cimpress™

2020 Annual Report

Notice of Annual General Meeting of
Shareholders | Proxy Statement

July 29, 2020

Dear Investor,

As you know, COVID-19 was a black swan event that crashed into the global economy, hit Cimpress customers hard and, in turn, hit Cimpress hard. But we cannot let the spectacularly negative short-term impact of the pandemic obscure three important highlights of Cimpress' fiscal year 2020.

The first is resilience. Following the deepest trough of the pandemic we have been recovering steadily. Revenue in June relative to the same month in the prior year was down by less than 20%, and our adjusted EBITDA and cash flow were improving even more with a lower cost base including significantly lower advertising spend. In the month of July, we expect our bookings to be down 5% compared to the same month the year before. We see strength returning to our bottom line even as we continue to fund key investments in technology, customer value improvements, new product introductions and talent recruitment.

The second highlight of fiscal year 2020 is successful execution and progress in terms of laying foundations for the future. We have recruited and on-boarded a talented new executive team at Vistaprint, our upload and print businesses are executing well in their relatively new structure as two groups (PrintBrothers and The Print Group), and the Cimpress mass customization platform (MCP) is delivering value at consistently increasing scale. We are making major investments that we believe will allow us to return to top-line growth while maintaining improved profit and cash flow margins.

The third highlight is that in the eight months into fiscal year 2020 through February, we had significantly improved the key proxy by which we measure multi-year changes to IVPS. I will come back to that proxy and its calculation later in the letter.

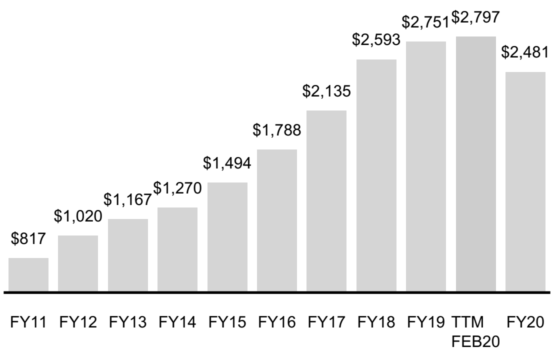
The above highlights don't change that fiscal year 2020 was a traumatic year. The pandemic drove our first fiscal year revenue decline in two decades and seriously hurt our bottom line. The last column in each of the charts on the next page also show how poor the full fiscal year 2020 was relative to our momentum in the trailing-twelve-month period ended February 29, 2020. By March our revenues began falling precipitously. We reached a low point in the end of March during a week in which consolidated bookings were down more than 65% year-over-year, whereas they had increased by 3% in the month of February.

During this pandemic, the company and its stakeholders have benefited greatly from the dedication, innovation and flexibility of our team members around the world. I thank them on behalf of all long-term investors. Likewise, the perseverance of our customers around the world in the face of this crisis has been inspirational and educational to us.

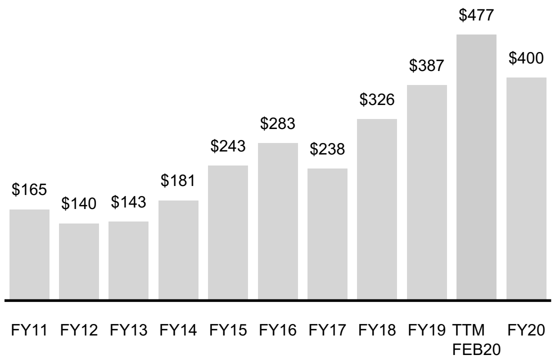
We responded to the pandemic-driven decrease in demand by cutting costs early, developing pandemic-related products and preparing to ride out the storm. We were helped by the organizational work we had completed over the past several years; our decentralized businesses reacted nimbly in response to their specific market conditions yet still benefited from the select few strategic capabilities that we share across Cimpress. The interaction of these two parts of our organization, decentralized and central, make the whole of Cimpress greater than the sum of its parts. We made decisions quickly, executed locally, and leveraged Cimpress-wide advantages.

Historical and Recent Financial Measures[1]

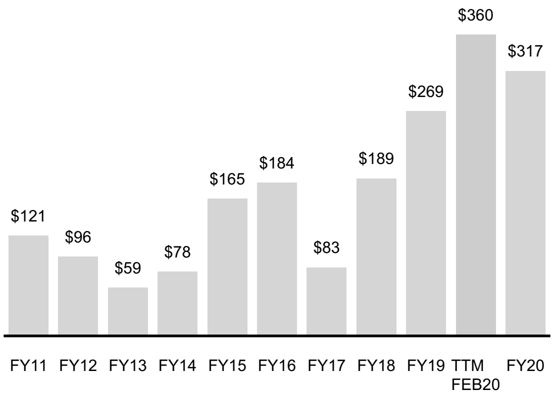
Revenue ($M)



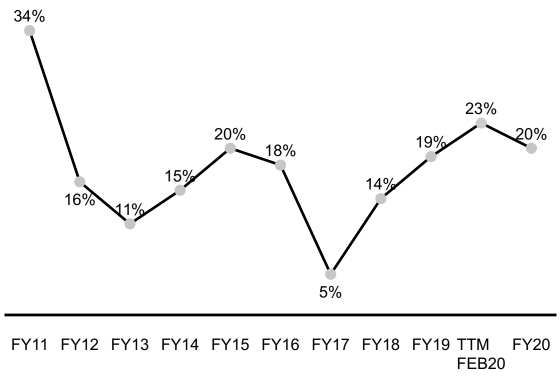
Adjusted EBITDA ($M)



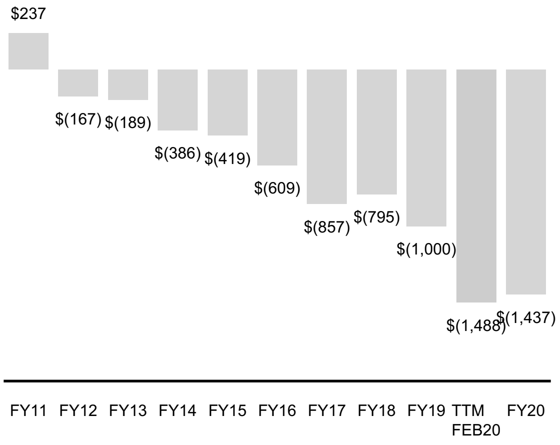
UFCF ($M)



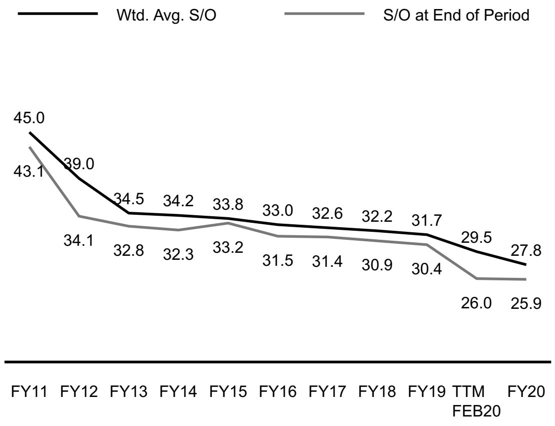
TTM Adjusted Return on Invested Capital



Net Debt ($M)



Shares Outstanding (M)



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[1] Please see reconciliation of non-GAAP measures at the end of this letter.

In the fourth quarter of fiscal year 2020 we refinanced a portion of our debt at a materially higher interest rate with significant deal costs and issued warrants that will eventually dilute our shareholders by a maximum of about 740,000 shares. This financing was not because we needed liquidity but, rather, to pay down a portion of the debt owed to our credit facility banking partners in return for them suspending our prior financial maintenance covenants through December 2021, thus providing ample flexibility to navigate the uncertainty. That flexibility allowed us to return to our operational priorities and continue to fund our major investment projects across Cimpress. These investment projects include continuing to transform Vistaprint in order to build its foundational basics such as customer obsession, data & analytics, financial rigor and world-class technology, and to invest in our pre-pandemic plans to improve the value that Vistaprint delivers to its customers.

Thanks to our cost cutting and the high amount of variable and discretionary cost in our structure, in the fourth quarter of fiscal year 2020 we were able to deliver $63.8 million of EBITDA, down 46% from the prior year,[2] despite a 36% year-over-year revenue decline. We have done so while protecting key investments and most, but unfortunately not all, permanent employment of our team members. The recovery will take some time and we can't rule out that future waves of COVID-19 may temporarily reverse these positive trends.

But I am optimistic that the combination of the cost reductions, our organizational strength, our balance sheet and our continued investments mean that Cimpress can exit the pandemic in a stronger position than we went in, even though we expect it will take time for our financial results to recover fully. As I mentioned above, the months of June and July have been promising, and we feel confident about our future. If our current year-over-year revenue trends continue for all of fiscal year 2021 including historical seasonality, and assuming we do not choose to make material increases in organic growth investment levels beyond our current plans for fiscal year 2021, we believe that our operating income and adjusted EBITDA for the year should be roughly back to the results we delivered in the trailing-twelve-month period through December 2019. During our August 5, 2020 investor day, we will share the reasons why we believe we can, post-pandemic, return to and then exceed the type of financial results we were delivering pre-pandemic.

As I have for the past five years, in the remainder of this letter I will assess our capital allocation and our internal estimate of Cimpress' steady-state free cash flow, which we consider as an important input into our estimate of our intrinsic value per share. This year we have based our estimates on our results for the trailing-twelve-month period ended in February 2020, not June, because the disruption of the pandemic means that we don't have the ability to complete the exercise for the full fiscal year. We also do not have the ability to forecast with certainty our investment levels for fiscal year 2021 because of the disruption of the pandemic.

Each year we advise readers that our estimates of steady state free cash flow are necessarily imprecise due to the judgment involved. We appreciate that this year is even more judgment-based than usual given the methodology of looking to the pre-pandemic results and then assessing our ability to return to that level, but we believe that is the best approach and it is how we have evaluated ourselves internally. As always, we provide our shareholders with information with which they may make their own estimates.

Capital Allocation

The chart below and its supporting table summarizes the capital allocation, other than debt repayment, that we have made over the past six fiscal years, excluding investments we believed at the time to be required to maintain steady state.

We define "steady state" as having a sustainable and defensible business over the long term that is capable of growing after-tax free cash flow at the rate of United States inflation.

We consider capital allocation to be any spend that does not pay back within twelve months on a net basis. We also include in the supporting table the capital we have raised via divestitures or partial-equity sales of businesses.

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[2] Operating income for the fourth quarter of fiscal year 2020 was a loss of $3.3 million, down 107% compared to the prior year.

Capital Allocation
Excluding Organic Investments That We Believe Are Required to Maintain Steady State

Allocated Capital ($M)	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**FY2020***	**6-Year Total***	**Percent of 6-yr Total***
Organic investments not required to maintain steady state (mid-point of our range estimate of the UFCF impact)	$145	$190	$193	$108	$158	$142	$936	33%
M&A and similar equity investments	$148	$176	$228	$52	$327	$4	$935	33%
Share repurchases	$—	$153	$50	$95	$56	$627	$980	34%
Total capital deployed	**$293**	**$519**	**$471**	**$255**	**$541**	**$773**	**$2,852**	**100%**

Capital raised via divestitures or partial-equity sales ($M)	**$—**	**$—**	**$—**	**$129**	**$12**	**$—**	**$141**	**100%**

* Organic investments in the "FY2020" column reflect estimated spend for the trailing twelve months ended February 29, 2020.

Share Repurchases

The above table shows that, by far, the largest allocation of capital in fiscal year 2020 was for share repurchases. For the full fiscal year 2020, we spent $627.0 million to repurchase 5.0 million shares at an average price per share of $125.36 inclusive of commissions.

One way we evaluate share repurchases is to look at our steady state free cash flow per share relative to the capital that we deploy, just as we do for M&A and for internal (organic) investments. In other words, the SSFCF per share in the current period relative to the share price paid inclusive of our net debt. We also have a point of view on our ability to grow this in the future. As of the end of February 2020 we had approximately 26.0 million shares outstanding excluding nominal dilution from outstanding share awards. February 2020 trailing-twelve-month results included $293 million of adjusted free cash flow and $67 million of cash interest related to borrowing,[3] thus $360 million of unlevered free cash flow. As discussed below, Cimpress' estimated range of steady state free cash flow was $455 million to $485 million. We had net debt of $1,487.5 million,[4] which we believed was a comfortable level of leverage (roughly 3.0x our trailing-twelve-month EBITDA as defined by our debt covenants) given the characteristics of our business. And we were seeing momentum in the investments we were making throughout Cimpress.

Of course, under the hypothetical assumption that we had been aware of the pandemic beforehand, we would never have repurchased so much or at the prices that we did (our repurchase price per share in fiscal year 2020 averaged about three times the price of our shares at the depth of the pandemic-induced stock market crash). This is not because we believe these repurchases will deliver poor returns over the long term, but because the opportunity cost was, with the pandemic's arrival now in hindsight, so great including the choice to raise expensive capital, which may have otherwise been avoided.

Nonetheless, as painful as it is to compare our fiscal year 2020 repurchases to our share price levels over recent months, we believe that we will still deliver strong returns on this allocated capital given our confidence that we will return to and grow beyond the pre-pandemic levels of steady state free cash flow.

If and when we do so, this would continue our long-term track record of strong returns on capital allocated to share repurchases. Over the past twelve years we have allocated $1,499.4 million to repurchase 25.9 million shares at an average price per share of $57.84 inclusive of commissions, roughly half of the diluted shares outstanding at the beginning of that time frame.

Due to the debt covenants which we accepted when we amended our credit facility in May 2020, we do not expect to repurchase shares in fiscal year 2021.

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[3] Operating cash flow for the trailing twelve months ended February 29, 2020 was $395.3 million. Cash interest related to borrowing excludes interest expense related to our lease in Waltham, Massachusetts.

[4] As of February 29, 2020, total debt excluding debt issuance costs was $1,536.6 million and cash and equivalents was $49.1 million.

Organic Investments

The following tables include midpoint estimates of the impact of our historical non-steady state investments on unlevered free cash flow.

In previous years we have used this table to also provide you with the approximate amount we planned to deploy into non-steady state organic investments in the coming fiscal year, and we expect to provide similar disclosure of our forward-looking plans in future years. However we are not providing a forecast of organic investments for fiscal year 2021 because we have not made such projections internally. In light of the pandemic we are working via a near-term rolling forecast that is updated dynamically as we have new inputs and those numbers are too imprecise, and too short term in nature, for us to disclose publicly.

UNLEVERED FREE CASH FLOW[5] - ESTIMATED NET IMPACT OF NON-STEADY STATE INVESTMENTS[6]
$ in millions

VISTAPRINT						
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**TTM Feb 20**
Columbus	34	36	26	—	—	—
New products and product extensions	14	8	18	Included below	Included below	Included below
LTV-based advertising and marketing infrastructure	13	12	15	16	32	9
Technology	8	11	10	9	11	14
Expansion of production & IT capacity	14	34	11	8	10	12
Other	8	3	15	5	6	17
VISTAPRINT TOTAL	**$91**	**$104**	**$95**	**$38**	**$59**	**$52**

OTHER ORGANIC INVESTMENTS						
Investment Area	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**TTM Feb 20**
Upload and Print	6	10	18	14	8	14
National Pen	N/A	N/A	N/A	2	13	7
All Other Businesses	26	42	42	29	49	28
Mass Customization Platform (MCP)	14	27	24	22	25	28
Other Centrally Managed Investments	8	7	14	3	4	5
TOTAL OTHER THAN VISTAPRINT	**$54**	**$86**	**$98**	**$70**	**$99**	**$82**

CIMPRESS TOTAL AT MIDPOINT	**$145**	**$190**	**$193**	**$108**	**$158**	**$134**
CIMPRESS TOTAL ESTIMATED RANGE	**N/A**	**$150M - $230M**	**$168M - $218M**	**$88M - $128M**	**$143M - $173M**	**$119M - $149M**

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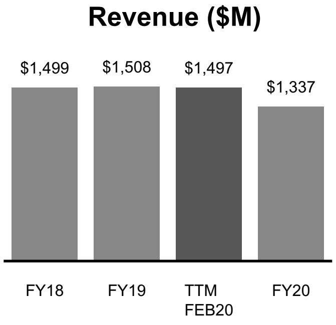
[5] Note that the estimates presented regarding our investments in MCP are gross investments, prior to benefits we realize in year, i.e., not net investments like the other lines in these tables.

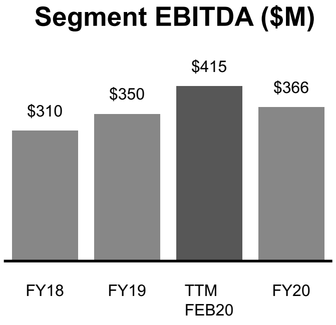
[6] Note that investments in Vistaprint Corporate Solutions, Vistaprint India and Vistaprint Japan are included in All Other Businesses through fiscal year 2019. Starting in fiscal year 2020, these businesses moved into our Vistaprint business, and so our estimated investments in these businesses are included in Vistaprint's "Other" category for the trailing-twelve-month period ended February 29, 2020. Additionally, we exclude $4 million of VIDA UFCF losses from the growth investments within the "TTM Feb20" column above.

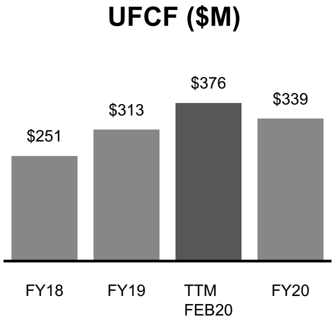
Assessment of Capital Allocation by Component

Below we assess recent performance by component. The tables for each component are revenue, segment EBITDA (our segment measure of profitability, which includes share-based compensation expense), and unlevered free cash flow (which adds capital expenditures, cash taxes and changes in net working capital, but excludes share-based compensation expense).

Vistaprint



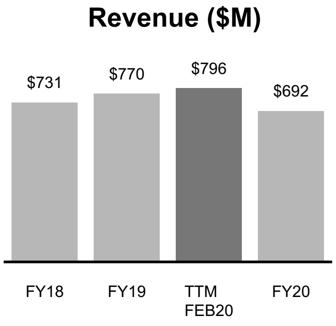


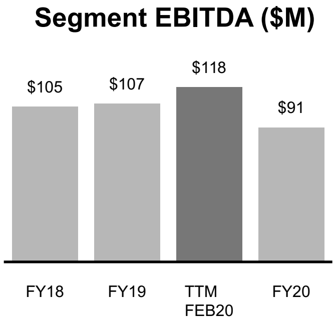


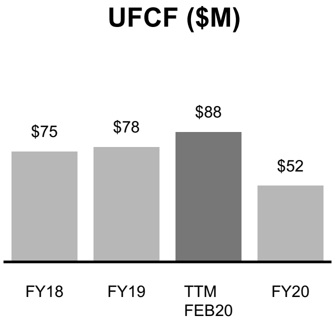
When the pandemic hit, Vistaprint was just over a year into a two-to-three-year transformation to restore foundational basics and to deliver a step-function change in the value Vistaprint delivers to its customers. One element of this was to cut out advertising that we believe was not generating economic value, which led to year-over-year revenue growth that was roughly flat, but with a significant improvement in profitability and cash flow generation. Advertising changes were just one of many other changes, including addressing customer quality issues, recruiting new talent, technology and data investments and increasing financial rigor. I am extremely proud of what we accomplished together during this period, and it set the stage for a stronger pandemic and recovery response that we are implementing now. Our leaders are in place, our organization is aligned, and we are making progress on key investments despite the pandemic.

The UFCF from Vistaprint was approximately $376 million in the trailing-twelve-month period ended February 29, 2020, net of investments not needed to maintain a steady state of $47 million to $65 million.

Upload and Print Businesses[7]







This group consists of seven different businesses that we have acquired, plus relatively minor equity investments in suppliers (€497 million total investment consideration between fiscal years 2014 and 2020). The total investment includes payments and minority equity purchases completed to date. For example, during fiscal year 2020, we paid consideration in the amount of €3 million to vertically integrate a supplier of one of these businesses.

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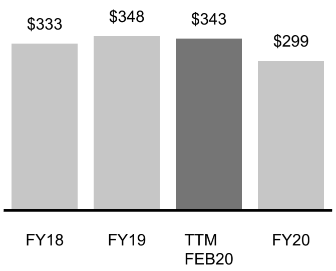
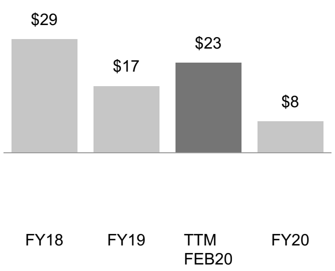
[7] Upload and Print businesses combine the results of two segments: PrintBrothers and The Print Group, and eliminates intercompany revenue within the group as if these businesses were in a single segment. Please see non-GAAP reconciliations at the end of this document.

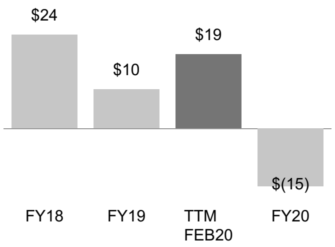
Upload and Print businesses generated approximately €76 million in UFCF in the trailing-twelve-month period ended February 29, 2020 (net of reductions to reflect the partial equity ownership of certain businesses in the group), a yield of approximately 15% on the €497 million of consideration we have paid to date. This was after investment that we do not believe is necessary to maintain steady state that reduced UFCF by approximately €14 million to €15 million in the trailing-twelve-month period ended February 29, 2020, indicating a SSFCF yield of about 18%.

Our Upload and Print businesses are organized into two reportable segments, each centered around a business with significant supply chain and other advantages. Heading into the pandemic, we saw the benefits of this structure, as we had begun to leverage the strengths and assets of each group. The pandemic hit some of these businesses hard, and we have seen great innovation and leadership from these businesses in a very short time period since.

National Pen


Revenue ($M)

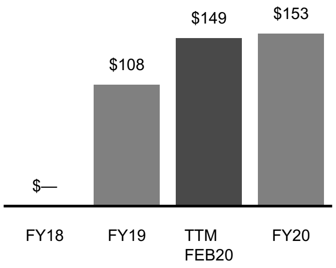

Segment EBITDA ($M)

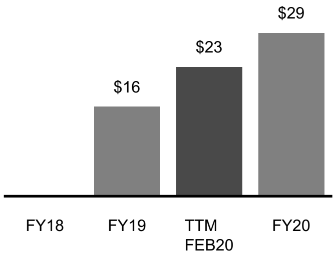

UFCF ($M)

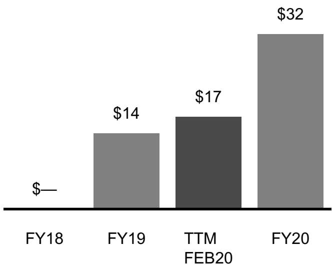
We continue to be positive about National Pen's long-term prospects despite challenges in fiscal year 2019 and the fact that the pandemic has hit this business quite hard. We acquired National Pen for $211 million on December 31, 2016. The UFCF in the trailing-twelve-month period ended February 29, 2020 was $19 million, or 9% of consideration paid. This is an improvement from 2019, but still below 2018 results. Trailing-twelve-month UFCF was net of organic investments of $8 million - $9 million that we believe are not required to maintain steady state, indicating a SSFCF yield of about 13%, marginally better than the hurdle rate we use for M&A.

The team at National Pen has supported the pandemic response across multiple businesses with new product introduction and low-cost high volume fulfillment operations. During fiscal year 2020, National Pen continued to invest in its transformation to drive more profitable revenue growth, with progress in the roll out of its new e-commerce technology, new capabilities for customer prospecting and manufacturing efficiency, and a continued investment in customer service operations in high-talent, low-cost geographies.

BuildASign[8]


Revenue ($M)


Segment EBITDA ($M)


UFCF ($M)

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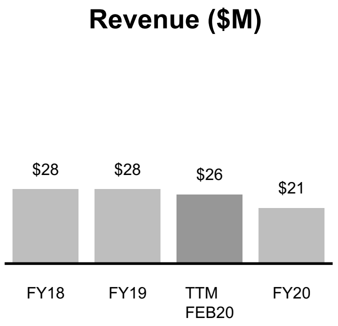
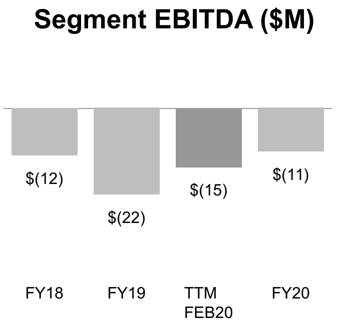
[8] BuildASign is the largest component of our All Other Businesses segment.

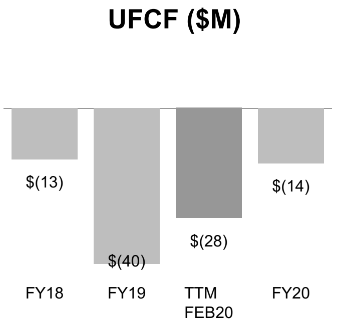
We acquired 99% of BuildASign in October 2018 for $271 million. The UFCF of BuildASign for the trailing-twelve-month period ended February 29, 2020 was $17 million, or 6% of the total investment consideration, net of organic investments of $3 million - $4 million. This indicates an SSFCF yield of 7% to 8%. We received a step up in the tax basis of the acquired assets, which, in addition to interest deductibility of acquisition-related debt, provided cash tax savings in fiscal year 2020 of approximately $5.5 million that are not included in these BuildASign results. Inclusive of those savings, the SSFCF yield for BuildASign would be 9% to 10% in the first full fiscal year of ownership.

BuildASign has continued to grow through the pandemic with existing products as well as new product design templates relevant for social distancing. In fact, BuildASign's EBITDA and UFCF grew meaningfully from $23.0 million and $17.1 million, respectively, in the trailing-twelve-month period as of February to $28.7 million and $31.7 million, respectively, for the full year ended June 30, 2020, respectively. The fiscal year 2020 UFCF for BuildASign included working capital timing benefits.

Early-Stage Investments[9]







We have significantly improved the performance of and/or reduced our exposure in early-stage businesses over the past year.

As of February 2020 Printi, which had consumed $27M of cash in fiscal year 2019, was on track to achieve a much more modest cash outflow as the result of a restructuring completed at the beginning of fiscal year 2020 and increased focus. Even with the effects of the pandemic, Printi consumed significantly less cash in fiscal year 2020 than in 2019. As of June 30, 2020, Cimpress has a 96.3% equity interest in Printi.

YSD based in China, which builds and sells mass customization software in a Software as a Service (Saas) model, grew 90% year over year in fiscal year 2020 despite the pandemic and has attracted an impressive list of customers. However, it remains a small, high-risk, rapidly evolving, entrepreneurial venture, and will require multiple years before we know if it is a success. Its cash burn is driven by continued investment in software development of its SaaS product line but remains relatively small. The YSD platform and team have been instrumental to our pandemic response, supporting multiple Cimpress businesses like Pixartprinting and National Pen in their supply chain automation for custom masks during the pandemic.

In April 2020, we divested our investment in VIDA. We had already invested $29 million in the business, and it was generating about $5 million of cash losses per year. Though we had been intrigued by the potential for VIDA to use mass customization to disrupt the apparel and accessories markets, we determined that in an environment in which we were cutting significant costs in core parts of our business and needed to focus our resources, we couldn't continue to fund this investment.

Central Investments

The Cimpress mass customization platform has demonstrated significant value before and during this pandemic. It has allowed our businesses to remain nimble in supporting our customers when uncertainty hit about whether specific production facilities could remain open. It also helps improve our efficiency while customer demand is lower than usual because it opens up opportunities to shift volume between our businesses more freely than if all facilities were operating at capacity. Our central procurement team, working in concert with our businesses, helps drive material cash and cost savings under normal circumstances, and they have also driven great value during our pandemic response, both in terms of partnering with suppliers to preserve liquidity as well as sourcing for new product introduction.

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[9] Early-stage investments are part of our All Other Businesses segment.

Steady-State Free Cash Flow

Our SSFCF calculation is an annual estimate of the range of unlevered free cash flow that we would have delivered in the prior fiscal year if we had not invested other than to maintain steady state. The difference between our actual unlevered free cash flow and our approximate estimates of SSFCF represents an approximate range estimate of the capital that we allocate to organic investments to grow our business beyond steady state or those that, in hindsight, were not needed to maintain our steady state.

The table below illustrates our calculation of the high and low ends of our approximate estimate of our likely range of SSFCF for the trailing-twelve-month period ended February 29, 2020.

SSFCF Estimate ($ in Millions) - Most numbers in this table are only approximate	**TTM Feb 2020**
Adjusted free cash flow	**$ 293**
Add back cash interest expense*	$ 67
Unlevered free cash flow (UFCF)	**$ 360**
Adjustment for pro forma UFCF of M&A and non-controlling interests	$ (2)
Adjustment for pro forma UFCF of non-steady state working capital change	$ (7)
Adjustment for below steady-state costs not included in UFCF	$ (20)
Adjustment for pro forma impact of TTM February 2020 restructuring activity (primarily Vistaprint)	$ 5
Approximate pro-forma unlevered free cash flow normalized for the above items	**$ 336**
Add back low estimate of investment not needed to maintain steady state	$ 119
Low estimate of Steady State Free Cash Flow	**$ 455**
Add the increment between low and high estimates of investment not needed to maintain steady state	$ 30
High estimate of Steady State Free Cash Flow	**$ 485**

* Excludes cash interest for Waltham, Massachusetts facility lease because we view this as an operating cost, not a cost of borrowing capital

Important Caveats Regarding Steady State Free Cash Flow

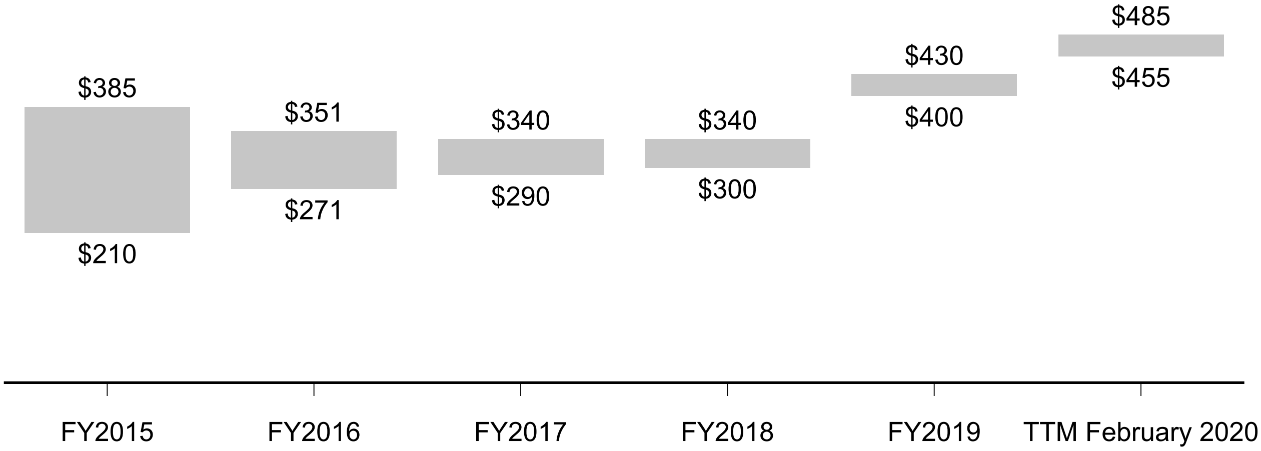
SSFCF is an output, not an input, to our capital allocation decision making. In other words, we do not use SSFCF to allocate capital. Rather, we use SSFCF as an important input to our estimates of the intrinsic value of Cimpress and as a performance metric that, over time and when adjusted for debt levels and share count, measures the impact of our past allocations of capital.

We believe that each year we have improved our understanding of, and confidence in, estimates of our investments necessary for maintaining steady state. We expect to continue to improve this analysis over time. We do not recast prior SSFCF estimates to reflect our improved understanding because we don't believe the effort of doing so would increase the value of Cimpress. Instead, we seek to be transparent, explicit and approximate: transparent about where changes to our estimate methodology occur, explicit about the lack of precision inherent in any calculation of SSFCF, and approximate by providing only ranges, not specific SSFCF estimates.

Investors occasionally ask if our removal of an estimated range of non-steady state organic investments in our steady-state analysis implies that these investments should be "ignored". We do not think so. Rather, we ask investors to understand these investments and to then make their own assessment of their value.

The graph below shows the trend in our SSFCF estimates over time, again using the trailing-twelve-month period ended in February 2020 to illustrate our progress prior to the pandemic.

Past and Current Approximate Estimates of our Likely Range of Steady State Free Cash Flow (USD Millions)



The drivers of this improvement for the trailing-twelve-month period ended in February are a reduction in advertising spend previously assumed necessary for maintaining a steady state, improved use of data to ensure our offers resonate with customers and improve efficiency and profitability, incremental financial returns from the adoption of our mass customization platform, multiple years of organizational changes that have thinned out our operating cost structure, and the compounding of many small improvements in execution across our businesses.

As noted, we have not tried to estimate the above calculation for the full fiscal year to June because of the distortion and noise associated with the pandemic. Rather, we have internally discussed if, and if so why, the February estimated steady-state free cash flow remains intact despite the pandemic results. There are risks and unknowns at play here but, for the following reasons, we believe this to be true even though we don't know how long a full recovery will take.

- We have had to manage through multiple difficult economic periods several times in our 25-year history. In each of those historical examples, our belt tightening enabled us to maintain key investments despite a difficult macro environment, which allowed us to improve customer value delivery, lower cost structures, and set the stage for subsequent growth.

- The shock of the pandemic forced us to reduce our costs and to be very deliberate about where we left costs in place. While not a formal "zero based budgeting" exercise, we identified and chose significant costs that we could eliminate were we to never grow our revenue again.

- Following each economic downturn in our history, we benefited from a competitive landscape that accelerated the shift of demand from traditional suppliers to the mass customization paradigm where we excel because of the scale advantages we have not only relative to traditional suppliers, but also smaller online players as well. While in no way underestimating the near-term effort required or the impacts Cimpress will feel, we have the opportunity to ensure that this current situation yields a similar result.

- Our businesses have done well during past economic recessions, because we serve our customers with a fundamentally more competitive business model than the highly fragmented, sub-scale traditional competitors. Shelter-at-home experiences are making e-commerce and service-at-a-distance experiences like ours more mainstream. As we have done in past economic downturns, we have an opportunity to serve millions of individuals who take up self-employment or freelance roles.

- Our breadth and depth of products has served us better than competitors who focus on a narrower value proposition during this downturn, and it will help us optimize performance during the recovery. Throughout our

25-year history, people have predicted the demise of the business card. While we don't believe small businesses will stop using this simple and effective marketing tool, we have products and capabilities to pivot to if customer tastes change. Even before the pandemic, less than 20% of our total revenue was from the sale of business cards. That said, while the pandemic's negative impact on demand for business cards was one of the most significant of any product category with year-over-year declines in Vistaprint's business card bookings of over 70% in late March and early April, we've seen a recovery here as well with July bookings down about 14%.

- We have learned valuable insights and put our technology, data, and innovative team members to work in ways that will help us execute well and make good choices during the recovery. Importantly, we have learned what we can live without, and gathered even more confidence that we can improve the efficiency of our marketing spend as we diversify the channels and types of marketing we do.

Summary & Conclusion

As we regularly emphasize, Cimpress' uppermost financial objective is to maximize our intrinsic value per share. We believe we can approximate the rate of growth of our IVPS by comparing, across long periods of time, the result of the following formula:

([SSFCF divided by our WACC] - net debt) / diluted shares outstanding

Note that the output of the above formula is not an estimate of our IVPS because the SSFCF component does not include the value of growth investment, past and future, that is not yet impacting our SSFCF, whereas the net component debt does include the cumulative investments.

We provide below a table of historical values for the components of the formula and we encourage shareholders to make their own estimates. Note that the last column is the trailing twelve months ended February 29, 2020, just prior to Cimpress' results being heavily impacted by the pandemic other than pro forma net debt and weighted average diluted shares outstanding which are as of June 30, 2020.

in millions	**FY2015**	**FY2016**	**FY2017**	**FY2018**	**FY2019**	**TTM Feb20***
When we made this estimate	**July 2015**	**July 2016**	**July 2017**	**July 2018**	**July 2019**	**July 2020**
High estimate of SSFCF	$385	$351	$340	$340	$430	$485
Low estimate of SSFCF	$210	$271	$290	$300	$400	$455
Pro forma net debt*	$419	$609	$750	$795	$1,001	$1,437
Weighted average diluted shares outstanding**	33.8	33.0	32.6	32.2	31.7	27.8

* Pro forma net debt and weighted average diluted shares outstanding in the TTM Feb20 column are as of June 30, 2020. Since it is a weighted average for the fiscal year, the weighted average diluted shares outstanding as of June 30, 2020 do not fully reflect the fiscal year 2020 repurchases. The number of actual shares outstanding on June 30, 2020 was 25.9 million. Total dilutive shares from options, RSUs and warrants was 1.3 million shares, although net dilution will be less.
**Please see details in net debt per share appendix.

In order to create economic value, net of our cost of capital, we need to grow the result of this equation at a compounded annual growth rate that is higher than our cost of capital. In my letter to you last year we said we believed that the fiscal year 2015 to fiscal year 2019 CAGR was in fact slightly below our 8.5% WACC. By using the estimates in the above table, you can see that the result of the above formula for the trailing-twelve-month period ended in February 2020 is significantly improved over fiscal year 2019 and very significantly improved over fiscal year 2018.

In summary, we are far from where we want to be, and clearly the pandemic has punched us hard in the stomach and diverted our progress and taken large amounts of cash out of our shareholder's pockets. But the TTM period to February demonstrated what we can do, and the resilience of our recovery from April to July speaks to the opportunity to regain our pre-pandemic momentum. In order to do so, we have asked the leaders throughout Cimpress to build recovery plans that have common themes: being clear about priorities; a continued focus on executing well every day; seeking additional opportunities to reduce or control the growth of operating costs; maintaining investments key to future growth like customer experience, technology, data, product innovation and talent; using insights from recent challenges to accelerate the recovery; and ensuring team members are aligned and motivated to deliver on our chosen priorities. On August 5, 2020, we will host a virtual investor day, when we will discuss these topics and business examples in more detail.

I greatly value the partnership of our long-term shareholders and our debt holders. I am optimistic that together we will succeed in driving great value for customers, team members, society, and you who have entrusted your capital with us.

Sincerely,

Robert Keane
Founder, Chairman & CEO
Cimpress plc

July 29, 2020

APPENDICES

How We Think About Intrinsic Value Per Share

Our uppermost financial objective is to maximize our IVPS. We do not publicly disclose our internal IVPS range estimates because of their judgment-based nature and because we assume that shareholders who take a long-term perspective will each make their own estimates of the value of a share of Cimpress. However, I would like to explain the process by which we internally establish an IVPS range estimate so you understand how we, as the stewards of the capital you entrust to us, think about this very important subject.

We define IVPS as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share.

Any estimate of part (a) is inherently subjective and based on forward-looking projections. That is why we say that our definition of IVPS is based on our best judgment. Please note my use of many qualifying terms throughout this letter such as "estimated", "range", "approximate" and "judgment". The future is inherently unknowable so our commentary should be understood in the context of these qualifying terms.

We use two methods to estimate part (a) of our IVPS equation. We establish multiple scenarios, so each of these approaches generates a range based on several present values. We try to be prudent and realistic in our forecasts. We then look at the range of all the outputs across the two methods, discuss and debate the merits and weaknesses of each output, and then make a range-based judgment call.

The first of these two methods is a classic discounted cash flow ("DCF") financial model. We forecast key line items in our income statement and cash flow statements based on past trends, and our beliefs about how those trends will progress in the future. We typically project these ten fiscal years into the future, and in the last year establish a terminal value by dividing that year's projected UFCF by our WACC. We then discount all of this back to today at our WACC, then divide by the number of diluted shares.

The second method is based on steady state unlevered free cash flow ("SSFCF"). We define "steady state" as having a sustainable and defensible business over the long term that is capable of growing after-tax free cash flow at the rate of United States inflation. SSFCF is an estimate that is inherently based on many subjective business judgments and approximations, so you should consider our statements about this concept to be directional range estimates that are definitely not specific or precise. This approach is not traditional but we believe it to be useful and informative. In our experience, we typically find that our estimates of IVPS are lower using the SSFCF method than the DCF method. For the SSFCF method, our process is to establish:

i. An estimated range of what value exists in Cimpress today assuming no more of our past investments turn cash generative (or negative) and assuming we were to stop investing for growth beyond steady state. We establish this estimated range by dividing the upper and lower bounds of our range estimate of SSFCF by our WACC to derive a high and low enterprise value prior to accounting for future returns on capital which we have deployed or will deploy which are not yet contributing to our SSFCF.

ii. An estimated range of future returns from our past and future capital allocation (other than organic investments required to maintain steady state) whose returns do not yet show up in our SSFCF. We discount those to their present value using our WACC. This second component addresses our view that a major portion of our estimate of IVPS derives from us having a large set of attractive investment opportunities for the foreseeable future and that we can fund such investments thanks to our significant SSFCF combined with our financing capacity.

iii. Add the results from "i." and "ii." together to estimate a range of values, which we divide by the number of diluted shares.

While part "ii." is a material part of any IVPS calculation, it necessitates significant assumptions about the future which often times are well-intentioned but lead to overly optimistic estimates of returns that have yet to materialize. For retrospective assessments of the compounded annual growth rate (CAGR) of IVPS over extended periods (such as the FY15 to FY19 assessment discussed in this letter) we therefore use only part "i." as the value which we divide by the number of diluted shares.

As discussed previously, we allocate capital based on our estimates of the present value of any given potential investment, discounted by our hurdle rates and selected within the context of alternative uses of that capital. For example, we do not protect or favor the maintenance of SSFCF in our existing businesses as part of our capital allocation processes. As with all capital allocation choices, we would make such investments only if we believe that they will both meet or exceed relevant hurdle rates and will be the best choice relative to alternative uses of that capital. We would rather accept that such a portion of our business is mature and declining and use the cash flows that are generated from it to invest elsewhere. The fact that we currently invest large amounts of capital into the maintenance of steady state reflects our belief in the strong returns available to us in our current business.

Capital Allocation Approach

We can deploy capital via organic investments, share repurchases, acquisitions and equity investments, debt reduction, and the payment of dividends. Please note however, that we do not intend to pay dividends for the foreseeable future. Our sources of capital are the cash we generate from our businesses, the issuance of debt, the issuance of equity, and the divestiture of assets. We consider capital to be fungible across all of these categories. In other words, we do not favor one over the other, but rather seek to grow our IVPS by allocating across these categories in function of the relative returns of current and expected future opportunities.

We define corporate-level deployment of capital as any investment of money that we expect to require more than twelve months to return 100% or more of the investment. You should assume this definition for all of our references to capital allocation. We delegate to our businesses and central teams (and do not centrally seek to limit or optimize) capital allocation decisions which our operational executives expect to pay back in less than twelve months. We then hold each operating unit accountable for delivering an aggregate level of unlevered free cash flow that (a) takes into account the negative cash flow from corporate-level capital allocation, and (b) is net of any sub-12-month-payback investments they chose to make on a decentralized basis.

We evaluate our IVPS in U.S. dollars so we hold ourselves responsible for long-term, consolidated financial results in U.S. dollars. That being said, we hold our individual businesses accountable to financial results in the currencies that are most relevant to those businesses. We believe that, over the long term, most currencies will fluctuate both up and down relative to the the U.S. dollar and that, on average and over the long term, those fluctuations will neutralize most of the impact of shorter-term currency volatility. We seek to reduce short- and medium-term currency volatility at an aggregate level either naturally or with our hedging program so that we have time to react to significant changes for our debt covenants.

We currently estimate our WACC to be 8.5%, unchanged from last year despite refinancing a portion of our capital structure at a higher cost. We seek to have a weighted average return on our portfolio of deployed capital, net of failures, that is materially above our WACC. In support of this objective, we vary the hurdle rates that we use at the time of investment decisions in function of our judgment of the risks to various types of investment. For example, we require only 10% for highly predictable organic investments located in Europe, North America or Australia such as the replacement or expansion of capital equipment for profitable and growing businesses, 15% for M&A of established, growing, profitable companies, and 25% for risky investments such as our investments in our portfolio of startup businesses. At the time that we make any given investment we expect to deliver a return that is above its relevant hurdle rate, preferably well above.

As much as we would like to operate in a hypothetical world in which we didn't make capital allocation errors, we believe that innovation and risk taking are critical to value creation so we do not seek to avoid investment risk nor are we able to prevent failure at the level of individual investment projects. We report to you our failures as well as our successes so that you can evaluate our performance in light of our overall weighted average portfolio of investments.

We recognize that a portfolio of investments that exceeds WACC does not necessarily mean, by itself, that we have made good capital allocation decisions. We need to compare our returns against the opportunity cost of potentially higher returns that might have come from deploying the same capital into even higher-returning opportunities of a similar risk level. This more stringent measure of performance clarifies the cost of mistakes, which we have made in the past. Also, as we have noted in the past, we can make mistakes when we raise capital. This understanding of the true cost of equity issuance is a central reason why the performance mechanisms of our share-based compensation vehicles directly link potential payout and its associated dilution to the equity returns that Cimpress delivers to long-term shareholders after such dilution.

Organic Investments

The organic capital that we have allocated, and that we plan to continue to allocate, directly reduces our UFCF. We nonetheless organically deploy significant amounts of capital because we believe that we can deliver weighted average returns on this investment portfolio that are above (preferably well above) our WACC. Doing so would, in turn, increase our IVPS.

Many of our investments begin to return cash in the same fiscal year as their initial investment so, where practical from a tracking perspective, the investment estimates we provide in this letter represent our net investment, not the gross investment. All numbers in the tables in this letter are rounded estimates. Because we cannot precisely estimate the rate of investment or precisely isolate the returning cash flows of most of our investments, and because we may make changes to our plans during the course of the future fiscal year based on new information we may receive, both historical and planned numbers in these annual letters should be considered only as directional and approximate.

To avoid complexity in the presentation and reconciliation of figures which we include in public documents, we describe these investments as a reduction to UFCF before tax effects and prior to working capital changes. However, internally, we endeavor to evaluate investment decisions based on our forecasts of discounted unlevered free cash flow, i.e., after both tax and changes to working capital.

Acquisitions & Early-Stage Investments

Acquisitions of Established Businesses

In our view, acquisitions and equity investments are risky investments that, if successful, can produce attractive returns on large amounts of capital and/or fortify the competitive position of our existing businesses. We also believe that transactions in which we acquire less than 100% of a business can be attractive under the right circumstances since such structures may help us to align, motivate and retain co-owners and/or partners who are important to driving strong performance for Cimpress. For most acquisitions or equity investments of established, profitable businesses, at the time we make that investment we typically apply a 15% hurdle rate.

We may also divest and/or sell all or a portion of the equity of a given business when we believe we could deploy our capital more productively elsewhere, or when we believe that doing so will bring important benefits in terms of our relationship with third parties who are important to the success of that business.

Early-Stage Investments

For investments in nascent businesses, we typically use a 25% ROIC hurdle to reflect the materially higher risk associated with that allocation of capital. In the past, we have invested to build a portfolio of fast-growth, profitable businesses that, a decade into the future, contribute a significant portion of Cimpress' growth and which, at the portfolio level, net of inevitable failures, would have generated attractive ROIC on a magnitude that could "move the needle" of value creation at the Cimpress-wide level. We have noted in the past that we have failed spectacularly at that ambition and we have, as such, drastically reduced our early stage investments and do not expect to allocate significant capital to them any time soon.

Share Repurchases & Issuance

Share repurchases have been a large category of capital allocation for Cimpress over the years. We do not repurchase shares with the objective of offsetting share dilution. Rather, we do so opportunistically and at times when we believe it will yield investment returns in excess of our WACC.

We have repurchased and issued, and may also in the future repurchase or issue, shares to cover obligations under our equity compensation plans, for acquisitions or similar transactions, and for other purposes. For example, for acquisition-related earn-outs and other purchase obligations like deferred payments for non-controlling interests, we often structure the obligation to be payable in cash or shares at Cimpress' option.

When we issue shares, we are willing to do so at prices that are at or below our estimate of our IVPS if we believe the return for the investment of the capital from the equity issuance will be higher than any loss of value we expect to incur from issuing shares below their intrinsic value.

Our choice to repurchase or issue shares is guided by the above principles and by a variety of other debt covenant and legal requirements. Because of the complexity of these criteria, periods in which we issue or buy back shares, or in which we do not do so, should not necessarily be considered as an indication of our views on our IVPS relative to the share price.

Debt Issuance & Repayment

We view debt as an important source of capital that, when maintained at manageable levels, helps us maximize our IVPS. We believe that the calculated entrepreneurial risk-taking inherent in our capital allocation is fully compatible with our commitment to maintain reasonable levels of debt because each individual investment we make is small relative to our overall financial performance.

Given our fluctuating needs for capital, we often choose to deploy capital to the reduction of debt.

We greatly value our debt investors and believe that Cimpress represents a compelling issuer of bonds and a strong customer for financial institutions.

Net Debt per Share

We define IVPS as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share. The following table provides our calculation of part (b).

Net Debt Per Share (USD Millions Except Per Share Data)

	FY2015 (June 30, 2015)	FY2016 (June 30, 2016)	FY2017 (June 30, 2017)	FY2018 (June 30, 2018)	FY2019 (June 30, 2019)	TTM Feb 2020	FY2020 (June 30, 2020)
Total debt, excluding debt issuance costs	$523	$686	$883	$839	$1,036	$1,537	$1,482
Cash and equivalents	$104	$77	$26	$44	$35	$49	$45
Net debt, excluding debt issuance costs	$419	$609	$857	$795	$1,001	$1,488	$1,437
Adjustment for proceeds from sale of Albumprinter*			$(107)				
Pro-forma net debt	$419	$609	$750	$795	$1,001	$1,488	$1,437
Weighted average diluted shares outstanding**	33.8	33.0	32.6	32.2	31.7	29.5	27.8
Pro-forma net debt per share	$12.40	$18.45	$23.01	$24.69	$31.58	$50.44	$51.74

* USD estimate made using July 25, 2017 USD/Euro spot rate of 1.1655. This adjustment was made prior to the sale date and the calculation has not been updated to show the proceeds in fiscal year 2018, when the sale was actually completed.

** Weighted average shares outstanding for fiscal year 2017 represent the number of shares we would have reported on the face of our income statement had we been in a profit position for fiscal year 2017 instead of a loss position. The 'basic' weighted shares outstanding reported on our income statement was 31.3 million for fiscal year 2017.

Non-GAAP Reconciliations

To supplement Cimpress' consolidated financial statements presented in accordance with U.S. generally accepted accounting principles, or GAAP, Cimpress has used the following measures defined as non-GAAP financial measures by Securities and Exchange Commission, or SEC, rules: adjusted EBITDA, adjusted free cash flow, unlevered free cash flow and trailing-twelve-month return on invested capital:

- Adjusted EBITDA is defined as operating income plus depreciation and amortization (excluding depreciation and amortization related to our Waltham, Massachusetts office lease) plus share-based compensation expense plus proceeds from insurance plus earn-out related charges plus certain impairments plus restructuring related charges plus realized gains or losses on currency derivatives less interest expense related to our Waltham, Massachusetts office lease less gain on purchase or sale of subsidiaries.
- Adjusted free cash flow is defined as net cash provided by operating activities less purchases of property, plant and equipment, purchases of intangible assets not related to acquisitions, and capitalization of software and website development costs, plus payment of contingent consideration in excess of acquisition-date fair value, plus gains on proceeds from insurance.
- Unlevered free cash flow is adjusted free cash flow before cash interest related to borrowing. Cash interest related to borrowing excludes the portion of cash interest expense expense related to our Waltham, Massachusetts office lease.
- Trailing-Twelve-Month Return on Invested Capital is adjusted net operating profit after tax (NOPAT) or adjusted NOPAT excluding share-based compensation, divided by debt plus redeemable noncontrolling interest plus shareholders' equity, less excess cash. Adjusted NOPAT is defined as adjusted EBITDA from above, plus depreciation and amortization (except depreciation related to Waltham lease and amortization of acquired intangibles), plus share-based compensation not related to investment consideration or restructuring, less cash taxes. Excess cash is cash and equivalents greater than 5% of last twelve month revenues and, if negative, is capped at zero. Leases have not been converted to debt for purposes of this calculation.

These non-GAAP financial measures are provided to enhance investors' understanding of our current operating results from the underlying and ongoing business for the same reasons they are used by management. For example, as we have become more acquisitive over recent years we believe excluding the costs related to the purchase of a business (such as amortization of acquired intangible assets, contingent consideration, or impairment of goodwill) provides further insight into the performance of the underlying acquired business in addition to that provided by our GAAP operating income. As another example, as we do not apply hedge accounting for our currency forward contracts, we believe inclusion of realized gains and losses on these contracts that are intended to be matched against operational currency fluctuations provides further insight into our operating performance in addition to that provided by our GAAP operating income. We do not, nor do we suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. For more information on these non-GAAP financial measures, please see the tables captioned "Reconciliation of Non-GAAP Financial Measures" included at the end of this letter. The tables have more details on the GAAP financial measures that are most directly comparable to non-GAAP financial measures and the related reconciliation between these financial measures.

Reconciliation of Non-GAAP Financial Measures

Consolidated Adjusted EBITDA
Annual, in $ millions

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	TTM Feb 20	FY2020
GAAP operating income (loss)	$93.1	$55.2	$ 46.1	$ 85.9	$ 96.3	$ 78.2	$ (45.7)	$ 157.8	$163.6	$235.7	$ 56.0
Depreciation and amortization	$50.6	$59.4	$ 64.3	$ 72.3	$ 97.5	$ 132.1	$ 159.7	$ 169.0	$173.0	$171.0	$ 167.9
Waltham, MA lease depreciation adjustment	$—	$—	$ —		$ —	$ (3.4)	$ (4.1)	$ (4.1)	($4.1)	($1.4)	$ —
Share-based compensation expense	$21.7	$25.4	$ 32.9	$ 27.8	$ 24.1	$ 23.8	$ 42.4	$ 49.1	$18.3	$25.5	$ 33.3
Proceeds from insurance	$—	$—	$ —	$ —	$ —	$ —	$ —	$ —	$—	$—	$ —
Interest expense associated with Waltham, MA lease	$—	$—	$ —	$ —	$ —	$ (6.3)	$ (7.7)	$ (7.5)	($7.2)	($2.4)	$ —
Earn-out related charges	$—	$—	$ —	$ 2.2	$ 15.3	$ 6.4	$ 40.4	$ 2.4	$—	$—	$ (0.1)
Certain impairments and other adjustments	$—	$—	$ —	$ —	$ —	$ 41.8	$ 9.6	$ 2.9	$10.7	$10.9	$ 104.6
Gain on purchase or sale of subsidiaries	$—	$—	$ —	$ —	$ —	$ —	$ —	$ (47.9)	$—	$—	$ —
Restructuring related charges	$—	$—	$ —	$ —	$ 2.5	$ 0.4	$ 26.7	$ 15.2	$12.1	$11.0	$ 13.5
Realized gains (losses) on currency derivatives not included in operating income	$—	$—	$ —	$ (7.0)	$ 7.5	$ 5.9	$ 16.5	$ (11.4)	$20.3	$26.6	$ 24.5
Adjusted EBITDA[1,2]	**$165.4**	**$140.0**	**$ 143.4**	**$ 181.1**	**$ 243.1**	**$ 282.8**	**$ 238.4**	**$ 326.1**	**$386.5**	**$477.0**	**$ 399.8**

[1] This letter uses the definition of adjusted EBITDA as outlined above and therefore does not include the pro-forma impact of acquisitions or divestitures; however, our debt covenants allow for the inclusion of pro-forma impacts to adjusted EBITDA.
[2]Adjusted EBITDA includes 100% of the results of our consolidated subsidiaries and therefore does not give effect to adjusted EBITDA attributable to noncontrolling interests. This is to most closely align to our debt covenant and cash flow reporting.

Consolidated Free Cash Flow and Unlevered Free Cash Flow
Annual, in $ thousands

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Net cash provided by operating activities	$165,149	$146,749	$141,808	$153,739	$242,022	$247,358
Purchases of property, plant and equipment	($37,405)	($46,420)	($78,999)	($72,122)	($75,813)	($80,435)
Purchases of intangible assets not related to acquisitions	($205)	($239)	($750)	($253)	($250)	($476)
Capitalization of software and website development costs	($6,290)	($5,463)	($7,667)	($9,749)	($17,323)	($26,324)
Payment of contingent consideration in excess of acquisition-date fair value	$—	$—	$—	$—	$8,055	$8,613
Proceeds from insurance related to investing activities	$—	$—	$—	$—	$—	$3,624
Adjusted free cash flow	**$121,249**	**$94,627**	**$54,392**	**$71,615**	**$156,691**	**$152,360**
Plus: cash paid during the period for interest	$219	$1,487	$4,762	$6,446	$8,520	$37,623
Less: interest expense for Waltham lease	$—	$—	$—	$—	$—	($6,287)
Unlevered free cash flow	**$121,468**	**$96,114**	**$59,154**	**$78,061**	**$165,211**	**$183,696**

Consolidated Free Cash Flow and Unlevered Free Cash Flow (continued)
Annual, in $ thousands

	FY2017	FY2018	FY2019	TTM Feb 2020	FY2020
Net cash provided by operating activities	$156,736	$192,332	$331,095	$395,292	$338,444
Purchases of property, plant and equipment	($74,157)	($60,930)	($70,563)	($51,795)	($50,467)
Purchases of intangible assets not related to acquisitions	($197)	($308)	($64)	($42)	—
Capitalization of software and website development costs	($37,307)	($40,847)	($48,652)	($50,472)	($43,992)
Payment of contingent consideration in excess of acquisition-date fair value	$—	49,241	$—	$—	$—
Proceeds from insurance related to investing activities	$—	—	$—	$—	$—
Adjusted free cash flow	**$45,075**	**$139,488**	**$211,816**	**$292,983**	**$243,985**
Plus: cash paid during the period for interest	$45,275	$56,614	$63,940	$66,596	$72,906
Less: interest expense for Waltham lease	(7,727)	(7,489)	(7,236)	$—	$—
Unlevered free cash flow	**$82,623**	**$188,613**	**$268,520**	**$359,579**	**$316,891**

UFCF by Segment
Annual, in $ thousands

Vistaprint	FY2018	FY2019	TTM Feb 2020	FY2020
Segment EBITDA	**$ 309,783**	**$ 349,697**	**$ 414,615**	**$ 366,334**
Capital Expenditures	$ (35,998)	$ (32,820)	$ (18,981)	$ (15,986)
Capitalized Software	$ (23,457)	$ (23,369)	$ (21,083)	$ (18,381)
SBC expense treated as cash	$ 7,384	$ 6,153	$ 4,294	$ 7,101
Other Reconciling items[1]	$ (6,232)	$ 13,023	$ (3,040)	$ 8
Unlevered free cash flow	**$ 251,480**	**$ 312,684**	**$ 375,805**	**$ 339,076**

Upload & Print	FY2018	FY2019	TTM Feb 2020	FY2020
PrintBrothers Segment EBITDA	$ 41,129	$ 43,474	$ 51,096	$ 39,373
The Print Group Segment EBITDA	$ 63,529	$ 63,997	$ 66,871	$ 51,606
Combined Upload & Print Segment EBITDA	**$ 104,658**	**$ 107,471**	**$ 117,967**	**$ 90,979**
Capital Expenditures	$ (16,212)	$ (11,429)	$ (18,339)	$ (21,451)
Capitalized Software	$ (4,010)	$ (4,114)	$ (3,405)	$ (2,474)
U&P SBC expense treated as cash	$ 944	$ 952	$ 701	$ 946
Other Reconciling items[1]	$ (10,788)	$ (15,166)	$ (8,540)	$ (16,548)
Combined Upload & Print unlevered free cash flow	**$ 74,592**	**$ 77,714**	**$ 88,384**	**$ 51,452**

UFCF by Segment (continued)
Annual, in $ thousands

National Pen	**FY2018**	**FY2019**	**TTM Feb 2020**	**FY2020**
Segment EBITDA	**$ 29,438**	**$ 17,299**	**$ 23,403**	**$ 7,605**
Capital Expenditures	$ (6,565)	$ (8,346)	$ (4,518)	$ (5,016)
Capitalized Software	$ (1,482)	$ (3,624)	$ (3,866)	$ (3,290)
SBC expense treated as cash	$ 543	$ 824	$ 866	$ 1,155
Other Reconciling items[1]	$ 2,432	$ 4,052	$ 3,019	$ (14,877)
Unlevered free cash flow	**$ 24,366**	**$ 10,205**	**$ 18,904**	**$ (14,423)**

All Other Businesses	**FY2018**	**FY2019**	**TTM Feb 2020**	**FY2020**
Segment EBITDA	**$ (10,603)**	**$ (6,317)**	**$ 8,189**	**$ 17,474**
BuildASign Segment EBITDA	*$ —*	*$ 15,986*	*$ 22,980*	*$ 28,670*
Early-Stage Investments Segment EBITDA	*$ (12,169)*	*$ (22,302)*	*$ (14,792)*	*$ (11,196)*
Albumprinter Segment EBITDA[2]	*$ 1,566*	*$ —*	*$ —*	*$ —*

BuildASign	**FY2018**	**FY2019**	**TTM Feb 2020**	**FY2020**
Segment EBITDA	**n/a**	**$ 15,986**	**$ 22,980**	**$ 28,670**
Capital Expenditures	n/a	$ (4,096)	$ (4,589)	$ (3,656)
Capitalized Software	n/a	$ (1,480)	$ (2,200)	$ (2,023)
SBC expense treated as cash	n/a	$ 267	$ 383	$ 622
Other Reconciling items[1]	n/a	$ 2,823	$ 516	$ 8,055
Unlevered free cash flow	**n/a**	**$ 13,499**	**$ 17,091**	**$ 31,668**

Early-Stage Investments	**FY2018**	**FY2019**	**TTM Feb 2020**	**FY2020**
Segment EBITDA	**$ (12,169)**	**$ (22,303)**	**$ (14,791)**	**$ (11,196)**
Capital Expenditures	$ (848)	$ (12,956)	$ (2,886)	$ (587)
Capitalized Software	$ (322)	$ (1,446)	$ (2,503)	$ (1,662)
SBC expense treated as cash	$ 109	$ 234	$ 233	$ —
Other Reconciling items[1]	$ 385	$ (4,145)	$ (8,289)	$ (894)
Unlevered free cash flow	**$ (12,846)**	**$ (40,616)**	**$ (28,236)**	**$ (14,338)**

[1] *"Other reconciling items" potentially includes net working capital changes and estimated tax allocation.*

[2] *Albumprinter was divested on August 31, 2017.*

Adjusted Return on Invested Capital ("ROIC") Trailing Twelve Months
Annual, in $ millions

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	TTM Feb 2020	FY2020
Total Debt	$ —	$ 229	$ 239	$ 448	$ 514	$ 679	$ 877	$ 827	$ 1,024	$ 1,521	$ 1,434
Redeemable Noncontrolling Interest	$ —	$ —	$ —	$ 380	$ 58	$ 65	$ 45	$ 86	$ 63	$ 69	$ 69
Total Shareholder's Equity	$ 450	$ 189	$ 190	$ 232	$ 249	$ 166	$ 75	$ 94	$ 132	$ (222)	$ (407)
Excess Cash[1]	$ —	$ 11	$ —	$ —	$ 29	$ —	$ —	$ —	$ —	$ —	$ —
Invested Capital[2]	$ 450	$ 406	$ 425	$ 1,057	$ 792	$ 910	$ 997	$ 1,007	$ 1,218	$ 1,367	$ 1,095
Average Invested Captial[3]	$ 260	$ 362	$ 438	$ 522	$ 680	$ 848	$ 982	$ 974	$ 1,186	$ 1,332	$ 1,204

Adjusted EBITDA[4]	$ 165	$ 140	$ 143	$ 181	$ 243	$ 283	$ 238	$ 326	$ 387	$ 477	$ 400
Depreciation and amortization	$ (51)	$ (59)	$ (64)	$ (72)	$ (97)	$ (132)	$ (160)	$ (169)	$ (173)	$ (171)	$ (168)
Waltham, MA lease depreciation adjustment	$ —	$ —	$ —	$ —	$ —	$ 3	$ 4	$ 4	$ 4	$ (1)	$ —
Amortization of acquired intangibles	$ —	$ 6	$ 10	$ 12	$ 24	$ 41	$ 46	$ 50	$ 53	$ 53	$ 52
Share-based compensation ex. restructuring and investment consideration	$ (22)	$ (21)	$ (25)	$ (23)	$ (21)	$ (19)	$ (33)	$ (42)	$ (15)	$ (25)	$ (33)
Cash taxes paid in the current period	$ (4)	$ (7)	$ (14)	$ (18)	$ (14)	$ (20)	$ (49)	$ (32)	$ (26)	$ (23)	$ (14)
Adjusted NOPAT	$ 88	$ 59	$ 50	$ 79	$ 135	$ 156	$ 47	$ 137	$ 229	$ 312	$ 237
Average Invested Capital (from above)	$ 260	$ 362	$ 438	$ 522	$ 680	$ 848	$ 982	$ 974	$ 1,186	$ 1,332	$ 1,204
TTM Adjusted ROIC	**34%**	**16%**	**11%**	**15%**	**20%**	**18%**	**5%**	**14%**	**19%**	**23%**	**20%**

[1] Excess cash is cash and equivalents > 5% of last twelve month revenues; if negative, capped at zero.

[2,3] Average invested capital represents a four quarter average of total debt, redeemable noncontrolling interests and total shareholder equity, less excess cash.

[4] Adjusted EBITDA excludes all SBC. We show adjusted NOPAT for the purposes of the ROIC calculation including SBC not related to investment consideration and restructuring, and also without.

Net Cash (Debt)
Annual, in $ thousands

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Cash and cash equivalents	$236,552	$62,203	$50,065	$62,508	$103,584	$77,426
Less: Short-term debt	$ —	$ —	($8,750)	($37,575)	($21,057)	($21,717)
Less: Long-term debt	$ —	($227,037)	($227,037)	($406,994)	($493,039)	($656,794)
Less: Debt issuance costs and debt discounts	$ —	($1,963)	($2,963)	($3,490)	($8,940)	($7,386)
Net cash (debt)	**$236,552**	**($166,797)**	**($188,685)**	**($385,551)**	**($419,452)**	**($608,471)**

	FY2017	FY2018	FY2019	TTM Feb 2020	FY2020
Cash and cash equivalents	$25,697	$44,227	$35,279	$49,068	$45,021
Less: Short-term debt	($28,926)	($59,259)	($81,277)	($60,094)	($17,933)
Less: Long-term debt	($847,730)	($767,585)	($942,290)	($1,460,438)	($1,415,657)
Less: Debt issuance costs and debt discounts	($5,922)	($12,585)	($12,018)	($16,136)	($48,587)
Net cash (debt)	**($856,881)**	**($795,202)**	**($1,000,306)**	**($1,487,599)**	**($1,437,156)**

About Cimpress

Cimpress plc (Nasdaq: CMPR) invests in and builds customer-focused, entrepreneurial, mass customization businesses for the long term. Mass customization is a competitive strategy which seeks to produce goods and services to meet individual customer needs with near mass production efficiency. Cimpress businesses include BuildASign, Drukwerkdeal, Exaprint, National Pen, Pixartprinting, Printi, Vistaprint and WIRmachenDRUCK. To learn more, visit http://www.cimpress.com.

Cimpress and the Cimpress logo are trademarks of Cimpress plc or its subsidiaries. All other brand and product names appearing on this announcement may be trademarks or registered trademarks of their respective holders.

The securities of Cimpress to be sold in the potential transactions described above have not been and will not be registered under the Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration with the U.S. Securities and Exchange Commission or an applicable exemption from such registration requirements.

Risks Related to Our Business

This investor letter contains statements about our future expectations, plans, and prospects of our business that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995, including but not limited to our expectations for the growth and development of our business, financial results, cash flows, and competitive position during and after the pandemic, including our expectations for recovery; our estimates and expectations relating to our unlevered free cash flow, share price, and intrinsic value per share; planned investments in our business and the expected effects of those investments; and our expected returns on share repurchases. Forward-looking projections and expectations are inherently uncertain, are based on assumptions and judgments by management, and may turn out to be wrong. Our actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts are based; the development, duration, and severity of the COVID-19 pandemic; our failure to anticipate and react to the effects of the pandemic on our customers, supply chain, markets, team members, and business; our inability to take the actions that we plan to take or the failure of those actions to achieve the results we expect; loss or unavailability of key personnel; our failure to execute our strategy; our inability to make the investments in our business that we plan to make or the failure of those investments to have the effects that we expect; our failure to manage the growth and complexity of our business; our failure to develop and deploy our mass customization platform or to realize the anticipated benefits of the platform; our failure to acquire new customers and enter new markets, retain our current customers, and sell more products to current and new customers; costs and disruptions caused by acquisitions and strategic investments; the failure of the businesses we acquire or invest in to perform as expected; the willingness of purchasers of customized products and services to shop online; unanticipated changes in our markets, customers, or business; competitive pressures; lour failure to maintain compliance with the covenants in our debt documents or to pay our debts when due; changes in the laws and regulations or in the interpretations of laws or regulations to which we are subject, including tax laws, or the institution of new laws or regulations that affect our business; general economic conditions; and other factors described in our Form 10-K for the fiscal year ended June 30, 2019, our Form 10-Q for the fiscal quarter ended March 31, 2020 and the other documents we periodically file with the U.S. Securities and Exchange Commission.

In addition, the statements and projections in this letter represent our expectations and beliefs as of the date of this letter, and subsequent events and developments may cause these expectations, beliefs, and projections to change. We specifically disclaim any obligation to update any forward-looking statements. These forward-looking statements should not be relied upon as representing our expectations or beliefs as of any date subsequent to the date of this letter.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the annual period ended June 30, 2020

or

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

Commission file number 000-51539

Cimpress plc

(Exact Name of Registrant as Specified in Its Charter)

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

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

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☑

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

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

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

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

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

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

The aggregate market value of the ordinary shares held by non-affiliates of the registrant was approximately $2.76 billion on December 31, 2019 (the last business day of the registrant's most recently completed second fiscal quarter) based on the last reported sale price of the registrant's ordinary shares on the NASDAQ Global Select Market.

As of August 7, 2020, there were 25,885,823 Cimpress plc ordinary shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days of the end of the fiscal year ended June 30, 2020. Portions of such proxy statement are incorporated by reference into Items 10, 11, 12, 13, and 14 of Part III of this Annual Report on Form 10-K.

EXPLANATORY NOTE

This Annual Report on Form 10-K is being filed pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), by Cimpress plc, an Irish public limited company, as successor to Cimpress N.V., a Dutch public limited company. On December 3, 2019, Cimpress completed its previously announced cross-border merger pursuant to which Cimpress N.V. merged with and into Cimpress plc, with Cimpress plc surviving the merger (the "Irish Merger"). As a result of the Irish Merger, all of Cimpress N.V.'s outstanding ordinary shares, par value €0.01 per share, were exchanged on a one-for-one basis for newly issued ordinary shares, nominal value of €0.01 per share, of Cimpress plc, and Cimpress plc assumed all of Cimpress N.V.'s rights and obligations. This Report includes the full fiscal year ended June 30, 2020, including the activity of Cimpress N.V. before the Irish Merger.

CIMPRESS PLC
ANNUAL REPORT ON FORM 10-K
For the Year Ended June 30, 2020

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PART I.

Item 1. *Business*

Overview & Strategy

Cimpress is a strategically focused group of more than a dozen businesses that specialize in mass customization, via which we deliver large volumes of individually small-sized customized orders for a broad spectrum of print, signage, photo merchandise, invitations and announcements, writing instruments, packaging, apparel and other categories. Mass customization is a core element of the business model of each Cimpress business. Stan Davis, in his 1987 strategy manifesto “Future Perfect” coined the term mass customization to describe “generating an infinite variety of goods and services, uniquely tailored to customers”. In 2001, Tseng & Jiao defined mass customization as “producing goods and services to meet individual customers’ needs with near mass production efficiency”. We discuss mass customization in more detail further below.

We have grown substantially over the past decade, from $0.7 billion of revenue in fiscal year 2010 to $2.5 billion of revenue in fiscal year 2020, and as we have grown we have achieved important benefits of scale. However, we also believe it is critical for us to “stay small as we get big”. By this we mean that we need to serve customers and act and compete with focus, nimbleness and speed that is typical of smaller, entrepreneurial firms but often not typical of larger firms. This is because we face intense competition across all our businesses, and we must constantly and rapidly improve the value we deliver to customers. To stay small as we get big, our strategy calls for us to pursue a deeply decentralized organizational structure which delegates responsibility, authority and resources to the CEOs and managing directors of our various businesses.

Specifically, our strategy is to invest in and build customer-focused, entrepreneurial mass customization businesses for the long term, which we manage in a decentralized, autonomous manner. We drive competitive advantage across Cimpress through a select few shared strategic capabilities that have the greatest potential to create Cimpress-wide value. We limit all other central activities to only those which absolutely must be performed centrally.

This decentralized structure is beneficial in many ways. We believe that, in comparison to a more centralized structure, decentralization enables our businesses to be more customer focused, to make better decisions faster, to manage a holistic cross-functional value chain required to serve customers well, to be more agile, to be held more accountable for driving investment returns, and to understand where we are successful and where we are not.

The select few shared strategic capabilities into which we invest include our (1) mass customization platform ("MCP"), (2) talent infrastructure in India, (3) central procurement of large-scale capital equipment, shipping services, major categories of our raw materials and other categories of spend, and (4) peer-to-peer knowledge sharing among our businesses. We encourage each of our businesses to leverage these capabilities, but each business is free to choose whether or not to use these services. This optionality, we believe, creates healthy pressure on the central teams who provide such services to deliver compelling value to our businesses.

We limit all other central activities to only those which must be performed centrally. Out of more than 12,900 employees we have fewer than 70 who work in central activities that fall into this category, which includes tax, treasury, internal audit, general counsel, corporate communications, consolidated reporting and compliance, investor relations, capital allocation and the functions of our CEO and CFO. We seek to avoid bureaucratic behavior in the corporate center; however we have developed, through experience, guardrails and accountability mechanisms in key areas of governance including cultural aspects such as a focus on customers or being socially responsible, as well as operational aspects such as the processes by which we set strategy and financial budgets and review performance, or the policies by which we ensure compliance with information privacy laws.

This strategy has proven to be of great value to us during the recent COVID-19 crisis; we could not have reacted as proactively, effectively or quickly had we not put in place our strategy and organizational structure several years ago. Our decentralized model allowed our businesses to respond quickly to local restrictions, customer needs, and the health and safety of our team members, and leaders shared information and best practices across the group. Our shared strategic capabilities in procurement helped us to address supply chain risks and agree to extensions of supplier payments, the mass customization platform helped us to route orders between production facilities when needed due to temporary closures, and our central finance and legal teams secured the financial flexibility to navigate this period of uncertainty.

Our Uppermost Financial Objective

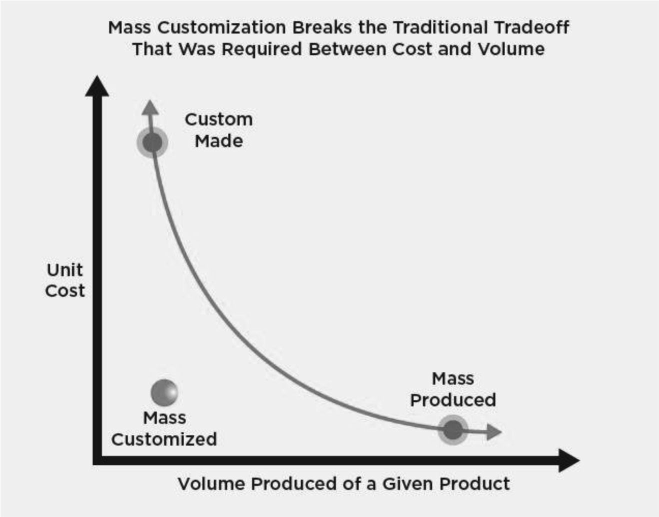
Our uppermost financial objective is to maximize our intrinsic value per share. We define intrinsic value per share as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share. We define unlevered free cash flow as free cash flow plus interest expense related to borrowings.

This financial objective is inherently long-term in nature. Thus an explicit outcome of this is that we accept fluctuations in our financial metrics as we make investments that we believe will deliver attractive long-term returns on investment.

We ask investors and potential investors in Cimpress to understand our uppermost financial objective by which we endeavor to make all financially evaluated decisions. We often make decisions in service of this priority that could be considered non-optimal were they to be evaluated based on other financial criteria such as (but not limited to) near- and mid-term revenue, operating income, net income, EPS, adjusted EBITDA, and cash flow.

Mass Customization

Mass customization is a business model that allows companies to deliver major improvements to customer value across a wide variety of customized product categories. Companies that master mass customization can automatically direct high volumes of orders into smaller streams of homogeneous orders that are then sent to specialized production lines. If done with structured data flows and the digitization of the configuration and manufacturing processes, setup costs become very small, and small volume orders become economically feasible.



The chart illustrates this concept. The horizontal axis represents the volume of production of a given product; the vertical axis represents the cost of producing one unit of that product. Traditionally, the only way to manufacture at a low unit cost was to produce a large volume of that product: mass-produced products fall in the lower right-hand corner of the chart. Custom-made products (i.e., those produced in small volumes for a very specific purpose) historically incurred very high unit costs: they fall in the upper left-hand side of the chart.

Mass customization breaks this trade off, enabling low-volume, low-cost production of individually unique products. Very importantly, relative to traditional alternatives mass customization creates value in many ways, not just lower cost. Other advantages can include faster production, greater personal relevance, elimination of obsolete stock, better design, flexible shipping options, more product choice, and higher quality.

Mass customization delivers a breakthrough in customer value particularly well in markets in which the worth of a physical product is inherently tied to a specific, unique use or application. For instance, there is limited value to a sign that is the same as is used by many other companies: the business owner needs to describe what is unique about his or her business. Likewise, a photo mug is more personally relevant if it shows pictures of someone's own friends and family. Before mass customization, producing a high-quality custom product required high per-order setup costs, so it simply was not economical to produce a customized product in low quantities.

We believe that the business cards sold by our Vistaprint business provide a concrete example of the potential of our mass customization business model to deliver significant customer value and to develop strong profit franchises in large markets that were previously low growth and commoditized. Millions of very small customers (for example, home-based businesses) rely on Vistaprint to design and procure aesthetically pleasing, high-quality, quickly-delivered and low-priced business cards. The Vistaprint production operations for a typical order of 250 standard business cards in Europe and North America require less than 14 seconds of labor for all of pre-press, printing, cutting and packaging, versus an hour or more for traditional printers. Combined with advantages of scale in graphic design support services, purchasing of materials, our self-service online ordering, pre-press automation, auto-scheduling and automated manufacturing processes, we allow customers to design, configure, and procure business cards at a fraction of the cost of typical traditional printers with very consistent quality and delivery reliability. Customers have very extensive, easily configurable, customization options such as rounded corners, different shapes, specialty papers, "spot varnish", reflective foil, folded cards, or different paper thicknesses. Achieving this type of product variety while also being very cost efficient took us almost two decades and requires massive volume, significant engineering investments and significant capital. Business cards is a mature market that, at the overall market level, has experienced continual declines over the past two decades. Yet, for Vistaprint, pre-pandemic, this remained a growing category and was highly profitable, and thus provides an example of the power of mass customization. Even though we do not expect many other products to reach this extreme level of automation, we do currently produce many other product categories (such as flyers, brochures, signage, mugs, calendars, pens, t-shirts, hats, embroidered soft goods, rubber stamps, photobooks, labels and holiday cards) via analogous methods whose volume and processes are well along the spectrum of mass customization relative to traditional suppliers and thus provide great customer value and a strong, profitable and growing revenue stream.

In response to the pandemic, our mass customization capabilities allowed us to pivot our manufacturing to focus on and produce products that are more relevant to the current environment. We began producing products such as masks, face shields, and social distancing signage and introduced relevant product templates. We were able to do this without risk of inventory obsolescence on traditional products since our products are made to order. In addition, during periods in which our manufacturing plants needed to be temporarily closed, our mass customization platform allowed us to reroute orders to other manufacturing locations to ensure they were fulfilled timely.

Market and Industry Background

Mass Customization Opportunity

Mass customization is not a market itself, but rather a business model that can be applied across global geographic markets, to customers from varying businesses (micro, small, medium and large), graphic designers, resellers, printers, teams, associations, groups, consumers and families, to which we offer products such as the following:

Marketing Materials

Packaging & Labels

Home & Family

Soft Goods & Apparel

Business Identity

Invitations & Stationery

Signage & Displays

Promotional Products

Fabric & Textiles

Large traditional markets undergoing disruptive innovation

The products, geographies and customer applications listed above constitute a large market opportunity that is highly fragmented. We believe that the vast majority of the markets to which mass customization could apply are still served by traditional business models that force customers either to produce in large quantities per order or to pay a high price per unit.

We believe that these large and fragmented markets are moving away from small traditional suppliers that employ job shop business models to fulfill a relatively small number of customer orders and toward businesses such as those owned by Cimpress that aggregate a relatively large number of orders and fulfill them via a focused supply chain and production capabilities at relatively high volumes, thereby achieving the benefits of mass customization. We believe we are early in the process of what will be a multi-decade shift from job-shop business models to mass customization.

Cimpress' current revenue represents a very small fraction of this market opportunity. We believe that Cimpress and competitors who have built their business around a mass customization model are "disruptive innovators" to these large markets because we enable small-volume production of personalized, high-quality products at an affordable price. Disruptive innovation, a term coined by Harvard Business School professor Clayton Christensen, describes a process by which a product or service takes root initially in simple applications at the bottom of a market (such as free business cards for the most price sensitive of micro-businesses or low-quality white t-shirts) and then moves up market, eventually displacing established competitors (such as those in the markets mentioned above).

We believe that a large opportunity exists for major markets to shift to a mass customization paradigm and, even though we are largely decentralized, the select few shared strategic capabilities into which we centrally invest provide significant scale-based competitive advantages for Cimpress.

We believe this opportunity to deliver substantially better customer value and to therefore disrupt large traditional industries can translate into tremendous future opportunity for Cimpress. Until approximately our fiscal year 2012, we focused primarily on a narrow set of customers within the list above (highly price-sensitive and discount-driven micro businesses and consumers) with a limited product offering. Through acquisitions and via significant investments in our Vistaprint business, we have expanded the breadth and depth of our product offerings, extended our ability to serve our traditional customers and gained a capability to serve a vast range of customer types.

As we continue to evolve and grow Cimpress, our understanding of these markets and their relative attractiveness is also evolving. Our expansion of product breadth and depth as well as new geographic markets has significantly increased the size of our addressable market opportunity. We base our market size and attractiveness estimates upon considerable research and analysis; however, our estimates are only approximate. Despite the imprecise nature of our estimates, we believe that our understanding is directionally correct and that we operate in an enormous aggregate market with significant opportunity for Cimpress to grow as we continue delivering a differentiated and attractive value proposition to customers.

Today, we believe that the revenue opportunity for low-to-medium order quantities (i.e., still within our focus of small-sized individual orders) in the four product categories below is over $100 billion annually in North America and Europe combined and at least $150 billion annually if you include other geographies and consumer products:

- Small format marketing materials such as business cards, flyers, leaflets, inserts, brochures and magazines. Businesses of all sizes are the main end users of short-and-medium run lengths (per order quantities below 2,500 units for business cards and below 20,000 units for other materials).
- Large format products such as banners, signs, tradeshow displays, and point-of-sale displays. Businesses of all sizes are the main end users of short-and-medium run lengths (less than 1,000 units).
- Promotional products, apparel and gifts including decorated apparel, bags and textiles, and hard goods such as pens, USB sticks, and drinkware. The end users of short-and-medium runs of these products range from businesses to teams, associations and groups, as well as consumers.
- Packaging products, such as corrugated board packaging, folded cartons, bags and labels. Businesses are the primary end users for short-and-medium runs (below 10,000 units).

Our Businesses

Cimpress businesses include our organically developed Vistaprint business, plus previously independent businesses either that we have fully acquired or in which we have a majority equity stake. Prior to its acquisition, each of our acquired companies pursued business models that embodied the principles of mass customization. In other words, each provided a standardized set of products that could be configured and customized by customers, ordered in relatively low volumes, and produced via relatively standardized, homogeneous production processes, at prices lower than those charged by traditional producers.

Our businesses collectively operate across North America and Europe, as well as in India, Japan, Brazil, China and Australia. Their websites typically offer a broad assortment of tools and features allowing customers to create a product design or upload their own complete design and place an order, either on a completely self-service basis or with varying levels of assistance. Some of our businesses also use offline techniques to acquire customers (e.g., mail order, telesales). The combined product assortment across our businesses is extensive, including offerings in the following product categories: business cards, marketing materials such as flyers and postcards, digital and marketing services, writing instruments, signage, canvas-print wall décor, decorated apparel, promotional products and gifts, packaging, textiles and magazines and catalogs. Also, we have responded to customer needs with new pandemic-related design templates for existing products as well as launching new products like face masks.

The majority of our revenue is driven by standardized processes and enabled by software. We endeavor to design these processes and technologies to readily scale as the number of orders received per day increases. In particular, the more individual jobs we receive in a given time period, the more efficiently we can sort and route jobs with homogeneous production processes to given nodes of our internal production systems or of our third-party supply chain. This sortation and subsequent process automation improves production efficiency. We believe that our strategy of systematizing our service and production systems enables us to deliver value to customers much more effectively than traditional competitors.

Our businesses operate production facilities throughout the geographies listed above. We also work extensively with several hundred external fulfillers located across the globe. We believe that the improvements we have made and the future improvements we intend to make in software technologies that support the design, sortation, scheduling, production and delivery processes provide us with significant competitive advantage. In many cases our businesses can produce and ship an order the same day they receive it. Our supply chain systems and processes seek to drive reduced inventory and working capital as well as faster delivery to customers. In certain of our company-owned manufacturing facilities, software schedules the near-simultaneous production of different customized products that have been ordered by the same customer, allowing us to produce and deliver multi-part orders quickly and efficiently.

We believe that the potential for scale-based advantages is not limited to focused, automated production lines. Other advantages include the ability to systematically and automatically sort through the voluminous “long tail” of diverse and uncommon orders in order to group them into more homogeneous categories, and to route them to production nodes that are specialized for that category of operations and/or which are geographically proximate to the customer. In such cases, even though the daily production volume of a given production node is small in comparison to our highest-volume production lines, the homogeneity and volume we are able to achieve is nonetheless significant relative to traditional suppliers of the long tail product in question; thus, our relative efficiency gains remain substantial. For this type of long-tail production, we rely heavily on third-party fulfillment partnerships, which allow us to offer a very diverse set of products. We acquired most of our capabilities in this area via our investments in Exaprint, Printdeal, Pixartprinting and WIRmachenDRUCK. For instance, the product assortment of each of these four businesses is measured in the tens of thousands, versus Vistaprint where product assortment is dramatically smaller on a relative basis. This deep and broad product offering is important to many customers.

Our businesses are currently organized into the following five reportable segments:

1. **Vistaprint**:

vistaprint®

Consists of the operations of our Vistaprint-branded websites in North America, Europe, Australia, New Zealand, India and Japan. This business also includes our Webs business, which is managed with the Vistaprint Digital business, and our Vistaprint Corporate Solutions business which serves medium-sized businesses and large corporations, as well as a legacy revenue stream with retail partners and franchise businesses.

Our Vistaprint business helps more than 15 million micro businesses (companies with fewer than 10 employees) create attractive, professional-quality marketing products at affordable prices and at low volumes.

Upload & Print:

In order to increase customer focus, nimbleness and competitiveness, in fiscal year 2019 we eliminated a management oversight layer and created two sub-groups of upload and print businesses. We refer to these reportable segments as PrintBrothers and The Print Group, each of which focus on serving graphic professionals: local printers, print resellers, graphic artists, advertising agencies and other customers with professional desktop publishing skill sets.

2. **PrintBrothers:** Consists of our druck.at, Printdeal, and WIRmachenDRUCK businesses.

3. **The Print Group:** Consists of our Easyflyer, Exaprint, Pixartprinting, and Tradeprint businesses.

4. **National Pen**:

Consists of our National Pen business and a few smaller brands operated by National Pen that are focused on customized writing instruments and promotional products, apparel and gifts for small- and medium-sized businesses.

National Pen serves more than a million small businesses annually across more than 20 countries. Marketing methods are typically direct mail and telesales, as well as a small yet growing e-commerce site.

5. **All Other Businesses**:

With the exception of BuildASign, which is a larger and profitable business, this segment consists of small, early-stage businesses by which Cimpress is expanding to new markets. These businesses have been combined into one reportable segment based on materiality. The early-stage businesses in this segment are subject to high degrees of risk, and we expect that each of their business models will rapidly evolve in function of future trials and entrepreneurial pivoting. Our All Other Businesses reportable segment includes the following:

BUILD A SIGN .com	BuildASign is an internet-based provider of canvas-print wall décor, business signage and other large-format printed products, based in Austin, Texas.
printi	As the online printing leader in Brazil, Printi offers a superior customer experience with transparent and attractive pricing, reliable service and quality.
云尚定	YSD is a startup operation that provides end-to-end mass customization solutions to brands and intellectual property owners in China, supporting multiple channels including retail stores, websites, WeChat and e-commerce platforms to enhance brand awareness and competitiveness, and develop new markets.

Central Procurement

Given the scale of purchasing that happens across Cimpress' businesses, there is significant value to coordinating our negotiations and purchasing to gain the benefit of scale. Our central procurement team negotiates and manages Cimpress-wide contracts for large-scale capital equipment, shipping services and major categories of raw materials (e.g., paper, plates, ink). The Cimpress procurement team is also available on an as-requested basis to help with procurement improvements, tools and approaches across other aspects of our businesses' purchases.

We are focused on achieving the lowest total cost in our strategic sourcing efforts by concentrating on quality, logistics, technology and cost, while also striving to use responsible sourcing practices within our supply chain. Our efforts include the procurement of high-quality materials and equipment that meet our strict specifications at a low total cost across a growing number of manufacturing locations, with an increasing focus on supplier compliance with our sustainable paper procurement policy as well as our Supplier Code of Conduct. Additionally, we work to develop and implement logistics, warehousing, and outbound shipping strategies to provide a balance of low-cost material availability while limiting our inventory exposure.

As mentioned, the central procurement team played a crucial role when impacts of the pandemic became prevalent in March 2020. The team partnered with Cimpress suppliers to delay more than $30 million of supplier and lease payments previously due before June 30, 2020. These delays were important given our typical working capital trends, as we would have otherwise experienced cash outflows from working capital in the fourth quarter as revenue declined relative to the last fiscal year.

Technology

Our businesses typically rely on proprietary technology to attract and retain our customers, to enable customers to create graphic designs and place orders on our websites, and to aggregate and produce multiple orders in standardized, scalable processes. Technology is core to our competitive advantage, as without it our businesses would not be able to produce custom orders in small quantities while achieving the economics that are more analogous to mass-produced items.

We are building and using our MCP which is a cloud-based collection of software services, APIs, web applications and related technology offerings that can be leveraged independently or together by our businesses and third parties to perform common tasks that are important to mass customization. Cimpress businesses, and increasingly third-party fulfillers to our various businesses, can leverage different combinations of MCP services, depending on what capabilities they need to complement their business-specific technology. MCP is a multi-year investment that remains in its relatively early stages; however, many of our businesses are leveraging some of the technologies that have already been developed and/or shared by other businesses. The capabilities that are available in the MCP today include customer-facing technologies, such as those that enable customers to visualize their designs on various products, as well as manufacturing, supply chain, and logistics technologies that automate various stages of the production and delivery of a product to a customer. The benefits of the MCP include improved speed to market for new product introduction, reduction in fulfillment costs, improvement of product delivery or geographic expansion, improved site experience, automating manual tasks and avoiding IT expense (through a reduction in expenses related to maintaining/licensing software). Over time, we believe we can generate significant customer and shareholder value from increased specialization of production facilities, aggregated scale from multiple businesses, increased product offerings and shared technology development costs.

We intend to continue developing and enhancing our MCP-based customer-facing and manufacturing, supply chain and logistics technologies and processes. We develop our MCP technology centrally and we also have software and production engineering capabilities in each of our businesses. Our businesses are constantly seeking to strengthen our manufacturing and supply chain capabilities through engineering improvements in areas like automation, lean manufacturing, choice of equipment, product manufacturability, materials science, process control and color control.

Each of our businesses uses a mix of proprietary and third-party technology that supports the specific needs of that business. Their technology intensity ranges from significant to light, depending on their specific needs. Over the past few years, an increasing number of our businesses have begun to modernize and modularize their business-specific technology to enable them to launch more new products faster, provide a better customer experience, more easily connect to our MCP technologies, and leverage third-party technologies where we do not need to bear the cost of developing and maintaining proprietary technologies. For example, our businesses are increasingly using third-party software for capabilities such as shopping carts or customer reviews, which are areas that we can benefit from providing a standard e-commerce experience, and are better leveraging engineering resources to focus on technology development from which we derive competitive advantage.

In our central Cimpress Technology team and in an increasing number of our decentralized businesses, we have adopted an agile, micro-services-based approach to technology development that enables multiple businesses or use cases to leverage this API technology regardless of where it was originally developed. We believe this development approach can help our businesses serve customers and scale operations more rapidly than could have been done as an individual business outside Cimpress.

Information Privacy and Security

Each Cimpress business is responsible for ensuring that customer, company and team member information is secure and handled in ways that are fully compliant with relevant laws and regulations. Because there are many aspects of this topic that apply to all of our businesses, Cimpress invests in a central security team that defines security policies, deploys security controls, and provides services and embeds security into the development processes of our businesses. This team works in partnership with each of our businesses and the corporate center to measure security maturity and risk, and provides managed security services in a way that allows each business to address their unique challenges, lower their cost, and become more efficient in using their resources.

Shared Talent Infrastructure

We make it easy, low cost, and efficient for Cimpress businesses to set up and grow teams in India via a central infrastructure that provides all the local recruiting, onboarding, day-to-day administration, HR, and facilities management to support these teams, whether for technology, graphic services, or other business functions. Most of our businesses have established teams in India leveraging this central capability, with those teams working directly for the respective Cimpress business. This is another example of scale advantage, albeit with talent, relative to both traditional suppliers and smaller online competitors that we can leverage across Cimpress.

Competition

The markets for the products our businesses produce and sell are intensely competitive, highly fragmented and geographically dispersed, with many existing and potential competitors. We have very low market share relative to the total. Within this highly competitive context, our businesses compete on the basis of breadth and depth of product offerings; price; convenience; quality; technology; design content, tools, and assistance; customer service; ease of use; and production and delivery speed. It is our intention to offer a broad selection of high-quality products as well as related services at low price points and in doing so, offer our customers an attractive value proposition. Our current competition includes a combination of the following:

- traditional offline suppliers and graphic design providers
- online printing and graphic design companies
- office superstores, drug store chains, food retailers, and other major retailers targeting small business and consumer markets
- wholesale printers

- self-service desktop design and publishing using personal computer software
- email marketing services companies
- website design and hosting companies
- suppliers of customized apparel, promotional products, gifts, and packaging
- online photo product companies
- internet retailers
- online providers of custom printing services that outsource production to third party printers
- providers of digital marketing such as social media and local search directories

Today's market has evolved to be much tougher in terms of competition. This evolution, which has been going on for 20 years, has led to major benefits for the customers in terms of lower prices, faster lead times, and easier customer experience. Cimpress and its businesses have proactively driven, and benefited from, this dynamic. The mass customization business model first took off with small format products like business cards, post cards and flyers, and consumer products like holiday cards. As the model has become better understood and more prevalent, and online advertising approaches more common, the competition has become more intense. We are seeing these types of small format products growing at rates slower than some other product categories, and we continue to derive significant profits from these small format products. Conversely, there are other product areas that have only more recently begun to benefit from mass customization, such as signage, promotional products, apparel and gifts, textiles and packaging. Here, we see higher rates of growth, but with a wider variety of profit outcomes as we continue to scale our offering in these areas. There is also a geographic overlay to these trends. For example, in developing markets like India and Brazil where these products are more recently available in an online marketplace, we see stronger growth across all product areas, whereas the market in countries such as Germany is far more mature and therefore more slow growing.

We anticipate that the overall competitive landscape described above will change as a result of the pandemic. We believe that the shift from traditional to mass customized models may accelerate, and that some of the online competitors that offer a more limited product portfolio or lack scale advantages will have less flexibility to navigate changing customer demand levels. Our businesses have done well during past economic recessions, because we serve our customers with a fundamentally more competitive business model than the highly fragmented, sub-scale traditional competitors. Shelter-at-home experiences are making e-commerce and service-at-a-distance experiences like ours more mainstream. As we have done in past economic downturns, we also have an opportunity to serve millions of individuals who take up self-employment or freelance roles because of our ability to serve the needs of those customers.

Social and Environmental Responsibility

Above and beyond compliance with applicable laws and regulations, we expect all parts of Cimpress to conduct business in a socially responsible, ethical manner. Examples of these efforts are:

- **Environmental** - We regularly evaluate ways to minimize the impact of our operations on the environment. In terms of combating climate change, we have established and centrally fund a company-wide carbon emissions reduction program to lower the emissions associated with our operations at a rate slightly exceeding the 1.5°C target pathway, and expect to achieve carbon neutrality by 2040. This commitment expands upon our previous 2°C target, established in alignment with the 2015 United Nations Global Change Conference (COP21 "Paris Climate Accord"), and now includes the emissions from our supply chain (Scope 3). Our plan includes investments in energy-reducing infrastructure and equipment, renewable energy sourcing, and examination of our substrate and logistics choices for further opportunities to reduce total emissions. We are on track to meet this commitment, and we seek to make further improvements each year going forward.

We have converted the vast majority of the paper we print on in our Cimpress-owned production facilities to FSC-certified paper (FSC® C143124, FSC® C125299), the leading certification of responsible forestry practices. This certification confirms that the paper we print on comes from responsibly managed forests that meet high environmental and social standards. Currently over 85% of the paper that we print on in our facilities is FSC-certified, and we seek to move that to 100% over time. We have also committed to influencing our third-party suppliers to materially expand their use of responsibly forested paper for the products that they customize on our behalf, as well as using either FSC-certified corrugate or packaging materials containing recycled content from post-consumer sources to help ensure our packaging does not contribute to deforestation.

We also have just committed to improve the profile of our plastic-based packaging and products in line with the targets set by the New Plastics Economy Global Commitment, co-sponsored by the United Nations Environment Programme. This includes a focus on reduced plastic usage, increased recyclability, and support of products that contain recycled materials.

- **Fair labor practices** - We make recruiting, retention, and other performance management related decisions based solely on merit, based on an individual’s ability to do their job with excellence and in alignment with the company’s strategic and operational objectives. We do not tolerate discrimination on any basis protected by human rights laws or anti-discrimination regulations, and we strive to do more in this regard than the law requires. We are committed to a work environment where team members are treated with respect and fairness, and have invested in education and awareness programs for team members to make further improvements in this area. We value individual differences, unique perspectives and the distinct contributions that each one of us can make to the company.

- **Team member health and safety** - We require safe working conditions at all times to ensure our team members and other parties are protected, and require legal compliance at a minimum at all times. We require training on – and compliance with – safe work practices and procedures at all manufacturing facilities to ensure the safety of team members and visitors to our plant floors. Given the global impacts of the COVID-19 pandemic, we have held our team member health and safety as a top priority, and have implemented measures such as remote working for members who are able to, restrictions on team member travel to be essential only, and increased safety measures at our manufacturing and customer service centers including additional cleaning and sanitary protocols.

- **Ethical supply chain** - It is important to us that our supply chain reflects our commitment to doing business with the highest standards of ethics and integrity. Each Cimpress business is responsible to ensure its supply chain does not allow for unacceptable practices such as environmental crimes, child labor, slavery or unsafe working conditions.

More information can be found at www.cimpress.com in our Corporate Social Responsibility section, including links to reports and documents such as our supplier code of conduct, compliance with the UK anti-slavery act and our supply chain transparency disclosure.

Intellectual Property

We seek to protect our proprietary rights through a combination of patents, copyrights, trade secrets, trademarks and contractual restrictions. We enter into confidentiality and proprietary rights agreements with our employees, consultants and business partners, and control access to, and distribution of, our proprietary information. We have registered, or applied for the registration of, a number of U.S. and international domain names, trademarks, and copyrights. Additionally, we have filed U.S. and international patent applications for certain of our proprietary technology.

Seasonality

Our profitability has historically been highly seasonal. Our second fiscal quarter, ending December 31, includes the majority of the holiday shopping season and has become our strongest quarter for sales of our consumer-oriented products, such as holiday cards, calendars, canvas prints, photobooks, and personalized gifts.

In fiscal 2020, operating income for our second quarter was greater than our operating income for the entire year, due in part to impairments recognized during our third quarter as well as negative impacts from the COVID-19 pandemic and related restrictions. Operating income during the second fiscal quarter represented 55%, and 46% of annual operating income in the years ended June 30, 2019 and 2018, respectively.

Employees

As of June 30, 2020, we had approximately 12,000 full-time and approximately 1,000 temporary employees worldwide.

Corporate Information

Cimpress plc was incorporated on July 5, 2017 as a private company limited by shares under the laws of Ireland and on November 18, 2019 was re-registered as a public limited company under the laws of Ireland. On December 3, 2019, Cimpress completed the Irish Merger pursuant to which Cimpress N.V. merged with and into Cimpress plc, with Cimpress plc surviving the merger and becoming the publicly traded parent company of the Cimpress group of entities. Cimpress N.V., the predecessor company to Cimpress plc, was incorporated under the laws of the Netherlands on June 5, 2009. The registered office of Cimpress plc is at Building D, Xerox Technology Park, Dundalk, Co. Louth, Ireland, and its telephone number at the registered office is +353-42-938-8500.

Available Information

We make available, free of charge through our United States website, the reports, proxy statements, amendments and other materials we file with or furnish to the SEC as soon as reasonably practicable after we electronically file or furnish such materials with or to the SEC. The address of our United States website is www.cimpress.com. We are not including the information contained on our website, or information that can be accessed by links contained on our website, as a part of, or incorporating it by reference into, this Annual Report on Form 10-K.

Item 1A. *Risk Factors*

Our future results may vary materially from those contained in forward-looking statements that we make in this Report and other filings with the SEC, press releases, communications with investors, and oral statements due to the following important factors, among others. Our forward-looking statements in this Report and in any other public statements we make may turn out to be wrong. These statements can be affected by, among other things, inaccurate assumptions we might make or by known or unknown risks and uncertainties or risks we currently deem immaterial. Consequently, no forward-looking statement can be guaranteed. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Risks Related to Our Business

If our long-term growth strategy is not successful, our business and financial results could be harmed.

We may not achieve our long-term objectives, and our investments in our business may fail to impact our results and growth as anticipated. Some of the factors that could cause our business strategy to fail to achieve our objectives include the following, among others:

- our failure to adequately execute our strategy or anticipate and overcome obstacles to achieving our strategic goals
- our failure to develop or deploy our mass customization platform or the failure of the platform to drive the efficiencies and competitive advantage we expect
- our failure to manage the growth, complexity, and pace of change of our business and expand our operations
- our failure to address and mitigate the impacts of the COVID-19 pandemic on our business
- our failure to acquire, at a value-accretive price or at all, businesses that enhance the growth and development of our business or to effectively integrate the businesses we do acquire into our business

- our inability to purchase or develop technologies and other key assets and capabilities to increase our efficiency, enhance our competitive advantage, and scale our operations
- the failure of our current supply chain to provide the resources we need at the standards we require and our inability to develop new or enhanced supply chains
- our failure to acquire new customers and enter new markets, retain our current customers, and sell more products to current and new customers
- our failure to address performance issues in some of our businesses and markets
- our failure to sustain growth in relatively mature markets
- our failure to promote, strengthen, and protect our brands
- our failure to effectively manage competition and overlap within our brand portfolio
- the failure of our current and new marketing channels to attract customers
- our failure to realize expected returns on our capital allocation decisions
- unanticipated changes in our business, current and anticipated markets, industry, or competitive landscape
- our failure to attract and retain skilled talent needed to execute our strategy and sustain our growth
- general economic conditions

If our strategy is not successful, then our revenue, earnings, cash flow, and value may not grow as anticipated, be negatively impacted, or decline, our reputation and brands may be damaged, and the price of our shares may decline. In addition, we may change our strategy from time to time, which can cause fluctuations in our financial results and volatility in our share price.

The COVID-19 pandemic has had a major adverse impact, and is expected to continue to have a major adverse impact, on our operations, financial results, customers, markets, and employees.

The COVID-19 pandemic has negatively impacted our business in a number of material ways, and we expect these impacts to continue. These impacts include, but are not limited to, the following:

- material declines in demand for our products and services, leading to major adverse effects on our revenue, earnings, cash flows, and other financial results
- disruptions in our operations, with many of our employees subject to shelter-in-place orders and other safety measures restricting them from leaving their homes
- large investments of time and resources as our management team focuses on mitigating the effects of the pandemic on our business operations while protecting the health of our employees

Depending on the duration and development of the pandemic, including the possibility of future "waves" of increased infection rates, we could see additional impacts in the future. For example, although our supply chain has not been materially impacted to date, in the future we could experience supply chain disruptions due to restrictions on the operations of our suppliers and travel restrictions including border closures in some jurisdictions. In addition, although we have amended our senior secured credit facility to suspend our financial maintenance covenants for a period of time, if the adverse effects on our financial results continue beyond the suspension period, we could have difficulty complying with our credit facility covenants, which could have a number of negative effects on our business and operations, ranging from limitations on our ability to borrow under the facility to causing us to default under our indebtedness.

We cannot predict how the COVID-19 pandemic will develop, how long it and its impacts on economic activity and our business, operations, and markets will continue, or whether the pandemic will lead to a prolonged economic downturn. Although we expect the pandemic to continue to materially adversely impact customers, and therefore our financial results, and prolonged impacts could begin to materially impact suppliers and employees, the extent of the impacts will depend on future developments that are highly uncertain and impossible to predict.

We may not succeed in promoting and strengthening our brands, which could prevent us from acquiring new customers and increasing revenues.

A primary component of our business strategy is to promote and strengthen our brands to attract new and repeat customers, and we face significant competition from other companies in our markets who also seek to establish strong brands. To promote and strengthen our brands, we must incur substantial marketing expenses and establish a relationship of trust with our customers by providing a high-quality customer experience, which requires us to invest substantial amounts of our resources. Our ability to provide a high-quality customer experience is also dependent on external factors over which we may have little or no control, such as the reliability and performance of our suppliers, third-party fulfillers, third-party carriers, and communication infrastructure providers. If we are unable to promote our brands or provide customers with a high-quality customer experience, we may fail to attract new customers, maintain customer relationships, and sustain or increase our revenues.

We manage our business for long-term results, and our quarterly and annual financial results often fluctuate, which may lead to volatility in our share price.

Our revenue and operating results often vary significantly from period to period due to a number of factors, and as a result comparing our financial results on a period-to-period basis may not be meaningful. We prioritize our uppermost financial objective of maximizing our intrinsic value per share even at the expense of shorter-term results and do not manage our business to maximize current period reported financial results, such as (but not limited to) near- and mid-term revenue, operating income, net income, EPS, adjusted EBITDA, and cash flow. Many of the factors that lead to period-to-period fluctuations are outside of our control; however, some factors are inherent in our business strategies. Some of the specific factors that could cause our operating results to fluctuate from quarter to quarter or year to year include among others:

- investments in our business in the current period intended to generate longer-term returns, where the costs in the near term will not be offset by revenue or cost savings until future periods, if at all
- the effects of the COVID-19 pandemic on our customers, suppliers, business, and operations
- variations in the demand for our products and services, in particular during our second fiscal quarter, which may be driven by seasonality, performance issues in some of our businesses and markets, or other factors
- currency and interest rate fluctuations, which affect our revenue, costs, and fair value of our assets and liabilities
- our hedging activity
- our ability to attract and retain customers and generate purchases
- shifts in revenue mix toward less profitable products and brands
- the commencement or termination of agreements with our strategic partners, suppliers, and others
- our ability to manage our production, fulfillment, and support operations
- costs to produce and deliver our products and provide our services, including the effects of inflation and the rising costs of raw materials such as paper
- our pricing and marketing strategies and those of our competitors
- expenses and charges related to our compensation arrangements with our executives and employees

- costs and charges resulting from litigation
- significant increases in credits, beyond our estimated allowances, for customers who are not satisfied with our products or delivery
- changes in our effective income tax rate
- costs to acquire businesses or integrate our acquired businesses
- financing costs
- impairments of our tangible and intangible assets including goodwill
- the results of our minority investments and joint ventures

Some of our expenses, such as office leases, depreciation related to previously acquired property and equipment, and personnel costs, are relatively fixed, and we may be unable to, or may not choose to, adjust operating expenses to offset any revenue shortfall. Accordingly, any shortfall in revenue may cause significant variation in operating results in any period. Our operating results may sometimes be below the expectations of public market analysts and investors, in which case the price of our ordinary shares may decline.

We may not be successful in developing and deploying our mass customization platform or in realizing the anticipated benefits of the platform.

A key component of our strategy is the development and deployment of a mass customization platform, which is a cloud-based collection of software services, APIs, web applications and related technology offerings that can be leveraged independently or together by our businesses and third parties to perform common tasks that are important to mass customization. The process of developing new technology is complex, costly, and uncertain and requires us to commit significant resources before knowing whether our businesses will adopt components of our mass customization platform or whether the platform will make us more effective and competitive. As a result, there can be no assurance that we will find new capabilities to add to the growing set of technologies that make up our platform, that our diverse businesses will realize value from the platform, or that we will realize expected returns on the capital expended to develop the platform.

In addition, we are aware that other companies are developing platforms that could compete with ours. If a competitor were to create a more attractive or easier to adopt platform that has the potential to drive more scale advantage than ours does, our competitive position could be harmed.

Our global operations, decentralized organizational structure, and expansion place a significant strain on our management, employees, facilities, and other resources and subject us to additional risks.

We are a global company with production facilities, offices, and localized websites in many countries across six continents, and we manage our businesses and operations in a decentralized, autonomous manner. We expect to establish operations, acquire or invest in businesses, and sell our products and services in additional markets and geographic regions, including emerging markets, where we may have limited or no experience. We may not be successful in all markets and regions in which we invest or where we establish operations, which may be costly to us. We are subject to a number of risks and challenges that relate to our global operations, decentralization, and expansion, including, among others:

- difficulty managing operations in, and communications among, multiple businesses, locations, and time zones
- difficulty complying with multiple tax laws, treaties, and regulations and limiting our exposure to onerous or unanticipated taxes, duties, and other costs
- our failure to improve and adapt our financial and operational controls and systems to manage our decentralized businesses and comply with our obligations as a public company

- the challenge of complying with disparate laws in multiple countries, such as local regulations that may impair our ability to conduct our business as planned, protectionist laws that favor local businesses, and restrictions imposed by local labor laws

- our inexperience in marketing and selling our products and services within unfamiliar markets, countries, and cultures

- challenges of working with local business partners

- our failure to properly understand and develop graphic design content and product formats and attributes appropriate for local tastes

- disruptions caused by political and social instability that may occur in some countries

- exposure to corrupt business practices that may be common in some countries or in some sales channels and markets, such as bribery or the willful infringement of intellectual property rights

- difficulty repatriating cash from some countries

- difficulty importing and exporting our products across country borders and difficulty complying with customs regulations in the many countries where we sell products

- disruptions or cessation of important components of our international supply chain

- failure of local laws to provide a sufficient degree of protection against infringement of our intellectual property

There is considerable uncertainty about the economic and regulatory effects of the United Kingdom's exit from the European Union (commonly referred to as "Brexit"). The UK is one of our largest markets in Europe, but we currently ship many products to UK customers from EU countries. If Brexit results in greater restrictions on imports and exports between the UK and the EU or increased regulatory complexity, then our operations and financial results could be negatively impacted.

In addition, we are exposed to fluctuations in currency exchange rates that may impact items such as the translation of our revenue and expenses, remeasurement of our intercompany balances, and the value of our cash and cash equivalents and other assets and liabilities denominated in currencies other than the U.S. dollar, our reporting currency. The hedging activities we engage in may not mitigate the net impact of currency exchange rate fluctuations, and our financial results may differ materially from expectations as a result of such fluctuations.

Failure to protect our information systems and the confidential information of our customers, employees, and business partners against security breaches or thefts could damage our reputation and brands, subject us to litigation and enforcement actions, and substantially harm our business and results of operations.

Our business involves the receipt, storage, and transmission of customers' personal and payment information, as well as confidential information about our business, employees, suppliers, and business partners, some of which is entrusted to third-party service providers, partners, and vendors. Our information systems and those of third parties with which we share information are vulnerable to an increasing threat of cyber security risks, including physical and electronic break-ins, computer viruses, and phishing and other social engineering scams, among other risks, and these vulnerabilities may be heightened during the COVID-19 pandemic when many of our employees are working from home and a number of our offices are largely empty. As security threats evolve and become more sophisticated and more difficult to detect and defend against, a hacker or thief may defeat our security measures, or those of our third-party service provider, partner, or vendor, and obtain confidential or personal information. We or the third party may not discover the security breach and theft of information for a significant period of time after the breach occurs. We may need to expend significant resources to protect against security breaches and thefts of data or to address problems caused by breaches or thefts, and we may not be able to anticipate cyber attacks or implement adequate preventative measures. Any compromise or breach of our information systems or the information systems of third parties with which we share information could, among other things:

- damage our reputation and brands
- expose us to losses, remediation costs, litigation, enforcement actions, and possible liability
- result in a failure to comply with legal and industry privacy regulations and standards
- lead to the misuse of our and our customers' and employees' confidential or personal information
- cause interruptions in our operations
- cause us to lose revenue if existing and potential customers believe that their personal and payment information may not be safe with us

We are subject to the laws of many states, countries, and regions and industry guidelines and principles governing the collection, use, retention, disclosure, sharing, and security of data that we receive from and about our customers and employees. Any failure or perceived failure by us to comply with any of these laws, guidelines, or principles could result in actions against us by governmental entities or others, a loss of customer confidence, and damage to our brands, any of which could have an adverse effect on our business. In addition, the regulatory landscape is constantly changing, as various regulatory bodies throughout the world enact new laws concerning privacy, data retention, data transfer and data protection, such as the California Consumer Privacy Act that recently became effective. Complying with these varying and changing requirements could cause us to incur substantial costs or require us to change our business practices in a manner adverse to our business and operating results.

Acquisitions and strategic investments may be disruptive to our business.

An important way in which we pursue our strategy is to selectively acquire businesses, technologies, and services and make minority investments in businesses and joint ventures. The time and expense associated with finding suitable businesses, technologies, or services to acquire or invest in can be disruptive to our ongoing business and divert our management's attention. In addition, we have needed in the past, and may need in the future, to seek financing for acquisitions and investments, which may not be available on terms that are favorable to us, or at all, and can cause dilution to our shareholders, cause us to incur additional debt, or subject us to covenants restricting the activities we may undertake.

Our acquisitions and strategic investments may fail to achieve our goals.

An acquisition, minority investment, or joint venture may fail to achieve our goals and expectations for a number of reasons including the following:

- The business we acquired or invested in may not perform as well as we expected.
- We may overpay for acquired businesses, which can, among other things, negatively affect our intrinsic value per share.
- We may fail to integrate acquired businesses, technologies, services, or internal systems effectively, or the integration may be more expensive or take more time than we anticipated.
- The management of our acquired businesses, minority investments, and joint ventures may be more expensive or may take more resources than we expected.
- We may not realize the anticipated benefits of integrating acquired businesses into our mass customization platform.
- We may encounter cultural or language challenges in integrating an acquired business or managing our minority investment in a business.
- We may not be able to retain customers and key employees of the acquired businesses, and we and the businesses we acquire or invest in may not be able to cross sell products and services to each other's customers.

We generally assume the liabilities of businesses we acquire, which could include liability for an acquired business' violation of law that occurred before we acquired it. In addition, we have historically acquired smaller, privately held companies that may not have as strong a culture of legal compliance or as robust financial controls as a larger, publicly traded company like Cimpress, and if we fail to implement adequate training, controls, and monitoring of the acquired companies, we could also be liable for post-acquisition legal violations.

Our acquisitions and minority investments can negatively impact our financial results.

Acquisitions and minority investments can be costly, and some of our acquisitions and investments may be dilutive, leading to reduced earnings. Acquisitions and investments can result in increased expenses including impairments of goodwill and intangible assets if financial goals are not achieved, assumptions of contingent or unanticipated liabilities, amortization of acquired intangible assets, and increased tax costs.

In addition, the accounting for our acquisitions and minority investments requires us to make significant estimates, judgments, and assumptions that can change from period to period, based in part on factors outside of our control, which can create volatility in our financial results. For example, we often pay a portion of the purchase price for our acquisitions in the form of an earn out based on performance targets for the acquired companies or enter into obligations or options to purchase noncontrolling interests in our acquired companies or minority investments, which can be difficult to forecast. If in the future our assumptions change and we determine that higher levels of achievement are likely under our earn outs or future purchase obligations, we will need to pay and record additional amounts to reflect the increased purchase price. These additional amounts could be significant and could adversely impact our results of operations.

Furthermore, provisions for future payments to sellers based on the performance or valuation of the acquired businesses, such as earn outs and options to purchase noncontrolling interests, can lead to disputes with the sellers about the achievement of the performance targets or valuation or create inadvertent incentives for the acquired company's management to take short-term actions designed to maximize the payments they receive instead of benefiting the business. In addition, strong performance of the underlying business could result in material payments pursuant to earn-out provisions or future purchase obligations that may or may not reflect the fair market value of the asset at that time.

If we are unable to attract new and repeat customers in a cost-effective manner, our business and results of operations could be harmed.

Our success depends on our ability to attract new and repeat customers in a cost-effective manner. Our various businesses rely on a variety of methods to do this including drawing visitors to our websites, promoting our products and services through search engines such as Google, Bing, and Yahoo!, email, direct mail, advertising banners and other online links, broadcast media, telesales and word-of-mouth customer referrals. If the search engines on which we rely modify their algorithms or terminate their relationships with us, or if the prices at which we may purchase listings increase, then our costs could increase, and fewer customers may click through to our websites. If links to our websites are not displayed prominently in online search results, if fewer customers click through to our websites, if our direct mail marketing campaigns are not effective, or if the costs of attracting customers using any of our current methods significantly increase, then our ability to efficiently attract new and repeat customers would be reduced, our revenue and net income could decline, and our business and results of operations would be harmed.

Seasonal fluctuations in our business place a strain on our operations and resources.

Our profitability has historically been highly seasonal. Our second fiscal quarter includes the majority of the holiday shopping season and accounts for a disproportionately high portion of our earnings for the year, primarily due to higher sales of home and family products such as holiday cards, calendars, photo books, and personalized gifts. In addition, our National Pen business has historically generated nearly all of its profits during the December quarter. Our operating income during the second fiscal quarter represented 217%, 55%, and 46% of annual operating income in the years ended June 30, 2020, 2019, and 2018. In anticipation of increased sales activity during our second fiscal quarter holiday season, we typically incur significant additional capacity related expenses each year to meet our seasonal needs, including facility expansions, equipment purchases and leases, and increases in the number of temporary and permanent employees. Lower than expected sales during the second quarter have a disproportionately large impact on our operating results and financial condition for the full fiscal year. In addition, if our manufacturing and other operations are unable to keep up with the high volume of orders during our second fiscal quarter or we experience inefficiencies in our production, then our costs may be significantly higher, and we and our customers can experience delays in order fulfillment and delivery and other disruptions. If we are unable to accurately forecast and respond to seasonality in our business, our business and results of operations may be materially harmed.

Our hedging activity could negatively impact our results of operations, cash flows, or leverage.

We have entered into derivatives to manage our exposure to interest rate and currency movements. If we do not accurately forecast our results of operations, execute contracts that do not effectively mitigate our economic exposure to interest rates and currency rates, elect to not apply hedge accounting, or fail to comply with the complex accounting requirements for hedging, our results of operations and cash flows could be volatile, as well as negatively impacted. Also, our hedging objectives may be targeted at improving our non-GAAP financial metrics, which could result in increased volatility in our GAAP results. Since some of our hedging activity addresses long-term exposures, such as our net investment in our subsidiaries, the gains or losses on those hedges could be recognized before the offsetting exposure materializes to offset them. This could result in our having to borrow to settle a loss on a derivative without an offsetting cash inflow, potentially causing volatility in our cash or debt balances and therefore our leverage.

Our businesses face risks related to interruption of our operations and lack of redundancy.

Our businesses' production facilities, websites, infrastructure, supply chain, customer service centers, and operations may be vulnerable to interruptions, and we do not have redundancies or alternatives in all cases to carry on these operations in the event of an interruption. In addition, because our businesses are dependent in part on third parties for the implementation and maintenance of certain aspects of our communications and production systems, we may not be able to remedy interruptions to these systems in a timely manner or at all due to factors outside of our control. Some of the events that could cause interruptions in our businesses' operations or systems are the following, among others:

- fire, natural disasters, or extreme weather
- pandemic or other public health crisis
- labor strike, work stoppage, or other issues with our workforce
- political instability or acts of terrorism or war
- power loss or telecommunication failure
- attacks on our external websites or internal network by hackers or other malicious parties
- undetected errors or design faults in our technology, infrastructure, and processes that may cause our websites to fail
- inadequate capacity in our systems and infrastructure to cope with periods of high volume and demand
- human error, including poor managerial judgment or oversight

Any interruptions to our systems or operations could result in lost revenue, increased costs, negative publicity, damage to our reputations and brands, and an adverse effect on our business and results of operations. Building redundancies into our infrastructure, systems, and supply chain to mitigate these risks may require us to commit substantial financial, operational, and technical resources, in some cases before the volume of their business increases with no assurance that their revenue will increase.

We face intense competition, and our competition may continue to increase.

The markets for our products and services are intensely competitive, highly fragmented, and geographically dispersed. The competitive landscape for e-commerce companies and the mass customization market continues to change as new e-commerce businesses are introduced, established e-commerce businesses like Amazon enter the mass customization market, and traditional “brick and mortar” businesses establish an online presence. Competition may result in price pressure, increased advertising expense, reduced profit margins, and loss of market share and brand recognition, any of which could substantially harm our business and financial results.

Many of our current and potential competitors have advantages over us, including longer operating histories, greater brand recognition or loyalty, more focus on a given subset of our business, significantly greater financial, marketing, and other resources, or willingness to operate at a loss while building market share. Many of our competitors currently work together, and additional competitors may do so in the future through strategic business agreements or acquisitions. In addition, we have in the past and may in the future choose to collaborate with some of our existing and potential competitors in strategic partnerships that we believe will improve our competitive position and financial results. It is possible, however, that such ventures will be unsuccessful and that our competitive position and financial results will be adversely affected as a result of such collaboration.

Failure to meet our customers' price expectations would adversely affect our business and results of operations.

Demand for our products and services is sensitive to price for almost all of our businesses, and changes in our pricing strategies, including shipping pricing, have had a significant impact on the numbers of customers and orders in some regions, which in turn affects our revenue, profitability, and results of operations. Many factors can significantly impact our pricing and marketing strategies, including the costs of running our business, the costs of raw materials, our competitors' pricing and marketing strategies, and the effects of inflation. If we fail to meet our customers' price expectations, our business and results of operations may suffer.

We are subject to safety, health, and environmental laws and regulations, which could result in liabilities, cost increases, or restrictions on our operations.

We are subject to a variety of safety, health and environmental, or SHE, laws and regulations in each of the jurisdictions in which we operate. These laws and regulations govern, among other things, air emissions, wastewater discharges, the storage, handling and disposal of hazardous and other regulated substances and wastes, soil and groundwater contamination and employee health and safety. We use regulated substances such as inks and solvents, and generate air emissions and other discharges at our manufacturing facilities, and some of our facilities are required to hold environmental permits. If we fail to comply with existing SHE requirements, or new, more stringent SHE requirements applicable to us are imposed, we may be subject to monetary fines, civil or criminal sanctions, third-party claims, or the limitation or suspension of our operations. In addition, if we are found to be responsible for hazardous substances at any location (including, for example, offsite waste disposal facilities or facilities at which we formerly operated), we may be responsible for the cost of cleaning up contamination, regardless of fault, as well as for claims for harm to health or property or for natural resource damages arising out of contamination or exposure to hazardous substances.

In some cases we pursue self-imposed socially responsible policies that are more stringent than is typically required by laws and regulations, for instance in the areas of worker safety, team member social benefits and environmental protection such as carbon reduction initiatives. The costs of this added SHE effort are often substantial and could grow over time.

The failure of our business partners to use legal and ethical business practices could negatively impact our business.

We contract with multiple business partners in an increasing number of jurisdictions worldwide, including sourcing the raw materials for the products we sell from an expanding number of suppliers and contracting with third-party merchants and manufacturers for the placement and fulfillment of customer orders. We require our suppliers, fulfillers, and merchants to operate in compliance with all applicable laws, including those regarding corruption, working conditions, employment practices, safety and health, and environmental compliance, but we cannot control their business practices. We may not be able to adequately vet, monitor, and audit our many business partners (or their suppliers) throughout the world, and our decentralized structure heightens this risk, as not all of our businesses have equal resources to manage their business partners. If any of them violates labor, environmental, or other laws or implements business practices that are regarded as unethical or inconsistent with our values, our reputation could be severely damaged, and our supply chain and order fulfillment process could be interrupted, which could harm our sales and results of operations.

The loss of key personnel or an inability to attract and retain additional personnel could affect our ability to successfully grow our business.

We are highly dependent upon the continued service and performance of our senior management and key technical, marketing, and production personnel, any of whom may cease their employment with us at any time with minimal advance notice. We face intense competition for qualified individuals from many other companies in diverse industries. The loss of key employees places a strain on members of our management team, who in some cases need to step in and support an additional business or function, and may significantly delay or prevent the achievement of our business objectives. Our failure to recruit, attract, and retain suitably qualified individuals to fill open roles or to adequately plan for succession could have an adverse effect on our ability to implement our business plan.

Our credit facility and the indentures that govern our notes restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

Our senior secured credit facility, the indenture that governs our 7.0% senior unsecured notes due 2026, and the indenture that governs our 12.0% senior secured notes due 2025, which we collectively refer to as our debt documents, contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our best interest, including restrictions on our ability to:

- incur additional indebtedness, guarantee indebtedness, and incur liens
- pay dividends or make other distributions or repurchase or redeem capital stock
- prepay, redeem, or repurchase certain subordinated debt
- issue certain preferred stock or similar redeemable equity securities
- make loans and investments
- sell assets
- enter into transactions with affiliates
- alter the businesses we conduct
- enter into agreements restricting our subsidiaries' ability to pay dividends
- consolidate, merge, or sell all or substantially all of our assets

In May 2020, we amended our credit facility to suspend our financial maintenance covenants under the credit agreement for a period of time ending no later than the date on which we publish our financial results for the quarter ending December 31, 2021 (the Covenant Suspension Period), and during the Covenant Suspension Period there are more restrictive limitations on certain of our activities and actions, including the incurrence of additional indebtedness and liens, the consummation of certain investments including acquisitions, the making of restricted payments including purchasing our ordinary shares, and the incurrence of capital expenditures.

As a result of these restrictions, we may be limited in how we conduct our business, grow in accordance with our strategy, compete effectively, or take advantage of new business opportunities. In addition, when the financial maintenance covenants in our credit agreement are reinstated after the Covenant Suspension Period ends, we will be required to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we may be unable to meet them.

A default under any of our debt documents would have a material, adverse effect on our business.

Our failure to make scheduled payments on our debt or our breach of the covenants or restrictions under any of our debt documents could result in an event of default under the applicable indebtedness. Such a default would have a material, adverse effect on our business and financial condition, including the following, among others:

- Our lenders could declare all outstanding principal and interest to be due and payable, and we and our subsidiaries may not have sufficient assets to repay that indebtedness.
- Our secured lenders could foreclose against the assets securing their borrowings.
- Our lenders under our credit facility could terminate all commitments to extend further credit under that facility.
- We could be forced into bankruptcy or liquidation.

Our material indebtedness and interest expense could adversely affect our financial condition.

As of June 30, 2020, our total debt was $1,482.2 million.

Subject to the limits contained in our debt documents, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our level of debt could intensify. Specifically, our level of debt could have important consequences, including the following:

- making it more difficult for us to satisfy our obligations with respect to our debt
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions, or other general corporate requirements
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, and other general corporate purposes
- increasing our vulnerability to general adverse economic and industry conditions
- exposing us to the risk of increased interest rates as some of our borrowings, including borrowings under our credit facility, are at variable rates of interest
- limiting our flexibility in planning for and reacting to changes in the industry and marketplaces in which we compete
- placing us at a disadvantage compared to other, less leveraged competitors
- increasing our cost of borrowing

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to economic and competitive conditions and to various financial, business, legislative, regulatory, and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital, or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all.

If we cannot make scheduled payments on our debt, we will be in default. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our credit facility are at variable rates of interest and expose us to interest rate risk, and any interest rate swaps we enter into in order to reduce interest rate volatility may not fully mitigate our interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. As of June 30, 2020, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase of interest expense of approximately $0.3 million over the next 12 months.

Purchasers of customized products may not choose to shop online, which would limit our acquisition of new customers that are necessary to the success of our business.

Most of our businesses sell our products and services primarily through the Internet. Because the online market for most of our products and services is not mature, our success depends in part on our ability to attract customers who have historically purchased products and services we offer through offline channels. Specific factors that could prevent prospective customers from purchasing from us online include the following:

- concerns about buying customized products without face-to-face interaction with design or sales personnel
- the inability to physically handle and examine product samples before making a purchase
- delivery time associated with Internet orders
- concerns about the security of online transactions and the privacy of personal information
- delayed or lost shipments or shipments of incorrect or damaged products
- a desire to support and buy from local businesses
- limited access to the Internet
- the inconvenience associated with returning or exchanging purchased items

In addition, our internal research shows that an increasing number of current and potential customers access our websites using smart phones or tablets and that our website visits using traditional computers may decline. Designing and purchasing custom designed products on a smart phone, tablet, or other mobile device is more difficult than doing so with a traditional computer due to limited screen sizes and bandwidth constraints, and we are seeing that customers' increased use of mobile devices to access and use our websites and technologies is having a negative impact on conversion rates, especially in our Vistaprint business, which can lead to a decline in revenue.

Border controls and duties and restrictions on cross-border commerce may negatively impact our business.

Many governments impose restrictions on shipping goods into their countries, as well as protectionist measures such as customs duties and tariffs that may apply directly to product categories comprising a material portion of our revenues. The customs laws, rules and regulations that we are required to comply with are complex and subject to unpredictable enforcement and modification. As a result of these restrictions, we have from time to time experienced delays in shipping our manufactured products into certain countries, and changes in cross-border regulations could have a significant negative effect on our business. For example, the current United States administration has made, and may continue to make, major changes in trade policy between the United States and other countries, such as the imposition of additional tariffs and duties on imported products, and has suggested closing the border between the United States and Mexico. Because we produce most physical products for our United States customers at our facilities in Canada and Mexico and we source most materials for our products outside the United States, including material amounts of sourcing from China, future changes in tax policy or trade relations could adversely affect our business and results of operations.

If we are unable to protect our intellectual property rights, our reputation and brands could be damaged, and others may be able to use our technology, which could substantially harm our business and financial results.

We rely on a combination of patents, trademarks, trade secrets, copyrights, and contractual restrictions to protect our intellectual property, but these protective measures afford only limited protection. Despite our efforts to protect our proprietary rights, unauthorized parties may be able to copy or use technology or information that we consider proprietary. There can be no guarantee that any of our pending patent applications or continuation patent applications will be granted, and from time to time we face infringement, invalidity, intellectual property ownership, or similar claims brought by third parties with respect to our patents. In addition, despite our trademark registrations throughout the world, our competitors or other entities may adopt names, marks, or domain names similar to ours, thereby impeding our ability to build brand identity and possibly leading to customer confusion. Enforcing our intellectual property rights can be extremely costly, and a failure to protect or enforce these rights could damage our reputation and brands and substantially harm our business and financial results.

Intellectual property disputes and litigation are costly and could cause us to lose our exclusive rights, subject us to liability, or require us to stop some of our business activities.

From time to time, we receive claims from third parties that we infringe their intellectual property rights, that we are required to enter into patent licenses covering aspects of the technology we use in our business, or that we improperly obtained or used their confidential or proprietary information. Any litigation, settlement, license, or other proceeding relating to intellectual property rights, even if we settle it or it is resolved in our favor, could be costly, divert our management's efforts from managing and growing our business, and create uncertainties that may make it more difficult to run our operations. If any parties successfully claim that we infringe their intellectual property rights, we might be forced to pay significant damages and attorney's fees, and we could be restricted from using certain technologies important to the operation of our business.

Our business is dependent on the Internet, and unfavorable changes in government regulation of the Internet, e-commerce, and email marketing could substantially harm our business and financial results.

Because most of our businesses depend primarily on the Internet for our sales, laws specifically governing the Internet, e-commerce, and email marketing may have a greater impact on our operations than other more traditional businesses. Existing and future laws, such as laws covering pricing, customs, privacy, consumer protection, or commercial email, may impede the growth of e-commerce and our ability to compete with traditional “bricks and mortar” retailers. Existing and future laws or unfavorable changes or interpretations of these laws could substantially harm our business and financial results.

If we were required to review the content that our customers incorporate into our products and interdict the shipment of products that violate copyright protections or other laws, our costs would significantly increase, which would harm our results of operations.

Because of our focus on automation and high volumes, most of our sales do not involve any human-based review of content. Although our websites' terms of use specifically require customers to make representations about the legality and ownership of the content they upload for production, there is a risk that a customer may supply an image or other content for an order we produce that is the property of another party used without permission, that infringes the copyright or trademark of another party, or that would be considered to be defamatory, hateful, obscene, or otherwise objectionable or illegal under the laws of the jurisdiction(s) where that customer lives or where we operate. If we were to become legally obligated to perform manual screening of customer orders, our costs would increase significantly, and we could be required to pay substantial penalties or monetary damages for any failure in our screening process.

We may be subject to product liability or environmental compliance claims if people, property, or the environment are harmed by the products we sell.

Some of the products we sell, including products manufactured or supplied by third-party business partners, may expose us to product liability or environmental compliance claims relating to issues such as personal injury, death, property damage, or the use or disposal of environmentally harmful substances and may require product recalls or other actions. Any claims, litigation, or recalls could be costly to us and damage our brands and reputation.

We do not collect indirect taxes in all jurisdictions, which could expose us to tax liabilities.

In some of the jurisdictions where we sell products and services, we do not collect or have imposed upon us sales, value added or other consumption taxes, which we refer to as indirect taxes. The application of indirect taxes to e-commerce businesses such as Cimpress is a complex and evolving issue, and in many cases, it is not clear how existing tax statutes apply to the Internet or e-commerce. If a government entity claims that we should have been collecting indirect taxes on the sale of our products in a jurisdiction where we have not been doing so, then we could incur substantial tax liabilities for past sales.

For example, some of our businesses do not currently collect sales tax in all U.S. states where they sell products. Many state governments in the United States have imposed or are seeking to impose sales tax collection responsibility on out-of-state, online retailers, and the U.S. Supreme Court ruling in South Dakota v. Wayfair, Inc. et al. enables states to consider adopting laws requiring remote sellers to collect and remit sales tax, even in states in which the seller has no physical presence. To the extent that individual states decide to adopt similar legislation, this could significantly increase the collection and compliance burden on Cimpress businesses operating in the U.S. In addition, there is risk that a state government in which a Cimpress business currently is not registered to collect and remit sales tax may attempt to assess tax, interest and penalties relating to prior periods.

Increased focus on environmental sustainability could adversely affect our business, operations, and financial results.

We face risks arising from the increased public focus, including by governmental and nongovernmental organizations, on climate change and environmental sustainability matters, such as packaging and waste, deforestation, and land use. We may face increased pressure to make commitments, set targets, or establish additional goals and take actions to meet them beyond our current plans or be required to comply with new laws and requirements that may require significant expenditures.

Risks Related to Our Corporate Structure

Challenges by various tax authorities to our international structure could, if successful, increase our effective tax rate and adversely affect our earnings.

We are an Irish public limited company that operates through various subsidiaries in a number of countries throughout the world. Consequently, we are subject to tax laws, treaties and regulations in the countries in which we operate, and these laws and treaties are subject to interpretation. From time to time, we are subject to tax audits, and the tax authorities in these countries could claim that a greater portion of the income of the Cimpress plc group should be subject to income or other tax in their respective jurisdictions, which could result in an increase to our effective tax rate and adversely affect our results of operations.

Changes in tax laws, regulations and treaties could affect our tax rate and our results of operations.

A change in tax laws, treaties or regulations, or their interpretation, of any country in which we operate could result in a higher tax rate on our earnings, which could result in a significant negative impact on our earnings and cash flow from operations. In addition to the passage of the CARES Act in the United States, there are currently multiple initiatives for comprehensive tax reform underway in key jurisdictions where we have operations, and we cannot predict whether any other specific legislation will be enacted or the terms of any such legislation. However, if such legislation were enacted, or if modifications were to be made to certain existing treaties, the consequences could have a materially adverse impact on us, including increasing our tax burden, increasing costs of our tax compliance or otherwise adversely affecting our financial condition, results of operations and cash flows.

An example of these changes in tax laws would include the U.S. Tax Cuts and Jobs Act (TCJA) which was signed into law on December 22, 2017, significantly altering the US Internal Revenue Code. Guidance continues to be issued clarifying the application of this new legislation. We cannot predict the overall impact that the additional guidance may have on our business, but we continue to analyze how the TCJA, and any regulations or other governmental action with respect thereto, may impact our business and results of operations. It is reasonable to expect that global taxing authorities will be reviewing current legislation for potential modifications in reaction to the implementation of the TCJA. We also continue to assess the impact of the U.S. CARES Act.

Changes in the tax laws of other jurisdictions could arise, including as a result of the base erosion and profit shifting (BEPS) project undertaken by the Organization for Economic Cooperation and Development (OECD). The OECD, which represents a coalition of member countries, has issued recommendations that, in some cases, would make substantial changes to numerous long-standing tax positions and principles. These contemplated changes, to the extent adopted by OECD members and/or other countries, could increase tax uncertainty and may adversely impact our provision for income taxes.

Our intercompany arrangements may be challenged, which could result in higher taxes or penalties and an adverse effect on our earnings.

We operate pursuant to written transfer pricing agreements among Cimpress plc and its subsidiaries, which establish transfer prices for various services performed by our subsidiaries for other Cimpress group companies. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be consistent with those between unrelated companies dealing at arm's length. With the exception of certain jurisdictions where we have obtained rulings or advance pricing agreements, our transfer pricing arrangements are not binding on applicable tax authorities, and no official authority in any other country has made a determination as to whether or not we are operating in compliance with its transfer pricing laws. If tax authorities in any country were successful in challenging our transfer prices as not reflecting arm's length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices. A reallocation of taxable income from a lower tax jurisdiction to a higher tax jurisdiction would result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, resulting in double taxation.

Because of our corporate structure, our shareholders may find it difficult to enforce claims based on United States federal or state laws, including securities liabilities, against us or our management team.

We are incorporated under the laws of Ireland. There can be no assurance that the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or that the courts of Ireland hear actions against us or those persons based on those laws. There is currently no treaty between the U.S. and Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters, and Irish common law rules govern the process by which a U.S. judgment will be enforced in Ireland. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically or necessarily be enforceable in Ireland.

In addition, because most of our assets are located outside of the United States and some of our directors and management reside outside of the United States, it could be difficult for investors to place a lien on our assets or those of our directors and officers in connection with a claim of liability under U.S. laws. As a result, it may be difficult for investors to enforce U.S. court judgments or rights predicated upon U.S. laws against us or our management team outside of the United States.

Our past purchases of our ordinary shares could subject our shareholders to Dutch withholding tax.

Before becoming an Irish tax resident company, Cimpress' publicly traded parent company was subject to Dutch tax laws, including the 15% Dutch withholding tax that may be levied on dividends and similar distributions made by Cimpress to its shareholders, and during that time we purchased a number of our ordinary shares. Under our Dutch Advanced Tax Ruling, a purchase of shares should not result in any Dutch withholding tax if we hold the purchased shares in treasury for the purpose of issuing shares pursuant to employee share awards or for the funding of acquisitions. However, if the shares cannot be used for these purposes, or the Dutch tax authorities successfully challenge the use of the shares for these purposes, such a purchase of shares may be treated as a partial liquidation subject to the 15% Dutch withholding tax to be levied on the difference between our average paid in capital per share for Dutch tax purposes and the redemption price per share, if higher.

We may be treated as a passive foreign investment company for United States tax purposes, which may subject United States shareholders to adverse tax consequences.

If our passive income, or our assets that produce passive income, exceed levels provided by law for any taxable year, we may be characterized as a passive foreign investment company, or a PFIC, for United States federal income tax purposes. If we are treated as a PFIC, U.S. holders of our ordinary shares would be subject to a disadvantageous United States federal income tax regime with respect to the distributions they receive and the gain, if any, they derive from the sale or other disposition of their ordinary shares.

We believe that we were not a PFIC for the tax year ended June 30, 2020 and we expect that we will not become a PFIC in the foreseeable future. However, whether we are treated as a PFIC depends on questions of fact as to our assets and revenues that can only be determined at the end of each tax year. Accordingly, we cannot be certain that we will not be treated as a PFIC in future years.

If a United States shareholder owns 10% or more of our ordinary shares, it may be subject to increased United States taxation under the "controlled foreign corporation" rules. Additionally, this may negatively impact the demand for our ordinary shares.

If a United States shareholder owns 10% or more of our ordinary shares, it may be subject to increased United States federal income taxation (and possibly state income taxation) under the "controlled foreign corporation" rules. In general, if a U.S. person owns (or is deemed to own) at least 10% of the voting power or value of a non-U.S. corporation, or "10% U.S. Shareholder," and if such non-U.S. corporation is a "controlled foreign corporation," or "CFC," then such 10% U.S. Shareholder who owns (or is deemed to own) shares in the CFC on the last day of the CFC's taxable year must include in its gross income for United States federal income tax (and possibly state income tax) purposes its pro rata share of the CFC's "subpart F income," even if the subpart F income is not distributed. In addition, a 10% U.S. shareholder's pro rata share of other income of a CFC, even if not distributed, might also need to be included in a 10% U.S. Shareholder's gross income for United States federal income tax (and possibly state income tax) purposes under the "global intangible low-taxed income," or "GILTI," provisions of the U.S. tax law. In general, a non-U.S. corporation is considered a CFC if one or more 10%

U.S. Shareholders together own more than 50% of the voting power or value of the corporation on any day during the taxable year of the corporation. "Subpart F income" consists of, among other things, certain types of dividends, interest, rents, royalties, gains, and certain types of income from services and personal property sales.

The rules for determining ownership for purposes of determining 10% U.S. Shareholder and CFC status are complicated, depend on the particular facts relating to each investor, and are not necessarily the same as the rules for determining beneficial ownership for SEC reporting purposes. For taxable years in which we are a CFC, each of our 10% U.S. Shareholders will be required to include in its gross income for United States federal income tax (and possibly state income tax) purposes its pro rata share of our "subpart F income," even if the subpart F income is not distributed by us, and might also be required to include its pro rata share of other income of ours, even if not distributed by us, under the GILTI provisions of the U.S. tax law. We currently do not believe we are a CFC. However, whether we are treated as a CFC can be affected by, among other things, facts as to our share ownership that may change. Accordingly, we cannot be certain that we will not be treated as a CFC in future years.

The risk of being subject to increased taxation as a CFC may deter our current shareholders from acquiring additional ordinary shares or new shareholders from establishing a position in our ordinary shares. Either of these scenarios could impact the demand for, and value of, our ordinary shares.

The ownership of our ordinary shares is highly concentrated, which could cause or exacerbate volatility in our share price.

Approximately 85% of our ordinary shares are held by our top 10 shareholders, and we may repurchase shares in the future (subject to the restrictions in our debt documents), which could further increase the concentration of our share ownership. Because of this reduced liquidity, the trading of relatively small quantities of shares by our shareholders could disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously if a large number of our ordinary shares were sold on the market without commensurate demand, as compared to a company with greater trading liquidity that could better absorb those sales without adverse impact on its share price.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

We own real property including the following manufacturing operations that provide support across our businesses:

- A 582,000 square foot facility located near Windsor, Ontario, Canada that primarily services our Vistaprint business.
- A 492,000 square foot facility located in Shelbyville, Tennessee, USA, that primarily services our National Pen business.
- A 362,000 square foot facility located in Venlo, the Netherlands that primarily services our Vistaprint business.
- A 130,000 square foot facility located in Kisarazu, Japan that primarily services our Vistaprint and National Pen businesses in the Japanese market.
- A 124,000 square foot facility located in Deer Park, Australia that primarily services our Vistaprint business.
- A 97,000 square foot facility, located near Montpellier, France that primarily services The Print Group businesses.

As of June 30, 2020, a summary of our currently occupied leased spaces is as follows:

Business Segment (1)	Square Feet	Type	Lease Expirations
Vistaprint	1,029,427	Technology development, marketing, customer service, manufacturing and administrative	August 2020 - November 2034
PrintBrothers	301,393	Technology development, marketing, customer service, manufacturing and administrative	December 2020 - December 2025
The Print Group	423,098	Technology development, marketing, customer service, manufacturing and administrative	July 2020 - June 2034
National Pen	376,324	Marketing, customer service, manufacturing and administrative	July 2020 -December 2027
All Other Businesses	546,501	Technology development, marketing, customer service, manufacturing and administrative	July 2020 - July 2025
Other (2)	83,140	Corporate strategy and technology development	July 2020 - June 2023

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(1) Many of our leased properties are utilized by multiple business segments, but each have been assigned to the segment that occupies the majority of our leased space.

(2) Includes locations that are used exclusively for corporate or central function activities.

We believe that the total space available to us in the facilities we own or lease, and space that is obtainable by us on commercially reasonable terms, will meet our needs for the foreseeable future.

Item 3. *Legal Proceedings*

The information required by this item is incorporated by reference to the information set forth in Item 8 of Part II, “Financial Statements and Supplementary Data — Note 18 — Commitments and Contingencies,” in the accompanying notes to the consolidated financial statements included in this Report.

Item 4. *Mine Safety Disclosures*

None.

PART II.

Item 5. *Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

The ordinary shares of Cimpress plc are traded on the NASDAQ Global Select Market (the "NASDAQ") under the symbol “CMPR.” As of July 31, 2020, there were approximately 12 holders of record of our ordinary shares, although there is a much larger number of beneficial owners.

Dividends

We have never paid or declared any cash dividends on our ordinary shares, and we do not anticipate paying any cash dividends in the foreseeable future.

Issuer Purchases of Equity Securities

On November 25, 2019, we announced that our Board had authorized us to repurchase up to 5,500,000 of our issued and outstanding ordinary shares on the open market (including block trades), through privately negotiated transactions, or in one or more self-tender offers. This repurchase program expires on May 22, 2021, and we may suspend or discontinue our share repurchases at any time. On April 28, 2020, we entered into an amendment to our senior secured credit agreement, which suspended our pre-existing financial maintenance covenants in addition to prohibiting us from repurchasing our shares during the suspension period. Refer to Note 10 in our accompanying consolidated financial statements for additional information.

We did not repurchase any of our ordinary shares during the three months ended June 30, 2020 under the program described above.

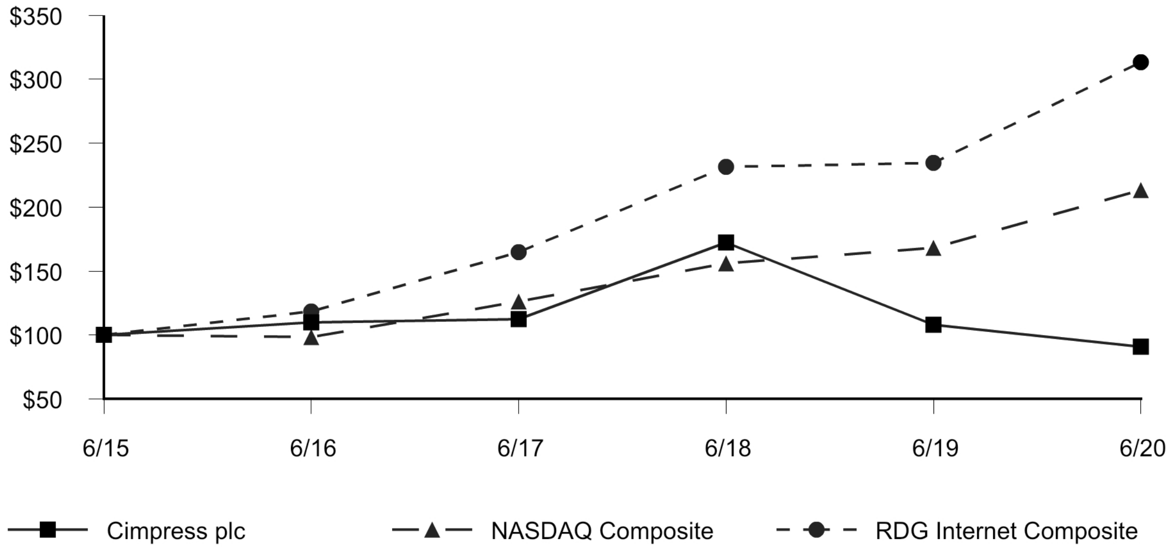
Performance Graph

The following graph compares the cumulative total return to shareholders of Cimpress plc ordinary shares relative to the cumulative total returns of the NASDAQ Composite index and the Research Data Group (RDG)

Internet Composite index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our ordinary shares and in each of the indexes on June 30, 2015 and the relative performance of each investment is tracked through June 30, 2020.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Among Cimpress plc, the NASDAQ Composite Index
and the RDG Internet Composite Index



	Year Ended June 30,					
	2015	2016	2017	2018	2019	2020
Cimpress plc	$ 100.00	$ 109.89	$ 112.32	$ 172.24	$ 108.00	$ 90.71
NASDAQ Composite	100.00	98.32	126.14	155.91	168.04	213.32
RDG Internet Composite	100.00	118.36	164.81	231.41	234.61	313.49

The share price performance included in this graph is not necessarily indicative of future share price performance.

Item 6. *Selected Financial Data*

The following financial data should be read in conjunction with our consolidated financial statements, the related notes and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Report. The historical results are not necessarily indicative of the results to be expected for any future period.

	Year Ended June 30,				
	2020 (a)	**2019 (b)**	**2018 (c)**	**2017 (d)**	**2016 (e)**
	(In thousands, except share and per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 2,481,358	$ 2,751,076	$ 2,592,541	$ 2,135,405	$ 1,788,044
Net income (loss) attributable to Cimpress plc	83,365	95,052	43,733	(71,711)	54,349
Net income (loss) per share attributable to Cimpress plc:					
Basic	$ 3.07	$ 3.09	$ 1.41	$ (2.29)	$ 1.72
Diluted (g)	$ 3.00	$ 3.00	$ 1.36	$ (2.29)	$ 1.64
Shares used in computing net income (loss) per share attributable to Cimpress plc:					
Basic (f)	27,180,744	30,786,349	30,948,081	31,291,581	31,656,234
Diluted (g)	27,773,286	31,662,705	32,220,401	31,291,581	33,049,454

	Year Ended June 30,				
	2020 (a)	**2019 (b)**	**2018 (c)**	**2017 (d)**	**2016 (e)**
	(In thousands)				
Consolidated Statements of Cash Flows Data:					
Net cash provided by operating activities	$ 338,444	$ 331,095	$ 192,332	$ 247,358	$ 242,022
Purchases of property, plant and equipment	(50,467)	(70,563)	(60,930)	(74,157)	(80,435)
Purchases of ordinary shares	(627,056)	(55,567)	(94,710)	(50,008)	(153,467)
Business acquisitions, net of cash acquired	(4,272)	(289,920)	(110)	(204,875)	(164,412)
Proceeds from the sale of subsidiaries, net of transaction costs and cash divested	(1,124)	—	93,779	—	—
Net proceeds (payments) of debt and debt issuance costs	426,086	190,182	(54,415)	196,933	167,316

	Year Ended June 30,				
	2020 (a)	**2019 (b)**	**2018 (c)**	**2017 (d)**	**2016 (e)**
	(In thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and marketable securities	$ 45,021	$ 35,279	$ 44,227	$ 25,697	$ 85,319
Net current liabilities (h)	(238,354)	(280,449)	(241,728)	(203,482)	(135,095)
Total assets (i)	1,815,006	1,868,376	1,652,217	1,679,869	1,463,869
Total long-term debt, excluding current portion (j)	1,415,657	942,290	767,585	847,730	656,794
Total shareholders’ (deficit) equity (k)	(407,476)	131,812	93,947	75,212	166,076

(a) For fiscal year 2020, the decrease in reported revenue is primarily due to a significant decline in order volumes starting in March, driven by the economic disruption associated with the COVID-19 pandemic lock downs and related restrictions. Our year-to-date revenue results through February 2020 grew on a reported basis; however we experienced a significant decline in demand starting in March 2020, which worsened in April 2020 before starting to recover in the last two months of fiscal 2020.

(b) Includes the impact of our acquisitions of VIDA on July 2, 2018 and BuildASign on October 1, 2018. See Note 7 in our accompanying financial statements in this Report for a discussion of these acquisitions.

(c) Includes the Albumprinter results through the divestiture date of August 31, 2017. See Note 7 in our accompanying financial statements in this Report for a discussion of this divestiture.

(d) Includes the impact of the acquisition of National Pen on December 30, 2016. During December 2016, we purchased the remaining noncontrolling interest of our Japan business from our joint business partner, Plaza Create Co. Ltd.

(e) Includes the impact of the acquisitions of Litotipografia Alcione S.r.l. on July 29, 2015, Tradeprint Distribution Limited on July 31, 2015, and WIRmachenDRUCK GmbH on February 1, 2016.

(f) During the year ended June 30, 2020, we repurchased 5,002,018 of our own shares, resulting in a decline in our outstanding shares. We are restricted from repurchasing shares during the covenant suspension period under our April 2020 credit facility amendment. See to Note 10 in the accompanying financial statements for additional details.

(g) In the periods we report a net loss, the impact of share options, warrants, PSUs, RSUs, and RSAs is not included as they are anti-dilutive. During the fourth quarter of fiscal 2020, we entered into a financing arrangement with Apollo Global Management, Inc., which included 7-year warrants with a strike price of $60 per share that have a dilutive impact on our diluted earnings per share. Refer to Notes 2 and 10 in our accompanying financial statements for additional information.

(h) Many of our businesses have a cash conversion cycle that results in current liabilities being higher than current assets. Our net current liabilities (current assets minus current liabilities) have expanded over recent years as we have increased focus on net working capital improvements.

(i) On July 1, 2019, we adopted ASC 842, Leases, using a modified retrospective transition approach. Under the modified retrospective approach, we recognized any cumulative impacts as of the adoption date within retained earnings on our consolidated balance sheet and we did not adjust the prior comparable period. Upon adoption, we recognized operating lease assets of $169,668. Additionally, $121,254 of previously capitalized costs for our build-to-suit leases, including our Waltham, Massachusetts lease, included in property, plant and equipment, net have been de-recognized and are now classified as operating leases. Refer to Note 2 in the accompanying financial statements for additional details related to the impact of our adoption of the standard.

(j) During the fourth quarter of fiscal 2020 and in response to the uncertainty associated with the COVID-19 pandemic, we amended our senior secured credit facility to suspend pre-existing maintenance covenants. Additionally, on May 1, 2020, we issued second lien notes and warrants to raise $300.0 million from funds managed by affiliates of Apollo Global Management, Inc. via a private placement. We used the proceeds to pay down a portion of the term loan under our senior secured credit facility and to pay fees and expenses incurred in connection with the financing and the above-described amendment.

On February 13, 2020, we completed an additional offering of $200.0 million in aggregate principal of 7.0% senior unsecured notes due 2026. The net proceeds from this add-on offering were used to repay a portion of the indebtedness outstanding under our senior secured credit facility and related transaction fees and expenses.

On June 15, 2018, we completed a private placement of $400.0 million of 7.0% senior unsecured notes due 2026. The proceeds from the sale of the notes were used to repay our existing $275.0 million senior unsecured notes that were due 2022, a portion of our indebtedness outstanding under our senior secured credit facility and other related transaction fees.

See Note 10 in our accompanying financial statements in this Report for additional discussion of each financing transaction. Increases in long-term debt during the periods before fiscal 2020 have largely been driven by the funding of acquisitions including those outlined in Note 7 in our accompanying financial statements and share repurchases.

(k) During the year ended June 30, 2020, total shareholders' equity declined, resulting in a shareholders' deficit, primarily driven by $627,056 of share repurchases during the current fiscal year.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

This Report contains forward-looking statements that involve risks and uncertainties. The statements contained in this Report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including but not limited to our statements about the anticipated growth and development of our businesses and revenues during and after the COVID-19 pandemic, the potential effects of the pandemic, the expected effects of the actions we are taking and intend to take to address the pandemic including cost savings, the size of our market and our ability to take advantage of the market opportunity, expectations with respect to the development and efficacy of our mass customization platform, the competitive landscape and our competitive position, the expected effects of the reorganization of our technology team, sufficiency of our liquidity position, legal proceedings, and sufficiency of our tax reserves. Without limiting the foregoing, the words "may," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "designed," "potential," "continue," "target," "seek" and similar expressions are intended to identify forward-looking statements. All forward-looking statements included in this Report are based on information available to us up to, and including the date of this document, and we disclaim any obligation to update any such forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various important factors, including but not limited to flaws in the assumptions and judgments upon which our forecasts and estimates are based; the development, severity, and duration of the COVID-19 pandemic; our failure to anticipate and react to the effects of the pandemic on our customers, supply chain, markets, team members, and business; our inability to take the actions that we plan to take or the failure of those actions to achieve the results we expect; loss or unavailability of key personnel or our inability to recruit talented personnel to drive performance of our businesses; unanticipated changes in our markets, customers, or businesses; changes in the laws and regulations, or in the interpretation of laws and regulations, that affect our businesses; our failure to manage the growth and complexity of our business and expand our operations; the willingness of purchasers of customized products and services to shop online; our failure to maintain compliance with the covenants in our debt documents or to pay our debts when due; competitive pressures; general economic conditions; and other factors described in this Report. You should carefully review those factors and also carefully review the risks outlined in other documents that we file from time to time with the United States Securities and Exchange Commission.

Executive Overview

Cimpress is a strategically focused group of more than a dozen businesses that specialize in mass customization, via which we deliver large volumes of individually small-sized customized orders for a broad spectrum of print, signage, photo merchandise, invitations and announcements, writing instruments, packaging, apparel and other categories. We invest in and build customer-focused, entrepreneurial mass customization businesses for the long term, which we manage in a decentralized, autonomous manner. We drive competitive advantage across Cimpress through a select few shared strategic capabilities that have the greatest potential to create Cimpress-wide value. We limit all other central activities to only those which absolutely must be performed centrally.

During the first quarter of fiscal 2020, we revised our internal organizational and reporting structure leading to changes in our Vistaprint and All Other Businesses reportable segments. Our Vistaprint Corporate Solutions, Vistaprint India, and Vistaprint Japan businesses, which were previously aggregated based on materiality in our All Other Businesses, are now directly managed within the Vistaprint business. These businesses are close derivatives or adjacencies of the Vistaprint business and leverage the Vistaprint brand, customers, technology, and/or other assets. This change in reporting structure positions them closer to the Vistaprint operations, capabilities, and resources. Additionally, during the fourth quarter of fiscal 2020, we reorganized technology teams that previously existed within our Vistaprint business and our central teams. The reorganization resulted in some team member reductions in both organizations, and the net transfer of 177 team members from Vistaprint to our central Cimpress technology team. This change is intended to free up resources to make more Vistaprint technologies available to other Cimpress businesses in the future, to accelerate Vistaprint's re-platforming efforts, and to reduce costs where no longer necessary. We have revised our presentation of all prior periods presented to reflect our revised segment reporting.

As of June 30, 2020, we have numerous operating segments under our management reporting structure that are reported in the following five reportable segments: Vistaprint, PrintBrothers, The Print Group, National Pen, and All Other Businesses. Refer to Note 16 in our accompanying consolidated financial statements for additional information relating to our reportable segments and our segment financial measures.

COVID-19

Through the end of February 2020, Cimpress' year-to-date revenue and adjusted EBITDA grew over the prior year. However, the COVID-19 pandemic and related restrictions are impacting our small business customers around the world, which led to materially reduced demand for our products starting in March 2020, but month-over-month demand has been improving through June 2020, as consolidated bookings were down 19% in June, compared to a decline in consolidated bookings of 51% in April.

Our decentralized organizational structure has helped our pandemic response by allowing our decentralized businesses to move quickly to respond to local situations, whether that be related to the health and safety of our team members, reacting to government restrictions and guidelines, or serving our customers' needs. At the same time, our leaders have shared best practices and approaches to pull on the strength of the collective whole. Central teams have provided support, guidance, and a structure for coordination, and our businesses have focused on execution and innovation.

Cimpress moved quickly to respond along several dimensions, including team member health and safety, resiliency in continuing to serve our customers, financial flexibility to weather the effects of the pandemic, and innovation to provide customers and our communities the products they need during this pandemic. All team members who have the ability to do so have been working from home and are doing so productively. In cases where it is not possible for team members to work from home, such as in manufacturing or some customer service roles, Cimpress businesses are ensuring compliance with relevant laws and health guidelines and best practices, such as social distancing, temperature checks, mandatory face masks or face shields, and frequent deep cleaning of facilities. While there have been improvements and some reductions to government restrictions in certain countries, the ultimate duration and scope of the pandemic remains unknown, so we have taken a series of decisive and proactive measures starting in March 2020 including the following:

- Entered into an amendment to our senior secured credit agreement to provide a temporary suspension of prior maintenance covenants and raised new capital to provide a partial pay down to senior secured credit facility lenders;
- Enacted significant cost-reduction and cash-preservation measures;
- Maintained operational continuity to the greatest extent feasible while prioritizing the health and safety of our team members; and
- Protected key investments in technology, data infrastructure and customer value improvements.

We believe the actions we have taken or identified will create the time and financial flexibility to enable us to focus on execution through this pandemic, even if its negative effects were to be deeper and more prolonged than we currently anticipate.

Our near-term outlook has changed significantly in light of the COVID-19 pandemic and the impact it has had on our customers, and therefore, our results. The timing of the initial impact on demand in March differed by business, with those having significant European exposure impacted earliest, while all segments realized improvements sequentially for the months of May and June 2020. The improvements are the result of the start in many geographies of relaxed government restrictions that has driven more economic activity, in addition to our shift in focus to products and product templates that our customers need in the current environment.

Cost Reductions

We have reduced variable and semi-variable costs generally in line with the reduction in demand. As demand fluctuates, the reduction happens naturally for many of these costs such as shipping costs, payment processing fees, and part of our performance advertising where costs are based on keyword searches and clicks. For other of these costs, reduction requires us to take actions, such as temporarily reducing direct labor in production facilities or service locations or changing payback guidelines on advertising.

In addition, we have taken actions to reduce fixed costs, including, but not limited to, strict hiring limitations across all Cimpress businesses, elimination of discretionary spend such as travel, training and events, reduced work schedules where possible, deferral of all non-essential consulting projects, elimination of non-essential contractors and replacement of cash compensation during the fourth quarter with restricted share units (RSUs) for some team members. Our goal with the fixed cost reductions made to date is to protect key growth investments and as much full-time employment as possible so that when demand begins to recover, we are well positioned to regain momentum. We anticipate that many of these lowered fixed costs will come back into the business when and if activity necessitates such costs including travel or hiring or as the recovery path becomes more certain such that team member benefits can be restored. In fact, we have already resumed hiring in select areas like technology, data science and analytics. While we believe it was appropriate to constrain costs in certain areas, we will continue to be disciplined in adding cost back where it makes sense to do so since we can't be certain of the shape and timing of demand recovery.

Financial Summary

The primary financial metric by which we set quarterly and annual budgets both for individual businesses and Cimpress wide is our adjusted free cash flow before cash interest expense related to borrowing; however, in evaluating the financial condition and operating performance of our business, management considers a number of metrics including revenue growth, constant-currency revenue growth, operating income, adjusted EBITDA, cash flow from operations and adjusted free cash flow. A summary of these key financial metrics for the year ended June 30, 2020 as compared to the year ended June 30, 2019 follows:

Fiscal Year 2020

- Revenue decreased by 10% to $2,481.4 million.
- Consolidated constant-currency revenue decreased by 9% and decreased by 11% when excluding acquisitions and divestitures completed in the last four quarters.
- Operating income decreased by $107.6 million to $56.0 million.
- Adjusted EBITDA (a non-GAAP financial measure) increased by $13.2 million to $399.8 million.
- Cash provided by operating activities increased by $7.3 million to $338.4 million.
- Adjusted free cash flow (a non-GAAP financial measure) increased by $32.2 million to $244.0 million.

For fiscal year 2020, the decrease in reported revenue is primarily due to a significant decline in order volumes starting in March, driven by the economic disruption associated with the COVID-19 pandemic lock downs and related restrictions. Our year-to-date revenue results through February 2020, grew on a reported basis; however we experienced a significant decline in demand starting in March 2020, which worsened in April 2020 before starting to recover in the last two months of fiscal 2020. Currency exchange rate fluctuations negatively impacted revenue during the current fiscal year.

For the year ended June 30, 2020, operating income decreased by $107.6 million, due to the year over year increase in goodwill impairment charges of $93.3 million, as well as a decline in performance starting in March 2020 driven by the aforementioned impacts of COVID-19, which resulted in a decline in profitability for most of our businesses. While we are not back to pre-pandemic levels of demand, we are steadily recovering, as consolidated bookings were down 19% in June, compared to a decline in consolidated bookings of 51% in April. Prior to March 2020, profitability increased as a result of planned reductions in advertising spend for our Vistaprint and National Pen businesses combined with operational improvements in several of our businesses. Our BuildASign business continued to grow and drive profit improvements even when the pandemic hit the U.S. market as their home decor and pandemic-related signage products showed growth and resiliency, while net investments in our early-stage businesses decreased primarily due to pre-pandemic actions we have taken to improve the efficiency and focus of our Printi business compared to the prior year.

Adjusted EBITDA increased as compared to the year ended June 30, 2019, due to the pre-pandemic performance discussed above, but partially offset by the decline in profitability starting in March 2020 due to the impacts from the pandemic. Adjusted EBITDA excludes the impact of the goodwill impairment discussed above, and includes the realized gains or losses on our currency derivatives intended to hedge adjusted EBITDA, and the net year-over-year impact of currency on consolidated adjusted EBITDA was not significant.

Consolidated Results of Operations

Consolidated Revenue

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

Total revenue and revenue growth by reportable segment for the years ended June 30, 2020, 2019 and 2018 are shown in the following table:

In thousands	**Year Ended June 30,**			**Currency Impact:**	**Constant-Currency**	**Impact of Acquisitions/ Divestitures:**	**Constant-Currency Revenue Growth**
	2020	**2019**	**% Change**	**(Favorable)/ Unfavorable**	**Revenue Growth (1)**	**(Favorable)/ Unfavorable**	**Excluding Acquisitions/ Divestitures (2)**
Vistaprint	$ 1,337,291	$ 1,508,322	(11)%	1%	(10)%	—%	(10)%
PrintBrothers	417,921	443,987	(6)%	3%	(3)%	(2)%	(5)%
The Print Group	275,214	325,872	(16)%	3%	(13)%	—%	(13)%
National Pen	299,474	348,409	(14)%	1%	(13)%	—%	(13)%
All Other Businesses (3)	173,789	136,202	28%	1%	29%	(25)%	4%
Inter-segment eliminations	(22,331)	(11,716)					
Total revenue	$ 2,481,358	$ 2,751,076	(10)%	1%	(9)%	(2)%	(11)%

In thousands	**Year Ended June 30,**			**Currency Impact:**	**Constant-Currency**	**Impact of Acquisitions/ Divestitures:**	**Constant-Currency Revenue Growth**
	2019	**2018**	**% Change**	**(Favorable)/ Unfavorable**	**Revenue Growth (1)**	**(Favorable)/ Unfavorable**	**Excluding Acquisitions/ Divestitures (2)**
Vistaprint	$ 1,508,322	$ 1,499,141	1%	2%	3%	—%	3%
PrintBrothers	443,987	410,776	8%	5%	13%	—%	13%
The Print Group	325,872	320,473	2%	4%	6%	—%	6%
National Pen	348,409	333,266	5%	2%	7%	—%	7%
All Other Businesses (3)	136,202	40,230	239%	9%	248%	(241)%	7%
Inter-segment eliminations	(11,716)	(11,345)					
Total revenue	$ 2,751,076	$ 2,592,541	6%	3%	9%	(4)%	5%

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

(2) Constant-currency revenue growth excluding acquisitions/divestitures, a non-GAAP financial measure, excludes revenue results for businesses in the period in which there is no comparable year-over-year revenue. Revenue from our fiscal year 2019 acquisitions is excluded from fiscal year 2020 revenue growth for quarters with no comparable year-over-year revenue. For example, revenue from BuildASign, which we acquired on October 1, 2018 in Q2 2019, is excluded from revenue growth in Q1 of fiscal year 2019, with no Q1 results in the comparable period, but is included in organic revenue growth starting in Q2 of fiscal year 2020 and will be included in future quarters. Our reportable segments-related growth is inclusive of inter-segment revenues, which are eliminated in our consolidated results.

(3) The All Other Businesses segment includes the revenue of the Albumprinter business until the sale completion date of August 31, 2017, VIDA revenue from its acquisition date of July 2, 2018 through its divestiture date of April 10, 2020, and BuildASign revenue from its acquisition date of October 1, 2018. Constant-currency revenue growth excluding acquisitions/divestitures, excludes the revenue results for VIDA and BuildASign since their acquisition dates and Albumprinter and VIDA through their divestiture dates.

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

Consolidated Cost of Revenue

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

In thousands	Year Ended June 30,		
	2020	2019	2018
Cost of revenue	$ 1,248,871	$ 1,401,344	$ 1,279,799
% of revenue	50.3%	50.9%	*49.4%*

For the year ended June 30, 2020, consolidated cost of revenue decreased by $152.5 million, primarily due to demand-dependent cost of goods sold including third-party fulfillment, material, and shipping costs that have decreased across several of our segments that have been more significantly impacted by the COVID-19 pandemic lock downs and related restrictions. Additionally, we realized approximately $11.6 million of wage offset benefit from government incentives in the fourth quarter. This was partially offset by an increase in the cost of revenue from our BuildASign business, which was acquired on October 1, 2018 and is therefore not included for part of the comparable period, as well as an increase of costs for the remainder of the year, driven by BuildASign's continued revenue growth and resiliency through the pandemic. A majority of our cost of revenue is variable with revenue demand, which contributed to flat year-over-year gross margins for the fourth quarter of fiscal 2020 despite pandemic-driven reductions in order volumes.

Consolidated Operating Expenses

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

In thousands	Year Ended June 30,		
	2020	2019	2018
Technology and development expense	$ 253,252	$ 236,797	$ 245,758
% of revenue	10.2%	*8.6%*	*9.5 %*
Marketing and selling expense	$ 574,041	$ 713,863	$ 714,654
% of revenue	23.1%	*25.9%*	*27.6 %*
General and administrative expense	$ 183,054	$ 162,652	$ 176,958
% of revenue	7.4%	*5.9%*	*6.8 %*
Amortization of acquired intangible assets	$ 51,786	$ 53,256	$ 49,881
% of revenue	2.1%	*1.9%*	*1.9 %*
Restructuring expense	$ 13,543	$ 12,054	$ 15,236
% of revenue	0.5%	*0.4%*	*0.6 %*
Impairment of goodwill	$ 100,842	$ 7,503	$ —
% of revenue	4.1%	0.3%	— %
(Gain) on sale of subsidiaries	$ —	$ —	$ (47,545)
% of revenue	*—%*	*—%*	*(1.8)%*

Technology and development expense

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

During the year ended June 30, 2020, technology and development expenses increased by $16.5 million, as compared to the prior year. This was mainly driven by increased costs of $11.3 million in our central technology teams, primarily due to an increase in headcount, as these teams continue to develop new technologies that are intended to support our businesses, combined with higher operating costs driven by our businesses' increased adoption and usage of our central technology capabilities, which was partially offset by a reduction in travel and training expenses during the fourth quarter of fiscal 2020. Additionally, we had a $2.8 million increase of expense in our Vistaprint business, primarily related to the ongoing rebuild of its technology infrastructure. The increase during the year ended June 30, 2020, was also partially due to $5.2 million in the non-recurring reversal of share-based compensation expense for our supplemental PSUs in the comparative period.

Marketing and selling expense

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

Our marketing and selling expenses decreased by $139.8 million during the year ended June 30, 2020, as compared to the prior year. The decrease from the prior comparative period is primarily due to the reduction of advertising spend in our Vistaprint business of $104.3 million, which was driven by two factors. The first was our reduction in advertising spend throughout the year as we continued our initiative to work to eliminate spend that does not meet our return thresholds. This was combined with our response to the decline in order volumes that started in March 2020, whereby we further reduced our advertising spend by eliminating spend in certain marketing channels, while also tightening our required return thresholds. We also recognized a decrease in marketing costs in our National Pen business of $28.8 million, primarily due to a planned reduction in direct mail prospecting activity as compared to last year's elevated levels, as well as pandemic-related initiatives to lower costs, which included the delay of direct mail marketing campaigns, lower online advertising spend and cost savings initiatives to reduce costs in service centers.

General and administrative expense

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

For the year ended June 30, 2020, general and administrative expenses increased by $20.4 million, as compared to the prior period, primarily due to an increase in consulting costs associated with strategic projects in our Vistaprint business, costs incurred centrally related to the cross-border Irish Merger, and professional fees and costs associated with our May 2020 financing activities. Also included in the $20.4 million increase is additional share-based compensation expense of $8.1 million, primarily due to the reversal of supplemental PSU expense in the comparative period as well as a loss of $1.5 million associated with the sale of our VIDA business on April 10, 2020. During the year ended June 30, 2020, we incurred additional costs from our BuildASign business as that business was only included for nine months of the comparable period.

Amortization of acquired intangible assets

Amortization of acquired intangible assets consists of amortization expense associated with separately identifiable intangible assets capitalized as part of our acquisitions, including customer relationships, trade names, developed technologies, print networks, and customer and referral networks.

Amortization of acquired intangible assets decreased by $1.5 million for the year ended June 30, 2020, as compared to the year ended June 30, 2019. The reduction during the year ended June 30, 2020 is due to amortization within our PrintBrothers and The Print Group reportable segments as certain intangible assets became fully amortized during the prior fiscal year, partially offset by additional amortization for our BuildASign business caused by the prior year timing of the acquisition.

Restructuring expense

Restructuring expense consists of costs directly incurred as a result of restructuring initiatives, and includes employee-related termination costs, third party professional fees and facility exit costs. During the year ended June 30, 2020, we recognized restructuring expense of $13.5 million, primarily related to the reorganization of our Vistaprint and central technology teams that were intended to better align technology tribes and accelerate the Vistaprint re-platforming efforts, as well as cost savings actions taken by our National Pen business in response to the pandemic. Comparatively, we recognized restructuring expense of $12.1 million during the year ended June 30, 2019, primarily related to actions within our Vistaprint business.

Impairment of goodwill

For the year ended June 30, 2020, we recognized goodwill impairment charges of $100.8 million. We recognized a full goodwill impairment charge for our National Pen and VIDA reporting units, which amounted to $34.4 million and $26.0 million, respectively, as well as a partial goodwill impairment charge for our Exaprint reporting unit of $40.4 million. These impairment charges were primarily due to lower cash flow expectations for each for these business as a result of the decline in demand caused by the COVID-19 pandemic lock down and related restrictions when compared to previous estimates. Refer to Note 8 in our accompanying consolidated financial statements for additional details.

Other Consolidated Results

Other income (expense), net

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

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

In thousands	Year Ended June 30,		
	2020	2019	2018
Gains (losses) on derivatives not designated as hedging instruments	$ 20,564	$ 23,494	$ (2,687)
Currency-related gains (losses), net	2,309	2,506	(19,500)
Other gains	1	476	1,155
Total other income (expense), net	$ 22,874	$ 26,476	$ (21,032)

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

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

Interest expense, net

Interest expense, net primarily consists of interest paid on outstanding debt balances, amortization of debt issuance costs, debt discounts, interest related to finance lease obligations and realized gains (losses) on effective interest rate swap contracts and certain cross-currency swap contracts. As part of interest expense, net, we also recognize changes to the estimated future redemption value of our mandatorily redeemable noncontrolling interests.

Interest expense, net increased by $12.7 million during the year ended June 30, 2020, as compared to the prior comparable period. This is due to additional interest expense associated with our senior secured credit facility as a result of our higher debt borrowing levels throughout the year, combined with the additional $200.0 million offering of our 7% senior unsecured notes in February 2020 and issuance of our $300.0 million 12% second lien notes in May 2020. We expect interest expense to increase next fiscal year from the full year impact of the financing transactions described above. Please refer to Note 10 in the accompanying consolidated financial statements for further detail.

Partially offsetting the increase in interest expense for the year ended June 30, 2020, is a decrease in interest expense of $7.4 million related to the change in classification of our Waltham, Massachusetts lease upon adoption of ASC 842 in the first quarter of fiscal 2020. Refer to Note 2 in the accompanying consolidated financial statements for additional details.

Income tax (benefit) expense

In thousands	Year Ended June 30,		
	2020	**2019**	**2018**
Income tax (benefit) expense	$ (80,992)	$ 33,432	$ 19,578
Effective tax rate	*(2,697.0)%*	*26.3%*	*29.5%*

Income tax expense for the year ended June 30, 2020 decreased as compared to the prior year primarily due to Swiss Tax Reform, as discussed in more detail below. Also, in addition to a more favorable mix of earnings year-over-year, we recognized tax benefits of $15.7 million related to excess tax benefits from share based compensation, as compared to $1.5 million in fiscal 2019, and $11.2 million for the re-measurement of U.S. tax losses that will be carried back to tax years with higher U.S. federal tax rates under the U.S. Coronavirus Aid, Relief, and Economic Security Act ("US CARES Act"). We also recognized tax expense of $41.9 million to record a full valuation allowance against our U.S. deferred tax assets and a portion for our Irish deferred tax assets.

On October 25, 2019, the canton of Zurich enacted tax law changes by publishing the results of its referendum to adopt the Federal Act on Tax Reform and AHV Financing (TRAF), which we refer to as Swiss Tax Reform. Swiss Tax Reform was effective as of January 1, 2020 and included the abolishment of various favorable federal and cantonal tax regimes. Swiss Tax Reform provided transitional relief measures for companies that lost the tax benefit of a ruling, including a "step-up" for amortizable goodwill, equal to the amount of future tax benefit they would have received under their existing ruling, subject to certain limitations. We recognized a tax benefit of $113.5 million to establish new Swiss deferred tax assets related to transitional relief measures and to remeasure our existing Swiss deferred tax assets and liabilities. We don't expect to realize the majority of this benefit until fiscal 2025 through fiscal 2030.

We believe that our income tax reserves are adequately maintained by taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain and therefore there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows. Refer to Note 13 in our accompanying consolidated financial statements for additional discussion.

Reportable Segment Results

Our segment financial performance is measured based on segment EBITDA, which is defined as operating income plus depreciation and amortization (excluding depreciation and amortization related to our Waltham, Massachusetts office lease for prior periods presented); plus share-based compensation expense related to investment consideration; plus earn-out related charges; plus certain impairments; plus restructuring related charges; less interest expense related to our Waltham, Massachusetts office lease for prior periods presented; less gain on purchase or sale of subsidiaries.

Vistaprint

In thousands	Year Ended June 30, 2020	2019	2018	2020 vs. 2019	2019 vs. 2018
Reported Revenue	$ 1,337,291	$ 1,508,322	$ 1,499,141	(11)%	1%
Segment EBITDA	366,334	349,697	309,783	5%	13%
% of revenue	*27%*	*23%*	*21%*		

Segment Revenue

Vistaprint's reported revenue decline for the year ended June 30, 2020 was negatively affected by a currency impact of 1% for the year ended June 30, 2020, resulting in constant-currency revenue decline of 10%. The revenue decline was primarily driven by the pandemic, resulting in reduced demand starting in March 2020, which worsened in April, but started to recover during the months of May and June. The improvements in May and June are the result of our shift in focus to products and product templates that our customers need in the current environment, but also the start in many geographies of relaxed government restrictions that has driven more economic activity. While we have experienced improved demand in the last two months of the fiscal year, we expect there to be volatility in future demand, as social distancing measures and other restrictions continue to evolve and impact commerce for small businesses. Additionally, prior to March 2020, reductions in advertising spend resulted in declines in revenue from new customers as a result of our targeted elimination of inefficient advertising spend, although we still experienced growth in repeat customer revenue.

Segment Profitability

For the year ended June 30, 2020, the increase to Vistaprint's segment EBITDA was primarily due to a reduction to, and improved efficiency of, advertising spend. Vistaprint also drove improvements to segment EBITDA through new offers, reduced discounting and other operational improvements. Starting in March segment EBITDA was negatively impacted by lower gross profit driven by decreased demand offset by further reductions to advertising spend as well as other operating cost reduction measures. Segment EBITDA for fiscal 2020 was also impacted by increases in technology investments to rebuild Vistaprint's technology infrastructure and consulting projects related to Vistaprint's transformation efforts. Vistaprint's segment EBITDA was also negatively impacted by currency movements during the year.

PrintBrothers

In thousands	Year Ended June 30, 2020	2019	2018	2020 vs. 2019	2019 vs. 2018
Reported Revenue	$ 417,921	$ 443,987	$ 410,776	(6)%	8%
Segment EBITDA	39,373	43,474	41,129	(9)%	6%
% of revenue	*9%*	*10%*	*10%*		

Segment Revenue

PrintBrothers' reported revenue decline for the year ended June 30, 2020 was negatively affected by a currency impact of 3%, resulting in constant-currency revenue decline, excluding the impact of acquisitions, of 5% for the year ended June 30, 2020. The revenue decline was due to impacts from COVID-19 lock downs and related restrictions, which varied by country. For each business in the group, revenue improved sequentially in May and June as economic activity started to reemerge in many European countries.

Segment Profitability

PrintBrothers' segment EBITDA decreased during the year ended June 30, 2020 as compared to the prior comparative period, due primarily to the revenue declines as described above. The decrease was also impacted by increased investments in technology intended to improve the customer value proposition of each business and negative impacts from currency movements, partially offset by operating expense efficiencies earlier in the year as well as the vertical integration of a former supplier in one of our businesses during the first quarter of fiscal year 2020.

The Print Group

In thousands	Year Ended June 30,				
	2020	**2019**	**2018**	**2020 vs. 2019**	**2019 vs. 2018**
Reported Revenue	$ 275,214	$ 325,872	$ 320,473	(16)%	2%
Segment EBITDA	51,606	63,997	63,529	(19)%	1%
% of revenue	*19%*	*20%*	*20%*		

Segment Revenue

The Print Group's reported revenue decline for the year ended June 30, 2020 was negatively affected by a currency impact of 3%, resulting in a decrease in revenue on a constant-currency basis of 13%. The constant-currency revenue decrease was driven by a significant decline in order volumes during the fourth quarter, and in particular our Pixartprinting business that was more significantly impacted by tighter government restrictions in Italy and Spain, where the business has meaningful revenue. For each business in the group, revenue improved sequentially in May and June as economic activity started to resume in many European countries. While we have experienced improved demand in the last two months of the fiscal year, we expect there to be volatility in future demand, as social distancing measures and other restrictions continue to reduce commerce.

Segment Profitability

The Print Group's segment EBITDA decreased during the year ended June 30, 2020, as compared to the prior period, primarily driven by the revenue decline described above, as well as investments in technology and unfavorable currency impacts, partially offset by efficiency gains from better leveraging the assets of the group through the mass customization platform (MCP).

National Pen

In thousands	Year Ended June 30,				
	2020	**2019**	**2018**	**2020 vs. 2019**	**2019 vs. 2018**
Reported Revenue	$ 299,474	$ 348,409	$ 333,266	(14)%	5%
Segment EBITDA	7,605	17,299	29,438	(56)%	(41)%
% of revenue	*3%*	*5%*	*9%*		

Segment Revenue

National Pen's reported revenue decrease for the year ended June 30, 2020 was negatively affected by a currency impact of 1% as compared to the prior year, resulting in constant-currency revenue decline of 13% for the year ended June 30, 2020. Revenue was negatively impacted starting in March by the pandemic lock downs and related restrictions, as well as actions taken to defer direct mail advertising campaigns until economic activity improves. Prior to the pandemic, the decline in revenue was also driven by lower direct mail volumes which were expected due to our reductions to our prospecting activity spend targeted at reducing inefficient mail order advertising.

Segment Profitability

The decrease in National Pen's segment EBITDA for the year ended June 30, 2020, was due to the top-line revenue decline described above. A portion of the revenue decline was mitigated by proactive measures to quickly remove variable costs as well as some fixed costs, while protecting key multi-year investments in technology. In addition, we have realized operational improvements, which included the initial steps of migrating our European mail fulfillment from Mexico to Europe to reduce disruptions that occurred in transit during the prior year period. Currency had a negative impact on segment EBITDA for the year ended June 30, 2020.

All Other Businesses

In thousands	Year Ended June 30,				
	2020	2019	2018	2020 vs. 2019	2019 vs. 2018
Reported Revenue (1)	$ 173,789	$ 136,202	$ 40,230	28%	239%
Segment EBITDA (1)	17,474	(6,317)	(10,603)	377%	40%
% of revenue	*10%*	*(5)%*	*(26)%*		

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(1) Our All Other Businesses segment includes the results of our fiscal 2019 acquisition, BuildASign, from October 1, 2018, and our VIDA acquisition from July 2, 2018 through the divestiture date of April 10, 2020.

With the exception of BuildASign which is a larger and profitable business, this segment consists of multiple small, rapidly evolving early-stage businesses through which Cimpress is expanding to new markets. These businesses are subject to high degrees of risk and we expect that each of their business models will rapidly evolve in function of future trials and entrepreneurial pivoting. These early-stage businesses continue to have operating losses as previously described and as planned.

Segment Revenue

Organic constant-currency revenue, excluding the year-over-year impact of the BuildASign acquisition during the first quarter of fiscal year 2020 during which there was no comparative revenue in the year-ago period, increased by 4% for the year ended June 30, 2020. This was primarily driven by growth throughout the year at BuildASign, even during the pandemic with strength in home decor and pandemic-related signage products. All Other Businesses revenue was negatively impacted by a decrease in revenue in our Printi business as compared to the prior year period, primarily due to actions we have taken to improve the efficiency and focus of the business, which included foregoing certain revenue channels that we believe did not have a high probability of earning sufficient returns on the capital and focus they consumed.

Segment Profitability

The improvement in the All Other Businesses segment EBITDA for the year ended June 30, 2020, as compared to the prior period, was primarily due to EBITDA growth of BuildASign primarily driven by the revenue growth described above and the timing of the acquisition. Additionally, we significantly reduced the losses of our Printi business, due to the fiscal 2019 restructuring of our Printi business, which included clarifying its focus and operating model.

Central and Corporate Costs

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

Central and corporate costs increased by $23.1 million during the year ended June 30, 2020 as compared to the prior year, driven by increases to share-based compensation of $13.2 million. The increase to share-based compensation is driven by the prior year benefit recognized for the reversal of expense associated our supplemental PSUs, that did not recur in the current period. We also recognized an increase in professional fees of $2.9 million, primarily due to the December 2019 Irish Merger and April 2020 financing activities, an additional $1.2 million of payroll taxes for option exercises, as well as an increase in central technology investments and operating costs driven by our businesses' increased adoption and usage of our central technology capabilities.

Liquidity and Capital Resources

Consolidated Statements of Cash Flows Data

In thousands	Year Ended June 30,		
	2020	2019	2018
Net cash provided by operating activities	$ 338,444	$ 331,095	$ 192,332
Net cash used in investing activities	(66,864)	(420,166)	(10,594)
Net cash (used in) provided by financing activities	(258,255)	81,989	(177,757)

At June 30, 2020, we had $45.0 million of cash and cash equivalents and $1,482.2 million of debt, excluding debt issuance costs, and debt premiums and discounts. Under the terms of our April 28, 2020 credit facility amendment, we are required to use cash balances in excess of $100.0 million, if any, to repay the revolving loans under our senior secured credit facility.

The cash flows during the year ended June 30, 2020 related primarily to the following items:

Cash inflows:

- Net income of $84.0 million
- Adjustments for non-cash items of $215.0 million primarily related to positive adjustments for depreciation and amortization of $167.9 million, goodwill impairment of $100.8 million, share-based compensation costs of $34.9 million and unrealized currency-related losses of $6.9 million, partially offset by non-cash tax related items of $106.9 million
- Proceeds of debt and warrants of $426.1 million, net of repayments and debt issuance costs
- Proceeds from the settlement of net investment hedges of $29.8 million
- The change in operating assets and liabilities were a source of cash during the period, driven by actions taken in response to the pandemic, which included partnering with suppliers and leaseholders to defer payments, as well as receiving timing relief for indirect taxes and employer taxes in certain jurisdictions.

Cash outflows:

- Purchases of our ordinary shares for $627.1 million
- Capital expenditures of $50.5 million of which the majority related to the purchase of manufacturing and automation equipment for our production facilities and computer and office equipment
- Internal costs for software and website development that we have capitalized of $44.0 million
- Payment of withholding taxes in connection with share awards of $41.7 million
- Payments for finance lease arrangements of $9.5 million
- Payments for acquisitions of $4.3 million, net of cash acquired

Additional Liquidity and Capital Resources Information. During the year ended June 30, 2020, we financed our operations and strategic investments through internally generated cash flows from operations and debt financing. As of June 30, 2020, a portion of our cash and cash equivalents were held by our subsidiaries, and undistributed earnings of our subsidiaries that are considered to be indefinitely reinvested were $36.6 million. We do not intend to repatriate these funds as the cash and cash equivalent balances are generally used and available, without legal restrictions, to fund ordinary business operations and investments of the respective subsidiaries. If there is a change in the future, the repatriation of undistributed earnings from certain subsidiaries, in the form of dividends or otherwise, could have tax consequences that could result in material cash outflows.

Due to the uncertainty created by the COVID-19 pandemic, we took proactive measures to maintain our financial strength and flexibility by raising $300.0 million of capital on May 1, 2020 by issuing second lien notes and warrants. The net proceeds of this capital raise were used to pay down a portion of the term loans under our senior secured credit facility in order to secure the suspension of our quarterly maintenance covenants related to our leverage and interest coverage ratios until the quarter ending December 31, 2021. Refer to Note 10 in our accompanying consolidated financial statements for additional details. In response to the pandemic-related decrease in revenue, we have taken actions to reduce cash costs while protecting key investments we were making prior to the pandemic. We have historically allocated a material amount of capital to purchases of our ordinary shares and corporate acquisitions. The April 2020 amendment to our credit facility prohibits us from repurchasing our shares and substantially limits acquisitions for the period in which the financial maintenance covenants associated with our senior secured credit facility are suspended.

We evaluated our liquidity position as of the date of the issuance of our consolidated financial statements and we conclude our financial position, net cash provided by operations combined with our cash and cash equivalents, borrowing availability under our revolving credit facility, and the May 2020 temporary maintenance covenant suspension and capital raise as described in Note 10 will be sufficient to fund our current obligations, capital spending, debt service requirements and working capital requirements over at least the next twelve months.

Debt. As of June 30, 2020, we had aggregate loan commitments from our senior secured credit facility totaling $998.1 million. The loan commitments consisted of revolving loan borrowings of $422.4 million and term loans of $148.1 million. We have other financial obligations that constitute additional indebtedness based on the definitions within the credit facility. As of June 30, 2020, the amount available for borrowing under our senior secured credit facility was as follows:

In thousands

	June 30, 2020
Maximum aggregate available for borrowing	$ 998,125
Outstanding borrowings of senior secured credit facility	(570,483)
Remaining amount	427,642
Limitations to borrowing due to debt covenants and other obligations (1)	(3,974)
Amount available for borrowing as of June 30, 2020 (2)	$ 423,668

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(1) As of June 30, 2020, our pre-existing financial maintenance covenants are suspended and we are in compliance with the new restrictions in place, with the primary maintenance covenant during the suspension period that we must maintain liquidity above $50.0 million. Refer to Note 10 in our accompanying consolidated financial statements for further description of the restrictions in place during the covenant suspension period.

(2) Share purchases, dividend payments, and corporate acquisitions are subject to more restrictive covenants, and therefore we may not be able to use the full amount available for borrowing for these purposes.

Debt Covenants. As part of the April 2020 amendment to our senior secured facility, we have suspended our pre-existing maintenance covenants, including the total and senior secured leverage covenants and interest coverage ratio covenant through December 31, 2021. Refer to Note 10 in our accompanying consolidated financial statements for additional information. As of June 30, 2020, we are in compliance with the applicable restrictions under our credit agreement, senior unsecured notes indenture, and second lien notes indenture in place during the covenant suspension period.

Other Debt. Other debt primarily consists of term loans acquired through our various acquisitions or used to fund certain capital investments. As of June 30, 2020, we had $11.7 million outstanding for other debt payable through March 2025.

Contractual Obligations

Contractual obligations at June 30, 2020 are as follows:

In thousands	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases, net of subleases (1)	$ 160,697	$ 36,848	$ 50,988	$ 33,269	$ 39,592
Purchase commitments	109,728	47,939	44,456	17,333	—
Senior unsecured notes and interest payments	852,000	42,000	84,000	84,000	642,000
Second lien notes and interest payments	481,500	37,500	72,000	372,000	—
Other debt and interest payments (2)	727,649	60,167	101,054	566,428	—
Finance leases, net of subleases (1)	22,421	6,885	10,852	3,302	1,382
Other	2,289	1,518	737	34	—
Total (3)	$ 2,356,284	$ 232,857	$ 364,087	$ 1,076,366	$ 682,974

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(1) Operating and finance lease payments included above include only amounts which are fixed under lease agreements. Our leases may also incur variable expenses. Refer to our lease accounting policy in Note 2 in our accompanying consolidated financial statements for additional information.

(2) Other debt and interest payments include the effects of interest rate swaps, whether they are expected to be payments or receipts of cash. We have excluded the effect of interest rate swaps of $2.0 million within the more than five years category above as that period extends beyond the term of our debt and the interest rate swaps do not yet offset contractual interest payments.

(3) We may be required to make cash outlays related to our uncertain tax positions. However, due to the uncertainty of the timing of future cash flows associated with our uncertain tax positions, we are unable to make reasonably reliable estimates of the period of cash settlement, if any, with the respective taxing authorities. Accordingly, uncertain tax positions of $6.2 million as of June 30, 2020 have been excluded from the contractual obligations table above. For further information on uncertain tax positions, see Note 13 in our accompanying consolidated financial statements.

Operating Leases. We rent office space under operating leases expiring on various dates through 2034. The terms of certain lease agreements require security deposits in the form of bank guarantees and letters of credit in the amount of $2.1 million.

Purchase Commitments. At June 30, 2020, we had unrecorded commitments under contract of $109.7 million. Purchase commitments consisted of third-party web services of $61.7 million, inventory purchase commitments of $21.8 million, commitments for professional and consulting fees of $3.8 million, production and computer equipment purchases of approximately $0.9 million, commitments for advertising campaigns of $1.0 million, and other unrecorded purchase commitments of $20.5 million.

Senior Unsecured Notes and Interest Payments. Our 7.0% senior unsecured notes due 2026 bear interest at a rate of 7.0% per annum and mature on June 15, 2026. Interest on the notes is payable semi-annually on June 15 and December 15 of each year and has been included in the table above.

Second Lien Notes and Interest Payments. Our 12.0% senior secured notes due 2025 bear interest at a rate of 12.0% per annum and mature on May 15, 2025. Interest on the notes is payable semi-annually on May 15 and November 15 of each year and has been included in the table above. At our option, we may elect to pay interest on up to 50.0% of the then outstanding principal amount of the notes as paid-in-kind and applied to the outstanding principal balance of the notes.

Other Debt and Interest Payments. At June 30, 2020, the term loans of $148.1 million outstanding under our credit agreement had repayments due on various dates through November 15, 2024, with the revolving loans outstanding under our $422.4 million revolving credit facility due on November 15, 2024. Interest payable included in this table is based on the interest rate as of June 30, 2020, and assumes all LIBOR-based revolving loan amounts outstanding will not be paid until maturity, but that the term loan amortization payments will be made according to our defined schedule and all Prime rate based revolving loan amounts will be paid within a year. Interest payable includes the estimated impact of our interest rate swap agreements.

In addition, we have other debt which consists primarily of term loans acquired through our various acquisitions or used to fund certain capital investments, and as of June 30, 2020 we had $11.7 million outstanding for those obligations that have repayments due on various dates through March 2025.

Finance Leases. We lease certain machinery and plant equipment under finance lease agreements that expire at various dates through 2027. The aggregate carrying value of the leased equipment under finance leases included in property, plant and equipment, net in our consolidated balance sheet at June 30, 2020, is $20.8 million, net of accumulated depreciation of $43.5 million. The present value of lease installments not yet due included in other current liabilities and other liabilities in our consolidated balance sheet at June 30, 2020 amounts to $26.7 million.

Other Obligations. Other obligations include deferred payments related to previous acquisitions of $2.3 million in the aggregate.

Additional Non-GAAP Financial Measures

Adjusted EBITDA and adjusted free cash flow presented below, and constant-currency revenue growth and constant-currency revenue growth excluding acquisitions/divestitures presented in the consolidated results of operations section above, are supplemental measures of our performance that are not required by, or presented in accordance with, GAAP. Adjusted EBITDA is defined as GAAP operating income plus depreciation and amortization (excluding depreciation and amortization related to our Waltham, Massachusetts office lease) plus share-based compensation expense plus proceeds from insurance plus earn-out related charges plus certain impairments plus restructuring related charges plus realized gains or losses on currency derivatives less interest expense related to our Waltham, Massachusetts office lease less gain on purchase or sale of subsidiaries. We note that with the adoption of ASC 842, the Waltham, Massachusetts office lease has been reclassified from a build-to-suit lease to an operating lease, and therefore the depreciation and interest expense adjustments that were made in comparative periods will no longer be made beginning in the first fiscal quarter of 2020, as any impact from the Waltham lease will be reflected in operating income. Refer to Note 2 in our accompanying consolidated financial statements for additional details.

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

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

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

The table below sets forth operating income and adjusted EBITDA for the years ended June 30, 2020, 2019 and 2018:

In thousands	Year Ended June 30, 2020	2019	2018
GAAP operating income	$ 55,969	$ 163,607	$ 157,800
Exclude expense (benefit) impact of:			
Depreciation and amortization	167,943	172,957	169,005
Waltham, MA lease depreciation adjustment (1)	—	(4,120)	(4,120)
Proceeds from insurance	—	—	676
Share-based compensation expense (2)	33,252	18,296	49,139
Earn-out related charges	(54)	—	2,391
Certain impairments and other adjustments (3)	104,593	10,700	2,893
Restructuring-related charges	13,543	12,054	15,236
Interest expense for Waltham, MA lease (1)	—	(7,236)	(7,489)
Gain on purchase or sale of subsidiaries	—	—	(47,945)
Realized gains on currency derivatives not included in operating income	24,533	20,289	(11,445)
Adjusted EBITDA	$ 399,779	$ 386,547	$ 326,141

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(1) Upon the adoption of the new leasing standard on July 1, 2019, our Waltham, MA lease, which was previously classified as build-to-suit, is now classified as an operating lease under the new standard. Therefore, the Waltham depreciation and interest expense adjustments that were made in comparative periods are no longer adjusted beginning in the first fiscal quarter of 2020, as any impact from the Waltham lease will be reflected in operating income. Refer to Note 2 in our accompanying consolidated financial statements for additional details.

(2) The adjustment for share-based compensation expense excludes the portion of share-based compensation expense included in restructuring related charges, if any, to avoid double counting.

(3) Includes the impact of certain impairments of goodwill and other long-lived assets as defined by ASC 350 - "Intangibles - Goodwill and Other", as well losses recognized for fair value adjustments to the disposal group associated with held for sale assets and liabilities as defined by ASC 360 - "Property, Plant, and Equipment" and reserves recognized for loans as defined by ASC 326 - "Financial Instruments - Credit Losses."

The table below sets forth net cash provided by operating activities and adjusted free cash flow for the years ended June 30, 2020, 2019 and 2018:

In thousands	Year Ended June 30, 2020	2019	2018
Net cash provided by operating activities	$ 338,444	$ 331,095	$ 192,332
Purchases of property, plant and equipment	(50,467)	(70,563)	(60,930)
Purchases of intangible assets not related to acquisitions	—	(64)	(308)
Capitalization of software and website development costs	(43,992)	(48,652)	(40,847)
Payment of contingent consideration in excess of acquisition date fair value (1)	—	—	49,241
Adjusted free cash flow	$ 243,985	$ 211,816	$ 139,488

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(1) Includes a portion of the earn-out payment that is presented within net cash provided by operating activities as part of the change in accrued expenses and other liabilities for the year ended June 30, 2018. This portion of the earn-out was deemed to be a compensation arrangement since it included an employment-related contingency. We add back acquisition-related contingent consideration payments because we believe they are material payments directly associated with the acquisition of a business rather than a reflection of free cash flow generation of the underlying business.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”). To apply these principles, we must make estimates and judgments that affect our reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. In some instances, we reasonably could have used different accounting estimates and, in other instances, changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from our estimates. We base our estimates and judgments on historical experience and other assumptions that we believe to be reasonable at the time under the circumstances, and we evaluate these estimates and judgments on an ongoing basis. We refer to accounting estimates and judgments of this type as critical accounting policies and estimates, which we discuss further below. This section should be read in conjunction with Note 2, "Summary of Significant Accounting Policies," of our audited consolidated financial statements included elsewhere in this Report.

Revenue Recognition. We generate revenue primarily from the sale and shipment of customized manufactured products. To a much lesser extent (and only in our Vistaprint business) we provide digital services, website design and hosting, and email marketing services, as well as a small percentage from order referral fees and other third-party offerings. Revenues are recognized when control of the promised products or services is transferred to the customer in an amount that reflects the consideration we expect to be entitled to in exchange for those products or services.

Under the terms of most of our arrangements with our customers we provide satisfaction guarantees, which give our customers an option for a refund or reprint over a specified period of time if the customer is not fully satisfied. As such, we record a reserve for estimated sales returns and allowances as a reduction of revenue, based on historical experience or the specific identification of an event necessitating a reserve. Actual sales returns have historically not been significant.

We have elected to recognize shipping and handling activities that occur after transfer of control of the products as fulfillment activities and not as a separate performance obligation. Accordingly, we recognize revenue for our single performance obligation upon the transfer of control of the fulfilled orders, which generally occurs upon delivery to the shipping carrier. If revenue is recognized prior to completion of the shipping and handling activities, we accrue the costs of those activities. We do have some arrangements whereby the transfer of control, and thus revenue recognition, occurs upon delivery to the customer. If multiple products are ordered together, each product is considered a separate performance obligation, and the transaction price is allocated to each performance obligation based on the standalone selling price. Revenue is recognized upon satisfaction of each performance obligation. We generally determine the standalone selling prices based on the prices charged to our customers.

Our products are customized for each individual customer with no alternative use except to be delivered to that specific customer; however, we do not have an enforceable right to payment prior to delivering the items to the customer based on the terms and conditions of our arrangements with customers and therefore we recognize revenue at a point in time.

We record deferred revenue when cash payments are received in advance of our satisfaction of the related performance obligation. The satisfaction of performance obligations generally occur shortly after cash payment and we expect to recognize our deferred revenue balance as revenue within three months subsequent to June 30, 2020.

We periodically provide marketing materials and promotional offers to new customers and existing customers that are intended to improve customer retention. These incentive offers are generally available to all customers and, therefore, do not represent a performance obligation as customers are not required to enter into a contractual commitment to receive the offer. These discounts are recognized as a reduction to the transaction price when used by the customer. Costs related to free products are included within cost of revenue and sample products are included within marketing and selling expense.

We have elected to apply the practical expedient under ASC 340-40-25-4 to expense incremental direct costs as incurred, which primarily includes sales commissions, since our contract periods generally are less than one year and the related performance obligations are satisfied within a short period of time.

Share-Based Compensation. We measure share-based compensation costs at fair value, and recognize the expense over the period that the recipient is required to provide service in exchange for the award, which generally is the vesting period. We recognize the impact of forfeitures as they occur.

We primarily issue performance share units, or PSUs, which are estimated at fair value on the date of grant, which is fixed throughout the vesting period. The fair value is determined using a Monte Carlo simulation valuation model. As the PSUs include both a service and market condition the related expense is recognized using the accelerated expense attribution method over the requisite service period for each separately vesting portion of the award. For PSUs that meet the service vesting condition, the expense recognized over the requisite service period will not be reversed if the market condition is not achieved. The compensation expense for these awards is estimated at fair value using a Monte Carlo simulation valuation model and compensation costs are recorded only if it is probable that the performance condition will be achieved.

In addition to a service vesting and market condition (based on the three year moving average of the Cimpress share price) contained in our standard performance share units, we also issue awards that contain financial performance conditions. These awards with a discretionary performance condition are subject to mark-to-market accounting throughout the performance vesting period. The compensation expense for these awards is estimated at fair value using a Monte Carlo simulation valuation model and compensation costs are recorded only if it is probable that the performance condition will be achieved. We are required to reassess the probability each reporting period. If we determine the awards are not probable at some point during the performance vesting period, we would reverse any expense recognized to date.

Income Taxes. As part of the process of preparing our consolidated financial statements, we calculate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our current tax expense, including assessing the risks associated with tax positions, together with assessing temporary and permanent differences resulting from differing treatment of items for tax and financial reporting purposes. We recognize deferred tax assets and liabilities for the temporary differences using the enacted tax rates and laws that will be in effect when we expect temporary differences to reverse. We assess the ability to realize our deferred tax assets based upon the weight of available evidence both positive and negative. To the extent we believe that it is more likely than not that some portion or all of the deferred tax assets will not be realized, we establish a valuation allowance. Our estimates can vary due to the profitability mix of jurisdictions, foreign exchange movements, changes in tax law, regulations or accounting principles, as well as certain discrete items. In the event that actual results differ from our estimates or we adjust our estimates in the future, we may need to increase or decrease income tax expense, which could have a material impact on our financial position and results of operations.

We establish reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. These reserves are established when we believe that certain positions might be challenged despite our belief that our tax return positions are in accordance with applicable tax laws. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit, new tax legislation, or the change of an estimate based on new information. To the extent that the final outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made. Interest and, if applicable, penalties related to unrecognized tax benefits are recorded in the provision for income taxes. Stranded income tax effects in accumulated other comprehensive income or loss are released on an item-by-item basis based on when the applicable derivative is recognized in earnings.

Software and Website Development Costs. We capitalize eligible salaries and payroll-related costs of employees who devote time to the development of our websites and internal-use computer software. Capitalization begins when the preliminary project stage is complete, management with the relevant authority authorizes and commits to the funding of the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. These costs are amortized on a straight-line basis over the estimated useful life of the software, which is three years. Our judgment is required in evaluating whether a project provides new or additional functionality, determining the point at which various projects enter the stages at which costs may be capitalized, assessing the ongoing value and impairment of the capitalized costs, and determining the estimated useful lives over which the costs are amortized. Historically we have not had any significant impairments of our capitalized software and website development costs.

Business Combinations. We recognize the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The fair value of identifiable intangible assets is based on detailed cash flow valuations that use information and assumptions provided by management. The valuations are dependent upon a myriad of factors including historical financial results, forecasted revenue growth rates, estimated customer renewal rates, projected operating margins, royalty rates and discount rates. We estimate the fair value of contingent consideration at the time of the acquisition using all pertinent information known to us at the time to assess the probability of payment of contingent amounts or through the use of a Monte Carlo simulation model. We allocate any excess purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed to goodwill. The assumptions used in the valuations for our acquisitions may differ materially from actual results depending on performance of the acquired businesses and other factors. While we believe the assumptions used were appropriate, different assumptions in the valuation of assets acquired and liabilities assumed could have a material impact on the timing and extent of impact on our statements of operations.

Goodwill is assigned to reporting units as of the date of the related acquisition. If goodwill is assigned to more than one reporting unit, we utilize a method that is consistent with the manner in which the amount of goodwill in a business combination is determined. Costs related to the acquisition of a business are expensed as incurred.

Goodwill, Indefinite-Lived Intangible Assets, and Other Definite Lived Long-Lived Assets. We evaluate goodwill and indefinite-lived intangible assets for impairment annually or more frequently when an event occurs or circumstances change that indicate that the carrying value may not be recoverable. We have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. We consider the timing of our most recent fair value assessment and associated headroom, the actual operating results as compared to the cash flow forecasts used in those fair value assessments, the current long-term forecasts for each reporting unit, and the general market and economic environment of each reporting unit. In addition to the specific factors mentioned above, we assess the following individual factors on an ongoing basis such as:

- A significant adverse change in legal factors or the business climate;
- An adverse action or assessment by a regulator;
- Unanticipated competition;
- A loss of key personnel; and
- A more-likely-than-not expectation that a reporting unit or a significant portion of a reporting unit will be sold or otherwise disposed of.

If the results of the qualitative analysis were to indicate that the fair value of a reporting unit is less than its carrying value, the quantitative test is required. Under the quantitative approach, we estimate the fair values of our reporting units using a discounted cash flow methodology and in certain circumstances a market-based approach. This analysis requires significant judgment and is based on our strategic plans and estimation of future cash flows, which is dependent on internal forecasts. Our annual analysis also requires significant judgment including the identification and aggregation of reporting units, as well as the determination of our discount rate and perpetual growth rate assumptions. We are required to compare the fair value of the reporting unit with its carrying value and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value.

During March 2020, all of our businesses experienced varying levels of decline in revenue due to the disruptions associated with the COVID-19 pandemic. Although we expect the impacts to be temporary, the negative effects of the pandemic on revenue and profitability triggered an assessment of goodwill, as we expected some of our businesses to achieve materially lower financial results than previously expected. A triggering event existed for all ten reporting units with goodwill, which required us to perform an impairment test in the third quarter of fiscal 2020. As part of our assessment, we recognized goodwill impairment charges of $100.8 million. We recognized a full goodwill impairment charge for our National Pen and VIDA reporting units, which amounted to $34.4 million and $26.0 million, respectively, as well as a partial goodwill impairment charge for our Exaprint reporting unit of $40.4 million. These impairment charges were due primarily to the deterioration of cash flow that we expect in the near-term for each of these businesses as a result of the decline in demand caused by the COVID-19 pandemic lock downs and related restrictions. In addition to the declines we expect in near-term cash flows, the long-term profit outlook for each of these businesses has declined when compared to previous estimates, contributing to the recognition of these impairment charges

We are required to evaluate the estimated useful lives and recoverability of definite lived long-lived assets (for example, customer relationships, developed technology, property, and equipment) on an ongoing basis when indicators of impairment are present. For purposes of the recoverability test, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. The test for recoverability compares the undiscounted future cash flows of the long-lived asset group to its carrying value. If the carrying values of the long-lived asset group exceed the undiscounted future cash flows, the assets are considered to be potentially impaired. The next step in the impairment measurement process is to determine the fair value of the individual net assets within the long-lived asset group. If the aggregate fair values of the individual net assets of the group are less than the carrying values, an impairment charge is recorded equal to the excess of the aggregate carrying value of the group over the aggregate fair value. The loss is allocated to each long-lived asset within the group based on their relative carrying values, with no asset reduced below its fair value. The identification and evaluation of a potential impairment requires judgment and is subject to change if events or circumstances pertaining to our business change. We evaluated our long-lived assets for impairment and during the year ended June 30, 2020, we recognized no impairments.

Recently Issued or Adopted Accounting Pronouncements

See Item 8 of Part II, "Financial Statements and Supplementary Data — Note 2 — Summary of Significant Accounting Policies — Recently Issued or Adopted Accounting Pronouncements."

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

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

As of June 30, 2020, our cash and cash equivalents consisted of standard depository accounts which are held for working capital purposes. We do not believe we have a material exposure to interest rate fluctuations related to our cash and cash equivalents.

As of June 30, 2020, we had $570.5 million of variable-rate debt. As a result, we have exposure to market risk for changes in interest rates related to these obligations. In order to mitigate our exposure to interest rate changes related to our variable rate debt, we execute interest rate swap contracts to fix the interest rate on a portion of our outstanding or forecasted long-term debt with varying maturities. As of June 30, 2020, a hypothetical 100 basis point increase in rates, inclusive of our outstanding interest rate swaps, would result in an increase to interest expense of approximately $0.3 million over the next 12 months.

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

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

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

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

- *Translation of our non-U.S. dollar assets and liabilities*: Each of our subsidiaries translates its assets and liabilities to U.S. dollars at current rates of exchange in effect at the balance sheet date. The resulting gains and losses from translation are included as a component of accumulated other comprehensive loss on the consolidated balance sheet. Fluctuations in exchange rates can materially impact the carrying value of our assets and liabilities.

  We have currency exposure arising from our net investments in foreign operations. We enter into currency derivatives to mitigate the impact of currency rate changes on certain net investments.

- *Remeasurement of monetary assets and liabilities:* Transaction gains and losses generated from remeasurement of monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are included in other income (expense), net on the consolidated statements of operations. Certain of our subsidiaries hold intercompany loans denominated in a currency other than their functional currency. Due to the significance of these balances, the revaluation of intercompany loans can have a material impact on other income (expense), net. We expect these impacts may be volatile in the future, although our largest intercompany loans do not have a U.S. dollar cash impact for the consolidated group because they are either 1) U.S. dollar loans or 2) we elect to hedge certain non-U.S. dollar loans with cross-currency swaps. A hypothetical 10% change in currency exchange rates was applied to total net monetary assets denominated in currencies other than the functional currencies at the balance sheet dates to compute the impact these changes would have had on our income before taxes in the near term. The balances are inclusive of the notional value of any cross-currency swaps designated as cash flow hedges. A hypothetical decrease in exchange rates of 10% against the functional currency of our subsidiaries would have resulted in an increase of $15.8 million, $33.3 million and $51.1 million on our income before income taxes for the years ended June 30, 2020, 2019 and 2018, respectively.

Item 8. *Financial Statements and Supplementary Data*

CIMPRESS PLC
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Cimpress plc

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Cimpress plc (formerly known as Cimpress N.V.), and its subsidiaries (the “Company”) as of June 30, 2020 and 2019, and the related consolidated statements of operations, of comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended June 30, 2020, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of June 30, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2020, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leasing arrangements in 2019.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill - Quantitative Impairment Assessment - Exaprint and National Pen Reporting Units

As described in Note 8 to the consolidated financial statements, the Company's goodwill balance was $621.9 million as of June 30, 2020. During March 2020, all of the Company's businesses experienced varying levels of decline in revenue due to the disruptions associated with the COVID-19 pandemic. Although management expects the impacts to be temporary, the negative effects of the pandemic on revenue and profitability triggered an assessment of goodwill, as management expected some of its businesses to achieve materially lower financial results than previously expected. Management's March 31, 2020 goodwill impairment test resulted in impairment charges to the Exaprint reporting unit of $40.4 million, included within The Print Group reportable segment, and the National Pen reporting unit of $34.4 million. Management used the income approach, specifically the discounted cash flow method, to derive the fair value. This approach calculates fair value by estimating the after-tax cash flows attributable to a reporting unit and then discounting the after-tax cash flows to a present value using a risk-adjusted discount rate. The cash flow projections in the fair value analysis are considered Level 3 inputs, and consist of management's estimates of revenue growth rates and operating margins, taking into consideration historical results, as well as industry and market conditions. The discount rate used in the fair value analysis is based on a weighted average cost of capital, which represents the average rate a business must pay its providers of debt and equity, plus a risk premium.

The principal considerations for our determination that performing procedures relating to the goodwill quantitative impairment assessments for the Exaprint and National Pen reporting units is a critical audit matter are the significant judgment by management when developing the fair value of the reporting units, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures over the significant assumptions related to the revenue growth rates, operating margins, and discount rates; and the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the significant assumptions used in the valuation of the Exaprint and National Pen reporting units. These procedures also included, among others, (i) testing management's process for developing the fair value of the reporting units; (ii) evaluating the appropriateness of the discounted cash flow model; (iii) testing the completeness, accuracy and relevance of underlying data used in the model; and (iv) evaluating the reasonableness of management's significant assumptions related to the revenue growth rates, operating margins, and discount rates. Evaluating the reasonableness of management's significant assumptions related to the revenue growth rates and operating margins involved evaluating whether the assumptions used by management were reasonable considering the current and past performance of the reporting units, the consistency with external market and industry data, and whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow model and the reasonableness of the discount rates.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
August 11, 2020

We have served as the Company’s auditor since 2014.

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

	June 30, 2020	June 30, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 45,021	$ 35,279
Accounts receivable, net of allowances of $9,651 and $7,313, respectively	34,596	60,646
Inventory	80,179	66,310
Prepaid expenses and other current assets	88,608	78,065
Total current assets	248,404	240,300
Property, plant and equipment, net (1)	338,659	490,755
Operating lease assets, net (1)	156,258	—
Software and website development costs, net	71,465	69,840
Deferred tax assets	143,496	59,906
Goodwill	621,904	718,880
Intangible assets, net	209,228	262,701
Other assets	25,592	25,994
Total assets	$ 1,815,006	$ 1,868,376
Liabilities, noncontrolling interests and shareholders' (deficit) equity		
Current liabilities:		
Accounts payable	$ 163,891	$ 185,096
Accrued expenses	210,764	194,715
Deferred revenue	39,130	31,780
Short-term debt	17,933	81,277
Operating lease liabilities, current (1)	41,772	—
Other current liabilities	13,268	27,881
Total current liabilities	486,758	520,749
Deferred tax liabilities	33,811	44,531
Long-term debt	1,415,657	942,290
Lease financing obligation (1)	—	112,096
Operating lease liabilities, non-current (1)	128,963	—
Other liabilities	88,187	53,716
Total liabilities	2,153,376	1,673,382
Commitments and contingencies (Note 18)		
Redeemable noncontrolling interests	69,106	63,182
Shareholders' (deficit) equity:		
Preferred shares, nominal value €0.01 per share, 100,000,000 shares authorized; none issued and outstanding	—	—
Ordinary shares, nominal value €0.01 per share, 100,000,000 shares authorized; 44,080,627 shares issued; and 25,885,675 and 30,445,669 shares outstanding, respectively	615	615
Deferred ordinary shares, nominal value €1.00 per share, 25,000 shares authorized, issued and outstanding	28	—
Treasury shares, at cost, 18,194,952 and 13,634,958 shares, respectively	(1,376,496)	(737,447)
Additional paid-in capital	438,616	411,079
Retained earnings	618,437	537,422
Accumulated other comprehensive loss	(88,676)	(79,857)
Total shareholders' (deficit) equity	(407,476)	131,812
Total liabilities, noncontrolling interests and shareholders' (deficit) equity	$ 1,815,006	$ 1,868,376

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(1) Due to our adoption of the new leasing standard on July 1, 2019, we recognized operating lease assets and liabilities. Additionally, all costs previously capitalized for our build-to-suit leases included in property, plant and equipment, net and lease financing obligation have been de-recognized and are now classified as operating leases. Refer to Note 2 for additional details.

See accompanying notes.

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

	Year Ended June 30,		
	2020	2019	2018
Revenue	$ 2,481,358	$ 2,751,076	$ 2,592,541
Cost of revenue (1)	1,248,871	1,401,344	1,279,799
Technology and development expense (1)	253,252	236,797	245,758
Marketing and selling expense (1)	574,041	713,863	714,654
General and administrative expense (1)	183,054	162,652	176,958
Amortization of acquired intangible assets	51,786	53,256	49,881
Restructuring expense (1)	13,543	12,054	15,236
Impairment of goodwill	100,842	7,503	—
(Gain) on sale of subsidiaries	—	—	(47,545)
Income from operations	55,969	163,607	157,800
Other income (expense), net	22,874	26,476	(21,032)
Interest expense, net	(75,840)	(63,171)	(53,043)
Loss on early extinguishment of debt	—	—	(17,359)
Income before income taxes	3,003	126,912	66,366
Income tax (benefit) expense	(80,992)	33,432	19,578
Net income	83,995	93,480	46,788
Add: Net (income) loss attributable to noncontrolling interest	(630)	1,572	(3,055)
Net income attributable to Cimpress plc	$ 83,365	$ 95,052	$ 43,733
Basic net income per share attributable to Cimpress plc	$ 3.07	$ 3.09	$ 1.41
Diluted net income per share attributable to Cimpress plc	$ 3.00	$ 3.00	$ 1.36
Weighted average shares outstanding — basic	27,180,744	30,786,349	30,948,081
Weighted average shares outstanding — diluted	27,773,286	31,662,705	32,220,401

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

	Year Ended June 30,		
	2020	2019	2018
Cost of revenue	$ 486	$ 455	$ 361
Technology and development expense	9,003	3,765	10,580
Marketing and selling expense	2,703	1,193	6,683
General and administrative expense	21,061	12,882	31,515
Restructuring expense	1,621	3,421	1,327

See accompanying notes.

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Year Ended June 30,		
	2020	2019	2018
Net income	$ 83,995	$ 93,480	$ 46,788
Other comprehensive income, net of tax:			
Foreign currency translation gains, net of hedges	10,933	6,667	35,148
Net unrealized (losses) gains on derivative instruments designated and qualifying as cash flow hedges	(24,570)	(23,409)	11,521
Amounts reclassified from accumulated other comprehensive loss to net income on derivative instruments	5,774	3,932	(960)
(Loss) gain on pension benefit obligation, net	(1,195)	(204)	357
Comprehensive income	74,937	80,466	92,854
Add: Comprehensive (income) loss attributable to noncontrolling interests	(391)	4,537	(5,421)
Total comprehensive income attributable to Cimpress plc	$ 74,546	$ 85,003	$ 87,433

See accompanying notes.

CIMPRESS PLC

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)

	Ordinary Shares		Treasury Shares					
	Number of Shares Issued	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at June 30, 2017	44,080	$ 615	(12,665)	$ (588,365)	$ 361,376	$ 414,771	$ (113,398)	$ 74,999
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes	—	—	293	(3,174)	(4,999)	—	—	(8,173)
Restricted share units vested, net of shares withheld for taxes	—	—	63	840	(4,784)	—	—	(3,944)
Grant of restricted share awards	—	—	(2)	(168)	—	—	—	(168)
Share-based compensation expense	—	—	—	—	44,089	—	—	44,089
Purchase of ordinary shares	—	—	(895)	(94,710)	—	—	—	(94,710)
Net income attributable to Cimpress plc	—	—	—	—	—	43,733	—	43,733
Adoption of new accounting standard	—	—	—	—	—	(5,864)	—	(5,864)
Amounts reclassified from accumulated other comprehensive loss to retained earnings	—	—	—	—	—	116	(116)	—
Net unrealized gain on derivative instruments designated and qualifying as cash flow hedges	—	—	—	—	—	—	10,561	10,561
Foreign currency translation, net of hedges	—	—	—	—	—	—	32,782	32,782
Unrealized gain on pension benefit obligation, net of tax	—	—	—	—	—	—	357	357
Balance at June 30, 2018	44,080	$ 615	(13,206)	$ (685,577)	$ 395,682	$ 452,756	$ (69,814)	$ 93,662
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes	—	—	123	3,100	(3,106)	—	—	(6)
Restricted share units vested, net of shares withheld for taxes	—	—	38	573	(2,866)	—	—	(2,293)
Grant of restricted share awards	—	—	4	24		—	—	24
Share-based compensation expense	—	—	—	—	18,064	—	—	18,064
Purchase of ordinary shares	—	—	(594)	(55,567)	—	—	—	(55,567)
Net income attributable to Cimpress plc	—	—	—	—	—	95,052		95,052
Adjustment for purchase of noncontrolling interest	—	—	—	—	2,714	—	—	2,714
Adjustment to noncontrolling interest for share forfeiture	—	—	—	—	591	—	—	591
Adoption of new accounting standard	—	—	—	—	—	(3,246)	—	(3,246)
Noncontrolling interest accretion to redemption value	—	—	—	—	—	(7,140)	—	(7,140)
Net unrealized loss on derivative instruments designated and qualifying as cash flow hedges	—	—	—	—	—	—	(19,477)	(19,477)
Foreign currency translation, net of hedges	—	—	—	—	—	—	9,638	9,638
Unrealized loss on pension benefit obligation, net of tax	—	—	—	—	—	—	(204)	(204)
Balance at June 30, 2019	44,080	$ 615	(13,635)	$ (737,447)	$ 411,079	$ 537,422	$ (79,857)	$ 131,812

See accompanying notes.

CIMPRESS PLC

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (CONTINUED)

(in thousands)

	Ordinary Shares		Deferred Ordinary Shares		Treasury Shares					
	Number of Shares Issued	Amount	Number of Shares Issued	Amount	Number of Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity (Deficit)
Balance at June 30, 2019	44,080	$ 615	—	$ —	(13,635)	$ (737,447)	$411,079	$537,422	$ (79,857)	$ 131,812
Issuance of ordinary shares due to share option exercises, net of shares withheld for taxes	—	—	—	—	432	(12,518)	(28,388)	—	—	(40,906)
Restricted share units vested, net of shares withheld for taxes	—	—	—	—	13	712	(1,317)	—	—	(605)
Issuance of deferred ordinary shares	—	—	25	28	—	—	—	—	—	28
Grant of restricted share awards	—	—	—	—	(2)	(187)	—	—	—	(187)
Share-based compensation expense	—	—	—	—	—	—	34,810	—	—	34,810
Purchase of ordinary shares	—	—	—	—	(5,003)	(627,056)	—	—	—	(627,056)
Net income attributable to Cimpress plc	—	—	—	—	—	—	—	83,365	—	83,365
Redeemable noncontrolling interest accretion to redemption value	—	—	—	—	—	—	—	(5,493)	—	(5,493)
Adoption of new accounting standards	—	—	—	—	—	—	—	3,143	—	3,143
Issuance of warrants	—	—	—	—	—	—	22,432	—	—	22,432
Net unrealized loss on derivative instruments designated and qualifying as cash flow hedges	—	—	—	—	—	—	—	—	(18,796)	(18,796)
Foreign currency translation, net of hedges	—	—	—	—	—	—	—	—	11,172	11,172
Unrealized loss on pension benefit obligation, net of tax	—	—	—	—	—	—	—	—	(1,195)	(1,195)
Balance at June 30, 2020	44,080	$ 615	25	$ 28	(18,195)	$(1,376,496)	$438,616	$618,437	$ (88,676)	$ (407,476)

See accompanying notes.

CIMPRESS PLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended June 30,		
	2020	2019	2018
Operating activities			
Net income	$ 83,995	$ 93,480	$ 46,788
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	167,943	173,771	169,005
Impairment of goodwill	100,842	7,503	—
Share-based compensation expense	34,874	21,716	50,466
Deferred taxes	(106,864)	6,838	(14,039)
Gain on sale of subsidiaries	—	—	(47,545)
Loss on early extinguishment of debt	—	—	17,359
Change in contingent earn-out liability	(54)	—	1,774
Unrealized (loss) gain on derivatives not designated as hedging instruments included in net income	7,731	(5,358)	(15,540)
Effect of exchange rate changes on monetary assets and liabilities denominated in non-functional currency	(802)	(4,364)	19,460
Payments of contingent consideration in excess of acquisition date fair value	—	—	(4,639)
Other non-cash items	11,283	9,209	4,668
Changes in operating assets and liabilities:			
Accounts receivable	26,659	(4,186)	(5,123)
Inventory	(18,328)	(3,627)	(7,068)
Prepaid expenses and other assets	11,946	4,475	(2,472)
Accounts payable	(17,547)	19,835	21,782
Accrued expenses and other liabilities	36,766	11,803	(42,544)
Net cash provided by operating activities	338,444	331,095	192,332
Investing activities			
Purchases of property, plant and equipment	(50,467)	(70,563)	(60,930)
Proceeds from the sale of subsidiaries, net of transaction costs and cash divested	(1,124)	—	93,779
Business acquisitions, net of cash acquired	(4,272)	(289,920)	(110)
Purchases of intangible assets	—	(64)	(308)
Capitalization of software and website development costs	(43,992)	(48,652)	(40,847)
Proceeds from the sale of assets	1,644	640	886
Proceeds from (payments for) settlement of derivatives designated as hedging instruments	29,791	(12,016)	—
Other investing activities	1,556	409	(3,064)
Net cash used in investing activities	(66,864)	(420,166)	(10,594)
Financing activities			
Proceeds from borrowings of debt	1,281,490	1,140,607	805,995
Proceeds from issuance of senior notes	210,500	—	400,000
Proceeds from issuance of second lien notes	271,568	—	—
Proceeds from issuance of warrants	22,432	—	—
Payments of debt	(1,337,334)	(947,696)	(974,781)
Payments for early redemption of senior notes	—	—	(275,000)
Payments of early redemption fees for senior notes	—	—	(14,438)
Payments of debt issuance costs	(22,570)	(2,729)	(10,629)
Payments of purchase consideration included in acquisition-date fair value	—	(3,282)	(2,105)
Payments of withholding taxes in connection with equity awards	(41,709)	(5,979)	(19,698)
Payments of finance lease obligations	(9,511)	(17,063)	(17,618)

See accompanying notes.

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

	Year Ended June 30,		
	2020	**2019**	**2018**
Purchase of noncontrolling interests	—	(85,520)	(1,144)
Proceeds from sale of noncontrolling interest	—	57,046	35,390
Purchase of ordinary shares	(627,056)	(55,567)	(94,710)
Proceeds from issuance of ordinary shares	6	3,403	11,981
Issuance of loans	—	—	(21,000)
Distribution to noncontrolling interest	(3,955)	(3,375)	—
Other financing activities	(2,116)	2,144	—
Net cash (used in) provided by financing activities	(258,255)	81,989	(177,757)
Effect of exchange rate changes on cash	(3,583)	(1,866)	2,507
Change in cash held for sale	—	—	12,042
Net increase (decrease) in cash and cash equivalents	9,742	(8,948)	18,530
Cash and cash equivalents at beginning of period	35,279	44,227	25,697
Cash and cash equivalents at end of period	$ 45,021	$ 35,279	$ 44,227
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	$ 72,906	$ 63,940	$ 56,614
Income taxes	13,520	26,369	32,278
Non-cash investing and financing activities:			
Capitalization of construction costs related to financing lease obligation (1)	—	13,448	19,264
Property and equipment acquired under finance leases	1,605	11,871	7,535
Amounts accrued related to business acquisitions	2,289	5,564	5,868

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(1) Due to our adoption of the new leasing standard on July 1, 2019, any costs previously capitalized for a build-to-suit lease and included in the financing lease obligation are now classified as an operating lease and the lease financing obligation has been de-recognized. Refer to Note 2 for additional details.

See accompanying notes.

1. Description of the Business

Cimpress is a strategically focused group of more than a dozen businesses that specialize in mass customization, via which we deliver large volumes of individually small-sized customized orders for a broad spectrum of print, signage, photo merchandise, invitations and announcements, writing instruments, packaging, apparel and other categories. We invest in and build customer-focused, entrepreneurial mass customization businesses for the long term, which we manage in a decentralized, autonomous manner. Mass customization is a core element of the business model of each Cimpress business. We drive competitive advantage across Cimpress through a select few shared strategic capabilities that have the greatest potential to create Cimpress-wide value. We limit all other central activities to only those which absolutely must be performed centrally.

Irish Merger

On December 3, 2019, Cimpress moved its place of incorporation from the Netherlands to Ireland through a cross-border merger in which Cimpress N.V., a Dutch public limited company, merged with and into Cimpress plc, an Irish public limited company, with Cimpress plc surviving the Irish Merger. As a result of the Irish Merger, all of Cimpress N.V.'s outstanding ordinary shares, par value €0.01 per share, were exchanged on a one-for-one basis for newly issued ordinary shares, nominal value of €0.01 per share, of Cimpress plc, and Cimpress plc assumed all of Cimpress N.V.'s existing rights and obligations.

In conjunction with the Irish Merger, 25,000 Cimpress plc deferred ordinary shares were issued to meet the Irish statutory minimum capital requirements of an Irish public limited company. The deferred ordinary shares remain outstanding following the completion of the Irish Merger and will continue to be outstanding until redeemed or surrendered. These deferred ordinary shares (i) do not have any voting rights; (ii) do not entitle the holders thereof to any dividends or other distributions of Cimpress plc; and (iii) do not entitle the holders thereof to participate in the surplus assets of Cimpress plc on a winding-up beyond, in total, the nominal value of such deferred ordinary shares held. Accordingly, these deferred ordinary shares do not dilute the economic ownership of Cimpress plc shareholders.

The Irish Merger was accounted for as a merger between entities under common control. The historical financial statements of Cimpress N.V. for periods prior to the Irish Merger are considered to be the historical financial statements of Cimpress plc. The Irish Merger has not had and is not expected to have a material impact on how Cimpress conducts its day-to-day operations, its financial position, consolidated effective tax rate, results of operations or cash flows.

2. Summary of Significant Accounting Policies

Basis of Presentation

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

Given the current and expected impact of the COVID-19 pandemic on our business we evaluated our liquidity position as of the date of the issuance of these consolidated financial statements. Based on this evaluation, management believes, despite the ongoing impact of COVID-19 on our business, that our financial position, net cash provided by operations combined with our cash and cash equivalents, borrowing availability under our revolving credit facility, and the April 2020 temporary maintenance covenant suspension and capital raise as described in Note 10, will be sufficient to fund our current obligations, capital spending, debt service requirements and working capital requirements over at least the next twelve months.

Use of Estimates

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

Due to the COVID-19 pandemic, there has been uncertainty and disruption in the global economy and financial markets. Subsequent to June 30, 2020, we are not aware of any specific event or circumstance that would require an update to our estimates or judgments or a revision of the carrying value of our assets or liabilities as of August 11, 2020, the date of issuance of this Annual Report on Form 10-K. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of three months or less to be the equivalent of cash for the purpose of balance sheet and statement of cash flows presentation. Cash equivalents consist of depository accounts and money market funds. Cash and cash equivalents restricted for use were $86 and $87 as of June 30, 2020 and 2019, respectively, and are included in other assets in the accompanying consolidated balance sheets.

For bank accounts that are overdrawn at the end of a reporting period, including any net negative balance in our notional cash pool, we reclassify these overdrafts to short-term debt on our consolidated balance sheets. Book overdrafts that result from outstanding checks in excess of our bank balance are reclassified to other current liabilities. As of June 30, 2020, we reclassified $3,768 to short-term debt within our consolidated balance sheets and presented the overdraw within financing activities in our consolidated statement of cash flows. We did not have a bank overdraw in the prior period. As of June 30, 2020, we did not record a book overdraft, however as of June 30, 2019, we reclassified a book overdraft of $2,144 to other current liabilities.

Accounts Receivable

Accounts receivable includes amounts due from customers. We offset gross trade accounts receivable with an allowance for doubtful accounts, which is our best estimate of the amount of probable credit losses in existing accounts receivable. Account balances are charged off against the allowance when the potential for recovery is no longer reasonably assured.

Inventories

Inventories consist primarily of raw materials and are recorded at the lower of cost or net realizable value using the first-in, first-out method. Costs to produce free products are included in cost of revenues as incurred.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Additions and improvements that substantially extend the useful life of a particular asset are capitalized while repairs and maintenance costs are expensed as incurred. Assets that qualify for the capitalization of interest cost during their construction period are evaluated on a per project basis and, if material, the costs are capitalized. No interest costs associated with our construction projects were capitalized in any of the years presented as the amounts were not material. Depreciation of plant and equipment is recorded on a straight-line basis over the estimated useful lives of the assets.

Software and Web Site Development Costs

We capitalize eligible salaries and payroll-related costs of employees who devote time to the development of websites and internal-use computer software. Capitalization begins when the preliminary project stage is complete, management with the relevant authority authorizes and commits to the funding of the software project, and it is probable that the project will be completed and the software will be used to perform the function intended. These costs are amortized on a straight-line basis over the estimated useful life of the software, which is generally over a three year period. Costs associated with preliminary stage software development, repair, maintenance or the development of website content are expensed as incurred.

Amortization of previously capitalized amounts in the years ended June 30, 2020, 2019 and 2018 was $40,753, $35,068 and $31,332, respectively, resulting in accumulated amortization of $180,993 and $136,721 at June 30, 2020 and 2019, respectively.

Intangible Assets

We capitalize the costs of purchasing patents from unrelated third parties and amortize these costs over the estimated useful life of the patent. The costs related to patent applications, pursuing others who we believe infringe on our patents, and defending against patent-infringement claims are expensed as incurred.

We record acquired intangible assets at fair value on the date of acquisition using the income approach to value the trade names, customer relationships and customer network and a replacement cost approach to value developed technology and our print network. The income approach calculates fair value by discounting the forecasted after-tax cash flows back to a present value using an appropriate discount rate. The baseline data for this analysis was the cash flow estimates used to price the transaction. We amortize such assets using the straight-line method over the expected useful life of the asset, unless another amortization method is deemed to be more appropriate. In estimating the useful life of the acquired assets, we reviewed the expected use of the assets acquired, factors that may limit the useful life of an acquired asset or may enable the extension of the useful life of an acquired asset without substantial cost, the effects of obsolescence, demand, competition and other economic factors, and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

We evaluate the remaining useful life of intangible assets on a periodic basis to determine whether events and circumstances warrant a revision to the remaining useful life. If the estimate of an intangible asset's remaining useful life is changed, we amortize the remaining carrying value of the intangible asset prospectively over the revised remaining useful life.

Long-Lived Assets

Long-lived assets with a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used, or any other significant adverse change that would indicate that the carrying amount of an asset or group of assets may not be recoverable. We did not recognize any impairment or abandonment charges for acquired intangible assets in any of the periods presented.

Business Combinations

We recognize the assets acquired and liabilities assumed in business combinations on the basis of their fair values at the date of acquisition. We assess the fair value of assets, including intangible assets, using a variety of methods and each asset is measured at fair value from the perspective of a market participant. The method used to estimate the fair values of intangible assets incorporates significant assumptions regarding the estimates a market participant would make in order to evaluate an asset, including a market participant's use of the asset and the appropriate discount rates. Assets acquired that are determined to not have economic use for us are expensed immediately. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. Transaction costs and restructuring costs associated with a business combination are expensed as incurred.

The consideration for our acquisitions often includes future payments that are contingent upon the occurrence of a particular event. For acquisitions that qualify as business combinations, we record an obligation for such contingent payments at fair value on the acquisition date.

Goodwill

The evaluation of goodwill for impairment is performed at a level referred to as a reporting unit. A reporting unit is either the “operating segment level” or one level below, which is referred to as a “component.” The level at which the impairment test is performed requires an assessment as to whether the operations below the operating segment should be aggregated as one reporting unit due to their similarity or reviewed individually. Goodwill is evaluated for impairment on an annual basis or more frequently when an event occurs or circumstances change that indicate that the carrying value may not be recoverable. Goodwill is considered to be impaired when the carrying amount of a reporting unit exceeds its estimated fair value.

We have the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the results of this analysis indicate that the fair value of a reporting unit is less than its carrying value, the quantitative impairment test is required; otherwise, no further assessment is necessary. To perform the quantitative approach, we estimate the fair value of our reporting units using a discounted cash flow methodology. If the carrying value of a reporting unit’s goodwill exceeds its implied fair value, then we record an impairment loss equal to the difference. Refer to Note 8 for additional information.

Debt Issuance Costs

Costs associated with the issuance of debt instruments are capitalized and amortized over the term of the respective financing arrangement on a straight-line basis through the maturity date of the related debt instrument. We evaluate all changes to our debt arrangements, to determine whether the changes represent a modification or extinguishment to the old debt arrangement. If a debt instrument is deemed to be modified, we capitalize all new lenders fees and expense all third-party fees. If we determine that an extinguishment of one of our debt instruments has occurred, the unamortized financing fees associated with the extinguished instrument are expensed. For the revolving loans associated with our senior secured credit facility, all lender and third-party fees are capitalized, and in the event the amendment reduces the committed capacity under the revolving loans, we expense a portion of any unamortized fees on a pro-rata basis in proportion to the decrease in the committed capacity.

Derivative Financial Instruments

We record all derivatives on the consolidated balance sheet at fair value. We apply hedge accounting to arrangements that qualify and are designated for hedge accounting treatment, which includes cash flow and net investment hedges. Hedge accounting is discontinued prospectively if the hedging relationship ceases to be effective or the hedging or hedged items cease to exist as a result of maturity, sale, termination or cancellation.

Derivatives designated and qualifying as hedges of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges which could include interest rate swap contracts and cross-currency swap contracts. In a cash flow hedging relationship, the effective and ineffective portion of the change in the fair value of the hedging derivative is initially recorded in accumulated other comprehensive loss. The portion of gain or loss on the derivative instrument previously recorded in accumulated other comprehensive (loss) income remains in accumulated other comprehensive (loss) income until the forecasted transaction is recognized in earnings. For derivatives designated as cash flow hedges, we present the settlement amount of these contracts within cash from investing activities in our consolidated statement of cash flows, if the hedged item continues after contract settlement.

Derivatives designated and qualifying as hedges of currency exposure of a net investment in a foreign operation are considered net investment hedges which could include cross-currency swap and currency forward contracts. In hedging the currency exposure of a net investment in a foreign operation, the effective and ineffective portion of gains and losses on the hedging instruments is recognized in accumulated other comprehensive (loss) income as part of currency translation adjustment. The portion of gain or loss on the derivative instrument previously recorded in accumulated other comprehensive (loss) income remains in accumulated other comprehensive (loss) income until we reduce our investment in the hedged foreign operation through a sale or substantial liquidation.

We also enter into derivative contracts that are intended to economically hedge certain of our risks, even though we may not elect to apply hedge accounting or the instrument may not qualify for hedge accounting. When hedge accounting is not applied, the changes in the fair value of the derivatives are recorded directly in earnings as a component of other (expense) income, net.

In accordance with the fair value measurement guidance, our accounting policy is to measure the credit risk of our derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio. We execute our derivative instruments with financial institutions that we judge to be credit-worthy, defined as institutions that hold an investment grade credit rating.

Mandatorily Redeemable Noncontrolling Interest

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

Shareholders’ (Deficit) Equity

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. Comprehensive income (loss) is composed of net income, unrealized gains and losses on derivatives, unrealized loss on pension benefit obligation, and cumulative foreign currency translation adjustments, which are included in the accompanying consolidated statements of comprehensive income.

Treasury Shares

Treasury shares are accounted for using the cost method and are included as a component of shareholders' equity. We reissue treasury shares as part of our share-based compensation programs and as consideration for some of our acquisition transactions. Upon issuance of treasury shares we determine the cost using the average cost method.

Warrants

During the fourth quarter of 2020, we issued warrants in conjunction with the issuance of second lien debt. The warrants are legally detachable from the debt and settleable only in our shares. We account for the warrants in accordance with ASC 470-20, Debt with Conversion and Other Options, which requires us to bifurcate and separately account for the detachable warrant as a separate equity instrument. The value assigned to the warrants was determined based on a relative fair value allocation between the warrants and related debt. The fair value of the warrants was determined using a Monte Carlo valuation and applying a discount for the lack of marketability for the warrants. We present the allocated value for the warrants within additional paid-in capital in our consolidated balance sheet. Refer to Note 10 for additional details related to the refinancing.

Revenue Recognition

We generate revenue primarily from the sale and shipment of customized manufactured products. To a much lesser extent (and only in our Vistaprint business) we provide digital services, website design and hosting, and email marketing services, as well as a small percentage from order referral fees and other third-party offerings. Revenues are recognized when control of the promised products or services is transferred to the customer in an amount that reflects the consideration we expect to be entitled to in exchange for those products or services. Shipping revenues are recognized when control of the related products is transferred to the customer.

Under the terms of most of our arrangements with our customers we provide satisfaction guarantees, which give our customers an option for a refund or reprint over a specified period of time if the customer is not fully satisfied. As such, we record a reserve for estimated sales returns and allowances as a reduction of revenue, based on historical experience or the specific identification of an event necessitating a reserve. Actual sales returns have historically not been significant.

We have elected to recognize shipping and handling activities that occur after transfer of control of the products as fulfillment activities and not as a separate performance obligation. Accordingly, we recognize revenue for our single performance obligation upon the transfer of control of the fulfilled orders, which generally occurs upon delivery to the shipping carrier. If revenue is recognized prior to completion of the shipping and handling activities, we accrue the costs of those activities. We do have some arrangements whereby the transfer of control, and thus revenue recognition, occurs upon delivery to the customer. If multiple products are ordered together, each product is considered a separate performance obligation, and the transaction price is allocated to each performance obligation based on the standalone selling price. Revenue is recognized upon satisfaction of each performance obligation. We generally determine the standalone selling prices based on the prices charged to our customers.

Our products are customized for each individual customer with no alternative use except to be delivered to that specific customer; however, we do not have an enforceable right to payment prior to delivering the items to the customer based on the terms and conditions of our arrangements with customers and therefore we recognize revenue at a point in time.

We record deferred revenue when cash payments are received in advance of our satisfaction of the related performance obligation. The satisfaction of performance obligations generally occurs shortly after cash payment and we expect to recognize our deferred revenue balance as revenue within three months subsequent to June 30, 2020.

We periodically provide marketing materials and promotional offers to new customers and existing customers that are intended to improve customer retention. These incentive offers are generally available to all customers and, therefore, do not represent a performance obligation as customers are not required to enter into a contractual commitment to receive the offer. These discounts are recognized as a reduction to the transaction price when used by the customer. Costs related to free products are included within cost of revenue and sample products are included within marketing and selling expense.

We have elected to expense incremental direct costs as incurred, which primarily includes sales commissions, since our contract periods generally are less than one year and the related performance obligations are satisfied within a short period of time. Additional revenue disaggregation disclosure requirements resulting from the adoption of ASC 606 are included in Note 16.

Restructuring

Restructuring costs are recorded in connection with initiatives designed to improve efficiency or enhance competitiveness. Restructuring initiatives require us to make estimates in several areas, including expenses for severance and other employee separation costs and our ability to generate sublease income to enable us to terminate lease obligations at the estimated amounts. One-time termination benefits are expensed at the date we notify the employee, unless the employee must provide future service beyond the statutory minimum retention period, in which case the benefits are expensed ratably over the future service period. Liabilities for costs associated with a facility exit or disposal activity are recognized when the liability is incurred, as opposed to when management commits to an exit plan, and are measured at fair value. Restructuring costs are presented as a separate financial statement line within our consolidated statement of operations.

For jurisdictions in which there are statutorily required minimum benefits for involuntary terminations, or severance benefits documented in an employee manual or labor contract, we evaluate these benefits under ASC 712 as ongoing benefit arrangements. We recognize the liability for these arrangements when it is probable that the employee would be entitled to the benefits and the amounts can be reasonably estimated.

Advertising Expense

Our advertising costs are primarily expensed as incurred and included in marketing and selling expense. Advertising expense for the years ended June 30, 2020, 2019 and 2018 was $302,449, $427,673, and $432,546, respectively, which consisted of external costs related to customer acquisition and retention marketing campaigns.

Research and Development Expense

Research and development costs are expensed as incurred and included in technology and development expense. Research and development expense for the years ended June 30, 2020, 2019 and 2018 was $49,201, $40,976, and $41,451, respectively, which consisted of costs related to enhancing our manufacturing engineering and technology capabilities.

Income Taxes

As part of the process of preparing our consolidated financial statements, we calculate our income taxes in each of the jurisdictions in which we operate. This process involves estimating our current tax expense and deferred tax expense based on assessing temporary and permanent differences resulting from differing treatment of items for tax and financial reporting purposes. We recognize deferred tax assets and liabilities for the temporary differences using the enacted tax rates and laws that will be in effect when we expect temporary differences to reverse. We assess the ability to realize our deferred tax assets based upon the weight of available evidence both positive and negative. To the extent we believe that it is more likely than not that some portion or all of the deferred tax assets will not be realized, we establish a valuation allowance. In the event that actual results differ from our estimates or we adjust our estimates in the future, we may need to increase or decrease income tax expense, which could have a material impact on our financial position and results of operations.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the tax position. The tax benefits recognized in our financial statements from such positions are measured as the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The unrecognized tax benefits will reduce our effective tax rate if recognized. Interest and, if applicable, penalties related to unrecognized tax benefits are recorded in the provision for income taxes.

Foreign Currency Translation

Our non-U.S. dollar functional currency subsidiaries translate their assets and liabilities denominated in their functional currency to U.S. dollars at current rates of exchange in effect at the balance sheet date, and revenues and expenses are translated at average rates prevailing throughout the period. The resulting gains and losses from translation are included as a component of accumulated other comprehensive loss. Transaction gains and losses and remeasurement of assets and liabilities denominated in currencies other than an entity's functional currency are included in other income (expense), net in our consolidated statements of operations.

Other Income (Expense), Net

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

	Year Ended June 30,		
	2020	2019	2018
Gains on derivatives not designated as hedging instruments (1)	$ 20,564	$ 23,494	$ (2,687)
Currency-related gains (losses), net (2)	2,309	2,506	(19,500)
Other gains	1	476	1,155
Total other income (expense), net	$ 22,874	$ 26,476	$ (21,032)

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(1) Primarily relates to both realized and unrealized gains on derivative currency forward and option contracts not designated as hedging instruments, as well as certain interest rate swap contracts that have been de-designated from hedge accounting due to their ineffectiveness.

(2) We have significant non-functional currency intercompany financing relationships that we may change at times and are subject to currency exchange rate volatility. The currency-related gains (losses), net for the years ended June 30, 2020, 2019 and 2018 are primarily driven by this intercompany activity. In addition, we have certain cross-currency swaps designated as cash flow hedges, which hedge the remeasurement of certain intercompany loans, both presented in the same component above. The unrealized gain related to cross-currency swaps was $929 for the year ended June 30, 2020 as compared to an unrealized loss of $3,484 for the year ended June 30, 2019, and an unrealized gain of $2,722 for the year ended June 30, 2018.

Net Income Per Share Attributable to Cimpress plc

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

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

	Year Ended June 30,		
	2020	2019	2018
Weighted average shares outstanding, basic	27,180,744	30,786,349	30,948,081
Weighted average shares issuable upon exercise/vesting of outstanding share options/PSUs/RSUs/RSAs/warrants (1)	592,542	876,356	1,272,320
Shares used in computing diluted net income per share attributable to Cimpress plc	27,773,286	31,662,705	32,220,401
Weighted average anti-dilutive shares excluded from diluted net income per share attributable to Cimpress plc	1,325	—	2,291

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(1) On May 1, 2020, we entered into a financing arrangement with Apollo Global Management, Inc., which included 7-year warrants with a strike price of $60 that have a potentially dilutive impact on our weighted average shares outstanding. For the year ended June 30, 2020, the weighted average dilutive effect of the warrants was 73,719 shares. Refer to Note 10 for additional details about the arrangement.

Compensation Expense

Share-based Compensation

Compensation expense for all share-based awards is measured at fair value on the date of grant and recognized over the requisite service period. We recognize the impact of forfeitures as they occur. The fair value of share options is determined using the Black-Scholes valuation model, or lattice model for share options with a market condition or subsidiary share options. The fair value of RSUs and RSAs is determined based on the quoted price of our ordinary shares on the date of the grant. Such value is recognized ratably as expense over the requisite service period, or on an accelerated method for awards with a performance or market condition. For awards that are ultimately settleable in cash, we treat them as liability awards and mark the award to market each reporting period recognizing any gain or loss in our statements of operations. For awards with a performance condition vesting feature, compensation cost is recorded if it is probable that the performance condition will be achieved.

We have issued performance share units, or PSUs, which are estimated at fair value on the date of grant, which is fixed throughout the vesting period. The fair value is determined using a Monte Carlo simulation valuation model. As the PSUs include both a service and market condition the related expense is recognized using the accelerated expense attribution method over the requisite service period for each separately vesting portion of the award. For PSUs that meet the service vesting condition, the expense recognized over the requisite service period will not be reversed if the market condition is not achieved.

In addition to a service vesting and market condition (based on the three year moving average of the Cimpress share price) contained in our standard performance share units, we also issue awards that contain financial performance conditions. These awards with a discretionary performance condition are subject to mark-to-market accounting throughout the performance vesting period. The compensation expense for these awards is estimated at fair value using a Monte Carlo simulation valuation model and compensation costs are recorded only if it is probable that the performance condition will be achieved. We are required to reassess the probability each reporting period. If we determine the awards are not probable at some point during the performance vesting period we would reverse any expense recognized to date.

Total share-based compensation expense was $34,874, $21,716 and $50,466 for the years ended June 30, 2020, 2019 and 2018, respectively.

Sabbatical Leave

Compensation expense associated with a sabbatical leave, or other similar benefit arrangements, is accrued over the requisite service period during which an employee earns the benefit, net of estimated forfeitures, and is included in other liabilities on our consolidated balance sheets.

Concentrations of Credit Risk

We monitor the creditworthiness of our customers to which we grant credit terms in the normal course of business. We do not have any customers that accounted for greater than 10% of our accounts receivable as of June 30, 2020 and 2019. We do not have any customers that accounted for greater than 10% of our revenue for the years ended June 30, 2020, 2019 and 2018.

We maintain an allowance for doubtful accounts for potential credit losses based upon specific customer accounts and historical trends, and such losses to date in the aggregate have not materially exceeded our expectations.

Lease Accounting

Lease accounting - adoption of ASC 842

On July 1, 2019, we adopted ASC 842, Leases, using a modified retrospective transition approach. Under the modified retrospective approach, we recognized any cumulative impacts as of the adoption date within retained earnings on our consolidated balance sheet. We did not adjust the prior comparable period. Additionally, as part of our transition, we elected several practical expedients that streamlined the transition to the new guidance whereby we did not reassess the following:

- whether a lease under the prior standard continues to meet the definition of a lease under the new standard;
- whether the application of the new standard would have an impact on the classification of our existing leases, with the exception of our build-to-suit leases; and
- the existence of any initial direct costs associated with our leases.

We also elected the practical expedient to account for our lease components as a single lease component rather than separating them into lease and nonlease components, which would have resulted in recognizing only the lease components in the measurement of our lease assets and liabilities. This expedient was applied to all underlying classes of assets we lease.

We elected the short-term lease exception policy, permitting us to not apply the recognition requirements of ASC 842 to short-term leases, which are defined as leases with a term of twelve months or less. Short-term leases are not recorded on our consolidated balance sheet and are expensed on a straight-line basis over the lease term in our consolidated statement of operations. We determine the lease term by including the exercise of renewal options that are considered reasonably certain at lease inception.

The following table summarizes the cumulative effect of adopting the new lease standard as of the adoption date of July 1, 2019:

Consolidated Balance Sheet	**As reported at June 30, 2019**	**ASC 842 adjustments**	**Adjusted balance at July 1, 2019**
Assets			
Prepaid expenses and other current assets	$ 78,065	$ (59)	$ 78,006
Property, plant and equipment, net	490,755	(121,254)	369,501
Operating lease assets, net	—	169,668	169,668
Deferred tax assets	59,906	(817)	59,089
Liabilities and shareholders' equity			
Operating lease liabilities, current	$ —	$ 37,342	$ 37,342
Other current liabilities	27,881	(12,569)	15,312
Lease financing obligation	112,096	(112,096)	—
Operating lease liabilities, non-current	—	139,041	139,041
Other liabilities	53,716	(7,169)	46,547
Retained earnings	537,422	2,989	540,411

The new standard impacted the classification of our build-to-suit leases for our Waltham, Massachusetts and Dallas, Texas building leases, which resulted in a change of their classification to operating leases. On July 1, 2019, we de-recognized the existing lease assets included within property, plant and equipment, net of $121,254, the related lease financing obligations of $124,665, and associated deferred rent of $418. This change resulted in an $817 decrease to deferred tax assets and a net increase to retained earnings of $2,989. In addition, on July 1, 2019, we recognized operating lease assets of $169,668 and operating lease liabilities of $176,383, inclusive of our Waltham, Massachusetts lease which commenced prior to the transition date. The difference between the operating lease assets and liabilities resulted from the reclassification of deferred rent and tenant allowance balances presented in other financial statement lines of the consolidated balance sheet, which are now included in the operating lease assets.

For the year ended June 30, 2020, the change in lease classification for our build-to-suit leases resulted in a reduction to operating income within our consolidated statement of operations of $7,440, with a corresponding decrease to interest expense, net. In our consolidated statement of cash flows, the change in classification resulted in a decrease to cash from operating activities and increase to cash from financing activities of $4,117 during the year ended June 30, 2020. Other than the impact from our build-to-suit leases, the new standard did not have a material impact on our consolidated statement of operations and consolidated statement of cash flows. Refer to Note 17 for additional lease disclosure.

Lease accounting policy

We determine if an arrangement contains a lease at contract inception. We consider an arrangement to be a lease if it conveys the right to control an identifiable asset for a period of time. Costs for operating leases that include incentives such as payment escalations or rent abatements are recognized on a straight-line basis over the term of the lease. Additionally, inducements received are treated as a reduction of our costs over the term of the agreement. Leasehold improvements are capitalized at cost and amortized over the shorter of their expected useful life or the lease term, excluding renewal periods.

Lease right-of-use ("ROU") assets and liabilities for operating and finance leases are recognized based on the present value of the future lease payments over the lease term at lease commencement date. As most of our leases do not provide an implicit interest rate, we use our incremental borrowing rate based on the information available at the lease commencement date. Our incremental borrowing rate approximates the interest rate on a collateralized basis for the economic environments where our leased assets are located, and is established by considering the credit spread associated with our existing debt arrangements, as well as observed market rates for instruments with a similar term to that of the lease payments. ROU assets also include any lease payments made at or before the lease commencement, as well as any initial direct costs incurred. Lease incentives received from the lessor are recognized as a reduction to the ROU asset.

Our initial determination of the lease term is based on the facts and circumstances that exist at lease commencement. The lease term may include the effect of options to extend or terminate the lease when it is reasonably certain that those options will be exercised. We consider these options reasonably certain to be exercised based on our assessment of economic incentives, including the fair market rent for equivalent properties under similar terms and conditions, costs of relocating, availability of comparable replacement assets, and any related disruption to operations that would be experienced by not renewing the lease.

Finance leases are accounted for as an acquisition of an asset and incurrence of an obligation. Assets held under finance leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease, and amortized over the useful life of the asset. The corresponding finance lease obligation is recorded at the present value of the minimum lease payments at inception of the lease.

Operating leases are included in operating lease assets and current and non-current operating lease liabilities in the consolidated balance sheets. Finance lease assets are included in property, plant, and equipment, net, and the related liabilities are included in other current liabilities and other liabilities in the consolidated balance sheets.

Variable lease payments are excluded from the operating lease assets and liabilities and are recognized as expense in the period in which the obligation is incurred. Variable lease payments primarily include index-based rent escalation associated with some of our real estate leases, as well as property taxes and common area maintenance payments for most real estate leases, which are determined based on the costs incurred by the lessor. We also make variable lease payments for certain print equipment leases that are determined based on production volumes.

For lease arrangements where we are deemed to be involved in the construction of structural improvements prior to the commencement of the lease or take some level of construction risk, we are considered the owner of the assets during the construction period. Accordingly, as the lessor incurs the construction project costs, the assets and corresponding financial obligation are recorded in our consolidated balance sheet. Once the construction is completed, if the lease meets certain “sale-leaseback” criteria, we will remove the asset and related financial obligation from the balance sheet and treat the building lease as either an operating or finance lease based on our assessment of the guidance. If, upon completion of construction, the project does not meet the “sale-leaseback” criteria, the lease will be treated as a financing obligation and we will depreciate the asset over its estimated useful life for financial reporting purposes.

We have subleased a small amount of our equipment and real estate lease portfolio to third parties, making us the lessor. Most of these subleases meet the criteria for operating lease classification and the related sublease income is recognized on a straight-line basis over the lease term within the consolidated statement of operations. To a lesser extent, we have leases in which we are the lessees, classify the leases as finance leases and have subleased the asset under similar terms, resulting in their classification as direct financing leases. For direct financing leases, we recognize a sublease receivable within prepaid expenses and other current assets and other assets in the consolidated balance sheets.

Recently Issued or Adopted Accounting Pronouncements

New Accounting Standards Adopted

In August 2018, the FASB issued Accounting Standards Update No. 2018-15 "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)" (ASU 2018-15), which requires a customer in a cloud computing arrangement that is a service contract to follow the internal use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets or expense as incurred. The standard would be effective on July 1, 2020 and we early adopted the new standard on July 1, 2019. The standard did not have a material impact on our consolidated financial statements.

In August 2017, the FASB issued Accounting Standards Update No. 2017-12, "Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities (Topic 815)," (ASU 2017-12), which better aligns a company’s financial reporting for hedging activities with the economic objectives of those activities. We adopted the amendment on its effective date of July 1, 2019. The standard requires a modified retrospective transition approach, and we recognized the cumulative effect of the change within shareholders' equity as of the date of adoption. Upon transitioning to the new standard on July 1, 2019, we reversed the cumulative effect of expense previously recognized in earnings for the ineffective portion of our interest rate swap contracts, which resulted in an adjustment to retained earnings and accumulated other comprehensive loss within our consolidated balance sheet of $153, net of tax. We will prospectively recognize any ineffectiveness associated with our effective and designated cash flow hedges within accumulated other comprehensive loss, rather than in earnings. These changes did not have a material impact on our consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases (Topic 842)" (ASU 2016-02), which requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases. The standard also retains a distinction between finance leases and operating leases. We adopted the standard on its effective date of July 1, 2019. Refer to the information above for additional details of the adoption.

Issued Accounting Standards to be Adopted

In December 2019, the FASB issued Accounting Standards Update No. 2019-12 "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" (ASU 2019-12), which modifies certain aspects of income tax accounting. The standard is effective for us on July 1, 2020. We do not expect the effect of ASU 2019-12 to have a material impact on our consolidated financial statements.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13 "Financial Instruments—Credit Losses (Topic 326)" (ASU 2016-13), which introduces a new accounting model for recognizing credit losses on certain financial instruments based on an estimate of current expected credit losses. The standard is effective for us on July 1, 2020. We do not expect the effect of ASU 2016-13 to have a material impact on our consolidated financial statements.

3. Fair Value Measurements

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

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

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

	June 30, 2020			
	Total	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Cross-currency swap contracts	$ 4,462	$ —	$ 4,462	$ —
Currency forward contracts	7,949	—	7,949	—
Currency option contracts	1,429	—	1,429	—
Total assets recorded at fair value	$ 13,840	$ —	$ 13,840	$ —
Liabilities				
Interest rate swap contracts	$ (39,520)	$ —	$ (39,520)	$ —
Cross-currency swap contracts	(4,746)	—	(4,746)	—
Currency forward contracts	(8,519)	—	(8,519)	—
Currency option contracts	(38)	—	(38)	—
Total liabilities recorded at fair value	$ (52,823)	$ —	$ (52,823)	$ —

	June 30, 2019			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Interest rate swap contracts	$ 144	$ —	$ 144	$ —
Currency forward contracts	15,268	—	15,268	—
Currency option contracts	4,765	—	4,765	—
Total assets recorded at fair value	$ 20,177	$ —	$ 20,177	$ —
Liabilities				
Interest rate swap contracts	$ (12,895)	$ —	$ (12,895)	$ —
Cross-currency swap contracts	(915)	—	(915)	—
Currency forward contracts	(2,486)	—	(2,486)	—
Currency option contracts	(42)	—	(42)	—
Total liabilities recorded at fair value	$ (16,338)	$ —	$ (16,338)	$ —

During the years ended June 30, 2020, 2019 and 2018, there were no significant transfers in or out of Level 1, Level 2 and Level 3 classifications.

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

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to appropriately reflect both our own nonperformance risk and the respective counterparties' nonperformance risk in the fair value measurement. However, as of June 30, 2020, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 in the fair value hierarchy.

As of June 30, 2020 and June 30, 2019, the carrying amounts of our cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximated their estimated fair values. As of June 30, 2020 and June 30, 2019, the carrying value of our debt, excluding debt issuance costs and debt premiums and discounts, was $1,482,177 and $1,035,585, respectively, and the fair value was $1,450,719 and $1,045,334, respectively. Our debt at June 30, 2020 includes variable-rate debt instruments indexed to LIBOR that resets periodically, as well as fixed-rate debt instruments. The estimated fair value of our debt was determined using available market information based on recent trades or activity of debt instruments with substantially similar risks, terms and maturities, which fall within Level 2 under the fair value hierarchy. The estimated fair value of assets and liabilities disclosed above may not be representative of actual values that could have been or will be realized in the future.

4. Derivative Financial Instruments

We use derivative financial instruments, such as interest rate swap contracts, cross-currency swap contracts, and currency forward and option contracts, to manage interest rate and foreign currency exposures. Derivatives are recorded in the consolidated balance sheets at fair value. If the derivative is designated as a cash flow hedge or net investment hedge, then the change in the fair value of the derivative is recorded in accumulated other comprehensive loss and subsequently reclassified into earnings in the period the hedged forecasted transaction affects earnings. On July 1, 2019, we adopted the new hedge accounting standard, in which we no longer recognize the ineffective portion of an effective hedge within earnings, rather any ineffectiveness associated with any effective and designated hedge is recognized within accumulated other comprehensive loss. Refer to Note 2 for additional details.

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

Hedges of Interest Rate Risk

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

Amounts reported in accumulated other comprehensive loss related to interest rate swap contracts will be reclassified to interest expense, net as interest payments are accrued or made on our variable-rate debt. As of June 30, 2020, we estimate that $10,364 will be reclassified from accumulated other comprehensive loss to interest expense during the twelve months ending June 30, 2021. As of June 30, 2020, we had ten outstanding interest rate swap contracts indexed to USD LIBOR, of which seven of these instruments were designated as cash flow hedges of interest rate risk and have varying start dates and maturity dates through December 2025. During the fourth quarter of fiscal 2020, we de-designated three contracts from hedge accounting due to an increased floor to our LIBOR borrowing costs related to the April 2020 amendment to our senior secured credit facility. As a result of this change in the underlying debt being hedged, these three forward starting hedges were no longer highly effective. These de-designated hedges have varying start dates and maturity dates through December 2026.

Interest rate swap contracts outstanding:		Notional Amounts
Contracts accruing interest as of June 30, 2020	$	500,000
Contracts with a future start date		50,000
Total	$	550,000

Hedges of Currency Risk

Cross-Currency Swap Contracts

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

Cross-currency swap contracts designated as cash flow hedges are executed to mitigate our currency exposure to the interest receipts as well as the principal remeasurement and repayment associated with certain intercompany loans denominated in a currency other than our reporting currency, the U.S. dollar. During the year ended June 30, 2020, we terminated one of our cross-currency swaps, resulting in cash proceeds of $9,177 which were recognized within cash provided by operating activities in our consolidated statement of cash flows. As of June 30, 2020, we had two outstanding cross-currency swap contracts designated as cash flow hedges with a total notional amount of $120,874, both maturing during June 2024. We entered into the two cross-currency swap contracts to hedge the risk of changes in one Euro-denominated intercompany loan entered into with one of our consolidated subsidiaries that has the Euro as its functional currency.

Amounts reported in accumulated other comprehensive loss will be reclassified to other income (expense), net as interest payments are accrued or paid and upon remeasuring the intercompany loan. As of June 30, 2020, we estimate that $2,994 of income will be reclassified from accumulated other comprehensive loss to interest expense, net during the twelve months ending June 30, 2021.

Other Currency Contracts

We execute currency forward and option contracts in order to mitigate our exposure to fluctuations in various currencies against our reporting currency, the U.S. dollar.

During the year ended June 30, 2020, we terminated nine forward contracts designated as net investment hedges, resulting in cash proceeds of $29,791 which continues to be recognized in accumulated other comprehensive income (loss). The cash proceeds were recognized as cash provided by investing activities within our consolidated statement of cash flow. As of June 30, 2020, we had five currency forward contracts designated as net investment hedges with a total notional amount of $149,604, maturing during various dates through April 2023. We entered into these contracts to hedge the risk of changes in the U.S. dollar equivalent value of a portion of our net investment in two consolidated subsidiaries that have the Euro as their functional currency. Amounts reported in accumulated other comprehensive loss are recognized as a component of our cumulative translation adjustment.

We have elected to not apply hedge accounting for all other currency forward and option contracts. During the years ended June 30, 2020, 2019 and 2018, we have experienced volatility within other income (expense), net in our consolidated statements of operations from unrealized gains and losses on the mark-to-market of outstanding currency forward and option contracts. We expect this volatility to continue in future periods for contracts for which we do not apply hedge accounting. Additionally, since our hedging objectives may be targeted at non-GAAP financial metrics that exclude non-cash items such as depreciation and amortization, we may experience increased, not decreased, volatility in our GAAP results as a result of our currency hedging program.

As of June 30, 2020, we had the following outstanding currency derivative contracts that were not designated for hedge accounting and were used to hedge fluctuations in the U.S. dollar value of forecasted transactions or balances denominated in Australian Dollar, British Pound, Canadian Dollar, Danish Krone, Euro, Indian Rupee, Mexican Peso, New Zealand Dollar, Norwegian Krone, Philippine Peso and Swedish Krona:

Notional Amount	Effective Date	Maturity Date	Number of Instruments	Index
$587,993	September 2018 through June 2020	Various dates through October 2024	574	Various

Financial Instrument Presentation

The table below presents the fair value of our derivative financial instruments as well as their classification on the balance sheet as of June 30, 2020 and June 30, 2019. Our derivative asset and liability balances will fluctuate with interest rate and currency exchange rate volatility.

	June 30, 2020							
	Asset Derivatives				Liability Derivatives			
	Balance Sheet line item	Gross amounts of recognized assets	Gross amount offset in Consolidated Balance Sheet	Net amount	Balance Sheet line item	Gross amounts of recognized liabilities	Gross amount offset in Consolidated Balance Sheet	Net amount
Derivatives designated as hedging instruments								
Derivatives in cash flow hedging relationships								
Interest rate swaps	Other current assets / other assets	$ —	$ —	$ —	Other liabilities	$ (31,161)	$ —	$ (31,161)
Cross-currency swaps	Other assets	4,462	—	4,462	Other liabilities	(4,746)	—	(4,746)
Derivatives in net investment hedging relationships								
Currency forward contracts	Other assets	—	—	—	Other current liabilities / other liabilities	(6,829)	—	(6,829)
Total derivatives designated as hedging instruments		$ 4,462	$ —	$ 4,462		$ (42,736)	$ —	$ (42,736)
Derivatives not designated as hedging instruments								
Interest rate swaps	Other assets	$ —	$ —	$ —	Other liabilities	$ (8,359)	$ —	$ (8,359)
Currency forward contracts	Other current assets / other assets	9,702	(1,753)	7,949	Other current liabilities / other liabilities	(2,136)	446	(1,690)
Currency option contracts	Other current assets / other assets	1,699	(270)	1,429	Other current liabilities / other liabilities	(38)	—	(38)
Total derivatives not designated as hedging instruments		$ 11,401	$ (2,023)	$ 9,378		$ (10,533)	$ 446	$ (10,087)

	June 30, 2019							
	Asset Derivatives				**Liability Derivatives**			
Derivatives designated as hedging instruments	**Balance Sheet line item**	**Gross amounts of recognized assets**	**Gross amount offset in Consolidated Balance Sheet**	**Net amount**	**Balance Sheet line item**	**Gross amounts of recognized liabilities**	**Gross amount offset in Consolidated Balance Sheet**	**Net amount**
Derivatives in cash flow hedging relationships								
Interest rate swaps	Other assets	$ 144	$ —	$ 144	Other current liabilities / other liabilities	$ (12,895)	$ —	$ (12,895)
Cross-currency swaps	Other assets	—	—	—	Other liabilities	(915)	—	(915)
Derivatives in net investment hedging relationships								
Currency forward contracts	Other assets	4,514	—	4,514	Other liabilities	(2,397)	—	(2,397)
Total derivatives designated as hedging instruments		$ 4,658	$ —	$ 4,658		$ (16,207)	$ —	$ (16,207)
Derivatives not designated as hedging instruments								
Currency forward contracts	Other current assets / other assets	$ 11,865	$ (1,111)	$ 10,754	Other current liabilities / other liabilities	$ (127)	$ 38	$ (89)
Currency option contracts	Other current assets / other assets	4,793	(28)	4,765	Other current liabilities / other liabilities	(42)	—	(42)
Total derivatives not designated as hedging instruments		$ 16,658	$ (1,139)	$ 15,519		$ (169)	$ 38	$ (131)

The following table presents the effect of our derivative financial instruments designated as hedging instruments and their classification within comprehensive (loss) income for the years ended June 30, 2020, 2019 and 2018:

	Amount of Net (Loss) Gain on Derivatives Recognized in Comprehensive Income		
	Year Ended June 30,		
	2020	**2019**	**2018**
Derivatives in cash flow hedging relationships			
Interest rate swaps (1)	$ (28,259)	$ (20,400)	$ 8,545
Cross-currency swaps	3,689	(3,009)	2,976
Derivatives in net investment hedging relationships			
Cross-currency swaps	—	6,557	(1,476)
Currency forward contracts	21,240	14,726	(3,490)
Total	$ (3,330)	$ (2,126)	$ 6,555

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(1) Upon transitioning to the new hedge accounting standard on July 1, 2019, we reversed the cumulative effect of expense recognized for the ineffective portion of our interest rate swap contracts that are designated as hedging instruments, which resulted in an adjustment to accumulated other comprehensive loss of $153, net of tax, which is included within the interest rate swap loss recognized for the year ended June 30, 2020.

The following table presents reclassifications out of accumulated other comprehensive loss for the years ended June 30, 2020, 2019 and 2018:

	Amount of Net Gain (Loss) Reclassified from Accumulated Other Comprehensive Income (Loss) into Income			Affected line item in the Statement of Operations
	Year Ended June 30,			
	2020	2019	2018	
Derivatives in cash flow hedging relationships				
Interest rate swaps	$ 3,041	$ 144	$ 70	Interest expense, net
Cross-currency swaps	4,583	5,098	(1,379)	Other income (expense), net
Total before income tax	7,624	5,242	(1,309)	Income before income taxes
Income tax	(1,850)	(1,310)	349	Income tax (benefit) expense
Total	$ 5,774	$ 3,932	$ (960)	

The following table presents the adjustment to fair value recorded within the consolidated statements of operations for the years ended June 30, 2020, 2019 and 2018 for derivative instruments for which we did not elect hedge accounting and de-designated derivative financial instruments that no longer qualify as hedging instruments in the period.

	Amount of Gain (Loss) Recognized in Net Income			Affected line item in the Statement of Operations
	Year Ended June 30,			
	2020	2019	2018	
Currency contracts	$ 20,882	$ 24,215	$ (2,942)	Other income (expense), net
Interest rate swaps (1)	(318)	(721)	255	Other income (expense), net
Total	$ 20,564	$ 23,494	$ (2,687)	

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(1) Upon our adoption of the new hedge accounting standard on July 1, 2019, we prospectively recognize any ineffectiveness associated with effective and designated hedges within accumulated other comprehensive loss, rather than in earnings. In the fourth quarter of fiscal 2020, we de-designated three of our interest rate swaps and therefore no longer apply hedge accounting. Subsequent to their de-designation, we recognize any fair value adjustments to those instruments in other income (expense), net, as included in the table above.

5. Accumulated Other Comprehensive Income (Loss)

The following table presents a roll forward of amounts recognized in accumulated other comprehensive income (loss) by component, net of tax of $1,709, $5,901 and $1,371 for the years ended June 30, 2020, 2019 and 2018:

	Gains (losses) on cash flow hedges (1)	Gains (losses) on pension benefit obligation	Translation adjustments, net of hedges (2)	Total
Balance as of June 30, 2017	$ (2,250)	$ (357)	$ (110,791)	$ (113,398)
Amounts reclassified from accumulated other comprehensive loss to retained earnings	(116)	—	—	(116)
Other comprehensive income before reclassifications	11,521	59	32,782	44,362
Amounts reclassified from accumulated other comprehensive loss to net income	(960)	298	—	(662)
Net current period other comprehensive income	10,561	357	32,782	43,700
Balance as of June 30, 2018	8,195	—	(78,009)	(69,814)
Other comprehensive (loss) income before reclassifications	(23,409)	(204)	9,638	(13,975)
Amounts reclassified from accumulated other comprehensive loss to net income	3,932	—	—	3,932
Net current period other comprehensive (loss) income	(19,477)	(204)	9,638	(10,043)
Balance as of June 30, 2019	(11,282)	(204)	(68,371)	(79,857)
Other comprehensive (loss) income before reclassifications	(24,570)	(1,195)	11,172	(14,593)
Amounts reclassified from accumulated other comprehensive loss to net income	5,774	—	—	5,774
Net current period other comprehensive (loss) income	(18,796)	(1,195)	11,172	(8,819)
Balance as of June 30, 2020	$ (30,078)	$ (1,399)	$ (57,199)	$ (88,676)

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(1) Gains (losses) on cash flow hedges include our interest rate swap and cross-currency swap contracts designated in cash flow hedging relationships.

(2) As of June 30, 2020, 2019 and 2018, the translation adjustment is inclusive of the effects of our net investment hedges, of which, unrealized gains of $20,509 and unrealized losses of $731 and $22,014, respectively, net of tax, have been included in accumulated other comprehensive loss.

6. Property, Plant, and Equipment, Net

Property, plant, and equipment, net consists of the following:

		June 30,	
	Estimated useful lives	2020	2019
Land improvements	10 years	$ 4,975	$ 4,804
Building and building improvements (1)	10 - 30 years	186,873	323,516
Machinery and production equipment	4 - 10 years	362,341	346,089
Machinery and production equipment under finance lease	4 - 10 years	64,337	71,173
Computer software and equipment	3 - 5 years	160,728	158,223
Furniture, fixtures and office equipment	5 - 7 years	47,823	46,237
Leasehold improvements	Shorter of lease term or expected life of the asset	73,072	64,092
Construction in progress		10,752	11,970
		910,901	1,026,104
Less accumulated depreciation, inclusive of assets under finance lease		(604,061)	(567,407)
		306,840	458,697
Land		31,819	32,058
Property, plant, and equipment, net		$ 338,659	$ 490,755

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(1) Upon our adoption of the new leasing standard on July 1, 2019, our Waltham, MA and Dallas, TX build-to-suit lease asset balances of $124,408 were de-recognized, resulting in a decrease to building and building improvements. Refer to Note 2 for additional details.

Depreciation expense, inclusive of assets under finance leases, totaled $74,665, $84,558 and $87,956 for the years ended June 30, 2020, 2019 and 2018, respectively.

7. Business Combinations and Divestitures

Fiscal 2019 Acquisitions

Acquisition of Build A Sign LLC

On October 1, 2018, we completed the acquisition of Build A Sign LLC ("BuildASign"), a vertically integrated U.S. web-to-print canvas wall décor and signage company. We acquired approximately 99% of the outstanding equity interests of BuildASign for a purchase price of $275,079 in cash, which includes a post-closing adjustment paid during the second quarter of fiscal 2019 and was based on BuildASign's cash, debt and working capital position as of the acquisition date.

The acquisition supports our strategy of investing in and building customer-focused, entrepreneurial, mass customization businesses for the long term, which we manage in a decentralized and autonomous manner. BuildASign brings strong talent, a customer-centric culture, low-cost production operations and strong e-commerce capabilities that work seamlessly together to serve customers with market-leading prices, fast delivery and great customer service.

Noncontrolling Interest

At the closing, Build A Sign Management Pool, LLC (the "Management Pool"), one of the sellers, retained approximately 1% of the outstanding equity interests of BuildASign for the benefit of certain BuildASign employees who hold equity interests in the Management Pool. We entered into a put and call option agreement with respect to the retained BuildASign equity interests, which provides the holders of the Management Pool the right to sell to us all or any portion of their shares, beginning with our fiscal year ending June 30, 2022 and for each fiscal year thereafter. We have the right to buy all (but not less than all) of the retained equity interest of any holder that is no longer an active employee of the company, beginning with our fiscal year ending June 30, 2022. The put and call purchase price is based on BuildASign's revenue growth and EBITDA for the fiscal year in which the option is exercised. Due to the presence of the put arrangement, the noncontrolling interest is presented as redeemable noncontrolling interest as redemption is not solely within our control. We initially recognized the noncontrolling interest at fair value of $3,356 and will adjust the balance for the pro rata impact of the BuildASign earnings or loss, as well as adjustments to increase the balance to the redemption value, if necessary.

The excess purchase price over the fair value of BuildASign's net assets was recorded as goodwill, which is primarily attributable to the value of its workforce, its manufacturing and marketing processes and know-how, as well as synergies which include leveraging Cimpress' scale-based sourcing channels. Goodwill is deductible for tax purposes and has been attributed to the All Other Businesses reportable segment.

The fair value of the assets acquired and liabilities assumed was as follows:

	Amount	Weighted Average Useful Life in Years
Tangible assets acquired and liabilities assumed:		
Cash and cash equivalents	$ 4,093	n/a
Accounts receivable, net	510	n/a
Inventory	1,107	n/a
Other current assets (1)	6,937	n/a
Property, plant and equipment, net	12,080	n/a
Accounts payable	(3,369)	n/a
Accrued expenses (1)	(11,334)	n/a
Other current liabilities	(2,658)	n/a
Long-term liabilities	(3,949)	n/a
Identifiable intangible assets:		
Trade name	47,600	15 years
Developed technology	28,900	3 - 7 years
Customer relationships	12,430	2 - 5 years
Noncontrolling interest	(3,356)	n/a
Goodwill	186,088	n/a
Total purchase price	$ 275,079	

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(1) In connection with the BuildASign acquisition, we recorded an indemnification asset of $5,433, which represented the seller's obligation under the merger agreement to indemnify us for a portion of their potential contingent liabilities related to certain tax matters. We also recognized a contingent liability of $8,925, which represented our estimate based on guidance within ASC 450 - "Contingencies," as of the acquisition date.

BuildASign Pro Forma Financial Information

BuildASign has been included in our consolidated financial statements starting on its acquisition date. The following unaudited pro forma financial information presents our results as if the BuildASign acquisition had occurred on July 1, 2017. The pro forma financial information for all periods presented adjusts for the effects of material business combination items, including estimated amortization of acquired intangible assets, interest associated with debt used to finance the acquisition, and transaction related costs.

	Year Ended June 30,	
	2019	2018
Pro forma revenue	$ 2,783,205	$ 2,717,785
Pro forma net income attributable to Cimpress plc	93,399	31,571

We utilized proceeds from our credit facility in order to finance the acquisition. In connection with the acquisition, we incurred $1,140 in general and administrative expenses during the year ended June 30, 2019, primarily related to legal, financial, and other professional services.

Fiscal 2018 Divestiture

Divestiture of Albumprinter

On August 31, 2017 we sold our Albumprinter business, including FotoKnudsen AS, for a total of €78,382 ($93,071 based on the exchange rate as of the date of sale) in cash, net of transaction costs and cash divested (after $11,874 in pre-closing dividends). As a result of the sale, we recognized a gain of $47,545, net of transaction costs, within our consolidated statement of operations for the year ended June 30, 2018. In connection with the divestiture, we entered into an agreement with Albumprinter under which Albumprinter will continue to fulfill photo book orders for our Vistaprint business. Additionally, we agreed to provide Albumprinter with certain transitional support services for a period of up to one year from the date of the sale.

8. Goodwill and Acquired Intangibles

The carrying amount of goodwill by reportable segment as of June 30, 2020 and June 30, 2019 was as follows:

	Vistaprint	PrintBrothers	The Print Group	National Pen	All Other Businesses	Total
Balance as of June 30, 2018	$ 146,207	$ 127,571	$ 201,200	$ 34,434	$ 11,431	$ 520,843
Acquisitions (1)	—	—	2,686	—	212,286	214,972
Impairments (2)	—	—	—	—	(7,503)	(7,503)
Adjustments	—	—	—	—	(181)	(181)
Effect of currency translation adjustments (3)	(246)	(3,482)	(5,523)	—	—	(9,251)
Balance as of June 30, 2019	145,961	124,089	198,363	34,434	216,033	718,880
Acquisitions (1)	—	6,879	—	—	—	6,879
Impairments (2)	—	—	(40,391)	(34,434)	(26,017)	(100,842)
Adjustments (4)	3,919	—	—	—	(3,919)	—
Effect of currency translation adjustments (3)	966	(1,204)	(2,775)	—	—	(3,013)
Balance as of June 30, 2020	$ 150,846	$ 129,764	$ 155,197	$ —	$ 186,097	$ 621,904

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(1) During the first quarter of fiscal 2020, we recognized goodwill related to an immaterial acquisition within our PrintBrothers reportable segment. In fiscal year 2019 we acquired the BuildASign and VIDA businesses as well as an immaterial supplier of one of our businesses within The Print Group reportable segment.

(2) During the third quarter of fiscal 2020, we identified triggering events in response to the COVID-19 pandemic, resulting in the recognition of impairment to goodwill, please refer below for further detail. Additionally, during the fourth quarter of fiscal 2020, we divested our VIDA business and recognized a loss of $1,520, in addition to the goodwill impairment recognized. In fiscal year 2019 we recorded an impairment charge for the goodwill of our Printi reporting unit. Refer below for additional details.

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

(4) Due to changes in the composition of our reportable segments during the first quarter of fiscal 2020, we reclassified the goodwill associated with our Vistaprint Corporate Solutions reporting unit from All Other Businesses to our Vistaprint reportable segment. Refer to Note 16 for additional details on the changes in our reportable segments.

Impairment Review

Fiscal 2020 Annual Impairment Test

Our goodwill accounting policy establishes an annual goodwill impairment test date of May 31. As described below, we identified triggering events during the third quarter of fiscal 2020 that required an interim period impairment analysis for all of our reporting units in response to disruptions associated with the COVID-19 pandemic. For our annual impairment assessment, we performed a qualitative test for all eight reporting units with goodwill, which focused on comparing key performance indicators between the pandemic-related financial models used in our quantitative test during the third quarter triggering event assessment, to the actual performance through our annual test date. For each of our reporting units, we are experiencing a better than previously expected recovery when comparing our revenue and EBITDA results for April and May 2020. In addition, we considered our current forecasts for the beginning of fiscal 2021, which again anticipates a better recovery as compared to the third quarter financial models that were used for our third quarter quantitative tests. Lastly, we also considered macroeconomic factors, as well as the headroom between our estimated fair value and carrying value from our third quarter impairment analysis. We continue to believe that the impacts of the pandemic are temporary, so the better than expected results, combined with an improved near-term outlook were key inputs into our annual impairment analysis, in which we concluded that no impairment exists.

Our goodwill analysis requires significant judgment, including the identification of reporting units and the amount and timing of expected future cash flows. While we believe our assumptions are reasonable, actual results could differ from our projections. There have been no indications of impairment that would require analysis for any of our other reporting units as of June 30, 2020.

COVID-19 Triggering Event

During March 2020, all of our businesses experienced varying levels of decline in revenue due to the disruptions associated with the COVID-19 pandemic. Although we expect the impacts to be temporary, the negative effects of the pandemic on revenue and profitability triggered an assessment of goodwill, as we expected some of our businesses to achieve materially lower financial results than previously expected. A triggering event existed for all ten reporting units with goodwill, which required us to perform an impairment test in the third quarter of fiscal 2020.

As required, prior to performing the quantitative goodwill impairment test during the third quarter, we first evaluated the recoverability of long-lived assets as the change in expected long-term cash flows is indicative of a potential impairment. We performed the recoverability test using undiscounted cash flows for the asset groups of all of our reporting units and concluded that no impairment of long-lived assets existed.

As of our March 31, 2020 test date, seven of our ten reporting units had a significant level of headroom between the estimated fair value and carrying value of the reporting units from our most recent test, and significant headroom remained after considering the deterioration in cash flow due to COVID-19, resulting in no indication of impairment during the third quarter of fiscal 2020. We identified triggering events that extended beyond the near-term impacts of the pandemic for three of our reporting units, which resulted in reductions to the long-term profitability outlooks for our Exaprint, National Pen and VIDA reporting units. The triggering events in these specific reporting units were due to a combination of the near-term disruptions outlined above, along with reductions to the long-term profitability expected from each business, as compared to prior expectations. In light of our decision to exit the VIDA business, which was completed on April 10, 2020, the negotiated sale price was the primary input in our goodwill analysis.

Our March 31, 2020 goodwill impairment test resulted in impairment charges to our Exaprint reporting unit, included within The Print Group reportable segment, the National Pen reporting unit, and our VIDA reporting unit, included within our All Other Business reportable segment. In order to execute the quantitative goodwill impairment test, we compared the fair value of each reporting unit to its carrying value. We used the income approach, specifically the discounted cash flow method, to derive the fair value. This approach calculates fair value by estimating the after-tax cash flows attributable to a reporting unit and then discounting the after-tax cash flows to a present value using a risk-adjusted discount rate. We selected this method as being the most meaningful in preparing our goodwill assessment as we believe the income approach most appropriately measures our income-producing assets. We considered using the market approach but concluded it was not appropriate in valuing these particular reporting units given the lack of relevant market comparisons available. The cash flow projections in the fair value analysis are considered Level 3 inputs, and consist of management's estimates of revenue growth rates and operating margins, taking into consideration historical results, as well as industry and market conditions. The discount rate used in the fair value analysis is based on a weighted average cost of capital ("WACC"), which represents the average rate a business must pay its providers of debt and equity, plus a risk premium. The respective WACC percentages used for each reporting unit within our goodwill impairment test were derived from a group of comparable companies for each respective reporting unit and adjusted for the risk premium associated with each reporting unit.

Based on the goodwill impairment test performed, we recognized the following impairment charges during the third quarter of fiscal 2020:

- A partial impairment of the goodwill of our Exaprint reporting unit of $40,391, using a WACC of 14.5%, resulting in $23,767 of goodwill that remains after the impairment as of June 30, 2020
- A full impairment of the goodwill of our National Pen reporting unit of $34,434, using a WACC of 13.0%
- A full impairment of the goodwill of our VIDA reporting unit of $26,017, based upon our negotiated sale price

Fiscal 2019

During fiscal 2019, we identified triggering events associated with our Printi reporting unit, which indicated that it was more likely than not that the fair value of the reporting unit is below the carrying amount. Printi is the leader in Brazil's online printing industry and has grown quickly since its founding. That said, investment in capacity and other fixed costs was far too high in fiscal year 2019 relative to the scale of the business and the mid-term outlook. As a result, we implemented restructuring activities and aligned future operating plans during the fourth quarter of fiscal 2019 that negatively impacted our cash flow forecasts for this business. Based upon these changes to the business, we determined that it was more likely than not that the fair value of the reporting unity was below the carrying amount. We concluded that the fair value of the reporting unit indicated a full impairment of the Printi goodwill, resulting in an impairment charge of $7,503.

Acquired Intangible Assets

	June 30, 2020			June 30, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trade name	$ 144,168	$ (45,570)	$ 98,598	$ 145,908	$ (35,199)	$ 110,709
Developed technology	84,171	(56,763)	27,408	84,980	(48,653)	36,327
Customer relationships	190,329	(123,857)	66,472	191,719	(97,392)	94,327
Customer network and other	15,847	(11,696)	4,151	15,970	(10,150)	5,820
Print network	24,743	(12,144)	12,599	25,014	(9,496)	15,518
Total intangible assets	$ 459,258	$ (250,030)	$ 209,228	$ 463,591	$ (200,890)	$ 262,701

Acquired intangible assets amortization expense for the years ended June 30, 2020, 2019 and 2018 was $51,786, $53,256 and $49,881, respectively. Estimated intangible assets amortization expense for each of the five succeeding fiscal years and thereafter is as follows:

2021	$ 47,583
2022	42,534
2023	34,166
2024	23,935
2025	13,701
Thereafter	47,309
	$ 209,228

9. Other Balance Sheet Components

Accrued expenses included the following:

	June 30, 2020	June 30, 2019
Compensation costs	$ 67,307	$ 58,864
Income and indirect taxes (1)	53,161	40,102
Advertising costs (2)	14,746	22,289
Interest payable (3)	8,359	2,271
Production costs (2)	7,012	9,261
Sales returns	5,166	5,413
Shipping costs (2)	5,080	7,275
Professional fees	3,452	2,786
Purchases of property, plant and equipment	1,685	2,358
Other	44,796	44,096
Total accrued expenses	$ 210,764	$ 194,715

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(1) The increase in income and indirect taxes is primarily due to government incentive programs in certain European jurisdictions, which has allowed for the deferral of payment of indirect taxes until fiscal 2021.

(2) The decline in advertising, production and shipping costs is due to the COVID-19 pandemic and related restrictions, which drove lower demand and a reduction in costs during the fourth quarter of the year ended June 30, 2020.

(3) The increase in interest payable is due to the additional offering of $200,000 of Senior Unsecured Notes in the third quarter and $300,000 in Second Lien Notes issued to Apollo Global Management, Inc. during the fourth quarter of fiscal 2020. Refer to Note 10 for further detail.

Other current liabilities included the following:

	June 30, 2020	June 30, 2019
Current portion of finance lease obligations	$ 8,055	$ 10,668
Current portion of lease financing obligation (1)	—	12,569
Short-term derivative liabilities	3,521	1,628
Other	1,692	3,016
Total other current liabilities	$ 13,268	$ 27,881

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(1) Due to our adoption of the new leasing standard on July 1, 2019, our Waltham, MA, and Dallas, TX leases, which were previously classified as build-to-suit, are now classified as operating leases and therefore the lease financing obligation has been de-recognized. Refer to Note 2 for additional details.

Other liabilities included the following:

	June 30, 2020	June 30, 2019
Long-term finance lease obligations	$ 18,617	$ 16,036
Long-term derivative liabilities (1)	51,800	15,886
Other	17,770	21,794
Total other liabilities	$ 88,187	$ 53,716

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(1) The increase in long-term derivative liabilities for the year ended June 30, 2020, is due to unrealized losses on our interest rate swaps resulting from a change in the macroeconomic interest rate environment during the year.

10. Debt

	June 30, 2020	June 30, 2019
7.0% Senior unsecured notes due 2026	$ 600,000	$ 400,000
Senior secured credit facility	570,483	621,224
12.0% Second lien notes due 2025	300,000	—
Other	11,694	14,361
Debt issuance costs and debt premiums (discounts) (1)	(48,587)	(12,018)
Total debt outstanding, net	1,433,590	1,023,567
Less: short-term debt (2)	17,933	81,277
Long-term debt	$ 1,415,657	$ 942,290

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(1) The debt premium (discount) balance as of June 30, 2020 includes $22,432 of a discount due to the fair value allocation of warrants in conjunction with the issuance of the second lien notes in May 2020. Refer below for further detail of the transaction.

(2) Balances as of June 30, 2020 and June 30, 2019 are inclusive of short-term debt issuance costs, debt premiums and discounts of $10,362 and $2,419, respectively.

Our Debt

Our various debt arrangements described below contain customary representations, warranties and events of default. As of June 30, 2020, the pre-existing financial maintenance covenants under our senior secured credit facility covenants are suspended, and we were in compliance with all financial and other covenants under the credit agreement as amended, senior unsecured notes indenture, and second lien indenture.

Senior Secured Credit Facility

On April 28, 2020, we entered into an amendment to our senior secured credit agreement to suspend pre-existing maintenance covenants, including the total and senior secured leverage covenants and interest coverage ratio covenant, until the publication of our results for the quarter ending December 31, 2021, for which quarter the pre-amendment maintenance covenants will be reinstated. The covenant suspension period could end earlier at our election if we have total leverage equal to or lower than 4.75x annualized EBITDA for each of two consecutive quarters and are compliant with pre-amendment maintenance covenants.

During the suspension period, we are required to comply with new maintenance covenants requiring minimum liquidity (defined in the credit agreement as unrestricted cash plus unused revolver) of $50,000 and EBITDA above zero in each of the quarters ending June 30, 2021 and September 30, 2021. The amendment increased pricing to LIBOR plus 3.25% during the covenant suspension period and to LIBOR plus 2.50% to 3.25% after the covenant suspension period, depending on our total leverage ratio, including a 0.75% floor for LIBOR borrowings. Additionally, as part of the amendment, the maturity date was changed from February 2025 to November 2024. The amendment to the senior secured credit agreement also reduced the credit facility from $1,551,419 to $1,000,000, made up of an $850,000 revolver and $150,000 term loan.

During the covenant suspension period, we have more restrictive limitations on certain activities and actions, including but not limited to:

- the incurrence of additional indebtedness and liens,
- the consummation of certain investments, including acquisitions,
- the making of restricted payments, including the purchases of our ordinary shares and payment of dividends.

As of June 30, 2020, we have drawn commitments under the credit facility of $570,483 as follows:

- Revolving loans of $422,358 with a maturity date of November 15, 2024
- Term loans of $148,125 amortizing over the loan period, with a final maturity date of November 15, 2024

As of June 30, 2020, the weighted-average interest rate on outstanding borrowings was 5.4%, inclusive of interest rate swap rates. We are also required to pay a commitment fee on unused balances of 0.35% to 0.5%

depending on our total leverage ratio, and 0.5% during the covenant suspension period . We have pledged the assets and/or share capital of a number of our subsidiaries as collateral for our outstanding debt as of June 30, 2020.

Indenture and Second Lien Notes

On May 1, 2020, we issued second lien notes and warrants to raise $300,000 from funds managed by affiliates of Apollo Global Management, Inc. (the "Apollo Funds") via a private placement. These notes and warrants were issued at a discount of $6,000, resulting in net proceeds of $294,000. We used the proceeds to pay down a portion of the term loans under our senior secured credit facility and to pay fees and expenses incurred in connection with the financing and the above-described amendment.

The investment by the Apollo Funds is structured as 5-year second lien notes with a 12% coupon, of which up to 50% can be paid-in-kind at our option. We may prepay these notes in whole or in part after the first anniversary with a 3% premium, after the second anniversary with a 1% premium, and after the third anniversary with no premium with proceeds from certain debt financings. The Apollo Funds also received 7-year warrants to purchase 1,055,377 ordinary shares of Cimpress, representing approximately 3.875% of our outstanding diluted ordinary shares. Based on the terms of the agreement, the two instruments exist separately and should be treated as separate securities; therefore the warrants are considered to be detachable.

The warrants have an exercise price of $60 per share, representing an approximately 17% premium to the 10-day volume weighted average price of our shares as of April 28, 2020. The warrants are classified as equity as they are strictly redeemable in our own shares, and they may be exercised by cash payment or through cashless exercise by the surrender of warrant shares having a value equal to the exercise price of the portion of the warrant being exercised.

The warrants are accounted for in accordance with ASC No. 470-20, Debt with Conversion and Other Options, which requires us to bifurcate and separately account for the detachable warrant as a separated instrument. The values were assigned to detachable warrants based on a relative fair allocation between the second lien notes and the warrants. The fair value used for the warrants in this allocation was calculated using the Monte Carlo valuation model. The inputs to the fair value analysis are considered Level 3 inputs, and consist of estimates of the expected volatility over the contract term of the warrants, taking into consideration the historical stock volatility, as well as industry and market conditions. Based upon the terms of the note and warrant agreement, the warrants were determined to be equity-based instruments.

The valuation of the notes and warrants resulted in a carrying value allocated to the warrants of $22,432, which, in addition to be being accounted for as an equity instrument recorded in additional paid in capital, will also be included as a discount to the second lien notes, in addition to the $6,000 discount at which they were issued. The full discount will be amortized over the life of the notes.

Indenture and Senior Unsecured Notes

On February 13, 2020, we completed an additional offering of $200,000 in aggregate principal of 7.0% notes under the senior notes indenture between Cimpress plc and U.S. Bank National Association (as successor trustee to MUFG Union Bank, N.A.) at a premium of 105.25%. These notes were issued in addition to the existing principal balance under the indenture of $400,000, and are collectively referred to as the 2026 Notes. All terms and covenants of the senior notes indenture remain unchanged. The net proceeds from this add-on offering were used to repay a portion of the indebtedness outstanding under our senior secured credit facility and related transaction fees and expenses.

The 2026 Notes bear interest at a rate of 7.0% per annum and mature on June 15, 2026. Interest on the Notes is payable semi-annually on June 15 and December 15 of each year to the holders of record of the 2026 Notes at the close of business on June 1 and December 1, respectively, preceding such interest payment date.

The 2026 Notes are senior unsecured obligations and rank equally in right of payment to all our existing and future senior unsecured debt and senior in right of payment to all of our existing and future subordinated debt. The Notes are effectively subordinated to any of our existing and future secured debt to the extent of the value of the assets securing such debt. Subject to certain exceptions, each of our existing and future subsidiaries that is a borrower under or guarantees our senior secured credit facilities also guarantees the 2026 Notes.

We have the right to redeem, at any time prior to June 15, 2021, some or all of the 2026 Notes at a redemption price equal to 100% of the principal amount redeemed, plus a make-whole amount as set forth in the indenture, plus accrued and unpaid interest to, but not including, the redemption date. In addition, we have the right to redeem, at any time prior to June 15, 2021, up to 40% of the aggregate outstanding principal amount of the 2026 Notes at a redemption price equal to 107% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the redemption date, with the net proceeds of certain equity offerings by Cimpress. At any time on or after June 15, 2021, we may redeem some or all of the Notes at the redemption prices specified in the indenture, plus accrued and unpaid interest to, but not including, the redemption date.

Other Debt

Other debt consists primarily of term loans acquired through our various acquisitions or used to fund certain capital investments. As of June 30, 2020 and June 30, 2019, we had $11,694 and $14,361, respectively, outstanding for those obligations that are payable through March 2025.

Debt Issuance Costs

During the years ended June 30, 2020 and 2019, we capitalized debt issuance costs related to the refinancing of our senior secured credit facility, and issuance of additional senior unsecured notes, and issuance of the second lien notes of $23,208 and $1,800, respectively.

Amortization expense and the write-off of costs related to debt amendments and modifications are included in interest expense, net in the consolidated statements of operations. For the years ended June 30, 2020, 2019 and 2018, we amortized $3,240, $2,367 and $1,821, respectively. As part of the April 2020 amendment to our senior secured credit facility, we also expensed $568 of third-party fees associated with the modification of the term loans and wrote-off $1,438 of unamortized fees associated with the revolving loans, due to the reduction in loan commitments. During the year ended June 30, 2018, we expensed $2,921 of unamortized costs related to the extinguishment of our senior unsecured notes, which was presented separately in the consolidated statements of operations as part of loss on early extinguishment of debt.

Unamortized debt issuance costs and debt premiums (discounts) were $48,587 and $12,018 as of June 30, 2020 and 2019, respectively.

11. Shareholders' Equity (Deficit)

Treasury shares

On February 12, 2019, we announced that our Board authorized the repurchase of up to 5,500,000 of our ordinary shares, on the open market (including block trades), through privately negotiated transactions, or in one or more self-tender offers. During the year ended June 30, 2020, we purchased 4,119,965 shares under this authorization for a cost of $521,168. The February Repurchase Program terminated on November 25, 2019 when we announced the new November Repurchase Program described immediately below.

On November 25, 2019, we announced that our Board had approved a new share repurchase program that replaced the February Repurchase Program described immediately above. Under this new program, we may repurchase up to 5,500,000 of our issued and outstanding ordinary shares on the open market (including block trades), through privately negotiated transactions, or in one or more self-tender offers. This repurchase program expires on May 22, 2021, and we may suspend or discontinue our share repurchases at any time. During the year ended June 30, 2020, we purchased 882,053 shares under this share repurchase program for a cost of $105,888.

On November 5, 2019, we repurchased 750,000 of our outstanding ordinary shares, par value €0.01 per share, from two private investment partnerships affiliated with Prescott General Partners LLC ("PGP") at a price of $135.00 per share, representing a discount of $1.05 to the closing price of our ordinary shares on November 5, 2019 (the "Transaction").

PGP remained our largest shareholder, beneficially owning 3,906,492 of our ordinary shares immediately following the Transaction. In addition, Scott J. Vassalluzzo, a Managing Member of PGP, serves as a member of our Board of Directors. In light of the foregoing, the disinterested members of our Audit Committee reviewed the Transaction under our related person transaction policy and considered, amount other things, Mr. Vassalluzzo's and PGP's interest in the Transaction, the approximated dollar value of the Transaction, that the shares were being repurchased at a discount to the closing price, and the purpose and the potential benefits to Cimpress of entering into the Transaction. Based on these considerations, the disinterested members of the Audit Committee concluded that the Transaction was in our best interest. The Transaction was effected pursuant to the share repurchase program approved by our Board of Directors and announced on February 12, 2019.

On April 28, 2020, we entered into an amendment to our senior secured credit agreement, which suspended our financial maintenance covenants in addition to prohibiting us from repurchasing shares during the suspension period. Refer to Note 10 for additional information.

Warrants

In conjunction with our issuance of the second lien notes, as described in Note 10, we also issued 7-year warrants, to purchase 1,055,377 ordinary shares of Cimpress, representing approximately 3.875% of our outstanding diluted ordinary shares. The warrants are accounted for as equity, as they are redeemable only in our own shares, with an exercise price of $60 per share. The warrants may be exercised by cash payment or through cashless exercise by the surrender of warrant shares having a value equal to the exercise price of the portion of the warrant being exercised.

The carrying value was assigned to detachable warrants based on a relative fair allocation between the second lien notes and the warrants, as described in Note 10. The fair value used for the warrants in this allocation was calculated using the Monte Carlo valuation model. The valuation of the notes and warrants resulted in a carrying value allocated to the warrants of $22,432, which, in addition to be being accounted for as an equity instrument recorded in additional paid in capital, will also be included as a discount to the second lien notes.

Share-based awards

The 2016 Performance Equity Plan (the "2016 Plan") became effective upon shareholder approval on May 27, 2016 and allows us to grant PSUs, entitling the recipient to receive Cimpress ordinary shares based upon continued service to Cimpress and the achievement of objective, predetermined appreciation of Cimpress' three-year moving average share price. We may grant PSUs under the 2016 Plan to our employees, officers, non-employee directors, consultants, and advisors. Subject to adjustment in the event of stock splits, stock dividends and other similar events, we may make awards under the 2016 Plan for up to 6,000,000 of our ordinary shares.

The 2011 Equity Incentive Plan (the “2011 Plan”) became effective upon shareholder approval on June 30, 2011 and allows us to grant share options, share appreciation rights, restricted shares, restricted share units and other awards based on our ordinary shares to our employees, officers, non-employee directors, consultants and advisors. Among other terms, the 2011 Plan requires that the exercise price of any share option or share appreciation right granted under the 2011 Plan be at least 100% of the fair market value of the ordinary shares on the date of grant; limits the term of any share option or share appreciation right to a maximum period of 10 years; provides that shares underlying outstanding awards under the Amended and Restated 2005 Equity Incentive Plan that are canceled, forfeited, expired or otherwise terminated without having been issued in full will become available for the grant of new awards under the 2011 Plan; and prohibits the repricing of any share options or share appreciation rights without shareholder approval. In addition, the 2011 Plan provides that the number of ordinary shares available for issuance under the plan will be reduced by (i) 1.56 ordinary shares for each share subject to a restricted share or other share-based award with a per share or per unit purchase price lower than 100% of the fair market value of the ordinary shares on the date of grant and (ii) one ordinary share for each share subject to any other award under the 2011 Plan.

Our 2005 Non-Employee Directors’ Share Option Plan allows us to grant share options to our non-employee directors upon initial appointment as a director and annually thereafter in connection with our annual general meeting of shareholders if they are continuing to serve as a director at such time.

An aggregate of 5,815,482 ordinary shares were available for future awards under all of our share-based award plans as of June 30, 2020. For PSUs under our 2016 Plan, we assumed that we would issue ordinary shares equal to 250% of the outstanding PSUs, which is the maximum potential share issuance. Treasury shares have historically been used in fulfillment of our share-based awards.

Share options

We have previously granted options to purchase ordinary shares at prices that are at least equal to the fair market value of the shares on the date the option is granted and have a contractual term of approximately eight to ten years. Options generally vested over 3 years for non-employee directors and over 4 years for employees.

The fair value of each option award subject only to service period vesting is estimated on the date of grant using the Black-Scholes option pricing model and is recognized as expense on a straight-line basis over the requisite service period. Use of a valuation model requires management to make certain assumptions with respect to inputs. The expected volatility assumption is based upon historical volatility of our share price. The expected term assumption is based on the contractual and vesting term of the option and historical experience. The risk-free interest rate is based on the U.S. Treasury yield curve with a maturity equal to the expected life assumed at the grant date. We value share options with a market condition using a lattice model with compensation expense recorded on an accelerated basis over the requisite service period.

We did not grant any share options in fiscal 2020. A summary of our share option activity and related information for the year ended June 30, 2020 is as follows:

	Shares Pursuant to Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding at the beginning of the period	1,431,914	$ 50.27	0.9	
Granted	—	—		
Exercised	(1,321,376)	49.85		
Forfeited/expired	—	—		
Outstanding at the end of the period	110,538	$ 55.27	1.0	$ 2,348,957
Exercisable at the end of the period	110,538	$ 55.27	1.0	$ 2,348,957

The intrinsic value in the table above represents the total pre-tax amount, net of exercise price, which would have been received if all option holders exercised in-the-money options on June 30, 2020. The total intrinsic value of options exercised during the fiscal years ended June 30, 2020, 2019 and 2018 was $92,582, $12,498 and $46,853, respectively.

Performance share units - 2016 Performance Equity Plan

The PSU awards entitle the recipient to receive Cimpress ordinary shares between 0% and 250% of the number of units, based upon continued service to Cimpress and the achievement of a compounded annual growth rate target based on Cimpress' three-year moving average share price. Awards with a grant date prior to fiscal 2020 will be assessed annually in years 6 - 10 following the grant date and awards with a grant date in fiscal 2020 will be assessed annually in years 4 - 8 following the grant date. The fair value of the PSUs is based on a Monte Carlo simulation, and the resulting expense is recognized on an accelerated basis over the requisite service period.

During fiscal 2018, we issued supplemental performance share units ("supplemental PSUs") to certain members of management (excluding Robert Keane, our Chairman and CEO) that were incremental to our typical long-term incentive awards. The supplemental PSUs were subject to a three-year cumulative financial performance condition and as of June 30, 2020 the performance condition was not achieved. In fiscal 2018 we concluded that the achievement of the three-year cumulative performance condition was probable and recognized expense of $15,397, which we subsequently reversed in fiscal 2019 when we concluded that the achievement was no longer probable.

A summary of our PSU activity and related information for the fiscal year ended June 30, 2020 is as follows:

	PSUs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at the beginning of the period	821,745	$ 132.55	
Granted	295,239	142.90	
Vested and distributed	—	—	
Forfeited	(82,787)	152.71	
Outstanding at the end of the period	1,034,197	$ 133.89	$ 78,951

The weighted average fair value of PSUs granted during the fiscal years ended June 30, 2020, 2019 and 2018 was $142.90, $176.16, and $115.02, respectively. The total intrinsic value of PSUs outstanding at the fiscal years ended June 30, 2020, 2019 and 2018 was $78,951, $74,688 and $98,683, respectively. As of June 30, 2020, the number of shares subject to PSUs included in the table above assumes the issuance of one share for each PSU, but based on actual performance that amount delivered can range from zero shares to a maximum of 2,585,493 shares.

Restricted share units

The fair value of an RSU award is equal to the fair market value of our ordinary shares on the date of grant and the expense is recognized on a straight-line basis over the requisite service period. RSUs generally vest over 4 years, however, during the fourth quarter of fiscal 2020, we replaced a portion of some employees' salaries with RSU awards that generally vest after 4.5 months. We granted 193,365 RSUs during the fourth quarter of fiscal 2020. This program was put in place, as one of several measures taken to improve liquidity during the pandemic. As of July 1, 2020, we suspended the program but will consider providing future grants in lieu of cash compensation if necessary.

A summary of our RSU activity and related information for the fiscal year ended June 30, 2020 is as follows:

	RSUs	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Unvested at the beginning of the period	10,196	$ 86.37	
Granted	193,365	46.94	
Vested and distributed	(19,177)	65.01	
Forfeited	(7,151)	51.49	
Unvested at the end of the period	177,233	$ 47.06	$ 13,530

We did not grant any RSUs during the fiscal years ended June 30, 2019 and 2018. The total intrinsic value of RSUs vested during the fiscal years ended June 30, 2020, 2019 and 2018 was $1,905, $6,749 and $11,581, respectively.

Restricted share awards

As part of our acquisition of Tradeprint during the first quarter of fiscal 2016, we issued 65,050 restricted ordinary shares. The fair value of the RSAs was determined based on our share price on the date of grant and was recognized as share-based compensation expense over the applicable service period. These awards vested over a 2 to 4 year period. The remaining 4,145 unvested shares vested during the year ended June 30, 2020, with a weighted average grant date value of $64.53.

Share-based compensation

Total share-based compensation costs were $34,874, $21,716 and $50,466 for the years ended June 30, 2020, 2019 and 2018, respectively, and we elected to recognize the impact of forfeitures as they occur.

From time to time we issue awards that are considered liability-based awards as they are settleable in cash. We previously had a liability-based award associated with our Printi LLC investment and we had fully reserved for the loan receivable in fiscal 2019 and throughout fiscal 2020 since the collateral value of the related liability was estimated to have no value. This agreement was settled in the fourth quarter of fiscal 2020, refer to Note 15 for additional details.

Share-based compensation costs capitalized as part of software and website development costs were $1,157, $1,141 and $1,607 for the years ended June 30, 2020, 2019 and 2018, respectively.

As of June 30, 2020, there was $29,165 of total unrecognized compensation cost related to non-vested, share-based compensation arrangements. This cost is expected to be recognized over a weighted average period of 1.5 years.

12. Employees' Savings Plans

Defined contribution plans

We maintain certain government-mandated and defined contribution plans throughout the world. Our most significant defined contribution retirement plans are in the U.S. and comply with Section 401(k) of the Internal Revenue Code. We offer eligible employees in the U.S. the opportunity to participate in one of these plans and match most employees' eligible contributions at various rates subject to service vesting as specified in each of the related plan documents. This matching program has been temporarily suspended as of March 2020, and will continue to be paused on a discretionary basis through at least December 31, 2020.

We expensed $10,710, $11,401 and $11,723, for our government-mandated and defined contribution plans in the years ended June 30, 2020, 2019 and 2018, respectively.

Defined benefit plan

We currently have a defined benefit plan that covers substantially all of our employees in Switzerland. Our Swiss plan is a government-mandated retirement fund with benefits generally earned based on years of service and compensation during active employment; however, the level of benefits varies within the plan. Eligibility is determined in accordance with local statutory requirements. Under this plan, both we and certain of our employees with annual earnings in excess of government determined amounts are required to make contributions into a fund managed by an independent investment fiduciary. Employer contributions must be in an amount at least equal to the employee's contribution. Minimum employee contributions are based on the respective employee's age, salary, and gender. As of June 30, 2020 and 2019, the plan had an unfunded net pension obligation of approximately $2,743, and $1,525, respectively, and plan assets which totaled approximately $3,403 and $2,849, respectively. For the years ended June 30, 2020, 2019 and 2018 we recognized expense totaling $399, $424 and $55, respectively, related to our Swiss plan.

13. Income Taxes

The following is a summary of our income (loss) before income taxes by geography:

	Year Ended June 30,		
	2020	2019	2018
U.S.	$ (58,765)	$ (10,879)	$ 9,183
Non-U.S.	61,768	137,791	57,183
Total	$ 3,003	$ 126,912	$ 66,366

The components of the provision (benefit) for income taxes are as follows:

	Year Ended June 30,		
	2020	2019	2018
Current:			
U.S. Federal	$ (16,269)	$ 84	$ 446
U.S. State	213	1,130	(117)
Non-U.S.	22,361	26,862	33,065
Total current	6,305	28,076	33,394
Deferred:			
U.S. Federal	12,980	(1,347)	(6,673)
U.S. State	3,213	(183)	2,306
Non-U.S.	(103,490)	6,886	(9,449)
Total deferred	(87,297)	5,356	(13,816)
Total	$ (80,992)	$ 33,432	$ 19,578

The following is a reconciliation of the standard U.S. federal statutory tax rate and our effective tax rate:

	Year Ended June 30,		
	2020	2019	2018
U.S. federal statutory income tax rate	21.0 %	21.0%	28.0%
State taxes, net of federal effect	(130.1)	(1.0)	(2.4)
Tax rate differential on non-U.S. earnings	(408.4)	(7.2)	(1.3)
Swiss tax reform	(3,779.0)	—	—
Compensation related items	(420.7)	0.7	(15.1)
U.S. tax reform	(372.6)	3.7	10.4
Goodwill impairment	759.1	2.0	—
Change in valuation allowance	1,277.5	(1.7)	6.7
Irish foreign tax credit	262.3	(19.1)	—
Tax on repatriated earnings	154.1	8.0	—
Gain/loss on sale of subsidiary	(189.2)	—	4.0
Notional interest deduction (Italy)	(47.9)	(0.8)	(1.9)
Patent box (Italy)	(24.2)	(3.4)	—
Tax credits and incentives	(88.3)	(3.6)	(4.8)
Non-US tax rate changes	81.7	0.1	(0.1)
Business and withholding taxes	28.7	0.8	0.8
Uncertain Tax Positions	28.8	(0.1)	(1.1)
Nondeductible interest expense	157.4	1.3	2.9
Other non-deductible expenses	47.5	1.5	(0.1)
Tax on unremitted earnings	31.4	8.0	0.7
Change in tax residence	—	20.5	—
Nondeductible acquisition-related payments	—	0.6	3.6
Changes to variable interest entities	—	(2.5)	—
Changes to derivative instruments	—	4.5	—
Other	(86.1)	(7.0)	(0.8)
Effective income tax rate	(2,697.0)%	26.3%	29.5%

For the year ended June 30, 2020, our effective tax rate was significantly impacted by Swiss Tax Reform, as discussed in more detail below. Without the Swiss Tax Reform benefit, our effective tax rate for the year was above our U.S. federal statutory tax rate primarily due to non-deductible goodwill impairments and losses in certain jurisdictions for which we cannot recognize a tax benefit. The jurisdictions that have the most significant impact to our non-U.S. tax provision include Australia, Austria, Canada, France, Germany, Ireland, Italy, Mexico, the Netherlands, Spain and Switzerland. The applicable tax rates in these jurisdictions range from 10% to 32%. The total tax rate benefit from operating in non-U.S. jurisdictions is included in the line “Tax rate differential on non-U.S. earnings” in the above tax rate reconciliation table.

For the year ended June 30, 2020, our effective tax rate was (2,697.0)% as compared to the prior year effective tax rate of 26.3%. The decrease in our effective tax rate as compared to the prior year is primarily due to Swiss Tax Reform. Also, in addition to a more favorable mix of earnings year-over-year, we recognized tax benefits of $15,705 related to excess tax benefits from share based compensation, as compared to $1,539 in fiscal 2019, and $11,188 for the re-measurement of U.S. tax losses that will be carried back to tax years with higher U.S. federal tax rates under the US CARES Act. We also recognized tax expense of $41,900 to record a full valuation allowance against our U.S. deferred tax assets and a portion for our Irish deferred tax assets. The change in judgment to no longer recognize the deferred tax assets was driven by decreased profits due to impacts of the COVID-19 pandemic and goodwill impairments. During fiscal 2020 we recognized "Patent Box" tax benefits granted to our Pixartprinting business in Italy of $728, as compared to $4,260 in fiscal 2019 representing three years' worth of benefits. Our fiscal year 2019 effective tax rate was lower than fiscal year 2018 primarily due a more favorable geographic mix on increased profits and the Italian Patent Box benefits, offset by decreased share-based compensation tax benefits of $1,539 as compared to $12,802 in fiscal 2018.

On October 25, 2019, the canton of Zurich enacted tax law changes by publishing the results of its referendum to adopt the Federal Act on Tax Reform and AHV Financing (TRAF), which we refer to as Swiss Tax Reform. Swiss Tax Reform was effective as of January 1, 2020 and included the abolishment of various favorable federal and cantonal tax regimes. Swiss Tax Reform provided transitional relief measures for companies that lost the tax benefit of a ruling, including a "step-up" for amortizable goodwill, equal to the amount of future tax benefit they would have received under their existing ruling, subject to certain limitations. We recognized a tax benefit of $113,482 to establish new Swiss deferred tax assets related to transitional relief measures and to remeasure our existing Swiss deferred tax assets and liabilities. We don't expect to realize the majority of this benefit until fiscal 2025 through fiscal 2030.

Significant components of our deferred income tax assets and liabilities consisted of the following at June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Deferred tax assets:		
Swiss tax reform amortizable goodwill	$ 127,965	$ —
Net operating loss carryforwards	62,374	80,832
Capital leases	33,078	31,010
Depreciation and amortization	4,308	3,315
Accrued expenses	6,253	6,441
Share-based compensation	9,482	11,241
Credit and other carryforwards	29,216	24,714
Derivative financial instruments	6,739	2,924
Other	7,551	3,167
Subtotal	286,966	163,644
Valuation allowance	(91,575)	(59,410)
Total deferred tax assets	195,391	104,234
Deferred tax liabilities:		
Depreciation and amortization	(41,017)	(50,091)
Capital leases	(30,433)	(27,694)
Investment in flow-through entity	(3,550)	(3,078)
Tax on unremitted earnings	(6,203)	(5,145)
Other	(4,502)	(2,851)
Total deferred tax liabilities	(85,705)	(88,859)
Net deferred tax assets	$ 109,686	$ 15,375

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some or all of the deferred tax assets will not be realized. The increase in the valuation allowance from the prior year relates primarily to losses in certain jurisdictions (mainly the United States, Ireland, Brazil, China, Japan, and the United Kingdom) for which management has determined we cannot recognize the related deferred tax assets based on trailing three-year pre-tax profit or loss adjusted for permanent book versus tax differences. In addition, losses on certain of our derivative financial instruments grew, resulting in an additional increase to the valuation allowance. Also, Cimpress plc generated $2,442 of Irish foreign tax credit carryforwards which do not expire, but for which management has determined it is more likely than not that these will not be utilized upon future repatriation. Offsetting the overall increase in the valuation allowance, we wrote-off deferred tax assets of $14,240 and the corresponding valuation allowance related to Cimpress N.V.'s Irish foreign tax credit carryforwards as these do not transfer to Cimpress plc subsequent to the Irish Merger.

We have recorded a full valuation allowance against $6,739 of deferred tax asset related to interest rate swaps for which management has determined that it is more likely than not that the deferred tax asset will not be recognized in the foreseeable future. The impact of this deferred tax asset and associated valuation allowance of $5,213 has been recorded in Accumulated Other Comprehensive Loss on the balance sheet. The remaining valuation allowance of $1,526 was recorded to continuing operations. Additionally, we have recorded valuation allowances of $22,180 and $4,114 against deferred tax assets related to U.S. research and development credits and U.S. capital loss carryforwards, respectively, for which management has determined that it is more likely than not that these will not be utilized within the applicable carryforward periods available under local law.

We have recorded a partial valuation allowance of $1,149 related to the Swiss Tax Reform amortizable goodwill deferred tax asset as our current projections indicate we may not be able to utilize the full benefit. We have not recorded a valuation allowance against $20,036 of deferred tax asset associated with prior year tax losses generated in Switzerland. Management believes there is sufficient positive evidence in the form of historical and future projected profitability to conclude that it is more likely than not that all of the losses in Switzerland will be utilized against future taxable profits within the available carryforward period. Our assessments are reliant on the attainment of our future operating profit goals. Failure to achieve these operating profit goals may change our assessment of these deferred tax assets, and such change would result in additional valuation allowance and an increase in income tax expense to be recorded in the period of the change in assessment. We will continue to review our forecasts and profitability trends on a quarterly basis.

Based on the weight of available evidence at June 30, 2020, management believes that it is more likely than not that all other net deferred tax assets will be realized in the foreseeable future. We will continue to assess the realization of the deferred tax assets based on operating results on a quarterly basis.

A reconciliation of the beginning and ending amount of the valuation allowance for the year ended June 30, 2020 is as follows:

Balance at June 30, 2019	$	59,410
Charges to earnings (1)		36,833
Charges to other accounts (2)		(6,198)
Balance at June 30, 2020	$	90,045

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(1) Amount is primarily related to U.S. research and development credits and capital loss carryforwards, U.S. and non-U.S. net operating losses, Irish foreign tax credits and Swiss tax reform amortizable goodwill.

(2) Amount is primarily related to decrease in deferred tax assets on non-U.S. net operating losses due to currency exchange rate changes and sale of VIDA, offset by unrealized losses on interest rate swaps included in Accumulated Other Comprehensive Loss.

As of June 30, 2020, we had gross U.S. federal and apportioned state net operating losses of approximately $41,107 that expire on various dates from fiscal 2036 through fiscal 2040 or with unlimited carryforward. We also had gross non-U.S. net operating loss carryforwards of $426,027, a significant amount of which begin to expire in fiscal 2023, with the remaining amounts expiring on various dates from fiscal 2021 through fiscal 2029 or with unlimited carryforward. In addition, we had $26,814 of tax credit carryforwards primarily related to U.S. federal and state research and development credits, which expire on various dates beginning in fiscal 2031 or with unlimited carryforward. Lastly, we had $18,164 and $5,662 of U.S. federal and apportioned state capital loss carryforwards, respectively, which expire in fiscal 2025. The benefits of these carryforwards are dependent upon the generation of taxable income in the jurisdictions where they arose.

We consider the following factors, among others, in evaluating our plans for indefinite reinvestment of our subsidiaries' earnings: (i) the forecasts, budgets and financial requirements of both our parent company and its subsidiaries, both for the long term and for the short term; (ii) the ability of Cimpress plc to fund its operations and obligations with earnings from other businesses within the global group without incurring substantial tax costs; and (iii) the tax consequences of any decision to reinvest earnings of any subsidiary. As of June 30, 2020, no tax provision has been made for $36,584 of undistributed earnings of certain of our subsidiaries as these earnings are considered indefinitely reinvested. If, in the future, we decide to repatriate the undistributed earnings from these subsidiaries in the form of dividends or otherwise, we could be subject to withholding taxes payable in the range of $9,000 to $10,000 at that time. A cumulative deferred tax liability of $6,203 has been recorded attributable to undistributed earnings that we have deemed are not indefinitely reinvested. The remaining undistributed earnings of our subsidiaries are not deemed to be indefinitely reinvested and can be repatriated with no tax cost. Accordingly, there has been no provision for income or withholding taxes on these earnings.

We currently benefit from various income tax holidays in certain jurisdictions. The tax holidays expire on various dates from October 2020 through August 2022. When the tax holidays expire, we will be subject to tax at rates ranging from 10% to 30%. As a result of the tax holidays, our net income was higher by $457 for fiscal 2020.

A reconciliation of the gross beginning and ending amount of unrecognized tax benefits is as follows:

Balance June 30, 2017	$ 5,383
Additions based on tax positions related to the current tax year	612
Additions based on tax positions related to prior tax years	93
Reductions based on tax positions related to prior tax years	(261)
Reductions due to audit settlements	(31)
Reductions due to lapse of statute of limitations	(1,105)
Cumulative translation adjustment	14
Balance June 30, 2018	4,705
Additions based on tax positions related to the current tax year	702
Additions based on tax positions related to prior tax years	201
Reductions based on tax positions related to prior tax years	(117)
Reductions due to lapse of statute of limitations	(763)
Cumulative translation adjustment	(7)
Balance June 30, 2019	4,721
Additions based on tax positions related to the current tax year	586
Additions based on tax positions related to prior tax years	769
Reductions based on tax positions related to prior tax years	(102)
Reductions due to audit settlements	(52)
Reductions due to lapse of statute of limitations	(71)
Cumulative translation adjustment	(4)
Balance June 30, 2020	$ 5,847

For the year ended June 30, 2020, the amount of unrecognized tax benefits (exclusive of interest) that, if recognized, would impact the effective tax rate is $912. We recognize interest and, if applicable, penalties related to unrecognized tax benefits in income tax expense. The accrued interest and penalties recognized as of June 30, 2020, 2019 and 2018 were $384, $515 and $448, respectively. It is reasonably possible that a further change in unrecognized tax benefits in the range of $165 to $450 may occur within the next twelve months related to the settlement of one or more audits or the lapse of applicable statutes of limitations. We believe we have appropriately provided for all tax uncertainties.

We conduct business in a number of tax jurisdictions and, as such, are required to file income tax returns in multiple jurisdictions globally. The years 2014 through 2019 remain open for examination by the United States Internal Revenue Service ("IRS") and the years 2014 through 2019 remain open for examination in the various states and non-US tax jurisdictions in which we file tax returns.

We are currently under income tax audit in certain jurisdictions globally. We believe that our income tax reserves are adequately maintained taking into consideration both the technical merits of our tax return positions and ongoing developments in our income tax audits. However, the final determination of our tax return positions, if audited, is uncertain and therefore there is a possibility that final resolution of these matters could have a material impact on our results of operations or cash flows.

14. Noncontrolling Interests

For some of our subsidiaries, we own a controlling equity stake, and a third party or key member of the business' management team owns a minority portion of the equity. The balance sheet and operating activity of these entities are included in our consolidated financial statements and we adjust the net income in our consolidated statement of operations to exclude the noncontrolling interests' proportionate share of results. We present the proportionate share of equity attributable to the redeemable noncontrolling interests as temporary equity within our consolidated balance sheet and the proportionate share of noncontrolling interests not subject to a redemption provision that is outside of our control as equity. We recognize redeemable noncontrolling interests at fair value on the sale or acquisition date and adjust to the redemption value on a periodic basis with the offset to retained earnings in the consolidated balance sheet. If the formulaic redemption value exceeds the fair value of the noncontrolling interest, then the accretion to redemption value is offset to the net (income) loss attributable to noncontrolling interest in our consolidated statement of operations.

Redeemable Noncontrolling Interests

PrintBrothers

During the fourth quarter of fiscal 2019, we sold a minority equity interest in each of the three businesses within our PrintBrothers reportable segment to members of the management team. We received proceeds of €50,173 ($57,046 based on the exchange rate on the date we received the proceeds) in exchange for an equity interest in each of the businesses ranging from 12% to 13%. As of June 30, 2019, we recognized the redeemable noncontrolling interest at fair value of $57,046. The put options associated with the redeemable noncontrolling interest are exercisable beginning in 2021, while the associated call options become exercisable in 2026. During the second quarter of fiscal 2020, we recorded an adjustment of $5,493 to increase the carrying value to the estimated redemption amounts, with the offset recognized in retained earnings in the consolidated balance sheet, since the estimated redemption amounts were less than the fair value. As of June 30, 2020, the redemption value was less than the carrying value, due in part to the decline in performance driven by the COVID-19 pandemic, and therefore no adjustment was required.

All Other Businesses

On October 1, 2018, we acquired approximately 99% of the outstanding equity interests of Build A Sign LLC. The remaining 1% is considered a redeemable noncontrolling equity interest, as it is redeemable for cash based on future financial results through put and call rights and not solely within our control. On the acquisition date, we recognized the redeemable noncontrolling interest at fair value of $3,356. As of June 30, 2020, the redemption value was less than the carrying value, and therefore no adjustment was required.

On July 2, 2018, we acquired approximately 73% of the shares of VIDA Group Co. and on April 10, 2020, we sold all of the shares we held in the VIDA business. Prior to the sale, the carrying value of the VIDA redeemable noncontrolling equity interest was zero.

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

Balance as of June 30, 2018	$ 86,151
Proceeds from sale of noncontrolling interest	57,046
Acquisition of noncontrolling interest	9,061
Accretion to redemption value recognized in retained earnings	7,133
Net loss attributable to noncontrolling interest	(1,566)
Distribution to noncontrolling interest	(3,375)
Purchase of noncontrolling interests	(85,520)
Adjustment to additional-paid in capital for purchase of noncontrolling interest	(2,714)
Other adjustments	(40)
Foreign currency translation	(2,994)
Balance as of June 30, 2019	63,182
Acquisition of noncontrolling interest (1)	3,995
Accretion to redemption value recognized in retained earnings (2)	5,493
Net income attributable to noncontrolling interest	630
Distribution to noncontrolling interest	(3,955)
Foreign currency translation	(239)
Balance as of June 30, 2020	$ 69,106

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(1) During the first quarter of fiscal 2020, we acquired majority equity interests related to two immaterial businesses within our PrintBrothers reportable segment.

(2) Accretion of redeemable noncontrolling interests to redemption value recognized in retained earnings is the result of the redemption amount estimated to be greater than carrying value but less than fair value. Refer above for additional details.

15. Variable Interest Entity ("VIE")

Investment in Printi LLC

As of June 30, 2020, we have a 96.3% equity interest in Printi LLC, which owns an operating company in Brazil, and the shareholders of Printi share profits and voting control on a pro-rata basis. During the fourth quarter of fiscal 2020, we entered into an agreement to purchase an additional 42.6% economic interest in Printi. In exchange for acquiring the additional equity interest, we did not make any additional outlays of cash; rather we forgave loans provided to two previous Printi equity holders, which previously represented prepayments for our purchase of their equity interests. Prior to purchasing the additional equity interest, the carrying value of the related loans were zero as we fully reserved for the loan receivable in fiscal year 2019 when we determined the collateral was estimated to have no value.

For the remaining minority equity interest, we previously agreed to acquire the remaining shares in Printi through a reciprocal put and call structure, contractually exercisable from April 1, 2021 through a mandatory redemption date of July 31, 2023. This contractual obligation is presented as a liability on our consolidated balance sheet and we adjust the liability to its estimated redemption value each reporting period and recognize any changes within interest expense, net in our consolidated statement of operations. As of June 30, 2020 and 2019, the carrying value of this liability is zero, based on its estimated redemption value.

16. Segment Information

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

During the first quarter of fiscal 2020, we revised our internal organizational and reporting structure leading to changes in our Vistaprint and All Other Businesses reportable segments. Our Vistaprint Corporate Solutions, Vistaprint India, and Vistaprint Japan businesses, which were previously aggregated based on materiality in our All Other Businesses, are now directly managed within the Vistaprint business. These businesses are close derivatives or adjacencies of the Vistaprint business and leverage the Vistaprint brand, customers, technology, and/or other assets. This change in reporting structure positions them closer to the Vistaprint operations, capabilities, and resources. Additionally, during the fourth quarter of fiscal 2020, we reorganized technology teams that previously existed within our Vistaprint business and our central teams. The reorganization resulted in some team member reductions in both organizations, and the net transfer of 177 team members from Vistaprint to our central Cimpress technology team. This change is intended to free up resources to make more Vistaprint technologies available to other Cimpress businesses in the future, to accelerate Vistaprint's re-platforming efforts, and to reduce costs where no longer necessary. We have revised our presentation of all prior periods presented to reflect our revised segment reporting for the two changes made during fiscal 2020.

As of June 30, 2020, we have numerous operating segments under our management reporting structure which are reported in the following five reportable segments:

- *Vistaprint* - Includes the operations of our global Vistaprint websites and our Webs-branded business, which is managed with the Vistaprint-branded digital business. Also included is our Vistaprint Corporate Solutions business which serves medium-sized businesses and large corporations, as well as a legacy revenue stream with retail partners and franchise businesses

- *PrintBrothers* - Includes the results of our druck.at, Printdeal, and WIRmachenDRUCK businesses

- *The Print Group* - Includes the results of our Easyflyer, Exaprint, Pixartprinting, and Tradeprint businesses

- *National Pen* - Includes the global operations of our National Pen business, which manufactures and markets custom writing instruments and promotional products, apparel and gifts

- *All Other Businesses* - Includes a collection of businesses grouped together based on materiality:
    - BuildASign is an internet-based provider of canvas-print wall décor, business signage and other large-format printed products, based in Austin, Texas.
    - Printi is an online printing leader in Brazil, which offers a superior customer experience with transparent and attractive pricing, reliable service and quality.
    - VIDA was part All Other Businesses segment through April 10, 2020, the date on which we sold our shares in the business.
    - YSD is a startup operation that provides end-to-end mass customization solutions to brands and intellectual property owners in China, supporting multiple channels including retail stores, websites, WeChat and e-commerce platforms to enhance brand awareness and competitiveness and develop new markets.

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

During the first quarter of fiscal 2020, we changed our segment profitability measure to an adjusted EBITDA metric. The financial metric that we use to hold our businesses accountable on an annual basis is unlevered free cash flow. Historically, we have reported segment profit based on adjusted net operating profit; however, this is not a direct input to unlevered free cash flow. We believe this change simplifies both our internal and external reporting, while also increasing the focus on a profitability metric that is a direct input into our internal operating measure, our steady-state free cash flow analysis that we report annually and our estimates of intrinsic value per share.

The primary difference between the segment profit we previously reported and the revised metric is depreciation and amortization. The prior adjusted NOP-based metric only removed amortization of acquired intangibles, and the new segment EBITDA metric removes all depreciation and amortization, except for depreciation expense related to our Waltham, Massachusetts lease, which we treat in our historical results as operating expense. The new segment EBITDA metric does include the cost of long-term incentive programs, including share-based compensation, just as the prior adjusted NOP-based metric.

For awards granted under our 2016 Performance Equity Plan, the PSU expense value is based on a Monte Carlo fair value analysis and is required to be expensed on an accelerated basis. In order to ensure comparability in measuring our businesses' results, we allocate the straight-line portion of the fixed grant value to our businesses. Any expense in excess of the amount as a result of the fair value measurement of the PSUs and the accelerated expense profile of the awards is recognized within central and corporate costs. All expense or benefit associated with our supplemental PSUs is recognized within central and corporate costs.

Our definition of segment EBITDA is GAAP operating income excluding certain items, such as depreciation and amortization (with the exception of depreciation expense associated with our Waltham, Massachusetts lease for periods prior to our adoption of the new leasing standard on July 1, 2019), expense recognized for contingent earn-out related charges including the changes in fair value of contingent consideration and compensation expense related to cash-based earn-out mechanisms dependent upon continued employment, share-based compensation related to investment consideration, certain impairment expense, and restructuring charges. For historical periods presented, a portion of the interest expense associated with our Waltham, Massachusetts lease is included as expense in segment EBITDA and allocated based on headcount to the appropriate business or corporate and global function. The interest expense represents a portion of the cash rent payment and is considered an operating expense for purposes of measuring our segment performance. Beginning in fiscal 2020, as part of our adoption of the new leasing standard, the accounting treatment for our Waltham, Massachusetts lease has changed to an operating lease, so the expense associated with this lease is reflected in operating income and no longer requires an adjustment to segment EBITDA. We do not allocate non-operating income, including realized gains and losses on currency hedges, to our segment results.

Our All Other Businesses reportable segment includes businesses that have operating losses as they are in the early stage of investment relative to the scale of the underlying businesses, which may limit its comparability to other segments regarding segment EBITDA.

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

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

	Year Ended June 30,		
	2020	2019	2018
Revenue:			
Vistaprint (1)	$ 1,337,291	$ 1,508,322	$ 1,499,141
PrintBrothers (2)	417,921	443,987	410,776
The Print Group (3)	275,214	325,872	320,473
National Pen (4)	299,474	348,409	333,266
All Other Businesses (5)	173,789	136,202	40,230
Total segment revenue	2,503,689	2,762,792	2,603,886
Inter-segment eliminations	(22,331)	(11,716)	(11,345)
Total consolidated revenue	$ 2,481,358	$ 2,751,076	$ 2,592,541

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(1) Vistaprint segment revenues include inter-segment revenue of $6,180, $5,851 and $5,631 for the years ended June 30, 2020, 2019 and 2018, respectively.

(2) PrintBrothers segment revenues include inter-segment revenue of $934, $1,227 and $2,068 for the years ended June 30, 2020, 2019 and 2018, respectively.

(3) The Print Group segment revenues include inter-segment revenue of $5,994, $796 and $690 for the years ended June 30, 2020, 2019 and 2018, respectively.

(4) National Pen segment revenues include inter-segment revenue of $7,806, $3,729 and $2,956 for the years ended June 30, 2020, 2019 and 2018, respectively.

(5) All Other Businesses segment revenues include inter-segment revenue of $1,417 and $113 for the years ended June 30, 2020 and 2019, respectively. There was no inter-segment revenue for the year ended June 30, 2018. Our All Other Businesses segment includes the revenue from our BuildASign acquisition from October 1, 2018, and revenue from our Vida acquisition from July 2, 2018 through the divestiture date of April 10, 2020.

	Year Ended June 30, 2020					
	Vistaprint	PrintBrothers	The Print Group	National Pen	All Other	Total
Revenue by Geographic Region:						
North America	$ 928,668	$ —	$ —	$ 154,632	$ 153,795	$1,237,095
Europe	325,239	416,987	269,220	112,046	—	1,123,492
Other	77,204	—	—	24,990	18,577	120,771
Inter-segment	6,180	934	5,994	7,806	1,417	22,331
Total segment revenue	1,337,291	417,921	275,214	299,474	173,789	2,503,689
Less: inter-segment elimination	(6,180)	(934)	(5,994)	(7,806)	(1,417)	(22,331)
Total external revenue	$1,331,111	$ 416,987	$ 269,220	$ 291,668	$ 172,372	$2,481,358

	Year Ended June 30, 2019					
	Vistaprint	PrintBrothers	The Print Group	National Pen	All Other	Total
Revenue by Geographic Region:						
North America	$1,040,928	$ —	$ —	$ 179,425	$ 112,216	$1,332,569
Europe	373,768	442,760	325,076	134,381	—	1,275,985
Other	87,775	—	—	30,874	23,873	142,522
Inter-segment	5,851	1,227	796	3,729	113	11,716
Total segment revenue	1,508,322	443,987	325,872	348,409	136,202	2,762,792
Less: inter-segment elimination	(5,851)	(1,227)	(796)	(3,729)	(113)	(11,716)
Total external revenue	$1,502,471	$ 442,760	$ 325,076	$ 344,680	$ 136,089	$2,751,076

	Year Ended June 30, 2018					
	Vistaprint	PrintBrothers	The Print Group	National Pen	All Other	Total
Revenue by Geographic Region:						
North America	$1,013,775	$ —	$ 2,136	$ 170,745	$ 1,717	$1,188,373
Europe	386,142	408,708	317,647	132,352	12,677	1,257,526
Other	93,593	—	—	27,213	25,836	146,642
Inter-segment	5,631	2,068	690	2,956	—	11,345
Total segment revenue	1,499,141	410,776	320,473	333,266	40,230	2,603,886
Less: inter-segment elimination	(5,631)	(2,068)	(690)	(2,956)	—	(11,345)
Total external revenue	$1,493,510	$ 408,708	$ 319,783	$ 330,310	$ 40,230	$2,592,541

The following table includes segment EBITDA by reportable segment, total income from operations and total income before income taxes.

	Year Ended June 30,		
	2020	2019	2018
Segment EBITDA:			
Vistaprint	$ 366,334	$ 349,697	$ 309,783
PrintBrothers	39,373	43,474	41,129
The Print Group	51,606	63,997	63,529
National Pen	7,605	17,299	29,438
All Other Businesses	17,474	(6,317)	(10,603)
Total segment EBITDA	482,392	468,150	433,276
Central and corporate costs	(140,398)	(117,295)	(138,037)
Depreciation and amortization	(167,943)	(172,957)	(169,005)
Waltham, MA lease depreciation adjustment (1)	—	4,120	4,120
Proceeds from insurance	—	—	(676)
Earn-out related charges	54	—	(2,391)
Share-based compensation related to investment consideration	—	(2,893)	(6,792)
Certain impairments and other adjustments (2)	(104,593)	(10,700)	(2,893)
Restructuring-related charges	(13,543)	(12,054)	(15,236)
Interest expense for Waltham, MA lease (1)	—	7,236	7,489
Gain on the purchase or sale of subsidiaries (3)	—	—	47,945
Total income from operations	55,969	163,607	157,800
Other income (expense), net	22,874	26,476	(21,032)
Interest expense, net	(75,840)	(63,171)	(53,043)
Loss on early extinguishment of debt	—	—	(17,359)
Income before income taxes	$ 3,003	$ 126,912	$ 66,366

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(1) Upon the adoption of the new leasing standard on July 1, 2019, our Waltham, MA lease, which was previously classified as build-to-suit, is now classified as an operating lease under the new standard. Therefore, the Waltham depreciation and interest expense adjustments that were made in comparative periods will no longer be made beginning in the first fiscal quarter of 2020, as any impact from the Waltham lease will be reflected in operating income. Refer to Note 2 for additional details.

(2) Includes impairments of goodwill defined by ASC 350 - "Intangibles - Goodwill and Other" of $100,842, as well as losses of $1,520 recognized for fair value adjustments to the disposal group related to our VIDA sale during the year ended June 30, 2020. During fiscal year 2019 we recognized reserves for loans as defined by ASC 326 - "Financial Instruments - Credit Losses".

(3) Includes the impact of the gain on the sale of Albumprinter that was recognized in general and administrative expense in our consolidated statement of operations during the year ended June 30, 2018.

	Year Ended June 30,		
	2020	2019	2018
Depreciation and amortization:			
Vistaprint	$ 59,029	$ 67,317	$ 70,498
PrintBrothers	21,010	22,108	25,005
The Print Group	24,769	29,437	34,594
National Pen	23,654	21,642	21,546
All Other Businesses	23,755	17,068	3,929
Central and corporate costs	15,726	16,199	13,433
Total depreciation and amortization	$ 167,943	$ 173,771	$ 169,005

	Year Ended June 30,		
	2020	2019	2018
Purchases of property, plant and equipment:			
Vistaprint	$ 15,986	$ 32,820	$ 35,998
PrintBrothers	4,315	3,521	6,469
The Print Group	17,136	7,908	9,743
National Pen	5,016	8,346	6,565
All Other Businesses	4,242	16,996	947
Central and corporate costs	3,772	972	1,208
Total purchases of property, plant and equipment	$ 50,467	$ 70,563	$ 60,930

	Year Ended June 30,		
	2020	2019	2018
Capitalization of software and website development costs:			
Vistaprint	$ 18,381	$ 23,369	$ 23,457
PrintBrothers	990	1,787	1,836
The Print Group	1,484	2,327	2,174
National Pen	3,290	3,624	1,482
All Other Businesses	3,684	2,948	445
Central and corporate costs	16,163	14,597	11,453
Total capitalization of software and website development costs	$ 43,992	$ 48,652	$ 40,847

Enterprise Wide Disclosures:

The following tables set forth revenues by geographic area and groups of similar products and services:

	Year Ended June 30,		
	2020	2019	2018
United States	$ 1,251,531	$ 1,361,438	$ 1,078,544
Germany (1)	351,348	367,375	340,881
Other (2)	878,479	1,022,263	1,173,116
Total revenue	$ 2,481,358	$ 2,751,076	$ 2,592,541

	Year Ended June 30,		
	2020	2019	2018
Physical printed products and other (3)	$ 2,431,367	$ 2,700,167	$ 2,537,201
Digital products/services	49,991	50,909	55,340
Total revenue	$ 2,481,358	$ 2,751,076	$ 2,592,541

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(1) Our revenues within the German market exceeded 10% of our total consolidated revenue. Therefore, we have presented Germany as a significant geographic area.

(2) Our other revenue includes Ireland, our country of domicile.

(3) Other revenue includes miscellaneous items which account for less than 1% of revenue.

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

	June 30, 2020	June 30, 2019
Long-lived assets (1):		
United States	$ 161,853	$ 57,118
Netherlands	82,897	73,601
Canada	67,367	73,447
Switzerland	58,013	57,488
Italy	46,317	43,203
Jamaica	21,563	21,267
Australia	19,695	20,749
France	23,917	18,533
Japan	15,430	17,768
Other	94,922	79,006
Total	$ 591,974	$ 462,180

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(1) Excludes goodwill of $621,904 and $718,880, intangible assets, net of $209,228 and $262,701, and deferred tax assets of $143,496 and $59,906 as of June 30, 2020 and June 30, 2019, respectively. Build-to-suit lease assets of $124,408 are excluded for the year ended June 30, 2019, and upon our adoption of ASC 842 on July 1, 2019, our Waltham, MA and Dallas, TX build-to-suit lease asset balances were de-recognized.

As of June 30, 2020, all operating lease assets are recognized within the balances above. Refer to Note 2 for additional details.

17. Leases

We lease certain machinery and plant equipment, office space, and production and warehouse facilities under non-cancelable operating leases that expire on various dates through 2034. Our finance leases primarily relate to machinery and plant equipment.

The following table presents the classification of right-of-use assets and lease liabilities as of June 30, 2020:

Leases	Consolidated Balance Sheet Classification	June 30, 2020
Assets:		
Operating right-of-use assets	Operating lease assets, net	$ 156,258
Finance right-of-use assets	Property, plant, and equipment, net	20,842
Total lease assets		$ 177,100
Liabilities:		
Current:		
Operating lease liabilities	Operating lease liabilities, current	$ 41,772
Finance lease liabilities	Other current liabilities	8,055
Non-current:		
Operating lease liabilities	Operating lease liabilities, non-current	128,963
Finance lease liabilities	Other liabilities	18,617
Total lease liabilities		$ 197,407

The following table represents the lease expenses for the year ended June 30, 2020:

	Year Ended June 30, 2020
Operating lease expense	$ 43,058
Finance lease expense:	
Amortization of finance lease assets	5,766
Interest on lease liabilities	698
Variable lease expense	10,775
Less: sublease income	(3,545)
Net operating and finance lease cost	$ 56,752

Future minimum lease payments under non-cancelable leases as of June 30, 2020 were as follows:

Payments Due by Period	Operating lease obligations	Finance lease obligations	Total lease obligations
Less than 1 year	$ 42,320	$ 8,031	$ 50,351
2 years	34,306	7,606	41,912
3 years	27,663	5,142	32,805
4 years	22,606	3,277	25,883
5 years	16,511	1,921	18,432
Thereafter	43,089	1,796	44,885
Total	186,495	27,773	214,268
Less: present value discount	(15,760)	(1,101)	(16,861)
Lease liability	$ 170,735	$ 26,672	$ 197,407

As previously disclosed in our 2019 Annual Report on Form 10-K and under the previous lease accounting standard, the following is a summary of future minimum lease payments under non-cancelable leases and build-to-suit arrangements as of June 30, 2019:

	Operating lease obligations	Build-to-suit lease obligations (1)	Finance lease obligations	Total lease obligations
2020	$ 30,269	$ 13,482	$ 11,468	$ 55,219
2021	22,849	13,836	6,414	43,099
2022	16,592	13,877	3,724	34,193
2023	12,553	12,426	2,544	27,523
2024	9,032	12,163	1,565	22,760
Thereafter	8,338	40,656	2,403	51,397
Total	$ 99,633	$ 106,440	$ 28,118	$ 234,191

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(1) Build-to-suit minimum payments at June 30, 2019 related to our Waltham, MA and Dallas, TX leases, refer to Note 2 for additional details.

Other information about leases is as follows:

Lease Term and Discount Rate	June 30, 2020
Weighted-average remaining lease term (years):	
Operating leases	6.18
Finance leases	4.61
Weighted-average discount rate:	
Operating leases	2.83%
Finance leases	2.62%

Our leases have remaining lease terms of 1 year to 15 years, inclusive of renewal or termination options that we are reasonably certain to exercise.

Supplemental Cash Flow Information		**Year Ended June 30, 2020**
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows from operating leases (1)	$	40,777
Operating cash flows from finance leases		698
Financing cash flows from finance leases (1)		9,511

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(1) During the fourth quarter of fiscal 2020, we negotiated rent payment holidays with several leasing counterparties for both operating and finance leases as a lease concession in response to the COVID-19 pandemic. Our cash flows from operating and finance leases in fiscal 2020 were higher by $6,385 and $1,833, respectively, due to these deferrals of lease payments.

18. Commitments and Contingencies

Purchase Obligations

At June 30, 2020, we had unrecorded commitments under contract of $109,728, including third-party web services of $61,721 and inventory and third-party fulfillment purchase commitments of $21,817. In addition, we had purchase commitments for professional and consulting fees of $3,787, production and computer equipment purchases of $859, commitments for advertising campaigns of $999, and other unrecorded purchase commitments of $20,545.

Debt

The required principal payments due during the next five fiscal years and thereafter under our outstanding long-term debt obligations at June 30, 2020 are as follows:

2021	$	28,295
2022		15,618
2023		18,696
2024		20,567
2025		799,001
Thereafter		600,000
Total	$	1,482,177

On April 28, 2020, we executed an amendment to our senior secured credit facility, and we reduced the credit facility from $1,551,419 to $1,000,000, made up of an $850,000 revolver and $150,000 term loan. The amendment also changed the maturity date of the senior secured credit facility from February 2025 to November 2024. Refer to Note 10 for additional details.

Other Obligations

We deferred payments for several of our acquisitions resulting in the recognition of a liability of $2,289 in aggregate as of June 30, 2020.

Legal Proceedings

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

19. Restructuring Charges

Restructuring costs include one-time employee termination benefits, acceleration of share-based compensation, write-off of assets and other related costs including third-party professional and outplacement services. The restructuring charges included in our consolidated statement of operations for the years ended June 30, 2020, 2019 and 2018 were $13,543, $12,054 and $15,236, respectively.

During the year ended June 30, 2020, we recognized restructuring charges of $13,543 consisting of charges of $5,734 within our Vistaprint reportable segment as we continue to evolve our organizational structure, including our recent reorganization of the technology team. We also recognized $3,532 in charges within our central and corporate costs, due to the coordinated reorganization of technology teams with our Vistaprint business. We also incurred charges of $3,211, $535 and $475 in our National Pen, All Other Businesses and The Print Group reportable segments, respectively during the year ended June 30, 2020, for various cost reduction measures primarily in response to the pandemic.

During the year ended June 30, 2019, we recognized restructuring charges of $12,054, primarily related to a restructuring action within our Vistaprint business, resulting in $8,467 of charges. The Vistaprint action included changes to the leadership team, as well as other reductions in headcount and associated costs. We also incurred individually immaterial restructuring charges in The Print Group and All Other Businesses reportable segments, and Central and Corporate cost center of $2,223, $1,197, and $167, respectively.

During the year ended June 30, 2018, we recognized restructuring charges of $15,236, which included $12,112 related to our Vistaprint reorganization for reductions in headcount and other operating costs. These changes simplified operations and more closely aligned functions to increase the speed of execution. We also recognized $2,249 of restructuring charges within the central and corporate group, as well as $819 of expense for an initiative within our All Other Businesses reportable segment. During the year ended June 30, 2018, we recognized changes in estimates of $56 from our January 2017 restructuring initiative.

The following table summarizes the restructuring activity during the years ended June 30, 2020 and 2019:

	Severance and Related Benefits	Other Restructuring Costs	Total
Accrued restructuring liability as of June 30, 2018	$ 1,385	$ 2	$ 1,387
Restructuring charges	11,057	997	12,054
Cash payments	(5,976)	(56)	(6,032)
Non-cash charges (1)	(3,421)	(776)	(4,197)
Accrued restructuring liability as of June 30, 2019	3,045	167	3,212
Restructuring charges	13,193	350	13,543
Cash payments	(8,647)	(440)	(9,087)
Non-cash charges (1)	(1,622)	—	(1,622)
Accrued restructuring liability as of June 30, 2020	$ 5,969	$ 77	$ 6,046

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(1) Non-cash charges primarily include acceleration of share-based compensation expenses.

20. Quarterly Financial Data (unaudited)

Year Ended June 30, 2020	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 633,959	$ 820,333	$ 597,960	$ 429,106
Cost of revenue	325,665	394,018	309,598	219,590
Net income (loss)	19,851	190,649	(83,500)	(43,005)
Net income (loss) attributable to Cimpress plc	20,031	190,223	(84,884)	(42,005)
Net income (loss) per share attributable to Cimpress plc:				
Basic	$ 0.67	$ 7.04	$ (3.26)	$ (1.62)
Diluted (1)	$ 0.66	$ 6.81	$ (3.26)	$ (1.62)

Year Ended June 30, 2019	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 588,981	$ 825,567	$ 661,814	$ 674,714
Cost of revenue	302,471	411,496	342,700	344,677
Net (loss) income	(14,994)	69,037	6,242	33,195
Net (loss) income attributable to Cimpress plc	(14,639)	69,014	6,530	34,147
Net (loss) income per share attributable to Cimpress plc:				
Basic	$ (0.47)	$ 2.24	$ 0.21	$ 1.11
Diluted (1)	$ (0.47)	$ 2.17	$ 0.21	$ 1.09

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(1) In the periods in which a net loss is recognized, the impact of share options, warrants, RSUs, and RSA's are anti-dilutive, and therefore our basic and diluted earnings per share are the same.

Basic and diluted net income (loss) per share attributable to Cimpress plc are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted net income per share.

Item 9. *Changes in and Disagreement with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2020. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, or the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2020, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no significant changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2020 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, the company's chief executive officer and chief financial officer and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of June 30, 2020. In making this assessment, our management used the criteria set forth in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment, management concluded that, as of June 30, 2020, our internal control over financial reporting is effective based on criteria in Internal Control - Integrated Framework (2013) issued by the COSO. PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of June 30, 2020, as stated in their report included on pages 54-56.

Item 9B. *Other Information*

None.

PART III.

Item 10. *Directors, Executive Officers and Corporate Governance*

The information required by this item is incorporated by reference to the information in the sections captioned "Information about our Directors and Executive Officers," "Corporate Governance" and "Delinquent Section 16(a) Reports" contained in our definitive proxy statement for our 2020 Annual General Meeting of Shareholders, which we refer to as our 2020 Proxy Statement.

We have adopted a written code of business conduct and ethics that applies to all of our employees, including our principal executive officer and principal financial and accounting officer, and is available on our website at www.cimpress.com. We did not waive any provisions of this code during the fiscal year ended June 30, 2020. If we amend, or grant a waiver under, our code of business conduct and ethics that applies to our principal executive, financial or accounting officers, or persons performing similar functions, we will post information about such amendment or waiver on our website at www.cimpress.com.

Item 11. *Executive Compensation*

The information required by this item is incorporated by reference to the information contained in the sections of our 2020 Proxy Statement captioned "Compensation Discussion and Analysis," "Summary Compensation Tables," "Compensation of our Board of Directors" and "Compensation Committee Interlocks and Insider Participation."

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item is incorporated by reference to the information contained in the sections of our 2020 Proxy Statement captioned “Security Ownership of Certain Beneficial Owners and Management” and “Securities Authorized for Issuance Under Equity Compensation Plans.”

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

The information required by this item is incorporated by reference to the information contained in the sections of our 2020 Proxy Statement captioned “Certain Relationships and Related Transactions” and “Corporate Governance.”

Item 14. ***Principal Accountant Fees and Services***

The information required by this item is incorporated by reference to the information contained in the section of our 2020 Proxy Statement captioned “Independent Registered Public Accounting Firm Fees and Other Matters.”

PART IV.

Item 15. *Exhibits, Financial Statement Schedules*

Exhibit No.	Description
2.1	Common Draft Terms of Merger dated September 17, 2019 between Cimpress Limited and Cimpress N.V. is incorporated by reference to our Current Report on Form 8-K filed with the SEC on September 19, 2019
3.1	Constitution of Cimpress plc is incorporated by reference to Annex B to our definitive proxy statement on Schedule 14A filed with the SEC on September 27, 2019
4.1	Senior Notes Indenture (including form of 7.0% senior notes due 2026), dated as of June 15, 2018, between Cimpress plc (as successor to Cimpress N.V.), certain subsidiaries of Cimpress plc as guarantors thereto, and U.S. Bank National Association, as successor trustee, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on June 18, 2018
4.2	Second Supplemental Indenture, dated as of December 3, 2019, with respect to the 7.0% senior notes due 2026, between Cimpress plc, certain subsidiaries of Cimpress plc as guarantors thereto, and U.S. Bank National Association, as successor trustee, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2019
4.3	Third Supplemental Indenture, dated as of February 13, 2020, with respect to the 7.0% senior notes due 2026, between Cimpress plc, the guarantors party thereto and U.S. Bank National Association, as successor trustee is incorporated by reference to our Current Report on Form 8-K filed with the SEC on February 18, 2020
4.4	Senior Secured Notes Indenture (including form of 12.0% senior secured second lien notes due 2025), dated as of May 1, 2020, among Cimpress plc, the guarantors party thereto, and U.S. Bank National Association, as trustee and collateral agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on May 4, 2020
4.5	Form of Warrant is incorporated by reference to our Current Report on Form 8-K filed with the SEC on May 4, 2020
4.6	Description of registered securities of Cimpress plc
10.1*	2005 Non-Employee Directors' Share Option Plan is incorporated by reference to our Current Report on Form 8-K filed with the SEC on December 3, 2019
10.2*	Form of Nonqualified Share Option Agreement under our 2005 Non-Employee Directors’ Share Option Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.3*	Amended and Restated 2005 Equity Incentive Plan is incorporated by reference to our Current Report on Form 8-K filed with the SEC on December 3, 2019
10.4*	Form of Nonqualified Share Option Agreement under our Amended and Restated 2005 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.5*	2011 Equity Incentive Plan is incorporated by reference to our Current Report on Form 8-K filed with the SEC on December 3, 2019
10.6*	Form of Nonqualified Share Option Agreement under our 2011 Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2011
10.7*	Form of Restricted Share Unit Agreement under our 2011 Equity Incentive Plan
10.8*	Form of Share Award Agreement under our 2011 Equity Incentive Plan with certain former Cimpress directors is incorporated by reference to Cimpress' Current Report on Form 8-K filed with the SEC on November 19, 2018
10.9*	2016 Performance Equity Plan is incorporated by reference to our Current Report on Form 8-K filed with the SEC on December 3, 2019
10.10*	Form of Performance Share Unit Agreement for employees and executives under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2019
10.11*	Form of Performance Share Unit Agreement for our Chief Executive Officer under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2019
10.12*	Form of Performance Share Unit Agreement for members of our Board of Directors under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2019
10.13*	Form of Supplemental Performance Share Unit Agreement for employees and executives under our 2016 Performance Equity Incentive Plan is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2017
10.14*	2015 Inducement Share Plan is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2015
10.15*	Form of Restricted Share Award Agreement under 2015 Inducement Share Plan is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2015
10.16*	Form of Deed of Indemnification between Cimpress plc and each of its directors is incorporated by reference to our Current Report on Form 8-K filed with the SEC on January 29, 2020
10.17*	Form of Deed of Indemnification between Cimpress plc and each executive officer is incorporated by reference to our Current Report on Form 8-K filed with the SEC on January 29, 2020

10.18*	Form of Indemnification Agreement between Cimpress USA Incorporated and each director of Cimpress plc is incorporated by reference to our Current Report on Form 8-K filed with the SEC on January 29, 2020
10.19*	Form of Indemnification Agreement between Cimpress USA Incorporated and each executive officer is incorporated by reference to our Current Report on Form 8-K filed with the SEC on January 29, 2020
10.17*	Amended and Restated Executive Retention Agreement dated as of October 23, 2009 between Cimpress N.V. and Robert Keane is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2009
10.18*	Form of Executive Retention Agreement between Cimpress N.V. and each of Sean Quinn, and Maarten Wensveen is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2016
10.19*	Memorandum clarifying relative precedence of agreements dated May 6, 2010 between Cimpress N.V. and Robert Keane is incorporated by reference to our Annual Report on Form 10-K for the fiscal year ended June 30, 2010
10.20*	Agreement Limiting PSU Awards dated May 13, 2016 between Cimpress N.V. and Robert Keane is incorporated by reference to our Current Report on Form 8-K filed with the SEC on May 17, 2016
10.21*	Form of Invention and Non-Disclosure Agreement between Cimpress and each of Robert Keane, Sean Quinn, and Maarten Wensveen is incorporated by reference to our Registration Statement on Form S-1, as amended
10.22*	Form of Non-Competition and Non-Solicitation Agreement between Cimpress and each of Robert Keane, Sean Quinn, and Maarten Wensveen is incorporated by reference to our Registration Statement on Form S-1, as amended
10.23	Amendment and Restatement Agreement dated as of July 13, 2017 among Cimpress plc (as successor to Cimpress N.V.), Vistaprint Limited, Cimpress Schweiz GmbH, Vistaprint B.V., and Cimpress USA Incorporated, as borrowers (the "Borrowers"); the lenders named therein as lenders; and JPMorgan Chase Bank N.A., as administrative agent for the lenders (the "Administrative Agent"), which amends and restates the senior Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, among the Borrowers, the lenders named therein, and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017
10.24	Amendment No. 1, dated as of June 14, 2018, among the Borrowers, as borrowers; the lenders named therein as lenders; and the Administrative Agent, as administrative agent for the lenders, to the senior Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, and as further amended and restated as of July 13, 2017, among the Borrowers, the lenders named therein, and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on June 18, 2018
10.25	Amendment No. 2, dated as of January 7, 2019, among the Borrowers, as borrowers; the financial institutions named therein; and the Administrative Agent, as administrative agent for the lenders, to the senior Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, and as further amended and restated as of July 13, 2017, among the Borrowers, the lenders named therein, and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on January 8, 2019
10.26	Amendment No. 3, dated as of February 13, 2020, among the Borrowers, as borrowers; the lenders named therein as lenders; and the Administrative Agent, as administrative agent for the lenders, to the senior Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, as further amended and restated as of July 13, 2017, and as further previously amended, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on February 18, 2020
10.27	Amendment No. 4, dated as of April 28, 2020, among the Borrowers, as borrowers; the lenders named therein as lenders; and the Administrative Agent, as administrative agent for the lenders, to the senior Credit Agreement dated as of October 21, 2011, as amended and restated as of February 8, 2013, as further amended and restated as of July 13, 2017, and as further previously amended, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on April 30, 2020
10.28	Second Amended and Restated Guaranty dated as of July 13, 2017 between Cimpress' subsidiary guarantors named therein as guarantors (the "Subsidiary Guarantors") and the Administrative Agent, which amends and restates the Amended and Restated Guaranty dated as of February 8, 2013 between the Subsidiary Guarantors and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017
10.29	Borrower Assumption Agreement dated as of December 3, 2019 between Cimpress plc and the Administrative Agent relating to the Credit Agreement as amended and restated as of July 13, 2017 among the Borrowers, as borrowers; the lenders named therein as lenders; and the Administrative Agent as administrative agent for the lenders, is incorporated by reference to our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2019
10.30	Amended and Restated Pledge and Security Agreement dated as of July 13, 2017 between Cimpress USA Incorporated, Vistaprint Limited, Cimpress Schweiz GmbH, and Vistaprint B.V., as Borrowers, and Cimpress USA Manufacturing Incorporated, National Pen Co. LLC, National Pen Tennessee LLC, NP Corporate Services LLC, Pixartprinting USA Incorporated, Vistaprint Corporate Solutions Incorporated, and Webs, Inc., as Subsidiary Guarantors, on one hand, and the Administrative Agent, on the other hand, which amends and restates the Pledge and Security Agreement dated as of February 8, 2013, between such Borrowers and Subsidiary Guarantors and the Administrative Agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on July 14, 2017
10.31	Note and Warrant Purchase Agreement, dated as of April 28, 2020, among Cimpress plc, the guarantors party thereto and AP Print, Ltd. is incorporated by reference to our Current Report on Form 8-K filed with the SEC on April 30, 2020
10.32	Pledge and Security Agreement, dated as of May 1, 2020, among the guarantors party thereto and U.S. Bank National Association, as collateral agent, is incorporated by reference to our Current Report on Form 8-K filed with the SEC on May 4, 2020

10.33	Intercreditor Agreement, dated as of May 1, 2020, among JPMorgan Chase Bank, N.A., as first lien collateral agent; U.S. Bank National Association, as second lien notes agent; Cimpress plc; and the guarantors party thereto is incorporated by reference to our Current Report on Form 8-K filed with the SEC on May 4, 2020
21.1	Subsidiaries of Cimpress plc
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Executive Officer
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Rule 13a-14(a)/15d-14(a), by Chief Financial Officer
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, by Chief Executive Officer and Chief Financial Officer
101	The following materials from this Annual Report on Form 10-K, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Statements of Shareholder's Equity, (iv) Consolidated Statements of Cash Flows and (v) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as iXBRL and contained in Exhibit 101)

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* Management contract or compensatory plan or arrangement

(c) Financial Statement Schedules.

All schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the accompanying consolidated financial statements or notes thereto.

Item 16. ***Form 10-K Summary***

None.

SIGNATURES

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

August 11, 2020

Cimpress plc

By: /s/ Robert S. Keane

Robert S. Keane

Founder and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Robert S. Keane Robert S. Keane	Founder & Chief Executive Officer (Principal executive officer)	August 11, 2020
/s/ Sean E. Quinn Sean E. Quinn	Chief Financial Officer (Principal financial and accounting officer)	August 11, 2020
/s/ Sophie A. Gasperment Sophie A. Gasperment	Director	August 11, 2020
/s/ John J. Gavin Jr. John J. Gavin Jr.	Director	August 11, 2020
/s/ Zachary S. Sternberg Zachary S. Sternberg	Director	August 11, 2020
/s/ Scott Vassalluzzo Scott Vassalluzzo	Director	August 11, 2020

CIMPRESS PLC

Building D, Xerox Technology Park, Dublin Road
Dundalk, Co. Louth A91 H9N9
Ireland

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Cimpress plc will hold its 2020 Annual General Meeting of Shareholders:

on Wednesday, November 25, 2020
at 11:00 a.m. Eastern Standard Time
at the offices of Cimpress USA Incorporated
275 Wyman Street
Waltham, MA 02451
USA

MATTERS TO BE ACTED UPON AT THE ANNUAL GENERAL MEETING:

(1) Reappoint Sophie A. Gasperment to our Board of Directors to serve for a term of three years ending at the conclusion of our annual general meeting of shareholders in 2023

(2) Approve, on a non-binding, advisory basis, the compensation of our named executive officers, as described in this proxy statement

(3) Approve our proposed 2020 Equity Incentive Plan

(4) Set the minimum price at which we may reissue our treasury shares at €0.01 and the maximum price at which we may reissue our treasury shares at an amount equal to 200% of the market price of our ordinary shares on the Nasdaq Global Select Market, or Nasdaq, or any other securities exchange where our shares are then traded, until May 25, 2022

(5) Reappoint PricewaterhouseCoopers Ireland as our statutory auditor under Irish law to hold office until the conclusion of our annual general meeting of shareholders in 2021

(6) Authorize our Board of Directors or Audit Committee to determine the remuneration of PricewaterhouseCoopers Ireland in its capacity as our statutory auditor under Irish law

(7) Transact other business, if any, that may properly come before the meeting or any adjournment of the meeting

Each of Proposals 1 - 3, 5 and 6 will be proposed as ordinary resolutions under Irish law, requiring, in each case, at least a simple majority of the votes cast to be in favor of the resolution for the resolution to pass. Proposal 4 will be proposed as a special resolution under Irish law, requiring at least 75% the votes cast to be in favor of the resolution for the resolution to pass.

During the annual general meeting, management will present, for consideration by the shareholders, our statutory financial statements under Irish law for the fiscal year ended June 30, 2020 (including the reports of the directors and the Irish statutory auditor thereon) and a review of Cimpress' affairs.

Our Board of Directors has no knowledge of any other business to be transacted at the annual general meeting.

Shareholders of record at the close of business on September 25, 2020 are entitled to attend and vote at the annual general meeting, or to appoint one or more proxies to attend, speak, and vote instead of the shareholder at the annual general meeting. A proxy need not be a shareholder. To be valid, a proxy must be received no later than 4:00 p.m. Eastern Standard Time on November 24, 2020 at one of the address(es) and otherwise in the manner described in the attached proxy statement. Your vote is important regardless of the number of shares you own. Whether or not you expect to attend the meeting, please complete and promptly return the proxy card or voter instruction form in accordance with the instructions that we or your bank or brokerage firm have provided. Your prompt response will ensure that your shares are represented at the annual general meeting. You can change your vote and revoke your proxy by following the procedures described in this proxy statement.

Please read the attached proxy statement for additional information on the matters to be considered at the annual general meeting. The proxy statement is incorporated into this notice by this reference.

All shareholders are cordially invited to attend the annual general meeting.

By order of the Board of Directors,

Founder, Chairman and Chief Executive Officer
October 7, 2020

CIMPRESS PLC

Building D, Xerox Technology Park, Dublin Road
Dundalk, Co. Louth, A91 H9N9
Ireland

PROXY STATEMENT FOR ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on November 25, 2020

This proxy statement contains information about the 2020 Annual General Meeting of Shareholders of Cimpress plc which we refer to in this proxy statement as the annual meeting or the meeting. We will hold the annual meeting on Wednesday, November 25, 2020 at the offices of Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA. The meeting will begin at 11:00 a.m. Eastern Standard Time.

We are furnishing this proxy statement to you in connection with the solicitation of proxies by the Board of Directors of Cimpress plc (which is also referred to as we, us, the company, or Cimpress in this proxy statement) for use at the annual meeting and at any adjournment of the annual meeting.

We are first mailing or making available the Notice of Annual General Meeting, this proxy statement, and our Annual Report to Shareholders for the fiscal year ended June 30, 2020 on or about October 9, 2020.

Important Notice Regarding the Availability of Proxy Materials for the 2020 Annual General Meeting of Shareholders:

This Proxy Statement, the 2020 Annual Report to Shareholders, and the statutory financial statements under Irish law for the fiscal year ended June 30, 2020 (including the reports of our directors and our Irish statutory auditor thereon) are available for viewing, printing and downloading at *http://www.viewproxy.com/Cimpress/2020.* We will furnish without charge a copy of this proxy statement and our Annual Report on Form 10-K for the fiscal year ended June 30, 2020, as filed with the SEC, as well as the statutory financial statements under Irish law for the fiscal year ended June 30, 2020 (including the reports of our directors and our Irish statutory auditor thereon), to any shareholder who requests it by emailing ir@cimpress.com or writing to Cimpress plc, c/o Cimpress USA Incorporated, Attention: Investor Relations, 275 Wyman Street, Waltham, MA 02451, USA. This proxy statement and our Annual Report on Form 10-K are also available on the SEC's website at *www.sec.gov.*

For this annual meeting, we are taking advantage of the United States Securities and Exchange Commission (SEC) rule allowing companies to furnish proxy materials to their shareholders over the Internet. We believe that this e-proxy process expedites shareholders' receipt of proxy materials, while lowering the costs and reducing the environmental impact of our annual meeting. On or about October 9, 2020 we are mailing to our beneficial shareholders a notice containing instructions on how to access our proxy statement and 2020 Annual Report to Shareholders and how to vote online. All other shareholders will continue to receive a paper copy of this proxy statement, proxy card and Annual Report by mail. The Notice of Internet Availability contains instructions on how you can (i) receive a paper copy of the proxy statement, proxy card and Annual Report if you only received a Notice by mail or (ii) elect to receive your proxy statement and Annual Report over the Internet if you received them by mail this year.

EXPLANATORY NOTE ABOUT OUR CROSS-BORDER MERGER

On December 3, 2019, Cimpress completed its previously announced cross-border merger pursuant to which Cimpress N.V., our former publicly traded parent company incorporated in the Netherlands, merged with and into Cimpress plc, a public limited company incorporated in Ireland, with Cimpress plc surviving the merger. As a result of this cross-border merger, all of Cimpress N.V.'s outstanding ordinary shares, €0.01 par value per share, were exchanged on a one-for-one basis for newly issued ordinary shares, €0.01 nominal value of per share, of Cimpress plc, and Cimpress plc assumed all of Cimpress N.V.'s rights and obligations and became the publicly traded parent company of the Cimpress group of companies.

Throughout this proxy statement, when we refer to Cimpress and its Board of Directors during periods before December 3, 2019, we are referring to Cimpress N.V., the Dutch company. When we refer to Cimpress and its Board of Directors during periods after December 3, 2019, including the current period, we are referring to Cimpress plc, the Irish company.

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Appendix A - 2020 Equity Incentive Plan

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INFORMATION ABOUT OUR DIRECTORS AND EXECUTIVE OFFICERS

Our Board of Directors:

The Board of Directors of Cimpress plc consists of four independent, non-employee directors and Robert Keane, our Chief Executive Officer, who serve for rotating terms of up to three years.

Name	*Age*	*Board Position*	*Cimpress Director Since*	*Current Term Expires at our Annual General Meeting In:*	*Independent Director*
Robert S. Keane	57	Chairman	January 1995	2022	No
Sophie A. Gasperment	56	Non-Employee Director	November 2016	2020	Yes
John J. Gavin, Jr.	65	Non-Employee Director	August 2006	2021	Yes
Zachary S. Sternberg	35	Non-Employee Director	November 2017	2021	Yes
Scott J. Vassalluzzo	48	Non-Employee Director	January 2015	2022	Yes

ROBERT S. KEANE has served as our President, Chief Executive Officer, and Chairman since he founded Cimpress in January 1995. From 1988 to 1994, Mr. Keane was an executive at Flex-Key Corporation, an original equipment manufacturer of keyboards, displays and retail kiosks used for desktop publishing. Mr. Keane has also served on the Board of Directors of Astronics Corporation, a leading supplier of advanced technologies and products to the global aerospace, defense and other mission critical industries, since December 2019. Mr. Keane brings to Cimpress' Board his experience growing Cimpress from inception in 1995 to more than $2 billion of revenue in our 2020 fiscal year, his understanding of the drivers of intrinsic value per share, and his knowledge of Cimpress' customer needs, business model and markets.

SOPHIE A. GASPERMENT has served as Senior Advisor to Boston Consulting Group since November 2019, where her primary focus is to support their Consumer and Digital Acceleration practices. Ms. Gasperment previously held multiple senior management positions at L'Oréal, the world's leading beauty company, from September 1986 to November 2018. This included Chief Executive Officer and Executive Chairman of The Body Shop International, the iconic British retailer spanning 60 countries and ca. 20,000 people strong, from July 2008 to October 2013, as well as Managing Director, L'Oréal UK and Ireland, from January 2004 to January 2008. More recently, from January 2014 to November 2018, Ms. Gasperment was L'Oréal's Group General Manager leading Strategic Prospective and Financial Communication. Since June 2010, Ms. Gasperment has served on the board of Accor, a CAC40 publicly traded company and a world leader in hospitality, and is currently Chair of that board's Appointments, Compensation and CSR Committee and a member of the Audit and Compliance Committee. Since May 2018, Ms. Gasperment has served on the supervisory board of D'Ieteren, a Euronext-listed global company, and is a member of the Appointments and Compensation Committee. Since December 2018, Ms. Gasperment has also served on the board of Kingfisher plc, a FTSE 100 Home Improvement international company, and is currently Chair of that board's Responsible Business Committee and a member of the Nomination Committee. Ms. Gasperment has been elected, effective September 2020, to the board of directors of Givaudan SA, the world leading flavour and fragrances company that is publicly traded on the SIX Swiss Exchange. In addition to serving on the Board of Directors of Cimpress plc, Ms. Gasperment serves on the supervisory board of Vistaprint B.V., a wholly owned Dutch subsidiary of Cimpress. Ms. Gasperment brings to Cimpress' Board her leadership and strategy skills and perspective, her international brand-building expertise, her experience of digital transformation and acceleration, her acumen in both consumer goods and retail, as well as her experience on the boards of other public companies and her broader business experience in multi-cultural environments.

JOHN J. GAVIN, JR. serves on the board of Varonis Systems, Inc., a provider of data governance solutions for unstructured data. Mr. Gavin previously served as Chief Financial Officer of BladeLogic, Inc., a provider of data center automation software, from January 2007 through June 2008, when it was acquired by BMC Software, and as Chief Financial Officer of Navisite, Inc., a provider of information technology hosting, outsourcing and professional services, from April 2004 through December 2006. Prior to Navisite, Mr. Gavin served as the Chief Financial Officer of Cambridge Technology Partners and Data General Corporation. Mr. Gavin also spent ten years at Price Waterhouse LLP (now PricewaterhouseCoopers LLP), an accounting firm, in various accounting and audit positions including as Senior Manager in charge of multi-national audits. In addition to serving on the Board of Directors of Cimpress plc, Mr. Gavin also serves on the supervisory board of Vistaprint B.V., a wholly owned Dutch subsidiary of Cimpress. Mr. Gavin brings to Cimpress' Board his extensive experience as chief financial officer of several growing companies, his experience on the boards of other public companies, and ten years as an independent auditor. Mr. Gavin is a certified public accountant.

ZACHARY S. STERNBERG is the co-founder and Managing Member of the General Partner of The Spruce House Partnership, a New York-based investment partnership. Spruce House invests in public and private companies globally and seeks to partner with management teams that are focused on growing the per share value of their companies over the long-term. Spruce House holds 9.1% of Cimpress' outstanding shares and has been a shareholder of Cimpress since 2011. Mr. Sternberg also serves on the boards of directors of Victoria PLC, an international manufacturer and distributor of innovative flooring products, and GTT Communications, Inc., the owner/operator of a global Tier 1 internet network and provider of a comprehensive suite of cloud networking services. Mr. Sternberg brings to Cimpress' Board his perspective as a material and long-term shareholder of Cimpress with a deep understanding of the importance of long-term stewardship of capital informed by more than a decade of successful investment experience.

SCOTT J. VASSALLUZZO is a Managing Member of Prescott General Partners LLC ("PGP"), an investment adviser registered with the SEC that holds 15% of Cimpress' outstanding shares. PGP serves as the general partner of three private investment limited partnerships, including Prescott Associates L.P. (together, the "Prescott Partnerships"). Mr. Vassalluzzo joined the Prescott organization in 1998 as an equity analyst, became a general partner of the Prescott Partnerships in 2000, and transitioned to Managing Member of PGP following Prescott's reorganization in January 2012. Prior to 1998, Mr. Vassalluzzo worked in public accounting at Coopers & Lybrand (now PricewaterhouseCoopers LLP) and was a certified public accountant. Mr. Vassalluzzo serves on the boards of directors of Credit Acceptance Corporation, an auto finance company providing automobile loans and other related financial products, and World Acceptance Corporation, a personal installment loan company. Mr. Vassalluzzo brings to Cimpress' Board his advocacy for the priorities of long-termism and intrinsic value per share, his appreciation and understanding of the perspectives of our other long-term shareholders, and his experience on the boards and board committees of other publicly traded companies.

Our Executive Officers:

Name	*Title*	*Age*	*Joined Cimpress*
Robert S. Keane	Founder, Chief Executive Officer, and Chairman	57	January 1995
Sean E. Quinn	Executive Vice President and Chief Financial Officer	41	October 2009
Maarten Wensveen	Executive Vice President and Chief Technology Officer	40	October 2011

ROBERT S. KEANE: Mr. Keane's biography is in the "Our Board of Directors" section above.

SEAN E. QUINN has served as our Chief Financial Officer since October 2015 and as Executive Vice President since July 2016. Mr. Quinn previously served as Senior Vice President from October 2015 to July 2016, as Chief Accounting Officer from November 2014 to October 2015, as Vice President, Corporate Finance from January 2014 to October 2015, as Global Controller from April 2012 to November 2014, and in various other financial roles from October 2009 to April 2012. Before joining Cimpress, Mr. Quinn was a certified public accountant with KPMG LLP from September 2001 to October 2009 in the firm’s Philadelphia, London, and Boston offices.

MAARTEN WENSVEEN has served as our Executive Vice President and Chief Technology Officer since February 2019. Mr. Wensveen previously served as Senior Vice President from January 2017 to February 2019 and Vice President of Technology from February 2015 to January 2017. Mr. Wensveen joined Cimpress in November 2011 when we acquired Albumprinter, and he served in various roles at Albumprinter including IT Manager from December 2006 to June 2012.

There are no family relationships among any of Cimpress' directors and executive officers. No arrangements or understandings exist between any director and any other person pursuant to which such person is to be selected for appointment to the Board of Directors.

PROPOSAL 1 - REAPPOINT SOPHIE A. GASPERMENT TO OUR BOARD OF DIRECTORS

The five members of our Board of Directors serve for rotating terms of up to three years. In accordance with the recommendation of the Nominating Committee of the Board, our Board recommends the reappointment of Sophie A. Gasperment for a three-year term ending at the conclusion of our annual general meeting of shareholders in 2023 because of her leadership and strategy skills and perspective, her international brand-building expertise, her experience of digital transformation and acceleration, her acumen in both consumer goods and retail, as well as her experience on the boards of other public companies and her broader business experience in multi-cultural environments.

You can find more information about Ms. Gasperment in the section of this proxy statement entitled "INFORMATION ABOUT OUR DIRECTORS AND EXECUTIVE OFFICERS."

Our Board of Directors recommends that you vote FOR the reappointment of Ms. Gasperment to the Board.

PROPOSAL 2 - ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

At the annual meeting, we are asking our shareholders to approve the compensation of our named executive officers, as described in the Compensation Discussion and Analysis, or CD&A, executive compensation tables, and accompanying narrative disclosures below. This is an advisory vote, meaning that this proposal is not binding on us, but our Compensation Committee values the opinions expressed by our shareholders and will carefully consider the outcome of the shareholder vote when making future compensation decisions for our named executive officers.

At our annual general meeting in 2017, a majority of our shareholders voted to hold the advisory vote to approve our executive compensation on an annual basis. Therefore, we intend to put forth at each annual general meeting of shareholders an advisory vote on the compensation of our named executive officers for the immediately preceding fiscal year.

Our Board of Directors recommends that you vote FOR the approval of the compensation of our named executive officers, as described below.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Overview

Our success depends on our ability to attract and retain top talent in a competitive marketplace, and to motivate that talent to achieve outstanding performance. In determining the compensation of our executive officers, our Compensation Committee begins with an analysis of the competitiveness of our executive compensation program and, as a starting point, seeks to pay our executives total compensation (including base salary and long-term incentive awards) at the 75th percentile of the competitive market for extraordinary performance by Cimpress. The Compensation Committee then applies its own discretion to take into account any other factors it may deem relevant in any given fiscal year, such as general economic conditions, the internal equity of compensation among our executives, each executive's experience and role, and individual performance. The Committee does not assign specific weights to particular factors but considers them together in determining compensation.

When considering the competitiveness of our executive compensation program for fiscal year 2020, our Compensation Committee took into account a compensation analysis that we developed internally using published compensation survey data, as well as detailed historical compensation analyses for each executive officer. The Committee did not use a compensation peer group or engage a compensation consultant for fiscal year 2020.

Temporary measures for COVID-19 pandemic. In light of the effects of the COVID-19 pandemic on Cimpress' business and financial results, for the fourth quarter 2020 we instituted a salary restructuring program for certain employees pursuant to which each employee's cash compensation payable during the quarter was reduced in exchange for an award of restricted share units (RSUs) having the same value as the amount by which such employee's cash compensation was reduced. Our Board of Directors approved this program for our executive officers other than Robert Keane and also agreed to waive cash compensation payable to the non-employee directors in the third and fourth quarters of 2020 in exchange for RSU awards having the same value as the waived cash compensation. As Mr. Keane already receives all of his compensation in the form of performance share units, other than the minimum weekly salary for exempt employees under the U.S. Fair Labor Standards Act, there was no change to his compensation.

Incentive compensation. In fiscal year 2020, we used performance share units (PSUs) granted under our 2016 Performance Equity Plan as the sole long-term incentive (LTI) compensation vehicle for our named executive officers. Each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress plc upon the satisfaction of both service-based vesting over time and performance conditions relating to the compound annual growth rate, or CAGR, of the three-year moving average of the daily closing share price of Cimpress' ordinary shares, or 3YMA, over a multiple-year period determined by our Board of Directors.

In the past, we allowed our executive officers and some of our other employees to elect to receive a portion of their LTI awards in the form of cash retention bonuses that pay the employee a fixed amount in equal payments over several years so long as Cimpress continues to employ the recipient. However, in fiscal year 2020, while non-executive officer employees could elect to receive cash retention bonuses, we changed the LTI compensation structure for our named executive officers to be 100% PSUs in order to tie their compensation more fully to Cimpress' long-term performance.

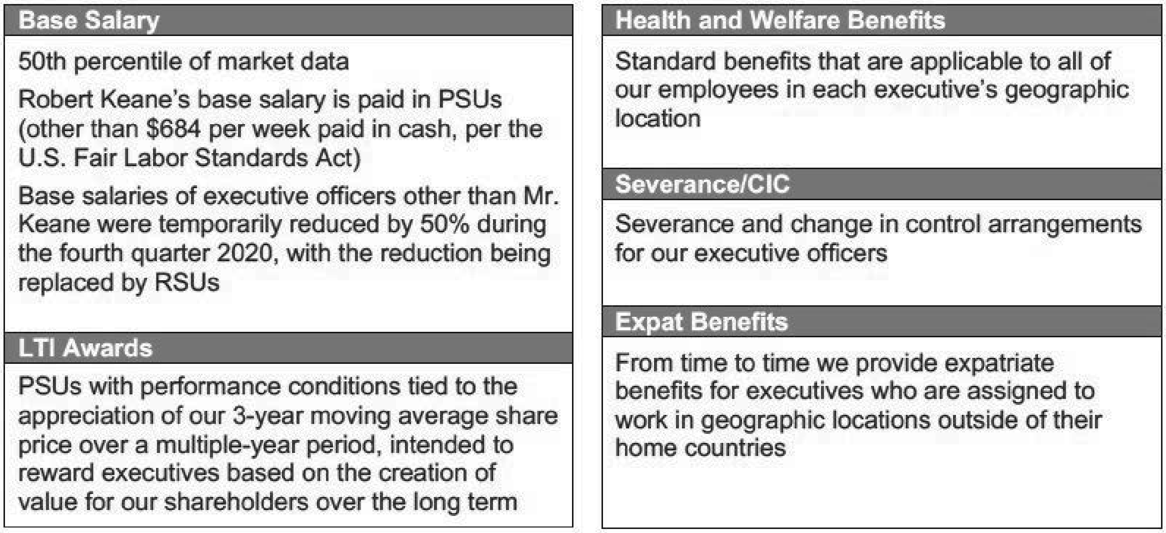
Pay for performance. Cimpress' uppermost financial objective is to maximize our intrinsic value per share, or IVPS. We define IVPS as (a) the unlevered free cash flow per diluted share that, in our best judgment, will occur between now and the long-term future, appropriately discounted to reflect our cost of capital, minus (b) net debt per diluted share. We define unlevered free cash flow as free cash flow plus cash interest expense related to borrowing. Extending our history of success into the next decade and beyond in line with this top-level objective is important to us, and we have designed our compensation program to encourage our executives and employees to manage to a long-term time horizon and to forgo short-term actions and metrics except to the extent those short-term actions and metrics support our long-term goals. We believe that the 3YMA CAGR over a multiple-year period is a proxy for the change in our IVPS over the same time frame. Accordingly, the PSUs we granted in fiscal year 2020 to our executives and employees other than Mr. Keane are based on Cimpress' performance over a period of four to eight years, and PSUs granted to our Board of Directors including Mr. Keane are based on Cimpress' performance over six to ten years.

The total compensation package for our executive officers is weighted heavily toward compensation based on Cimpress' long-term performance. For example, our Chief Executive Officer receives all of his compensation, including his base salary and Board retainer fees, in the form of PSUs, other than $684 per week paid in cash which is the minimum weekly salary for exempt employees under the U.S. Fair Labor Standards Act as of June 30, 2020.

Our Compensation Committee takes into account shareholder feedback when designing our executive compensation program, which has received more than 96% approval from our shareholders at each of our last seven annual general meetings of shareholders. The Compensation Committee intends to continue to consider the outcome of the say-on-pay vote when making future compensation decisions for our named executive officers.

Compensation Components for Executives

For fiscal year 2020, the principal elements of our compensation program for our named executive officers included:



Base Salary

50th percentile of market data

Robert Keane's base salary is paid in PSUs (other than $684 per week paid in cash, per the U.S. Fair Labor Standards Act)

Base salaries of executive officers other than Mr. Keane were temporarily reduced by 50% during the fourth quarter 2020, with the reduction being replaced by RSUs

LTI Awards

PSUs with performance conditions tied to the appreciation of our 3-year moving average share price over a multiple-year period, intended to reward executives based on the creation of value for our shareholders over the long term

Health and Welfare Benefits

Standard benefits that are applicable to all of our employees in each executive's geographic location

Severance/CIC

Severance and change in control arrangements for our executive officers

Expat Benefits

From time to time we provide expatriate benefits for executives who are assigned to work in geographic locations outside of their home countries

Under our pay-for-performance philosophy, the compensation of our executives and other employees at higher levels in the organization is more heavily weighted toward variable compensation based on our performance, and base salary generally accounts for a smaller portion of these employees' total compensation packages. The percentiles of competitive market data that we use to evaluate the compensation of our named executive officers are designed to ensure that our executive officers will receive total compensation significantly below the median if Cimpress does not perform well and significantly above the median for Cimpress' extraordinary performance. In accordance with this philosophy, the Compensation Committee initially allocates the compensation of our executive officers within the percentiles listed below, and then may use its discretion to adjust each executive officer's compensation to reflect other factors such as general economic conditions, the internal equity of compensation among our executives, and the executive's experience, role, and individual performance.

- Base salary at the 50th percentile of competitive market data
- Total compensation (base salary plus LTI awards) at the 75th percentile of competitive market data

Base Salary

For fiscal year 2020, our Board of Directors increased the base salaries of Robert Keane and Sean Quinn by 4% from their fiscal year 2019 levels to more closely align their salaries with 50th percentile of competitive market data. Beginning in the second half of fiscal year 2019, in order to tie Mr. Keane's compensation as fully as possible to Cimpress' long-term performance, Mr. Keane's base salary and director fees are paid in PSUs, other than a small amount of cash representing the minimum weekly salary for exempt employees under the U.S. Fair Labor Standards Act ($455 per week for calendar year 2019 and $684 per week for calendar year 2020).

Maarten Wensveen was promoted from Senior Vice President to Executive Vice President in February 2019 and received a 33% increase in base salary at that time in connection with the promotion. Our Board of Directors did not make any further change to his base salary for fiscal year 2020.

Beginning in March 2020, in light of the effects of the COVID-19 pandemic on Cimpress' business and financial results, we executed on significant cost reductions in order to fortify our financial position. One of those cost reductions was a temporary 50% reduction in the base salaries of our named executive officers other than Robert Keane during the fourth quarter 2020. In exchange for this reduction, we granted to each impacted executive an RSU award under our 2011 Equity Incentive Plan having the same value as the executive's salary reduction for the fourth quarter. These RSU awards vest in full on August 15, 2020 so long as the executive is still a Cimpress employee on the vesting date, at which time each RSU is automatically converted into ordinary shares of Cimpress plc on a one-to-one basis. Because Mr. Keane already receives almost all of his compensation in the form of PSUs, as noted above, he was not included in the salary reduction program.

Long-Term Incentive Program

Our LTI program is designed to focus our executives and employees on long-term performance and value creation for the company and our shareholders. Although we have various LTI programs for our non-executive officer employees that are tailored to the employees' responsibilities and contributions, the sole LTI compensation vehicle for our named executive officers for fiscal year 2020 was PSU awards granted under our 2016 Performance Incentive Plan (2016 Plan). Each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress plc upon the satisfaction of both service-based vesting over time and performance conditions relating to the 3YMA CAGR over a period determined by the Board. For PSUs granted during fiscal year 2020 this performance period was four to eight years for employees and executives other than Mr. Keane, and a longer-term performance period of six to ten years for our Board of Directors including Mr. Keane. We refer to the issuance of Cimpress ordinary shares pursuant to a PSU upon satisfaction of both conditions as the Performance Dependent Issuance.

First condition to a Performance Dependent Issuance: Service-based Vesting. PSUs granted to employees generally vest 25% per year over four years so long as the employee remains employed by Cimpress. However, service-based vesting is not sufficient for payout; PSU service-based vesting events are the dates after which the participant gains the future right to a Performance Dependent Issuance with respect to their then-vested PSUs, subject to achievement of the relevant performance conditions.

If a participant resigns or is terminated other than for cause, they retain all PSUs that have satisfied the service-based vesting condition as of their resignation or termination date. If Cimpress achieves the performance thresholds described below, the former participant would receive Cimpress ordinary shares upon settlement of the PSUs, even though they no longer have an employment, director, or other service relationship with Cimpress.

Second condition to a Performance Dependent Issuance: 3YMA Performance. For each PSU award, we calculate a baseline 3YMA as of a specified date at the time of grant for two purposes: to establish the number of units to be granted and to establish the baseline for future performance measurement. Our Board of Directors determines the performance period and measurement dates for each PSU award, and on each measurement date we calculate the 3YMA as of such date. On the first of these measurement dates that the 3YMA equals or exceeds a minimum CAGR of set by the Board, the 3YMA performance condition would be satisfied, and we would issue to the participant the number of Cimpress ordinary shares determined by multiplying the number of PSUs subject to the award by the applicable performance-based multiplier set by the Board.

> *3YMA Performance Criteria for our CEO and Board.* PSU awards granted to Robert Keane and the other members of our Board of Directors have a performance period of six to ten years in order to help focus our CEO and Board on Cimpress' performance over the long term. Beginning on the sixth anniversary of the baseline measurement date set forth in these PSU awards, and on each anniversary thereafter through year ten, we will calculate the 3YMA as of such date. On the first of these measurement dates that the 3YMA equals or exceeds a CAGR of 11%, the 3YMA performance condition would be satisfied, and we would issue to the participant the number of Cimpress ordinary shares determined by multiplying the number of PSUs subject to the award by the applicable performance-based multiplier. The performance-based multiplier begins at 125% for an 11% 3YMA CAGR and increases on a sliding scale to 250% for a 3YMA CAGR of 20% or above. If the 3YMA CAGR does not reach at least 11% on any of the sixth through tenth anniversaries of the baseline measurement date, then the PSU award would be terminated and no Cimpress ordinary shares would be issued with respect to the award.
>
> *3YMA Performance Criteria for Employees and Executive Officers other than our CEO.* In past years, PSU awards granted to employees and executive officers had the same six-to-ten-year performance period and similar 3YMA CAGR thresholds as the PSU awards granted to our CEO and Board members. For PSU awards granted in fiscal year 2020, in order to enhance the retention value of the awards and bring our equity compensation program more in line with other companies with which we are competing for talent, we reduced the performance period and lowered the CAGR thresholds for employees and executive officers other than Robert Keane. Beginning on the fourth anniversary of the baseline measurement date set forth in these PSU awards, and on each anniversary thereafter through year seven, we will calculate the 3YMA as of such date. On the first of these measurement dates that the 3YMA equals or exceeds a CAGR of 9%, the 3YMA performance condition would be satisfied, and we would issue to the participant the number of Cimpress ordinary shares determined by multiplying the number of PSUs subject to the award by the

> applicable performance-based multiplier. The performance-based multiplier begins at 100% for a 9% 3YMA CAGR and increases on a sliding scale to 250% for a 3YMA CAGR of 20% or above.
>
> If the 3YMA has not reached at least 9% on any of the fourth through seventh anniversaries of the baseline measurement date for the PSU award and thus a Performance Dependent Issuance has not yet occurred, then for PSU awards granted to employees and executive officers other than Mr. Keane, the threshold CAGR level for 3YMA performance at the eighth anniversary of the baseline measurement date is lowered to a 7% CAGR, and if the 3YMA performance meets or exceeds a 7% CAGR on the eighth anniversary the recipient would still receive Cimpress ordinary shares, but at a significantly declining multiple beginning at 75% for a 7% 3YMA CAGR and increasing on a sliding scale to 250% for a 3YMA CAGR of 20% or above.
>
> If none of the 3YMA CAGR performance goals are achieved by the eighth anniversary of the baseline measurement date for the PSU award, then the PSU award would be terminated and no Cimpress ordinary shares would be issued with respect to the award.

The actual closing price of the Cimpress shares issued upon the Performance Dependent Issuance may be higher or lower than the 3YMA used to calculate the number of shares issued at such time.

Cash Retention Bonuses

In past years, we allowed our executive officers other than Mr. Keane to elect to receive a portion of their LTI awards in the form of cash retention bonuses, subject to a minimum threshold that was required to be allocated to PSUs. The cash retention bonuses pay the employee a fixed amount in equal payments over several years (typically four years) so long as Cimpress continues to employ the recipient.

In fiscal year 2020, we changed the LTI compensation structure for our named executive officers to be 100% PSUs in order to tie their compensation more fully to Cimpress' long-term performance. However, Mr. Quinn still holds cash retention bonus awards that were granted in previous fiscal years and that continued to vest, with the incremental vested amounts being earned, in fiscal year 2020.

Benefit Programs

The Compensation Committee believes that all employees based in the same geographic location should have access to similar levels of health and welfare benefits, and therefore our executive officers are eligible for the same health and welfare benefits, including medical, dental, vision, and disability plans, group life and accidental death and disability insurance and other benefit plans, as those offered to other employees in their location.

U.S.-based employees may participate in a 401(k) plan that provides a company match of up to 50% on the first 6% of the participant’s eligible compensation that is contributed, subject to certain limits under the United States Internal Revenue Code of 1986, or US Tax Code, with company matching contributions vesting over a four-year period. As part of the cost reductions we executed due to the COVID-19 pandemic, we suspended the 401(k) matching contributions for U.S. employees beginning in April 2020.

We also provide customary pension plans to our European employees.

Perquisites

In general, executives are not entitled to benefits that are not otherwise available to all other employees who work in the same geographic location, although we do pay for a driver for Mr. Keane so that he can work during his commute. We also from time to time enter into arrangements with some of our named executive officers to reimburse them for living and relocation expenses and tax preparation fees and associated tax gross-ups relating to their work outside of their home countries. You can find more information about these arrangements in the Summary Compensation Table of this proxy statement.

Executive Retention and Other Agreements

We have entered into executive retention agreements with all of our executive officers. Under the executive retention agreements, if we terminate an executive officer’s employment other than for cause, death, or disability (each as defined in the agreements) or the executive terminates his or her employment for good reason (as defined in the agreements) before a change in control of Cimpress or within one year after a change in control (as defined in the agreements), then the executive is entitled to receive:

- A lump sum severance payment equal to two years’ salary and annual bonus, in the case of Mr. Keane, or one year’s salary and annual bonus, in the case of the other executive officers. Because we no longer grant annual bonuses to our executives and employees, this amount would include only salary.

- With respect to any outstanding annual or multi-year cash incentive award under our previous cash performance incentive plan, a pro rata portion, based on the number of days from the beginning of the then current performance period until the date of termination, of his or her target incentive. Because we no longer grant awards under the cash performance incentive plan to our executives and employees, this amount would be zero.

- The continuation of all other employment-related health and welfare benefits for up to two years after the termination in the case of Mr. Keane, or up to one year after the termination in the case of our other executive officers.

Both the executive retention agreements and our 2016 Plan have change in control provisions. The executive retention agreements provide that, upon a change in control of Cimpress, all equity awards (other than PSUs granted under the 2016 Plan) granted to each executive officer will accelerate and become fully vested, and each executive’s annual or multi-year cash incentive awards under our previous cash performance incentive plan would accelerate such that the executive would receive a portion of his or her target bonus for the remaining performance period after the change in control. In addition, if after a change in control Cimpress' successor terminates the executive's employment without cause, or the executive terminates his or her employment for good reason, then each of the executive’s share options remains exercisable until the earlier of one year after termination or the original expiration date of the award.

The 2016 Plan provides that, upon a change in control, all PSUs that have satisfied the applicable service-based vesting conditions will be settled for Cimpress ordinary shares in accordance with the plan if the actual price paid per share to holders of Cimpress' securities in connection with the change in control equals or exceeds the CAGR performance goals set forth in the plan.

Our Compensation Committee decided that we would no longer include any excise tax gross-up provisions in any executive retention agreements we enter into with new executives after August 1, 2012, and accordingly, the only current executive officer who has an excise tax gross-up provision in his agreement is Mr. Keane. If Mr. Keane is required to pay any excise tax pursuant to Section 4999 of the US Tax Code as a result of compensation payments made to him, or benefits he obtained (including the acceleration of equity awards), in connection with a change in ownership or control of Cimpress, we are required to pay him an amount, referred to as a gross-up payment, equal to the amount of such excise tax plus any additional taxes attributable to such gross-up payment. However, if reducing Mr. Keane's compensation payments by up to $50,000 would eliminate the requirement to pay an excise tax under Section 4999 of the US Tax Code, then Cimpress has the right to reduce the payment by up to $50,000 to avoid triggering the excise tax and thus avoid providing gross-up payments to Mr. Keane.

The following table sets forth information on the potential payments to our named executive officers upon their termination or a change in control of Cimpress, assuming that a termination or change in control took place on June 30, 2020.

Name	Cash Payment ($)(1)	Accelerated Vesting of RSUs and PSUs ($)(2)	Benefits ($)(3)	Tax Gross-Up Payment ($)(4)	Total ($)
Robert S. Keane					
• Termination Without Cause or With Good Reason	3,500,000	—	62,624	—	3,562,624
• Change in Control	—	18,105,176	—	—	18,105,176
• Change in Control w/ Termination Without Cause or With Good Reason	3,500,000	18,105,176	62,624	—	21,667,800
Sean E. Quinn					
• Termination Without Cause or With Good Reason	800,000	—	21,516	—	821,516
• Change in Control	—	6,000,629	—	—	6,000,629
• Change in Control w/ Termination Without Cause or With Good Reason	800,000	6,000,629	21,516	—	6,822,145
Maarten Wensveen					
• Termination Without Cause or With Good Reason	600,000	—	21,228	—	621,228
• Change in Control	—	3,292,392	—	—	3,292,392
• Change in Control w/ Termination Without Cause or With Good Reason	600,000	3,292,392	21,228	—	3,913,620

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(1) Amounts in this column for Termination Without Cause or With Good Reason represent severance amounts payable under the executive retention agreements.

(2) Amounts in this column represent the value, based on $76.34 per share, which was the closing price of our ordinary shares on Nasdaq on June 30, 2020, the last trading day of our 2020 fiscal year, of (1) unvested RSUs that would vest and (2) shares that would be issued pursuant to vested PSUs upon the triggering event described in the first column. For PSUs, we assumed the price paid per share to holders of Cimpress' shares in connection with the change in control would represent an 11% CAGR over the baseline 3YMA of the PSUs, which is the target performance goal in the 2016 Plan.

(3) Amounts reported in this column represent the estimated cost of providing employment related benefits (such as insurance for medical, dental, and vision) during the period the named executive officer is eligible to receive those benefits under the executive retention agreements, which is two years for Mr. Keane and one year for the other named executive officers.

(4) None of our executive officers other than Mr. Keane have excise tax gross-up provisions in their agreements. The amounts in this column for Mr. Keane are estimates based on a number of assumptions and do not necessarily reflect the actual amount of a tax gross-up payment that he would receive.

The Role of Company Executives in the Compensation Process

Although the Compensation Committee makes the final decisions about executive compensation, the Committee also takes into account the views of our Chief Executive Officer, who makes initial recommendations with respect to the compensation of executive officers other than himself. Other employees of Cimpress also participate in the preparation of materials presented to or requested by the Compensation Committee for use and consideration at Compensation Committee meetings.

Share Ownership Guidelines and Policy on Hedging

We have share ownership guidelines for all of our executive officers and members of our Board of Directors. The guidelines require our executive officers and directors to hold Cimpress equity, including ordinary shares they hold directly or indirectly, unvested RSUs, vested and unvested PSUs, and vested, unexercised, in-the-money share options, with a value, based on the two-year trailing average of the closing prices of Cimpress' ordinary shares on Nasdaq, equal to or greater than a multiple of the executive officer's annual base salary or the director's annual retainer, as follows:

- Chief Executive Officer: 5 times annual base salary
- Other executive officers: 3 times annual base salary
- Board of Directors: 3 times Board annual cash retainer

We give each executive officer and Board member four years from his or her initial appointment as a Cimpress officer or director to comply with the share ownership guidelines. As of June 30, 2020, all executive officers and directors had satisfied their ownership guideline requirement.

Our Insider Trading Policy prohibits Cimpress' executive officers, directors, and employees from engaging in any derivative or hedging transactions in Cimpress securities, including but not limited to short sales, put options, call options, collars, futures contracts, forward contracts, and swaps.

Tax Deductibility of Certain Awards

Changes to the United States tax laws in 2017 eliminated the tax deduction pursuant to Section 162(m) of the US Tax Code for performance-based compensation paid after January 1, 2018 to named executive officers under arrangements entered into or materially modified on or after November 2, 2017. Although our Compensation Committee previously considered the impact of Section 162(m) when administering Cimpress' compensation plans, it did not make decisions regarding executive compensation based solely on the expected tax treatment of such compensation. We do not expect the elimination of the deduction to have a material effect on Cimpress or our compensation programs.

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based on the Compensation Committee's review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee of the
Board of Directors
Scott J. Vassalluzzo, Chair
Sophie A. Gasperment
Zachary S. Sternberg

SUMMARY COMPENSATION TABLES

Summary Compensation Table

The following table summarizes the compensation earned in each of the last three fiscal years by:

(i) our principal executive officer,

(ii) our principal financial officer, and

(iii) our other executive officer as of June 30, 2020.

Throughout this proxy statement, we refer to the individuals listed in (i) through (iii) above as our named executive officers.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Share Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)	Total ($)
Robert S. Keane	2020	29,888(5)	—	9,338,794	—	31,100(6)	9,399,782
Chairman and	2019	863,628(5)	—	11,369,327	—	47,965	12,280,920
Chief Executive Officer	2018	1,677,243	—	6,784,477	—	1,961	8,463,681
Sean E. Quinn	2020	710,769	354,375	3,199,628	—	4,000(7)	4,268,772
Executive Vice President	2019	769,774	354,375	2,836,524	—	7,620	3,968,293
and Chief Financial Officer	2018	772,919	225,000	3,615,997	55,419	6,363	4,675,698
Maarten Wensveen(8)	2020	530,769.42	—	2,554,745	—	33,535(9)	3,119,049
Executive Vice President and Chief Technology Officer	2019	501,923	—	548,018	—	35,991	1,085,932

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(1) The amounts reported in this column for fiscal year 2020 for executive officers other than Mr. Keane reflect the temporary 50% reduction in cash base salary during the fourth quarter 2020. The grant date fair value of the RSU awards granted to the affected executive officers in replacement of the reduced salary is included in the Share Awards column.

(2) The amounts reported in this column represent the payment of cash retention bonuses.

(3) The amounts reported in this column represent a dollar amount equal to the grant date fair value of the share awards as computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2020. See footnote 5 to the Grants of Plan-Based Awards in the Fiscal Year Ended June 30, 2020 table for the value of the PSUs granted in 2020 assuming the maximum achievement of the performance conditions.

(4) The amount reported in this column represents the payment of the portion of Mr. Quinn's legacy long-term cash incentive award that was attributable to fiscal year 2018.

(5) Beginning in the second half of fiscal year 2019, Mr. Keane receives all of his compensation, including base salary and Board retainer fees, in the form of PSUs, other than the minimum weekly salary for exempt employees under the U.S. Fair Labor Standards Act ($455 per week for calendar year 2019 and $684 per week for calendar year 2020), which is paid in cash.

(6) $27,920 of this amount represents reimbursement of commuting expenses, $2,980 of this amount represents payments of tax preparation fees, and $200 represents tax-gross up amounts associated with the tax preparation fees.

(7) This amount represents our matching contributions under our 401(k) deferred savings retirement plans.

(8) Mr. Wensveen was appointed as an executive officer in January 2019.

(9) $15,000 of this amount represents our payment of state tax in connection with Mr. Wensveen's repatriation to the United States, $6,246 of this amount represents a tax gross up associated with the payment of state tax, $10,904 represents our payment of storage rental fees and import taxes associated with the storage of Mr. Wensveen's personal effects in Switzerland after his repatriation to the United States, and $1,385 of this amount represents matching contributions under our 401(k) deferred savings retirement plan. The storage rental fees and import taxes were paid in Euros, and for purposes of this table, we converted these payments from Euros to U.S. dollars at a currency exchange rate of 1.12504 based on the average currency exchange rate for the month of June 2020, which was the last month of our most recent fiscal year.

Grants of Plan-Based Awards in the Fiscal Year Ended June 30, 2020

The following table contains information about plan-based awards granted to each of our named executive officers during the fiscal year ended June 30, 2020.

		Estimated Future Payouts Under Equity Incentive Plan Awards(1)			All Other Share Awards: Number of Share Units	Grant Date Fair Value of Share Awards
Name	Grant Date	Threshold (#)	Target (#)(2)	Maximum (#)(3)	(#)(4)	($)(5)
Robert S. Keane	8/15/2019(6)	—	71,726	143,452		7,170,054
	8/15/2019(7)	—	18,663	37,327		1,865,706
	8/15/2019(8)	—	1,147	2,295		114,709
	11/15/2019(9)	—	1,398	2,797		188,325
Sean E. Quinn	8/15/2019(6)	—	22,952	57,380		3,099,635
	4/1/2020				2,143	99,992
Maarten Wensveen	8/15/2019(6)	—	18,362	45,905		2,479,762
	4/1/2020				1,607	74,983

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(1) These columns represent PSUs granted under our 2016 Plan. Each PSU represents a right to receive between 0 and 2.5 Cimpress ordinary shares upon the satisfaction of (A) service-based vesting, and (B) performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares.

(2) For Mr. Keane, these amounts represent the number of Cimpress ordinary shares issuable six to ten years after the grant date if he fully satisfies the service-based vesting condition described in footnote 6, 7, 8, or 9, as applicable, and the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). For the named executive officers other than Mr. Keane, these amounts represent the number of Cimpress ordinary shares issuable four to eight years after the grant date if the executive officer fully satisfies the service-based vesting condition described in footnote 6 and the 3YMA CAGR is 9% to 9.99% on any of the fourth through eighth anniversaries of the grant date (multiplier of 100%).

(3) For Mr. Keane, these amounts represent the number of Cimpress ordinary shares issuable six to ten years after the grant date if he fully satisfies the service-based vesting condition described in footnote 6, 7, 8, or 9, as applicable, and the 3YMA CAGR is 20% to 25.8925% on any of the sixth through tenth anniversaries of the grant date (multiplier is 250%). For the named executive officers other than Mr. Keane, these amounts represent the number of Cimpress ordinary shares issuable four to eight years after the grant date if the executive officer fully satisfies the service-based vesting condition described in footnote 6 and the 3YMA CAGR is 20% on any of the fourth through eighth anniversaries of the grant date (multiplier of 250%).

(4) The amounts reported in this column represent restricted share units granted in accordance with our salary reduction program pursuant to which the named executive officer's cash compensation was reduced in exchange for an RSU award having the same value as the amount by which such officer's cash compensation was reduced. The RSU awards vest in full on August 15, 2020, on which date we will automatically issue one ordinary share for each vested unit so long as the named executive officer remains a Cimpress employee on that date.

(5) The amounts reported in this column represent the grant date fair value for the RSU and PSU awards computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2020. The maximum value of the PSUs granted in fiscal year 2020 assuming the maximum achievement of the performance conditions, which we estimated by multiplying the maximum number of shares issuable pursuant to each PSU award by the closing price of our ordinary shares on Nasdaq on the applicable grant date, is $21,524,623 in the aggregate for all of Mr. Keane's PSU awards, $6,623,373 for Mr. Quinn, and $5,298,814 for Mr. Wensveen.

(6) The service-based vesting condition of the PSUs reported in this row is that 25% of the original number of PSUs vest on June 30 of each of 2020 through 2023 so long as the executive officer continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date.

(7) This PSU award was granted to Mr. Keane in lieu of his base salary for his role as Chief Executive Officer in fiscal year 2020. The service-based vesting condition of this PSU award is that 25% of the original number of PSUs vest on each of September 30, 2019, December 31, 2019, March 31, 2020, and June 30, 2020 so long as Mr. Keane continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date.

(8) This PSU award was granted to Mr. Keane in lieu of his $100,000 cash retainer fee for his role as a member of our Board of Directors in fiscal year 2020. The service-based vesting condition of this PSU award is that 25% of the original number of PSUs vest on each of September 30, 2019, December 31, 2019, March 31, 2020 and June 30, 2020 so long as Mr. Keane continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date.

(9) This is the annual PSU award granted to the members of our Board of Directors, including Mr. Keane. The service-based vesting condition of this PSU award is that 25% of the PSUs vest on November 21 of each of 2020 through 2023 so long as Mr. Keane continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date.

Outstanding Equity Awards at June 30, 2020

The following table contains information about unexercised share options, unvested RSUs, and unearned PSUs as of June 30, 2020 for each of our named executive officers.

	Option Awards				Share Awards			
	Number of Securities Underlying Unexercised Options		Option Exercise Price	Option Expiration Date	Number of Share Units That Have Not Vested	Market Value of Share Units That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares	Equity Incentive Plan Awards: Market Value of Unearned Shares
Name	(#) Exercisable	(#) Unexercisable	($)(1)		(#)(2)	($)(3)	(#)(4)	($)(5)
Robert S. Keane	105,240	—	54.02	5/5/2021				
					N/A	N/A	93,750(6)	7,156,875
							78,970(7)	6,028,570
							73,498(8)	5,610,837
							8,895(9)	679,044
							1,428(10)	109,014
							436(11)	33,284
							71,726(12)	5,475,563
							18,663(13)	1,424,733
							1,147(13)	87,562
							1,398(14)	106,723
Sean E. Quinn	—	—	N/A	N/A	2,143	163,597	24,301(6)	1,855,138
							20,306(7)	1,550,160
							20,306(15)	1,550,160
							18,898(8)	1,442,673
							22,952(16)	1,752,156
Maarten Wensveen	—	—	N/A	N/A	1,607	122,678	14,400(6)	1,099,296
							6,016(7)	459,261
							15,041(15)	1,148,230
							3,651(8)	278,717
							18,362(16)	1,401,755

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(1) Each share option has an exercise price equal to the fair market value of our ordinary shares on the date of grant, is fully exercisable as of June 30, 2020, and expires 10 years after the date on which it was granted. Mr. Keane’s share option awards are held by entities wholly owned by irrevocable discretionary trusts established for the benefit for Mr. Keane or members of his immediate family (the Trusts).

(2) These amounts represent the number of Cimpress ordinary shares issuable pursuant to RSU awards upon vesting. The RSU awards vest in full on August 15, 2020, on which date we will automatically issue one ordinary share for each vested unit so long as the named executive officer continues to be an eligible participant under Cimpress' 2011 Equity Incentive Plan on that date.

(3) The market value of the unvested RSUs is determined by multiplying the number of RSUs by $76.34 per share, which was the closing price of our ordinary shares on Nasdaq on June 30, 2020, the last trading day of our 2020 fiscal year.

(4) These amounts represent the number of Cimpress ordinary shares issuable pursuant to PSU awards if the applicable service-based vesting condition and 3YMA CAGR performance conditions described in the footnotes below are satisfied for such PSU award.

(5) The market value of the unearned PSUs is determined by multiplying the number of shares that would be issuable if the conditions described in footnote 4 were achieved by $76.34 per share, which was the closing price of our ordinary shares on Nasdaq on June 30, 2020, the last trading day of our 2020 fiscal year.

(6) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of August 15, 2016 if the named executive officer fully satisfies the service-based vesting condition and the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition has been fully satisfied for these PSUs, but the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until August 15, 2022 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(7) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of August 15, 2017 if the named executive officer fully satisfies the service-based vesting condition and the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition for these PSUs is that 25% of the original number of PSUs vest on June 30 of each of 2018 through 2021 so long as the officer continues to be an eligible participant under Cimpress' 2016 Plan on each vesting date. However, the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until August 15, 2023 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(8) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of August 15, 2018 if the named executive officer fully satisfies the service-based vesting condition and the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition for these PSUs is that 25% of the original number of PSUs vest on June 30 of each of 2019 through 2022 so long as the officer continues to be an eligible participant under Cimpress' 2016 Plan on each vesting date. However, the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until August 15, 2024 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(9) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of February 15, 2019 if the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition has been fully satisfied for these PSUs, but the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until February 15, 2025 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(10) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of February 15, 2019 if Mr. Keane fully satisfies the service-based vesting condition and the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition for these PSUs is that 25% of the original number of PSUs vest on November 12 of each of 2019 through 2022 so long as Mr. Keane continues to be an eligible participant under Cimpress' 2016 Plan on each vesting date. However, the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until February 15, 2025 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(11) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of February 15, 2019 if the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition has been fully satisfied for these PSUs, but the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until February 15, 2025 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(12) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of August 15, 2019 if Mr. Keane fully satisfies the service-based vesting condition and the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition for these PSUs is that 25% of the original number of PSUs vest on June 30 of each of 2020 through 2023 so long as Mr. Keane continues to be an eligible participant under Cimpress' 2016 Plan on each vesting date. However, the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until August 15, 2025 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(13) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of August 15, 2019 if the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition has been fully satisfied for these PSUs, but the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until August 15, 2025 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(14) This amount represents the number of Cimpress ordinary shares issuable six to ten years after the grant date of November 15, 2019 if Mr. Keane fully satisfies the service-based vesting condition and the 3YMA CAGR is 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The service-based vesting condition of these PSUs is that 25% of the PSUs vest on November 21 of each of 2020 through 2023 so long as Mr. Keane continues to be an eligible participant under Cimpress' 2016 Plan on such vesting date. However, the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until November 15, 2025 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

(15) This amount represents the number of Cimpress ordinary shares that would have been issuable pursuant to a supplemental PSU award six to ten years after the grant date of August 15, 2017 if the unlevered free cash flow performance condition had been satisfied and the 3YMA CAGR were 11% to 11.99% on any of the sixth through tenth anniversaries of the grant date (multiplier of 125%). The supplemental PSU awards contain an additional performance goal, determined by the Compensation Committee at the grant date, relating to Cimpress' cumulative consolidated unlevered free cash flow over the period from July 1, 2017 through June 30, 2020. On August 6, 2020, our Compensation Committee determined that Cimpress had not met the unlevered free cash flow goal, and therefore the supplemental PSUs expired on that date and no shares are issuable pursuant to the supplemental PSUs.

(16) This amount represents the number of Cimpress ordinary shares issuable four to eight years after the grant date of August 15, 2019 if the named executive officer fully satisfies the service-based vesting condition and the 3YMA CAGR is 9% to 9.99% on any of the fourth through eighth anniversaries of the grant date (multiplier of 100%). The service-based vesting condition for these PSUs is that 25% of the original number of PSUs vest on June 30 of each of 2020 through 2023 so long as the officer continues to be an eligible participant under Cimpress' 2016 Plan on each vesting date. However, the PSUs are not earned, and no shares are issuable pursuant to the PSUs, until August 15, 2023 at the earliest (unless there is an earlier change in control) and only if the performance conditions relating to the CAGR of the 3YMA of Cimpress' ordinary shares are satisfied.

Option Exercises and Shares Vested in the Fiscal Year Ended June 30, 2020

The following table contains information about option exercises and vesting of RSUs on an aggregated basis during fiscal year 2020 for each of our named executive officers.

	Option Awards		Share Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise (1)($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting (2)($)**
Robert S. Keane	1,321,262	92,571,738	—	—
Sean E. Quinn	—	—	1,338	170,696
Maarten Wensveen	—	—	100	11,543

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(1) Represents the net amount realized from all option exercises during fiscal year 2020. In cases involving an exercise and immediate sale, the value was calculated on the basis of the actual sale price. In cases involving an exercise without immediate sale, the value was calculated on the basis of our closing sale price of our ordinary shares on Nasdaq on the date of exercise.

(2) The value realized on vesting of RSUs is determined by multiplying the number of shares that vested by the closing sale price of our ordinary shares on Nasdaq on the vesting date.

CEO Pay Ratio

Mr. Keane's fiscal year 2020 annual total compensation was $9,399,782, as reported in the Summary Compensation Table above, and the fiscal year 2020 annual total compensation of our median compensated employee other than Mr. Keane was $26,277. The ratio of the median employee's total compensation to Mr. Keane's total compensation is 1-to-358. $9,338,794 of Mr. Keane's total compensation for fiscal year 2020 was in the form of PSU awards that will pay out six to ten years after grant only if the 3YMA CAGR performance conditions are met.

Because of changes to our employee population and compensation from fiscal year 2019 to fiscal year 2020, we identified a new median compensated employee for fiscal year 2020. We used the same methodology to identify the median compensated employee for fiscal year 2020 that we used for fiscal year 2018, the last time we identified a median compensated employee, which is that we took into account base salary (for salaried employees) and wages paid (for hourly employees) during the fiscal year for all our employees as of May 1, 2020. We annualized this compensation for employees who did not work the entire fiscal year, except for employees designated as seasonal or temporary. For employees whose cash compensation was temporarily reduced for the fourth quarter of 2020 and replaced with RSUs, as part of the salary restructuring program described in the Executive Overview of the Compensation Discussion and Analysis section of this proxy statement, we included the RSUs as part of each employee's base salary and assumed that the RSUs granted to each employee had the same value as the amount by which such employee’s cash compensation was reduced.

PROPOSAL 3 - APPROVE OUR 2020 EQUITY INCENTIVE PLAN

On August 26, 2020, our Board of Directors adopted our 2020 Equity Incentive Plan, or the 2020 Plan, subject to shareholder approval. If the 2020 Plan is approved by our shareholders, we will cease granting any new awards under any of our current equity plans that have shares available for future grant, consisting of our 2016 Performance Equity Plan, 2011 Equity Incentive Plan, and 2005 Non-Employee Directors' Share Option Plan, and we will make future equity awards under the 2020 Plan.

Summary of Material Features of the Plan

The material features of the 2020 Plan are as follows:

- The maximum number of ordinary shares to be issued under the 2020 Plan is 3,500,000 plus an additional number of ordinary shares equal to the number of PSUs (on a 1:1 basis) currently outstanding under the 2016 Performance Equity Plan that expire, terminate or are otherwise surrendered, canceled or forfeited.

- The 2020 Plan permits the award of share options (both incentive stock options and nonstatutory share options), share appreciation rights, restricted shares, restricted share units, other share-based awards, and dividend equivalent rights.

- Shares tendered or held back for taxes will not be added back to the reserved pool under the 2020 Plan. Upon the exercise of a share appreciation right that is settled in ordinary shares, the full number of shares underlying the award will be charged to the reserved pool. Additionally, shares we reacquire on the open market will not be added to the reserved pool under the 2020 Plan.

- Share options and share appreciation rights will not be repriced in any manner without shareholder approval.

- Any dividends and dividend equivalent rights payable with respect to any equity award are subject to the same vesting provisions as the underlying award.

- Any material amendment to the 2020 Plan is subject to approval by our shareholders.

- The 2020 Plan will expire on November 25, 2030.

Based solely on the closing price of our ordinary shares as reported by Nasdaq on August 19, 2020, which was $93.39 per share, and the 3,500,000 shares that would have been available for awards as of such date under the 2020 Plan if the plan had been in place, the maximum aggregate market value of the ordinary shares that could potentially be issued under the 2020 Plan is $326,865,000.

Why the 2020 Plan Is Important

We believe that the future success of Cimpress depends in large part on our ability to attract, retain and motivate employees whose experience and ability are key to our achievement of our vision and goals. We face intense competition for talented employees, and we believe that our ability to offer equity awards helps us remain competitive. We believe equity incentives motivate high levels of performance and provide an effective means of recognizing employee contributions to the success of Cimpress. Moreover, equity incentives align the interests of the employees with the long-term interests of our shareholders. Therefore, we believe that the adoption of our 2020 Plan and authorization of shares for issuance thereunder is appropriate and in the best interests of our shareholders.

If approved, the 2020 Plan will enhance our flexibility to provide different incentives to different employees, depending on their role and level within the organization and the Cimpress business they are a part of, by allowing us to issue a variety of types of equity awards. We currently issue PSUs under our 2016 Performance Equity Plan and equity awards other than PSUs under our 2011 Equity Incentive Plan, which will expire in June 2021, and we are seeking to replace our existing equity plans with the 2020 Plan in order to streamline and simplify our equity compensation program by granting all future equity awards under one plan.

Until June 30, 2023, Robert Keane will continue to receive all of his long-term incentive compensation in the form of PSUs, and the maximum number of PSUs we may grant him in any fiscal year is 75,000 PSUs, as set forth in the Amendment to Agreement Limiting PSU Awards between Cimpress and Mr. Keane, which was filed with the SEC on September 30, 2020 as an exhibit to our Current Report on Form 8-K. Although Mr. Keane's future PSU awards would be issued under the 2020 Plan, the awards would be subject to the same terms and conditions as PSUs granted to Mr. Keane under the 2016 Performance Equity Plan, as described under the heading Long-Term Incentive Compensation in the Compensation Discussion and Analysis section of this proxy statement, including the performance condition that the compound annual growth rate of Cimpress' three-year moving average share price must equal or exceed 11% over a performance period of six to ten years for any shares to be issued under Mr. Keane's PSU awards.

Our Grant Practices

As of August 19, 2020, there were 5,827,774 ordinary shares available for issuance under all of our current equity compensation plans, and the 3,500,000 ordinary shares covered by the 2020 Plan represents a material reduction in the shares available for future grant. As of August 19, 2020, the outstanding awards under our current equity compensation plans consisted of the following:

- share options to acquire 110,538 ordinary shares, with a weighted average exercise price of $55.27 and a weighted average remaining term of 0.9 years
- 108,655 unvested full value awards in the form of RSUs with time-based vesting
- full value awards in the form of PSUs with performance-based conditions and time-based vesting covering 941,296 ordinary shares on a 1:1 basis and 2,353,240 ordinary shares assuming maximum achievement of the performance conditions

Below is information regarding historical awards granted and earned for the fiscal year 2018 through fiscal year 2020 period:

- Fiscal year 2020:
  - No share options granted
  - Full-value non-performance awards: 193,365 RSUs granted; no restricted shares granted
  - Full-value performance awards: 295,239 PSUs granted and no shares earned pursuant to PSUs (i.e., no shares were issued pursuant to PSUs during the fiscal year)
  - 27,180,744 weighted average ordinary shares outstanding

- Fiscal year 2019:
  - No share options granted
  - Full-value non-performance awards: No RSUs granted; 6,000 restricted shares granted
  - Full-value performance awards: 226,220 PSUs granted and no shares earned pursuant to PSUs
  - 30,786,349 weighted average ordinary shares outstanding

- Fiscal year 2018:
  - No share options granted
  - No full-value non-performance awards granted
  - Full-value performance awards: 361,582 PSUs granted and no shares earned pursuant to PSUs
  - 30,948,081 weighted average ordinary shares outstanding

Each RSU represents Cimpress' commitment to issue one ordinary share upon vesting. Each PSU represents a right to receive between 0 and 2.5 ordinary shares upon the satisfaction of both service-based vesting over time and performance conditions relating to the compound annual growth rate of Cimpress' three-year moving average share price over a multiple-year period determined by our Board.

Description of our 2020 Plan The following summary of the 2020 Plan is qualified in its entirety by reference to the full copy of the 2020 Plan attached as Appendix A to this proxy statement.

Types of Awards; Authorized Number of Ordinary Shares and Share Counting The 2020 Plan provides for the grant of incentive stock options, non-statutory share options, share appreciation rights, restricted shares, restricted share units, other share-based awards, and dividend equivalent rights, to which we refer in this proxy statement collectively as awards. Subject to adjustment in the event of stock splits, stock dividends and other similar events, we may make awards under the 2020 Plan for up to 3,500,000 of our ordinary shares plus an additional number of ordinary shares equal to the number of PSUs currently outstanding under the 2016 Performance Equity Plan that expire, terminate or are otherwise surrendered, canceled or forfeited. Ordinary shares underlying awards under the 2020 Plan, and after our shareholders approve the 2020 Plan, ordinary shares underlying PSUs under the 2016 Performance Equity Plan on the basis of one ordinary share for each PSU, that expire, terminate or are otherwise surrendered, canceled or forfeited, or are not issued will become available for the grant of new awards under the 2020 Plan. We will not add back to the number of ordinary shares available for the grant of awards under the 2020 Plan any ordinary shares that a participant delivers to Cimpress (whether by actual delivery, attestation or net exercise) to (1) purchase ordinary shares upon the exercise of an award or (ii) satisfy tax withholding obligations (including shares retained from the award creating the tax obligation). Similarly, ordinary shares that we may repurchase on the open market, whether using the proceeds from the exercise of awards or using other funds, do not increase the number of shares available for future grant of awards.

Description of Awards

Incentive Stock Options and Non-statutory Share Options. Optionees receive the right to purchase a specified number of ordinary shares at a specified exercise price and subject to such other terms and conditions as we specify in connection with the option grant. The exercise price of the options may not be less than 100% of the fair market value per share of our ordinary shares on the date the option is granted, unless our Board approves the grant of an option with an exercise price to be determined on a future date, in which case the exercise price may not be less than 100% of the fair market value on such future date. Fair market value for this purpose is determined by reference to the price of the shares of ordinary shares on Nasdaq. Options may not have a term in excess of ten years. The 2020 Plan allows optionees to pay the exercise price of options through the following forms of payment: (a) cash or check, (b) a “cashless exercise” through a broker, (c) subject to certain conditions, surrender of ordinary shares to Cimpress, (d) subject to certain conditions, in the case of non-statutory share options, by “net exercise,” (e) any other lawful consideration as our Board may determine, or (f) any combination of these forms of payment. To qualify as incentive stock options, options must meet additional federal tax requirements, including a $100,000 limit on the value of ordinary shares subject to incentive stock options that first become exercisable by a participant in any one calendar year.

Share Appreciation Rights. A share appreciation right, or SAR, is an award entitling the holder, upon exercise, to receive an amount of our ordinary shares or cash or a combination thereof determined by reference to appreciation, from and after the date of grant, in the fair market value of an ordinary share over the measurement price established pursuant to the applicable SAR agreement. The measurement price may not be less than 100% of the fair market value of our ordinary shares on the date the SAR is granted, unless the Board approves the grant of an SAR effective as of a future date, in which case the measurement price may not be less than 100% of the fair market value on such future date. SARs may be granted independently or in tandem with an option. SARs may not have a term in excess of ten years.

Restricted Share Awards. A restricted share award entitles the recipient to acquire our ordinary shares subject to our right to repurchase all or some of the shares from the recipient if the conditions specified in the award are not satisfied before the end of the restriction period established for the award. Our Board determines the terms and conditions of restricted share awards, including the purchase price, if any. Any dividends that we may pay during the vesting period of restricted share awards will accrue but not be paid to the participant until and only to the extent the restricted share award vests.

Restricted Share Unit Awards. A restricted share unit award entitles the recipient to receive ordinary shares or cash at the time the award vests pursuant to the terms and conditions that our Board determines.

Other Share-Based Awards. We may grant under the 2020 Plan other awards that are based on our ordinary shares pursuant to the terms and conditions that our Board determines, including awards of our ordinary shares and other awards that are valued in whole or in part by reference to, or are otherwise based on, ordinary shares or other property.

Dividend Equivalent Rights. We may grant dividend equivalent rights to participants as a component of a restricted share unit award, which entitle the recipient to receive credits for dividends that would be paid if the recipient held the ordinary shares underlying the restricted share unit award. Dividend equivalent rights granted as a component of a restricted share unit award may be paid only if the related restricted share units become vested. Dividend equivalent rights may be settled in cash, ordinary shares of common stock or a combination thereof, as determined by the Board.

Eligibility to Receive Awards Employees, officers, directors, consultants and advisors of Cimpress and its subsidiaries and of other business ventures in which Cimpress has a controlling interest are eligible to be granted awards under the 2020 Plan. Under present law, however, incentive stock options may be granted only to employees of Cimpress and its subsidiaries. As of August 19, 2020, approximately 12,000 people would have been eligible to receive awards under the 2020 Plan had it been in effect on that date, including our three executive officers and the four non-employee directors who serve on our Board. The granting of awards under the 2020 Plan is discretionary, and we cannot now determine the number or type of awards to be granted in the future to any particular person or group.

Transferability of Awards A person who is granted an award under the 2020 Plan may not sell, assign, transfer, pledge or otherwise encumber such award, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, other than in the case of an incentive stock option and awards subject to Section 409A of the US Tax Code, pursuant to a qualified domestic relations order. During the life of the participant, only the participant may exercise such award. However, the Board may permit or provide in an award for the gratuitous transfer of the award by a participant without consideration, subject to any limitations that the Board deems appropriate.

Administration of the 2020 Plan The Board administers the 2020 Plan and has the authority to grant awards and adopt, amend and repeal such administrative rules, guidelines and practices relating to the plan as it deems advisable. The Board may delegate any or all of its powers under the 2020 Plan to one or more committees or subcommittees of the Board, and the Board may also delegate to one or more of our officers the power to grant awards to Cimpress employees or officers and to exercise such other powers under the 2020 Plan as the Board may determine. Our Board, or any committee to whom our Board delegates authority, as the case may be, selects the recipients of awards and determines (a) the number of ordinary shares covered by awards and the dates upon which such awards become exercisable, issuable or otherwise vest; (b) the exercise, measurement or purchase price of awards (which may not be less than 100% of the fair market value of our ordinary shares on the date of grant for options and SARs); (c) the duration of awards (which may not exceed ten years for options and SARs), and (d) the terms and conditions of such awards.

Adjustments for Changes in our Ordinary Shares and Certain Other Events We are required to make equitable adjustments, in the manner determined by our Board, in connection with the 2020 Plan and any outstanding awards to reflect stock splits, stock dividends, recapitalizations, spin-offs and other similar changes in our capitalization. The 2020 Plan also contains provisions addressing the consequences of any Reorganization Event, which is defined as (a) any merger or consolidation of Cimpress with or into another entity as a result of which all of our ordinary shares are converted into or exchanged for the right to receive cash, securities or other property, or are canceled; (b) the transfer or disposition of all of our ordinary shares for cash, securities or other property pursuant to a share exchange or other transaction; (c) the sale of all or substantially all of the assets of Cimpress on a consolidated basis to an unrelated person or entity; (d) any other transaction in which the owners of Cimpress’ outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of Cimpress or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from Cimpress; or (e) any liquidation or dissolution of Cimpress. In connection with a Reorganization Event, our Board may take any one or more of the following actions as to all or any outstanding awards (other than restricted share awards) on such terms as our Board determines: (i) provide that the acquiring or succeeding corporation assume such awards or substitute substantially equivalent awards; (ii) provide that all of the participant’s unexercised awards will terminate immediately before the consummation of the Reorganization Event unless exercised by the participant; (iii) provide that outstanding awards become exercisable, realizable, or deliverable, or restrictions applicable to an award lapse, in whole or in part before or upon the Reorganization Event; (iv) in the event of a Reorganization Event under which holders of our ordinary shares will receive a cash payment for each ordinary share surrendered in the Reorganization Event, make or provide for a cash payment to participants with respect to each award held by a participant; (v) provide that, in connection with a liquidation or dissolution of Cimpress, awards convert into the right to receive liquidation proceeds; and (vi) any combination of the above actions.

Acceleration The Board may at any time provide that any award becomes immediately exercisable in whole or in part, free of some or all restrictions or conditions, or otherwise realizable in whole or in part.

Substitute Awards In connection with Cimpress’ acquisition of another entity, the Board may grant awards in substitution for any options or other stock or stock-based awards granted by such entity, on such terms as the

Board deems appropriate in the circumstances notwithstanding the 2020 Plan's limitations on awards. Substitute awards do not count against the plan's overall share limit, except as the US Tax Code may require.

Repricings Unless approved by our shareholders, we may not (1) amend any outstanding option or SAR granted under the 2020 Plan to provide an exercise or measurement price that is lower than the then-current exercise or measurement price of such option or SAR, (2) cancel any outstanding option or SAR (whether or not granted under the 2020 Plan) and grant in substitution for that option or SAR any new awards under the 2020 Plan (other than substitute awards granted in connection with a merger with another entity or acquisition of the property or stock of an entity) covering the same or a different number of shares and having an exercise or measurement price lower than the then-current exercise or measurement price of the canceled option or SAR, (3) cancel in exchange for a cash payment an option or SAR with an exercise price above the then-current fair market value of the shares, or (4) take any other action under the 2020 Plan that constitutes a repricing under the rules of the NASDAQ Stock Market.

Amendment and Termination We may not grant any awards under the 2020 Plan after the expiration of 10 years from the date of shareholder approval of the plan, but previously granted awards may extend beyond that date. We may not grant any incentive stock options under the 2020 Plan after the expiration of 10 years from the date the 2020 Plan was approved by the Board. The Board may amend, suspend or terminate the 2020 Plan or any portion thereof at any time, subject to shareholder approval of certain amendments. We must obtain the approval of our shareholders for any amendment to the 2020 Plan to the extent required under the rules of the NASDAQ Stock Market.

If our shareholders do not approve the 2020 Plan, then the plan will not go into effect, and we will not grant any awards under the plan. In such an event, our Board will continue to grant awards under our 2011 Plan until that plan expires in June 2021 and will consider what alternative arrangements to adopt based on its assessment of Cimpress' needs.

United States Federal Income Tax Consequences

As required by SEC rules, we are providing a summary of the United States federal income tax consequences that will generally arise with respect to awards granted under the 2020 Plan. The following summary is based on the federal tax laws in effect as of the date of this proxy statement and assumes that all awards are exempt from, or comply with, the rules under Section 409A of the IUS Tax Code regarding nonqualified deferred compensation. Changes to these laws could alter the tax consequences described below. This summary does not describe all United States federal tax consequences under the 2020 Plan, nor does it describe state, local or non-U.S. tax consequences.

Incentive Stock Options No taxable income is generally realized by a participant upon the grant or exercise of an incentive stock option. If ordinary shares issued to a participant pursuant to the exercise of an incentive stock option are sold or transferred after two years from the date of grant and after one year from the date of exercise, then (i) upon sale of such ordinary shares, any amount realized in excess of the option exercise price (the amount paid for the shares) will be taxed to the optionee as a long-term capital gain, and any loss sustained will be a long-term capital loss, and (ii) Cimpress will not be entitled to any deduction for federal income tax purposes. The exercise of an incentive stock option will give rise to an item of tax preference that may result in alternative minimum tax liability for the participant.

If ordinary shares acquired upon the exercise of an incentive stock option are disposed of prior to the expiration of the two-year and one-year holding periods described above (a "disqualifying disposition"), generally (i) the participant will realize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of the ordinary shares at exercise (or, if less, the amount realized on a sale of such ordinary shares) over the exercise price thereof, and (ii) we will be entitled to deduct such amount. Special rules will apply where all or a portion of the exercise price of the incentive stock option is paid by tendering ordinary shares.

If an incentive stock option is exercised at a time when it no longer qualifies for the tax treatment described above, the option is treated as a nonstatutory option. Generally, an incentive stock option will not be eligible for the tax treatment described above if it is exercised more than three months following termination of employment (or one year in the case of termination of employment by reason of disability). In the case of termination of employment by reason of death, the three-month rule does not apply.

Nonstatutory Options No income is realized by the optionee at the time a nonstatutory option is granted. Generally (i) at exercise, ordinary income is realized by the optionee in an amount equal to the difference between the option exercise price and the fair market value of the ordinary shares on the date of exercise, and we receive a tax deduction for the same amount, and (ii) at disposition, appreciation or depreciation after the date of exercise is treated as either short-term or long-term capital gain or loss depending on how long the ordinary shares have been held. Special rules will apply where all or a portion of the exercise price of the nonstatutory option is paid by tendering ordinary shares. Upon exercise, the optionee will also be subject to Social Security taxes on the excess of the fair market value over the exercise price of the option.

Other Awards We are generally will be entitled to a tax deduction in connection with other awards under the 2020 Plan in an amount equal to the ordinary income realized by the participant at the time the participant recognizes such income. Participants typically are subject to income tax and recognize such tax at the time that an award is exercised, vests or becomes non-forfeitable, unless the award provides for a further deferral.

Parachute Payments The vesting of any portion of an award that is accelerated due to the occurrence of a change in control (such as a sale event) may cause a portion of the payments with respect to such accelerated awards to be treated as "parachute payments" as defined in the US Tax Code. Any such parachute payments may be non-deductible by Cimpress, in whole or in part, and may subject the recipient to a non-deductible 20% federal excise tax on all or a portion of such payment (in addition to other taxes ordinarily payable).

Limitation on Deductions Under Section 162(m) of the US Tax Code, the Company’s deduction for awards under the 2020 Plan may be limited to the extent that any "covered employee" (as defined in Section 162(m) of the US Tax Code) receives compensation in excess of $1 million a year.

Our Board of Directors recommends that you vote FOR our proposed 2020 Equity Incentive Plan.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of June 30, 2020 about the securities issued or authorized for future issuance under our current equity compensation plans.

Equity Compensation Plan Information

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(2)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a)
Equity compensation plans approved by shareholders(1)	2,873,264	$2.13	5,815,482
Equity compensation plans not approved by shareholders	—	—	—
Total	2,873,264	$2.13	5,815,482 (3)

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(1) Consists of our Amended and Restated 2005 Equity Incentive Plan, 2005 Non-Employee Directors’ Share Option Plan, 2011 Equity Incentive Plan, and 2016 Performance Equity Plan. This column includes an aggregate of 2,762,726 shares underlying RSUs and PSUs based on 2.5 shares per PSU that were unvested as of June 30, 2020.

(2) The RSUs and PSUs included in column (a) do not have an exercise price, and the weighted-average exercise price excluding these units is $55.27.

(3) Includes 3,414,508 shares available for future awards under our 2016 Performance Equity Plan, 2,348,807 shares available for future awards under our 2011 Equity Incentive Plan, and 52,167 shares available for future awards under our 2005 Non-Employee Directors’ Share Option Plan, as amended. No shares are available for future award under our Amended and Restated 2005 Equity Incentive Plan. For PSUs under our 2016 Performance Equity Plan, we assumed that we would issue ordinary shares equal to 250% of the outstanding PSUs, which is the maximum potential share issuance.

PROPOSAL 4 - SET THE PRICE RANGE FOR ISSUING TREASURY SHARES

Our treasury account contains ordinary shares that we previously repurchased from our shareholders, and when we issue ordinary shares to satisfy our obligations under our equity compensation plans or for other purposes, we generally issue shares from our treasury account instead of issuing new ordinary shares from our authorized share capital. Under Irish law, we need our shareholders to set the minimum and maximum prices at which we are authorized to issue treasury shares off-market. Once set by our shareholders, the price range is valid for no more than 18 months. Unless the price range is set by our shareholders, we cannot issue treasury shares.

The formal text of the resolution that we are asking our shareholders to approve is as follows:

> *"As a special resolution for the purposes of section 1078 of the Companies Act 2014 of Ireland (the "Companies Act"), the maximum and minimum prices at which ordinary shares that we previously purchased or redeemed and hold in treasury may be reissued off-market is as follows:*
>
> *i. the maximum price at which such treasury shares may be re-allotted off-market is an amount equal to 200% of the market price per share on the Nasdaq Global Select Market or any other securities exchange where the Company's shares are then traded, and*
> *ii. the minimum price at which such treasury shares may be re-allotted off-market is the nominal value of the share.*
>
> *The authority conferred by this resolution is effective from the date of passing of this resolution and expires eighteen months from the date of the passing of this resolution, unless previously varied, revoked or renewed by special resolution in accordance with the provisions of section 1078 of the Companies Act.*
>
> *For the purpose of this resolution, the "market price" of our ordinary shares is the average of the closing price on each of the consecutive days of trading during a period no shorter than one trading day and no longer than 10 trading days immediately preceding the date of the issuance, as reasonably determined by the Board of Directors of Cimpress plc."*

Our Board of Directors recommends that you vote FOR the proposal to set the price range for issuing treasury shares as described above.

PROPOSAL 5 - REAPPOINT OUR STATUTORY AUDITOR UNDER IRISH LAW

The Irish Companies Act 2014 requires that our statutory auditors be appointed at each annual general meeting of shareholders, to hold office from the conclusion of the annual general meeting until the conclusion of the next annual general meeting. PricewaterhouseCoopers Ireland has served as Cimpress plc's Irish statutory auditor during fiscal year 2020 and is affiliated with PricewaterhouseCoopers LLP, who our Audit Committee has selected as our U.S. registered independent registered public accounting firm for the fiscal year ending June 30, 2021 with respect to our consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles. We refer to PricewaterhouseCoopers LLP and Pricewaterhouse Coopers Ireland together as "PwC."

Our Audit Committee has recommended that PricewaterhouseCoopers Ireland be appointed as our Irish statutory auditor. If our shareholders do not approve the reappointment of PricewaterhouseCoopers Ireland at this annual meeting, our Board of Directors may appoint a person or firm to fill the vacancy.

Our Board of Directors recommends that you vote FOR the reappointment of PricewaterhouseCoopers Ireland as our statutory auditor under Irish law to hold office until the conclusion of our annual general meeting in 2021.

Independent Registered Public Accounting Firm Fees and Other Matters

The following table presents the aggregate fees and expenses billed for services rendered by PwC for the fiscal years ended June 30, 2020 and June 30, 2019. The amounts reported for each fiscal year represent the fees and expenses for services rendered during the applicable fiscal year, regardless of when the fees and expenses were billed.

	Fiscal 2020	Fiscal 2019
Audit Fees(1)	$ 3,925,395	$ 3,623,013
Audit-Related Fees(2)	170,000	—
Tax Fees(3)	357,952	771,125
All Other Fees(4)	71,271	114,923
Total Fees	$ 4,524,618	$ 4,509,061

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(1) Audit fees and expenses consisted of fees and expenses billed for the audit of our consolidated financial statements, statutory audits of Cimpress plc (formerly Cimpress N.V.) and certain of our subsidiaries, quarterly reviews of our financial statements, and the audit of the effectiveness of internal control over financial reporting as promulgated by Section 404 of the U.S. Sarbanes-Oxley Act.

(2) Audit-related fees and expenses consisted of fees and expenses for services that are reasonably related to the performance of the audit and the review of our financial statements and that are not reported under “Audit Fees.” These services relate principally to consultations regarding financial accounting and reporting matters associated with the cross-border merger of Cimpress N.V. into Cimpress plc and Cimpress' debt offering.

(3) Tax fees and expenses consisted of fees and expenses for tax compliance (including tax return preparation), tax advice, tax planning and consultation services. Tax compliance services (assistance with tax returns, tax audits and appeals) accounted for $206,625 of the total tax fees billed in fiscal year 2020 and $160,665 of the total tax fees billed in fiscal year 2019.

(4) For fiscal year 2020 and 2019, $900 and $4,000 represent subscription fees for PwC's accounting research tool, respectively. The remaining $70,371 and $110,923 for fiscal years 2020 and 2019, respectively, represents fees for global mobility immigration services.

Audit Committee’s Pre-approval Policy and Procedures

Our Audit Committee has adopted policies and procedures for the pre-approval of audit and non-audit services for the purpose of maintaining the independence of our registered public accounting firm. We may not engage the independent registered public accounting firm to render any audit or non-audit service unless either the service is approved in advance by the Audit Committee or the engagement to render the service is entered into pursuant to the Audit Committee’s pre-approval policies and procedures. From time to time, the Audit Committee pre-approves services that are expected to be provided to Cimpress by the independent registered public accounting firm during the following 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also subject to a maximum dollar amount. At regularly scheduled meetings of the Audit Committee, management or the independent registered public accounting firm report to the Audit Committee regarding services actually provided to Cimpress.

During our fiscal year ended June 30, 2020, PwC did not provide any services to Cimpress other than in accordance with the pre-approval policies and procedures described above.

PROPOSAL 6 - AUTHORIZE OUR BOARD OR AUDIT COMMITTEE TO DETERMINE THE REMUNERATION OF OUR STATUTORY AUDITOR UNDER IRISH LAW

Under the Irish Companies Act 2014, the remuneration of our statutory auditor under Irish law must be fixed by our shareholders in a general meeting of the Company or in such manner as may be determined in a general meeting. We are asking our shareholders to authorize our Board or the Audit Committee of the Board to determine PricewaterhouseCoopers Ireland's remuneration as our statutory auditor under Irish law for the duration of PwC’s term of office. Our Board has delegated the authority to determine the remuneration of our statutory auditor under Irish law to the Audit Committee of the Board in accordance with the Board’s procedures and applicable law.

Our Board of Directors recommends that you vote FOR the authorization of our Board or Audit Committee to determine the remuneration of PricewaterhouseCoopers Ireland.

CORPORATE GOVERNANCE

Board of Directors and Committees

During our fiscal year ended June 30, 2020, our Board met three times, and each of our directors attended at least 90% of the total number of meetings of the Board and the committees of which such director was a member during the period of time he or she served on such committee. We do not have a policy with respect to director attendance at our annual general meetings of shareholders, and one director attended our 2019 annual general meeting of shareholders.

The Board has standing Audit, Compensation, and Nominating Committees. Each committee has a charter that has been approved by the Board, and each committee must review the adequacy of its charter at least annually.

Director	*Audit Committee*	*Compensation Committee*	*Nominating Committee*
Sophie A. Gasperment		member	member
John J. Gavin, Jr.	Chair and Audit Committee Financial Expert		
Zachary S. Sternberg	member	member	Chair
Scott J. Vassalluzzo	member	Chair	member
All committee members independent?	Yes, meet independence criteria for audit committee members	Yes, meet independence criteria for compensation committee members	Yes

Audit Committee

The Audit Committee met five times during fiscal year 2020. The Audit Committee's responsibilities include the following:

- evaluating and retaining our independent registered public accounting firm
- approving the compensation of, and assessing (or recommending that the Board assess) the independence of, our registered public accounting firm
- overseeing the work of our independent registered public accounting firm, including the receipt and consideration of certain reports from the firm
- reviewing and discussing our financial statements and other financial disclosures and considering whether to recommend to the Board that our audited financial statements be included in our Annual Report on Form 10-K
- coordinating the Board's oversight of our internal control over financial reporting and disclosure controls and procedures
- overseeing our internal audit function
- establishing procedures for the receipt, retention, and treatment of accounting-related complaints and concerns
- reviewing and approving any related person transactions
- discussing our policies with respect to financial and accounting risk assessment and risk management
- preparing the Audit Committee report included in this proxy statement

Compensation Committee

The Compensation Committee met two times during fiscal year 2020. The Compensation Committee's responsibilities include the following:

- reviewing and approving, or making recommendations to the Board with respect to, the compensation of our Chief Executive Officer and our other executive officers
- reviewing and making recommendations to the Board with respect to incentive compensation and equity-based plans and overseeing and administering our equity-based plans
- reviewing and making recommendations to the Board with respect to director compensation
- overseeing the risks associated with our compensation policies and practices
- reviewing and discussing with management the Compensation Discussion and Analysis section of the proxy statement and considering whether to recommend to the Board that the Compensation Discussion and Analysis be included in the proxy statement
- preparing the Compensation Committee report included in this proxy statement

Nominating Committee

The Nominating Committee met one time during fiscal year 2020. The responsibilities of the Nominating Committee include the following:

- identifying individuals qualified to become Board members
- recommending to the Board the persons to be nominated for appointment as directors and to each of the Board's committees
- monitoring communications to the Board from shareholders and other interested parties
- coordinating the Board's oversight of our Code of Business Conduct and reviewing allegations made on our confidential reporting helpline

Corporate Governance Guidelines

We believe that good corporate governance is important to ensure that Cimpress is managed for the long-term benefit of our stakeholders, including but not limited to our shareholders. The Board has adopted Corporate Governance Guidelines to assist in the exercise of its duties and responsibilities and to serve the best interests of Cimpress and our stakeholders. The Corporate Governance Guidelines provide a framework for the conduct of the Board's business.

Among other things, the Corporate Governance Guidelines provide as follows:

- A majority of the members of the Board must be independent directors, except as permitted by Nasdaq rules.
- The Board should focus on, and develop a strategy for, long-term valuation creation by Cimpress.
- The non-employee directors must meet at least twice a year in executive session without any members of Cimpress' management to discuss, among other matters, the performance of our Chief Executive Officer.
- The Board has full and free access to management and employees and the authority to hire and consult with independent advisors.
- The Board must have at all times an Audit Committee, Compensation Committee, and Nominating Committee composed of non-employee directors who meet the independence and other criteria set forth in Nasdaq rules.

- On an annual basis or such other frequency as the Board determines, the Board must conduct a self-evaluation to determine whether it and its committees are functioning effectively.

You can find our Corporate Governance Guidelines, our Code of Business Conduct, and the charters for our Audit Committee, Compensation Committee and Nominating Committee on our Investor Relations website at *ir.cimpress.com*, or you can request copies of these documents by emailing us at ir@cimpress.com or writing to Investor Relations, c/o Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA.

Code of Business Conduct

We have adopted a written code of business conduct that applies to our Board, officers, and employees, a current copy of which is posted on the Corporate Governance page of *ir.cimpress.com*. In addition, we intend to post on our website all disclosures that are required by law or Nasdaq stock market listing standards concerning any amendments to, or waivers from, any provision of the code.

Determination of Independence

Under Nasdaq rules, members of our Board qualify as “independent directors” only if, in the opinion of the Board, they do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that none of its members other than Robert Keane, our Chief Executive Officer, has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that all of the non-employee directors are “independent directors” as defined under Nasdaq's Marketplace Rules.

Oversight of Risk

Our Board has responsibility for risk oversight, and the full Board or its relevant committees regularly conduct reviews of certain risk areas. In addition, based on an internal risk assessment, we believe that any risks arising from our compensation programs for our employees are not reasonably likely to have a material adverse effect on Cimpress.

Board Nomination Process

The process that our Nominating Committee follows to identify and evaluate candidates for members of our Board includes requests to its members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the Committee and the Board.

In considering whether to recommend any particular candidate for inclusion in the Board’s slate of nominees, the Nominating Committee applies, among other things, the criteria for Board members set forth as an attachment to the Nominating Committee Charter. These criteria include among others the candidate’s integrity, business acumen, knowledge of our business and industry, experience, diligence, absence of any conflicts of interest, and ability to act in the interests of all of Cimpress' stakeholders. In addition, the Charter specifies that nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability, or any other basis proscribed by law and that the Nominating Committee and Board should consider the value of diversity on the Board. The Committee does not assign specific weights to particular criteria, and no particular criterion other than integrity and good character is a prerequisite for each prospective nominee.

We believe that the backgrounds and qualifications of the members of our Board, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Accordingly, the Nominating Committee seeks nominees with a broad diversity of experience, professions, skills and backgrounds.

Shareholders may recommend individuals to the Nominating Committee for consideration as potential candidates for the Board by submitting their names, together with appropriate biographical information and background materials and a statement as to whether the shareholder or group of shareholders making the recommendation has beneficially owned more than 5% of our ordinary shares for at least a year as of the date such recommendation is made, to Nominating Committee, c/o General Counsel, Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA. If appropriate biographical and background material has been provided on a timely basis, the

Nominating Committee will evaluate shareholder-recommended candidates by following substantially the same process, and applying substantially the same criteria, as it follows for candidates submitted by others.

Report of the Audit Committee

The Audit Committee has reviewed Cimpress' audited consolidated financial statements for the fiscal year ended June 30, 2020 and has discussed these financial statements with Cimpress' management and PricewaterhouseCoopers LLP, our independent registered public accounting firm for fiscal year 2020.

The Audit Committee has also received from, and discussed with, PwC various communications that PwC is required to provide to the Audit Committee pursuant to the applicable requirements of the Public Company Accounting Oversight Board, or PCAOB, and in effect for Cimpress' fiscal year 2020. The Audit Committee has discussed with the independent registered public accounting firm its independence from Cimpress. The Audit Committee also considered whether the provision of other, non-audit related services referred to under the heading "Independent Registered Public Accounting Firm Fees and Other Matters" under Proposal 5 is compatible with maintaining the independence of our registered public accounting firm.

Based on its discussions with, and its review of the representations and information provided by, management and PwC, the Audit Committee recommended to the Board that the audited financial statements be included in Cimpress' Annual Report on Form 10-K for the fiscal year ended June 30, 2020.

This Audit Committee Report is not incorporated by reference into any of our previous or future filings with the SEC, unless any such filing explicitly incorporates this Report.

Audit Committee of the Board of Directors
John J. Gavin, Jr., *Chairman*
Zachary S. Sternberg
Scott J. Vassalluzzo

Certain Relationships and Related Transactions

Policies and Procedures for Related Person Transactions

We have a written related person transaction policy that sets forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we are a participant, the amount involved exceeds $25,000, and a related person has a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness, and employment by us of a related person. A related person is any person who is or was a Cimpress executive officer or member of our Board of Directors at any time since the beginning of our most recently completed fiscal year, the beneficial holder of more than 5% of any class of our voting securities, or an immediate family member of anyone described in this sentence.

All potential related person transactions that we propose to enter into must be reported to our Chief Legal Officer (CLO, who is currently our General Counsel) or Chief Accounting Officer (CAO), who will determine whether each reported transaction qualifies as a related person transaction. If so, then the CLO and CAO will submit the transaction for review and approval by our Audit Committee. If our CLO and CAO determine that advance approval of a related person transaction by the full Audit Committee is not practicable under the circumstances, then they will submit the transaction to the Audit Committee chair for review and approval, and the full Audit Committee will review and ratify the related person transaction at the next Committee meeting.

In addition, the Audit Committee will review annually any previously approved or otherwise already existing related person transaction that is ongoing in nature to ensure that such related person transaction has been conducted in accordance with the Audit Committee's previous approval, if any, and that all required disclosures regarding the related person transaction are made.

When considering a proposed related person transaction, the Audit Committee will review and consider, to the extent appropriate for the circumstances:

- the related person’s interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person’s interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of business;
- whether the transaction with the related person is entered into on terms no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person that would be material to investors in light of the circumstances of the particular transaction.

The Audit Committee will review all relevant information available to it about the related person transaction. The Audit Committee may approve or ratify the related person transaction only if the Committee determines that, under all of the circumstances, the transaction is in or is not inconsistent with our best interests. The Committee may, in its sole discretion, impose conditions as it deems appropriate on us or the related person in connection with approval of the related person transaction.

In addition, under our Corporate Governance Guidelines, any director who has a conflict of interest is required to disclose that conflict to the Chairman, full Board, or General Counsel and to abstain from voting on any resolution involving, or participating in any Board discussion of, the conflict.

Related Person Transaction

During fiscal year 2020, there was one related person transaction as defined by SEC rules: On November 5, 2019, we repurchased 750,000 of our ordinary shares from two private investment partnerships affiliated with Prescott General Partners LLC ("PGP") at a price of $135.00 per share, representing a discount of $1.05 to the closing price of our shares on Nasdaq on that date. PGP remained our largest shareholder immediately following the repurchase, and Scott Vassalluzzo, a Managing Member of PGP, is one of our directors. The disinterested members of our Audit Committee reviewed the proposed repurchase transaction under our related person transaction policy and considered, amount other things, Mr. Vassalluzzo's and PGP's interest in the transaction, the approximated dollar value of the transaction, that the shares were being repurchased at a discount to the closing price, and the purpose and the potential benefits to Cimpress of entering into the transaction. Based on these considerations, the disinterested members of the Audit Committee concluded that the transaction was in our best interest.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2020, Ms. Gasperment and Messrs. Sternberg and Vassalluzzo served as members of our Compensation Committee. None of these directors has ever been an officer or employee of Cimpress or any of our subsidiaries, and during fiscal year 2020, no Compensation Committee member had any relationship with us requiring disclosure under SEC rules.

During fiscal year 2020, none of our executive officers served as a member of the board of directors or compensation committee (or other committee serving an equivalent function) of any entity that had one or more executive officers serving as a member of our Board or Compensation Committee.

Communicating with the Board

Our Board will give appropriate attention to written communications that are submitted by shareholders, and will respond if and as appropriate. The chair of the Nominating Committee, with the assistance of Cimpress' General Counsel, is primarily responsible for monitoring communications from shareholders and for providing copies or summaries to the other directors as its members consider appropriate.

The chair of the Nominating Committee will forward communications to the full Board if the communications relate to substantive matters and include suggestions or comments that he considers to be important for the directors to know. In general, the chair is more likely to forward communications relating to corporate governance and corporate strategy than communications relating to ordinary business affairs, personal grievances, and matters as to which Cimpress may receive repetitive or duplicative communications.

Shareholders who wish to send communications on any topic to our Board should address such communications to:

Board of Directors
c/o Corporate Secretary, Cimpress plc
275 Wyman Street
Waltham, MA 02451
USA

COMPENSATION OF OUR BOARD OF DIRECTORS

We use a combination of cash and share-based incentive compensation to attract and retain qualified candidates to serve as members of our Board of Directors. When considering the compensation of our directors, our Compensation Committee considers the significant amount of time that directors expend in fulfilling their duties to Cimpress and the skill level that we require of our Board members.

Fees

We pay our directors, including Mr. Keane, an annual retainer of $100,000 per fiscal year. Mr. Keane's annual retainer for Board service is paid in the form of PSUs, as described above in the Compensation Discussion and Analysis section of this proxy statement. The Chair of the Audit Committee receives an additional $25,000 per fiscal year, and during fiscal year 2020, when Cimpress was a Dutch company, Ms. Gasperment served in the lead non-executive director (*voorzitter*) position required by Dutch law and also received an additional $25,000 for the fiscal year for serving in that position. We reimburse our directors for reasonable travel and other expenses incurred in connection with attending meetings of our Board and its committees, and we pay the tax preparation fees related to their Dutch and Irish income tax returns.

In light of the effects of the COVID-19 pandemic on Cimpress' business and financial results, and in conjunction with the salary restructuring program instituted for certain of our employees, as described in the Compensation Discussion and Analysis section of this proxy statement, our Board decided that the non-employee directors' cash retainers for the third and fourth quarters of 2020 would be paid in RSUs instead of cash. Each non-employee director received an RSU award under our 2011 Equity Incentive Plan having the same value as the director's retainer for the third and fourth quarters, vesting in full on August 15, 2020 so long as the director still serves on our Board on the vesting date, at which time each RSU is automatically converted into ordinary shares of Cimpress plc on a one-to-one basis.

Performance Share Units

In keeping with the goals of aligning the Board's equity awards with the equity awards received by Cimpress' executives and employees and maintaining the competitiveness of the compensation program, we grant PSUs to our directors under our 2016 Performance Equity Plan. Each incumbent director receives $125,000 of PSUs annually in connection with our annual general meeting of shareholders so long as they remain a director following that annual general meeting. Each new director receives $150,000 of PSUs in connection with their initial appointment to the Board. Cimpress determines the number of PSUs to be granted to each director by dividing the applicable dollar amounts described in this paragraph by the 3YMA of Cimpress' ordinary shares as of the following date, which we refer to as a baseline date:

- For incumbent directors, the baseline date is November 15 of each year.
- For newly appointed directors, the baseline date is based on the date of the general meeting of shareholders at which the director is appointed:

General meeting in the months of:	*Baseline date is the nearest:*
June, July, or August	August 15
September, October, or November	November 15
December, January, or February	February 15
March, April, or May	May 15

Each PSU represents a right to receive between 0 and 2.5 ordinary shares of Cimpress plc upon the satisfaction of both service-based vesting over time and performance conditions relating to the CAGR of the 3YMA over a six-to-ten-year period, in accordance with the 2016 Plan.

First condition to a Performance Dependent Issuance: Service-based Vesting
PSUs granted to members of our Board vest at a rate of 25% of the original number of PSUs per year over the four years following the applicable annual general meeting (for PSU awards granted to incumbent directors) or the general meeting at which the director was first appointed (for PSU awards granted to newly

appointed directors), in each case so long as the director continues to serve on our Board. If a director ceases to serve on the Board, other than for cause, they retain all PSUs that have satisfied the service-based vesting condition as of their last day of service on the Board. If Cimpress achieves the performance thresholds described below, the former director would receive Cimpress ordinary shares upon settlement of the PSUs, even though they are no longer a member of our Board.

Second condition to a Performance Dependent Issuance: 3YMA Performance
The performance conditions set forth in the 2016 Plan apply to the PSU awards granted to Board members. In summary, beginning on the sixth anniversary of the baseline date for each PSU award, and on each anniversary thereafter through the tenth anniversary, we will calculate the 3YMA as of such date, which we refer to as a measurement date. On the first such measurement date that the 3YMA equals or exceeds a CAGR of 11%, the 3YMA performance condition would be satisfied, and we would issue to the director the number of Cimpress ordinary shares determined by multiplying the number of vested PSUs subject to the award by the applicable performance-based multiplier set forth in the 2016 Plan. If none of the CAGR performance goals set forth in the 2016 Plan are achieved by the tenth anniversary of the baseline measurement date for the PSU award, then the PSU award will be terminated and no Cimpress ordinary shares will be issued with respect to the award.

Non-Employee Director Compensation Table

The following table contains information about the compensation earned by our non-employee directors in the fiscal year ended June 30, 2020:

Name	Fees Earned or Paid in Cash ($)	Share Awards ($)(1)	Total ($)
Sophie A. Gasperment	62,500	250,803	313,303
John J. Gavin, Jr.	62,500	250,803	313,303
Zachary S. Sternberg	50,000	238,298	288,298
Scott J. Vassalluzzo	50,000	238,298	288,298

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(1) The amounts reported in this column represent a dollar amount equal to the grant date fair value of the share awards as computed in accordance with FASB ASC Topic 718. You can find the assumptions we used in the calculations for these amounts in Note 11 to our audited financial statements included in our Annual Report on Form 10-K for the fiscal year ended June 30, 2020. The maximum value of the PSUs granted to each non-employee director in fiscal year 2020 is $392,531 assuming the maximum achievement of the performance conditions, which we estimated by multiplying the maximum number of shares issuable pursuant to each PSU award by the closing price of our ordinary shares on Nasdaq on the grant date.

In addition, at June 30, 2020, our non-employee directors held the following equity compensation awards:

- Ms. Gasperment held 5,630 PSUs and 1,339 RSUs.
- Mr. Gavin held 5,116 PSUs and 1,339 RSUs.
- Mr. Sternberg held 4,005 PSUs and 1,071 RSUs.
- Mr. Vassalluzzo held 5,298 shares subject to unexercised share options, 5,116 PSUs, and 1,071 RSUs.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table contains information regarding the beneficial ownership of our ordinary shares as of August 19, 2020 by:

- each shareholder we know to own beneficially more than 5% of our outstanding ordinary shares;
- each member of our Board of Directors;
- our named executive officers who are listed in the Summary Compensation Table in this proxy statement; and
- all of our current directors and executive officers as a group.

Name and Address of Beneficial Owner(1)	Number of Ordinary Shares Beneficially Owned(2)	Percent of Ordinary Shares Beneficially Owned(3)
Arlington Value Capital LLC (4) 222 S. Main Street, Suite 1750 Salt Lake City, UT 84101 USA	1,995,437	7.7%
Janus Henderson Group plc (5) 201 Bishopsgate EC2M 3AE London UK	3,610,033	13.9
Prescott General Partners LLC (6) 2200 Butts Road, Suite 320 Boca Raton, FL 33431 USA	3,906,492	15.0
Thomas W. Smith (6) 2200 Butts Road, Suite 320 Boca Raton, FL 33431 USA	1,693,329	6.5
The Spruce House Partnership LP 435 Hudson Street, 8th Floor New York, NY 10014 USA	2,358,904	9.1
The Vanguard Group (7) 100 Vanguard Blvd. Malvern, PA 19355 USA	1,681,181	6.5
Named Executive Officers and Directors		
Robert S. Keane (8)(9)	2,350,856	9.0
Sophie A. Gasperment	696	*
John J. Gavin, Jr. (10)	32,725	*
Sean E. Quinn (11)	5,507	*
Zachary S. Sternberg (12)	2,374,803	9.1
Scott J. Vassalluzzo (9)(13)	76,877	*
Maarten Wensveen	1,135	*
All current executive officers and directors as a group (7 persons) (9)	4,842,599	18.5%

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* Less than 1%

(1) Unless otherwise indicated, the address of each executive officer and director is c/o Cimpress plc., Building D, Xerox Technology Park, Dublin Road, Dundalk, Co. Louth, A91 H9N9, Ireland.

(2) For each person or entity in the table above, the “Number of Shares Beneficially Owned” column may include ordinary shares attributable to the person or entity because of that holder’s voting or investment power or other relationship, as determined under SEC rules. Under these rules, a person or entity is deemed to have “beneficial ownership” of any shares over which that person or entity has or shares voting or investment power, plus any shares that the person or entity may acquire within 60 days of August 19, 2020 (i.e., October 18, 2020), including through the exercise of share options or the vesting of RSUs. Unless otherwise indicated, each person or entity referenced in the table has sole voting and investment power over the shares listed or shares such power with his or her spouse. The inclusion in the table of any shares, however, does not constitute an admission of beneficial ownership of those shares by the named shareholder.

(3) The percentage ownership for each shareholder on August 19, 2020 is calculated by dividing (1) the total number of shares beneficially owned by the shareholder by (2) 26,003,649, the number of ordinary shares outstanding on August 19, 2020, plus any shares issuable to the shareholder within 60 days after August 19, 2020 (i.e., October 18, 2020), including RSUs that vest and share options that are exercisable on or before October 18, 2020.

(4) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 14, 2020.

(5) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 13, 2020.

(6) This information is based solely upon a Schedule 13D/A that the shareholder filed with the SEC on November 15, 2019.

(7) This information is based solely upon a Schedule 13G/A that the shareholder filed with the SEC on February 12, 2020.

(8) Includes an aggregate of (i) 2,136,435 shares held by the Trusts and entities wholly owned by the Trusts, and (ii) 109,181 shares held by a charitable entity established by Mr. Keane and his spouse. Mr. Keane and his spouse disclaim beneficial ownership of the shares and share options beneficially owned by the Trusts and the entities owned by the Trusts and shares owned by the charitable entity except to the extent of their pecuniary interest therein.

(9) Includes the number of shares listed below that each named executive officer and director has the right to acquire under share options that vest on or before October 18, 2020:

- Mr. Keane: 105,240 shares held by entities wholly owned by the Trusts
- Mr. Vassalluzzo: 5,298 shares
- All current executive officers and directors in the aggregate: 110,538 shares

(10) Includes 32,029 shares held by a trust of which Mr. Gavin and his wife are trustees.

(11) Consists of shares held by a trust of which Mr. Quinn's spouse is trustee.

(12) Includes 2,358,904 shares held by The Spruce House Partnership LP. The general partner of The Spruce House Partnership LP is Spruce House Capital LLC, of which Mr. Sternberg is a managing member. Mr. Sternberg disclaims beneficial ownership of the shares held by The Spruce House Partnership LP except to the extent of his pecuniary interest therein.

(13) Includes 2,174 shares held in investment accounts established for the benefit of certain family members, with respect to which Mr. Vassalluzzo disclaims beneficial ownership except to the extent of his pecuniary interest therein.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the annual meeting?

At the annual meeting, our shareholders will consider and act upon the 6 proposals listed in the Notice of Annual General Meeting of Shareholders that appears on the first two pages of this proxy statement.

Who can vote?

To be able to vote on the matters listed in the Notice of Annual General Meeting of Shareholders on the first two pages of this proxy statement, you must have held ordinary shares of Cimpress at the close of business on September 25, 2020, which is the record date for the annual meeting. Shareholders of record at the close of business on September 25, 2020 are entitled to vote on each proposal at the meeting. The number of outstanding ordinary shares entitled to vote on each proposal at the meeting is 26,003,649. Currently, there are no outstanding preferred shares of Cimpress.

How many votes do I have?

Each ordinary share of Cimpress that you owned on the record date entitles you to one vote on each matter that is voted on at the annual meeting.

Is my vote important?

Your vote is important regardless of how many ordinary shares you own. Please take a moment to read the instructions below, vote your shares, and submit your proxy as soon as possible to ensure that your shares are represented and voted at the annual meeting.

How do I vote?

If you are a holder of record and your shares are not held in “street name” by a bank or brokerage firm, you may vote by using any of the following methods:

- by telephone using the toll-free telephone number shown on the proxy card or Notice of Internet Availability
- through the Internet as instructed on the proxy card or Notice of Internet Availability
- if you received proxy materials by mail or if you request a paper proxy card by telephone or through the Internet, by completing and signing the proxy card and promptly returning it in the envelope provided to Proxy Services c/o Computershare Investor Services, PO Box 505000, Louisville, KY 40233-9814 USA, or by mailing or otherwise depositing it at our registered office in Ireland
- by attending the meeting and voting in person

For your vote to be counted at the meeting, your proxy must be received no later than 10:00 a.m. Eastern Standard Time on November 24, 2020, the last business day before the meeting (or if the meeting is adjourned or postponed, the last business day before the adjourned or postponed meeting).

If the shares you own are held in street name by a bank or brokerage firm, then your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your bank or brokerage firm provides to you. Many banks and brokerage firms offer the option of voting by mail, over the Internet, or by telephone, which will be explained in the voting instruction form you receive from your bank or brokerage firm.

The shares you own will be voted according to the instructions you return to Computershare Trust Company or your bank or brokerage firm. If you are a holder of record and sign and return the proxy card, but do not give any instructions on a particular matter to be voted on as described in this proxy statement, then the shares you own will be voted in accordance with the recommendations of our Board of Directors. If your shares are held in street name at a broker, your broker may under certain circumstances vote your shares on “routine” matters if you do not timely provide voting instructions in accordance with the instructions provided by them. However, if you do not provide timely instructions, your broker does not have the authority to vote on any “non-routine” proposals at the annual meeting and a “broker non-vote” will occur. “Broker non-votes” are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote such shares on a particular matter.

Can I change my vote or revoke my proxy after I have mailed my proxy card?

Yes. If your shares are held in street name by a bank or brokerage firm and you wish to revoke or change your voting instructions, then you must follow the directions you receive from your bank or brokerage firm. If you are a holder of record and your shares are not held in street name, then you can revoke your proxy and change your vote by doing any one of the following things:

- signing another proxy card with a later date and delivering the new proxy card to Proxy Services c/o Computershare Investor Services, PO Box 505000, Louisville, KY 40233-9814 USA no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting (or if the meeting is adjourned or postponed, the last business day before the adjourned or postponed meeting);

- delivering written notice to Proxy Services c/o Computershare Investor Services, PO Box 505000, Louisville, KY 40233-9814 USA no later than 4:00 p.m. Eastern Standard Time on the last business day before the meeting that you want to revoke your proxy (or if the meeting is adjourned or postponed, the last business day before the adjourned or postponed meeting); or

- voting in person at the meeting.

Your attendance at the meeting alone will not revoke your proxy.

How do I attend the meeting and vote in person?

If you wish to attend our annual meeting in Waltham, MA, USA in person, we request that you notify us in advance, if possible, by sending our Senior Securities Counsel written notice at the offices of our subsidiary Cimpress USA Incorporated, 275 Wyman Street, Waltham, MA 02451 USA. If you need directions to the meeting, please call Investor Relations at +1 781-652-6480. In accordance with the requirements of Irish law, shareholders of record who wish to participate in the annual meeting without leaving Ireland may also do so by attending in person at the offices of our Irish lawyers, Matheson, located at 70 Sir John Rogerson's Quay, Dublin 2, Ireland, at the time of the meeting, where technological means will be made available to participate in the meeting. You will need to present the proxy card that you received, together with a form of personal photo identification, in order to be admitted.

If you wish to attend the meeting and your shares are held in street name by a bank or brokerage firm, then you must bring with you to the meeting an account statement or letter from your bank or brokerage firm showing that you are the beneficial owner of the shares as of the record date in order to be admitted to the meeting. To be able to vote your shares held in street name at the meeting, you will need to obtain a legal proxy from the holder of record, i.e., your bank or brokerage firm.

What vote is required?

Under Cimpress' Constitution, holders of at least a majority of our outstanding ordinary shares must be represented at the annual meeting to constitute a quorum, and the following vote is required to approve each of the proposals described in this proxy statement, in each case assuming a quorum is present:

- *Proposal 2 (advisory “say on pay”):* This proposal requires the approval of at least a majority of votes cast at the annual meeting. This vote is non-binding and advisory in nature, but our Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

- *Proposal 4 (setting the price range for issuing treasury shares):* This proposal requires the approval of at least 75% of the votes cast at the annual meeting.

- *All other proposals:* These proposals require the approval of at least a majority of votes cast at the annual meeting.

For all proposals, Irish law provides that ordinary shares represented at the meeting and abstaining from voting will count as shares present at the meeting for the purpose of determining whether there is a quorum but will not count for the purpose of determining the number of votes cast. Broker non-votes will not count as shares present at the meeting or for the purpose of determining the number of votes cast. “Broker non-votes” are shares that are held in street name by a bank or brokerage firm that indicates on its proxy that it does not have discretionary authority to vote on a particular matter.

How will votes be counted?

Each ordinary share will be counted as one vote according to the instructions contained on a properly completed proxy or on a ballot voted in person at the meeting. Abstentions and broker non-votes are not counted as either votes in favor of a proposal or votes against a proposal and therefore have no impact on the voting, although abstentions do count for the purpose of determining the size of the quorum.

Who will count the votes?

Computershare Trust Company, Inc., our transfer agent, will count, tabulate, and certify the votes.

How does the Board of Directors recommend that I vote on the proposals?

Our Board recommends that you vote FOR all of the proposals listed in the Notice of Annual General Meeting of Shareholders on the first two pages of this proxy statement.

Do the executive officers or directors have any substantial interests in these proposals?

No, our executive officers and directors do not have any substantial direct or indirect interests in the proposals, except to the extent of their ownership of our ordinary shares or their own appointment to the Board of Directors.

Will any other business be conducted at the meeting or will other matters be voted on?

Our Board does not know of any other matters that may come before the meeting. If any other matter properly comes before the meeting, then, to the extent permitted by applicable law, the persons named in the proxy card that accompanies this proxy statement may exercise their judgment in deciding how to vote, or otherwise act, at the meeting with respect to that matter or proposal.

Where can I find the voting results?

Within four business days after the annual meeting, we will report the voting results on a Current Report on Form 8-K that we will file with the SEC.

How and when may I submit a shareholder proposal, including a shareholder nomination for a Board position, for the 2021 annual general meeting?

Because we are an Irish public limited company whose shares are traded on a U.S. securities exchange, both U.S. and Irish rules and timeframes will apply if you wish to submit a candidate to be considered for election to our Board of Directors at our 2021 annual general meeting or if you wish to submit another kind of proposal for consideration by shareholders at our 2021 annual general meeting.

Under our Constitution, in order to nominate a candidate for election as a director or bring other business before our 2021 annual general meeting, you must deliver notice of the matter, in compliance with the Constitution, to the address listed below no earlier than 120 calendar days and no later than 90 calendar days before the first anniversary of the 2020 annual meeting. However, if the date of our 2021 annual general meeting is more than 30 calendar days before or more than 60 calendar days after the first anniversary of the 2020 annual meeting, you must deliver the required notice no earlier than 120 calendar days before the 2021 annual general meeting and no later than the later of 90 calendar days before the 2021 annual general meeting or five calendar days after the day on we first publicly announce the date of our 2021 annual general meeting.

Under U.S. securities laws, if you wish to have a proposal included in our proxy statement for the 2021 annual general meeting, then in addition to the above requirements, you also need to follow the procedures outlined in Rule 14a-8 of the Exchange Act, and we must receive your proposal at our office in Dundalk, Ireland as set forth below no later than June 11, 2021.

Any proposals, nominations or notices under our Constitution or pursuant to Rule 14a-8 should be sent to:

Secretary, Cimpress plc
Building D, Xerox Technology Park
Dundalk, Co. Louth
Ireland

With a copy to:
Senior Securities Counsel
Cimpress USA Incorporated
275 Wyman Street
Waltham, MA 02451
USA

What are the costs of soliciting these proxies?

We will bear the costs of solicitation of proxies. We have retained Alliance Advisors for a fee of $11,500 plus expenses to assist us in soliciting proxies from our shareholders and to verify certain records relating to the solicitation. We and our directors, officers, and selected other employees may also solicit proxies by mail, telephone, e-mail, or other means of communication. Directors, officers, and employees who help us in soliciting proxies will not be specially compensated for those services, but they may be reimbursed for their reasonable out-of-pocket expenses incurred in connection with their solicitation. We will request brokers, custodians, and fiduciaries to forward proxy soliciting material to the owners of our ordinary shares that they hold in their names and will reimburse these entities for their out-of-pocket expenses incurred in connection with the distribution of our proxy materials.

Householding of Annual Meeting Materials

Some banks, brokers, and other nominee record holders may participate in the practice of “householding” proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may be sent to multiple shareholders in your household. We will promptly deliver a separate copy of either document to you if you contact us by emailing ir@cimpress.com, writing us at Investor Relations, Cimpress, 275 Wyman Street, Waltham, MA 02451 USA, or calling us at telephone no. +1 781-652-6480. If you want to receive separate copies of the proxy statement or annual report to shareholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder if you hold your shares in street name, or you may contact us per the above if you are a holder of record.

APPENDIX A

CIMPRESS PLC

2020 EQUITY INCENTIVE PLAN

1. Purpose

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

2. Eligibility

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

3. Administration and Delegation

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

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

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

4. Ordinary Shares Available for Awards; Plan Limits

(a) Number of Shares; Share Counting.

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

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

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

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

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

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

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

5. Share Options

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Share Appreciation Rights

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

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

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

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

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

7. Restricted Shares; Restricted Share Units

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

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

(c) Additional Provisions Relating to RSUs.

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

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

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

8. Other Share-Based Awards

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

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

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

(a) Changes in Capitalization. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination of shares, reclassification of shares, spin-off or other similar change in capitalization or event, or any dividend or distribution to holders of Ordinary Shares other than an ordinary cash dividend, the Company shall equitably adjust (or make substituted Awards, if applicable) in the manner determined by the Board (1) the number and class of securities available under the Plan, (2) the share counting rules and sublimits set forth in Section 4(a), (3) the number and class of securities and exercise price per share of each outstanding Option,

(4) the share and per-share provisions and the measurement price of each outstanding SAR, (5) the number of shares subject to and the redemption price per share subject to each outstanding Restricted Share Award, and (6) the share and per-share-related provisions and the purchase price, if any, of each outstanding Other Share-Based Award. Without limiting the generality of the foregoing, if the Company effects a split of the Ordinary Shares by means of a stock dividend and the exercise price of and the number of shares subject to an outstanding Option are adjusted as of the date of the distribution of the dividend (rather than as of the record date for such dividend), then an optionee who exercises an Option between the record date and the distribution date for such stock dividend is entitled to receive, on the distribution date, the stock dividend with respect to the Ordinary Shares acquired upon such Option exercise, notwithstanding the fact that such shares were not outstanding as of the close of business on the record date for such stock dividend.

(b) Reorganization Events.

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

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

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

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

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

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

10. General Provisions Applicable to Awards

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

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

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

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

Board, to receive amounts due or exercise rights of the Participant in the event of the Participant's death or (2) in the absence of an effective designation by a Participant, the Participant's estate.

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

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

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

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

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

11. Miscellaneous

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

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

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

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

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

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

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

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

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

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