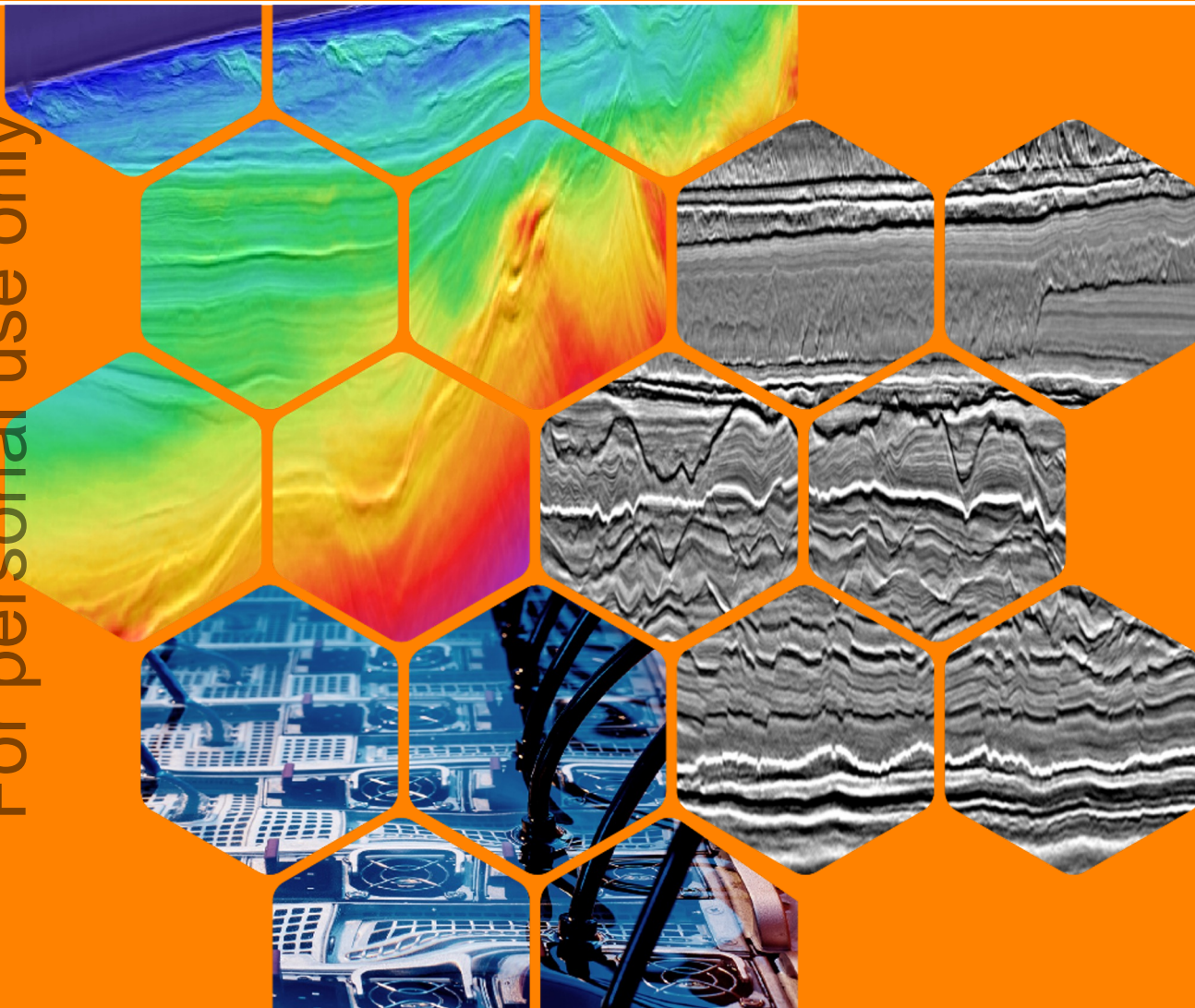


For personal use only



# DUG Technology

Equity Raise | Accelerating Growth

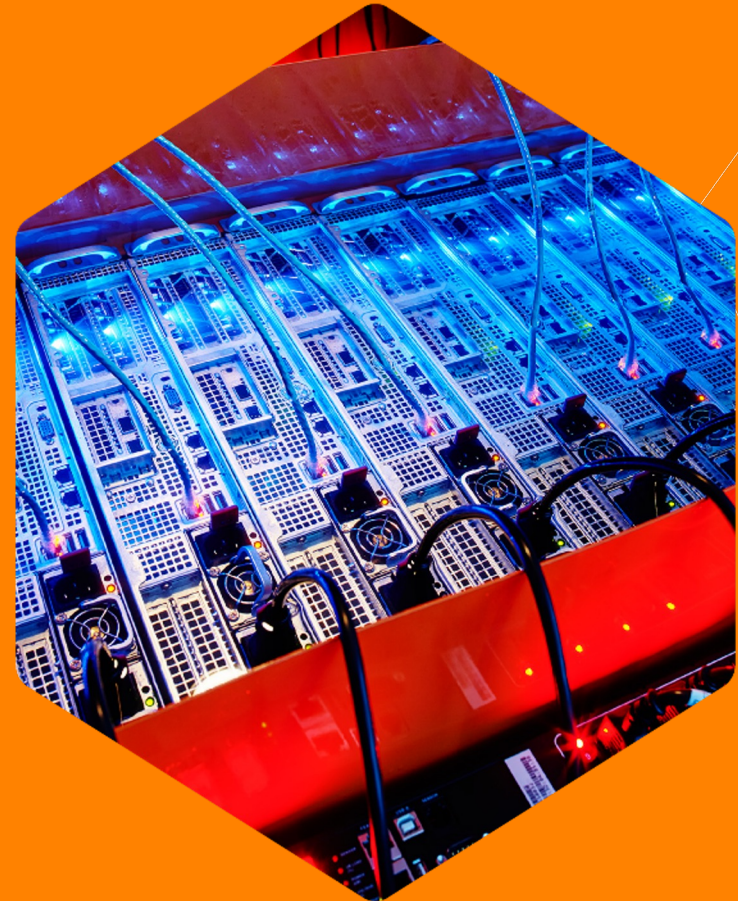
October 2024

# Contents



For personal use only

1	Highlights	3
2	Equity Raising Overview	5
3	Recent Highlights & Outlook	9
4	Operational overview	12
Appendix A	Key Risks	22
Appendix B	International Offer Restrictions	26
Appendix C	Disclaimer	29



For personal use only



## Geo-Services

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

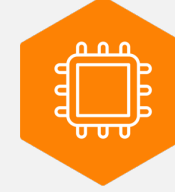
84% of FY24 Revenue



## Geo-Software

- DUG Insight. A data analytics software package for the Oil & Gas industry
- Algorithms and software optimisation
- Big data processing and visualisation

11% of FY24 Revenue



## High Performance Computing (HPC)

- DUG HPCaaS
- Powerful, bare-metal compute and storage

5% of FY24 Revenue

## Emerging business



## DUG Nomad

- DUG Nomad. High-density, modular data centres

US\$41.9B TAM by 2028<sup>1</sup>



## DUG Cool

- BAC immersion cooling IP licencing

US\$2-3B TAM at Jun-23 with 25+% CAGR<sup>2</sup>

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

<sup>2</sup> Based on a RBC Capital Markets report on the 21<sup>st</sup> of June 2023: "RBC Imagine: Datacenter Liquid Cooling Market Overview"

# Investment Highlights



For personal use only



**Track record:** 21-year revenue growth story including in a declining exploration market. Well positioned to take advantage of any lift in global oil & gas exploration spend over the next 3 years.



**Growing verticals:** Services, Software and HPC segments have grown YoY coming out of COVID and the pipeline strongly indicates continued growth.



**New Elastic MP-FWI Technology:** MP-FWI is a proven technology, there was an incredible reception of the new Elastic MP-FWI at the Houston IMAGE '24 conference in August. Subsequently there are 18 opportunities in play.



**Strong EBITDA margins:** 30% in FY23 and 25% in FY24, with an underlying EBITDA margin in FY24 of 34%<sup>1</sup>. Management expects EBITDA margins to remain in-line with FY23, in FY25.



**Deep client relationships:** Fostering long relationships with large clients. Significant recurring revenue SW business 11% of revenue in FY24. Semi-recurring revenue from Service business due to ongoing pipelines of projects with key clients.



**Strong and growing pipeline:** The pipeline has doubled between June 2022 and September 2024, and is currently the largest it has ever been, before factoring in additional upside from new growth opportunities.



**Global footprint:** Global leader in data processing, storage visualisation and management, with more than 45 petaflops of data-processing power and 52 petabytes of data-storage capacity globally. Five offices globally serving the global oil & gas industry.

<sup>1</sup> Underlying EBITDA excludes one-off third-party compute costs of US\$6.6 million, necessary to fulfil customer orders whilst compute upgrades were delivered and commissioned

For personal use only

# Equity Raising Overview

# Use of funds | Capital raising to accelerate DUG’s growth



For personal use only

**DUG has identified 3 key levers for near-term growth**

**Use of funds (A\$m)**

<b>Data Centre Infrastructure</b>	<ul style="list-style-type: none"> <li>○ Elastic MP-FWI projects are imminent with several of DUG’s key clients</li> <li>○ DUG has built long lead-time data centres (DC), and is now seeking to expand moderate lead-time DC infrastructure to capitalise on the large growth opportunities Elastic MP-FWI is delivering</li> <li>○ Expanded DC infrastructure enables increased compute capacity to be installed as client demand dictates, demand expected to deliver revenue growth over and above current market projections</li> </ul>	19.0
<b>Middle East Expansion</b>	<ul style="list-style-type: none"> <li>○ DUG has a significant business in the Middle East with work that has originated and been serviced out of the Houston and London offices</li> <li>○ An on-ground presence was established in Abu Dhabi in January 2024, which has generated additional leads</li> <li>○ The value of this work has led DUG to establish a fourth business unit in Abu Dhabi</li> <li>○ Capital raise will fund capital expenditure and working capital to take advantage of the large growth opportunities available</li> </ul>	6.5
<b>DUG Nomad</b>	<ul style="list-style-type: none"> <li>○ DUG produced two Nomad prototypes in 2024, one of which remains in Australia while the other was sent to the USA</li> <li>○ Significant leads have been unearthed</li> <li>○ DUG now needs to turn the prototypes into production and leads into sales</li> <li>○ Capital raise will fund the development of the Nomad supply chain and sales function</li> </ul>	3.0
	Cost of raise	1.5

**Total uses: 30.0**



# Offer Summary



~A\$35.0 million equity raising

<b>Offer Size and Structure</b>	<ul style="list-style-type: none"><li>○ ~A\$30.0 million non-underwritten placement comprising:<ul style="list-style-type: none"><li>— A\$30.0 million unconditional placement (“Tranche 1”) of approximately 15.8 million new fully paid ordinary shares (“New Shares”) under ASX Listing Rule 7.1</li><li>— A\$0.2 million conditional placement (“Tranche 2”) of approximately 0.1 million New Shares to Directors of the Company, subject to shareholder approval expected to be obtained at the Company’s AGM on 19 November 2024 (together the “Placement”)</li></ul></li><li>○ In addition, the Company intends to undertake a Share Purchase Plan (“SPP”) to raise up to a further A\$5.0 million on the same terms as the Placement (together the “Offer”)</li></ul>
<b>Offer Price</b>	Fixed offer price of A\$1.90 per New Share, which represents a: <ul style="list-style-type: none"><li>○ 12.8% discount to the last closing price of A\$2.18 as at close of trade on 15 October 2024.</li><li>○ 15.3% discount to the 10-day VWAP of A\$2.24 as at 15 October 2024</li></ul>
<b>Use of Proceeds</b>	Proceeds from the Offer will be used to accelerate the Company’s growth trajectory, including investment in new verticals and geographic expansion
<b>Ranking</b>	New Shares will rank pari passu with existing fully paid ordinary shares
<b>Syndicate</b>	Barrenjoey Markets Pty Limited and Shaw and Partners Limited are acting as Joint Lead Managers and Joint Bookrunners
<b>SPP</b>	<ul style="list-style-type: none"><li>○ DUG will offer eligible Australian and New Zealand shareholders on the DUG register as at 7:00pm (AEDT) / 10:00pm (AWST) on Wednesday, 16 October 2024 the ability to participate in a non-underwritten SPP targeting up to AUD \$5.0m</li><li>○ DUG reserves the right (in its absolute discretion) to scale back applications</li><li>○ Eligible shareholders can provide a maximum application of AUD 30k per holder</li><li>○ Shares offered under the SPP will be issued at \$1.90, being the Offer Price</li></ul>

For personal use only

# Indicative Timetable



Event	Indicative Date <sup>1</sup>
Trading halt commences and Offer opens	Wednesday, 16 October 2024
Record date of the SPP	Wednesday, 16 October 2024
Trading halt lifted and announcement of results of Offer	Thursday, 17 October 2024
Opening date of the SPP	Friday, 25 October 2024
Settlement of Tranche 1	Friday, 25 October 2024
Dispatch of SPP Booklet and SPP Offer Letter documentation to shareholders	Friday, 25 October 2024
Allotment of New Shares under Tranche 1	Monday, 28 October 2024
Closing date of the SPP	Thursday, 14 November 2024
AGM date	Tuesday, 19 November 2024
ASX announcement completion of SPP	Tuesday, 19 November 2024
Settlement of Tranche 2	Thursday, 21 November 2024
Allotment of New Shares under Tranche 2	Friday, 22 November 2024

<sup>1</sup> This indicative timetable is subject to change at the discretion of the Company & Joint Lead Managers



For personal use only

# Recent Highlights & Outlook

- FY24 results demonstrated outstanding organic growth, driven by the Services segment
- MP-FWI Imaging uptake is gathering pace with 33% of FY24 revenue delivered through MP-FWI Imaging projects. Companies continue to be excited with continued improvement in imaging results. DUG has added Elastic MP-FWI Imaging to the product list for this financial year
- Investment in new computer hardware in FY24 underpins the compute requirement for MP-FWI Imaging projects
- New business unit formed from July 2024 to commercialise DUG Nomad technology. Momentum building in DUG Nomad solution
- DUG signed a royalty agreement with BAC to license DUG's computer immersion cooling patent



BAC had over 20 sales and technical staff, along with an immersion cooling tank at Datacenter World Asia last week

# Q1-FY25 trading update and outlook



- Trading update Q1-FY25
  - Revenue of ~US\$14m, with Q1 wins sufficient to maintain the order book of US\$35.4m at 30 September 2024
  - EBITDA margin expected in the range of 18-19%, driven by seasonally lower revenue and margin sales mix, and additional investment into the Middle East and Nomad initiatives.
  - Management expects to achieve EBITDA margins in line with FY23, in FY25
  - Cash balance at 30 September 2024 of US\$4.2m and net debt of US\$22.5m. DUG has continued to invest across Q1-FY25 in compute, the Middle East expansion, Nomad, and data centre infrastructure
- The outlook for traditional core business is robust based on the visible pipeline, with significant growth in Services including acoustic MP-FWI
  - The pipeline has doubled between June 2022 and September 2024, and is currently the largest it has ever been, before factoring in additional upside from new growth opportunities
- The outlook is further bolstered by positive leads from recent initiatives, including:
  - Elastic MP-FWI, with successful early feedback and 18 pilot projects likely underway shortly
  - Middle East expansion, with on-the-ground presence bringing significant new opportunities
  - DUG Nomad
  - BAC, new royalty revenue stream expected to commence this financial year

# Operational Overview



Five groups of Adacen customers (who deliver solutions to a number of DoD and government agencies) visited the prototype DUG Nomad at the Adacen Data Center in Silver Spring, Maryland. Adacen is our channel partner in the US.

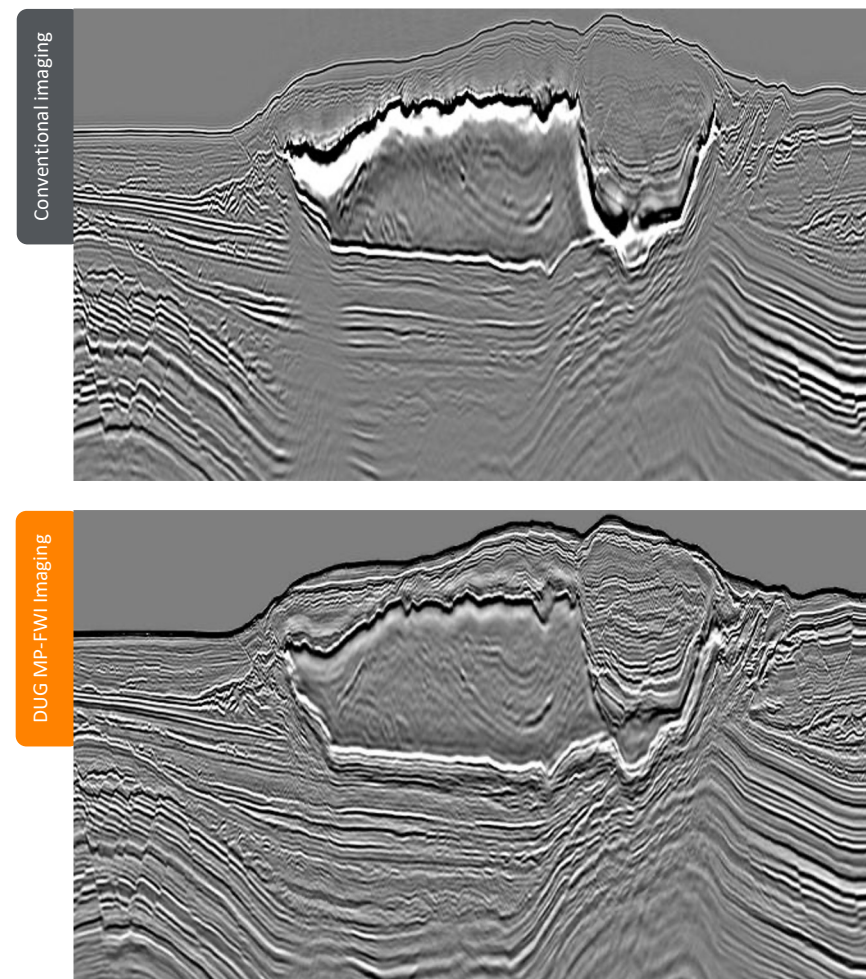


# MP-FWI Imaging: A decade of R&D delivering

For personal use only

- DUG has invested in R&D for close to a decade to develop MP-FWI imaging for the oil & gas industry.
- DUG is the only vendor (that we are aware of) offering production ready MP-FWI imaging to the oil & gas industry. DUG believes it is at least 18 months ahead of its competitors.
- Since its launch in January 2022, DUG has received very encouraging industry feedback, indeed in FY24 acoustic MP-FWI imaging accounted for 1/3 of DUG's Geo-Services revenue – it is now a proven technology.

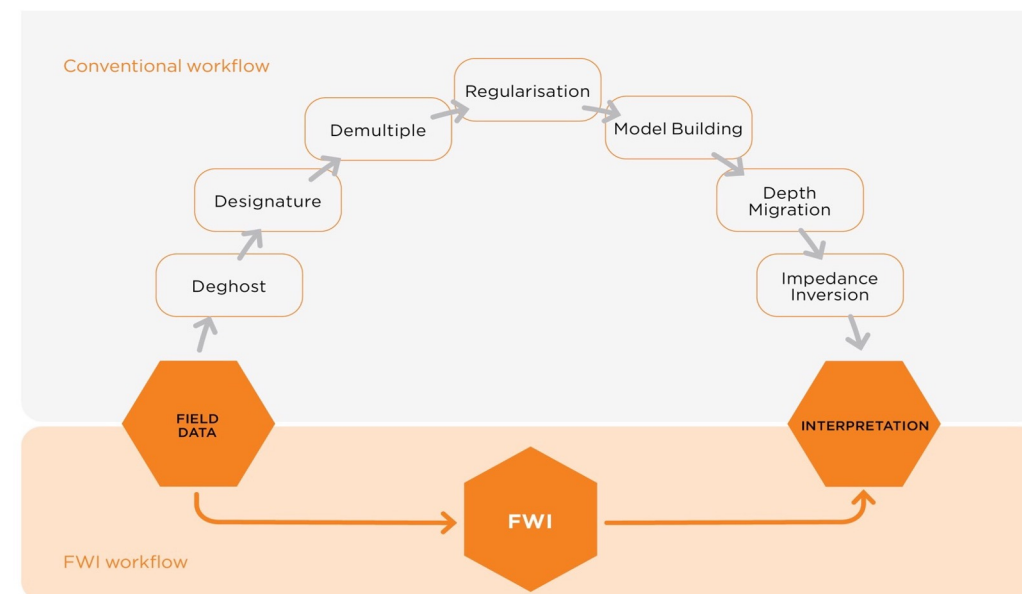
*Better seismic data leads to less uncertainty and improved drilling results (fewer dry wells) and is therefore of significant value to an oil & gas company.*



# MP-FWI Imaging: Future of seismic data processing & imaging

For personal use only

- MP-FWI imaging can completely replace traditional seismic processing & imaging (P&I)
  - It produces all the traditional P&I outputs.
  - Since the outputs are derived in the kernel of the inversion, based on physical principles, they are accurate. By definition a "single-parameter" FWI can only invert for one quantity, which in an imaging context is a smudge of a number of properties that cannot be teased apart after the fact.
- MP-FWI imaging is a substantial improvement over traditional P&I
  - The approximations and assumptions inherent in traditional P&I are absent in MP-FWI imaging, resulting in improved deliverables.
  - It uses the full wavefield, so what was noise is now signal. More signal means better results.
  - Treating noise as signal means all of the time-consuming noise reduction steps are not necessary, leading to both significantly reduced project turnaround times and required man time.
    - A 12-month project could be reduced to 3 months; and
    - A team of 2 or 3 is reduced to 1 geophysicist.
  - It does require ~10 times more compute than P&I but only 20% more than single parameter FWI





# MP-FWI: Proven technology



For personal use only

*"Results from a shallow water environment indicate that MP-FWI from raw shots provides useful information for AVA analysis not readily available through conventional processing."*

Gunnar Aschjem, Exploration Geophysicist  
Christian Hidalgo, Processing Geophysicist  
AkerBP

*"DUG's MP-FWI technology has provided an improved sub-salt image in our deep water GOM project compared to conventional processing. We are impressed with the results thus far and are excited to push this technology into other complex areas"*

B. Tredrea  
Murphy Oil Seismic SME



● Completed MP-FWI imaging projects

*"MP-FWI has improved the deep imaging to a point where we are now able to generate a new structural and fault interpretation that is consistent with the regional tectonics, enhancing our understanding of the petroleum system and potentially leading to the identification of new exploration ideas."*

Happy Oil Co. Client

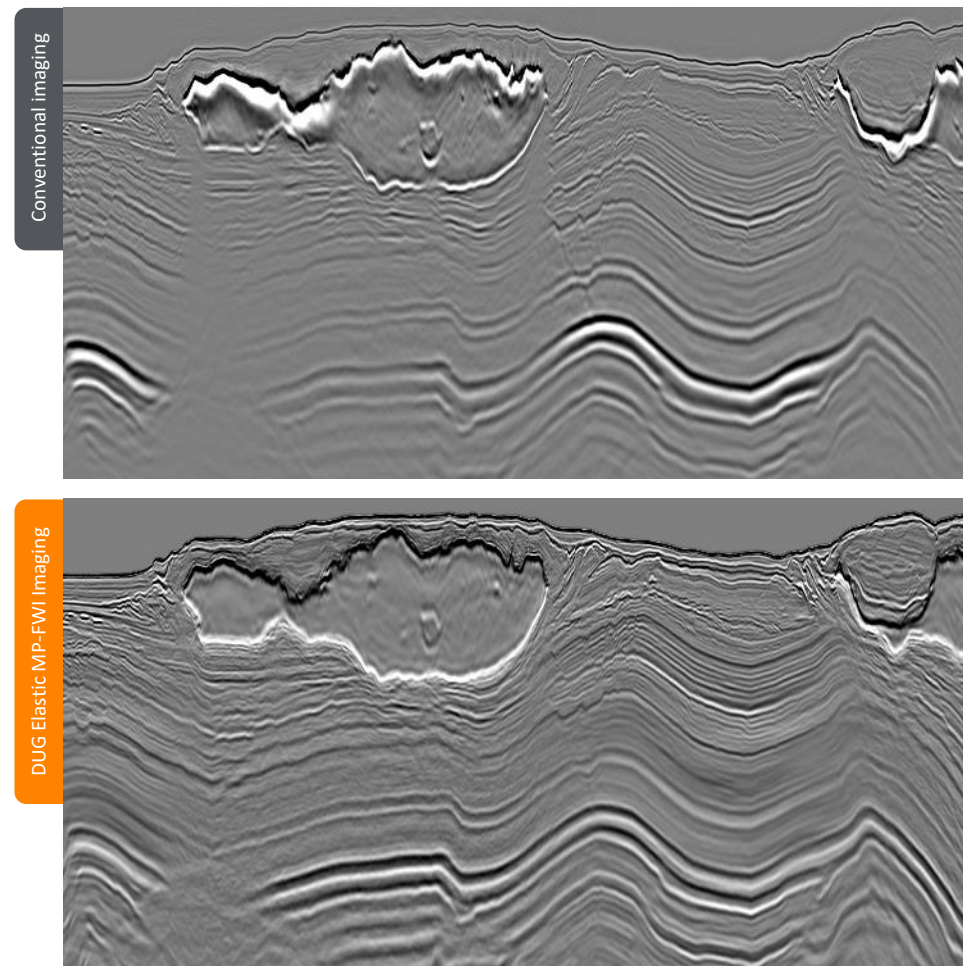
*"MP-FWI applied to vintage offshore seismic surveys has produced a level of imaging quality that may now allow for the revisiting of development opportunities and prospecting in previously untested stratigraphy beyond 10,000 ft."*

(Another) Happy Oil Co. Client

# Elastic MP-FWI Imaging: A seismic shift in the industry

For personal use only

- DUG is continuing to undertake R&D on MP-FWI imaging. DUG debuted Elastic MP-FWI Imaging at the IMAGE '24 conference in August with an incredible reception.
- Elastic MP-FWI Imaging is major technological advancement as it enables *both* structure *and* rock properties to be produced directly from field data.
- Shell and Chevron also shared their elastic MP-FWI results at IMAGE '24, giving industry validation to the direction DUG has taken.<sup>1</sup>
- Elastic MP-FWI Imaging uses 3-4 times more compute than the acoustic version. The supermajors have advised that they are adjusting budgets to accommodate this added expense.
- DUG is now in discussion on many Elastic MP-FWI Imaging projects with several trials starting imminently.



Data courtesy of Shell

<sup>1</sup> Shell and Chevron do not compete with DUG, nor do they ever do all their work internally.

*It is now time to capitalise on the technology-leapfrogging opportunity that has been created.*

- Accelerated growth opportunities are coming on the back of elastic MP-FWI imaging.
- DUG's capital strategy is:
  - a. Build long lead-time data centres in advance.
  - b. Install moderate lead-time data centre infrastructure as required (cooling towers and transformers for example).
  - c. Purchase compute & storage just-in-time, or, when offered discounted one-off deals.
- DUG now has limited compute-ready infrastructure. To prepare for accelerated growth and increasing demand for services, the company needs infrastructure capacity ready for the installation of new compute, when it is required (capital strategy "b." above).
- Once infrastructure projects are complete DUG will have capacity for a further >400 PF<sup>1</sup> of compute.



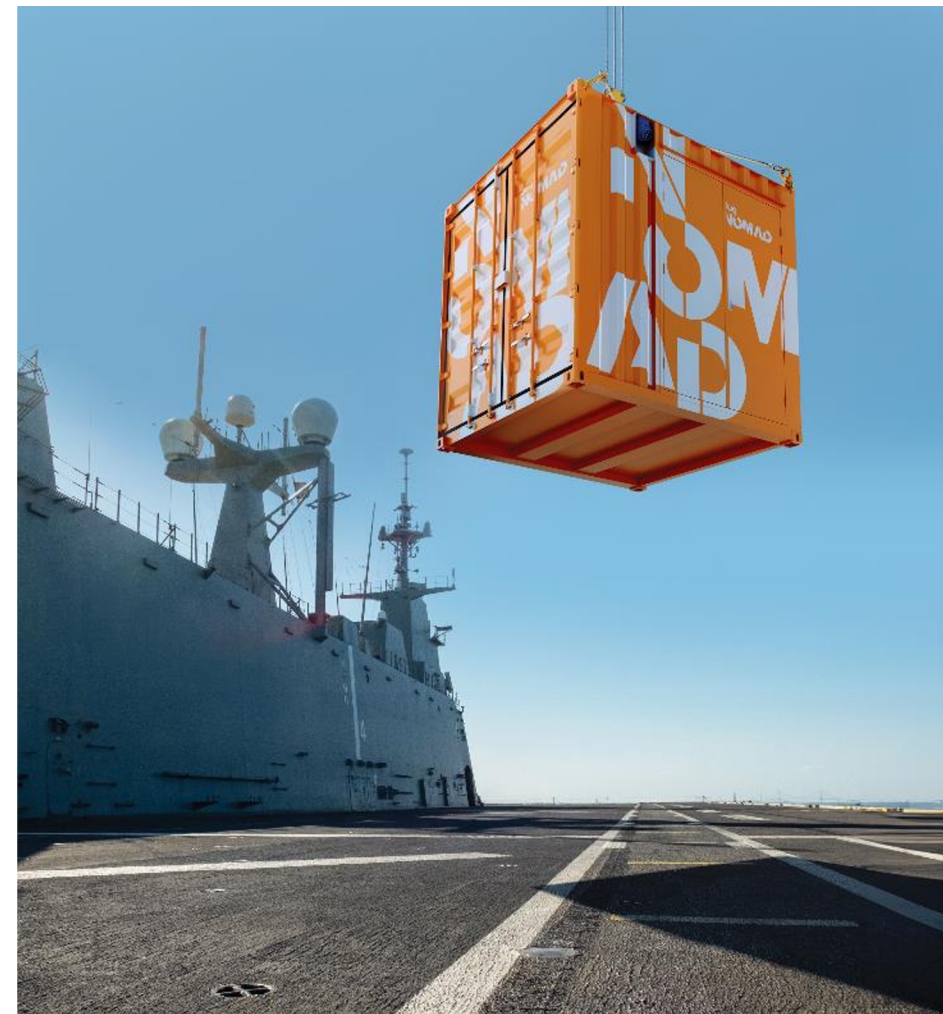
<sup>1</sup> Double precision petaflops. Multiply this number by two if comparing to competitors' published numbers – unless the reference explicitly quotes double precision.



# DUG Nomad: A high-density, modular data centre

For personal use only

- DUG Nomad has been designed to be plug-and-play, rugged, and low-maintenance. DUG has talked to clients about many different edge locations:
  - On a seismic acquisition crew in the Saudi Arabian desert.
  - In the car park of a major Oil & Gas company whose current data centre can't handle modern equipment.
  - Onboard a moving ship.
- DISP<sup>1</sup> membership was granted following a demonstration of the Nomad at a Defence supercomputing event.
- Compute intensive applications need powerful hardware that generates a lot of heat, this makes them difficult to cool in air and more suited to immersion. DUG Nomad utilises immersion-cooling technology to allow companies to utilise powerful hardware, anywhere in the world.
- A [Research and Markets report](#), estimated the global modular data centre market is projected to reach US\$41.87 billion by 2028.



<sup>1</sup> DISP stands for Defence Industry Security Protocol. DISP accreditation is necessary to receive business directly from the defence forces.

# DUG Nomad: Capitalising on momentum



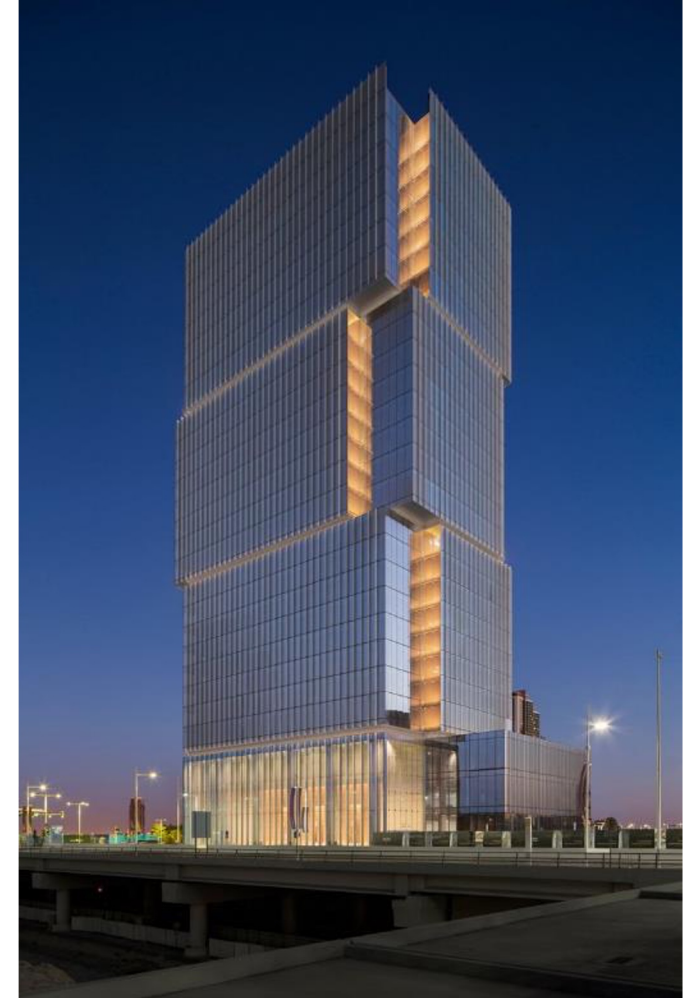
For personal use only

- DUG Nomad was soft-launched in 2023 to gauge market appetite.
  - Two prototypes have been produced. One is now in Australia, and the other in the US for conferences and customer demonstrations.
  - Actively engaging in conversations with energy sector clients across India, the Middle East, Indonesia, and Japan.
  - Pricing and delivery schedules are being provided to US channel partners.
- Ron Schop, former CEO of HiSeis, has been brought on board to run the DUG Nomad business.
- To capitalise on the momentum that has been built, DUG needs to:
  - Establish a production supply chain.
  - Strengthen the global sales force.
  - Increase marketing activity.
  - Build and convert the pipeline of opportunities.



# Middle East: The groundwork is set

- DUG has had a presence on the ground in the Middle East since January 2024.
- Prior to this time DUG had a significant business in the region based on opportunities presented to and serviced out of our Houston and London offices. DUG's traditional P&I technology is well suited to the region.
- Following establishing a presence in the region, the additional opportunities that have materialized are the largest DUG has ever seen. This has led DUG to establish a fourth Geo-Services business unit.
- DUG has secured office space and commenced fit-out in Al Maryah tower, in the Abu Dhabi Global Market region.
- Land and marine processing teams, sales, and IT staff are in place. Processing staff are now being trained in DUG processes and software while assisting on projects from other DUG regions.
- Multiple pilot projects for software and services are now underway to demonstrate DUG's technology with significant clients throughout the region.





For personal use only



For personal use only

# Key Risks

For personal use only

## **Vertical & New Market Expansion**

As the company expands into new international markets and pursues vertical integration by adding new stages of the supply chain or offering additional services, there are risks that delays in product development or market adoption could hinder the generation of new revenue streams. In both cases, competitors may introduce more advanced or cost-effective solutions in less time, posing a threat to the company's competitive position. Furthermore, the company's new products or services may not resonate with clients in these markets, or the adoption rate may be slower than expected, affecting overall performance and growth.

Other factors that could impact sales growth and performance in new markets include the commercial viability of new products, the emergence of local technologies and business practices, potential delays in establishing effective sales and marketing strategies, and broader global economic conditions, including supply chain disruptions.

To mitigate these risks, the company will prioritise competitive pricing, strategic investment in research and development, and ongoing market research to better understand the unique demands of each region.

## **Geopolitical Risks**

As the company expands into the Middle East, particularly in Abu Dhabi, it faces a number of unique geopolitical risks, and fluctuating economic conditions in the region. Political instability, regional conflicts, and shifting diplomatic relations can introduce uncertainty and potential disruptions to operations, ultimately affecting DUG's growth strategy and revenue.

## **New technologies and business processes**

As DUG expands into new markets, it faces the risk of emerging technologies and business processes in data processing and storage that may surpass those currently used by the company. DUG's future success will depend on its ability to effectively leverage new technology to increase efficiency, better serve clients, and reduce costs in a highly competitive environment.

There is no guarantee that investments in technology will yield the expected returns, and competitors may adopt superior technology, potentially rendering DUG's offerings obsolete. Failure to maintain up-to-date technology and business processes could disrupt operations or reduce the competitiveness of DUG's products and services. This may require significant investment to update or enhance DUG's technology, which could adversely impact the company's business, financial performance, and growth.

DUG aims to stay competitive through ongoing market research and adaptation to rapid technological changes, consumer preferences, internet security risks, potential system failures, and evolving governmental regulations and taxation.

## **Business Continuity and Disaster Recovery**

Unforeseen events, such as natural disasters or system failures, may disrupt our operations and impact service delivery. DUG have implemented robust business continuity and disaster recovery plans to minimise downtime and enable seamless continuity of our services in such situations.

## **Cyber Security and Data Privacy**

Cyber security is one of DUG's highest priorities; safeguarding client data and maintaining system integrity is of utmost importance. As a provider of analytical software and big-data services, the company is exposed to significant cybersecurity threats, including data breaches, ransomware, and other malicious attacks.

Given the sensitive nature of client data and the significant volume of information processed by the Company, our information technology systems can be susceptible to cyber-attacks where third parties seek unauthorised access to confidential data, networks, systems, and databases, which could result in financial losses, reputational damage, client data loss, and legal liabilities. Acknowledging the rising prevalence of cyber threats, DUG proactively invests in robust cyber security measures, conducts regular reviews and penetration testing, and provides ongoing training to our employees to enhance awareness and resilience against potential cyber threats and to protect our sensitive data and operations.

DUG provides its customers with technology and data solutions that support data protection securely. Customer perception can rapidly change on the ability to protect data and costs associated, which may have a direct financial impact on DUG's financial performance.

## **Supply Chain Disruption**

Timely and economic supply of key products and services, such as computers, computer components, power and water, are integral to DUG's ability to effectively service its customers. In most cases, DUG provides services to its customers using existing equipment, supported by cyclical purchases to increase compute to the network, such that in the event of supply chain challenges for compute components DUG is still able to service the customer. In many cases, DUG partners with key compute and storage media suppliers conducting various testing initiatives on its cluster, enabling easier sourcing of supply of these items relative to some competitors where supply is constrained. Any system failure, downtime, or disruption could have a significant impact on client operations.

## **Talent Acquisition and Retention**

DUG's success relies heavily on the skills and expertise of employees. The technology sector is known for its competitive talent market, and recruiting and retaining top-tier talent can be challenging. To address this risk, DUG invests in employee development programs, offers competitive compensation packages, and fosters a supportive and inclusive work environment.

## **Regulatory Compliance**

DUG has operations in Australia, USA, UK, Malaysia and the Middle East and sells its services into more than 35 countries worldwide. The Group is subject to various laws, policies and regulatory provisions across jurisdictions, including anti-bribery and corruption laws, sanctions, anti-trust laws, and domestic or international laws relating to taxation on the provision of services including withholding taxes. Failure to abide by these requirements may adversely impact our business and operations, and that of our customers and suppliers.

DUG engages with internal and external counsel and tax advisors to enable regulatory risks and changes thereof to be identified and addressed. We continue to monitor regulatory developments globally. Our Code of Conduct sets out our approach to bribery and corruption and our whistle blower policy provides an outlet for employees and third parties to anonymously notify the Group of suspected fraudulent or illegal activity.

Regulation relating to the privacy of personal data continues to evolve globally and there is a risk relating to compliance with or uncertainty in the relevant laws.

## Intellectual Property

DUG holds patents and has patents pending to support key innovations, including the innovative immersion cooling system, and software solutions.

There is a risk of competitors, customers, or third parties copying DUG's intellectual property in countries with less protective intellectual property rules. It is critical to the Company that its intellectual property is protected. The Group takes appropriate measures to enable employment contracts to include robust clauses with respect to intellectual property protection, and deploys security protocols designed to retain intellectual property within the business.

## Oil Prices, Macro-economic and Geopolitical Factors

Oil prices have a direct impact on a large portion of DUG's customers' operations. Higher oil prices tends to lead to greater exploration and evaluation activities, and thus greater demand for DUG's services business. In addition to this, global economic fluctuations and geopolitical tensions can influence business conditions and market stability. Our risk management approach includes scenario planning to assess the potential impact of various economic and geopolitical developments on our business operations and devise appropriate response strategies.

## Reputation

Reputational risk refers to the potential for adverse impacts on our organisation's reputation due to various internal or external factors. DUG emphasises an internal code of ethics with clear guidelines on handling disputes, monitor communication platforms and media for timely responses. Frequent progress meetings are held with clients to identify improvement gaps. DUG is dedicated to continuously improve our reputation management practices.

## Contractual Liabilities

Contractual liabilities could arise from unfavourable terms, unfair obligations and risk allocation. Effective management of these risks is critical to enabling compliance with contractual obligations, minimising exposure to potential claims and protecting our business interests.

DUG focuses on proactive measures, effective management and robust contract resolution mechanisms to minimise our exposure to contractual liabilities.

# International Offer Restrictions



# International Offer Restrictions



This document does not constitute an offer of new ordinary shares (“New Shares”) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”).

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# International Offer Restrictions



## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

For personal use only

For personal use only

# Disclaimer

This presentation is dated 18 October 2024 and has been prepared by DUG Technology Ltd (the “Company” or “DUG”) in relation to a proposed placement of fully paid ordinary shares (“New Shares”) in the Company to certain institutional and professional investors in Australia, New Zealand, Hong Kong, Singapore and the United Kingdom in accordance with section 708A of the Corporations Act 2001 (Cth) (“Corporations Act”) and applicable foreign securities laws to raise approximately \$30 million and an offer to eligible DUG shareholders to apply for New Shares under a capped security purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, to raise approximately \$5 million (“Offer”). This presentation has been authorised for release to ASX by the Board of Directors of DUG.

The presentation does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company or possible acquisition of New Shares and does not take into account your particular investment objectives, financial situation or needs. You should not treat the contents of this presentation, or any information provided in connection with it, as financial product advice or advice relating to legal, taxation or investment matters. This presentation and the information contained herein and all electronic and/or hard copy documentation which comprise it are being provided to you solely for your information and may not be copied, reproduced, distributed, disclosed or published, in whole or in part, to any other person for any purpose whatsoever at any time without the prior written consent of the Company. This presentation is not an offer to any person nor is it a prospectus, product disclosure statement or other kind of disclosure document under the Corporations Act or other applicable law.

The Company has prepared this document based on information available to it at the time of preparation. No representation or warranty (whether express or implied) is made by the Company or any of their officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecast or projections set out in this presentation.

The distribution of this presentation in jurisdictions outside Australia may be restricted by law. Please refer to the International Offer Restrictions section for the international offer restrictions section of this presentation. This presentation may not be released to US wire services or distributed in the United States, and may not be distributed to any person, and securities may not be offered or sold in any country outside of Australia except to the extent permitted in accordance with the international offer restrictions in the International Offer Restrictions section of this presentation. Persons who come into possession of this presentation should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of law.

This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. The information contained in this presentation has been prepared without taking into account the objectives, financial situation or needs of individuals.

This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and obtain your own professional advice in order to make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in their absolute discretion (without incurring any obligation to do so). The Company, nor their related bodies corporate, officers, their advisers, agents and employees accept any responsibility or liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act, competition and any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of the Company. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of their directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved.

Given the risks and uncertainties that may cause the Company actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

This document does not constitute any part of any offer to sell, or the solicitation of any offer to buy, any securities in the United States or in any jurisdiction in which such offer would be illegal or to, or for the account or benefit of any "US person" as defined in Regulations under the US Securities Act of 1933. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any US person except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

## **PAST PERFORMANCE**

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

## **FORWARD LOOKING STATEMENTS**

Any forward-looking statements are subject to various known and unknown risk factors that may cause DUG's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of DUG's or its Directors.

Forward looking statements should be read in conjunction with, and are qualified by reference to, risk factors as set out in the "Key Risks" section of this presentation. DUG's forward-looking information is based on the reasonable beliefs, expectations and opinions of their respective management on the date the statements are made, and DUG does not assume any obligation to update forward looking information if circumstances or management's beliefs, expectations or opinions change, except as required by law.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including risks associated with investments in private and publicly listed companies such as DUG. This Presentation contains certain “forward looking statements” which may be identified by words such as “believes”, “considers”, “could”, “estimates”, “expects”, “intends”, “may”, “anticipate,” “likely,” “should”, “predict,” “plan,” “propose,” “will,” “forecast,” “target”, “goals”, “aims” and other similar words that involve risks and uncertainties. Certain statements, beliefs and opinions contained in this presentation, particularly those risks associated with general economic conditions; the risk that further funding may be required but unavailable for the ongoing development of the Company’s projects or future acquisitions; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; the inherent risks and dangers of development operations in general; risk of continued negative operating cashflow; the possibility that required permits may not be obtained; environmental risks; general risks associated with the feasibility and development of the Company’s projects; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company’s property interests; uninsured hazards; disruptions to the Company’s supplies or service providers; reliance on key personnel, retention of key employees and the impact of the COVID-19 pandemic and the hostility between Russia and Ukraine on the Company’s business and operations are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of DUG or its Directors.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause the Company’s results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Neither the Company, Barrenjoey Markets Pty Limited, Shaw and Partners Limited (“**Joint Lead Managers**”) nor any of their or the Company’s advisers or any of their respective affiliates, related bodies corporate (as defined in the Corporations Act), directors, officers, partners, employees, contractors, consultants, agents or representatives (together, “**Beneficiaries**”) give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in the information in this presentation will actually occur nor do any of them undertake to update any forward-looking information, except in accordance with applicable securities laws. For a complete discussion with respect to DUG, please refer to DUG’s financial statements and other filings all of which are filed on the ASX at [www.asx.com.au](http://www.asx.com.au) and the Company’s website <https://dug.com/>

## **NO LIABILITY/SUMMARY INFORMATION**

DUG has prepared this presentation in good faith based on information available to it at the time of preparation.

Neither DUG, nor any of its advisers or any of their respective Beneficiaries have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this presentation in a final form and none of them makes or purports to make any binding statement in this presentation and there is no statement in this presentation which is based on any statement by them.



To the maximum extent permitted by law, DUG and its Beneficiaries:

- (a) expressly disclaim any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in this presentation including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions, forecasts, reports or other matters, express or implied, contained in, arising out of or derived from, or for omissions from, this document including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom, whether by way of negligence or otherwise; and
- (b) expressly exclude and disclaim all liabilities in respect of, make no representations regarding, any part of this presentation and make no representation or warranty as to the currency, accuracy, adequacy, reliability or completeness or fairness of any statements, estimates, options, conclusions or other information contained in this presentation.

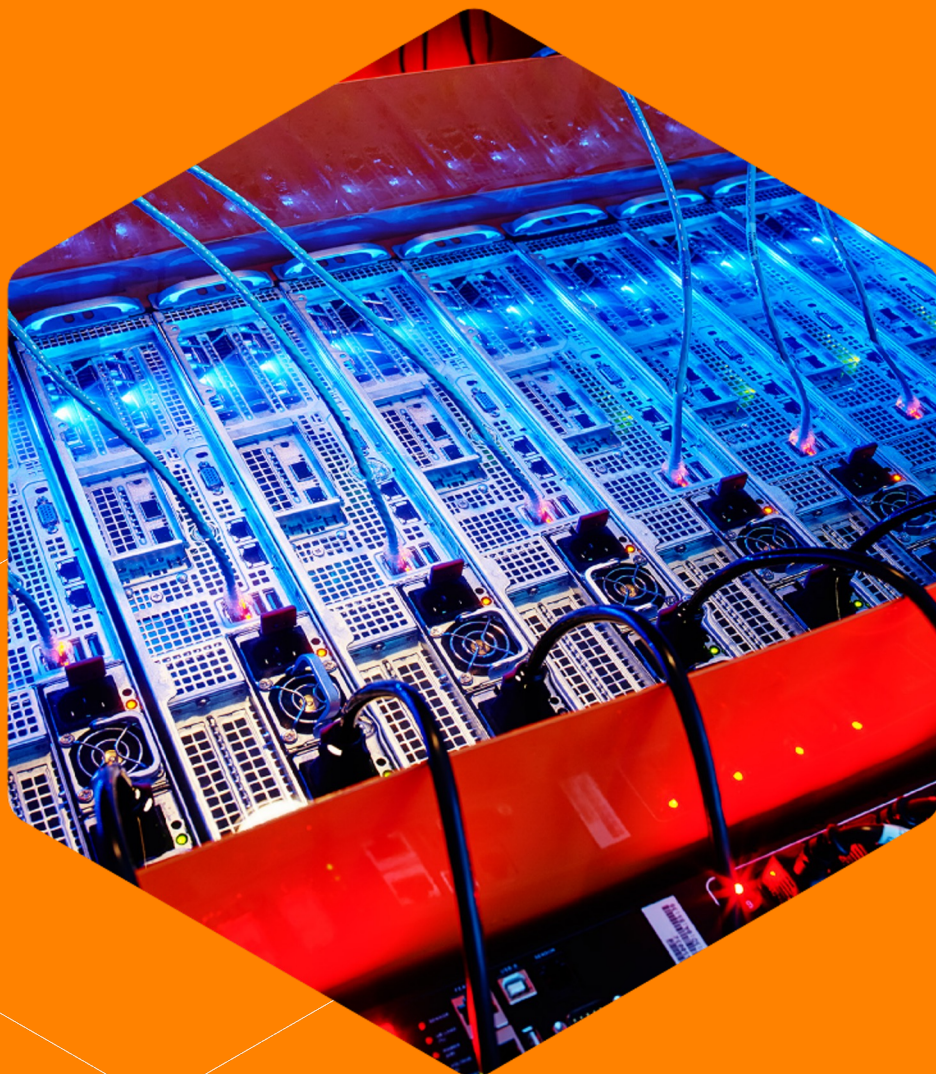
## DISCLAIMER

Neither the Joint Lead Managers nor any of their or the Company "Beneficiaries have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and, except to the extent referred to in this presentation, none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. To the maximum extent permitted by law, the Company, the Joint Lead Managers and each of their respective Beneficiaries exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this presentation being incorrect, inaccurate, incomplete or misleading in any way for any reason, whether by negligence or otherwise.

To the maximum extent permitted by law, the Company, the Joint Lead Managers and their respective Beneficiaries make no representation or warranty, express or implied in respect of the information in this presentation, hold any belief as to the reasonableness, fairness, currency, accuracy, reliability, completeness or correctness of information in this presentation (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements as to future matters) and, with regards to the Joint Lead Managers, they and their Beneficiaries have not independently verified the information contained in this presentation and take no responsibility for any part of this document or the Offer. The Joint Lead Managers and their Beneficiaries make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer or the New Shares. You represent, warrant and agree that you have not relied on any statements made by the Joint Lead Managers, or their Beneficiaries in relation to the Offer. You further expressly disclaim that you are in a fiduciary relationship with any of the Joint Lead Managers or their respective Beneficiaries and agree to waive, take no action and release, the Joint Lead Managers and their Beneficiaries from any rights you may have against them in relation to the information in this presentation or the Offer. Statements made in this presentation are made only as at the date of this presentation. The information in this document remains subject to change without notice. DUG reserves the right to withdraw the Offer or vary the timetable for the Offer at any time before the issue of the relevant securities without notice.

Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and is at the discretion of DUG and the Joint Lead Managers. Each of DUG, the Joint Lead Managers and their respective Beneficiaries disclaim any duty or liability (including for fault or negligence) in respect of the exercise of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

For personal use only



[dug.com](http://dug.com)



[facebook.com/TeamDUG](https://facebook.com/TeamDUG)



[linkedin.com/company/teamdug](https://linkedin.com/company/teamdug)



[twitter.com/Team\\_DUG](https://twitter.com/Team_DUG)



[youtube.com/dugtechnology](https://youtube.com/dugtechnology)



[info@dug.com](mailto:info@dug.com)



[+618 9287 4100](tel:+61892874100)