

Dough builds momentum in Q1 with growth in loan originations & investing activity

- Following the successful launch of the first phase of its integrated short-term loan feature (Spot Jar) and unique Stockback™ rewards program, Dough has seen an increase in customer activity across all product sets.
- Dough advanced \$55k in loans in the quarter, showing a compounded monthly growth rate (CMGR) of 137%, with an average loan size of ~\$160.
- The Company saw a record total of \$191.5k in investment deposits onto the platform, with an average deposit size of ~\$186. Showing a CMGR of 25%.
- Total trading volume on the platform is also increasing, showing a CMGR of 19%.
- Dough is now close to rolling out its unique (B2B2C) Stockback™ rewards PNPL gateway (Dough Pay) in Q2, partnering with Merchants to materially scale up its acquisition efforts.

Sydney, 31 October 2023 – [Dough](#) Ltd (ASX: DOU), the award winning fintech on a mission to empower everyday Aussies to take control of their money and build long-term wealth on autopilot, is pleased to give an update on Q1FY24 performance.

Dough’s customer research in Australia shows an extremely high level of frustration from consumers left with no option but to use multiple self directed, monoline fintech and banking Apps to manage and grow their money. The Company’s Australian product appeals to those yearning for smarts and automation to help build good money habits, supported by better education.

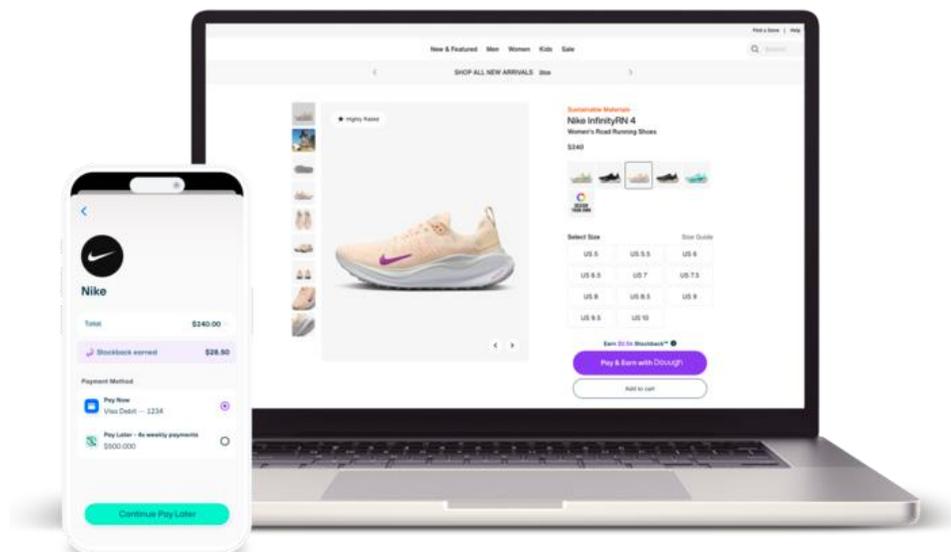
	July 23	Aug 23	Sept 23	CMGR %
Registered Customers	7,589	10,236	13,935	↑ 22%
Total Spot Loans (\$)	\$2,560	\$18,063	\$34,087	↑ 137%
Total Spot Loans (Number)	20	102	224	↑ 124%
Total Investment Deposit (\$)	\$52,100,000	\$37,700,000	\$101,700,000	↑ 25%
Total Trades (\$)	\$135,900,000	\$97,600,000	\$230,700,000	↑ 19%

Dough commenced **growth activities** in July following the successful launch of the first phase of its integrated lending feature (Spot Jar). The Company has subsequently seen a strong uplift in customer numbers and originated loans, as it has focused its marketing activities specifically on loan growth. Growth was achieved through community activation and a limited advertising media spend of ~\$40k for the quarter.

The Company is taking a measured approach to growth, centred exclusively on the bottom of the marketing funnel targeting to convert an active loan customer. This is to drive a faster path to revenue and allow optimisation of the sign up and activation process for customers.

Scaling up through Merchant partnerships

In order to scale the business, the company will soon launch its B2B2C offering with Merchants called Dough Pay.



For the first time, Merchants will be 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.

Cashback and points based loyalty programs have significantly transformed customer shopping behaviour in Australia, leading to increased purchasing frequency and brand loyalty. Notably, retail organisations have experienced the highest engagement with their loyalty programs, with 64% of shoppers reporting the use of their grocery loyalty programs every time they shop. With the added benefit of enabling customers to build their wealth as they spend, **Dough Pay** offers an exciting alternative solution to this growing market place.¹

The **Dough Pay** solution is an open loop solution with mass market appeal. It will attract both debit paying customers as well as those who need the support of **interest-free instalment credit**. Enabling them to start the journey of building wealth as they spend by earning **Stockback™**.

The Company expects it will see a higher weighting to debit transactions and a rise in customers establishing recurring investment savings plans on the Dough platform as a result.

Stockback™ offer Merchants a way to promote 'responsible spending' to build deeper engagement with their customers, due to the fact they will be facilitating a direct investment into a customers chosen managed investment Portfolio with the goal of helping them build long-term wealth.

The **Dough Pay** gateway product is still on track to launch in Q2FY24.

¹"Australia Loyalty Programs Market Intelligence and Future Growth Dynamics Databook - Q1 2023 Update" which has been published on [Yahoo Finance](https://www.yahoo.com/finance).

B2C Product Roadmap

Dough's focus in terms of the product roadmap is to continue to build out its financial super app offering with the full market launch of its Stockback™ enabled PNPL Card & Account product, followed by AU share-trading and integrated Super offering.

B2B Services

The Company remains in active dialogue with key commercial partners, investors and third parties about providing white-label access to its technology stack and infrastructure in order to accelerate its revenue growth and path to profitability. The Company will look to update the market in due course on its plans.

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

"We are delighted to announce the building of momentum on customer growth activities following the recent launch of our new Spot product. We are making rapid improvements to the marketing targeting, credit decisioning model and overall sign up funnel to improve conversion and better attract our target customer.

Our recent [Wealth Health Report](#) revealed that 9 in 10 people worry about their financial situation, Additionally, while 86% agree building long term wealth is important, the biggest barriers are the rising cost of living (67%), followed by a lack of savings, unexpected expenses, and living paycheck to paycheck (each 37%).

*Consumers simply need a smarter way to **manage & grow their money!** Spot is a responsible pay in 4 instalment loan product, designed to help customers smooth their cashflow and repay in full over a short period of time for a fixed fee. With Stockback™ being designed to help people save and invest as they spend their money.*

We are now in position to stand behind a truly unique, mass market value proposition that will disrupt and challenge monoline providers of financial services. Supported by a scalable distribution model through merchant partnerships.

We believe that Stockback™ will become the critical catalyst to deliver a viral growth coefficient that will allow us to reduce reliance on paid marketing activities over time, once the PNPL Card and Dough Pay products are launched.

We are also continuing discussions with third parties about looking to capitalise on white-label opportunities to licence access to the Dough technology stack via a suite of API's. And we look forward to updating shareholders on developments as they occur."

Business activities

The Company collected \$25k (Previous Qtr (Q3): \$34k) in cash receipts for the quarter from users transacting on the platform. Business activities expenditure totalled \$581k for the quarter (Q4: \$1.55M) consisting of research and development \$211k (Q4: \$337k), advertising and marketing \$10k (Q4: \$49k), operating costs \$53k (Q4: \$340k) with the balance to administration \$24k (Q4: \$130k) and staff costs \$283k (Q4: \$667k). With R&D completed for the new card, account and loan product, further work in this space will be refined based on real world performance. Advertising and marketing was minimal pre-launch with

further increased spending on this line subject to the success; and other funding arrangements. Administration and operating costs were minimised. Overall, the Company is targeting a monthly cash burn of less than \$200k per month ex marketing and effectively achieved this in the quarter.

The aggregate amount of payments to related parties and their associates included in Q4 Cash flows from operating activities totalled ~\$23k. These payments consisted of Directors' fees. All payments were on normal commercial terms.

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About Douugh

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

Douugh Investor Hub

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

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

ASX Release approved by the Board. The numbers presented are unaudited.

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")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	25	25
1.2 Payments for		
(a) research and development	(211)	(211)
(b) product manufacturing and operating costs	(53)	(53)
(c) advertising and marketing	(10)	(10)
(d) leased assets	-	-
(e) staff costs	(283)	(283)
(f) administration and corporate costs	(24)	(24)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,648	1,648
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,092	1,092
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	(26)	(26)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(26)	(26)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	295	295
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	(27)	(27)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,095)	(1,095)
3.7	Transaction costs related to loans and borrowings	34	34
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(793)	(793)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	747	747
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,092	1,092
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(26)	(26)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(792)	(792)
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of period	1,021	1,021

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	1,021	747
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)	1,021	747

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
23
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	210	210
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** 210

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 30 September 2023.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	1,092
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,021
8.3 Unused finance facilities available at quarter end (Item 7.5)	210
8.4 Total available funding (Item 8.2 + Item 8.3)	1,231
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A

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.

31 October 2023

Date:

By the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.