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Emancipation Capital
299 Park Avenue, 21st Floor
New York, New York 10171

December 22, 2019

Redbubble Ltd
Level 3, 271 Collins Street
Melbourne, Victoria 3000
Australia

Dear Mr. Newstead and Other Members of the Board of Directors:

Emancipation Capital Master, Ltd. (together with its affiliates, "Emancipation" or "we") has been a long-term shareholder of Redbubble Ltd ("Redbubble" or the "Company") and currently beneficially owns 3,442,123 ordinary shares. We are writing this letter to urge the Board of Directors of the Company (the "Board") to take immediate action to explore all strategic alternatives for the Company and, in particular, to consider the sale of the Company to a strategic acquiror. We believe we have had a constructive relationship and dialog with various members of both management and the Board. However, at the end of the day, the Company's inability to manage its operations on a consistent basis, especially during the all-important peak holiday season, has caused us to change our tack as we have lost confidence in the current leadership's ability to execute. We do not take this position lightly. While you deserve much credit for building a competitive marketplace over the past five years, managing it as a public company has exposed some structural and informational shortfalls. We believe that Redbubble shareholders would benefit from a sale or merger into a larger entity, assuring a substantial premium to current shareholders and benefitting employees and customers with the stability, synergies, and systems expertise that a larger platform would provide. We believe there are any number of large marketplace and platform providers that would be interested in buying Redbubble.

For two consecutive years, the Company has underestimated the competitive challenges of the moment. In the 2018 holiday season, Redbubble stumbled badly and significantly underperformed expectations. At the time, it was blamed on a change in Google's search algorithms, yet those changes were apparent for some time prior to "Black Friday". Even worse, the Company did an equity raise in the face of Google's unfavorable search algorithms and the potential negative consequences of such algorithms in order to have the funds to purchase TeePublic. While we applaud the success of the acquisition, those shareholders, Emancipation included, who purchased shares on that offering suffered substantial losses as a result of the poor seasonal performance that was disclosed shortly thereafter. Clearly, management discounted this factor and, at best, misunderstood its significance at the time of the offering/acquisition. At worst, these factors were not adequately publicly disclosed by the Company.

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Investor confidence in the current management team and Board are shattered, as evidenced in the few research notes that followed the December 12th Press Release. Furthermore, the follow up conference call on December 13, 2019 with the Company's Chief Executive Officer, Barry Newstead, and Chief Financial Officer, Emma Clark, regarding the December 12th Press Release had no "rebound" effect on the share price. If it is the Company's belief that the press release was misunderstood or the market overreacted to it, and that was the motivation for the Company conducting the call, then the explanation, logic, and math that was given in order to ameliorate concerns and prove the Company's case was, unfortunately, not convincing. We offered to have a private call with management and the Board prior to the conference call to give feedback, and we made it clear that we were willing to restrict our shares until any material non-public information that was shared with us was publicly disclosed. Our offer was ignored. The call itself, and the lack of any recovery in the share price because of it, essentially makes our point: it is time to act. While we believe the current leadership has high competence and creativity, its disconnect from the requirements and understanding of public company management and discipline is stark. Rather than continue to fight this battle and learn on the job, it's time to reward the Company's constituents by hiring a competent and experienced investment bank to explore all strategic alternatives, including potentially running a competitive auction and seeking a merger partner that will pay the premium that your long-suffering shareholders deserve.

Our research has shown that there are several logical suitors that could pay a significant premium to the Company's current valuation on an accretive basis. By exposing Redbubble's market-leading platform, artist base, partnerships and portfolio to a larger audience and thereby obtaining a higher Google ranking, it seems likely that Redbubble's business could be scaled the same way that TeePublic has under your umbrella, +60%. We do not believe Redbubble's potential is lost on platform businesses like Amazon, Etsy, IAC, eBay, Google, Cimpress, and large private equity players that have been actively rolling up adjacent businesses to the Company. The public market is currently valuing the Company at slightly over 2X GPAPA, despite being cash flow positive and, overall, having solid growth. We strongly feel that the Company would be worth significantly more in a full auction organized by a global investment bank.

Additionally, the market is punishing the Company for foregone growth due to its strong stance on prohibiting copyrighted material from being available on the platform, something that would be valued by an acquirer with a reputation. While painful upfront, this policy was an important step to add validity to Redbubble's business and make it acquirable. No one wants the bad press of being associated with illegal art, which is also why we are confident that marketplaces, such as Amazon, will ultimately suspend the accounts of the individuals selling copyrighted logo sticker packs and other infringing products on their marketplace, which by tolerating such illegal activity, hurt Redbubble's own topline.

As for the December 13th call, in our view, it raised more concerns than the December 12th Press Release, and certainly did not allay the fears created by such announcement.

In essence and succinctly, Redbubble is growing at 20%, generates positive cash flow, and has a formidable competitive position, despite hurting its own results in an effort to clean up rogue sellers. Any growth will have the beneficial "flywheel effect" on profitability that Mr. Newstead often speaks of, and growth is still healthy. The Company does not issue guidance, and the December 12th Press Release, as Ms. Clark explained to us, was issued because of a duty to disclose updated financial estimates given that the Company's results were going to be more than 10% below "consensus".

However, the Company does not control analysts' estimates and the press release could have simply stated that and noted that the Company was duty bound to correct estimates, issue the overall topline growth number, profitability metrics, and provide some minimal context. Instead, in an attempt to offer an explanation for the updated estimates, the December 12th Press Release unintentionally raised a whole slew of new concerns, and, as a result, a dark cloud hangs over the stock. This was not handled deftly, to put it mildly. Any negative consequences from the Company's required disclosure regarding the updated financials, if handled correctly, could have been easily mitigated, as any seasoned public company management team would know.

With the above said, we respectfully request that the Board take immediate action to explore the Company's strategic options, particularly with respect to strategic acquirors. It is our desire to work collaboratively with the Board to improve the Company and drive shareholder value, and we hope to have an opportunity to discuss these important matters further with the Board.

We look forward to hearing from you soon.

Sincerely,

Charles Frumberg
Managing Member

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