



DUG Technology

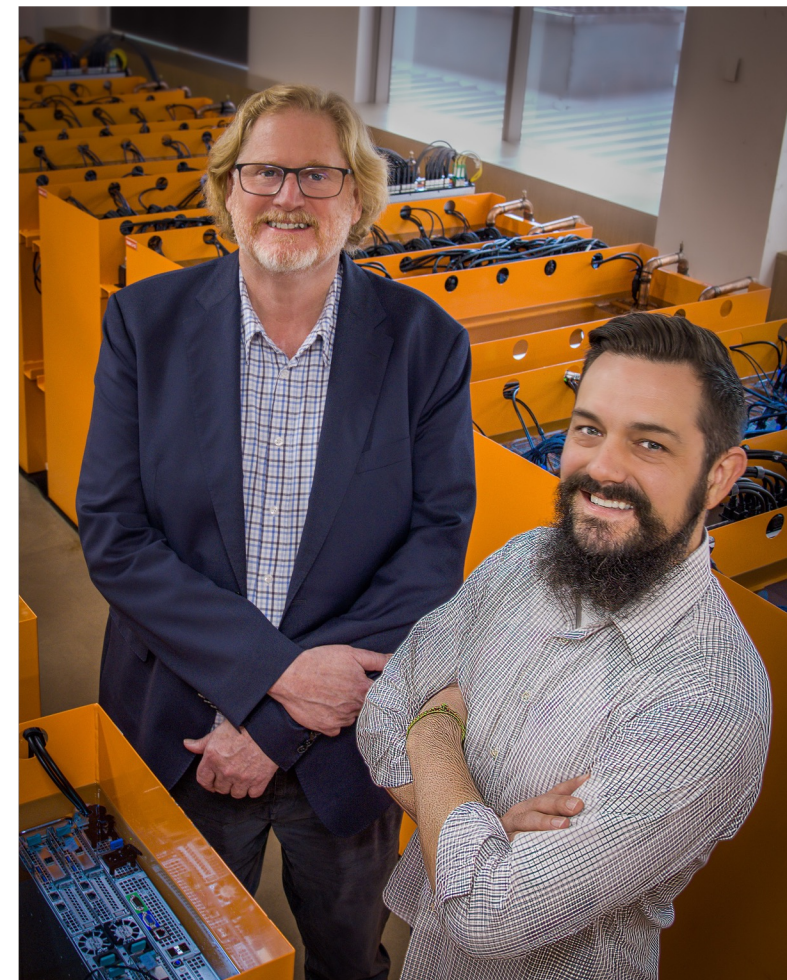
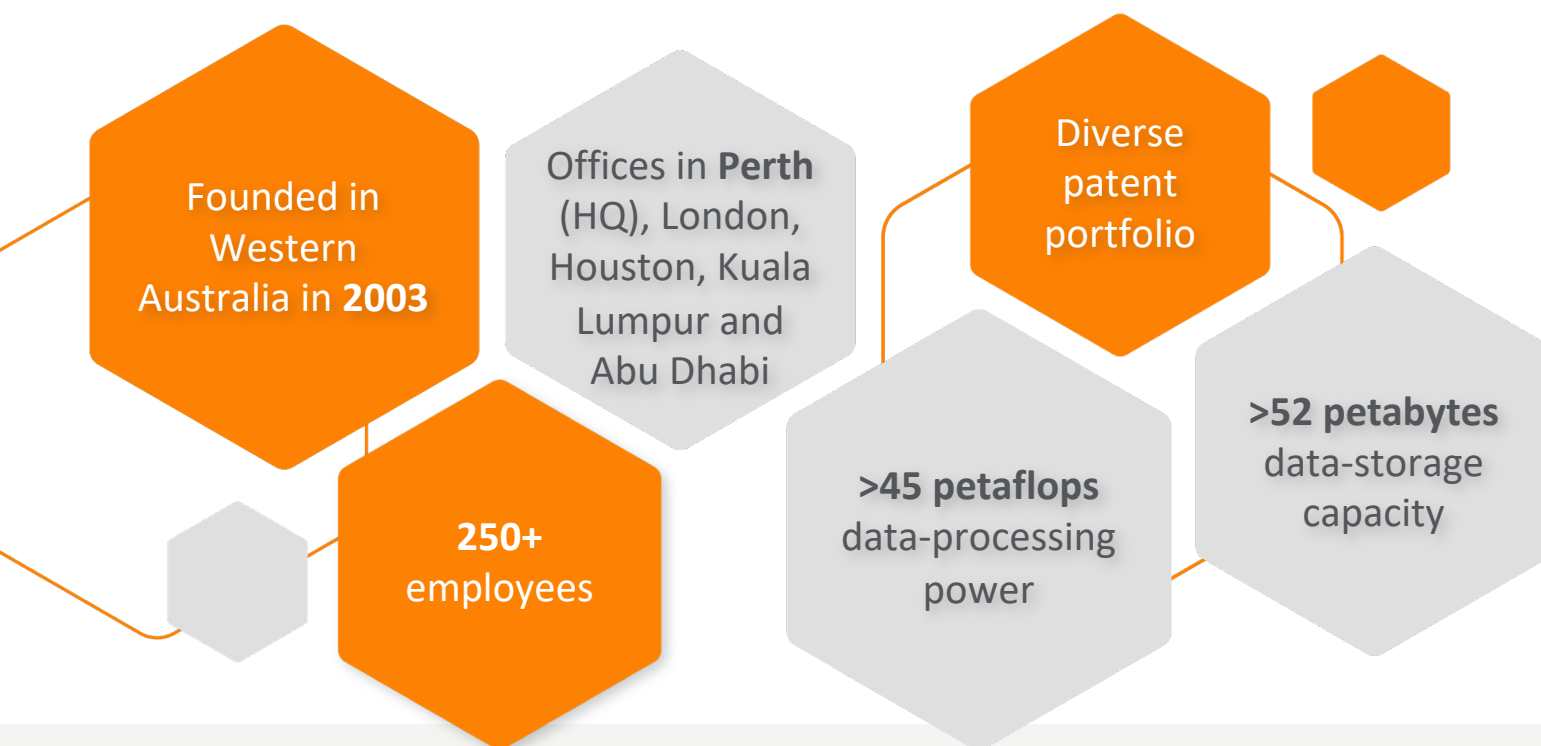
H1 FY24 Investor Presentation
February 2024

Who we are



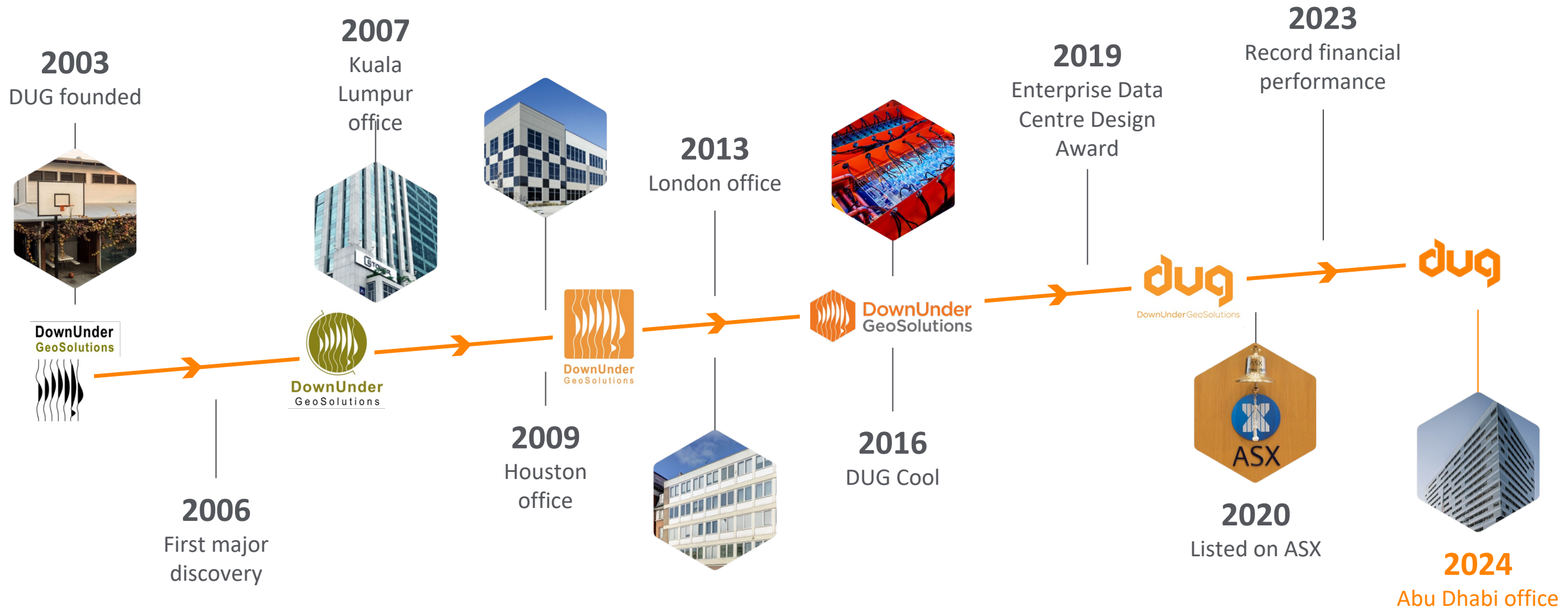
DUG is an ASX-listed tech company that provides innovative processing and storage solutions to leverage big data.

DUG's numerical scientists *develop technology* and *deploy expertise* using software and high performance computing (HPC) for real-world applications.



Co-founders Dr Matt Lamont and Dr Troy Thompson

Our 21-year journey





Services

- Multi-parameter FWI Imaging
- Seismic data & Geoscience processing
- Data science & management



Software

- Analytic software development
- Algorithms and optimisation
- Big data processing and visualisation
- DUG Insight in 41 countries



High Performance Computing (HPCaaS)

- Powerful, bare-metal compute & storage
- Complete, integrated HPC environment
- Patented DUG Cool immersion technology
- Design, own, operate some of the largest and greenest supercomputers on Earth
- Big data processing supported by experts

Global footprint



Key markets



Oil & Gas

A leading service provider for 21 years. Currently the primary driver of revenue and earnings.

DUG's technology helps clients make more timely, well-informed, operational decisions. DUG's products and services have contributed to numerous significant discoveries.



Enterprise

Increasing demand for HPC from industries with proliferating data.

DUG has established agreements with numerous organisations (education, research, applied science) to support their data processing and storage needs.



National Security & Space

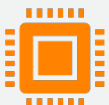
Actively progressing opportunities by leveraging capabilities developed by servicing the oil & gas industry.

In particular, competencies in numerical data, software and HPC solutions.

At the forefront of technical excellence and innovation



Global leader in data processing, storage, visualisation and management



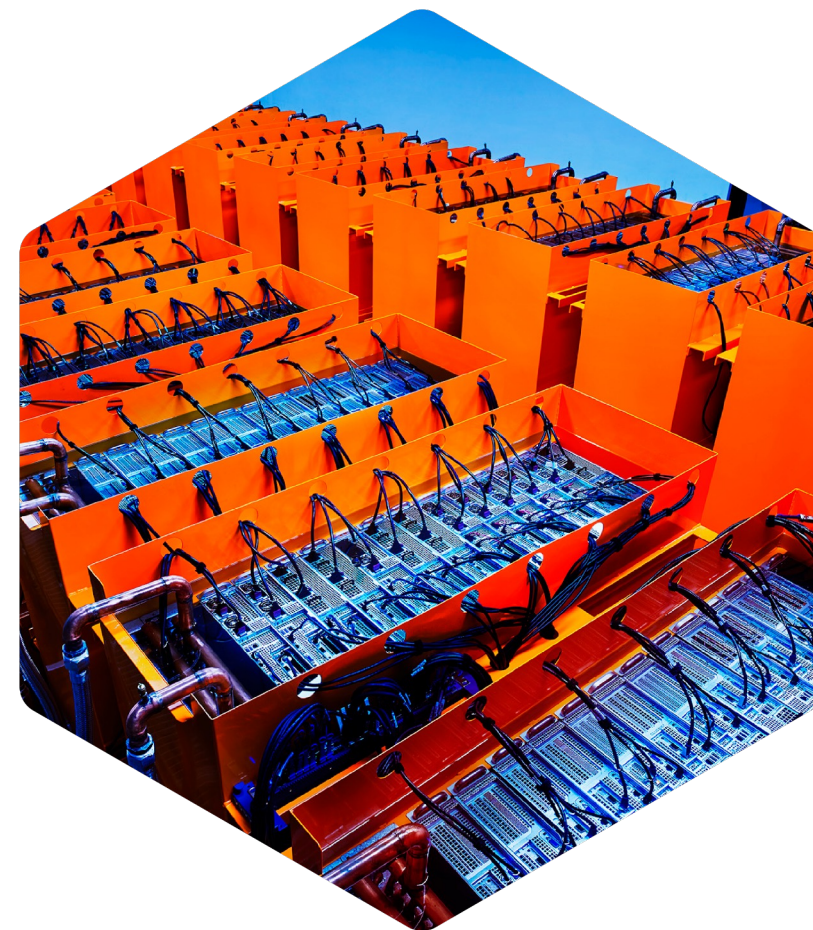
World-class, sustainable supercomputing technology



Leverage expertise in applied data science to realise opportunities in emerging markets



Continued focus on R&D to foster innovation



H1 FY24 snapshot



SERVICES WINS

US\$40.6 million

(H1 FY23: US\$24.7 million)

UP 64%

REVENUE

US\$30.0 million

(H1 FY23: US\$24.4 million)

UP 23%

NET CASH POSITION

US\$1.1 million

(FY23: US\$5.2 million)

*DOWN 79% DUE TO NEW
COMPUTE ASSET FINANCE*

EBITDA

US\$7.1 million

(H1 FY23: US\$6.8 million)

UP 3%

OPERATING CASH INFLOWS

US\$6.2 million

(H1 FY23: US\$3.0 million)

UP 103%

SERVICES ORDER BOOK AS AT 31
DECEMBER 2023

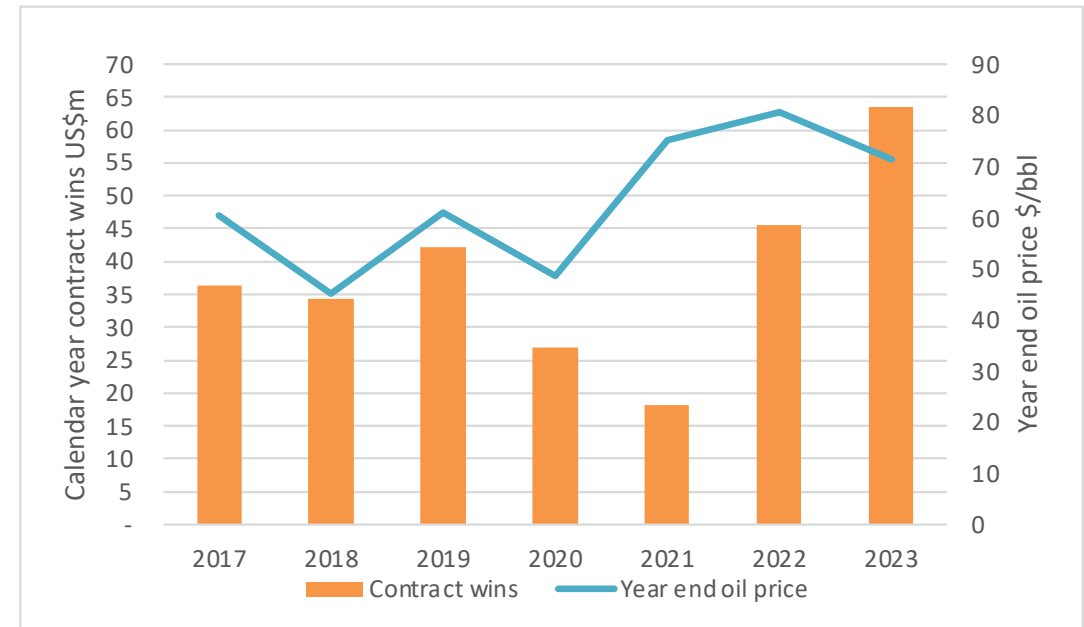
US\$40.5 million

(FY23: US\$27.9 million)

UP 45%

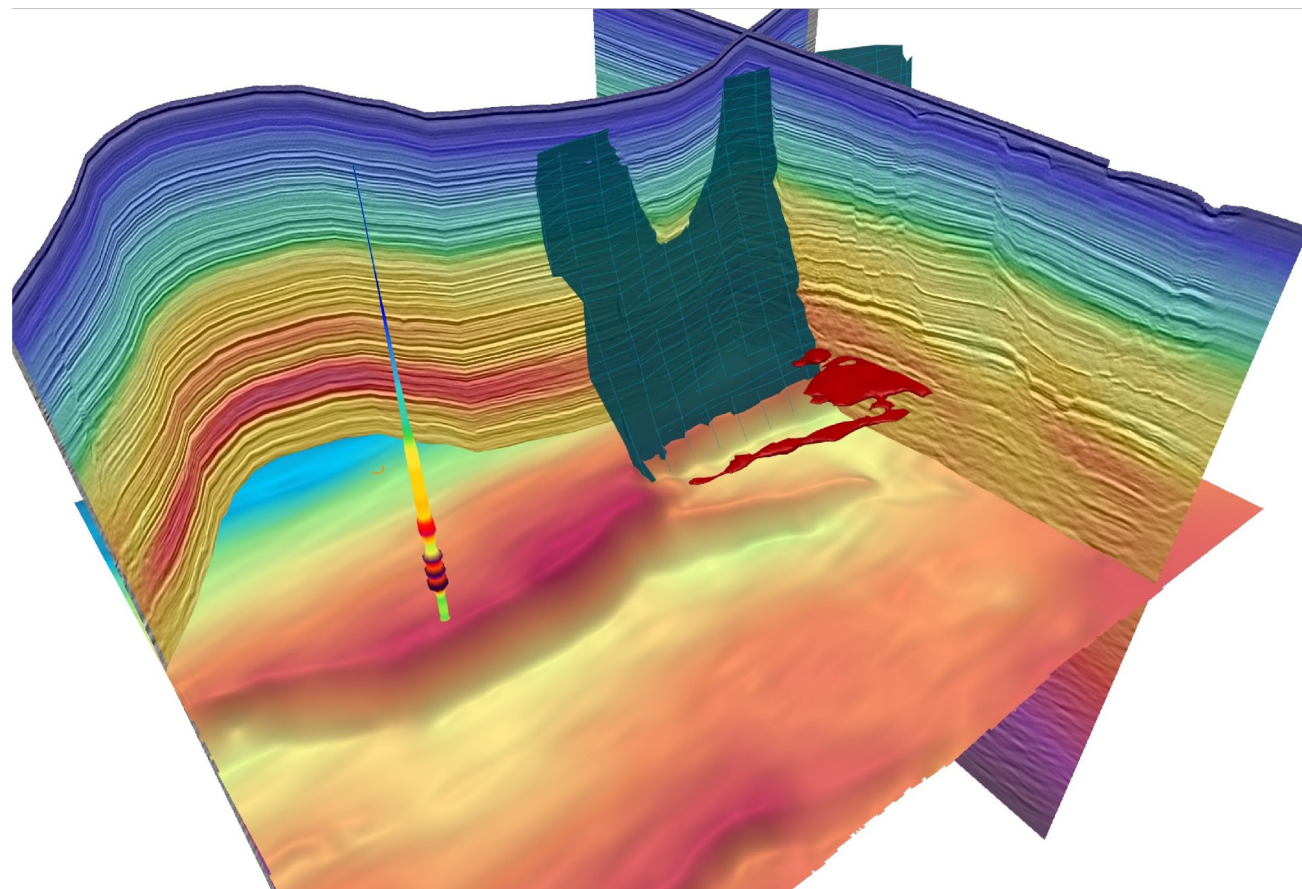
- Revenue of US\$25.3 million during H1 FY24
- Growth in revenue of 28% on H1 FY23
- Record calendar year order intake of US\$63.4 million
- Access to larger projects from enhanced reputation in the market
- MP-FWI Imaging gaining momentum

Historic Services Calendar Year Order Intake



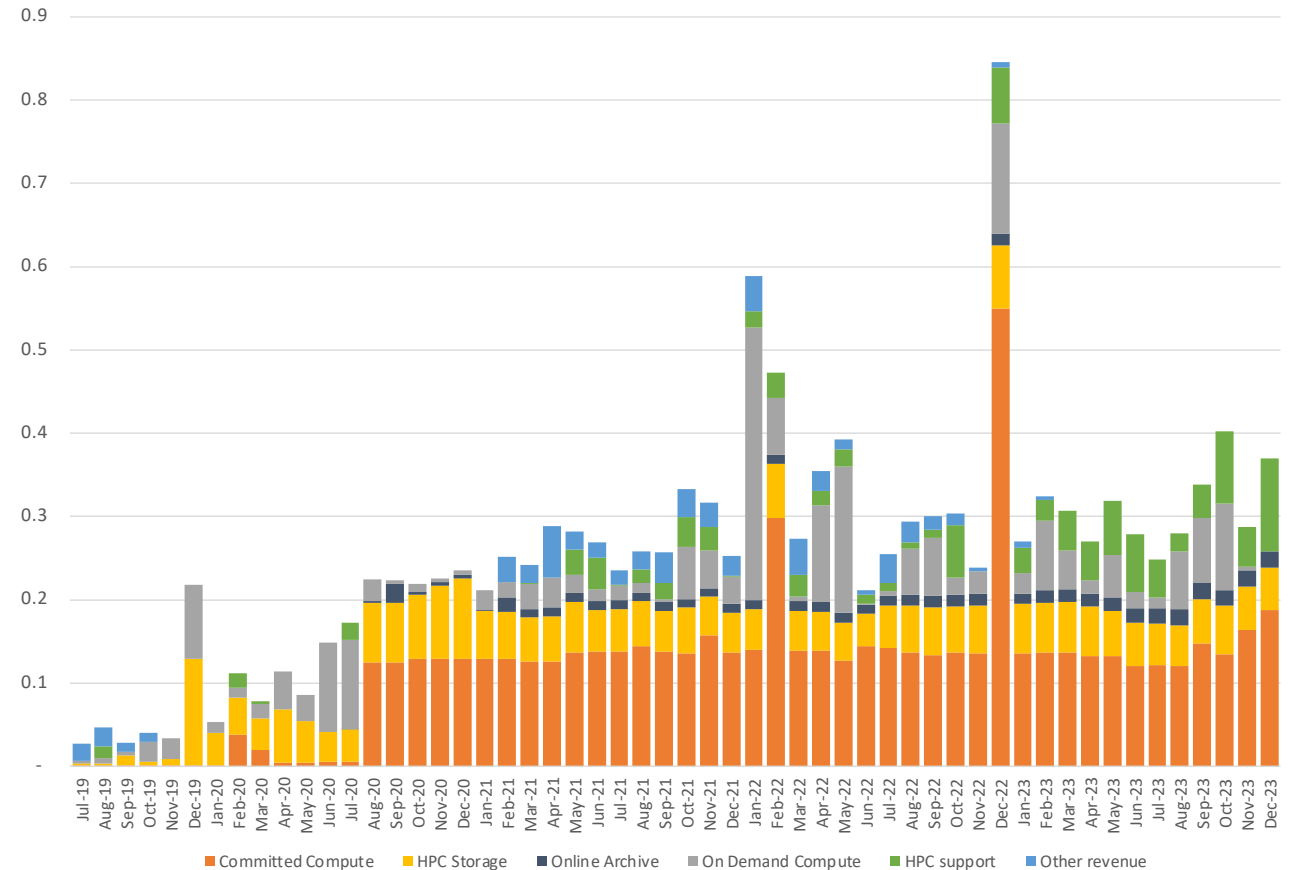
Source: <https://www.macrotrends.net/> and Company Data

- Revenue of US\$2.6 million during H1 FY24
- Growth in revenue of 9% on H1 FY23
- Strong renewals and client wins during the period



- Revenue of US\$2.0 million in H1 FY24
- Reduction in revenue of 7% on H1 FY23, mainly due to one off projects in H1 FY23. Additional new projects have been won in the reported period.
- Wins in health and medical institutions across WA, SA and VIC.
- ISO 9001 and ISO 27001 compliant
- Defence Industry Security Program application lodged and under assessment

Third Party HPCaaS Billings (US\$millions)



Deep Client Relationships



- Our top 10 clients accounted for 41% of revenue for the last 18 months
- Long relationships with large clients, across multiple product lines
- Relationships developed have led to larger, longer-term projects with major clients
- Important recent client wins supplementing long-standing relationships

**Top 10 customers by revenue and by relationship length
(FY23 and H1 FY24 combined)**



- Services order intake has increased the order book to US\$40.5 million at 31 December 2023, up 45% compared on 30 June 2023. Project outlook looks strong, significant potential projects in discussion with clients.
- Increased uptake of our MP-FWI Imaging technology in the reported period. Future looks very positive for this technology.
- Software revenues growth looks strong having grown by 9% on H1 FY23 to US\$2.6 million, with new opportunities being pursued outside renewals from existing clients.
- DUG has broadened its HPCaaS product lines with the introduction of DUG Cool and DUG Nomad (DUG Cool in a container). DUG Cool, cuts power usage by up to 51% and significantly reduces maintenance. DUG Nomad, a mobile data-centre solution, puts HPC anywhere on Earth – Edge HPC. A prototype was commissioned in February 2024.
- DUG does not intend to issue earnings guidance for H2 FY24.

Geraldton HPC Campus update



- In July 2021¹, DUG announced an option to lease land in Geraldton to build the world's first carbon-free HPC campus. At capacity, the campus is expected to be one of the largest HPC centres in the world.
- In July 2023², a A\$5 million grant from the WA State Government towards the costs of our new Geraldton HPC Campus was agreed upon.
- The project is now ready to progress to the next stage with design, permissions and tendering complete.
- Construction costs are significantly higher than expected. DUG is now pursuing an anchor tenant.
- An extension of the option to lease for the Geraldton site has been obtained.
- An extension of milestones attached to the grant from the WA State Government has been obtained³.



¹ Refer ASX Announcement dated 9 July 2021 "DUG signs option to lease land in Geraldton, progressing plans for carbon-free HPC campus"

² Refer ASX announcement dated 18 July 2023 "DUG secures a A\$5 million in government funding for Geraldton"

³ Refer appendix

Financials

Profit and Loss



- US\$5.5 million (23%) increase in total revenue from H1 FY23:
 - Services – strong performance following growth in services orders intake of 47% on H1 FY23
 - Software – seasonal revenue business due to timing of renewals. Growth of 9% on H1 FY23
 - HPCaaS – steady revenue overall compared to H2 FY23
- EBITDA result includes US2.3 million spent on third party compute in H1 FY24. Additional compute is necessary until the previously announced² compute upgrades are fully operational. DUG was faced with not enough compute due to significant MP-FWI wins in H1 FY24
- Positive Net Profit after tax

USD'm	H1 FY24	H2 FY23	H1 FY23 ¹	% Change HoH	% Change YoY
Revenue					
Services	25.3	20.5	19.8	24%	28%
Software	2.6	4.2	2.4	(38%)	9%
HPCaaS	2.0	1.8	2.2	10%	(7%)
Total Revenue	30.0	26.5	24.4	13%	23%
Other income	1.5	1.4	1.2	9%	28%
Employee benefits	(14.4)	(14.2)	(13.6)	(1%)	(6%)
Other operating costs	(10.0)	(5.5)	(5.2)	(85%)	(95%)
EBITDA	7.1	8.2	6.8	(14%)	3%
EBITDA margin	24%	31%	28%	(8%)	(4%)
Depreciation and amortisation	(3.1)	(3.2)	(3.2)	4%	4%
EBIT	3.9	5.0	3.6	(21%)	10%
Net Finance expense	(0.6)	(0.6)	(0.6)	(2%)	(4%)
Net profit before tax	3.4	4.4	3.0	(24%)	11%
Net profit after tax	1.3	3.1	1.9	(57%)	29%

¹ Restated financial information

² Refer ASX announcement dated 2 February 2024 "Update regarding new compute".

Balance Sheet



- Increase in cash balance due to strong cashflow from operating activities and employee loan funded share repayments
- Increase in trade receivables due to US\$3.1m in prepaid billings and increased revenue for the period
- Debt level increased due to asset finance of computers, gross debt of US\$10.6 (excluding right of use assets) and US\$1.1 million net cash

USD'm	31 Dec 2023	30 Jun 2023
Current Assets		
Cash and cash equivalents	11.7	8.0
Trade and other receivables	16.0	6.6
Contract assets	0.8	2.6
Other	1.2	1.2
Total Current Assets	29.7	18.4
Non Current Assets		
Property, plant and equipment	26.3	17.8
Right of use assets and other	11.5	10.9
Total Non Current Assets	37.8	28.7
Total Assets	67.5	47.1
Current Liabilities		
Trade and other payables	7.0	6.5
Loans and borrowings	5.3	2.8
Contract liabilities	8.3	1.6
Lease liabilities	1.9	1.8
Provisions	2.4	2.4
Total Current Liabilities	24.9	15.1
Non Current Liabilities		
Loans and borrowings	5.3	-
Lease liabilities	10.1	11.0
Provisions	0.2	0.1
Total Non Current Liabilities	15.6	11.1
Total Liabilities	40.5	26.2
Net Assets	27.0	20.9

Cash Flow



- Operating cash inflows of US\$6.2 million
- Financing cash inflows of US\$8.9 million included term debt repayments of US\$2.1 million (US\$0.5 million repayment expected in H2 FY24) and an inflow of US\$8.7 million from asset financing
- During the period, US\$12.2 million was invested into growth capital expenditure

USD'm	H1 FY24	H2 FY23	H1 FY23
Cash flow from operating activities			
- EBITDA	7.0	8.2	6.8
- Movement in working capital	0.4	3.3	(2.5)
- Non-cash items in EBITDA	(1.2)	(1.3)	(1.2)
- Other	-	0.2	(0.1)
Total net cash flows from operating activities	6.2	10.4	3.0
Cash flows from financing activities			
- Proceeds from employee LFSP	4.6		-
- Asset financing facilities	8.7	0.8	0.3
- Net repayment of borrowings	(2.6)	(1.8)	(0.8)
- Net repayment of leases	(1.0)	(0.8)	(0.9)
- Financing costs	(0.6)	(0.6)	(0.6)
- Other	(0.2)	0.1	-
Total net cash flows from financing activities	8.9	(2.9)	(2.0)
Cash flows from investing activities			
- Purchase of assets	(12.2)	(1.9)	(1.2)
- Disposals of assets	-	-	0.1
- Capital grant income received	0.9	-	-
Total net cash flows from investing activities	(11.3)	(1.9)	(1.1)
Opening cash balance	8.0	2.5	2.7
Net cash flows	3.8	5.6	(0.1)
Effect of foreign exchange	(0.1)	(0.1)	(0.1)
Closing cash balance	11.7	8.0	2.5

Note – group have elected to include financing costs in financing cash flows for statutory reporting purposes, as presented above

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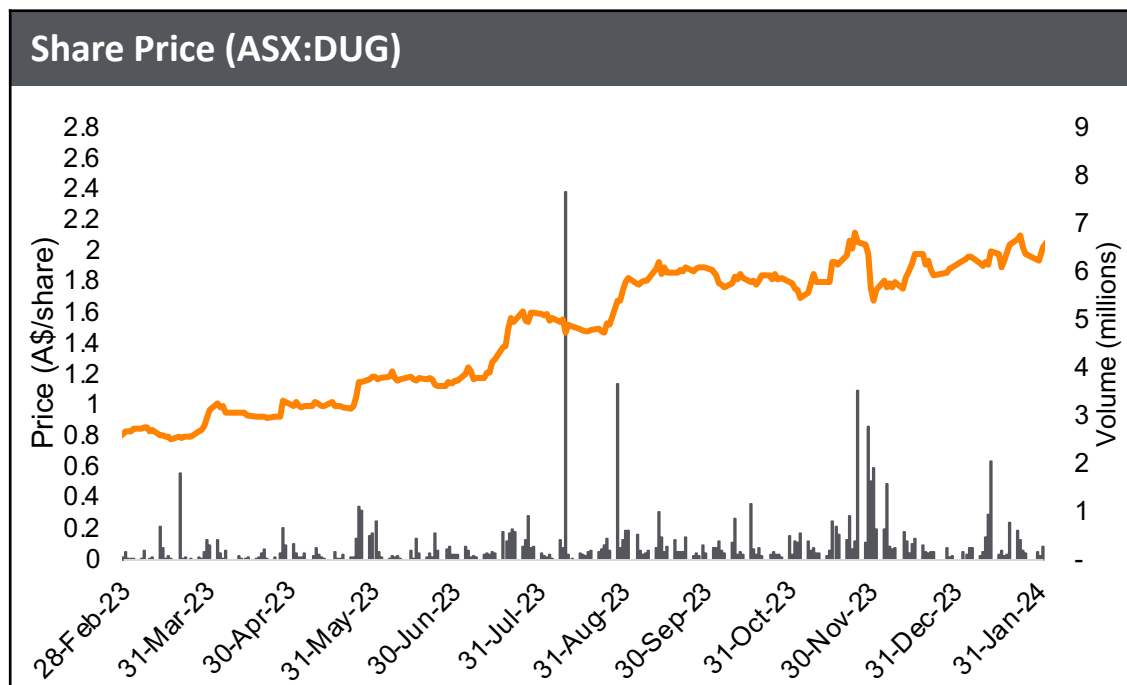
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All amounts are in United States Dollars (US\$) unless otherwise stated.

Appendices and Case Studies

Corporate summary



Board of Directors	
Frank Sciarrone	Non-Executive Chairman
Matthew Lamont Ph.D.	Managing Director
Louise Bower	Non-Executive Director
Mark Puzey	Non-Executive Director

Corporate Structure	Units	
Share Price (as at 27 Feb 2024)	A\$/sh	2.55
Shares on Issue	#m	118.1
Market Capitalisation	A\$m	301.2
(+) Financial Debt ¹ (as at 31 Dec 2023)	A\$m	15.6
(-) Cash at Bank ¹ (as at 31 Dec 2023)	A\$m	17.2
Enterprise Value	A\$m	299.6

DUG included in S&P/ASX All Technology Index (XTX) effective 18 December 2023

Substantial Shareholders (as at 22 January 2024)	
Dr Matthew Lamont	18.2%
Regal Funds Management Pty Ltd	15.0%
Perennial Value Management Limited	9.8%
Thorney Investment Group	5.8%
Top 20 Shareholders	70.5%

Geraldton HPC Campus update

WA Government extended grant milestones



No	Milestone Description	Evidence	Indicative Timing	Funding Amount
1	Execution of the Financial Assistance Agreement (FAA) and insurances in place	The fully executed FAA Certificates of Currency	July 2023	\$1,250,000
2	Reporting obligation	Provision of the bi-annual report	31 January 2024	Nil
3	Building contractor appointed	ASX release	By 30 June 2024	\$1,250,000
4	Reporting obligation	Provision of the bi-annual report	31 July 2024	
5	Build commencement	Breaking ground ceremony	By 30 December 2024	\$1,000,000
6	Reporting obligation	Provision of the bi-annual report	31 January 2025	Nil
7	Initial groundworks completed and building at lock up stage	Certification of lock up stage from builder	Calendar year 2025	\$1,000,000
8	First compute assets installed	Supplier invoices and delivery documentation.		\$400,000
9	Evidence of co-contribution achieved	Evidence to demonstrated co-contribution requirements have been met, with declaration by the CFO		\$100,000
10	Reporting obligations	Continue until indicative project budget or substantial component thereof is achieved or term of agreement is reached	On or before 31 July 2026	

Funding Amount in AUD

DUG Nomad



- Mobile, modular data centre solution that puts HPC where you need it – DUG Cool in a container
- Forged from decades of experience—an innovative combination of tried-and-tested hardware, software and infrastructure
- DUG's patented, immersion-cooling technology, DUG Cool enables compute and storage capabilities that are both sustainable and reliable
- All components, including the cooling infrastructure, are contained within a single secure, robust enclosure



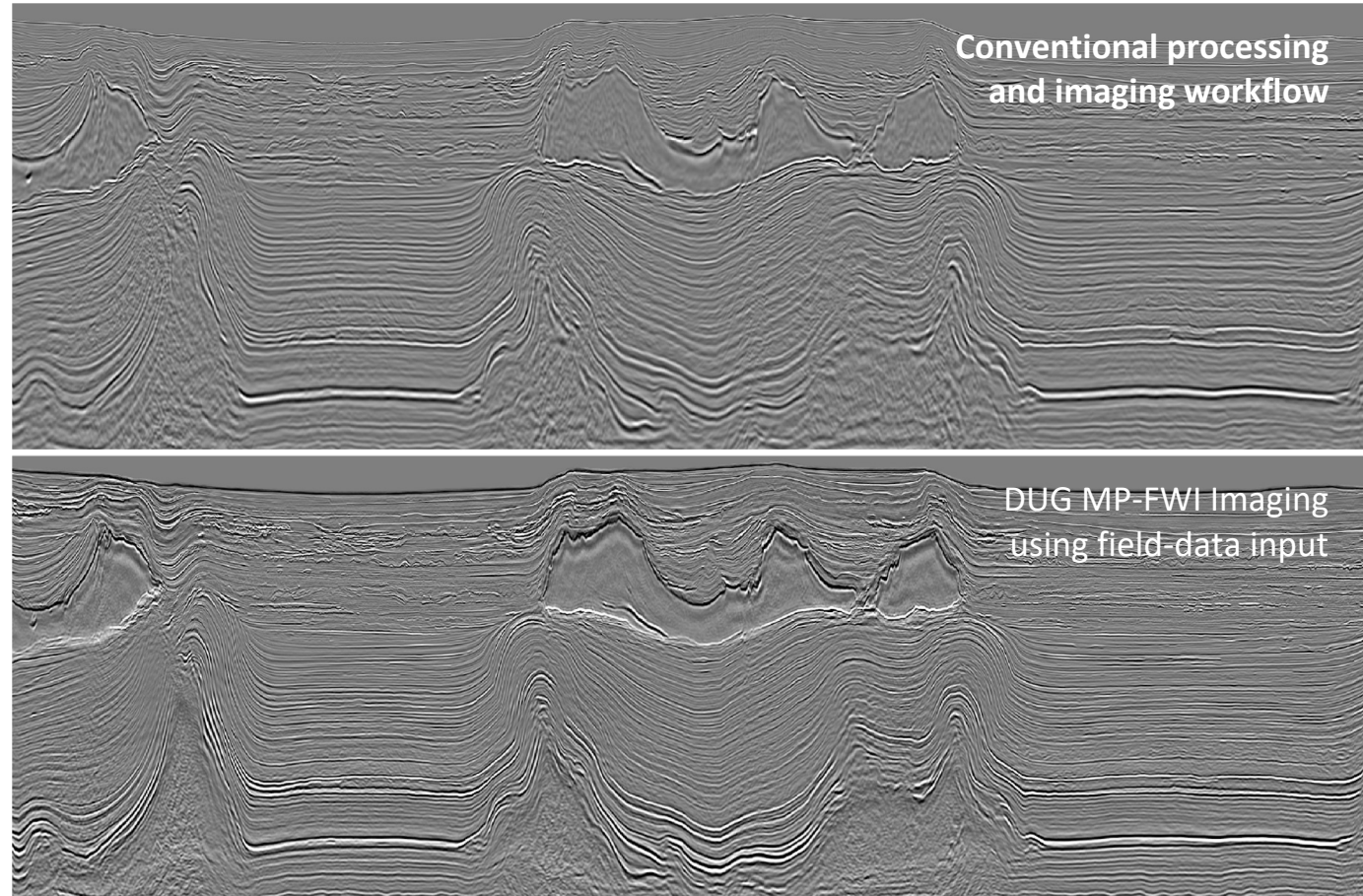
DUG MP-FWI Imaging



DUG's new technology is a complete replacement for the conventional processing and imaging workflow and is achieving unparalleled results.

It really has changed the game.

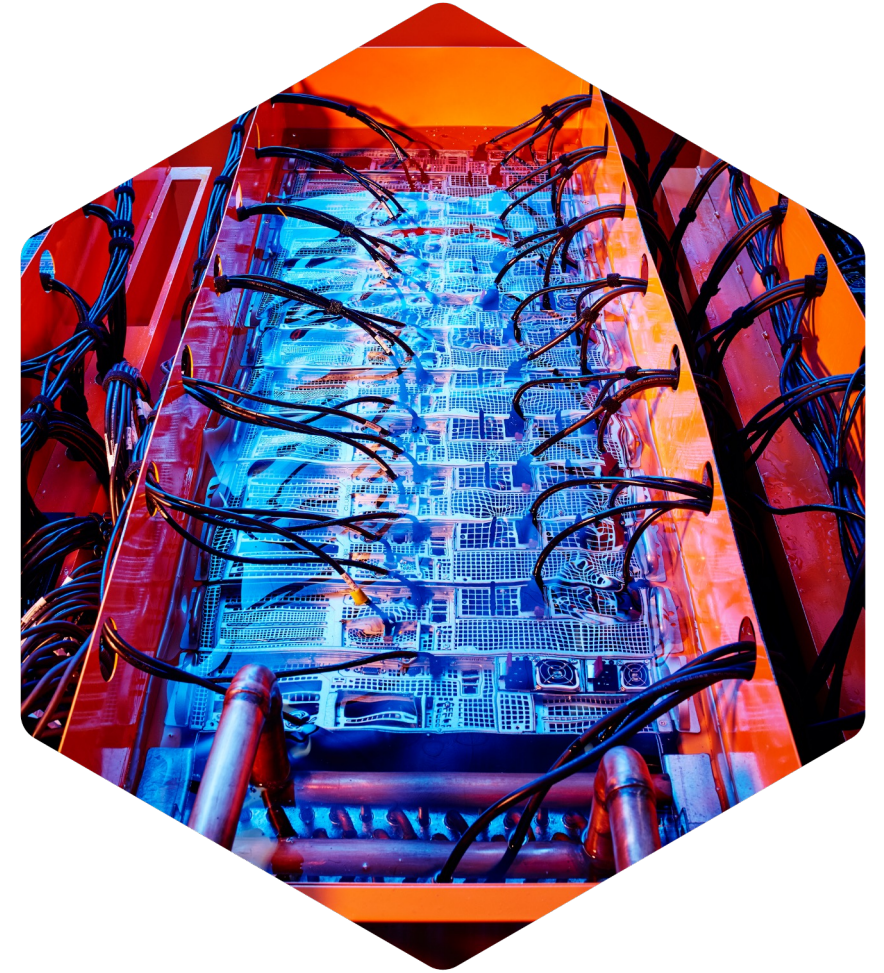
- Unsurpassed imaging using field-data input
- Rapid turnaround time
- Superior physics



DUG Cool: Industrial immersion cooling, at scale

DUG has been delivering innovative, immersion-cooling solutions for over a decade and is now commercialising this elegantly simple, scalable and safe cooling solution.

- Low Power Usage Effectiveness (low is good)
- Reduce water usage by over 25%
- Reduce power usage by over 50%
- Increase compute density with over 50 kW per rack
- 85% less embodied CO₂
- 85% less synthetic refrigerants



Sweetening cybersecurity with advanced artificial intelligence



- Researchers at CSIRO's Data61 are developing artificial intelligence (AI) models to automate the creation of honeyfiles—digital baits designed to protect against cyberattacks.
- Data61's existing HPC infrastructure was taking weeks to run a single experiment, impeding the iterative improvement process crucial for developing competitive models
- DUG's HPC Experts ensured a smooth transition to DUG HPC Cloud
- DUG's tailored support and powerful, bare-metal compute, which includes 80GB NVIDIA A100 GPUs, enabled Data61 to run on-demand experiments in parallel

Training times were reduced from weeks to 1–2 days, providing Data61 with the time and resources to explore previously inaccessible research areas while allowing timely publication of results

With expertly-supported access to the latest hardware, Data61 researchers are unlocking the cybersecurity potential of honeyfiles and pushing the boundaries of AI capability



Shining a light on marine conservation



- Scientists at Pendoley Environmental (Pendoley) are predicting impacts of artificial light on marine life using modelling techniques combined with custom monitoring technology
- Pendoley's software was not optimised and difficult to parallelise, resulting in overly long run-times on in-house systems. This was impeding progress and affecting the resolution of results
- DUG provided Pendoley scientists with a tailored solution which enabled them to run projects simultaneously without resource constraints
- DUG's HPC Experts optimised Pendoley's code for performance and aligned resources with project demands, all while prioritising the resolution of results

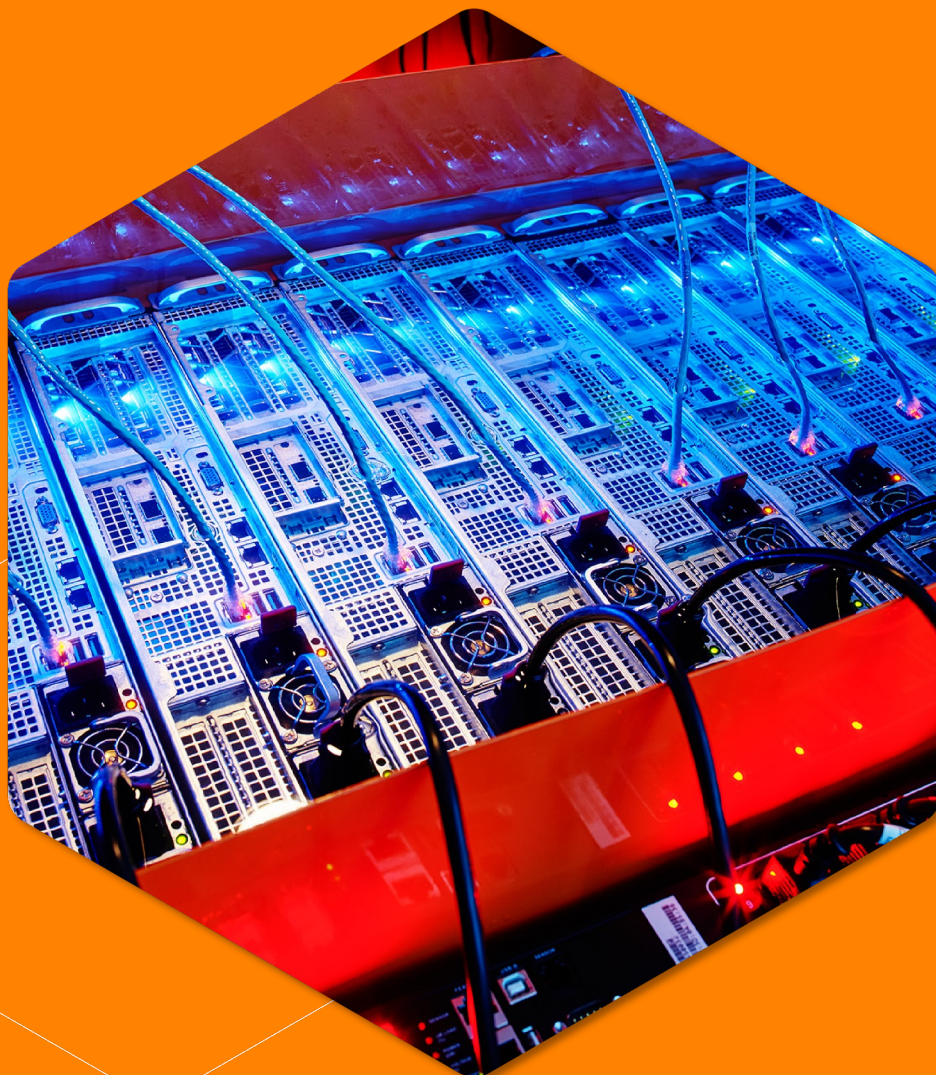
With DUG's tailored HPC solution, Pendoley scientists were able to scale, delivering better results, faster

This enhanced capability enables more informed marine conservation efforts—determining the impacts of artificial light on turtle hatchlings, as well as people and other biological receptors



PENDOLEY
ENVIRONMENTAL





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