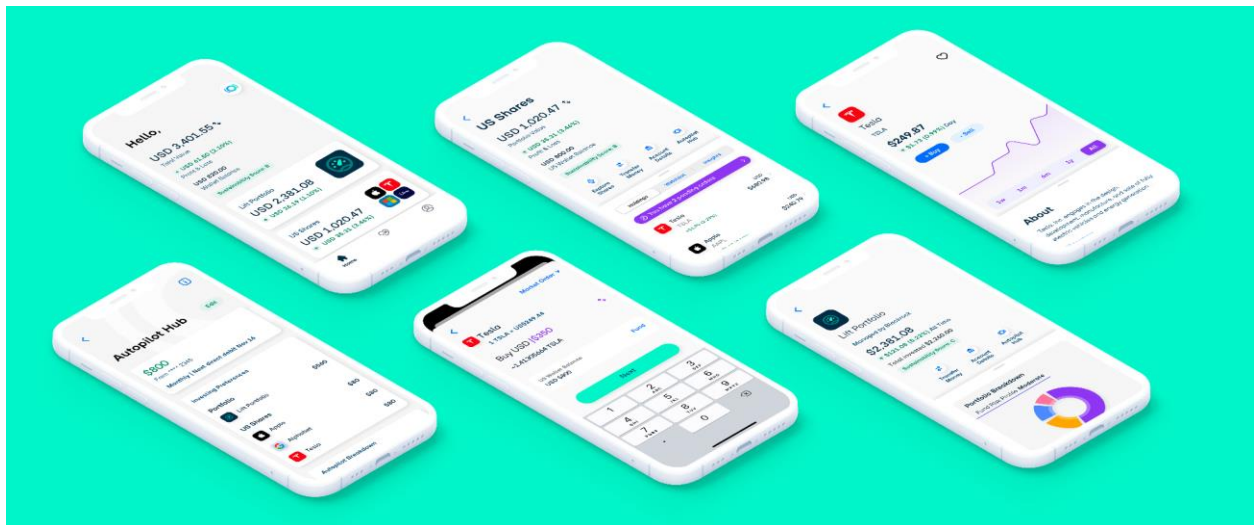


Dough soft launched the first phase of its App in AU with growth activities to kick off in Q3

- Dough's focus in the quarter was on developing and soft launching the first phase of the Company's consumer money app into Beta testing in Australia.
- The Company was forced to pivot its initial AU launch plan and re-architect its platform due to the closure of its BaaS provider Volt Bank in July 2022.
- The Company successfully migrated its Goodments customer base over to the new Dough App and has now taken the final steps to retire the Goodments technology.
- Cost saving initiatives implemented in the quarter have further reduced the Company's cash burn. With U.S operations having now been wound down to redeploy working capital exclusively to the launch and scaling of its Australian business.
- With the recent launch of Dough's integrated MGM solution, the Company is now preparing for a full market launch in Australia prior to the introduction of its reimagined card & account offering to cement a truly unique value proposition in the market.
- Dough also appointed ex EML Payments CEO Tom Cregan and ex McMillan Shakespeare Executive Peter Lang as Strategic Advisors.

Sydney, 31 January 2023 – [Dough](#) Ltd (ASX: DOU), the consumer fintech on a mission to empower everyday Australians to better manage & grow their money to build long term wealth, is pleased to present the following Q2FY23 activity report.



During the quarter, Dough focused effort and resources exclusively on the Australian launch of its money app as well as winding down its U.S operation. The Company successfully soft launched the first phase (wealth management services) into Beta testing in early November 2022 following the closure of Volt in early Q1, which required the Company to adapt its AU launch plan and re-architect its platform.

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Following detailed consumer research, Dough has refocused its go-to-market strategy on the revenue generating 'save more to build long-term wealth' propositional pillar. Operating initially as a companion investing app to a customer's principle banking relationship, prior to launching its own card & account solution to round out its unique money management offering.

Dough's customer research in Australia shows an extremely high level of frustration from consumers left with no option but to use multiple self directed, monoline 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, supported by better education.

Strengthening of experience

In a strong endorsement for the Company and its plans, Dough 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 Dough 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. The winddown of the U.S operations will be completed at the end of March 2023.

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

"We are pleased to have soft launched the first phase of our money app to Australian consumers in the quarter, following the need to quickly pivot due to the downfall of Volt Bank at the beginning of the financial year.

We have now successfully migrated the Goodments customer base across to the new Dough platform, allowing us to now retire the Goodments code base and infrastructure to further reduce the Company's cash burn.

Whilst it's sad to confirm the U.S shut down is now almost complete, this move was necessary to bring costs under control due to the severe weakening of the USD and our inability to access the level of capital needed to compete and grow in the U.S market based on current market conditions.

Our mission is now focused on empowering everyday Australians to better manage & grow their money to build long term wealth. We are excited to now finally be in a position to formally announce the full market launch of the Douugh service in the coming days and focus on growth.

This launch will be quickly followed by the introduction of our **reimagined card & account** solution in Q4, which we believe will give us a truly unique value proposition in the market, allowing us to challenge existing monoline providers of financial services with a diversified revenue model."

Business activities

The Company collected \$31k (Previous Qtr (Q1): \$104k) in cash receipts for the quarter from users of the platform. Business activities expenditure totalled \$1.92M for the quarter (Q1: \$1.97M) consisting of research and development \$571k (Q1: \$612k), advertising and marketing \$78k (Q1: \$16k), operating costs \$358k (Q1: \$487k) with the balance to administration \$458k (Q1: \$197k) and staff costs \$458k (Q1: \$654k). Cost reductions continue to flow through with a 2% decline in operating cash outflows versus the September quarter stacking on top of a 32% decline for Q1 vs LYQ4.

The aggregate amount of payments to related parties and their associates included in Q4 Cash flows from operating activities totalled ~\$69k. 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 Douugh

[Douugh](#) is a consumer fintech, on a mission to help customers autonomously manage and grow their money to live financially healthier lives. Douugh was founded in 2016 by Andy Taylor, Co-founder of SocietyOne, Australia's first P2P Lending platform, recently acquired by MoneyMe.

For more information contact:

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Media

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ASX Release approved by the CEO on behalf of the Board. The numbers presented are unaudited.

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")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	31	136
1.2 Payments for		
(a) research and development	(571)	(1,183)
(b) product manufacturing and operating costs	(358)	(845)
(c) advertising and marketing	(78)	(94)
(d) leased assets	-	-
(e) staff costs	(458)	(1,111)
(f) administration and corporate costs	(458)	(655)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(2)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,220
1.8 Other (provide details if material)	(1)	(25)
1.9 Net cash from / (used in) operating activities	(1,892)	1,558
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(2)
(d) investments	-	-
(e) intellectual property	(127)	(127)
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)	-	-
2.6	Net cash from / (used in) investing activities	(129)	(129)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	1,900	1,900
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	(159)	(159)
3.5	Proceeds from borrowings	192	222
3.6	Repayment of borrowings	(186)	(189)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,747	1,774

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,623	3,266
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,892)	(1,558)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(129)	(129)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,747	1,774
4.5	Effect of movement in exchange rates on cash held	11	6
4.6	Cash and cash equivalents at end of period	3,360	3,360

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	3,360	3,623
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,360	3,623

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**

69

-

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	455	455
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	455	455

7.5 **Unused financing facilities available at quarter end** 455

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 31 December 2022.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,892)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,360
8.3 Unused finance facilities available at quarter end (Item 7.5)	455
8.4 Total available funding (Item 8.2 + Item 8.3)	3,815
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.02

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: No.

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

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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.

31 January 2023

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.