

Douough Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Douough Limited
ABN:	41 108 042 593
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	95.10% to	177,911
Loss from ordinary activities after tax attributable to the owners of Douough Limited	up	189.88% to	(1,578,122)
Loss for the half-year attributable to the owners of Douough Limited	up	189.88% to	(1,578,122)

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 \$1,578,122 (31 December 2022: \$5,069,451).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	-0.097	0.13

4. Control gained over entities

Not applicable.

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. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Douough Limited for the half-year ended 31 December 2023 is attached.

12. Signed

Signed

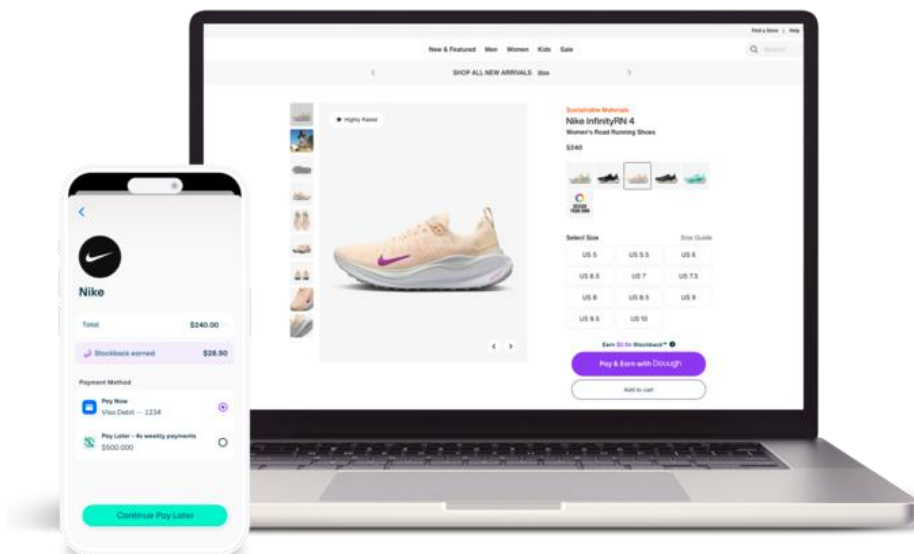
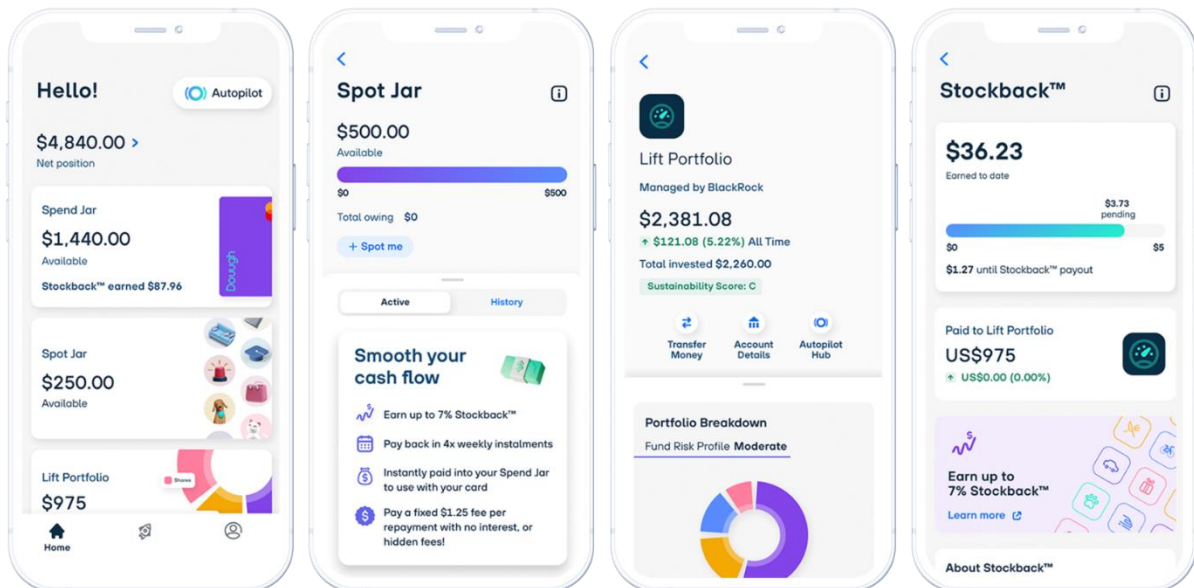


Andy Taylor
Managing Director and CEO

Date: 29 February 2024

Douugh Limited

ABN 41 108 042 593



Interim Report - 31 December 2023

Douugh Limited
Corporate directory
31 December 2023

Directors	Andrew Taylor (Managing Director and CEO) Bert Mondello (Non-Executive Director) Derek Hall (Non-Executive Director)
Company secretary	Derek Hall
Registered office	T3 Level 17/300 Barangaroo Ave, Sydney, NSW 2000
Principal place of business	T3 Level 17/300 Barangaroo Ave, Sydney, NSW 2000
Share register	Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 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
Stock exchange listing	Douugh Limited shares are listed on the Australian Securities Exchange (ASX code: DOU, DOUO)
Website	douugh.com
Corporate Governance Statement	https://douugh.com/investors-1/#corporate-governance

Douough Limited
Directors' report
31 December 2023

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Douough Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were Directors of Douough Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Andrew Taylor
Bert Mondello
Derek Hall

Managing Director and CEO
Non-Executive Director
Non-Executive Director

Principal activities

The principal activity of the consolidated entity during the financial year was further development of its money management platform which enables our customers to better manage their money and achieve financial freedom through a smart mobile banking app and expansion of the offering to B2B.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,578,122 (31 December 2022: \$5,069,451).

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Andy Taylor
Managing Director and CEO

29 February 2024

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Douugh Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in black ink that reads "David Talbot".

David Talbot
Partner

Sydney, NSW
Dated: 29 February 2024

Douough Limited
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31 December 2023

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General information

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

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

T3 Level 17/300 Barangaroo Ave, Sydney, NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 February 2024.

Dough Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
		31 December 2023	31 December 2022
	Note	\$	\$
Continuing operations			
Revenue	3	177,911	8,711
Other income	4	10,477	740
Expenses			
Share based payments reversal/(expense)	20	80,633	(1,050,405)
Administrative and operating activities		(287,872)	(485,259)
Employee benefits expense		(854,624)	(1,858,646)
Research and development costs		(218,146)	(568,148)
Depreciation and amortisation expense		(16,280)	(13,628)
Direct and other operational costs		(302,853)	(340,870)
Finance costs		(62,404)	(10,749)
Advertising and marketing		(104,994)	(163,074)
Corporate restructure costs		-	-
Loss before income tax expense from continuing operations		(1,578,122)	(4,481,328)
Income tax expense		-	-
Loss after income tax from continuing operations		(1,578,122)	(4,481,328)
Loss from discontinued operations		-	(588,123)
Loss after income tax expense for the half-year attributable to the owners of Dough Limited		(1,578,122)	(5,069,451)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(1,025)	5,836
Other comprehensive income for the half-year, net of tax		(1,025)	5,836
Total comprehensive income for the half-year attributable to the owners of Dough Limited		<u>(1,579,147)</u>	<u>(5,063,615)</u>
		Cents	Cents
Basic earnings per share	19	(0.15)	(0.58)
Diluted earnings per share	19	(0.15)	(0.58)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Douough Limited
Consolidated statement of financial position
As at 31 December 2023

		Consolidated	
	Note	31 December	30 June
		2023	2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	292,771	746,665
Trade and other receivables	6	344,314	1,849,935
Other assets	7	87,419	86,811
Total current assets		<u>724,504</u>	<u>2,683,411</u>
Non-current assets			
Property, plant and equipment	8	25,547	41,826
Intangibles	9	72,300	72,300
Total non-current assets		<u>97,847</u>	<u>114,126</u>
Total assets		<u>822,351</u>	<u>2,797,537</u>
Liabilities			
Current liabilities			
Trade and other payables	10	1,246,360	791,809
Contract liabilities	11	330,000	330,000
Employee benefits	12	140,514	193,579
Other liabilities	13	81,817	1,156,830
Total current liabilities		<u>1,798,691</u>	<u>2,472,218</u>
Total liabilities		<u>1,798,691</u>	<u>2,472,218</u>
Net assets		<u>(976,340)</u>	<u>325,319</u>
Equity			
Issued capital	14	33,318,843	32,736,540
Reserves	15	2,467,773	2,773,613
Accumulated losses	16	(36,762,956)	(35,184,834)
Total equity		<u>(976,340)</u>	<u>325,319</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Douough Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	30,697,856	2,151,099	(29,139,372)	3,709,583
Loss after income tax expense for the half-year	-	-	(5,069,451)	(4,759,867)
Other comprehensive income for the half-year, net of tax	-	5,836	-	5,836
Total comprehensive income for the half-year	-	5,836	(5,069,451)	(4,754,031)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	1,739,920	-	-	1,739,920
Share-based payments (note 14)	385,080	665,325	-	1,050,405
Transaction costs paid via options issued (note 14)	(114,000)	-	-	(114,000)
Vesting of employee performance rights	94,379	(94,379)	-	-
Transfer from share-based payments reserve for options exercised (note 14)	-	-	-	-
Balance at 31 December 2022	<u>32,803,235</u>	<u>2,727,881</u>	<u>(34,208,823)</u>	<u>1,322,293</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	32,736,540	2,773,613	(35,184,834)	325,319
Loss after income tax expense for the half-year	-	-	(1,578,122)	(1,578,122)
Other comprehensive income for the half-year, net of tax	-	(1,025)	-	(1,025)
Total comprehensive income for the half-year	-	(1,025)	(1,578,122)	(1,577,097)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	475,000	-	-	475,000
Share-based payments (note 14)	136,202	-	-	136,202
Transaction costs paid via options issued (note 14)	(28,899)	-	-	(28,899)
Transfer from share-based payments reserve for options exercised (note 14)	-	(306,865)	-	(306,865)
Balance at 31 December 2023	<u>33,318,843</u>	<u>2,467,773</u>	<u>(36,762,956)</u>	<u>(976,340)</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Douough Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Consolidated	
	31 December 2023	31 December 2022
Note	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	113,912	172,547
Payments to suppliers and employees (inclusive of GST)	(1,445,181)	(4,071,827)
	(1,331,269)	(3,899,280)
Interest received	10,477	3,977
Government grant received	1,648,215	2,220,369
Interest and other finance costs paid	-	(3,748)
Income taxes paid	-	-
Net cash from (used in) operating activities	327,423	(1,678,682)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(2,226)
Payments for intangibles	-	-
Payments for deposits	-	-
Cash from acquisition of subsidiary	-	-
Net cash used in investing activities	-	(2,226)
Cash flows from financing activities		
Proceeds from issue of shares	385,000	1,739,919
Cash received for options exercised, ordinary shares not yet issued	-	-
Proceeds from borrowings	-	222,177
Share issue transaction costs	(28,899)	(114,000)
Repayment of borrowings	(1,120,855)	(73,652)
Financing costs	(16,563)	-
Net cash from (used in) financing activities	(781,317)	1,774,444
Net (decrease)/increase in cash and cash equivalents	(453,894)	93,536
Cash and cash equivalents at the beginning of the financial half-year	746,665	3,266,418
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the financial half-year	292,771	3,359,954

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of the business.

As disclosed in the financial statements the consolidated entity incurred a net loss after tax of \$1,578,122 and had net cash inflow from operating activities of \$372,423 during the half-year ended 31 December 2023. As of that date, the consolidated entity had net liabilities of \$976,340. These factors indicate a material uncertainty which may cast significant doubt as to whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Consolidated Entity will continue as a going concern and it is appropriate to prepare the financial statements on a going concern basis. In determining this position, the Directors have considered the following factors:

- Cash on hand of \$292,771 as at 31 December 2023.
- An equity facility agreement of up to \$20M available on call subject to placement capacity rules provides sufficient access to funding as required and an established track record of being able to raise equity when required;
- A successful track record of raising debt or equity funding or other transactions as and when required;
- A research and development claim to lodge for the current financial year which would result in a refund;
- Increasing uptake of the Douough platform including its B2B offering in Australia.

The consolidated entity is constantly assessing its ongoing cash requirements. The consolidated entity maintains an internal cash flow management process which is based on detailed revenue and expense projections. Should these assumptions not be achieved, the consolidated entity has the ability to raise capital or debt.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

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.

Note 3. Revenue

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Rendering of services	<u>177,911</u>	<u>8,711</u>

Accounting policy for revenue recognition

Rendering of services

Transaction processing fees are recognised upon the completion of the transfer of funds. This is when the consolidated entity meets their performance obligation under the contract to facilitate the payment.

Subscription revenue is recognised over time and in line with the invoice period. Performance obligations are satisfied over time. This is a faithful depiction of the transfer of services, as customers simultaneously receive and consume the services provided of the invoice period.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 4. Other income

	Consolidated	
	31 December 2023	31 December 2022
	\$	\$
Interest income	<u>10,477</u>	<u>740</u>
Other income	<u>10,477</u>	<u>740</u>

Note 4. Other income (continued)

Accounting policy for other income

Government grants

Government grants are recognised at fair value where there is reasonable assurance the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Except for amount received under the R&D tax incentive program, grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
Cash at bank	292,771	746,665

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
Trade receivables	63,963	-
Other receivables	107,210	201,720
Prepayments	173,141	-
Government grant R&D receivable	-	1,648,215
	280,351	1,849,935
	344,314	1,849,935

Refer to note 4 for accounting policy for government grant R&D receivable.

Note 7. Current assets - others

	Consolidated	
	31 December	30 June 2023
	2023	2023
	\$	\$
Deposits paid	87,418	86,810
Others	1	1
	87,419	86,811

Deposits are non-interest bearing and are refundable upon termination of the contract.

Douugh Limited
Notes to the consolidated financial statements
31 December 2023

Note 8. Non-current assets - plant and equipment

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Computer equipment - at cost	127,816	127,816
Less: Accumulated depreciation	(102,326)	(86,502)
	<u>25,490</u>	<u>41,314</u>
Office equipment - at cost	12,617	12,617
Less: Accumulated depreciation	(12,560)	(12,105)
	<u>57</u>	<u>512</u>
	<u><u>25,547</u></u>	<u><u>41,826</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Computer equipment \$	Office equipment \$	Total \$
Consolidated – December 2023			
Balance at 1 July 2023	41,314	512	41,826
Additions	-	-	-
Depreciation expense	(15,824)	(455)	(16,279)
Balance at 31 December 2023	<u><u>25,490</u></u>	<u><u>57</u></u>	<u><u>25,547</u></u>

	Computer equipment \$	Office equipment \$	Total \$
Consolidated – June 2023			
Balance at 1 July 2022	42,148	2,189	44,317
Additions	27,315	999	28,314
Disposal	850	-	850
Depreciation expense	(28,979)	(2,676)	(31,655)
Balance at 30 June 2023	<u><u>41,314</u></u>	<u><u>512</u></u>	<u><u>41,826</u></u>

Accounting policy for plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Douough Limited
Notes to the consolidated financial statements
31 December 2023

Note 9. Non-current assets - intangibles

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Goodwill - at cost	711,259	711,259
Less: Impairment	(711,259)	(711,259)
	<u>-</u>	<u>-</u>
Patents and trademarks - at cost	4,449	4,449
Software - at cost	551,734	551,734
Less: Accumulated amortisation	(2,950)	(2,950)
Less: Impairment	(480,933)	(480,933)
	<u>67,851</u>	<u>67,851</u>
Australian Financial Services License - at cost	50,000	50,000
Less: Impairment	(50,000)	(50,000)
	<u>-</u>	<u>-</u>
Funds under management / client list / brand name - at cost	175,000	175,000
Less: Impairment	(175,000)	(175,000)
	<u>-</u>	<u>-</u>
	<u><u>72,300</u></u>	<u><u>72,300</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Goodwill	Patents and	Software	Australian	Funds under	Total
	\$	trademarks	\$	Financial	management	\$
	\$	\$	\$	Services	/ client list /	
	\$	\$	\$	License	brand name	
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2023	-	4,449	67,851	-	-	72,300
Additions	-	-	-	-	-	-
Additions through business combination (note 3)	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-
Amortisation expense	-	-	-	-	-	-
Balance at 31 December 2023	<u>-</u>	<u>4,449</u>	<u>67,851</u>	<u>-</u>	<u>-</u>	<u>72,300</u>

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 9. Non-current assets – intangibles (continued)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Software

Software acquired through business combinations were recognised at fair value. Software is amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Trade payables	854,964	402,567
Other payables	311,428	324,582
Accrued expenses	79,968	64,660
	<u>1,246,360</u>	<u>791,809</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 11. Current liabilities - contract liabilities

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Contract liabilities	330,000	330,000

Accounting policy for contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 12. Current liabilities - employee benefits

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Employee benefit liabilities	140,514	193,579

Accounting policy for short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Note 13. Current liabilities - other liabilities

	Consolidated	
	31 December	30 June
	2023	2023
	\$	\$
Other current liabilities	81,817	1,156,830

Amount represents balance of business insurance funding loan and software subscriptions which are payable within 12 months.

Other current liabilities in the comparative period comprised of:

Amount materially relates to a debt factoring facility for the Company's R&D tax incentive program claim.

Douough Limited
Notes to the consolidated financial statements
31 December 2023

Note 14. Equity - issued capital

	Consolidated			
	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$	30 June 2023 \$
Ordinary shares - fully paid	<u>1,082,068,920</u>	<u>983,898,367</u>	<u>32,803,235</u>	<u>32,736,540</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	983,898,367		32,736,540
Issue of shares due to SPP capital raising	4 August 2023	73,076,896	\$0.0065	475,000
Share issue costs				(28,899)
Issue of shares in lieu of accrued salaries	13 October 2023	10,733,657	\$0.0060	64,402
Issue of shares for services rendered	11 December 2023	1,360,000	\$0.0050	6,800
Issue of shares in lieu of accrued salaries	11 December 2023	<u>13,000,000</u>	<u>\$0.0050</u>	<u>65,000</u>
Balance	31 December 2023	<u>1,082,068,920</u>		<u>33,318,843</u>

Note 15. Equity - reserves

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Foreign currency reserve	(186,917)	(187,942)
Share-based payments reserve	<u>2,654,690</u>	<u>2,961,555</u>
	<u>2,467,773</u>	<u>2,773,613</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 16. Equity - accumulated losses

	Consolidated	
	31 December 2023 \$	30 June 2023 \$
Accumulated losses at the beginning of the financial year	(35,184,834)	(29,139,372)
Loss after income tax expense for the half-year	<u>(1,578,122)</u>	<u>(6,045,462)</u>
Accumulated losses at the end of the half-year	<u>(36,762,956)</u>	<u>(35,184,834)</u>

Note 17. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Douugh Limited
Notes to the consolidated financial statements
31 December 2023

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Earnings per share

	Consolidated	Consolidated
	31 December 2023	31 December 2022
	\$	\$
Loss after income tax attributable to the owners of Douugh Limited	<u>(1,578,122)</u>	<u>(5,069,451)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,049,601,189</u>	<u>867,737,562</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,049,601,189</u>	<u>867,737,562</u>
	Cents	Cents
Basic earnings per share	(0.15)	(0.58)
Diluted earnings per share	(0.15)	(0.58)

**Options over ordinary shares have been omitted from the above calculation as they are anti-dilutive.*

Note 20. Share-based payments

During the financial period, the Company has issued the following equity instruments to its directors, management, shareholders and financial advisors.

- 36,538,448 unlisted options were issued to participants of the Share Purchase Plan. These securities were free attaching to the offer to subscribe for fully paid ordinary shares with 1 option issued for every 2 shares subscribed for. The options have an exercise price of \$0.012 and an expiry of 11/12/2026.
- 13,000,000 shares were issued to Directors in lieu of salaries.
- 10,733,657 shares were issued to employees in lieu of salaries.
- 1,360,000 shares were issued to consultants in lieu of fees.

Set out below are summaries of (ESOP) performance rights on issue:

31 December 2023							
Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
			43,237,440	-	-	-	43,237,440
			43,237,440	-	-	-	43,237,440
Weighted average exercise price			\$0.000				

The weighted average remaining contractual life of performance rights outstanding at the end of the financial period was 1.71 years (2022: 2.68 years).

Note 20. Share-based payments (continued)

No performance rights were granted during the current financial half-year.

A reversal was recognised in the profit or loss for the period ended 31 December 2023 amounting to \$80,633, the reversal recognition is a result of performance rights previously issued having limited prospect of converting to shares (2022: Share Based Payment expense \$1,050,405).

Douough Limited
Directors' declaration
31 December 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Andy Taylor
Managing Director and CEO

29 February 2024

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DOUGH LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Dough Limited, which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such control as the directors and those charged with governance determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Dough Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Dough Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

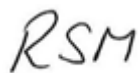
Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the interim financial report, which indicates that the Group incurred a net loss of \$1,578,122 during the half year ended 31 December 2023 and, during the half year, the Group had net operating cash inflows of \$327,423. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dough Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



David Talbot
Partner

Sydney, NSW
Dated: 29 February 2024