

Dough's new B2B Embedded Banking services division Stakk contributes strong revenue growth in Q3

- *The Company delivered a record \$260k in revenue, up from \$33k in Q3FY23; an increase of 688% YoY. 80% of which was contributed by its new (B2B) BaaS offering Stakk.*
- *Further costs were stripped out of the business, with expenses reducing to \$188k, down from \$699k in Q2FY24; a decrease of 73% YoY.*
- *Dough successfully launched its new payment gateway product (Dough Pay) with a small selection of Merchants, the Company expects to start contributing meaningful revenue in Q4 from this new channel.*
- *Dough advanced a total of ~\$100k in new loans in the quarter, with net defaults reducing to 5.8% since its Q1FY24 launch.*
- *Revenue growth was again achieved through organic means, due to a pause in paid advertising activities, which is impacting the Company's ability to grow its (B2C) business in the short-term, until it is able to scale the Merchant channel.*

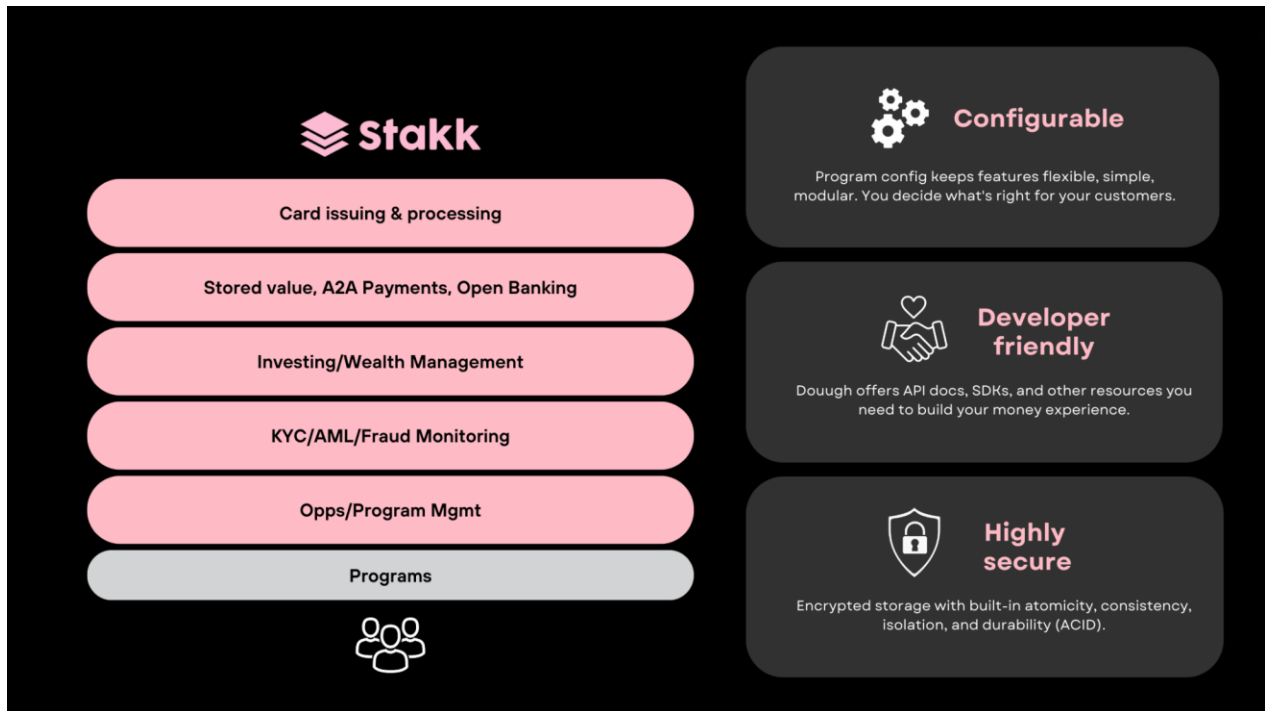
Sydney, 30 April 2024 - [Dough](#) Ltd (ASX:DOU), the award winning fintech is pleased to give an update on Q3FY24 performance from its existing direct to consumer offering and new B2B Embedded Banking platform services business [Stakk](#).

Following its withdrawal from the US market, the Company has worked hard to trim its cost base and find a way to refocus its efforts to better 'sweat' its capabilities and technology assets, to fast-track it to profitability for the benefit of all shareholders, following our re-launch in Australia.

This culminated in a change in strategy to license our technology to other companies under private-label via our [Stakk](#) offering and develop a new sales distribution channel with Merchants to scale customer acquisition for our direct to consumer offering, in a way that requires minimal investment in marketing.

Stakk (B2B)

Stakk is a full-service BaaS platform that empowers brands to launch their own fintech products under private-label, by embedding the Stakk technology into their web and mobile applications through a core set of APIs & SDKs, managed through a single Admin portal.



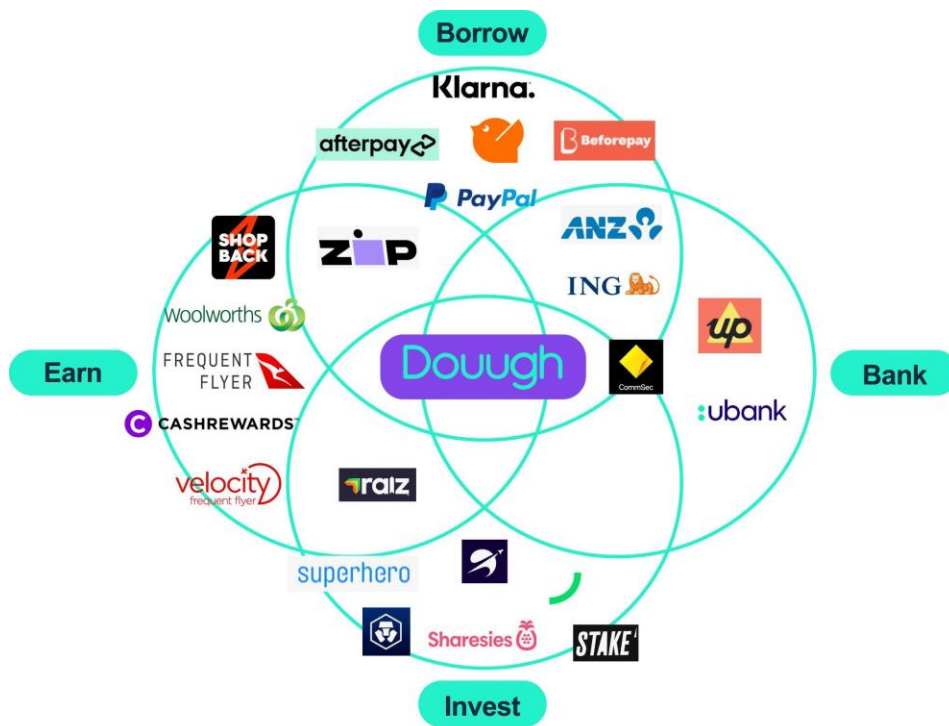
Stakk offers a full range of core banking services including;

- Customer onboarding, inc KYC, AML, Credit decisioning and Fraud Monitoring
- Card issuing and processing
- Transaction accounts/wallets
- Account-to-Account (A2A) payments
- Instalment loans and revolving credit
- Share-trading and Portfolios
- Automated money management
- Cashback and Stockback™ rewards

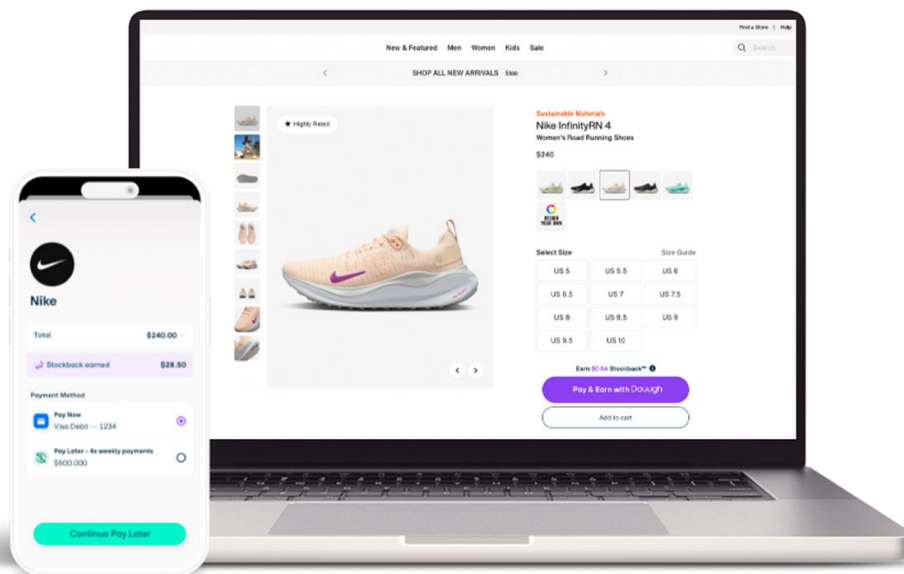
The new division contributed the majority of cash receipts in the quarter, from technology services relating to a new PropTech payments opportunity it has been engaged to help support. The Company expects to announce to the market imminently the next stage of this exciting project and what it will constitute in terms of projected revenue for the group.

Dough (B2C)

The Company launched its new Merchant gateway product Dough Pay in the quarter to a select group of Merchants, as it seeks to become the primary payment and investing App of choice for young Australians looking to better manage & grow their money.



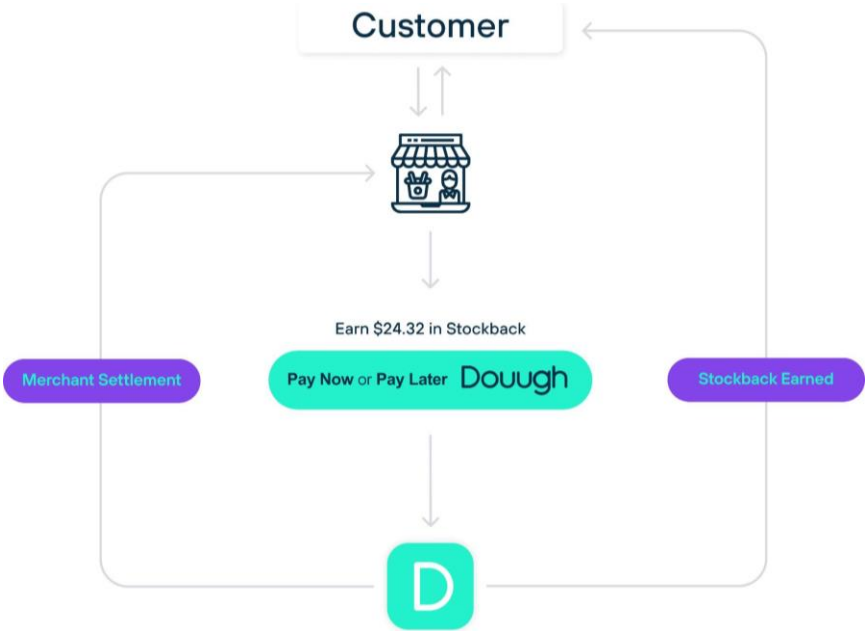
Merchants are now able to offer their customers Dough's unique Stockback™ reward program, with the flexibility of 'Pay Now' or 'Pay Later' features integrated into a seamless checkout experience at point of sale.



Payments are automatically debited from a customer's connected Visa/Mastercard debit (Wallet) or Dough line of credit (Spot), depending on the customer's preference at checkout.

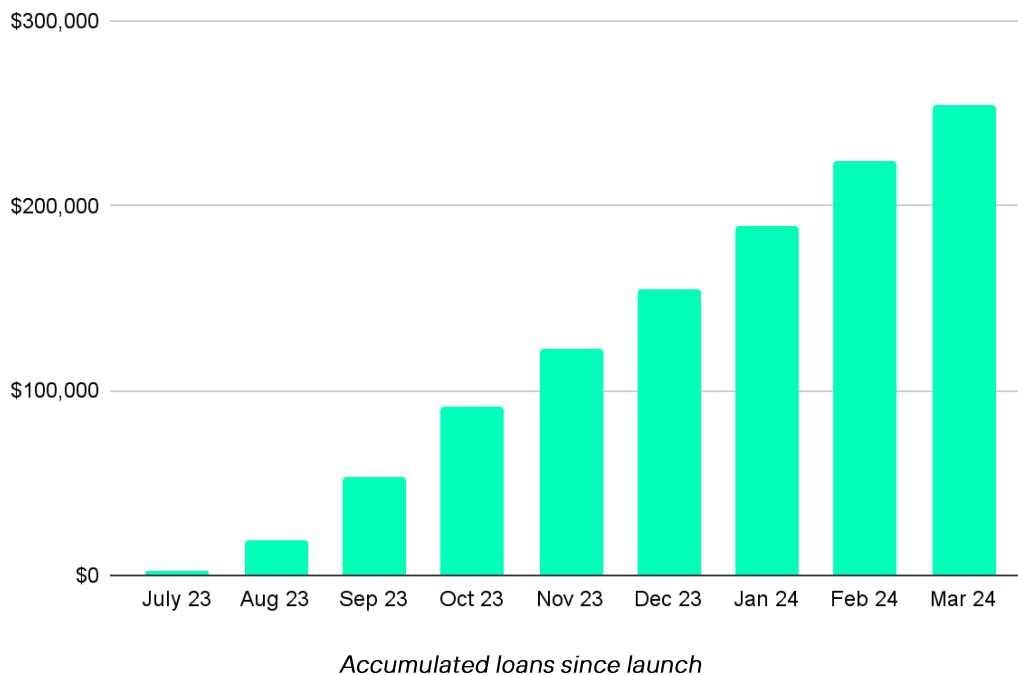
The Dough Pay solution is designed to be open loop, with the goal of appealing to key customer cohorts that will be attracted to grow their money as they spend by earning Stockback™ (Cashback rewards that are invested in a customer's chosen managed Portfolio), as well as accessing interest-free credit at POS through the click of a button.

The Company expects it will see a higher weighting of debit vs credit transactions across its customer base, as it looks to focus on upselling customers to set up a recurring investment savings plan on the Dough platform to drive subscription revenue.



Dough is handling end-to-end settlement with the merchant and the customer. Stockback™ rewards will be funded directly by the merchant, with Dough charging a processing fee of ~1.75% + 30c.

The Company originated a total of 593 Spot loans, equating to ~\$100k in cash advances, with 90+ day net defaults now sitting at 5.7%. It is expected that loan origination will accelerate as new Merchant partners are onboarded and overall total transaction volume (TTV) increases as more customers choose to 'Pay with Dough' at checkout.



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

"We are delighted to announce the strong revenue growth in Q3, following the roll out of our new (B2B) Embedded Banking division [Stakk](#).

As previously announced, having invested significantly into R&D over the last 5 years, we've long been assessing the merits of white-labeling our technology to other businesses in order to expand our revenue profile, whilst achieving economies of scale and profitability sooner for the benefit of all shareholders.

We are now starting to reap the financial benefits of this strategy and we expect this to continue as we expand our sales pipeline and forge new strategic partnerships.

The Dough (B2C) offering will continue to be scaled up through Merchant partnerships following the roll out of our new Dough Pay gateway product. And we expect this to meaningfully contribute to customer and revenue growth from Q4.

We also made further reductions to our cost base, whilst maintaining our ability to continue to operate and grow the business."

Business activities

The Company collected \$260k (Previous Qtr (Q2): \$109k) in cash receipts for the quarter from users and customers transacting on the B2B and B2C platforms. This result meets expectations that receipts will continue to grow and outpace costs of sales as more throughput is achieved on the Company's platforms.

Business activities expenditure totalled \$188k for the quarter (Q2: \$699k) consisting of research and development \$42k (Q2: \$153k), advertising and marketing \$18k (Q2: \$25k), operating costs \$54k (Q2: \$161k) with the balance to administration \$59k (Q2: \$118k) and staff costs \$16k (Q2: \$242k). R&D programs are now materially complete. Advertising and marketing continues to largely rely on internal efforts and owned channels. Administration, staff and operating costs were cut back further noting the outflow in the quarter is partially understated to due timing differences.

The aggregate amount of payments to related parties and their associates included in Q4 Cash flows from operating activities was nil as payments (director fees and salaries on commercial terms) to these parties were accrued.

Douugh Investor Hub

For more information on 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/>.

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About Douugh

[Douugh](#) is an award winning fintech company on a mission to enable more efficient money management through its embedded finance platform technology, which it is commercialising via a B2C and B2B offering. The Company was Founded and led by CEO Andy Taylor, previously the Founder of SocietyOne.

For more information contact:

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ASX release approved by the Board.

Appendix 4C

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

Name of entity

DOUGH LIMITED

ABN

41 108 042 593

Quarter ended ("current quarter")

31 March 2024

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	260	394
1.2 Payments for		
(a) research and development	(42)	(406)
(b) product manufacturing and operating costs	(54)	(268)
(c) advertising and marketing	(18)	(53)
(d) leased assets		-
(e) staff costs	(16)	(541)
(f) administration and corporate costs	(59)	(201)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	20
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,648
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	83	593
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(144)	(238)
(f) other non-current assets	-	(89)

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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash from acquired subsidiary)	-	-
2.6	Net cash from / (used in) investing activities	(144)	(327)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	-	385
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	-	(29)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(28)	(1,188)
3.7	Transaction costs related to loans and borrowings	(4)	18
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(32)	(814)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	293	747
4.2	Net cash from / (used in) operating activities (item 1.9 above)	83	593
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(144)	(327)

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)	(32)	(814)
4.5	Effect of movement in exchange rates on cash held	-	1
4.6	Cash and cash equivalents at end of period	200	200

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	200	293
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)	200	293

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
-
-

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

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

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	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	158	158
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** 158

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 March 2024.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	83
8.2 Cash and cash equivalents at quarter end (Item 4.6)	200
8.3 Unused finance facilities available at quarter end (Item 7.5)	158
8.4 Total available funding (Item 8.2 + Item 8.3)	441
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	5.31

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 2024

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.