

BUSINESS UPDATE AND FY2022 OUTLOOK

- 1H FY22 Marketplace Revenue¹ of \$288 million, growing 60% since 1H FY20
- FY22 Marketplace Revenue now expected to be slightly below FY21 underlying Marketplace Revenue
- FY22 EBITDA margin as a percent (%) of Marketplace Revenue now expected to be negative low single digits
- Continuing investments in 2H in line with Redbubble's medium term aspirations, which remain unchanged
- Record cash balance of A\$143 million, as at 31 December 2021

Melbourne, Australia; 18 January 2022: Redbubble Limited (ASX: RBL; ADR: RDBBY) today provides a business and FY2022 outlook update².

Business Update

Redbubble's 1H FY22 unaudited preliminary financial metrics are:

A\$million	1H FY22	YoY % (floating)	YoY % (constant currency³)	2 yr growth % (floating)
GTV	\$381	-14%	-14%	64%
Marketplace Revenue	\$288	-18%	-18%	60%
Gross Profit⁴	\$108	-25%	-25%	63%
GPAPA ⁵	\$63	-36%	-36%	37%

¹ Marketplace Revenue is total revenue less artist revenue (ie artist margin).

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² The financial results (provided on a delivered basis unless otherwise noted) and strategic and operational metrics are from internal management reports and have not been audit reviewed.

³ "Constant currency basis" reflects the underlying growth before translation to Australian dollars for reporting purposes. Redbubble sources about 91% of its Marketplace Revenue in currencies other than Australian dollars. TeePublic sources about 88% of its Marketplace Revenue in US dollars.

⁴ Gross Profit is calculated based on Marketplace Revenue less fulfiller expenses, comprised of product and printing, shipping and transaction costs, and are equivalent to cost of goods sold.

⁵ Gross Profit After Paid Acquisition.

EBITDA	\$8.0	-84%	-87%	85%
Cash balance	\$143 (at 31 Dec 2021)	10%	N/A	119%

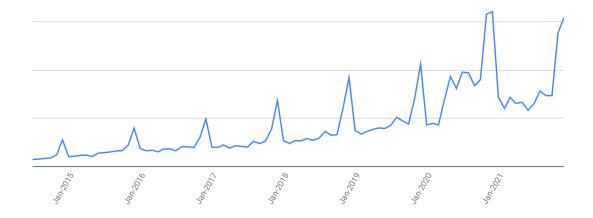
Marketplace Revenue Performance

As flagged in previous outlook statements, 1H FY22 Marketplace Revenue growth was likely to be negative due to the cycling of strong prior year numbers, including strong mask sales in particular. Excluding masks and on a paid basis⁶, 1H FY22 underlying Marketplace Revenue will be \$283 million, down 5% (5% on a constant currency basis).

Growth in Redbubble's largest category, North American apparel, was strong, up 10% in 2Q and 7% in 1H YoY. The business also achieved improving repeat rates⁷ of 45% in 1H, an uplift from 40% in 1H FY21. Mobile apps increased to 14.3% of Redbubble's Marketplace Revenue in 2Q, up from 12.6% in 2Q FY21.

Viewed across the longer term, 1H Marketplace Revenue has grown at 60% since 1H FY20 (68% on a constant currency basis). The business is now substantially larger compared to pre-COVID and further scale will help to build resilience and improve profitability.

Redbubble Group Marketplace Revenue by Month



Drivers of Margin Impact

Two key factors impacted contribution margin in 1H FY22. Strong competition in 2Q, particularly through the peak holiday period, impacted organic (unpaid) demand, whilst also increasing paid acquisition costs. Redbubble responded by increasing promotional activities and paid acquisition spend, which was successful in increasing Marketplace Revenue, though at a relatively lower contribution margin.

⁶ 1H FY21 Marketplace Revenue included \$46 million and 1H FY22 Marketplace Revenue included \$8 million of mask sales. 1H FY21 also included a \$2 million delivery date adjustment and 1H FY22 included a \$3 million delivery date adjustment.

⁷ Based on Marketplace Revenue earned from purchases made by customers who have previously purchased, regardless of the date of their initial purchase.

In addition, Redbubble experienced increased shipping costs, which in turn decreased shipping margin.

Combined, these factors were the major drivers impacting both Gross Margin and GPAPA, resulting in lower than expected 1H FY22 EBITDA.

Outlook

Redbubble remains confident of its strategic direction focused on four key themes: artist activation and engagement; user acquisition and transaction optimisation; customer understanding, loyalty and brand building; and physical product range and 3rd party fulfillment network. The business will be continuing near term investments utilising existing cash reserves to enable future growth.

Redbubble now expects FY22 Marketplace Revenue to be slightly below FY21 underlying Marketplace Revenue⁸. FY22 EBITDA margin as a percent (%) of Marketplace Revenue is now expected to be negative low single digits.

Redbubble CEO, Michael Ilczynski, said: "I am confident of the tremendous potential for the Redbubble Group. To capture this, we will continue to invest in our technology platforms, artist and customer experiences, and our brands. We have multiple growth levers at our disposal, and given our strong cash balance, we will continue to invest in order to realise the potential upside that can be unlocked by aggressively pursuing this opportunity.

We remain 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 over the medium-term with top-line growth."

A complete and audited set of financial statements, along with further strategic and operational metrics, will be provided at the scheduled half year results release in February.

This release is made in accordance with the continuous disclosure obligations of ASX Listing Rule 3.1 and authorised for lodgment by Redbubble Limited's Board of Directors.

Michael Ilczynski (CEO) and Emma Clark (CFO) will host an investor update conference call this morning at 10.00am (AEDT) Tuesday 18 January 2022 | | 3.00pm (PST) and 6.00pm (EST) on Monday 17 January 2022.

Participants will need to PRE-REGISTER for the call via the link below:

https://s1.c-conf.com/diamondpass/10018999-q5d73r.html

⁸ Mask sales contributed \$57 million to FY21 Marketplace Revenue, resulting in FY21 underlying Marketplace Revenue of \$497 million.

They will then receive a calendar invite and a unique code which is to be quoted when dialing into the call.

To ask a question, participants will need to dial "*1" (star, 1) on their telephone keypad.

A full transcript and recording of the webcast will subsequently be made available on the Redbubble Group Investor Centre website: shareholders.redbubble.com. The recording will also be available on openbriefing.com.

For further information, please contact:

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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, Redbubble.com and TeePublic.com. 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.

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