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Dough secures up to \$20m in discretionary equity funding from US investment fund

- *Dough is pleased to announce it has secured access to \$20m in funding via an equity placement facility from New York based investment fund Long State.*
- *Access to this fully flexible funding facility provides Dough with the ability to accelerate its growth to achieve economies of scale, maximise gross margin and profitability, whilst minimise shareholder dilution.**
- *The facility will be used strategically to support continued scaling in the US market, launch into Australia, fund ongoing R&D, and capitalise on emerging global enterprise B2B licensing opportunities.*
- *Funding can be accessed entirely at Dough's discretion at any time over the next 36 months. There is no obligation to access funding during this period, nor any restriction to securing additional strategic investment.*

SYDNEY|NEW YORK, March 28, 2022 -- [Dough](#) Ltd (ASX: DOU) & (OTCQB: DOUUF), the banking 'super app' on a mission to help customers manage and grow their money, today announced it has entered into a \$20 million equity placement facility agreement with Long State Investments Limited.

Based in New York City, Long State has significant experience in investing in disruptive early-stage public companies in high growth-oriented sectors, including fintech.

The Agreement will provide Dough with a fully flexible, on demand funding facility. Dough can nominate Long State to subscribe for newly-issued ordinary Dough shares under the facility at any time over the next 36 months, up to a total amount of \$20m, with the timing, quantum and minimum issue price of the shares issued to Long State under the Agreement entirely at Dough's discretion.

Commenting on the funding arrangement, Dough's Founder and CEO **Andy Taylor** said:

"We're on a mission to help everyday people better spend, budget, save and invest their money. The securing of this facility provides us with tremendous funding flexibility and access to the growth capital needed to further develop our banking super app and accelerate revenue growth."

"Access to this fully flexible strategic funding facility should enable Dough to achieve economies of scale and therefore maximise gross margin and profitability, whilst minimise dilution for existing shareholders, with the timing of the drawing down of funds being completely at our discretion. Further, it grants us the opportunity to capitalise on emerging global B2B enterprise licensing opportunities, allowing potential partners to white-label our technology for their own customers' use."

"We remain focused on optimising our conversion funnel and increasing customer activation and engagement through targeted growth initiatives and the development of new features."

Our goal is to unlock the platform revenue opportunity prior to dialling up paid marketing channels, as we work to accelerate our path to unit profitability."

"The pending launch of Crypto and Single Stock trading services are crucial to the banking super app positioning in the eyes of consumers to increase the value of our subscription, drive up interchange revenue and increase the number of customers using Dough as their main financial institution."

Long State's Managing Director, **Philip Ho** said:

"Dough is a leading innovator in the consumer fintech segment with its purpose-led approach to disrupting retail banking. With a strong financial platform and broad base of global partnerships, plus its pending launch of Crypto investing and high-yield DeFi saving features, we believe Dough now has the necessary product foundation to unlock its revenue opportunity and gain significant market share in the US, Australia and beyond."

Dough is setting up this facility as a part of its comprehensive funding strategy to support the scaling of its US business and Australian launch, and intends to utilise it as and when required.

The Company is not required to use the facility, and the facility does not restrict Dough from raising external funding from third parties.

Detailed terms of the facility are as follows:

Dough may, at its discretion, nominate Long State to subscribe for the Shares in instalments at any time over the next 36 months, up to a total placement amount of \$20 million.

Dough may request Long State in each instalment to subscribe for the number of Shares up to the number of Security Shares held by the Investor in escrow. Should the Company choose to sell additional Shares to the investor, it will be required to issue the Investor additional Security Shares. On each trading day during the 20-trading-day period following receipt of a subscription notice, Long State undertakes that it will not sell Shares exceeding 30% of the daily volume of the Shares traded on the ASX. At the end of this period, Long State shall nominate the number of Shares it will subscribe for, and promptly deliver the subscription amount to Dough.

A commission of 5% will be payable by Dough at the time of Share issuance under the facility. Shares subscribed by Long State under the facility will be issued at 95% of the higher of:

- A nominated floor price set by Dough; or
- the average of the 2 daily volume weighted average prices (VWAP) of the Shares nominated by Long State during the 20 trading days following a placement notice issued by the Company.

To secure the facility, Dough has agreed to place 35,000,000 fully paid ordinary shares from its ASX Listing Rule 7.1 capacity, at nil consideration to Long State (Collateral Shares) which will become due when

the Company initiates its first drawdown request. On termination or expiration of the facility, Dough may buy back the Collateral Shares for nil consideration.

Dough will issue \$50,000 worth of shares to Long State for fees relating to setting up the facility. The Company shall also, subject to shareholder approval, issue Long State 10,000,000 unlisted options to purchase Dough shares at \$0.108 per share expiring on 13/12/2024. This option fee further aligns Long State and Dough for the longer term and potentially generates a further \$1M for the Company.

Notice pursuant to Section 708A(5)(e) of the Corporations Act 2001

The Corporations Act 2001 ("Act") restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, the 36,388,889 fully paid ordinary shares issued as noted in the Appendix 2A dated 28 March 2022 will fall within the exemption in section 708A(5) of the Act. Pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Corporations Act"), Dough Ltd (ASX:DOU) the Company) gives notice that:

- a) the Company issued the shares without disclosure under Part 6D.2 of the Corporations Act; and
- b) as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and section 674 of the Corporations Act; and
- c) as at the date of this notice, there is no information to be disclosed which is excluded information (as defined in section 708A(7) of the Corporations Act) that is reasonable for investors and their professional advisers to expect to find in a disclosure document.

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About Dough

[Dough](#) is a financial technology company building out a banking 'super app', on a mission to help everyday Americans better manage and grow their money to live financially healthier lives. The Company is working towards launching in Australia in late 2022.

About Long State

Long State is a New York based global investment company focused on key growth sectors, including fintech, blockchain, artificial intelligence, clean energy and mining.

For more information contact:

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Media

press@dough.com

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

**Dough's access to funding will be limited to the Company's share price performance, its placement capacity and the fact that Long State will not own a position over 19.9% of the Company's outstanding share capital.*

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

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