Melbourne, Australia; 22 April 2021: Redbubble Limited (ASX: RBL; ADR: RDBBY) today provided the following Letter to Shareholders and accompanying Investor Presentation.

To Shareholders,

Approaching three months into the role of CEO, I believe it is important to lay out the overall direction and philosophy of the Group and share our medium term aspirations.

I joined Redbubble Group after having been a customer on the platform and believing there is something special about this organisation. After three months my enthusiasm for the opportunity has continued to grow and I am more excited than ever in the tremendous potential the Redbubble Group has. Our mission - “To create the world’s largest marketplace for independent artists” - really does sit at the centre of what we do and reflects the broad ambition for the Group.

Consumer preferences, and the ecommerce landscape, continue to change across the globe. By offering consumers an absolutely unique content and product offering within a compelling shopping experience, Redbubble is positioned to become one of the global winners in this evolving landscape. Consumers are less interested in wearing the same commodity black t-shirt owned by millions of others, instead they look for meaning and uniqueness in what they buy. They want a t-shirt, or phone case, or poster with a design that expresses their individuality, personality and passions. Redbubble is far and away the best destination to find a design-product combination that fulfils this need. No other platform in the world combines the breadth of Artist-generated designs with their availability on a wide range of made-on-demand consumer products.

This compelling position occurs within enormous addressable consumer goods markets. eCommerce spend for the current range of products sold on Redbubble Group marketplaces was estimated at over $300 billion in our core geographies, and over $700 billion globally in 2020. This is predicted to grow to more than $1 trillion by 2024. Within these markets, 35-40% of customers are already seeking a product that is unique and meaningful, and this group will only grow. Redbubble sits in a large and growing market, and is uniquely positioned within this growing segment of that market.

The uniqueness, breadth and scale of the designs and products sold by Artists and Designers on the Redbubble and TeePublic platforms positions the Group to capitalise on key macro-trends that continue to impact consumer demand and grow this Total Addressable Market (TAM). These key trends include:
The continuing migration of shopping and purchase from offline to online
The increasing desire from consumers for unique goods and services that express and celebrate their personal interests and individualism
The growing Creator Economy providing new and exciting designs and products that feeds this search for personalisation and meaning
And the ongoing focus on sustainability and corporate social responsibility

Looking back on 2020, Redbubble demonstrated key elements of this potential. Growth of the business across all geographies showed the broad and global appeal of the offering, while growth across multiple product categories demonstrated the breadth and variety of consumer markets in which the model can apply. The resilience and scalability of the third-party fulfilment and logistics network was demonstrated by their ability to meet a significant increase in order volumes across all product categories during a worldwide pandemic. And the financial potential of the business was also clearly proven as unit economics were maintained, resulting in strong cash flows and increasing EBITDA through the inherent operating leverage and negative working capital nature of the model.

Looking forward, we see a tremendous opportunity to continue growing and scaling the business. Given this opportunity, our focus is on building an organisation capable of sustained growth over the medium and long term. We believe this is the best way to realise the full potential of generating growth for all stakeholders across the Redbubble platform - Artists, customers, the 3rd party fulfillment network, employees, and of course shareholders. As such, the decisions we make over the coming months and years will be with a focus on building the strongest possible business for the medium to long term.

Our medium term aspiration is to drive top-line (sales) growth to enable us to step change the scale of the business and the impact we have for Artists. The metrics by which we will measure our success are firstly Gross Transaction Value, Artist Revenue and Marketplace Revenue - as these metrics directly demonstrate our success or otherwise in bringing consumers to the marketplace, enabling them to purchase, creating loyal and returning customers, and delivering on the key proposition to the Artist community, which is helping them grow sales of their products.

For these metrics, our medium term aspiration is to grow Gross Transaction Value to more than $1.5 billion, to grow Artist Revenue to $250 million, and to produce Marketplace Revenue of $1.25 billion per annum.

Achieving these aspirations will be a challenge, requiring a combination of disciplined investment, creative and thoughtful experimentation, and focused execution. As we make targeted investments at the Gross Margin, Marketing and OPEX lines, the combination of these may lead to some short term reduction in EBITDA margins. With these investments, in the short-term, EBITDA as a percent of
Marketplace Revenue is expected to be in the mid single digit range over an annual period. We strongly believe that “above-system” growth can only be achieved in the long-term through proactive actions. As such we will focus on a process of targeted experimentation, with disciplined investment only when we are confident in the returns to be generated. Leading a company that can continue to demonstrate strong revenue growth rates whilst maintaining positive EBITDA is both challenging and exciting.

With these Aspirations and the focus on growth, we see the next few years evolving in the following phases:

● **CY21: Focus on four strategic themes to build the foundations for further growth**
  The previously shared key strategic themes remain the right areas of focus to strengthen the foundations of the business, building our internal capabilities to enable us to grow in the periods ahead. These key themes remain:
  ○ Artist activation and retention
  ○ Customer understanding, loyalty and brand development
  ○ User acquisition and transaction optimization
  ○ Physical Product Range and 3rd Party fulfillment network scaling

● **CY22-24: Grow top-line sales through disciplined investment**
  The increased internal capabilities will enable us to undertake disciplined investment to increase both customer acquisition and loyalty. There will be some investment into people (OPEX), as well as targeted investments in Gross Margin and Marketing. There are multiple levers for growth we will pursue, including:
  ○ Enhancing the core customer experience
    ■ Improved digital experience and physical product quality
    ■ Growing loyalty and repeat purchasing
  ○ Continuing to earn growth in core markets
    ■ Consistent and selective addition of new physical products
    ■ Improvement to the 3rd party fulfillment and logistics network
  ○ Amplifying growth by increasing customers
    ■ Brand investment to increase awareness and trial
    ■ Expansion into new geographic markets

● **CY24+: Build margin and bottom line as we scale and grow from this investment**
  As sales and revenues grow, we will look to accelerate the operating leverage once again and see corresponding growth in cashflows and EBITDA. We believe the margin profile below is achievable at a scale of $1.25 billion+ Marketplace Revenue as investments in Brand and OPEX are offset by scale economies across the supply chain and efficiencies internally
Margin Aspiration at $1.25 billion+ MPR

○ 40-42% Gross Margins
○ 12-15% Marketing (Paid Acquisition and Brand)
○ 15% OPEX (Operating Expenses)
○ 10-15% EBITDA

I feel tremendously privileged to be the CEO of the Redbubble Group. I will continue to develop a compelling workplace culture and environment that attracts and retains the best people on a global basis who have ambition, customer focus and are aligned with shareholders when rewarded for success. There is a lot of hard work in front of us, progress may not occur in a linear fashion, and there are likely to be challenges along the way. None of this, however, will change the opportunity we have and the potential for the business. We are committed to seizing this opportunity and growing the Redbubble Group into one of the leading global ecommerce marketplaces.

I would like to close by expressing our gratitude and thanks to the Artists who trust us to help them monetise their art and designs, the consumers who increasingly turn to Redbubble to find unique and meaningful products, the 3rd party fulfillers who make these millions of great items, and to our shareholders for your ongoing support and commitment.

Michael Ilczynski
CEO Redbubble Group
April 2021

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

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, Redbubble.com and TeePublic.com. 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 Redbubble Group. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.