

## Douugh Quarterly Review Q1 FY2021

- *Transaction to acquire Purpose-led fintech and next-gen neobank Douugh completed.*
- *Douugh raises \$6m in heavily oversubscribed capital raising with strong support from domestic and international institutional and retail investors.*
- *Developing an integrated, AI-powered banking and wealth management platform.*
- *Capital-lite, leveraging a wholesale BaaS model compared to becoming a licenced bank.*
- *Strategic partnership with Mastercard for issuing, product and marketing support.*
- *Live in the U.S. (invitation only), full market launch in the coming weeks. Australian launch in 2021.*

30 October, 2020 (SYDNEY): Next-gen neobank and AI-driven financial wellness app provider **Douugh Limited (ASX: DOU)** ("Douugh" or the "Company") presents the following activities report for the quarter ended on 30 September 2020 (the "Quarter").

### Activity Highlights

On 6 October, 2020, Douugh commenced trading on the ASX following completion of its heavily oversubscribed capital raise of \$6 million, led by Canaccord Genuity. The listing of Douugh created substantial interest and the Company received wide media coverage.

### About Douugh

Douugh is an evolution of the 'neobank' concept, taking the original idea of banking disruption and pushing it past the capital-heavy models currently making headlines.

Douugh uses individual banking data to provide intimately tailored financial solutions that help people spend smarter, save more and build wealth. Douugh utilises the banking licenses of its partners, U.S.-based **Choice Bank** and Australian **Regional Australia Bank** to deliver core banking services via its SaaS delivery model.

Having forged a strategic partnership with Mastercard, Douugh has been in beta with select U.S. consumers since mid-2019 and is preparing for its full market launch in the coming weeks. Taylor said the choice to list early was made to capitalise on the strong growth opportunity in the U.S. before launching in Australia and beyond.

Founder and CEO Andy Taylor said that while neobanks had gone part of the way toward their stated goal, the model was fundamentally flawed. He noted:

*"Most of the well-known neobanks are just rebuilding the same old banks in digital form - selling traditional products competing on price, reliant upon getting their customers into debt to turn a profit while outsourcing their software development. This is an incredibly capital-heavy approach and I'm not sure, in the end, how 'neo' it really is or whether it resonates with the Millennial and Gen Z target market.*

*Our research shows that money management is the fundamental problem that needs solving in banking and that calls for a new kind of business model."*

## Company Overview, Strategy and Outlook

The Company's focus during the quarter was completing the acquisition of Douugh and listing on the ASX. With completion of the listing, Andy Taylor, Steve Bellotti and Patrick Tuttle were appointed as the Company's new Board, joining Bert Mondello.

Douugh's impressive management team has significant experience across financial products and technology, risk, banking and investment sectors.

CEO, Executive Director and founder of Douugh, Andy Taylor, is an experienced entrepreneur. He was Co-founder of SocietyOne, Australia's leading P2P Lending platform and Co-founder & CEO of Yatango and Unity, a leading digital marketing & technology agency which was sold to Affinity ID.

Andy leads an international team of world-class technology developers and marketing leaders, with a track record of success in technology-driven start-ups and financial industries.

Non-Executive Chairman, Steve Bellotti is a highly experienced international banker. His previous roles include MD of Global Markets and Loans at ANZ, MD of Capital Markets at Dresdner Kleinwort Wasserstein and MD of Capital Markets at Merrill Lynch.

Non-Executive Director, Patrick Tuttle is an experienced company director, sitting on the board of OpenPay (ASX:OPY), GetCapital, Consolidated Operations Group (ASX:COG) and Azora Finance. He was previously Managing Director and Co-Group CEO of leading financial services company Pepper Money.

Non-Executive Director, Bert Mondello is an experienced company executive with substantial equity market experience. He has provided strategic corporate advice to a number of organisations across multiple industries, with a specialisation in technology.

The next step for the Company is the imminent full market launch of the Douugh Platform in the U.S. Andy Taylor noted:

*"We will use our IPO funds to scale up our U.S. customer base and continue to invest heavily in R&D to improve our AI-driven banking platform. We are laser focused on helping people better manage their money, with our long-term goal to become a fully autonomous financial control centre for our customers, which may eventually see us expand into SME banking."*

Having forged a strategic partnership with Mastercard, Douugh has been in beta with select U.S. consumers since mid-2019 and is preparing for its full market launch in the coming weeks. Taylor said the choice to list early was made to capitalise on the strong growth opportunity in the U.S. before launching in Australia and beyond.

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## About Douugh

Douugh is a purpose-led fintech and next-generation neobank, taking a proprietary artificial intelligence first approach to disrupting the business model of banking - helping people better manage their money and live financially healthier. Douugh's vision is to become a fully autonomous financial control centre.

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

For more information contact:

### Investors

Andy Taylor  
CEO  
[info@douugh.com](mailto:info@douugh.com)

### Media

[kwestlake@thecontinuumpartners.com](mailto:kwestlake@thecontinuumpartners.com) | +61 416 219 358

## Appendix 4C

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

**Name of entity**

DOOUGH LIMITED (previously known as ZIPTEL LIMITED)

**ABN**

41 108 042 593

**Quarter ended ("current quarter")**

30 September 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(77)	(77)
(f) administration and corporate costs	(240)	(240)
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	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(317)</b>	<b>(317)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(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	(70)	(70)
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash from acquired subsidiary)	148	148
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>78</b>	<b>78</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	6,000	6,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>6,000</b>	<b>6,000</b>

\*None of the proceeds from the capital raising were expended during the period, the Company will report on spending versus Prospectus Use of Funds from Q2.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	832	832
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(317)	(317)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	78	78

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,000	6,000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,592</b>	<b>6,592</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	6,592	832
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,592</b>	<b>832</b>

**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

<b>Current quarter \$A'000</b>
92
-

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

The aggregate amount of payments to related parties and their associates included in the current quarter Cash flows from operating activities totalled ~\$92,000. These payments consisted of Directors' fees and salaries paid to non-executive directors. All payments were on normal commercial terms.

## 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.*

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

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

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

n/a

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(317)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	6,592
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	6,592
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	21

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 October 2020

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.