

## Next-gen neobank Douough debuts on ASX with App to launch in U.S. imminently

- Purpose-led fintech and next-gen neobank Douough raises \$6m in heavily oversubscribed capital raising.
- Developing an integrated, AI-powered banking and wealth management platform.
- Fostering financial wellness - helping customers spend smarter, save more & build wealth.
- Disrupting the business model of banking - SaaS based, harnessing open banking.
- Capital-lite, leveraging a wholesale BaaS model compared to becoming a licenced bank.
- Strategic partnership with Mastercard for issuing, product and marketing support.
- Live in the U.S. (invitation only), full market launch in the coming weeks. Australian launch in 2021.

6 October, 2020 (SYDNEY): Next-gen neobank and AI-driven financial wellness app [Douough](#) begins trading on the Australian Stock Exchange (ASX:DOU) today having raised \$6m via a heavily oversubscribed capital raising.

Douough is an evolution of the 'neobank' concept, taking the original idea of banking disruption and pushing it past the capital-heavy models currently making headlines. Founder and CEO Andy Taylor said that while neobanks had gone part of the way toward their stated goal, the model was fundamentally flawed.

"Most of the well-known neobanks are just rebuilding the same old banks in digital form - selling traditional products competing on price, reliant upon getting their customers into debt to turn a profit while outsourcing their software development" Taylor said. "This is an incredibly capital-heavy approach and I'm not sure, in the end, how 'neo' it really is or whether it resonates with the Millennial and Gen Z target market. Our research shows that money management is the fundamental problem that needs solving in banking and that calls for a new kind of business model."

Douough uses individual banking data to provide intimately tailored financial solutions that help people spend smarter, save more and build wealth. Douough utilises the banking licenses of its partners, U.S.-based **Choice Bank** and Australian **Regional Australia Bank** to deliver core banking services via its SaaS delivery model.

"What this means is we can offer a government-insured bank account and debit card just like a first-generation neobank, without the high cost structure, clunky business model and risk profile of becoming a licensed bank," Taylor said. "For our banking partners, it means they can deliver innovative products and services to a new customer segment, without having to do the extensive R&D themselves. Fundamentally, everyone is able to stick to their core capabilities and work together for the benefit of the end customer through shared economics."

Having forged a strategic partnership with Mastercard, Douugh has been in beta with select U.S. consumers since mid-2019 and is preparing for its full market launch in the coming weeks. Taylor said the choice to list early was made to capitalise on the strong growth opportunity in the U.S. before launching in Australia and beyond.

"We will use our IPO funds to scale up our U.S. customer base and continue to invest heavily in R&D to improve our AI-driven banking platform," Taylor said. "We are laser focused on helping people better manage their money, with our long-term goal to become a fully autonomous financial control centre for our customers, which may eventually see us expand into SME banking."

Taylor said the future of banking would be platform based and AI-driven through an over-the-top software approach that leverages an open-banking API framework. "That is not a business model that is conducive to operating a bank's balance sheet," he said. Douugh's company's headquarters will remain in Sydney, Australia. The capital raising was led by Canaccord Genuity.

*ASX Release approved by the CEO on behalf of the Board*

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## About Douugh

Douugh is a purpose-led fintech and next-generation neobank, taking a proprietary artificial intelligence first approach to disrupting the business model of banking - helping people better manage their money and live financially healthier. Douugh's vision is to become a fully autonomous financial control centre.

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