ANNUAL REPORT FY24

A YEAR OF SEISMIC PROPORTIONS

DUG TECHNOLOGY LTD 99 169 944 334

Contents

All financial numbers are expressed in US Dollars unless otherwise stated

SEISMIC WAVES

REVENUE

US$65.5 million

(FY23: US$50.9 million)

SERVICES ORDER BOOK

US$36.5 million

(FY23: US$27.9 million)

EBITDA

US$16.6 million

UNDERLYING EBITDA

US$23.2 million

(FY23: US$15.1 million)

OPERATING CASH INFLOWS

US$12.1 million

UNDERLYING OPERATING CASH INFLOWS

US$16.8 million

(FY23: US$13.4 million)

PROFIT AFTER TAX

US$3.3million

(FY23: US$4.9 million)

NET DEBT POSITION

US$14.5 million

(FY23: NET CASH US$5.2 million)

What We Do

Software

- Analytic software development
- Algorithms and optimisation
- Big data processing and visualisation
- DUG Insight in 35 countries

High Performance Computing (HPCaaS)

- Powerful, bare-metal compute & storage
- Complete, integrated HPC environment
- Patented DUG Cool immersion technology
- Design, own, operate some of the largest supercomputers on Earth
- Big data processing supported by experts

Services

- Data science & management
- Geoscience & seismic data processing
- DUG Multi-parameter FWI Imaging

Key Markets

Oil & Gas

A leading service provider for 20 years. Currently the primary driver of revenue and earnings.

DUG's technology helps clients make more timely, well-informed, operational decisions. DUG's products and services have contributed to numerous significant discoveries.

National Security & Space

Actively progressing opportunities by leveraging capabilities developed by servicing the oil & gas industry.

In particular, competencies in numerical data, software and HPC solutions.

Enterprise

Increasing demand for HPC from industries with proliferating data.

DUG has established agreements with numerous organisations (education, research, applied science) to support their data processing and storage needs.

Global Locations

Letter from the Managing Director

I am very pleased to introduce DUG's Annual Report for the 2024 financial year, a year which produced record revenue, EBITDA and service awards.

2024 has been another strong year with headline revenue growth of 29%. The Services business line has continued its strong performance with revenue growth of 36%. Software delivered revenue growth of 11%. The outlook continues to be positive.

Recently, we announced the signing of a significant intellectual property (IP) licensing agreement with Baltimore Aircoil Company (BAC). I believe this deal, which was over eighteen months in the making, will change the data centre cooling landscape, globally. Immersion cooling of computer hardware has so many advantages, not to mention the significant power savings. Over the last decade, with our patented DUG Cool technology, we have proven that immersion cooling is a scalable and future-proof solution. We believe that once others experience and understand the benefits of immersion cooling, they too will adopt it at scale.

The key to this deal is the size of BAC. They are by far the largest provider of cooling towers to data centres (and other building infrastructure) globally. They have eight global manufacturing sites, established data centre sales and technical sales staff, and roughly 500 global fulfilment partners. BAC works for every hyperscalar, with whom they are already engaged in meaningful discussion about immersion cooling. BAC is not just another company selling an immersion cooling product. They are a trusted partner for data centres globally. There is no one better placed to seize this opportunity.

While we have chosen to license our immersion cooling technology to BAC, we have elected a different path for DUG Nomad, our mobile, modular, edge-computing solution. We have formed a new business unit to manufacture, sell and support Nomad. We have many leads for Nomad and are excited for FY25.

We are also very excited by our new office in Abu Dhabi, for which the office fit out is about to commence. Initially eighteen staff will be employed by this new Middle East business unit. They are currently working out of DUG's agents' office or in other DUG offices, gaining experience with our software and best practices. DUG has received an extremely positive reception in the Middle East, which includes a project award from Saudi Aramco. Of course the work we traditionally perform in this region continues unabated. The pipeline looks exceptional.

EBITDA margin has taken a hit this year as a result of a one-off third-party compute cost. None-the-less, while the EBITDA margin decreased, we still grew EBITDA by 10%. We certainly expect the EBITDA margin to bounce back in FY25 as the use of third-party compute ceased in June 2024. The new compute is performing very well, inline with our expectations.

Our Multi-parameter FWI Imaging results continue to improve as we refine the algorithm and gain more experience with different datasets. In addition, our latest Multi-parameter Elastic FWI Imaging technology is now ready for prime time. Utilising superior physics to remove the assumptions and approximations of traditional processing and imaging workflows, the technology delivers unsurpassed results with reduced calendar and man time, at the cost of significantly more compute time.

With respect to the proposed Geraldton HPC Campus our message remains the same. We continue to search for an anchor tenant. We have terrific state government support for this project and they are being very flexible with grant conditions during this time.

We expect another strong year as the Services outlook continues to strengthen and we expand further into the Middle East. This is supported by the addition of a new revenue stream through the licensing of the DUG Cool patent and a new business unit with DUG Nomad. We have also recently signed a new AUD500k HPCaaS deal with the Curtin Institute of Radio Astronomy (CIRA). CIRA is Curtin University's link with the International Centre for Radio Astronomy Research (ICRAR).

In closing, I would like to express my thanks to all shareholders for their continued support, as we look forward to another successful year.

Matthew Lamont Ph.D.
MANAGING DIRECTOR

Operational and Financial Review

US$ '000	FY24	FY23	% change
Revenue	65,501	50,948	29%
Total income	**68,316**	**53,468**	**28%**
EBITDA[1]	16,610	15,070	10%
EBITDA[1] margin	25%	30%	(5%)
Underlying EBITDA[1,2]	23,179	15,070	54%
Underlying EBITDA[1,2] margin	34%	30%	4%
Underlying[1,2] Basic Profit per share (cents)	7.66	4.24	81%

EXECUTIVE SUMMARY

A significant increase in Services project awards delivering revenue and earnings growth.

REVENUE ACROSS BUSINESS LINES

	FY 24 US$ '000	FY 23 US$ '000	% change
Services	54,745	40,298	36%
Software	7,389	6,646	11%
HPCaaS	3,367	4,004	(16%)
Revenue	**65,501**	**50,948**	**29%**

Revenue from Services of $54.745 million was a record high for the Group due to growth in the American and Asian markets, together with an increase in MP-FWI Imaging project awards. The Company has won a steady stream of new services projects since July 2023, with a record $67.446 million in new project wins for the reporting period. The Services order book value at June 2024 was $36.515 million. Revenue from the group's Houston office grew by 20% from the prior year to $30.277 million and the Malaysian office grew by 112% from prior year to $10.842 million. MP-FWI Imaging revenue comprised 33% of external revenue for the period.

Software revenue continued to grow in FY24, up by 11% in comparison to FY23 following strong sales and renewals. DUG now provides software to clients in 35 countries.

[1] These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information.
[2] Underlying EBITDA is EBITDA excluding non-recurring costs. During the year ended 30 June 2024, non-recurring costs of $6.569 million were incurred for third party compute.

HPCaaS revenues declined by 16% from FY23, as a result of two major customers reducing their committed spend on compute and storage in FY24. A notable recent new win (early FY25) was an AUD500k HPCaaS deal with the Curtin Institute of Radio Astronomy (CIRA). CIRA is Curtin University's link with the International Centre for Radio Astronomy Research (ICRAR).

DATA CENTRE EFFICIENCY

All of DUG's data centres make use of our patented, immersion-cooling technology, DUG Cool, an innovation that helps the company significantly reduce its power consumption. These savings are best illustrated through DUG's Perth data centre achieving an average power usage effectiveness (PUE) of 1.06 over FY24; this compares to the 2023 industry average PUE of 1.58[^1]. In practice, this means that for every kilowatt of power going to computers, the industry average data centre uses 0.58 kilowatts to cool those computers. DUG's PUE figure represents an 89% saving in cooling-related power consumption; a big win for DUG's bottom line. On top of these savings, DUG procures renewable energy offsets for all the power consumed by the Skybox data centre in Houston.

Hardware immersed in DUG Cool also lasts longer as the electrical components are not exposed to air, so there is no risk of oxidation, or dust, and there are no hotspots across the server. The company continues to explore methods to lower its environmental impact while maintaining a focus on delivering quality and value to its clients.

^1: https://www.statista.com/statistics/1229367/data-center-average-annual-pue-worldwide/

OPERATING RESULTS

	FY 24 US$ '000	FY 23 US '000	% change
Revenue	65,501	50,948	29%
Other income	2,815	2,520	12%
Total income	**68,316**	**53,468**	**28%**
Employee benefits	(30,377)	(27,855)	(9%)
Other expenses	(21,329)	(10,543)	(102%)
EBITDA[1]	**16,610**	**15,070**	**10%**
EBITDA[1] margin	25%	30%	(5%)
Underlying EBITDA[1,2]	**23,179**	**15,070**	**54%**
Underlying EBITDA[1,2] margin	34%	30%	4%
Depreciation and amortisation	(7,301)	(6,425)	(14%)
EBIT[1]	**9,309**	**8,645**	**8%**
Finance expense	(1,311)	(1,189)	(10%)
Profit before tax	**7,998**	**7,456**	**7%**
Tax expense	(4,674)	(2,515)	(86%)
Profit after tax	**3,324**	**4,941**	**(33%)**

[1] These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information.
[2] Underlying EBITDA is EBITDA excluding non-recurring costs. During the year ended 30 June 2024, non-recurring costs of $6.569 million were incurred for third party compute.

Other income primarily comprises R&D concessions, which were consistent to FY23. In FY24, the Group also recorded insurance claim proceeds related to February 2021 Polar Vortex in Houston of $0.242 million.

The Group revenue grew by 29%, whilst employee benefits and other expenses increased by 9% and 102% respectively. This operating leverage enabled EBITDA[1] to increase by 10% to $16.610 million, resulting in an EBITDA[1] margin of 25% for FY24.

Other expenses increased by 102% from FY23 mainly due to $6.569 million of third-party compute costs. Additional compute was necessary whilst compute upgrades were delivered and commissioned. The compute upgrade effectively quadruples the Group's effective compute capacity. The upgrade included the addition of new compute as well as a RAM upgrade to existing computers. Excluding the cost of third-party compute, underlying EBITDA[2] was $23.179 million, lifting the underlying EBITDA[2] margin to 34%.

Depreciation and amortisation charges for the year increased following the expansion of DUG's datacenter at Skybox in Houston, which saw additional infrastructure and compute commissioned during the year.

Finance costs increased due to additional asset financing during the year. Included in finance costs is interest on lease liabilities of $1.199 million.

The Group's tax expense is predominantly incurred in Australia with R&D tax concessions received offsetting cash tax liabilities.

Profit after tax of $3.324 million has decreased by $1.617 million (33%) from FY23 following significant third-party compute costs.

FINANCIAL POSITION

During the year, the Group improved its net asset position to $30.021 million at 30 June 2024 from $20.914 million, having recorded $3.324 million in net profit after tax and received $4.974 million from employee loan funded share repayments.

Net current liabilities at 30 June 2024 of $1.680 million was a decline on the prior year of net current asset of $3.342 million. This decline is due to an increase in current debt from the additional asset financing during the year.

Gross debt (excluding lease liabilities) was $1.156 million at 30 June 2024 in comparison to $2.756 million at 30 June 2023 following repayments made for CBA term debt facilities.

Net debt position at 30 June 2024 was $14.541[3] million compared with a net cash position of $5.231 million at 30 June 2023; largely due to compute purchased through asset financing during the year.

[1] These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information.
[2] Underlying EBITDA is EBITDA excluding non-recurring costs. During the year ended 30 June 2024, non-recurring costs of $6.569 million were incurred for third party compute.
[3] Excluding lease liabilities for properties and global networks.

CASH FLOWS

Net cash flows generated from operating activities totalled $12.113 million for the year (FY23: Cash flows of $13.399 million). Cash from operating activities was $4.497 million lower than EBITDA[1], mainly due to non-cash government grants of $2.558 million, share based payments and remuneration accruals of $2.158 million. Excluding the cost of third party compute costs, underlying operating cashflow was $16.816 million.

Net cash flows invested into plant and equipment and intangible assets increased from the corresponding period to $31.319 million for assets purchased to support DUG's increased compute requirement to support growth in the Services business. On the 2 August 2023 a cash Capital Grant of $0.913 million was received from the Australian Government for the Geraldton HPC Campus. This is disclosed in the contract liabilities note 12.

Net cash flows from financing activities totalled $19.840 million which included inflows from new asset financing of $24.354 million, employee loan funded share repayment of $4.974 million and lease repayments of $6.131 million.

Cash on hand at 30 June 2024 was $9.385 million.

[1] These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information.

Risk Management

DUG's risk management processes support the Group and its management to identify, manage, and appropriately mitigate risks to the business. This is essential to operating a resilient and growing global business.

Overseen by the Audit and Risk Committee, and the Board, our risk management processes identify and understand the uncertainties we face and help devise strategies to mitigate them if they are deemed a risk to achieving our strategic objectives.

As we navigate the ever-evolving business landscape, our commitment to effective risk management, transparency, and compliance remains steadfast. We extend our gratitude to our shareholders for their unwavering support and trust. We are mitigating potential pitfalls and positioning ourselves to seize opportunities that drive our growth and sustainability.

We are confident in our ability to navigate challenges and capitalise on opportunities now and in the future. Our innovative solutions, strategic partnerships, and committed workforce provide a strong foundation for sustainable growth.

Key risks faced by DUG include the following:

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. Cyber threats and data breaches are constant risks in today's digital landscape. 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.

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.

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.

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.

New Technologies

Research and development is a key focus for DUG with significant annual investment made in researching new technologies, developing them for market, and continuing to optimise existing solutions. In an ever-evolving industry, market volatility and intensifying competition pose significant challenges. Rapid advancements in technology and changing customer preferences can impact demand for our products and services. To mitigate these risks, DUG monitors market trends, and fosters a culture of innovation to enable our solutions to remain at the forefront of the industry.

Intellectual Property

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

Environmental Sustainability and Energy Efficiency

In an era of heightened environmental awareness, DUG recognises the importance of integrating sustainability into global operations. By proactively addressing environmental impact, DUG aims to mitigate regulatory risks, reduce costs, and enhance brand reputation. Work has commenced to be able to accurately track environmental impact to understand better environmental sustainability.

Through energy efficient HPC, DUG is excited to be able to contribute to the reduction in the environmental impact of customers and embrace the opportunities to help organisations, Governments, and businesses to adopt a more environmentally conscious approach to HPC.

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.

Directors' Report

The Directors hereby present their report together with the consolidated financial statements of the Group comprising of DUG Technology Ltd (DUG, or the Company), and its subsidiaries for the year ended 30 June 2024 and the auditor's report thereon. The use of the words Company and Group are interchangeable for the purposes of this report.

DIRECTORS

The Directors of the Company at any time during or since the year ended 30 June 2024 are set out below. Directors were in office for the entire period unless otherwise stated.

Mr Francesco (Frank) Sciarrone BCom

INDEPENDENT NON-EXECUTIVE CHAIRMAN (APPOINTED AS DIRECTOR JULY 2015, NON-EXECUTIVE CHAIRMAN FROM 1 SEPTEMBER 2022)

Over the past 36 years Mr Sciarrone has held senior management positions in the banking, funds management and investment advisory industries.

OTHER CURRENT DIRECTORSHIPS

Executive Chairman of Vantage Wealth Management Pty Ltd (since April 2008)

FORMER DIRECTORSHIPS

Chairman of 12 Buckets Inc (resigned October 2021)
Chairman of Fire and Emergency Services Superannuation Board (retired August 2022) and prior Chair of Audit and Risk and Investment Committees
Director of Government Employees Superannuation Board and Chair of the Audit and Risk and Investment Committees (resigned September 2022)
Director of Biovision Pty Ltd and Biovision 2020 Holdings Pty Ltd (resigned April 2024)

SPECIAL RESPONSIBILITIES

Member of the Audit and Risk Committee
Chair of the Remuneration and Nomination Committee

Dr Matthew Lamont PhD

MANAGING DIRECTOR

Co-founder and Managing Director, Dr Lamont sets the Company's strategic direction. He remains intimately involved in its research and development. Prior to founding DUG, Dr Lamont held technical positions at Woodside in Perth and BHP Billiton in Houston. He is an Adjunct Associate Professor at Curtin University.

Ms Louise Bower HBCompt, CA
INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms Bower is a chartered accountant with over 26 years' experience. Ms Bower was the Company's CFO between 2009 and 2021, over three years prior. Ms Bower was responsible for global commercial operations including financial planning, management of financial risks and governance. Prior to joining DUG, Ms Bower held financial roles in different industry sectors and jurisdictions, including South Africa and the United Kingdom.

OTHER CURRENT DIRECTORSHIPS

Non-Executive Director and Audit and Risk Committee Chair of Babylon Pump & Power Ltd (ASX:BPP) (since November 2021)
Non-Executive Director and Audit Committee Chair and Member of the Remuneration Committee of Lycopodium Ltd (ASX:LYL) (since August 2022)

SPECIAL RESPONSIBILITIES

Member of the Audit and Risk Committee
Member of the Remuneration & Nomination Committee

Mr Mark Puzey FCA, FAICD, CGEIT
INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Puzey was with global accounting firm KPMG for 33 years. During this time he held roles in internal and external audit, IT advisory, risk management, governance, strategy and business transformation; focused on ASX listed companies. Mr Puzey was the Asia Pacific IT governance and strategy service line leader, primary partner in Australia providing IT service organisation audit opinions and national leader of product heads (IT advisory).

OTHER CURRENT DIRECTORSHIPS

Deputy Chair and Audit & Risk Management Chair of Horizon Power (since December 2021)
Non-Executive Director and Audit & Risk Committee Chair of Sircel Ltd (formerly E3Sixty Ltd) (since May 2020)

FORMER DIRECTORSHIPS

Chairman and Non-Executive Director of M8 Sustainable Ltd (ASX:M8S) (resigned December 2022)

SPECIAL RESPONSIBILITIES

Chair of the Audit and Risk Committee
Member of the Remuneration and Nomination Committee

Interests in the shares of the Company and related bodies corporate

As at the date of this report, the direct and indirect interests of the directors in the shares of DUG were:

	Number of Ordinary Shares	Issued under Loan Funded Share Plan	Total Shares
Matthew Lamont	21,127,082	413,572	21,540,654
Frank Sciarrone	670,000	-	670,000
Louise Bower	50,027	1,034,329	1,084,356
Mark Puzey	121,667	-	121,667

COMPANY SECRETARY

Ms Jacqueline Barry CertGovPrac, GIA (Affiliated)

Ms Barry has over 16 years' experience in company secretarial and corporate governance roles. Before joining DUG, Ms Barry was joint Company Secretary of Magnum Mining and Exploration Ltd (ASX:MGU) and also held assistant company secretarial positions for a number of resources companies listed on ASX and AIM.

PRINCIPAL ACTIVITIES

DUG is an ASX-listed technology company, headquartered in Australia, that specialises in analytical software development, big-data services and reliable, low cost, 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 has licenced its patented IP for immersion cooling technology.

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 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 supercomputers on Earth. The company continues to invest and innovate at the forefront of software and HPC.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

REVIEW OF OPERATIONS

A review of and information about the operations of the Group during FY24 is contained in pages 8 to 11, which form part of this Director's Report.

DIVIDENDS

No dividends were paid or declared during the year ended 30 June 2024 and up to the date of signing this report (year ended 30 June 2023: nil).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operations of the Group in future financial years and the expected results of those operations have been included generally within the annual report.

EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the result of those operations, or the Group's state of affairs in future financial years.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

  Premiums paid are not disclosed because disclosure is prohibited by the insurance contract.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Consolidated Financial Statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Board		Audit and Risk Committee		Remuneration and Nomination Committee	
	Eligible to Attend[1]	Attended[2]	Eligible to Attend[1]	Attended[2]	Eligible to Attend[1]	Attended[2]
Frank Sciarrone	6	6	3	3	2	2
Matthew Lamont	6	6	-	-	-	-
Louise Bower	6	6	3	3	2	2
Mark Puzey	6	6	3	3	2	2

1. No. of meetings held while the director was a member of the board / committee.
2. No. of meetings attended.

Committee membership

Members of the Company's Audit and Risk Committee (ARC) and Remuneration and Nomination Committee (RNC) during the year were:

ARC	RNC
Mark Puzey- Chair	Frank Sciarrone- Chair
Frank Sciarrone	Mark Puzey
Louise Bower	Louise Bower

AUDITOR’S INDEPENDENCE DECLARATION

The Lead auditor’s independence declaration is set out on page 28 and forms part of the Directors’ Report for the Financial Statements for the year ended 30 June 2024.

NON-AUDIT SERVICES

No non-audit services were provided by the entity’s auditor Grant Thornton Audit Pty Ltd during the year ended 30 June 2024.

REMUNERATION REPORT

The Remuneration Report is set out on pages 20 to 27 and forms part of this Directors’ Report.

Dated at Perth on 22 August 2024.

Signed in accordance with a resolution of the Directors.

Mark Puzey
DIRECTOR

Remuneration Report (Audited)

PERSONS ADDRESSED AND SCOPE OF THE REMUNERATION REPORT

This remuneration report (the Report) forms part of the Directors' Report for the year ended 30 June 2024 and has been audited in accordance with section 300A of the Corporations Act 2001. The Report has been prepared in accordance with the Corporations Act, applicable regulations and the Company's policies regarding key management personnel (KMP) remuneration governance.

KMP are the non-executive directors (NEDs), executive directors and senior executive employees who have authority and responsibility for planning, directing and controlling the activities of the Company and Group. On that basis, the following roles/individuals are addressed in this report:

Name	Position	Term as KMP
Non-Executive Directors:		
Frank Sciarrone	NED, Chairman, Chair of RNC, ARC member	Full financial year
Louise Bower	NED, ARC member, RNC member	Full financial year
Mark Puzey	NED, Chair of ARC, RNC member	Full financial year
Executive Directors and other Senior Executives:		
Matthew Lamont	Managing Director	Full financial year
Ajesh Raithatha	Chief Financial Officer	Appointed 6th November 2023
Sam Cruickshank	Chief Financial Officer	Resigned 31st December 2023

EXECUTIVE REMUNERATION POLICIES AND STRUCTURES

DUG rewards its executives with a level and mix of remuneration appropriate to their position, responsibility and performance, in a way that aligns with the business strategy and the creation of value for shareholders.

The executive remuneration has three components, fixed remuneration including superannuation, and variable remuneration consisting of short-term bonus and long-term incentive through equity.

HOW REMUNERATION IS GOVERNED

Executive remuneration is reviewed annually with reference to the guiding principles set out in the RNC charter together with market movements.

The RNC is provided with remuneration recommendations as an input into decision making. The RNC considered the recommendations, along with other factors, in making its remuneration decisions.

During the financial year ended 30 June 2024 no remuneration consultants were appointed to assist the RNC. During the prior financial year, The Reward Practice was commissioned, by the RNC, to provide an executive remuneration benchmarking analysis.

VOTING AT THE AGM

The Company's remuneration report for the financial year ended 30 June 2023 was approved at the 2023 Annual General Meeting with 99.9% votes in favour. The company did not receive any specific feedback at the AGM or throughout the year in relation to its remuneration practices.

PERFORMANCE INDICATORS

	30 June 2024 (US$ '000)	30 June 2023 (US$ '000)	30 June 2022 (US$ '000)	30 June 2021 (US$ '000)	30 June 2020 (US$ '000)
Revenue	65,501	50,948	33,752	38,450	45,337
Total income	68,316	53,468	37,603	37,515	49,667
Earnings before interest, tax, depreciation and amortisation (EBITDA[1])	16,610	15,070	2,813	(1,730)	9,564
Underlying EBITDA[1,2]	23,179	15,070	2,749	1,501	8,839
Net profit / (loss) after tax	3,324	4,941	(9,332)	(15,860)	(11,662)
Basic earnings / (loss) per share (cents)	2.34	4.24	(8.07)	(16.58)	(18.51)
Dividends per share (cents)	-	-	-	-	-
Share price at start of year (A$)	1.17	0.47	1.34	N/A	N/A
Share price at end of year (A$)	2.76	1.17	0.47	1.34	N/A

[1] These items are categorised as non-IFRS information prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information.

[2] Underlying EBITDA is EBITDA excluding non-recurring costs. During the year ended 30 June 2024, non-recurring costs of $6.569 million were incurred for third party compute.

EMPLOYMENT TERMS FOR KMPs

The remuneration and other terms of employment for executive KMPs are covered in formal employment contracts of an ongoing nature. Details of remuneration and employment arrangements for KMPs at 30 June 2024 are as follows:

Matthew Lamont - Managing Director

Term	Description
Remuneration and other benefits	Under the terms of his employment contract, Dr Lamont is entitled to receive annual fixed remuneration of A$490,800 gross (exclusive of superannuation). Dr Lamont is also entitled to a vehicle up to a lease value of A$3,200 per month after tax (convertible to salary at employee's discretion). From 1 July 2023, Short-Term Incentives are payable up to 50% of Total Fixed Remuneration and Long-Term Incentives are payable up to 50% of Total Fixed Remuneration.
Termination and notice periods	Employment may be terminated by either party giving six months' notice. No additional payments are made on termination.
Restraints	For six months following termination of employment, Dr Lamont cannot solicit or work for any client of DUG, nor solicit any employee of DUG.

Ajesh Raithatha - Chief Financial Officer (Appointed 6th November 2023)

Term	Description
Remuneration and other benefits	Under the terms of his employment contract, Mr Raithatha is entitled to receive annual fixed remuneration of A$400,000 gross (exclusive of superannuation) and a sign on bonus of A$90,000. From 6th November 2023, Short-Term Incentives are payable up to 30% of Total Fixed Remuneration and Long-Term Incentives are payable up to 30% of Total Fixed Remuneration.
Termination and notice periods	Employment may be terminated by either party giving three months' notice. Should the employment be terminated by the Company within five years of his commencement, Mr Raithatha will be entitled to an additional three months of gross salary as a termination benefit.
Restraints	During the term of his employment, Mr Raithatha cannot have an interest in any business that competes with DUG.

Sam Cruickshank - Chief Financial Officer (Left 31st December 2023)

Term	Description
Remuneration and other benefits	Under the terms of his employment contract, Mr Cruickshank is entitled to receive annual fixed remuneration of A$330,000 gross (exclusive of superannuation). From 1 July 2023, Short-Term Incentives are payable up to 40% of Total Fixed Remuneration and Long-Term Incentives are payable up to 40% of Total Fixed Remuneration. The Board determined that on departure, Mr Cruickshank be entitled to retain 248,641 ZEPOs granted to him on 13 July 2022 and that they will remain subject to the initial vesting conditions.

Short-Term Compensation

The Company operates a Short-Term Incentive Plan to:

- Reward eligible participants for their contribution in ensuring that DUG achieves its annual performance targets;
- Enhance DUG's opportunity to attract, motivate and retain high calibre and high performing executives; and
- Link part of executive remuneration directly with the achievement of DUG and individual key performance indicators (KPIs).

The Board has absolute discretion to determine the eligible participants for the Short-Term Incentive Plan. Participants who resign or are terminated during a plan year are not eligible for any payments. All payments under the Short-Term Incentive Plan will be paid in cash.

The Board determined the award of payments under the Short-Term Incentive Plan for the year ended 30 June 2024 based on the below performance hurdles:

STI Performance Hurdles

Performance Hurdle	Weighting
Budget EBITDA	25%
Budget Revenue	25%
Individual Performance	50%
Total	**100%**

Performance Hurdle	Pay out 50%	Pay out 100%	Pay out 150%
Revenue Growth	10%	25.5%	40%
EBITDA	18%	31%	50%

Long-Term Compensation

The Board also operates a Long-Term Incentive Plan to reward DUG's employees by issuing equity incentives. The Long-Term Incentive Plan is designed to align the interests of eligible participants with shareholders through the sharing of personal interest in the future growth and development of DUG and to provide a means of attracting and retaining skilled and experienced eligible participants.

Zero-priced options

The following ZEPOs were issued during the financial year ended 30 June 2024:

Name	Number	Grant Date	Vesting Date and exercise date	Expiry Date	Exercise Price A$	Fair Value per ZEPO at grant date A$
Matthew Lamont	256,941*	23 Nov 2023	30 Jun 2026	30 Jun 2038	0.00	$1.25
Ajesh Raithatha	50,280**	6 Nov 2023	31 Oct 2026	30 Jun 2038	0.00	$1.73
Ajesh Raithatha	74,370*	23 Nov 2023	30 Jun 2026	30 Jun 2038	0.00	$1.25

* Options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2026 and are subject to a share price hurdle- where all options vest if the 1 Month VWAP to 30 Jun 2026 is A$3.30 or higher. 65% of the options will vest if the 1 Month VWAP to 30 June 2026 is equal to A$2.60 or higher with prorata vesting of options between those hurdles. 35% of the options vest if the 1 Month VWAP to 30 June 2026 is equal to A$2.00 or higher with prorate vesting of options between those hurdles.

** Options will vest if the holder remains continuously employed or engaged with the Group at all times to 31 October 2026 or terminated earlier by the Company.

The following ZEPOs were issued during the financial year ended 30th June 2023:

Name	Number	Grant Date	Vesting Date and exercise date	Expiry Date	Exercise Price A$	Fair Value per ZEPO at grant date A$
Matthew Lamont	381,352	21 Dec 2022	30 Jun 2025	30 Jun 2037	0.00	$0.128

Options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2025 and are subject to a share price hurdle- where all options vest if the 1 Month VWAP to 30 Jun 2025 is A$2.50 or higher. 50% of the options will vest if the 1 Month VWAP to 30 June 2025 is equal to A$1.00 or higher with prorata vesting of options between those hurdles.

NED POLICY COMPENSATION

DUG's NED fee policy is designed to attract and retain high-calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity. The RNC reviews NED remuneration annually against comparable companies. The Board also considers advice from external advisors when undertaking the review process. NED fees consist of a base fee and committee fees. The committee fee recognises the additional time commitment required by NEDs who serve on Board committees.

The tables below summarise Board and Committee fees payable to NEDs (inclusive of superannuation) for the year ended 30 June 2024:

Base Fees	A$
Chairperson	$120,000 (inc Committee Fees)
Non-Executive Director	$75,000

Committees Fees	Chairperson (A$)	Member (A$)
Audit and Risk	$20,000	$5,000
Remuneration and Nomination	- (Chair of the RNC is also Chair of the Board)	$5,000 (if not serving on any other Board Committee)

NED fees are determined within an aggregate NED fee pool limit which is periodically approved by shareholders. The maximum aggregate amount that may be paid to NEDs for their services is A$600,000 per annum. The Board will not seek an increase to the aggregate NED fee pool limit at the 2024 AGM.

STATUTORY AND SHARE-BASED REPORTING

Reporting currency

In this report, remuneration has been presented in US dollars, unless otherwise stated. This is consistent with the functional and presentation currency of the Company.

Compensation for all KMPs is paid in Australian dollars and, for reporting purposes, converted to US dollars based on the applicable exchange rate at the date of payment.

Executive KMP remuneration for the years ended 30 June 2024 and 30 June 2023

	Year	Short-Term Benefits			Post-employment Benefits	Long-term Benefits		Total Remuneration	Total Remuneration	Performance Related
		Salary & Fees	Cash Bonus	Other[1]	Super-annuation	Employee Entitlements	Share-based Payments			
		US$	US$	US$	US$	US$	US$	US$	A$	%
Matthew Lamont	**2024**	**321,744**	**235,282**	**65,856**	**17,948**	**6,881**	**61,374**	**709,085**	**1,076,266**	**42%**
	2023	330,426	158,084	94,212	16,044	22,857	10,261	631,884	939,550	27%
Sam Cruickshank[2]	**2024**	**121,676**	**-**	**-**	**8,929**	**-**	**26,616**	**157,221**	**222,523**	**17%**
	2023	208,687	104,000	11,888	16,947	-	7,465	348,987	520,701	32%
Ajesh Raithatha[3]	**2024**	**136,597**	**83,419**	**12,380**	**13,453**	**-**	**28,367**	**274,216**	**414,531**	**14%**
	2023	-	-	-	-	-	-	-	-	-
Total	**2024**	**580,017**	**318,701**	**78,236**	**40,330**	**6,881**	**116,357**	**1,140,522**	**1,713,320**	**31%**
	2023	539,113	262,084	106,100	32,991	22,857	17,726	980,871	1,460,251	29%

1. Includes motor vehicle benefits and changes in accrued annual leave.
2. Mr Cruickshank ceased to be a KMP on 31st December 2023.
3. Mr Raithatha commenced as a KMP on appointment as Chief Financial Officer on 6 November 2023. Cash bonus includes a sign on bonus of $A90,000 ($US 58,651) and A$37,307 (US$24,768) from the FY24 STI programme.

NED remuneration for the years ended 30 June 2024 and 30 June 2023

	Year	Short-Term Benefits Board and Committee Fees US$	Post-employment Benefits Superannuation US$	Long-term Benefits Share-based payments US$[1]	Total Remuneration US$	Total Remuneration A$
Frank Sciarrone	**2024**	**70,870**	**7,796**	**-**	**78,666**	**120,000**
	2023	68,944	7,239	-	76,183	113,333
Louise Bower	**2024**	**47,247**	**5,197**	**-**	**52,444**	**80,000**
	2023	48,741	5,118	1,791	55,650	82,660
Mark Puzey	**2024**	**56,106**	**6,172**	**-**	**62,278**	**95,000**
	2023	57,880	6,077	-	63,957	95,000
Wayne Martin[2]	**2024**	**-**	**-**	**-**	**-**	**-**
	2023	12,505	1,313	-	13,818	20,000
Total	**2024**	**174,223**	**19,165**	**-**	**193,388**	**295,000**
	2023	188,070	19,747	1,791	209,608	310,993

1. Share-based payments for Non-Executive Directors relate to a tranche of the loan funded share plan issued to Ms Bower on 3 July 2020 that the Board resolved to continue over the vesting period to 30 June 2023 upon Ms Bower's transition as a Non-Executive Director.
2. Mr Martin retired on 1 September 2022.

Shares awarded, vested and lapsed during the year

The table below discloses the number of shares granted, vested or lapsed during the year under the Company's loan-funded share plans (LFSP).

	Year	Opening Balance	Shares Awarded				Lapsed & not Vested	Loan repayments		Closing Balance	Vested & Exercisable
			Shares Awarded	Award Date	Vesting Date	Issue Date		Shares sold to repay loans	Shares converted ordinary shares		
Matthew Lamont	**2024**	**576,457**	**-**	**N/A**	**N/A**	**N/A**	**27,950**	**-**	**162,885**	**385,622**	**376,305**
	2023	576,457	-	N/A	N/A	N/A	-	-	-	576,457	539,190
Louise Bower	**2024**	**1,124,821**	**-**	**N/A**	**N/A**	**N/A**	**18,792**	**40,465**	**50,027**	**1,015,537**	**1,009,273**
	2023	1,124,821	-	N/A	N/A	N/A	-	-	-	1,124,821	1,099,765
Total	**2024**	**1,701,278**	**-**				**46,742**	**40,465**	**212,912**	**1,401,159**	**1,385,578**
	2023	1,701,278	-				-	-	-	1,701,278	1,638,955

All shares held at 30 June 2020 were fully vested on the admission of the Company to the ASX on 10 August 2020.

During the financial year ended 30 June 2021, shares were awarded under the Long-Term Incentive Plan (LTIP). This award was split into two sub-tranches with one half being an EPS target measurable on the 30 June 2023 results with all shares vesting at a growth exceeding 250% from 30 June 2020, the second half is a total shareholder return hurdle with an increase of 325% leading to all shares in this tranche vesting at 30 June 2023. The fair value of shares awarded under the LTIP was calculated at $0.122 per share for the TSR shares and $0.515 for the EPS shares using the Monte Carlo method, with a share price of $1.35, a volatility of 40%, a risk-free rate of 0.29 %, a dividend yield of 0% and an expected life of 6 years. These awards were tested based on EPS and TSR outcomes with 25% awards vesting at the discretion of the independent Board members. The remaining 75% of the 30 June 2021 LTIP shares, which did not vest will be sold with proceeds used to pay the outstanding LFSP loans in FY25.

Options

The table below shows a reconciliation of zero-priced options held by each KMP from the beginning to the end of FY24.

Name	Balance at start of the year	Granted as compensation	Exercised	Other Changes	Balance at the end of the year unvested
Matthew Lamont	381,352	256,941	-	-	638,293
Ajesh Raithatha[2]	-	124,650	-	-	124,650
Sam Cruickshank[1]	248,641	-	-	(248,641)	-
Total	**629,993**	**381,591**	**-**	**(248,641)**	**762,943**

1. Mr Cruickshank ceased to be a KMP on 31st December 2023.
2. Mr Raithatha commenced as a KMP on appointment as Chief Financial Officer on 6 November 2023

Shareholdings of KMPs

	Balance 1 July 2023	Granted as Remuneration under Loan Share Plan	Other Acquisitions	Divested	Balance 30 June 2024
NEDs					
Frank Sciarrone	600,000	-	70,000	-	670,000
Louise Bower	1,389,672	-	-	305,316	1,084,356
Mark Puzey	121,667	-	-	-	121,667
Executives					
Matthew Lamont	24,040,654	-	-	2,500,000	21,540,654
Ajesh Raithatha[2]	-	-	15,000	-	15,000
Sam Cruickshank[1]	-	-	-	-	-
Total	**26,151,993**	**-**	**85,000**	**2,805,316**	**23,431,677**

1. Mr Cruickshank ceased to be a KMP on 31st December 2023.
2. Mr Raithatha commenced as a KMP on appointment as Chief Financial Officer on 6 November 2023

End of remuneration report

Grant Thornton Audit Pty Ltd
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Auditor's Independence Declaration

To the Directors of DUG Technology Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of DUG Technology Ltd for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 22 August 2024

www.grantthornton.com.au
ACN-130 913 594

FINANCIAL STATEMENTS

All financial numbers are expressed in US Dollars unless otherwise stated

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	30 June 2024 US$ '000	30 June 2023 US$ '000
Income			
Revenue from contracts with customers	2	65,501	50,948
Other income	3	2,815	2,520
Total Income		**68,316**	**53,468**
Expenses			
Depreciation and amortisation		(7,301)	(6,425)
Employee benefits	4	(30,377)	(27,855)
Other expenses	5	(21,329)	(10,543)
Operating Profit		**9,309**	**8,645**
Finance expense	7	(1,311)	(1,189)
Net finance expense		**(1,311)**	**(1,189)**
Profit before tax		**7,998**	**7,456**
Tax expense	8	(4,674)	(2,515)
Profit for the year		**3,324**	**4,941**
Attributable to:			
Equity holders of the parent		2,769	5,005
Non-controlling interest		555	(64)
Total Comprehensive Income		**3,324**	**4,941**
Profit per share			
Basic profit per share (cents per share)	9	2.34	4.24
Diluted profit per share (cents per share)	9	2.27	4.14

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	30 June 2024 US$ '000	30 June 2023 US$ '000
ASSETS			
Current assets			
Cash and cash equivalents	10	9,385	7,987
Trade and other receivables	11	9,270	6,558
Prepayments		734	692
Contract assets	12	4,276	2,622
Income tax receivable		-	283
Other assets	17	151	274
Total current assets		**23,816**	**18,416**
Non-current assets			
Property, plant and equipment	14	44,011	17,786
Right of use asset	15	8,527	10,104
Intangible assets	16	559	551
Deferred tax asset	8	766	-
Other assets	17	2,411	212
Total non-current assets		**56,274**	**28,653**
Total assets		**80,090**	**47,069**
LIABILITIES			
Current liabilities			
Trade and other payables	18	7,645	6,498
Loans and borrowings	19	1,115	2,756
Contract liabilities	12	2,167	1,572
Current tax liabilities	13	2,438	-
Lease liabilities	20	9,452	1,811
Provisions	21	2,678	2,437
Total current liabilities		**25,495**	**15,074**
Non-current liabilities			
Loans and borrowings	19	41	-
Lease liabilities	20	24,439	10,949
Provisions	21	94	132
Total non-current liabilities		**24,574**	**11,081**
Total liabilities		**50,069**	**26,155**
NET ASSETS		**30,021**	**20,914**
EQUITY			
Share capital	22	55,362	50,381
Reserves	22	(1,221)	(2,023)
Accumulated losses		(24,120)	(27,444)
TOTAL EQUITY		**30,021**	**20,914**
Equity attributable to equity holders of parent		29,550	20,998
Non-controlling interest		471	(84)
TOTAL EQUITY		**30,021**	**20,914**

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the accompanying Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Share Capital US$ '000	Translation Reserve US$ '000	Share-based Payment reserve (Note 22(b)) US$ '000	Retained Earnings/ (Accumulated Losses) US$ '000	Total US$ '000	Non-controlling Interests US$ '000	Total Equity US$ '000
Balance at 30 June 2023 reported	**50,381**	**(2,177)**	**154**	**(27,360)**	**20,998**	**(84)**	**20,914**
Profit for the year ended 30 June 2024	-	-	-	2,769	2,769	555	3,324
Total comprehensive income for the year	-	-	-	2,769	2,769	555	3,324
TRANSACTIONS WITH EQUITY HOLDERS							
Share based payments	7	-	802	-	809	-	809
Repayment of Loan funded Shares	4,974	-	-	-	4,974	-	4,974
Total transactions with equity holders	4,981	-	802	-	5,783	-	5,783
Balance at 30 June 2024	55,362	(2,177)	956	(24,591)	29,550	471	30,021
Balance at 30 June 2022 reported	50,381	(2,177)	25	(34,281)	13,948	(62)	13,886
Restatement	-	-	-	1,916	1,916	42	1,958
Balance at 1 July 2022 restated	50,381	(2,177)	25	(32,365)	15,864	(20)	15,844
Profit for the year ended 30 June 2023	-	-	-	5,005	5,005	(64)	4,941
Total comprehensive income for the year	-	-	-	5,005	5,005	(64)	4,941
TRANSACTIONS WITH EQUITY HOLDERS							
Share based payments	-	-	129	-	129	-	129
Total transactions with equity holders	-	-	129	-	129	-	129
Balance at 30 June 2023	50,381	(2,177)	154	(27,360)	20,998	(84)	20,914

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the accompanying Consolidated Financial Statements.

Consolidated Statement of Cashflows

For the year ended 30 June 2024

	Note	30 June 2024 US$ '000	30 June 2023 US$ '000
CASHFLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		59,539	46,584
Cash paid to suppliers		(17,821)	(8,476)
Cash paid to employees		(29,431)	(24,779)
Income tax paid		(174)	(145)
Income tax refunded		-	215
Net cash flows from operating activities	30	**12,113**	**13,399**
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(31,206)	(2,970)
Acquisition of intangible assets		(113)	(110)
Capital grant income received		913	-
Proceeds from disposal of property, plant and equipment		-	72
Net cash used in investing activities		**(30,406)**	**(3,008)**
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings & asset leases		24,354	797
Proceeds from repayment of Loan Funded Shares		4,974	-
Costs relating to borrowings		(117)	-
Repayment of borrowings		(1,825)	(2,554)
Payment of principal portion of lease liabilities		(6,131)	(1,913)
Interest paid – Lease liabilities		(1,199)	(844)
Interest paid – Debt		(216)	(345)
Net cash from / (used) in financing activities		**19,840**	**(4,859)**
Net increase in cash and cash equivalents		1,547	5,532
Cash and cash equivalents at the beginning of the year		7,987	2,656
Effect of changes in foreign currency		(149)	(201)
Cash and cash equivalents at the end of the year	10	**9,385**	**7,987**

The Consolidated Statement of Cashflows is to be read in conjunction with the Notes to the accompanying Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1. SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on its products and services and has three reportable segments as follows:

1. The HPCaaS segment, allows clients to connect to the Group's HPC and storage in a complete HPC environment. The Group's supercomputers, located in three global locations, provide substantial compute and storage capabilities. DUG also provides software and algorithm support and development to enable a client to successfully operate on DUG's HPC.
2. The Services segment, provides clients with two types of services:
    - Data loading, quality control and management, and
    - Scientific data analysis.
3. The Software segment, has two main products:
    - DUG Insight – A modern, intuitive and interactive software package for scientific processing and visualisation, and
    - DUG Cluster Software – high end algorithms for the processing of scientific data on large HPC installations.

DUG Cloud is a collaborative cloud platform that enables clients to mix and match the three product offerings with their own codes and expertise, to suit their needs and desired outcomes.

The Group monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. The Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments. No operating segments have been aggregated to form the above reportable segments.

The Services segment is a significant user of compute and software and is therefore charged by the HPCaaS and Software segments for their use. This results in inter-segment revenue reported in the HPCaaS and Software segments with the corresponding costs recorded in other expenses in the Services segment. These inter-segment values eliminate on consolidation. Over time, internal charges made from the HPCaaS and Software segments to the Services segment change based on commercial discussions between the segments to enable fair market value pricing.

Operating segments

30 June 2024	HPCaaS US$ '000	Services US$ '000	Software US$ '000	Total Segments US$ '000	Elimination US$ '000	Consolidated US$ '000
Income						
Revenue from contracts with external customers	3,367	54,745	7,389	65,501	-	65,501
Inter-segment	17,011	-	2,023	19,034	(19,034)	-
Other income	618	8	2,189	2,815	-	2,815
Total income	**20,996**	**54,753**	**11,601**	**87,350**	**(19,034)**	**68,316**
Segment EBITDA	**6,722**	**4,095**	**5,793**	**16,610**	**-**	**16,610**
Segment assets	**49,529**	**13,859**	**6,551**	**69,939**	**-**	**69,939**
Segment liabilities	**34,891**	**8,126**	**3,614**	**46,631**	**-**	**46,631**

30 June 2023	HPCaaS US$ '000	Services US$ '000	Software US$ '000	Total Segments US$ '000	Elimination US$ '000	Consolidated US$ '000
Income						
Revenue from contracts with external customers	4,004	40,298	6,646	50,948	-	50,948
Inter-segment	10,299	-	1,896	12,195	(12,195)	-
Other Income	232	146	2,142	2,520	-	2,520
Total income	**14,535**	**40,444**	**10,684**	**65,663**	**(12,195)**	**53,468**
Segment EBITDA	**4,406**	**6,266**	**4,398**	**15,070**	**-**	**15,070**
Segment assets	**25,145**	**11,412**	**2,242**	**38,799**	**-**	**38,799**
Segment liabilities	**11,956**	**9,355**	**2,344**	**23,655**	**-**	**23,655**

	30 June 2024 US$ '000	30 June 2023 US$ '000
Reconciliation of assets		
Segment assets	69,939	38,799
Cash and cash equivalents	9,385	7,987
Income tax receivable	-	283
Deferred tax asset	766	-
Total assets	**80,090**	**47,069**
Reconciliation of liabilities		
Segment liabilities	46,631	23,655
Loans and borrowings	1,000	2,500
Current tax liabilities	2,438	-
Total liabilities	**50,069**	**26,155**

	30 June 2024 US$ '000	30 June 2023 US$ '000
Reconciliation of profit / (loss)		
Segment EBITDA	16,610	15,070
Depreciation and amortisation	(7,301)	(6,425)
Finance expense	(1,311)	(1,189)
Profit before tax	**7,998**	**7,456**

Geographic segments

	30 June 2024 US$ '000	30 June 2023 US$ '000
Geographic location of non-current operating assets		
Australia	7,995	3,686
United Kingdom	899	1,163
United States of America	46,166	23,259
Malaysia	1,214	545
Total assets	**56,274**	**28,653**

Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets, intangible assets and bonds / security deposits.

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

	30 June 2024 US$ '000	30 June 2023 US$ '000
Services	54,745	40,298
Software	7,389	6,646
HPCaaS	3,367	4,004
Revenue from contracts with customers	**65,501**	**50,948**
Over time[1]	59,677	45,226
At a point in time[2]	5,824	5,722
Revenue from contracts with customers	**65,501**	**50,948**

1 Relating to the sale of services and HPCaaS, including software licences bundled into HPCaaS contracts.
2 Relating to the sale of software licences excluding those licences bundled into HPCaaS contracts.

Geographic information

	30 June 2024 US$ '000	30 June 2023 US$ '000
Australia	10,995	9,912
United Kingdom	13,387	10,682
United States of America	30,277	25,230
Malaysia	10,842	5,124
Revenue from contracts with customers	**65,501**	**50,948**

Revenue from one customer amounted to $11,315,337 (2023: $11,641,841) arising from sales in the services segment.

Accounting policy

Revenue from contracts with customers is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer gains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. If a contract has multiple performance obligations, the transaction price is allocated to each performance obligation identified in the contract on a relative stand-alone selling price basis. The principles applied for each of the main types of contracts with customers are described in more detail below.

a) HPCaaS revenue

Through the DUG HPC Cloud platform, clients connect to and access DUG's HPCaaS and storage under a contracted, committed or on-demand business model. For these contracts, revenue is recognised when the customers use services based on quantity of services rendered and the contracted transaction prices (agreed rate per node hour for HPC services or an agreed rate for petabytes used for storage). When variable consideration is included in HPCaaS contracts, this is assessed at contract inception and factored in while determining transaction price. This estimate is reassessed and updated periodically.

b) Services revenue

The Group provides services to customers by way of contracts in accordance with customer specifications, which are normally considered one performance obligation. This performance obligation is considered to be satisfied over time because the Group performs the service at the customer specification, the resultant data is owned by the customer and the Group has no alternative right to otherwise use or benefit from the resultant data. The Group recognises contract revenue over time as the services are performed by reference to the Group's progress towards completion of the contract and its entitlement to the compensation under the contract. The measure of progress is determined based on the proportion of services delivered to or consumed by the customer to date compared to the estimated total services to be delivered under the contract (output method). In addition, certain revenue contracts entered by the Group require judgement in the identification and separation of performance obligations and the allocation of revenue to each of the performance obligations. Whilst there is a degree of estimation and judgement applied by management in determining revenue recognised, such estimates and judgements applied are not overly critical to the timing of revenue recognised in the financial statements.

Depending on nature of the contract, progress is measured based on working duration and compute processing. When it is reasonably certain that total contract costs will exceed total contract revenue, the contract is considered onerous and the present obligation under the contract is recognised immediately as a provision. Contract modifications that do not add distinct goods or services are accounted for as a continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Variable consideration is typically constrained and only recognised as revenue to the extent that it is highly probable that a significant reversal in the amount of revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This typically occurs when contracts contain requirements for customers to pay additional fees upon specific future events such as discovery, change of ownership or third-party data access after the data services have already been delivered to the customer. The variable consideration is only recognised when these future events have taken place.

c) Software revenue

Revenue from the sale of software is predominantly in the form of annual licence fees. Where the Group sells software licences for users to install on their own infrastructure, revenue is recorded at a point in time being the commencement of the licence period. Revenue for software licences provided to customers alongside HPCaaS services is recognised on a daily basis over the term of the agreement, as the Group considers that such agreements provide customers with a right to access the Group's software products and as such the performance obligation is fulfilled over the contract term.

d) Associated contract balances

Under AASB 15, the timing of revenue recognition, customer invoicing and cash collections results in the recognition of trade receivables, contract assets and contract liabilities on the Group's Consolidated Statement of Financial Position. The contract liabilities mostly represent non-refundable payments received or receivable in advance from customers for software licences which have not yet commenced and will be recognised in future periods and not a future cash outflow. In the event most of the consideration under the contract is received more than 12 months in advance of satisfying the related performance obligation, a financing factor is accrued and included in the value of the revenue recognised upon satisfying the performance obligation. The Group applies the practical expedient for short-term advances received from customers in that the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between satisfying the performance obligation and the payment is one year or less.

3. OTHER INCOME

	30 June 2024 US$ '000	30 June 2023 US$ '000
Government grant- R&D tax concession	2,558	2,504
Gain on lease remeasurement	-	1
Insurance proceeds	242	-
Government grant- other	15	15
Other income	**2,815**	**2,520**

Accounting policy
Government grants
Government grants that are non-cash research and development (R&D) tax incentives are recognised at their fair value where there is a reasonable assurance that the grant will be approved and the Group will comply with all attached conditions. Non-cash government grants relating to R&D costs are recognised in profit and loss, rather than being recorded as a tax offset in income tax expense, over the period necessary to match them with the costs that they are intended to compensate. Government grants that relate to the purchase of property, plant and equipment and any capitalised development costs are deducted from the cost of the asset and are credited to profit and loss over the expected lives of the related assets.

The R&D activities with the Australian Government provide a non-cash tax rebate against taxable income. The rules for claiming this grant are complex and necessitate certain judgements to be made upon the costs incurred by the Group on R&D activities. The Group periodically reviews the judgements made in respect to R&D costs and engages consultants to provide the Group with advice on calculations brought to account and lodged annually with the Australian Tax Office.

4. EMPLOYEE BENEFITS

	30 June 2024 US$ '000	30 June 2023 US$ '000
Salaries and fees	22,873	22,364
Superannuation	1,793	1,610
Payroll tax	1,621	1,392
Other benefits	3,281	2,360
Share based payments	809	129
	30,377	**27,855**

Accounting policy
a) Short-term employee benefits
Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

b) Other long-term employee benefits
Provision is made for employees' statutory long service leave and annual leave entitlements not expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations.

Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term statutory employee benefits are presented as non-current provisions in its Consolidated Statement of Financial Position, except where the Group does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case the obligations are presented as current provisions.

c) Defined contribution plans/Pension obligations

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial periods. Such contributions are recognised as an expense in the period in which the related service is performed.

d) Share based payments

The Company issue long-term incentives to certain employees. The grant date fair value of the incentives issued is recognised as an employee share based payment in the profit and loss with a corresponding increase in equity, over the vesting period. The fair value of the incentives granted is measured using a Monte Carlo pricing model, taking into account the terms and conditions upon which the incentives were granted. Under the Company's Loan Funded Share Plan, employees have been granted limited recourse loans to acquire the shares. The loans have not been recognised as the Company only has recourse to the value of the shares. Refer to Note 29 for details of long term incentives.

5. OTHER EXPENSES

	30 June 2024 US$ '000	30 June 2023 US$ '000
Third party compute cost	6,569	-
IT facilities and related costs	5,033	3,432
Withholding tax	1,957	1,376
Sales and marketing	1,394	984
Human resources	877	761
Insurance	500	447
Travel	1,270	819
Office facilities	683	888
Consultants	709	413
Profit on disposal of property, plant and equipment	(16)	(39)
Realised and unrealised foreign exchange loss – net	101	85
Professional fees	692	564
Provision bad debts	118	7
Other	1,442	806
Other expenses	**21,329**	**10,543**

6. AUDITOR'S REMUNERATION

	30 June 2024 US$	30 June 2023 US$
Amounts received or due and receivable by auditors of the Group are set out below:		
Amounts received or due and receivable by Grant Thornton for audit services		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of controlled entities	205,391	180,000
Total remuneration paid to auditors	**205,391**	**180,000**

7. FINANCE EXPENSE

	30 June 2024 US$ '000	30 June 2023 US$ '000
Interest income	(76)	(1)
Interest expense- debt	206	316
Debt arrangement fees	-	17
Interest expense- leases	755	844
Interest expense- asset leases	381	-
Other finance charges	45	13
Finance expense	**1,311**	**1,189**

8. INCOME TAXES

	30 June 2024 US$ '000	30 June 2023 US$ '000
a) Amounts recognised in consolidated profit or loss and other comprehensive income		
The components of tax expense comprise:		
Current tax expense	5,440	2,515
Deferred tax expense	(766)	-
Total current tax expense	**4,674**	**2,515**
b) Numerical reconciliation of tax expense		
Profit before tax	**7,998**	**7,456**
Tax using the Company's domestic tax rate of 30%	2,399	2,237
Add/(Less) the tax effect of:		
Effect of tax rates in foreign jurisdictions	479	25
Change in tax rates	-	(2,272)
Research and development income	(768)	(751)
Research and development expense	1,739	1,641
Pioneer status income not subject to tax	(388)	-
Other non-assessable income	(949)	(365)
Other non-deductible expenses	170	3
Deferred tax losses not brought to account	1,528	176
Other differences	71	(6)
Deferred tax assets not recognised	393	1,827
Tax Expense	**4,674**	**2,515**

c) Movement in temporary differences

At 30 June 2024 the Group has unrecognised net deferred tax assets amounting to $14.043 million (30 June 2023: $18.813 million). The movement in temporary differences is outlined below:

	Balance 1 July 2023 US$ '000	Recognised in Profit or Loss US$ '000	Balance 30 June 2024 US$ '000
Deferred tax liabilities			
Property, plant and equipment	(3,108)	(4,380)	(7,488)
Cash and cash equivalents	22	4	26
Deferred tax assets			
Trade and other receivables	4	1	5
Trade and other payables	602	(719)	(117)
Accruals	-	275	275
Prepayments	-	(115)	(115)
Leases	577	(26)	551
Provisions	552	192	744
Intangible assets	97	9	106
Other current assets	302	(182)	120
R&D credits carried forward	144	(144)	-
Tax losses carried forward	19,621	1,081	20,702
Net deferred tax asset not recognised	(18,813)	4,770	(14,043)
	-	**766**	**766**

	Balance 1 July 2022 US$ '000	Recognised in Profit or Loss US$ '000	Balance 30 June 2023 US$ '000
Deferred tax liabilities			
Property, plant and equipment	(3,349)	241	(3,108)
Cash and cash equivalents	(5)	27	22
Deferred tax assets			
Trade and other receivables	2	2	4
Trade and other payables	1,806	(1,204)	602
Leases	591	(14)	577
Provisions	624	(72)	552
Intangible assets	133	(36)	97
Other current assets	498	(196)	302
R&D credits carried forward	704	(560)	144
Tax losses carried forward	15,982	3,639	19,621
Deferred tax assets derecognised	(16,986)	(1,827)	(18,813)
	-	-	-

d) Franking credit balance

The franking account balance of the Company as at the end of the financial year at 30% is A$801,000 (2023: A$801,000).

Accounting policy

Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable or receivable in respect of previous periods. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates;
- temporary differences where the Company is unable to control the timing of the reversal and it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Significant management judgment is required to estimate the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profit in the nearer term.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

The Company and its wholly owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is DUG Technology Ltd.

9. EARNINGS PER SHARE

Basic earnings per share

	30 June 2024 US$ '000	30 June 2023 US$ '000
Basic earnings per share (cents per share)	2.34	4.24
Profit used	2,769	5,005

	30 June 2024 No.	30 June 2023 No.
Weighted average number of ordinary shares used	118,123,386	118,123,386

Diluted earnings per share

	30 June 2024 US$ '000	30 June 2023 US$ '000
Basic earnings per share (cents per share)	2.27	4.14
Profit used	2,769	5,005

	30 June 2024 No.	30 June 2023 No.
Weighted average number of ordinary shares used	121,880,017	120,746,876

Accounting policy

Basic earnings per share is calculated as a net profit or loss attributable to members, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

10. CASH AND CASH EQUIVALENTS

	30 June 2024 US$ '000	30 June 2023 US$ '000
Cash at bank and on hand	9,385	7,987
Total cash and cash equivalents	**9,385**	**7,987**

A secured bank overdraft facility of A$1,000,000 (2023: A$1,000,000) is in place, with an applicable floating charge rate based on an overdraft index rate plus a margin. The bank overdraft was not utilised at 30 June 2024 or 30 June 2023.

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

11. TRADE AND OTHER RECEIVABLES

	30 June 2024 US$ '000	30 June 2023 US$ '000
Current asset		
Trade receivables	9,226	6,552
Provision for expected credit losses	(128)	(24)
Trade receivables – net	**9,098**	**6,528**
Other receivables	172	30
Trade and other receivables	**9,270**	**6,558**

Accounting policy

Receivables which generally have 30 day terms are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Expected credit loss is recognised using the simplified approach. The expected credit loss assessment requires, in some cases, a significant degree of estimation and judgement. The level of provision is assessed by applying the Expected Credit Loss (ECL) model which takes into account forward looking attributes of the individual debtor as well as historical data such as recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Bad debts are written off as incurred.

Credit terms for trade receivables average 30 days. The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: Financial Instruments.

	30 June 2024 US$ '000	30 June 2023 US$ '000
As at 1 July	(24)	(21)
Increase in provision for expected credit losses	(205)	(5)
Prior year provision utilised for debts written off	101	-
Unwind of prior year's provision	-	2
As at 30 June	**(128)**	**(24)**

The main source of credit risk to the Group is considered to relate to the class of assets described as "trade and other receivables" (also referred to in Note 24). At 30 June 2024 a total of 55% of year end trade receivables were concentrated to the top five customers (30 June 2023: 45%).

The table below details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Group and the customer or counterparty to the transaction.

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be of high credit quality.

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9: Financial Instruments, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2024 is determined as follows. The expected credit losses below also incorporate forward-looking information.

30 June 2024	Current US$ '000	31-60 days US$ '000	61-90 days US$ '000	>90 days US$ '000	Total US$ '000
Gross carrying amount	**6,383**	**1,207**	**975**	**661**	**9,226**
Expected credit loss provision	(122)	(1)	(4)	(1)	(128)
Net carrying amount	**6,261**	**1,206**	**971**	**660**	**9,098**
Expected loss rate	1.9%	0.4%	0.0%	0.1%	1.4%

30 June 2023	Current US$ '000	31-60 days US$ '000	61-90 days US$ '000	>90 days US$ '000	Total US$ '000
Gross carrying amount	**5,136**	**384**	**756**	**276**	**6,552**
Expected credit loss provision	(14)	(1)	(5)	(4)	(24)
Net carrying amount	**5,122**	**383**	**751**	**272**	**6,528**
Expected loss rate	0.3%	0.2%	0.7%	1.4%	0.4%

Financial assets measured at amortised cost

	30 June 2024 US$ '000	30 June 2023 US$ '000
Trade and other receivables		
Current	9,270	6,558
Total financial assets classified as loans and other receivables	**9,270**	**6,558**

12. CONTRACT ASSETS / LIABILITIES

	30 June 2024 US$ '000	30 June 2023 US$ '000
Contract Assets – Current		
Services	4,292	2,631
Provision for expected credit losses	(16)	(9)
Total	**4,276**	**2,622**
Contract Liabilities – Current		
Services	690	501
Software	520	319
HPCaaS[1]	957	752
Total	**2,167**	**1,572**

[1] Includes $0.85m funding received from the Western Australian State Government

Accounting policy

Contract Liabilities represent the fair value of consideration received from its customer in advance of the Group meeting its performance obligations to deliver goods or services. Contract assets represent the fair value of consideration in exchange for goods or services that the Group has transferred to its customer, but contractually is not entitled to invoice.

Impairment of contract assets

The Group has applied the expected credit loss module based on lifetime expected loss allowance for contract assets. The contract asset balance at year-end represents the unbilled balance with eleven reputable customers. The provision for expected credit losses takes into account the customer's operational reputation, past historical experience and the short-term nature of the contract assets.

13. CURRENT TAX LIABILITIES

	30 June 2024 US$ '000	30 June 2023 US$ '000
Corporate tax	4,996	-
R&D concession	(2,558)	-
As at 30 June	**2,438**	**-**

14. PROPERTY, PLANT AND EQUIPMENT

	Data Centre Infrastructure and HPC US$ '000	HPC Right of Use Assets[1] US$ '000	Leasehold Improvements US$ '000	Office Equipment and Motor Vehicles US$ '000	Under Construction US$ '000	Total US$ '000
Cost						
Balance at 1 July 2022	60,115	-	4,668	1,658	419	66,860
Additions	2,244	-	4	-	722	2,970
Reclassifications	87	-	32	-	(119)	-
Disposals	(630)	-	(1,772)	(10)	-	(2,412)
Balance at 30 June 2023	**61,816**	**-**	**2,932**	**1,648**	**1,022**	**67,418**
Balance at 1 July 2023	61,816	-	2,932	1,648	1,022	67,418
Additions	1,978	27,836	37	22	1,657	31,530
Reclassifications	788	-	387	-	(672)	503
Disposals	(253)	-	(28)	(94)	-	(375)
Balance at 30 June 2024	**64,329**	**27,836**	**3,328**	**1,576**	**2,007**	**99,076**
Accumulated depreciation						
Balance at 1 July 2022	42,219	-	3,929	1,652	-	47,800
Depreciation	3,908	-	314	6	-	4,228
Disposals	(613)	-	(1,773)	(10)	-	(2,396)
Balance at 30 June 2023	**45,514**	**-**	**2,470**	**1,648**	**-**	**49,632**
Balance at 1 July 2023	45,514	-	2,470	1,648	-	49,632
Depreciation	3,951	1,151	196	4	-	5,302
Reclassifications	116	-	387	-	-	503
Disposals	(250)	-	(28)	(94)	-	(372)
Balance at 30 June 2024	**49,331**	**1,151**	**3,025**	**1,558**	**-**	**55,065**
Carrying amounts						
As 30 June 2023	16,302	-	462	-	1,022	17,786
At 30 June 2024	**14,998**	**26,685**	**303**	**18**	**2,007**	**44,011**

[1] Compute assets financed during the year have an option to purchase or renew the lease at the end of the lease and therefore included in Property, Plant & Equipment.

Accounting policy

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost is the fair value of consideration given to acquire the assets at the time of its acquisition. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit and loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to reduce the cost of property, plant and equipment less their residual values over their estimated useful lives and is generally recognised in profit and loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The HPC pool comprises compute, storage, NOMAD and data centre infrastructure. The leasehold improvement pool is made up of the Group's office fit-out costs. The estimated useful lives of property, plant and equipment for current periods are as follows:

- Compute and storage — 5 years
- NOMAD — 10 years
- Data centre infrastructure — 20 years
- Leasehold improvements — No longer than term of lease
- Office equipment and motor vehicles — 5 years

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment, as well as intangible assets (note 15). The useful lives could change significantly because of technical innovations or some other event. The depreciation and amortisation charge will decrease where the useful lives are greater than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. The Group periodically reviews and changes the estimated useful lives of assets with any changes being treated as a change in accounting estimates and accounted for in a prospective manner.

Security

General security agreements, and their equivalents, exist worldwide throughout the Group's property, plant and equipment assets (Refer Note 19 &20).

Impairment assessment

Refer to Note 22 for information on how the Group assesses impairment of non-financial assets.

15. RIGHT OF USE ASSETS

	Offices US$ '000	Data Centre US$ '000	Global Fibre Links US$ '000	Total US$ '000
Cost				
Balance at 1 July 2022	7,865	8,319	1,454	17,638
Additions	2,293	-	5	2,298
Remeasurement of lease	(2,239)	-	(177)	(2,416)
Balance at 30 June 2023	**7,919**	**8,319**	**1,282**	**17,520**
Balance at 1 July 2023	7,919	8,319	1,282	17,520
Additions	199	-	115	314
Reclassifications	(503)	-	-	(503)
Disposals	(30)	-	(618)	(648)
Balance at 30 June 2024	**7,585**	**8,319**	**779**	**16,683**
Accumulated depreciation				
Balance at 1 July 2022	5,811	1,287	652	7,750
Depreciation	1,346	436	306	2,088
Disposals	(2,239)	-	(177)	(2,416)
Remeasurement of lease	(6)	-	-	(6)
Balance at 30 June 2023	**4,912**	**1,723**	**781**	**7,416**
Balance at 1 July 2023	4,912	1,723	781	7,416
Depreciation	1,337	406	140	1,883
Reclassifications	(503)	-	-	(503)
Disposals	(30)	-	(610)	(640)
Balance at 30 June 2024	**5,716**	**2,129**	**311**	**8,156**
Carrying amounts				
At 30 June 2023	3,007	6,596	501	10,104
At 30 June 2024	**1,869**	**6,190**	**468**	**8,527**

Accounting policy

The accounting policy for Right of Use Assets is disclosed together with the accounting policy for Leases at Note 20.

16. INTANGIBLE ASSETS

	Website US$ '000	Software US$ '000	Patents and Trademarks US$ '000	Total US$ '000
Cost				
Balance at 1 July 2022	20	1,325	669	2,014
Acquisitions	-	-	115	115
Balance at 30 June 2023	**20**	**1,325**	**784**	**2,129**
Balance at 1 July 2023	20	1,325	784	2,129
Acquisitions	-	-	124	124
Balance at 30 June 2024	**20**	**1,325**	**908**	**2,253**
Accumulated amortisation				
Balance at 1 July 2022	18	1,174	277	1,469
Amortisation	2	40	67	109
Balance at 30 June 2023	**20**	**1,214**	**344**	**1,578**
Balance at 1 July 2023	20	1,214	344	1,578
Amortisation	-	40	76	116
Balance at 30 June 2024	**20**	**1,254**	**420**	**1,694**
Carrying amounts				
At 30 June 2023	-	111	440	551
At 30 June 2024	**-**	**72**	**487**	**559**

Accounting policy

Intangible assets acquired separately are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Patents

Legal costs directly attributable to establishing or renewing patent registrations are recognised as intangible assets when it is probable that the patent will generate future economic benefits, is separable from other rights and obligations, and its costs can be reliably measured. Other expenditure that does not meet these criteria are recognised as an expense as incurred. Amortisation is calculated using the straight-line method to allocate the costs of intangible over its estimated useful life

Other Intangible assets

Other intangible assets acquired separately are measured at cost. Following initial recognition, other intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of other intangible assets are assessed to be either finite or infinite. Other intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for other intangible assets with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on other intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit and loss as incurred.

Amortisation

Amortisation is calculated to reduce the value of intangible assets less their estimated residual values over the estimated useful life of the asset.

The estimated useful lives for current and comparative periods are as follows:

- Software and Website 2.5 to 4 years
- Trademarks / Patents 10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

17. OTHER ASSETS

	30 June 2024 US$ '000	30 June 2023 US$ '000
Current		
Bonds and security deposits	136	202
Other current assets	15	72
	151	**274**
Non-current		
Bonds and security deposits	2,411	212
	2,411	**212**

Current bonds and security deposits relate to certain Group premises where the lease expires within 12 months. All other bonds and security deposits are classified as non-current.

Included in the non-current deposits of $2.411 million is $2.078 million deposits for the Group's asset financing leases. These deposits will cover the last two to four lease repayments at the end of the leases.

Accounting policy

Bonds and security deposits relate to cash paid to meet the collateral requirements for occupancy leased assets and equipment leases. Bonds and security deposits are non-interest bearing.

18. TRADE AND OTHER PAYABLES

	30 June 2024 US$ '000	30 June 2023 US$ '000
Current		
Trade payables	988	1,755
Accruals	5,977	4,222
Payroll-related payables	621	470
GST / VAT payable	35	25
Other	24	26
	7,645	**6,498**

The normal trade credit terms granted by trade creditors to the Group is 30 days.

Accounting policy

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Goods and services tax (GST) and value added tax (VAT)

Revenue, expenses and assets are recognised net of the amount of GST or VAT, except where the amount of GST or VAT incurred is not recoverable from the relevant tax authorities. Receivables and payables are stated inclusive of the amount of GST or VAT receivable or payable. The net amount of GST or VAT recoverable from, or payable to, the relevant tax authorities is included with other receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST or VAT components of cash flows arising from investing or financing activities, which are recoverable from or payable to the relevant tax authorities, are presented as operating cash flows included in receipts from customers or payments to suppliers.

19. LOANS AND BORROWINGS

	Bank Facilities US$ '000	Asset Financing Facilities US$ '000	Total US$ '000
30 June 2024			
Current	1,000	115	1,115
Non-current	-	41	41
	1,000	**156**	**1,156**
30 June 2023			
Current	2,500	256	2,756
Non-current	-	-	-
	2,500	**256**	**2,756**

Bank facilities

As at 30 June 2024, the Group has the following bank facilities in place:

- A term debt facility of $1,000,000 (30 June 2023: $2,500,000) fully drawn.
- An overdraft facility of A$1,000,000 (30 June 2023: A$1,000,000) which was not drawn at 30 June 2024 or 30 June 2023.
- A contingent instrument facility of $1,000,000 (30 June 2023: $1,000,000). At 30 June 2024, bank guarantees issued on behalf of the Group entities totalled $754,000 (30 June 2023: $434,000).

The term debt facility expires on 1 July 2024 with the final repayment of US$1,000,000 payable on 1 July 2024. The overdraft and contingent instrument facilities are subject to annual review by the financier who in their absolute discretion can determine to roll over for a further 12 months.

Interest is calculated on the term loan at Secured Overnight Financing Rate plus a line fee of 4.25%. The weighted average effective interest rate on the term debt facility and asset financing at 30 June 2024 was 11.65% per annum (30 June 2023: 8.19%).

The Group has provided the following security in relation to the bank facilities:

- A first ranking general security to Commonwealth Bank of Australia (CBA) over all present and future rights, property and undertakings.
- There is a fixed charge on all freehold, leasehold, book debts and other assets of the Group, in respect of a bank loan drawdown. The bank also has a floating charge over all the assets of the Group. There is a security carve-out for the financing of specific assets through third party financiers.

Covenants imposed by the bank and tested on a periodic basis include:

- A gross leverage ratio based on financial indebtedness divided by Group EBITDA; and
- A debt service coverage ratio of Group EBITDA divided by debt service of the group.

The Group complied with all financial covenants during the year.

The amount drawn-down and available for each finance facility at 30 June 2024 is as follows:

	Facility Commitment US$ '000	Amount Drawn US$ '000	Undrawn Commitment US$ '000
Contingent instrument facility	1,000	754	246
Overdraft facility	667	-	667
Term debt facility	1,000	1,000	-
Asset finance	156	156	-
Total	**2,823**	**1,910**	**913**

Asset financing facilities

At 30 June 2024, the Company had drawn asset financing facilities totalling $156,000 secured against storage assets purchased in Australia.

Accounting policy

a) Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit or Loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Finance costs

Finance costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other finance costs are expensed in the period in which they occur. Finance costs consist of interest and other costs incurred in connection with the borrowing of funds.

20. LEASE LIABILITIES

	30 June 2024 US$ '000	30 June 2023 US$ '000
Current		
Property and global network links	2,044	1,811
HPC asset financing	7,408	-
	9,452	**1,811**
Non-current		
Property and global network links	9,076	10,949
HPC asset financing	15,363	-
	24,439	**10,949**

The Group's lease portfolio includes buildings, which their remaining lease term ranges from less than 1 year to 16 years.

During the year, the Company funded purchase of new compute through asset financing facilities totalling $24.432 million secured against the financed compute assets in the United States of America. The leases have repayment terms ranging from 24 months to 36 months. Average interest rate in the year was 10.51%.

Compute purchased and asset financed during the year have an option to purchase and therefore included in Property Plant & Equipment.

Options to extend

The option to extend the lease term is contained in the property leases of the Group. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension options are only exercisable by the Group. The extension options which were probable to be exercised have been included in the calculation of the right-of-use asset. Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

	Within Five Years US$ '000	More than Five Years US$ '000
Extension options expected not to be exercised	1,950	1,136

AASB 16 related amounts recognised in the Statement of Profit or Loss

	30 June 2024 US$ '000	30 June 2023 US$ '000
Depreciation charge related to right of use assets	3,034	2,088
Interest expense on lease liabilities	1,199	844

Total cash outflow for leases

	30 June 2024 US$ '000	30 June 2023 US$ '000
Total cash outflow for leases including interest	7,330	2,757
Total cash outflow for short-term leases and low-value assets	128	51

Accounting policy: Leases (the Company as a lessee)

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate. Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group is required to determine the measurement of lease liabilities based on the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, if readily available. Where the implicit interest rate is not readily available, the Group is required to use the Group's incremental borrowing rate. Judgement is required to determine the appropriate discount rate to apply. The discount rate must reflect the rate of interest that a lessee would have to pay to borrow the funds necessary to purchase the right of use asset, over a similar term with a similar security, in a similar economic environment.

Another AASB 16 area that requires judgment relates to the assessment of the likelihood of the Group exercising, or not exercising any extension or termination options available within a lease. In performing these reasonably certain assessments, management considers all facts and circumstances that create an economic incentive to either exercise, or not exercise an extension or termination option.

21. PROVISIONS

	30 June 2024 US$ '000	30 June 2023 US$ '000
Current		
Provision for annual leave	1,883	1,784
Provision for long service leave	795	653
	2,678	**2,437**
Non-current		
Provision for long service leave	94	132
	94	**132**

Reconciliation of movement in provisions

Provision for annual leave		
Balance at beginning of year	1,784	1,780
Net movement during the financial year	99	4
Balance at end of year	**1,883**	**1,784**
Provision for long service leave		
Balance at beginning of year	785	891
Net movement during the financial year	104	(106)
Balance at end of year	**889**	**785**

Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the of the obligation. When the Group expects all or some of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current interest rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

22. CAPITAL AND RESERVES

a) Share capital

Share capital comprises ordinary shares. The holders of these shares are entitled to receive dividends as declared from time to time.

	30 June 2024		30 June 2023	
	No.	US$ '000	No.	US$ '000
Fully paid-up shares				
Balance at beginning of period	109,618,614	50,381	109,618,614	50,381
Issued shares employee loan repayment	-	618	-	-
Loan funded shares sold	6,092,239	4,363	-	-
Balance at end of year	**115,710,853**	**55,362**	**109,618,614**	**50,381**
Issued under loan funded share plans				
Balance at beginning of year	8,504,772	-	8,504,772	-
Loan funded shares sold	(6,092,239)	-	-	-
Balance at end of year	**2,412,533**	**-**	**8,504,772**	**-**
Total shares issued	**118,123,386**	**55,362**	**118,123,386**	**50,381**

- A total of 3,756,631 weighted average Zepos have been granted to senior executives and certain employees of the Group. This results in a potential dilution on share capital to 121,880,017 weighted average ordinary shares on issue (refer to note 9).

Accounting policy

Ordinary share capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

b) Reserves

	30 June 2024	30 June 2023
	US$ '000	US$ '000
Share-based payments reserve	956	154
Translation reserve	(2,177)	(2,177)
Total	**(1,221)**	**(2,023)**

- The share-based payment reserve comprises expenses incurred from the issue of the Company's shares under employee loan funded share and options plans.
- The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Group where the functional currencies are different to the presentation currency for reporting purposes. As all entities within the Group have a United States dollars (US$) functional currency, there is not expected to be movements in this reserve.

23. IMPAIRMENT OF NON-CURRENT ASSETS

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to each of its cash generating units (CGU) and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions such as expected future cash flows from CGUs, discount rates used to calculate the present value of those cash flows, future revenue, margins and estimated long-term growth rate.

As at 30 June 2024, the Group's main cash generating units (CGUs) are:

- HPCaaS;
- Software; and
- Services

The carrying values of CGUs are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate an impairment trigger and that the carrying value may be impaired.

The recoverable amount of a CGU is the greater of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

At 30 June 2024, no impairment triggers were identified.

24. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

a) Financial risk management

The Group's financial instruments consist mainly of cash and cash equivalents, trade and other receivables, trade and other payables, loans and borrowings and lease liabilities. The total carrying amount, which is a reasonable approximation of fair value, for each category of the financial instruments are as follows:

	30 June 2024 US$ '000	30 June 2023 US$ '000
Financial assets at amortised cost:		
Cash and cash equivalents	9,385	7,987
Trade and other receivables	9,098	6,529
Sundry Debtors	172	30
Bonds and security deposits – current	136	202
Bonds and security deposits – non-current	2,411	212
	21,202	**14,960**
Financial liabilities at amortised cost:		
Trade payables and accruals	(6,964)	(5,977)
Lease liabilities	(33,891)	(12,760)
Loans and borrowings	(1,156)	(2,756)
	(42,011)	**(21,493)**

b) Financial risk management policies

The Directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management is reviewed by the Board of Directors on a regular basis, including monitoring credit risk and future cash flow requirements. The main purpose of non-derivative financial instruments is to raise finance for company operations. The Group does not have any derivative instruments as at 30 June 2024 (30 June 2023: nil).

c) Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous year.

CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the date of invoice.

Risk is also minimised through investing surplus funds into financial institutions that maintain an investment credit rating.

The Group trades with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis, with the result that the Group's bad debt exposure is not significant.

At 30 June 2024 a total of 55% of year end trade receivables were concentrated to the top five customers (30 June 2023: 45%). The Group is confident these receivables are collectable and are active in the management of these overdue amounts.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with high credit ratings assigned by international credit rating agencies.

30 June 2024	Carrying Amount US$ '000	Past Due and Impaired US$ '000	Current US$ '000	31-60 days US$ '000	61-90 days US$ '000	>90 days US$ '000
Trade receivables	9,226	-	6,383	1,207	975	661
ECL provision	(128)	-	(122)	(4)	(1)	(1)
Contract assets	4,276	-	4,276	-	-	-
Bonds / security deposits	2,547	-	2,547	-	-	-
	15,921	**-**	**13,084**	**1,203**	**974**	**660**

30 June 2023	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Trade receivables	6,552	-	5,136	384	756	276
ECL provision	(24)	-	(14)	(1)	(5)	(4)
Contract assets	2,622	-	2,622	-	-	-
Bonds / security deposits	414	-	414	-	-	-
	9,564	**-**	**8,158**	**383**	**751**	**272**

LIQUIDITY RISK

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- Preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- Monitoring undrawn debt facilities;
- Obtaining funding from a variety of sources;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

30 June 2024	Carrying Amount US$ '000	Contractual Cash Outflows US$ '000	6 Months or Less US$ '000	6-12 Months US$ '000	1-2 Years US$ '000	2-5 Years US$ '000	More than 5 Years US$ '000
Bank loans and asset financing	1,156	1,251	1,094	94	63	-	-
Lease liabilities	33,891	31,201	4,917	4,999	6,514	5,125	9,646
Trade payables and accruals	6,964	6,964	6,964	-	-	-	-
	42,011	**39,416**	**12,975**	**5,093**	**6,577**	**5,125**	**9,646**

30 June 2023	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Bank loans and asset financing	2,756	2,827	1,086	1,575	166	-	-
Lease liabilities	12,760	18,787	1,292	1,250	2,548	3,160	10,537
Trade payables and accruals	5,977	5,977	5,977	-	-	-	-
	21,493	**27,591**	**8,355**	**2,825**	**2,714**	**3,160**	**10,537**

Financial assets pledged as collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts (refer to Note 19 for further details).

MARKET RISK

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Group to interest rate risk are limited to loans and borrowings, and cash and cash equivalents.

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	30 June 2024 US$ '000	30 June 2023 US$ '000
Impact on profit		
2.0% increase in interest rates	(267)	(72)
2.0% decrease in interest rates	267	72

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year. The Group also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

CAPITAL MANAGEMENT

Management effectively manages the Group's assets by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, monitoring of undrawn debt facilities, distributions to shareholders and share issuances.

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

There have been no changes in the strategy adopted by management to manage the capital of the Company.

Accounting policy

a) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

b) Classification and subsequent measurement

i. Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.
The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses are taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

ii. Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss on the basis of the two primary criteria, being:
  - the contractual cash flow characteristics of the financial asset; and
  - the business model for managing the financial asset

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows;
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal; and
- interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal; and
- interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Group initially designates financial instruments as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

iii. Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the Group did not make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss. Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

iv. Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred. All of the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Entity no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

v. Compound financial instruments

Compound financial instruments (such as convertible notes) issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the arrangement.

vi. Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument. The Group uses the simplified approach to impairment, as applicable under AASB 9: Financial Instruments.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:
- contract assets, and
- trade receivables.

In measuring the expected credit loss a provision matrix for trade receivables and contract assets (work in progress) has been used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc). For intergroup loan receivables, the Group recognises 12 month expected credit losses i.e. the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within 12 months after the reporting date.

vii. Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset. Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

25. KEY MANAGEMENT PERSONNEL COMPENSATION

The total of remuneration paid to key management personnel of the Group during the year is as follows:

	30 June 2024 US$	30 June 2023 US$
Short-term benefits	1,151,177	1,095,367
Post-employment benefits	59,495	52,738
Other long-term benefits	6,881	24,648
Share-based payments	116,357	17,726
Total compensation paid to key management personnel	**1,333,910**	**1,190,479**
Comprising:		
Senior executives	1,140,522	980,871
Non-executive directors	193,388	209,608
	1,333,910	**1,190,479**

There are no other key management compensation transactions for the year ended 30 June 2024 or 30 June 2023.

26. RELATED PARTY TRANSACTIONS

The Group's main related parties are as follows:

a) Entities exercising control over the Group

The ultimate Parent Entity, which exercises control over the Group, is DUG Technology Ltd.

b) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity, is considered key management personnel.

Other transactions with directors and key management personnel
Transactions with Directors and key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

c) Other related parties

The Company owns 49% of the shares of Rouge Rock Pty Ltd. The Company does not exercise significant influence or control over Rouge Rock Pty Ltd. No amounts were outstanding from at 30 June 2024. The Company does not affect the financial and operational policies of the related party. The company is reported as an investment in associate.

27.CONSOLIDATED ENTITIES

Name of Entity	Country of Incorporation	Ownership Interest 30 June 2024 %	Ownership Interest 30 June 2023 %
Parent entity:			
DUG Technology Ltd	Australia		
Subsidiaries:			
DUG Technology (Australia) Pty Ltd	Australia	100	100
DownUnder GeoSolutions (UK) Ltd	United Kingdom	100	100
DownUnder GeoSolutions (London) Pty Ltd	United Kingdom	100	100
DownUnder GeoSolutions (America) LLC	USA	100	100
DownUnder GeoSolutions (Asia) Sdn Bhd	Malaysia	100	100
DownUnder GeoSolutions (Malaysia) Sdn Bhd	Malaysia	49	49
DUG Technology (24N) Ltd	UAE	100	N/A
DUGEO Solutions (India) Private Limited	India	100	N/A

28. PARENT ENTITY DISCLOSURES

As at, and throughout, the year ended 30 June 2024 the parent entity of the Group was DUG Technology Ltd.

	30 June 2024 US$ '000	30 June 2023 US$ '000
Results of parent entity:		
Profit / (loss) for the year	(148)	344
Other comprehensive income/(expense)	-	-
Total comprehensive income/(expense) for the year	**(148)**	**344**
Financial position of parent entity:		
Current assets	26,029	17,142
Non-current assets	3,765	3,650
Total assets	**29,974**	**20,792**
Current liabilities	8	18
Total liabilities	**8**	**18**
Net assets	**29,786**	**20,774**
Total equity of parent entity comprising of:		
Share capital	55,362	50,381
Reserves	(114)	(915)
Accumulated losses	(25,462)	(28,692)
Total equity	**29,786**	**20,774**

a) Parent entity contingent liabilities

Provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required, or the amount is not capable of reliable measurement.

The parent entity has guaranteed lease obligations of its US subsidiary in relation to compute purchased in the year (30 June 2023: Nil).

b) Parent entity capital commitments for acquisition of property, plant and equipment

There were no capital commitments of the parent entity as at 30 June 2024.

29. FAIR VALUE MEASUREMENTS

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The carrying amounts of financial assets and liabilities of the Group carried at amortised cost reasonably approximate their fair values.

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

30. SHARE BASED PAYMENTS

The Company operates a Long-Term Incentive Plan to reward DUG's employees by issuing equity incentives. The Long-Term Incentive Plan is designed to align the interests of eligible participants with shareholders through the sharing of personal interest in the future growth and development of DUG and to provide a means of attracting and retaining skilled and experienced eligible participants.

There are two incentive arrangements operated by the company under the Long-Term Incentive Plan. From FY22, the Company utilises zero-priced options as the primary arrangement. Prior to this the Company offered a loan funded share plan to select employees.

The expense recognised for equity settled share-based payments during the year is shown in the following table:

	30 June 2024 US$ '000	30 June 2023 US$ '000
Expense arising from share-based payment transactions	809	129
Total expense arising from share-based payment transactions	**809**	**129**

Zero-priced Options

Grant date	Number of options	Issued to	Vesting condition
11 Oct 2022	1,162,702	Executive Employees	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2025. These are subject to a share price hurdle. All options vest if the 1 month VWAP to 30 June 2025 is A$2.50 or higher. Half of the options vest if the 1 Month VWAP to 30 June 2025 is equal to A$1.00 with pro-rata vesting of options between those hurdles.
11 Oct 2022	248,641	Chief Financial Officer	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2025. These are subject to a share price hurdle. All options vest if the 1 month VWAP to 30 June 2025 is A$2.50 or higher. Half of the options vest if the 1 Month VWAP to 30 June 2025 is equal to A$1.00 with pro-rata vesting of options between those hurdles.
11 Oct 2022	967,245	Non-Executive Employees	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2025.
21 Dec 2022	381,352	Managing Director	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2025. These options are subject to a share price hurdle. All options vest if the 1 month VWAP to 30 June 2025 is A$2.50 or higher. Half of the options vest if the 1 Month VWAP to 30 June 2025 is equal to A$1.00 with pro-rata vesting of options between those hurdles.
21 Dec 2022	310,802	Executive Employee & Consultants	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2025. These options are subject to a share price hurdle. All options vest if the 1 month VWAP to 30 June 2025 is A$2.50 or higher. Half of the options vest if the 1 Month VWAP to 30 June 2025 is equal to A$1.00 with pro-rata vesting of options between those hurdles.
28 Aug 2023	167,786	Executive Employee	These options were issued to the holder as a sign on incentive to join the Group.
18 Oct 2023	793,831	Executive Employees	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2026. These options are subject to a share price hurdle. All options vest if the 1 month VWAP to 30 June 2026 is A$3.30 or higher. 65% of the options vest if the 1 Month VWAP to 30 June 2026 is equal to A$2.60 or higher with pro-rata vesting of options between those hurdles. 35% of the options vest if the 1 Month VWAP to 30 June 2026 is equal to A$2.00 or higher with pro-rata vesting of options between those hurdles.
18 Oct 2023	470,441	Non-Executive Employees	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2026.
6 Nov 2023	50,280	Chief Financial Officer	All options require the holder to remain continuously employed or engaged with the Group at all times to 31 October 2026 or terminated earlier by the company. These options were issued to the holder as a sign-on incentive to join the Group.
23 Nov 2023	256,941	Managing Director	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2026. These options are subject to a share price hurdle. All options vest if the 1 month VWAP to 30 June 2026 is A$3.30 or higher. 65% of the options vest if the 1 Month VWAP to 30 June 2026 is equal to A$2.60 or higher with pro-rata vesting of options between those hurdles. 35% of the options vest if the 1 Month VWAP to 30 June 2026 is equal to A$2.00 or higher with pro-rata vesting of options between those hurdles.
23 Nov 2023	74,370	Chief Financial Officer	All options require the holder to remain continuously employed or engaged with the Group at all times to 30 June 2026. These options are subject to a share price hurdle. All options vest if the 1 month VWAP to 30 June 2026 is A$3.30 or higher. 65% of the options vest if the 1 Month VWAP to 30 June 2026 is equal to A$2.60 or higher with pro-rata vesting of options between those hurdles. 35% of the options vest if the 1 Month VWAP to 30 June 2026 is equal to A$2.00 or higher with pro-rata vesting of options between those hurdles.

The options were valued using a Monte Carlo Simulation model with inputs and outputs as below:

Grant date	Performance Conditions	Performance period	Vesting date	Number of options	Expiry date	Estimated volatility	Share price at grant date	Risk-free interest rate	Fair value per share
11 Oct 2022	Share Price	11 Oct 22 – 30 Jun 25	30 Jun 25	1,411,343	30 Jun 2037	60%	A$0.420	2.87%	A$0.137
11 Oct 2022	Tenure	11 Oct 22 – 30 Jun 25	30 Jun 25	967,245	30 Jun 2037	60%	A$0.420	2.87%	A$0.420
21 Dec 2022	Share Price	21 Dec 22 – 30 Jun 25	30 Jun 25	692,154	30 Jun 2037	60%	A$0.440	3.00%	A$0.128
28 Aug 2023	Sign- On	28 Aug 23 – 30 June 26	28 Aug 26	167,786	28 Aug 2038	55%	A$1.680	4.18%	A$1.680
18 Oct 2023	Share Price	18 Oct 23 – 30 Jun 26	30 Jun 26	793,831	30 Jun 2038	55%	A$1.900	4.07%	A$1.250
18 Oct 2023	Tenure	18 Oct 23 – 30 Jun 26	30 Jun 26	470,441	30 Jun 2038	55%	A$1.900	4.07%	A$1.900
6 Nov 2023	Tenure	6 Nov 23 – 31 Oct 26	31 Oct 26	50,280	30 Jun 2038	55%	A$1.730	4.18%	A$1.730
23 Nov 2023	Share Price	23 Nov 23 – 30 Jun 26	30 Jun 26	331,311	30 Jun 2038	55%	A$2.120	4.18%	A$1.250

Loan Funded Share Plans

Under the previously offered plan, the Company invited key employees to acquire shares in DUG Technology Ltd under loan funded share plans. Up until 30 June 2020, shares were offered in terms of the Company's Loan Share Plan. Upon completion of the Company's initial public offering of shares in August 2020, all shares issued under the Loan Share Plan vested and no further offers of shares will be made under this plan.

The shares were granted at market value with the assistance of a limited recourse loan for a term of ten years under the Loan Share Plan and six years under the Long-Term Incentive Plan. Any dividends payable in respect of these shares are repayable against the loan, until the loan is fully repaid.

Loan share plan terms are stated in A$ and converted to US$ at the closing spot rate on 30 June each year. The tables below details the shares issued under the Loan Share Plan (LFSP) and the Long-Term Incentive Plan (LTIP) and the related loans.

		Number of Shares and Balance of Recourse Loans on 30 June 2024				
Plan	Tranche	No. of Shares	Price per Share A$	Loan A$ '000	Loan US$ '000	Loan Maturity
LFSP	2	487,183	1.04	785	523	30/6/2025
LFSP	5	274,046	1.25	426	284	30/6/2028
LFSP	6	704,148	1.49	1,550	1,034	19/2/2027
LFSP	7	594,425	1.99	1,366	911	30/6/2029
LFSP	8	90,222	2.00	180	120	15/5/2029
LFSP	9	100,576	2.05	220	147	19/3/2030
LTIP	1	161,933	1.35	248	165	26/7/2026
	Total	**2,412,533**		**4,775**	**3,184**	

Plan	Tranche	No. of Shares	Price per Share A$	Loan A$ '000	Loan US$ '000	Loan Maturity
		Number of Shares and Balance of Recourse Loans on 30 June 2023				
LFSP	1	400,879	0.80	461	305	30/6/2024
LFSP	2	487,183	1.04	730	483	30/6/2025
LFSP	3	5,665,279	0.90	6,172	4,085	27/7/2025
LFSP	5	283,909	1.25	419	277	30/6/2028
LFSP	6	704,148	1.49	1,433	948	19/2/2027
LFSP	7	610,643	1.99	1,350	893	30/6/2029
LFSP	8	90,222	2.00	180	119	15/5/2029
LFSP	9	100,576	2.05	215	142	19/3/2030
LTIP	1	161,933	1.35	237	157	26/7/2026
	Total	**8,504,772**		**11,197**	**7,409**	

Repayment of loans

The loan can be voluntarily repaid at any time, however compulsory repayment is required on an occurrence of:

- The date on which the recipient's shares are compulsorily divested, if required under the Loan Share Plan rules;
- The date the recipient disposes or attempts to dispose of its shares; and
- The date which is either 6 or 10 years after the date the shares were issued to the recipient of the loan.

The loan is a limited recourse loan and the Company, in seeking repayment, will have recourse only to the proceeds paid or payable for a disposal of shares and after-tax dividends and distributions connected with the shares (unless it has waived its entitlement to such dividends or distributions).

The fair value of the shares granted under the loan funded share plan are measured using the Monte Carlo method. Expected volatility is estimated by considering historic average share price volatility.

31. CASH FLOW INFORMATION

Reconciliation of net profit after tax to net cash flows from operations	30 June 2024 US$ '000	30 June 2023 US$ '000
Profit from continuing operations after income tax	**3,324**	**4,941**
Adjustments for:		
Depreciation and amortisation	7,301	6,425
Net finance expense	1,311	1,189
Tax expense	4,674	2,515
Other one-off revenue	(257)	-
Unrealised foreign exchange loss	101	85
Gain on disposal of property, plant and equipment	(16)	(39)
Share based payments – Equity settled	809	129
Lease modification	-	(2)
Government grant – R&D tax concessions	(2,558)	(2,504)
	14,689	**12,739**
Changes in:		
Trade and other receivables	(2,569)	(1,591)
Prepayments	(43)	(108)
Contract assets and liabilities	(1,060)	(1,265)
Other current assets	751	179
Bonds and Security Deposits	(110)	-
Trade and other payables	427	3,727
Provisions	203	(352)
Income tax paid	(174)	(145)
Income tax refunded	-	215
Net cash flows from operating activities	**12,113**	**13,399**

32. CONTINGENT LIABILITIES AND COMMITMENTS

In May 2021, the group received a supplier invoice that it disputed. On 4 June 2024, the supplier claimed from DUG for failing to pay the disputed invoice. There is no new evidence that changes our opinion. DUG's legal representative on the case supports the position; consequently no provision has been made.

On 10 July 2024 the company received the final delivery of 1,500 AMD EPYC ™ Genoa machines and final asset funding made to the supplier. As a result, property plant & equipment will increase by $4.065million and asset lease will increase by $5.283 million in FY25.

Other than described above, there were no other material contingent liabilities, contingent assets or commitments as at the reporting date.

33. SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the result of those operations, or the Group's state of affairs in future financial years.

34. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Reporting entity

The consolidated financial statements of DUG Technology Ltd as at and for the year ended 30 June 2024 comprise of DUG Technology Ltd (the Company) and its subsidiaries (together referred to as the Group) and were authorised for issue in accordance with a resolution of the directors on 22 August 2024. The Group is comprised of for-profit entities. DUG Technology Ltd is a limited company incorporated and domiciled in Australia and whose shares are publicly traded. The principal activities of the Group are the provision of high-performance computing as a service (HPCaaS), scientific data analysis and the provision of software. Additional information on the Group's principal activities is provided in Note 1. The Financial Report includes consolidated financial statement of the Group. Notes accompanying the financial statements and the Directors' declaration form part of the Financial Report.

b) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with the Australian Accounting Standards results in compliance with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and throughout this financial report, and have been consistently applied unless stated otherwise.

c) Going concern

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

d) Functional and Presentation Currency

All entities within the Group have a United States dollars (US$) functional currency.
The consolidated financial statements are presented in US$, which is the parent entity's and subsidiaries' functional and presentation currency.

e) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined.

Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve.

f) Basis of Measurement

The consolidated financial statements have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes.

g) Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Consolidated Financial Statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

h) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where necessary, comparative information has been re-presented to be consistent with the current period disclosure.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement of items in the financial statements or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

i) New, revised or amending Accounting Standards and interpretations not yet adopted

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2022, unless otherwise stated. All new and amended accounting standards and interpretations effective from 1 July 2023 were adopted by the Group with no material impact. There are expected to be material impacts from AASB 18 Presentation and Disclosure in Financial Statements: AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2027.

j) Consolidated entity accounting policy

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

k) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

35. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the current circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information are described in the following notes:

- Note 2 – Revenue
- Note 3 – Other income (R&D tax concession)
- Note 8 – Income taxes
- Note 11 – Trade and other receivables
- Note 14 – Property, plant and equipment
- Note 20 – Lease liabilities
- Note 21 – Provisions
- Note 23 – Impairment of non-current assets

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of Entity	Type of Entity	Country of Incorporation	Australian Tax Resident or Foreign Tax Resident	Foreign Jurisdiction of foreign residents	Ownership Interest 30 June 2024 %	30 June 2023 %
Parent entity:						
DUG Technology Ltd	Body Corporate	Australia	Australian	N/A		
Subsidiaries:						
DUG Technology (Australia) Pty Ltd	Body Corporate	Australia	Australian	N/A	100	100
DownUnder GeoSolutions (UK) Ltd	Body Corporate	United Kingdom	Foreign	United Kingdom	100	100
DownUnder GeoSolutions (London) Pty Ltd	Body Corporate	United Kingdom	Foreign	United Kingdom	100	100
DownUnder GeoSolutions (America) LLC	Body Corporate	USA	Foreign	USA	100	100
DownUnder GeoSolutions (Asia) Sdn Bhd	Body Corporate	Malaysia	Foreign	Malaysia	100	100
DownUnder GeoSolutions (Malaysia) Sdn Bhd	Body Corporate	Malaysia	Foreign	Malaysia	49	49
DUG Technology (24N) Ltd	Body Corporate	UAE	Foreign	UAE	100	N/A
DUGEO Solutions (India) Private Limited	Body Corporate	India	Foreign	India	100	N/A

Basis of preparation

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are DUG Technology Ltd and all the entities it controls in accordance with AASB 10 Consolidated Financial Statements

Directors' Declaration

In accordance with a resolution of the Directors of DUG Technology Ltd (the Company), we state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
   ii. complying with Accounting Standards and Corporations Regulations 2001; and

(b) the consolidated entity disclosure statement on page 78 is true & correct as at 30 June 2024; and

(c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 34; and

(d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

Dated at Perth on 22 August 2024.

Signed in accordance with a resolution of the Directors.

Mark Puzey
DIRECTOR

Independent Auditor's Report

To the Members of DUG Technology Ltd

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000

Report on the audit of the financial report

Opinion

We have audited the financial report of DUG Technology Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Note 2	
The Group's revenues totalling $65.501 million are recognised from contractual service arrangements with customers and the Group has determined the services fall into the following revenue streams: • Services • Software • HPCaaS Services revenue totalling $54.745 million is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. The complexity with services revenue lies with: • The determination of the completion and measurement of performance obligations under each contract; • The determination of costs towards the completion of performance obligations; and • The determination of contingency and variation estimates, including the probability of approval for changes in price and scope. This area is a key audit matter due to the high level of estimation and management judgement required to determine the revenue recognised from each contract.	Our procedures included, amongst others: • Performing procedures to understand the design and implementation of controls; • Testing the operating effectiveness of project cost controls designed for determining the revenue recognised over time utilising the percentage of completion method; • Reviewing on a sample basis, management's assumptions in determining the stage of completion, total contract price, costs incurred and estimated costs to complete to supporting documentation; • Testing on a sample basis, all revenue streams to determine whether revenue recognised is appropriate and in accordance with AASB 15 Revenue from Contracts with Customers; • Testing on sample basis revenue recorded pre and post year-end, to determine whether revenue is appropriately recorded in the period to which it relates; • Assessing whether management's judgements regarding timing and occurrence of revenue are appropriate taking into consideration the output method; and • Assessing the adequacy of the Group's presentation and disclosures in the financial statements.
Research and development tax incentives – Note 3	
Under the research and development (R&D) tax incentive scheme, the Group receives a tax offset of 38.5% on the first 2% of the total R&D eligible costs recorded within DUG Australia and 46.5% on costs above this level. An R&D plan is filed with AusIndustry in the following financial year and, based on this filing, the Group receives the incentive in non-refundable tax offsets. Management performed a detailed review of the Group's total R&D expenditure to estimate the tax offset under the R&D tax incentive legislation. At 30 June 2024, Research and Development grant income of $2.5 million was recorded. This is a key audit matter due to the size of the accrual and the degree of judgement and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme.	Our procedures included, amongst others: • Performing procedures to understand the design and implementation of the controls in place for the R&D expenditure recognition; • Utilising an internal R&D tax specialist to; – review the expenditure methodology employed by management for consistency with the R&D tax offset rules; – consider the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate meet the eligibility criteria; • Comparing the nature of the R&D expenditure included in the current year estimate to the prior year claim; • Selecting a sample of R&D expenditure and agreeing to supporting documentation to verify appropriate classification, validity of the claimed amount and eligibility against the R&D tax incentive scheme criteria; and • Assessing the appropriateness of financial statement disclosures.

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Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and

b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 20 to 27 of the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of DUG Technology Ltd, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 22 August 2024

Grant Thornton Audit Pty Ltd

Corporate Governance Statement

DUG Technology Ltd has established a strong governance framework and continues to be committed to a high level of integrity and ethical standards in all its business practices.
Effective and transparent corporate governance is of critical importance to DUG and its Board of Directors. The Board fully supports the intent of the Australian Securities Exchange (ASX) Corporate Governance Council's 4th edition of Corporate Governance Principles and Recommendations.

The Corporate Governance Framework continues to evolve as it seeks continual improvement in the way it conducts its business. Further details on DUG's governance principles can be found in the Company's Corporate Governance Statement available at www.dug.com.

ASX additional information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 15 August 2024.

DISTRIBUTION OF EQUITY SECURITIES

a) Ordinary share capital

118,123,386 fully paid shares are held by 3,140 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

Range of Fully Paid Shares	Number of Investors	Number of Securities	Percentage
1- 1,000	1,064	592,913	0.50
1,001- 5,000	1,166	3,138,862	2.66
5,001- 10,000	398	3,049,523	2.58
10,001- 100,000	458	13,134,446	11.12
100,001 Over	54	98,207,642	83.14
Total	**3,140**	**118,123,386**	**100.00**
Unmarketable parcels	55	1,114	

b) Substantial shareholders

Ordinary Shareholders	Fully paid	
	Number	Percentage
MR MATTHEW GORDON LAMONT	21,540,654	18.24
REGAL FUNDS MANAGEMENT PTY LTD	17,664,512	14.95
PERENNIAL VALUE MANAGEMENT LIMITED	12,795,977	10.83

c) Twenty largest holders of quoted equity securities

Ordinary Shareholders	Fully paid	
	Number	Percentage
CITICORP NOMINEES PTY LIMITED	19,207,356	16.26
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,372,818	12.17
MR MATTHEW GORDON LAMONT	12,300,000	10.41
UBS NOMINEES PTY LTD	11,156,744	9.44
MS SHEILA TERESA LAMONT	8,200,000	6.94
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,069,861	5.14
MR CALAN LESLIE MCINTYRE <SCR MCINTYRE A/C>	3,785,000	3.20
BNP PARIBAS NOMS (NZ) LTD	2,956,895	2.50
NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,236,417	1.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	1,804,344	1.53
GRANDALBERO PTY LTD <THE THOMPSON FAMILY A/C>	1,572,149	1.33
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,563,921	1.32
KAYNADAN PTY LTD <THE BOWER FAMILY A/C>	1,084,356	0.92
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	1,058,717	0.90
LYTTON NOMINEES PTY LTD <LYTTON SUPER FUND A/C>	655,629	0.56
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	649,526	0.55
LAMONT GEOPHYSICAL SERVICES PTY LTD <SHEILA LAMONT FAMILY A/C>	576,457	0.49
SARODA HOLDING PTY LTD <SCIARRONE FAMILY S/F A/C>	560,000	0.47
FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	533,029	0.45
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	494,997	0.42
Top 20 holders of ORDINARY FULLY PAID SHARES (Total)	**90,838,216**	**76.89**

d) Unquoted equity securities shareholdings greater than 20%

NONE.

e) On market share purchases for executive LTI plan

NONE.

Company Information

DIRECTORS	Francesco Sciarrone Matthew Lamont Louise Bower Mark Puzey	Non-Executive Chairman Managing Director Non-Executive Director Non-Executive Director
COMPANY SECRETARY	Jacqueline Barry	
COUNTRY OF INCORPORATION	Australia	
COMPANY REGISTRATION NUMBER	169 944 334	
LEGAL FORM	Limited Company	
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	76 Kings Park Road West Perth WA 6005 AUSTRALIA +61 8 9287 4100	
AUDITORS	Grant Thornton Audit Pty Ltd Level 43 Central Park 152-158 St Georges Terrace Perth WA 6000 AUSTRALIA	
SHARE REGISTRY	Computershare Investor Services Level 11, 172 St Georges Terrace Perth WA 6000 AUSTRALIA	
ASX CODE	ASX CODE: DUG	

DUG TECHNOLOGY LTD 99 169 944 334

For any queries related to DUG's Annual Report,
please contact us at investor@dug.com