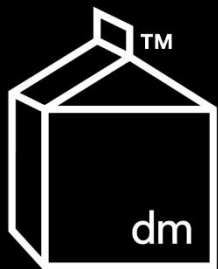


Internal use only



design
milk co.

Q1 FY23 Trading Update



Q1 FY23 Trading Highlights

~9.5m followers¹
*Across Instagram, Twitter,
Pinterest, Facebook and email*

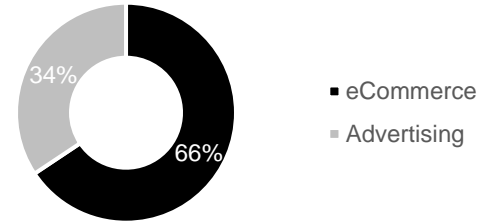
A\$325k
Q1 FY23 gross revenue²

50%+ cost base reduction
*from the business model
transition, putting DMC on a path
for breakeven*

\$532.8k committed from
capital raise via convertible
notes
(pending AGM approval)

Gross revenue¹

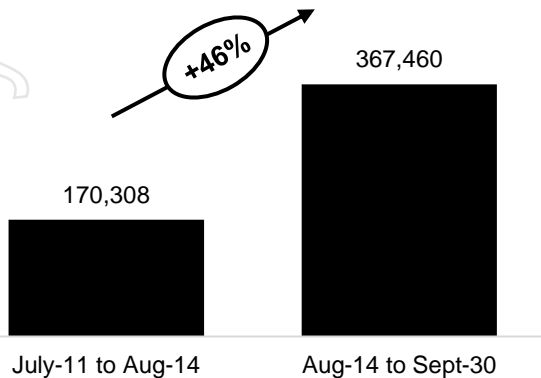
- The business model transition is aimed at reducing Design Milk's cost base and building a more sustainable growth path going forward
- Advertising will become the primary source of revenue under the new business model



All figures in AUD. Based on USD/AUD conversion rate of 0.6502 per RBA website as at 30 September 2022
Note: 1. Includes Deign Milk-related followers only; 2. Represents gross sales revenue pre commission from sale of goods.

Q1 FY23 Operational Highlights

Design Milk Website Page Views




Page views are up 46% post the business model transition, demonstrating the strength of the Design Milk brand and the quality of the editorial contents

Top Posts

TECHNOLOGY

The xBloom Coffee Maker Was Designed by Former Apple Engineers to Drink Differently

09.16.22 | By Gregory Han




81,359 views

TECHNOLOGY

ACTOPLUS: The Minimalist Mop and Vacuum Cleaner

08.17.22 | By Gregory Han




62,104 views

TECHNOLOGY

Flowo Typewriter E-Ink Concept Is All About Productive Nostalgia

09.09.22 | By Gregory Han



27,573 views

Chairman Update

Dear Shareholders,

As noted in our FY22 full year results, 2022 has proven to be a challenging year to the Design Milk business. On the eCommerce front, despite our large and growing audience of circa 9.5 million followers, converting them to shoppers on the site has been difficult. Post a comprehensive strategic review by Design Milk's Board and management team, we made the decision to transition the business to an advertising revenue only model and shut down the eCommerce operations. Pleasingly, we have managed to significantly reduce our cost base by more than 50% post the transition.

There continues to be strong traffic to the Design Milk website, with our page views up 46% in the second half of 1Q FY22 compared to the first half. This is a testament to the strength of the Design Milk brand and calibre of our advertising/ editorial team, which will continue to support the growth in our advertising revenue.

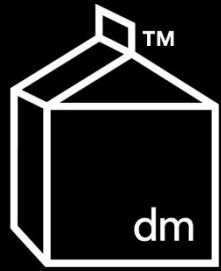
On the capital raising front, we have received commitment of \$532,800 via a proposed issue of convertible notes, which is upsized from the initial \$400,000 due to strong investor demand. The issue of convertible notes will be put forward for approval at the upcoming AGM scheduled for 30 November 2022. The funds raised will be used to support the business model transition as we move to cashflow breakeven.

We continue to explore strategic partnership opportunities with a number of parties, in order to maximise value for our shareholders.

Thanks for your continued support.

Mike Hill
Chairman, Design Milk Co.

mal use only



design
milk co.

About Design Milk Co.



Design Milk Co at a Glance

- ▮ A community of circa 9.5 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

Our History

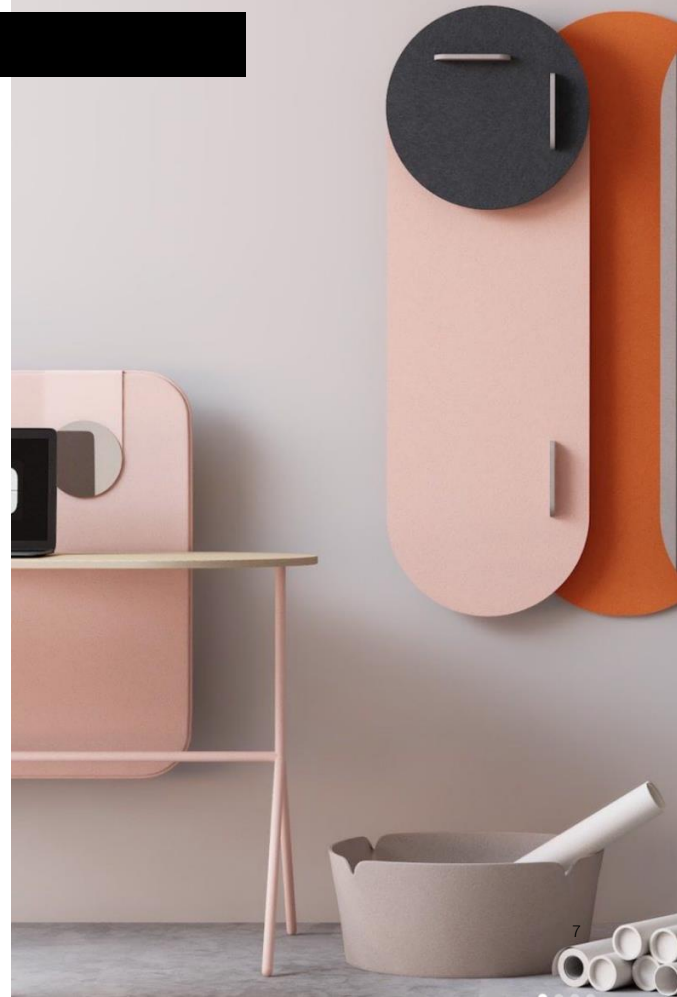


design\milk started as a modern design-inspired blog in 2006, quickly becoming the go-to site for a large, growing community that's passionate about modern design, architecture, furniture, décor, creators and products.

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



Our Board and Management



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



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



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



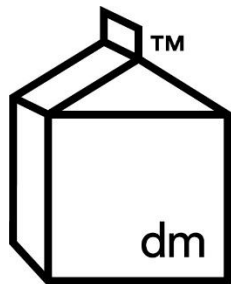
Bryan Zekulich – Director

- Bryan was the Managing Partner of Ernst & Young's Private Equity sector for over 15 years. He is also a Board member, Treasurer and Company Secretary at the Australian Investment Council
- His significant experience in the Australian M&A market includes divestments, strategic finance, capital raisings and advising on ASX listing requirements



Stephanie Jones – Chief Operating Officer

- Stephanie was appointed the Chief Operating Officer of Design Milk in October 2022
- Previously, Stephanie was the Finance Director of Design Milk and was a significant contributor to the management of the company's operations and finances
- Stephanie graduated from the Ohio State University and is a CPA



**design
milk co.**

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

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

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

Investor Relations: ir@design-milk.com