

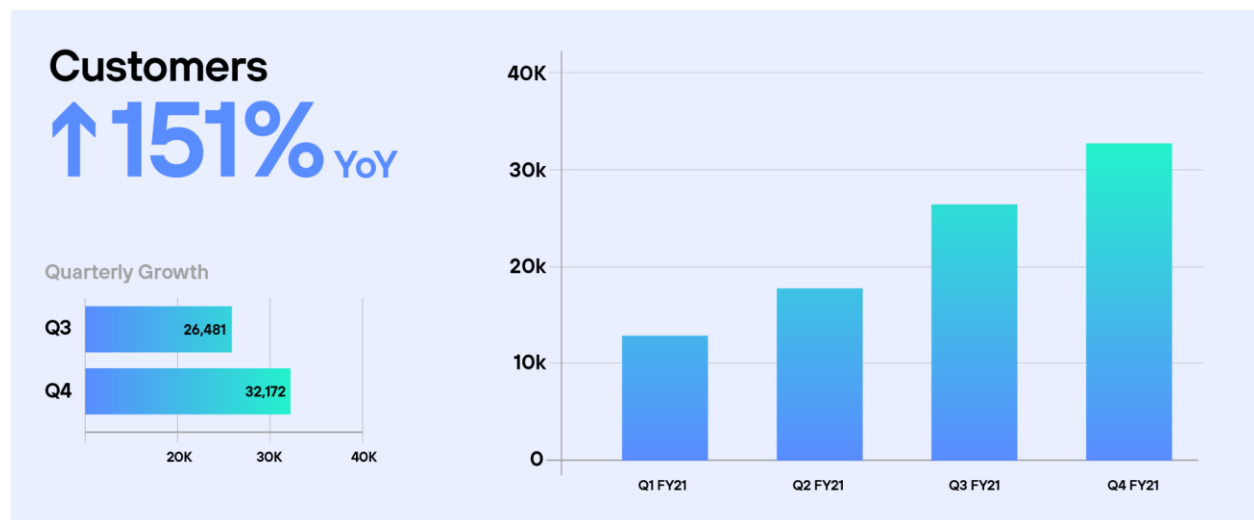
Dough Limited 2021 Full Year Results – Appendix 4E

SYDNEY|NEW YORK, AUGUST 31, 2021 – Dough Ltd, (ASX: DOU) (Company or Dough) the purpose-led fintech company on a mission to help Americans autonomously manage and grow their money to live financially healthier lives, is pleased to provide its first Appendix 4E: Preliminary Final Report for the financial year ended 30 June 2021.

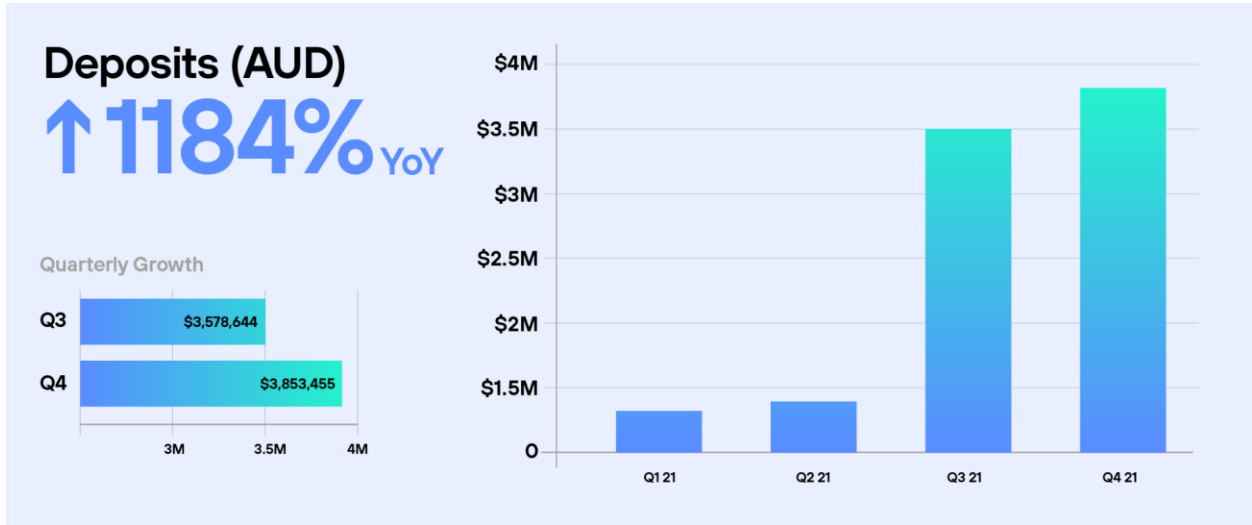
The Company embarked on an ambitious set of objectives in its first year as a listed entity and has largely delivered on these having:

- Launched its financial wellness banking app in mid-November in the US;
- Completed the acquisition of Goodments Pty Ltd;
- Delivered on key development milestones; and
- Inked strategic operational and marketing agreements.

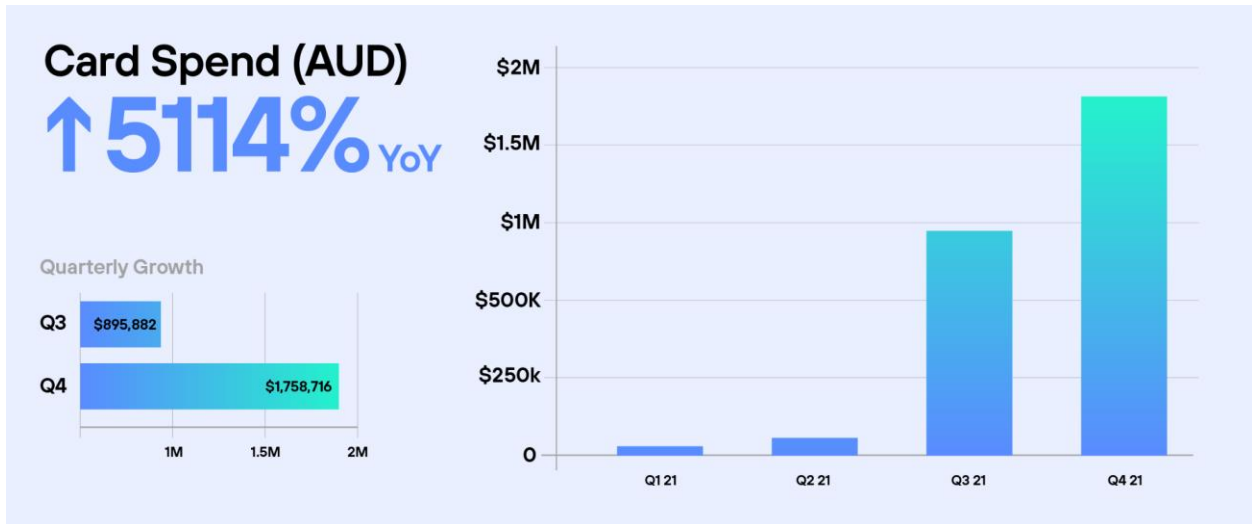
As highlighted in our Q4FY21 update. Global platform metrics continued to increase in both the US and AU with the integration of Goodments during the Company’s initial test, learn and optimisation phase, prior to the planned accelerated growth of customer acquisition and revenue to be delivered in the new financial year.



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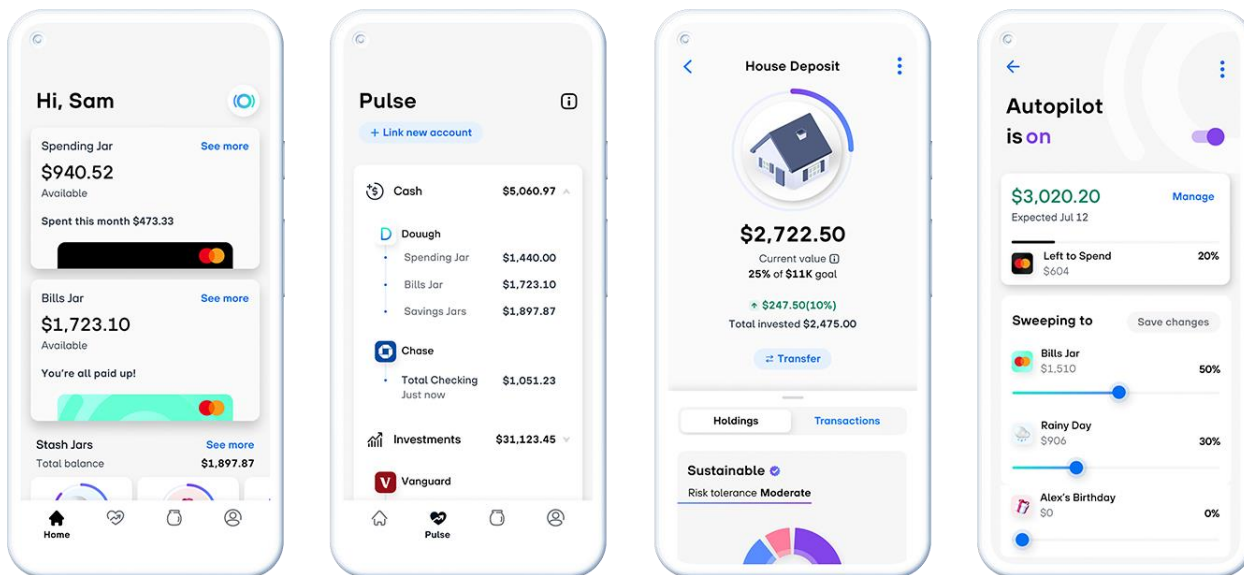
Consolidated cash deposits in US & AU. This is a reflection of customer engagement, expected to dramatically increase with the launch of Dough Wealth, allowing customers to now invest on the platform. AU revenue is driven off deposits converted into USD to trade US securities.



Card spend is a reflection of US customer engagement and the driver of interchange revenue, which currently makes up 75% of Dough's income in the US prior to the introduction of the monthly membership fee.

With this foundational work completed, the Company also celebrated the launching of its integrated Wealth management service in the US post year end.

To coincide with the launch of Dough Wealth, the Company has now introduced a US\$4.99 monthly membership fee for new users to complement the interchange revenue and ancillary banking fees it currently receives.



Following this launch, the Company’s focus has now shifted to delivering rapid customer acquisition, enhanced engagement and retention, with additional features now being planned and under development to be introduced to customers over the course of FY22.

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

“We have continued to build on the momentum shown since our November 17th launch in the US. COVID-19 enforced delays to securing new card inventory resulted in us pulling back on customer acquisition to preserve investor capital in the short-term, whilst making significant product enhancements. These improvements have now been introduced on Android with extremely positive results, and now been rolled over to iOS.”

“In terms of the Australian business, the integration of Goodments was completed and we successfully relaunched the service under the ‘Goodments by Dough’ brand as an interim step before launching the full Dough banking app next year, at which point we will migrate the entire single stock feature offering into the Dough app as a dedicated ‘Stocks Jar’. For now, I’m happy to say it is contributing to our platform metrics. And we will continue to make minor improvements to the Goodments proposition in the short-term that can be carried across to the Dough app.”

“FY22 is shaping up to be a breakout year for our business as we look to aggressively scale up our US presence, roll out new features to further increase engagement and ARPU as we evolve into becoming a ‘responsible’ financial super app. We also plan to kick off our international expansion with the Australian rollout.”

“We will continually be focused on demonstrating that our profitable business model can be scaled in line with customer acquisition. Economies of scale will bring significant margin improvement across our operating model, and we now look forward to showing investors exponential growth in customers and revenue off the back of the Wealth launch and our monthly membership fee.”

"Success will be defined by our ability to truly engage customers through the automation of money management, helping them to live financially healthier lives. Whilst features are important to increasing overall engagement and gaining a greater share of wallet, it will be the improved financial outcomes for customers that will accelerate our viral coefficient. This is why we plan to double down on R&D investment in our proprietary self-driving-money feature in the coming months to accelerate the path to full automation."

--End--

About Douugh

[Douugh](#) is the purpose-led fintech company on a mission to help customers autonomously manage and grow their money to live financially healthier lives. Douugh was founded by Andy Taylor, Co-founder of SocietyOne, Australia's first and leading P2P Lending platform.

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 4E
Preliminary final report

1. Company details

Name of entity:	Douough Limited
ABN:	41 108 042 593
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	15,533.5% to	34,081
Loss from ordinary activities after tax attributable to the owners of Douough Limited	up	937.8% to	(13,487,518)
Loss for the year attributable to the owners of Douough Limited	Up	937.8% to	(13,487,518)

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 \$13,487,518 (30 June 2020: \$1,299,600).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.26</u>	<u>(0.69)</u>

4. Control gained over entities

On 17 September 2020, the Company acquired 100% of Douough Technologies Limited (formerly Douough Limited) through the issuance of 275,000,000 ordinary shares, 75,000,000 unlisted options and 75,000,000 performance rights to the shareholder of Douough Technologies Limited. The acquisition has the features of a reverse acquisition under AASB 3 *Business Combinations* as the acquisition resulted in Douough Technologies Limited shareholders holding a controlling interest in the Company and consequently the report represents a continuation of Douough Technologies Limited's financial statements with the exception of the capital structure.

On 15 April 2021, the Company completed the acquisition of Goodments Pty Ltd as announced on 6 January 2021 and 26 February 2021. Goodments holds an Australian Financial Services License and operates a Millennial and Gen-Z investing App. access to which will further accelerate the Company's development pathways and customer growth in both the USA and Australian markets.

The transaction was fully share based and the Company issued 8,203,542 Douough Shares to the vendors of Goodments. In addition Tom Culver, the founder of Goodments, received 2,014,451 options and performance rights under the Employee Option Share Plan of which 437,924 have converted to fully paid ordinary shares on completion of the acquisition.

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. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

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

Not applicable.

For persons

9. Significant information relating to the entity's financial performance and financial position

Overview

During the year, the Company's focus has been on delivering key development and strategic milestones in relation to the Dough financial wellness banking app, positioning it for accelerated growth in FY22.

On 6 October 2020, the Company successfully listed on the ASX, raising \$6M. Since its listing, the Company has been actively pursuing its objectives having:

- Launched its app in the US on iOS and Android;
- Agreed a strategic JV with Humm Group Limited to launch a BNPL product in the US and raised a follow up \$12M including a cornerstone investment from Humm;
- Agreed and completed the acquisition of millennial-focused investing app Goodments and relaunched this app in the domestic Australian market;
- Delivered key development milestones including self-driving money management feature Autopilot;
- Inked key operational and marketing agreements with OFX, Rakuten, Stripe and Fiserv; and
- Obtained a wealth management license in the US and subsequent to year end launched a commission-free wealth management service in the US.

Revenue

In FY2021, Dough delivered total revenue of \$34,081 (2020: \$218) having delivered minimal income last year prior to the launch of the Dough financial wellness banking app. The current year income related to transaction fees charged to the initial users of the app.

Explanation of loss

The Company recorded a loss after tax of \$13.5M (2020: loss after tax of \$1.3M) from total expenses of \$13.8M (2020: \$2.6M). Significant portions of this loss are one-off expenses such as the \$3.0M corporate restructuring costs related to the listing and non-cash share-based payments expenses of \$1.1M and impairment expenses of \$1.4M. The Company did use its funding proceeds to ramp up its development and marketing activities with employee expenses increasing to \$2.9M (2020 \$1.0M) reflecting the larger staff headcount and marketing costs increasing to \$1.8M (2020 \$144k).

Cash position

Cash at the end of the year was \$10,325,223 (2020: \$172,136).

Outlook

With establishment activities largely complete, the Company will look to accelerate its user acquisition activities. The key events in the lead up to this acceleration were the launch of the app on Android and the launch of the Wealth management functionality post year end which also introduces subscription fees to access the app. Bringing users on as subscribers cost effectively and retaining them will be a key focus of the Company in the next period.

10. Audit qualification or review

Details of audit dispute or qualification (if any):

This report is based on the Financial Report for the period ended 30 June 2021, which is in the process of being audited and is unlikely to be subject to dispute or qualification.

11. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Dough Limited for the year ended 30 June 2021 is attached.

Douough Limited

ABN 41 108 042 593

Preliminary Financial Report - 30 June 2021

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Dough Limited
Corporate directory
30 June 2021

Directors

Steve Bellotti (Non-Executive Chairman)
Andrew Taylor (Managing Director and CEO)
Patrick Tuttle (Non-Executive Director)
Bert Mondello (Non-Executive Director)
Leanne Graham (Non-Executive Director)

Company secretary

Derek Hall

Registered office

Level 7, 44 Market St, Sydney, 2000
T +61 (0) 8 6380 2555

Principal place of business

Level 7, 44 Market St, Sydney, 2000
T +61 (0) 8 6380 2555

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
T +61 (0) 8 9321 4000

Stock exchange listing

Dough Limited shares are listed on the Australian Securities Exchange (ASX code: DOU).

Dough Limited
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General information

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

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

Level 7, 44 Market St,
Sydney NSW 2000

Douough Limited
Preliminary consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 30 June 2021 \$	30 June 2020 \$
Revenue		34,081	218
Other income		304,886	1,419,701
Expenses			
Share based payments		(1,099,781)	-
Administrative and operating activities		(1,292,749)	(554,803)
Employee benefits expense		(2,943,607)	(1,077,979)
Research and development costs		(1,634,336)	(673,544)
Depreciation and amortisation expense		(14,931)	(1,785)
Impairment expense		(1,417,192)	-
Direct and other operational costs		(496,219)	(78,524)
Corporate restructure costs		(3,001,690)	-
Finance costs		(119,231)	(74,659)
Advertising and marketing		(1,805,581)	(144,370)
Loss before income tax expense		(13,486,350)	(1,185,745)
Income tax expense		(1,168)	(113,855)
Loss after income tax expense for the year attributable to the owners of Douough Limited		(13,487,518)	(1,299,600)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		21,567	(3,003)
Other comprehensive income for the year, net of tax		21,567	(3,003)
Total comprehensive income for the year attributable to the owners of Douough Limited		<u>(13,465,951)</u>	<u>(1,302,603)</u>
		Cents	Cents
Basic earnings per share		(2.55)	(0.28)
Diluted earnings per share		(2.55)	(0.28)

The accompanying notes form part of these preliminary financial statements.

Douough Limited
Preliminary consolidated statement of financial position
As at 30 June 2021

	Consolidated	
	2021	2020
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	10,325,223	172,136
Trade and other receivables	227,817	640,354
Other assets	37,190	-
Total current assets	<u>10,590,230</u>	<u>812,490</u>
Non-current assets		
Property, plant and equipment	53,358	-
Intangibles	71,571	-
Total non-current assets	<u>124,929</u>	<u>-</u>
Total assets	<u>10,715,159</u>	<u>812,490</u>
Liabilities		
Current liabilities		
Trade and other payables	1,806,590	705,541
Contract liabilities	330,000	330,000
Employee benefits	160,292	55,283
Other liabilities	20,414	621,373
Total current liabilities	<u>2,317,296</u>	<u>1,712,197</u>
Total liabilities	<u>2,317,296</u>	<u>1,712,197</u>
Net assets/(liabilities)	<u>8,397,863</u>	<u>(899,707)</u>
Equity		
Issued capital	25,198,242	3,104,485
Reserve	710,541	19,210
Accumulated losses	(17,510,920)	(4,023,402)
Total equity/(deficiency)	<u>8,397,863</u>	<u>(899,707)</u>

The accompanying notes form part of these preliminary financial statements.

Douough Limited
Preliminary consolidated statement of changes in equity
For the year ended 30 June 2021

Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2019	1,986,213	492,101	(2,723,802)	(245,488)
Loss after income tax expense for the year	-	-	(1,299,600)	(1,299,600)
Other comprehensive income for the year, net of tax	-	(3,003)	-	(3,003)
Total comprehensive income for the year	-	(3,003)	(1,299,600)	(1,302,603)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	533,333	-	-	533,333
Share-based payments	584,939	(469,888)	-	115,051
Balance at 30 June 2020	<u>3,104,485</u>	<u>19,210</u>	<u>(4,023,402)</u>	<u>(899,707)</u>
Consolidated	Issued Capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	3,104,485	19,210	(4,023,402)	(899,707)
Loss after income tax expense for the year	-	-	(13,487,518)	(13,487,518)
Other comprehensive income for the year, net of tax	-	21,567	-	21,567
Total comprehensive income for the year	-	21,567	(13,487,518)	(13,465,951)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	21,681,257	(17,517)	-	21,663,740
Share-based payments	412,500	687,281	-	1,099,781
Balance at 30 June 2021	<u>25,198,242</u>	<u>710,541</u>	<u>(17,510,920)</u>	<u>8,397,863</u>

The accompanying notes form part of these preliminary financial statements.

Dough Limited
Preliminary consolidated statement of cash flows
For the year ended 30 June 2021

Note	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	41,874	363,218
Payments to suppliers and employees (inclusive of GST)	(7,790,478)	(2,244,566)
	(7,748,604)	(1,881,348)
Interest received	1,512	1,987
Government grants received	167,001	701,671
Interest and other finance costs paid	(119,231)	-
Income taxes refunded/(paid)	637,621	(113,855)
Net cash used in operating activities	(7,061,701)	(1,291,545)
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	16,359	-
Payments for property, plant and equipment	(65,338)	(1,785)
Payments for intangibles	(1,720)	-
Payments for security deposits	(24,692)	-
Cash from acquisition of subsidiary	443,309	-
Net cash from/(used in) investing activities	367,918	(1,785)
Cash flows from financing activities		
Proceeds from issue of shares	18,000,001	533,333
Proceeds from borrowings	-	785,388
Share issue transaction costs	(983,156)	-
Repayment of borrowings	-	(499,357)
Share buyback	(169,975)	-
Net cash from financing activities	16,846,870	819,364
Net increase/(decrease) in cash and cash equivalents	10,153,087	(473,966)
Cash and cash equivalents at the beginning of the financial year	172,136	649,105
Effects of exchange rate changes on cash and cash equivalents	-	(3,003)
Cash and cash equivalents at the end of the financial year	<u>10,325,223</u>	<u>172,136</u>

The accompanying notes form part of these preliminary financial statements.

Dough Limited
Notes to the preliminary consolidated financial statements
30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by Dough Limited during the reporting period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

The preliminary financial statements of Dough Limited comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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. The acquisition of Goodments Pty Ltd during the period resulted in the immediate integration of reporting and the mobile app into the Dough platform and forms part of this single operating segment.

Note 3. Contingencies

There were no contingencies as at 30 June 2021 (30 June 2020: none).