

22 August 2024

FY2024 Financial Results

DUG Technology Ltd (ASX: DUG) (“DUG” or the “Company”) is pleased to announce its audited financial results for the year ended 30 June 2024 (“FY2024”).

Highlights¹

- **DUG delivers record revenue, EBITDA and Sales wins:**
 - **Sales wins of US\$67.4 million**, a record high, up 35%.
 - **Revenue from customers of US\$65.5 million**, up 29% driven by a 36% increase in Services revenue.
 - **EBITDA of US\$16.6 million**, a record high, up 10%. This EBITDA result accounts for US\$6.6 million in third-party compute costs, which were required until newly purchased in-house compute was delivered and commissioned.
 - **Excluding this cost, underlying EBITDA was \$23.2 million, up 54%** compared to FY23 EBITDA of \$15.1 million.
 - **Net profit after tax of US\$3.3 million**, down 33%, primarily due to costs of third-party compute not incurred in the prior period.
 - **Operating cash inflows of US\$12.1 million**, down 10%, primarily due to costs of third-party compute not incurred in the prior period.
 - **Strong order book of US\$36.5 million** at 30 June 2024, up 31%:
 - **Cash of US\$9.4 million**, up 18%.
 - **Net debt owing of US\$14.5 million.**

DUG Managing Director, Matt Lamont said:

“We’ve had another great year, breaking a number of financial records along the way. The growth of our Services business was particularly encouraging with the increasing uptake of our Multi-parameter FWI Imaging technology. In total we secured US\$67.4 million in new services projects during FY2024.

The Software business grew and continues to gain traction with our clients.

Operating cash inflows were impacted by third-party compute costs, delivering US\$12.1 million for the year. Property, plant and equipment grew by \$31.3 million, primarily due to the new compute hardware in Houston that we announced during the year.

We recently announced the signing of a significant Intellectual Property (IP) licensing agreement with Baltimore Aircoil Company (BAC) which we believe will change the data centre cooling landscape globally.

The outlook for our Services business line continues to be strong. We are excited by our new Abu Dhabi office which has been commissioned and undergoing fit out.

With a 30 June 2024 order book of US\$36.5 million we are expecting a strong FY2025.”

¹ Comparisons to the financial year ended 30 June 2023 unless otherwise stated



Financial Results

DUG's revenue from customers grew 29% to US\$65.5 million. Services revenue increased by 36% to US\$54.7 million, a record high. Software revenue increased by 11% to US\$7.4 million and HPC declined by 16% to US\$3.4 million.

Profitability was at a record high in FY2024 following strong revenues with EBITDA of US\$16.6 million (up 10%). Excluding this cost, underlying EBITDA was \$23.2 million, up 54% compared to FY2023 EBITDA of \$15.1 million. Net profit after tax of US\$3.3 million (down 33%).

Cash on hand was US\$9.4 million at 30 June 2024 with gross debt, excluding lease liabilities, of US\$1.2 million. Included in gross debt is a US\$1 million term loan with CBA which was repaid on 1 July 2024, subsequent to year end. Net debt of US\$14.5 million compared to a net cash position at 30 June 2023 of US\$5.2 million, largely due to compute purchased through asset financing during the year.

Operating cash inflows of US\$12.1 million decreased compared to FY2023, mainly due to third party compute costs. Investing cash flows for new capital equipment were US\$31.3 million for the year to support the Services business, of which \$24.4 million was funded through asset lease funding.

Outlook

The Services order book grew by 31% to US\$36.5 million at 30 June 2024 underpinning anticipated strong growth in FY2025.

Investment in new computer hardware in FY2024 underpins the compute requirement for MP-FWI Imaging projects.

The outlook for Software and HPCaaS looks positive with dedicated teams in place to grow HPCaaS and DUG Nomad revenue in FY2025.

Net debt position following compute purchased through asset financing during the year. Operating cash flows are expected to strengthen further in FY2025.

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, big-data services and reliable, high-performance computing (HPC). DUG 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 delivers a comprehensive geoscience offering backed by over two decades of experience and a focus on R&D. DUG maximises the value of seismic data with customised services, software and HPC solutions enabled by innovative technology – including Multi-parameter FWI Imaging.

DUG is a global company with offices in Perth, London, Houston, Kuala Lumpur and Abu Dhabi, supporting a diverse industrial client-base. DUG designs, owns, and operates a network of some of the largest 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.

Forward Looking Statements

This announcement includes forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like “will”, “believe”, “progress”, “anticipate”, “intend”, “expect”, “may”, “seek”, “towards”, “enable”, “budget”, “estimate”, “contemplate” and similar words or expressions.

The forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to the Company, or any of its affiliates or persons acting on its behalf. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable laws. Neither the Company nor any other person, gives any representation, warranty, assurance, nor will guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. To the maximum extent permitted by law, the Company and each of its advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise.