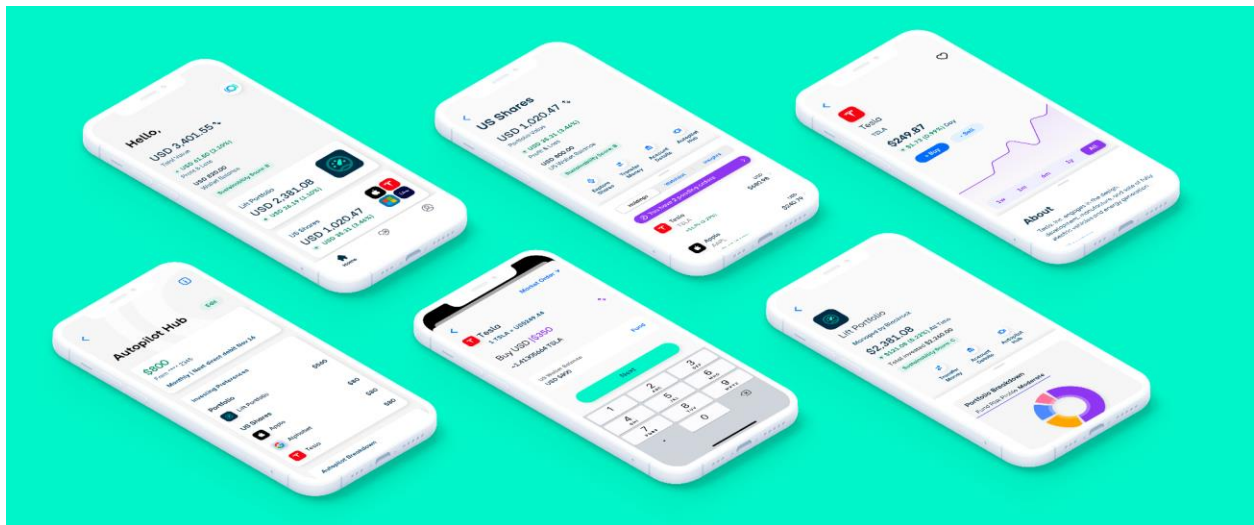


Half Year Results to 31 December 2022

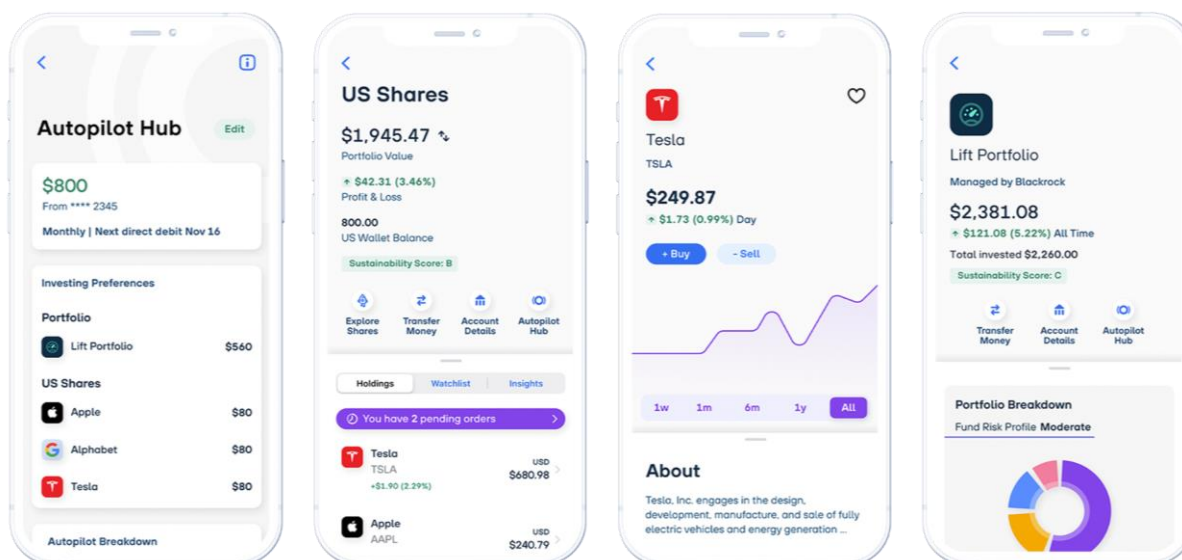
- *Dough's focus in H1 was on readying and soft launching the first phase of its money management app in Australia, whilst initiating the wind down of its U.S business.*
- *The Company was unfortunately forced to pivot and delay its AU launch plan and re-architect its platform due to the closure of its BaaS provider Volt Bank in early Q1 FY23.*
- *Cost saving initiatives implemented in H1 further reduced the Company's cash burn as Dough looked to resize its cost base following the decision to pull out of the U.S marketplace following the Company's decision to withdraw due to the decline in market conditions, to focus exclusively on the AU business.*
- *The Company successfully migrated its Goodments customer base over to the new Dough platform and retired the Goodments technology.*
- *Having now officially launched its platform in the Australian market, the Company is in the final stages of development of its reimagined card & account product to help Aussies 'smooth' their cashflow and increase investing velocity on the platform.*
- *The new service is scheduled to go live in Q4 FY23 and will give the Company a truly unique, mass market value proposition in which to challenge and compete with monoline incumbents of financial services in order to unlock rapid revenue growth.*

Sydney, 28 February 2023 – [Dough](https://dough.com) Ltd (ASX: DOU), the consumer fintech on a mission to empower everyday Aussies to take control of their money and build long term wealth on autopilot, is pleased to present the following H1 FY23 results.



During H1, 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.

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.

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

"We took additional steps in the first half of the year to further reduce our burn rate and extend our cash runway, whilst continuing to focus on building out the Australian service, informed by all the lessons from the U.S offering and in-depth customer research.

The dramatic decline in market conditions in 2022 and subsequent share price performance meant that we were unable to access the level of capital required to compete in the U.S and continue to build on the strong initial momentum we had experienced, this was compounded by the rising cost to operate thanks to the declining value of the AUD against the USD.

The difficult but logical decision to withdraw from the U.S was therefore made to allow us to exclusively focus our attention and resources on our home market of Australia, which requires a lot less investment in order to reach profitability.

Unfortunately the closure of our BaaS provider Volt Bank, having already completed onboarding and integration work, meant we had to re-architect the platform in order to roll out in stages in Australia, with the first phase having now gone live and the second phase ontrack to go live in Q4 FY23.

Whilst 2022 will go down as one of the most challenging years in our history, we have never been so excited and optimistic about our future. Our ability to compete and scale the business off the back of the launch of our reimagined card & account product cannot be understated.

We have invested significantly into R&D to build a comprehensive technology stack of material value that is unique in terms of integrating banking & investing services into a single money management platform.

We believe we are now in the best position to maximise the revenue opportunity in front of us."

--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:

Investor

info@douugh.com

Media

press@douugh.com

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

Douough Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Douough Limited
ABN:	41 108 042 593
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	29.05% to	136,861
Loss from ordinary activities after tax attributable to the owners of Douough Limited	down	28.99% to	(5,069,451)
Loss for the half-year attributable to the owners of Douough Limited	down	28.99% to	(5,069,451)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$5,069,451 (31 December 2021: \$7,138,904).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.13</u>	<u>0.92</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the auditor's review report is attached as part of the Interim Report. A Material Uncertainty Related to Going Concern' audit opinion is included on the auditor's review report.

11. Attachments

Details of attachments (if any):

The Interim Report of Douough Limited for the half-year ended 31 December 2022 is attached.

12. Signed

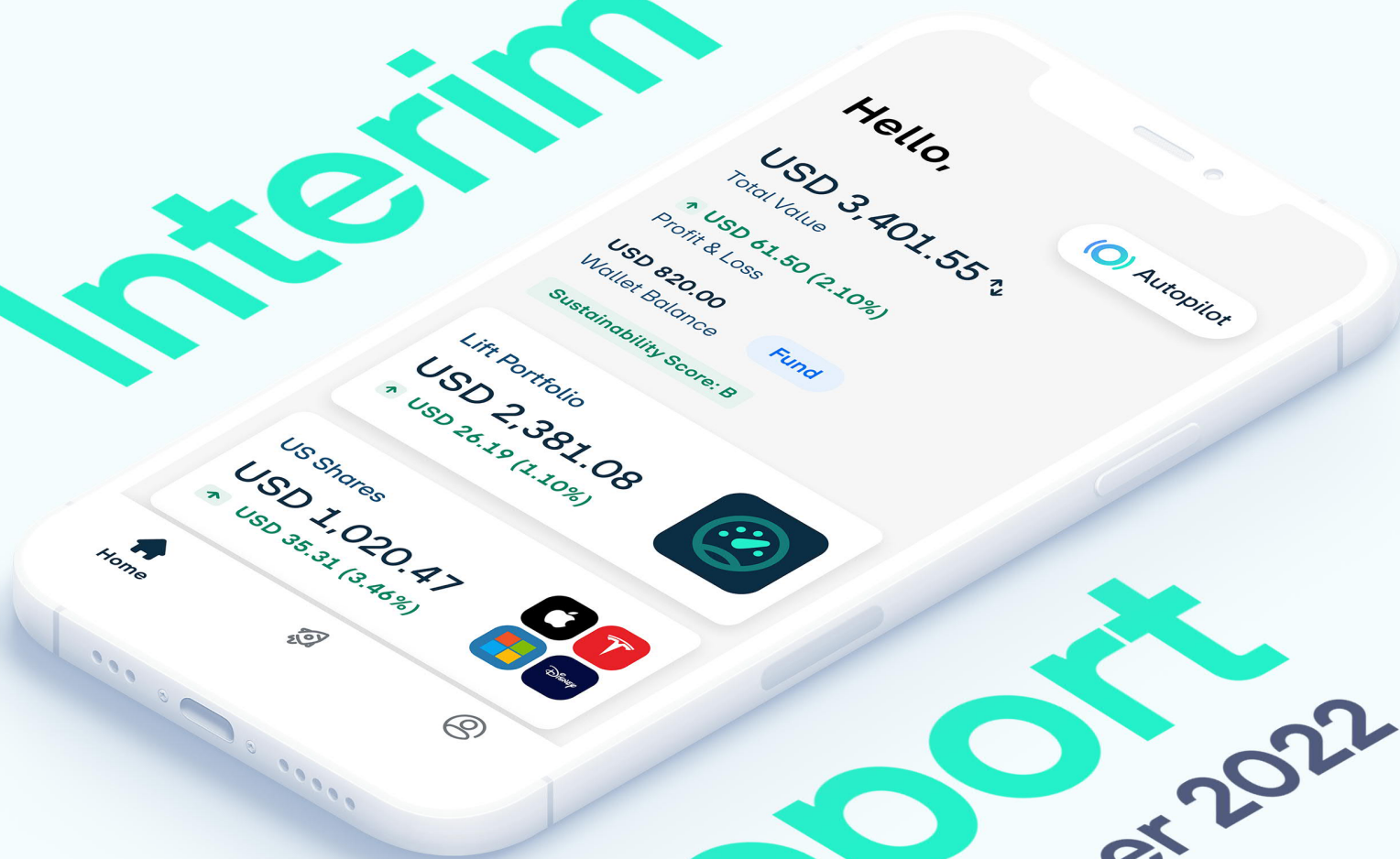
Signed



Andy Taylor
Managing Director and CEO

Date: 28 February 2023

Interim



Report

31 December 2022

Douugh Limited
Corporate directory
31 December 2022

Directors	Andrew Taylor (Managing Director and CEO) Bert Mondello (Non-Executive Director) Derek Hall (Non-Executive Director)
Company secretary	Derek Hall
Registered office	Level 5, 24 Campbell St, Haymarket, 2000
Principal place of business	Level 5, 24 Campbell St, Haymarket, 2000
Share register	Automic Group Share Registry Level 5, 126 Phillip Street Sydney NSW 2000 T 1300 288 664
Auditor	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney, NSW 2000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000 Australia
Stock exchange listing	Douugh Limited shares are listed on the Australian Securities Exchange (ASX code: DOU)
Website	douugh.com
Corporate Governance Statement	https://douugh.com/investors/#corporate-governance

Douough Limited
Directors' report
31 December 2022

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Douough Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were Directors of Douough Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Andrew Taylor	Managing Director and CEO (appointed 18 September 2020)
Bert Mondello	Non-Executive Director (appointed 12 June 2014)
Leanne Graham	Non-Executive Director (resigned 1 August 2022)
Derek Hall	Non-Executive Director (appointed 30 November 2022)
Steve Bellotti	Non-Executive Chairman (resigned 30 November 2022)

Principal activities

The principal activity of the consolidated entity during the financial year was to develop and get ready to launch an artificial intelligence (AI) first approach to reimagine banking, enabling our customers to better manage their money and achieve financial freedom through a smart mobile banking app.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$5,069,451 (31 December 2021: \$7,138,904).

Matters subsequent to the end of the financial half-year

From Q1 2023, the Company flagged its intention to reduce costs and focus on its US operations with a view to shifting focus to developing the platform in the Australian market. Post-period end, the Company announced that the winddown of the US operations would be completed by the end of March 2023.

Apart from the above, no matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Andy Taylor
Managing Director and CEO

28 February 2023

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Douugh Limited for the half year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in dark ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink that reads "David Talbot".

David Talbot
Partner

Sydney, NSW
Dated: 28 February 2023

Douough Limited
Contents
31 December 2022

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Consolidated statement of financial position	6
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Directors' declaration	20
Independent auditor's review report to the members of Douough Limited	21

General information

The financial statements cover Douough Limited as a consolidated entity consisting of Douough Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Douough Limited's functional and presentation currency.

Douough Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 24 Campbell St, Haymarket,
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 February 2023.

Dough Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

		Consolidated	
	Note	31 December 2022	31 December 2021
		\$	\$
Continuing operations			
Revenue	3	8,711	7,671
Other income	4	740	1,551,334
Expenses			
Share based payments	21	(1,050,405)	(520,613)
Administrative and operating activities		(485,259)	(728,790)
Employee benefits expense		(1,858,646)	(2,314,160)
Research and development costs		(568,148)	(580,369)
Depreciation and amortisation expense		(13,628)	(12,295)
Direct and other operational costs		(340,870)	(364,504)
Finance costs		(10,749)	(899)
Advertising and marketing		(163,074)	(3,239,320)
Corporate restructure costs		-	-
Loss before income tax expense from continuing operations		(4,481,328)	(6,201,945)
Income tax expense		-	-
Loss after income tax from continuing operations		(4,481,328)	(6,201,945)
Loss from discontinued operations	19	(588,123)	(936,959)
Loss after income tax expense for the half-year attributable to the owners of Dough Limited		(5,069,451)	(7,138,904)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation		5,836	24,724
Other comprehensive income for the half-year, net of tax		5,836	24,724
Total comprehensive income for the half-year attributable to the owners of Dough Limited		<u>(5,063,615)</u>	<u>(7,114,180)</u>
		Cents	Cents
Basic and diluted earnings per share from continuing operations	20	(0.51)	(0.92)
Basic and diluted earnings per share from discontinued operations	20	(0.07)	(0.14)
Overall basic and diluted earnings per share	20	(0.58)	(1.06)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Douough Limited
Consolidated statement of financial position
As at 31 December 2022

		Consolidated	
	Note	31 December	30 June
		2022	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	3,359,954	3,266,418
Trade and other receivables	6	342,901	2,385,924
Other assets	7	99,680	100,483
Total current assets		<u>3,802,535</u>	<u>5,752,825</u>
Non-current assets			
Property, plant and equipment	8	32,914	44,317
Intangibles	9	72,300	72,300
Total non-current assets		<u>105,214</u>	<u>116,617</u>
Total assets		<u>3,907,749</u>	<u>5,869,442</u>
Liabilities			
Current liabilities			
Trade and other payables	10	1,676,198	1,281,204
Contract liabilities	11	330,000	330,000
Employee benefits	12	423,706	521,379
Other liabilities	13	155,552	27,276
Total current liabilities		<u>2,585,456</u>	<u>2,159,859</u>
Total liabilities		<u>2,585,456</u>	<u>2,159,859</u>
Net assets		<u>1,322,293</u>	<u>3,709,583</u>
Equity			
Issued capital	14	32,803,235	30,697,856
Reserves	15	2,727,881	2,151,099
Accumulated losses	16	<u>(34,208,823)</u>	<u>(29,139,372)</u>
Total equity		<u>1,322,293</u>	<u>3,709,583</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Douough Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	25,198,242	710,541	(17,510,920)	8,397,863
Loss after income tax expense for the half-year	-	-	(7,138,904)	(7,138,904)
Other comprehensive income for the half-year, net of tax	-	24,724	-	24,724
Total comprehensive income for the half-year	-	24,724	(7,138,904)	(7,114,180)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	5,126,171	-	-	5,126,171
Share-based payments (note 14)	-	520,613	-	520,613
Transaction costs paid via options issued (note 14)	(866,593)	866,593	-	-
Transfer from share-based payments reserve for options exercised (note 14)	692,929	(692,929)	-	-
Balance at 31 December 2021	<u>30,150,749</u>	<u>1,429,542</u>	<u>(24,649,824)</u>	<u>6,930,467</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	30,697,856	2,151,099	(29,139,372)	3,709,583
Loss after income tax expense for the half-year	-	-	(5,069,451)	(5,069,451)
Other comprehensive income for the half-year, net of tax	-	5,836	-	5,836
Total comprehensive income for the half-year	-	5,836	(5,069,451)	(5,063,615)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	1,739,920	-	-	1,739,920
Share-based payments (note 21)	385,080	665,325	-	1,050,405
Transaction costs paid via options issued (note 14)	(114,000)	-	-	(114,000)
Vesting of employee performance rights	94,379	(94,379)	-	-
Balance at 31 December 2022	<u>32,803,235</u>	<u>2,727,881</u>	<u>(34,208,823)</u>	<u>1,322,293</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Douough Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2022

	Consolidated	
	31 December 2022	31 December 2021
Note	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	172,547	100,522
Payments to suppliers and employees (inclusive of GST)	(4,071,827)	(6,793,687)
	(3,899,280)	(6,693,165)
Interest received	3,977	1,047
Government grant received	2,220,369	288,349
Interest and other finance costs paid	(3,748)	(5,554)
Income taxes paid	-	-
Net cash used in operating activities	(1,678,682)	(6,409,323)
Cash flows from investing activities		
Payments for property, plant and equipment	(2,226)	(7,467)
Payments for deposits	-	(71,006)
Net cash used in investing activities	(2,226)	(78,473)
Cash flows from financing activities		
Proceeds from issue of shares	1,739,920	5,534,875
Cash received for options exercised, ordinary shares not yet issued	-	9,841
Proceeds from borrowings	222,177	79,897
Share issue transaction costs	(114,000)	(401,028)
Repayment of borrowings	(73,652)	-
Net cash from financing activities	1,774,444	5,223,585
Net (decrease)/increase in cash and cash equivalents	93,536	(1,264,211)
Cash and cash equivalents at the beginning of the financial half-year	3,266,418	10,325,223
Effects of exchange rate changes on cash and cash equivalents	-	3,070
Cash and cash equivalents at the end of the financial half-year	<u>3,359,954</u>	<u>9,064,082</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements the consolidated entity incurred a net loss after tax of \$5,069,451 and had net cash outflows from operating activities of \$1,678,682 during the half-year ended 31 December 2022. As of that date, the consolidated entity had net assets of \$1,322,293.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Consolidated Entity will continue as a going concern and it is appropriate to prepare the financial statements on a going concern basis. In determining this position, the Directors have considered the following factors:

- Cash on hand of \$3,359,954 as at 31 December 2022.
- An equity facility agreement of up to \$20M available on call subject to placement capacity rules provides sufficient access to funding as required and an established track record of being able to raise equity when required;
- Reduced cash requirements following the closure of the US operations and sole focus on a lower cost jurisdiction for marketing i.e. Australia;
- A successful track record of raising debt or equity funding as and when required;
- The Douough platform has been launched in Australia, and is expected to have increased uptake by users with supported marketing efforts.

The consolidated entity is constantly assessing its ongoing cash requirements. The consolidated entity maintains an internal cash flow management process which is based on detailed revenue and expense projections. Should these assumptions not be achieved, the consolidated entity has the ability to implement additional cost savings to maintain a positive cash balance over the next 12 months.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Note 2. Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. During the period the Company only operated in one segment and that was the development of a smart mobile app for banking.

Note 3. Revenue

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Rendering of services	<u>8,711</u>	<u>7,671</u>

Accounting policy for revenue recognition

Rendering of services

Transaction processing fees are recognised upon the completion of the transfer of funds. This is when the consolidated entity meets their performance obligation under the contract to facilitate the payment.

Subscription revenue is recognised over time and in line with the invoice period. Performance obligations are satisfied over time. This is a faithful depiction of the transfer of services, as customers simultaneously receive and consume the services provided of the invoice period.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 4. Other income

	Consolidated	
	31 December 2022	31 December 2021
	\$	\$
Government grant - JobSaver subsidy	-	288,349
Government grant R&D	-	1,262,587
Interest income	<u>740</u>	<u>398</u>
Other income	<u>740</u>	<u>1,551,334</u>

Douough Limited
Notes to the consolidated financial statements
31 December 2022

Note 4. Other income (continued)

Accounting policy for other income

Government grant

Government grants are recognised at fair value where there is reasonable assurance the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Except for amount received under the R&D tax incentive program, grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	31 December	30 June 2022
	2022	2022
	\$	\$
Cash at bank	3,359,954	3,266,418

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 December	30 June 2022
	2022	2022
	\$	\$
Trade receivables	-	-
Other receivables	31,687	165,555
Prepayments	311,214	-
Government grant R&D receivable	-	2,220,369
	342,901	2,385,924
	342,901	2,385,924

Refer to note 4 for accounting policy for government grant R&D receivable.

Note 7. Current assets - others

	Consolidated	
	31 December	30 June 2022
	2022	2022
	\$	\$
Deposits paid	99,679	100,482
Others	1	1
	99,680	100,483

Deposits are non-interest bearing and are refundable upon termination of the contract.

Douugh Limited
Notes to the consolidated financial statements
31 December 2022

Note 8. Non-current assets - plant and equipment

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Computer equipment - at cost	102,727	100,501
Less: Accumulated depreciation	(71,156)	(58,373)
	<u>31,571</u>	<u>42,128</u>
Office equipment - at cost	11,618	11,618
Less: Accumulated depreciation	(10,275)	(9,429)
	<u>1,343</u>	<u>2,189</u>
	<u><u>32,914</u></u>	<u><u>44,317</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Computer equipment	Office equipment	Total
	\$	\$	\$
Consolidated – December 2022			
Balance at 1 July 2022	42,128	2,189	44,317
Additions	2,226	-	2,226
Depreciation expense	(12,783)	(846)	(13,629)
Balance at 31 December 2022	<u><u>31,571</u></u>	<u><u>1,343</u></u>	<u><u>32,914</u></u>

	Computer equipment	Office equipment	Total
	\$	\$	\$
Consolidated – June 2022			
Balance at 1 July 2021	49,494	3,864	53,358
Additions	16,134	-	16,134
Depreciation expense	(23,500)	(1,675)	(25,175)
Balance at 30 June 2022	<u><u>42,128</u></u>	<u><u>2,189</u></u>	<u><u>44,317</u></u>

Accounting policy for plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
---------------------	-----------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 9. Non-current assets - intangibles

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
Goodwill - at cost	711,259	711,259
Less: Impairment	(711,259)	(711,259)
	-	-
Patents and trademarks - at cost	4,449	4,449
Software - at cost	551,734	551,734
Less: Accumulated amortisation	(2,950)	(2,950)
Less: Impairment	(480,933)	(480,933)
	67,851	67,851
Australian Financial Services License - at cost	50,000	50,000
Less: Impairment	(50,000)	(50,000)
	-	-
Funds under management / client list / brand name - at cost	175,000	175,000
Less: Impairment	(175,000)	(175,000)
	-	-
	72,300	72,300

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Goodwill	Patents and trademarks	Software	Total
	\$	\$	\$	\$
Balance at 1 July 2022	-	4,449	67,851	72,300
Additions	-	-	-	-
Additions through business combination (note 3)	-	-	-	-
Impairment of assets	-	-	-	-
Amortisation expense	-	-	-	-
Balance at 31 December 2022	-	4,449	67,851	72,300

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Software

Software acquired through business combinations were recognised at fair value. Software is amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	31 December	
	2022	30 June 2022
	\$	\$
Trade payables	1,190,788	643,722
Other payables	358,587	402,419
Accrued expenses	126,823	235,063
	<u>1,676,198</u>	<u>1,281,204</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 11. Current liabilities - contract liabilities

	Consolidated	
	31 December	
	2022	30 June 2022
	\$	\$
Contract liabilities	<u>330,000</u>	<u>330,000</u>

Accounting policy for contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 12. Current liabilities - employee benefits

	Consolidated	
	2022	2021
	\$	\$
Employee benefit liabilities	<u>423,706</u>	<u>521,379</u>

Accounting policy for short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 13. Current liabilities - other liabilities

	Consolidated	
	2022	2021
	\$	\$
Other current liabilities	<u>155,552</u>	<u>27,276</u>

Amount represents balance of business insurance funding loan and software subscriptions which are payable within 12 months.

Douough Limited
Notes to the consolidated financial statements
31 December 2021

Note 14. Equity - issued capital

	31 December 2022 Shares	Consolidated 30 June 2022 Shares	31 December 2022 \$	30 June 2022 \$
Ordinary shares - fully paid	<u>982,335,867</u>	<u>843,020,209</u>	<u>32,803,235</u>	<u>30,697,586</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	843,020,209		30,697,856
Vesting of employee performance rights	14 October 2022	4,494,229	\$0.021	94,379
Issue of shares due to capital raising	19 December 2022	108,750,000	\$0.016	1,740,000
Issue of shares for services rendered	19 December 2022	10,000,000	\$0.016	160,000
Issue of shares in lieu of accrued salaries	23 December 2022	16,071,429	\$0.014	225,000
Share issue costs		-		(114,000)
Balance	31 December 2022	<u>982,335,867</u>		<u>32,803,235</u>

Note 15. Equity - reserves

	Consolidated 31 December 2022 \$	30 June 2022 \$
Foreign currency reserve	62,387	56,551
Share-based payments reserve	<u>2,665,494</u>	<u>2,094,548</u>
	<u>2,727,881</u>	<u>2,151,099</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 16. Equity - accumulated losses

	Consolidated 31 December 2022 \$	30 June 2022 \$
Accumulated losses at the beginning of the financial year	(29,139,372)	(17,510,920)
Loss after income tax expense for the half-year	<u>(5,069,451)</u>	<u>(11,628,452)</u>
Accumulated losses at the end of the half-year	<u>(34,208,823)</u>	<u>(29,139,372)</u>

Note 17. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Douough Limited
Notes to the consolidated financial statements
31 December 2022

Note 18. Events after the reporting period

From Q1 2023, the Company flagged its intention to reduce costs and focus on its US operations with a view to shifting focus to developing the platform in the Australian market. Post-period end, the Company announced that the winddown of the US operations would be completed by the end of March 2023.

Apart from the above, no matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Discontinued operations

Description

During the period, the Company took the decision to wind down its operations of Douough USA LLC in the US.

<i>Financial performance information</i>	31 December 2022 \$	31 December 2021 \$
Revenue	128,150	185,239
Other income	3,237	649
Expenses		
Administrative and operating activities	(45,561)	(25,028)
Advertising and marketing	-	(248,208)
Direct and other operational costs	(671,352)	(795,963)
Employee benefits and expense	(1,581)	(52,717)
Finance costs	(1,016)	(931)
Loss before income tax expense	(588,123)	(936,959)
Income tax expense	-	-
Loss after income tax expense for the half-year	<u>(588,123)</u>	<u>(936,959)</u>

<i>Cashflow information</i>	31 December 2022 \$	31 December 2021 \$
Cashflow from (used in) discontinued operating activities	(298,003)	(587,637)
Cashflow from (used in) financing activities	234,270	685,742
Cashflow from (used in) investing activities	-	-
Net increase (decrease) in cash and cash equivalents	<u>(63,733)</u>	<u>(98,105)</u>

Douough Limited
Notes to the consolidated financial statements
31 December 2022

Note 19. Discontinued operations (continued)

Carrying amounts of assets and liabilities for disposal

	31 December	
	2022	30 June 2022
	\$	\$
Cash and cash equivalents	214,213	277,946
Trade and other receivables	38,376	57,899
	<u>252,589</u>	<u>335,845</u>
Trade and other payables	635,916	370,123
Borrowings	-	20,232
Related-party loans	3,177,419	2,922,916
Total liabilities	<u>3,813,335</u>	<u>3,313,271</u>
Net assets (liabilities)	<u>(3,560,746)</u>	<u>(2,977,426)</u>

Accounting policy for discontinued operations

Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal group(s) constituting the discontinued operation.

Note 20. Earnings per share

	Consolidated	
	31 December	31 December
	2022	2021
	\$	\$
Loss after income tax attributable to the owners of Douough Limited	<u>(5,069,451)</u>	<u>(7,138,904)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>867,737,562</u>	<u>671,647,274</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>867,737,562</u>	<u>671,647,274</u>
	Cents	Cents
Basic and diluted earnings per share from continuing operations	(0.51)	(0.92)
Basic and diluted earnings per share from discontinued operations	(0.07)	(0.14)
Overall basic and diluted earnings per share	(0.58)	(1.06)

**Options over ordinary shares have been omitted from the above calculation as they are anti-dilutive.*

Note 21. Share-based payments

During the financial period, the company has issued the following equity instruments to its directors, management, company secretary and financial advisors.

Note 21. Share-based payments (continued)

- 2,874,785 performance rights issued with a nil exercise price, vesting date in equal tranches over 3 years with an expiry of 14/10/2025.
- 4,494,229 shares were issued to employees on vesting of performance rights.
- 10,000,000 shares issued for services rendered.
- 16,071,429 shares were issued to Directors in lieu of salaries.
- 30,000,000 performance rights were issued to Directors: 10,000,000 of Class A, B and C respectively.
- 20,000,000 options were issued to consultants under the ESOP plan with an exercise price of \$0.0216.
- 10,000,000 options were issued to the facility services provider as per the 2022 AGM with an exercise price of \$0.1080.

For the options granted during the half year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30/11/2022	10/10/2025	\$0.020	0.0216	100%	-	3.116%	\$241,957
30/11/2022	13/12/2024	\$0.020	0.1080	100%	-	3.063%	\$34,654

Set out below are summaries of (ESOP) performance rights granted during the year:

31 December 2022

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
			14,856,884		(2,556,884)		12,300,000
14/10/2022	14/10/2025	-	-	2,874,785	(1,937,345)	-	937,440
30/11/2022	23/12/2025	-	-	10,000,000	-	-	10,000,000
30/11/2022	23/12/2025	-	-	10,000,000	-	-	10,000,000
30/11/2022	23/12/2025	-	-	10,000,000	-	-	10,000,000
			<u>14,856,884</u>	<u>32,874,785</u>	<u>(4,494,229)</u>	<u>-</u>	<u>43,237,440</u>

Weighted average exercise price

\$nil

The weighted average remaining contractual life of performance rights outstanding at the end of the financial period was 2.68 years (2021: 2.64 years).

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Dividend yield	Fair value at grant date
14/10/2022	14/10/2025	0.021	-	-	\$60,370
30/11/2022	23/12/2025	0.020	-	-	\$190,271
30/11/2022	23/12/2025	0.020	-	-	\$177,811
30/11/2022	23/12/2025	0.020	-	-	\$166,500

Total expense recognised in the profit or loss for the period ended 31 December 2022 amounted to \$1,050,405 (2021: \$520,613).

Douough Limited
Directors' declaration
31 December 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Andy Taylor
Managing Director and CEO

28 February 2023

RSM Australia Partners

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www.rsm.com.au**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DOUGH LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Dough Limited, which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such control as the directors and those charged with governance determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Dough Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Dough Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the interim financial report, which indicates that the Group incurred a net loss of \$5,069,451 during the half year ended 31 December 2022 and, during the half year, the Group had net operating cash outflows of \$1,678,682. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dough Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'David Talbot'.

David Talbot
Partner

Sydney, NSW
Dated: 28 February 2023