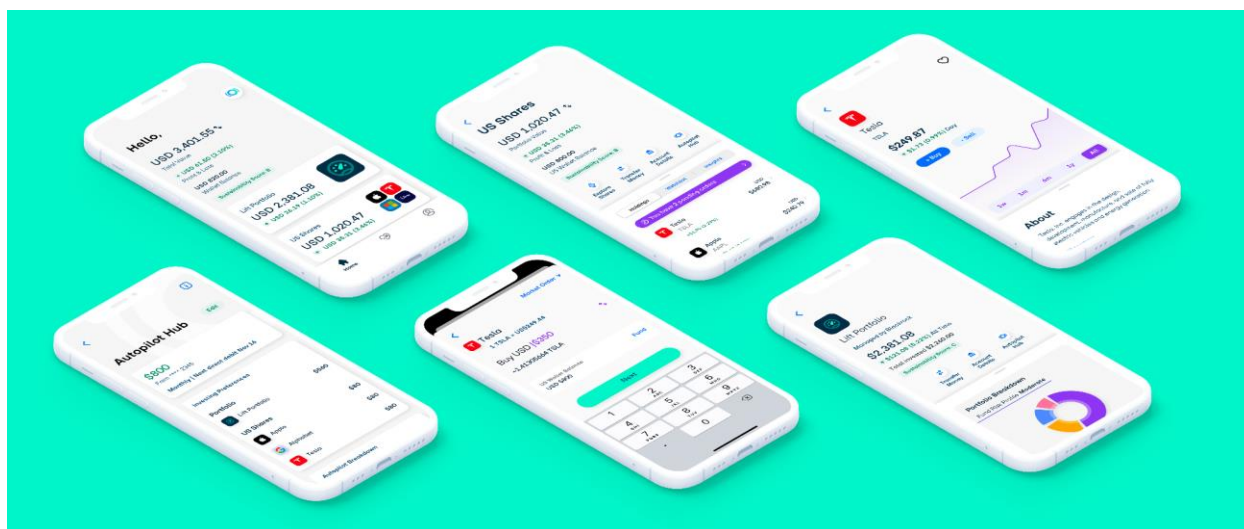


## Dough's R&D investment continued in Q1 as it prepares for its Australian soft launch

- Dough's focus in the quarter was on readying the first phase of the Company's financial super app for soft launch in Australia in early November 2022.
- The Company was forced to pivot its AU launch plan and re-architect its platform due to the closure of its BaaS provider Volt Bank in July 2022.
- Cost saving initiatives implemented in the quarter have further reduced the Company's cash burn. The Company is reviewing its U.S operations to further reduce the U.S cost base, so working capital can be focussed on scaling its Australian business.
- The Company received an R&D Tax Incentive rebate of \$2.2M in Q1FY23.
- Post quarter end, Dough appointed ex EML Payments CEO Tom Cregan and ex McMillan Shakespeare Executive Peter Lang as Strategic Advisors.

Sydney|New York, 28 October 2022 – [Dough](#) Ltd (ASX: DOU), the fintech company on a mission to empower everyday people to better grow & manage their money, creating winning habits through a financial super app, is pleased to present the following Q1FY23 activity report.



During the quarter, Dough focused effort and resources exclusively on the Australian launch of its super app, which will replace its current [Goodments by Dough](#) share trading offering. In this regard, the Company is on track to soft launch the first phase (wealth management services) in Australia in early November 2022.

Early in the quarter, the closure of Volt required the Company to adapt its AU launch plan and re-architect its platform. This closure halted the launch into Beta testing of its foundation debit card and smart bank account offering with integrated wealth management,

Following detailed consumer research, Douough has refocused its go-to-market strategy on the revenue generating 'save more, build long-term wealth' propositional pillars. Leveraging Open Banking to operate initially as a companion app to a customer's principle banking relationship, prior to launching its own banking services in the coming quarters. The Company is on track to launch the first phase of its super app in early November.

Douough's customer research in Australia shows an extremely high level of frustration from consumers left with no option but to use multiple self directed, mono-line fintech and banking apps to manage and grow their money. The Company's Australian product will appeal to those yearning for smarts and automation to help build good money habits and be supported by better education.

### **Strengthening of experience**

In a strong endorsement for the Company and its plans, Douough was pleased to announce the appointment of Tom Cregan and Peter Lang as Strategic Advisors to the CEO and Board of directors.

Tom Cregan has extensive experience in the global fintech and payments industry, having previously served as the CEO and MD of EML Payments (ASX: EML) for the last 12 years, guiding it from a fledgling micro-cap to a \$2.2b+ market cap and global market leader operating in the US, AU and Europe.

Peter Lang has both public markets and early stage venture experience and is currently the Co-founder & Director of Flinders Lane Capital, a specialist investment fund and previously held various Group Exec level roles at ASX 200 McMillan Shakespeare (ASX: MMS).

The appointment of Tom and Peter as strategic advisors provides Douough with practical support for the launch and scaling of our Australian business. Both have been intimately involved in the scaling of micro-cap businesses to dominant players domestically and globally in their respective markets through in-organic growth.

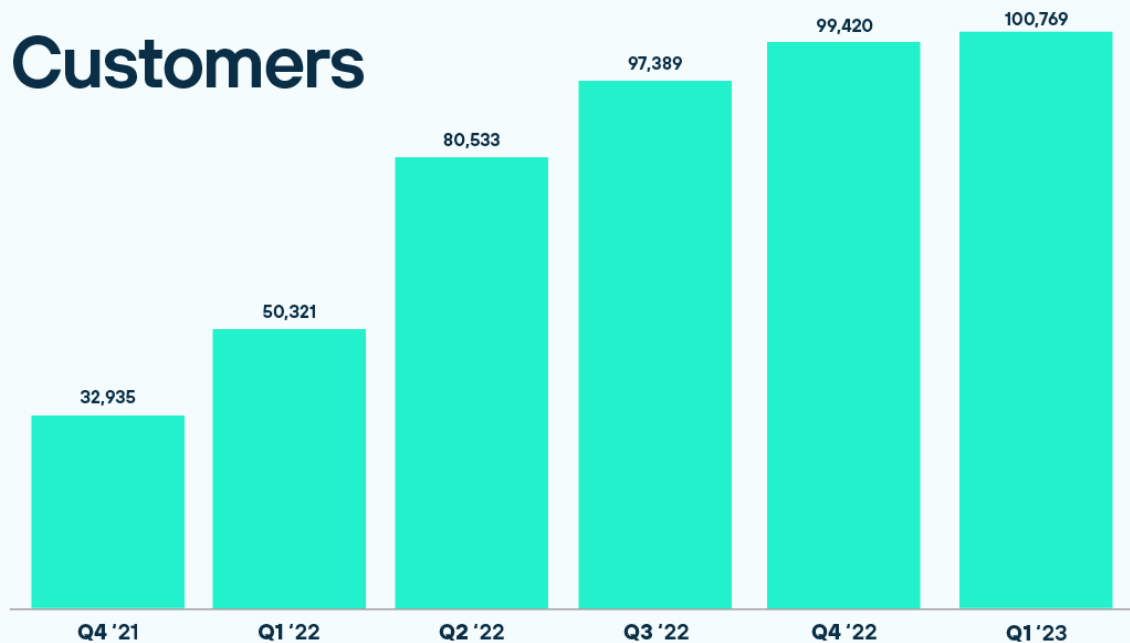
### **Company results**

In the lead-up to the launch, the Company has continued to successfully implement cost reductions across its operation with minimal impact on the Company's ability to achieve its short-term goals.

A reduction in corporate overheads through re-negotiating key contracts and pausing customer acquisition activities in the U.S has significantly reduced monthly cash burn, which we will look to reduce further as we focus our growth efforts in Australia. The weakening AUD against USD and the Company's inability to access the appropriate level of growth capital at this time have made competing in the U.S market even more challenging.

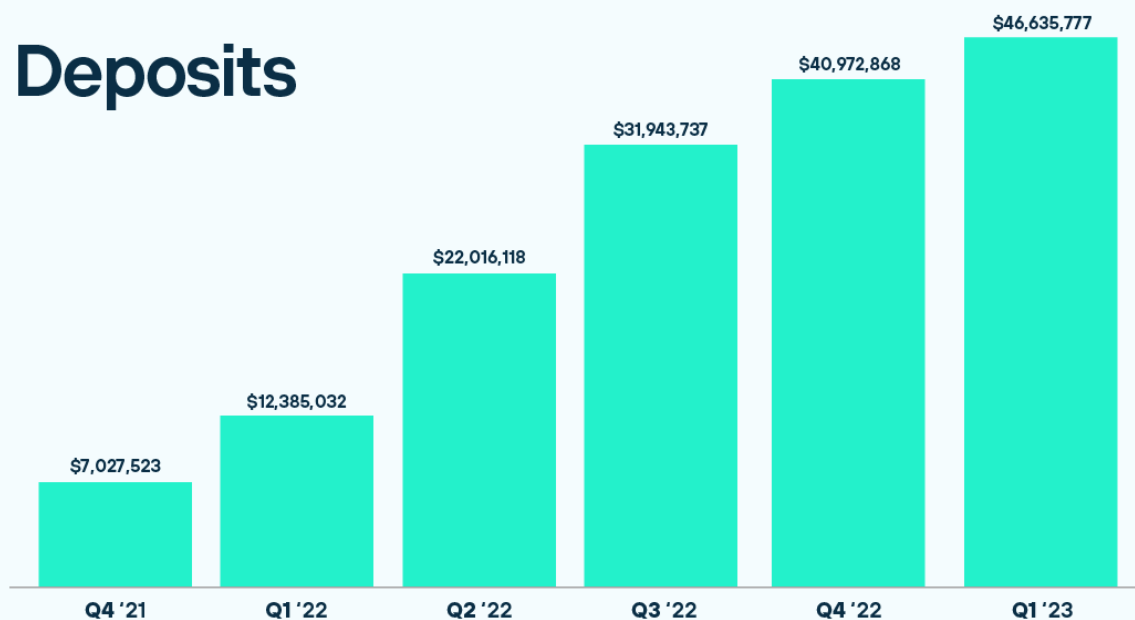
The Company is reviewing these operations with a view to capitalising on the value of its technology stack. U.S results are therefore flat due to a lack of new sign ups and a churning customer base.

## Customers



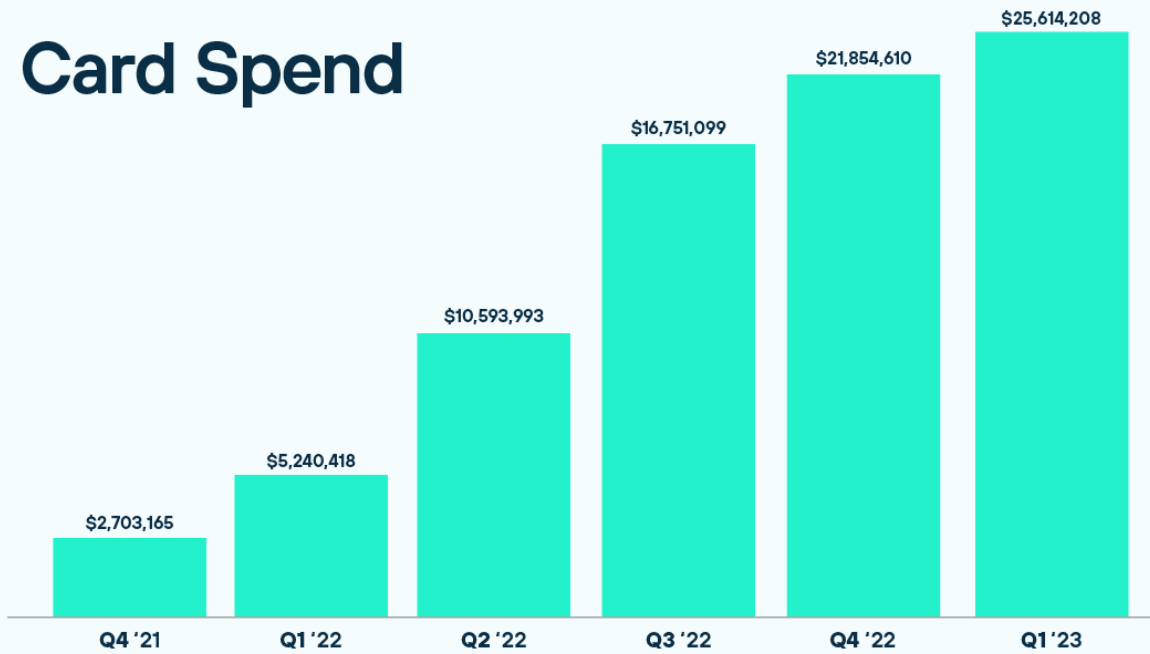
**Registered Customers:** Consolidated registered customer growth across US & AU since the Dough USA full market launch in late 2021, including the acquired Goodments user base.

## Deposits



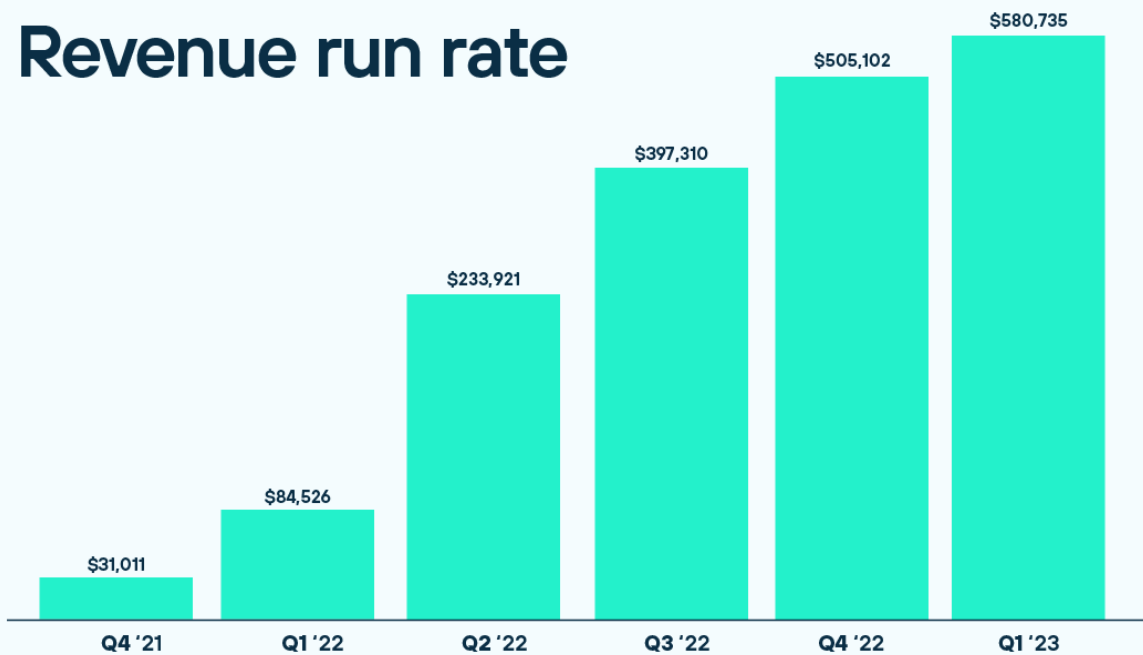
**Total Deposits:** Accumulated cash deposits on the platform across the US & AU, a reflection of customer engagement. AU revenue is driven off deposits converted into USD to trade US securities. Additionally, funds deposited in the US are available for customers to spend with their linked debit card, save and invest.

## Card Spend



Total Card Spend: Accumulated card spend, an indicator of US customer engagement and the driver of interchange revenue.

## Revenue run rate



Revenue: Annualised revenue run rate across U.S and AU markets.

Commenting on the Company's progress, Dough's Founder and CEO Andy Taylor said:

*"We have taken additional steps to reduce our burn rate and extend our cash runway, whilst continuing to focus on building out the Australian service, informed by all the lessons we have learnt from our live offering in the U.S, plus in depth customer research.*

*With the pending launch of the first phase of our super app proposition in Australia now just a couple of weeks away, we are looking to take additional steps to right size the cost base as we look to gear up for growth in our home market. This will see us look to review and minimise the U.S cost base, to focus efforts and resources on the Australian service.*

*The decline in market conditions and share price performance means we are not able to access the level of capital required to compete in the U.S at this time, compounded by the rising cost to operate thanks to the declining value of the AUD against the USD.*

*This, compounded also by the closure of Volt Bank, having already completed onboarding and integration work, has meant we had to re-architect the platform in order to roll out in stages in Australia.*

*Despite this, we are highly optimistic of our future prospects. We have invested significantly into R&D to develop a comprehensive technology stack of real value that is being leveraged to accelerate our Australian plans in the short-term in order to maximise the revenue opportunity to put us on a faster path to profitability.*

*We will turn our attention back to international expansion once we've solidified the AU business."*

#### **Business activities**

The Company collected \$104k (Previous Qtr (Q4): \$87k) in cash receipts for the quarter from users of the platform. Business activities expenditure totalled \$1.97M for the quarter (Q3: \$2.89M) consisting of research and development \$612k (Q4: \$804k), advertising and marketing \$16k (Q4: \$290k), operating costs \$487k (Q4: \$548k) with the balance to administration \$197k (Q4: \$413k) and staff costs \$654k (Q4: \$838k). Cost reductions continue to flow through with a 32% decline in operating cash outflows versus the June quarter stacking on top of a 40% decline for Q3 vs Q2.

The aggregate amount of payments to related parties and their associates included in Q4 Cash flows from operating activities totalled ~\$132k. These payments consisted of Directors' fees. All payments were on normal commercial terms.

This quarter is covered by the Use of Funds projection detailed in the Company's August 2020 Prospectus. The Company confirms that the funds raised have been fully expended in line with the projected use of funds detailed under the Prospectus.

--End--

#### **About Dough**

[Dough](#) is a fintech company on a mission to empower everyday people to better grow & manage their money, creating winning habits through a financial super app.

For more information contact:

**Investor**

[info@dough.com](mailto:info@dough.com)

**Media**

[press@dough.com](mailto:press@dough.com)

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

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

DOUGH LIMITED

**ABN**

41 108 042 593

**Quarter ended ("current quarter")**

30 September 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	104	104
1.2 Payments for		
(a) research and development	(612)	(612)
(b) product manufacturing and operating costs	(487)	(487)
(c) advertising and marketing	(16)	(16)
(d) leased assets	-	-
(e) staff costs	(654)	(654)
(f) administration and corporate costs	(197)	(197)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	2,220	2,220
1.8 Other (provide details if material)	(23)	(23)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>335</b>	<b>335</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash from acquired subsidiary)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	30	30
3.6	Repayment of borrowings	(3)	(3)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>27</b>	<b>27</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,266	3,266
4.2	Net cash from / (used in) operating activities (item 1.9 above)	335	335
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	27	27
4.5	Effect of movement in exchange rates on cash held	(5)	(5)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,623</b>	<b>3,623</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,623	3,623
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,623</b>	<b>3,623</b>

**6. Payments to related parties of the entity and their associates**

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

132

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
735	-
-	-
-	-
735	-

7.5 **Unused financing facilities available at quarter end**

735

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

On 28 March 2022, the Company announced that it had entered into an equity placement funding facility with an investment fund (the Funder). The facility is immediately available to be accessed utilising 35M shares issued to the Funder and was undrawn at 30 September 2022.

**8. Estimated cash available for future operating activities**

**\$A'000**

8.1 Net cash from / (used in) operating activities (Item 1.9)

335

8.2 Cash and cash equivalents at quarter end (Item 4.6)

3,623

8.3 Unused finance facilities available at quarter end (Item 7.5)

735

8.4 Total available funding (Item 8.2 + Item 8.3)

4,358

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

28 October 2022

Date: .....

By the Board

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.