

ASX Release

7 September 2021



DUG successfully completes A\$15m Placement and SPP

DUG Technology Ltd (ASX: DUG) (“**DUG**” or the “**Company**”) is pleased to announce that:

- The Company has received binding commitments from new and existing sophisticated and institutional investors to raise A\$15million via a two tranche share placement (“**Placement**”).
- The Company is undertaking a Share Purchase Plan (“**SPP**”) to raise up to a further A\$5 million at the same offer price as the placement, providing opportunity for all shareholders to further participate in DUG’s growth.
- Placement and SPP proceeds to be applied to Military and Space business development; renewable initiatives; building a structured “Sales Areas” oriented global sales team; purchasing computer equipment; and working capital/debt reduction.

All shares issued under the Placement and SPP will rank equally with existing fully paid ordinary shares in DUG as of the date of this announcement.

Placement

The Company has agreed to issue approximately 16.7 million new fully paid ordinary DUG shares (“**New Shares**”) to new and existing institutional investors at a price of A\$0.90 per New Share (“**the Issue Price**”) to raise A\$15 million. The Issue price of A\$0.90 per share represents a 12.6% discount to the closing price on the ASX of \$1.030 on 2 September 2021.

The Placement will be completed in two tranches:

- (Tranche 1) 14.9 million New Shares will be issued under the Company’s existing placement capacity under ASX Listing Rule 7.1;
- (Tranche 2) 1.8 million New Shares will be issued subject to shareholder approval at an Annual General Meeting (AGM) of the Company to be held on 14 October 2021.

As the issue of the Tranche 2 New Shares exceeds the Company’s 15% capacity limit under Listing Rule 7.1, shareholder approval of the proposed issue will be sought at the AGM.

Directors of the Company have subscribed for 444,445 New Shares as part of the Placement for A\$0.4 million (Related Party Participation). As per the requirements of ASX Listing Rule 10.11, the Company will also seek shareholder approval for the Related Party Participation at the AGM.

Commenting on the Placement, DUG Managing Director Dr Matthew Lamont said: “This is an important step in DUG’s journey. Our software business line has had a great year growing significantly. HPCaaS has been the star of the show with terrific growth and opportunities that have proved up this technology business line. It has been a difficult year in services due to COVID-related uncertainty and delays in project awards, and while performance has not been satisfactory, green shoots abound moving forwards. DUG is in a great position to capitalise on growth opportunities during FY22.”

Canaccord Genuity acted as Lead Manager to the Placement.

Share Purchase Plan

The Company is also offering all existing eligible shareholders the opportunity to apply for new shares via an SPP at the same offer price as the Placement at A\$0.90 per share, without brokerage fees (“**SPP Shares**”). The SPP will be open to those shareholders of the Company on the share register as of the Record Date (Monday, 6 September 2021) and with a registered address in Australia and New Zealand (“**Eligible Shareholders**”).

DUG intends to target a raising of up to A\$5 million via the SPP, however the Company reserves absolute discretion regarding the final amount raised. The application for SPP Shares will be capped at the statutory maximum of A\$30,000 per eligible shareholder, across all their holdings.

The SPP Shares will be issued pursuant to Exception 5 to ASX Listing Rule 7.2 and will not count towards DUG's Placement capacity.

Eligible Shareholders wishing to participate in the SPP should carefully read the SPP Offer Booklet which is expected to be lodged with ASX on Friday, 10 September 2021. Participation in the SPP is optional and DUG reserves the right to scale back any applications. Shares issued under the SPP will rank equally with DUG's existing shares with effect from their issue.

The Company encourages Eligible Shareholders who wish to participate to act promptly in submitting their applications. The SPP will close on Thursday, 14 October 2021, however, the Company reserves the right to close the offer early or extend the closing date.

Timetable

The timetable below is indicative only and subject to change. DUG reserves the right to alter the dates at its discretion and without prior notice, subject to ASX Listing Rules and the *Corporations Act 2011* (Cth).

Event	Date
Record date	Monday, 6 September 2021
Announcement of SPP and Placement	Tuesday 7, September 2021
Dispatch of SPP documentation to Eligible Shareholders and release offer letter to ASX	Friday, 10 September 2021
Opening date of SPP	Friday, 10 September 2021
Issue of New Shares (Tranche 1)	Monday, 13 September 2021
Dispatch of Notice of General Meeting	Tuesday, 14 September 2021
Quotation and allotment of New Shares (Tranche 1)	Tuesday, 14 September 2021
Closing date of SPP	Wednesday, 13 October 2021

Annual General Meeting	Thursday, 14 October 2021
Announcement of SPP results	Thursday, 14 October 2021
Issue of SPP Shares and New Shares (Tranche 2)	Tuesday, 19 October 2021
Quotation and commencement of trading of SPP Shares and New Shares (Tranche 2)	Wednesday, 20 October 2021

Authorised for release by the Board of DUG Technology Ltd.

ENDS

For more information:

Investors

Ronn Bechler, Market Eye
T. +61 400 009 774
E. ronn.bechler@marketeye.com.au

Media

Tristan Everett, Market Eye
T. +61 403 789 096
E. tristan.everett@marketeye.com.au

DUG Investor Email: investor@dug.com
DUG Investor Centre: www.dug.com/investor-centre

About DUG

DUG is an ASX listed technology company, headquartered in Australia, that specialises in analytical software development and reliable, green, high-performance computing (HPC). The company is built on a strong foundation of applied science and a history of converting research into practical, real-world solutions. DUG delivers innovative software products and cost-effective, cloud-based HPC as a service backed by bespoke support for technology onboarding. DUG's expertise in algorithm development and code optimisation enables clients to leverage big data and solve complex problems.

DUG is a global company with offices in Perth, London, Houston and Kuala Lumpur, supporting a diverse industrial client-base that includes radio-astronomy, biomedicine and meteorology, as well as the resource, government and education sectors. DUG designs, owns, and operates a network of some of the largest and greenest supercomputers on Earth. The company continues to invest and innovate at the forefront of software and HPC, working towards a climate-positive future.

To learn more, please visit www.dug.com.