



Redbubble announces Michael Ilczynski as CEO

- **Former CEO of Asia Pacific and Americas for SEEK and a major part of its journey to become one of the world's leading online employment marketplace businesses, will take over as Redbubble CEO effective 27 January 2021**
- **Appointment follows a remarkable year for Redbubble with accelerated consumer uptake of its distinctive offering of unique products from independent artists**

Melbourne, Australia: 20 November 2020: The Board of Directors of Redbubble Limited (ASX:RBL; ADR: RDBBY) is pleased to announce Michael Ilczynski as our CEO effective 27 January 2021.

Redbubble Chair Anne Ward said, "Michael played a major role in helping SEEK grow into the global force it is today. That track-record, including the successful development of his team, evolution of the product and scaling of the business, are the right combination to continue Redbubble's transition from a niche to mainstream global consumer marketplace. SEEK is one of the few companies in Australia to have been down this path before Redbubble and we are delighted to be able to attract a proven, senior leader of Michael's calibre to join Redbubble."

"This year has seen Redbubble continue to extend its leadership as the world's largest marketplace for independent artists and the go-to place for those wanting unique, custom made creative products.. We are grateful to Redbubble's interim CEO Martin Hosking for an incredible year of strong performance in challenging circumstances and for his ongoing support as Michael takes over. This is the right appointment for our shareholders, our people, our artists and our customers."

"The Board is also pleased that Martin has agreed to remain on the Board as a non-executive director and that Redbubble will continue to benefit from Martin's deep knowledge and experience during the company's next phase."

Michael Ilczynski said, "Having been a customer of Redbubble for several years, I understand the special nature of Redbubble's offering and the joy that giving or purchasing their products can bring."

"Redbubble is a truly unique global organisation. The three-sided marketplace that has been built is now operating with real scale and momentum, presenting a wonderful opportunity to further grow the Redbubble and TeePublic brands, to connect deeply with our customers, and to deliver more value to our artists and fulfilment partners. I am tremendously excited to be joining the Redbubble team, and am very thankful to Anne, Martin and the Redbubble Board to be given this opportunity."

Interim CEO, Director and founder Martin Hosking said, "Redbubble is positioned to build on a decade of momentum and aggressively pursue the global e-commerce opportunity and Michael's appointment is the next milestone in the company's ambition to successfully build a new consumer category."

Martin Hosking continued, “2020 has been a remarkable year for the Company in which the global marketplace has scaled with accelerated consumer uptake. The strong margins and cashflow that follow from our low-customer acquisition costs and outsourced fulfilment model have been demonstrated. The next stage for the company is to go from a relatively niche to a mainstream marketplace as we match the consumer demand for more personal and relevant products.”

“As founder and as a Director, like the rest of the Board I was determined that our next CEO had the experience, skills and passion for growing our global community of independent artists and customers plus the leadership track-record and spark to inspire and develop our incredible global team. Michael is that person.”

Michael Ilczynski’s biography

Michael spent 13 years at SEEK, leading teams across strategy, product & technology and commercial operations, culminating as CEO Asia Pacific & Americas. As CEO AP&A, Michael led over 3000 employees operating the leading online employment marketplaces in 11 countries, covering the SEEK, Jora, Jobstreet, JobsDB, Catho and OCC businesses.

Prior to working at SEEK, Michael has worked for McKinsey & Company, Tabcorp and the Collingwood Football Club. Michael also served in the Australian Army Ready Reserve and is a graduate of the Royal Military College, Duntroon. Michael holds Bachelor of Science and Bachelor of Commerce degrees from Melbourne University and a Master of Business Administration from the Kellogg School at Northwestern University.

A summary of the material terms of Michael Ilczynski’s CEO employment agreement is set out in the Appendix to this announcement.

This announcement was authorised for lodgment by the Redbubble Limited Board.

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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, powered by independent artists. The Redbubble 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.

Appendix - Summary of material terms of Michael Ilczynski's CEO employment agreement

The Redbubble Board considers that Michael Ilczynski's CEO remuneration package is consistent with comparable listed companies. The package provides a blend of salary, annualised equity awards including a Long Term Incentive (LTI) subject to share price hurdles and a loan arrangement for the purpose of Mr Ilczynski purchasing Redbubble Limited shares. The package is weighted to equity awards to drive alignment of interests with shareholders.

Position: Chief Executive Officer.

Employment Commencement date: 4 January 2021

Commencement of CEO duties: 27 January 2021 (following a handover period with Martin Hosking in January 2021)

Term and Termination: No fixed term. Ongoing until terminated by either party in accordance with the Employment Agreement. Mr Ilczynski's employment may be terminated by either party on six months' notice. Redbubble may also terminate Mr Ilczynski's employment with immediate effect for cause (e.g. breach of contract, serious misconduct or gross negligence). Redbubble may make a payment referable to Mr Ilczynski's salary in lieu of some or all of the notice period.

Remuneration Package:

Mr Ilczynski's CEO remuneration package consists of Base Compensation (salary inclusive of employer superannuation contributions and a "Base Equity" component), LTI equity and a Loan Arrangement, as follows:

- **Salary and superannuation:** Mr Ilczynski's salary inclusive of employer superannuation contributions will be \$800,000 per annum.
- **Base Equity:** The annual dollar value of Mr Ilczynski's Base Equity is \$400,000. Base Equity is an annual award of zero-priced options (or other similar equity right in respect of Redbubble Limited ordinary shares). The number of Base Equity rights to be awarded from the dollar value is determined in accordance with the valuation provisions of Redbubble Executive Compensation Model Plan Rules, and subject to Board approval. The initial Base Equity award will be calculated by dividing the \$400,000 value by the 30 (calendar) day value weighted average share price leading up to the grant date. The Base Equity award will vest 12 months after the grant date, subject to Mr Ilczynski remaining employed by Redbubble at that date, and subject to a further 12 month holding period following the vesting date.
- **Long Term Incentive (LTI):** The annual dollar value of Mr Ilczynski's LTI is \$800,000. LTI is an annual grant of Share Appreciation Rights (or other similar equity right in respect of Redbubble Limited ordinary shares). The number of LTI rights to be awarded from the dollar value is determined in accordance with the valuation provisions of Redbubble Executive Compensation Model Plan Rules, and subject to Board approval. The initial LTI award will be calculated by dividing the \$800,000 value by the 30 (calendar) day value weighted average share price leading up to the grant date.

The LTI has two exercise conditions:

- Mr Ilczynski must be employed at time of vesting
- The achievement of a compounding return target on either the third, fourth or fifth anniversaries following the grant date.

The compounding return target to be determined based on a 10% per annum Total Shareholder Return (TSR) from time of grant. TSR is calculated as the total of the share price appreciation plus any dividends paid during the period. TSR has been chosen as the appropriate target so that Mr Ilczynski (and his fellow Executives) are fully aligned with shareholders.

The Board has unfettered discretion to determine any adjustment to Base Equity and LTI awards at time of vesting.

The amount of Mr Ilczynski's remuneration package and the value of each of the remuneration components above may be reviewed and revised by the Board from time to time in its absolute discretion.

Loan arrangement:

Redbubble and Mr Ilczynski will also enter into a non-recourse loan arrangement with a loan amount of \$1,600,000. The loan amount, plus \$400,000 of Mr Ilczynski's own funds, will be used to purchase \$2million value of Redbubble Limited shares on-market in the trading window that follows release of Redbubble's H1 FY2021 results and Appendix 4D. The loan amount plus interest equal to the RBA cash rate plus 3% (compounding annually) is to be repaid 5 years from date of loan, or on cessation of employment if earlier. The purchased shares will be subject to dealing restrictions, including a prohibition on granting security interests, which fall away upon the loan being repaid in full.

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