

DUG Technology

FY25-H1 Results Presentation
27 February 2025

FY25-H1: Highlights



Revenue

US\$28.7 million

↓ 4% on FY24-H1

primarily due to shift towards
elastic MP-FWI pilot projects

Order Book at 31-Jan-25

US\$42.2 million

↑ 28% on US\$32.9M at 31-Dec-24

↑ 19% on US\$35.4M at 30-Sep-24

indicating strong forward momentum

EBITDA

US\$5.2 million

↓ 26% on FY24-H1

reflecting investment in new regions,
pilot projects, and talent acquisition

Software Revenue

↑ 22% on FY24-H1

to US\$3.2M in FY25-H1

strong renewals, success licensing the
processing & imaging toolkit and growth in
the offshore wind market

Services Revenue

↓ 3% on FY24-H1

to US\$24.4M in FY25-H1

delayed awards after elastic MP-FWI release

Eight elastic MP-FWI pilot
projects underway.
Follow-on contracts awarded.

DUG Technology represents the convergence of scientific excellence and sustainable computing innovation.

Our journey from applied physics specialists to global technology leaders has been marked by continuous breakthroughs in geoscientific computing, including our revolutionary elastic multi-parameter FWI imaging technology.

We enable organisations worldwide to tackle their most complex data challenges through our network of supercomputing facilities, proprietary software solutions, and energy-efficient immersion cooling systems.

As we expand our presence across five continents and diverse industries, we remain committed to delivering sophisticated innovations that drive scientific progress, environmental sustainability and commercial success for our customers.

What we do



Services

- Elastic Multi-parameter Full Waveform Inversion (MP-FWI)
- Acoustic MP-FWI
- Conventional seismic processing and imaging (P&I)

84% of CY24 Revenue



Software

- Data interpretation and analysis software for the oil & gas industry
- Seismic data processing and visualisation

12% of CY24 Revenue



HPC as a Service

- Powerful, bare-metal compute and storage

4% of CY24 Revenue



Multi-Client

- Selling high-quality seismic data to multiple oil & gas companies

Over US\$1B TAM¹



DUG Nomad

- High-density, mobile data centres

US\$41.9B TAM by 2028²



BAC Immersion Cooling Licence

- Patent license with Baltimore Aircoil Company (BAC)

US\$2-3B TAM at Jun-23 with 25+% CAGR³

¹ Based on analysis of public multi-client companies and assumptions on the size of private multi-client companies

² Based on a Research and Markets report on the modular data centre industry: <https://www.researchandmarkets.com/report/modular-data-center#src-pos-1>

³ Based on a RBC Capital Markets report on the 21st of June 2023: "RBC Imagine: Datacenter Liquid Cooling Market Overview"

Global footprint



FY25-H1: A period of strategic investment



DUG estimates its share of the global seismic P&I market to be circa 7%. Making DUG the third largest P&I company globally. DUG's elastic MP-FWI is the world-leading technology, delivering better results to clients in a fraction of the time. The Company has its sights set significantly higher than third place. In FY25-H1, the Company continued to invest for this future:



Eight elastic MP-FWI pilot projects are underway, with great results being produced, and the first commercial contracts secured.



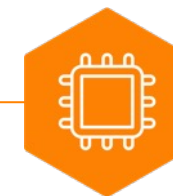
The Middle East team have been hired and trained, and the office fit-out is underway.



Business development activities increased in-line with the Company's growth ambitions through new and existing regions, with more conferences attended, and increased travel to meet clients and deliver technical presentations.



The R&D team has grown as exceptional talent is identified, trialled and hired. These world-class scientists continue to push the boundaries of seismic imaging.



The first infrastructure capacity upgrades have been completed in the Houston data centre. Giving 20% headroom in the facility, while the major infrastructure upgrade moves through the design and planning stages.

Financials

FY25-H1: Profit and Loss



- Services revenue fell 3% on FY24-H1 due to delayed awards after the elastic MP-FWI release. The Services order book was US\$32.9M at 31 December 2024, growing to US\$42.2M at 31 January 2025, after US\$13.4M of awards in January 2025. A significant proportion of these awards were acoustic and elastic MP-FWI projects. This sets the Services business up for a strong FY25-H2.
- Software revenue is up 22% on FY24-H1. This was driven by strong customer renewal rates, continued success licencing the P&I toolkit, and increased adoption in the offshore wind market.
- HPCaaS revenue fell by 46% on FY24-H1. This was due to a major client shifting from committed to on demand compute. While disappointing, the HPCaaS product line helps drive Software sales.
- Employee benefits increased by 10% with the hiring of the technical team in the Middle East and the carrying out a restructuring initiative during the half. There were redundancy payments of US\$0.7 million, with annualised savings of US\$0.9 million moving forward.
- Other expenses fell by 7% on FY24-H1. The Company incurred no third-party compute costs in the period, as the final delivery of AMD computers arrived in July 2024, supplementing the new computer equipment that arrived in late FY24.
- Depreciation and finance expenses increased as the HPC right of use assets acquired during 2024 were recognised.

US\$ millions	FY25-H1	FY24-H1	% Change
Software	3.2	2.6	22%
Services	24.4	25.4	(3%)
HPCaaS	1.1	2.0	(46%)
External Revenue	28.7	30.0	(4%)
Other income	1.6	1.5	7%
Employee benefits	(15.8)	(14.4)	10%
Other expenses	(9.3)	(10.0)	(7%)
EBITDA	5.2	7.1	(26%)
EBITDA margin	18%	24%	(6%)
Depreciation and amortisation	(6.4)	(3.1)	107%
EBIT	(1.2)	4.0	n.m.
Finance expense	(2.0)	(0.6)	232%
Net profit/(loss) before tax	(3.2)	3.4	n.m.
Net profit/(loss) after tax	(3.9)	1.3	n.m.

FY25-H1: Balance Sheet



- The Company has total finance debt¹ of US\$24.3M at 31 December 2024, with net debt of US\$7.0M.
- DUG successfully completed a capital raising in October 2024, raising A\$31.4M:
 - A\$19.0M for data centre infrastructure upgrades. These upgrades are progressing through the design and planning stage.
 - A\$6.5M for the Middle East expansion. The team has been hired and trained, and the office fit out is underway.
 - A\$3.0M for DUG Nomad. Sales and engineering teams have been hired, and the Malaysian supply chain has been established.
- Contract assets rose through the period as more Services contracts were based on milestones, rather than monthly progress billing. Material milestones in the current contract asset balance are due to be reached in FY25-Q3.
- Current and non-current lease liabilities increased as the last delivery of AMD machines were received in July 2024.

US\$ millions	31-Dec-24	30-Jun-24
Current Assets		
Cash and cash equivalents	17.3	9.4
Trade and other receivables	10.0	9.3
Contract assets	7.4	4.3
Other current assets	3.7	0.9
Total Current Assets	38.4	23.8
Non-Current Assets		
Property, plant and equipment	44.3	44.0
Right of use assets	10.1	8.5
Other non-current assets	3.7	3.8
Total Non-Current Assets	58.1	56.3
Total Assets	96.5	80.1
Current Liabilities		
Lease liabilities	11.3	9.5
Contract liabilities	5.3	2.2
Trade and other payables	4.7	7.6
Provisions and other current liabilities	2.6	6.2
Total Current Liabilities	23.9	25.5
Non-Current Liabilities		
Lease liabilities	25.4	24.4
Provisions, and loans and borrowings	0.1	0.2
Total Non-Current Liabilities	25.5	24.6
Total Liabilities	49.4	50.1
Net Assets	47.1	30.0

FY25-H1: Cash Flow



- Payments to suppliers rose as the final payment for third-party compute utilised in FY24-H2, was made in FY25-H1.
- US\$6.0M was invested in the final batch of AMD EPYC Genoa computers received in July 2024 and the first infrastructure capacity upgrades to the Houston data centre. The data centre upgrades give 20% headroom in the facility, while the major infrastructure upgrade moves through the design and planning stages.
- US\$19.7M was received from the issue of shares (net of fees) as part of the successful capital raising completed in October 2024.

US\$ millions	FY25-H1	FY24-H1
Cash flows from operating activities		
Receipts from customers	28.0	26.9
Payments to suppliers	(11.3)	(6.2)
Payments to employees	(16.1)	(14.5)
Income tax paid and net interest income	(2.8)	-
Net cash from operating activities	(2.2)	6.2
Cash flows from investing activities		
Acquisition of property, plant and equipment	(6.0)	(12.1)
Acquisition of intangible assets	(0.1)	(0.1)
Capital grant income received	-	0.9
Total net cash flows from financing activities	(6.1)	(11.3)
Cash flows from financing activities		
Proceeds from issue of shares net of fees	19.7	-
Proceeds from borrowings	5.8	8.7
Proceeds from employee loan funded share plan	0.5	4.6
Repayment of borrowings and lease liabilities	(8.9)	(4.4)
Total net cash flows from investing activities	17.1	8.9
Opening cash balance	9.4	8.0
Net cash flows	8.8	3.8
Effect of foreign exchange	(0.9)	(0.1)
Closing cash balance	17.3	11.7

Growth Drivers

The DUG Ecosystem — Integrated Solutions



Each DUG product and service interlocks – amplifying value, improving accuracy, and enabling clients to solve complex computational challenges under one integrated ecosystem.

Unified HPC Backbone

Proprietary, immersion-cooled data centres power all solutions – lowering costs and environmental impact.

On-demand HPC or fully managed infrastructure (HPCaaS) to suit client needs.

Modern Geoscience Software

Geoscience software for seismic imaging and interpretation (e.g., Acoustic & Elastic MP-FWI Imaging).

Custom data analytics workflows for diverse industries, from Oil & Gas to renewables.

Seismic Processing & Imaging and Multi-Client

Specialist geoscience teams process and interpret seismic data using DUG's HPC, delivering premium results.

Expanding multi-client library offers recurring, licensable data sets.

DUG Nomad and Immersion Cooling

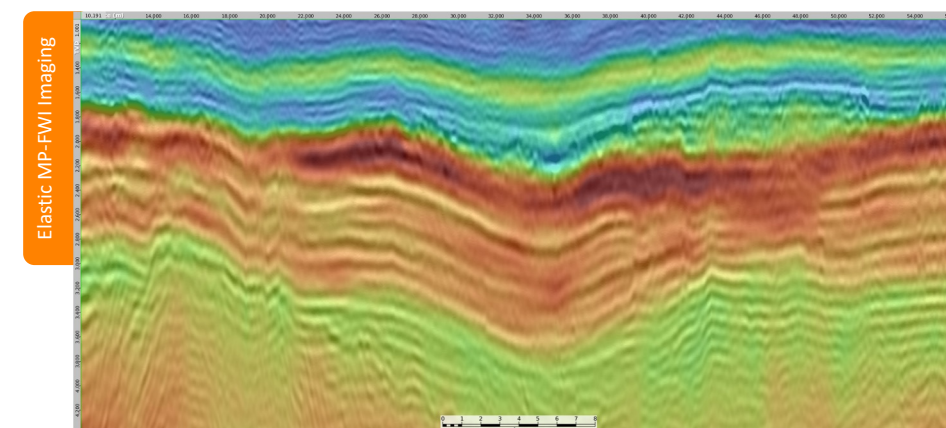
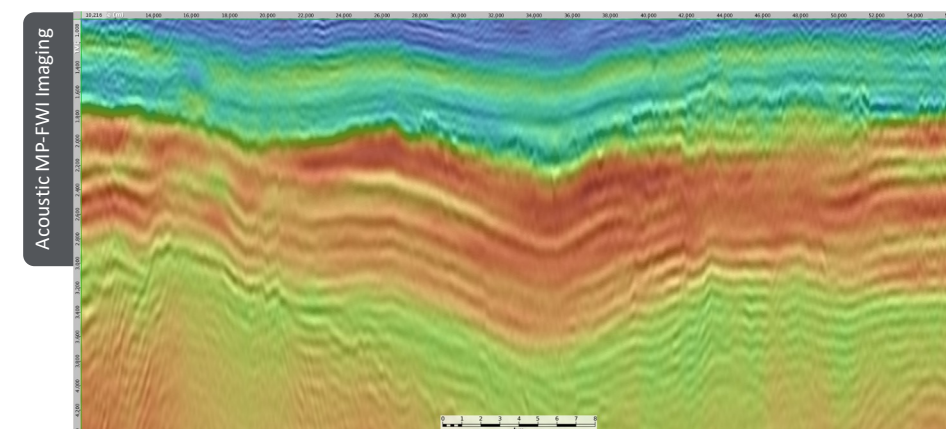
Plug and play, mobile HPC solutions for remote or specialised deployments. Replicating DUG's immersion cooling benefits on a smaller, mobile scale.

Immersion cooling patent licensed on an exclusive royalty deal with BAC.

The significance of DUG's Elastic MP-FWI Competitive Advantage for the Global Oil & Gas Sector



- DUG unveiled its elastic MP-FWI solution at the IMAGE'24¹ conference in late-August 2024 to an excited audience.
- Drilling an oil & gas well can cost as much as US\$500M. So, locating wells accurately is vitally important. Seismic is the method of choice to build 3D models of the subsurface. The better the seismic, the better the understanding.
- DUG's elastic MP-FWI uses superior physics to remove the assumptions and approximations of both traditional processing and imaging, and traditional quantitative interpretation workflows. DUG's elastic MP-FWI get the most out of the recorded data, delivering unsurpassed accuracy in imaging with rapid turnaround. It is a complete replacement for the traditional processing and imaging workflow.
- DUG's elastic MP-FWI is producing game changing results for global oil & gas companies. It turns the traditional seismic processing and imaging paradigm on its head, using superior physics to produce more accurate results in much reduced turnaround time. It is truly revolutionary in its ability to dramatically improve accuracy and speed.



Middle East land example

Growth Driver 1 — Next-Generation Seismic Imaging



Elastic MP-FWI stands at the cutting edge of seismic imaging technology, and DUG's proprietary HPC environment supercharges its scalability, revenue potential, and market impact.

Elastic MP-FWI: The Technology

Simulates full-wave propagation through the Earth, capturing elastic properties for unparalleled subsurface clarity.

Reduces drilling uncertainty, helping clients save hundreds of millions in potential well-placement errors.

Pilot Projects Generating Momentum

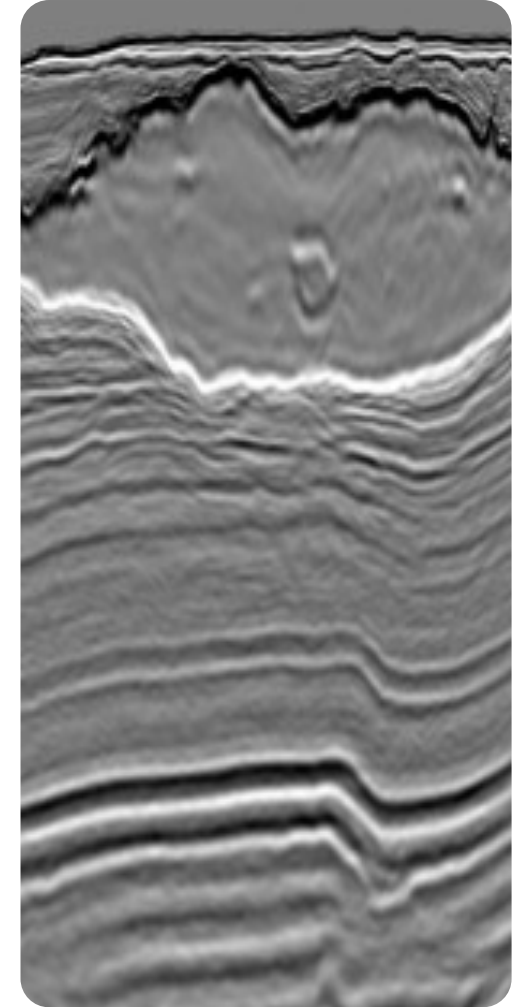
Eight pilot studies are already underway – demonstrating superior imaging results.

Early contract awards signal rising market acceptance and revenue potential.

Multi-Client Expands the Seismic Market

Multi-Client is a high-margin, repeat license business, and a bigger market than proprietary seismic processing.

One dataset, multiple customers – leveraging DUG's advanced imaging to create a premium product.



Growth Driver 2 — Modern Geoscience Software



DUG Insight is a modern seismic interpretation and processing & imaging package. Offering clients access to the latest seismic imaging technology in their own environment or on DUG's HPCaaS offering.

Accelerating Growth and Recurring Revenue

Software revenue of US\$3.2M, was up 22% on FY24-H1.

Annual licence fee per seat, paid in advance. Strong renewal rates year to year.

Interpretation and Processing & Imaging

One-stop software toolkit covering P&I, MP-FWI Imaging, quantitative interpretation and standard interpretation.

P&I software has been sold for the last 4 years. This is a big growth area, leveraging DUG's Services brand and interlocking with the HPCaaS offering.

Executing Against Clear Product Goals

Become the interpretation package of choice for larger oil companies.

Become the leading processing & imaging package on the back of the acoustic and elastic MP-FWI imaging technology.



Growth Driver 3 — DUG Nomad and Immersion Cooling

DUG's immersion cooling and edge computing (DUG Nomad) distinguish the company as a forward-thinking HPC provider — capable of meeting evolving data centre needs.

DUG Nomad

Mobile, high-density data centres for immediate deployment where needed — ideal for remote sites or short-term projects.

Provides HPC “on the edge” without sacrificing performance.

Immersion Cooling Patent Licence

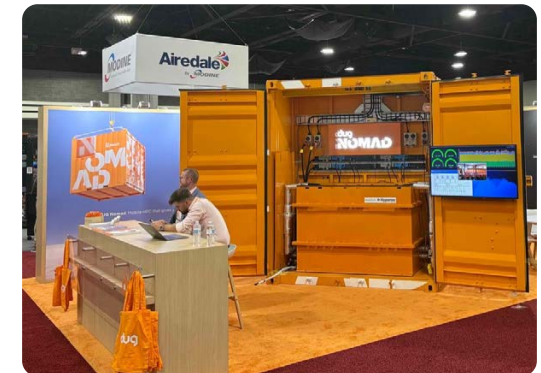
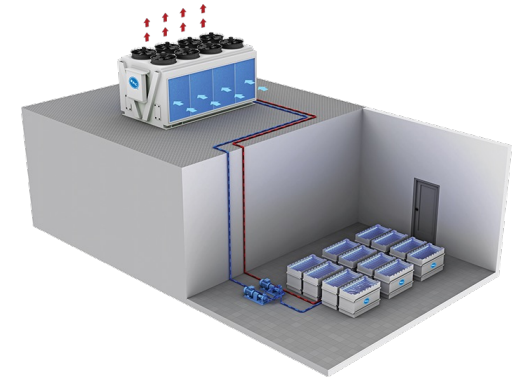
Patent licensed exclusively to Baltimore Aircoil Company (BAC). Core technology behind BAC's COBALT¹ immersion cooling system for data centres.

Significantly lowers power consumption and extends hardware lifespan, aligning with corporate ESG goals.

Competitive Differentiator

Companies seeking to reduce carbon footprint find immediate value in DUG's energy-efficient HPC.

Nomad opens non-traditional HPC markets (e.g., defence, disaster relief, field research).



Bringing It All Together — Global Expansion



By embedding its offerings in the world's most active energy and research hubs, DUG is strategically poised to broaden its client base, accelerate pilot conversions and cement a global leadership position.

Strategic Regional Hubs

Middle East: New office ramping fast; local presence securing high-value contracts.

India & Brazil: Subsidiary + JV approaching completion; large national oil companies and deepwater basins ripe for advanced imaging. Currently, placing a business development presence only.

Order Book Growth

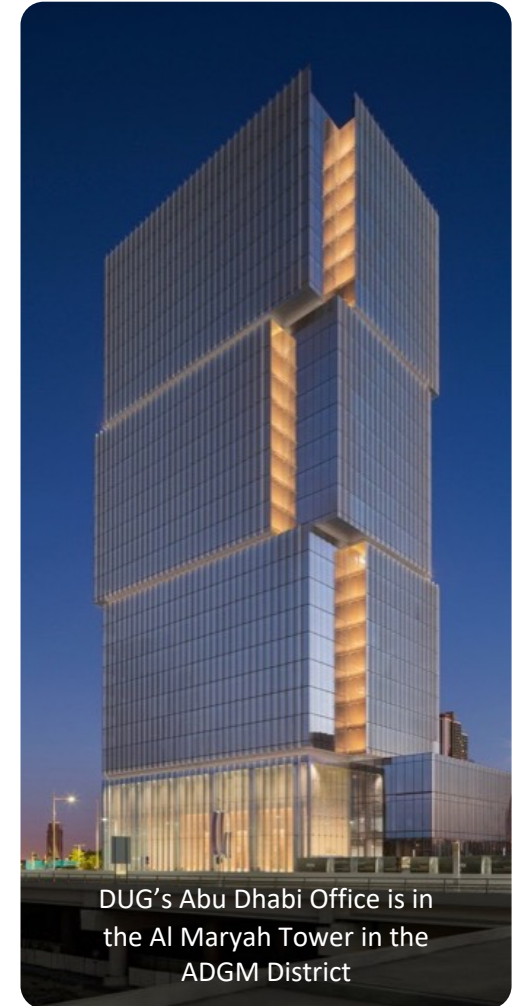
US\$42.2M (up 19% vs. 30-Sep-24) confirms rising global demand for DUG's high-end imaging solutions.

Pilot projects converting into multi-year engagements across diverse geographies.

Scale & Diversification

HPC expansions enable the servicing of bigger, more complex and more compute intensive projects.

Software, services and multi-client set to benefit from new local market access.



Why Invest in DUG?



Best-in-Class Technology

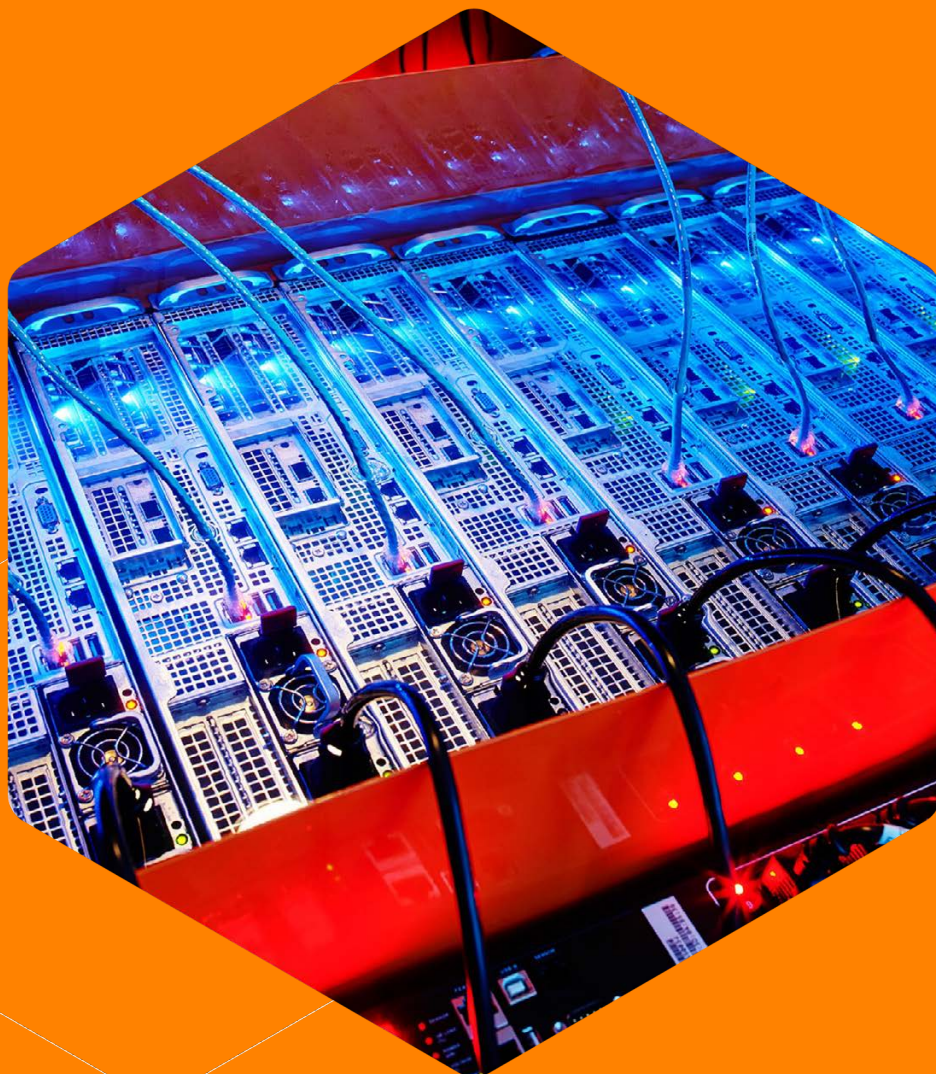
- Game changing proprietary acoustic and elastic MP-FWI technology with 8 global pilot projects underway and a significant lead of competition
- Modern and complete geoscience software package picking up momentum in the market
- Tier one client base
- Patented immersion cooling technology licensed by BAC

Outstanding Growth Potential

- Order book up 19% to US\$42.2M
- US\$33.2M in new contract wins since July
- Low-cost entry into US\$1B+ multi-client market
- US\$17.3M cash to fund growth
- Clear path to US\$41.9B mobile data centre market
- Founder-led, innovative culture with 20+ years of success in the O&G sector

Global Expansion

- Middle East expansion delivering early wins
- New operations in India and Brazil
- Broadening beyond oil & gas into defence and research



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