

AGM 2018 - TRANSCRIPT OF MANAGEMENT PRESENTATION, Q&A AND RESOLUTIONS

24 October 2018

Start of Transcript

Barry Newstead: Before I talk you through the slides around the review of the - of FY2018 which obviously now it does feel like a bit of a distant memory, and in the transaction that we've announced this afternoon, I just wanted to say how much of an honour it is to be the new CEO and Managing Director of this Company.

I've had a tremendous five years, or close to five years working alongside Martin in a very deep partnership and working very closely with the Board and our team and our artist community and all our customers and fulfillers and all of the investors, and it is an absolute honour and absolute pleasure to have taken on this new role and to have the potential to advance our mission in the way that I know this Company has the potential to do so, as well as build an enduring Company as Martin's talked about so many times, for all of our stakeholders and specifically our shareholders. So, I just wanted to thank everybody for their confidence in me, thank the Board for their confidence in me as well and I look forward to living up to those expectations and to taking the Company on many great, exciting journeys.

So, let me talk a little about the year in review. I'm actually going to keep it a reasonably high level at this stage in the interest of time and also in the interest of that we've talk about this thoroughly and I'd like to obviously clear this space for you to have time to ask questions afterwards. I think at the very, very highest level these three trends are the trends that Redbubble is - has really - have really powered Redbubble but also are powering Redbubble and have the potential to power Redbubble to become a disruptive force in mainstream retail commerce. We are really only at the beginning, we're only at the emergent stage of the move of these trends into the mainstream.

We've talked about these for many years but they continue to resonate and I think we see in our business are the strength of each of them. The rise of the sharing economy that enables artist to share their creativity with a global customer base at low-risk. Now, that is not actually all that new because we've been doing that since 2006 but we continue to see that become more real every single day. Secondly, the increase in customer demand for personalisation and self-expression, enabled by the search and social media influencer revolutions that are going on. This is really only in its earliest stages of development. It looked like a niche many years ago, of people who were able to go off and do this, but now because of platforms and specifically Redbubble's platform, we're able to offer this incredible personalisation, incredible ability of self-expression at mainstream retail prices, retail services levels. So, we're really just starting to see this consumer demand grow.

Finally, it's the continued capabilities of print on demand and the emerging capabilities of manufacturing on demand, which just make the longtail content that is the fundamental underpinning accessible on an economic basis. So, these three trends, and we've talked about them for a number of years, I think we will continue to talk about them for many years, because they are fundamentally how we disrupt our mainstream retail commerce and how this business, at our current scale, gets to many multiples of our current position because that retail commerce sector is a multi-\$100 billion sector that we're ultimately going to compete in.



How do we compete in that? This is the Redbubble Flywheel; and I'm going to talk you through it briefly. I did it last year and I'll continue to do it this year, because this is the business model. The business model starts with artists. Artists create content that lives on the canvasses that are Redbubble products. The more art that we have on the site, the more product we have on the site, the more there is available for customers to discover. That discovery process leads to loyal customers and that loyal customer, the trigger of a customer looking or a customer buying, is the trigger to generate more artwork. That discovery loop is self-propelling and self-reinforcing. It's incredibly powerful and we see that every day in the Redbubble marketplace.

The second part of it, which allows us to go to scale, is that we turn that volume into economies of scale in our operations; and it's not just the cost of operations, it's also our ability to do that with a great deal of excellence. That has really been the hallmark of Redbubble for many years. If you go out and you talk to our customers, they are amazed at the quality of our products, the speed of our delivery, the fact that that improves over time, and the fact that we're able to do that cost effectively.

So, that loop, that service loop of leveraging volume to create scalable fulfilment and operations and reinvesting that in faster, easier, more affordance end-to-end experiences for the users, that then propels an additional loop of volume. Each of those loops, the service loop and the discovery loop, propel each other and support each other, and that's fundamentally what we are trying to do day in and day out, as we build this business.

The faster this moves, the more we stretch away from our competitors, the more, or what I talked about on the prior page, our ability to compete in mainstream retail e-commerce becomes a reality. It becomes a reality when we are able to offer the same, you know, this iPhone case at the same cost and the same price, sorry, the same price and the same speed, but with content that you would never be able to find from any other place.

That is the powerful consumer experience that this Flywheel enables; and the more we put volume through it, the better it gets. So, it's an incredibly important and powerful business model. Actually, when we get to talk about the acquisition today, that acquisition is very much about accelerating this Flywheel. It's not about our diversification, it's about making this Flywheel go even faster.

Worth noting; every year I think we've put up a similar slide about the scale of this marketplace and the fact that it is incredible, first and foremost, longtail content, a huge community of artists. We were close to 300,000 at the end of the last financial, through the last financial year; and that's 300,000 selling artists, it's not total. The total is well over 700,000 now, but those are artists that are selling on our platform; 17.6 million artworks available on 66 products, sold to 4 million unique customers, delivered through 32 global fulfilment facilities. We now, compared to a year ago, we now have virtually built our fulfilment network in Europe.

For those of us sitting here in Australia, we actually have a pretty close to full, fully built out fulfilment service here in Australia as well. So, really localising our experience for our customers; and then obviously, we are now operating across seven core countries on three continents primarily. So, a large-scale marketplace, but also one



that has a lot of diversity within it, and I think that's really important to note; diversity of content, diversity of product, diversity of geographies.

The business Richard referred to, and I think it's great to look at and remind everyone that for a long time this business has been growing. We could probably go back to the earlier years, but we've quadrupled the number of unique customers on Redbubble over the last five years, quintupled the number of selling artists and dramatically scaled off our fulfilment capabilities. This is a business which has been able to sustain strong growth because that strong growth is built on the momentum of the marketplace Flywheel.

Similarly, we've been able to sustain our growth rates. Both our top line growth rate, our revenue, which is our gross transaction value - it's actually our revenue, sorry, which has grown at a compound annual growth rate of 39% since FY14, and our gross profit, which is obviously our take rate. It's the money that actually ends up in Redbubble's pockets after we've paid for fulfilment and shipping and paid artists and taxes and so on and so forth. That's been growing at 40% as well, so a long track record of growth and one we have, a streak we have no intention of ending any time soon.

Then similarly, we've been really managing our operating expenses while we invest in growth. So, there's a picture of the operating expenses but I want to draw your attention to the pie chart, which is something I think a lot of folks sometimes misunderstand about this business. We are, we totally have OpEx that relates to the ongoing business and how we service the customers today, the artists today, but a lot of what we're spending our OpEx on is investing in the future platform of Redbubble, the future products of Redbubble, the future services of Redbubble; and that's really 45% of where we're spending our money, is either to generate growth that we put on our P&L as OpEx or spending that we've put aside as capitalised expenditure. It's a significant investment and it's really grounded in our strong conviction, that we are really early in our stages of development.

We are an emergent profitable business. We will be profitable, as our guidance indicates in this financial year; but we continue to make sure that we're investing to achieve the full potential of this business.

Then, in summary of that, the investment areas that we're focused on and that we're focused on in FY18 and continue to be focused on in FY19, are deepening our relationships with our customers. We have tremendous opportunity still to know more about our customers, to turn them into members of Redbubble and then to drive that loyalty to first and foremost improve, and improve the experience for them, but then obviously, to turn that into lifetime customer value for the business.

We have made a lot of progress through this calendar year in that area. Actually truly, when we were sitting here last year, I could not say to you we actually had a customer member experience, period. I can say, I stand here today, saying we have a personalised homepage for members, we now save their credit cards, we now save their addresses and there's a whole series of additional features that we're working on; because know the depth of the opportunity with our existing customers.



Similarly, we continue to invest in strengthening our relationships with our artists and have expanded to include partnerships with rights holders which are emerging. Those really drive and increase sales potential on the supply side of the market. That really brings more commercial opportunity into the content available on Redbubble as we grow.

There's a theme here around deeper relationships for scaling our fulfilment partners in ways that allow us to add new fulfillers as we grow and add new products more quickly, create more opportunities for growth within our, specifically within our core geographies today, but over time, they build capabilities for continued new markets growth.

Finally, last but not least, we continue to invest in the core platform. Redbubble is a platform business. Our data science is emergent, our mobile capabilities; Richard referred to our app. Not just our app, our mobile web capabilities are things that we invest in. Marketing, operations, the whole gamete. Ensuring that we remain flexible fast in our ability to respond to the opportunities out there, to service our users, and also we do so in a scalable cost-effective manner.

So, that is the review of the year before. I'm going to quickly go through, not too quickly, but I'm going to cover some summary pages of the TeePublic transaction which I actually thought it was a really joyful airplane ride this morning. It's certainly been a joyful airplane ride in general. I think it's been - we are thrilled at the prospective, at the deal that we announced and the deal that we're hoping to close in a couple of weeks. TeePublic, as I'll introduce in a moment, is an organisation that shares a lot of DNA with Redbubble; and really is an organisation that is fundamentally about the same thing that I just talked about a few minutes ago. There's tremendous synergy, I guess is the word in M&A, between the two business. Mostly on a business growth potential and on a cultural level, and of course there are operational efficiencies which we'll get to but it's really important that we think about it at the strategic and cultural fit level.

So, let me get in briefly to the transaction because I know most of you probably didn't get a chance to look at the announcement, which I think came out 3:50pm this afternoon. So, Redbubble and TeePublic; it's fundamentally about our mission statements and our strategic content, which I'll come back to in a minute. We're acquiring TeePublic for a cash consideration of US\$41 million, which is about AU\$57.7 million on I think roughly a \$0.71 conversion rate. They are, I'm not going to actually read through it, they're really a smaller version of Redbubble and I'll talk about their financials in a second; but they are a very similar business.

Built as an artists' marketplace, three sided, use a lot of our similar, exactly, exact same fulfillers. So, I'll come back to that in a minute, but a very similar business. Strong alignment and a very attractive financial profile. Their pro forma FY18 revenues were a little over US\$25 million. They grew 33% and generated an operating EBITDA of \$3.3 million and a 33% operating EBITDA gross profit margin. The business has very solid financial fundamentals. I'll come to it in a minute, but their growth in the beginning of FY19 has accelerated from that level as well. So, we're acquiring a business with accelerating growth off what is already a very healthy financial platform.



As Richard indicated, we funded the transaction through a fully underwritten \$24.6 million entitlement offer and a \$36 million placement, so I think it's a good funding. We believe it's a very attractive financial investment for the business and obviously, ultimately for our shareholders. We expect to complete the transaction in early November, hopefully in a couple of weeks, in advance of our really busy Christmas season. Both businesses need to be very, very focused come middle of November. So, we'll get that done and it also positions Redbubble to get the benefit of the Christmas season this year off TeePublic.

Why are we doing it from a strategic rationale? I'll just quickly cover the points in blue here and I leave the remainder. All these slides by the way, are from the investor presentation that we've just submitted, so it will be available. It will also be available as part of the AGM presentation.

So, first and foremost, accelerating on market leadership for artist content. I talk to you about that in a minute, but what this really positions us to be is the number one home for independent artists on the internet, the largest content library and progressively over time, we think that is what breaks us away from - we think that's what's already breaking us away from our competitors. It accelerates the rate at which we break away from our competitors and it also positions us to meet an even wider market demand for longtail content. They have an amazing group of artists, some of which are on Redbubble but many are not. So, it extends our content advantage. By the way, it also prevents other competitors from acquiring a business that has similar characteristics to Redbubble. So, there's also a defensive mechanism to it.

Second, it combines two recognisable brands to expand our market coverage. We are in huge markets, huge retail commerce markets. Our ability to expand our coverage specifically in the US is a net benefit to the business. As I've been telling to investors, we are both ranked very highly in organic search. It is a real advantage to have two out of the top five search terms, rather than one out of the top five. So, that really gives us short term leverage. Over time it also gives the potential to evolve the brands in ways which target slightly different customer demographics. It's a really good opportunity for us to really hone those experiences and strengthen our position on the customer front.

It's not really listed here but also we have the ability to learn from each other across the two platforms in terms of user experience optimisation. I've talked about the financial performance. The next area is in scaling our fulfilment partnership. I talked briefly about the fact that we share a number of fulfillers. As they grow, as we grow, we strengthen our position in the supply chain. Between TeePublic and ourselves we're going to double our US apparel business once the deal is completed. That gives us the ability to go back to fulfillers and negotiate continued improved terms. They will also benefit from the scale of Redbubble in some of their products which are less mature.

We have the opportunity to optimise our digital platforms. There's a lot of how we operate which are very similar. Over time we can bring our core elements of those together. In the short term we could probably leverage some of the work that Redbubble has done to scale our platform to help them make some of the platform scaling investments that they would otherwise have to do.



Finally, as I talked about a minute ago, a very strong team fit. I was - thank you. Let me take a moment. I spent time with the leadership team in New York. These are our people in terms of the way that they think about running businesses. The way they think about marketplaces. One of those situations where you sit down and you could talk the details of the business very, very quickly and very comfortably. There's a great cultural fit but more broadly they actually have very many elements of their story which are similar. They were not VC funded, high burn rate business out of the gate, which Redbubble was not at the beginning. So, it was a really disciplined business from the very beginning.

They call themselves a blue collar start up and I think there was a lot of resonance in terms of the kinds of organisational culture and the ways of working which we really like. Adam Schwartz is going to be running the businesses; very, very dedicated to its long-term success and the partnership with Redbubble as are the other key executives, so we feel really good about that team. Of course, we would want to feel really good about that team because even though I love New York, I don't want to be in a situation where we need to be micromanaging a business around the world.

It's a really well-run team, really well-run business, very stable, lots of growth opportunities and lots of opportunities for us to collaborate effectively to scale the two marketplaces and to leverage the platform. I'm not going to spend much time here. I think I've covered the basics of the financials. What I will note briefly is the performance of the first quarter of FY19.

You see there the pro forma revenue for Q1 FY19 was \$10.4 million. That's up 57% over the prior year. So, you can see the acceleration from 33% to 57%. You see the strong gross margin profile and then you see the strong operating EBITDA to gross profit profile. So, we're acquiring a quality business and one that we think has got tremendous long-term potential financially.

I've covered some of the elements. Again, this is the profile of the two businesses next to each other and a relative scale in terms of the marketplace. Worth noting; a team of about 38 people, almost all of whom are based in New York.

So, some of the synergy potential, I think I've talked about most of this at the high level, at least at the appropriate level for this session. I'll leave you to read that or you can ask questions about it during Q&A.

Then, the transaction highlights. Again, I'm going to leave you to read this small font page at your own leisure or I can come back and ask questions about it. We think the deal itself from the financial profile to the cost of the acquisition, we feel that it will add value very, very quickly and should be, will be accretive to our business. So, with that shall I take questions now or do we go to the formal and how are we for time?

Richard Cawsey: We're okay for time. Happy to go to have questions.



Barry Newstead: It is worth noting we do have, the 4C was released today, so if there are questions related to the first quarter we will be happy to take them and we're going to be scheduling an investor conference call focused on the transaction sometime before the end of the week. Tomorrow. Did anybody have questions on that race through, interrupted nicely by a glass of water. Happy to come back to it again. Yes?

Unidentified Participant: Just a question around the synergies on the technology. I think you mentioned before, not at this session but previously that some front-end parts of your technology probably weren't up to scratch and you had to invest in those over time. Does TeePublic give you that optionality to speed that process up or are there any synergies within the technology that they do better than you guys and you can bolt onto your platforms?

Barry Newstead: Yes, I think in general there's some aspects of their technology which we'll look at. In general, I think our technology is at a greater scale overall and I would just clarify, we're working through aspects of our front-end platform. We're making good progress on that. We have a very good new platform. It's really about rolling that platform across the remainder of the site over time.

We will likely be in a position to leverage aspects of that platform and the standards for that platform across to TeePublic if we determine the need. I think on the customer side it's really an open question down the track. The area that we really like about their platform is their artist uploader. We need to - we as a technology team need to open that up more deeply and see the extent to which that scales across. I think there's some very, very nice features that they offer for artists in uploader.

Redbubble has always been known as having an outstanding uploader. TeePublic is known as having an even more outstanding uploader. So, we'll take a look at that as an opportunity. Thanks Rob.

Unidentified Participant: Barry, can I ask why none of the consideration was in script?

Barry Newstead: Yes, so this was a situation where TeePublic had another bid on the table when we showed up. That bid was almost completely in cash and so it was a decision that we took to, well first of all it was on the guidance of the vendor that they were happy with a cash deal. We felt that that was part of the competitive set of - that was part of our requirement of us to be competitive in the offer. I'll probably stop there without getting too far into the details of the negotiation.

Unidentified Participant: Just another quick question about the transaction. First of all is all the growth organic for TeePublic?

Barry Newstead: When you mean organic, you mean over time they've not acquired other businesses?

Unidentified Participant: That's right.

Barry Newstead: Yes, no it's all organic.

Unidentified Participant: Because they mostly do t-shirts, as compared to you guys. Is your average order size bigger? Is that why their margin is higher?

Barry Newstead: There were a couple of questions in there I think. The working capital cycle that they operate on is very, very similar to ours. They get the cash from the customer very quickly and then they pay their bills over time. They have that what we refer to as the negative working capital characteristics in the business. That will be very much the same as reflected in Redbubble's cash flow in a very similar way.

In terms of their gross margins, there are a couple of things that they do that are interesting. Some of it relates to things they haven't done yet which I think they haven't grown their paid marketing activities to the level of maturity that we've had. So, they are a little bit more - when you referred to organic, I was thinking about search - a little bit more organic search centred. So, I think that's one component. The second component is they do some interesting things with shipping. I'm a little bit sensitive to being in a public forum about some of the commercial activities, but they do some interesting things around their shipping margins which have added value to the margin.

Third, their artist payouts are a little bit different from ours. So, there's three components there that make the gross margins a little better. That's while probably the fulfilment costs are probably not as scaled as ours. So, there's a bit of a countervailing factor with fulfilment. Thank you. Anybody else have any questions? Cool, alright thank you.

Richard Cawsey: That's great. Good thank you. So, if there are no further questions I'd like to move onto the formal business of the meeting. The first agenda item is to receive and consider the financial report for the Company being the order and financial report for the Company, its consolidated entities for the year ended 30 June 2018; the reports of the directors and the auditor, Ernst & Young.

The director's report, financial report and auditor's report were released to the market with the Company's appendix full year results on 23 August this year. They were also published on the Redbubble Investor Centre website and in the 2018 Redbubble annual report. There is no requirement for shareholders to approve these reports but shareholders may ask questions or comment. Also, our auditor, from Ernst & Young, Kylie Bodenham previously introduced as President, will answer any questions relating to the conduct of the audit and the preparation and content of the auditor's report.

Are there any questions? As there are no questions, I will now move onto the next item of business. The next item of business is to vote on resolution one and to adopt the Company's remuneration report. Under the Corporations Act, the Company is required to include in the director's report a detailed remuneration report setting out certain prescribed information relating to the directors' remuneration and submit this for adoption by resolution of the shareholders at the annual general meeting.



The directors report for the year ended 30 June 2018 contains such remuneration report. A copy of the report is set out in the 2018 Annual Report and can also be found on the Company's Investor website. Shareholders are asked to adopt the remuneration report. The shareholder vote is advisory only and does not bind the directors of the Company. However, pursuant to the Corporations Act, if the resolution to adopt the remuneration report receives a no vote of at least 25% of the votes cast at two consecutive annual general meetings, a resolution must then be put to the Shareholders at the second AGM as to whether another general meeting of the Company should be held within 90 days, at which all Directors other than the Managing Directors who are in office at the time the Board approved the second remuneration report, would need to stand for re-election.

This is becoming a lot more exciting section for far too many companies. Noting that each Director has a personal interest in their own remuneration from the Company, as described in the remuneration report, and each Director or their closely related parties of that Director, is excluded from voting their shares in favour of the resolution as described in the voting exclusion section of the AGM notice. The Directors unanimously recommend the Shareholders vote in favour of the adoption of the remuneration report and all resolutions that follow I'll be casting undirected proxies given to me in favour of the motions.

Are there any questions on the remuneration report? As there are no questions, I now move that the resolution 1, which proposes an ordinary resolution as set out in the notice of meeting, be put to the meeting. I move that the remuneration report for the period of 30 June 2018 be adopted and passed as an ordinary resolution as set out in the notice of meeting. I'll now disclose the way in which the proxy votes have been directed and direct your attention to the screens. Votes in favour of 38,002,099, that's 87.66% of votes left open, which I'll be casting for the resolution, a further 3,199,069 and votes against at 4.96% of votes is 2,151,043.

All those in favour of the resolution, please vote your yellow card. Thank you, all those against the resolution. I declare the resolution passed as an ordinary resolution.

We now come to the next item of business, resolution 2, which is a resolution for the election of Greg Lockwood as a Director of the Company. As I mentioned earlier, Greg was first elected to the Board in 2015, before being re-elected to the Board by Shareholders in the 2015 AGM. Greg now stands for re-election, subject to the Company's constitution. Greg is a well-placed and deeply experienced marketplace expert, and the Board continues to benefit, and benefit profoundly from his experience and insight.

The Directors with Greg abstaining, unanimously recommend that the Shareholders vote in favour of Greg's election as a Director. Are there any questions of Greg or about Greg? As there are no questions, I now move that resolution 2, which is proposed as an ordinary resolution as set out in the notice of meeting be put to the meeting. I'll now disclose the way in which proxy votes have been directed on this item. All those votes in favour of 54,265,505 or 90.57% of votes are in favour. Votes left open, which I'll be casting for the resolution, are 5,637,984, a further 9.41% of the vote. Votes against are 11,247, or 0.02% of the votes.



All those in favour of Greg's election, please raise your yellow voting card. All those against the resolution. I declare the resolution passed as an ordinary resolution, and that Greg is therefore elected to the Board, congratulations, Greg.

We now come to the next item of business, resolution 3, which is a resolution for the election of Jenny Macdonald as a Director of the Company. As I mentioned earlier, Jenny was appointed to the Board in February this year and stands for election, subject to the Company's constitution. Jenny has already been a great contributor to the Board and the audit and risk committee. The Directors, with Jenny abstaining, unanimously recommend Shareholder's vote in favour of Jenny's election as a Director. Are there any questions on this resolution? As there are no questions, I will now move that resolution 3, which is proposed as an ordinary resolution as set out in the notice of meeting, be put to the meeting. I'll now disclose the way in which the proxy votes have been directed for this item.

Votes in favour of 54,217,096, or 90.5% of the votes have been voted in favour. Votes left open, of which I will be casting for the resolution, are 5,653,751, a further 9.44% of the votes. Votes against are 38,904 or 0.06% of votes. All those in favour of the resolution, please raise your yellow voting card. All those against. That was a surprising timing there, Chris. I declare that the resolution was passed and Jenny is therefore elected to the Board of Redbubble, congratulations and welcome, Jenny.

We now come to the next item of business, resolution 4, which is the resolution for the election of Anne Ward as a Director of the Company. Anne was appointed to the Board in March this year and stands for election, subject to the Company's constitution. Anne's extensive legal and governance expertise and commercial expertise is highly valued by the Board and the people and nomination committee. The Directors, with Anne abstaining, unanimously recommend to Shareholders to vote in favour of Anne's election to the Board. Are there any questions? As there are no questions, I now move that resolution 4, which is proposed as an ordinary resolution as set out in the notice of meeting, be put to the meeting.

I will now disclose the way in which the proxy votes have been directed on this item. Votes in favour, 54,238,105, or 90.52% of votes were in favour. Votes left open, which I will be casting for the resolution are 5,642,127, or 9.42% of votes. Votes against are 35,904 or 0.06% of the votes.

All those in favour, please raise your yellow voting card. All those against. I declare the resolution passed and that Anne Ward is therefore elected to the Board of Redbubble, congratulations, Anne.

Resolution 5 is a resolution for the election of Martin Hosking as a Director of the Company. Following Martin's retirement from the positions of CEO and Managing Director, Martin became a Non-Executive Director earlier this month. He now stands for re-election as a Non-Executive Director, subject to the Company's constitution. Martin's deep knowledge of the Redbubble business will continue to be a huge asset for the Board in Martin's relatively new Non-Executive Director capacity.



The Directors, and with Martin abstaining, unanimously recommend that Shareholders vote in favour of Martin's election as a Director. Are there any questions? As there are no questions, I now move that resolution 5, which is proposed as an ordinary resolution as set out in the notice of meeting, be put to the meeting. I'll now disclose the way in which proxy votes have been directed on this item. Votes in favour of the resolution are 54,262,705, or 90.57% of the vote. Votes left open, which I will be casting for the resolution, are 5,638,127, or 9.41% of votes. Votes against are 12,904, or 0.02% of those cast.

All those in favour of the resolution, please raise your yellow cards. All those against. I declare the resolution passed as an ordinary resolution, and welcome Martin to the Board as a Non-Executive Director.

I now come to the special business of the meeting, resolution 6 and 7, only two to go. Resolution 6 is a resolution to approve for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant of performance rights to Non-Executive Directors of the Company under the Redbubble incentive plan on the terms set out in the explanatory statement to the notice of the annual general meeting. This explanatory statement to the notice of the annual general meeting sets out in detail the terms and conditions of the proposed grant of performance rights, which is subject to the Redbubble Non-Executive Director remuneration policy adopted in September last year.

If approval is granted, it will operate for a period of three years with respect to all Non-Executive Directors, including any Non-Executive Director appointed and elected after the AGM. The Directors, with each Non-Executive Director having to abstain, which leaves Barry, consider the grant of the performance rights to Non-Executive Directors to be reasonable and appropriate in all circumstances, thank you, Barry. Barry, as the only Non-Executive Director, recommends that Shareholders vote in favour of this resolution. Way to go. Are there any questions on this resolution?

As there are no questions, I now move that resolution 6, which is proposed as an ordinary resolution as set out in the notice of meeting, be put to the meeting. I'll now disclose the way in which proxy votes have been directed on this item. Votes in favour of 38,182,388, or 88.05% of votes cast are in favour. Votes left open, which I will be voting for the resolution, are 3,200,626 votes, or 7.38% of votes. Votes against this resolution are 1,981,894, or 4.5% of votes against.

All those in favour of the resolution, please raise your yellow card. All those against the resolution. I declare the resolution passed.

Resolution 7, the grant of performance rights, share appreciation rights and deferred share rights to the Managing Director and Chief Executive Officer, Mr Barry Newstead. Shareholders are being asked to approve, for the purposes of ASX Listing Rule 10.14, and for all other purposes the grant of 875,000 performance rights, and 5,666,660 share appreciation rights to Mr Newstead. These instruments are to comprise Mr Newstead's STI, short term incentive and long-term incentive for the first four years of Mr Newstead's employment as CEO.



Approval is also being sought for the grant of 45,304 deferred share rights forming part of Mr Newstead's short-term incentive award for the financial year ending 30 June 2018, that is the year just passed, in respect of his former role of the Company's Chief Operating Officer. The explanatory statement to the AGM notice of annual general meeting in relation to this resolution 7, sets out the detail and the terms of the conditions, including the vesting periods, vesting schedule, and the proposed equity grants to Barry.

The Directors, with Barry abstaining, consider these equity grants to Barry to be reasonable and appropriate in all circumstances, and recommend that Shareholders vote in favour of the resolution. Are there any questions on this resolution? As there are no questions, I now move that resolution 7, which is proposed as an ordinary resolution as set out in the notice of meeting, be put to the meeting. I'll now disclose the way in which the proxy votes have been directed for this item. Of the votes cast, 36,615,960, or 84.33% of votes are in favour of this meeting. A further 3,206,769 are left open, and I will be voting those to support the resolution. Voting against are 3,595,865, or 8.28% of the vote.

All those in favour of the resolution, please raise your yellow card. All those against the resolution, please do so. I declare the resolution passed as an ordinary resolution.

As you'll be relieved to hear, there is no further business to be considered. I thank you for your attendance and now declare the formal business of the meeting closed. Refreshments I think will now be served. Thank you all for your attendance.

End of Transcript