



ASX Release

8 December 2021

DUG Newsletter

Dear DUG Shareholders,

Welcome to our first newsletter! I would like to take this opportunity to thank you for your support and loyalty during this difficult period. My intention is to keep you informed with regular updates, including presentations, from this point forward.

Let me start by acknowledging that like you, I am very disappointed with the performance of our share price. As the Company's largest shareholder, I assure you this is not lost on me. I believe this is a reflection of the COVID-related challenges faced in the oil and gas industry which have impacted our Services business line.

As painful as it has been, we have taken the hard decisions to undertake significant restructuring activities in response to these market conditions. We believe we now have a structure appropriate for the current conditions and our read of the outlook. We continue to hear positive sentiment about the 2022 calendar year and beyond from our clients, and indeed our proposal and tender-activity workload is increasing.

DUG's ultimate future is closely aligned with our Software and High Performance Computing (HPC) business lines. We see a growing macro trend across Climate, Military and Space, and Resources sales areas that is starting to translate into increased inquiry and new customer signings. We have appointed a chief security officer (dug.com/meet-dugs-chief-security-officer-bryce-solomon/) to advance our credentials and to assist with business development within the Military and Space sales area. Indeed it is clear that formal security accreditation will benefit all of our sales areas.

It is very pleasing to see that the findings from the recently released [2021 National Research Infrastructure Roadmap](#) are well aligned with our initiatives to change pHPC funding models in Australia. To address current and emerging needs, the Roadmap highlights that a more flexible, integrated computing ecosystem is required - where both national and commercial facilities can be accessed by an increasingly diverse user-base who either lack or cannot access the expertise required to effectively leverage HPC. DUG is seeking to give the scientists of Australia choice when it comes to the provider of their HPC. We welcome the government's acknowledgement that change is required, as this will benefit our growing Software and HPC business lines.

Finally, on behalf of everyone at DUG, I would like to wish you and your family a very happy and safe festive season.

Regards
Matt

Matt Lamont Ph.D.
Managing Director

Authorised 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.