

RB GROUP MARKETPLACE REVENUE GROWTH OF 20% IN 3Q

3Q FY2020 Business Update

- 3Q Group Marketplace Revenue YoY growth of 20% amidst onset of COVID-19
- YTD RB Group Marketplace Revenue YoY growth of 25%¹
- COVID-19 has positively impacted sales in April and the supply chain remains robust
- RB Group financial position remains solid with cash balance of \$31.9 million²

Melbourne, Australia; 28 April 2020: Redbubble Limited (ASX: RBL) today provided its financial and business updates for the third quarter (3Q) and nine months (YTD) ended 31 March 2020.

YTD FY2020 Financial Performance

Financial information in this release and in the attached slides are from internal management reports and have not been subject to audit. Redbubble Group's ("RB Group" or "Group") YTD FY2020 financial metrics (with YoY growth rates¹, where applicable) are:

- Marketplace Revenue of \$246 million, up 25% (up 19% on a constant currency basis³)
- Gross profit of \$91 million, up 28% (up 22% on a constant currency basis)
- Gross profit margin up 0.9pp to 37.2% (based on Marketplace Revenue)
- GPAPA of \$63 million, up 26% (up 20% on a constant currency basis)
- Operating EBITDA profit of \$6.8 million⁴, up 39%
- Free cash outflow of \$0.4 million⁵, compared to an outflow of \$0.35 million in 3Q FY2019⁶
- Closing cash balance at 31 March 2020 was \$31.9 million²

The Group's Marketplace Revenue growth for 3Q was 20% and resulted from a combination of a stronger than anticipated start to the third quarter and subsequent fluctuations driven by immediate

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¹ YTD YoY growth rates based on TeePublic contributions from 1 Nov 2018.

² From which US\$5.5 million of consideration for TeePublic will be paid in May.

³ "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 94% of its Marketplace Revenue in currencies other than Australian dollars. TeePublic sources most of its Marketplace Revenue in US dollars.

⁴ Reflecting changes in the accounting treatment of property leases (as per AASB 16 effective 1 July 2019) rent expense has been excluded from the P&L. This change shifts lease charges below the EBITDA line and this had a net impact of \$0.3m on the YoY comparison of both metrics. That is, this boosted both Operating EBITDA by \$2.0 million in FY2020 YTD and FY2019 YTD comparative figures were adjusted upwards by \$1.8 million.

⁵ Aggregate operating and investing cash flows. FY19 figures exclude consideration for TeePublic.

⁶ The AASB 16 change also increased YTD FY2020 free cash flows by \$2.6 million. The YTD FY2019 comparative figures have been adjusted upwards by \$2.6 million to apply the same treatment to the prior period.

consumer reactions to COVID-19. Towards the end of March, Group sales were rebounding along with online retail in general.

So far in April, RB Group has continued to benefit from increased online activity with stronger sales growth. Given current sales trends, the business has deferred the move to a 4-day week for Redbubble employees. Other cost control measures announced previously have been implemented and are expected to remain in force until 30 June 2020. The Group reiterates that the external environment remains volatile and uncertain.

Given ongoing uncertainty about COVID-19, RB Group will not be providing forward-looking guidance. RB Group remains confident that it has a solid financial position. There are a number of levers that the business can utilise to respond to changes in macro conditions and the Group has sufficient balance sheet strength to meet ongoing business needs.

Strategic & Business Update

RB Group's business model has shown resilience during the global pandemic. It has benefited from consumers' move to online shopping, and the Group's price point and unique offering is proving attractive to customers who are at home. The business's operations and supply chain also remain robust.

Group employees have demonstrated that they can work effectively from home and deliver against important strategic and tactical priorities. This includes adapting learnings from TeePublic to Redbubble in the areas of Search Engine Optimisation and increasingly in artist recruitment and account management. Both marketplaces are responding to opportunities with agility, including being within days of launching face masks. Paid marketing learnings are also being shared across the Group with both marketplaces experiencing improving marketing efficiency.

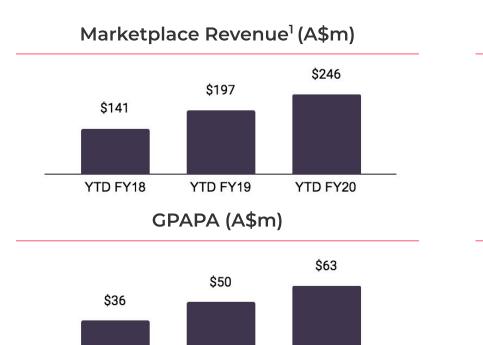
The business remains focused on both short term execution consistency and delivering on long term growth investments. Whilst isolation and lockdown measures remain in place across many parts of the globe, RB Group expects to continue benefiting from consumer reliance on online platforms, and RB Group's differentiated offering. As macroeconomic conditions continue to shift, there may be further variability in business performance. RB Group remains committed to ensuring pre-COVID growth initiatives are built upon and embedding further learnings across the Group to position the company to take best advantage of the circumstances that emerge.

This announcement was authorised for lodgment by Redbubble Limited's Disclosure Committee.

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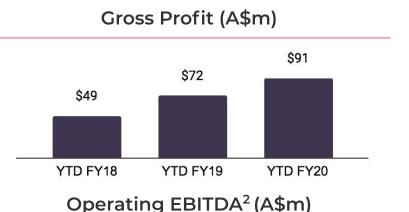
RB Group financial summary

(YTD for 9 months to 31 March in FY2018 - FY2020)



YTD FY19

YTD FY20





No

1. Marketplace Revenue is Total Revenue less Artist Revenue (i.e. Margin).

YTD FY18

2. Reflecting changes in the accounting treatment of property leases (as per AASB 16 effective 1 July 2019), rent expense has been excluded from the P&L. This change shifts lease charges below the EBITDA line. Comparative figures have been adjusted to apply the same treatment to the prior period.

3Q FY2020 Income Statement Summary - RB Group¹

P&L (A\$M)	3Q		YOY (3Q FY20 v 3Q FY19)	YTD		YOY (YTD 20 v YTD 19)
	FY19 ¹	FY20	Growth	FY19 ¹	FY20	Growth
Total Revenue ²	65.3	78.2	20%	235.7	291.7	24%
Less: Artist Revenue	(10.8)	(12.6)	17%	(38.6)	(46.1)	19%
Marketplace (MP) Revenue	54.5	65.6	20%	197.1	245.6	25%
Gross Profit	19.8	25.3	28%	71.7	91.4	28%
GP % (on MP Revenue)	36.2%	38.5%	2.3pp	36.4%	37.2%	0.9pp
Paid Acquisition (Marketing)	(5.9)	(8.3)	41%	(21.3)	(28.1)	32%
GPAPA (Gross Profit after Paid Acquisition)	13.9	17.0	23%	50.4	63.3	26%
GPAPA % (on MP Revenue)	25.4%	25.9%	0.5pp	25.6%	25.8%	0.2pp
Operating Expenses	(15.7)	(20.3)	29%	(45.5)	(56.4)	24%
Operating EBITDA ³	(1.9)	(3.3)	(76%)	4.9	6.8	39%
Operating EBITDA % (on MP Revenue)	(3.4%)	(5.0%)	(1.6pp)	2.5%	2.8%	0.3pp
Other Income/Expenses ⁴	(1.6)	(3.3)	109%	(5.4)	(9.1)	70%
EBITDA (Loss)/Profit ³	(3.5)	(6.6)	(91%)	(0.4)	(2.3)	(452%)

Notes:

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1. FY19 results include TeePublic from 1 November 2018 onwards.

2. Excludes non-cash share-based payments, currency gains/losses and due to changes in the accounting treatment of property leases (as per AASB 16 effective 1 July 2019) rent expense are now also excluded from operating expenses. Interest expense and depreciation has taken its place and is shown below EBITDA. FY19 comparative figures have also been adjusted accordingly.

3. Reflecting changes in the accounting treatment of property leases (as per AASB 16 effective 1 July 2019) rent expense has been excluded from the P&L. This change shifts lease charges below the EBITDA line and this had a net impact of \$0.3m on the YoY comparison of both metrics. That is, this boosted both Operating EBITDA and EBITDA by \$2.0 million in FY2020 YTD. Historical comparative figures were also adjusted upwards, including by \$1.8 million in FY2019 YTD.

4. Other Income/Expense includes non-cash share-based payments, currency gains/losses.

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 hosted at Redbubble.com and TeePublic.com, powered by over one million independent artists. 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.

Disclaimer

The information in this investor update is 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.

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 RB Group. These factors may cause actual results to differ materially from those expressed in the statements contained in this announcement.