

design
milk co.

1H FY22 Results Presentation



1H FY22 Highlights

9.5m followers

Across all social media platforms

A\$2.2m

1H FY22 gross revenue¹
Up 23% vs. 1H FY21

A\$1.1m

Design Milk eCommerce revenue¹
Up 17% vs. 1H FY21

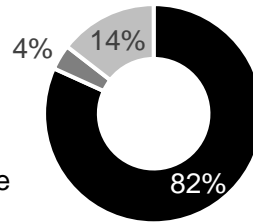
82% eCommerce revenue from Design Milk
vs. 65% in 1H FY21

A\$1.0m
1H FY22 advertising revenue
Up 125% vs. 1H FY21

Continued investment in **shop friendly content and new social media channels**

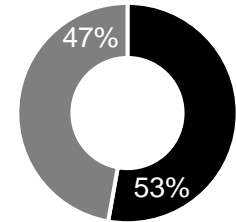
eCommerce Transaction Value

- Design Milk
- AHAlife
- Kaufmann Mercantile



Gross Revenue¹

- eCommerce
- Advertising

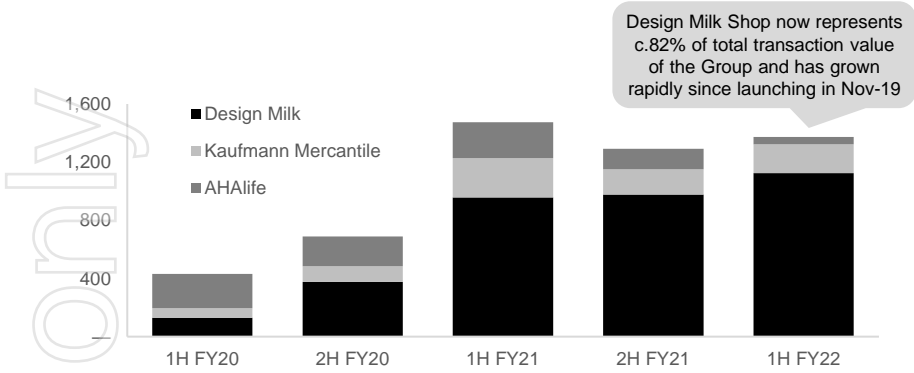


All figures in AUD. Based on USD/AUD conversion rate of 0.72

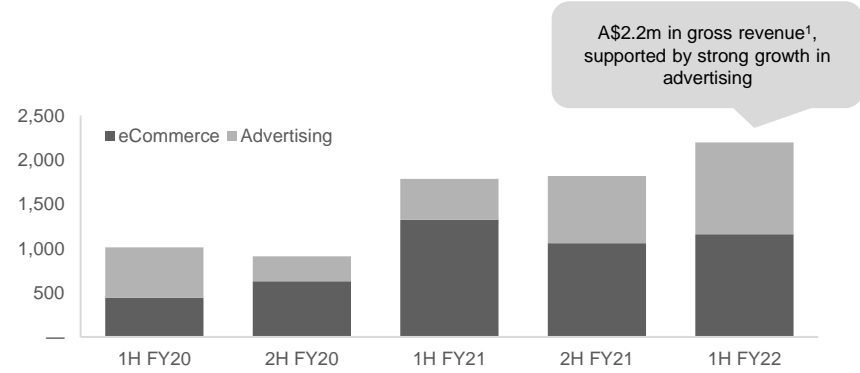
Notes: 1. Represents gross sales revenue pre commission from sale of goods

1H FY22 Financial Performance

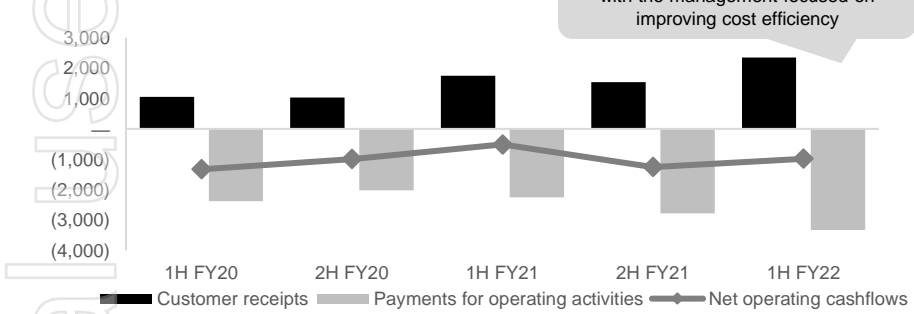
eCommerce Transaction Value (A\$'000s)



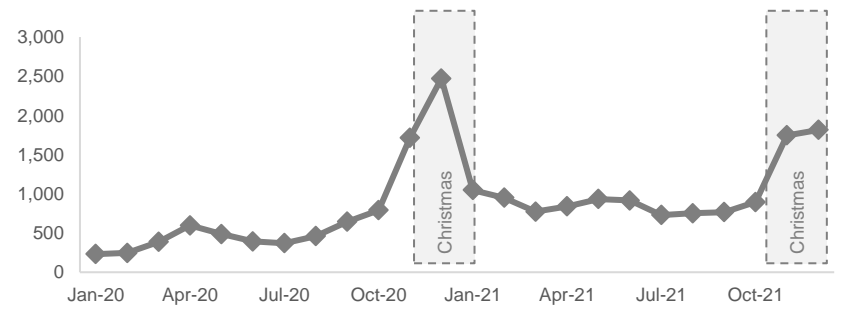
Gross Revenue¹ (A\$'000s)



Operating Cashflows (A\$'000s)



Number of Orders: Design Milk (ex. AHALife and Kaufmann Mercantile)



All figures in AUD. Based on USD/AUD conversion rate of 0.72
 Notes: 1. Represents gross sales revenue pre commission from sale of goods



CEO Update

“The last half of 2021 was ever-changing: COVID-19 restrictions, negative supply chain news pushing customers to shop early, inflation pressures and an obvious desire to reconnect with family & friends and visit stores vs. shopping online. All of these and more impacted the broader retail environment.

I am very pleased with how we closed Q1. We built a more robust platform and operating structure vs. LY and ended the quarter with very positive sales results, close to breakeven for the first time ever.

Q2 was slower than anticipated due to the above challenges. Additionally, many of our top vendors had their own inventory and supply chain issues, resulting in us cancelling orders throughout the holiday season.

Although our gross order volume declined, the quality of our delivered sales significantly improved vs. LY thanks to Q1’s operational upgrades. These included a website refresh, product search and navigational upgrades, and improved vendor management and customer service systems.

Despite the headwinds, we developed several great marketing, merchandising, editorial and CX initiatives to maximise our competitiveness. Our team were well prepared, partnering with vendors on promotions to protect margins, improved our customer service and communications procedures, continued to produce high quality content and developed new formats of shop-friendly video content.”

CEO Update cont'd

“Moving into Q3 with a robust operating structure and systems lets us focus on the next priority areas, namely, PR and Operating Costs. Simultaneously building awareness of Design Milk beyond our large community of 9.5 million followers whilst ensuring our cost structure remains as efficient as possible.

Supporting these goals, we unplugged the AHAlife systems in December, welcomed new commercial marketing and editorial talent to the team and adjusted our management structure. As part of these changes, I am pleased to announce that Jaime Derringer will shift away from day-to-day operations and assume a non-executive Board position from March 1st, 2022. I am a big fan of Jaime, we've worked closely since acquiring Design Milk, developing the platform and numerous successful initiatives and I am pleased to continue working with her and the Board on the many Design Milk opportunities we have.

In 2021, the retail environment shifted. Customers now demand high quality online service, product curation and brand values, digital DTC brands are navigating physical wholesale, and bricks + mortar brands are looking for brand-building content-led digital distribution. We are perfectly positioned to capitalise on these industry shifts, with our huge engaged audience, mission driven values, curated lifestyle presentation, and our 15+ years of high quality, respected editorial content that drives our content-leads-commerce strategy.

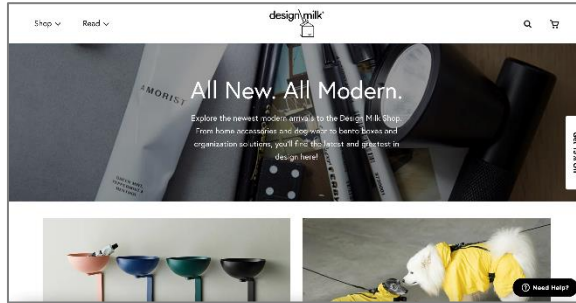
I am confident we have all the right ingredients to deliver an exciting, connected, relevant and diversified business. I thank you again for your support and interest in Design Milk Co.”



Robert Mancini, CEO Design Milk Co.



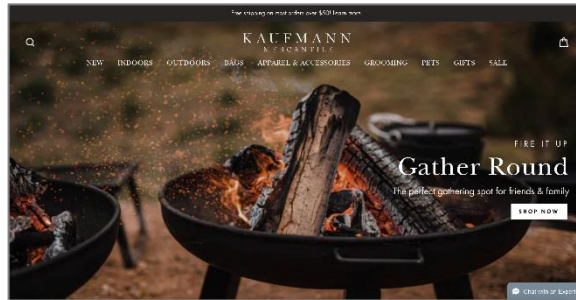
Our Brands



- Business Services:**
- eCommerce: B2C, and Trade
 - Editorial Content
 - Advertising + Media Services
 - Pop-Up Retail

Audience: Broad demographics. Appreciate all things modern design related, and high-quality editorial content that supports the design + creative process.

Categories: Furniture, Decor, Lighting, Kitchen + Dining, Office, Tech, Jewelry, Bags + Accessories, Wellness, and Pets.



- Business Services:**
- eCommerce B2C
 - Editorial Content
 - Pop-Up Retail

Audience: Men, self or gift purchase, informal, outdoors, appreciates craftsmanship.

Categories: Home/Cabin, Decor, Furniture, Lighting, Kitchen + Dining, Tech, Pets, Gadgets + Tools, Garden + Yard, Bags + Accessories, Wellness, and Pets.

Design Milk Co at a Glance

- Ⅲ A community of over 9.5 million social media + email followers
- Ⅲ Internationally experienced retail + media team
- Ⅲ 16+ years experience developing social media, editorial, and advertising content
- Ⅲ Established influencer status. Authenticated Instagram global brand
- Ⅲ Over 25,000 published design related articles
- Ⅲ Integrated eCommerce platform with 500+ live vendors
- Ⅲ Full-service eCommerce platform
- Ⅲ In-house Customer Service, Finance, Marketing, Merchandising, and Editorial teams
- Ⅲ We deliver a powerful cross-channel brand building experience, combining + sharing content and eCommerce via multiple channels

Our History



started as a modern design-inspired blog in 2006, quickly becoming the go-to site for a large, growing community that's passionate about modern design, architecture, furniture, décor, creators and products.

Today, our award-winning, multi channel platform delivers the latest modern design news, editorial + video content, brands and products to our community of over 9.5 million followers.

We've published 25,000+ articles supporting independent designers, artists, and brands from the worlds of architecture, interior design, home furnishings, technology, style, travel + more.

We create, host and share design workshops, events, podcasts, brand videos and interviews through our website, social media, our DMTV Instagram channel, emails, newsletters, and other content mediums.

We launched the Design Milk online shop in November 2019, grew our vendor base to over 500 brands, participate in design Trade events and regularly "pop-up" in North America, London and Europe, with Design Milk Stand, our physical marketplace that introduces our favorite brands in person to our large community.





What We Do

Content-drives-Commerce

- !!! We produce and deliver editorial + video content, dedicated to the world of modern design
- !!! We retail 500+ brands via our in-house produced content
- !!! Introduce + build brands via our content website, social media + emails with our large combined audience of over 9.5M
- !!! Create high quality, sponsored advertising + media programs for DTC and Trade / B2B brands
- !!! Host pop-up retail events, and participate in, or report on global design trade + retail shows

Drop-Ship eCommerce

- !!! Agile, reduced inventory pressure, lower related operating costs

Diversified revenue streams

- !!! e-Commerce, sponsored advertising + media, affiliate publishing, pop-up retail + trade events

Shared-Service platform

- !!! One integrated team efficiently manages + supports multiple websites

Lifestyle-curated websites

- !!! Each website has a unique lifestyle projection, broadening our audience + revenue

Multiple growth opportunities

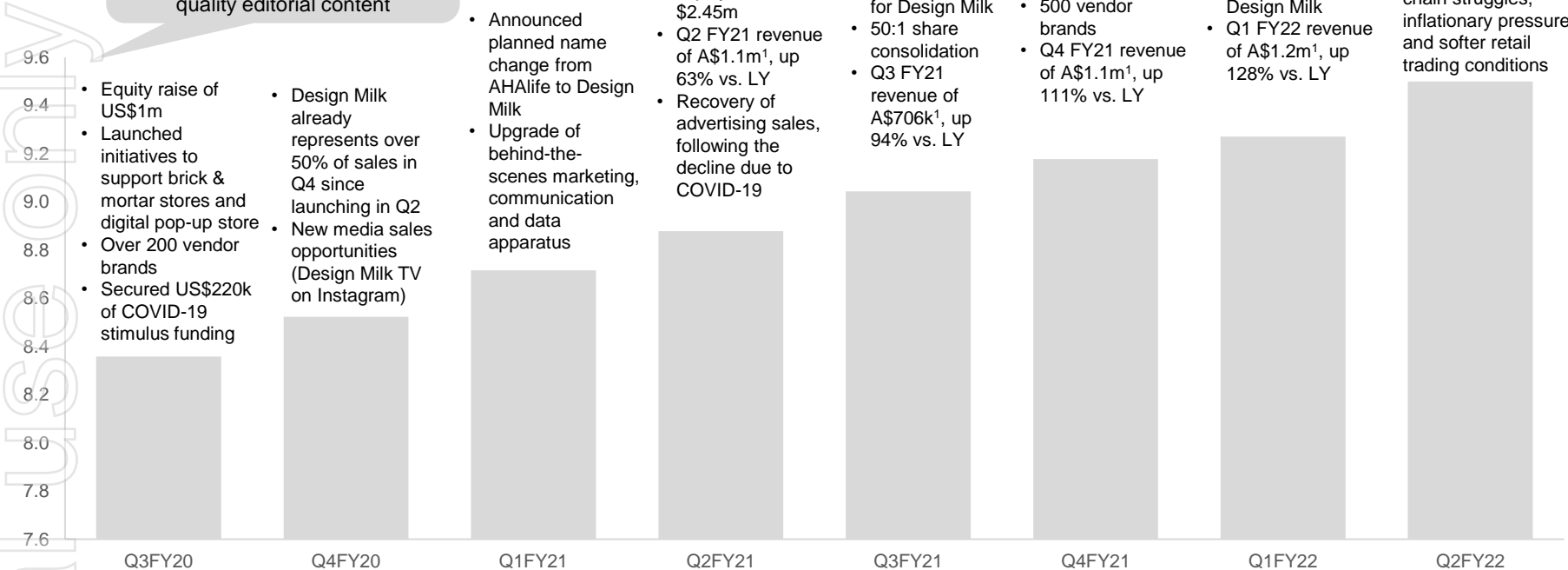
- !!! Continue to grow our vendor base, expand into furniture and larger home décor categories, host live pop-up shopping events, launch a new Trade platform, open a Design Milk studio and showroom for furniture and unique content, and **MUCH MORE !**

Design Milk's Journey

Design Milk social media followers (millions)



Design Milk Shop Launch in Q2 FY20 (Nov-19), complementing the existing offering of our high quality editorial content



- Equity raise of US\$1m
- Launched initiatives to support brick & mortar stores and digital pop-up store
- Over 200 vendor brands
- Secured US\$220k of COVID-19 stimulus funding

- Design Milk already represents over 50% of sales in Q4 since launching in Q2
- New media sales opportunities (Design Milk TV on Instagram)

- Announced planned name change from AHAlife to Design Milk
- Upgrade of behind-the-scenes marketing, communication and data apparatus

- Equity raise of \$2.45m
- Q2 FY21 revenue of A\$1.1m¹, up 63% vs. LY
- Recovery of advertising sales, following the decline due to COVID-19

- 15th anniversary for Design Milk
- 50:1 share consolidation
- Q3 FY21 revenue of A\$706k¹, up 94% vs. LY

- Genesis (car company) media campaign
- 500 vendor brands
- Q4 FY21 revenue of A\$1.1m¹, up 111% vs. LY

- Strongest quarterly sales since acquisition and launch of Design Milk
- Q1 FY22 revenue of A\$1.2m¹, up 128% vs. LY

- The Design Milk eCommerce platform remained resilient despite global supply chain struggles, inflationary pressures and softer retail trading conditions

All figures in AUD. Based on USD/AUD conversion rate of 0.72

Notes: 1. Represents gross sales revenue pre commission from sale of goods

Our Board and Management



Robert Mancini – Chief Executive Officer

- Appointed CEO in July 2018
- Extensive global luxury goods, fashion and e-commerce experience across multiple channels, categories, and geographies of the retail industry
- 20+ years with brands such as Ralph Lauren, Lbrands, Richemont, and Alfred Dunhill



Mike Hill – Chairman

- 20+ years Private Equity and Advisory experience in Australia and the UK
- Founder and CIO of Bombora Special Investment Growth Fund
- Currently Non-executive Chair of Janison Education Group, Beamtree Holdings and Mad Paws



Arnaud Massenet – Director

- Joined Board following a successful capital raise in September 2017
- Founding partner of Net-A-Porter and an active Board member for 10+ years
- Previously an Investment Banker with Morgan Stanley and Lehmann Brothers



Jaime Derringer – Chief Creative Officer

- Appointed Chief Creative Office upon acquisition of Design Milk in February 2019
- 20 years in the design and media industries
- A leading authority within the modern design community



Christopher Colfer – Director

- 20+ years experience in luxury goods, branded goods and e-commerce
- Served as Board Member of Net-A-Porter & LYST
- Currently sits on the Board of several consumer goods companies, including Woolworths Holdings Group, Nude by Nature, and Mobile Digital



Mike Everett – Director

- 25+ years capital markets and advisor experience
- Established leading independent capital markets advisory firm, Reunion Capital in 2013
- Previously Managing Director of Equity Capital Markets at Goldman Sachs



For more information regarding Design Milk Co. Limited (ASX: **DMC**)

Please visit www.design-milk.com, or contact:

Robert Mancini, Chief Executive Officer: +1 (877) 799 4637

Sapir Elias (Company Secretary): +61 (404) 445 383

Investor Relations: ir@design-milk.com