INVESTOR PRESENTATION
Morgans Technology Conference – Sydney - 18 May 2017
Presented by Chris Nunn (Redbubble Limited Chief Financial Officer)
AGENDA

1. About Redbubble
2. Healthy marketplace
3. Historical top-line growth
4. Customer acquisition
5. The opportunity
6. Growth themes and initiatives
7. Financials
8. Wrap up
1. About Redbubble

Building a High Growth, Sustainable and Diversified Marketplace
Redbubble Video

This is Redbubble

1. Link to Video: https://vimeo.com/195555159
A RECAP ON THE RB STORY

A THREE-SIDED MARKETPLACE, FOUNDED IN 2006 AND LISTED IN MAY 2016

1. Q4 FY2017 has been projected from actuals through Q3 FY2017
2. Published artists net of removals: Source: Redbubble internal data
COMPANY SNAPSHOT: Redbubble Limited (ASX:RBL)

As at 16 May 2017

Capital Structure:
Share Price (16 May 2017): $0.83
Fully Paid Ordinary Shares: 206.2 million
Market Capitalisation: $171.1 million
Issue Price (17 May 2017): $1.33
Net Cash (31 March 2017): $31.9 million

Shareholders:
Board & Management: 33.6%
Top 20: 75.3%
Acorn Capital (pre-IPO investor): 6.2%
Simon Baker (ex-director): 6.1%
Blackbird Ventures (pre-IPO investor): 5.5%
Osmium Partners (recent investor): 5.1%

Board and Management:
Mr Richard Cawsey: Non-executive Chairman
Mr Martin Hosking: CEO and Managing Director
Ms Teresa Engelhard: Non-executive Director
Mr Greg Lockwood: Non-executive Director
Mr Grant Murdoch: Non-executive Director
Dr Hugh Williams: Non-executive Director
Mr Barry Newstead: Chief Operating Officer
Mr Chris Nunn: Chief Financial Officer

Share Price

Volume

$0.00 $0.20 $0.40 $0.60 $0.80 $1.00 $1.20 $1.40 $1.60

Millions

2.5 2.0 1.5 1.0 0.5 0.0
2. Healthy Marketplace

BUILDING A HIGH GROWTH, SUSTAINABLE AND DIVERSIFIED MARKETPLACE
THE MARKETPLACE IS SCALING RAPIDLY
CONSISTENT GROWTH IN CUSTOMERS, ARTISTS AND FULFILLERS

New and Repeat Customers

- Repeat
- New

LARGE AND GROWING CUSTOMER BASE

# Customers (Millions)

FY13 FY14 FY15 FY16 FY17*

0.0 0.5 1.0 1.5 2.0 2.5 3.0

Selling Artists

# of Artists (000)

FY13 FY14 FY15 FY16 FY17*

0 40 80 120 160

SUSTAINABLE, LOW COST ARTIST COMMUNITY

Fulfillers

Fulfillers

FY13 FY14 FY15 FY16 FY17*

0 2 4 6 8 10 12 14 16

DIVERSE, LOCALISED MANUFACTURING

* Q4 FY2017 has been projected based on actuals through Q3 FY2017
3. Historical Top-line growth

BUILDING A HIGH GROWTH, SUSTAINABLE AND DIVERSIFIED MARKETPLACE
HAS HAD STRONG TOP-LINE GROWTH

GTV GROWTH DRIVEN BY VISITS AND CONVERSION RATE IMPROVEMENTS

Gross Transaction Value

<table>
<thead>
<tr>
<th>Year</th>
<th>Repeat GTV</th>
<th>First Time GTV</th>
<th>51% CAGR (5 Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>$40</td>
<td>$20</td>
<td></td>
</tr>
<tr>
<td>FY14</td>
<td>$80</td>
<td>$40</td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td>$120</td>
<td>$80</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>$160</td>
<td>$120</td>
<td></td>
</tr>
<tr>
<td>FY17*</td>
<td>$200</td>
<td>$160</td>
<td></td>
</tr>
</tbody>
</table>

Visits and Conversion

<table>
<thead>
<tr>
<th>Year</th>
<th>Visits (Millions)</th>
<th>CVR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY13</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>FY14</td>
<td>40</td>
<td>0.0%</td>
</tr>
<tr>
<td>FY15</td>
<td>80</td>
<td>0.5%</td>
</tr>
<tr>
<td>FY16</td>
<td>120</td>
<td>1.0%</td>
</tr>
<tr>
<td>FY17</td>
<td>160</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

FY17 projection based on mid-point of April 17 reaffirmed guidance
† YoY growth rates are based on constant currency exchange rates to eliminate exogenous FX spikes

Q4 FY2017 CVR and Visits has been projected based on actuals through Q3 FY2017
4. Customer Acquisition

Building a high growth, sustainable and diversified marketplace
GROWS STRONGLY WITH LOW CUSTOMER ACQUISITION COSTS
WITH ALL PAID CHANNELS PROFITABLE ON FIRST PURCHASE

FY2017 YTD TRAFFIC

42% - Paid

58% - Free

<table>
<thead>
<tr>
<th>Paid Social</th>
<th>Paid Search and Other</th>
<th>Other Free</th>
<th>Email</th>
<th>Direct</th>
<th>Organic Search</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>32%</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
<td>36%</td>
</tr>
</tbody>
</table>

1. Organic Search = traffic to the site originating from search click through that we do not pay for
2. Direct = Traffic coming directly to the RB homepage
3. Paid = Traffic from sources we pay for (Google ads, Facebook ads, etc.)
4. Data complete through Q3 FY 2017
Source: Redbubble internal data
5. **The Opportunity**

Building a high growth, sustainable and diversified marketplace
1. Redbubble analysis of the total market of customers seeking creative expression on lifestyle products (apparel, electronic accessories, homewares and stationery)
2. Homewares = furniture and household goods such as kitchen and bathroom accessories, textile furnishings, office supplies and stationery

Sources: eMarketer, McKinsey and Company, ATKearney, Redbubble analysis
HUGE CONTENT LIBRARY & PRODUCTS PROVIDE INCREASING LEVERAGE

~60% OF SALES ARE FROM ENDURING CONTENT

- **3.75M Unique items sold**
  - Diversifying the range of items broadens potential customer base

- **1.16M Unique works sold**
  - Content library can be instantly applied to new products
  - Content is a mix of enduring (~60%) and new/trending (~40%)

Source: Redbubble internal data
A Product is a combination of physical product and artist work, a work is simply a single artist image
PRODUCTION IS LOCALISED IN OUR PRIMARY MARKETS

WITH GAINS IN MARGIN, CONVERSION AND CUSTOMER EXPERIENCE

Localisation of production has **REDUCED GLOBAL AVERAGE DELIVERY TIME** by a full day in the last 12 months, resulting in:

- **MARGIN IMPROVEMENT** via reduction of shipping charges
- **CONVERSION UPLIFT** from improved delivery times
- **NPS GAINS** from better service experience
- **SYSTEMIC REDUNDANCY** against fulfiller failure

![Map showing fulfillment centers, products, and countries](image)

**FULFILMENT CENTERS**: 23

**PRODUCTS**: 62

**COUNTRIES**: 6

Source: Redbubble internal data
6. Growth Initiatives

Building a high growth, sustainable and diversified marketplace
4 BIG THEMES FOR CY2017

STAY FOCUSED ON STRENGTHENING MARKETPLACE DYNAMICS

Efficient
GLOBAL ACQUISITION
of new customers & artists
✓ Increase leverage of content library into paid channels (search, Facebook)
✗ Improvements in organic acquisition (social, search)

Enhancing ability
TO FIND YOUR THING
to enrich experiences
✓ Personalised content recommendations
✓ Content discovery journey
✓ Content partnerships

Enhancing
SCALABILITY
across the business
✓ EBITDA improvements of up to $3 million p.a. from operational efficiencies
✓ Faster core platform – critical for mobile experience

Developing
DEEPER RELATIONSHIPS
with our customers
✓ Mobile app for rich, habitual browsing experience
✓ Upgrading account creation to enable personalisation
WITH A FINAL OBJECTIVE FOR CUSTOMERS

- More buyers acquired more profitably
- Seeing ever more content from more artists & partners
- With a personalised mobile discovery & shopping experience for all visitors
- Forming a mobile habit resulting in more orders from more loyal customers
- Supported by best-in-class site speed

... Attracting more artists, generating more content to sell to more customers
7. Strong Financials

BUILDING A HIGH GROWTH, SUSTAINABLE AND DIVERSIFIED MARKETPLACE
UNIQUE BUSINESS MODEL

IN_SIGNIFICANT CAPITAL INVESTMENT (PP&E)
POSITIVE WORKING CAPITAL CYCLE

NO INVENTORY RISK

NO DISTRIBUTION COSTS
NO WAREHOUSING COSTS
## Confirming FY2017 P&L Guidance

<table>
<thead>
<tr>
<th>P&amp;L</th>
<th>FY2016</th>
<th>FY 2017</th>
<th>Guidance Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A$M)</td>
<td>Full Year</td>
<td>Guidance 1</td>
<td>%</td>
</tr>
<tr>
<td>GTV</td>
<td>142.9</td>
<td>180.0</td>
<td>26.0%</td>
</tr>
<tr>
<td>Revenue</td>
<td>114.6</td>
<td>144.0</td>
<td>25.7%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(75.6)</td>
<td>(93.6)</td>
<td>23.8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>39.0</td>
<td>50.4</td>
<td>29.2%</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>34.0%</td>
<td>35.0%</td>
<td></td>
</tr>
<tr>
<td>Paid Acquisition costs</td>
<td>(7.7)</td>
<td>(13.0)</td>
<td>68.8%</td>
</tr>
<tr>
<td>Gross Profit (after Paid Acquisition)</td>
<td>31.3</td>
<td>37.4</td>
<td>19.5%</td>
</tr>
<tr>
<td>Operating expenses 2</td>
<td>(37.4)</td>
<td>(44.5)</td>
<td>19.0%</td>
</tr>
<tr>
<td>Operating EBITDA loss</td>
<td>(6.0)</td>
<td>(7.1)</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

1. Guidance figures based on midpoint of guidance issued in January and re-affirmed in April
2. Operating expenses exclude non-cash share based payments

- GTV & Revenue expected to increased by 33.4% and 33.7% on Constant Currency basis
- Significant margin improvement achieved through product mix changes and scale in negotiations with fulfillers
- Operating leverage beginning to emerge
- Moving to EBITDA profitability towards end of FY18
SIGNIFICANT SPEND IN 1H FY2017 INVESTED FOR FUTURE GROWTH

... UNDERLYING PROFIT $6.8M DELIVERED

Source: Redbubble internal data
BUILDING A HIGH GROWTH, SUSTAINABLE AND DIVERSIFIED MARKETPLACE
POSITIONED FOR LOW RISK LONG-TERM GROWTH...

1. HIGH GROWTH
   - Leading global marketplace
   - 10 consecutive years of growth
   - Enormous addressable market
   - Opportunities on many dimensions

2. DIVERSIFIED
   - Fresh and enduring content
   - From global artists
   - Range of product offering
   - From geographically dispersed fulfillers

3. SUSTAINABLE
   - Capital efficiency from outsourcing and business model
   - Manufacturing outsourced
   - Positive cash cycle
   - Low customer and artist acquisition costs
   - Strong balance sheet
THANK YOU
DISCLAIMER

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