



ASX Release

18 July 2023

DUG secures A\$5 million in government funding for Geraldton HPC Campus

Highlights

- A\$5 million in grant funding provided by the WA State Government.
- Expected to fund up to half the build of the first data hall and connected infrastructure.
- Will proceed to sign a lease for 44.5 hectares of land for 15 years, with two 5-year extensions.
- Compute and storage to be funded through asset-finance arrangements scaled to demand.
- Cash held at 30 June 2023 of US\$8.0 million, net cash of US\$5.2 million¹

DUG Technology Ltd (ASX: DUG) ("DUG" or the "Company") is delighted to announce it has executed a Financial Assistance Agreement ("FAA") with the Western Australian ("WA") State Government under the Investment Attraction Fund and will receive A\$5 million in grant funding for the first data hall of its Geraldton High Performance Computing ("HPC") Campus (the "Campus"). The funds will be disbursed over a two-year period in accordance with agreed milestones set out in Appendix 1.

The first data hall will have a capacity of 400 petaflops of compute, enabling a thirteen-fold growth in DUG's compute power once fully established. This would place the facility amongst the largest supercomputers in the world².

The initial spend will be on the construction of the first data hall and connected infrastructure, with the grant funding up to half of these costs. The Company will fund remaining costs through existing funds and cash from operations. Compute and storage assets will be transferred from the Company's West Perth data centre and will be increased to match demand, funded through asset-finance arrangements.

The Company will now proceed to sign a lease for 44.5 hectares of land for the construction of the Campus and associated infrastructure and intends to develop onsite sustainable energy solutions.

The Campus will deploy DUG's patented, immersion cooling solution, DUG Cool, which reduces power consumption by more than 50% compared to a traditional air-cooled data centre. This technology enables DUG to build cost-effective and highly energy-efficient data centres. The Company's Houston data centre won the Enterprise Data Centre Design Award from Data Centre Dynamics in 2019.

The Campus is designed to accommodate a total of ten data halls with a potential 4 exaflop (4,000 petaflops) capacity.

DUG's Managing Director, Matt Lamont, said:

"This project has the potential to be transformational for the business and for WA in data processing and storage. We have been committed to this project since 2021³ and have been working through project funding solutions and groundworks required to the site.

¹ Net cash at 30 June 2023 is calculated as cash of US\$8.0 million less bank loans and asset financing totalling US\$2.8 million. Numbers are unaudited.

² When compared to the published Top 500 supercomputers list at <https://www.top500.org/lists/top500/2023/06/>

³ Refer ASX Announcement "DUG signs option to lease land in Geraldton, progressing plans for carbon-free HPC campus" released on 9 July 2021.



Geraldton is an ideal location for this Campus with ready access to renewable power from wind and solar and a large physical space for expansion. The latency from Geraldton to Perth is just 3 milliseconds, hence the user experience will be near identical to working with the existing West Perth data centre. Fibre links from Geraldton to Singapore open new market opportunities.

Importantly, the project has the support of the Yamatji Southern Regional Corporation Ltd Board. DUG will partner with the Yamatji Nation People to provide a range of regional employment opportunities to the Geraldton community.

We are grateful to the WA State Government for their support, which I expect will pay dividends by creating jobs and placing WA on the global supercomputing map.”

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

Ends

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About DUG

DUG is an ASX listed technology company, headquartered in Australia, that specialises in analytical software development 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.

Appendix 1 – Milestones

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