

Dough to acquire US B2B fintech platform services business R-DBX

- *Dough has signed a binding share purchase agreement to acquire Radical DBX, Inc.*
- *R-DBX is an embedded finance platform powering some of the leading fintechs, banks, and credit unions in the USA, and will provide a strong foundation for Dough to roll out its embedded finance platform, [Stakk](#), in the US market.*
- *R-DBX continues to be a cashflow positive operation, and in the 2023 calendar year generated ~\$1.1m in revenue.*
- *R-DBX will be rebranded to Stakk Technologies, Inc and seek to upsell customers with an expanded array of API services leveraging Dough's cloud native, orchestration banking platform technology.*
- *Dough proposes to change its name to Stakk Limited, to reflect its strategic focus on B2B platform services.*
- *The Company has also secured \$1.0m in working capital via way of a convertible loan from US fintech investor, Relentless Fintech Partners, Inc.*

Sydney, 27 September 2024 – [Dough](#) Ltd (ASX:DOU) (Company or DOU) is pleased to announce it has signed a binding share purchase agreement to acquire US B2B fintech platform services business Radical DBX, Inc. (EIN 93-4813022) (R-DBX) (Proposed Transaction).

The Proposed Transaction will provide the Company with technology and a suite of established long-term client contracts that will generate a stable stream of income for the group, which in the calendar year of 2023 turned over ~\$1.1m.

On settlement of the Proposed Transaction, Stakk intends to launch its service in the US and upsell these customers, as well as scale up its Australian operation. Its embedded finance technology empowers banks, start-ups and enterprises to launch their own fintech products & services to their customer bases through a core set of APIs & SDKs, managed through a single platform.

Stakk offers a full range of banking products including;

- KYC/AML/Fraud Monitoring
- Card issuing and processing
- Transaction accounts/wallets
- AI-powered credit decisioning & collections
- Instalment loans and revolving credit
- Robo-advisory and share-trading
- Automated money management
- Account-to-account payments
- Cashback and Stockback™ rewards

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

"We are delighted to announce the proposed acquisition of R-DBX. A company born out of leading B2B fintech services business UrbanFT, which has amassed a high-quality customer base of fintechs and financial institutions through their own limited embedded finance offering.

This acquisition will give us a major head start into launching our embedded finance offering, with a core focus on credit-as-a-service in the US market, as well as scale up our presence in Australia and later in the wider Asia Pac region.

Importantly it gives us the opportunity to commercialise the US component of our technology platform we invested so heavily into developing since our founding. Which is a major win for our shareholders."

Material terms of the Proposed Transaction

The Company has entered into a binding share purchase agreement (**SPA**) with the shareholders of R-DBX listed in Schedule 1 (**Vendors**) to acquire 100% of the stock on issue in R-DBX in consideration for:

- (a) the issue of 892,823,759 fully paid ordinary shares in the capital of the Company (**DOU Shares**) at a deemed issued price of A\$0.005 per DOU Share (**Consideration Shares**); and
- (b) three tranches of performance consideration in R-DBX, with the quantum of performance consideration to be determined based on the achievement of revenue criteria (**Performance Consideration**).

The Company confirms that the Vendors are not persons to which Listing Rule 10.1 applies. Further information regarding the material terms of the Proposed Transaction is set out in Schedule 1.

In-principle confirmation has been received from the ASX that Listing Rules 11.1.2 and 11.1.3 do not apply to the Proposed Transaction.

Funding

To fund the negative cash flow of the Company, together with specified and approved working capital requirements, the Company has entered into a convertible loan deed (**CLD**) with Relentless Fintech Partners, Inc. (**Relentless Fintech**), a corporation incorporated in accordance with the laws of Delaware, in the United States of America.

The Company confirms that Relentless Fintech and its associates are not persons to which Listing Rule 10.1 applies, nor is Relentless Fintech a related party of R-DBX or the Vendors.

The Company's obligations under the CLD will be secured by a general security deed over the Company and its assets, and the Company's subsidiaries.

Under the CLD, Relentless Fintech will make available a facility of US\$650,000 (A\$1,000,000 based on AUD1.00 = USD0.65) (**Loan**). The Loan will be convertible into DOU Shares at Relentless Fintech's election, subject to shareholder approval.

Further information regarding the material terms of the CLD is set out in Schedule 2.

Board and management changes

On signing of the SPA, it is proposed that:

- (a) Mr Derek Hall shall resign as a non-executive director of DOU, but will remain as Company Secretary of DOU;
- (b) Mr Arthur Lo shall be appointed as a Non-Executive Director of DOU; and
- (c) R-DBX Vendor and Executive, Mr Nikhil Ghanekar, shall be appointed as Chief Financial Officer of DOU.

Mr Arthur Lo has more than 20 years of expertise in financial services, Arthur Lo serves as a partner at SeedSpace Venture Capital, an Australian firm specialising in emerging FinTech ventures. Combining sharp investment acumen with operational experience, Arthur has successfully led the setup, management, and growth of funds and asset vehicles across global markets.

His deep expertise in technology and finance places him at the forefront of the FinTech revolution. Arthur excels at providing strategic insights that drive innovation, scale emerging businesses and unlock value for entrepreneurs and investors alike.

Mr Nikhil Ghanekar serves as the Chief Financial Officer (CFO) of Urban FT, which is recognized as one of the most progressive and successful FinTech companies in the Financial Services industry today, and is responsible for financial reporting, budgeting, and operational cash management. Prior to joining Urban FT, he held senior roles with The Walt Disney Company and Grant Thornton, LLP. Directly before joining Urban FT, he served as Head of Accounting and Finance for Wipit, a mobile wallet and prepaid card provider to telcos. During his time at Wipit, he led the growth of the finance team by creating processes and procedures, accounting systems implementation, and cost savings initiatives.

On settlement of the Proposed Transaction (**Settlement**), it is proposed that R-DBX will nominate two nominees to join the Board of Directors of DOU (**DOU Board**). In addition to the above changes, on and from the execution of the CLD until the maturity date of the Loan, Relentless Fintech shall have the right to appoint a nominee to the DOU Board.

Shareholder approvals

The Company intends to convene a general meeting to seek shareholder approval for the Proposed Transaction (**General Meeting**) including to seek shareholder approval to:

- (a) issue the Consideration Shares to the vendors of R-DBX pursuant to Listing Rule 7.1; and
- (b) change the Company's name to "Stakk Limited".

It is proposed that the Company will seek shareholder approval to issue the Shares to Relentless Fintech on conversion of the Loan at a separate general meeting following an election to convert by Relentless Fintech pursuant to the CLD.

Capital structure

The proposed capital structure of the Company on Settlement is set out in Schedule 3.

Next steps

DOU shareholders do not need to take any action at this stage.

A notice of meeting seeking shareholder approval for the matters noted above as they relate to the Proposed Transaction will be circulated to shareholders in due course.

This announcement has been approved for release on ASX by the Board of Directors.

–End–

About Dough

[Dough](#) 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 is Founded and led by CEO Andy Taylor, previously the Founder of SocietyOne.

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Disclaimer

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SCHEDULE 1 – MATERIAL TERMS OF PROPOSED TRANSACTION

Parties	<p>Dough Ltd (ACN 108 042 593) (DOU)</p> <p>AND</p> <p>Radical DBX, Inc. (EIN 93-4813022) (R-DBX)</p> <p>AND</p> <p>Open Fintech, LLC;</p> <p>Banyan Fintech Holdings (NA), LLC, As Trustee for the Banyan Technology Trust (AU);</p> <p>Nikhil Ghanekar and Ami Ghanekar, as joint Trustees for the Ghanekar Family Trust;</p> <p>Siddharth Parekh; and</p> <p>Uri Fastag</p> <p>(together, the Vendors).</p>
Proposed Transaction	DOU agrees to acquire and the Vendors each agree to sell 100% of the common stock in R-DBX on issue (R-DBX Shares), free from encumbrances, subject to the satisfaction of the Conditions Precedent set out below and otherwise on the terms and conditions set out in the SPA (Proposed Transaction).
Effective Date	Notwithstanding the date of settlement of the Proposed Transaction, the Parties intend for the Effective Date of the Acquisition to be October 1, 2024.
Consideration Shares	At settlement of the Acquisition (Settlement) DOU agrees to issue to the Vendors (or their respective nominees) an aggregate of 892,823,759 fully paid ordinary shares in the capital of DOU (DOU Shares) (issued at a deemed issued price of A\$0.005 per DOU Share) (Consideration Shares).
Performance Consideration	<p>Subject to Settlement occurring, R-DBX agrees within 30 days of each Calculation Date (defined below) to issue the Vendors Performance Consideration in their respective proportions, as follows:</p> <p>(a) First Calculation Date: Within 30-days of 1 January 2025, R-DBX will calculate, and immediately issue any Performance Consideration that may be due to the Vendors in accordance with the Performance Formula;</p> <p>(b) Second Calculation Date: Within 30-days of 1 January 2026, R-DBX will calculate, and immediately issue any Performance Consideration that may be due to the Vendors in accordance with the Performance Formula; and</p> <p>(c) Third Calculation Date: Within 30-days of 1 January 2027, R-DBX will calculate, and immediately issue any Performance Consideration that may be due to the Vendors in accordance with the Performance Formula,</p> <p>(each, a Calculation Date).</p> <p>For the purposes of this clause, Performance Consideration will be calculated in accordance with the following Performance Formula:</p> <p><i>((4 x Revenue of R-DBX as at the respective Calculation Date) – (the total value of the Aggregate Consideration paid to the Vendors as at the respective Calculation Date))</i></p> <p>Revenue = the audited revenue from ordinary activities (excluding one-off or extraordinary revenue items, revenue received in the form of government grants, allowances, rebates or other hand-outs or revenue or profit that has been “manufactured” to achieve the performance milestone) for the R-DBX Business for the relevant Calendar Year.</p>

	<p>Calendar Year = 1 January to 31 December.</p> <p>Aggregate Consideration = the total deemed value of the Consideration Shares delivered to the Vendors at Settlement, in addition to any Performance Consideration paid on one or more of the Calculation Dates.</p> <p>R-DBX shall disclose the Revenue to R-DBX's auditors for independent validation as soon as the accounts for the relevant period have been finalised. The issuance of Performance Consideration after each Vesting Date will occur as soon as practicable after the Revenue has been reviewed and determined by R-DBX's auditors.</p> <p>The Parties agree that any Performance Consideration that becomes due shall, in compliance with the laws in the State of Delaware, and in accordance with the Bylaws of R-DBX, be payable to the Vendors in the form of new R-DBX Shares, issued at par value of US\$0.0001 each, to a maximum of 1,008 R-DBX Shares, based on the following:</p> <p><i>(Performance Consideration due / 2,976.23) = number of R-DBX Shares to be issued.</i></p>
<p>First Right of Refusal (For subsequent shares issued by R-DBX)</p>	<p>Where at any time prior to December 31, 2028 R-DBX shall issue any R-DBX Shares to any party other than DOU, R-DBX shall cause, by way of updating its Bylaws, there to exist a right, for a period of 90-days following the issuance of any such R-DBX Shares, for DOU, in its sole and absolute discretion, to purchase that common share from the holder based on one (1) R-DBX Share being purchased in exchange for the issue of eight hundred and ninety-two thousand, eight hundred and twenty-four (892,824) DOU shares (R-DBX Purchase Shares).</p> <p>With exception to any R-DBX Shares to be issued pursuant to the obligations R-DBX shall have in relation to the Performance Consideration, R-DBX shall not be permitted to issue any shares to any party without the resolution of the DOU Board.</p> <p>Notwithstanding the above, the parties agree that the maximum aggregate number of DOU Shares to be issued in accordance with this clause shall be 900,000,000 DOU Shares.</p>
<p>Conditions Precedent</p>	<p>Settlement is conditional upon the satisfaction or waiver of the following conditions precedent (Conditions Precedent):</p> <ul style="list-style-type: none"> (a) DOU approvals: DOU obtaining all necessary shareholder and regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law to allow DOU to lawfully complete the matters set out in the SPA, including, without limitation: <ul style="list-style-type: none"> (i) shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Consideration Shares; and (ii) ASX confirming that ASX Listing Rule 11.1.3 does not apply to the Proposed Transaction; (b) R-DBX shareholder approvals or consents: R-DBX obtaining any consents or shareholder approvals that are required under any agreement or constituent document that is required to complete the Proposed Transaction; (c) R-DBX warranties: DOU being satisfied that none of the warranties given by the Vendors become materially untrue, incorrect or misleading prior to Settlement; and (d) DOU warranties: R-DBX being satisfied that none of the warranties become material untrue, incorrect or misleading prior to Settlement.

Termination	If the outstanding Conditions Precedent set out above are not satisfied by 5.00pm (WST) on the date which is 45 days from the date of execution of the SPA (Execution Date) (or such other date agreed by the parties in writing), either party can terminate the SPA.
Settlement	Once the Conditions Precedent referred to above have been satisfied, the parties will proceed to complete the transaction in the usual manner.
DOU Board and management changes	<p>On signing of the SPA, it is proposed that:</p> <p>(a) Mr Derek Hall shall resign as a non-executive director of DOU, but will remain employed as Company Secretary of DOU;</p> <p>(b) Mr Arthur Lo shall be appointed as a Non-Executive Director of DOU; and</p> <p>(c) Mr Nikhil Ghanekar, shall be appointed as Chief Financial Officer of DOU.</p> <p>On Settlement, it is proposed that R-DBX will nominate two nominees to join the Board of Directors of DOU (DOU Board).</p>
R-DBX board composition	<p>Until the 36-month anniversary of the Effective Date, R-DBX will maintain 4 directors, two of which may always be a nominee of DOU, and the remaining two being nominees of the Vendors. The nominees will comprise:</p> <p>(a) Nominees of DOU:</p> <p>(i) Bert Mondello; and</p> <p>(ii) Andrew Taylor.</p> <p>(b) Two nominees of R-DBX to be advised by R-DBX prior to Settlement.</p>
DOU Warranties	The SPA contains representations and warranties by DOU considered standard for an agreement of its nature and also includes some specific warranties, including that DOU agrees that, prior to Settlement, it will procure that 50% of the debt owed to certain creditors, being an aggregate A\$457,935 (out of a total outstanding amount of A\$915,870 as at 31 August 2024 (Amount Owing)), will be converted to DOU Shares (issued at a deemed issued price of A\$0.005 per DOU Share), and that the balance of the Amount Owing will be extinguished or written off.
Other terms	The SPA otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

SCHEDULE 2 – MATERIAL TERMS OF CLD

Parties	Dough Ltd (ACN 108 042 593) (Borrower) AND Relentless Fintech Partners, Inc., (Lender)
Loan	The Lender agrees to make a convertible loan of up to US\$650,000 available to the Borrower on the terms set out below.
Initial Drawdown	(a) On or before the date which is 21 days after the execution date under the SPA, the Lender and the Borrower must determine, in good faith, the amount of the initial Drawdown amount (Initial Drawdown), but anticipate the amount of the Initial Drawdown being at least A\$350,000.

	(a) The parties agree that the Initial Drawdown is to be provided to the Borrower on settlement occurring under the SPA or such earlier date agreed to by the Lender.
Drawdown	Subject to the above paragraph and the terms of the CLD, the Borrower may draw down on the Loan on or before the 25th day of each month during the term of the Loan (Drawdown) by giving written notice of its intention to do so to the Lender, in accordance with the terms of the CLD.
Purpose	The Borrower agrees to apply the Loan entirely and exclusively to fund the negative cash flow of the Borrower, together with specified and approved working capital requirements of the Borrower, during the term of the Loan.
Maturity Date	<p>(a) The maturity date occurs on the earlier of:</p> <ul style="list-style-type: none"> (i) if settlement does not occur under the SPA on or before 30 November 2024, 31 December 2024; (ii) 1 July 2026; (iii) the date that the Borrower completes one or more equity raises for greater than five million dollars (A\$5,000,000) in aggregate; or (iv) 20 Business Days after a Event of Default (defined below) by the Borrower under the terms of the Loan and where such Event of Default subsists and has not been remedied by the Borrower within the 20 Business Day timeframe, <p>1. (Maturity Date).</p> <p>(b) As related to paragraph (a)(iii) above and only where the Borrower receives a binding offer of equity greater than one million dollars (A\$1,000,000) in a single investment, and where the terms of that offer shall reasonably require the Maturity Date of this Loan be extended by 12-months, the Lender shall be agreeable to modify the CLD accordingly.</p>
General Security Deed	On or prior to the execution date, the Borrower and the Lender must enter into a general security deed, pursuant to which the Borrower will grant the Lender a first ranking fixed and floating charge over all of the business and assets of the Borrower, including its subsidiaries (GSD). Drawdown is subject to compliance with the GSD.
Conversion	<p>(c) Prior to the Maturity Date, the Lender may elect at its discretion to convert all, or part of, the amount drawn down and any interest accrued (together, the Outstanding Moneys) subject to approval by the Borrower's shareholders at a general meeting (Shareholder Approval), into fully paid ordinary shares in the capital of the Borrower (DOU Shares) by providing the Borrower notice in writing of such an election as follows:</p> <ul style="list-style-type: none"> (i) at any time during the first 18 months of the Loan, the Lender may convert part, or all, of the Outstanding Moneys into DOU Shares at a deemed issue price of A\$0.005 per DOU Share (Initial Term); and (ii) following the Initial Term and prior to the Maturity Date, the Lender may convert part, or all, of the Outstanding Monies into DOU Shares at a deemed issue price which is equal to a 20% discount to the volume weighted average price of DOU Shares on the 20 days on which DOU Shares have traded on the ASX

	<p>immediately prior to the Lender providing written notice to the Borrower of an election to convert, as set out above.</p> <p>(d) If the Lender elects to convert the Outstanding Monies into DOU Shares, the number of DOU Shares to be issued shall be determined by converting the Outstanding Monies into AUD at the exchange rate (being the lower of AUD1.00 = USD0.65 and the exchange rate of Australian dollars to United States' dollars as published by the Reserve Bank of Australia on its website (https://www.rba.gov.au/statistics/frequency/exchange-rates.html) on the date such issue is made.</p> <p>(e) If the Lender elects to convert the Outstanding Monies into DOU Shares in accordance with this clause, failure by the Borrower to (a) seek and obtain the Shareholder Approval and/or (b) allot and issue the Shares shall be a deemed "Event of Default" under the CLD.</p>
Interest	Interest is to be calculated and accrued monthly, on a compound basis, on amounts drawn down under the Loan (and accrued interest) at an interest rate of 10%, commencing on the execution of the CLD. Interest is payable in cash on repayment or in DOU Shares if the Loan is converted as set out above.
Repayment	If the Lender does not elect to convert the Outstanding Monies into DOU Shares on or before the Maturity Date, the Company must repay the Outstanding Monies in full to an account nominated by the Lender in writing by 5:00pm (AWST) within 10 business days of the Maturity Date.
Board nominee	On and from the execution of the CLD, until the Maturity Date, the Lender shall have the right to appoint a nominee of the Lender to the DOU Board, with such appointment being effected within 10 business days of the Lender making the nomination.
Undertakings	The CLD requires the Borrower to provide standard undertakings including (but not limited to) the provision of company information, the provision of financial accounts, compliance with applicable laws and the provision of notice of litigation and default events. The CLD also requires the Borrower to provide negative covenants including requiring the Borrower not to take any action which constitutes or results in any material alteration to the nature of the Borrower's business or constitution, create or permit to subsist any security interest over all or any part of its assets (other than the security interest granted pursuant to the GSD), not pay or declare any dividends or distribution (without prior consent of the Lender) and not deposit money or invest in or with any person except in the ordinary course of the Borrower's business and on ordinary commercial terms, except for investment into share capital in connection with establishment of a subsidiary company or a special purpose vehicle.
Events of Default	The CLD includes standard events of default including (but not limited to) if the Borrower is unable to convert the Loan as set out above (including if the Borrower fails to obtain Shareholder Approval), if an insolvency event occurs, if the Borrower fails to pay an amount within the specified timeframe (and this is not remedied), if a representation and warranty becomes untrue or is incorrect, if any of the undertakings required to be provided by the Borrower are breached.
Other terms	The CLD otherwise contains provisions considered standard for a deed of its nature (including representations and warranties and confidentiality provisions).

SCHEDULE 3 – INDICATIVE ISSUED CAPITAL OF DOU AT SETTLEMENT

#	ITEM	NUMBER OF DOU SHARES
1.	Shares on issue as at the Execution Date	1,082,068,920
2.	Options on issue as at the Execution Date	97,475,888
3.	Performance Shares on issue as at the Execution Date	25,000,000
4.	Performance Rights on issue as at the Execution Date	45,300,000
5.	TOTAL SHARES ON ISSUE AT THE EXECUTION DATE (UNDILUTED)	1,082,068,920
6.	TOTAL SHARES ON ISSUE AT THE EXECUTION DATE (DILUTED)	1,249,844,808
7.	R-DBX Consideration Shares	892,823,759
8.	R-DBX First Right of Refusal Shares ¹	900,000,000
9.	Creditor Conversion Shares ²	91,587,000
10.	TOTAL SHARES ON ISSUE AT SETTLEMENT (UNDILUTED)	2,966,479,679
11.	TOTAL SHARES ON ISSUE POST SETTLEMENT (DILUTED)	3,134,255,567

Notes:

1. Assuming all 900 million Shares are issued under the "First Right of Refusal (For subsequent shares issued by R-DBX)" clause summarised in Schedule 1. The Company notes that it is unlikely that the 900 million Shares are issued at Settlement, given that the Performance Consideration milestones will not be achieved by this time.
2. It is proposed that DOU will convert 50% of the debt owed by DOU to certain creditors (A\$457,935) into DOU Shares (issued at a deemed issued price of A\$0.005 per DOU Share) prior to Settlement.