**Risk Factors Comparison 2023-08-04 to 2022-08-05 Form: 10-K**

**Legend:** **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

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 and Operations 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 • costs to produce and deliver our products and provide our services, including the effects of inflation, the rising costs of raw materials such as paper, and rising energy costs • supply chain challenges • **a potential recession** ~~the lingering effects of the COVID- 19 pandemic on our~~ **or** ~~customers, suppliers, business,~~ **other economic downturn in some or all of our markets • our pricing** and ~~operations~~ **marketing strategies and those of our competitors** • 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 ~~• 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 • changes in our effective income tax rate or tax- related benefits or costs • 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~~ **building** 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. If we are not successful in transforming the Vista business, then we could lose market share and our financial results could be adversely impacted. The Vista business is undertaking a multi- year transformation ~~,~~ **to be the expert design** and **marketing partner for small businesses. In the third quarter of fiscal year 2023,** we ~~are~~ **implemented organizational changes to support expanded profitability and improve the speed and quality of our execution, and we have been** investing heavily to rebuild Vista' s technology infrastructure, improve our customer experience **and product quality** , ~~integrate~~ **and optimize** Vista' s ~~brands into a cohesive customer offering, and recruit new talent. These investments are intended to move the customer value proposition from a discount- driven supplier of lower- end print products to the design and~~ marketing **mix** ~~partner for small business~~. If our investments do not have the effects we expect, the new technology infrastructure does not perform well or is not as transformational as we expect, we fail to execute well on the evolution of our customer value proposition and brand, or the transformation is otherwise unsuccessful, then the number of new and repeat customers we attract may not grow or could decline, Vista' s reputation and brand could be damaged, and our revenue and earnings could fail to grow or could decline. We may not succeed in promoting, strengthening, and evolving 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 global operations ~~,~~ **and** 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, employees, and localized websites in many countries across six continents, and we manage our businesses and operations in a decentralized, autonomous manner. We are subject to a number of risks and challenges that relate to our global operations, decentralization ~~, expansion~~ , and complexity including, among others: • difficulty managing operations in, and communications among, multiple businesses, locations, and time zones • challenges of ensuring speed, nimbleness, and entrepreneurialism in a large and complex organization • difficulty complying with multiple tax laws, treaties, and regulations and limiting our exposure to onerous or unanticipated taxes, duties, tariffs, and other costs • our failure to **maintain sufficient** ~~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 • the challenge of maintaining management' s focus on our strategic and operational priorities and minimizing lower priority distractions • disruptions caused by political and social instability **and war** 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 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. We and third parties with which we share information have experienced, and will continue to experience, cyberattacks and other malicious activity that may include physical and electronic break- ins, computer viruses, ransomware attacks, and phishing and other social engineering scams, among other threats, and our vulnerabilities may be heightened by our decentralized operating structure and many of our employees working remotely. 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 significantly increase the resources we expend 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, 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. 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. Complying with these varying and changing requirements is challenging, especially for our smaller, more thinly staffed businesses, and 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, may fail to achieve our goals, and can negatively impact our financial results. 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 **acquisitions and investments** ~~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. An acquisition, minority investment, or joint venture may fail to achieve our goals and expectations and may have a negative impact on our business and financial results in a number of ways including the following: • The business we acquired or invested in may not perform or fit with our strategy as well as we expected. • Acquisitions and minority investments can be costly and can result in increased expenses including impairments of goodwill and intangible asserts if financial goals are not achieved, assumptions of contingent or unanticipated liabilities, amortization of certain acquired assets, and increased tax costs. In addition, we may overpay for acquired businesses. • The management of our acquired businesses, minority investments, and joint ventures may be more expensive or may take more resources than we expected. In addition, continuing to devote resources to a struggling business can take resources away from other investment areas and priorities. • We may not be able to retain customers and key employees of the acquired businesses. In particular, it can be challenging to motivate the founders who built a business to continue to lead the business after they sell it to us. 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~~ **can lead to larger than expected payouts** that **can** ~~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 various businesses rely on a variety of marketing methods to attract new and repeat customers **. These methods** ~~including~~ **include** ~~drawing visitors to our websites,~~ promoting our products and services through ~~search engines~~ **paid channels** such as **online search** ~~Google and Bing~~ , **display, and television, as well as leveraging our owned and operated channels such as** email, direct mail, **our** ~~advertising banners and other online links, broadcast media and streaming platforms,~~ social media ~~platforms~~ **accounts** , and telesales. If ~~search engines or social media platforms modify their algorithms or terminate their relationships with us, if fewer customers click through to our websites, if our direct mail marketing campaigns are not effective, or if~~ the costs of **these channels** ~~attracting customers using any of our current methods~~ significantly increase **or the effectiveness of these channels significantly declines** , 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. Developing and deploying our mass customization platform is costly and resource- intensive, and we may not realize all of 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. Seasonal fluctuations in our business place a strain on our operations and resources. Our profitability has historically been highly seasonal. Our second fiscal quarter, which ends on December 31, includes the majority of the holiday shopping season and **typically** 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 second fiscal quarter. 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 or disruptions of our supply chains, then our costs may be significantly higher, and we and our customers can experience delays in order fulfillment and delivery and other disruptions. Our businesses face risks related to interruption of our operations and supply chains 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 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, systems, or supply chains are the following, among others: • fire, natural disaster, or extreme weather, which could be exacerbated by climate change • pandemic or other public health crisis • **ransomware and other** cyber security attacks • 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 • inadequate capacity in our systems and infrastructure to cope with periods of high volume and demand 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. 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 **. We may not be able to mitigate increases in our costs by increasing the prices of our products and services** . 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. SHE laws and regulations frequently change and evolve, including the addition of new SHE regulations, especially with respect to climate change. 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 or new SHE requirements, 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. Complying with existing SHE laws and regulations is costly, and **we expect** our costs ~~could~~ **to** significantly increase as new SHE requirements are added and existing requirements become more stringent. 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 suppliers, fulfillers, merchants, and other business partners in many jurisdictions worldwide. We require our business partners 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. 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 screen the content that our customers incorporate into our products, our costs could significantly increase, which would harm our results of operations. Because of our focus on automation and high volumes, many 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 the machine- learning tools we have developed to aid our content review fail to find instances of intellectual property infringement or objectionable or illegal content in customer orders, we could be required to increase the amount of manual screening we perform, which could significantly increase our costs, and we could be required to pay substantial penalties or monetary damages for any failure in our screening process. Risks Related to Our Industry and Macroeconomic Conditions Rising costs could negatively affect our business and financial results. ~~Due~~ **During the last** ~~to~~ **two fiscal years** ~~supply chain challenges and other inflationary pressures~~ , **we have** ~~each of our reportable segments is experiencing~~ **experienced** material cost increases in a number of areas, including energy, product substrates like paper, production materials like aluminum plates, freight and shipping charges, and employee compensation due to a more competitive labor market ~~, where we are seeing rapidly rising costs for talent at all levels and in most countries~~ . We cannot predict whether costs will **further** ~~continue to~~ increase **in the future** or by how much. We have not been able to fully mitigate ~~these~~ **our** cost increases through price increases. If our costs remain elevated or continue to increase, there could be further negative impacts to our financial results, and increasing our prices in response to increased costs could negatively affect demand for our products and services. Supply chain disruptions could impair our ability to source raw materials. A number of factors **have impacted** ~~are currently impacting~~ , ~~or~~ **and** could in the future impact, the availability of materials we use in our business, including the ~~lingering~~ **residual** effects of the COVID- 19 pandemic, rising energy prices and other inflationary pressures, rationing measures, labor shortages, civil unrest and war, and climate change. Our inability to source sufficient materials for our business in a timely manner, or at all, would significantly impair our ability to fulfill customer orders and sell our products, which would reduce our revenue and harm our financial results. ~~Large- scale events like the COVID- 19 pandemic, future pandemics, climate change, and war can materially negatively impact our operations, financial results, customers, markets, suppliers, and employees. We continue to see volatility in our markets and operations due to the COVID- 19 pandemic, and we cannot predict what new variants of the COVID- 19 virus may emerge, whether there will be additional waves of increased infection rates, how long the pandemic' s impacts on economic activity and our business, operations, suppliers, and markets will continue, or whether the pandemic will lead to a prolonged economic downturn. In addition, if another pandemic or other event occurs that limits commerce on a large scale, such as climate change, war, or civil unrest, our business, operations, supply chains, and financial results could be materially impacted.~~ We need to hire ~~and~~ **,** retain **, develop, and motivate** talented personnel in key roles in order to be successful, and we face intense competition for talent. If we are unable to recruit, retain **, develop** , and motivate our employees in senior management and key roles such as technology, marketing, data science, and production, then we may not be able to execute on our strategy and grow our business as planned. We are seeing increased competition for talent ~~at all levels~~ that **makes** ~~is making~~ it more difficult for us to retain the employees we have and to recruit new employees, and our current management and employees may cease their employment with us at any time with minimal advance notice. This retention risk is particularly heightened with respect to the leaders of certain of our businesses who ~~hold~~ **have in the past or may in the future receive substantial payouts from their** redeemable non-controlling interests ~~that have significantly increased~~ in ~~value~~ **those businesses** , as ~~described in Note 14 that accompanies the consolidated financial statements included in this Report. If those leaders redeem their interests and receive a substantial payout,~~ it may be challenging to retain and motivate them to continue running their businesses **. Although we believe our remote- first way of working, which allows team members to work remotely with no expectation that they will commute to a company facility, is a competitive advantage, it can be more challenging to engage, motivate, and develop team members in a remote work environment, and our success depends on an engaged and motivated workforce and on developing the skills and talents of our workforce** . 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 enter the mass customization **and print** ~~market~~ **markets** , and traditional " brick and mortar " businesses establish an online presence. **With Vista' s increased focus on design services, we now also face competition from companies in the design space, some of which may be more established, experienced, or innovative than we are.** 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. Some 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. A major economic downturn could negatively affect our business and financial results. It is possible that some or all of our markets could ~~be entering~~ --- **enter** a recession or other sustained ~~market~~ **economic** downturn, which could negatively impact demand for our products and services. Although the economic downturns we experienced in the past ~~have~~ often precipitated increases in the number of small businesses, which ~~has~~ in turn increased demand for our products, an inflation- fueled downturn **and / or tightening credit conditions** could **result in** ~~be different, for example if~~ potential customers ~~cannot~~ **not being able to** afford our products and rely more on free social media channels to market themselves instead of the products and services we offer. If demand for our products and services decreases, our business and financial results could be harmed. **Meeting** ~~Our failure or~~ **our** ~~perceived failure to meet~~ ESG ~~expectations~~ **goals will be costly, and our ESG policies and positions** could **expose us to** ~~negatively affect our business, reputation~~ **reputational harm** ~~, and financial results~~ . We face risks arising from the increased focus by our customers, investors, and regulators on environmental, social, and governance criteria, including with respect to climate change, ~~sustainability, pollution,~~ labor practices, the diversity of our management and directors, and the composition of our Board. ~~We~~ **Meeting the ESG goals we have set and publicly disclosed will require significant resources and expenditures, and we** may face ~~increased~~ pressure to make commitments, ~~set targets, or~~ establish additional goals **,** and take actions to meet them beyond our current plans ~~, which may require significant resources and expenditures~~ . If customers and potential customers are dissatisfied with our ESG goals or our progress towards meeting them, then they may choose not to buy our products and services, which could lead to reduced revenue **, and our reputation could be harmed. In addition, with anti- ESG sentiment gaining momentum in some of our markets, we could experience reduced revenue and reputational harm if we are targeted by groups or influential individuals who disagree with our public positions on social or environmental issues** . Risks Related to Our Corporate and Capital Structures 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 that governs our Term Loan B and revolving credit and the indenture that governs our 7. 0 % ~~senior~~ **Senior** ~~unsecured notes~~ **Notes** due 2026, 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 how we conduct our business, execute our strategy, compete effectively, or take advantage of new business opportunities, 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 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 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 revolving 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, ~~2022~~ **2023** , our total debt was $ 1, ~~705~~ **654. 0** million. 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 • placing us at a disadvantage compared to other, less leveraged competitors • increasing our cost of borrowing Subject to the limits contained in our debt documents, we may be able to incur substantial additional debt from time to time, and if we do so, the risks related to our level of debt could intensify. 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. **Refinancing our debt may be particularly challenging in the current environment of capital market disruptions and rising interest rates.** We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all, and if we cannot make scheduled payments on our debt, we will be in default. 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~~ **continue** to increase, our debt service obligations on the variable rate indebtedness ~~would~~ **will** increase even if the amount borrowed ~~remained~~ **remains** the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. As of June 30, ~~2022~~ **2023** , 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 $ ~~6~~ **8** . ~~4~~ **7** million over the next 12 months **, not including any yield from our cash and marketable securities** . 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 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. 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. In addition, the application of sales, value added, or other consumption taxes to e- commerce businesses **,** such as Cimpress is a complex and evolving issue. If a government entity claims that we should have been collecting such 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. 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. 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 would 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 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, potentially causing volatility in our cash or debt balances **,** and therefore our leverage. 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, ~~2022~~ **2023** 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 75~~ **More than 70** % 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.