



# DUG Technology Ltd

## Appendix 4D

### Half-year report

#### Reporting period

Current period: Half-year ended 31 December 2024

Previous corresponding period: Half-year ended 31 December 2023

#### Results for Announcement to the Market

|                                           | 31 Dec 2024 | 31 Dec 2023 | Change<br>Up/(Down) |          |
|-------------------------------------------|-------------|-------------|---------------------|----------|
|                                           | US\$000's   | US\$000's   | US\$000's           | %        |
| Revenue from ordinary activities          | 28,745      | 29,986      | (1,241)             | (4.1%)   |
| Other income                              | 1,597       | 1,487       | 110                 | 7.4%     |
| Profit after tax from ordinary activities | (3,871)     | 1,316       | (5,187)             | (394.2%) |
| Profit after tax attributable to members  | (3,972)     | 800         | (4,772)             | (596.5%) |

The table below shows the Company's EBITDA movement against the previous half and the prior corresponding period of FY24. Further commentary on the Company's result is included in the Directors' Report.

|                     | 31 Dec 2024 | 31 Dec 2023 | Change<br>Up/(Down) |
|---------------------|-------------|-------------|---------------------|
|                     | US\$000's   | US\$000's   | %                   |
| EBITDA <sup>1</sup> | 5,197       | 7,053       | (26.3%)             |

<sup>1</sup> These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 - Disclosing non-IFRS financial information.

#### Dividends and Dividend Reinvestment Plans

No dividend has been proposed or declared in respect of half-years ended 31 December 2024 and 31 December 2023 and there were no dividend reinvestment plans in operation during the current period.

#### Control Gained/Lost Over Entities

No control over any entities was gained or lost during the half-year ended 31 December 2024.

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Net Tangible Assets per Share

|                               | 31 Dec 2024<br>US\$ | 31 Dec 2023<br>US\$ |
|-------------------------------|---------------------|---------------------|
| Net tangible assets per share | 0.35                | 0.22                |

Audit Review

This report is based on the interim consolidated financial statements for the half-year ended 31 December 2024 which have been reviewed by Grant Thornton Australia.

Other

Additional information supporting the Appendix 4D disclosure requirements and a comparison of performance against previous periods, can be found in the accompanying Directors' Report and the interim consolidated financial statements for the half-year ended 31 December 2024.



# CONSOLIDATED INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2024



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## Company Information

|                             |                                                                                                                                                                                                                                   |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIRECTORS                   | <p>Francesco Sciarrone<br/>Matthew Lamont<br/>Louise Bower<br/>Mark Puzey<br/>David Monk</p> <p>Non-Executive Chairman<br/>Managing Director<br/>Non-Executive Director<br/>Non-Executive Director<br/>Non-Executive Director</p> |
| COMPANY SECRETARY           | Jacqueline Barry                                                                                                                                                                                                                  |
| COUNTRY OF INCORPORATION    | Australia                                                                                                                                                                                                                         |
| COMPANY REGISTRATION NUMBER | 169 944 334                                                                                                                                                                                                                       |
| LEGAL FORM                  | Limited Company                                                                                                                                                                                                                   |
| REGISTERED OFFICE           | <p>76 Kings Park Road<br/>West Perth WA 6005<br/>AUSTRALIA</p>                                                                                                                                                                    |
| PRINCIPAL PLACE OF BUSINESS | <p>76 Kings Park Road<br/>West Perth WA 6005<br/>AUSTRALIA</p>                                                                                                                                                                    |
| AUDITORS                    | <p>Grant Thornton Audit Pty Ltd<br/>Level 43 Central Park<br/>152-158 St Georges Terrace<br/>Perth WA 6000<br/>AUSTRALIA</p>                                                                                                      |
| SHARE REGISTRY              | <p>Computershare Investor Services<br/>Level 11, 172 St Georges Terrace<br/>Perth WA 6000<br/>AUSTRALIA</p>                                                                                                                       |
| ASX LISTING                 | ASX CODE: DUG                                                                                                                                                                                                                     |

## Directors' Report

The Directors hereby present their report of the Group comprising of DUG Technology Ltd (**DUG**, or **the Company**), and its subsidiaries (together referred to as **the Group**) for the half-year ended 31 December 2024. The use of the words Company and Group are interchangeable for the purposes of this report.

### DIRECTORS

The Directors of the Company in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

- |                       |                                                                |
|-----------------------|----------------------------------------------------------------|
| ○ Francesco Sciarrone | Non-Executive Chairman                                         |
| ○ Matthew Lamont      | Managing Director                                              |
| ○ Louise Bower        | Non-Executive Director                                         |
| ○ Mark Puzey          | Non-Executive Director                                         |
| ○ David Monk          | Non-Executive Director (appointed on the 18th of October 2024) |

### PRINCIPAL ACTIVITIES

DUG is an ASX listed technology company, headquartered in Australia with offices in Perth, London, Houston, Kuala Lumpur and Abu Dhabi. The Company is built on a foundation of numerical physics and applied science, with a history of converting research into practical, real-world solutions.

DUG delivers a comprehensive geoscience offering backed by over two decades of experience and a focus on research & development (**R&D**). DUG maximises the value of seismic data for its customers with world-leading algorithms and technology – including Acoustic and Elastic Multi-parameter Full Waveform Inversion (**MP-FWI**) Imaging.

DUG provides innovative software products and cost effective, cloud-based high-performance computing (**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 to solve complex problems.

The Company is also pursuing emerging opportunities in the mobile data centre space through its DUG Nomad product. Providing plug-and-play, low-maintenance mobile data centres that utilise immersion cooling to enable high power density in small footprints.

DUG holds a key patent in the application of liquid immersion cooling for computer hardware. In August 2024, DUG signed an exclusive royalty agreement with Baltimore Aircoil Company, licencing the patent for a 5% royalty on future sales.

### FY25-H1 HIGHLIGHTS

Software revenue had strong growth of 22% compared to FY24-H1. This was driven by strong customer renewal rates, continued success licencing the Processing & Imaging toolkit, and increased adoption in the offshore wind engineering market.

The growing Services order book of US\$42.2 million at 31 January 2025, was driven by US\$33.2 million of project awards between July 2024 and January 2025.

The energy inside DUG is palpable, from a growing order book and pipeline to great Elastic MP-FWI Imaging results, there is complete internal belief in the direction of the company. DUG has invested heavily in the business over FY25-H1, placing the Company in a position to capitalise on building momentum.

- Eight Elastic MP-FWI Imaging pilot projects are underway, with great results being produced, and the first commercial contracts secured.
- The Middle East team have been hired and trained, and the office fit out is underway.
- Business development activities increased through new and existing regions, with more conferences attended, and increased travel to meet clients and deliver technical presentations.
- The R&D team has grown as exceptional talent is identified, trialled and hired. These world-class scientists continue to push the boundaries of seismic imaging.
- The DUG Nomad sales and engineering teams have been hired, and the Malaysian supply chain established.

- The first round of infrastructure capacity upgrades have been completed in the Houston data centre, giving 20% headroom in the facility should more compute need to be purchased due to contract awards.
- The Company successfully carried out a restructuring initiative, relocating shared services roles from Perth to Kuala Lumpur, while continuing to streamline and optimise other departments across the organisation.

## REVENUE ACROSS BUSINESS LINES

|          | FY25-H1<br>US\$000's | FY24-H1<br>US\$000's | Change<br>FY25-H1 vs FY24-H1<br>% |
|----------|----------------------|----------------------|-----------------------------------|
| Services | 24,471               | 25,347               | (3%)                              |
| Software | 3,196                | 2,627                | 22%                               |
| HPCaaS   | 1,078                | 2,012                | (46%)                             |
|          | <b>28,745</b>        | <b>29,986</b>        | <b>(4%)</b>                       |

Services revenue declined by 3% on FY24-H1. The Company has won a steady stream of new Services projects since July 2024, with US\$19.8 million in new project wins for the reporting period. The Services order book at 31 December 2024 was US\$32.9 million. In January 2025, the Company was awarded US\$13.4 million of Services projects, bringing the 31 January 2025 order book to US\$42.2 million. A significant proportion of these awards were for Acoustic and Elastic MP-FWI Imaging projects. This sets the Services business up for a strong FY25-H2.

Software revenue had strong growth of 22% compared to FY24-H1. This was driven by strong customer renewal rates, continued success licencing the Processing & Imaging toolkit, and increased adoption in the offshore wind engineering market. New leadership in this business continues to refine the future roadmap of the product, with a focus on moving upmarket.

HPCaaS revenue fell by 46% on FY24-H1. This was largely due to a major client shifting from committed to on demand compute. While the result is disappointing, the HPCaaS product line drives Software sales.

## OPERATING PROFIT AND LOSS

|                                 | FY25-H1<br>US\$000's | FY24-H1<br>US\$000's | Change<br>FY25-H1<br>vs FY24-<br>H1<br>% |
|---------------------------------|----------------------|----------------------|------------------------------------------|
| Total revenue                   | 28,745               | 29,986               | (4%)                                     |
| Other income                    | 1,597                | 1,487                | 7%                                       |
| Employee benefits               | (15,788)             | (14,402)             | 10%                                      |
| Other expenses                  | (9,357)              | (10,018)             | (7%)                                     |
| <b>EBITDA<sup>1</sup></b>       | <b>5,197</b>         | <b>7,053</b>         | <b>(26%)</b>                             |
| Depreciation and amortisation   | (6,392)              | (3,090)              | 107%                                     |
| <b>EBIT<sup>1</sup></b>         | <b>(1,195)</b>       | <b>3,963</b>         | <b>(130%)</b>                            |
| Net finance expense             | (2,030)              | (612)                | 232%                                     |
| <b>(Loss)/Profit before tax</b> | <b>(3,225)</b>       | <b>3,351</b>         | <b>(196%)</b>                            |
| Tax expense                     | (646)                | (2,035)              | (68%)                                    |
| <b>(Loss)/Profit after tax</b>  | <b>(3,871)</b>       | <b>1,316</b>         | <b>(394%)</b>                            |

<sup>1</sup> These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information.

Employee benefits rose 10% from FY24-H1. The Company successfully carried out a restructuring initiative, relocating shared services roles from Perth to Kuala Lumpur, while continuing to streamline and optimise other departments across the organisation. There were redundancy payments of US\$0.7 million in the period, with annualised savings of US\$0.9 million moving forward. The Middle East was established as a new Business Unit early in FY25-H1, with the initial sales, technical, and admin team hired. The Company continues to build out its R&D team as talented individuals are identified, trialled, and hired.

Other expenses decreased by 7% on FY24-H1. The Company incurred no third-party compute costs in the period, as the final batch of new AMD EPYC Genoa computers arrived in July 2024, supplementing the new equipment that arrived late in FY24. The depreciation and finance expenses increased as the compute right of use assets acquired during 2024 were recognised.

## FINANCIAL POSITION

The Group improved its net asset position to US\$47.1 million at 31 December 2024, from US\$30.0 million at 30 June 2024. This was a result of a successful capital raising undertaken in October 2024, raising A\$31.4 million.

Contract assets rose through the period to US\$7.4 million at 31 December 2024, from US\$4.3 million at 30 June 2024. This is due to Service contracts that are based on milestones, rather than the monthly progress billing. Material milestones in the current contract asset balance are due to be reached in FY25-Q3.

Contract liabilities rose through the period to US\$5.3 million at 31 December 2024, from US\$2.2 million at 30 June 2024. This is due to clients making pre-payments on projects as they seek to fully utilise their 2024 budget.

## CASH FLOWS

Net cash outflows from operating activities in FY25-H1 totalled US\$2.2 million, compared to cash inflows of US\$6.2 million in FY24-H1.

US\$6.1 million was invested in the final delivery of AMD EPYC Genoa computers received in July 2024 and some minor capacity upgrades in the Houston data centre. The Houston data centre upgrades give the company 20% headroom in the facility should more compute need to be purchased due to contract awards.

Net cash flows from financing activities totalled US\$17.1 million which included inflows from new asset financing of US\$5.8 million, a capital raise of US\$20.8 million and debt repayments of US\$8.9 million.

Cash on hand at 31 December 2024 was US\$17.3 million, up on 30 June 2024 cash of US\$9.4 million.

## 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 on page 7.

## ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Condensed Consolidated Half-year report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Perth on 27 February 2025.

Signed in accordance with a resolution of the Directors.



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Mark Puzey  
DIRECTOR

# Auditor's Independence Declaration



**Grant Thornton Audit Pty Ltd**  
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Perth WA 6850  
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## Auditor's Independence Declaration

### To the Directors of DUG Technology Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of DUG Technology Ltd for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in black ink, appearing to read "L A Stella".

L A Stella  
Partner – Audit & Assurance

Perth, 27 February 2025

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# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

|                                                        | Note | 31 Dec 2024<br>US\$000's | 31 Dec 2023<br>US\$000's |
|--------------------------------------------------------|------|--------------------------|--------------------------|
| <b>Income</b>                                          |      |                          |                          |
| Revenue from contracts with customers                  | 5    | 28,745                   | 29,986                   |
| Other income                                           | 6    | 1,597                    | 1,487                    |
|                                                        |      | <b>30,342</b>            | <b>31,473</b>            |
| <b>Expenses</b>                                        |      |                          |                          |
| Depreciation and amortisation                          |      | (6,392)                  | (3,090)                  |
| Employee benefits                                      | 7    | (15,788)                 | (14,402)                 |
| Other expenses                                         | 8    | (9,357)                  | (10,018)                 |
| <b>Operating profit/(loss)</b>                         |      | <b>(1,195)</b>           | <b>3,963</b>             |
| Finance income                                         |      | 53                       | 1                        |
| Finance expense                                        |      | (2,083)                  | (613)                    |
| <b>Net finance expense</b>                             | 9    | <b>(2,030)</b>           | <b>(612)</b>             |
| <b>Profit/(loss) before tax</b>                        |      | <b>(3,225)</b>           | <b>3,351</b>             |
| Tax expense                                            |      | (646)                    | (2,035)                  |
| <b>Profit/(loss) for the period</b>                    |      | <b>(3,871)</b>           | <b>1,316</b>             |
| <b>Attributable to:</b>                                |      |                          |                          |
| Equity holders of the parent                           |      | (3,972)                  | 800                      |
| Non-controlling interest                               |      | 101                      | 516                      |
| <b>Total comprehensive income/(loss)</b>               |      | <b>(3,871)</b>           | <b>1,316</b>             |
| <b>Earnings per share</b>                              |      |                          |                          |
| Basic (loss)/profit per share (US\$ cents per share)   | 18   | (3.28)                   | 0.68                     |
| Diluted (loss)/profit per share (US\$ cents per share) | 18   | (3.18)                   | 0.65                     |

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying Notes to the Condensed Consolidated Financial Statements.

# Condensed Consolidated Statement of Financial Position

As at 31 December 2024

|                                                 | Note | 31 Dec 2024<br>US\$000's | 30 June 2024<br>US\$000's |
|-------------------------------------------------|------|--------------------------|---------------------------|
| <b>ASSETS</b>                                   |      |                          |                           |
| <b>Current assets</b>                           |      |                          |                           |
| Cash and cash equivalents                       |      | 17,285                   | 9,385                     |
| Trade and other receivables                     | 10   | 10,008                   | 9,270                     |
| Prepayments                                     |      | 929                      | 734                       |
| Contract assets                                 |      | 7,424                    | 4,276                     |
| Current tax asset                               |      | 1,076                    | -                         |
| Other current assets                            | 11   | 1,650                    | 151                       |
| <b>Total current assets</b>                     |      | <b>38,372</b>            | <b>23,816</b>             |
| <b>Non-current assets</b>                       |      |                          |                           |
| Property, plant and equipment                   | 12   | 44,328                   | 44,011                    |
| Right of use assets                             | 13   | 10,112                   | 8,527                     |
| Intangible assets                               |      | 545                      | 559                       |
| Deferred tax asset                              |      | 1,339                    | 766                       |
| Other non-current assets                        | 11   | 1,820                    | 2,411                     |
| <b>Total non-current assets</b>                 |      | <b>58,144</b>            | <b>56,273</b>             |
| <b>Total assets</b>                             |      | <b>96,516</b>            | <b>80,090</b>             |
| <b>LIABILITIES</b>                              |      |                          |                           |
| <b>Current liabilities</b>                      |      |                          |                           |
| Trade and other payables                        |      | 4,732                    | 7,645                     |
| Loans and borrowings                            | 14   | 301                      | 1,115                     |
| Contract liabilities                            | 15   | 5,293                    | 2,167                     |
| Lease liabilities                               | 16   | 11,344                   | 9,452                     |
| Income tax payable                              |      | -                        | 2,438                     |
| Provisions                                      |      | 2,272                    | 2,678                     |
| <b>Total current liabilities</b>                |      | <b>23,942</b>            | <b>25,495</b>             |
| <b>Non-current liabilities</b>                  |      |                          |                           |
| Loans and borrowings                            | 14   | -                        | 41                        |
| Lease liabilities                               | 16   | 25,433                   | 24,439                    |
| Provisions                                      |      | 65                       | 94                        |
| <b>Total non-current liabilities</b>            |      | <b>25,498</b>            | <b>24,574</b>             |
| <b>Total liabilities</b>                        |      | <b>49,440</b>            | <b>50,069</b>             |
| <b>NET ASSETS</b>                               |      | <b>47,076</b>            | <b>30,021</b>             |
| <b>EQUITY</b>                                   |      |                          |                           |
| Share capital                                   | 17   | 76,011                   | 55,362                    |
| Reserves                                        |      | (945)                    | (1,222)                   |
| Accumulated losses                              |      | (27,990)                 | (24,119)                  |
| <b>TOTAL EQUITY</b>                             |      | <b>47,076</b>            | <b>30,021</b>             |
| Equity attributable to equity holders of parent |      | 46,504                   | 29,550                    |
| Non-controlling interest                        |      | 572                      | 471                       |
| <b>TOTAL EQUITY</b>                             |      | <b>47,076</b>            | <b>30,021</b>             |

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying Notes to the Condensed Consolidated Financial Statements.

## Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

|                                                         | Note | Share<br>Capital<br>US\$000's | Translation<br>Reserve<br>US\$000's | Share-based<br>Payment reserve<br>US\$000's | Accumulated<br>Losses<br>US\$000's | Total<br>US\$000's | Non-controlling<br>Interests<br>US\$000's | Total<br>Equity<br>US\$000's |
|---------------------------------------------------------|------|-------------------------------|-------------------------------------|---------------------------------------------|------------------------------------|--------------------|-------------------------------------------|------------------------------|
| <b>Balance at 1 July 2024</b>                           |      | <b>55,362</b>                 | <b>(2,177)</b>                      | <b>955</b>                                  | <b>(24,590)</b>                    | <b>29,550</b>      | <b>471</b>                                | <b>30,021</b>                |
| (Loss)/Profit for the period                            |      | -                             | -                                   | -                                           | (3,972)                            | (3,972)            | 101                                       | (3,871)                      |
| <b>Total comprehensive income/(loss) for the period</b> |      | <b>-</b>                      | <b>-</b>                            | <b>-</b>                                    | <b>(3,972)</b>                     | <b>(3,972)</b>     | <b>101</b>                                | <b>(3,871)</b>               |
| <b>TRANSACTIONS WITH EQUITY HOLDERS</b>                 |      |                               |                                     |                                             |                                    |                    |                                           |                              |
| Share based payments                                    |      | -                             | -                                   | 277                                         | -                                  | 277                | -                                         | 277                          |
| Employee loan funded shares sold                        | 17   | 502                           | -                                   | -                                           | -                                  | 502                | -                                         | 502                          |
| Share issued during the period                          | 17   | 20,849                        | -                                   | -                                           | -                                  | 20,849             | -                                         | 20,849                       |
| Cost of capital raising issued, net of tax              | 17   | (702)                         | -                                   | -                                           | -                                  | (702)              | -                                         | (702)                        |
| <b>Total transactions with equity holders</b>           |      | <b>20,649</b>                 | <b>-</b>                            | <b>277</b>                                  | <b>-</b>                           | <b>20,926</b>      | <b>-</b>                                  | <b>20,926</b>                |
| <b>Balance at 31 December 2024</b>                      |      | <b>76,011</b>                 | <b>(2,177)</b>                      | <b>1,232</b>                                | <b>(28,562)</b>                    | <b>46,504</b>      | <b>572</b>                                | <b>47,076</b>                |
| <b>Balance at 1 July 2023</b>                           |      | <b>50,381</b>                 | <b>(2,177)</b>                      | <b>154</b>                                  | <b>(27,360)</b>                    | <b>20,998</b>      | <b>(84)</b>                               | <b>20,914</b>                |
| Profit for the period                                   |      | -                             | -                                   | -                                           | 800                                | 800                | 516                                       | 1,316                        |
| <b>Total comprehensive income for the period</b>        |      | <b>-</b>                      | <b>-</b>                            | <b>-</b>                                    | <b>800</b>                         | <b>800</b>         | <b>516</b>                                | <b>1,316</b>                 |
| <b>TRANSACTIONS WITH EQUITY HOLDERS</b>                 |      |                               |                                     |                                             |                                    |                    |                                           |                              |
| Employee loan funded shares sold                        |      | 4,627                         | -                                   | -                                           | -                                  | 4,627              | -                                         | 4,627                        |
| Share based payments                                    |      | -                             | -                                   | 74                                          | -                                  | 74                 | -                                         | 74                           |
| <b>Total transactions with equity holders</b>           |      | <b>4,627</b>                  | <b>-</b>                            | <b>74</b>                                   | <b>-</b>                           | <b>4,701</b>       | <b>-</b>                                  | <b>4,701</b>                 |
| <b>Balance at 31 December 2023</b>                      |      | <b>55,008</b>                 | <b>(2,177)</b>                      | <b>228</b>                                  | <b>(26,560)</b>                    | <b>26,499</b>      | <b>432</b>                                | <b>26,931</b>                |

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying Notes to the Condensed Consolidated Financial Statements.

# Condensed Consolidated Statement of Cashflows

For the half-year ended 31 December 2024

|                                                           | Note | 31 Dec 2024<br>US\$000's | 31 Dec 2023<br>US\$000's |
|-----------------------------------------------------------|------|--------------------------|--------------------------|
| <b>CASHFLOWS FROM OPERATING ACTIVITIES</b>                |      |                          |                          |
| Cash receipts from customers                              |      | 27,976                   | 26,895                   |
| Cash paid to suppliers                                    |      | (11,323)                 | (6,171)                  |
| Cash paid to employees                                    |      | (16,052)                 | (14,487)                 |
| Income tax paid                                           |      | (2,834)                  | (44)                     |
| Interest received                                         |      | 53                       | -                        |
| <b>Net cash (used in)/from operating activities</b>       |      | <b>(2,180)</b>           | <b>6,193</b>             |
| <b>CASHFLOWS FROM INVESTING ACTIVITIES</b>                |      |                          |                          |
| Acquisition of property, plant and equipment              |      | (6,080)                  | (12,134)                 |
| Acquisition of intangible assets                          |      | (50)                     | (83)                     |
| Capital grant income received                             |      | -                        | 913                      |
| <b>Net cash used in investing activities</b>              |      | <b>(6,130)</b>           | <b>(11,304)</b>          |
| <b>CASHFLOWS FROM FINANCING ACTIVITIES</b>                |      |                          |                          |
| Proceeds from issue of shares                             |      | 20,849                   | -                        |
| Proceeds from employee loan funded shares sold            |      | 502                      | 4,627                    |
| Proceeds from loans and borrowings                        |      | 5,812                    | 8,659                    |
| Costs relating capital raising                            |      | (1,114)                  | -                        |
| Repayment of borrowings                                   |      | (1,374)                  | (2,647)                  |
| Transaction costs relating to borrowings                  |      | (4)                      | (117)                    |
| Lease payments on capitalised Leases                      |      | (5,462)                  | (1,010)                  |
| Interest paid - Lease liabilities                         |      | (2,054)                  | (388)                    |
| Interest paid - Borrowings                                |      | (14)                     | (224)                    |
| <b>Net cash flows from financing activities</b>           |      | <b>17,141</b>            | <b>8,900</b>             |
| <b>Net increase in cash and cash equivalents</b>          |      | <b>8,831</b>             | <b>3,789</b>             |
| Cash and cash equivalents at the beginning of the period  |      | 9,385                    | 7,987                    |
| Effect of changes in foreign currency                     |      | (931)                    | (85)                     |
| <b>Cash and cash equivalents at the end of the period</b> |      | <b>17,285</b>            | <b>11,691</b>            |

The Condensed Consolidated Statement of Cashflows is to be read in conjunction with the accompanying Notes to the Condensed Consolidated Financial Statements.

# Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2024

## 1. REPORTING ENTITY

The interim condensed consolidated financial statements of DUG Technology Ltd as at and for the half-year ended 31 December 2024 comprise of DUG Technology Ltd (**the Company**) and its subsidiaries (together referred to as **the Group**) and were authorised for issue on 27 February 2025 in accordance with a resolution of the directors. The Group is comprised of for-profit entities. DUG Technology Ltd is a limited company incorporated and domiciled in Australia and whose shares are publicly traded.

## 2. BASIS OF PREPARATION

The interim condensed consolidated financial statement for the half-year ended 31 December 2024 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The half-year financial report does not include all of the information required for a full financial report, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2024, and any public announcements made by the Group during the half-year ended 31 December 2024 in accordance with continuous disclosure obligations under the *Corporations Act 2001* and ASX Listing Rules.

## 3. FUNCTIONAL AND PRESENTATION CURRENCY

All entities within the Group have a United States dollars (US\$) functional currency. The interim condensed consolidated financial statements are presented in US\$, which is the parent entity's and subsidiaries' functional and presentation currency.

## 4. NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group. The Group intends to adopt new and amended standards and interpretations, if applicable, when they become effective. The Group does not expect a material impact on the financial statements when these standards become effective. Other standards and interpretations that are issued, but not yet effective, which are not expected to impact the Group have not been listed.

The below standards will apply to the Group and have a mandatory effective date post 31 December 2024:

- AASB 2014-10 - Sale of Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2023-5 - Amendments to Australian Accounting Standards – Lack of Exchangeability 1 January 2025
- AASB 2024-2 - Amendments to Australian Accounting Standards – Classification and Measurements of Financial Instruments
- AASB 2024-3 - Amendments to Australian Accounting Standards – Annual Improvements Volume 11
- AASB 18 - Presentation and Disclosure in Financial Statements 1 January 2027

When preparing the interim condensed consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim condensed consolidated financial statements including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024.

## 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

|                                              | 31 Dec 2024<br>US\$000's | 31 Dec 2023<br>US\$000's |
|----------------------------------------------|--------------------------|--------------------------|
| Services                                     | 24,471                   | 25,347                   |
| Software                                     | 3,196                    | 2,627                    |
| HPCaaS                                       | 1,078                    | 2,012                    |
| <b>Revenue from contracts with customers</b> | <b>28,745</b>            | <b>29,986</b>            |

## Timing of revenue recognition

|                                              |               |               |
|----------------------------------------------|---------------|---------------|
| Over time <sup>1</sup>                       | 26,594        | 27,900        |
| At a point in time <sup>2</sup>              | 2,151         | 2,086         |
| <b>Revenue from contracts with customers</b> | <b>28,745</b> | <b>29,986</b> |

1 Relating to the revenue from Services, HPCaaS and Cloud Software.

2 Relating to revenue from sales of Insight software licences.

## Geographic information

|                                              |               |               |
|----------------------------------------------|---------------|---------------|
| Australia                                    | 2,049         | 4,450         |
| United Kingdom                               | 8,896         | 5,935         |
| United States of America                     | 12,163        | 14,754        |
| Malaysia                                     | 5,637         | 4,847         |
| <b>Revenue from contracts with customers</b> | <b>28,745</b> | <b>29,986</b> |

## Revenue Performance Obligations (Contract Liabilities)

|                                                 | 2025 <sup>1</sup> | 2026 <sup>1</sup> |
|-------------------------------------------------|-------------------|-------------------|
| Revenue expected to be recognised: <sup>1</sup> |                   |                   |
| Services                                        | 2,578             | -                 |
| Software                                        | 1,470             | -                 |
| HPCaaS <sup>2</sup>                             | 393               | -                 |
| <b>Revenue from contracts with customers</b>    | <b>4,441</b>      | <b>-</b>          |

1 Revenue obligations due in the next 12 months (2025) and beyond (2026).

2 Excludes \$0.85m funding received from the Western Australian State Government.

## 6. OTHER INCOME

|                                                | 31 Dec 2024<br>US\$000's | 31 Dec 2023<br>US\$000's |
|------------------------------------------------|--------------------------|--------------------------|
| Government grant - non-cash R&D tax concession | 1,597                    | 1,230                    |
| Insurance proceeds                             | -                        | 257                      |
|                                                | <b>1,597</b>             | <b>1,487</b>             |

## 7. EMPLOYEE BENEFITS

|                               | 31 Dec 2024<br>US\$000's | 31 Dec 2023<br>US\$000's |
|-------------------------------|--------------------------|--------------------------|
| Salaries, incentives and fees | 12,735                   | 11,883                   |
| Superannuation                | 959                      | 871                      |
| Payroll tax                   | 842                      | 755                      |
| Other benefits                | 975                      | 819                      |
| Share based payments          | 277                      | 74                       |
|                               | <b>15,788</b>            | <b>14,402</b>            |

## 8. OTHER EXPENSES

|                                                     | 31 Dec 2024<br>US\$ '000 | 31 Dec 2023<br>US\$ '000 |
|-----------------------------------------------------|--------------------------|--------------------------|
| Third party compute costs                           | -                        | 2,281                    |
| IT facilities and related costs                     | 3,052                    | 2,150                    |
| Withholding tax                                     | 242                      | 1,366                    |
| Sales and marketing                                 | 1,054                    | 672                      |
| Human resources                                     | 593                      | 356                      |
| Insurance                                           | 262                      | 248                      |
| Travel                                              | 911                      | 625                      |
| Office facilities                                   | 318                      | 263                      |
| Consultants                                         | 213                      | 243                      |
| Realised and unrealised foreign exchange loss – net | 739                      | 128                      |
| Professional fees                                   | 686                      | 311                      |
| Provision for expected credit losses                | 17                       | 407                      |
| Others                                              | 1,270                    | 968                      |
|                                                     | <b>9,357</b>             | <b>10,018</b>            |

## 9. FINANCE EXPENSE

|                                       | 31 Dec 2024<br>US\$ '000 | 31 Dec 2023<br>US\$ '000 |
|---------------------------------------|--------------------------|--------------------------|
| Interest expenses – lease liabilities | 2,054                    | 388                      |
| Interest income                       | (53)                     | (1)                      |
| Interest expense - borrowings         | 19                       | 225                      |
| Others                                | 10                       | -                        |
|                                       | <b>2,030</b>             | <b>612</b>               |

## 10. TRADE AND OTHER RECEIVABLES

|                                      | 31 Dec 2024<br>US\$ '000 | 30 June 2024<br>US\$ '000 |
|--------------------------------------|--------------------------|---------------------------|
| Current asset:                       |                          |                           |
| Trade receivables                    | 10,054                   | 9,226                     |
| Provision for expected credit losses | (133)                    | (128)                     |
| <b>Trade receivables – net</b>       | <b>9,921</b>             | <b>9,098</b>              |
| Other receivables                    | 87                       | 172                       |
| <b>Trade and other receivables</b>   | <b>10,008</b>            | <b>9,270</b>              |

## Expected credit loss lifetime credit

Credit terms for trade receivables average 30 days. The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: Financial Instruments.

|                                                     | 31 Dec 2024<br>US\$ '000 | 30 June 2024<br>US\$ '000 |
|-----------------------------------------------------|--------------------------|---------------------------|
| As at 1 July                                        | (128)                    | (24)                      |
| Increase in provision for expected credit losses    | (5)                      | (205)                     |
| Prior year provision utilised for debts written off | -                        | 101                       |
| <b>Total expected credit losses</b>                 | <b>(133)</b>             | <b>(128)</b>              |

The main source of credit risk to the Group is considered to relate to the class of assets described as “trade and other receivables”. At 31 December 2024, a total of 32% of trade receivables were concentrated to the top five customers (30 June 2024: 55%).

## 11. OTHER ASSETS

|                             | 31 Dec 2024<br>US\$ '000 | 30 June 2024<br>US\$ '000 |
|-----------------------------|--------------------------|---------------------------|
| <b>Current</b>              |                          |                           |
| Bonds and security deposits | 1,496                    | 136                       |
| Other current assets        | 154                      | 15                        |
|                             | <b>1,650</b>             | <b>151</b>                |
| <b>Non-current</b>          |                          |                           |
| Bonds and security deposits | <b>1,820</b>             | <b>2,411</b>              |

Included in the bonds and security deposits is \$2.8 million in deposits for the Group’s asset financing leases. These deposits will cover the last two to four lease repayments at the end of the leases.

## 12. PROPERTY, PLANT AND EQUIPMENT

|                                         | Data Centre<br>Infrastructure<br>and HPC<br>US\$ '000 | HPC Right of<br>Use Assets<br>US\$ '000 | Leasehold<br>Improvements<br>US\$ '000 | Office<br>Equipment<br>US\$ '000 | Under<br>Construction<br>US\$ '000 | Total<br>US\$ '000 |
|-----------------------------------------|-------------------------------------------------------|-----------------------------------------|----------------------------------------|----------------------------------|------------------------------------|--------------------|
| <b>At 30 June 2024</b>                  |                                                       |                                         |                                        |                                  |                                    |                    |
| Cost                                    | 64,329                                                | 27,836                                  | 3,328                                  | 1,576                            | 2,007                              | 99,076             |
| Accumulated depreciation                | (49,331)                                              | (1,151)                                 | (3,025)                                | (1,558)                          | -                                  | (55,065)           |
| <b>Net book value</b>                   | <b>14,998</b>                                         | <b>26,685</b>                           | <b>303</b>                             | <b>18</b>                        | <b>2,007</b>                       | <b>44,011</b>      |
| <b>Half-year ended 31 December 2024</b> |                                                       |                                         |                                        |                                  |                                    |                    |
| Opening net book value                  | 14,998                                                | 26,685                                  | 303                                    | 18                               | 2,007                              | 44,011             |
| Additions                               | 17                                                    | 4,921                                   | -                                      | 25                               | 565                                | 5,528              |
| Depreciation                            | (1,670)                                               | (3,445)                                 | (92)                                   | (4)                              | -                                  | (5,211)            |
| <b>Closing net book value</b>           | <b>13,345</b>                                         | <b>28,161</b>                           | <b>211</b>                             | <b>39</b>                        | <b>2,572</b>                       | <b>44,328</b>      |
| <b>At 31 December 2024</b>              |                                                       |                                         |                                        |                                  |                                    |                    |
| Cost                                    | 64,346                                                | 32,757                                  | 3,328                                  | 1,601                            | 2,572                              | 104,604            |
| Accumulated depreciation                | (51,001)                                              | (4,596)                                 | (3,117)                                | (1,562)                          | -                                  | (60,276)           |
| <b>Net book value</b>                   | <b>13,345</b>                                         | <b>28,161</b>                           | <b>211</b>                             | <b>39</b>                        | <b>2,572</b>                       | <b>44,328</b>      |

The accounting treatment for HPC Right of Use Assets is disclosed together with the accounting policy for Leases at Note 16.

## 13. RIGHT OF USE ASSETS

|                                         | Offices<br>US\$ '000 | Data Centre<br>US\$ '000 | Global Fibre<br>Links<br>US\$ '000 | Total<br>US\$ '000 |
|-----------------------------------------|----------------------|--------------------------|------------------------------------|--------------------|
| <b>At 30 June 2024</b>                  |                      |                          |                                    |                    |
| Cost                                    | 7,585                | 8,319                    | 779                                | 16,683             |
| Accumulated depreciation                | (5,716)              | (2,129)                  | (311)                              | (8,156)            |
| <b>Net book value</b>                   | <b>1,869</b>         | <b>6,190</b>             | <b>468</b>                         | <b>8,527</b>       |
| <b>Half-year ended 31 December 2024</b> |                      |                          |                                    |                    |
| Opening net book value                  | 1,869                | 6,190                    | 468                                | 8,527              |
| Additions                               | 2,624                | -                        | -                                  | 2,624              |
| Depreciation                            | (778)                | (203)                    | (58)                               | (1,039)            |
| <b>Closing net book value</b>           | <b>3,715</b>         | <b>5,987</b>             | <b>410</b>                         | <b>10,112</b>      |
| <b>At 31 December 2024</b>              |                      |                          |                                    |                    |
| Cost                                    | 10,209               | 8,319                    | 779                                | 19,307             |
| Accumulated depreciation                | (6,494)              | (2,332)                  | (369)                              | (9,195)            |
| <b>Net book value</b>                   | <b>3,715</b>         | <b>5,987</b>             | <b>410</b>                         | <b>10,112</b>      |

## 14. LOANS AND BORROWINGS

|                         | Bank Facilities<br>US\$ '000 | Asset Financing<br>US\$ '000 | Other<br>US\$ '000 | Total<br>US\$ '000 |
|-------------------------|------------------------------|------------------------------|--------------------|--------------------|
| <b>31 December 2024</b> |                              |                              |                    |                    |
| Current                 | -                            | 94                           | 208                | 301                |
| Non-current             | -                            | -                            | -                  | -                  |
|                         | <b>-</b>                     | <b>94</b>                    | <b>208</b>         | <b>301</b>         |
| <b>30 June 2024</b>     |                              |                              |                    |                    |
| Current                 | 1,000                        | 115                          | -                  | 1,115              |
| Non-current             | -                            | 41                           | -                  | 41                 |
|                         | <b>1,000</b>                 | <b>156</b>                   | <b>-</b>           | <b>1,156</b>       |

## Bank facilities

As at 31 December 2024, the Group has the following bank facilities in place:

- An overdraft facility of A\$1,000,000 (30 June 2024: A\$1,000,000) which was not drawn at 31 December 2024 and 30 June 2024.
- A contingent instrument facility of US\$1,000,000 (30 June 2024: US\$1,000,000). At 31 December 2024, bank guarantees issued on behalf of the Group entities totalled US\$847,000 (30 June 2024: US\$754,000).

The term debt facility expired on 1 July 2024 and was paid in full. The overdraft and contingent instrument facilities are subject to annual review by the financier who in their absolute discretion can determine to roll over for a further 12 months.

The Group has provided the following security in relation to the bank facilities:

- A first ranking general security to a financier over all present and future rights, property and undertakings. There is a fixed charge on all freehold, leasehold, book debts and other assets of the Group, in respect of a bank loan drawdown. The bank also has a floating charge over all the assets of the Group. There is a security carve-out for the financing of specific assets through third party financiers.

During the period, the Group complied with all financial covenants.

Interest is calculated at secured overnight financing rate (SOFR) plus a line fee of 2.76%.

The weighted average effective interest rate on debt facilities (including asset financing in this note) at 31 December 2024 was 11.68% per annum (30 June 2024: 11.65%).

### Asset Financing and Others

As at 31 December 2024, the Group has the following facilities:

- Asset financing facilities of \$94,000 (30 June 2024: \$156,000) secured against storage assets purchased in Australia, which matures in October 2025.
- Insurance premium funding of US\$208,000 (30 June 2024: US\$nil).

## 15. CONTRACT LIABILITIES

|                             | 31 Dec 2024<br>US\$ '000 | 30 June 2024<br>US\$ '000 |
|-----------------------------|--------------------------|---------------------------|
| <b>Contract Liabilities</b> |                          |                           |
| Services                    | 2,578                    | 690                       |
| Software                    | 1,470                    | 520                       |
| HPCaaS <sup>1</sup>         | 1,245                    | 957                       |
|                             | <b>5,293</b>             | <b>2,167</b>              |

<sup>1</sup> Includes \$0.85m funding received from the Western Australian State Government

## 16. LEASE LIABILITIES

|                                   | 31 Dec 2024<br>US\$ '000 | 30 June 2024<br>US\$ '000 |
|-----------------------------------|--------------------------|---------------------------|
| <b>Current</b>                    |                          |                           |
| Property and Global Network Links | 1,707                    | 2,044                     |
| HPC Asset Financing               | 9,637                    | 7,408                     |
|                                   | <b>11,344</b>            | <b>9,452</b>              |
| <b>Non-current</b>                |                          |                           |
| Property and Global Network Links | 11,054                   | 9,076                     |
| HPC Asset Financing               | 14,379                   | 15,363                    |
|                                   | <b>25,433</b>            | <b>24,439</b>             |

### Right-of-use assets

The Group's lease portfolio includes

- buildings with remaining lease terms ranging from less than 1 year to 16 years.
- compute assets acquired through asset financing facilities totalling \$29.7 million, secured against the financed compute assets in the United States of America and the deposits set out in Note 11. The leases have repayment terms ranging from 24 months to 36 months, with maturity in August 2025 to July 2027. Average interest rate during the period was 11.23% (30 June 2024: 10.51%).

Compute purchased and asset financed during the period have an option to purchase and therefore included in Property Plant & Equipment.

### Options to extend

The option to extend the lease term is contained in the property leases of the Group. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension options are only exercisable by the Group. The extension options which were probable to be exercised have been included in the calculation of the right-of-use asset. Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

|                                                | Within Five Years<br>US\$ '000 | More than Five Years<br>US\$ '000 |
|------------------------------------------------|--------------------------------|-----------------------------------|
| Extension options expected not to be exercised | 2,834                          | 812                               |

### AASB 16 related amounts recognised in the Statement of Profit or Loss

|                                                    | 31 Dec 2024<br>US\$ '000 | 30 June 2024<br>US\$ '000 |
|----------------------------------------------------|--------------------------|---------------------------|
| Depreciation charge related to right of use assets | 4,484                    | 3,034                     |
| Interest expense on lease liabilities              | 2,054                    | 1,199                     |

### Total cash outflow for leases

|                                                  | 31 Dec 2024<br>US\$ '000 | 30 June 2024<br>US\$ '000 |
|--------------------------------------------------|--------------------------|---------------------------|
| Total cash outflow for leases including interest | 7,516                    | 7,330                     |

## 17. SHARE CAPITAL

Share capital comprises ordinary shares.

|                                             | 31 Dec 2024        |               | 30 June 2024       |               |
|---------------------------------------------|--------------------|---------------|--------------------|---------------|
|                                             | No.                | US\$ '000     | No.                | US\$ '000     |
| <b>Fully paid-up shares</b>                 |                    |               |                    |               |
| Balance at beginning of period              | 115,710,853        | 55,362        | 109,618,614        | 50,381        |
| Issued shares employee loan repayment       | -                  | -             | -                  | 618           |
| Employee loan funded shares sold            | 353,695            | 502           | 6,092,239          | 4,363         |
| Issued on capital raise                     | 16,534,215         | 20,849        | -                  | -             |
| Cost of capital raising issued, net of tax  | -                  | (702)         | -                  | -             |
| <b>Balance at end of period</b>             | <b>132,598,763</b> | <b>76,011</b> | <b>115,710,853</b> | <b>55,362</b> |
| <b>Issued under loan funded share plans</b> |                    |               |                    |               |
| Balance at beginning of year                | 2,412,533          | -             | 8,504,772          | -             |
| Employee loan funded shares sold            | (353,695)          | -             | (6,092,239)        | -             |
| <b>Balance at end of period</b>             | <b>2,058,838</b>   | <b>-</b>      | <b>2,412,533</b>   | <b>-</b>      |
| <b>Total shares issued</b>                  | <b>134,657,601</b> | <b>76,011</b> | <b>118,123,386</b> | <b>55,362</b> |

## 18. EARNINGS PER SHARE

Both the basic and diluted earnings per share (EPS) have been calculated using the (loss)/earnings attributable to shareholders of the Company as the numerator.

|                                                          | 31 Dec 2024 | 31 Dec 2023 |
|----------------------------------------------------------|-------------|-------------|
| Basic (loss)/earnings per share (US\$ cents per share)   | (3.28)      | 0.68        |
| Diluted (loss)/earnings per share (US\$ cents per share) | (3.18)      | 0.65        |

|                                                       | 31 Dec 2024 | 31 Dec 2023 |
|-------------------------------------------------------|-------------|-------------|
| Weighted average number of shares used in basic EPS   | 120,998,563 | 118,123,387 |
| Weighted average number of shares used in diluted EPS | 125,032,294 | 122,845,912 |

## 19. SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on its products and services and has three reportable segments as follows:

1. The HPCaaS segment, allows clients to connect to the Group's HPC and storage in a complete HPC environment. The Group's supercomputers, located in three global locations, provide substantial compute and storage capabilities. DUG also provides software and algorithm support and development to enable a client to successfully operate on DUG's HPC.
2. The Services segment, provides clients with two types of services:
  - Data loading, quality control and management, and
  - Scientific data analysis.
3. The Software segment, has two main products:
  - DUG Insight – A modern, intuitive and interactive software package for scientific processing and visualisation, and
  - DUG Cluster Software – high end algorithms for the processing of scientific data on large HPC installations.

The Group monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments. No operating segments have been aggregated to form the above reportable segments.

The Services segment is a significant user of compute and software and is therefore charged by the HPCaaS and Software segments for their use. This results in inter-segment revenue reported in the HPCaaS and Software segments with the corresponding costs recorded in other expenses in the Services segment. These inter-segment values eliminate on consolidation. Over time, internal charges made from the HPCaaS and Software segments to the Services segment change based on commercial discussions between the segments to enable fair market value pricing.

| 31 December 2024                               | HPCaaS<br>US\$000's | Services<br>US\$000's | Software<br>US\$000's | Eliminations<br>US\$000's | Consolidated<br>US\$000's |
|------------------------------------------------|---------------------|-----------------------|-----------------------|---------------------------|---------------------------|
| <b>Income</b>                                  |                     |                       |                       |                           |                           |
| Revenue from contracts with external customers | 1,078               | 24,471                | 3,196                 | -                         | 28,745                    |
| Inter-segment                                  | 13,375              | -                     | 1,036                 | (14,411)                  | -                         |
| Other Income                                   | 319                 | -                     | 1,278                 | -                         | 1,597                     |
|                                                | <b>14,772</b>       | <b>24,471</b>         | <b>5,510</b>          | <b>(14,411)</b>           | <b>30,342</b>             |
| <b>Segment EBITDA <sup>1</sup></b>             | <b>7,969</b>        | <b>(3,836)</b>        | <b>1,064</b>          | <b>-</b>                  | <b>5,197</b>              |
| <b>Segment operating profit/(loss)</b>         | <b>2,377</b>        | <b>(4,509)</b>        | <b>937</b>            | <b>-</b>                  | <b>(1,195)</b>            |
| <b>Segment assets</b>                          | <b>52,166</b>       | <b>19,700</b>         | <b>4,950</b>          | <b>-</b>                  | <b>76,816</b>             |
| <b>Segment liabilities</b>                     | <b>31,200</b>       | <b>9,415</b>          | <b>8,825</b>          | <b>-</b>                  | <b>49,440</b>             |

1. These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 - Disclosing non-IFRS financial information.

|                                                | HPCaaS        | Services      | Software<br>Restated | Eliminations   | Consolidated  |
|------------------------------------------------|---------------|---------------|----------------------|----------------|---------------|
| 31 December 2023                               | US\$000's     | US\$000's     | US\$000's            | US\$000's      | US\$000's     |
| <b>Income</b>                                  |               |               |                      |                |               |
| Revenue from contracts with external customers | 2,012         | 25,347        | 2,627                | -              | 29,986        |
| Inter-segment                                  | 7,031         | -             | 944                  | (7,975)        | -             |
| Other Income                                   | 124           | 7             | 1,356                | -              | 1,487         |
|                                                | <b>9,167</b>  | <b>25,354</b> | <b>4,927</b>         | <b>(7,975)</b> | <b>31,473</b> |
| <b>Segment EBITDA <sup>1</sup></b>             | <b>2,751</b>  | <b>2,512</b>  | <b>1,790</b>         | <b>-</b>       | <b>7,053</b>  |
| <b>Segment operating profit</b>                | <b>266</b>    | <b>2,038</b>  | <b>1,659</b>         | <b>-</b>       | <b>3,963</b>  |
| <b>Segment assets</b>                          | <b>41,646</b> | <b>9,536</b>  | <b>4,577</b>         | <b>-</b>       | <b>55,759</b> |
| <b>Segment liabilities</b>                     | <b>21,650</b> | <b>12,072</b> | <b>4,605</b>         | <b>-</b>       | <b>38,327</b> |

1. These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 - Disclosing non-IFRS financial information.

|                                      | 31 Dec 2024<br>US\$ '000 | 31 Dec 2023<br>US\$ '000 |
|--------------------------------------|--------------------------|--------------------------|
| <b>Reconciliation of assets</b>      |                          |                          |
| Segment assets                       | 76,816                   | 55,759                   |
| Cash and cash equivalents            | 17,285                   | 11,691                   |
| Current tax asset                    | 1,076                    | -                        |
| Deferred tax assets                  | 1,339                    | -                        |
| <b>Total assets</b>                  | <b>96,516</b>            | <b>67,450</b>            |
| <b>Reconciliation of liabilities</b> |                          |                          |
| Segment liabilities                  | 49,440                   | 38,327                   |
| Income tax payable                   | -                        | 488                      |
| Loans and borrowings                 | -                        | 1,704                    |
| <b>Total liabilities</b>             | <b>49,440</b>            | <b>40,519</b>            |

|                                                   | 31 Dec 2024<br>US\$000's | 31 Dec 2023<br>US\$000's |
|---------------------------------------------------|--------------------------|--------------------------|
| <b>Reconciliation of (loss)/profit before tax</b> |                          |                          |
| Segment (loss)/profit                             | (1,195)                  | 3,963                    |
| Net finance expense                               | (2,030)                  | (612)                    |
| <b>(Loss)/Profit before tax</b>                   | <b>(3,225)</b>           | <b>3,351</b>             |

## 20. RELATED PARTY TRANSACTIONS

During the half-year ended 31 December 2024, there were no related party transactions other than \$425,000 revenue recognised from Rouge Rock Pty Ltd for seismic processing work, an entity where the Company owns 49% of its shares. The amount owed by Rouge Rock Pty Ltd is expected to be settled as part of its winding up procedure.

## 21. CONTINGENT LIABILITIES AND COMMITMENTS

In May 2021, the group received a supplier invoice that it disputed. On 4 June 2024, the supplier claimed from DUG for failing to pay the disputed invoice. There is no new evidence that changes our opinion. DUG's legal representative on the case supports the position; consequently no provision has been made.

Other than described above, the Group had no other material contingent liabilities, contingent assets or commitment as at the reporting date.

## 22. EVENTS AFTER REPORTING DATE

On 20 January 2025, the Company announced the acquisition of the multi-client seismic assets of Multi-Client Resources (Australia) Pty Ltd ("MCR"). No cash or scrip was involved in the acquisition of the MCR assets. They will be paid for by the revenue stream of futures sales, if and when they occur.

## Directors' Declaration

In accordance with a resolution of the directors of DUG Technology Ltd, we state that in the opinion of the directors:

- (a) the interim financial statements and notes of the Company and its subsidiaries (collectively the Group) for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
  - ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2024.

Dated at Perth on 27 February 2025.

Signed in accordance with a resolution of the Directors.



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Mark Puzey  
DIRECTOR



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## Independent Auditor's Review Report

To the Members of DUG Technology Ltd

Report on the half year financial report

### Conclusion

We have reviewed the accompanying half year financial report of DUG Technology Ltd (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of DUG Technology Ltd does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as of 31 December 2024 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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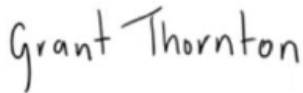
**Directors' responsibility for the half-year financial report**

The Directors of the Company 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 the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the review of the financial report**

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 Group's financial position as at 31 December 2024 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*.

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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L A Stella  
Partner – Audit & Assurance

Perth, 27 February 2025