



DUG Technology Ltd

Appendix 4D

Half-year report

Reporting period

Current period: Half-year ended 31 December 2025
Previous corresponding period: Half-year ended 31 December 2024

Results for Announcement to the Market

	Half-year ended 31 December		
	2025 US\$'000	2024 US\$'000	Change %
Revenue from ordinary activities	40,363	28,745	40%
Other income	2,345	1,597	47%
EBITDA ¹	11,453	5,197	120%
Normalised EBITDA ²	13,579	5,197	161%
Profit / (loss) after tax from ordinary activities	992	(3,871)	n.m.
Profit / (loss) after tax attributable to members	1,509	(3,972)	n.m.

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

² Normalised EBITDA excludes a one-off contingent liability provision relating to the MP2 legal matter. Please refer to the Company's ASX release "Update on legal proceedings" released on 25 February 2026 for further information.

Dividends and Dividend Reinvestment Plans

No dividend has been proposed or declared in respect of half-years ended 31 December 2025 and 31 December 2024 and there were no dividend reinvestment plans in operation during the current period.

Control Gained/Lost Over Entities

No control over any entities was gained or lost during the half-year ended 31 December 2025.

Net Tangible Assets per Share

	31 December 2025 US\$	31 December 2024 US\$
Net tangible assets per share	0.36	0.35

Audit Review

This report is based on the interim consolidated financial statements for the half-year ended 31 December 2025 which have been reviewed by Grant Thornton Australia.

Other

Additional information supporting the Appendix 4D disclosure requirements and a comparison of performance against previous periods, can be found in the accompanying Directors' Report and the interim consolidated financial statements for the half-year ended 31 December 2025.

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2025



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Company Information

DIRECTORS	<p>Francesco Sciarrone Matthew Lamont Louise Bower Mark Puzey David Monk</p>	<p>Non-Executive Chairman Managing Director Non-Executive Director Non-Executive Director Non-Executive Director</p>
COMPANY SECRETARY	Jacqueline Barry	
COUNTRY OF INCORPORATION	Australia	
COMPANY REGISTRATION NUMBER	169 944 334	
LEGAL FORM	Limited Company	
REGISTERED OFFICE	76 Kings Park Road West Perth WA 6005 AUSTRALIA	
PRINCIPAL PLACE OF BUSINESS	76 Kings Park Road West Perth WA 6005 AUSTRALIA	
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 LISTING	ASX CODE: DUG	

Directors' Report

The Directors hereby present their report of the Group comprising of DUG Technology Ltd (**DUG**, or **the Company**), and its subsidiaries (together referred to as **the Group**) for the half-year ended 31 December 2025. The use of the words Company and Group are interchangeable for the purposes of this report.

DIRECTORS

The Directors of the Company in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

- Francesco Sciarrone Non-Executive Chairman
- Matthew Lamont Managing Director
- Louise Bower Non-Executive Director
- Mark Puzey Non-Executive Director
- David Monk Non-Executive Director

REVIEW OF OPERATIONS

Highlights from FY26-H1

The Group delivered strong operational performance in FY26-H1 with record half-year revenue of US\$40.4 million (up 40%) and normalised EBITDA of US\$13.6 million (up 161%). This was driven by a strong FY26-Q2, which delivered revenue of US\$23.7 million and normalised EBITDA of US\$9.4 million.

These results were underpinned by growth in the Services business and the ramp up of the EPIC contract in Malaysia.

- Services growth was driven by strong performance in both established and emerging regions, and the continued adoption of MP-FWI imaging technology.
- Malaysian SaaS and HPCaaS contract ("EPIC") was able to be partially commissioned earlier than anticipated, after the Company was able to mobilise IT hardware from other regions. This resulted in 3 months of partial revenue recognition, with the full revenue run rate achieved by mid-December 2025.

DUG expanded its global multi-client portfolio by launching two new seismic reprocessing projects offshore Equatorial Guinea in partnership with Geox MCG. Both projects are fully pre-funded by clients and cover extensive acreage in the highly prospective deep-water Douala and Rio Muni basins, ahead of upcoming exploration licensing rounds by the Ministry of Hydrocarbons and Mining Development.

Revenue

	FY26-H1 US\$'000	FY25-H1 US\$'000	Change %
Services	31,778	24,471	30%
Software	4,137	3,196	29%
HPC	4,448	1,078	313%
Total revenue	40,363	28,745	40%

Services revenue increased 30% on FY25-H1. This was driven by strong performance in both established and emerging regions, and the continued adoption of MP-FWI imaging. The Services Order Book was US\$43.5 million at 31 December 2025, compared to US\$42.2 million at 31 January 2025 (US\$32.9 million at 31 December 2024). The Services Order Book is supported by a growing pipeline of opportunities that underpins the Company's confidence in continued momentum.

The increase in Software (29% growth) and HPC (313% growth) revenue compared to FY25-H1 was driven by the ramp up of the EPIC contract in Malaysia.

Operating Profit and Loss

	FY26-H1 US\$'000	FY25-H1 US\$'000	Change %
Total revenue	40,363	28,745	40%
Other income	2,345	1,597	47%
Total income	42,708	30,342	41%
Employee benefits expense	(17,437)	(15,788)	10%
Other expenses	(13,818)	(9,357)	48%
EBITDA¹	11,453	5,197	120%
Normalised EBITDA²	13,579	5,197	161%
Depreciation and amortisation expense	(6,102)	(6,392)	(5%)
Operating profit / (loss)	5,351	(1,195)	n.m.
Net finance expense	(2,005)	(2,030)	(1%)
Profit / (loss) before tax	3,346	(3,225)	n.m.
Tax expense	(2,354)	(646)	264%
Profit / (loss) after tax	992	(3,871)	n.m.

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

² Normalised EBITDA excludes a one-off contingent liability provision relating to the MP2 legal matter. Please refer to the Company's ASX release "Update on legal proceedings" released on 25 February 2026 for further details.

Employee benefits increased 10% in FY26-H1, driven by higher headcount in the Services business as the Brazilian office ramped up and established regions continued to grow. Other expenses increased 48% in FY26-H1 due to higher IT, facilities and subcontracting costs associated with the EPIC contract as well as the recognition of a one-off contingent liability provision relating to the MP2 legal matter (please refer to the Company's ASX release "Update on legal proceedings" released on 25 February 2026 for further details).

Financial Position

With total cash and cash equivalents of US\$14.3 million (US\$16.4 million at 30 June 2025), the Group has sufficient liquidity in place to continue to fund its growth strategy. The decrease in cash and cash equivalents from 30 June 2025 largely reflects the increased trade and other receivables balance. High cash receipts in January 2026 resulted in a 31 January 2026 cash balance of US\$20.7 million.

The Group improved its net asset position to US\$48.9 million at 31 December 2025, up from US\$47.3 million at 30 June 2025. Total assets grew to US\$105.7 million at 31 December 2025 (US\$91.5 million at 30 June 2025), reflecting increases in receivables, contract assets, property, plant and equipment, and lease right-of-use assets. Total liabilities increased to US\$56.8 million at 31 December 2025 (US\$44.2 million at 30 June 2025), reflecting increases in trade and other payables and contract liabilities.

Cash Flow

Net cash flows from operating activities totalled US\$7.4 million in FY26-H1, a significant improvement compared to the US\$2.2 million outflow in FY25-H1. This increase was primarily driven by higher cash receipts from customers, reflecting strong operational activity during the period.

Investment in plant, equipment and intangible assets reduced substantially to US\$2.0 million in FY26-H1, down from US\$6.1 million in FY25-H1. The prior-year period included the final delivery of new computer equipment, initial infrastructure capacity upgrades at the Houston data centre, and the Abu Dhabi office fit out.

Net cash outflows from financing activities amounted to US\$7.5 million, largely reflecting scheduled debt repayments to reduce asset financing lease obligations.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, is set out on page 6 of the Interim Consolidated Financial Statements for the half-year ended 31 December 2025.

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 Interim Consolidated Financial Statements and Directors' Report are rounded off to the nearest thousand in United States dollars, unless otherwise stated.

Dated at Perth on 25 February 2026.

Signed in accordance with a resolution of the Directors.



Mark Puzey
DIRECTOR

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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

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 review of DUG Technology Ltd for the half-year ended 31 December 2025. 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
 Chartered Accountants

Stella

L A Stella
 Partner – Audit & Assurance

Perth, 25 February 2026

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2025

	Note	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
Income			
Revenue from contracts with customers	6	40,363	28,745
Other income	7	2,345	1,597
		42,708	30,342
Expenses			
Depreciation and amortisation expense		(6,102)	(6,392)
Employee benefits expense	8	(17,437)	(15,788)
Other expenses	9	(13,818)	(9,357)
Operating profit/(loss)		5,351	(1,195)
Finance income		44	53
Finance expense		(2,049)	(2,083)
Net finance expense	10	(2,005)	(2,030)
Profit/(loss) before tax		3,346	(3,225)
Tax expense	11	(2,354)	(646)
Profit/(loss) for the period		992	(3,871)
Attributable to:			
Equity holders of the parent		1,509	(3,972)
Non-controlling interests		(517)	101
Total comprehensive income/(loss)		992	(3,871)
Earnings per share			
Basic profit/(loss) per share (US\$ cents per share)	18	1.12	(3.28)
Diluted profit/(loss) per share (US\$ cents per share)	18	1.09	(3.28)

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2025

	Note	31 Dec 2025 US\$'000	30 June 2025 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents		14,293	16,410
Trade and other receivables	12	16,799	11,667
Prepayments		1,388	1,241
Contract assets	15	8,437	4,319
Current tax asset		446	505
Other current assets		2,501	1,945
Total current assets		43,864	36,087
Non-current assets			
Property, plant and equipment	13	44,343	41,109
Right-of-use assets	14	13,823	10,615
Intangible assets		521	534
Deferred tax asset		1,339	1,339
Other non-current assets		1,774	1,766
Total non-current assets		61,800	55,363
Total assets		105,664	91,450
LIABILITIES			
Current liabilities			
Trade and other payables		12,478	4,861
Loans and borrowings		190	40
Contract liabilities	15	8,022	3,090
Lease liabilities	16	8,755	11,163
Provisions		4,566	2,338
Total current liabilities		34,011	21,492
Non-current liabilities			
Lease liabilities	16	22,676	22,606
Provisions		102	76
Total non-current liabilities		22,778	22,682
Total liabilities		56,789	44,174
NET ASSETS		48,875	47,276
EQUITY			
Share capital	17	76,606	76,240
Reserves		(285)	(526)
Accumulated losses		(27,446)	(28,438)
TOTAL EQUITY		48,875	47,276
Equity attributable to equity holders of parent		49,437	47,321
Non-controlling interests		(562)	(45)
TOTAL EQUITY		48,875	47,276

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

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2025

	Note	Share Capital US\$'000	Translation Reserve US\$'000	Share-based Payment reserve US\$'000	Accumulated Losses US\$'000	Total US\$'000	Non-controlling Interests US\$'000	Total Equity US\$'000
Balance at 1 July 2025		76,240	(2,177)	1,651	(28,393)	47,321	(45)	47,276
Income/(loss) for the period		-	-	-	1,509	1,509	(517)	992
Total comprehensive income/(loss) for the period		-	-	-	1,509	1,509	(517)	992
TRANSACTIONS WITH EQUITY HOLDERS								
Share-based payments		-	-	388	-	388	-	388
Employee loan funded shares sold	17	219	-	-	-	219	-	219
Shares issued – options exercised	17	147	-	(147)	-	-	-	-
Total transactions with equity holders		366	-	241	-	607	-	607
Balance at 31 December 2025		76,606	(2,177)	1,892	(26,884)	49,437	(562)	48,875
Balance at 1 July 2024		55,362	(2,177)	955	(24,590)	29,550	471	30,021
Income/(loss) for the period		-	-	-	(3,972)	(3,972)	101	(3,871)
Total comprehensive income/(loss) for the period		-	-	-	(3,972)	(3,972)	101	(3,871)
TRANSACTIONS WITH EQUITY HOLDERS								
Share-based payments		-	-	277	-	277	-	277
Employee loan funded shares sold		502	-	-	-	502	-	502
Shares issued during the period		20,849	-	-	-	20,849	-	20,849
Cost of capital raising issued, net of tax		(702)	-	-	-	(702)	-	(702)
Total transactions with equity holders		20,649	-	277	-	20,926	-	20,926
Balance at 31 December 2024		76,011	(2,177)	1,232	(28,562)	46,504	572	47,076

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

Condensed Consolidated Statement of Cashflows

For the half-year ended 31 December 2025

	Note	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		36,091	27,976
Cash paid to suppliers		(12,119)	(11,323)
Cash paid to employees		(16,569)	(16,052)
Income tax paid		(16)	(2,834)
Interest received		43	53
Net cash from / (used in) operating activities		7,430	(2,180)
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(1,962)	(6,080)
Acquisition of intangible assets		(60)	(50)
Net cash used in investing activities		(2,022)	(6,130)
CASHFLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		-	20,849
Proceeds from repayment of loan funded shares		448	502
Proceeds from borrowings and leases		-	5,812
Costs relating capital raising		-	(1,114)
Repayment of borrowings		(313)	(1,374)
Transaction costs relating to borrowings		(17)	(4)
Repayment of lease liabilities (excluding interest)		(5,729)	(5,462)
Interest paid on lease liabilities		(1,891)	(2,054)
Interest paid on borrowings		(6)	(14)
Net cash from / (used in) financing activities		(7,508)	17,141
Net increase / (decrease) in cash and cash equivalents		(2,100)	8,831
Cash and cash equivalents at the beginning of the period		16,410	9,385
Effect of changes in foreign currency		(17)	(931)
Cash and cash equivalents at the end of the period		14,293	17,285

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

Notes to the Condensed Consolidated Financial Statements

For the half-year ended 31 December 2025

1. REPORTING ENTITY

The interim consolidated financial statements of DUG Technology Ltd and its subsidiaries (collectively, the Group) for the six months ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 25 February 2026. 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 registered office is located at 76 Kings Park Road, West Perth WA 6005, Australia. The Group is principally engaged in the provision of seismic data analysis, analytical software development, and high-performance computing as a service (HPCaaS).

2. BASIS OF PREPARATION

The interim consolidated financial statement for the half-year ended 31 December 2025 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The half-year financial report does not include all of the information required for a full financial report, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2025, and any public announcements made by the Group during the half-year ended 31 December 2025 in accordance with continuous disclosure obligations under the *Corporations Act 2001* and ASX Listing Rules.

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

4. NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretation issued by the Australian Accounting Standards Board that are mandatory for the current reporting period and were relevant to the Group. The adoption of the new amended Accounting Standards and Interpretation had no material impact on the Group. Any new, revised or amending Accounting Standards of Interpretations that are not yet mandatory have not been adopted early.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the interim consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim consolidated financial statements including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2025.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
Services	31,778	24,471
Software	4,137	3,196
HPCaaS	4,448	1,078
Revenue from contracts with customers	40,363	28,745

Timing of revenue recognition

Over time	38,225	26,594
At a point in time	2,138	2,151
Revenue from contracts with customers	40,363	28,745

Geographic information

Australia	3,232	2,049
United Kingdom	9,027	8,896
United States of America	15,550	12,163
Asia	9,416	5,637
United Arab Emirates	1,135	-
Brazil	2,003	-
Revenue from contracts with customers	40,363	28,745

Revenue Performance Obligations (Contract Liabilities¹)

	2026 US\$'000	2027 USD\$'000
Revenue expected to be recognised in the respective periods:		
Services	992	-
Software	2,993	-
HPCaaS	3,185	-
Revenue from contracts with customers	7,170	-

¹ Excludes US\$0.85 million in funding received from the Western Australian State Government

7. OTHER INCOME

	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
Government grant - non-cash R&D tax concession	2,235	1,597
Gain on lease remeasurement	110	-
Other income	2,345	1,597

8. EMPLOYEE BENEFITS

	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
Salaries, incentives and fees	13,916	12,735
Superannuation	1,014	959
Payroll tax	893	842
Other benefits	1,288	975
Share-based payments	326	277
Employee benefits	17,437	15,788

9. OTHER EXPENSES

	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
General and administrative expenses	3,947	2,997
Sales and marketing expenses	3,014	1,965
IT, facilities and related costs	4,730	3,656
Provision for legal settlement ¹	2,126	-
Foreign exchange loss – net	1	739
Other expenses	13,818	9,357

¹ The Group has recorded a provision of US\$2.13 million following the entry of a Final Judgment in the US District Court for the Southern District of Texas. While the Company intends to file post-trial motions and, if necessary, an appeal to contest the judgment, the full amount has been provisioned to reflect the best estimate of the potential liability at this time. Please refer to the Company's ASX release "Update on legal proceedings" released on 25 February 2026 for further information.

10. FINANCE EXPENSE

	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
Interest expenses – asset financing leases	1,263	1,566
Interest expenses – facility leases	628	488
Interest expense – borrowings	6	6
Others	152	23
Interest income	(44)	(53)
Net finance expenses	2,005	2,030

11. TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total earnings. The major components of income tax expense recognised in the condensed consolidated profit or loss and other comprehensive income are:

	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
Current tax expense ¹	2,354	920
Deferred tax expense	-	(271)
Tax expense	2,354	646

¹ Non-cash government grants relating to R&D costs are recognised in profit or loss (within other income) over the period necessary to match them with the related expenditure, rather than being recorded solely as a tax offset in income tax expense.

12. TRADE AND OTHER RECEIVABLES

	31 Dec 2025 US\$'000	30 June 2025 US\$'000
Current asset:		
Trade receivables	16,944	11,565
Provision for expected credit losses	(145)	(130)
Trade receivables – net	16,799	11,435
Other receivables	-	232
Trade and other receivables	16,799	11,667

Expected credit loss lifetime credit

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.

	31 Dec 2025 US\$'000	30 June 2025 US\$'000
As at 1 July	130	128
Increase in provision for expected credit losses	15	2
Total expected credit losses	145	130

The main source of credit risk to the Group is considered to relate to the class of assets described as “trade and other receivables”. At 31 December 2025, a total of 63% of trade receivables were concentrated to the top five customers (30 June 2025: 40%).

13. PROPERTY, PLANT AND EQUIPMENT

	Data Centre Infrastructure and HPC US\$'000	HPC Right-of- Use Assets US\$'000	Leasehold Improvements US\$'000	Office Equipment US\$'000	Under Construction US\$'000	Total US\$'000
At 30 June 2025						
Cost	64,782	35,010	3,590	1,612	1,776	106,770
Accumulated depreciation	(52,713)	(8,175)	(3,205)	(1,568)	-	(65,661)
Net book value	12,069	26,835	385	44	1,776	41,109
Half-year ended 31 December 2025						
Opening net book value	12,069	26,835	385	44	1,776	41,109
Additions	89	47	1,174	36	6,517	7,863
Remeasurement	-	353	-	-	-	353
Reclassification	6,359	(6,359)	-	-	-	-
Depreciation	(4,614)	(236)	(125)	(7)	-	(4,982)
Closing net book value	13,903	20,640	1,434	73	8,293	44,343
At 31 December 2025						
Cost	71,230	29,051	4,764	1,648	8,293	114,986
Accumulated depreciation	(57,327)	(8,411)	(3,330)	(1,575)	-	(70,643)
Net book value	13,903	20,640	1,434	73	8,293	44,343

The corresponding lease liability for HPC Right-of-Use Assets is disclosed in Note 16.

14. RIGHT-OF-USE ASSETS

	Offices US\$'000	Data Centre US\$'000	Global Fibre Links US\$'000	Total US\$'000
At 30 June 2025				
Cost	11,722	8,319	779	20,820
Accumulated depreciation	(7,244)	(2,535)	(426)	(10,205)
Net book value	4,478	5,784	353	10,615
Half-year ended 31 December 2025				
Opening net book value	4,478	5,784	353	10,615
Additions	3,696	-	126	3,822
Reclassification	(199)	199	-	-
Depreciation	(789)	(203)	(60)	(1,052)
Remeasurement	445	-	(7)	438
Closing net book value	7,631	5,780	412	13,823
At 31 December 2025				
Cost	10,621	8,518	846	19,985
Accumulated depreciation	(2,990)	(2,738)	(434)	(6,162)
Net book value	7,631	5,780	412	13,823

The corresponding lease liability for the Right-of-Use Assets is disclosed in Note 16.

15. CONTRACT ASSETS / LIABILITIES

	31 Dec 2025 US\$'000	30 June 2025 US\$'000
Contract Assets		
Services	8,464	4,332
Provision for expected credit losses	(27)	(13)
	8,437	4,319
Contract Liabilities		
Services	992	1,137
Software	2,993	740
HPCaaS ¹	4,037	1,213
	8,022	3,090

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

16. LEASE LIABILITIES

	31 Dec 2025 US\$'000	30 June 2025 US\$'000
Current		
Property and global network links	1,531	1,709
HPC asset financing	7,224	9,454
	8,755	11,163
Non-current		
Property and global network links	15,251	11,747
HPC asset financing	7,425	10,859
	22,676	22,606

Right-of-use assets

The Group's lease portfolio includes

- buildings with remaining lease terms ranging from less than 1 year to 16 years.
- compute assets acquired through asset financing facilities totalling US\$13.9 million, secured against the financed compute assets and cash deposits. The leases have repayment terms ranging from 24 months to 36 months, with maturity in February 2026 to July 2027. Average interest rate during the period was 14.2% (30 June 2025: 13.5%).

Compute purchased and asset financed during the period 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	43	-

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

	31 Dec 2025 US\$'000	30 June 2025 US\$'000
Depreciation charge related to right-of-use assets	1,288	9,085
Interest expense on lease liabilities	1,862	4,143

Total cash outflow for leases

	31 Dec 2025 US\$'000	30 June 2025 US\$'000
Total cash outflow for leases including interest	7,620	15,356

17. SHARE CAPITAL

Share capital comprises ordinary shares.

	31 Dec 2025		30 June 2025	
	No.	US\$'000	No.	US\$'000
Fully paid-up shares				
Balance at beginning of period	132,850,143	76,240	115,710,853	55,362
Issued shares from options exercised	754,383	147	-	-
Employee loan funded shares sold	223,980	219	605,075	731
Issued on capital raise	-	-	16,534,215	20,849
Cost of capital raising issued, net of tax	-	-	-	(702)
Balance at end of period	133,828,506	76,606	132,850,143	76,240
Issued under loan funded share plans				
Balance at beginning of year	1,807,458	-	2,412,533	-
Employee loan funded shares sold	(223,980)	-	(605,075)	-
Balance at end of period	1,583,478	-	1,807,458	-
Total shares issued	135,411,984	76,606	134,657,601	76,240

18. EARNINGS PER SHARE

	31 Dec 2025	31 Dec 2024
	US\$'000	US\$'000
Profit / (Loss) attributable to equity holders of the Company	1,509	(3,972)

Basic/Diluted Earnings per Share ("EPS")

	31 Dec 2025	31 Dec 2024
	cents	cents
Basic EPS	1.12	(3.28)
Diluted EPS	1.09	(3.28) ¹

Weighted Average Number of Shares

	31 Dec 2025	31 Dec 2024
	No.	No.
Weighted average number of shares used in basic EPS	135,011,928	120,998,563
Weighted average number of shares used in diluted EPS	138,715,573	120,998,563 ¹

¹ Diluted loss per share is equal to basic loss per share for the half year ended 31 December 2025, as the effect of all potential ordinary shares is anti-dilutive due to the net loss incurred.

19. 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.

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.

31 December 2025	Note	HPCaaS US\$'000	Services US\$'000	Software US\$'000	Eliminations US\$'000	Consolidated US\$'000
Income						
Revenue from contracts with external customers	6	4,448	31,778	4,137	-	40,363
Inter-segment		14,159	-	1,267	(15,426)	-
Other income	7	6	99	2,239	-	2,345
Total income		18,613	31,877	7,643	(15,426)	42,708
Segment EBITDA ¹		11,545	(1,128)	1,036	-	11,453
Segment operating profit/(loss)		6,323	(1,890)	918	-	5,351
Segment assets		62,314	22,005	5,267	-	89,586
Segment liabilities		34,188	15,459	7,142	-	56,789

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

31 December 2024	Note	HPCaaS US\$'000	Services US\$'000	Software US\$'000	Eliminations US\$'000	Consolidated US\$'000
Income						
Revenue from contracts with external customers	6	1,078	24,471	3,196	-	28,745
Inter-segment		13,375	-	1,036	(14,411)	-
Other Income	7	319	-	1,278	-	1,597
Total income		14,772	24,471	5,510	(14,411)	30,342
Segment EBITDA¹		7,969	(3,836)	1,064	-	5,197
Segment operating profit/(loss)		2,377	(4,509)	937	-	(1,195)
Segment assets		52,166	19,700	4,950	-	76,816
Segment liabilities		31,200	9,415	8,825	-	49,440

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

	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
Reconciliation of assets		
Segment assets	89,586	76,816
Cash and cash equivalents	14,293	17,285
Current tax asset	446	1,076
Deferred tax assets	1,339	1,339
Total assets	105,664	96,516
Reconciliation of liabilities		
Segment liabilities	56,789	49,440
Total liabilities	56,789	49,440
Reconciliation of profit/(loss) before tax		
Segment profit/(loss)	5,351	(1,195)
Net finance expense	(2,005)	(2,030)
Profit/(Loss) before tax	3,346	(3,225)

20. RELATED PARTY TRANSACTIONS

No related party transactions were entered into for the half year ended 31 December 2025.

21. EVENTS AFTER REPORTING DATE

Other than as disclosed in Note 21, there are no other matter or circumstance that has arisen since 31 December 2025 which has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in the future financial years.

Directors' Declaration

In accordance with a resolution of the directors of DUG Technology Ltd, we state that in the opinion of the directors:

- (a) the interim consolidated financial statements and notes of the Company and its subsidiaries (collectively the Group) for the half-year ended 31 December 2025 are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration has been made after receiving the declarations required to be made to the directors by the Managing Director and Acting Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2025.

Dated at Perth on 25 February 2026.

Signed in accordance with a resolution of the Directors.



Mark Puzey
DIRECTOR

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

Independent Auditor's Review Report

To the Members of DUG Technology Ltd

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of DUG Technology Ltd (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2025, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of DUG Technology Ltd does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as of 31 December 2025 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance
Perth, 25 February 2026