

ASX Release



7 August 2024

DUG inks exclusive DUG Cool licensing agreement with BAC

DUG Technology Ltd (ASX: DUG) ("**DUG**" or the "**Company**") is pleased to announce the signing of an exclusive DUG Cool licensing agreement (the "**Licence**") with Baltimore Aircoil Company, Inc ("**BAC**").

The agreement grants BAC an exclusive¹ and worldwide licence to use DUG's patent rights and know-how regarding DUG Cool, the Company's immersion-cooling technology ("**Licensed IP**"). This licence includes the right to use, manufacture, market and sell the Licensed IP and will be used by BAC to manufacture and sell immersion cooling tanks ("**Licensed Products**").

BAC is the global leader in cooling solutions with over 80 years of experience serving the HVAC, Industrial, and Refrigeration industries. Since 1938, BAC has been creating innovative sustainable products and solutions for the most essential and demanding environments on earth.

By integrating DUG's technology, BAC expands its portfolio of evaporative, hybrid, and dry cooling products to now include indoor immersion cooling solutions to provide data centre customers with even more advanced options to meet their current and future cooling needs.

DUG will earn the following royalties until the patent expiry date in 2036:

- 2.5% of net sales² of BAC's immersion cooling tanks utilising DUG's patent rights
- 2.5% of net sales of BAC's immersion cooling tanks subject to DUG providing ongoing technical assistance to aid commercialisation ("**Know How**").

A two-year trailing Know How royalty will be payable to DUG after the patent expiry date at the rate of 2% in year one and 1% in year two.

DUG will retain the ability to utilise the Licensed IP for DUG's own use and for use in the Company's DUG Nomad product suite.

DUG's Managing Director, Matt Lamont, said: *"This new partnership between BAC and DUG is poised to revolutionise the data centre cooling market. Our patented DUG Cool design has been refined through production use for over a decade. Our Skybox data centre in Houston is among the largest single-phase immersion cooling deployments in the world. This agreement will pair our design, know-how, and reputation with BAC's scale, manufacturing prowess, and respected brand to position us to take advantage of a shifting and rapidly expanding data centre cooling market. We very much look forward to working with BAC as part of this agreement."*

"This partnership with DUG represents a significant milestone for BAC," Don Fetzer, President of BAC said. *"By incorporating DUG's advanced immersion cooling technologies, we are taking a major step forward in providing sustainable, next-generation cooling solutions for data centers. Our combined expertise along with our global manufacturing footprint ensures that we continue to lead the way in addressing the challenges of high-density computing, in line with our vision of reinventing cooling to sustain the world."*

This ASX Announcement has been approved for release by the Board of DUG Technology Ltd.

¹ Exclusivity is subject to BAC meeting agreed minimum royalty payments until 2029.

² Net sales refers to the sale price paid to BAC excluding freight, tax, and other ancillary services associated with the sale of the immersion cooling tanks.



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About DUG

DUG is an ASX-listed technology company, headquartered in Australia, that specialises in analytical software development, big-data services and reliable, green, 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 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 and greenest supercomputers on Earth. The company continues to invest and innovate at the forefront of software and HPC, working towards a climate-positive future.

To learn more, please visit www.dug.com.

About BAC

With over 80 years of industry-leading innovation and experience, BAC creates cutting-edge cooling equipment for the HVAC, Industrial, and Refrigeration marketplaces. BAC solves customers' unique needs with our expertise and wide range of high-performance systems. BAC leverages the power of evaporative cooling by optimizing the balance of water and energy, but the true BAC difference lies in its absolute commitment to creating sustainable solutions and delivering value to its customers. For more information about BAC, visit www.BaltimoreAircoil.com.