

## 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 2018

<b>Consolidated statement of cash flows <sup>(1)</sup></b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers <sup>(2)</sup>	120,317	185,306
1.2	Payments for		
	(a) research and development	(591)	(1,079)
	(b) fulfiller expenses <sup>(3)</sup>	(47,389)	(76,767)
	(c) paid marketing <sup>(3)</sup>	(7,250)	(11,728)
	(d) other advertising and marketing	(284)	(556)
	(e) leased assets	(958)	(1,642)
	(f) staff costs <sup>(4)</sup>	(10,304)	(18,867)
	(g) other operating, administration and corporate costs	(5,098)	(9,995)
	(h) artist earnings <sup>(3)</sup>	(15,389)	(25,166)
	(i) sales taxes <sup>(3)</sup>	(2,888)	(5,970)
	(j) refunds, fraud and chargebacks <sup>(2)</sup>	(2,350)	(3,869)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	103	181
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes received/(paid)	(176)	(196)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
	(a) TP Apparel LLC (TeePublic) acquisition related costs	(1,214)	(1,214)
	(b) Rental income received	165	275
<b>1.9</b>	<b>Net cash from/(used in) operating activities</b>	<b>26,694</b>	<b>28,713</b>

<sup>(1)</sup> This quarterly cashflow report is the first to include the results of TP Apparel LLC in Redbubble Limited's consolidated statement of cashflows. TP Apparel LLC was acquired on 1 November 2018 and therefore this report includes only two months of cash flow for this entity.

(2) Receipts from customers represents Gross Transaction Value grossed up for refunds, fraud and chargebacks (disclosed at item 1.2(j)) and adjusted for timing differences associated with payments being received through payment gateways up to two days after transaction occurs.

(3) The relationship between receipts from customers and fulfiller expenses (a proxy for cost of goods sold), payments for paid marketing, artist's earnings and sales taxes is distorted by seasonal effects in the December and March quarters due to high sales in December and the payment terms for these items.

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

<b>Consolidated statement of cash flows<sup>(1)</sup></b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(64)	(127)
	(b) businesses (net of cash received (see item 10))	(46,519)	(46,519)
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets (capitalised development costs)	(1,968)	(4,168)
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)	-	-
<b>2.6</b>	<b>Net cash from/(used in) investing activities</b>	<b>(48,551)</b>	<b>(50,814)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares <sup>(5)</sup>	60,572	60,572
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options <sup>(6)</sup>	927	2,062
3.4	Transaction costs related to issues of shares, convertible notes or options	(3,381)	(3,381)
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)	(26)	(98)
<b>3.10</b>	<b>Net cash from/(used in) financing activities</b>	<b>58,092</b>	<b>59,155</b>

<sup>(5)</sup> Capital was raised to fund the acquisition of TP Apparel LLC.

<sup>(6)</sup> The proceeds for the current quarter represent proceeds from exercise of 1,978,269 share options, some having zero exercise price.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>4.</b>	<b>Net increase/(decrease) in cash and cash equivalents for</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	22,113	21,247
4.2	Net cash from/(used in) operating activities (item 1.9 above)	26,694	28,713
4.3	Net cash from/(used in) investing activities (item 2.6 above)	(48,551)	(50,814)
4.4	Net cash from/(used in) financing activities (item 3.10 above)	58,092	59,155
4.5	Effect of movement in exchange rates on cash held	417	464
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>58,765</b>	<b>58,765</b>

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	40,765	10,113
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Term deposits <sup>(7)</sup>	18,000	12,000
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>58,765</b>	<b>22,113</b>

<sup>(7)</sup> Term deposits are for various periods up to 12 months. All are capable of being called at 31 days' notice with minimal financial effect.

**6. Payments to directors of the entity and their associates**

Current quarter \$A'000
287
-

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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 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**

*Add notes as necessary for an understanding of the position*

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

- 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.

<b>9. Estimated cash outflows for next quarter<sup>(8)</sup></b>	<b>\$A'000</b>
9.1 Research and development	(590)
9.2 Fulfiller expenses <sup>(9)</sup>	(48,958)
9.3 Paid marketing <sup>(9)</sup>	(7,624)
9.4 Other advertising and marketing	(550)
9.5 Leased assets	(868)
9.6 Staff costs	(11,128)
9.7 Other operating, administration and corporate costs	(4,079)
9.8 Artist earnings <sup>(9)</sup>	(13,782)
9.9 Sales taxes <sup>(9)</sup>	(6,775)
9.10 Refunds, fraud and chargebacks	(1,681)
<b>9.11 Total estimated cash outflows</b>	<b>(96,035)</b>

<sup>(8)</sup> This quarter is the first time cash outflows for TP Apparel LLC are included in the estimated cash outflows.

<sup>(9)</sup> These items will not move in line with the forecast cash receipts from customers due to the seasonal factors mentioned in footnote (3) above.

<b>10. Acquisitions and disposals of business entities</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	TP Apparel LLC and its subsidiary TP Apparel Europe Ltd	N/A
10.2 Place of incorporation or registration	TP Apparel LLC: USA TP Apparel Europe Ltd: Ireland	
10.3 Consideration for acquisition or disposal	US\$41m (AUD\$57.7m) <sup>(10)</sup>	
10.4 Total net assets	NIL (excluding intangibles and goodwill)	
10.5 Nature of business	Online Marketplace	

<sup>(10)</sup> AUD\$49.3m has been paid during the quarter. The remaining consideration of US\$6.0m is to be paid 18 months from the date of acquisition (May 2020).

## 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: 29 January 2019

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.