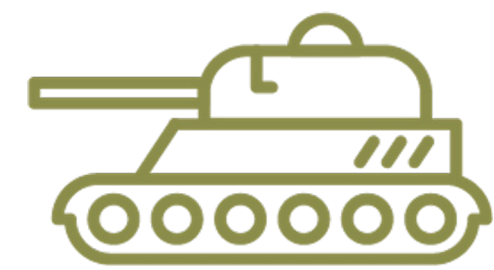




DUG Technology Ltd

Investor Presentation
July 2022

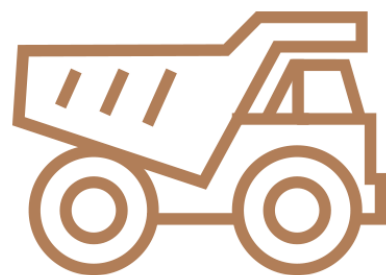
SALES AREAS



MILITARY & SPACE



INDUSTRIALS



RESOURCES



HEALTH



EDUCATION & RESEARCH



CLIMATE



RADIO ASTRONOMY

BUSINESS LINES



SOFTWARE

- Analytic software development
- Algorithms and optimisation
- Data processing and visualization
- DUG Insight in 36 countries



HIGH-PERFORMANCE COMPUTING (HPCaaS)

- Green HPC and storage
- Innovative, cost-effective solutions
- Patented DUG Cool immersion technology
- Design/own/operate some of the largest and greenest supercomputers on Earth



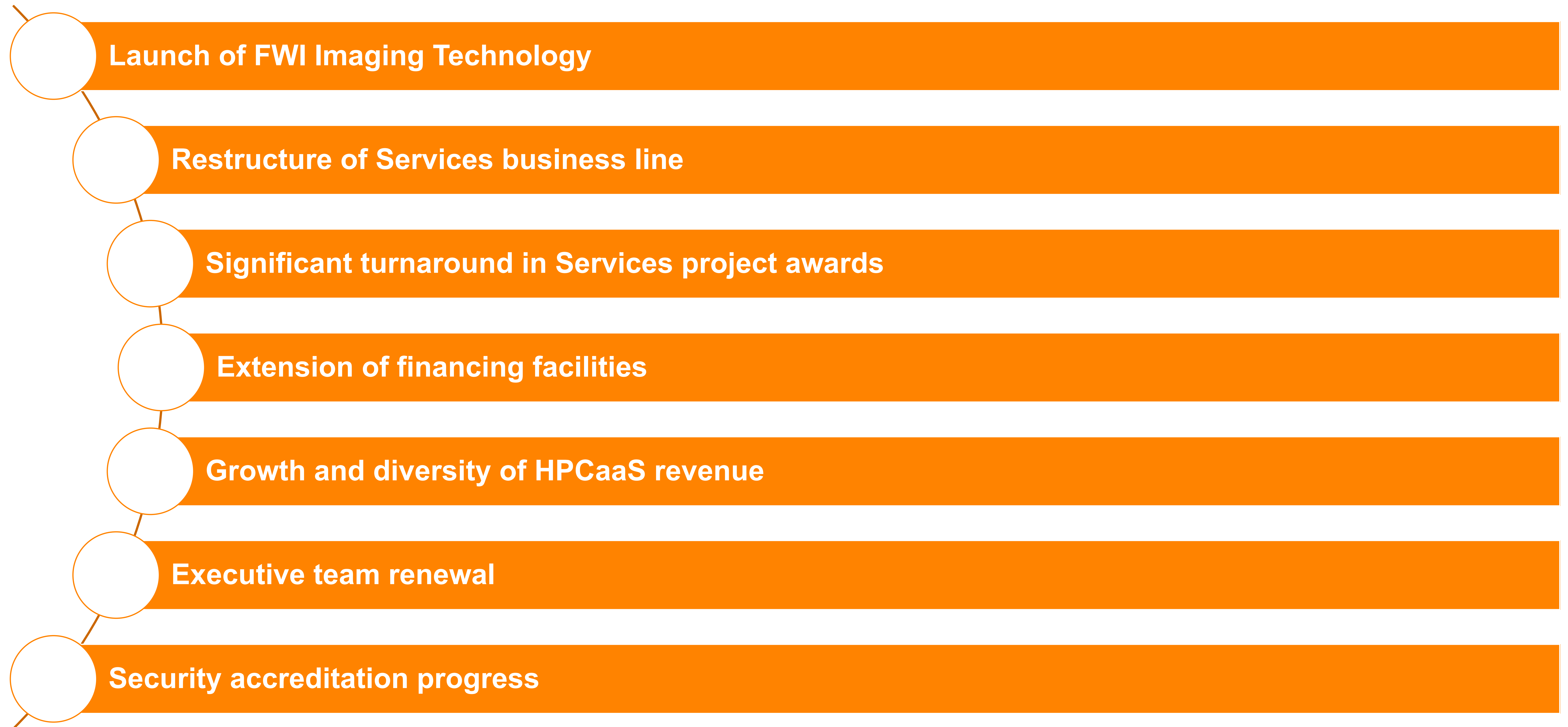
SERVICES

- Data science
- Geoscience
- High-frequency Full Waveform Inversion

DELIVERY PLATFORM



- Collaborative & client-focused
- Private & secure
- Multi-tiered integration
- Direct or cloud-based
- Brings together all business lines



FY2022 In Numbers (unaudited)

Revenue

FY22 \$33.7 million

FY21 \$38.5 million

2H22 \$16.7 million

2H21 \$16.5 million

HPC Revenue

FY22 \$3.9 million

FY21 \$2.7 million

2H22 \$2.2 million

2H21 \$1.5 million

EBITDA

FY22 \$2.7 million

FY21 (\$1.4 million)

2H22 \$2.7 million

2H21 (\$3.3 million)

Operating Cash Flow

FY22 (\$0.4 million)

FY21 (\$2.8 million)

2H22 \$2.1 million

2H21 (\$2.1 million)

People

237

Down 23%
on 30 June 2021

Gross Debt

(excl. lease liabilities)

\$4.5 million

Down 75%
on 30 June 2021

Note – financial information is in USD and is provided based on preliminary unaudited results. Cash flow from operating activities disclosed in Appendix 4C's lodged with the ASX include financing costs, the group have elected to include financing costs in financing cash flows for statutory reporting purposes, as presented above

Corporate summary



Corporate Structure	
Shares on Issue	118,123,386
Share Price (as at 26 July 2022)	A\$0.43
12 Month Liquidity (volume of shares traded)	32,902,005
Market Capitalisation (as at 26 July 2022)	A\$50.8m
Cash at Bank (as at 30 June 2022, US\$:A\$ 1.45111)	A\$3.9m
Financial Debt (as at 30 June 2022, US\$:A\$ 1.45111)	A\$6.5m
Enterprise Value	A\$53.4m

Substantial Shareholders	
Mr Matthew Lamont	20.4%
Perennial Value Management Limited	14.9%
Regal Funds Management Pty Ltd	9.3%
Thorney Investment Group	6.9%
Mr Philip Imperial Schwan	6.1%
Top 20 (as at 26 July 2022)	71.23%
Number of Shareholders (as at 26 July 2022)	2,360

Board & Management	
Wayne Martin AC QC	Non-Executive Chairman
Matthew Lamont Ph.D.	Managing Director
Louise Bower	Non-Executive Director
Frank Sciarrone	Non-Executive Director
Mark Puzey	Non-Executive Director
Sam Cruickshank	Chief Financial Officer



FY2022 Business Line Performance

Software

- FY2022 Rev. - \$6.1 million (FY2021 - \$5.2 million) growth of 17%
- New customers signed in FY2022, together with growth in licenses from existing customers

High Performance Computing as a Service (HPCaaS)

- FY2022 Rev. - \$3.9 million (FY2021 - \$2.7 million) growth of 44%
- Growth from oil and gas HPCaaS usage as well as non-oil and gas customers with CSIRO, ANU and Harry Perkins contributing strongly

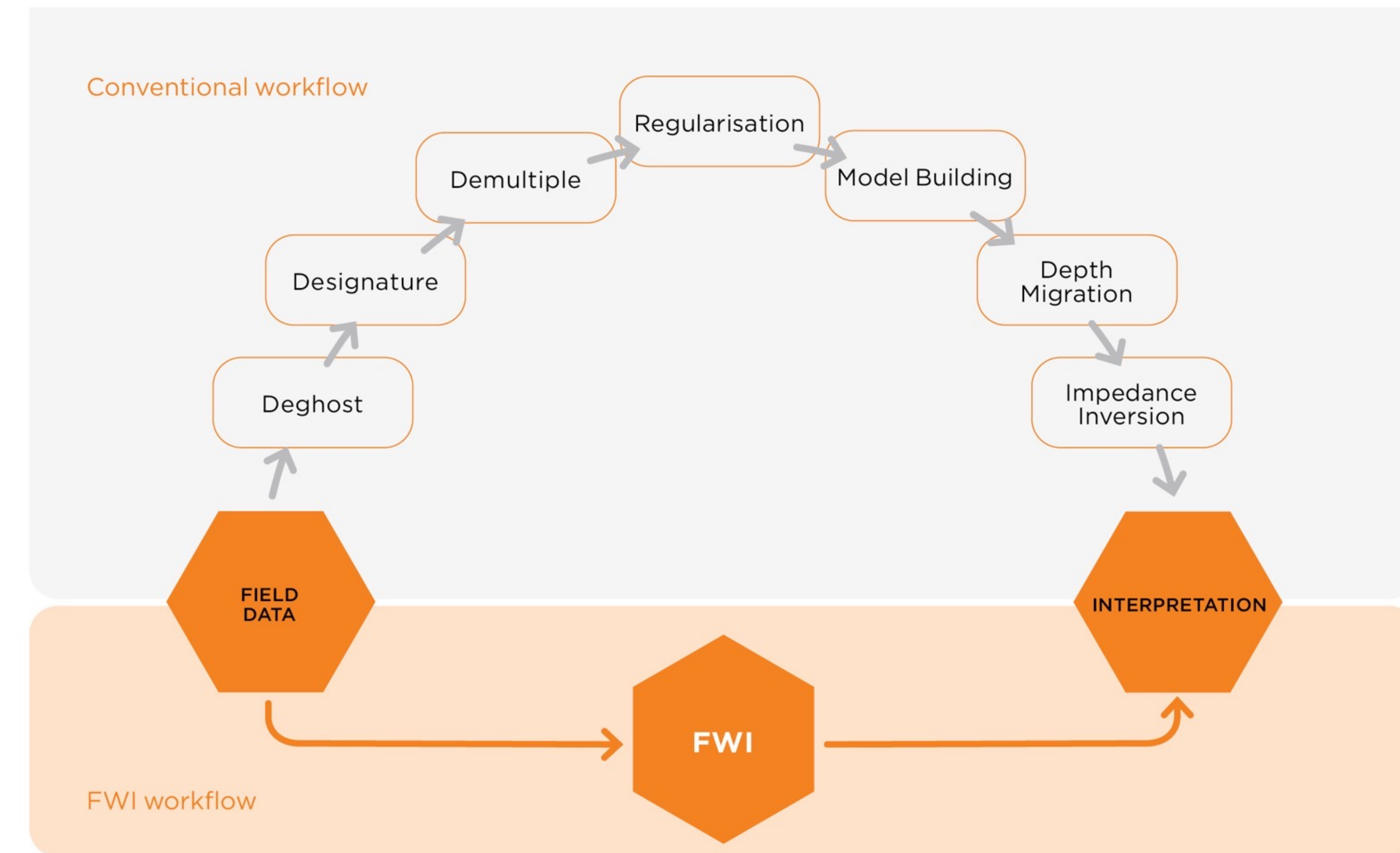
Services

- FY2022 Rev. - \$23.7 million (FY2021 - \$30.6 million) reduction of 23%
- Proactive restructure of the business in challenging market conditions for the start of FY2022 meant that EBITDA was not heavily impacted

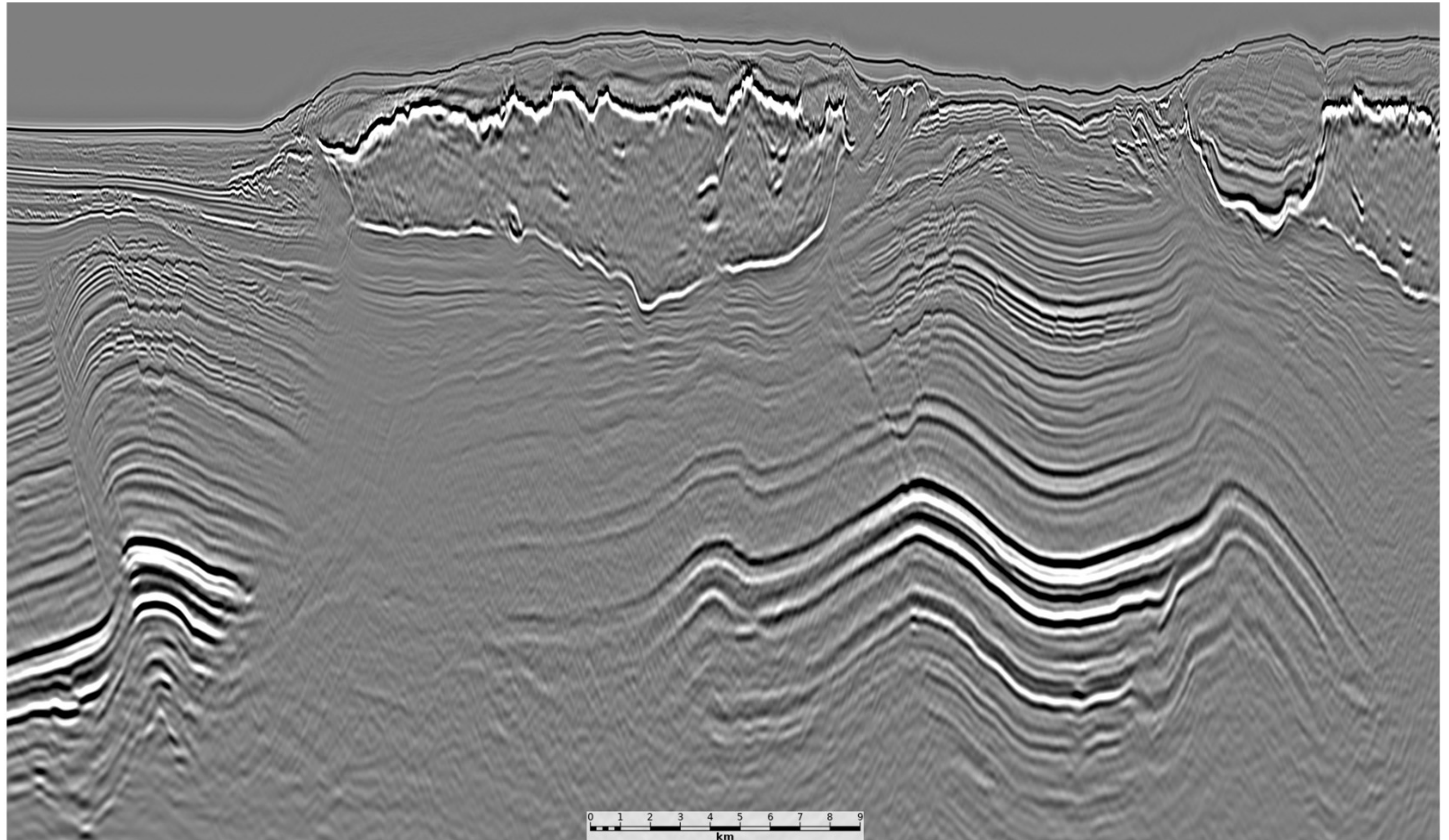
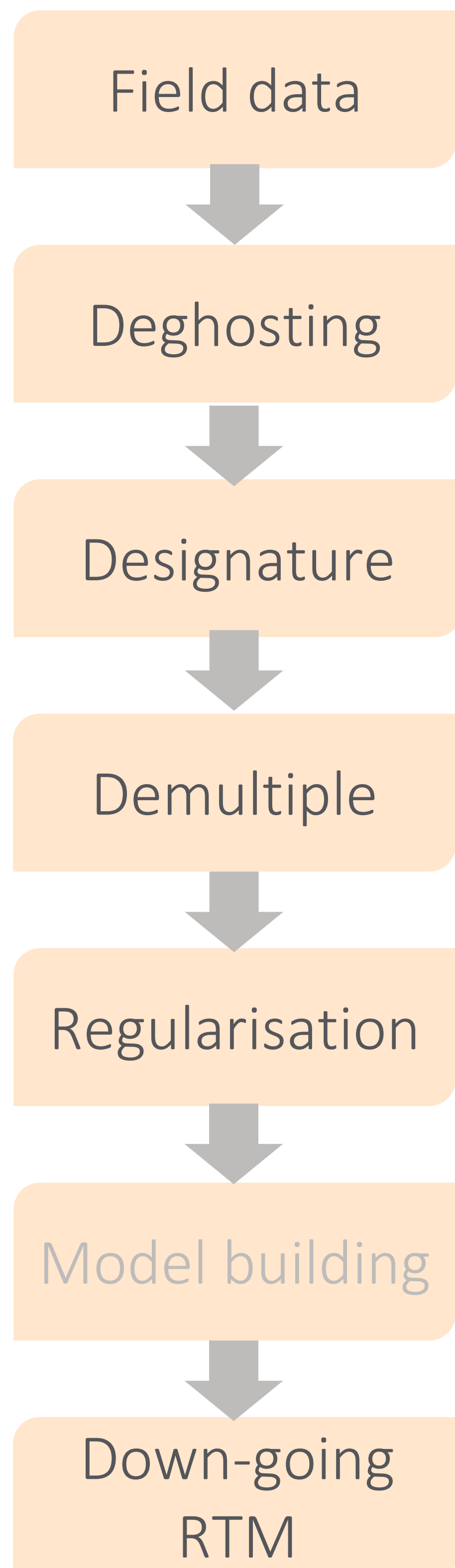
Note – financial information is in USD and is provided based on preliminary unaudited results

FWI Imaging – Technology Revolution

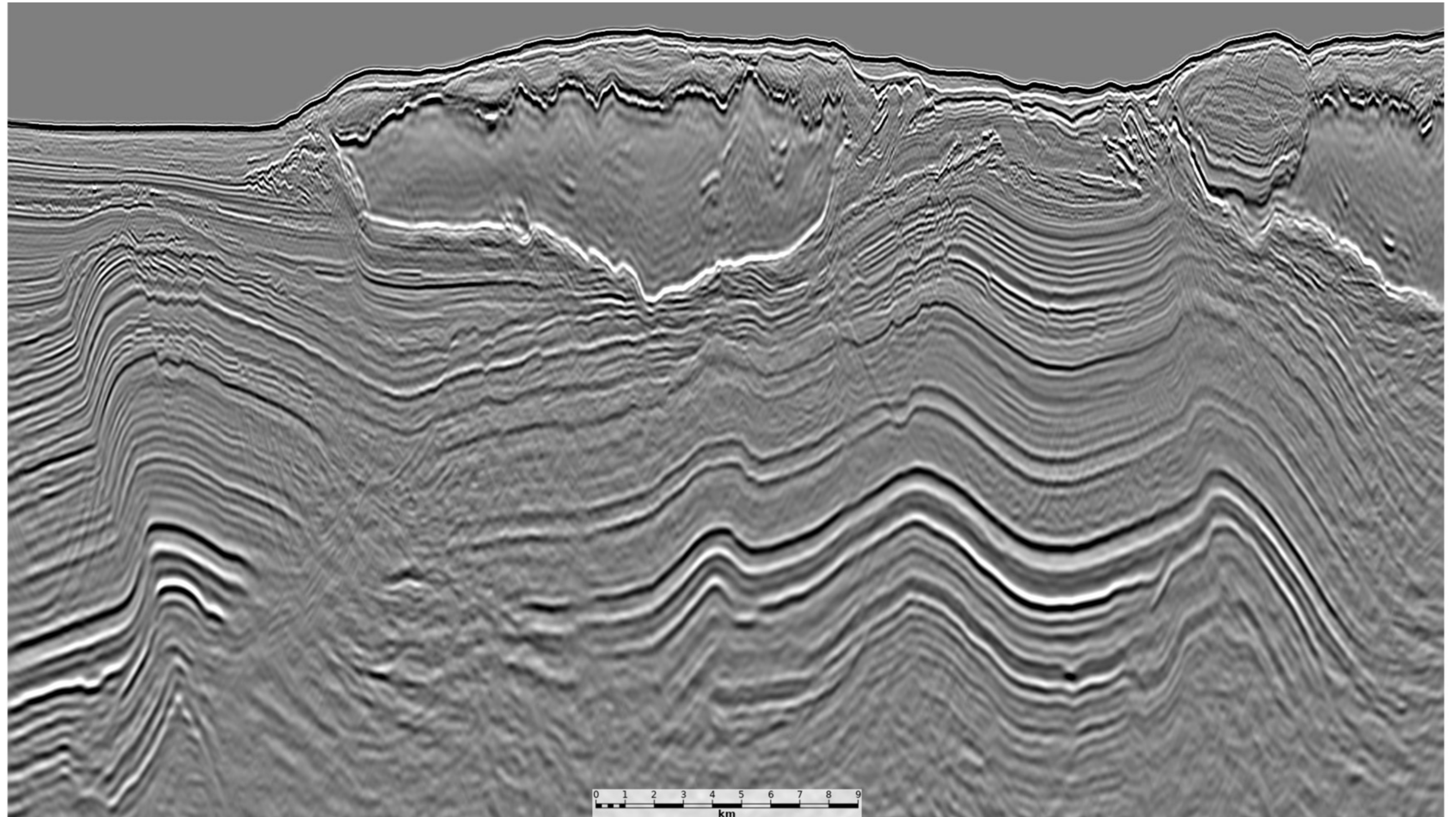
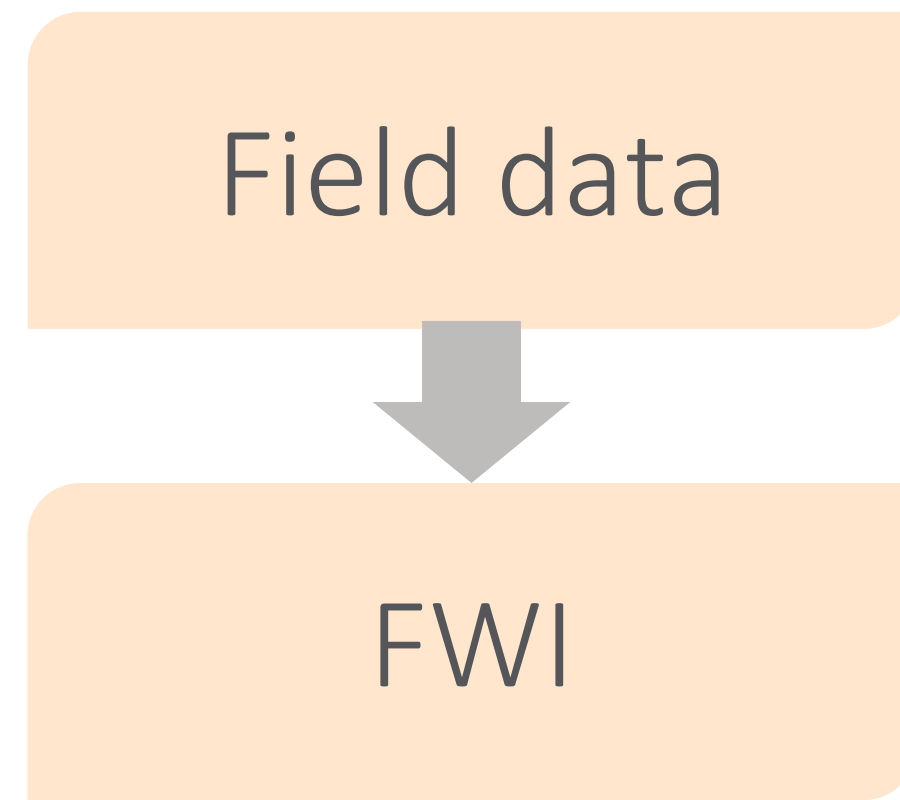
- DUG have been developing a new revolutionary seismic imaging technology for many years. The early stages of commercialization of the latest breakthrough have been very well received.
- The goals of Multi parameter FWI imaging were to produce better results in a fraction of the time with a fraction of the manpower. Early completed projects are achieving these goals.
- DUG has 4 commercial FWI projects. One signed and underway, three verbally awarded but pending contract signatures (expected imminently). In addition 8 trials are underway for key clients, and 4 proposals are being prepared for additional commercial project opportunities.
- DUG anticipates strong commercial outcomes in FY2023 and beyond



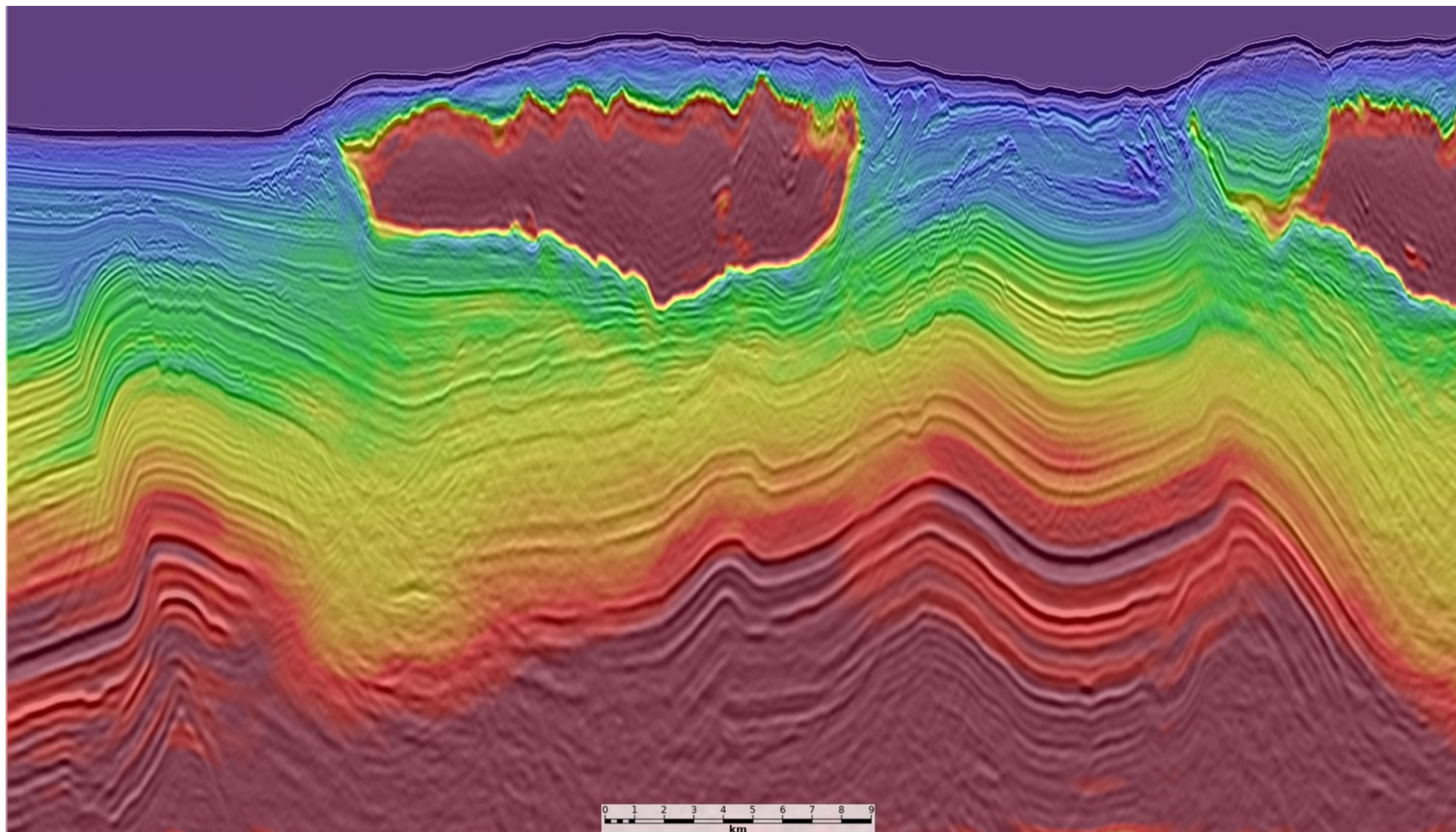
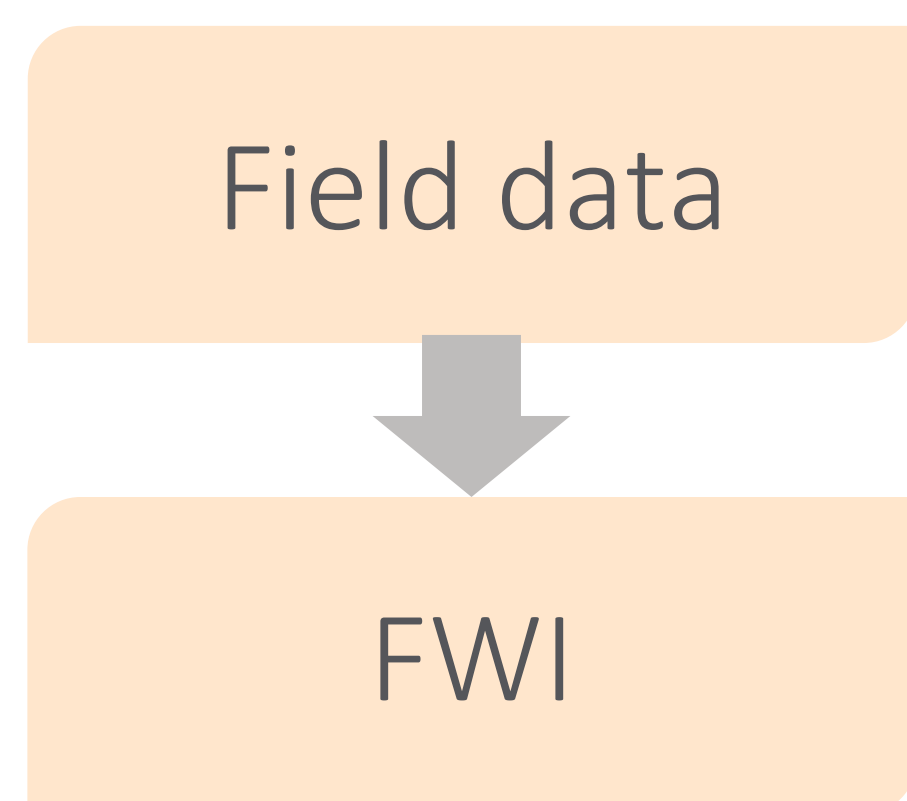
Conventional imaging



MP FWI imaging



MP FWI imaging with updated velocity model



- ISO 9001 and ISO 27001 certification progressing well
 - Stage 1 audits completed
 - Stage 2 audit is ongoing, outcome expected during 1Q FY23
- ISO certification expected to support commercial deals across all business lines, particularly HPCaaS
- Following ISO certification, DUG will apply for DISP membership to provide greater access to Australian Defence Force opportunities
- During 2H22, DUG formally established a new Integrated Management System, together with a suite of accompanying policies

Enterprise

- Investment in sales, business development and commercial resources
- Value proposition is sovereign capability, Australian-based support team focused on code optimisation and onboarding, green HPCaaS
- New clients secured across Education, Research and Life Sciences sectors
- Partnering and collaborating with industry to accelerate the translation of research and intellectual property assets and datasets

Defence, Government and Space

- Attended a number of prestigious conferences to showcase DUG's capabilities:
 - Farnborough Air Show (UK), TechNet Cyber (USA) and Undersea Defence Technology (Holland), in conjunction with Team Defence Australia
 - ADSTAR Summit (Australia), in conjunction with Defence Science and Technology Group
- DUG's value proposition of sovereign capability, green HPC and decision support experience is gaining traction
- ISO certification expected to accelerate commercial entry to this market

- DUG's Multi-parameter FWI Imaging has been well received by the O&G industry. This has resulted in 12 active projects and further opportunities. This technology has the potential to revolutionise the industry and be very significant for DUG going forwards
- DUG's services business has US\$22.2 million of work in hand to be delivered in FY2023 (representing 94% of total FY2022 services revenue), including much of the US\$20.8 million of work over the second half of FY2022, the business development pipeline remains strong for this business line
- Software sales are expected to stay strong with further investment in our sales team and ongoing product development driving increased revenues
- The HPCaaS business line is expected to continue to grow, supported by an investment in the sales team and upcoming ISO 9001 and ISO 27001 certifications
- DUG does not intend on issuing earnings guidance for FY2023

Financials

Profit and Loss

- Ongoing growth in high-margin software and HPCaaS business lines
- Services business line revenue softened due to reduced demand for much of the first part of the year, with significant market improvement leading into FY2023
- Other income includes R&D grants from the Australian Government and a gain on remeasurement of its lease in London which was modified in FY2022 as part of the restructure
- Proactive restructure of the business in 1H22 led to significant improvement in EBITDA earnings on lower revenue
- Reduced cost base can support higher revenues, particularly from growth in Software, HPCaaS and FWI due to higher variable margins
- Underlying EBITDA excludes the gain on remeasurement of lease (\$1.0 million) and redundancy costs (\$1.1 million)

USD'm	FY22	2H22	1H22	FY21	YOY Change
Revenue:					
- Software	6.1	3.2	2.9	5.2	0.9
- HPCaaS	3.9	2.2	1.7	2.7	1.2
- Services	23.7	11.3	12.4	30.6	(6.9)
Total Revenue	33.7	16.7	17.0	38.5	(4.8)
Other income	3.8	1.5	2.3	2.9	0.9
Employee costs	(25.4)	(11.3)	(14.1)	(30.8)	5.4
Other expenses	(9.4)	(4.2)	(5.2)	(12.0)	2.6
EBITDA	2.7	2.7	-	(1.4)	4.1
D&A	(7.7)	(4.0)	(3.7)	(7.4)	(0.3)
EBIT	(5.0)	(1.3)	(3.7)	(8.8)	3.8
Underlying EBITDA	2.8	2.8	-	1.7	1.1

Note – financial information is in USD and is provided based on preliminary unaudited results

Cash Flow



- Cash from operating activities a marked improvement from 1H22 following reduced cost base, positive operating cash flow expected to continue into FY2023
- Financing cash outflows include \$13.5 million repaid to CBA during FY2022 to facilitate the extension of debt facilities
- Capital raised was utilised to support debt reduction, business development and the purchase of compute to support new HPCaaS customer contracts

USD'm	FY22	2H22	1H22	FY21	YOY change
Cash from operating activities	(0.4)	2.1	(2.5)	(2.9)	2.5
Cash from financing activities	(5.3)	(9.8)	4.5	6.8	(12.1)
- Capital raised, net of costs	11.7	-	11.7	17.1	(5.4)
- Net repayment of bank debt	(13.5)	(8.1)	(5.4)	(6.1)	(7.4)
- Net repayment of lease liabilities	(2.2)	(1.1)	(1.1)	(2.2)	-
- Financing costs	(1.3)	(0.6)	(0.7)	(2.4)	1.1
- Other	-	-	-	0.4	(0.4)
Cash from investing activities	(1.5)	(0.6)	(0.9)	(6.0)	4.5
Total cash flows	(7.2)	(8.3)	1.1	(2.1)	(5.1)

Note – financial information is in USD and is provided based on preliminary unaudited results. Cash flow from operating activities disclosed in Appendix 4C's lodged with the ASX include financing costs, the group have elected to include financing costs in financing cash flows for statutory reporting purposes, as presented above

Net Debt and Financing Facilities

- Reparation of balance sheet with a reduction in gross debt during FY2022 from \$17.8 million to \$4.5 million
- Extension signed with CBA on core debt facilities to July 2024
- Flexibility to leverage asset financing to support growth in compute as required
- Net debt at 30 June 2022 was 0.67x FY2022 EBITDA

USD'm	30 June 2022	31 Dec 2021	30 June 2021
Cash	2.7	11.2	10.0
Gross debt (excl. lease liabilities)	4.5	12.7	17.8
Net Debt	1.8	1.5	7.8

Note – financial information is in USD and is provided based on preliminary unaudited results

Disclaimer



This presentation has been prepared by DUG Technology Ltd ("DUG") based on information available as at the date of this presentation. The information in this presentation is provided in summary form and does not contain all information necessary to make an investment decision. Reliance should not be placed on the information or opinions contained in this presentation. An investor must not act on the basis of any matter contained in this presentation but should make its own assessment of DUG as part of its own investigations.

This presentation has been provided for general information purposes only. It does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in DUG, nor does it constitute financial product advice or take into account any individual's investment objectives, taxation situation, financial situation or needs.

Although reasonable care has been taken to ensure that the facts stated in this presentation are accurate and that the opinions expressed are fair and reasonable, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, neither DUG, nor any of its officers, directors, employees and agents, nor any other person, accepts any responsibility or liability for the content of this presentation including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of or reliance on any of the information contained in this presentation or otherwise arising in connection with it. This disclaimer also extends to all and any information and opinions contained in, and any omissions from, any other written or oral communications transmitted or otherwise made available to the recipient in connection with the opportunity outlined in this presentation and no representation or warranty is made in respect of such information.

The information presented in this presentation is subject to change without notice and DUG does not have any responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of this presentation, which may affect any matter referred to in this presentation. The cover image is illustrative only.

This presentation may contain certain forward-looking statements that are based on DUG's beliefs, assumptions and expectations and on information currently available to DUG management. Such forward looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results or performance of DUG to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding present and future business strategies and the business, economic and competitive environment in which they operate in the future, which are subject to change without notice. Past performance is not necessarily a guide to future performance and no representation or warranty is made as to the likelihood of achievement or reasonableness of any forward-looking statements or other forecast. To the full extent permitted by law, DUG and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

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

Appendix

- ASX-listed global technology company with offices in Perth, London, Houston and Kuala Lumpur.
- Founded in 2003 by Dr Matthew Lamont and Dr Troy Thompson to introduce an enhanced Decision Support System to the Oil & Gas industry.
- Designs, owns and operates some of the largest and greenest supercomputing installations on Earth.
 - State-of-the-art computing hardware including NVIDIA A100 GPUs
 - 2019 Enterprise Data Center Design Award
- Business lines:
 - High-performance computing as a service (HPCaaS)
 - Software
 - Services
- R&D-focused—strong team of data scientists and big-data experts.
- 14 patents granted and in application.



DUG's global footprint & capacity

