

REDBUBBLE INVESTMENT OVERVIEW

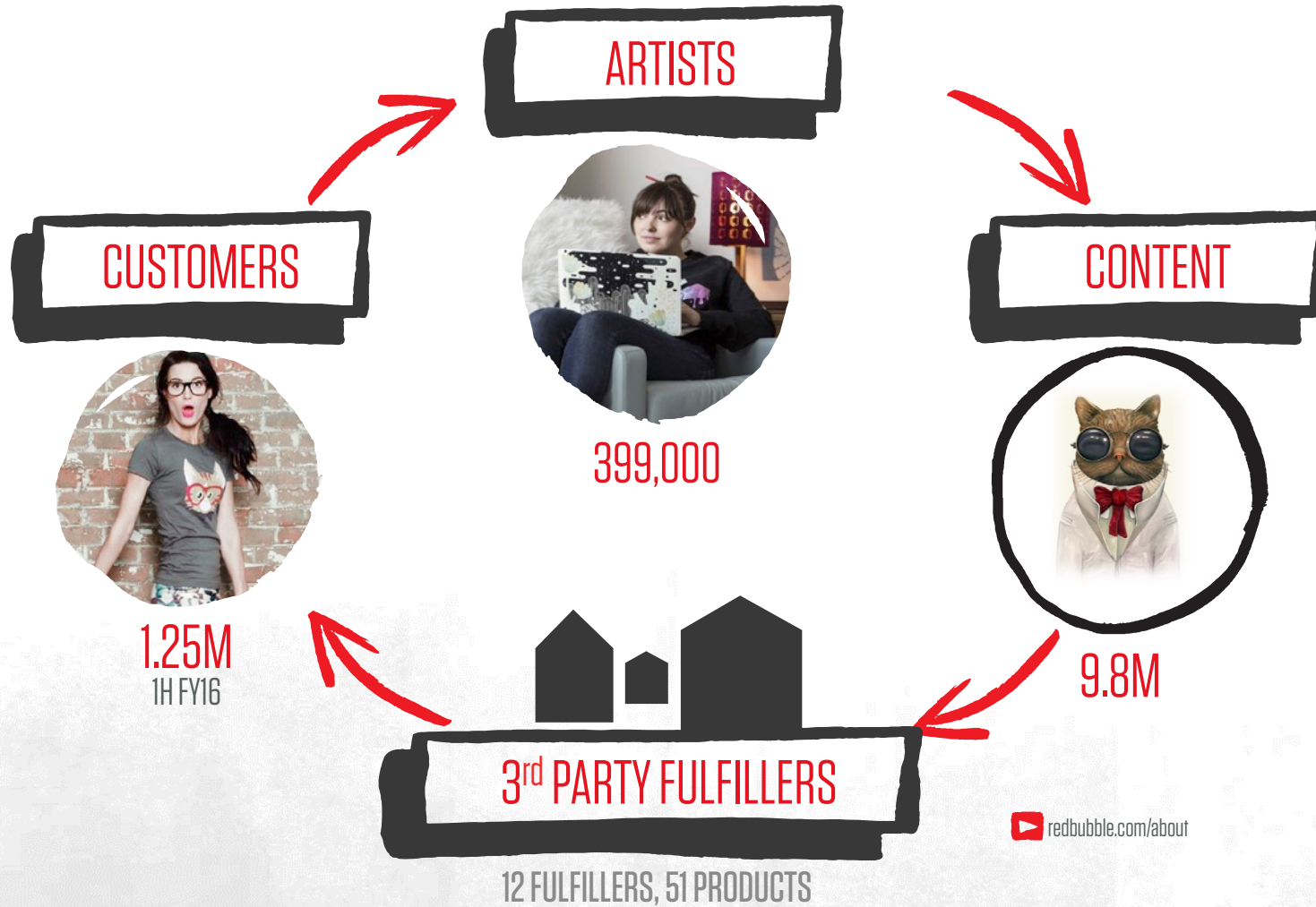
18 May 2016



REDBUBBLE

RB: A creative marketplace

As a marketplace RB has strong, reinforcing growth



The mission

**REDBUBBLE IS CREATING THE WORLD'S
LARGEST MARKETPLACE FOR INDEPENDENT ARTISTS,
BRINGING  MORE CREATIVITY 
INTO THE WORLD**



Market leader positioned for long-term, scalable growth and increasing profitability

1. HUGE GLOBAL MARKET



LONG-TERM SUSTAINABLE GROWTH



2. NETWORK EFFECT & VAST CONTENT LIBRARY



BARRIERS TO ENTRY, LOW CUSTOMER ACQUISITION COSTS (FREE ~70%) & FORWARD REVENUE



3. OUTSOURCED PRINT-ON-DEMAND



POSITIVE CASH CYCLE, SCALEABILITY & SUSTAINABLE MARGINS (~34%)

Strong growth in transactional value

55% GTV* constant currency** YOY growth in GTV 1H FY2016

GTV (\$M) by Year & Quarter since Launch



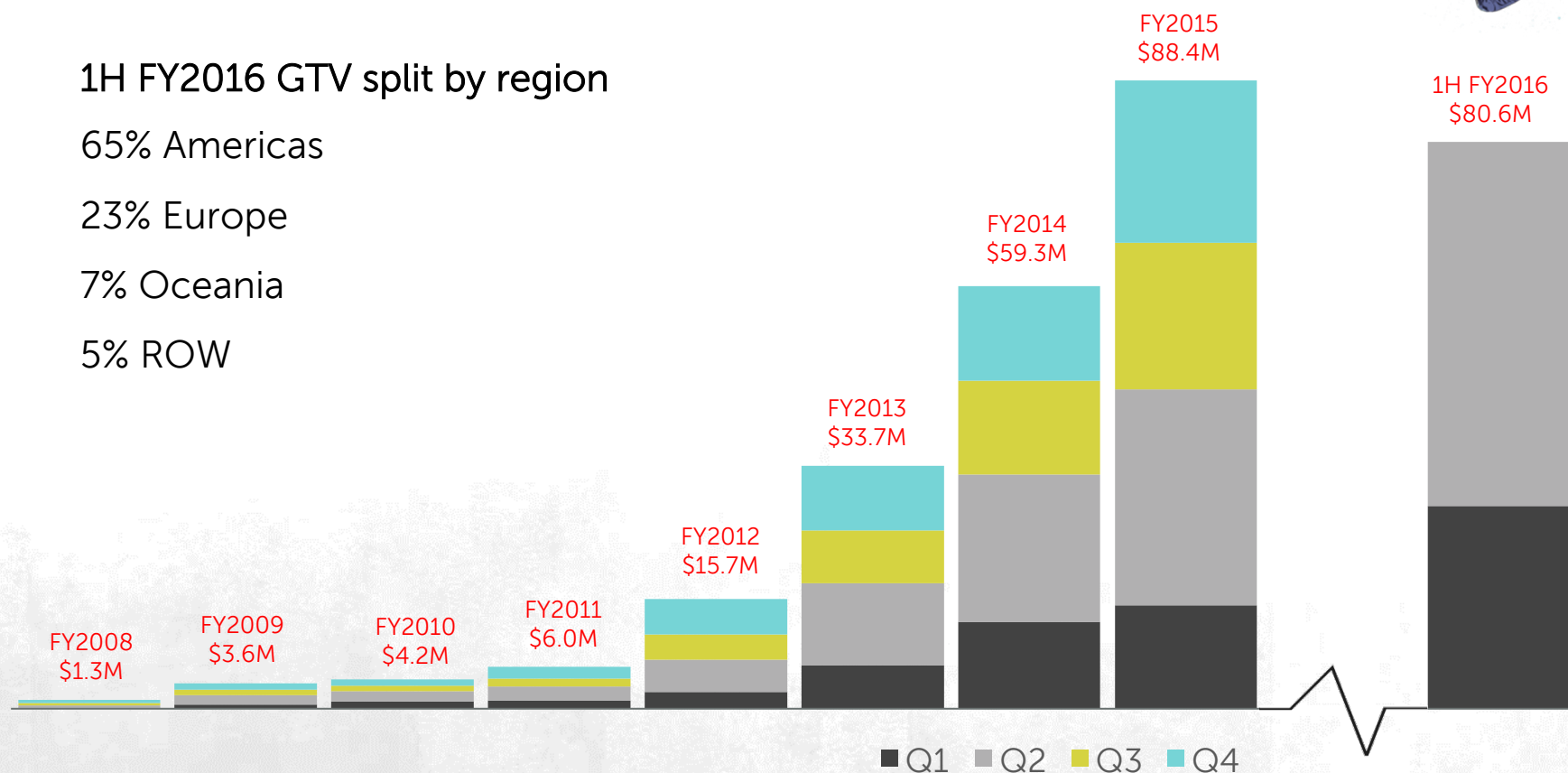
1H FY2016 GTV split by region

65% Americas

23% Europe

7% Oceania

5% ROW

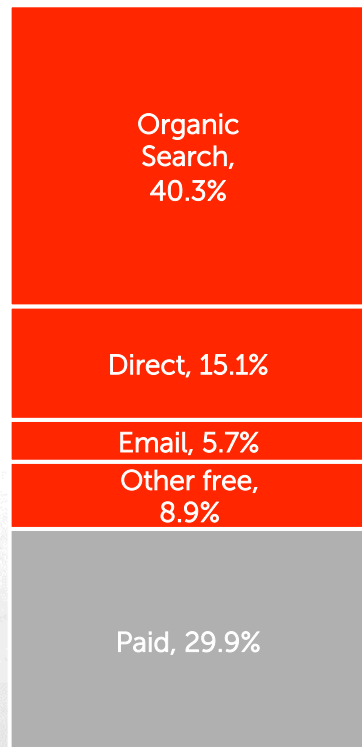


Low customer acquisition costs

All Channels GP Accretive, 70% traffic from free sources

Organic growth fuels sales

Sales by source (1H FY16)



% of GTV

With all channels profitable on first purchase

RB \$M GP (1H FY16)

70%
FREE

\$14.9M



30%
PAID

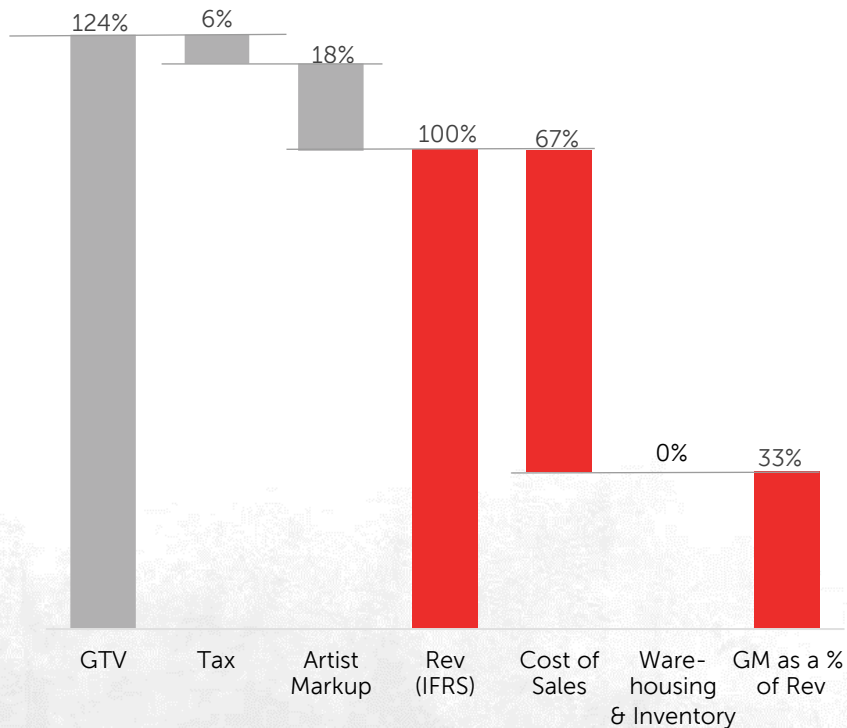
\$6.4M

before paid
acquisition
cost of \$4.2M

Scalable cash generating model

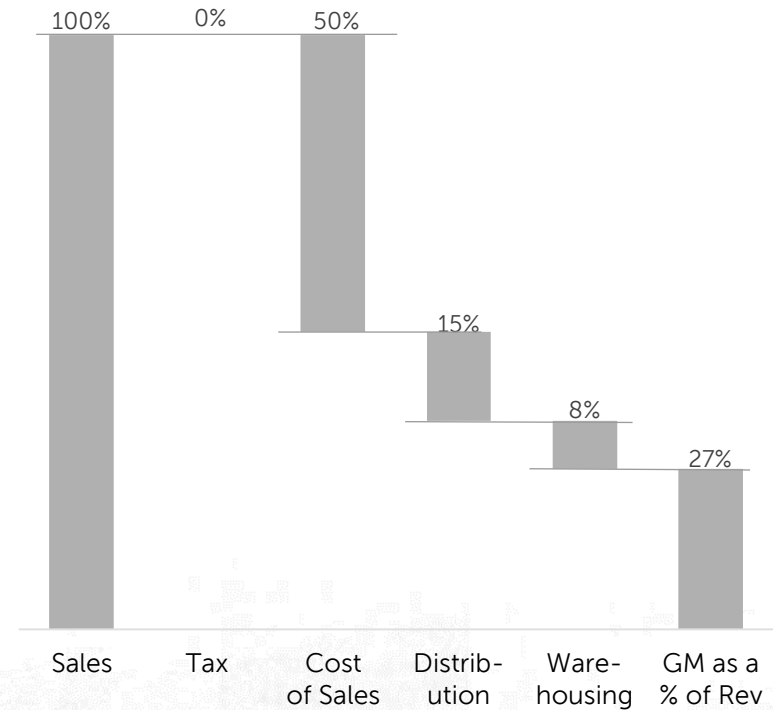
Redbubble margin analysis vs typical e-commerce retailer

RB Cash Generating Model (1H FY16)



• Margins going forward expected at 34% in line with full year results

Global Internet Retailer



* > A\$1bn in global sales, >\$100m in Australia

Prospectus forecast extract

Pro-forma P&L	FY2016			FY2017
(A\$M)	1H Actual	2H Forecast	FY2016F	Forecast
Gross Transaction Value (GTV) *	80.6	62.9	143.5	214.9
Net Revenue**	62.3	52.2	114.5	172.2
<i>Growth</i>			61.2%	50.3%
Gross Profit	20.5	18.0	38.5	58.7
GP Margin	33%	34%	34%	34%
Operating Expenses	(24.6)	(24.5)	(49.1)	(60.0)
Operating EBITDA	(4.5)	(6.1)	(10.6)	(1.3)

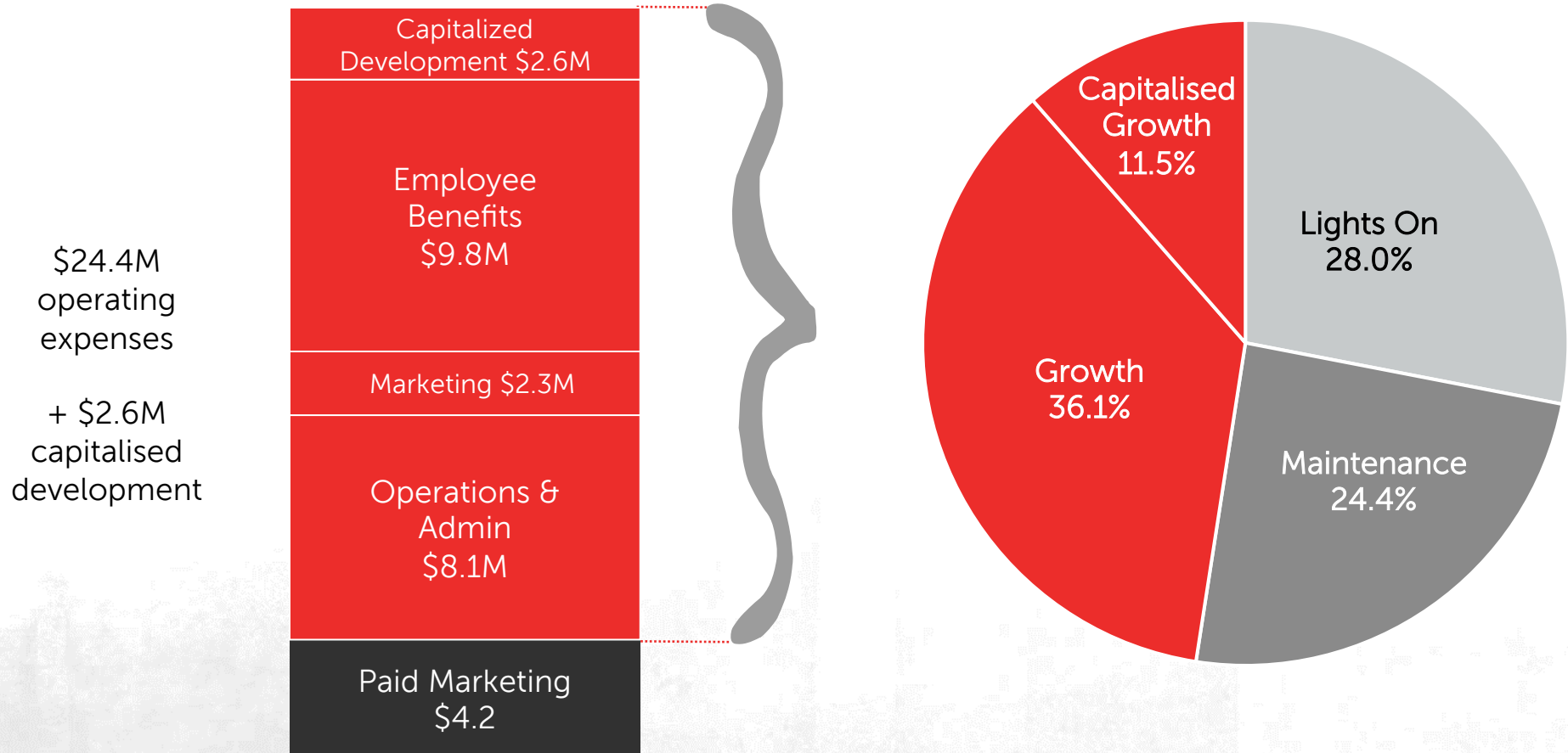
* Total amount of sales processed through Redbubble less refunds, fraudulent transactions and chargebacks: equating to cash receipts from customers

** GTV less taxes and Artists Margin

& ** For reconciliation between GTV and IFRS Revenue please refer to Chapter 4 of the Replacement Prospectus dated 3 May 2016

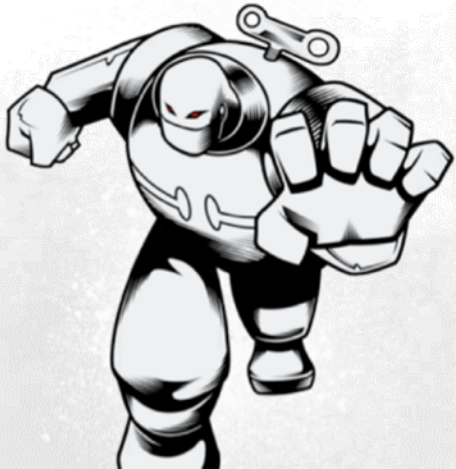
Opex is significantly focused on growth initiatives

Goal is to drive sustainable, long term value



Based on 1H FY2016 Spend

SECOND HALF TRACKING TO FORECASTS



Strategy based initiatives leveraging momentum

MOBILE & CUSTOMER EXPERIENCE

Data Traffic
Search

Shop

Engage

Mobile

PRODUCTS & SUPPLY CHAIN

Physical Products
& Supply Chain

ARTISTS & CONTENT

Artist services

NEW GEOGRAPHIES

New markets



Traction across all initiatives

	Delivered Since January	Upcoming till December
Search & Traffic	- Reduced search query time - Search relevance iterations - Paid – Google Shopping feed improvements	- Organic search increases - Product filtering experience (Q2) - Paid – Facebook/further Google feed enhancements (Q2)
Products & Supply chain	- 5 new products - Localized EU fulfillment (posters, homewares) - Improved product previews - Fulfillment and shipping cost savings	- 9 new products (Q3) - Localize Australian apparel (Q2) - New fulfillers US, EU
Shopping experience	- New cart (conversion lift) - Delivery dates (conversion lift) - Mobile responsive enhancements	- New payment gateway – conversion lift (Q2) - UX improvements on product configuration page - Coupon code enhancement
New geographies	- Launched German site - Began German marketing initiatives	- French site (Q2) - Spanish site (Q3)
Engagement & Retention	- Post purchase experience improvements - Homepage personalisation (repeat GTV lift)	- Site wide personalisation (repeat GTV lift) - Email personalisation - Strengthening brand
Platform	- Upgraded front-end tech stack - Migrated hosting to AWS (speed and agility gains)	- Scaling engineering tools - Site speed improvements
Native Mobile	- Hired PM and Engineer for iOS app	- Release iOS app (Q3)

New Products in Since January



Home Page - Old

[SELL YOUR ART](#)[SIGN IN](#)





[Men's](#) [Women's](#) [Kids](#) [Cases & Skins](#) [Stickers](#) [Wall Art](#) [Home Decor](#) [Stationery](#) [Bags](#) [Gift Certificates](#)

UNCOMMON DESIGNS BY **350K+ INDEPENDENT ARTISTS**

Shop

Mens

Womens

Kids

Cases & Skins

Stickers

Wall Art

Home Decor

Stationery

Bags

Gift Certificates

Category

Animal

Music

Science

Sport

Join RB

About Redbubble

Sign Up Now





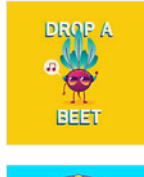
Featured Artist: Rachele Cateyes



8 Products to Get You Through the Australian Avocado Apocalypse

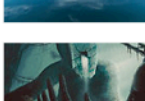






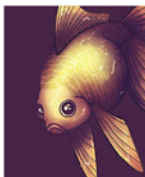
























FEB 28



14

Home Page – new with personalization

 **REDBUBBLE**



Men's Women's Kids Cases & Skins Stickers Wall Art Home Decor Stationery Bags Gift Certificates

UNCOMMON DESIGNS BY **350K+ INDEPENDENT ARTISTS**



Found Following Activity



Astral Projection
by robsonborges

\$19.84



Like an Anchor In The St...
by junkydotcom

\$22.74



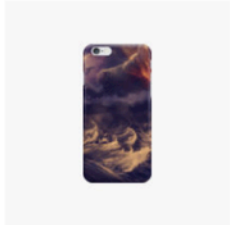
doll matryoshka
by EkaterinaP

\$37.92



Bull of Death
by Jennifer Smith

\$2.40



Stormy ocean
by Jamie Gillam

\$24.99



Homosexuwhale - no text
by Kirstendraws

\$22.00



CloudWalker
by Stephan Parylak

\$18.77

New cart (mobile view)



Old

Your Shopping Cart

Add 2 more Spiral Notebooks to this order and we'll discount all of them by 25%

	1 x Throw Pillow Small (41cm x 41cm), Cover Only	\$ 22.74	 
	1 x Women's Relaxed Fit T-Shirt L, Charcoal Heather, Front	\$ 28.00	 
	1 x Spiral Notebook Ruled Line	\$ 16.25	 
Subtotal		\$ 66.99	
+ Estimated Shipping		\$ 24.73	
Total		AUD\$91.72 (Includes \$2.25 GST)	

New

Add 2 more Spiral Notebooks to this order and we'll discount all of them by 25%

	Throw Pillow  Small (41cm x 41cm), Cover Only	- 1 +
		A\$22.74
	Women's Relaxed Fit T-Shirt  L, Charcoal Heather, Front	- 1 +
		A\$28.00
	Spiral Notebook  Ruled Line	- 1 +
		A\$16.25
Subtotal		A\$66.99
Shipping to Australia		A\$24.73
Total		A\$91.72 (includes A\$2.25 GST)

What About Pokemon/Hells Angels?

We are confident that the Pokemon and Hells Angels claims can be resolved satisfactorily.

- Redbubble continues to be confident in our policies and practices regarding intellectual property disputes and we are vigorously defending the claims brought by the Pokemon Company International and Hells Angels Motorcycle Club.
- Redbubble is an online marketplace where artists upload and sell their content to consumers. Redbubble itself does not sell anything through the marketplace. Our business model is designed to promote compliance with applicable copyright and trademark laws, both by the artists who upload their content to Redbubble and by Redbubble as an online service provider.
- It is Redbubble's position that the Pokemon Company International and the Hells Angels have either misunderstood Redbubble's business model as a marketplace, mistaking Redbubble for an online retailer, or have misunderstood the current state of the law regarding the liability of both online service providers and physical markets in Australia.

