APPENDIX 4D HALF YEAR REPORT AND UPDATE

- Redbubble confirms key information provided with its Appendix 4C announcement on 25 January 2018
- 1H FY2018 30.0% Revenue growth and Operating EBITDA profit of $2.5 million
- 1H FY2018 Net loss after tax of $2.3 million
- Reaffirming previous top-line growth and Operating EBITDA guidance for FY2018

Melbourne, Australia; 22 February 2018: Redbubble Limited (ASX: RBL), the leading global marketplace for independent artists, today lodged its Half Year Report (Appendix 4D) for the half year ended 31 December 2017.

In conjunction with the lodgment of the Appendix 4D, Redbubble is providing a brief summary of its Income Statement down to net loss after tax (with related commentary) as well as an update on its strategic initiatives (no changes from the Investor Presentation released 5 February 2018).

1H FY2018 Performance

Redbubble reported its half year results (pre-auditor review) with its Appendix 4C in January. Following audit review, Redbubble has reported the same key results with a small change to operating expenses. These are shown below, with the addition of the net loss after tax line:

- Revenue of $102.3 million (up 30.0%)
- Gross profit of $35.3 million (up 24.7%)
- Gross profit after paid acquisition of $25.7 million, (up 18.0%)
- Cash operating expenses[1] of $23.2 million (up 9.6%)
- Operating EBITDA profit of $2.5 million (up 313.5%)
- Net loss after tax of $2.3 million (reduced by 17.7%)

Continuing to Scale

As reported with the Appendix 4C release, Redbubble continues to demonstrate significant momentum, and scale on the basis of strong fundamentals. Marketplace dynamics also remain healthy.

1 Excludes fulfiller costs, paid acquisition and share based payments.

Level 3, 271 Collins Street, Melbourne VIC 3000
PO Box 274, Flinders Lane VIC 8009
Ph: +61 3 9650 0138
Redbubble Limited
ABN 11 119 200 592

Relevant 1H FY2018 metrics are:

- Customer[2] numbers increased by 40.2% YoY to 2.35 million
- Selling artists increased by 33.1% YoY to 218,800
- Visits to the site increased by 39.3% YoY to 127.5 million of which mobile represented 54.3%
- Increasing global relevance as European language websites continued to demonstrate significant growth potential with GTV from Spain growing at 110%, Germany at 95% and France at 50%

Reaffirming Guidance

Redbubble continues to be well positioned to achieve top line constant currency growth rates consistent with those achieved in FY2017 and remains confident of meeting its previous guidance of moving into ongoing Operating EBITDA profitability late in FY2018.

For further information, please contact:

Louise Lambeth – Investor Relations Manager
louise.lambeth@redbubble.com

About Redbubble

Founded in 2006, Redbubble is a global online marketplace (redbubble.com) powered by over 600,000 independent artists. Redbubble'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 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.

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

2 Customers are unique customers counting only once however many times they have bought on Redbubble during the period.

INVESTOR UPDATE

1H FY2018 results* and key metrics

22 February 2018

* Financial Results have been subject to audit review

REDBUBBLE

1H FY2018 Key Marketplace Metrics

	1H FY2017	1H FY2018	YOY growth
GTV[1]	$98.6M	$129.8M	31.7%
Mobile GTV	$30.3M	$47.9M	58.1%
Repeat GTV[2]	$36.8M	$48.2M	30.9%
Visits	91.6M	127.5M	39.3%
Conversion rate	2.21%	2.22%	0.3%
AOV[3]	$48.7	$45.9	-5.7%
Customers[4]	1.68M	2.35M	40.2%
Repeat Customers[5]	0.52M	0.75M	43.6%
Selling Artists	164,300	218,800	33.1%

[No change to commentary from Appendix 4C release on 25 January 2018]

- GTV growth at 33.1% for 1H on constant currency basis[6]
- Visits growth driven by ~50% increase in both organic searches and mobile traffic with associated effect on conversion
- Lower AOV caused by increasing product share of lower value sticker items. 1H AOV comparison also includes small FX effect
- Marketplace metrics of Visits, Customers and Selling Artists all remain healthy

1. GTV (Gross Transaction Value) = Total receipts from customers less fraud, refunds and chargebacks
2. Repeat GTV = GTV earned from customers who have previously purchased from Redbubble, regardless of the date of their initial purchase
3. AOV: Average Order Value (Order sales / number of orders)
4. Customers are unique customers counting only once however many times they have bought on Redbubble during the period
5. Repeat customers are customers who have purchased more than once on Redbubble, regardless of the date of their initial purchase
6. "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes

1H FY2018 Income Statement Summary

P&L (A$M)	1H FY17	1H FY18	YoY (1H18 v 1H17) Growth	YoY (1H18 v 1H17) CC Growth[1]
GTV*	98.6	129.8	31.7%	33.1%
Revenue	78.7	102.3	30.0%	32.0%
Gross Profit*	28.3	35.3	24.7%	26.1%
Paid Acquisition	(6.6)	(9.6)	47.0%	50.7%
Gross Profit (after Paid Acquisition) (GPAPA)*	21.7	25.7	18.0%	18.6%
Operating Expenses [2]	(21.2)	(23.2)	9.6%	11.0%
Operating EBITDA*	0.6	2.5	313.5%	304.9%
Other Income/Expenses	(1.7)	(1.6)	(6.0%)	7.7%
EBITDA (Loss)/Profit*	(1.1)	0.9	186.5%	271.1%
Depreciation & Amortisation	(3.0)	(3.9)	28.7%	29.2%
Net Finance Income	0.3	0.3	nm	nm
Income Tax Benefit	1.0	0.3	nm	nm
Net Loss after Tax	(2.8)	(2.3)	17.7%	5.0%

1. "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes.
2. Excludes fulfiller costs, paid acquisition and share based payments.

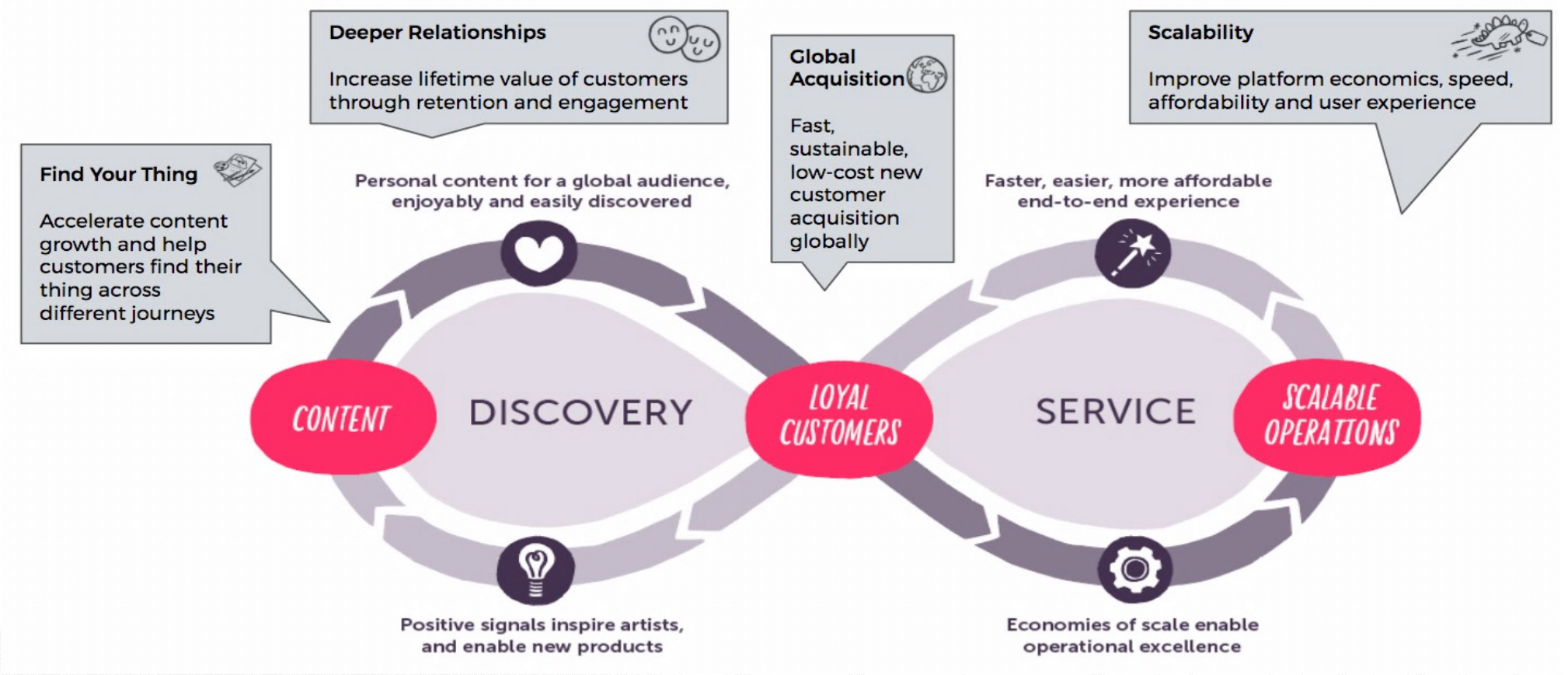
* GTV (Gross Transaction Value), Gross profit, Gross profit (after paid acquisition) and EBITDA (earnings before interest, tax, depreciation and amortisation) are non-IFRS measures that are presented to provide readers a better understanding of Redbubble's financial performance. The non-IFRS measures are audit reviewed.

[Additional commentary from Appendix 4C release on 25 January 2018]

- Revenue growing at 30.0% year-on –year (YoY) (32.0% on constant currency[1] basis)
- Minor ($0.2M) increase in 1HFY18 Operating Expenses and Other Income/Expenses from Appendix 4C release
- Operating leverage evident in 1HFY18 ratio of GPAPA growth to Operating Expenses growth of 1.9x (1.7x on CC basis)
- Amortisation charge for 1HFY18 of $3.4M
- Income Tax Benefit in 1HFY18 adversely affected by impact of reduction in US corporate tax rates on carried forward losses ($0.2M)

Source: Redbubble internal unaudited management accounts

REDBUBBLE FLYWHEEL OF AWESOMENESS



WHAT WE HAVE DELIVERED DURING 1H FY2018



	FIND YOUR THING	DEEPER RELATIONSHIPS	GLOBAL ACQUISITION	SCALABILITY
Goals	Accelerate growth in high value, discoverable content, mitigating piracy	Build a personalised mobile experience for our members	Sustainable, low-cost, global new customer acquisition	Reinvest in a faster platform, lower prices and faster delivery
Allocation of Engineering Resources	30%	30%	10%	30%
Highlights	✓ Improved search and browsing experience ✓ English language search pages (~20% of all views) moved to a new and faster platform ✓ Site features enabling partnerships between rights holders and artists	✓ Continued scaling of the app, login & signup, and push notifications ✓ Synchronisation of favorites enabled across different devices ✓ Personalised content feed enhancements using new ranking algorithm	✓ Optimised organic search ✓ Google inventory expanded from 25 million to 50 million SKUs ✓ Expanded German payment options and trust signals	✓ Rolled out new and faster platform for all T-Shirt products on mobile and desktop in English ✓ 5 new product launches ✓ 4 new fulfiller locations on-boarded
Success Indicators	• Speed of a mobile search query increased more than 2x	• 200,000 Monthly Active Users (MAUs) on mobile app	• > 1.8 million new customers during 1H FY2018	• Ability to increase site capacity on Black Friday and to support high loads on Cyber Monday foundation for auto-scaling

WE WILL CONTINUE TO DELIVER AGAINST OUR STRATEGIC INITIATIVES

	FIND YOUR THING	DEEPER RELATIONSHIPS	GLOBAL ACQUISITION	SCALABILITY
Goals	Accelerate growth in high value, discoverable content, mitigating piracy	Build a personalised mobile experience for our members	Sustainable, low-cost, global new customer acquisition	Reinvest in a faster platform, lower prices and faster delivery

Focus Areas	• Continue to strengthen value proposition for artists and rights holders
	• Make it easier for high quality content to be created and found
	• Reduce and rapidly remove low quality/IP infringing content
		• Transform the user experience and data platform for Redbubble members
		• Continue to encourage customer loyalty
			• Sustain growth and profitability of new user acquisition through organic and paid channels	• Drive profitability through operational scale and pricing/promotion optimisation
				• Drive speed in our platforms with a priority focus on:
				  • Systems that enable faster addition of new products and fulfillers
				  • Continuation of work to migrate key site pages and key systems to new faster, more scalable platform

Success Indicators	• New user conversion • Orders per user	• Improved revenue per user • Enhanced member experience	• European market growth • Paid channel growth and ROI	• Page speed improvements • Increased GTV from new products

Disclaimer

The information in this Investor Update is 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.