



Sydney, Australia and Columbus, OH, USA  
29th November 2022: Design Milk Co. Limited (ASX: DMC)

## Chairman's Address

Welcome to the 2022 AGM for Design Milk Co Limited.

The last 12 months has been a challenging period of time for the Design Milk business. Factors such as cost pressures, recession risks, rising interest rates and supply chain disruptions collectively weighed on consumer sentiment and impacted the growth potential of the business.

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. This transition was aimed at reducing the cost base of Design Milk and putting it on a more sustainable path for growth. 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 investor demand. 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. I will now move to the formal resolutions being put forward at this AGM.

Mike Hill

Chairman