

ASX Release

6 December 2022



Operational Update

DUG Technology Ltd (ASX: DUG) (“**DUG**” or the “**Company**”) is pleased to provide an update on its operations.

Highlights

- The group secured US\$24.0 million in new services projects in the first five months of the financial year, up 380% to the previous corresponding period and a material increase to entire FY22 services revenue of US\$23.7 million
- Compute and storage investment was completed to meet workload increases in both the oil and gas industries and new industries targeted
- DUG’s global compute power now exceeds 30 petaflops

DUG is pleased to provide an operational update following significantly improved trading conditions in its core oil and gas services segment. DUG is also pleased with the increased interest it has received in its business lines from other markets it has targeted in the past 12 months.

Contract wins in DUG’s services business in the first five months of the financial year, totalling US\$24.0 million, now exceed the total revenue recorded in the year ended 30 June 2022 (US\$23.7 million). This brings Services contract wins for the 12 months to 30 November 2022 to US\$45.9 million – a record high for DUG.

As indicated to the market previously, DUG has been strategically positioning the Company in its key traditional markets in oil and gas, following strengthening in global energy pricing and a subsequent increase in the exploration and development expenditure of energy companies. With the introduction and increased deployment of DUG’s Full Waveform Inversion imaging, DUG is enjoying a strong increase in demand for its products.

Increased Investment in Emerging Industries Capabilities

To service this increased demand in services projects and to support a growing revenue base from non-oil and gas customers DUG has invested US\$1.0 million in storage and compute equipment in Australia since the start of the new financial year. DUG’s global compute power across its three facilities in Perth, Houston and Kuala Lumpur now exceeds 30 petaflops which if combined into a single facility would be amongst the world’s top 20 largest supercomputers¹.

DUG is adding a further US\$1.0 million of storage assets in the Company’s Houston datacentre in Q3 to support the US and London businesses.

¹ <https://www.top500.org/lists/top500/list/2022/11/>

Commenting on DUG's operational performance, Managing Director Dr Matthew Lamont said:

"The oil and gas exploration market is back to pre-pandemic levels and we are seeing record order intake in the services business, to secure all of last years revenue in new orders in the first five months of the year sets us up fantastically for a strong FY2023. We are continuing to see progress from our Multi-parameter FWI Imaging technology with 18 projects ongoing and showing great results."

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

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About DUG

DUG is an ASX listed technology company, headquartered in Australia, that specialises in analytical software development and reliable, green, high-performance computing (HPC). The company is built on a strong foundation of applied science and a history of converting research into practical, real-world solutions. DUG delivers innovative software products and cost-effective, cloud-based HPC as a service backed by bespoke support for technology onboarding. DUG's expertise in algorithm development and code optimisation enables clients to leverage big data and solve complex problems.

DUG is a global company with offices in Perth, London, Houston and Kuala Lumpur, supporting a diverse industrial client-base that includes radio-astronomy, biomedicine and meteorology, as well as the resource, government and education sectors. DUG designs, owns, and operates a network of some of the largest and greenest supercomputers on Earth. The company continues to invest and innovate at the forefront of software and HPC, working towards a climate-positive future.

To learn more, please visit www.dug.com.