

2023 Annual General Meeting

Redbubble Limited



Dear Shareholder,

On behalf of the Board, I am pleased to invite you to the Annual General Meeting (AGM) of Redbubble Limited to be held at 11:30am AEDT on Tuesday, 24 October 2023. The Notice of Annual General Meeting and Explanatory Statement can be accessed on the Group's website at: <https://shareholders.redbubble.com/site/investor-information/annual-general-meetings>.

The AGM will be held at Melbourne Convention Centre, Meeting Room 218, Level 2, 1 Convention Centre Place, South Wharf, Victoria. For shareholders who cannot attend in person, or would prefer to attend virtually, you can participate online at: <https://meetings.linkgroup.com/RBL23>.

At the AGM, the Group CEO, Martin Hosking, and I will provide an overview of the Group's FY23 performance. It was a challenging year for the Group. We, like many other eCommerce businesses, had expected stronger consumer demand to be maintained following the COVID-19 pandemic, and accordingly, we increased our investment in the Group.

Unfortunately, the expected growth did not eventuate, with weakness in consumer spending in the Group's key markets and product segments. The Board responded with significant adjustments to strategy and the Group's cost base.

In March 2023, the Board appointed Martin Hosking as Group CEO and Managing Director. Martin is the Group's co-founder, largest shareholder and has previously demonstrated that he is an effective leader of the Group. We are pleased with what Martin has achieved in the relatively short period of time since his appointment, most notably, establishing the necessary framework for the Group to return to positive underlying cash flow in FY24.¹

In the second half of FY23, we reduced the Group's operating expenses by approximately \$45 million on an annualised basis. We also focused the Group on a small number of initiatives expected to drive margin improvement. Reflecting these changes, the Group's operating margins significantly improved in the fourth quarter of FY23 and we started FY24 on stable financial footing, with neutral underlying cash flow achieved in July 2023.

The Board is of the view that the changes we have put in place in the second half of FY23 have stabilised the Group's financial position, provide a strong platform for it to return to growth, and importantly, address the issues which led to the Group receiving a 'first strike' against its remuneration report at the 2022 AGM (61.33% of votes were in favour, below the threshold of 75%).

The Group is at an important juncture and the Board believes that to embed, and build upon, the recent changes, stability is required. A second strike and spill motion would create uncertainty and distraction, which may damage the Group. There would also be a substantial expense to host a Spill Meeting.

¹ Underlying cash flow defined as operating EBITDA less payments for capitalised development costs, leases and property, plant and equipment (PPE).

The Board has recently announced its plans for an orderly renewal process with two Directors expected to step down in the near term. This will enable refreshment, without interrupting the recent progress that has been made. The Board will appoint a global search firm to identify suitable candidates who have the necessary skills and experience to replace these Directors and to complement the remaining Directors' skill sets.

I encourage all shareholders to vote at the AGM to ensure the results reflect the views of the majority. Voting can be undertaken prior to the meeting by using the enclosed Voting Form or directly online at <https://investorcentre.linkgroup.com>.

If you are unable to attend the Annual General Meeting, I encourage you to submit written questions prior to the meeting. These can be emailed to the Redbubble Company Secretary, Carlie Hodges, at comp.sec@redbubble.com.

On behalf of the Board, I thank you for your continued support and I look forward to meeting with you at the AGM.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anne Ward', with a small flourish at the end.

Anne Ward
Chair