

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")

30 September 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers ⁽¹⁾	36,575	36,575
1.2	Payments for		
	(a) research and development	(250)	(250)
	(b) fulfiller expenses	(17,670)	(17,670)
	(c) paid marketing	(2,330)	(2,330)
	(d) other advertising and marketing	(276)	(276)
	(e) leased assets	(402)	(402)
	(f) staff costs ⁽²⁾	(6,717)	(6,717)
	(g) other operating, administration and corporate costs	(2,879)	(2,879)
	(h) artist earnings ⁽³⁾	(6,601)	(6,601)
	(i) sales taxes	(1,502)	(1,502)
	(j) refunds, fraud and chargebacks	(735)	(735)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	103	103
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)	23	23
1.9	Net cash from / (used in) operating activities	(2,661)	(2,661)

⁽¹⁾ Receipts from customers represents Gross Transaction Value grossed up for refunds, fraud and chargebacks and adjusted for minor timing differences.

⁽²⁾ 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)).

⁽³⁾ During the quarter, the Company changed its payment terms for artists. Payments are now being paid mid-monthly and the Company no longer applies a minimum accumulated earnings threshold before payment. It is estimated this brought forward \$1.7 million of payments into this quarter which would otherwise have been paid at a later date.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment ⁽⁴⁾	(1,118)	(1,118)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets (capitalised development costs)	(2,064)	(2,064)
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 from / (used in) investing activities	(3,182)	(3,182)

⁽⁴⁾ Includes expenditure of \$0.9 million on leasehold premises in Melbourne.

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⁾	113	113
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)	-	-
3.10	Net cash from / (used in) financing activities	113	113

⁽⁵⁾ Represents proceeds from exercise of 768,320 share options / warrants, some having zero exercise price.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	41,977	41,977
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,661)	(2,661)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,182)	(3,182)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	113	113
4.5	Effect of movement in exchange rates on cash held	(200)	(200)
4.6	Cash and cash equivalents at end of quarter	36,047	36,047

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	36,047	41,977
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)	36,047	41,977

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	244
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	(299)
9.2 Fulfiller expenses (*)	(31,643)
9.3 Paid marketing	(2,247)
9.4 Other advertising and marketing	(795)
9.5 Leased assets	(397)
9.6 Staff costs	(7,018)
9.7 Other operating, administration and corporate costs	(2,825)
9.8 Artist earnings (*)	(9,950)
9.9 Sales taxes (*)	(2,681)
9.10 Refunds, fraud and chargebacks (*)	(1,334)
9.11 Deposits to regulatory authorities and to secure new leasehold premises	(1,677)
9.12 Total estimated cash outflows	(60,866)

The above item 9 shows only estimated operating cash outflows for the next quarter and does not require disclosure of operating cash inflows. The forecast operating cash outflows are based on the Company's IPO forecast and take account of the considerable seasonality in revenues experienced next quarter due to Thanksgiving in the US and Christmas. All line items marked with an "*" will move in line with the forecast cash receipts from customers.

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: 24 October 2016

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.