



COVID-19 Business Update

- **Current financial position solid with cash balance of \$31 million¹**
- **Operations and supply chain remain robust with no discernable disruptions**
- **Sales across RB Group, whilst modestly impacted, are showing resilience**
- **RB Group is initiating prudent cost saving measures to preserve cash**
- **Further actions may be considered to ensure resources are focused on driving growth**

Martin Hosking (Interim CEO) and Emma Clark (CFO) will host an investor update conference call this morning at 11.00am (AEDT) Wednesday 1st April 2020 || 5.00pm (PDT) and 8.00pm (EDT) on Tuesday 31 March 2020. Participants will need to PRE-REGISTER for the call. Please refer to the end of this release for conference details.

Melbourne, Australia; 1 April 2020: Redbubble Limited (ASX: RBL), which owns and operates Redbubble and TeePublic, the leading global marketplaces for independent artists, provides an update relating to the effect of COVID-19 on Redbubble Group (“RB Group” or “Group”), including actions being taken in response. The financial information is from internal management reports and has not been subject to audit.

Our People

RB Group’s paramount priority is the health and safety of its employees. The Group has an existing framework to support remote work and moved all staff to work from home on 10 March. Employees are well and operating effectively. Precautionary measures will continue to be taken to protect the health and wellbeing of employees through the unfolding situation and to ensure ongoing sustainability.

Continuity of Operations and Supply Chain

RB Group’s supply chain is globally diverse and has high degrees of redundancy that are expected to endure through the current environment. The Group’s operations and supply chain remain robust with no discernable disruption of the fulfillment and delivery of orders to date.

Financial Position and Business Performance

RB Group’s financial position is solid with a cash balance of \$31 million² as at 31 March, with zero net debt. Given current business performance and the measures being taken, the Group does not anticipate raising additional capital or taking on debt in the foreseeable future.

¹ Estimated based on current internal analysis.

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From the second week of March and coinciding with the spread of COVID-19 globally, RB Group began to experience fluctuating demand. From that time, sales showed modest signs of contraction on a constant currency basis, although the floating and cash impact was minimal due to benefits from currency tailwinds. More recently, Group sales have shown resilience. The level of fluctuation in demand has been similar at both Redbubble and TeePublic branded marketplaces. Increasing reliance on online retail is cushioning the overall financial impact of COVID-19 on RB Group.

However, given the ongoing uncertainty about the extent and duration of COVID-19 related impacts on the external macroeconomic and operating environment, RB Group considers it appropriate to withdraw its earlier indications that it expected to grow Operating EBITDA year on year and achieve positive free cash flows³ in FY2020.

Cost Management & Resource Alignment

The Group has enacted a number of measures to ensure that the business is prudently managing its costs whilst maintaining ongoing business operations:

- The cash component of the Non-executive Directors' remuneration will be reduced by 20%;
- The remuneration of the Interim CEO, Martin Hosking, will be reduced to \$600,000 per annum, with an additional \$300,000 per annum payable at the Redbubble Board's discretion, either in Redbubble equity or cash, based on Mr Hosking's achievement in Key Results Areas;
- The cash component of the Redbubble's Executive Team's remuneration, including Martin Hosking, will reduce by 20%;
- All other Redbubble employees will be encouraged to move to a 4-day week with pro-rated pay;
- A hiring freeze has been imposed across the Group until further notice; and
- All discretionary spending across the Group is halted until further notice.

These measures will be regularly reviewed and are expected to remain in force until 30 June 2020.

RB Group may also consider further actions to ensure that resources are aligned to driving growth.

The search for a new permanent CEO will be deferred until later in the calendar year to allow Martin Hosking and his management team to focus on these actions.

Commentary

Martin Hosking said: "We are responding to the macro environment and the business signals that we are seeing. We are controlling the levers that we can and have a firm idea of the things we need to do to preserve cash. The underpinnings of the business are strong and we are refocusing the strategy and operations to ensure we can sustain the business and thrive through COVID-19 so that we are best positioned when external circumstances normalise."

The situation relating to COVID-19 is unprecedented and rapidly evolving in RB Group's core geographies. RB Group will continue monitoring the external environment closely to manage actions and responses with agility and pragmatism. Further market updates related to COVID-19 will be provided as appropriate.

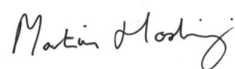
³ Aggregate operating and investing cash flows, excluding deferred consideration payment for TeePublic.

This announcement was authorised for lodgment by Redbubble Limited's Board of Directors.



Chair

Anne Ward



Interim CEO

Martin Hosking



CFO

Emma Clark

Investor Call Details

Participants will need to pre-register for the call at this link

<https://s1.c-conf.com/DiamondPass/10005206f-invite.html>

They will then receive a calendar invite and a unique code which is to be quoted when dialing into the call.

To ask a question, participants will need to dial “*1” (star, 1) on their telephone keypad.

A full transcript and recording of the webcast will subsequently be made available on the RB Group Investor Centre website: shareholders.redbubble.com. The recording will also be available on openbriefing.com.

For further information, please contact:

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About Redbubble Group

Founded in 2006, the Redbubble Group incorporates Redbubble Limited and its subsidiaries, including TP Apparel LLC (TeePublic). The Redbubble Group owns and operates the leading global online marketplaces hosted at Redbubble.com and TeePublic.com, powered by over one million independent artists. The Redbubble Group's community of passionate creatives sell uncommon designs on high-quality, everyday products such as apparel, stationery, housewares, bags, wall art and so on. Through the Redbubble and TeePublic marketplaces, independent artists are able to profit from their creativity and reach a new universe of adoring fans. For customers, it's the ultimate in self-expression. A simple but meaningful way to show the world who they are and what they care about.

Forward-looking Statements

This announcement includes certain forward-looking statements that are based on information and assumptions known to date and are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of RB Group. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.