



Redbubble continues to scale strongly in Q1 FY17

Melbourne, Australia; 24 October 2016: Redbubble Limited (ASX: RBL) a leading global marketplace for independent artists, today lodged its Appendix 4C Quarterly Cash Flow Report for the quarter ended 30 September 2016 (Q1 FY17).

Redbubble continues to maintain a strong balance sheet with \$36 million cash and no debt. Net operating cash outflows for Q1 FY17 were \$2.7 million.

Q1 FY17 financial highlights (unaudited)

- Revenue up 25.6% versus same quarter last year to \$28.9 million (up 33.6% on a constant currency basis)
- Gross Profit up 35.8% versus same quarter last year to \$10.5 million (up 44.7% on a constant currency basis)
- Gross profit margin up 8.1% versus same quarter last year to 36.4% (up 8.3% on a constant currency basis)
- Operating expenses up 16.6% versus same quarter last year (up 19.6% on a constant currency basis)
- EBITDA (loss) of \$2.3 million versus loss of \$3.3 million in same quarter last year.

Redbubble reported net operating cash outflow of \$2.7 million for Q1 FY17, and a closing cash balance of \$36.0 million at 30 September 2016.

Commenting on the company's progress and Q1 FY17 performance, Redbubble CEO Martin Hosking said:

"Redbubble continued to scale strongly during the first quarter with revenue up 33.6% on a constant currency basis compared to the same quarter last year.

"Our marketplace continues to attract more artists and customers globally with solid margins and low customer acquisition costs. As forecast, the business is moving towards profitability as it scales and gets the benefits of operational leverage.

"The scaling of the business, that is revenue growing faster than expenses, is evidenced by the [unaudited] financial results for the quarter, which are in line with our FY17 Prospectus forecast, despite the impact of a stronger Australian dollar.

"Our first quarter also delivered strong growth in the top line of 14.2% on a constant currency basis versus the last quarter of FY16, with improved margins relative to forecast and lower than forecast operating expenses."



Q1 FY17 operating highlights

Implementation of growth plans as outlined in the IPO Prospectus (May 2016) have continued during the quarter with business investment delivering the following operational highlights for Q1 FY17:

- Spanish language version of Redbubble website launched in July
- Addition of four new fulfiller locations (Colorado, Florida, Nevada & Brisbane), enabling shorter delivery times to important markets and resultant conversion improvements
- Three new products launched (lightweight hoodie, A-line dress & tapestry)
- Conversion improvements through new and improved search algorithm changes
- Improvement in search results pages to increase relevancy and customisation
- New version of Google Shopping feed introduced to further improve the quality of products showcased based on past sales data of those products
- New homepage collections of curated content to enable a more relevant customer browsing experience
- Enhanced email personalisation.

There have been no material developments in the outstanding intellectual property lawsuits filed against Redbubble entities.

- ENDS -

For further information please contact:

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About Redbubble

Founded in 2006, Redbubble is a global online marketplace powered by over 400,000 independent artists. Redbubble's community of passionate creatives sell uncommon designs on high-quality, everyday products such as apparel, stationary, housewares, bags, wall art and so on. Through the Redbubble marketplace 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. Redbubble is listed on the ASX (RBLAX)



Supporting resources

Redbubble has compiled a brief information pack in support of the Appendix 4C. For this and other relevant information please visit:

- Investor Centre: <http://shareholders.redbubble.com/>
- Website: <http://www.redbubble.com/>

Nature of this release

This quarterly update represents the first release of information post Redbubble IPO which does not coincide with a financial performance reporting release date. Brief supplementary documentation has been compiled to support the Appendix 4C. Additional information provided is intended to help add context in the early stages of the company's life as a listed entity.

INVESTOR UPDATE

Q1 FY17 company metrics

24 October 2017



REDBUBBLE

Strong growth in revenues, up 33.6% on a constant currency basis...

| P&L | Q1 FY16 | Q1 FY17 | Q1 FY17 v Q1 FY16 | |
|--------------------|---------|---------|-------------------|--------------------------------|
| | | | Reported | Constant Currency ¹ |
| (A\$M) | | | Growth | Growth |
| GTV | 28.7 | 36.1 | 25.7% | 34.0% |
| Revenue | 23.0 | 28.9 | 25.6% | 33.6% |
| Cost of Sales | (15.3) | (18.4) | 20.4% | 28.0% |
| Gross Profit | 7.7 | 10.5 | 35.8% | 44.7% |
| GP Margin | 33.7% | 36.4% | 8.1% | 8.3% |
| Operating Expenses | (10.9) | (12.7) | 16.6% | 19.6% |
| Other Income/Costs | (0.1) | (0.2) | 18.8% | n/a |
| EBITDA (loss) | (3.3) | (2.3) | 28.6% | 42.4% |

...with operating leverage delivering 42.4% improvement in EBITDA

1. Constant currency numbers are derived by taking the original currency value and converting it at the same exchange rate used for the comparison period.

Source: Redbubble internal unaudited management accounts

Strong QoQ growth in key measures delivering to Prospectus FY17 forecast

| | Q1 FY2016 | Q4 FY2016 | Q1 FY2017 | YoY ³ growth | QoQ ⁴ growth |
|------------------------------------|----------------|----------------|----------------|-------------------------|-------------------------|
| Visits | 33.9M | 36.7M | 42.0M | 24% | 15% |
| Conversion rate¹ | 1.62% | 1.72% | 1.81% | 12% | 5% |
| AOV² | \$53.2 | \$52.3 | \$48.4 | -9% | -7% |
| Customers | 481,000 | 551,000 | 667,000 | 39% | 21% |
| Selling Artists | 72,000 | 97,800 | 109,700 | 52% | 12% |

- Decline in AOV due to FX impact and a shift in product mix, in particular an increase in Stickers

1. Conversion rate is the percentage of visits to the site that result in a purchase being made
 2. AOV: Average Order Value (Order sales / Order count)
 3. YoY shows growth between the current and prior years corresponding quarter
 4. QoQ shows growth between the last two calendar quarters
 Source: Redbubble internal unaudited management accounts

Disclaimer

The material herein is a presentation of non-specific background information about the Company's current activities. It is information given in summary form and does not purport to be complete. Investors or potential investors should seek their own independent advice. This material is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of a particular investor. These should be considered when deciding if a particular investment is appropriate.