

## Appendix 4D

### Redbubble Limited

ABN: 11 119 200 592

Half-year ended 31 December 2021

(Previous corresponding period: Half-year ended 31 December 2020)

### Results for announcement to the market

	Half-year ended 31 Dec 2021 \$'m	Half-year ended 31 Dec 2020 \$'m	Movement	Change \$'m	Change % <sup>(1)</sup>
Marketplace revenue	288.1	352.8	Down	(64.7)	(18.3%)
Artist revenue	53.5	64.8	Down	(11.3)	(17.4%)
Total revenue from ordinary activities	341.6	417.6	Down	(76.0)	(18.2%)
Profit / (loss) from ordinary activities before tax attributable to members	2.1	41.7	Down	(39.6)	(95.0%)
Profit / (loss) from ordinary activities after tax attributable to members	(1.0)	41.0	Down	(42.0)	(102.4%)
Net profit / (loss) for the period attributable to members	(1.0)	41.0	Down	(42.0)	(102.4%)

<sup>(1)</sup> Change % calculations are based on numbers to nearest thousand dollars (\$000).

### Dividends

Redbubble Limited has not paid and does not propose to pay dividends for the six months ended 31 December 2021 (2020: Nil). There are no dividend or distribution reinvestment plans in operation.

### Net tangible assets per security

	31 Dec 2021 cents	31 Dec 2020 cents
Net tangible assets per security	20.3	18.1

<sup>(1)</sup> Net tangible assets include right-of-use assets recognised under AASB 16 *Leases*.

### Other information

Detailed analysis of the results for the half-year ended 31 December 2021 follows. Further commentary is contained in the Redbubble ASX release announcing the half-year financial results, the review of operations in the Directors' Report accompanying the attached Interim Condensed Consolidated Financial Report (Interim Financial Report) and the attached presentation to investors. This information should be read in conjunction with Redbubble Limited's 2021 Annual Report.

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in, and should be read in conjunction with, the Interim Financial Report for the half-year ended 31 December 2021.

This report is based on the Interim Financial Report for the half-year ended 31 December 2021 which has been reviewed by Ernst & Young with the Independent Auditor's Review Report included in the Interim Financial Report.



**REDBUBBLE**

# Redbubble Limited and Controlled Entities

ABN 11 119 200 592

Interim Condensed Consolidated Financial Report  
for the half-year ended 31 December 2021

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## Redbubble Limited

The Directors of Redbubble Limited (the Company) present their report for the Company and its controlled entities (together, the Group) for the half-year ended 31 December 2021 (the half-year).

## General information

### Directors

The names of the Directors of the Company in office at any time during the half-year and since the end of the half-year until the date of this report are:

Anne Ward	Chair, Non-executive Director
Martin Hosking	Non-executive Director
Jennifer (Jenny) Macdonald	Non-executive Director
Greg Lockwood	Non-executive Director
Ben Heap	Non-executive Director

Corina Davis (US) and Martin Bede (Australia) both hold the position of Company Secretary of the Company.

## Principal activities

RB Group, through its websites at redbubble.com and teepublic.com, owns and operates the Redbubble and TeePublic online marketplaces. These marketplaces facilitate the sale and purchase of art and designs on a range of products sold by independent creatives to consumers. The products are produced and shipped by third party service providers (i.e. product manufacturers, printers and shipping companies) referred to as fulfillers.

There was no significant change in the nature of RB Group's activities during the half-year.

## Review of operations and business update

Redbubble Group's 1H FY2022 financial metrics (with year on year (YoY) growth rates, where applicable) are:

<b>Financial metric <sup>(1)</sup></b>	<b>1H FY2022</b>	<b>YoY %</b>	<b>YoY % (constant</b>	<b>2 year growth %</b>
	<b>\$'m</b>	<b>(floating)</b>	<b>currency)</b>	<b>(floating)</b>
Gross Transaction Value (GTV)	380.7	↓ 14%	↓ 14%	↑ 64%
Marketplace Revenue	288.1	↓ 18%	↓ 18%	↑ 60%
Gross Profit	108.1	↓ 25%	↓ 25%	↑ 63%
Gross Profit after Paid Acquisition	63.4	↓ 36%	↓ 36%	↑ 37%
EBITDA	8.0	↓ 84%	↓ 87%	↑ 85%
Cash balance at 31 December 2021	142.8	↑ 10%	N/A	↑ 119%

<sup>(1)</sup> Please see table 1 on page 3 for calculations of the non-IFRS metrics.

## Review of operations and business update (continued)

A reconciliation of recorded results to non-IFRS numbers in this Director's report is provided below.

	<b>31-Dec-21</b> \$'m <sup>(2)</sup>	<b>31-Dec-20</b> \$'m <sup>(2)</sup>
<b>Table 1: Reconciliation of reported results to non-IFRS<sup>(1)</sup> numbers</b>		
<b>Gross Transaction Value<sup>(3)</sup></b>	<b>380.7</b>	<b>442.6</b>
Less sales taxes and timing differences	(39.1)	(25.0)
<b>Total reported revenue from services</b>	<b>341.6</b>	<b>417.6</b>
Less Artists' revenue	(53.5)	(64.8)
<b>Marketplace revenue</b>	<b>288.1</b>	<b>352.8</b>
Fulfiller expenses	(180.1)	(208.8)
<b>Gross profit</b>	<b>108.1</b>	<b>144.0</b>
Gross profit margin on Marketplace revenue	37.5%	40.8%
Paid acquisition costs	(44.6)	(44.2)
<b>Gross Profit After Paid Acquisition costs (GPAPA)</b>	<b>63.4</b>	<b>99.8</b>
<b>GPAPA% (on MP Revenue)</b>	<b>22.0%</b>	<b>28.3%</b>
Employee and contractor costs	(36.8)	(33.7)
Marketing expenses (excluding paid acquisition costs shown above)	(1.8)	(1.6)
Operations and administration costs	(17.8)	(13.0)
Other expenses	1.0	(2.7)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>8.0</b>	<b>48.8</b>
Depreciation and amortisation	(5.7)	(7.0)
<b>Earnings before interest and tax (EBIT)</b>	<b>2.3</b>	<b>41.8</b>
Interest expenses	(0.2)	(0.2)
Interest income	0.0	0.0
<b>Total profit/(loss) before income tax</b>	<b>2.1</b>	<b>41.7</b>
Income tax benefit/(expense)	(3.1)	(0.7)
<b>Reported total profit/(loss) for the year</b>	<b>(1.0)</b>	<b>41.0</b>

<sup>(1)</sup> Non-IFRS measures are presented to provide readers a better understanding of Redbubble's financial performance. The non-IFRS measures are unaudited, however, they have been derived from the audited financial statements (with the exception of Gross Transaction Value).

<sup>(2)</sup> For presentation purposes, numbers have been rounded to millions of dollars (to one decimal place), however calculations and totals are based on unrounded numbers.

<sup>(3)</sup> Gross Transaction Value (GTV) represents total receipts from customers less fraud, refunds and chargebacks.

### Review of operations and business update (continued)

Marketplace Revenue growth in the first half of FY22 was negative due to the cycling of strong prior year numbers, particularly in relation to mask sales. Excluding masks 1H FY22 underlying Marketplace Revenue was \$283 million, down 5% on the prior year (5% on a constant currency basis).

Two key factors impacted the Group's contribution margin. Strong competition, particularly through the peak holiday period, impacted organic (unpaid) demand and increased paid acquisition costs. The Group responded by increasing promotional activities and paid acquisition spend, which was successful in generating Marketplace Revenue, though at a relatively lower contribution margin. In addition, increased shipping costs were absorbed over the holiday period which in turn decreased shipping margin. Combined, these factors were the major drivers impacting Gross Profit, GPAPA and EBITDA for the period.

Viewed across the longer term, first half Marketplace Revenue has grown at 60% since 1H FY2020 (68% on a constant currency basis). The business is now substantially larger compared than pre-COVID and further scale will help to build resilience and improve profitability. Growth in Redbubble's largest category, North American apparel, was strong, up 10% in the second quarter and 7% in the first half compared to the prior period. The business also achieved improving repeat rates of 45%, an uplift from 40% in 1H FY21.

### Looking forward

Redbubble Group is the owner and operator of two unique and hard to replicate marketplaces, and offers a compelling investment opportunity:

- World's largest on-demand marketplaces for independent artists
- Strong unit economics enables exceptional returns at scale
- Uncapped upside given massive addressable markets
- Multiple high potential growth levers
- Energised and focused management and team

Redbubble continues to execute against four strategic themes:

- Artist activation and engagement
- User acquisition and transaction optimisation
- Customer understanding, loyalty and brand building
- Product range and 3rd party fulfilment network

Increased investments are focussed on initiatives to grow revenue, improve scale and drive momentum across the flywheel. In turn, this will help to strengthen Redbubble's competitive position and increase margins, enabling the company to continue on its mission to create the world's largest marketplace for independent artists, bringing more creativity into the world.

The Group remains committed to our medium term aspirations to grow GTV to more than \$1.5 billion, to grow Artist Revenue to \$250 million, and to produce Marketplace Revenue of \$1.25 billion per annum. EBITDA margin is also expected to expand significantly over the medium-term with top-line growth.

### Looking forward (continued)

Given the opportunities to invest in the business, coupled with the uncertain future macro environment, the Board does not expect to pay a dividend in the short to medium term.

### Rounding of amounts

The amounts contained in the Directors' Report and Interim Condensed Consolidated Financial Report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

### Auditor's independence declaration

A copy of Ernst & Young's Auditor's Independence Declaration, as required under sections 307C of the *Corporations Act 2001*, is set out on page 6.

The Directors' Report is made in accordance with a resolution of the Directors of the Company.



Anne Ward  
Chair  
16 February 2022



**Building a better  
working world**

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## **Auditor's independence declaration to the directors of Redbubble Limited**

As lead auditor for the review of the half-year financial report of Redbubble Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Redbubble Limited and the entities it controlled during the financial period.

Ernst & Young

Ashley Butler  
Partner  
16 February 2022



**Interim condensed consolidated statement of comprehensive income**  
for the half-year ended 31 December 2021



	Notes	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Revenue from contracts with customers</b>			
Marketplace revenue		288,137	352,802
Artists' revenue		53,500	64,753
<b>Total revenue from contracts with customers</b>	3	<b>341,637</b>	417,555
<b>Operating expenses</b>			
Artists' margin		(53,500)	(64,753)
Fulfiller expenses <sup>(1)</sup>		(180,079)	(208,814)
Employee and contractor costs	4	(36,848)	(33,716)
Marketing expenses	5	(46,395)	(45,740)
Operations and administration	6	(17,774)	(13,029)
Depreciation and amortisation		(5,721)	(6,969)
<b>Total operating expenses</b>		<b>(340,317)</b>	(373,021)
Other income <sup>(2)</sup>		18	32
Other expenses <sup>(3)</sup>		750	(2,893)
<b>Profit / (loss) before income tax</b>		<b>2,088</b>	41,673
Income tax benefit / (expense)	7	(3,104)	(723)
<b>Total profit / (loss) for the half-year attributable to owners</b>		<b>(1,016)</b>	40,950
<b>Other comprehensive income / (loss)</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Gain / (loss) on foreign currency translation		1,211	(3,916)
<b>Total other comprehensive income / (loss) attributable to owners</b>		<b>1,211</b>	(3,916)
<b>Total comprehensive income / (loss) for the half-year attributable to owners</b>		<b>195</b>	37,034
<b>Profit per share attributable to the ordinary equity holders of the company</b>			
		<b>Cents</b>	Cents
Basic profit / (loss) per share		(0.37)	15.24
Diluted profit / (loss) per share		(0.37)	14.51

<sup>(1)</sup> Fulfiller expenses comprise product and printing, shipping and transaction costs, and are equivalent to cost of goods sold.

<sup>(2)</sup> Other income includes finance income.

<sup>(3)</sup> Other expenses include interest expenses on lease liabilities, losses recognised on disposal of assets and net foreign exchange gains/losses.

The above Interim Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with accompanying notes.

Interim condensed consolidated statement of financial position  
as at 31 December 2021



	Notes	31 Dec 2021 \$'000	30 June 2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents		142,765	98,686
Other receivables	8	9,298	4,602
Prepayments		5,789	4,525
Current Tax assets		634	1,270
Other assets	9	7,429	4,693
<b>Total current assets</b>		<b>165,915</b>	<b>113,776</b>
<b>Non-current assets</b>			
Property, plant and equipment		3,103	1,928
Intangible assets	10	63,923	62,486
Right-of-use assets	12	8,451	4,466
Prepayments		797	506
Deferred tax assets		2,497	2,717
Other assets	9	909	723
<b>Total non-current assets</b>		<b>79,680</b>	<b>72,826</b>
<b>Total assets</b>		<b>245,595</b>	<b>186,602</b>
<b>Current liabilities</b>			
Trade and other payables	11	91,431	47,473
Unearned revenue <sup>(1)</sup>		16,675	12,235
Employee benefit liabilities		1,974	2,195
Provisions		2,828	2,561
Lease liabilities	12	2,431	2,280
<b>Total current liabilities</b>		<b>115,339</b>	<b>66,744</b>
<b>Non-current liabilities</b>			
Lease liabilities	12	7,595	3,722
Employee benefit liabilities		194	268
Provisions		55	-
<b>Total non-current liabilities</b>		<b>7,844</b>	<b>3,990</b>
<b>Total liabilities</b>		<b>123,183</b>	<b>70,734</b>
<b>Net assets</b>		<b>122,412</b>	<b>115,868</b>
<b>Equity</b>			
Contributed equity	13 (a)	164,077	162,552
Treasury reserve	13 (b)	(6,401)	(7,351)
Share based payment reserve		11,674	11,414
Foreign exchange translation reserve		(2,197)	(3,408)
Accumulated losses		(44,741)	(47,339)
<b>Total equity</b>		<b>122,412</b>	<b>115,868</b>

<sup>(1)</sup> Unearned revenue represents the value of goods paid for by customers that are not yet delivered.

The above Interim Condensed Consolidated Statement of Financial Position should be read in conjunction with accompanying notes.

## Interim condensed consolidated statement of changes in equity for the half-year ended 31 December 2021



2021	Notes	Share capital \$'000	Treasury reserve <sup>(1)</sup> \$'000	Share based payments reserve \$'000	Foreign exchange translation reserve \$'000	Accumulated losses \$'000	Total \$'000
<b>Balance as at 1 July 2021</b>		<b>162,552</b>	<b>(7,351)</b>	<b>11,414</b>	<b>(3,408)</b>	<b>(47,339)</b>	<b>115,868</b>
Profit / (loss) for the half-year		-	-	-	-	(1,016)	(1,016)
Other comprehensive income / (loss)		-	-	-	1,211	-	1,211
<b>Total comprehensive profit / (loss) for the half-year</b>		-	-	-	<b>1,211</b>	<b>(1,016)</b>	<b>195</b>
Exercise of share options	13 (b)	1,299	-	-	-	-	1,299
Transfer to issued capital <sup>(2)</sup>	13 (b)	3,234	-	(3,234)	-	-	-
Share based payments expense	4	-	-	3,494	-	-	3,494
Shares issued to Employee Share Trust	13 (b)	10,120	(10,120)	-	-	-	-
Shares issued / allocated to participants <sup>(3)</sup>	13 (b)	(12,027)	12,027	-	-	-	-
Payment of withholding taxes <sup>(4)</sup>	13 (b)	(1,101)	-	-	-	-	(1,101)
Income tax benefit recognised directly in equity for Employee Share Trust deductions <sup>(5)</sup>	13 (b)	-	2,657	-	-	-	2,657
Transfer to accumulated losses <sup>(6)</sup>	13 (b)	-	(3,614)	-	-	3,614	-
<b>Balance as at 31 December 2021</b>		<b>164,077</b>	<b>(6,401)</b>	<b>11,674</b>	<b>(2,197)</b>	<b>(44,741)</b>	<b>122,412</b>

<sup>(1)</sup> The Group operates an Employee Share Trust (the Trust) for the purpose of issuance of shares to participants on exercise of options / settlement of restricted stock units. The balance in the Treasury Reserve represents the book value of shares held by the Trust for future issue to participants on exercise of options / restricted stock units. The Treasury Reserve also includes shares used as security for the limited recourse loan provided to the CEO in FY21.

<sup>(2)</sup> Transfer to issued capital on issuance of shares for exercised options / restricted stock units.

<sup>(3)</sup> Shares issued/allocated to participants from the Employee Share Trust.

<sup>(4)</sup> Payment of withholding taxes to US tax authorities on issuance of restricted stock units funded by shares withheld.

<sup>(5)</sup> A tax benefit of \$2.7m was recognised directly in equity for income tax benefits relating to contributions to the Employee Share Trust in excess of the associated cumulative remuneration expense.

<sup>(6)</sup> The balance transferred to accumulated losses represents the income tax benefit recorded in the reserve for equity rights that were converted into shares in the current period.

The above Interim Condensed Consolidated Statement of Changes in Equity should be read in conjunction with accompanying notes.

## Interim condensed consolidated statement of changes in equity for the half-year ended 31 December 2021



2020	Notes	Share capital \$'000	Treasury reserve <sup>(1)</sup> \$'000	Share based payments reserve \$'000	Foreign exchange translation reserve \$'000	Accumulated losses \$'000	Total \$'000
<b>Balance as at 1 July 2020</b>		<b>145,438</b>	<b>(5,303)</b>	<b>13,699</b>	<b>(335)</b>	<b>(86,021)</b>	<b>67,478</b>
Profit / (loss) for the half-year		-	-	-	-	40,950	40,950
Other comprehensive income / (loss)		-	-	-	(3,916)	-	(3,916)
<b>Total comprehensive profit / (loss) for the half-year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,916)</b>	<b>40,950</b>	<b>37,034</b>
Exercise of share options	13 (b)	5,451	-	-	-	-	5,451
Transfer to issued capital <sup>(2)</sup>	13 (b)	5,612	-	(5,612)	-	-	-
Share based payments expense	4	-	-	3,674	-	-	3,674
Shares issued to Employee Share Trust	13 (b)	29,731	(29,731)	-	-	-	-
Shares issued / allocated to participants <sup>(3)</sup>	13 (b)	(22,242)	22,242	-	-	-	-
Payment of withholding taxes <sup>(4)</sup>	13 (b)	(1,263)	-	-	-	-	(1,263)
<b>Balance as at 31 December 2020</b>		<b>162,727</b>	<b>(12,792)</b>	<b>11,761</b>	<b>(4,251)</b>	<b>(45,071)</b>	<b>112,374</b>

<sup>(1)</sup> The Group operates an Employee Share Trust (the Trust) for the purpose of issuance of shares to participants on exercise of options / settlement of restricted stock units. The balance in the Treasury Reserve represents the book value of shares held by the Trust for future issue to participants on exercise of options / restricted stock units.

<sup>(2)</sup> Transfer to issued capital on issuance of shares for exercised options / restricted stock units.

<sup>(3)</sup> Shares issued/allocated to participants from the Employee Share Trust.

<sup>(4)</sup> Payment of withholding taxes to US tax authorities on issuance of restricted stock units funded by shares withheld.

The above Interim Condensed Consolidated Statement of Changes in Equity should be read in conjunction with accompanying notes.

**Interim condensed consolidated statement of cash flows**  
for the half-year ended 31 December 2021



	Notes	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		386,942	454,294
Payments to artists		(52,083)	(62,070)
Payments to fulfillers		(180,304)	(211,325)
Payments to other suppliers and employees		(103,909)	(100,883)
Payment of interest		(208)	(186)
Receipt of interest		12	20
Income taxes received / (paid)		525	(118)
<b>Net cash provided by / (used in) operating activities</b>		<b>50,975</b>	<b>79,732</b>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(1,674)	(378)
Payment for development of intangible assets	10	(2,980)	(2,719)
Payments for reimbursable amounts from lessor		(2,255)	-
Proceeds from net investment in subleases		-	611
<b>Net cash provided by / (used in) investing activities</b>		<b>(6,909)</b>	<b>(2,486)</b>
<b>Cash flows from financing activities</b>			
Proceeds from exercise of share options	13 (b)	1,299	5,451
Payment of withholding taxes to US tax authorities on settlement of restricted stock units and share appreciation rights funded by shares withheld	13 (b)	(1,101)	(1,263)
Payment for lease liabilities		(1,848)	(2,038)
<b>Net cash provided by / (used in) financing activities</b>		<b>(1,650)</b>	<b>2,150</b>
Net increase / (decrease) in cash and cash equivalents held		42,416	79,396
Cash and cash equivalents at beginning of year		98,686	58,129
Effect of exchange rate changes on cash and cash equivalents		1,663	(7,831)
<b>Cash and cash equivalents at the end of the half-year</b>		<b>142,765</b>	<b>129,694</b>

The above Interim Condensed Consolidated Statement of Cash Flows should be read in conjunction with accompanying notes.

## 1. Basis of preparation

The Interim Condensed Consolidated Financial Statements of Redbubble Limited for the half-year ended 31 December 2021 (Interim Financial Report) were authorised for issue by resolution of the Directors on 16 February 2022.

Redbubble Limited (the Company or the parent), the owner of global online marketplaces for independent artists, is a for-profit company incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Stock Exchange.

The Group, through its websites at redbubble.com, teepublic.com and three foreign language redbubble.com websites, owns and operates the Redbubble and TeePublic online marketplaces. These marketplaces facilitate the sale and purchase of art and designs on a range of products between independent creatives and consumers. The products are produced and shipped by third party service providers (i.e. product manufacturers, printers and shipping companies) referred to as fulfillers.

The Interim Financial Report:

- covers Redbubble Limited and its controlled entities as the consolidated group (the Group). Redbubble Limited is the ultimate parent entity of the Group;
- has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- does not include all the information and disclosures required in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2021.

The accounting policies adopted in the preparation of the Interim Financial Report are consistent with those followed in the preparation of the Annual Report of the Group for the year ended 30 June 2021, except for the adoption of new and amended standards and interpretations as of 1 July 2021 described below.

### New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time during the period, but do not have a material impact on the interim condensed consolidated financial statements of the Group.

### Seasonality of operations

The Group's revenue is affected by the Thanksgiving and Christmas holiday seasons which result in higher sales particularly in the December quarter. Consequently, the current assets and liabilities as at 31 December 2021 are not strictly comparable with the balances as at 30 June 2021.

## 2. Segment information

The Group is a global online marketplace and accordingly, has identified that as its only reportable segment.

AASB 8 *Operating Segments* allows for the aggregation of operating segments where they exhibit similar economic characteristics. The Group considers the Redbubble and TeePublic marketplaces to have similar economic characteristics and therefore have been aggregated to form a single reportable operating segment.

## 3. Revenue from contracts with customers

	<b>31 Dec 2021</b>	31 Dec 2020
	<b>\$'000</b>	\$'000
Australia	<b>23,968</b>	24,035
United States	<b>235,166</b>	285,315
Europe	<b>45,535</b>	59,021
United Kingdom	<b>34,899</b>	46,672
Rest of the world	<b>2,069</b>	2,512
<b>Total revenue</b>	<b>341,637</b>	417,555

## 4. Employee and contractor costs

	<b>31 Dec 2021</b>	31 Dec 2020
	<b>\$'000</b>	\$'000
Salary costs	<b>23,794</b>	21,007
Contractor costs	<b>8,026</b>	7,577
Share-based payments expense	<b>3,494</b>	3,674
Superannuation and other pension related costs <sup>(1)</sup>	<b>1,534</b>	1,458
<b>Total employee and contractor costs</b>	<b>36,848</b>	33,716

<sup>(1)</sup> Includes contribution to 401K funds, which is the superannuation equivalent for the US subsidiaries, and contributions to pension funds in Germany.

## 5. Marketing expenses

	<b>31 Dec 2021</b>	31 Dec 2020
	<b>\$'000</b>	\$'000
Paid marketing <sup>(1)</sup>	<b>44,618</b>	44,183
Other marketing expenses	<b>1,777</b>	1,557
<b>Total marketing expenses</b>	<b>46,395</b>	45,740

<sup>(1)</sup> Paid marketing represents search and social paid marketing costs, paid on a per click basis.

## 6. Operations and administration

	<b>31 Dec 2021</b>	31 Dec 2020
	<b>\$'000</b>	\$'000
Technology infrastructure and software costs	<b>11,452</b>	9,020
Other operations and administration expenses	<b>6,322</b>	4,009
<b>Total operations and administration</b>	<b>17,774</b>	13,029

## 7. Income tax expense / (benefit)

### (a) Income tax expense / (benefit) recorded in the Statement of Comprehensive Income

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Current tax</b>		
Current tax expense / (benefit)	2,659	8
Under/(over) provision in prior years	130	-
<b>Deferred tax</b>		
Deferred tax expense / (benefit)	313	715
Under/(over) provision in prior years	2	-
<b>Total income tax expense / (benefit) recorded in the Statement of Comprehensive Income</b>	<b>3,104</b>	<b>723</b>

The Group has in aggregate \$103.1 million (June 2021: \$92.4 million) of unrecognised losses and \$9.6 million (June 2021: \$9.6 million) of unrecognised R&D tax offsets. An unrecognised deferred tax asset of \$40.6 million exists as at 31 December 2021 (June 2021: \$37.3 million), in relation to these items. These losses will be recognised at a future point in time when sustainable taxable income can be reliably estimated. In addition, the Group has unrecognised temporary deferred income tax items that will be recognised on a similar basis.

### (b) Current tax assets / (liabilities)

	31 Dec 2021 \$'000	30 June 2021 \$'000
<b>The current tax asset is comprised of the following</b>		
Current tax expense recorded in the Statement of Comprehensive Income	(2,659)	(9,902)
Current tax benefit recorded in equity <sup>(1)</sup>	2,657	9,900
<b>Total net current tax payable on current year operations</b>	<b>(2)</b>	<b>(2)</b>
Tax instalments made and net refunds due for prior years	636	1,272
<b>Total current tax asset</b>	<b>634</b>	<b>1,270</b>

<sup>(1)</sup>The tax effect of share based payment awards granted is recognised in current income tax expense, except to the extent that the total tax deductions are expected to exceed the cumulative remuneration expense. In this situation, the excess of the associated current or deferred tax is recognised in equity and forms part of the treasury shares reserve.



## 7. Income tax expense / (benefit)

### (c) Numerical reconciliation of income tax expense / (benefit) to prima facie tax payable

	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Profit / (loss) from ordinary activities before income tax expense / (benefit)	2,088	41,673
Income tax calculated @ 30%	626	12,502
<u>Tax effect of amounts that are not deductible / (taxable) in calculating income tax:</u>		
Tax effect of foreign jurisdictions' different tax rates	(220)	(428)
US income tax benefit due to exercise / disposition of employee stock options	(404)	(1,304)
Net Australian income tax benefit from funding the employee share trust	(2,524)	(8,447)
Tax effect of share based payment deduction recognised in equity	2,657	-
Other non-deductible / non-assessable items	(490)	380
Effect of movements in foreign exchange	60	(348)
Under/(Over) provision in prior year	132	-
Tax losses utilised	-	(2,468)
Unrecognised tax losses and R&D tax offsets	3,267	836
<b>Income tax expense / (benefit) attributable to loss from ordinary activities</b>	<b>3,104</b>	<b>723</b>

## 8. Other receivables

	31 Dec 2021	30 June 2021
	\$'000	\$'000
Receivable in relation to reimbursable amounts from lessor	2,255	-
Other receivables <sup>(1)</sup>	7,043	4,602
<b>Total other receivables</b>	<b>9,298</b>	<b>4,602</b>

<sup>(1)</sup> Other receivables include amounts owing from payment service providers and other non-trade receivables.

## 9. Other assets

	Current		Non-current	
	31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021
<b>Consolidated</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Security bonds	624	962	909	723
Goods in transit <sup>(1)</sup>	6,805	3,731	-	-
<b>Total other assets</b>	<b>7,429</b>	<b>4,693</b>	<b>909</b>	<b>723</b>

<sup>(1)</sup> Goods in transit represents the cost of goods that have been manufactured but are in transit to customers.

## 10. Intangible assets

	Brand name \$'000	Capitalised development costs \$'000	Goodwill \$'000	Total \$'000
<b>At 30 June 2021</b>				
Cost	6,326	54,035	47,352	107,713
Accumulated amortisation	-	(45,227)	-	(45,227)
<b>Net book value</b>	<b>6,326</b>	<b>8,808</b>	<b>47,352</b>	<b>62,486</b>
<b>Half-year ended 31 December 2021</b>				
<b>Cost</b>				
Balance at 1 July 2021	6,326	54,035	47,352	107,713
Additions	-	2,980	-	2,980
Disposals	-	(182)	-	(182)
Exchange differences	216	13	1,623	1,852
<b>Accumulated Amortisation</b>				
Balance at 1 July 2021	-	(45,227)	-	(45,227)
Amortisation charge	-	(3,395)	-	(3,395)
Disposals	-	182	-	182
Exchange differences	-	-	-	-
<b>Closing net book value</b>	<b>6,542</b>	<b>8,406</b>	<b>48,975</b>	<b>63,923</b>
<b>At 31 December 2021</b>				
Cost	6,542	56,846	48,975	112,363
Accumulated amortisation	-	(48,440)	-	(48,440)
<b>Net book value</b>	<b>6,542</b>	<b>8,406</b>	<b>48,975</b>	<b>63,923</b>

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project, typically between 2 and 3 years.

## 11. Trade and other payables

	31 Dec 2021	30 June 2021
	\$'000	\$'000
Fulfiller payables	45,486	22,500
Artist payables	14,642	12,673
Staff payables	3,297	1,602
Sales tax payables	9,427	3,888
Other payables <sup>(1)</sup>	18,579	6,810
<b>Total trade and other payables</b>	<b>91,431</b>	<b>47,473</b>

<sup>(1)</sup> Other payables consist of operations, administration and marketing payables.

## 12. Leases

### Additions

During the half year ended 31 December 2021, the Group signed a five year lease agreement for the new Melbourne office premises. The Group recognised a right of use asset of \$5.7 million and a lease liability of \$5.7 million for this premises.

## 13. Contributed equity

### (a) Share capital

	Consolidated and parent entity			
	31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021
	Shares	Shares	\$'000	\$'000
<b>Ordinary shares <sup>(1)</sup></b>				
Issued and fully paid	275,920,223	273,620,223	164,077	162,552
<b>Total share capital</b>	<b>275,920,223</b>	<b>273,620,223</b>	<b>164,077</b>	<b>162,552</b>

<sup>(1)</sup> The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company does not have authorised capital or par value in respect of its shares.

### 13. Contributed equity (continued)

#### (b) Movements in ordinary share capital and treasury reserve

Share Capital	Number of shares	\$'000
Balance at 1 July 2020	263,462,966	145,438
Exercise of options / share appreciation rights (SARs)	8,383,235	5,451
Settlement of restricted stock units (RSUs)	759,808	-
Transferred from share based payments reserve	-	5,612
Shares issued to Employee Share Trust	8,000,000	29,731
Shares allocated to participants from the Employee Share Trust	(8,859,525)	(22,242)
Other shares issued	19,925	-
Payment of withholding taxes to US tax authorities <sup>(1)</sup>	(283,518)	(1,263)
<b>Balance at 31 December 2020</b>	<b>271,482,891</b>	<b>162,727</b>
<b>Balance at 1 July 2021</b>	<b>273,620,223</b>	<b>162,552</b>
Exercise of options	1,623,458	1,299
Settlement of restricted stock units (RSUs)	685,115	-
Transferred from share based payments reserve	-	3,234
Shares issued to Employee Share Trust	2,300,000	10,120
Shares allocated to participants from the Employee Share Trust	(2,048,385)	(12,027)
Other shares issued	-	-
Payment of withholding taxes to US tax authorities <sup>(1)</sup>	(260,188)	(1,101)
<b>Balance at 31 December 2021</b>	<b>275,920,223</b>	<b>164,077</b>

<sup>(1)</sup> Represents payment of withholding taxes accounted for as a deduction from equity in accordance with AASB 2 *Share-based Payments*.

  

Treasury Reserve	Number of shares	\$'000
Balance at 1 July 2020	(3,865,657)	(5,303)
Shares issued to Employee Share Trust and held in Treasury Reserve	(8,000,000)	(29,731)
Shares allocated to participants from the Employee Share Trust and released from treasury reserve	8,859,525	22,242
<b>Balance at 31 December 2020</b>	<b>(3,006,132)</b>	<b>(12,792)</b>
<b>Balance at 1 July 2021</b>	<b>(1,471,319)</b>	<b>(7,351)</b>
Shares issued to Employee Share Trust and held in Treasury Reserve	(2,300,000)	(10,120)
Shares allocated to participants from the Employee Share Trust and released from treasury reserve	2,048,385	12,027
Income tax benefit for contributions to the Employee Share Trust in excess of the associated cumulative remuneration expense	-	2,657
Transfer of the income tax benefit to accumulated losses for equity rights that were converted to shares in the current period	-	(3,614)
<b>Balance at 31 December 2021</b>	<b>(1,722,934)</b>	<b>(6,401)</b>

## 14. Contingent liabilities

### Legal claim contingencies

Although the Group is strictly a service provider that does not sell or manufacture the products sold on the Redbubble and TeePublic marketplaces, it periodically receives notices alleging infringement of third party copyright, trade marks, other intellectual property rights or publicity rights via the marketplaces or for breach of consumer protection laws. This is not uncommon for marketplaces that host user generated content. As at the date of these financial statements there are current lawsuits filed against the Company that relate to alleged intellectual property infringement and / or breach of consumer laws. There is no certainty around the amount or timing of any outflow (or inflow from insurance recoveries) should any of the actions ultimately be successful (at first instance or on appeal, as applicable). The Company does not consider that any of the current actions are likely to have a material adverse effect on the business or financial position of the Company.

## 15. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no related party transactions in the current and prior period.

## 16. Events occurring after the reporting date

The Interim Condensed Consolidated Financial Report was authorised for issue on 16 February 2022 by the Board of Directors. There have been no other significant events after the reporting date that require disclosure.

## Directors' Declaration

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In accordance with a resolution of the Directors of Redbubble Limited, we state that in the Directors' opinion:

- (a) the financial statements and notes, as set out on pages 7 to 19, are in accordance with the *Corporations Act 2001* including:
  - (i) giving true and fair view of the financial position as at 31 December 2021 and of the performance for the half-year ended on that date of the consolidated Group; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  
- (b) there are reasonable grounds to believe that Redbubble Limited will be able to pay its debts as and when they become due and payable.



Anne Ward  
Board Chair  
Melbourne  
16 February 2022



Jennifer Macdonald  
Audit and Risk Committee Chair  
Melbourne  
16 February 2022



**Building a better  
working world**

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## **Independent auditor's review report to the members of Redbubble Limited**

### **Conclusion**

We have reviewed the accompanying half-year financial report of Redbubble Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### **Directors' responsibilities for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



## Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The logo for Ernst &amp; Young, featuring the company name in a stylized, handwritten-style font.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Ashley Butler'.

Ashley Butler  
Partner  
Melbourne  
16 February 2022



## Corporate Information

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<b>Directors</b>	Anne Ward (Chair, Non-Executive Director) Martin Hosking (Non-Executive Director) Jennifer (Jenny) Macdonald (Non-Executive Director) Greg Lockwood (Non-Executive Director) Ben Heap (Non-Executive Director)
<b>Chief Executive Officer</b>	Michael Ilczynski
<b>Company Secretaries</b>	Corina Davis (US) Martin Bede (Australia)
<b>Registered Office</b>	Level 12, 697 Collins Street Docklands VIC 3008 Australia
<b>Share Register</b>	Link Market Services Tower 4, 727 Collins Street Melbourne VIC 3008 Australia
<b>Auditors</b>	Ernst & Young 8 Exhibition Street Melbourne VIC 3000 Australia
<b>Bankers</b>	Citibank, N.A.
<b>Stock Exchange Listing</b>	Redbubble shares are listed in the Australian Securities Exchange (ASX listing code: RBL)  Redbubble has a Level 1 American Depositary Receipt (ADR) facility trading in the Over-The-Counter (OTC) market in the United States and is managed by The Bank of New York Mellon (ADR Code: RDBBY)
<b>Website</b>	Redbubble.com
<b>Investor Centre</b>	Shareholders.redbubble.com