

# ASX Release



1 May 2024

## Q3 FY24 BUSINESS UPDATE

DUG Technology Ltd (ASX: DUG) (“DUG” or the “Company”) is pleased to provide this update on activities for the quarter ended 31 March 2024.

### Highlights

- **Total revenue in Q3 FY24 was US\$17.6 million**, an increase of 39% on Q3 FY23.
- **EBITDA for Q3 FY24 of US\$4.6 million**, an increase of 24% on Q3 FY23. EBITDA includes third-party compute costs of US\$2.6 million.
- **Operating cash inflows for Q3 FY24 of US\$6.4 million**, a US\$1.5 million increase on Q3 FY23.
- **Total cash held at 31 March 2024 was US\$15.0 million** with net cash (excluding AASB 16 leases) at 31 March 2024 of US\$5.4 million.
- **US\$13.6 million in new Services projects awarded** during the quarter, lifting the **total Services order book at 31 March 2024 to US\$43.1 million**, a 6% increase on 31 December 2023.

### Operational update

Revenue of US\$17.6 million was up 39% compared to Q3 FY23. EBITDA of US\$4.6 million was up 24% on Q3 FY23, including the cost of third-party compute of US\$2.6 million in the quarter. The cost of additional compute has been required to support the momentum of projects awarded to the Company and is expected to cease once 1,500 new AMD EPYC™ Genoa computers on order<sup>1</sup> are delivered and commissioned. DUG has taken delivery of the first 98 computers and expects to progressively commission the remaining compute in batches, as deliveries continue into June 2024. All compute workloads currently using third-party compute will be promptly migrated onto the Company's HPC resources over this period.

Cash inflows from operating activities were US\$6.4 million in Q3 FY24 compared to US\$4.9 million in Q3 FY23. Investing cash outflow US\$0.8 million includes capital equipment purchased for the Houston data centre. Financing cash outflow of US\$2.2 million includes asset finance and lease repayments.

<sup>1</sup> Refer ASX announcement dated 2 February 2024 “Update regarding new compute”.





Managing Director Dr Matthew Lamont said: “These are very exciting times for DUG. The order book funnel, which includes project awards and risk-weighted opportunities and leads, remains very strong. Following a decision to establish a business development presence in Abu Dhabi, a great deal of opportunity has been unearthed. As a result, plans are underway to start a new business unit in the Middle East. This will be our fourth business unit following Australia/Asia, Americas and UK/Europe/Africa.

Our Sales team is also focused on the Kuala Lumpur and Houston offices as they continue their push into India and Brazil respectively, revealing fertile ground for the Company’s growth.

DUG’s balance sheet remains in good shape with a net cash position retained.”

## Revenue

Total revenue was US\$17.6 million for Q3 FY24. The table below summarises the break-down of revenue across the Company’s three product lines:

Product line	Q3 FY24 (US\$ million)	Q3 FY23 (US\$ million)	Variance Q3 FY24 to Q3 FY23 (%)
Services	14.5	10.0	45%
Software	2.3	1.8	28%
HPCaaS	0.8	0.9	(11%)
<b>Total</b>	<b>17.6</b>	<b>12.7</b>	<b>39%</b>

Services revenue grew by 45% on Q3 FY23 driven by record contract wins in the calendar year 2023.

Software revenue grew by 28% on Q3 FY23.

External HPC revenues contracted marginally as DUG focused compute resources on services projects.

## Cash flow

Operating cash inflows were US\$6.4 million for Q3 FY24 (Q3 FY23: inflow of US\$4.9 million) with a cash balance of US\$15.0 million and net cash of US\$5.4 million. Gross debt of US\$9.6 million includes US\$1.5 million CBA loan payable by July 2024.

All financials are unaudited.

## Board of Directors update

### Louise Bower- Independent Non-Executive Director

We are pleased to advise that the Board now considers Louise Bower to be an Independent Non-Executive Director.

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

Ends



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## About DUG

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

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

DUG is a global company with offices in Perth, London, Houston, Kuala Lumpur and Abu Dhabi, supporting a diverse industrial client-base. DUG designs, owns, and operates a network of some of the largest 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](http://www.dug.com).