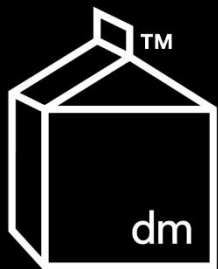


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Q4 FY22 Trading Update



Q4 FY22 Trading Highlights

9.65m followers

*Across Instagram, Twitter,
Pinterest, Facebook and email*

A\$749k

Q4 FY22 gross revenue¹
20% CAGR over the last 2 years

A\$413k

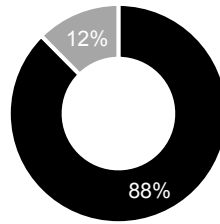
Q4 FY22 Design Milk
eCommerce gross revenue¹
28% CAGR over the last 2 years

A\$347k

Q4 FY22
advertising revenue
77% CAGR over the last 2 years

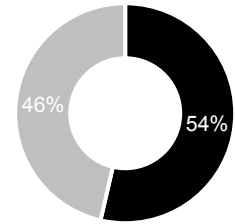
Total transaction value

- Design Milk
- Kaufmann Mercantile



Gross revenue¹

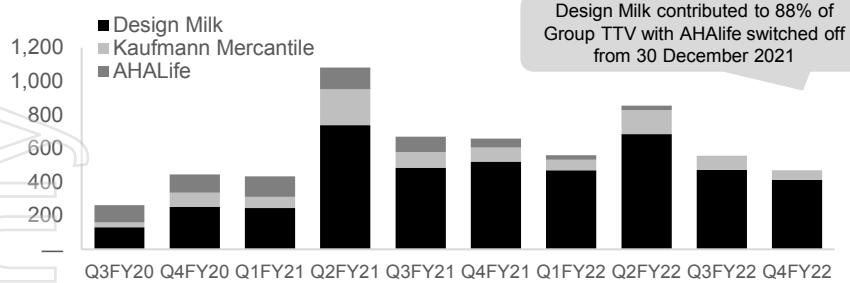
- eCommerce
- Advertising



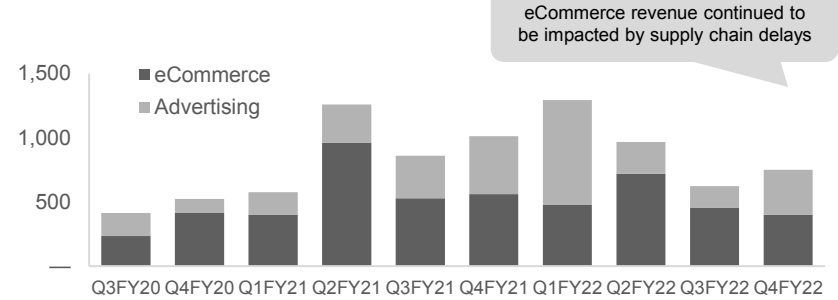
All figures in AUD. Based on USD/AUD conversion rate of 0.6889 per RBA website as at 30 June 2022
Note: 1. Represents gross sales revenue pre commission from sale of goods.

Q4 FY22 Financial and Operational Performance

eCommerce transaction value (A\$'000s)

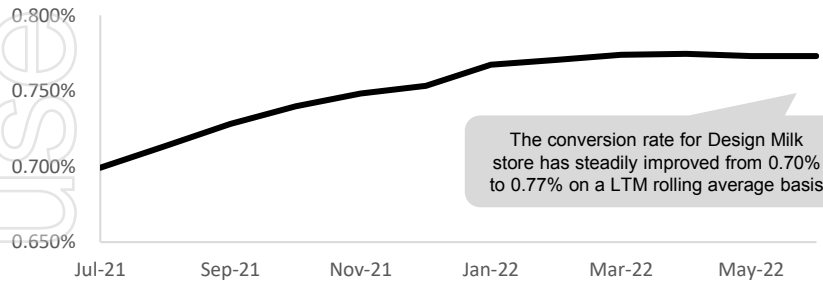


Gross revenue¹ (A\$'000s)



Design Milk conversion rate²

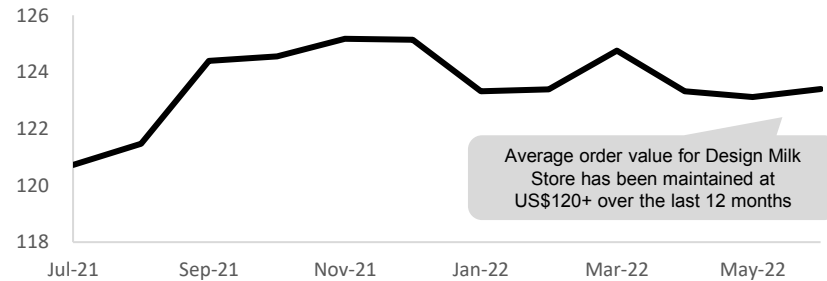
LTM rolling average³



The conversion rate for Design Milk store has steadily improved from 0.70% to 0.77% on a LTM rolling average basis

Design Milk average order value (US\$)

LTM rolling average³



Average order value for Design Milk Store has been maintained at US\$120+ over the last 12 months

All figures in AUD. Based on USD/AUD conversion rate of 0.74

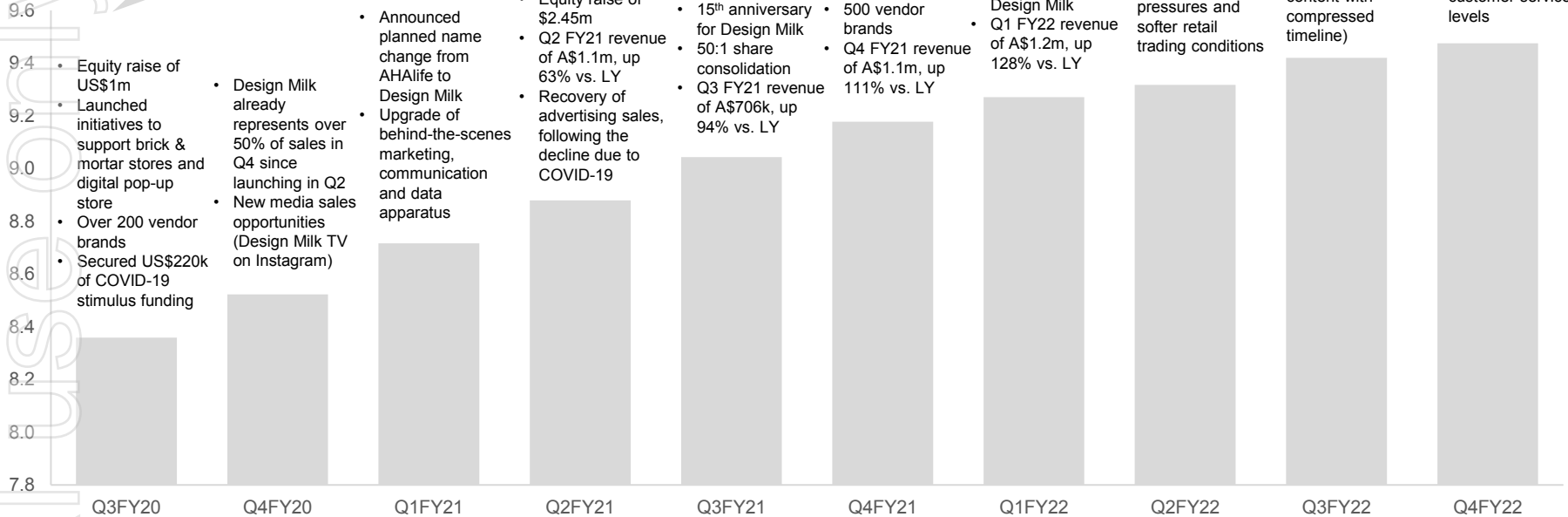
Notes: 1. Represents gross sales revenue pre commission from sale of goods. 2. Represents total number of Design Milk store orders divided by online sessions; 3. Represents the average over the last 12 months for each month.

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



CEO Update

Dear Shareholders,

There is no escaping the challenges and economic pressure businesses face today. Positively, thanks to our team's creativity and energy we have been able to limit the impact, with Q4 and FY22 total revenue closing slightly down vs. LY, significantly stronger than many competitors and the industry in general.

We continue to produce high quality content, have increased our advertising revenue vs. LY, discovered amazing designers and brands, grown our community to nearly 9.7M followers, strengthened our operating procedures and significantly improved our order management and customer service levels.

Design Milk is at a key point in our growth trajectory. Since launching eCommerce we focused on building our vendor base, customer growth and conversion, and avoided unnecessary costs whilst we scale and build our operating structure. Having established Design Milk's foundations, we continue to refine our strategic roadmap in line with profitable growth and increasing shareholder value.

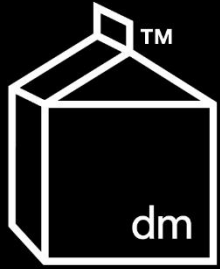
As we look toward 2023, we are considering multiple opportunities including strategic partnerships in the B2B and B2C arena, our representation of larger categories / higher ticket products, the expansion of our advertising business into new categories and geographies, and the revival of pop-up retail / omni-channel revenue as design shows and events return.

The Board have committed to supporting and investing in the business as we navigate these opportunities. I'd like to thank them, our shareholders, and my team as we develop these new channels of growth.

Robert Mancini,
CEO, Design Milk Co.



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About Design Milk Co.

Design Milk Co at a Glance

- ||| A community of over 9.65 million social media + email followers
- ||| Internationally experienced retail + media team
- ||| 16+ years experience developing social media, editorial, and advertising content
- ||| Established influencer status. Authenticated Instagram global brand
- ||| Over 25,000 published design related articles
- ||| Integrated eCommerce platform with 500+ live vendors
- ||| Full-service eCommerce platform
- ||| In-house Customer Service, Finance, Marketing, Merchandising, and Editorial teams
- ||| 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 9.65 million followers.

We've published 25,500+ 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 9.65M
- ||| 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 !**

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



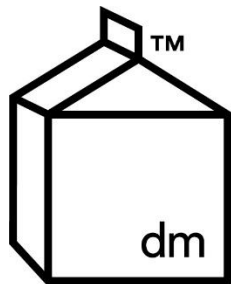
Christopher Colfer – Director

- 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



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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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Design Milk Co. Limited

ABN

15 006 908 701

Quarter ended ("current quarter")

30-JUN-22

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (.....months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	462	2,585
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(180)	(1,211)
(c) advertising and marketing	(64)	(289)
(d) leased assets		
(e) staff costs	(385)	(2,064)
(f) administration and corporate costs	(93)	(414)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(3)	(12)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(263)	(1,405)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(2)	(45)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (.....months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	1	
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(1)	(45)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	484	1,670
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(263)	(1,405)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(45)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (.....months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	220	220

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	220	484
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	220	484

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(263)
8.2 Cash and cash equivalents at quarter end (item 4.6)	220
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	220
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, the company has restructured the operating expenses to improve net cashflows.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Company has been put into a trading halt, pending finalisation of an asset sale and/or fund raising event.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes given the asset sale and/or fund raising event currently underway.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.