

Douough Quarterly Review Q3 FY2021

- AI-driven financial wellness App provider Douough completes its first full quarter since launching in the US market in November 2020 and banks first receipts from operations.
- Strong and growing customer metrics. Total debit card spend across the platform is up 6.5x from the end of Q2, with total deposits up 5.5x and customer acquisition up 2.6x (slowed down due to card shortages), providing a major endorsement of the Douough value proposition.
- Douough granted a Registered Investment Advisor (RIA) licence by the US Securities and Exchange Commission (SEC) to enable the roll out of investing products. Managed portfolios, single stocks and crypto trading to help customers grow long-term wealth.
- Key development milestones continue to be met; self-driving money management feature Autopilot AND instant virtual card provisioning with Mastercard – both successfully rolled out.
- New Rakuten partnership enables Douough to tap into the world's leading affiliate network, driving new customer acquisition from strategic publishers from Q4.

Subsequent to Quarter end:

- Douough completes the acquisition of millennial investing fintech Goodments, to fast-track the introduction of its integrated wealth management service and monthly subscription in the US and enter the Australian market.
- ex Xero Executive Leanne Graham joins Douough Board.
- Instant bank account funding feature launched in collaboration with Stripe.

30 April 2021 (SYDNEY): AI-driven financial wellness App provider **Douough Limited (ASX: DOU)** ("Douough" or the "Company") presents the following activities report for the quarter ended on 31 March 2021 (the "Quarter" or "Q3").

Activity Highlights

Since the full US market launch of the Douough Platform in mid-November 2020, it has continued to build strong momentum on key transactional growth metrics in Q3.

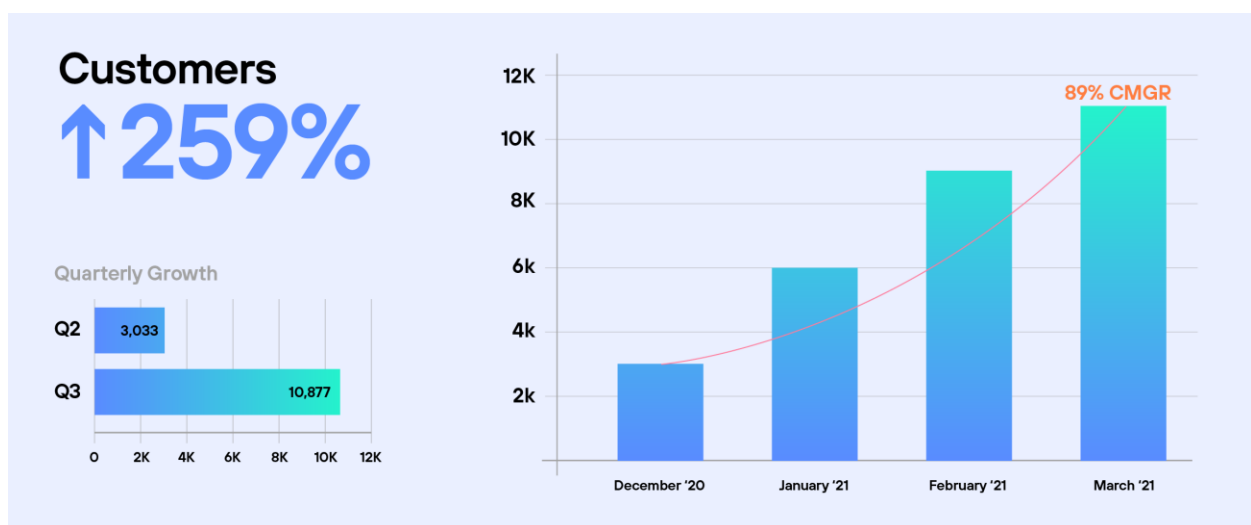


Figure: Total number of Customers signed up to the Douough Platform.

Up to the end of Q3, Douough customers had deposited more than AUD\$3M into their Douough bank accounts and had spent more than AUD\$1.1M using their Douough cards. As a compounded monthly growth rate (CMGR) these figures represent a 5.5x increase in total deposits and 6.5x increase in total debit card spend. Similarly, customer acquisition was up 2.6x.

Customer acquisition was forecasted to be up more than 5.5x but was slowed down due to a COVID-19 enforced delays on new inventory of plastic debits cards. With the Company planning to catch up on lost ground in Q4.

Despite this, these figures demonstrate that customers are seeing real value in the money management tool and specifically Jars for bill payments and short-term savings. Pleasingly customers are using their Douough card to pay their bills e.g. Uber, Netflix. Customers are also starting to deposit their salaries directly into their Douough bank accounts. New initiatives will further encourage this behaviour.

The Company also delivered on its development milestones during Q3. First was the successful rollout of Douough's proprietary self-driving money management feature **Autopilot**. Autopilot utilises several Machine Learning models to manage customers money. Each model has a specific task (e.g. Budgeting, Categorisation and Forecasting) and improves over time as it gets to know the user better through their financial data.

The second key development was the roll out of instant virtual card push provisioning in partnership with **Mastercard**. Push provisioning is technology that reduces friction on the customer side by allowing them to directly add their Douough Mastercard debit card to a digital wallet from within the Douough App, eliminating the need to input the card information manually.

About the Douough Wellness Platform

Douough uses individual banking data to provide intimately tailored financial solutions that help people spend smarter, save more and build wealth through a smart bank account and Mastercard debit offering. Douough utilises the banking licenses of its partners, US-based Choice Bank and Australian Regional Australia Bank to deliver core banking services via a SaaS delivery model.

Company Overview, Strategy and Outlook

The Company's focus during the Quarter was optimising key growth strategies in acquisition and activation, ensuring the Company can scale up core metrics as acquisition spend increases in Q4.

On 6 January 2021, the Company announced its intention to acquire millennial investing App Goodments and sought to successfully complete this transaction, which it did after Quarter end. The Goodments acquisition will accelerate the development of Douough's 'Wealth Jars' feature, which will initially allow customers to accelerate their savings goals by investing money in custom-built portfolios before expanding to stocks, ETFs and crypto trading.

The next step for the Company is the scale up the US customer base for the Douough Wellness Platform. Further features are scheduled to be rolled out in the coming months in particular Wealth Jars and the Android App version, prior to the introduction of a monthly subscription fee.

In Q2, the Company announced that it had entered into a strategic JV partnership with ASX listed Company Humm Group Limited (ASX: HUM) (Humm) to launch an integrated interest-free 'buy now, pay later' (BNPL) anywhere feature in the US market.

The JV partners are working together to enter into a further agreement which will include the breakdown of revenue between the parties. The Company will look to finalise the terms of the JV Partnership with Humm.

In Australia, the Company plans to make some key enhancements to the Goodments App to accelerate its growth in the short-term, prior to launching as the Douough platform domestically.

The aggregate amount of payments to related parties and their associates included in Q3 Cash flows from operating activities totalled ~\$76,000. These payments consisted of Directors' fees and salaries paid to non-executive directors. All payments were on normal commercial terms.

Q3 is covered by the Use of Funds projection detailed in the Company's August 2020 Prospectus. Below is a high-level comparison of anticipated versus actual expenditure for the Company.

Use of Funds per Prospectus	Anticipated	Actual to date	Variance	
Working capital and administrative expenses	\$1,435,000	\$1,796,000	-\$361,000	-25%
Research and development	\$1,100,000	\$1,033,000	\$67,000	6%
Marketing/growth hacking	\$2,700,000	\$931,000	\$1,769,000	66%
*Capital raising fees payable to Lead Manager	\$360,000	\$360,000	-	-
Transaction expenses	\$405,000	\$405,000	-	-
	\$6,000,000	\$4,525,000		

*Capital raising fees related to the December 2020 capital raising were paid from that capital raising and so are not reflected in this table

To date there have been no material variances to the Use of Funds as set out in the Prospectus. As the Company's plans progress, 'Actual' and 'Anticipated' values will align.

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

"Dough is building something fundamentally different from other standalone budgeting, banking, BNPL and investing Apps because we are looking to become a complete financial wellness platform and control centre - incorporating all the key elements needed for a user to better manage AND grow their money on Autopilot.

The acquisition of AFSL licenced Goodments and the award of our RIA licence in the US are key planks in completing our suite of offerings and ultimate value proposition. The rollout of Wealth Jars will allow us to target customers in the investing space who are currently using platforms like Betterment, Acorns and Stash with a holistic solution for their money management, focused on growing automated long-term wealth.

We are building a customer community and their real-world feedback is being used to prioritise key improvements on the iOS App, which are now being incorporated into the Android App during its development.

We continue to build strong momentum in key growth metrics and we now have confidence in dialling up the marketing spend and knowing the corresponding rate of customer acquisition. The second half of 2021 is setting up to be very strong in terms of the acceleration of overall growth metrics. More partnerships are planned as well as the launch of key new features to further accelerate growth."

--Ends--

About Dough

Dough is a purpose-led fintech company, on a mission to help customers autonomously manage AND grow their money to live financially healthier.

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

For more information contact:

Investors

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Media

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Appendix 4C

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

Name of entity

DOOUGH LIMITED

ABN

41 108 042 593

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5	5
1.2 Payments for		
(a) research and development	(1,033)	(1,316)
(b) product manufacturing and operating costs	(93)	(145)
(c) advertising and marketing	(931)	(1,204)
(d) leased assets	-	-
(e) staff costs	(220)	(877)
(f) administration and corporate costs	(419)	(916)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	(6)	(41)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	39
1.8 Other (provide details if material)	(9)	(74)
1.9 Net cash from / (used in) operating activities	(2,707)	(4,525)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(6)	(30)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	(70)
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash from acquired subsidiary)	1	150
2.6	Net cash from / (used in) investing activities	(5)	50

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	18,000
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	-	(954)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(4)	(106)
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	(4)	16,940

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,020	831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,707)	(4,525)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	50

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4)	16,940
4.5	Effect of movement in exchange rates on cash held	(1)	6
4.6	Cash and cash equivalents at end of period	13,303	13,303

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	13,303	16,020
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)	13,303	16,020

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
76
-

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
	-	-
	-	-
	-	-
	-	-

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

-

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.

n/a

8. Estimated cash available for future operating activities

\$A'000

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

(2,707)

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

13,303

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

-

8.4 Total available funding (Item 8.2 + Item 8.3)

13,303

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

5

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.

30 April 2021

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.