



## Announcement Summary

**Entity name**

DESIGN MILK CO LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

31/10/2022

**The Proposed issue is:**☒ A placement or other type of issue**Total number of +securities proposed to be issued for a placement or other type of issue**

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Convertible Notes 12% coupon rate, 36 months term, convertible between \$0.05 and \$0.07	5,328

**Proposed +issue date**

1/12/2022

Refer to next page for full details of the announcement



## Part 1 - Entity and announcement details

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### 1.1 Name of +Entity

DESIGN MILK CO LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

### 1.2 Registered Number Type

ABN

### Registration Number

15006908701

### 1.3 ASX issuer code

DMC

### 1.4 The announcement is

☒ New announcement

### 1.5 Date of this announcement

31/10/2022

### 1.6 The Proposed issue is:

☒ A placement or other type of issue



## Part 7 - Details of proposed placement or other issue

## Part 7A - Conditions

**7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?**

☒ Yes

## 7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	30/11/2022	<input checked="" type="checkbox"/> Actual	No

## Comments

5,328 convertible notes are proposed to be issued (all subject to shareholder approval). Convertible notes principal and accrued interest will convert into fully paid ordinary shares at the conversion price plus 1 free attaching option for every 2 conversion shares issued (with 15 cents exercise price). If all 5,328 Convertible Notes are issued and subsequently converted, plus all attaching options exercised, it is expected that a maximum of 21,738,240 Shares will be issued (assuming the lowest conversion price of 5 cents). Subject to shareholder approval, 860 of the Convertible Notes are proposed to be issued under ASX Listing Rule 10.11 with the balance 4,468 Convertible Notes to be issued under ASX Listing Rule 7.1.

## Part 7B - Issue details

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

☒ New class

**Will the proposed issue of this +security include an offer of attaching +securities?**

☒ Yes

Details of +securities proposed to be issued

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

☒ Yes

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

☒ No

**ASX +security code**

New class-code to be confirmed

**+Security description**

Convertible Notes 12% coupon rate, 36 months term, convertible between \$0.05 and \$0.07

**+Security type**

+Convertible debt securities

**Number of +securities proposed to be issued**

5,328

**Offer price details****Are the +securities proposed to be issued being issued for a cash consideration?**☒ Yes**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

**What is the issue price per +security?**

AUD 100.00000

**Will all the +securities issued in this class rank equally in all respects from their issue date?**☒ Yes**+Convertible debt securities details****These securities are:**

Convertible

**Type of security**

Convertible note or bond

**+Security currency**

AUD - Australian Dollar

**Face value**

AUD 532,800.0000

**Interest rate type**

Fixed rate

**Frequency of coupon/interest payments per year**

Monthly

**First interest payment date**

1/1/2023

**Interest rate per annum**

12.00000 %

**Is the interest rate per annum estimated at this time?**☒ No**s128F of the Income Tax Assessment Act status applicable to the +security**

Not applicable



**Is the +security perpetual (ie. no maturity date)?**

☒ No

**Maturity date**

1/12/2025

**Select other features applicable to the +security**

☒ None of the above

**Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?**

☒ No

**Details of the type of +security that will be issued if the securities are converted, transformed or exchanged**

Other

**Description**

DMC: ORDINARY FULLY PAID PLUS UNLISTED OPTIONS

**Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.**

Refer to capital raise announcement and AGM notice of meeting, both released on 31 October 2022

Attaching +Security

**Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?**

Part 7C - Timetable

**7C.1 Proposed +issue date**

1/12/2022

Part 7D - Listing Rule requirements

**7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?**

☒ Yes

**7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1**

30/11/2022



**7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?**

☒ Yes

**7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?**

☒ No

**7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?**

☒ No

#### Part 7E - Fees and expenses

**7E.1 Will there be a lead manager or broker to the proposed issue?**

☒ No

**7E.2 Is the proposed issue to be underwritten?**

☒ No

**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

#### Part 7F - Further Information

**7F.01 The purpose(s) for which the entity is issuing the securities**

To be used by the Company for working capital purposes and supporting the business model transition to be an advertising revenue only model and to repay short term bridging loan.

**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**

☒ No

**7F.2 Any other information the entity wishes to provide about the proposed issue**

The Company is entitled to refuse to convert a convertible note if the conversion would result in a holder breaching of Chapter 6 of the Corporations Act.