

Ms Madeleine Green  
Senior Adviser  
ASX Listings Compliance  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Dear Ms Green

## **Dough Limited ACN 108 042 593 – Confirmations and Pre-Quotation Disclosure**

We refer to the Australian Securities Exchange Limited's (**ASX**) conditional admission letter dated 15 September 2020 (**Admission Letter**), in relation to the application by Dough Limited (formerly Ziptel Limited) ACN 108 042 593 (**Company**) to reinstate its securities to the official list of the ASX.

Capitalised terms which have not otherwise been defined in this document have the meaning given to them in the Prospectus dated 11 August 2020 (**Prospectus**).

### **1. Confirmations**

In connection with the Admission Letter, we provide the following confirmations:

- (a) each of the Conditions Precedent under the Acquisition Agreement have been satisfied and not waived unless agreed to by ASX, and the Acquisition Agreement has been completed, including the issue of the Consideration Shares, Consideration Performance Shares and Consideration Options;
- (b) Dough Technologies Limited (formerly Dough Limited) ACN 620 721 342 (**Dough**) has repaid the cash interest component in relation to the Convertible Notes to the Convertible Note Holders;
- (c) each of the following issues have been completed:
  - (1) the issue of 13,750,000 shares to Advisors, Directors and the Company Secretary pursuant to the Director Offer;
  - (2) the issue of 8,333,333 Convertible Loan Shares to the Convertible Note Holders pursuant to the Convertible Loan Offer; and
  - (3) the issue of 27,500,000 Lead Manager Options to the Lead Manager and 2,500,000 Lead Manager Options to the Lead Manager's nominee Equitise Pty Ltd under the Lead Manager Offer.

### **2. Material Agreements**

#### **2.1 Loan with Innovation Structured Finance Co., LLC**

The Company confirms that the Secured Loan Agreement entered into with Innovation Structured Finance Co., LLC has been terminated in accordance with its terms, the \$342,000 loan has been repaid and the registered security over all present and after acquired property of Dough has been discharged.

#### **2.2 Exchange Capital Agreement**

The Company advises in relation to its corporate advisory engagement with Exchange Capital Advisory Pty Ltd (**Exchange Capital**) that:

- (a) the IT services provided by Exchange Capital primarily related to the Scoping and Technical Development of the Dough Android Application. The services provided were to include US and UI design and flow in addition to QA and testing prior to commercial launch. The services were also to include integration of new financial well-being features and maintenance and upkeep of the Dough platform;
- (b) as the corporate advisory engagement with Exchange Capital has now been terminated, the services will now be either brought in-house or sourced from appropriate service providers;
- (c) the Company has not appointed a new corporate advisor and does not intend in appointing a new corporate adviser within the next 6 months.

The Company confirms that no other agreements have been entered into since the date of the Prospectus.

### 3. Largest Shareholders

The names of the 20 largest holders of the Company's quoted securities are set out in the **attached** "Top Holders Grouped Report".

### 4. Statement of commitments

The Company intends to apply funds raised from the Public Offer together with existing cash reserves post admission to the official list of the ASX as follows:

Use of proceeds	%	\$ (AU)
Working capital and administrative expenses <sup>1</sup>	24%	\$1,435,000
Research and development <sup>2</sup>	18.3%	\$1,100,000
Marketing/growth hacking <sup>3</sup>	45%	\$2,700,000
Capital raising (6%)	6%	\$360,000
Transaction expenses <sup>4</sup>	6.7%	\$405,000
<b>Total</b>	<b>100%</b>	<b>\$6,000,000</b>

Notes:

1. Comprises creditors, server costs, rental costs, employee costs (excluding marketing and development staff), directors' fees, ongoing advisory fees, legal costs, accounting and tax costs, insurance, ongoing listing costs and other administrative costs.
2. Includes internal labour costs for the ongoing development of the Dough Platform and Dough App.
3. Marketing costs associated with the Company's user acquisition strategy including creative production, awareness, promotion, public relations, agency costs, incentives and internal labour costs.
4. Includes adviser and legal fees of approximately \$265,000, capital raising costs, printing and distribution costs for the Prospectus and company secretarial costs.

The above table is a statement of current intentions as of the date of this letter. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### 5. ASX restrictions and escrow

The Company confirms that the shares set out below will be subject to ASX restrictions:

Holder	Securities	Restriction Period
Current Directors and Advisors	12,925,000 Shares	24 months from the date of the official quotation of the securities
Lead Manager Options	30,000,000 Options	24 months from the

		date of the official quotation of the securities
Convertible Note Holders	8,333,333 Shares	12 months from the date of issue
Proposed Directors	199,050,018 Shares 54,286,369 Performance Shares 54,286,369 Options	24 months from the date of the official quotation of the securities
Vendors (excluding the Proposed Directors)	75,949,981 Shares 20,713,631 Performance Shares 20,713,631 Options	12 months from the date of issue

The escrowed securities comprise 100% of the Company's Performance Shares, 100% of the Company's Options, and 49% of the Company's Shares.

## 6. Voluntary Escrow

Further to the statements made in part 5 of this letter, the Company confirms that the shares set out below will be subject to voluntary restrictions:

Holder	Securities	Restriction Period
Proposed Directors	199,050,018 Shares 54,286,369 Performance Shares 54,286,369 Options	24 months from quotation of the securities
Vendors (excluding the Proposed Directors, and shareholders Vi Ky Lam and Kaitlyn Lam)	75,090,310 Shares 20,479,175 Performance Shares 20,479,175 Options	12 months from the date of issue

## 7. Capital structure

As at Listing the Capital Structure of the Company will be as follows:

Class/type	Number
Ordinary Shares <sup>1</sup>	601,106,689
Options	105,000,000
Performance Shares	75,000,000

Notes:

- The number of Ordinary Shares on issue is lower than the 601,106,977 figure disclosed in the Updated Dough Limited Public Offer Prospectus (dated 12 August 2020) due to rounding from the Ziptel Share Consolidation, which was also completed during August 2020.

## 8. Waivers

The Company has received the following confirmations and waivers from the ASX for the Transaction:

- a waiver to Listing Rule 2.12 condition 2 (**20 cent rule**) on the basis that the Company's shares traded at a price below \$0.02 in the 20 trading days prior to the suspension of its securities from quotation;
- waiver to Listing Rule 1.1 Condition 12 on the basis that the proposed exercise price for the options to be granted to the Lead Manager and Vendors as part of the Transaction is not less than 2 cents each and the issue of the Options will be specifically approved by shareholders; and

- (c) confirmation that the terms of the Performance Shares to be issued by the Company to Vendors are appropriate and equitable on the basis that the milestones attached to the Performance Shares fall within the parameters set out in Guidance Note 19.

The conditions for each of these waivers and confirmations are set out below.

## 8.1 Listing Rule 2.12 condition 2 (20 cent rule)

ASX granted the Company a waiver to the 20 cent rule on the basis that the Company's shares traded at a price below \$0.02 in the 20 trading days prior to the suspension of its securities from quotation. The Company undertook a consolidation of its securities at a 1.1:2 ratio to achieve a market value for its securities of not less than 2 cents each.

The waiver to the 20 cent rule permitted the Company to undertake the Capital Raising at an issue price less than \$0.02 per share. The conditions to the waiver were as follows:

- (a) the issue price of the shares issue pursuant to the Capital Raising (**Capital Raising Shares**) be not less than \$0.02 per share;
- (b) the terms of this waiver be disclosed to the market and, along with the terms and conditions of the Capital Raising Shares, be clearly disclosed in the Notice of Meeting and in the Prospectus;
- (c) shareholders approve the issue price of the Capital Raising Shares in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the Acquisition; and
- (d) the Company completes a consolidation of its capital structure in conjunction with the Acquisition such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days preceding the date of the suspension of the ZIP's securities from official quotation, to achieve a market value for its securities of not less than two cents each.

## 8.2 Listing Rule 1.1 Condition 12

ASX granted the Company a waiver to Listing Rule 1.1 Condition 12 on the basis that the proposed exercise price for the Options to be granted to the Lead Manager and Dough as part of the Transaction be not less than 2 cents each and the issue of the Options is specifically approved by shareholders.

The waiver to Listing Rule 1.1 Condition 12 permitted the exercise price of the Lead Manager Options and the DOU Options (together, the **Waiver Options**) to not be at least 20 cents and was granted on the following conditions:

- (a) the exercise price of the Waiver Options be not less than \$0.02 each;
- (b) the terms of this waiver be disclosed to the market and, along with the terms and conditions of the Waiver Options, be clearly disclosed in the Notice of Meeting and in the Prospectus; and
- (c) shareholders approve the exercise price of the Waiver Options in conjunction with the approval obtained under Listing rule 11.1.2 for the Acquisition.

## 8.3 Listing Rule 6.1

ASX also confirmed that the terms of the Consideration Performance Shares to be issued by the Company to Dough Vendors were appropriate and equitable on the basis that the milestones attached to the Consideration Performance Shares fall within the parameters set out in Guidance Note 19. The terms and structure of the Performance Shares comply with sections 6 and 7 of Guidance Note 19.

## 9. Pre-Quotation Disclosure

We provide the following information by way of attachment to ASX for release to the market:

- (a) an updated version of the Company's Appendix 1A Information Form and Checklist;
- (b) the Company's constitution;
- (c) Dough's audited accounts for the full years ended 30 June 2018 and 30 June 2019 and its reviewed accounts for the half year ended 31 December 2019;
- (d) an updated pro-forma statement of financial position based on the actual amount of funds raised under the Prospectus;
- (e) Dough's 30 June 2020 audited accounts;
- (f) the full terms and conditions of the employee share option plan;
- (g) the Company's securities trading policy;
- (h) a distribution schedule of the numbers of holders in each class of securities to be quoted; and
- (i) a report showing the largest 20 shareholders of the Company.

If you have any questions, please do not hesitate to contact us.

Yours faithfully



Andy Taylor  
Dough Limited