The world's largest online marketplace for independent artists, bringing more creativity into the world

*Results are from internal management reports and have not been subject to audit*
Redbubble: A marketplace with a disruptive offering enabled by a scalable artist community and global on-demand fulfilment

- Business propelled by marketplace flywheel that is accelerating, built via a capital efficient supply model
- Compelling core economics starting to benefit from scale and improving terms of trade
- Addressable market with no ceiling as flywheel enables increasing retail commerce disruption in global apparel and homewares
- Diverse sources of profitable growth in art, products, geographies, deepening relationships with customers and artists
- Experienced global management team with track record of focused execution on strategic drivers of growth and scale
Redbubble propelled by marketplace flywheel that accelerates growth

1. Content includes the combination of digital Art Works and the Products they are sold on.
Marketplace has long tail and is scaling – diversity of content, customer, artists, products and geographies

298,000+ Selling Artists (up 28.2%)

4.0M Unique Customers¹ (up 38.1%)

17.6M Art Works² (up 25.7%)

66 Products (up from 64)

32 Global Fulfiller Facilities (up from 24)

7 Core Countries (c.200 in total)

As for FY2018, or as at 30 June 2018. Growth rates based on comparison to FY2017 or as at 30 June 2017.
1. An unique customer is defined as an unique email address
2. Refers to a single image
Scaling business demonstrating sustained and strong Revenue and Gross Profit growth

**Revenue** has grown at **CAGR 39%** over five years

Revenue (A$m; FY14 – FY18)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>49</td>
<td>72</td>
<td>115</td>
<td>141</td>
<td>183</td>
</tr>
</tbody>
</table>

**Gross Profit** growing at similar rates

Gross Profit (A$m; FY14 – FY18)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17</td>
<td>24</td>
<td>39</td>
<td>50</td>
<td>64</td>
</tr>
</tbody>
</table>

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1. Revenue is Redbubble’s Gross Transaction Value (GTV) after Taxes and Artists Margins. GTV has grown at a 5-year CAGR of 40% from FY14 – FY18

Sources: Redbubble internal data
Marketplace is driven by three global trends that are starting to be disruptive to mainstream retail commerce

1. **Rise of the sharing economy** enabling artists to share their creativity with a global customer base at low risk

2. Increase in **consumer demand for personalisation** and self-expression enabled by the search and social media revolution

3. Improving capability of **print-on-demand** and **manufacturing-on-demand** technology making long tail content economically competitive
Redbubble’s innovative supply model benefits from economies of scale with limited capital needed

- Negligible content creation costs and no design risk
- Negligible capital investment in fulfilment (PP&E)
- No warehouse or inventory risk and no distribution costs
- Profitable marketing and low customer acquisition costs
- Economies of scale in 3P fulfilment and shipping costs
- Negative working capital (positive cash) cycle
Huge content library with scaling benefits is a vital asset and has negligible acquisition or retention cost

Library scaling rapidly and accumulating as a durable asset, with strong correlation with sales growth...

Active art work library size¹ (m works; FY14 – FY18)

Sales by age of work (% of sales; FY14-FY18)

*CAGR 37%

1. Measured at year end
Sources: Redbubble internal data
Global supply network across diverse product range provides improving customer experiences and requires limited capital

**Customer delivery times are getting shorter**

Average shipping days (calendar days; FY17 – FY18)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5.4</td>
<td>4.9</td>
</tr>
</tbody>
</table>

*Enabled by ongoing localisation of fulfilment*

**Fulfilment cost on each unit is decreasing**

Unit fulfilment cost index\(^1\) (rebased to 100; FY14 – FY18)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index</td>
<td>100</td>
<td>94.6</td>
<td>96.6</td>
<td>76.1</td>
<td>68.2</td>
</tr>
</tbody>
</table>

**Redbubble’s global fulfilment network has many other benefits**

- **Margin improvement** via reduction of shipping charges
- **Encourages marketplace competition** among fulfillers leading to further efficiencies
- **Improving customer experience**
- **Systemic redundancy** against fulfiller backlog
- **Increased sales at peak** due to later delivery cut-offs
- **Further natural hedge** on FX

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1. Total production and shipping cost per each item sold, indexed 100. Includes product mix shift.
   Sources: Redbubble internal data
Majority of sales from unpaid (free) channels enables low cost of marketing and supports improving GPAPA growth

Unpaid channels returned to 60% of sales...

GPAPA by Channel ($Am; FY17 – FY18)

...Enabling strong GPAPA growth and sustained low customer acquisition cost

GPAPA and Paid Spend as % of Total GTV (A$m, %; FY14 – FY18)

1. GPS refers to Gross Processed Sales. It differs to GTV by refunds, fraud, and chargebacks.
2. Paid is comprised of Shopping, Branded and Non-Branded Text Ads, Affiliates, Paid Social, and Display.
3. Unpaid is comprised of Email, Organic Search, Organic Social, Direct (including the Mobile App), Referrals.

Sources: Redbubble internal data
Paid marketing is profitable and remains efficient with growth and addition of social

Paid channels remain highly profitable for each purchase, with average returns of 1.7x Gross Profit

Gross Profit / $ GTV v. Paid Spend / $ GTV sourced from Paid Channels (c/$; FY15-FY18)

Social is an emerging source of growth for the Paid business

Split of Paid Sources (%; FY16-FY18)

Sources: Redbubble internal data
Expansion into new geographies and products is a major driver of growth and diversifies business.

Emergence of Continental Europe supported by new languages

Geographic contribution (% of GTV; FY15 – FY18)

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>64%</td>
<td>65%</td>
<td>64%</td>
<td>61%</td>
</tr>
<tr>
<td>EU</td>
<td>16%</td>
<td>16%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>UK</td>
<td>8%</td>
<td>11%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>AU/NZ</td>
<td>11%</td>
<td>11%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>ROW</td>
<td>8%</td>
<td>11%</td>
<td>13%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Stationery and Homewares providing significant growth potential

Product contribution (% of GTV; FY15 – FY18)

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-shirts</td>
<td>66%</td>
<td>55%</td>
<td>47%</td>
<td>42%</td>
</tr>
<tr>
<td>Stationery/Stickers</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Accessories</td>
<td>8%</td>
<td>11%</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Apparel (ex t-shirts)</td>
<td>11%</td>
<td>9%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Homewares</td>
<td>11%</td>
<td>12%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Artwork</td>
<td>2%</td>
<td>9%</td>
<td>11%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Sources: Redbubble internal data
Visits have shifted to mobile but more checkouts still on desktop

Visits and GTV contribution from Mobile (Mobile as % of Total GTV; FY15-FY18)

<table>
<thead>
<tr>
<th>Year</th>
<th>Visits (Millions)</th>
<th>Mobile GPS</th>
<th>Desktop Visits</th>
<th>Mobile Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>50</td>
<td>20%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td>100</td>
<td>27%</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>FY17</td>
<td>150</td>
<td>33%</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>FY18</td>
<td>200</td>
<td>59%</td>
<td>21%</td>
<td></td>
</tr>
</tbody>
</table>

Mobile iOS app has scaled rapidly since global launch in May 2017

Monthly active users (MAU) and % of GTV (FY2018 by month)

<table>
<thead>
<tr>
<th>Month</th>
<th>MAU</th>
<th>App as % of GTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-17</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Oct-17</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>Jan-18</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>Apr-18</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Jul-18</td>
<td>4.0%</td>
<td></td>
</tr>
</tbody>
</table>

We are making large investments in the future of our mobile platform

- Augmented Reality
- Apple Pay
- Push Notifications

1. Desktop includes tablet traffic
   Sources: Redbubble internal data
Well positioned to take advantage of further disruption in the ‘personalised on-demand’ market

Addressable market of unique lifestyle products remains very significant

~US$280B\(^1\) Total global online market for Apparel and Homewares\(^2\)

Expected to grow at between 10-14% p.a. through to 2020

Within this market, On-Demand Retail is accelerating

- Personalised products **on-demand** will become more mainstream as technologies mature to support enhanced access to quality and affordable products

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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: Forbes, eMarketer, McKinsey and Company, ATKearney, Redbubble analysis with 2016 and 2017 category growth rates applied
Focused execution across the following strategic priorities

Deeper **customer engagement** via a **personalised member experience** driving loyalty and increasing customer lifetime value.

Strengthen **artist relationships** and create **content partnerships** to increase sales potential for commercially-oriented segments.

**Scaling** fulfilment to bring on **new fillers and products** faster and more easily, improving customer value proposition and enabling more geographical growth.

**Continued platform investments in data science, mobile, marketing and operations** and to enable flexible and scalable development.
Appendices

THANK YOU
Robust marketplace dynamics driven by strong and consistent growth across all aspects

1. A unique customer is defined as a unique email address
2. Number of fulfilment locations multiplied by average number of products per location
Sources: Redbubble internal data
Increasing customer spend as our value proposition becomes increasingly relevant to more customers

RBL Penetration and Sales Growth in Different Markets – FY2018

Source: Redbubble internal sales data and publicly available population information.
Redbubble has paid more than $100m to artists since inception

**Artist earnings**
(A$m; CY07 – FY18)

January 2007 saw artist earnings of just A$74

As at end of

- A$0.1m  CY2007
- A$0.5m  CY2008
- A$1.1m  CY2009
- A$1.8m  CY2010
- A$3.3m  CY2011
- A$7.5m  CY2012
- A$15.1m CY2013
- A$25.9m CY2014
- A$44.4m CY2015
- A$69.0m CY2016
- A$101.3m CY2017
- A$117.6m CY2018 as at end of June

Sources: Redbubble internal data
Benefiting from the increasing number of selling artists and the multiplying effect of new products on our content library

The number of selling artists continues to grow, with strong acquisition and retention

<table>
<thead>
<tr>
<th>Selling artists¹ by artist tenure at RB (thousands, FY14–FY18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
</tr>
<tr>
<td>&lt; 1yr</td>
</tr>
<tr>
<td>1-3 yrs</td>
</tr>
<tr>
<td>4+ yrs</td>
</tr>
</tbody>
</table>

New physical products also have a multiplying effect on our library

Unique content sold (m works, m product / art work combinations²; FY14 – FY18)

Leverage from new physical products

1. Artists who currently have works published
2. Distinct products defined by differing consumer need e.g. iPhone 7 case considered separate from iPhone 8 case, but different sized greeting cards not distinguished

Sources: Redbubble internal data
29,600 artists or 12% of all selling artists represented 80% of earnings in FY18

80% of sales are consistently made by top ~12% of artists...

Distribution of artist earnings across selling artists¹ (FY15 – FY18)

...Although the number of top selling artists has increased substantially

# of artists earning 80% of earnings (FY15 – FY18)

¹. Net of moderations and deleted accounts, excludes self-purchasing

Sources: Redbubble internal data
### 4Q2018 and FY2018 P&L analysis

<table>
<thead>
<tr>
<th>P&amp;L (A$M)</th>
<th>4Q</th>
<th>YoY</th>
<th>Full Year</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY17</td>
<td>FY18</td>
<td>Growth</td>
<td>CC Growth(^1)</td>
</tr>
<tr>
<td>GTV</td>
<td>38.7</td>
<td>52.6</td>
<td>36.1%</td>
<td>34.1%</td>
</tr>
<tr>
<td>Revenue</td>
<td>30.9</td>
<td>41.6</td>
<td>34.5%</td>
<td>32.9%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>11.2</td>
<td>15.4</td>
<td>36.8%</td>
<td>33.8%</td>
</tr>
<tr>
<td>GP Margin</td>
<td>36.3%</td>
<td>36.9%</td>
<td>1.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Paid Acquisition</td>
<td>(3.1)</td>
<td>(3.9)</td>
<td>26.5%</td>
<td>27.5%</td>
</tr>
<tr>
<td>Gross Profit after Paid Acquisition (GPAPA)</td>
<td>8.1</td>
<td>11.5</td>
<td>40.7%</td>
<td>36.1%</td>
</tr>
<tr>
<td>GPAPA Margin</td>
<td>26.4%</td>
<td>27.6%</td>
<td>4.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(10.9)</td>
<td>(14.7)</td>
<td>34.7%</td>
<td>34.3%</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>(2.8)</td>
<td>(3.2)</td>
<td>(16.9%)</td>
<td>(28.9%)</td>
</tr>
<tr>
<td>Other Income/Expenses</td>
<td>(0.7)</td>
<td>(0.9)</td>
<td>27.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>EBITDA (Loss)/Profit</td>
<td>(3.4)</td>
<td>(4.1)</td>
<td>(19.0%)</td>
<td>(23.2%)</td>
</tr>
</tbody>
</table>

- Strong 4Q GTV growth of 34.1% (CC basis\(^1\*)) boosting FY GTV growth to 32.2% (CC basis*), in line with guidance
- FY Revenue growth of 30.4% (CC basis), lower than GTV due to increasing sales taxes and approximately $400k of YoY shipping timing difference
- Robust 4Q GP margin of 36.9% reflecting scale and improving unit economics at that level
- 4Q GPAPA growth of 36.1% (CC basis*) due to sustained unpaid growth and continued low cost & profitable customer acquisition
- FY18 Opex growth of 19.0% with 4Q absorbing: lower capitalised development than forecast; take up of provision for insurance deductibles; and investment in future opex savings (i.e. Customer Service efficiencies), all totaling >$500k.

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1. *“Constant currency basis” reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 94% of its GTV in currencies other than Australian dollars.
2. FY2017 Operating EBITDA has reduced by $0.2M from previous releases due to reclassification of operating expenses.

Source: Redbubble internal unaudited management accounts.
Consistent capitalisation of development costs as a % of operating expenses + capitalised development

1. Operating expenses includes employee benefits, and operating and admin costs. It excludes paid marketing costs, and stock based compensation.
Cash generated from negative working capital represents more than 3 weeks of incremental GTV*

Analysis based on 4Q18 and FY18.
* This includes WC benefits from other suppliers to the business, beyond the parties specified on the page.
Revenue earned is GTV less Taxes and Artist Margins (i.e. $79.00 on $100 GTV).
Includes Paid Acquisition costs and Operating Expenses.
## Financial Glossary

<table>
<thead>
<tr>
<th>Gross Processed Sales</th>
<th>Total Currency Tendered</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Refunds</td>
<td>Reissues for returned goods</td>
</tr>
<tr>
<td>- Fraud</td>
<td>Reverses for any fraudulent payments</td>
</tr>
<tr>
<td>- Chargebacks</td>
<td>Transactions reversed by the payment processor</td>
</tr>
</tbody>
</table>

**Gross Transactional Value**

<table>
<thead>
<tr>
<th>Gross Transactional Value</th>
<th>GPS less refunds, fraud, chargebacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Artist Margin</td>
<td>Payments made to artists for sold works</td>
</tr>
<tr>
<td>- Taxes</td>
<td>Sales taxes assessed by the jurisdiction of sale</td>
</tr>
</tbody>
</table>

**Revenue**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>GTV less artist margin and taxes (Accounting Revenue booked by RB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Cost of Goods Sold (Gross Margin)</td>
<td>Costs of product manufacturing and shipping</td>
</tr>
<tr>
<td></td>
<td>Ratio of revenue to cost of manufacture and shipping</td>
</tr>
</tbody>
</table>

**Gross Profit**

<table>
<thead>
<tr>
<th>Gross Profit</th>
<th>Revenue less COGS</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Paid Acquisitions</td>
<td>Non-personnel costs associated with marketing</td>
</tr>
</tbody>
</table>

**Gross Profit after Paid Acquisitions**

<table>
<thead>
<tr>
<th>Gross Profit after Paid Acquisitions</th>
<th>Gross Profit less Paid Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Operating Expense</td>
<td>Costs related to personnel, logistics and infrastructure</td>
</tr>
</tbody>
</table>

**Earnings before Interest, Taxes and Depreciation**

## Acronyms

- **RB** (Redbubble Limited)
- **CYXX** (Calendar Year)
  - Jan to Dec, aligns with US fiscal years
- **FYXX** (Fiscal Years)
  - Australian fiscal years run July to June
- **EBITDA** (Earnings before Interest, Taxes, Depreciation, and Amortization)
- **GP** (Gross Profit)
- **GPAPA** (Gross Profit after Paid Acquisition)
- **GPS** (Gross Processed Sales)
- **GTV** (Gross Transactional Value)
- **COGS** (Cost of Goods Sold)
- **OPEX** (Operating Expense)
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