

# ASX Release

23 November 2023



## DUG Technology 2023 AGM Managing Director's Address

Good afternoon everyone, I am Dr Matt Lamont, the Co-Founder and Managing Director of DUG Technology. I am speaking to you from London on my final trip to our international offices for 2023.

It has been 20 years since Dr Troy Thompson and I founded the business in my back shed in Subiaco, over that time we have expanded into Malaysia, Houston and London and operated in most countries across the world. We have supported our clients in landmark discoveries and grown into one of the largest provider of proprietary seismic processing and imaging services globally.

Over our history we have continued to innovate and develop new technologies for the benefit of our clients, and I would like to spend a few minutes talking about two such technologies.

Around eight years ago we had an idea to radically change the method by which marine seismic data is processed. We have developed this idea into a solution called Multi-Parameter Full Waveform Inversion, which enables superior results in a fraction of the timeframe and labour hours offset by increased compute resources.

We've been offering this technology commercially for around 18 months and have run trials and small projects for most of our customers. During this last quarter we have started to see a stronger commercial response following successful trials of Multi-Parameter Full Waveform Inversion with US\$11 million of new project awards.

We remain the only provider of this technology and we are continuously improving and enhancing the offering as we learn more through projects. We estimate that our share of the global seismic processing and imaging market is less than 10%, this technology could provide the platform to materially grow that share.

The second project is a new one. DUG Nomad is a mobile super computer, installed inside a modified shipping container, available in standard 10 – 40 foot container sizes. We are utilising our patented DUG Cool immersion tanks to provide an edge solution that could be used in multiple applications including defence, mining and education.

We have had strong engagement with potential clients of this technology and our first prototype container is due into our Perth office next month ready for testing ahead of a product launch in early 2024.

As our Chairman mentioned, FY2023 was a fabulous year following some challenging years in the oil and gas industry and the momentum has only accelerated since the end of the year.

During July 2023 we won US\$18.6 million in new project awards, which was part of US\$30.9 million of total orders received during the first quarter of the financial year. At the end of September 2023, we had orders in hand of more than US\$47 million which is phenomenal.

The sales pipeline continues to look strong with high tendering activity, we aren't seeing any signs of the market slowing down.

Our first quarter 2024 performance was steady but below where we would like it to be due to constraints in compute. We have ordered US\$7 million of new computers, however these have been delayed and are due to arrive in our Houston office in early December 2023.

Going forward, we need to ensure as a business we have sufficient compute capacity to satisfy demand and as such it is likely we will place a further order for compute during 2024. The timing and quantum will be determined once we have evaluated the impact of the incoming shipment of computers and forward demand. As with the US\$7 million that we have committed to, we will continue our strategy of asset financing computers.

I have never been more excited around DUG's prospects than I am now, we are leading the pack in technology with our MP-FWI solution and have a fabulous order book with strong market tailwinds in the oil and gas industry. Outside of oil and gas we continue to see opportunities and our product line is strengthened by DUG Nomad as a novel solution to edge supercomputing.

This ASX Announcement has been approved for release by the Board of DUG Technology Ltd.

## **ENDS**

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## 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](http://www.dug.com).