

Douough Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Douough Limited
ABN: 41 108 042 593
Reporting period: For the half-year ended 31 December 2021
Previous period: For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	14854.3% to	192,911
Loss from ordinary activities after tax attributable to the owners of Douough Limited	up	31.4% to	(7,138,904)
Loss for the half-year attributable to the owners of Douough Limited	up	31.4% to	(7,138,904)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$7,138,904 (31 December 2020: \$5,432,420).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.92	1.26

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

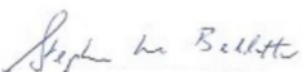
The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Douough Limited for the half-year ended 31 December 2021 is attached.

12. Signed

Signed  _____

Steve Bellotti
Chairman

Date: 28 February 2022

For personal use only



Dough Limited
Corporate directory
31 December 2021

Directors	Steve Bellotti (Non-Executive Chairman) Andrew Taylor (Managing Director and CEO) Patrick Tuttle (Non-Executive Director) Bert Mondello (Non-Executive Director) Leanne Graham (Non-Executive Director)
Company secretary	Derek Hall
Registered office	Level 7, 44 Market St, Sydney, 2000 T +61 (0) 8 6380 2555
Principal place of business	Level 7, 44 Market St, Sydney, 2000 T +61 (0) 8 6380 2555
Share register	Automic Group Share Registry Level 5, 126 Phillip Street Sydney NSW 2000 T 1300 288 664
Auditor	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney, NSW 2000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000 Australia T +61 (0) 8 9321 4000
Stock exchange listing	Dough Limited shares are listed on the Australian Securities Exchange (ASX code: DOU)
Website	https://dough.com/
Corporate Governance Statement	https://dough.com/investors/#corporategovernance

Douough Limited
Directors' report
31 December 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Douough Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were Directors of Douough Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Steve Bellotti	Non-Executive Chairman (appointed 18 September 2020)
Andrew Taylor	Managing Director and CEO (appointed 18 September 2020)
Patrick Tuttle	Non-Executive Director (appointed 18 September 2020)
Bert Mondello	Non-Executive Director (appointed 12 June 2014)
Leanne Graham	Non-Executive Director (appointed 1 May 2021)

Principal activities

The principal activity of the consolidated entity during the financial year was to develop and get ready to launch an artificial intelligence (AI) first approach to reimagine banking, enabling our customers to better manage their money and achieve financial freedom through a smart mobile banking app.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$7,138,904 (31 December 2020: \$5,432,420).

Matters subsequent to the end of the financial half-year

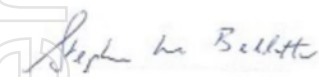
No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Steve Bellotti
Chairman

28 February 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Douough Limited for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

David Talbot

David Talbot
Partner

Sydney, NSW
Dated: 28 February 2022

Douough Limited
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31 December 2021

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General information

The financial statements cover Douough Limited as a consolidated entity consisting of Douough Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Douough Limited's functional and presentation currency.

Douough Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7, 44 Market St,
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 February 2022.

Douough Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

		Consolidated	
		31 December 2021	31 December 2020
	Note	\$	\$
Revenue			
	4	192,911	1,290
Other income	5	1,551,983	269,855
Expenses			
Share based payments	15	(520,613)	(988,500)
Administrative and operating activities		(750,266)	(363,924)
Employee benefits expense		(2,366,878)	(604,633)
Research and development costs		(580,369)	(177,038)
Depreciation and amortisation expense		(12,295)	(28,670)
Direct and other operational costs		(1,160,467)	(94,841)
Finance costs		(1,830)	(111,629)
Foreign currency losses		(3,552)	-
Advertising and marketing		(3,487,528)	(332,640)
Corporate restructure costs		-	(3,001,690)
Loss before income tax expense		(7,138,904)	(5,432,420)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Douough Limited		(7,138,904)	(5,432,420)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation		24,724	19,781
Other comprehensive income for the half-year, net of tax		24,724	19,781
Total comprehensive income for the half-year attributable to the owners of Douough Limited		(7,114,180)	(5,412,639)
		Cents	Cents
Basic earnings per share	14	(1.06)	(1.17)
Diluted earnings per share	14	(1.06)	(1.17)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Douough Limited
Consolidated statement of financial position
As at 31 December 2021

		Consolidated	
		31 December	
	Note	2021	30 June 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	9,064,082	10,325,223
Trade and other receivables	7	1,434,333	227,817
Other assets		108,792	37,190
Total current assets		<u>10,607,207</u>	<u>10,590,230</u>
Non-current assets			
Property, plant and equipment		48,530	53,358
Intangibles		71,570	71,571
Total non-current assets		<u>120,100</u>	<u>124,929</u>
Total assets		<u>10,727,307</u>	<u>10,715,159</u>
Liabilities			
Current liabilities			
Trade and other payables	8	3,186,088	1,806,590
Contract liabilities		330,000	330,000
Borrowings	9	76,836	-
Employee benefits		203,916	160,292
Other liabilities		-	20,414
Total current liabilities		<u>3,796,840</u>	<u>2,317,296</u>
Total liabilities		<u>3,796,840</u>	<u>2,317,296</u>
Net assets		<u>6,930,467</u>	<u>8,397,863</u>
Equity			
Issued capital	10	30,150,749	25,198,242
Reserves	11	1,429,542	710,541
Accumulated losses		<u>(24,649,824)</u>	<u>(17,510,920)</u>
Total equity		<u>6,930,467</u>	<u>8,397,863</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Dough Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	3,104,485	19,210	(4,023,402)	(899,707)
Loss after income tax expense for the half-year	-	-	(5,432,420)	(5,432,420)
Other comprehensive income for the half-year, net of tax	-	19,781	-	19,781
Total comprehensive income for the half-year	-	19,781	(5,432,420)	(5,412,639)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	20,387,544	-	-	20,387,544
Share-based payments (note 15)	412,500	576,000	-	988,500
Balance at 31 December 2020	<u>23,904,529</u>	<u>614,991</u>	<u>(9,455,822)</u>	<u>15,063,698</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	25,198,242	710,541	(17,510,920)	8,397,863
Loss after income tax expense for the half-year	-	-	(7,138,904)	(7,138,904)
Other comprehensive income for the half-year, net of tax	-	24,724	-	24,724
Total comprehensive income for the half-year	-	24,724	(7,138,904)	(7,114,180)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	5,126,171	-	-	5,126,171
Share-based payments (note 15)	-	520,613	-	520,613
Transaction costs paid via options issued (note 15)	(866,593)	866,593	-	-
Transfer from share based payments reserve for performance rights exercised (note 15)	692,929	(692,929)	-	-
Balance at 31 December 2021	<u>30,150,749</u>	<u>1,429,542</u>	<u>(24,649,824)</u>	<u>6,930,467</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Douough Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2021

		Consolidated	
	Note	31 December 2021	31 December 2020
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		100,522	95,539
Payments to suppliers and employees (inclusive of GST)		<u>(6,793,687)</u>	<u>(1,573,136)</u>
		(6,693,165)	(1,477,597)
Interest received		1,047	10,416
Government grant received		288,349	805,789
Interest and other finance costs paid		(5,554)	-
Income taxes paid		<u>-</u>	<u>(111,629)</u>
Net cash used in operating activities		<u>(6,409,323)</u>	<u>(773,021)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(7,467)	-
Payments for intangibles		-	(861,377)
Payments for deposits		(71,006)	-
Cash from acquisition of subsidiary		<u>-</u>	<u>443,309</u>
Net cash used in investing activities		<u>(78,473)</u>	<u>(418,068)</u>
Cash flows from financing activities			
Proceeds from issue of shares	10	5,534,875	18,000,000
Cash received for options exercised, ordinary shares not yet issued	10	9,841	-
Proceeds from borrowings		79,897	3,520
Share issue transaction costs	10	<u>(401,028)</u>	<u>(983,157)</u>
Net cash from financing activities		<u>5,223,585</u>	<u>17,020,363</u>
Net (decrease)/increase in cash and cash equivalents		(1,264,211)	15,829,274
Cash and cash equivalents at the beginning of the financial half-year		10,325,223	172,136
Effects of exchange rate changes on cash and cash equivalents		<u>3,070</u>	<u>19,781</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>9,064,082</u></u>	<u><u>16,021,191</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a net loss after tax of \$7,138,904 and had net cash outflows from operating activities of \$6,409,323 during the period ended 31 December 2021. As of that date, the consolidated entity had net assets of \$6,930,467.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and it is appropriate to prepare the financial statements on a going concern basis. In determining this position, the Directors have considered the following factors:

- Cash on hand of \$9,064,082 as at 31 December 2021;
- Douough Limited has the ability to raise additional capital; and
- Research and development tax incentives and other grant receipts estimated to be received in excess of \$1M.

The consolidated entity is constantly assessing its ongoing cash requirements. The consolidated entity maintains an internal cash flow management process, which is based on detailed revenue and expense projections. Should these assumptions not be achieved, the consolidated entity has the ability to implement additional cost savings to maintain a positive cash balance over the next 12 months.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Douough Limited
Notes to the consolidated financial statements
31 December 2021

Note 3. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. During the period the Company only operated in one segment and that was the development of a smart mobile app for banking.

Note 4. Revenue

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Rendering of services	192,911	1,290

Note 5. Other income

	Consolidated	
	31 December 2021	31 December 2020
	\$	\$
Government grant - ATO - Jobkeeper subsidy	-	137,000
Government grant - JobSaver subsidy	288,349	-
Government grant - ATO - Cash flow boost	-	30,000
Government grant R&D	1,262,587	92,439
Interest income	1,047	487
Other income	-	9,929
Other income	1,551,983	269,855

Note 5. Other income (continued)

Accounting policy for other income

Government grant

Government grants are recognised at fair value where there is reasonable assurance the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Except for amount received under the R&D tax incentive program, grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31 December	30 June 2021
	2021	2021
	\$	\$
Cash at bank	9,064,082	10,325,223

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 December	30 June 2021
	2021	2021
	\$	\$
Trade receivables	-	134,488
Other receivables	2,561	1,386
Prepayments	254,060	91,943
Government grant R&D receivable	1,177,712	-
	1,434,333	93,329
	1,434,333	227,817

Refer to note 5 for accounting policy for government grant R&D receivable.

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 December	30 June 2021
	2021	2021
	\$	\$
Trade payables	2,363,577	956,166
Other payables	714,137	469,526
Accrued expenses	108,374	380,898
	3,186,088	1,806,590

Note 9. Current liabilities - borrowings

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Insurance funding loan	<u>76,836</u>	<u>-</u>

The insurance funding loan is at an annualised interest rate of 10.53% for a 12 month term, due to be repaid by the 27th of October 2022.

Accounting policy for borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of borrowings using the effective interest method.

Note 10. Equity - issued capital

	Consolidated			
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>747,721,858</u>	<u>663,320,201</u>	<u>30,150,749</u>	<u>25,198,242</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	663,320,201		25,198,242
Exercise of performance rights issued on reverse acquisition of Dough Technologies Limited	29 October 2021	433,951	\$0.040	17,358
Exercise of performance rights - note 15	29 October 2021	1,928,817	\$0.113	218,894
Issue of shares due to capital raising	13 December 2021	76,388,889	\$0.070	5,500,000
Exercise of performance rights - note 15	31 December 2021	5,650,000	\$0.084	474,035
Transaction costs paid via issuance of options		-	\$0.000	(866,593)
Share issue costs		-	\$0.000	(391,187)
Balance	31 December 2021	<u>747,721,858</u>		<u>30,150,749</u>

Note 11. Equity - reserves

	Consolidated	
	31 December 2021	30 June 2021
	\$	\$
Foreign currency reserve	65,501	40,777
Share-based payments reserve	<u>1,364,041</u>	<u>669,764</u>
	<u>1,429,542</u>	<u>710,541</u>

Note 12. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Douough Limited
Notes to the consolidated financial statements
31 December 2021

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Earnings per share

	Consolidated	31 December	31 December
	2021	2020	
	\$	\$	
Loss after income tax attributable to the owners of Douough Limited	<u>(7,138,904)</u>	<u>(5,432,420)</u>	
	Number	Number	
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>671,647,274</u>	<u>462,375,696</u>	
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>671,647,274</u>	<u>462,375,696</u>	
	Cents	Cents	
Basic earnings per share	(1.06)	(1.17)	
Diluted earnings per share	(1.06)	(1.17)	

**Options over ordinary shares have been omitted from the above calculation as they are anti-dilutive.*

Note 15. Share-based payments

During the financial period, the company has issued the following equity instruments to its directors, management, company secretary and financial advisors.

- 1,075,268 performance rights issued with a nil exercise price, vesting dates of 1/09/2021 and every 12 months for three years from grant date, expiry of 1/03/2024.
- 4,980,000 performance rights issued with a nil exercise price, vesting date of 1/10/2021, expiry of 6/04/2024.
- 445,455 performance rights issued with a nil exercise price, vesting date of 1/01/2022, expiry of 15/08/2024.
- 10,000,000 options issued with a \$0.108 exercise price, vesting date of 26/11/2021, expiry of 13/12/2024.
- 17,950,000 performance rights issued with a nil exercise price, vesting date of 30/11/2024 and expiry of 7/12/2024.

Set out below are summaries of options granted under the plan:

31 December
2021

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
17/08/2020	31/07/2024	\$0.040	30,000,000	-	-	-	30,000,000
16/04/2021	30/09/2023	\$0.000	262,755	-	-	-	262,755
26/11/2021	13/12/2024	\$0.110	-	10,000,000	-	-	10,000,000
			<u>30,262,755</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>40,262,755</u>

Weighted average exercise price	\$0.040	\$0.110	\$0.000	\$0.000	\$0.030
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The 10,000,000 options granted on 26/11/2021 were issued as costs of issuing capital and have been treated as costs of issuing capital under AASB 132 *Financial Instruments: Presentation*.

Note 15. Share-based payments (continued)

**31 December
2020**

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the half-year
17/08/2020	31/07/2024	\$0.040	-	30,000,000	-	-	30,000,000
			-	30,000,000	-	-	30,000,000
Weighted average exercise price			\$0.000	\$0.040	\$0.000	\$0.000	\$0.040

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 2.66 years (2020: 3.58 years).

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
26/11/2021	31/12/2024	\$0.090	\$0.108	242.00%	-	0.94%	\$866,593

Set out below are summaries of performance rights granted during the half-year:

**31 December
2021**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of half-year
16/04/2021	30/09/2023	-	1,313,772	-	-	-	1,313,772
01/09/2021	01/03/2024	-	-	1,075,268	-	-	1,075,268
01/07/2021	06/04/2024	-	-	4,980,000	(1,928,817)	(65,667)	2,985,516
01/07/2021	15/08/2024	-	-	445,455	-	(12,023)	433,432
30/11/2021	07/12/2024	-	-	17,950,000	(5,650,000)	-	12,300,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial period was 2.64 years (2020: 2.76 years).

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Dividend yield	Fair value at grant date
01/09/2021	01/03/2024	0.090	-	-	\$96,774
01/07/2021	06/04/2024	0.113	-	-	\$584,104
01/07/2021	15/08/2024	0.108	-	-	\$48,068

Total expense recognised in the profit or loss for the period ended 31 December 2021 amounted to \$520,613 (2020: \$988,500).

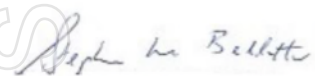
Douough Limited
Directors' declaration
31 December 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Steve Bellotti
Chairman

28 February 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

Dough Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dough Limited, which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such control as the directors and those charged with governance determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Dough Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Douough Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the interim financial report, which indicates that the Group incurred a net loss of \$7,138,904 during the half year ended 31 December 2021 and, during the half year, the Group had net operating cash outflows of \$6,409,323. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Douough Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



David Talbot
Partner

Sydney, NSW
Dated: 28 February 2022