Sydney, Australia and Columbus, OH, USA
29th June 2021: Design Milk Co. Limited (ASX: DMC)

**FY21 Trading Update**

**Highlights**
- Anticipated Full Year sales of AUD $3.3 million, a growth of +88% vs. LY
- Total forecast eCommerce growth of +114% vs. LY
- Design Milk eCommerce sales growth of +243% YoY
- Design Milk now represents 71% of eCommerce, and 80% of total revenue
- Advertising and Media revenue growth of +55% vs. LY
- Our audience grew to over 9.4 million aggregate followers
- Expected $800K improvement to our YoY EBITDA vs. FY20
- Improving EBITDA and solid cash position support long term growth

**Full Year Guidance / Overview**

Design Milk Co. Q4 and Full Year (unaudited) results are forecast to close strongly vs. LY. The Board and Management are very pleased with the projected sales, our growth and the solid foundation for future expansion and revenues.

In a difficult year we have remained agile and creative, continuing to build and grow our eCommerce sales throughout FY21 in a healthy, sustainable way. In tandem with our strong eCommerce growth, we successfully reversed the negative Covid-19 impact on our advertising sales, turning a Q1 -53% trend into a Full Year forecasted result of +55% vs. LY.

In the 20 months since launching eCommerce on Design Milk, we have established a base of over 500 vendor partnerships, further developed our Content-leads-Commerce strategy, launched new product categories, diversified our revenue streams and created a road map for future growth. We are excited about the forward eCommerce and advertising trading environment and have several new projects underway that will continue our growth through the holidays and into 2022.
Full Year Guidance / Overview

We continue to explore new opportunities for our advertising and media services, including new and untapped segments for Design Milk, such as: Tech, Travel, Automotive, and others.

Our media services connect and support our editorial and eCommerce businesses. Multiple vendors book advertising or sponsor editorial and want to be in our shop – or vice versa. Our ability to amplify a vendor’s awareness, in a high quality, engaging way through editorial content to our large community, and beyond is very attractive to brands.

Early in FY21 we restructured our media sales team and tools. These changes helped grow our advertising sales +55% YoY and resulted in a recently launched US$500K media partnership with a top auto-maker, split across FY21 Q4 and FY22 Q1. We are confident of additional growth from this channel over the next 12+ months.

When we acquired Design Milk we had a supportive community of 7.2 million followers. Today we have grown to over 9.4 million followers. This is thanks to our team’s continued dedication to discovering the newest, coolest designs, brand and products, ongoing production of high-quality content, and the development of new communication mediums.

During Covid-19 we launched our DMTV channel on Instagram, which has since been viewed 1.8 million times, and counting. Next year we will introduce our new eCommerce connected Milk Stand pop-up retail store concept, further expanding how our community can connect, engage, read, watch, learn and shop with us.

End
CEO Update

“I am extremely pleased with the positive, and healthy growth of Design Milk Co. The past 12-18 months has been crazy for everyone, it was difficult to see how COVID-19 would impact our newly launched eCommerce platform. To report such significant growth today is a fantastic reflection on the agility and strength of my team, and how highly regarded Design Milk is within our community.

This month Design Milk celebrates its 15th Anniversary. Recognizing this landmark, we have developed a series of co-branded exclusive products, editorial retrospectives with well known designers, and many other content opportunities. The first, a stationery set in collaboration with Poketo, a design industry favourite brand. Other collaborations will follow later this year.

As an influencer, curator, retailer and media supporter of all things modern design, we constantly discover new, emerging designers, and brands. Through our content production, media, advertising, and growing eCommerce platform we support and represent them like no other.

Our co-branded exclusive products are an opportunity to link and leverage Design Milk’s strength without the traditional costs or restrictions. We have partnered with some of our favourite brands, developing a selection of Design Milk versions of best-selling products, utilizing their production, supply chain and logistics capabilities. We design and co-brand these exclusive products.

We are at an early stage of this project, but it is another example of the many growth and brand building opportunities in front of Design Milk. This, combined with our ongoing operational improvements, sales and community growth, we will continue to show positive results this year and beyond.”

Robert Mancini, Chief Executive Officer
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Our Board + Management

Robert Mancini – Chief Executive Officer
- Appointed CEO in July 2018
- Extensive global luxury goods background across all areas, and channels of the retail industry, including brands such as Ralph Lauren, Lbrands, Alfred Dunhill & Richemont

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

Mike Hill – Chairman
- 20+ years Private Equity and Advisory experience in Australia and the UK
- Founder and Co-CIO of Bombora Special Investment Growth Fund
- Currently Chairman of Janison Education Limited and PKS Holdings Limited

Christopher Colfer – Director
- 20+ years experience in luxury goods, branded goods and e-commerce
- Served as a Board Member of Net-A-Porter, and 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

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)
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Design Milk Co. owns and operates multiple e-Commerce websites that support independent brands and designers from around the world.

**Design Milk**, a world-renowned, award-winning digital media and ecommerce company that has thrived through the support of an engaged community of 9 million followers.

**Kaufmann Mercantile**, a blog and ecommerce website dedicated to independent craftsman and brands focused on sustainable manufacturing and product lifecycle.

**Ahalife**, a premium ecommerce website supporting designers and brands who produce female, urban, lifestyle products.

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**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.

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

**Audience:** Women, self or gift purchase, urban, premium position

**Categories:** Jewelry, Bags + Accessories, Home Decor, Beauty, Kitchen + Dining, Wellness.