuneration.
Maximum	100% of maximum annual bonus award (150% of salary). 100% vesting of the 2024 LTIP award (250% of salary). Fixed remuneration.
Maximum +50%	100% of maximum annual bonus award. 100% vesting of the 2024 LTIP award, plus 50% share price appreciation ¹ .

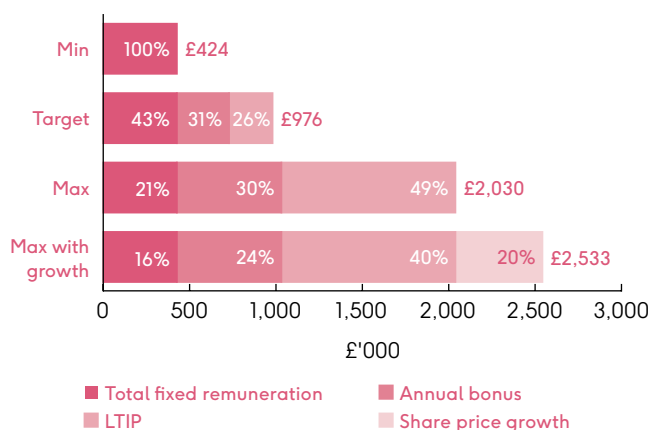
Note to both table above and charts below

¹ The value of the LTIP includes share price appreciation of 50% as required by the reporting regulations.

Illustrations of application of remuneration policy Nickyl Raithatha



Andy MacKinnon



Annual Report on Remuneration

The Directors' remuneration report that follows has been prepared in accordance with the Listing Rules, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Companies Act 2006. The Committee continues to consider the effectiveness of the policy relative to the core principles of clarity, simplicity, risk, predictability, proportionality and alignment to culture as set out on pages 76 to 77.

Executive Directors' service contracts

The service contracts for Nickyl Raithatha and Andy MacKinnon provide for an equal notice period from the Group and the Executive of a maximum 12 months' notice and any contracts for newly appointed Executive Directors will provide for equal notice in the future. The date of each service contract and unexpired term is set out in the table below:

Director	Date of service contract	Unexpired term (months)
Nickyl Raithatha	10 January 2021	12 month rolling
Andy MacKinnon	10 January 2021	12 month rolling

Non-Executive Directors' terms of appointment

The Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment for no more than three years, subject to annual reappointment at the AGM, with a three-month notice period by either side. The appointment letters provide that no compensation is payable on termination, other than fees accrued and expenses. The date of appointment and the length of service for each Non-Executive Director are shown in the table below:

Director	Date of first appointment	Date of re-appointment	Unexpired term of current letter of appointment as at 2024 AGM (years and months)	Length of service as at 2024 AGM (years and months)
Kate Swann	10 January 2021	19 September 2023	24 months	3 years 8 months
David Keens	10 January 2021	19 September 2023	24 months	3 years 8 months
Susan Hooper	10 January 2021	19 September 2023	24 months	3 years 8 months
Niall Wass	10 January 2021	19 September 2023	24 months	3 years 8 months
ShanMae Teo	27 June 2022	N/a	9 months	2 year 3 months

Implementation of Policy for FY25

For FY25 the Executive Directors will be remunerated as summarised in the table below.

Component of Policy	Implementation for FY25
Base salaries	CEO: £621,296 (4.0% increase) CFO: £401,700 (4.0% increase) Across the Group, the average pay increase for UK employees for FY25 is 4.7%.
Benefits and pension	Unchanged pension contribution of 5% of salary, paid via payroll. No changes to benefit provisions.
Annual bonus	Maximum 150% of salary (target bonus is 50% of maximum). Subject to the following performance conditions: <ul style="list-style-type: none"> • Revenue – 30% weighting. • Adjusted EBIT – 50% weighting. • Sustainability – 20% weighting, which will consist of three sub-measures relating to customer net promoter score, employee engagement and obtaining supplier commitments to reduce Scope 3 greenhouse gas emissions that are aligned to SBTi criteria. Consistent with market practice, the target ranges are currently commercially sensitive and will be reported next year.
LTIP	Award of 250% of salary. Awards will be subject to the following conditions: <ul style="list-style-type: none"> • 50% of the Award: relative TSR, based on the three-year TSR measured based on the average for the three months ending 30 April 2027 for the Company versus the constituents of the FTSE 250 (excluding investment trusts). 25% of this component will vest at median rising on a straight-line basis to 100% at upper quartile; and • 50% of the Award: Adjusted Basic Pre-Tax EPS¹ for the year ending April 2027. 25% of this component will vest at 20.4p rising on a straight-line basis to 100% at 23.4p.
Non-Executive Director fees	Chair fee: £253,767. Non-Executive Director base fee: £66,200. Senior Independent Non-Executive Director fee: £11,033. Audit and Remuneration Committee Chair fee: £11,033. Designated Non-Executive Director for workforce engagement fee: £5,517. The base fees for Chair and Non-Executive Directors have been increased by 4.0% from 1 May 2024.

¹ Consistent with the amending of the Group's definition of Adjusting Items such that acquisition amortisation is now treated as an Adjusting Item (see page 174) the Adjusted pre-tax EPS targets for this and future awards will be expressed on this basis.

Directors' remuneration report continued

Single Total Figure of Remuneration (audited)

The tables below show the total remuneration for the financial year ended 30 April 2024 and the comparator information for the previous financial year.

	Executive Directors		Non-Executive Directors					
For the year ended 30 April 2024	Nickyl Raithatha	Andy MacKinnon	Kate Swann	David Keens	Susan Hooper	Niall Wass	ShanMae Teo	Simon Davidson ⁵
Base salary/fees ^{1,2}	£597,400	£385,990	£244,007	£84,872	£79,568	£63,654	£63,654	£62,606
Benefits ³	£1,974	£1,974	–	–	–	–	–	–
Pension ⁴	£29,870	£19,313	–	–	–	–	–	–
Total fixed pay	£629,244	£407,277	£244,007	£84,872	£79,568	£63,654	£63,654	£62,606
Annual bonus	£565,342	£365,523	–	–	–	–	–	–
LTIP	£68,273	£33,107	–	–	–	–	–	–
Total variable pay from ongoing pay	£633,615	£398,630	–	–	–	–	–	–
Total remuneration	£1,262,859	£805,907	£244,007	£84,872	£79,568	£63,654	£63,654	£62,606
For the year ended 30 April 2023	Nickyl Raithatha	Andy MacKinnon	Kate Swann	David Keens	Susan Hooper	Niall Wass	ShanMae Teo ⁶	Simon Davidson
Base salary/fees	£597,400	£386,250	£236,900	£82,400	£77,250	£61,800	£52,451	£61,800
Benefits ³	£2,406	£2,406	–	–	–	–	–	–
Pension ⁴	£29,870	£19,313	–	–	–	–	–	–
Total fixed pay	£629,676	£407,969	£236,900	£82,400	£77,250	£61,800	£52,541	£61,800
Annual bonus	£60,039	£38,818	–	–	–	–	–	–
LTIP	–	–	–	–	–	–	–	–
Total variable pay from ongoing pay	£60,039	£38,818	–	–	–	–	–	–
Legacy pre-IPO award ⁷	£6,022,543	£2,007,515	–	–	–	–	–	–
Total remuneration	£6,712,258	£2,454,302	£236,900	£82,400	£77,250	£61,800	£52,541	£61,800

Notes to both tables above:

- 1 Andy MacKinnon's basic salary for FY24 was £386,250 and where reference is made in this report to his basic salary for FY24 this is the amount to which reference is being made. The figure shown in the table above is the actual amount paid during the financial year, reflecting a reduction in his take-home pay during a period of jury service.
- 2 For FY24 NED fees were increased by 3.0% but Executive Director salaries were not increased. Fees and salaries for FY23 were increased by 3.0%.
- 3 Benefits consisted of private medical and dental insurance.
- 4 The Executive Directors each receive pension benefits equivalent to 5% of salary (unchanged from FY23). No Executive Director has a prospective entitlement to a defined benefit pension.
- 5 Remuneration until date of resignation of 25 April 2024.
- 6 Remuneration from date of appointment.
- 7 The value of the legacy pre-IPO award includes the cash element and the share element, with the value of the share element included in the FY23 report being calculated using the average closing price of the Company's shares over the trading days that fell within the 90 calendar day period that ended on 30 April 2023. The FY23 figures have been adjusted in this report to reflect the actual share price at the date of vesting of 50% of the award on 4 July 2023 (148.0p), and the Company's share price for the 90-day average to 30 April 2024 (164.8p) for the remaining 50% of the award that will vest on 2 July 2024, after the publication of this report. The final award value will be disclosed in the FY25 report to reflect the actual share price at the date of vesting of the remaining 50% of the award. The legacy pre-IPO award was a one-off award and does not form part of the Remuneration Policy.

Annual bonus (audited)

The maximum bonus opportunities for FY24 were 150% of salary for each of the CEO and the CFO (unchanged from FY23). The annual bonus was based on the achievement of Group financial targets and a set of Group specific and quantifiable strategic objectives. Performance targets and actual outturn are set out below:

Performance measure	Weighting	Threshold	Target	Maximum	Actual FY24 achievement	Bonus outcome (% of total bonus)
Financial Measures:						
Group Revenue	30.0%	£334.3m	£351.9m	£369.5m	£341.1m	10.4%
Group Adjusted EBITDA	50.0%	£88.0m	£92.6m	£97.2m	£95.5m	40.9%
Sustainability Measures:						
Group Customer NPS	5.0%	60	62	64	56.6	0%
Group Employee Engagement Score	5.0%	60	62	64	60.8	1.8%
Group Climate-related metric ¹	10.0%	17%	18%	19%	19.3%	10.0%
Total	100.0%					63.1%

¹ Climate-Related Metric: this metric focused on engaging suppliers to make emissions reduction commitments in line with Science-Based Targets initiative ("SBTi") criteria. The target for FY24 was for suppliers representing 18% of our Scope 3 emissions to have these targets in place by 30 April 2024.

The performance targets were set at the start of the year based on internal budgets, external forecasts, and the Committee's view at the time of the macroeconomic environment. The financial targets were set on a stretching, yet realistic basis. The Committee believes that the FY24 targets are no less stretching than those set in previous years.

The Group's financial performance in FY24 was strong, given the challenging macroeconomic context. Whereas the wider UK online non-food market declined year-on-year in every month of FY24¹, the Group grew revenue by 6.6% to £341.1m, which was between Threshold and Target. The Group also delivered a significant year-on-year improvement in gross margin rate which, combined with disciplined management of indirect costs, resulted in Adjusted EBITDA of £95.5m, which exceeded Target and was lower than Maximum. This was accompanied by an acceleration in the pace of technology development and strong cash generation.

Regarding Sustainability measures, the Group's Customer NPS was below Threshold, driven in particular by issues with the postal service level provided by Royal Mail; whilst the Group has implemented initiatives to mitigate this, the improving trend during the second half of the year was not sufficient to raise the annual average Customer NPS above Threshold. Employee engagement has improved year-on-year and was above Threshold but below Target, impacted by low bonus outcomes at the end of FY23 and the challenges of operating in an environment of heightened cost discipline. For the climate-related metric we were able to support suppliers representing 19.3% of our Scope 3 emissions to put in place emission reduction commitments aligned to the SBTi criteria by 30 April 2024, therefore the outcome for this measure was above Maximum.

The resulting bonus represented 63.1% of the maximum opportunity, resulting in payments of £565,342 and £365,523 for the CEO and CFO, respectively. Although individual performance was strong and the Group's performance in the year was resilient, the Committee believes that the formulaic outcomes of the bonus calculation are appropriate and has not applied discretion. Payment of these bonuses will be made in July 2024 with 67% payable in cash and 33% deferred into shares for three years; the deferred share element is not subject to any further performance conditions other than continued service (but may be subject to malus and clawback).

Awards vested in the year (audited)

The LTIP awards that vested in the year were granted at IPO in 2021. The performance period ended on 30 April 2024, and the performance conditions are set out below. The TSR target was not met, however the threshold target of 14.5p per share for the Adjusted pre-tax EPS condition was met and the vesting will be 12.5%. The amounts that will vest equate to £68,273 for the CEO and £33,103 for the CFO.

The Group has changed its definition of Adjusting Items in FY24 to include the amortisation of intangible assets arising on business combination ("acquisition amortisation"). Specifically for these purposes, we have continued to deduct acquisition amortisation when calculating Adjusted pre-tax EPS, to ensure outcomes relating to the 2021 LTIP are consistent with the basis on which the target was set. In other words, we have ensured that the change in definition has not impacted the LTIP outcomes.

Metric (each 50% of award)	Threshold (25%)	Target (50%)	Max (100%)	Actual	% vesting
Relative TSR	Equal to the Median ranked entity	Between Upper Quartile and Median ranked entities	Equal to or more than the Upper Quartile ranked entity	Below threshold	0%
EPS	14.5p	Vesting on a straight line basis between min and max	15.9p	14.5p	12.5%
Total					12.5%

¹ Source: KPMG-BRC Retail Sales Monitor.

Directors' remuneration report continued

The Committee considered there were no circumstances that warranted the exercise of discretion. As a result, the awards below are expected to vest in July 2024, and will be subject to a two-year post-vesting holding period whereby shares may not be sold, other than to pay tax, until July 2026.

Executive Director	Value on award	Number of shares granted	Vesting (% of max)	Number of awards vesting	Share price change ¹	Total value included in the single total figure ¹
Nickyl Raithatha	£1,160,000	331,428	12.5	41,428	£(76,725)	£68,273
Andy MacKinnon	£562,500	160,714	12.5	20,089	£(37,205)	£33,107

¹ Based on a share price of 164.8p, being the average share price for the 90 day period ended 30 April 2024 as a proxy for the share price at vesting. The value on award was based on a share price of 350.0p.

Awards granted in the year (audited)

LTIP

Details of the long-term incentive awards granted to the Executive Directors in FY24 under the LTIP are set out below. Initial awards made in July 2023 were made under the Remuneration Policy in place at that date. Following approval by shareholders of the 2023 Remuneration Policy, and as explained in last year's Annual Report, further awards were made in September 2023. These were one-off awards, which will not be repeated, and are subject to different performance conditions, as set out in Note 2 to the table below.

Executive Director	Number of awards granted during the year ²	Market price at date of award £ ³	Date of grant/award	Value of award at date of grant £	Performance period	Exercisable/capable of vesting from ^{4,5}
Nickyl Raithatha ¹	799,173	1.4515	4 July 2023	1,160,000	1 May 2023 – 30 April 2026	4 July 2026
Nickyl Raithatha ¹	203,155	1.6416	19 September 2023	333,500	1 May 2023 – 30 April 2026	19 September 2026
Nickyl Raithatha ²	727,826	1.6416	19 September 2023	1,194,800	1 May 2023 – 30 April 2026	19 September 2026
Andy MacKinnon ¹	529,624	1.4515	4 July 2023	768,750	1 May 2023 – 30 April 2026	4 July 2026
Andy MacKinnon ¹	119,928	1.6416	19 September 2023	196,875	1 May 2023 – 30 April 2026	19 September 2026
Andy MacKinnon ²	470,577	1.6416	19 September 2023	772,500	1 May 2023 – 30 April 2026	19 September 2026

¹ These two awards represent the normal LTIP grant level for the Executive Directors under the 2023 Remuneration Policy to 250% of salary. These awards are subject to the following Total Shareholder Return ("TSR") and Adjusted EPS performance conditions, as 50% of the Award: relative TSR, comparing the Company's share price for the three-month average to 30 April 2026 versus the constituents of the FTSE 250 (excluding investment trusts) over the same period. 25% of this component will vest at median rising on a straight-line basis to 100% at upper quartile; and 50% of the Award: Adjusted Basic Pre-Tax EPS for the year ending April 2026. 25% of this component will vest at 19.52p rising on a straight-line basis to 100% at 21.5p.

² These awards are subject to the following Total Shareholder Return ("TSR") and Adjusted EPS performance conditions, as 50% of the Award: relative TSR, comparing the Company's share price for the three-month average to 30 April 2026 versus the constituents of the FTSE 250 (excluding investment trusts) over the same period. 25% of this component will vest at upper quartile rising on a straight-line basis to 100% at the 15th percentile; and 50% of the Award: Adjusted Basic Pre-Tax EPS for the year ending April 2026; 25% of this component will vest at 21.5p rising on a straight-line basis to 100% at 23.5p.

³ All of the above awards were granted for nil consideration.

⁴ The value at the date of grant for the awards made on 4 July 2023 were calculated using the three-day average share price on the three trading days prior to the date of grant. For awards made under the 2023 Remuneration Policy, the value at the date of grant for the awards made on 19 September 2023 were calculated by using the average closing price of the trading days that fall within the 90 calendar days prior to the date of grant.

⁵ The awards are subject to a two-year post-vesting holding period.

DSBP

Conditional share awards were granted under the Deferred Share Bonus Plan ("DSBP") to Executive Directors for the deferred element (33%) of their FY23 annual bonuses. The table below shows the details of DSBP awards granted during the year.

Executive Director	Number of shares subject to DSBP award	Market price at date of award ¹ £	Date of grant/award	Face value of DSBP award on grant ² £	Exercisable/capable of vesting from ³
Nickyl Raithatha	13,650	1.4515	4 July 2023	19,813	4 July 2026
Andy MacKinnon	8,825	1.4515	4 July 2023	12,810	4 July 2026

¹ Calculated by using the three-day average share price on the three trading days prior to the date of grant.

² Equates to 33% deferral of FY23 bonus.

³ DSBP awards vest after three years, subject to continued service only.

Share interests and incentives (audited)

	Shares owned outright as at 30 April 2024 ¹	Subject to continued employment ²	Options unvested and subject to performance conditions ³	Options vested but not exercised ⁴	Total shares available ⁵	Shareholding as a percentage of salary ⁶	Shareholding requirement of 300% of salary met
Executive Directors							
Nickyl Raithatha	4,699,071	198,738	2,227,960	594,643	7,720,412	2.013%	Yes
Andy MacKinnon	885,499	113,737	1,361,522	198,215	2,558,973	1.032%	Yes
Non-Executive Directors							
Kate Swann	2,466,562	–	–	–	2,466,562	N/a	N/a
David Keens	120,000	–	–	–	120,000	N/a	N/a
Niall Wass	75,498	–	–	–	75,498	N/a	N/a
Susan Hooper	14,286	–	–	–	14,286	N/a	N/a
ShanMae Teo	45,156	–	–	–	45,156	N/a	N/a

1 This represents direct interests held in Moonpig Group plc including SIP shares.

2 Awards subject to continued employment are SAYE Scheme shares and awards made under the DSBP.

3 Awards subject to performance conditions are the LTIP awards.

4 Pre-IPO Bridge award second tranche which will be exercised on 2 July 2024.

5 Since the FY24 year-end and to the date of this Annual Report and Accounts, there have been no changes in the shareholdings shown in the table above.

6 The shareholding as a percentage of salary relates to those shares and awards not subject to ongoing performance conditions. The share price used is 155.8p being the closing price as at 30 April 2024.

Directors' share-based rewards and options (audited)

Details of all Directors' interests in the Company's share-based reward schemes are shown in the following tables:

Nickyl Raithatha

Scheme	Awards/ options held at 1 May 2023	Number of awards granted during the year	Exercised during the year ¹⁰	Lapsed during the year	Awards/ options held at 30 April 2024	Exercise price/ market price at date of award £	Date of grant/award	Exercisable/capable of vesting from
Legacy pre-IPO award ¹	1,189,286	–	594,643	–	594,643	3.5000	1 February 2021	30 April 2024
LTIP ²	331,428	–	–	290,000	41,428	3.5000	1 February 2021	30 April 2024
SAYE ³	5,960	–	–	–	5,960	3.0200	3 September 2021	1 October 2024
DSBP ⁴	57,208	–	–	–	57,208	3.8180	6 August 2021	6 August 2024
DSBP ⁵	121,920	–	–	–	121,920	2.2253	5 July 2022	5 July 2025
DSBP ⁶	–	13,650	–	–	13,650	1.4515	4 July 2023	4 July 2026
LTIP ⁷	456,378	–	–	–	456,378	2.2253	5 July 2022	5 July 2025
LTIP ⁸	–	799,173	–	–	799,173	1.4515	4 July 2023	4 July 2026
LTIP ⁸	–	203,155	–	–	203,155	1.6416	19 September 2023	19 September 2026
LTIP ⁹	–	727,826	–	–	727,826	1.6416	19 September 2023	19 September 2026
Totals	2,162,180	1,743,804	594,643	290,000	3,021,341			

Directors' remuneration report continued

Andy MacKinnon

Scheme	Awards/ options held at 1 May 2023	Number of awards granted during the year	Exercised during the year ¹⁰	Lapsed during the year	Awards/ options held at 30 April 2024	Exercise price/ market price at date of award £	Date of grant/award	Exercisable/capable of vesting from
Legacy pre-IPO award ¹	396,429	–	198,214	–	198,215	3.5000	1 February 2021	30 April 2024
LTIP ²	160,714	–	–	140,625	20,089	3.5000	1 February 2021	30 April 2024
SAYE ³	5,960	–	–	–	5,960	3.0200	3 September 2021	1 October 2024
DSBP ⁴	20,125	–	–	–	20,125	3.8180	6 August 2021	6 August 2024
DSBP ⁵	78,827	–	–	–	78,827	2.2253	5 July 2022	5 July 2025
DSBP ⁶	–	8,825	–	–	8,825	1.4515	4 July 2023	4 July 2026
LTIP ⁷	221,304	–	–	–	221,304	2.2253	5 July 2022	5 July 2025
LTIP ⁸	–	529,624	–	–	529,624	1.4515	4 July 2023	4 July 2026
LTIP ⁸	–	119,928	–	–	119,928	1.6416	19 September 2023	19 September 2026
LTIP ⁹	–	470,577	–	–	470,577	1.6416	19 September 2023	19 September 2026
Totals	883,359	1,128,954	198,214	140,625	1,673,474			

1 The performance conditions for the legacy pre-IPO awards have been met in full. The award has vested in full. 50% of the award was exercised on 4 July 2023 and, as the employment conditions have been met for the remaining 50%, that element of the award is now exercisable and will be exercised on 2 July 2024. The award values for Nickyl Raithatha and Andy MacKinnon are £6,022,543 and £2,007,515 respectively based on the actual share price at the date of vesting of 50% of the award on 4 July 2023 (148.0p), and the Company's share price for the 90-day average to 30 April 2024 (164.8p) for the remaining 50% of the award that will vest on 2 July 2024, after the publication of this report. The final award values will be disclosed in the FY25 report to reflect the actual share price at the date of vesting of the remaining 50% of the award.

2 The performance period ended on 30 April 2024. The performance conditions were for 50% of the Award: the Company's relative TSR comparing the Offer Price to the three-month average to 30 April 2024 versus the constituents of the FTSE 250 (excluding investment trusts) over the same period (except that their base price was the three-month average to IPO). 25% of this component would vest at median rising on a straight-line basis to 100% at upper quartile; and 50% of the Award: the Company's Adjusted Basic Pre-Tax EPS (as stated in the Prospectus, this was initially granted as an Adjusted EBITDA range of £75.0m-£80.0m but with a commitment to re-express on this basis once the capital structure was settled) to April 2024. This excludes the cost of the legacy incentive items and the all-employee IPO awards as they are expected to be one-off expenses, albeit they are not currently expected to be classified as exceptional items in the Group's income statement. 25% of this component would vest at 14.5p rising on a straight-line basis to 100% at 15.9p. The TSR target was not met, and the EPS threshold target of 14.5p was met, resulting in minimum vesting of 12.5% of this award.

3 Details of the SAYE Scheme are shown in Note 20 to the accounts.

4 DSBP awards equate to 33% deferral of bonus payable in FY22 in relation to performance for FY21 and will vest on 6 August 2024.

5 DSBP awards equate to 33% deferral of bonus payable in FY23 in relation to performance for FY22.

6 DSBP awards equate to 33% deferral of bonus payable in FY24 in relation to performance for FY23.

7 The performance period will end on 30 April 2025. These awards are subject to the following Total Shareholder Return ("TSR") and Adjusted EPS performance conditions, as 50% of the Award: relative TSR, comparing the Company's share price for the three-month average to 30 April 2025 versus the constituents of the FTSE 250 (excluding investment trusts) over the same period. 25% of this component will vest at median rising on a straight-line basis to 100% at upper quartile; and 50% of the Award: Adjusted Basic Pre-Tax EPS for the year ending April 2025. 25% of this component will vest at 20.2p rising on a straight-line basis to 100% at 21.6p. The awards are subject to a two-year post-vesting holding period.

8 The performance period will end on 30 April 2026. These awards are subject to the following Total Shareholder Return ("TSR") and Adjusted EPS performance conditions, as 50% of the Award: relative TSR, comparing the Company's share price for the three-month average to 30 April 2026 versus the constituents of the FTSE 250 (excluding investment trusts) over the same period. 25% of this component will vest at median rising on a straight-line basis to 100% at upper quartile; and 50% of the Award: Adjusted Basic Pre-Tax EPS for the year ending April 2026. 25% of this component will vest at 19.5p rising on a straight-line basis to 100% at 21.5p. The awards are subject to a two-year post-vesting holding period.

9 The performance period will end on 30 April 2026. These awards are subject to the following Total Shareholder Return ("TSR") and Adjusted EPS performance conditions, as 50% of the Award: relative TSR, comparing the Company's share price for the three-month average to 30 April 2026 versus the constituents of the FTSE 250 (excluding investment trusts) over the same period. 25% of this component will vest at upper quartile rising on a straight-line basis to 100% at the 15th percentile; and 50% of the Award: Adjusted Basic Pre-Tax EPS for the year ending April 2026. 25% of this component will vest at 21.5p rising on a straight-line basis to 100% at 23.5p. The awards are subject to a two-year post-vesting holding period.

10 The value of awards for the Executive Directors which will become exercisable in FY25 are shown in the single figure of total remuneration table on page 106.

11 All of the above awards excluding the SAYE awards were granted for nil consideration.

12 The LTIP and DSBP awards are subject to clawback provisions.

13 The market price of the ordinary shares at 30 April 2024 was 155.8p and the closing range during the year was 129.1p to 187.0p.

Performance graph against FTSE 250

The following chart shows the value, by 30 April 2024, of £100 invested in the Company on Admission (at the IPO price of 350.0p) compared with the value of £100 invested in the FTSE 250 Index. The FTSE 250 Index (excluding Investment Trusts) provides the most appropriate and widely recognised “broad market equity index” for benchmarking the Company’s TSR performance. As the data becomes available, this chart will be expanded to contain up to 10 years of TSR performance data.

Total shareholder return



CEO total remuneration

The table below sets out the CEO’s single figure of total remuneration (rounded up to the nearest £1,000) over the same period as for the TSR chart above, together with the percentage of annual bonus paid and the vesting of long-term incentives as a percentage of maximum. Over time, 10 years’ ratios will be provided.

	FY21	FY22	FY23	FY24
Total remuneration (£000)	£870	£1,439	£6,712 ¹	£1,262
Annual bonus paid (as % of maximum)	100.0%	94.5%	6.7%	63.1%
LTIP vesting (as % of maximum)	N/a	N/a	100% ²	12.5%

1 The FY23 total remuneration figure has been restated to reflect the actual value of the legacy pre-IPO award. The value of that award reported in FY23 was calculated using the Company’s share price for the 90-day average to 30 April 2023. The FY23 figures have been adjusted to reflect the actual share price at the date of vesting of 50% of the award on 4 July 2023 (148.0p) which took place after the publication of last year’s report, and the Company’s share price for the 90-day average to 30 April 2024 (164.8p) for the remaining 50% of the award that will vest on 2 July 2024, after the publication of this report. The FY24 total remuneration figure includes the value of the LTIP awards based on the Company’s share price for the 90-day average to 30 April 2024 (164.8p) and will be adjusted in the FY25 report to reflect the actual share price at the date of vesting on 2 July 2024, which is after the date of publication of this report.

2 This refers to the legacy pre-IPO award.

Percentage change in Directors’ remuneration

The table below shows the annual percentage change in base salary, benefits and bonus in respect of the Directors of the Company and the average for all other UK Group employees. Over time, the percentage change over a five year rolling period will be disclosed.

Director	% change in salary/fees (FY23-FY24) ¹	% change in benefits (FY23-FY24) ¹	% change in annual bonus (FY23-FY24) ¹	% change in salary/fees (FY22-FY23) ¹	% change in benefits (FY22-FY23) ¹	% change in annual bonus (FY22-FY23) ¹	% change in salary/fees (FY21-FY22) ²	% change in benefits (FY21-FY22) ²	% change in annual bonus (FY21-FY22) ²
Nickyl Raithatha	0%	(18)%	841%	3%	(11)%	(92.7)%	197%	126%	24%
Andy MacKinnon	0%	(18)%	841%	3%	(11)%	(92.7)%	203%	126%	128%
Kate Swann	3%	N/a	N/a	3%	N/a	N/a	192%	N/a	N/a
David Keens ³	3%	N/a	N/a	18%	N/a	N/a	214%	N/a	N/a
Susan Hooper	3%	N/a	N/a	3%	N/a	N/a	206%	N/a	N/a
Niall Wass	3%	N/a	N/a	3%	N/a	N/a	206%	N/a	N/a
ShanMae Teo ⁴	21%	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Average of UK Group employees	3.0%	0%	463.6%	8.8%	0%	(92.7)%	199%	99.2%	(2.5)%

1 The comparative figures used for the Board are the actual figures used in the Single figure of total remuneration table on page 106. All other employee figures are calculated on a cash basis.

2 FY21 was a transition year for the Group, as it moved from being a private to a listed company. The percentage changes set out above are considered to be representative of that transition rather than underlying remuneration changes from year to year.

3 David Keens received an additional fee as Senior Independent Non-Executive Director from FY23. The fees he received in FY23 as an Independent Non-Executive Director and as Chair of the Audit Committee increased by 3.0% from FY22.

4 ShanMae Teo was appointed during FY23.

Directors' remuneration report continued

CEO pay ratio

The CEO to employee pay ratios are set out below. Over time, 10 years' ratios will be provided.

Financial year	Method	25th percentile			Median percentile			75th percentile		
		Pay ratio	Total pay and benefits £	Salary £	Pay ratio	Total pay and benefits £	Salary £	Pay ratio	Total pay and benefits £	Salary £
FY21	A	45.0:1	19,321	12,782	27.8:1	31,248	20,199	17.2:1	50,752	28,621
FY22	A	25.1:1	57,370	44,033	17.5:1	82,145	62,334	12.9:1	111,114	85,000
FY23 ¹	A	187.2:1	32,000	30,000	108.9:1	54,000	50,000	71.8:1	83,000	75,000
FY24	A	29.6:1	43,000	34,000	18.0:1	70,000	56,000	12.2:1	103,000	82,000

¹ The FY23 ratios have been recalculated to reflect the updated value of the legacy pre-IPO award. The value of that award reported in FY23 was calculated using the Company's share price for the 90-day average to 30 April 2023. The FY23 figures have been adjusted to reflect the actual share price at the date of vesting of 50% of the award on 4 July 2023 (148.0p) which took place after the publication of last year's report, and the Company's share price for the 90-day average to 30 April 2024 (164.8p) for the remaining 50% of the award that will vest on 2 July 2024, after the publication of this report. The FY23 figures will be finally adjusted in the FY25 report to reflect the actual share price at the date of vesting of the remaining 50% of the award. The FY24 total remuneration figure includes the value of the LTIP awards based on the Company's share price for the 90-day average to 30 April 2024 (164.8p) and will be adjusted in the FY25 report to reflect the actual share price at the date of vesting on 2 July 2024, which is after the date of publication of this report.

The Company has used Option A as the method of calculating the above ratios and calculated the pay and benefits of all UK employees on a full-time equivalent basis as this is felt to be the most statistically accurate way of calculating the ratio. The Group has used pay data as of 30 April 2024 to determine the ratios seen in the above table. We have endeavoured to ensure that relevant comparisons are made on a consistent basis.

The higher ratio in FY23 reflects the fact that the financial performance conditions for the pre-IPO award related to that financial year and were met in full. The full amount of the pre-IPO award was recognised in CEO pay FY23 (see Note 1 to the table above).

The Committee is satisfied that the median pay ratio for FY24 is consistent with the Group's wider policies on employee pay, reward and progression. The CEO receives a greater proportion of their remuneration in performance-related pay, which means that the pay ratio will vary from year to year according to the outcomes for those pay elements.

The future movement in the ratio will be considered by the Remuneration Committee as appropriate, noting that volatility in the headline number is expected over the next few years as legacy items and incentive pay outcomes for the CEO are more variable.

Relative importance of spend on pay

The table below illustrates the year-on-year change in total remuneration as per Note 8 to the financial statements compared to the change in shareholder returns, which would include capital returns, dividends and share buybacks. The year-on-year movement in employee costs primarily reflects a 75% year-on-year increase in annual bonus outcome for all employees, together with the increase in base salary costs.

	FY24 £000	FY23 £000	% change
Employee costs	52,308	42,850	22.1%
Distribution to shareholders	£0	£0	–

Payments for loss of office and/or payments to former Directors (audited)

No payments for loss of office, nor payments to former Directors were made during FY24.

Dilution limits

The Company intends to comply with the guidance of The Investment Association on dilution limits. No change to the 5% limit is proposed and dilution will be managed accordingly. The table below shows the current and prior year utilisation:

	Dilution (% of issued share capital)		Utilisation of headroom (% of limit)	
	FY24	FY23	FY24	FY23
Limit of 5% in any ten years under all executive share plans	2.69%	<1%	70%	17%
Limit of 10% in any ten years under all share plans	2.99%	1%	46%	11%

Statement of shareholding voting

The votes cast by proxy at AGMs in relation to resolutions regarding Directors' remuneration are set out in the table below:

	Remuneration Policy (binding vote at 2023 AGM)		Remuneration Report (advisory vote at 2023 AGM)	
	Votes	%	Votes	%
Votes in favour	255,413,578	82.1524	299,669,288	96.3870
Votes against	55,488,648	17.8476	11,232,938	3.6310
Total votes cast (excluding votes withheld)	310,902,226	100.00	310,902,226	100.00
Votes withheld	3,106	–	3,106	–

Remuneration Policy

This Policy (on pages 108 to 116 of last year's Annual Report) was approved by shareholders at the 2023 Annual General Meeting ("AGM") and the Remuneration Committee (the "Committee") intends that it will operate for three years from the 2023 AGM.

Remuneration Policy for Executive Directors

The following table summarises each element of the Policy for the Executive Directors, setting out how each element operates, and links to the corporate strategy.

Base Salary	
Purpose	<ul style="list-style-type: none"> To recruit and retain high-calibre Executive Directors. Recognise knowledge, skills and experience as well as reflect the scope and size of the role.
Operation	<ul style="list-style-type: none"> Normally reviewed annually, with any changes usually effective from 1 May. An out-of-cycle review may be conducted if the Committee determines it is appropriate. The current base salaries for the Executive Directors are set out on page 105. When setting base salaries, the Committee takes into account a number of factors including (but not limited to) skills and experience of the individual, the size, scope and complexity of the role, salary increases across the Group as well as salary levels for comparable roles in other similarly sized companies.
Maximum potential value	<ul style="list-style-type: none"> There is no maximum salary level. Salary increases are normally considered in relation to the wider salary increases across the Group. Above workforce increases may be necessary in certain circumstances such as when there has been a change in role or responsibility or where an Executive Director has been appointed to the Board on an initial salary which is lower than the desired market positioning.
Performance metrics	<ul style="list-style-type: none"> Individual performance, as well as the performance of the Group, is taken into consideration as part of the annual review process.
Pension	
Purpose	<ul style="list-style-type: none"> To provide cost-effective retirement benefits.
Operation	<ul style="list-style-type: none"> The Executive Directors each currently receive a cash allowance in lieu of pension contribution. Pension allowances are normally paid monthly and are not bonusable.
Maximum potential value	<ul style="list-style-type: none"> The cash allowances in lieu of pension contributions are capped at the rate available to the wider workforce in the UK (currently 5% of base salary). This applies to both current and any future Executive Director.
Performance metrics	<ul style="list-style-type: none"> Not applicable.

Directors' remuneration report continued

Benefits

Purpose	<ul style="list-style-type: none"> To provide competitive, cost-effective benefits which helps to recruit and retain Executive Directors.
Operation	<ul style="list-style-type: none"> Benefits may include insurances such as life, medical and dental and other benefits provided more widely across the Group from time to time. Other benefits, such as relocation expenses or expatriate arrangements, may be provided, as necessary. Reasonable business-related expenses (including any tax thereon) will be reimbursed.
Maximum potential value	<ul style="list-style-type: none"> There is no specific maximum although it is not expected to exceed a normal market level. The value of benefits will vary based on the cost to the Company of providing the benefits.
Performance metrics	<ul style="list-style-type: none"> Not applicable.

Annual Bonus

Purpose	<ul style="list-style-type: none"> To incentivise and reward for the delivery of annual corporate targets aligned to the business strategy. To align with shareholders' and wider stakeholders' interests.
Operation	<ul style="list-style-type: none"> The Annual Bonus is subject to performance measures and objectives set by the Committee for the financial year. At the end of the performance period the Committee assesses the extent to which the performance targets have been achieved and approves the final outcome. At least 33% of any bonus earned will be deferred in shares, normally for three years under the DSBP in respect of which dividend equivalents may apply to the extent such deferred awards vest. Malus and clawback provisions apply as set out in the Remuneration Policy on page 113 of the FY23 Annual Report. Bonus awards are non-pensionable and are payable at the Committee's discretion.
Maximum potential value	<ul style="list-style-type: none"> The maximum annual bonus opportunity is 150% of base salary. The target annual bonus opportunity is normally set at 50% of the maximum. The threshold annual bonus opportunity is up to 25% of the maximum. If the threshold level is not achieved, no payment will arise.
Performance metrics	<ul style="list-style-type: none"> The Committee will determine the relevant measures and targets each year taking into account the key strategic objectives at that time. Performance measures may include financial, strategic, operational, Sustainability and/or personal objectives. At least 70% of the bonus will be linked to financial measures. The Committee sets targets that are challenging, yet realistic in the context of the business environment at the time and by reference to internal business plans and external consensus. Targets are set to ensure there is an appropriate level of stretch associated with achieving the top end of the range but without encouraging inappropriate risk taking. The performance measures for FY25 are set out on page 105.

Long-Term Incentives

Purpose	<ul style="list-style-type: none"> To incentivise and reward for the delivery of long-term performance and shareholder value creation. To align with shareholders' interests and to foster a long-term mindset.
Operation	<ul style="list-style-type: none"> An annual award of performance shares under the LTIP which normally vest after a period of not less than three years and subject to continued employment and the achievement of performance conditions. Vested awards are subject to a further holding period applying at least until the fifth anniversary of grant during which they may not ordinarily be sold (other than to pay relevant tax liabilities due). Dividend equivalents may accrue over the period from grant until the later of vesting and the expiry of any holding period. Malus and clawback provisions apply as set out in the Remuneration Policy on page 113 of the FY23 Annual Report. Grant values will normally be determined using an averaging period of up to 90 days prior to grant.
Maximum potential value	<ul style="list-style-type: none"> The core maximum annual award is 250% of salary. The Committee expects to normally grant annual awards of 250% of salary to any Executive Director. The proportion of the core award which may vest for threshold performance will be no more than 25% of the maximum award. If the threshold level is not achieved, no payment will arise.
Performance metrics	<ul style="list-style-type: none"> Performance conditions, weightings and target ranges will be determined prior to grant each year to align with the Company's longer-term strategic priorities at that time. The measures which may be considered include financial and shareholder value metrics as well as strategic, non-financial measures. In normal circumstances, financial measures will make up the majority of the annual bonus. Details of the measures applicable for awards granted in relation to FY25 are set out on in the Annual Report on Remuneration on page 105.

All Employee Share Plans

Purpose	<ul style="list-style-type: none"> To encourage wider share ownership across all employees, including the Executive Directors. To align with shareholders' interests and to foster a long-term mindset.
Operation	<ul style="list-style-type: none"> Executive Directors may participate in all employee schemes on the same basis as other eligible employees. This includes (i) the Share Incentive Plan ("SIP"), under which all-employee free share awards were made at the time of the IPO, and (ii) the Save As You Earn ("SAYE Scheme") which the Board approved in FY21. Both plans have standard terms, which are HMRC approved and allow participants to either purchase or be granted shares (under the SIP) or enter into a savings contract to purchase shares (under either or both of the SAYE Scheme or SIP) in a tax-efficient manner.
Maximum potential value	<ul style="list-style-type: none"> Limits are in line with those set by HMRC.
Performance metrics	<ul style="list-style-type: none"> Not applicable.

Shareholding Requirements

Purpose	<ul style="list-style-type: none"> To align with shareholders' interests and to foster a long-term mindset.
Operation	<ul style="list-style-type: none"> Executive Directors will normally be expected to retain shares, net of sales to settle tax, until they have met the required shareholding. Progress towards the guideline will be reviewed by the Committee on an annual basis. In addition, Executive Directors are expected to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time) for a period of two years.
Maximum potential value	<ul style="list-style-type: none"> The shareholding requirement for Executive Directors is 300% of base salary.
Performance metrics	<ul style="list-style-type: none"> Not applicable.

Directors' remuneration report continued

Fees policy for Non-Executive Chair and Non-Executive Directors

The following table summarises the fees policy for the Non-Executive Chair and the Non-Executive Director.

Fees	
Purpose	<ul style="list-style-type: none"> To provide a competitive fee to attract Non-Executive Directors who have the requisite skills and experience to oversee the implementation of the Company's strategy.
Operation	<ul style="list-style-type: none"> Fees for the Non-Executive Chair are set by the Committee. Fees for the other Non-Executive Directors are set by the Board excluding the Non-Executive Directors. Fees are reviewed, but not necessarily increased, annually. Fee increases are normally effective from 1 May. Fee levels are determined based on an estimate of the expected time commitments of each role and by reference to comparable fee levels in other companies of a similar size and complexity. Additional fees are payable to the Senior Independent Non-Executive Director and Chair of the Audit and Remuneration Committees to reflect their additional responsibilities. The Non-Executive Director designated for engagement with the workforce ("DNED") for the purposes of the UK Corporate Governance Code will also be eligible for an additional fee. Higher fees may be paid to a Non-Executive Director should they be required to assume executive duties on a temporary basis. The Non-Executive Directors and the Non-Executive Chair are not eligible to receive benefits and do not participate in pension or incentive plans. Business expenses incurred in respect of their duties (including any tax thereon) are reimbursed.
Maximum potential value	<ul style="list-style-type: none"> There is no overall aggregate annual limit for fees payable to the Non-Executive Directors.
Performance metrics	<ul style="list-style-type: none"> Not eligible to participate in any performance-related elements of remuneration.

Objectives of the Policy

The table below shows, with examples, how the Policy is designed to meet the following required objectives of the Code:

Code factor	Description of Code factor	Description with examples of how the factors are addressed by the Policy
Clarity	Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce	<ul style="list-style-type: none"> The Policy is designed to be simple and support long-term, sustainable performance. The Policy is clearly set out in this Report and is well understood by participants and shareholders alike. The Policy clearly sets out the limits in terms of quantum, the performance measures which can be used and discretions which could be applied if appropriate. The Remuneration Committee Chair is available to shareholders at the AGM or via the Company Secretary to answer any questions on remuneration arrangements.
Simplicity	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand	<ul style="list-style-type: none"> The Group's arrangements include fixed pay (salary, benefits and pension), a market standard annual bonus and a single long-term incentive plan. The details of each are clearly set out in the Policy. There are no complex or artificial structures required to deliver the Policy.
Risk	Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated	<ul style="list-style-type: none"> Appropriate limits are set out in the Policy and within the respective plan rules. The Committee retains discretions to override formulaic outturns. When considering performance measures and target ranges, the Committee will take account of the associated risks and liaise with the Audit Committee, as necessary. The long-term nature of a large proportion of pay (through annual bonus deferral, post-vesting holding periods and post-cessation shareholding requirements) encourages a long-term, sustainable mindset. Comprehensive clawback and malus provisions are in place across all discretionary incentive plans.

Code factor	Description of Code factor	Description with examples of how the factors are addressed by the Policy
Predictability	The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy	<ul style="list-style-type: none"> • The Policy contains appropriate caps in place for each component of pay. • The potential reward outcomes are easily quantifiable and are set out in the illustrations provided in the Policy. • Performance can be reviewed at regular intervals to ensure there are no surprises in outcomes at the end of the performance period.
Proportionality	The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance	<ul style="list-style-type: none"> • Incentive outcomes are contingent on successfully meeting stretching performance targets which are aligned to the delivery of the Company's strategy. • The heavy weighting towards share-based incentives ensures alignment with the shareholder experience. • The Committee considers pay and employment conditions in the wider workforce when making decisions on executive pay. • The Committee retains discretions to override formulaic outturns.
Alignment to culture	Incentive schemes should drive behaviours consistent with company purpose, values and strategy	<ul style="list-style-type: none"> • The Policy encourages performance delivery which is aligned to the culture within the business. This performance focus is always considered within an acceptable risk profile. • The measures used in the variable incentive plans reflect the KPIs of the business. • We have all employee share schemes to encourage share ownership by all employees. • All employees participate in a bonus scheme.

Statement of consideration of shareholder views

The Committee will consider shareholder feedback received in relation to the AGM each year and guidance from shareholder representative bodies more generally. The Committee consulted with major shareholders covering 60% of the share register on the proposals for the 2023 Remuneration Policy, and as a result of that consultation, the Committee amended its proposals for the TSR performance element of the LTIP awards.

Differences in remuneration policy for Executive Directors and employees in general

All UK employees have the choice of two defined contribution schemes. Employer cost ranges from 3% to 5% of salary. All Group employees participate in the Annual Bonus scheme, which is operated on similar terms to those for the Executive Directors albeit with an element based on personal performance. The LTIP operates for members of the Executive Committee on similar terms to those for the Executive Directors. All eligible employees under the plan rules were able to participate in the SIP award which was offered at IPO (with values ranging from £500 to £1,500 depending on length of service). The SAYE Scheme has been offered annually since 2021 to all eligible employees. Wider employee ownership is a key objective for the business. As at 30 April 2024 47% (30 April 2023: 37%) of our employees participate in the Group's all employee share schemes.

Statement of consideration of employment conditions elsewhere in the Group

The Committee is provided with an update, at least annually, of pay and employment conditions throughout the Group. This will include details of base salary increases, bonus award levels, share scheme take up across the Group workforce as well as more information on the salaries and proposed increases for the Group Leadership Team members and other senior direct reports of the Chief Executive. The Committee will review and agree all grants of share awards.

The Committee ensures there is appropriate liaison with the DNED to discuss any remuneration matters which should be taken into account as part of its annual cycle. The Committee ensures that the DNED sessions with employees include discussions on remuneration matters, and are an effective method of employee consultation on these matters. The Committee therefore considers that it does not need to, and has not, formally consulted with employees on matters of remuneration policy. Employee engagement scores and other internal surveys will be considered as appropriate.

On behalf of the Board.

Susan Hooper

Chair of the Remuneration Committee
26 June 2024

Directors' report

The Directors present their report, together with the audited consolidated financial statements for the year ended 30 April 2024.

The Directors' report, together with the Strategic report on pages 1 to 69, represents the management report for the purposes of compliance with The Disclosure Guidance and Transparency Rules 4.1.R ("DGTR").

In accordance with section 414C(11) of the Companies Act 2006, the Board has included certain disclosures in the Strategic report set out below:

Subject matter	Page
Future business developments	CEO review pages 6 to 8 Strategy pages 16 to 17
Diversity and inclusion	Sustainability pages 23 to 25 and pages 42 to 43
Going concern and viability statement	Viability statement page 67
Risk management	Risk management section pages 60 to 66
Climate-related financial disclosures, greenhouse gas consumption, energy consumption and energy efficiency action	Sustainability pages 23 to 41
Disabled employees	Non-financial and sustainability information section pages 68 to 69
Employee engagement	Section 172(1) statement page 21
Business relationships with suppliers, customers and other stakeholder engagement	Section 172(1) statement and stakeholder engagement pages 20 to 22
Charitable donations	Sustainability page 25
Important events since the financial year end	Note 26 of the Group financial statements page 167

Compliance with the UK Corporate Governance Code 2018

This Annual Report has been prepared with reference to the Code. During the year, the Company has complied with all relevant provisions of the Code. Further information on the Company's application of the principles and provisions of the Code can be found in the Corporate governance report on pages 76 to 85. The Code is publicly available at www.frc.org.uk.

The Board has been briefed on the changes introduced by the UK Corporate Governance Code 2024 that will apply to the Group with effect from FY26 and for Provision 29 (which deals with the effectiveness of the Company's risk management and internal control framework) with effect from FY27. We intend to comply with the new code from its effective dates and work has commenced to facilitate compliance.

Corporate governance statement

The information that fulfils the requirements of the Corporate governance statement for the purposes of the DGTR can be found in the corporate governance information on pages 70 to 121 (all of which forms part of this Directors' report) and in this Directors' report.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution to re-appoint PricewaterhouseCoopers LLP as auditors of the Company will be proposed at the 2024 AGM, on the recommendation of the Audit Committee.

The Company has conducted a tender process for the role of external auditor in respect of the FY26 statutory audit in line with the requirements of the CMA Order. Further information on this process is set out on pages 94 to 95. A resolution proposing the appointment of PricewaterhouseCoopers LLP as the selected firm will be put to shareholders at the September 2025 Annual General Meeting.

Disclosure of information to auditors

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Insurance and indemnities

The Group has maintained Directors' and Officers' Liability Insurance cover throughout the year. The Directors can obtain legal or other relevant advice at the expense of the Company in their capacity as Directors. The Company has also provided a qualifying third-party indemnity to each Director as permitted by Section 234 of the Companies Act 2006 and by the Articles, which remain in force at the date of this report.

Political donations

It is not the policy of the Company to make political donations as contemplated by the Act. However, as a result of broad definitions used in the Act, normal business activities of the Company, which might not be considered political donations or expenditure in the usual sense, may possibly be construed as political expenditure or as a donation to a political party or other political organisation and fall within the restrictions of the Act. This could include sponsorships, subscriptions, payment of expenses, paid leave for employees fulfilling public duties and support for bodies representing the business community in policy review or reform. The Board obtained renewed shareholder approval at the Company's 2023 AGM, in line with best practice, to authorise the Company to make political payments up to a maximum aggregate amount of £100,000 and intends to propose a similar resolution at the 2024 AGM.

The Group did not make any political donations or incur political expenditure during the reporting year.

Subsidiaries, principal activities and branches

The Company acts as a holding company for its subsidiaries. The Group's subsidiaries are set out on page 167 of the financial statements. One of the Group's principal UK operating subsidiaries, Moonpig.com Limited, currently has one overseas branch in the Bailiwick of Guernsey.

Share capital

Details of the Company's share capital, together with details of the movements in share capital during the year, are shown on page 173 of the accounts. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at a general meeting of the Company.

Substantial shareholdings

As at 30 April 2024 and as at the date of this report, the following information has been received, in accordance with Rule 5 of the DGTR, from holders of notifiable interests in the Company's issued share capital. The information provided below is correct at the date of notification and represents direct interests only, with the exception of Abrdn plc, Ameriprise Financial, Inc., Baillie Gifford & Co and FIL Limited which represents indirect interests.

Holder	As at 30 April 2024		As at the date of this report	
	Number of shares	Voting rights (%)	Number of shares	Voting rights (%)
Liontrust Investment Partners LLP	44,094,049	12.84	45,638,895	13.28
Abrdn plc	30,444,425	8.89	23,582,759	6.86
Exponent	28,248,215	8.22	28,248,215	8.22
Baillie Gifford & Co	17,779,500	5.17	17,779,500	5.17
FIL Limited	17,473,751	5.09	17,473,751	5.09
Ameriprise Financial, Inc.	16,919,467	4.92	16,919,467	4.92
LCP VIII Holdings, L.P.	12,962,023	3.80	12,962,023	3.80

Information provided to the Company pursuant to Rule 5 of the DGTR is published on a Regulatory Information Service and on the Company's corporate website at www.moonpig.group/investors.

Articles of Association and powers of the Directors

The Company's Articles of Association (the "Articles") contain the rules relating to the powers of the Company's Directors and their appointment and replacement mechanisms. Further information is on page 85. The Articles may only be amended by special resolution at a general meeting of the shareholders. Subject to the Articles and relevant regulatory measures, including the Act, the day-to-day business of the Group is managed by the Board which may exercise all the powers of the Company. In certain circumstances, including in relation to the issuing or buying back by the Company of its shares, the powers of the Directors are subject to authority being given to them by shareholders in general meeting.

Authority to purchase own shares

At the AGM held on 19 September 2023, shareholders passed a special resolution in accordance with the Act to authorise the Company to purchase in the market a maximum of 34,211,162 ordinary shares, representing 10% of the Company's issued ordinary share capital as at 28 June 2023. No shares have been purchased under this authority. The authority will expire at the forthcoming AGM. The Directors are seeking renewal of the authority, in accordance with relevant institutional guidelines.

Compensation for loss of office

There are no agreements between the Group and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid. There are, however, provisions of the Company's share plans that may allow options and awards granted to Directors and employees to vest on completion of a takeover offer.

Directors' report continued

Significant agreements – change of control

The Group has one significant agreement that would be terminable upon a change of control, namely the £180.0m Revolving Credit Facility which is described at Note 19 to the financial statements. On a change of control, any outstanding options and awards granted under the Group's share schemes would become exercisable, subject to any performance conditions being met and the terms of the options and awards.

Relationship Agreement

Throughout the year and up to 25 April 2024, Exponent held 12.0% of the issued ordinary share capital of the Company. Although no longer a controlling shareholder in the Company, Exponent was subject to the following independence provisions of the Relationship Agreement:

- Transactions and arrangements between the Group and Exponent were at arm's length and on normal commercial terms.
- Exponent did not take any action that would have the effect of preventing the Group from complying with its obligations under the LR, the DGTR, the requirements of the London Stock Exchange, the Financial Services and Markets Act ("FSMA"), the Financial Services Act 2012, Market Abuse Regulations ("MAR") or the Articles of Association.
- Exponent did not propose, or procure the proposal of, a shareholder resolution intended or appeared to be intended to circumvent the proper application of the Listing Rules.

The Group has complied with the above independence provisions and, insofar as it is aware, Exponent complied with the independence provisions and the procurement obligation set out in the Relationship Agreement from the effective date of the agreement, until 25 April 2024.

Exponent's shareholding decreased to 8.22% on 25 April 2024 following a secondary placing. Exponent ceased to be a substantial shareholder of the Company and the Relationship Agreement accordingly ceased to have effect. Its shareholding remained at 8.22% as at the date of this report. The ordinary shares owned by Exponent rank pari passu with the other ordinary shares in all respects.

Shares held in the Share Incentive Plan Trust and the Employee Benefit Trust

The trustee of the Trust under which the Company's Share Incentive Plan (the "SIP") is operated may vote in respect of shares held in the SIP Trust, but only as instructed by participants in the SIP in respect of their free shares, partnership shares and dividend shares. The trustee will not otherwise vote in respect of shares held in the SIP Trust. Shares held in the SIP Trust rank pari passu with the shares in issue and have no special rights. No shares are held in the Moonpig Group plc Employee Benefit Trust.

Research and development

The Group is engaged in various research and development projects regarding innovating and enhancing its technology platforms and applications. These are set out in the Strategic report on pages 1 to 69.

Additional disclosures

The following information can be found elsewhere in this document, as indicated in the table below and is incorporated into this report by reference.

Disclosure	Page
Directors' interests	Directors' remuneration report page 109
Directors of the Company	Board of Directors pages 70 to 73
Dividend policy	Non-financial and sustainability information statement pages 68 to 69
Financial instruments	Financial statements pages 161 to 166
Important events since the financial year-end	Events after the balance sheet date (Note 26) page 167
Statement of Directors' responsibilities	Statement of Directors' responsibilities page 121

The Directors' report, which has been prepared in accordance with the requirements of the Companies Act 2006, has been approved by the Board and signed on its behalf by:

Andy MacKinnon

Chief Financial Officer
26 June 2024

Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit and loss of the Group for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- State whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and accounting estimates that are reasonable, relevant, reliable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the corporate governance section confirm that, to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group.
- The Company financial statements, prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- The Strategic report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

In the case of each Director in office at the date the Directors' report is approved:

- So far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditor is unaware.
- They have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Approval of the Annual Report

The Strategic report and the Corporate governance report were approved by the Board on 26 June 2024.

Approved by the Board and signed on its behalf.

Nickyl Raithatha
Chief Executive Officer
26 June 2024

Andy MacKinnon
Chief Financial Officer
26 June 2024

Moonpig Group plc Registered in England and Wales No. 13096622

Independent Auditors' Report

to the members of Moonpig Group plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Moonpig Group plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 April 2024 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 30 April 2024; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity, and the Consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5 – Operating profit, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The Group operates in five countries, across eight reporting units.
- We performed a full scope audit over the three significant components. In addition, we audited specific significant balances in two additional components. Our work accounted for 100% of Group revenue and 98% of Group profit before tax after excluding adjusting items.

Key audit matters

- Carrying value of Goodwill – Experience More Limited ("Experiences") (Group).
- Merchant accrual (Group).
- Capitalisation of development costs (Group).
- Carrying value of investment in subsidiary (Company).

Materiality

- Overall Group materiality: £2,490,000 (2023: £2,380,000) based on 5% of profit before tax after excluding adjusting items.
- Overall Company materiality: £9,037,000 (2023: £2,140,000) based on 1% of total assets (FY23: capped at 90% of Group materiality).
- Performance materiality: £1,867,500 (2023: £1,785,000) (Group) and £6,778,000 (2023: £1,605,000) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Carrying value of Goodwill – Experience More Limited ("Experiences") is a new key audit matter this year. Acquisition accounting – Experiences (Group), which was a key audit matter last year, is no longer included because the acquisition has concluded and subsequent work over the balances recognised as part of the purchase price allocation have been considered within the work performed over the carrying value of Experiences goodwill. Otherwise, the key audit matters below are consistent with last year.

Key audit matter

How our audit addressed the key audit matter

Carrying value of Goodwill – Experiences (Group)

Refer to Note 1 (General information) for critical accounting judgements and estimates, Note 2 (Summary of significant accounting policies) and Note 11 (Intangible assets).

At 30 April 2024 the carrying value of the Experiences goodwill was £137m (2023: £137m).

As per IAS 36 Goodwill is assessed annually for impairment.

The critical accounting judgements made in the estimate of the goodwill recoverable amount are:

- Pre-perpetuity period of six years (2023: seven years)
- Pre-perpetuity compound annual reported revenue growth rate of 6.6% (2023: 10.5%)
- A pre-tax discount rate of 15.1% (2023: 13.5%)

Management prepared an impairment assessment as at 30 April 2024, creating a Value in Use (VIU) model reflecting the Board approved budget for FY25-27, assumptions to build the future net cash flows over a further three years, and then from 2030 the cash flows are continued into perpetuity using an estimated terminal growth rate.

The key areas of audit focus were:

- The appropriateness of a six-year modelling period; and
- The assumptions in the VIU model related to revenue growth rates, Adjusted EBITDA margin, working capital, the discount and perpetuity growth rates.

Through this assessment management concluded that the carrying value of the Experiences cash generating unit ("CGU") does not exceed the VIU, and concluded that no impairment was required.

The audit procedures we performed to address the risk around the carrying value of the Experiences CGU were:

- Validated the appropriateness of the cash generating unit selected;
- Agreed the mathematical accuracy of the model used to estimate the VIU;
- Understood the basis of preparation and methodology used in the FY25-27 budget and the subsequent three years of cash flows;
- Evaluated the appropriateness of using a six-year period, by comparing this against the historic growth rates, the level of online vs offline sales and industry reports to assess the market maturity, noting that this has been reduced by one year from FY23;
- Challenged management to provide internal and external market evidence for the key assumptions in the VIU model. These were assessed against historic results and management's forecasting accuracy, industry reports, cost inflation measures and evidence from management's external consultants;
- Assessed the appropriateness of how working capital had been reflected in the model and the terminal year;
- Sensitised management's assumptions in the VIU model in particular around the forecast revenue growth rates, the discount rate and a reduction in the pre-perpetuity rate from six to five years;
- Challenged the extent to which climate change had been considered and reflected in the future cash flows, as appropriate, in management's impairment assessment process; and
- Challenged the appropriateness of the sensitivities management has presented in its disclosures.

Overall management has concluded that no impairment is required which we consider to be supportable, however as set out in the sensitivity disclosure, the model is sensitive to changes in key estimates.

Independent Auditors' Report

to the members of Moonpig Group plc continued

Key audit matter	How our audit addressed the key audit matter
<p>Merchant accrual (Group)</p> <p>Refer to Note 1 (General information) for critical accounting judgements and estimates, Note 2 (Summary of significant accounting policies) and Note 16 (Trade and other payables).</p> <p>The Group recognised a £45.3m merchant accrual as part of the revenue process at Experiences. The amount represents the estimated unpaid balance to merchant providers on unredeemed vouchers and excludes the commission and expected voucher non-redemption already recognised as revenue in the income statement. The merchant accrual has been discounted to the present value in line with IFRS 9.</p> <p>An estimate of the number of vouchers that will not be redeemed, based on historic rates, is recognised as revenue at the point of sale, as required under IFRS 15, 'Revenue from contracts with customers'.</p> <p>On a monthly basis the number of vouchers that have expired is compared to the estimate and an adjustment is recorded. The risk is therefore in respect of whether the closing accrual balance is supportable and the revenue recognised in the period is appropriate.</p> <p>In the year there has been a higher non redemption rate which management attributes to the extensions given during the pandemic, and is not expected to be reflective of future customer behaviour.</p> <p>The non-redemption rate estimate has been revised down during the year to reflect the change in non-redemption behaviour post pandemic.</p> <p>The key areas of audit focus were:</p> <ul style="list-style-type: none">• The rights and obligations associated with the merchant transactions;• The appropriateness of the non-redemption rate;• The true-up calculation to get to actual non-redemption revenue in the period; and• The accuracy and assumptions within the discount model.	<p>The audit procedures we performed to address the estimate for the merchant accrual included the following:</p> <ul style="list-style-type: none">• Challenged management's breakage model and the reasonableness of the updated non-redemption assumptions by analysing the historic redemption rate and performing analysis over customer behaviour;• Tested actual non-redemptions and compared this to the estimated rate to assess the accuracy of the true-up adjustment;• Agree a sample of sales back to merchant contracts to assess the valuation of the accrual and the rights and obligations under the contractual terms;• Reviewed the accuracy and assumptions within the discounting calculation;• Performed a proof in total of the merchant accrual as a percentage of the gross sales;• Sensitised management's non-redemption rate assumption; and• Assessed the adequacy of disclosures of financial information, including the impact of excess non-redemption revenue, and challenged management on the adequacy of the disclosure surrounding the merchant accrual. <p>Based on the above procedures performed, we concur with the estimate made and disclosure in Note 1 on the sensitivity of the estimate in the accrual.</p>

Key audit matter

How our audit addressed the key audit matter

Capitalisation of development costs (Group)

Refer to Note 1 (General information) for critical accounting judgements and estimates, Note 2 (Summary of significant accounting policies), and Note 11 (Intangible assets).

The Group capitalised a total of £12.6m (FY23: £12.7m) of internally developed intangible assets relating to technology and development costs during the year. This is made up of £9.4m of additions for Moonpig and £3.2m for Experiences.

The risk is therefore whether capitalisation of costs is appropriate. The key areas of audit focus were:

- Judgements around whether the capitalised projects meet all of the criteria under IAS 38 and around the split between capital and operational expenditure incurred in relation to the projects;
- Appropriateness of the split of time booked by individuals across the various projects and the capitalisation rate used;
- The useful economic lives adopted by management for the amortisation of internally generated intangibles; and
- Risk of impairment/obsolescence over the brought forward projects if the technology has been superseded during the year.

The audit procedures we performed to address the risk of capitalisation of internal development costs in intangibles assets were:

- Interviewed the Heads of Engineering and Product teams to understand the nature and objectives of the key projects undertaken during the year;
- Corroborated our interviews to timesheet data to verify the accuracy of the time recorded across various projects, including how they have appropriately excluded non-capitalisable time;
- Tested management's monthly review control around the review and approval of monthly timesheet reports for accuracy by the Heads of Engineering and Product;
- Reviewed the supporting documentation in relation to capitalisation approvals;
- Assessed whether the IAS 38 capitalisation criteria have been met for a selection of projects by evaluating whether they are in active use, are technically feasible, and whether economic benefit is forecast to be generated from the investment. We have also held discussions with the respective project leads for these projects to understand the nature and how this improves the current technology offering;
- Tested the accuracy of the inputs of the capitalisation calculation, specifically, timesheets, payroll cost rates and invoices for non-salary costs;
- Assessed the appropriateness of the useful economic life by comparing against competitors and the Group's viability statement around the normal assessed technology cycle;
- Assessed impairment risk over the brought forward projects from the previous year to ensure the technology capitalised is still being utilised; and
- Reviewed the appropriateness of the disclosures made in the financial statements.

Based on the above procedures performed, we concur that costs incurred in the period in respect of these projects are appropriately capitalised on the Consolidated balance sheet.

Independent Auditors' Report

to the members of Moonpig Group plc continued

Key audit matter

How our audit addressed the key audit matter

Carrying value of investment in subsidiary (Company)

Refer to Note 1 (Company) for critical accounting judgements and estimates, Note 2 (Company – Summary of significant accounting policies) and Note 4 (Company – Investments).

As at 30 April 2024 the Company held an investment in a subsidiary with a carrying value of £845.5m (2023: £845.5m).

The market capitalisation as at 30 April 2024 of £534m is considered to be an impairment indicator and, as a result, management performed an impairment assessment for the carrying value of the investment.

The critical accounting judgements made in the estimate of the investment recoverable amount are:

- Pre-perpetuity period of six years (2023: seven years)
- Pre-perpetuity compound annual revenue growth rate of 10.3% (April 2023: 12.7%)
- Pre-tax discount rate of 14.3% (2023: 14.0%)

Management prepared an impairment assessment as at 30 April 2024, creating a Group VIU model reflecting the Board approved budget for FY25-27, assumptions to build the future net cash flows over a further three years, and then from 2030 the cash flows are continued into perpetuity, using an estimated terminal growth rate.

The key areas of audit focus were:

- The assumptions in the VIU model including the revenue compound annual growth rates, Adjusted EBITDA margins, working capital, pre-tax discount and perpetuity growth rates; and
- The appropriateness of the pre-perpetuity period of six-years

Through this assessment management identified that the carrying value of the investment does not exceed the Group's VIU and concluded that no impairment was required.

The audit procedures we performed to address the risk around the carrying value of the investment in the Company were:

- Agreed the mathematical accuracy of the model, to estimate the Group VIU;
- Discussed with management the basis of preparation of the FY25-27 budget and the subsequent three years of net cash flows;
- Evaluated the appropriateness of using a six-year period, by comparing this against the historic growth rates, the level of online vs offline sales and industry reports to assess the market maturity, noting that this has been reduced by one year from FY23;
- Challenged management to provide internal and external market evidence for the key assumptions in the Group VIU model. These were assessed against historic results and management's forecasting accuracy, industry reports, cost inflation measures and evidence from management's external consultants;
- Challenged the inputs and assumptions that are included within the detailed forecasting period to FY30 and how these are reflected in perpetuity such as the movement in working capital;
- Sensitised management's assumptions in the model in particular around the forecast revenue growth rate and the discount rate;
- Challenged the extent to which climate change had been considered and reflected in the future cash flows, as appropriate, in management's impairment assessment process; and
- Challenged the appropriateness of the sensitivities management has presented in its disclosures.

Overall management has concluded that no impairment is required which we consider to be supportable, however as set out in the sensitivity disclosure, it is sensitive to changes in key estimates.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

For the purposes of scoping the Group audit we have performed a full scope audit on three financially significant components (Moonpig, Greetz and Experiences) that are based in the UK and the Netherlands. We performed audit procedures over specific financial statement line items within the Company and one other component based on their value relative to the rest of the Group, using an allocation of Group materiality.

We have also performed a statutory audit over the Company financial statements using a standalone materiality.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk.

Management previously sought advice from external sustainability experts to help them understand the environmental challenges and to support their assessment of climate risk in the current year. We reviewed management's paper which sets out its assessment of climate change risk to the Group and the impact on the financial statements and impairment testing.

We read the disclosures in relation to climate change made in the other information within the Annual Report to ascertain whether the disclosures are materially consistent with the financial statements and our knowledge from our audit. Our responsibility over other information is further described in the reporting on other information section of our report. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£2,490,000 (2023: £2,380,000).	£9,037,000 (2023: £2,140,000).
How we determined it	5% of profit before tax after excluding adjusting items.	1% of total assets (FY23: capped at 90% of Group materiality).
Rationale for benchmark applied	Based on the benchmarks used in the financial statements, profit before tax is the primary measure used by the shareholders in assessing the performance of the Group and is a generally accepted auditing benchmark. This has been adjusted for adjusting items in the year which do not in our view reflect the underlying performance of the business.	The Company, Moonpig Group plc, is a holding Company for the Group and therefore the materiality benchmark has been determined based on total assets, which is a generally accepted auditing benchmark. For FY24 where balances do not form part of the Group consolidated results we have used a materiality based on 1% of total assets, and where balances are included in the Group consolidated results we have capped materiality at 90% of the Group's measure.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £608,000 to £2,241,000. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £1,867,500 (2023: £1,785,000) for the Group financial statements and £6,778,000 (2023: £1,605,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £124,500 (Group audit) (2023: £119,000) and £124,500 (Company audit) (2023: £107,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Critically assessing assumptions in management's cash flow forecasts. In particular we focused on the revenue and cost growth assumptions, against both historical performance and third party industry reports.
- Critically assessing assumptions in management's severe but plausible downside scenario and performing further sensitivity analysis.
- Comparing past budgets to actual results to assess the directors' track record of budgeting accurately.
- Obtaining confirmation from lenders of the level of committed financing and the covenant requirements associated with the credit facilities, including testing of the forecast covenant compliance.
- Assessing the completeness and accuracy of going concern disclosures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent Auditors' Report

to the members of Moonpig Group plc continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report, for the year ended 30 April 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;

- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Data Protection regulations and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK and Dutch tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and impacting EBITDA. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with the Directors, the Audit Committee and Legal Director, including review of legal correspondence and Board meeting minutes, and consideration of known or suspected instances of non-compliance with laws and regulations, and fraud;
- Challenging management on its critical accounting estimates and judgements;
- Identifying and testing journal entries to address the risk of inappropriate journals referred to above;
- Considering remuneration incentive schemes and performance targets for management remuneration; and
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the directors on 18 January 2021 to audit the financial statements for the year ended 30 April 2021 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 30 April 2021 to 30 April 2024.

Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Christopher Richmond (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 June 2024

Consolidated income statement

For the year ended 30 April 2024

	Note	2024 £000	2023 £000
Revenue	3	341,141	320,125
Cost of sales	4	(138,608)	(140,449)
Gross profit		202,533	179,676
Selling and administrative expenses	5,6	(137,598)	(132,534)
Other income	5	1,349	1,319
Operating profit		66,284	48,461
Finance income	7	198	21
Finance costs	7	(20,082)	(13,577)
Profit before taxation		46,400	34,905
Taxation	9	(12,231)	(8,298)
Profit after taxation		34,169	26,607
Profit attributable to:			
Equity holders of the Company		34,169	26,607
Earnings per share (pence)			
Basic	10	10.0	7.8
Diluted	10	9.6	7.7

All activities relate to continuing operations.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 30 April 2024

	Note	2024 £000	2023 £000
Profit for the year	5	34,169	26,607
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		30	(158)
<i>Cash flow hedge:</i>			
Fair value changes in the year	22	715	1,891
Cost of hedging reserve	22	243	126
Fair value movements on cash flow hedges transferred to the profit or loss	22	(2,222)	(136)
Deferred tax on other comprehensive income	9	(95)	–
Total other comprehensive income		(1,329)	1,723
Total comprehensive income for the year		32,840	28,330

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

As at 30 April 2024

	Note	2024 £000	2023 £000
Non-current assets			
Intangible assets	11	203,591	210,455
Property, plant and equipment	12	26,900	32,311
Other non-current assets	14	1,611	2,153
Financial derivatives	22	164	1,757
		232,266	246,676
Current assets			
Inventories	13	7,094	12,333
Trade and other receivables	14	6,577	6,331
Current tax receivable		2,113	1,260
Financial derivatives	22	838	711
Cash and cash equivalents	15	9,644	22,394
		26,266	43,029
Total assets		258,532	289,705
Current liabilities			
Trade and other payables	16	96,739	110,119
Provisions for other liabilities and charges	17	2,073	1,617
Current tax payable		4,211	805
Contract liabilities	18	4,008	2,589
Lease liabilities	19	3,257	3,443
Borrowings	19	73	27
		110,361	118,600
Non-current liabilities			
Trade and other payables	16	1,552	4,858
Borrowings	19	118,292	170,493
Lease liabilities	19	13,072	16,082
Deferred tax liabilities	9	8,903	10,978
Provisions for other liabilities and charges	17	2,516	2,413
		144,335	204,824
Total liabilities		254,696	323,424
Equity			
Share capital	21	34,331	34,211
Share premium	21	278,083	278,083
Merger reserve		(993,026)	(993,026)
Retained earnings		642,056	603,849
Other reserves	21	42,392	43,164
Total equity		3,836	(33,719)
Total equity and liabilities		258,532	289,705

The accompanying notes are an integral part of these consolidated financial statements.

The financial statements on pages 130 to 169 were approved by the Board of Directors of Moonpig Group plc (registered number 13096622) on 26 June 2024 and were signed on its behalf by:

Nickyl Raithatha
Chief Executive Officer
26 June 2024

Andy MacKinnon
Chief Financial Officer
26 June 2024

Consolidated statement of changes in equity

For the year ended 30 April 2024

	Note	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Other reserves £000	Total equity £000
Balance at 1 May 2022		34,211	278,083	(993,026)	576,507	34,906	(69,319)
Profit for the year		–	–	–	26,607	–	26,607
Foreign currency translation reserve reclassification		–	–	–	735	(735)	–
<i>Other comprehensive (expense)/income:</i>							
Exchange differences on translation of foreign operations		–	–	–	–	(158)	(158)
Cash flow hedges:							
Fair value changes in the year		–	–	–	–	1,891	1,891
Cost of hedging reserve		–	–	–	–	126	126
<i>Fair value movements on cash flow hedges transferred to profit and loss</i>		–	–	–	–	(136)	(136)
Total comprehensive income for the year		–	–	–	27,342	988	28,330
Share-based payments	20, 21	–	–	–	–	7,270	7,270
As at 30 April 2023		34,211	278,083	(993,026)	603,849	43,164	(33,719)
Profit for the year		–	–	–	34,169	–	34,169
<i>Other comprehensive (expense)/income:</i>							
Exchange differences on translation of foreign operations		–	–	–	–	30	30
Cash flow hedges:							
Fair value changes in the year		–	–	–	–	715	715
Cost of hedging reserve		–	–	–	–	243	243
<i>Fair value movements on cash flow hedges transferred to profit and loss</i>		–	–	–	–	(2,222)	(2,222)
<i>Deferred tax on other comprehensive income</i>		–	–	–	–	(95)	(95)
Total comprehensive income for the year		–	–	–	34,169	(1,329)	32,840
Share-based payments	20, 21	–	–	–	–	4,179	4,179
Issue of ordinary shares	20, 21	120	–	–	–	–	120
Deferred tax on share based payment transactions		–	–	–	–	536	536
Share options exercised	20, 21	–	–	–	4,038	(4,158)	(120)
As at 30 April 2024		34,331	278,083	(993,026)	642,056	42,392	3,836

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated cash flow statement

For the year ended 30 April 2024

	Note	2024 £000	2023 £000
Cash flow from operating activities			
Profit before taxation		46,400	34,905
Adjustments for:			
Depreciation, amortisation and impairment	11,12	25,729	22,653
Impairment of right-of-use asset	12	–	428
Loss on disposal of tangible assets		4	48
Loss on foreign exchange		272	–
Net finance costs	7	19,884	13,556
R&D tax credit		(503)	(423)
Share-based payment charges		4,179	7,270
Changes in working capital:			
Decrease/(Increase) in inventories		5,192	(835)
Decrease in trade and other receivables		246	2,112
Decrease in trade and other payables		(16,154)	(22,092)
Decrease/(increase) in trade and other receivables and payables with undertakings formerly under common control		14	308
Cash generated from operations		85,263	57,930
Income tax paid		(10,688)	(8,590)
Net cash generated from operating activities		74,575	49,340
Cash flow from investing activities			
Capitalisation of intangible assets	11	(12,782)	(12,949)
Purchase of property, plant and equipment	12	(965)	(9,680)
Acquisition of subsidiary, net of cash acquired		–	(88,598)
Bank interest received		198	–
Net cash used in investing activities		(13,549)	(111,227)
Cash flow from financing activities			
Proceeds from new borrowings	19	157,266	60,000
Payment of fees related to new borrowings		(2,070)	(988)
Repayment of borrowings	19	(212,000)	(60,000)
Payment of interest rate cap premium		(150)	(940)
Interest paid on borrowings	19	(14,469)	(12,144)
Interest received on swap and cap derivatives		2,222	327
Lease liabilities paid	19	(3,742)	(2,641)
Interest paid on leases	19	(682)	(863)
Net cash used in financing activities		(73,625)	(17,249)
Net cash flows (used in)/generated from operating, investing and financing activities		(12,599)	(79,136)
Differences on exchange		(151)	(147)
(Decrease)/increase in cash and cash equivalents in the year		(12,750)	(79,283)
Net cash and cash equivalents at 1 May		22,394	101,677
Net cash and cash equivalents at 30 April		9,644	22,394

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Moonpig Group plc (the "Company" or "Parent Company") is a public limited company incorporated in the United Kingdom under the Companies Act 2006, whose shares are traded on the London Stock Exchange. The consolidated financial statements of the Company as at and for the year ended 30 April 2024 comprise the Company and its interests in subsidiaries (together referred to as the "Group"). The Company is domiciled in the United Kingdom and its registered address is Herbal House, 10 Back Hill, London, EC1R 5EN, England, United Kingdom. The Company's LEI number is 213800VAYO5KCAXZHK83.

Basis of preparation

The consolidated financial statements of Moonpig Group plc have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

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

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

Basis of consolidation

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

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

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

The subsidiary undertakings of the Company at 30 April 2024 are detailed at the end of the notes to the consolidated financial statements on page 167.

Consideration of climate change

In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the TCFD disclosures within the Annual Report and Accounts for the year ended 30 April 2024. There has been no material impact identified on the financial reporting judgements and estimates. In particular, the Directors considered the impact of climate change in respect of the following areas:

- Going concern and viability of the Group over the next three years.
- Cash flow forecasts used in the impairment assessments of non-current assets including goodwill and other intangible assets.
- Carrying amount and useful economic lives of property, plant and equipment.

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

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report of the Annual Report and Accounts for the year ended 30 April 2024.

The Group has continued to generate positive operating cash flow and finished the year with liquidity headroom of £69,378,000 (2023: £102,394,000) comprising gross cash and unutilised committed facilities.

During the financial year the Group completed a refinancing, replacing its term loan and revolving credit facility with a new £180,000,000 committed four-year Revolving Credit Facility (the "RCF"). The RCF has an initial maturity date of 29 February 2028 with an option to extend by one year (subject to lender approval).

The amounts drawn under the RCF bear interest at a floating reference rate plus a margin. The reference rates are SONIA for loans in Sterling, EURIBOR for loans in Euro and SOFR for loans in US Dollars. As at 30 April 2024 the Group had drawn down £113,000,000 and €8,500,000 of the available revolving credit facility.

The Group's interest rate hedging arrangements now comprise a SONIA interest rate cap with a cap strike rate of 3.00% on £70m notional until 30 November 2024 and a SONIA interest rate cap, put in place during the current financial year, of 5.00% on £50m notional from 29 November 2024 until 1 June 2025, reducing thereafter to £35m notional until expiry on 30 November 2025. This follows the expiry of a SONIA interest rate swap (at a rate of 2.4725% on £90m notional) on 30 November 2023.

The RCF is subject to two covenants, each tested at six-monthly intervals. The leverage covenant, measuring the ratio of net debt to last twelve months Adjusted EBITDA, is a maximum of 3.5x until April 2025 and 3.0x thereafter. The interest cover covenant, measuring the ratio of last twelve months Adjusted EBITDA (excluding share based payments, as specified in the facilities agreement) to the total of bank interest payable and interest payable on leases, is a minimum of 3.5x for the term of the facility. The Group has complied with all covenants from entering the RCF until the date of these consolidated financial statements and is forecast to comply with these during the going concern assessment period.

1 General information continued

Going concern continued

To support the Group's assessment of going concern, detailed trading and cash flow forecasts, including forecast liquidity and covenant compliance, were prepared for the 22-month period to 30 April 2026.

The Directors have reviewed the severe but plausible scenarios as described within the viability statement of the Annual Report and Accounts for the year ended 30 April 2024; in these scenarios, the Group continues to have sufficient resources to continue in operational existence. In the event that more severe impacts occur, controllable mitigating actions are available to the Group should they be required.

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

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

Critical accounting judgements and estimates

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

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

Capitalisation of internally generated assets

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

The areas of estimates which have the greatest potential effect on the amounts recognised in the financial statements are:

Useful life of internally generated assets

The estimated useful lives which are used to calculate amortisation of internally generated assets (the Group's platforms and applications) are based on the length of time these assets are expected to generate income and be of benefit to the Group. The uncertainty included in this estimate is that if the useful lives are estimated to differ from the actual useful lives of the intangible assets, this could result in accelerated amortisation in future years and/or impairments. The economic lives of internally generated intangible assets are estimated at three years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. If the useful life of internally generated assets were estimated to be shorter or longer by one year, than the current useful life of three years, the net book value would (decrease)/increase by (£5,393,000)/£4,556,000 from the amount recognised as at 30 April 2024. The amounts of, and movements in, such assets are set out in Note 11.

Experiences merchant accrual

The merchant accrual has been identified as a significant estimate following the acquisition of Experiences, which acts as an agent at the point of sale. When a voucher is purchased, the expected value of future amounts that will become payable to merchant providers is recognised within trade and other payables on the balance sheet. The Group takes into account historical redemption rates when estimating future payments to merchant providers, with the span between the upper and the lower ends of the range in historical trends for these rates equivalent to a £2,453,000 movement in the amount recognised in revenue. The estimates are trued up for actual customer utilisation rates in the year.

Carrying amount of Experiences goodwill

Goodwill is tested annually for impairment. The critical accounting estimates made in the calculation of the recoverable amount are:

- Pre-perpetuity period of six years (2023: seven years).
- Pre-perpetuity compound annual revenue growth rate of 6.6% (2023: 10.5%).
- Discount rate of 15.1% (2023: 13.5%).

Sensitivity analysis and further disclosure relating to these critical accounting estimates is set out in Note 11.

Notes to the consolidated financial statements continued

2 Summary of significant accounting policies

New standards, amendments and interpretations adopted from 1 May 2023

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

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

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 May 2023 and had no material impact on the year-end consolidated financial statements of the Group.

New standards, amendments and interpretations not yet adopted

The following adopted IFRSs have been issued but have not been applied by the Group in these consolidated financial statements. Their adoption is not expected to have material effect on the financial statements unless otherwise indicated:

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

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

The following amendments are effective for the year beginning 1 May 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange rates)

The following amendments are effective for the year beginning 1 May 2027:

- IFRS 18 Presentation and Disclosure in the Financial Statements.

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

a) Foreign currency translation

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

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

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

b) Revenue

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

i) Sale of cards and physical gifts

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

ii) Subscription revenue

The Group operates subscription membership schemes whereby customers are charged an upfront annual fee in return for discounts on subsequent greeting card purchases and other ancillary benefits over the following 12-month period. In addition, for new members, the initial greeting card purchase is typically subject to a discount.

2 Summary of significant accounting policies continued

b) Revenue continued

ii) Subscription revenue continued

Revenue is measured at the transaction price, which is the standalone selling price of the subscription membership. The membership contract gives rise to a performance obligation because it grants the customer an option to acquire additional goods and services and that option provides material rights that the customer would not receive without entering that contract. Revenue is recognised as goods or services are transferred in line with the exercise of those material rights.

The material rights provided to subscription members currently comprise:

- The discount on the initial greeting card purchase, in the first year of subscription membership only, to the extent that this exceeds the price that a customer could access through generally available discounts.
- Expected usage of the discount on subsequent card purchases, to the extent that this exceeds the price that a customer could otherwise access through generally available discounts.
- Expected usage of ancillary benefits, such as free postcards.

iii) Sale of gift experiences

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

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

Each voucher is multi-purpose and can be exchanged for any experience at any point until redemption, on account of which merchants are not paid a share of the gross value of a voucher until after redemption. The expected value of future amounts that will become payable to merchants is included within trade and other payables on the balance sheet and estimates are trued up for actual customer redemption rates. See further information within critical accounting estimates on page 135. Where non-redemption exceeds the expected rate for a cohort of vouchers, the Group recognises revenue from the additional unredeemed vouchers and derecognises the accrued merchant payable once its legal obligations to the merchants expire.

c) Taxation

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

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

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

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

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

d) Business combinations

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

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

e) Goodwill

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

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

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

Notes to the consolidated financial statements continued

2 Summary of significant accounting policies continued

f) Intangible assets other than goodwill

i) Separately acquired intangible assets

Intangible assets acquired separately are measured on initial recognition at fair value at the acquisition date, provided they are identifiable and capable of reliable measurement.

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

ii) Internally generated research and development costs

Research expenditure is charged to the income statement in the year in which it is incurred. Development expenditure is charged to the income statement in the year it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets to be capitalised as an intangible asset.

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

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

g) Impairment of non-financial assets

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

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

h) Impairment of financial assets held at amortised cost

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

i) Property, plant and equipment

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

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

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

2 Summary of significant accounting policies continued

j) Leased assets

Group as lessee

The Group records its lease obligations in accordance with the principles for the recognition, measurement, presentation and disclosures of leases as set out in IFRS 16. The Group applies IFRS 16 Leases to contractual arrangements which are, or contain, leases of assets and consequently recognises right-of-use assets and lease liabilities at the commencement of the leasing arrangement, with the asset included in Note 13 and the liabilities included as part of borrowings in Note 20. The nature of the Group's leases are offices, warehouses, and printing machinery.

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

Group as lessor

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

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

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

k) Inventories

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

l) Cash and cash equivalents

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

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

m) Financial instruments

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

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

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

- **Loans and other receivables:** These are non-derivative financial assets with fixed or determinable payments that are solely payments of principal and interest on the principal amount outstanding, that are primarily held to collect contractual cash flows. These balances include trade and other receivables and are measured at amortised cost, using the effective interest rate method and stated net of allowances for credit losses.
- **Cash and cash equivalents:** Cash and cash equivalents include cash in hand, deposits held on call and cash in transit. Cash equivalents normally comprise instruments with maturities of three months or less at their date of acquisition. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in the liabilities section on the balance sheet.

Non-derivative financial liabilities, including borrowings, trade payables and the merchant accrual, are stated at amortised cost using the effective interest method. For borrowings, their carrying amount includes accrued interest payable. The effective interest method takes into account both the contractual cash flows and the time value of money. The carrying amount of the financial liability is adjusted over time to reflect the unwinding of the discount, whereby the discount represents the difference between the initial fair value and the amount paid or received. The discounting process involves applying a discount rate to the future cash flows associated with the financial liability. The effect of discounting is recognised as an interest expense in the profit and loss over the expected term of the financial liability.

Notes to the consolidated financial statements continued

2 Summary of significant accounting policies continued

m) Financial instruments continued

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

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

The effective element of any gain or loss from remeasuring the derivative instrument is recognised in other comprehensive income ("OCI") and accumulated in the hedging reserve (presented in "other reserves" in the statement of changes in equity). Any change in the fair value of time value of the derivative instrument is also recognised in OCI as part of cash flow hedges and accumulated in the cost of hedging reserve (presented in "other reserves" in the statement of changes in equity). Any element of the remeasurement of the derivative instrument that does not meet the criteria for an effective hedge is recognised immediately in the Group income statement within finance costs.

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

n) Segmental analysis

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

o) Provisions

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

p) Pensions and other post-employment benefits

The Group contributes to defined contribution pensions schemes and payments to these are charged as an expense and accrued over time.

q) Adjusting Items

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

The Group believes that these items are useful to users of the consolidated financial statements in helping them to understand the underlying business performance and are used to derive the Group's principal non-GAAP measures of Adjusted EBITDA, Adjusted EBIT and Adjusted PBT, which exclude the impact of Adjusting Items and which are reconciled from operating profit and profit before taxation.

r) Equity

Called-up share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share premium

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

Merger reserve

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

Other reserves

Share-based payment reserve

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

Hedging reserve

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

Foreign currency translation reserve

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

2 Summary of significant accounting policies continued

s) Earnings per share

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

t) Share-based payments

The Group has equity-settled compensation plans.

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

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

3 Segmental analysis

The CODM reviews external revenue, Adjusted EBITDA and Adjusted EBIT to evaluate segment performance and allocate resources to the overall business. Adjusted EBITDA and Adjusted EBIT are non-GAAP measures. Adjustments are made to the statutory IFRS results to arrive at an underlying result which is in line with how the business is managed and measured on a day-to-day basis. Adjustments are made for items that are individually important to understand the financial performance. If included, these items could distort understanding of the performance for the year and the comparability between periods. Management applies judgement in determining which items should be excluded from underlying performance. See Note 6 for details of these adjustments.

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

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

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

In common with many retailers, revenue and trading profit are subject to seasonal fluctuations and are weighted towards the second half of the year which includes the majority of the Group's peak trading periods.

Segment analyses

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

	2024 £000	2023 £000
Moonpig	241,326	223,127
Greetz	51,238	55,421
Experiences	48,577	41,577
Total external revenue	341,141	320,125

The following table shows revenue by key geography that reconciles to the consolidated revenue for the Group. The geographical split of revenue is based on the customer's country selection on the website or app at the time of order:

	2024 £000	2023 £000
UK	281,217	258,234
Netherlands	51,238	55,421
Ireland	3,899	2,633
US	1,352	1,133
Australia	3,435	2,704
Total external revenue	341,141	320,125

Notes to the consolidated financial statements continued

3 Segmental analysis continued

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

	2024 £000	2023 £000
Moonpig		
Non-current assets ¹	37,075	41,063
Capital expenditure ²	(786)	(7,317)
Intangible expenditure	(9,534)	(11,668)
Depreciation and amortisation	(14,498)	(11,851)
Greetz		
Non-current assets ¹	22,984	27,336
Capital expenditure ²	(156)	(8,770)
Intangible expenditure	–	–
Depreciation and amortisation	(3,679)	(3,861)
Experiences		
Non-current assets ¹	170,433	174,342
Capital expenditure	(23)	(25)
Intangible expenditure	(3,248)	(1,281)
Depreciation and amortisation	(7,552)	(6,941)
Group		
Non-current assets ¹	230,492	242,741
Capital expenditure ²	(965)	(16,112)
Intangible expenditure	(12,782)	(12,949)
Depreciation and amortisation	(25,729)	(22,653)

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

2 Includes ROU assets capitalised in each year.

The Group's measures of segment profit are Adjusted EBIT, which excludes Adjusting Items; refer to the APMs section of the Annual Report and Accounts for the year ended 30 April 2024 for calculation.

	2024 £000	2023 £000
Moonpig	72,709	59,891
Greetz	7,815	11,262
Experiences	15,006	13,046
Group Adjusted EBITDA	95,530	84,199
Moonpig	14,498	11,851
Greetz ¹	1,884	2,053
Experiences ¹	1,062	1,292
Group depreciation and amortisation excluding amortisation on acquired intangibles¹	17,444	15,196
Moonpig	58,211	48,040
Greetz ¹	5,931	9,209
Experiences ¹	13,944	11,754
Group Adjusted EBIT²	78,086	69,003

1 Excludes amortisation arising on Group consolidation of intangibles, which is now included in Adjusting Items – see Note 6.

2 The Adjusted EBIT number in the prior year has been restated to adjust for acquisition amortisation, which is now included in Adjusting Items – see Note 6.

3 Segmental analysis continued

The following table shows Adjusted EBIT that reconciles to the consolidated results of the Group:

	Note	2024 £000	2023 £000
Adjusted EBITDA		95,530	84,199
Depreciation and amortisation ¹		(17,444)	(15,196)
Adjusted EBIT		78,086	69,003
Adjusting Items	6	(11,802)	(20,542)
Operating profit		66,284	48,461
Finance income	7	198	21
Finance costs	7	(20,082)	(13,577)
Profit before taxation		46,400	34,905
Taxation charge	9	(12,231)	(8,298)
Profit for the year		34,169	26,607

1 Depreciation and amortisation excludes amortisation on acquired intangibles of £8,285,000 (2023: £7,457,000) included in Adjusting Items, see Note 6 for more information.

4 Cost of sales

	2024 £000	2023 £000
Wages and salaries	13,750	16,970
Inventories	48,088	49,453
Shipping and logistics	73,306	71,811
Depreciation on warehouses and machinery	3,464	2,215
Total cost of sales	138,608	140,449

5 Operating profit

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

	2024 £000	2023 £000
Depreciation on property, plant and equipment	6,610	6,941
Amortisation of intangible assets ¹	19,119	15,712
Research and development expenses	2,301	1,732
IPO-related bonuses	2,367	3,263
Share-based payment charges (excluding NI)	4,179	7,270
Foreign exchange loss	272	67
Salaries and wages	48,129	35,580
Cost of inventories	48,088	49,453
Other income ²	(1,349)	(1,319)
Auditors' remuneration:		
– Fees to auditors for the audit of the consolidated financial statements	875	934
– Fees to auditors' firms and associates for local audits	88	82
Total audit fees expense	963	1,016
Fees to auditors' firms and associates for other services:		
– Assurance services	139	141
	1,102	1,157

1 Amortisation of intangible assets includes a charge of £8,285,000 (2023: £7,457,000) relating to the amortisation on acquired intangibles, which is classified as an Adjusting Item as set out in Note 6.

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

Notes to the consolidated financial statements continued

5 Operating profit continued

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

- In respect of audit-related assurance services: £139,000 (2023: £141,000).
- In respect of non-audit-related services: £nil (2023: £nil).

6 Adjusting Items

	2024 £000	2023 ¹ £000
Pre-IPO bonus awards	(2,367)	(3,263)
Pre-IPO share-based payment charges	(1,150)	(5,419)
M&A-related transaction costs	–	(4,403)
Total adjustments made to Adjusted EBITDA	(3,517)	(13,085)
Amortisation on acquired intangibles	(8,285)	(7,457)
Total adjustments made to Adjusted EBIT	(11,802)	(20,542)

¹ The prior year Adjusting Items number has been restated to include the amortisation on acquired intangibles.

Pre-IPO bonus awards

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

Pre-IPO share-based payment charges

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

M&A-related transaction costs

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

Amortisation on acquired intangibles

Acquisition amortisation is a non-cash expense relating to intangible assets. These expenses are excluded from adjusted earnings because they are non-operational and thus distort the underlying performance of the business. To present a clearer picture of the Group's ongoing operational performance the costs are adjusted for and will be on an ongoing basis.

Cash paid in the year in relation to Adjusting Items totalled £4,057,000 (2023: £5,490,000).

7 Finance income and costs

	2024 £000	2023 £000
Bank interest receivable	198	21
Interest payable on leases	(901)	(863)
Bank interest payable	(12,258)	(11,639)
Amortisation of capitalised borrowing costs	(4,604)	(1,619)
Amortisation of interest rate cap premium	(353)	(352)
Interest on discounting of financial liability	(1,568)	–
Net foreign exchange gain/(loss) on financing activities	(398)	896
Net finance costs	(19,884)	(13,556)

8 Employee benefit costs

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

	2024 Number	2023 Number
Administration	558	582
Production	150	148
Total employees	708	730

	2024 £000	2023 £000
Wages and salaries	51,435	41,664
Social security costs	6,752	5,047
Other pension costs	2,487	1,619
Share-based payment expense	4,179	7,270
Total gross employment costs	64,853	55,600
Staff costs capitalised as intangible assets	(12,545)	(12,750)
Total net employment costs	52,308	42,850

The FY24 wages and salaries amount includes the impact of a full year of Experiences employees' wages, the full year impact of operating in-house UK operational facilities and a higher annual bonus outcome (as threshold financial targets were not met in FY23).

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

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

9 Taxation

(a) Tax on profit

The tax charge is made up as follows:

	2024 £000	2023 £000
Profit before taxation	46,400	34,905
Current tax:		
UK corporation tax on profit for the year	13,057	8,385
Foreign tax charge	1,009	1,644
Adjustment in respect of prior years	(278)	(992)
Total current tax	13,788	9,037
Deferred tax:		
Origination and reversal of temporary differences	(1,746)	(820)
Adjustment in respect of prior years	189	81
Total deferred tax	(1,557)	(739)
Total tax charge in the income statement	12,231	8,298

Notes to the consolidated financial statements continued

9 Taxation continued

(b) The tax assessed for the year is higher than the standard UK rate of corporation tax applicable of 25% (2023: 19.4%); the 19.4% in the prior year reflects eleven months of the financial year at a 19% rate of corporation tax and one month at 25%. The differences are explained below:

	2024 £000	2023 £000
Profit before taxation	46,400	34,905
Profit on ordinary activities multiplied by the UK tax rate	11,600	6,775
Effects of:		
Expenses not deductible for tax purposes	336	1,048
Non-taxable income	(356)	(20)
Effect of higher tax rates in overseas territories	16	287
Adjustment in respect of prior years	(89)	(912)
Change in UK deferred tax rate	–	282
Share based payments	736	1,045
Other permanent differences	(12)	(207)
Total tax charge for the year	12,231	8,298

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

The effective tax rate is higher than the UK tax rate, which primarily reflects the impact of the Group's share schemes (refer to Note 6 and Alternative Performance Measures on page 174).

(c) Deferred tax:

	Accelerated capital allowances £000	Intangible assets £000	Share- based payments £000	Right of use assets £000	Lease liabilities £000	Other short-term temporary differences £000	Total £000
Balance at 1 May 2023	(1,889)	(11,231)	1,192	(1,488)	1,629	809	(10,978)
Adjustments in respect of prior years	(54)	(245)	(256)	1	–	452	(102)
Adjustments posted through other comprehensive income (OCI)	–	59	–	–	–	(154)	(95)
Adjustments posted through equity	–	–	536	–	–	–	536
Current year credit/(charge) to income statement	77	1,923	455	304	(267)	(746)	1,746
Effects of movements in exchange rates	–	(6)	–	–	–	(4)	(10)
Balance at 30 April 2024	(1,866)	(9,500)	1,927	(1,183)	1,362	357	(8,903)

	Accelerated capital allowances £000	Intangible assets £000	Share- based payments £000	Right of use assets £000	Lease liabilities £000	Other short-term temporary differences £000	Total £000
Balance at 1 May 2022	(1,028)	(2,818)	783	(127)	126	896	(2,168)
Adjustments in respect of prior years	–	(10)	(73)	–	–	2	(81)
Current year credit/(charge) to income statement	(1,018)	1,331	482	(1,346)	1,486	(117)	818
Acquired through business combinations	157	(9,581)	–	–	–	28	(9,396)
Effects of movements in exchange rates	–	(153)	–	(15)	17	–	(151)
Balance at 30 April 2023	(1,889)	(11,231)	1,192	(1,488)	1,629	809	(10,978)

The Finance Bill 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023.

According to the Netherlands 2024 Tax Plan, the general corporate income tax rate will remain 25.8% for the year 2024 whereby the first €200K profit is taxed at 19%.

10 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. For the purposes of this calculation, the weighted average number of ordinary shares in issue during the period was 343,093,868 (2023: 340,061,402). The period-on-period increase reflects the release of 3,075,329 shares, on 7 January 2023, from repurchase obligations that were deducted from ordinary shares outstanding at 30 April 2023 as well as the issue of 1,198,394 (2023: nil) shares to satisfy the Group's obligation to its employees in relation to the vested Tranche 1 of the pre-IPO share based payment scheme in April 2023 and some shares in relation to the DBSP scheme (see Note 20):

Shares in issue	Year ended 30 April 2024	Year ended 30 April 2023
As at 1 May	342,111,621	342,111,621
Issue of shares during the period	1,198,394	–
As at 30 April	343,310,015	342,111,621

	2024 Number of shares	2023 Number of shares
Weighted average number of shares in issue	343,093,868	342,111,621
Less: weighted average number of shares held subject to potential repurchase	–	(2,050,219)
Weighted average number of shares for calculating basic earnings per share	343,093,868	340,061,402

Diluted earnings per share

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

Adjusted earnings per share

Earnings attributable to ordinary equity holders of the Group for the year, adjusted to remove the impact of Adjusting Items and the tax impact of these; divided by the weighted average number of ordinary shares outstanding during the year.

	2024 Number of shares	2023 Number of shares
Weighted average number of shares for calculated basic earnings per share	343,093,868	340,061,402
Weighted average number of dilutive shares	11,693,937	6,860,822
Total number of shares for calculated diluted earnings per share	354,787,805	346,922,224

	2024 £000	2023 ¹ £000
Basic earnings attributable to equity holders of the Company	34,169	26,607
Adjusting Items (see Note 6)	11,802	20,542
Tax on Adjusting Items	(2,385)	(2,749)
Adjusted earnings attributable to equity holders of the Company before Adjusting Items	43,586	44,400

	2024	2023 ¹
Basic earnings per ordinary share (pence)	10.0	7.8
Diluted earnings per ordinary share (pence)	9.6	7.7
Basic earnings per ordinary share before Adjusting Items (pence)	12.7	13.1
Diluted earnings per ordinary share before Adjusting Items (pence)	12.3	12.8

¹ The prior year numbers have been restated to include the amortisation on acquired intangibles as an Adjusting Item – see Note 6 and Alternative Performance Measures on page 174.

Notes to the consolidated financial statements continued

11 Intangible assets

	Goodwill £000	Trademark £000	Technology and development costs ¹ £000	Customer relationships £000	Software £000	Other intangibles £000	Total £000
Cost							
1 May 2023	143,811	16,683	30,255	48,071	691	–	239,511
Additions	–	–	12,582	–	200	–	12,782
Disposals	–	–	(3,779)	–	(627)	–	(4,406)
Foreign exchange	(189)	(260)	–	(466)	(3)	–	(918)
30 April 2024	143,622	16,423	39,058	47,605	261	–	246,969
Accumulated amortisation and impairment							
1 May 2023	–	4,851	10,160	13,486	559	–	29,056
Amortisation charge	–	1,653	10,979	6,252	235	–	19,119
Disposals	–	–	(3,779)	–	(627)	–	(4,406)
Foreign exchange	–	(129)	–	(255)	(7)	–	(391)
At 30 April 2024	–	6,375	17,360	19,483	160	–	43,378
Net book value 30 April 2024	143,622	10,048	21,698	28,122	101	–	203,591

1 The technology and development costs include assets under construction of £4,735,000 (2023: £3,821,000).

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

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

11 Intangible assets continued

(a) Goodwill

Goodwill of £6,353,000 (2023: £6,544,000) relates to the acquisition of Greetz in 2018, recognised within the Greetz CGU.

Goodwill of £137,269,000 (2023: £137,267,000) relates to the acquisition of Experiences and is allocated to the Experiences CGU.

(b) Trademark

£3,744,000 (2023: £4,267,000) of the asset balance are trademarks relating to the acquisition of Greetz with finite lives. The remaining useful economic life at 30 April 2024 on the trademark is 4 years 4 months (2023: 5 years 4 months).

£6,304,000 (2023: £7,072,000) of trademark assets relate to the brands valued on the acquisition of Experiences. The remaining useful economic life at 30 April 2023 on these trademarks is 8 years and 3 months (2023: 9 years and 3 months).

(c) Technology and development costs

Technology and development costs of £21,227,000 (2023: £19,232,000) relate to internally developed assets. The costs of these assets include capitalised expenses of employees working full-time on software development projects and third-party consulting firms.

Technology and development costs of £471,000 (2023: £864,000) relate to the acquisition of Experiences and are allocated to the Experiences CGU. The remaining useful economic life at 30 April 2024 is 1 years and 3 months (2023: 2 years and 3 months).

(d) Customer relationships

£6,041,000 (2023: £7,173,000) of the asset balance relates to the valuation of existing customer relationships held by Greetz on acquisition. The remaining useful economic life at 30 April 2024 on these customer relationships is 6 years 4 months (2023: 7 years 4 months).

£22,081,000 (2023: £27,411,000) of customer relationship assets relates to those valued on the acquisition of the Experiences segment. The remaining useful economic life at 30 April 2024 on these customer relationships is a range of 5 years and 3 months and 2 years and 3 months (2023: a range of between 6 years 3 months and 5 months).

(e) Software

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

(f) Other intangibles

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

(g) Annual impairment tests

Goodwill

Goodwill is allocated to two cash-generating units ("CGUs"), namely the Greetz and Experiences segments, based on the smallest identifiable group of assets that generates cash inflows independently in relation to the specific goodwill. The recoverable amount of a CGU or group of CGUs is determined as the higher of its fair value less costs of disposal and its value in use ("VIU"). In determining VIU, estimated future cash flows are discounted to their present value. The Group performed its annual impairment test as at 30 April 2024.

The estimated future cash flows are based on the approved plan, including the FY25 budget, for the three years ending 30 April 2027. The estimated future cash flows are identical to those used for the viability statement. They have been extended by a further three years before applying a perpetuity using an estimated long-term growth rate. When estimating value in use, the Group does not include estimated future cash flows that are expected to arise from improving or enhancing the asset's performance.

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

The Group has considered the potential impact of climate change on estimated future cash flows, including the primary climate risks discussed in the TCFD report within the Annual Report and Accounts for the year ended 30 April 2024. These risks are not considered to have a material impact on estimated future cash flows and therefore have not been modelled as part of the Group's forecasts. Any revenue upsides from climate opportunities are not expected to be significant and have also not been modelled. The Group does not operate in an energy-intensive industry and any cash outflows needed to factor in any incremental costs, other operational disruption that could impact operating margin or reduced trade, are not expected to be material.

Notes to the consolidated financial statements continued

11 Intangible assets continued

(g) Annual impairment tests continued

Goodwill continued

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

	Greetz CGU		Experiences CGU	
	2024	2023	2024	2023
Pre-tax discount rate ¹	13.5%	12.2%	15.1%	13.5%
Revenue compound annual growth rate ("CAGR") ²	8.8%	12.4%	6.6%	10.5%
Pre-perpetuity period (years)	6	7	6	7

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

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

The Group has performed sensitivity analysis to assess the impact of a change in each key assumption in the VIU. The relevant scenario, in relation to a revenue decrease, is consistent with the more severe downside scenario (Plausible Scenario 2) prepared in connection with the viability statement within the Annual Report and Accounts for the year ended 30 April 2024.

For the goodwill allocated to the Experiences and Greetz CGUs the Group modelled the impact of a 1%pts increase in the discount rate, a 5.4% decrease in the compound annual growth rate and a reduction in the pre-perpetuity period from six to five years. The Group also modelled a scenario in which all three of these changes arise concurrently. The results of this sensitivity analysis are summarised below:

	Greetz CGU		Experiences CGU	
	2024 £m	2023 £m	2024 £m	2023 £m
Original headroom	80.8	193.6	23.3	89.7
Headroom using a discount rate increased by 1%pts	70.4	167.7	11.1	64.1
Headroom using a 5.4%pts decrease in the forecast revenue CAGR ¹ (2023: 15% decrease in forecast revenue)	54.1	123.1	(36.7)	2.7
Headroom using a pre-perpetuity period reduced by one year	76.3	180.1	8.2	77.3
Headroom combining all three sensitivity scenarios detailed above	45.0	97.7	(54.6)	(21.2)

1 The compound annual growth rate represents the average yearly growth rate over the pre-perpetuity period.

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

For goodwill allocated to the Experiences CGU, further modelling was undertaken to assess the point at which headroom would be reduced to £nil for each of the individual sensitivities. For the carrying amount and recoverable amount to be equal, the pre-tax discount rate would need to increase by 2.5%pts from 15.1% to 17.6%, the revenue CAGR would need to decrease by 1.9%pts to 4.7% (assuming no action was taken to reduce indirect costs from the forecasted level) and the pre-perpetuity period would need to reduce from six to four years (each sensitivity applied individually).

No impairment to the carrying amount of Experiences goodwill has been recorded in the current period, reflecting the fact that it remains lower than the recoverable amount. However, in view of the outcome of the sensitivity analysis, the Directors have identified that each of the three key assumptions are a major source of estimation uncertainty. We have therefore provided the disclosure above of quantification of all key assumptions in the value in use estimate and the impact of a change in each key assumption.

Other finite-life intangible assets

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

12 Property, plant and equipment

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Leasehold improvements £000	Computer equipment £000	Right-of-use assets plant and machinery £000	Right-of-use assets land and buildings £000	Total £000
Cost								
1 May 2023	3,905	6,862	4,182	10,482	2,507	1,355	23,374	52,667
Additions	–	468	89	205	203	575	–	1,540
Remeasurements	–	–	–	–	–	–	162	162
Disposals	–	(115)	(170)	(89)	(136)	(366)	(220)	(1,096)
Foreign exchange	–	(13)	(46)	(63)	(27)	(28)	(222)	(399)
30 April 2024	3,905	7,202	4,055	10,535	2,547	1,536	23,094	52,874
Accumulated depreciation and impairment								
1 May 2023	2,207	3,958	2,886	2,310	1,642	187	7,166	20,356
Depreciation charge	155	1,130	661	1,079	547	455	2,583	6,610
Disposals	–	(115)	(170)	(89)	(136)	(181)	(220)	(911)
Foreign exchange	–	(7)	(29)	(5)	(18)	(8)	(14)	(81)
30 April 2024	2,362	4,966	3,348	3,295	2,035	453	9,515	25,974
Net book value 30 April 2024	1,543	2,236	707	7,240	512	1,083	13,579	26,900

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

Notes to the consolidated financial statements continued

13 Inventories

	2024 £000	2023 £000
Raw materials and consumables	1,411	2,128
Finished goods	8,374	13,425
Total inventory	9,785	15,553
Less: Provision for write off of:		
Raw materials and consumables	(380)	(153)
Finished goods	(2,311)	(3,067)
Net inventory	7,094	12,333

14 Trade and other receivables

	2024 £000	2023 £000
Current:		
Trade receivables	1,569	1,901
Less: provisions	(243)	(470)
Trade receivables – net	1,326	1,431
Other receivables	2,523	2,117
Other receivables with entities formerly under common control	–	151
Prepayments	2,728	2,632
Total current trade and other receivables	6,577	6,331

The movements in provisions are as follows:

	2024 £000	2023 £000
At 1 May	(470)	–
Acquired	–	(310)
Charge for the year	(32)	(160)
Utilised	172	–
Released	74	–
Foreign exchange	13	–
At 30 April	(243)	(470)

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

As at 30 April 2023 other receivables with entities formerly under common control relate to costs in connection with leased property. The relevant entities are no longer considered a related party as at 30 April 2024 and therefore the balance in this financial year is reported as part of other liabilities.

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

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

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

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

At 30 April 2024, the Group had net trade receivables of £1,326,000 (2023: £1,431,000). Trade receivables are reviewed regularly for any risk of impairment and provisions are booked where necessary.

14 Trade and other receivables continued

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

Trade receivables ageing

	2024 £000	2023 £000
Up to 30 days	1,258	973
Past due but not impaired:		
30 to 90 days	110	250
More than 90 days	201	678
Gross	1,569	1,901
Less: provisions (all relating to balances more than 90 days)	(243)	(470)
Net trade receivables	1,326	1,431
	2024 £000	2023 £000
Non-current other receivables:		
Other receivables	1,611	2,153
Total non-current trade and other receivables	1,611	2,153

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

15 Cash and cash equivalents

	2024 £000	2023 £000
Cash and bank balances	6,422	19,597
Cash equivalents	3,222	2,797
Total cash and cash equivalents	9,644	22,394

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

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

	2024 £000	2023 £000
Pounds Sterling	6,303	16,467
Euro	2,981	4,989
Australian Dollar	190	841
US Dollar	170	97
Total cash and cash equivalents	9,644	22,394

16 Trade and other payables

	2024 £000	2023 £000
Current		
Trade payables	14,440	26,726
Other payables	5,515	4,569
Other taxation and social security ¹	8,710	9,048
Accruals	22,800	16,272
Merchant accrual ¹	45,274	53,504
Total current trade and other payables	96,739	110,119

¹ An amount of £2,292,000 has been reclassified from merchant accrual to other taxation and social security in 2023. This amount relates to the VAT element on the merchant accrual.

Trade and other payables are predominantly denominated in the functional currencies of subsidiary undertakings. There are no material differences between the above amounts for trade and other payables and their fair value due to the short maturity of these instruments.

Notes to the consolidated financial statements continued

16 Trade and other payables continued

	2024 £000	2023 £000
Non-current		
Other payables	638	3,168
Other taxation and social security	914	1,052
Other payables with entities formerly under common control	–	638
Total non-current trade and other payables	1,552	4,858

As at 30 April 2023 the amounts due to entities formerly under common control amounted to £638,000. The relevant entities are no longer considered a related party as at 30 April 2024 following Exponent Private Equity ceasing to be a Significant Shareholder. Therefore in the current year the relevant balance is included within other payables.

The decrease in other payables year-on-year is due the accrual for tranche 2 of the pre-IPO cash bonus award becoming a current liability, as the scheme vested on 30 April 2024.

17 Provisions for other liabilities and charges

	Other provisions £000	Dilapidations provisions £000	Total £000
At 1 May 2023	1,461	2,569	4,030
Charged in the year	891	–	891
Utilisation	(74)	(215)	(289)
Release of provisions in the year	(15)	–	(15)
Foreign exchange	(8)	(20)	(28)
At 30 April 2024	2,255	2,334	4,589
Analysed as:			
Current	1,894	179	2,073
Non-current	361	2,155	2,516

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

Current provisions

Other provisions primarily relate to royalty provisions, a refund provision and a sabbatical provision. The above provisions are due to be settled within the year. The current dilapidation provision is for the former head office of the Experiences segment, it is expected to be settled during the next financial year.

Non-current provisions

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

18 Contract liabilities

In all material respects, current deferred revenue at 30 April 2023 and 30 April 2024 was recognised as revenue during the respective subsequent year. Other than business-as-usual movements there were no significant changes in contract liability balances during the year.

19 Borrowings

	2024 £000	2023 £000
Current		
Lease liabilities	3,257	3,443
Borrowings	73	27
Non-current		
Lease liabilities	13,072	16,082
Borrowings	118,292	170,493
Total borrowings and lease liabilities	134,694	190,045

During the financial year the Group completed a refinancing, replacing its previous term loan and revolving credit facility with a new £180,000,000 committed multi-currency RCF. The RCF has an initial maturity date of 29 February 2028 with an option to extend it by one year. As at 30 April 2024 the Group had drawn down £113,000,000 and €8,500,000 of the available revolving credit facility. There was no foreign exchange impact on borrowings during the year as the Euro draw down occurred on the last day of the financial year.

The amounts drawn under the RCF bear interest at a floating reference rate plus a margin. The reference rates are SONIA for loans in Sterling, EURIBOR for loans in Euro and SOFR for loans in US Dollars.

The Group's interest rate hedging arrangements now comprise a SONIA interest rate cap with a cap strike rate of 3.00% on £70m notional until 30 November 2024 and a SONIA interest rate cap, put in place during the current financial year, of 5.00% on £50m notional from 29 November 2024 until 1 June 2025, reducing thereafter to £35m notional until expiry on 28 November 2025. This follows the expiry of a SONIA interest rate swap (at a rate of 2.4725% on £90m notional) on 30 November 2023.

The RCF is subject to two covenants, each tested at six-monthly intervals. The leverage covenant, measuring the ratio of net debt to last twelve months Adjusted EBITDA, is a maximum of 3.5x until April 2025 and 3.0x thereafter. The interest cover covenant, measuring the ratio of last twelve months Adjusted EBITDA (excluding share based payments, as specified in the facilities agreement) to the total of bank interest payable and interest payable on leases, is a minimum of 3.5x for the term of the facility. The Group has complied with all covenants from entering the RCF until the date of these consolidated financial statements.

Borrowings are repayable as follows:

	2024 £000	2023 £000
Within one year	73	27
Within one and two years	–	–
Within two and three years	–	170,493
Within three and four years	118,292	–
Within four and five years	–	–
Beyond five years	–	–
Total borrowings¹	118,365	170,520

¹ Total borrowings include £73,000 (2023: £27,000) in respect of accrued unpaid interest and are shown net of capitalised borrowing costs of £1,973,000 (2023: £4,507,000).

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

	Borrowings £000	Lease liabilities £000	Total £000
1 May 2022	170,163	15,320	185,483
Cash flow	(12,144)	(3,504)	(15,648)
Foreign exchange	–	98	98
Interest and other ¹	12,501	7,611	20,112
30 April 2023	170,520	19,525	190,045
Cash flow	(71,271)	(4,424)	(75,695)
Foreign exchange	–	(129)	(129)
Interest and other ¹	19,116	1,357	20,473
30 April 2024	118,365	16,329	134,694

¹ Interest and other within borrowings comprises amortisation of capitalised borrowing costs and the interest expense in the year. Interest and other within lease liabilities comprises interest on leases as disclosed in Note 7 as well as the lease liability addition in relation to the new Netherlands facility and office and the lease liability recognised on acquisition of the Experiences segment.

Notes to the consolidated financial statements continued

20 Share-based payments

Legacy schemes

Prior to Admission to the London Stock Exchange during the year ended 30 April 2021, share and cash-based incentives were awarded by the Former Parent Undertaking in relation to legacy compensation agreements for certain employees, senior management and Directors. Such shares have been converted into separate shares in Moonpig Group plc and other companies formerly under common control. These were accounted for in accordance with IFRS 2 and disclosed in the Prospectus, which can be accessed at www.moonpig.group/investors. The awards included 3,075,329 shares in Moonpig Group plc that did not vest at the date of Admission, and which vested on the 7 January 2023. In respect of these shares there were non-cash charges of £nil in FY24 (2023: £2,251,000). National Insurance is not included on these schemes as they operated at an unrestricted tax market value.

Pre-IPO awards

Awards were granted on 27 January 2021 and comprise two equal tranches, with the vesting of both subject to the achievement of revenue and Adjusted EBITDA performance conditions for the year ended 30 April 2023 and for participants to remain employed by the Company over the vesting period. The Group exceeded maximum performance for both measures, including on an organic basis without the post-acquisition revenue and profit from Experiences. Accordingly, the first tranche vested on 30 April 2023 and was paid in July 2023; the second tranche vested on 30 April 2024 and will be payable shortly thereafter. Given the constituents of the scheme, no attrition assumption has been applied. The scheme rules provide that when a participant leaves employment, any outstanding award may be reallocated to another employee (excluding the Executive Directors), in accordance with which share awards were granted in May, September, October and December 2022 and January, February and April 2023, all of which will vest on 30 April 2024.

There were no shares granted during the financial year, the below tables detail the shares outstanding:

	2024 Number of shares	2023 Number of shares
Pre-IPO awards		
Outstanding at the beginning of the year	2,616,716	2,546,859
Granted	–	295,357
Exercised	(1,165,744)	–
Forfeited	(37,001)	(225,500)
Outstanding at 30 April	1,413,971	2,616,716
Exercisable at 30 April	1,413,971	1,165,744

The weighted average market value per ordinary share of Pre-IPO options exercised during the year was 1.48p (2023: N/a).

Long-Term Incentive Plan (“LTIP”)

Awards were granted on 1 February 2021 and will vest on 2 July 2024. Half of the share awards vesting is subject to a relative Total Shareholder Return (“TSR”) performance condition measured against the constituents of the FTSE 250 Index (excluding Investment Trusts). The other half of the share awards vesting is subject to the achievement of an Adjusted Basic Pre-Tax EPS performance condition (calculated as Adjusted Profit Before Taxation, divided by the undiluted weighted average number of ordinary shares outstanding during the year). Participants are also required to remain employed by the Company over the vesting period. Given the constituents of the scheme, no attrition assumption has been applied. On 4 July 2023 and 19 September 2023 new awards were granted under the existing scheme and will vest on 4 July and 19 September 2026, respectively. Consistent with the existing scheme, participants are required to remain employed by the Company over the vesting period. Vesting may arise sooner where a former employee is a “good leaver” and the Remuneration Committee exercises discretion to permit vesting at cessation of employment. The below tables give the assumptions applied to the options granted in the period and the shares outstanding:

	September 2023	July 2023
Valuation model	Stochastic and Black-Scholes and Chaffe	Stochastic and Black-Scholes and Chaffe
Weighted average share price (pence)	164.90	159.40
Exercise price (pence)	0	0
Expected dividend yield	0%	0%
Risk-free interest rate	4.47%/4.54%	5.13%/4.80%
Volatility	32.54%/33.25%	33.79%/33.21%
Expected term (years)	3.00/2.00	3.00/2.00
Weighted average fair value (pence)	137.25/164.90	129.70/159.40
Attrition	0%	0%
Weighted average remaining contractual life (years)	3.90	3.70

20 Share-based payments continued

Long-Term Incentive Plan (“LTIP”) continued

	2024 Number of shares	2023 Number of shares
LTIP awards		
Outstanding at the beginning of the year	3,064,998	871,275
Granted	6,991,966	2,296,209
Exercised	–	–
Forfeited	(730,108)	(102,486)
Outstanding at 30 April	9,326,856	3,064,998
Exercisable at 30 April	–	–

Deferred Share Bonus Plan (“DSBP”)

The Group has bonus arrangements in place for Executive Directors and certain key management personnel within the Group whereby a proportion of the annual bonus is subject to deferral over a period of three years with vesting subject to continued service only. Vesting may arise sooner where a former employee is a “good leaver” and the Remuneration Committee exercises discretion to permit vesting at cessation of employment.

The outstanding number of shares at the end of the period is 386,842 (2023: 392,289), with an expected vesting profile as follows:

	FY25	FY26	FY27	Total
Share options granted on 6 August 2021	86,371	–	–	86,371
Share options granted on 5 July 2022	–	255,593	–	255,593
Share options granted on 4 July 2023	–	–	44,878	44,878

	July 2023
Valuation model	Black-Scholes
Weighted average share price (pence)	159.40
Exercise price (pence)	0
Expected dividend yield	0%
Risk-free interest rate	N/A
Volatility	N/A
Expected term (years)	3.00
Weighted average fair value (pence)	159.40
Attrition	0%
Weighted average remaining contractual life (years)	3.50

	2024 Number of shares	2023 Number of shares
DSBP		
Outstanding at the beginning of the year	392,289	92,970
Granted	47,164	299,319
Exercised	(32,650)	–
Forfeited	(19,961)	–
Outstanding at the end of the year	386,842	392,289
Exercisable at the end of the year	–	–

The weighted average market value per ordinary share of DSBP options exercised during the year was 1.59p (2023: N/a).

Notes to the consolidated financial statements continued

20 Share-based payments continued

Save As You Earn ("SAYE")

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

The FY22 awards were granted on 3 September 2021 and will vest on 1 October 2024, with a six-month exercise period following vesting. The awards are subject only to service conditions with the requirement for the recipients of awards to remain in employment with the Company over the vesting period. FY23 awards were granted on 8 September 2022 and will vest on 1 October 2025, they are subject to the same conditions as the FY22 grant. The FY24 awards were granted on 28 July 2023 and will vest on 1 October 2026, they are subject to the same conditions as the FY23 grant.

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

	July 2023			
Valuation model	Black-Scholes			
Weighted average share price (pence)	176.40p			
Exercise price (pence)	117.00p			
Expected dividend yield	0%			
Risk-free interest rate	3.93%			
Volatility	32.54%			
Expected term (years)	3.00			
Weighted average fair value (pence)	67.09p			
Attrition	15%			
Weighted average remaining contractual life (years)	2.75			

	2024 Number of shares	Weighted average exercise price	2023 Number of shares	Weighted average exercise price
SAYE				
Outstanding at the beginning of the year	783,819	1.78p	318,021	3.02p
Granted	842,552	1.17p	692,957	1.62p
Exercised	–	–	–	–
Cancelled	(616,736)	1.62p	(209,399)	3.02p
Forfeited	–	–	(17,760)	3.02p
Outstanding at the end of the year	1,009,635	1.37p	783,819	1.78p
Exercisable at the end of the year	1,111	1.62p	–	–

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

Share-based payments expenses recognised in the income statement:

	2024 £000	2023 £000
Legacy schemes	–	2,251
Pre-IPO awards	1,152	3,168
LTIP	2,340	1,876
SAYE	455	351
DSBP	305	273
Share-based payments expense¹	4,252	7,919

1 The £4,252,000 (2023: £7,919,000) stated above is presented inclusive of employer's National insurance contributions of £92,000 (2023: £649,000). This is made up of contributions of £790,000 (2023: £649,000) offset by a release of £698,000 (2023: £nil) in relation to a true up of NI at year end based on market share price data.

21 Share capital and reserves

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

Called-up share capital

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The shareholding as at 30 April 2024 is:

	2024 Number of shares	2024 £000	2023 Number of shares	2023 £000
Allotted, called-up and fully paid ordinary shares of £0.10 each	343,310,015	34,331	342,111,621	34,211

Share premium

Share premium represents the amount over the par value which was received by the Company upon the sale of the ordinary shares. Upon the date of listing the par value of the shares was £0.10 but the initial offering price was £3.50. Share premium is stated net of direct costs of £736,000 (2023: £736,000) relating to the issue of the shares.

Merger reserve

The merger reserve arises from the Group reorganisation accounted for under common control.

Other reserves

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

Share-based payment reserve

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

Hedging reserve

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

Notes to the consolidated financial statements continued

21 Share capital and reserves continued

Other reserves continued

Foreign currency translation reserve

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

	Share-based payment reserve £000	Foreign currency translation reserve £000	Hedging reserve £000	Total other reserves £000
At 1 May 2022	34,941	(35)	–	34,906
Other comprehensive income:				
Foreign currency translation reserve reclassification	–	(735)	–	(735)
Cash flow hedges:				
Fair value changes in the year	–	–	1,891	1,891
Cost of hedging reserve	–	–	126	126
Fair value movements on cash flow hedges transferred to profit and loss	–	–	(136)	(136)
Exchange differences on translation of foreign operations	–	(158)	–	(158)
Share-based payment charge (excluding National Insurance)	7,270	–	–	7,270
30 April 2023	42,211	(928)	1,881	43,164
At 1 May 2023	42,211	(928)	1,881	43,164
Other comprehensive income:				
Cash flow hedges:				
Fair value changes in the year	–	–	715	715
Cost of hedging reserve	–	–	243	243
Fair value movements on cash flow hedges transferred to profit and loss	–	–	(2,222)	(2,222)
Deferred tax on other comprehensive income	–	–	(95)	(95)
Exchange differences on translation of foreign operations	–	30	–	30
Share-based payment charge (excluding National Insurance)	4,179	–	–	4,179
Deferred tax on share based payment transactions	536	–	–	536
Share options exercised	(4,158)	–	–	(4,158)
30 April 2024	42,768	(898)	522	42,392

22 Financial instruments

Accounting classifications and fair values

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

	Note	2024 £000	2023 £000
Financial assets at amortised cost:			
Current assets			
Trade and other receivables ¹	14	3,849	3,699
Cash	15	9,644	22,394
Non-current assets			
Trade and other receivables	14	1,611	2,153
Financial assets at fair value through other comprehensive income ("OCI"):			
Current assets			
Financial derivatives		838	711
Non-current assets			
Financial derivatives		164	1,757
		16,106	30,714
Financial liabilities at amortised cost:			
Current liabilities			
Trade and other payables ²	16	42,755	47,567
Merchant accrual ³	16	45,274	53,504
Lease liabilities	19	3,257	3,443
Borrowings	19	73	27
Non-current liabilities			
Trade and other payables ²	16	638	3,806
Lease liabilities	19	13,072	16,082
Borrowings	19	118,292	170,493
		223,361	294,922

1 Excluding prepayments.

2 Excluding other taxation and social security (as not classified as financial liabilities) and merchant accrual, which is disclosed separately below.

3 An amount of £2,292,000 has been reclassified from Merchant accrual to Other taxation and social security in 2023. This amount relates to the VAT element on the merchant accrual.

The fair values of each class of financial assets and liabilities is the carrying amount, with the exception of Borrowings, based on the following assumptions:

Trade receivables, trade payables and borrowings	The fair value approximates to the carrying amount, predominantly, because of the short maturity of these instruments.
Forward currency contracts	The fair value is determined using the mark to market rates at the reporting date and the outright contract rate.
Interest rate swap and cap	The fair value is determined by discounting the estimated future cash flows at a market rate that reflects the current market assessment of the time value of money and the risks specific to the instrument.

With regards to Borrowings, the fair values of bank loans and other loans approximates to the carrying value reported in the balance sheet, gross of amortised costs of £1,973,000 (2023: £4,507,000), as the majority are floating rate where payments are reset to market rates at intervals of less than one year.

Notes to the consolidated financial statements continued

22 Financial instruments continued

Fair value hierarchy

Financial instruments carried at fair value are required to be measured by reference to the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All financial instruments carried at fair value have been measured by a Level 2 valuation method.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

i) Risk management framework

In line with the Group's Risk Appetite statement, the Group's treasury objective is to ensure that it adopts a prudent approach to managing financial risk, ensuring that excessive financial risks are mitigated whilst maintaining a balance between cost efficiency and calculated risk tolerance. The Group does not enter financial instruments for speculative purposes but maintains discretion to decide when to hedge financial exposures, within the parameters set out in its Group Treasury Policy.

ii) Credit risk

Credit risk is the risk of financial loss if a counterparty fails to discharge its contractual obligations under a customer contract or financial instrument.

- The Group's credit risk from its operations primarily arises from trade and other receivables. This risk is assessed as low, as the balances are short maturity, arise principally as a result of high volume, low value transactions, and have no significant concentration as there is no counterparty balance that represents a significant credit risk concentration.
- The Group's credit risk on cash and cash equivalents is considered to be low. Financial assets are held with bank and financial institution counterparties that have a long-term credit rating of A3 or higher from Moody's Investor Services and/or a long-term credit rating of A- or higher from Standard & Poor's. The Group's treasury policy is to monitor cash (when applicable deposit balances) daily and to manage counterparty risk whilst also ensuring efficient management of the Group's RCF.

Further information on the credit risk management procedures applied to trade receivables is given in Note 14 and to cash and cash equivalents in Note 15. The carrying amounts of trade receivables and cash and cash equivalents shown in those notes represent the Group's maximum exposure to credit risk.

iii) Liquidity risk

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

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

The Group's sources of borrowing for liquidity purposes comprise a committed RCF of £180,000,000, provided by a strong syndicate of banks. The RCF has an initial maturity date of 29 February 2028 with an option to extend it by one year, subject to lender approval. Lease liabilities are also reported in borrowings.

Liquidity risk management requires that the Group continues to operate within the financial covenants set out in its facilities. The RCF is subject to two covenants, each tested at six-monthly intervals. The leverage covenant, measuring the ratio of net debt to last twelve months Adjusted EBITDA, is a maximum of 3.5x until April 2025 and 3.0x thereafter. The interest cover covenant, measuring the ratio of last twelve months Adjusted EBITDA (excluding share based payments, as specified in the facilities agreement) to the total of bank interest payable and interest payable on leases, is a minimum of 3.5x for the term of the facility. Covenant forecasting is performed centrally, with regular monitoring to ensure that the Group continues to expect to meet its financial covenants.

22 Financial instruments continued

Financial risk management continued

iii) Liquidity risk continued

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

Contractual cash flows 2024	Due within 1 year £000	Due between 1 and 3 years £000	Due between 3 and 5 years £000	Due after 5 years £000	Total £000	Carrying amount at balance sheet date £000
Borrowings ¹	–	–	120,266	–	120,266	118,292
Interest on borrowings	8,025	15,364	6,031	–	29,420	73
Lease capital repayments	3,257	6,251	3,085	3,736	16,329	16,329
Lease future interest payments	655	843	371	229	2,098	–
Merchant accrual	48,133	–	–	–	48,133	45,274
Trade and other financial liabilities ²	42,755	638	–	–	43,393	43,393
Non-derivative financial liabilities	102,825	23,096	129,753	3,965	259,639	223,361
Interest rate swap	–	–	–	–	–	–
Interest rate caps	935	92	–	–	1,027	1,002
Derivative financial assets	935	92	–	–	1,027	1,002

Contractual cash flows 2023	Due within 1 year £000	Due between 1 and 3 years £000	Due between 3 and 5 years £000	Due after 5 years £000	Total £000	Carrying amount at balance sheet date £000
Borrowings ¹	–	175,000	–	–	175,000	170,493
Interest on borrowings	12,533	24,804	–	–	37,337	27
Lease capital repayments	3,444	6,212	4,946	4,923	19,525	19,525
Lease future interest payments	776	1,089	532	379	2,776	–
Merchant accrual ³	53,504	–	–	–	53,504	53,504
Trade and other financial liabilities ²	47,567	3,806	–	–	51,273	51,373
Non-derivative financial liabilities	117,824	210,911	5,478	5,302	339,415	294,922
Interest rate swap	723	–	–	–	723	706
Interest rate caps	1,216	422	–	–	1,638	1,762
Derivative financial assets	1,923	422	–	–	2,361	2,468

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

2 Consists of trade and other payables that meet the definition of financial liabilities under IAS 32 (excluding merchant accrual, which is split out separately above).

3 The merchant accrual balance as at 30 April 2023 has been restated to exclude VAT in relation to this liability of £2,292,000.

IFRS 7 requires the contractual future interest cost of a financial liability to be included within the above table. As disclosed in Note 19 of these consolidated financial statements, borrowings are currently drawn under a revolving credit facility and repayments can be made at any time without penalty. As such there is no contractual future interest cost. Interest is payable on borrowings' drawn amounts at a floating reference rate plus margin. The reference rates are SONIA for loan in Sterling, EURIBOR for loans in Euro and SOFR for loans in US Dollars.

The merchant accrual contractual cash flows amount due within one year represents the undiscounted gross value. The contractual cash flows being due within one year is different from the forecast cash flow profile used to discount the liability under IFRS 9. Amounts are due when the customer redeems the voucher which is outside of the control of the Group, hence its classification as a current liability and its contractual cash flows being within one year. However, historical redemption periods show that actual redemptions differ from the contractual period and therefore on a forecast basis the cash flows span more than one year, as a result the liability is discounted.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the consolidated financial statements continued

22 Financial instruments continued

Financial risk management continued

iv) Market risk

Currency risk

Currency risk involves the potential for financial loss arising from changes in foreign exchange rates:

- Translation risk is exposure to changes in values of items in the financial statements caused by translating items into Sterling. This is the Group's principal currency exposure in view of its overseas operations.
- Transaction risk arises from changes in exchange rates from the time a foreign currency transaction is entered into until it is settled. This is relevant to the Group's operating activities outside the UK, which are generally conducted in local currency. Transaction risk is not considered significant, as the Group primarily transacts in Sterling and Euros and generates cash flows in each currency which are sufficient to cover operating costs.
- Other currency exposures comprise currency gains and losses recognised in the income statement, relating to other monetary assets and liabilities that are not denominated in the functional currency of the entity involved. At 30 April 2024 and 30 April 2023, these exposures were not material to the Group.

For the mitigation of currency risk, the Group has implemented strategies, including the use of flexible forward contracts to purchase Euros, US Dollars, and Australian Dollars in exchange for Sterling.

Interest rate risk

Interest rate risk involves the potential for financial loss arising from changes in market interest rates. The Group is exposed to interest rate risk arising from borrowings under the Revolving Credit Facility, which incurs interest at a floating reference rate plus a margin. The reference rates are SONIA for loans in Sterling, EURIBOR for loans in Euro and SOFR for loans in US Dollars. As at 30 April 2024 the Group had drawn down £113,000,000 and €8,500,000 of the available revolving credit facility. There was no foreign exchange impact on borrowings during the year as the Euro draw down occurred on the last day of the financial year.

To mitigate this risk, the Group has implemented hedging strategies. The Group's interest rate hedging arrangements now comprise a SONIA interest rate cap with a cap strike rate of 3.00% on £70m notional until 30 November 2024 and a SONIA interest rate cap, put in place during the current financial year, of 5.00% on £50m notional from 28 November 2024 until 1 June 2025, reducing thereafter to £35m notional until expiry on 30 November 2025. This follows the expiry of a SONIA interest rate swap (at a rate of 2.4725% on £90m notional) on 30 November 2023.

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

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

In these hedge relationships, the main sources of ineffectiveness are:

- The effect of the counterparty and Group's own credit risk on the fair value of the cap and swap, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- Changes in the timing of the hedged item.

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

	2024 £000	2023 £000
Derivative financial assets		
<i>Derivatives designated as hedging instruments</i>		
Interest rate swaps – cash flow hedges	–	706
Interest rate caps – cash flow hedges	1,002	1,762
Total derivatives financial assets	1,002	2,468
	2024 £000	2023 £000
<i>Current and non-current:</i>		
Current	838	711
Non-current	164	1,757
Total derivatives financial assets	1,002	2,468

22 Financial instruments continued

Financial risk management continued

Interest rate risk continued

Cash flow interest rate swap and cap

There was no ineffective portion recognised in finance expense that arose from cash flow hedges during the year (2023: £nil).

At 30 April 2024, the main floating rates were SONIA. Gains and losses recognised in the cash flow hedging reserve in equity on interest rate swap and cap contracts as at 30 April 2024 will be released to the consolidated statement of comprehensive income as the related interest expense is recognised.

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

	Interest rate swap		Interest rate cap 3%		Interest rate cap 5% ¹	
	2024	2023	2024	2023	2024	2023
Carrying amount of derivatives (£000)	–	706	838	1,762	164	–
Changes in fair value of the designated hedged item (£000)	84	842	630	1,175	1	–
Notional amount (£000)	–	55,000	70,000	70,000	42,500	–
Hedge ratio	–	1:1	1:1	1:1	1:1	–
Maturity date	–	30/11/2023	30/11/2024	30/11/2024	30/11/2025	–

¹ The Group put in place an interest rate cap during the year of 5.00% on £50m notional from 29 November 2024 until 1 June 2025, reducing thereafter to £35m notional until expiry on 28 November 2025.

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

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

	Derivative assets £000
1 May 2022	–
Cash outflow/(inflow)	612
Non-cash movement	1,856
30 April 2023	2,468
Cash outflow/(inflow)	(2,072)
Non-cash movement	606
30 April 2024	1,002

Market risk sensitivity analysis

Financial instruments affected by market risks include borrowings and deposits.

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

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

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

	Income (losses)/gains 2024 £000	Equity (losses)/gains 2024 £000	Income (losses)/gains 2023 £000	Equity (losses)/gains 2023 £000
10% strengthening of Sterling versus the Euro	(340)	(1,312)	(390)	(814)
10% weakening of Sterling versus the Euro	416	1,604	477	995

Notes to the consolidated financial statements continued

22 Financial instruments continued

Financial risk management continued

Market risk sensitivity analysis continued

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

	2024 £000	2023 £000
3% increase in market interest rates	(2,913)	(6,350)
3% decrease in market interest rates	3,592	6,350

Capital risk management

Capital risk is the risk that the Group will not be able to sustain its operations in the long term due to an inability to secure sufficient capital or maintain an adequate return on capital investment. This encompasses financing risk (the risk that the Group cannot raise necessary funds to continue its operations or finance expansion activities) and cost of capital risk (associated with fluctuations in the cost of capital, which may influence investment decisions and affect long-term strategic planning).

The Group's capital management objectives are focused on maintaining investor confidence and supporting the sustainable development of the business. Future actions to manage capital may include dividends, return capital through share buybacks, issue new shares or take other steps to increase share capital and reduce or increase debt facilities.

23 Commitments and contingencies

a) Commitments

The Group entered a financial commitment in respect of floristry supplies of £212,000 (2023: £59,000) and rental commitments of £17,000 (2023: £12,000) which are due within one year.

b) Contingencies

Group companies have given a guarantee in respect of the external bank borrowings of the Group which amounted to £180,000,000 at 30 April 2024. This comprises of the RCF of £180,000,000, as at 30 April 2024 the Group had drawn down £113,000,000 and €8,500,000 of the available revolving credit facility.

24 Related party transactions

Transactions with related parties

The Group has earned other income from subletting space at its head office to an entity formerly under common control and was considered a related party during the year.

	2024 £000	2023 £000
Other income from related parties formerly under common control	1,349	1,319

The relevant entity concerning the transaction above was no longer considered a related party as at 30 April 2024 following Exponent Private Equity ceasing to be a Significant Shareholder. Balances in relation to this entity have been included within other payables or other receivables where relevant. Therefore, as at the balance sheet date, the Group had the following balances with entities formerly under common control:

	2024 £000	2023 £000
Trade and other receivables from other related parties formerly under common control	–	150
Trade and other payables with other related parties formerly under common control	–	(638)

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

24 Related party transactions continued

Compensation of key management personnel of Moonpig Group plc

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

Further detail in respect of the Directors remuneration can be found within the Directors' remuneration report within the Annual Report and Accounts for the year ended 30 April 2024.

	2024 £000	2023 £000
Short-term employee benefits	2,513	1,655
Post-employment pension and medical benefits	53	54
Share-based payment schemes	101	7,435
Total compensation relating to key management personnel	2,667	9,144

25 Related undertakings

A full list of subsidiary undertakings as defined by Companies Act 2006 as at 30 April 2024 is disclosed below. Titan Midco Limited is held directly by the Company and all other subsidiary undertakings are held indirectly.

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

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

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

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

All subsidiaries have a year-end of 30 April.

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

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

26 Events after the balance sheet date

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

Company balance sheet

As at 30 April 2024

	Note	2024 £000	2023 £000
Fixed assets¹			
Investments	4	845,468	845,468
		845,468	845,468
Current assets			
Debtors: amounts falling due within one year	5	57,963	53,428
Cash and cash equivalents		280	447
		58,243	53,875
Total assets		903,711	899,343
Current liabilities			
Creditors: amounts falling due within one year	6	7,881	5,567
		7,881	5,567
Non-current liabilities			
Creditors: amounts falling due after more than one year	6	914	4,219
		914	4,219
Total liabilities		8,795	9,786
Equity			
Share capital	7	34,331	34,211
Share premium	7	278,083	278,083
Retained earnings	7	540,450	535,232
Share-based payment reserve	7	42,052	42,031
Total equity		894,916	889,557
Total equity and liabilities		903,711	899,343

1 The Company balance sheet has been re-presented using balance sheets format 2 per the Companies Act 2006. This has meant that the previously titled non-current assets has been re-presented as fixed assets.

The accompanying notes are an integral part of the Parent Company financial statements.

As permitted by Section 408 of the Companies Act 2006, the profit and loss of the Company has not been presented in these financial statements. The profit for the financial year dealt with in the financial statements of the Company was £1,180,000 (2023: £598,000).

The financial statements on pages 168 to 173 were approved by the Board of Directors of Moonpig Group plc (registered number 13096622) on 26 June 2024 and were signed on its behalf by:

Nickyl Raithatha
Chief Executive Officer
26 June 2024

Andy MacKinnon
Chief Financial Officer
26 June 2024

Company statement of changes in equity

For the year ended 30 April 2024

	Note	Share capital £000	Share premium £000	Retained earnings £000	Share-based payment reserve £000	Total equity £000
Balance at 1 May 2022		34,211	278,083	534,634	34,761	881,689
Profit for the year		–	–	598	–	598
Total comprehensive income for the year		–	–	598	–	598
Share-based payments	7	–	–	–	7,270	7,270
As at 30 April 2023		34,211	278,083	535,232	42,031	889,557
Profit for the year		–	–	1,180	–	1,180
Total comprehensive income for the year		–	–	1,180	–	1,180
Share-based payments	7	–	–	–	4,179	4,179
Issue of ordinary shares		120	–	–	–	120
Share options exercised		–	–	4,038	(4,158)	(120)
As at 30 April 2024		34,331	278,083	540,450	42,052	894,916

The accompanying notes are an integral part of the Parent Company financial statements.

Notes to the Company financial statements

1 General information

Basis of preparation

Moonpig Group plc (the "Company" or "Parent Company") is a public limited company which is listed on the London Stock Exchange and is domiciled and incorporated in England, the United Kingdom under the Companies Act 2006 (the "Act"), as applicable to companies using FRS 101. The Company was incorporated on 23 December 2020 and adopted Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") from that date. The Company's registered address is Herbal House, 10 Back Hill, London, EC1R 5EN.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken, including those relating to:

- A cash flow statement and related notes.
- Comparative year reconciliations.
- Disclosures in respect of transactions with wholly owned subsidiaries.
- Disclosures in respect of capital management.
- The effects of new but not yet effective IFRSs.
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the Group include equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the disclosures under IFRS 2 related to Group-settled share-based payments.

The preparation of the financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities.

The Company financial statements have been prepared in Sterling, which is the functional and presentational currency of the Company. All figures presented are rounded to the nearest thousand (£000), unless otherwise stated.

The Directors have used the going concern principle on the basis that the current profitable financial projections and facilities of the consolidated Group will continue in operation for a period not less than 12 months from the date of this report.

Amounts paid to the Company's auditors in respect of the statutory audit were £36,000 (2023: £35,000). The charge was borne by a subsidiary company and not recharged.

Critical accounting judgements and estimates

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

Carrying amount of investment in subsidiary

The areas of critical accounting judgements and estimates which have the greatest potential effects on the amounts recognised in the financial statements are the key assumptions in the impairment review on the investment recognised on the Company balance sheet. Annually, the investment balance is subject to an impairment review, the critical accounting judgements and estimates made in the value in use calculation of the investment's recoverable amount are:

- Pre-perpetuity period of six years (2023: seven years).
- Pre-perpetuity compound annual revenue growth rate of 10.3% (2023: 12.7%).
- Discount rate of 14.3% (2023: 14.0%).

Sensitivity analysis relating to these critical accounting judgements and estimates are set out in Note 4. In addition, the reasons why the Company considers that a six-year period is appropriate, and why it considers that the Company meets the reliability requirements of IAS 36, are also set out in Note 4.

2 Summary of significant accounting policies

Investment in subsidiary

The investment in subsidiary is held at cost, less any provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of the investment may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amount exceeds the higher of net realisable value or value in use. If this is the case, an impairment charge is recorded to reduce the carrying amount of the related investment.

The area of judgement which has the greatest potential effect on the amounts recognised in the financial statements is the impairment review on the investments recognised on the Company balance sheet. Annually, the investment balance is subject to an impairment review, as detailed below. Details of the assumptions used in the value in use calculation and sensitivities performed are explained in Note 4 of these Parent Company financial statements.

2 Summary of significant accounting policies continued

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Other accounting policies

For other accounting policies, please refer to the Group accounting policies on pages 136 to 141.

3 Directors' emoluments

The Company has no employees. Full details of the Directors' remuneration and interests are set out in the Directors' remuneration report on pages 102 to 117.

4 Investments

	2024 £000	2023 £000
At the beginning of the year	845,468	845,468
At the end of the year	845,468	845,468

The Company's share price increased during the year, however the carrying amount of the Company's investments was more than its market capitalisation on the reporting date. IAS 36 specifies this as an indicator that impairment may have arisen. Accordingly, the Company has assessed the recoverable amount of its investment in subsidiary. Recoverable amount is determined as the higher of the fair value less costs of disposal and value in use ("VIU") based on estimated future cash flows that are discounted to their present value.

Estimated future cash flows are based on the approved Group plan, including the FY25 budget, for the three years ending 30 April 2027. The estimated future cash flows are identical to those used for the Group's viability statement. They have been extended by a further three years before applying perpetuity using an estimated long-term growth rate. When estimating value in use, the Group does not include estimated future cash flows that are expected to arise from improving or enhancing the asset's performance.

The use of a pre-perpetuity projection period of more than five years is a critical accounting judgement. The Company considers that a six-year period is appropriate to reflect the fact that online penetration of the single greeting cards market is relatively low and there is headroom for continued growth for at least six years, potentially longer. The single greeting cards market is key to the Company's assessment of growth rate, as sales of gifting products are achieved through persuading card-first customers to attach a gift to their order. The Company also believes that a six-year pre-perpetuity growth period is appropriate to reflect the fact that penetration of the overall UK gift experiences market by the experience gifting aggregator segment remains low. OC&C estimates that gift experience aggregators represented only £0.3bn of the overall £6.5bn UK experience gifting market in 2023. The Company believes that there is headroom for continued growth for at least six years, potentially longer. The assumed year-on-year reduction in the pre-perpetuity period of one year is intended to reflect the effluxion of time.

The Company considers that it meets the reliability requirements of IAS 36 as there is evidence of its ability, based on experience, to forecast cash flows accurately over a period of longer than five years. The online segment of the single cards market has an established track record of growth across two decades, driven by offline-to-online demand migration. Combined with the stable and predictable behaviour of the Company's customer base, this has meant a consistent historical profile of revenue growth over time. The Company has also demonstrated its ability to forecast cash flows over the longer term and has a positive track record of forecasting accuracy.

The potential impact of climate change on estimated future cash flows is not considered significant, as set out at Note 11 to the Group consolidated financial statements.

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

	Key assumptions	
	2024 £m	2023 £m
Pre-tax discount rate (%) ¹	14.3%	14.0%
Revenue compound annual growth rate (%) ²	10.3%	12.7%
Pre-perpetuity period (years)	6	7

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

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

The Company has performed sensitivity analysis to assess the impact of a plausible change in each key assumption in the VIU. The relevant scenario, in relation to a revenue decrease, is consistent with the more severe downside scenario (Plausible Scenario 2) prepared in connection with the viability statement at page 67.

Notes to the Company financial statements continued

4 Investments continued

The Company has separately modelled the impact of a 1%pts increase in the discount rate, a 2.7% decrease in the compound annual revenue growth rate and a reduction in the pre-perpetuity period from six to five years. The Company has also modelled a scenario in which all three of these changes arise concurrently. The below table summarises the results of these sensitivities:

	Sensitivity analysis	
	2024 £m	2023 ³ £m
Original headroom	129.8	139.2
Headroom using a discount rate increased by 1%pts	12.8	17.5
Headroom using a 2.7%pts decrease in the forecast revenue CAGR ^{1,2} (2023: 15% decrease in forecast revenue)	(71.6)	(12.0)
Headroom using a pre-perpetuity period reduced by one year	1.5	73.0
Headroom combining all three sensitivity scenarios detailed above	(266.7)	(166.9)

1 The revenue compound annual growth rate represents the average yearly growth rate over the pre-perpetuity period.

2 The 2.7%pts revenue CAGR decrease is inclusive of the 5.4%pts revenue CAGR decreases modelled as part of the Experiences and Greetz goodwill calculations (refer to Note 11) and a 10% reduction in the forecast revenue in the Moonpig segment.

3 The FY23 sensitivity scenario with respect to a decrease in forecast revenue has been restated to correctly reflect the Adjusted EBITDA margin of the Group per the Board approved three year plan.

Further modelling was undertaken to assess the point at which headroom would be reduced to £nil for each of the individual sensitivities. For the carrying amount and recoverable amount to be equal, the pre-tax discount rate would need to increase by 1.5%pts from 14.3% to 15.8%, the revenue CAGR would need to decrease by 1.6%pts to 8.7% (assuming no action was taken to reduce indirect costs from the forecasted level) and the pre-perpetuity period would need to reduce from six to four years (each sensitivity applied individually).

No impairment to the carrying amount of the investment has been recorded in the current year, reflecting the fact that the carrying amount remains higher than the recoverable amount. However, in view of the outcome of the sensitivity analysis, the Directors have identified that each of the three key assumptions are a major source of estimation uncertainty that has a significant risk of resulting in an adjustment to the carrying amount within the year ending 30 April 2025 under paragraph 125 of IAS 1. We have therefore provided the disclosure above of quantification of all key assumptions in the value in use estimate and the impact of a change in each key assumption.

The Directors specifically considered the fact that the Company's market capitalisation at the reporting date was lower than the carrying amount of its investments in subsidiaries. They concluded that no impairment is required because of this, basing their conclusion on the value in use calculation. The Directors consider that listed companies' share prices are not directly correlated with the recoverable amount of their investments in subsidiaries.

Subsidiary undertakings are disclosed within Note 25 of the Group financial statements.

5 Debtors

	2024 £000	2023 £000
Current:		
Amounts owed by Group companies	57,922	53,393
Other receivables	13	15
Prepayments	28	20
Debtors	57,963	53,428

Within the amount owed by Group companies is a loan receivable subject to interest and repayable on demand. At 30 April 2024, the amount bears interest at a rate of 8.24% (2023: 5.00%). IFRS 9 expected credit losses have been assessed as immaterial in relation to both balances.

6 Creditors

	2024 £000	2023 £000
Current:		
Amounts owed to Group companies	1,435	–
Other payables	5,340	4,361
Other taxation and social security	1,047	1,157
Accruals	59	49
Creditors	7,881	5,567
	2024 £000	2023 £000
Non-Current:		
Other payables	–	2,967
Other taxation and social security	914	1,252
Creditors	914	4,219

The increase in the current other payables and taxation and social security balances relate to the vested tranche of the cash component of the pre-IPO awards that will be paid out (along with the national insurance cost) within one year.

The year-on-year decrease in non-current other payables reflects the reclassification (to current liabilities) of the accrual for the second and final tranche of the pre-IPO cash bonus award, which vested on 30 April 2024 and was paid shortly thereafter.

7 Share capital and reserves

Called-up share capital

Ordinary share capital represents the number of shares in issue at their nominal value. Ordinary shares in the Company are issued, allotted and fully paid-up. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Shareholding as at 30 April 2024:

	2024 Number of shares	2024 £000	2023 Number of shares	2023 £000
Allotted, called-up and fully paid ordinary shares of £0.10 each	343,310,015	34,331	342,111,621	34,211

Share premium

Share premium represents the amount over the par value which was received by the Company upon the sale of the ordinary shares. Upon the date of listing the par value of the shares was £0.10 but the initial offering price was £3.50. Share premium is stated net of direct costs of £736,000 (2023: £736,000) relating to the issue of the shares.

Share-based payment reserve

The share-based payment reserve represents the corresponding increase to reserves in relation to the share-based schemes in operation.

8 Related party transactions

Under FRS 101 "Related party disclosures" the Company is exempt from disclosing related party transactions with entities which it wholly owns. There are no other related party transactions.

9 Events after the balance sheet date

Refer to Note 25 of the Group financial statements.

Alternative Performance Measures

Adjusted EBITDA

Adjusted EBITDA is a measure of the Group's operating performance and debt servicing ability. It is calculated as operating profit adding back depreciation and amortisation and Adjusting Items (Note 6 of the Group financial statements).

Depreciation and amortisation can fluctuate, is a non-cash adjustment and is not linked to the ongoing trade of the Group.

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

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

	2024 £000	2023 £000
Operating profit	66,284	48,461
Depreciation and amortisation	17,444	15,196
Adjusting Items	11,802	20,542
Adjusted EBITDA	95,530	84,199

Adjusted EBIT

Adjusted EBIT is operating profit and before Adjusting Items.

	2024 £000	2023 £000
Operating profit	66,284	48,461
Adjusting Items ¹	11,802	20,542
Adjusted EBIT¹	78,086	69,003

Adjusted PBT

Adjusted PBT is profit before taxation and before Adjusting Items.

	2024 £000	2023 £000
PBT	46,400	34,905
Adjusting items ¹	11,802	20,542
Adjusted PBT¹	58,202	55,447

Adjusted PAT

Adjusted PAT is profit after taxation, before Adjusting Items and the tax impact of these adjustments.

Adjusted PAT is used to calculate the underlying basic earnings per share in Note 10 of the Group financial statements.

	2024 £000	2023 £000
PAT	34,169	26,607
Adjusting Items ¹	11,802	20,542
Tax impact of the above	(2,385)	(2,749)
Adjusted PAT¹	43,586	44,400

¹ The prior year Adjusting Items number has been restated to include the amortisation on acquired intangibles.

Net debt

Net debt is a measure used by the Group to reflect available headroom compared to the Group's secured debt facilities. The calculation is as follows:

	2024 £000	2023 £000
Borrowings	(118,365)	(170,520)
Cash and cash equivalents	9,644	22,394
Lease liabilities	(16,329)	(19,524)
Net debt	(125,050)	(167,650)

Ratio of net debt to Adjusted EBITDA

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

	2024 £000	2023 £000
Net debt	(125,050)	(167,650)
Adjusted EBITDA	95,530	84,199
Net debt to Adjusted EBITDA	1.31:1	1.99:1

Operating cash conversion

Operating cash conversion is operating cash flow divided by Adjusted EBITDA, expressed as a ratio. The calculation of operating cash conversion is as follows:

	2024 £m	2023 £m
Profit before tax	46.4	34.9
Add back: Net finance costs	19.9	13.6
Add back: Adjusting Items (excluding share-based payments) ¹	10.7	15.1
Add back: Share-based payments	1.1	5.4
Add back: Depreciation and amortisation (excluding acquisition amortisation) ¹	17.4	15.2
Adjusted EBITDA	95.5	84.2
Less: Capital expenditure (fixed and intangible assets)	(13.7)	(22.6)
Adjust: Impact of share-based payments ²	3.1	1.9
Add back: (Increase)/decrease in inventories ³	5.2	(0.8)
Add back: Decrease/(increase) in trade and other receivables ³	0.3	5.3
Add back: Decrease in trade and other payables ³	(16.2)	(11.8)
Operating cash flow⁴	74.2	56.2
Operating cash conversion	78%	67%
Add back: Capital expenditure (fixed and intangible assets)	13.7	22.6
Add back: Loss on disposal and impairment of right-of-use asset	0.2	0.5
Add back: Decrease/(increase) in debtors with undertakings formerly under common control	–	0.3
Less: Adjusting Items (excluding share-based payments)	(2.4)	(7.7)
Less: Research and development tax credit	(0.4)	(0.4)
Cash generated from underlying operations	85.3	71.5
Settlement of M&A related employee bonuses at Experiences	–	(13.5)
Cash generated from operations	85.3	57.9

1 The prior year Adjusting Items (excluding share-based payments) and Depreciation and Amortisation numbers have been restated to reflect the classification of acquisition amortisation as an Adjusting Item.

2 Comprises: (1) the add-back of non-cash share-based payment charges of £2.6m (FY23: £2.2m) relating to operation of post-IPO Remuneration Policy, which are not classified as an Adjusting Item; offset by (2) the cash impact of employer's national insurance of £0.2m (FY23: £0.3m) arising on pre-IPO share-based payment charges, which are classified as an Adjusting Item (Refer to Note 6). In FY24 the charge was offset by a release of £0.7m in relation to a true up of NI at year end to reflect the share price at the vesting date of the pre-IPO share awards.

3 Working capital movements for the year ended 30 April 2023 have been adjusted for the opening balances arising upon acquisition of Experiences.

4 Operating cash flow excludes settlement of legacy incentive obligations in FY23 associated with the acquisition, which were fully provided for in the opening balance sheet.

Glossary

Term	Definition
Adjusted EBIT	Profit before tax, interest and Adjusting Items
Adjusted EBIT margin	Adjusted EBIT margin is the Adjusted EBIT divided by total revenue
Adjusted EBITDA	Profit before tax, interest, depreciation, amortisation and Adjusting Items
Adjusted EBITDA margin	Adjusted EBITDA margin is the Adjusted EBITDA divided by total revenue
Adjusted PBT	Profit before tax and Adjusting Items
Adjusted PBT margin	Adjusted PBT margin is Adjusted PBT divided by total revenue
Adjusting Items	Items that are considered exceptional or non-underlying in nature and are either added back or deducted from performance measures such as EBITDA, EPS and profit before tax to enable like-for-like comparison between reporting years
Admission	The Company's admission to the Official List and to trading on the Main Market for listed securities of the London Stock Exchange on 5 February 2021
Alternative Performance Measures or APMs	A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework
Attached gifting revenue	Revenue where product(s) are purchased in addition to a card, including the shipping fee that is charged to the customer and excluding revenue relating to the card
Attach rate	The proportion of card orders for which the customer adds a gift to their purchase
Average Order Value or AOV	Revenue for the year divided by total orders for that year
Basic earnings per share	Profit after tax for the year divided by the weighted average number of ordinary shares in issue during the year following Admission
Board	The Board of Directors of the Company
Card-attached gifting	Gifts that are sent or given in accompaniment to a card, including occasions where the card is purchased at the same or at a different retailer to the gift
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Code	UK Corporate Governance Code published by the FRC in July 2018
Company	Moonpig Group plc, a company incorporated in England and Wales with registered number 13096622 whose registered office is at Herbal House, 10 Back Hill, London EC1R 5EN, United Kingdom
Covid	A novel strain of coronavirus causing Covid-19 disease
Customer cohort	A collection of customers organised by the fiscal year in which such customer made their first purchase
Customer NPS	Customer net promoter score, the percentage of customers rating their likelihood to recommend a company
DNED	Designated Non-Executive Director
Executive Committee	The Executive Directors' and the CEO's direct reports who are members of the Executive Committee
Existing customer	A customer that has placed an order in any previous financial year
Exponent	Exponent Private Equity Partners III (SPV) LP
FCA	The UK Financial Conduct Authority
Former Parent Undertaking	Horizon Holdco Limited
FRC	The Financial Reporting Council
FSC	The Forest Stewardship Council
FY20, FY21, FY22, FY23, FY24	The years ended or ending 30 April 2020, 30 April 2021, 30 April 2022, 30 April 2023 and 30 April 2024 respectively

Term	Definition
GDPR	The UK General Data Protection Regulations and its European Union equivalent
GHG	Greenhouse gas
Gifting revenue mix	Revenue derived from the sale of non-card products, divided by total revenue
Global Design Platform	The Group's Global Design Platform, which licenses card designs created by established and new independent freelance designers and publishers
Gross margin rate	The ratio of gross profit to revenue, expressed as a percentage
HMRC	His Majesty's Revenue and Customs, the UK tax authority
IFRS	International Financial Reporting Standards
IPO	The initial public offering of the Company's ordinary shares
Moonpig Group or Group	The Company, its subsidiaries, significant undertakings and affiliated companies under its control or common control
NED	Non-Executive Director
Net debt	Total borrowings (including lease creditors) less cash and cash equivalents
New customer	A customer that has not previously transacted with the Group
Non-GAAP measure	See Alternative Performance Measures above
Operating cash conversion	Operating cash flow divided by Adjusted EBITDA, expressed as a ratio
PEFC	The Programme for the Endorsement of Forest Certification
Prospectus	The prospectus relating to the Company, issued on 2 February 2021
Relationship Agreement	The agreement between the Company and Exponent to ensure that the Company is capable at all times of carrying on its business independently of its former controlling shareholder
SBTi	The Science Based Targets initiative to set science-based climate targets
SKU	Stock Keeping Unit, a unique line of inventory
TCFD	The Task Force on Climate-related Financial Disclosures
tCO₂e	Tonnes of carbon dioxide equivalent, a standard unit for counting GHG emissions
Total orders	The total number of orders placed by all customers in the year
TSR	Total shareholder return – the growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional shares
VAT	Value added tax

Shareholder information

Registered office and headquarters

Moonpig Group plc
Herbal House
10 Back Hill
London
EC1R 5EN
United Kingdom

Registered number: 13096622

LEI number: 213800VAYO5KCAXZHK83

Website: www.moonpig.group

Investor relations: investors@moonpig.com

Media: pressoffice@moonpig.com

Company Secretary: company-secretary@moonpig.com

Company Secretary

Jayne Powell

Corporate broker

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Independent auditors

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London
WC2N 6RH
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Registrar

Link Group
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29 Wellington Street
Leeds
LS1 4DL
United Kingdom

Tel UK: +44 (0)371 664 0300

(calls cost standard geographic rate; lines are open 9.00am to 5.30pm Monday to Friday, excluding public holidays in England and Wales)

Tel international: +44 (0)371 664 0300

(charged at the appropriate international rate)

Signal Shares shareholder portal: www.signalshares.com

Email: shareholderenquiries@linkgroup.co.uk

Financial calendar

Annual General Meeting 18 September 2024

2025 Half-year results 10 December 2024

2025 Full-year results 26 June 2025

Shareholder enquiries

Our registrars will be pleased to deal with any questions regarding your shareholdings (see contact details in the opposite column). Alternatively, you can access www.moonpig.group/investors/shareholder-faqs where you can access frequently asked questions including information to allow you to view and manage all aspects of your shareholding securely, including electronic communications, account enquiries or amendment to address.

Investor relations website

The investor relations section of our website, www.moonpig.group/investors, provides further information for anyone interested in Moonpig Group plc. In addition to the Annual Report and Financial Statements and share price, Company announcements including the full-year results announcements and associated presentations are also published there.

Cautionary note regarding forward-looking statements

Certain statements made in this Report are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. They appear in a number of places throughout this Report and include statements regarding the intentions, beliefs or current expectations of the Directors concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the business. Persons receiving this Report should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, Moonpig Group plc does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.



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