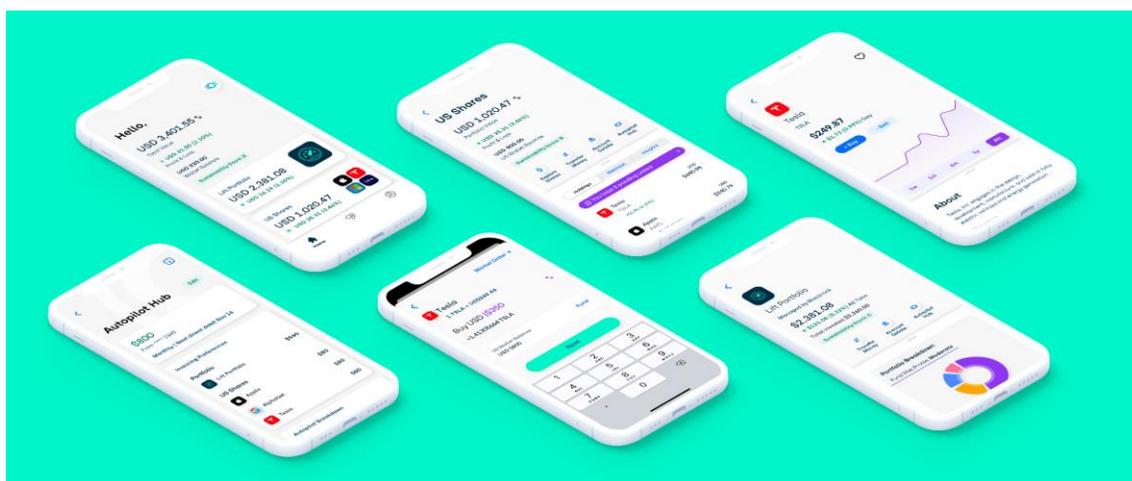


## Dough completes core platform development with the launch of PNPL Stockback™ rewards proposition

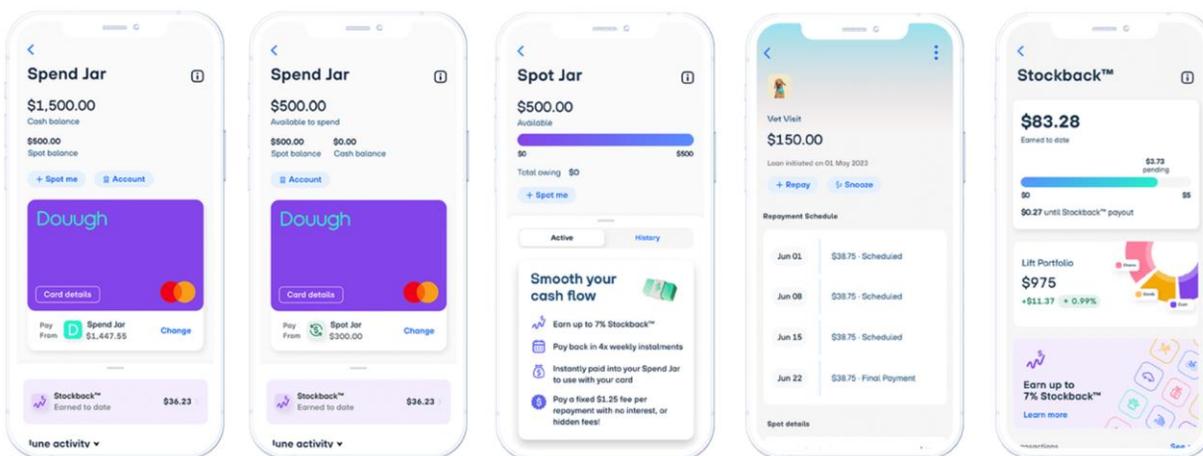
- Dough's focus in the quarter was on completing the development of its money management platform, with the soft launch of the world's first 'Pay Now or Pay Later' (PNPL) Stockback™ rewards proposition [announced in June](#).
- The reimagined card, account and loan product is designed to challenge existing debit and credit card offerings in the market today, with a built-in proprietary rewards offering to help customers smooth their cashflow and build long-term wealth.
- Dough was awarded the 'Best Share Trading App' and 'Best Share Trading App for Beginners' in Australia by Finder<sup>1</sup>.
- The Company [recently announced](#) the roll out of its cash advance 'Pay Later' feature publicly, with its card & account 'Pay Now' feature set to publicly launch in the coming weeks once the necessary regulatory and issuer approvals have been obtained.
- Aggressive cost cutting has now been implemented to further reduce the monthly cash burn to ~\$200k per month (excluding marketing), following the completion of large scale investment into R&D.
- The Company expects to receive a \$1.6m rebate in FY24Q1. A [Share Purchase Plan](#) is currently underway to raise an additional \$1.85m in working capital for growth.
- The Company has retained strong unit economics on its existing micro-investing product from organic growth activities since its launch, with **acquisition activities set to kick-off in August to scale up customers and revenues**.
  - Total registered customers stands at ~7.5k
  - Total receipts stood at ~\$34k for the quarter
  - Average annualised revenue per active user stands at \$112
  - 67% of users who funded their account have enabled Autopilot



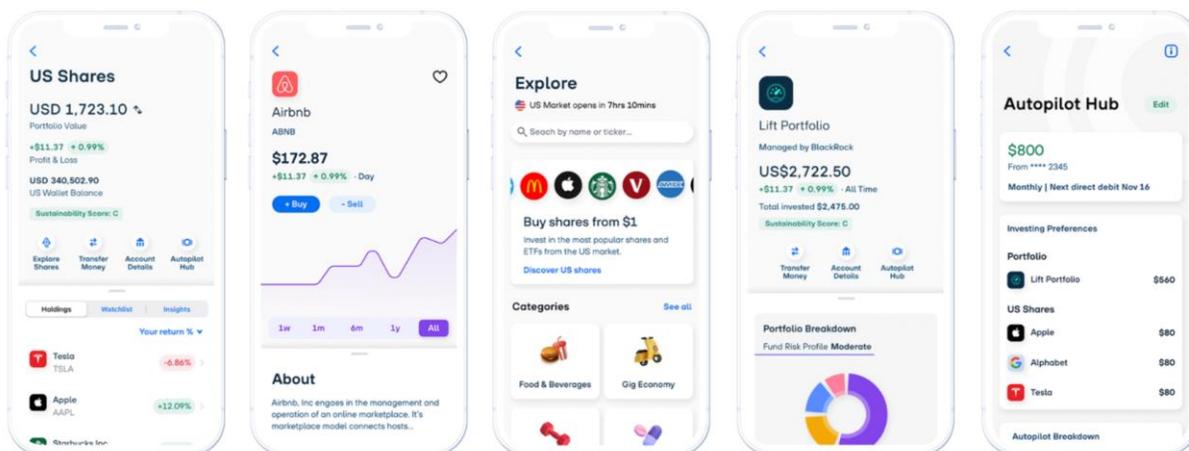
Sydney, 31 July 2023 – Dough Ltd (ASX: DOU), the consumer fintech on a mission to empower everyday Australians to better manage & grow their money, is pleased to present the following Q4FY23 activity report.

<sup>1</sup> <https://www.finder.com.au/finder-awards/product/share-trading-2023>

During the quarter, Dough focused effort and resources exclusively on completing the development of its reimagined card, account and loan product to deliver on its 'Manage' strategic pillar targeting Gen-Z and early millennial customer audience, rounding out its 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 appeals to those yearning for smarts and automation to help build good money habits, supported by better education.



The Company announced the soft launch of its unique Pay Now or Pay Later (PNPL) Stockback™ rewards proposition in June, and last week announced the full market launch of the cash advance 'Pay Later' Stockback™ rewards proposition to customers and the wider public. With the full market launch of its 'Pay Now' card and account solution scheduled for August once the necessary approvals are obtained.

The 'Pay Now' option allows customers to spend funds directly from their Dough transaction account. Customers can also choose to 'Pay Later' by having Dough 'Spot' them funds to smooth their cash flow, splitting purchases into 4x weekly instalments for a flat \$1.99 fee per repayment, with no interest or hidden fees.

Dough also won its first Awards for its Mobile App. Picking up 'Best Share Trading App' and 'Best Share Trading App for Beginners' in Australia by Finder.



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

*"We are delighted to inform investors that we have now finished the core platform development work following the announcement of the soft launch of the world first PNPL Stockback™ rewards proposition, which has now seen us make the cash advance and Stockback™ rewards component of this available to all customers and the wider public.*

*Our focus for the quarter was on completing the development of the platform in order to be in the best possible position to unlock the revenue opportunity in FY24. We believe we now have a truly unique value proposition in the market, allowing us to challenge existing monoline providers of financial services with a diversified revenue model that is capital-lite.*

*Additional steps have now been taken to further reduce our operating expenses and cash burn in order to put all our efforts in FY24 into growth with the kicking off of acquisition marketing activities."*

### **Business activities**

The Company collected \$34k (Previous Qtr (Q3): \$33k) in cash receipts for the quarter from users transacting on the platform. Business activities expenditure totalled \$1.55M for the quarter (Q3: \$1.67M) consisting of research and development \$337k (Q3: \$593k), advertising and marketing \$49k (Q2: \$57k), operating costs \$340k (Q3: \$137k) with the balance to administration \$130k (Q3: \$348k) and staff costs \$667k (Q3: \$530k). The quarter saw R&D completed for the new card, account and loan product, further work in this space will be refined based on real world performance. Advertising and marketing was minimal pre-launch with further increased spending on this line subject to the success of the SPP; placement of any related shortfall; and other funding arrangements. Administration costs were minimised while staff and operating costs were higher due in part to redundancy payments as a result of a reduced headcount.

Overall, the Company is targeting a monthly cash burn of less than \$200k per month ex marketing. Based on the Company's cash balance of \$747k, its R&D tax rebate of ~\$700k (after repayment of the R&D loan advance) and the support of its creditors, the Company has approximately 7 months to demonstrate the

capability of the platform in the market. This period is extended by funds received in the SPP and placement of shortfall noting a large proportion of those funds would be applied to marketing efforts.

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.

--End--

### **About Douugh**

[Douugh](#) is an Australian fintech company committed to helping users achieve financial wellness through its innovative money management platform. Led by Founder & CEO Andy Taylor, Douugh offers a user-friendly interface, personalised investment options, and comprehensive educational resources to empower customers in their financial journeys. By constantly seeking new ways to innovate and improve, Douugh is revolutionising the investment landscape in Australia.

### **Douugh Investor Hub**

For more information on this product launch and the Douugh business in general, engage with the Company directly by asking questions, watching video summaries and seeing what other shareholders have to say about this, as well as past announcements, at our Investor Hub:

<https://investorhub.douugh.com/>.

*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")**

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	34	204
1.2 Payments for		
(a) research and development	(337)	(2,113)
(b) product manufacturing and operating costs	(340)	(1,322)
(c) advertising and marketing	(49)	(200)
(d) leased assets	-	-
(e) staff costs	(667)	(2,309)
(f) administration and corporate costs	(130)	(1,132)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	-	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	2,220
1.8 Other (provide details if material)	(3)	(28)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,492)</b>	<b>(4,684)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(30)
(d) investments	-	-
(e) intellectual property	(39)	(224)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	1	1
	(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>(43)</b>	<b>(253)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	1,740
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	-	(120)
3.5	Proceeds from borrowings	-	1,148
3.6	Repayment of borrowings	(113)	(252)
3.7	Transaction costs related to loans and borrowings	(51)	(51)
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>(164)</b>	<b>2,465</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	2,491	3,266
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,492)	(4,684)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(43)	(253)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(164)	2,465
4.5	Effect of movement in exchange rates on cash held	(45)	(47)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>747</b>	<b>747</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	747	2,491
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>747</b>	<b>2,491</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

<b>Current quarter \$A'000</b>
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	280	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>280</b>	<b>-</b>

7.5 **Unused financing facilities available at quarter end** 280

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 to the value of \$280k, as at 30 June 2023 utilising 35M shares issued to the Funder and was undrawn at 30 June 2023. The Company can issue up to the value of its available placement capacity (~208.7M as at 30 June 2023) in shares to the Funder, which following the share issue process would provide funding for up to ~\$1.67M. Further draw downs on the facility over available placement capacity would require shareholder approval.

On 24 March 2023, the Company entered into an R&D funding agreement with Radium Capital to the value of \$925,392. This financing is tied to and will be repaid from, an estimated R&D tax incentive credit of ~\$1.7M to be received on completion of the FY23 Company tax return. While outstanding, the interest rate payable on this facility is 16%pa.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,492)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	747
8.3 Unused finance facilities available at quarter end (Item 7.5)	280
8.4 Total available funding (Item 8.2 + Item 8.3)	1,027
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>0.7</b>

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

- 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: No, the Company has completed development on its card product and will launch it on completion of internal approvals by the loan provider 1derful Pty Ltd, Mastercard and platform technology partners (ASX: 15 June 2023) – this is the last significant development activity in the current pipeline i.e. R&D expenditure will decline. The Company has also reduced its other costs (which are declining quarter on quarter) in particular administration and corporate costs. The Company's staff headcount has also been significantly reduced. Advertising and marketing expenditure levels will depend on the results of financing activities.

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: Yes, the Company launched a Share Purchase Plan (SPP) on 13 July targeting proceeds of \$1.85M before costs. Assuming there is a shortfall to this offer, the Company will use best endeavours to place the shortfall with other investors. In addition, the Company anticipates that it will receive a R&D tax incentive credit of ~\$1.7M in the first quarter of FY24. Due to its history of successful R&D claims, the Company was able to borrow \$925k against this receipt meaning the Company will retain \$700k net of the loan to further fund its activities.

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: Yes, the Company is closely monitoring and reducing its costs and shortly anticipates that it will bank a material R&D tax incentive credit (and has a history of successful claims to support this position). With a cash burn of \$200k per month, the Company has more than 2 quarters of runway to prove out its platform in the market. This position will be bolstered by proceeds from the SPP and placement of the SPP shortfall, the Company's current debt and equity placement funding facilities and any further funding arrangements agreed in the interim.

## 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 July 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.