

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Redbubble Limited

ABN

11119200592

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers ⁽¹⁾	64,135	100,710
1.2	Payments for		
	(a) research and development	(314)	(564)
	(b) fulfiller expenses ⁽²⁾	(27,701)	(45,371)
	(c) paid marketing	(2,996)	(5,326)
	(d) other advertising and marketing	(607)	(883)
	(e) leased assets	(257)	(659)
	(f) staff costs ⁽³⁾	(7,166)	(13,883)
	(g) other operating, administration and corporate costs	(2,561)	(5,440)
	(h) artist earnings ⁽⁴⁾	(8,219)	(14,820)
	(i) sales taxes ⁽⁴⁾	(1,912)	(3,414)
	(j) refunds, fraud and chargebacks	(1,371)	(2,106)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	158	261
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	53	76
1.9	Net cash from operating activities	11,242	8,581

⁽¹⁾ Receipts from customers represents Gross Transaction Value grossed up for refunds, fraud and chargebacks and adjusted for minor timing differences associated with payments being received through payment gateways up to 2 days after transaction occurs.

⁽²⁾ The relationship between receipts from customers and fulfiller expenses (a proxy for cost of goods sold) is distorted by seasonal effects in the December and March quarters due to high sales in December and the payment terms for fulfillers.

⁽³⁾ Staff costs include employment benefits and contractors' costs but exclude costs classified as Research and development (disclosed in item 1.2(a)) and costs related to capitalised development (disclosed at item 2.1(e)).

⁽⁴⁾ The relationship between receipts from customers and payments for artist's earnings and sales taxes is distorted by seasonal effects in the December and March quarters.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(221)	(1,339)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets (capitalised development costs)	(1,750)	(3,814)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash (used in) investing activities	(1,971)	(5,153)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options / warrants ⁽⁵⁾	210	323
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) ⁽⁶⁾	(305)	(305)
3.10	Net cash (used in)/ from financing activities	(95)	18

⁽⁵⁾ The proceeds for the current quarter represents proceeds from exercise of 1,941,749 share options, some having zero exercise price.

⁽⁶⁾ The payment represents taxes paid to the US government on behalf of US employees for which entitlement to 339,666 shares out of 873,865 was withheld (i.e. a net-withhold arrangement under the terms of the US employee equity plans).

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	36,047	41,977
4.2	Net cash from operating activities (item 1.9 above)	11,242	8,581
4.3	Net cash (used in) investing activities (item 2.6 above)	(1,971)	(5,153)
4.4	Net cash (used in) / from financing activities (item 3.10 above)	(95)	18
4.5	Effect of movement in exchange rates on cash held	(493)	(693)
4.6	Cash and cash equivalents at end of quarter	44,730	44,730

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	44,730	36,047
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	44,730	36,047

6. Payments to directors of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	151
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1 - Payment of executive director's salary, bonus and non-executive directors' fees.		

7. Payments to related entities of the entity and their associates		Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Add notes as necessary for an understanding of the position</i>		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(375)
9.2 Fulfiller expenses ^{(7)&(8)}	(24,295)
9.3 Paid marketing ⁽⁸⁾	(4,000)
9.4 Other advertising and marketing	(679)
9.5 Leased assets	(298)
9.6 Staff costs	(6,407)
9.7 Other operating, administration and corporate costs	(3,624)
9.8 Artist earnings ^{(7)&(8)}	(7,548)
9.9 Sales taxes ^{(7)&(8)}	(2,036)
9.10 Refunds, fraud and chargebacks ⁽⁷⁾	(793)
9.11 Total estimated cash outflows	(50,055)

⁽⁷⁾ These items will move in line with the forecast cash receipts from customers.

⁽⁸⁾ These items will be also affected by the seasonal factors mentioned in Notes ⁽²⁾ and ⁽⁴⁾ above.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance Statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.

Sign here: Paul Gordon
(Director/Company secretary)

Date: 23 January 2017

Print name: Paul Gordon

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.