DC Two Limited
Appendix 4D

1. Name of Entity

DC Two Limited (ABN 30 155 473 304)

Reporting Period	Half-year ended 31 December 2021
Previous Corresponding Reporting Period	Half-year ended 31 December 2020

2. Results for Announcement to Market

Financial results	Up / Down	Change %	2021 $	2020 $
Revenue from ordinary activities	Up	93.2	1,606,689	831,689
(Loss) after tax from ordinary activities attributable to members	Up	34.5	(1,957,496)	(1,440,311)
(Loss) attributable to members	Up	34.5	(1,957,496)	(1,440,311)

Final and interim dividends	It is not proposed that either a final or interim dividend be paid.
Record date for determining entitlements to the dividend	N/A
Brief explanation of any of the figures reported above	The Company has focused on sales and marketing initiatives to grow the recurring revenue base. It has also expedited development of the Bibra Lake data centre focusing on Tier III accreditation and at the same time has continued to grow its modular data centres

3. Net Tangible Asset per Ordinary Share

	Cents
Net tangible asset backing per ordinary share – current reporting period	4.65
Net tangible asset backing per ordinary share – previous reporting period	7.03

4. Control Gained Over Entities

Details of entities over which control has been gained or lost	N/A

5. Dividends Paid and Payable

Details of dividends or distribution payments	No dividends or distributions are payable.

6. Dividend Reinvestment Plans

Details of dividend or distribution reinvestment plans	N/A

7. Details of Associates

Details of associates and joint venture entities	N/A

8. Review Opinion

Details of any audit dispute or qualification	There are no audit disputes or qualifications to the review opinion.

Justin Thomas
Managing Director
28 February 2022

DC TWO LIMITED

ABN 30 155 473 304

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

DC Two Limited
Interim Financial Report
For the half-year ended 31 December 2021

CONTENTS

CORPORATE INFORMATION

Directors
Shane Wee (Non-Executive Chairman)
Justin Thomas (Managing Director)
Blake Burton (Executive Director)

Company Secretary
Deborah Ho

Registered Office / Principal Place of Business
27 Aspiration Court
Bibra Lake WA 6163

Telephone:	1300 331 888
Email:	investors@dctwo.com.au
Website:	www.dctwo.com.au

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Auditor
Grant Thornton Audit Pty Ltd
Central Park
Level 43, 152-158 St Georges Terrace
Perth WA 6000

Solicitors
Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

DIRECTORS' REPORT

The Directors present their report, together with the interim financial report for DC Two Limited ("DC Two" or the "Company") for the half-year ended 31 December 2021.

Directors

The names of Directors in office at any time during or since the end of the half-year ended 31 December 2021 were as follows:

Name	Position	Date Appointed	Date Resigned
Justin Thomas	Managing Director	2 February 2012	-
Shane Wee	Non-Executive Chairman	31 August 2021	-
Cameron McLean	Non-Executive Chairman	1 September 2020	31 August 2021
Blake Burton	Executive Director	1 September 2020[1]	-

[1] Mr Burton was appointed as a Non-Executive Director on 1 September 2020 and subsequently moved to an Executive Director role on 6 October 2021.

Principal Activities

DC Two Limited is a vertically integrated revenue generating data centre, cloud and software business that provides data centre and cloud hosted services, data centre hosting and colocation, data centre and cloud automation software and modular data centre and hosting solutions.

Significant Changes in The State of Affairs

During the period and as approved by Shareholders on 26 November 2022, the Company issued 16,666,666 fully paid ordinary shares at an issue price of $0.15 per share, with a 1:2 free attaching listed options (exercisable at $0.30 per Share expiring 2 years from the date of issue), raising up to $2.5 million (before costs) (Placement). DC Two's directors participated in this capital raise with further details on attaching options provided in note 12.

Review of Operations

Bibra Lake Development Progression

During the period DC Two submitted its Tier III design accreditation application to the Uptime Institute with a final outcome expected imminently. If successful, this will provide DC Two with a competitive edge when tendering for mid-market and enterprise customers.

Achieving Tier III Design certification will show that Bibra Lake has been designed to meet one of the highest standards for infrastructure functionality and capability. The certification is an important part of running a world-class data centre facility and demonstrates to customers that Bibra Lake is a reliable, effective and secure facility.

DC Two also recently achieved VMWare cloud verified status. The Cloud Verified designation indicates that a provider offers the complete VMWare-based software defined data centre infrastructure, delivered as a service which builds confidence that the service provided by DC Two is based on the most advanced VMWare cloud technologies.

These ongoing improvements puts DC Two continues in a strong position to offer whole-of-business solutions to larger enterprises.

Business & Corporate Update

The Company continues to work with the existing 40+ channel partners already promoting and selling our extensive range of data centre and cloud products.

DC Two recently bolstered its sales team with the appointment of 3 new sales professionals to focus on the mid-level enterprise businesses.

DC Modular
The Company recently fully commissioned its Mid-West regional data centre with a maximum capacity of 2MW. DC Two is in the process of selling the full 2MW of capacity, with an approximate 1250kw currently already being utilised at the site. This regional data centre the first of its kind in Australia utilising in-house developed modular data centres that are deployed 'behind the meter' at a wind farm. This allows the Company to offer a "green-powered" service to customers seeking more eco-credentials across their business, whilst providing access to globally competitive power prices.

The future of modular data centres is promising with the Company advancing toward commissioning two additional regional data centres.

DC Soft
DC Two continues to enhance it's automated software reporting tool called DC Portal to accurately report customers monthly usage of Microsoft products - reducing compliance risk and optimising license utilisation to reduce ongoing costs. This has been extended to work with the modular data centre business to accurately record customer usage and billings.

Corporate
Effective from 6 October 2021, Mr Blake Burton moved from a Non-Executive Director role to an Executive Director role, on the Board.

Likely Developments and Expected Results of Operations
The Company continues to achieve its data centre and cloud platform growth strategies directed toward accelerating and increasing revenue and extending its platforms into new markets using its existing products. The DC Modular and DC Soft business units are undertaking ongoing improvements in its self-service and automation software platforms and systems, in order to be able to meet increased product demand from existing customers and new markets as they arise.

Results for The Period
The Company incurred a net loss after tax for the half-year ended 31 December 2021 of $1,957,496 (31 December 2020: $1,440,311). As at 31 December 2021, the Company recorded a net asset position of $3,757,010 (31 Dec 2020: $4,358,577). Net operating cash outflows were $386,830 (31 December 2020: outflows of $74,894). DC Two ends the financial period with a cash balance of $1,355,885 (30 June 2021: $1,891,595).

After Balance Date Events
Subsequent to reporting date the Company received a short-term loan of $361,000 from directors at an interest rate of 5% p.a. which is repayable in 12 months.

Dividends
There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

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 immediately after this directors' report.

Signed in accordance with a resolution of the Directors

Justin Thomas
Managing Director
28 February 2022

Grant Thornton

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Auditor's Independence Declaration

To the Directors of DC Two Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of DC Two Limited for the half-year ended 31 December 2021, 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

L A Stella
Partner – Audit & Assurance

Perth, 28 February 2022

DC Two Limited
Condensed Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2021

	Note	31 Dec 2021 $	31 Dec 2020 $
Sales revenue		1,606,689	831,689
Cost of goods sold		(245,528)	(117,734)
		1,361,161	713,955
Other income		4,640	163,454
Advertising and marketing costs		(180,444)	(58,152)
Colocation costs		(93,531)	(64,917)
Computer expenses		(12,515)	(24,551)
Consultancy fees		(140,274)	(78,333)
Depreciation and amortisation expenses		(471,077)	(148,262)
Employment costs		(921,161)	(637,168)
Insurance fees		(55,808)	(42,613)
Interest expense		(82,170)	(31,065)
Listing fees		(23,773)	(201,737)
Other expenses		(651,475)	(369,005)
Repairs and maintenance costs		(5,068)	(36,382)
Share based payment expenses		(436,682)	(352,765)
Software licenses fees		(249,319)	(272,770)
		(3,318,657)	**(2,317,720)**
Loss before income tax		**(1,957,496)**	**(1,440,311)**
Income tax expense		-	-
Loss after income tax		**(1,957,496)**	**(1,440,311)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Other comprehensive loss (net of income tax)		-	-
Total comprehensive loss		**(1,957,496)**	**(1,440,311)**
Basic and diluted loss per share	4	(0.031)	(0.034)

The accompanying notes form part of this financial report.

DC Two Limited
Condensed Statement of Financial Position
For the Half-Year Ended 31 December 2021

	Note	31 Dec 2021 $	30 Jun 2021 $
Assets			
Current Assets			
Cash and cash equivalents		1,355,885	1,891,595
Trade and other receivables		179,425	134,592
Contract asset		356,254	418,724
Other current assets		165,515	485,109
Total Current Assets		**2,057,079**	**2,930,020**
Non-Current Assets			
Plant and equipment	5	3,120,756	1,077,088
Right-of-use assets	6	3,242,286	2,967,502
Intangible asset		304,264	108,460
Other non-current assets		105,600	112,267
Total Non-Current Assets		**6,772,906**	**4,265,317**
Total Assets		**8,829,985**	**7,195,337**
Liabilities			
Current Liabilities			
Trade and other payables		1,183,162	733,181
Contract liabilities		377,227	363,195
Provisions		210,212	285,290
Lease liabilities	7	701,851	459,926
Total Current Liabilities		**2,472,452**	**1,841,592**
Non-Current Liabilities			
Provisions		14,826	15,615
Lease liabilities	7	2,585,697	2,398,452
Total Non-Current Liabilities		**2,600,523**	**2,414,067**
Total Liabilities		**5,072,975**	**4,255,659**
Net Assets		**3,757,010**	**2,939,678**
Equity			
Issued capital	8	8,072,098	5,733,952
Reserves	9	1,729,397	1,292,715
Accumulated losses		(6,044,485)	(531,267)
Total Equity		**3,757,010**	**2,939,678**

DC Two Limited
Condensed Statement of Changes in Equity
For the Half-Year Ended 31 December 2021

	Note	Issued Capital $	Share Based Payment Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2020		**314,568**	**-**	**(531,267)**	**163,682**
Loss after income tax		-	-	(1,440,311)	(1,440,311)
Other comprehensive loss		-	-	-	-
Total comprehensive loss for the period		-	-	(1,440,311)	(1,440,311)
Subscription offer		1,200	-	-	1,200
Public offer		5,500,000	-	-	5,500,000
Share issue costs		(462,197)	-	-	(462,197)
Conversion of convertible notes		380,381	-	-	-
Options issued to Directors and employees		-	352,765	-	352,765
Options issued to lessor		-	243,439	-	243,439
Balance as at 31 December 2020		**5,733,952**	**596,204**	**(1,971,579)**	**4,358,577**
Balance at 1 July 2021		**5,733,952**	**1,292,715**	**(4,086,989)**	**2,939,678**
Loss after income tax		-	-	(1,957,496)	(1,957,496)
Other comprehensive loss		-	-	-	-
Total comprehensive loss for the period		-	-	(1,957,496)	(1,957,496)
Issue of share capital	8	2,500,000	-	-	2,500,000
Share issue costs	8	(161,854)	-	-	(161,854)
Options issued to Directors and employees	9	-	436,682	-	436,682
Balance as at 31 December 2021		**8,072,098**	**1,729,397**	**(6,044,485)**	**3,757,010**

The accompanying notes form part of this financial report.

DC Two Limited
Condensed Statement of Cash Flows
For the Half-Year Ended 31 December 2021

	Note	31 Dec 2021 $	31 Dec 2020 $
Cash flows from operating activities			
Receipts from customers		1,575,888	995,186
Payments to suppliers and employees		(1,885,188)	(1,209,027)
Receipts from other income		4,640	163,454
Interest paid		(82,170)	(24,507)
Net cash used in operating activities		**(386,830)**	**(74,894)**
Cash flows from investing activities			
Payments for plant and equipment		(2,095,171)	(35,524)
		(215,768)	-
Net cash used in investing activities		**(2,310,939)**	**(35,524)**
Cash flows from financing activities			
Proceeds from issue of shares (net)		2,338,146	5,039,003
Payment of lease principal		(176,087)	(525,350)
Payment of borrowings		-	(126,009)
Deposits paid for leased asset		-	(105,600)
Net cash provided by financing activities		**2,162,059**	**4,282,044**
Net (decrease)/increase in cash and cash equivalents		(535,710)	4,171,626
Cash and cash equivalents at the beginning of the half-year		1,891,595	237,081
Cash and cash equivalents at the end of the half-year		**1,355,885**	**4,408,707**

The accompanying notes form part of this financial report

Note 1: Significant Accounting Policies

General Information and Basis of Preparation

These half-year financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*. Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

The interim financial report has been approved and authorised for issue by the Board of Directors on the 28 February 2022.

New, Revised or Amended Accounting Standards and Interpretations

During the half-year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2021. Accounting pronouncements which have become effective from 1 July 2021 and that have been adopted, do not have a significant impact on the Company's financial results or position.

Note 2: Critical Accounting Judgements, Estimates and Assumptions

When preparing the Interim Financial Report, 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 Financial Report, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2021. The only exceptions are the estimate of income tax liabilities which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Note 3: Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a loss of $1,957,496 (2020: $1,440,311) and had net cash outflows from operating and investing activities of $386,830 (2020: $74,894) and $2,310,939 (2020: $35,524) respectively for the half-year ended 31 December 2021. As at that date, the Company had net current liabilities of $415,373 (2020: net current assets $1,088,428). The ability of the Company to continue as a going concern is amongst other things, dependent upon the ability of the Company to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company continues to have significant monthly increases in revenue with the deployment of the modular data centres over November/December 2021, and correspondingly a significant reduction in capital expenditure related to these modules;
- The Company has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required; and
- Subsequent to reporting date the Company received a short-term loan of $361,000 from directors at an interest rate of 5% p.a. which is repayable in 12 months.

If the Company is unable to continue as a going concern, it may be required to realise its assets and or settle its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

Note 4. Loss Per Share

	31 Dec 2021	31 Dec 2020
	$	$
Loss after income tax	(1,957,496)	(1,440,311)
	No.	**No.**
Weighted average number of ordinary shares	63,441,435	42,166,304
	$	**$**
Basic and diluted loss per share	(0.031)	(0.034)

As the Company incurred a loss for the period, the options on issue have an anti-dilutive effect, therefore the diluted EPS is equal to the basic EPS. A total of 28,483,333 share options (31 December 2020: 6,400,000) which could potentially dilute EPS in the future have been excluded from the diluted EPS calculation because they are anti-dilutive for the current period presented.

Note 5. Plant and Equipment

	31 Dec 2021	30 Jun 2021
	$	$
Property improvements – cost	305,353	293,652
Less accumulated depreciation	(47,767)	(28,547)
	257,586	265,105
Plant and equipment – cost	3,132,554	986,614
Less accumulated depreciation	(269,384)	(174,631)
	2,863,170	811,983
Total plant and equipment	**3,120,756**	**1,077,088**

Reconciliations
Reconciliations of the written down values at the beginning and end of the current half-year are set out below:

	Property Improvements	Plant and Equipment	Total
	$	$	$
Cost			
Balance at 1 July 2021	293,652	986,614	1,280,266
Additions	11,701	2,149,437	2,161,138
Disposals	-	(3,497)	(3,497)
Balance at 31 December 2021	**305,353**	**3,132,554**	**3,437,907**
Accumulated Depreciation			
Balance at 1 July 2021	28,547	174,631	203,178
Depreciation expense	19,220	94,753	114,973
Balance at 31 December 2021	**47,767**	**269,384**	**317,151**
Carrying value at 31 December 2021	**257,586**	**2,863,170**	**3,120,756**

Note 6. Right-Of-Use Asset

	31 Dec 2021 $	30 Jun 2021 $
Cost	4,381,953	3,770,029
Less accumulated depreciation	(1,139,667)	(802,527)
	3,242,286	**2,967,502**

Reconciliations
Reconciliations of the written down values at the beginning and end of the current half-year are set out below:

	$
Balance at 1 July 2021	2,967,502
Additions	511,000
Depreciation expense	(236,216)
Balance at 31 December 2021	**3,242,286**

The right-of-use assets relate to the leases for the business premises in Osborne Park and Bibra Lake and various IT equipment leases.

Note 7. Lease Liabilities

	31 Dec 2021 $	30 Jun 2021 $
Current	701,851	459,926
Non-Current	2,585,697	2,398,452
	3,287,548	**2,858,378**

Amounts recognised in the statement of profit or loss and other comprehensive income

Depreciation expense on right of use asset (Note 6)	236,216	470,323
Interest expense	78,598	92,537

The Company has leases for the business premises in Osborne Park and Bibra Lake and various IT equipment leases. The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2021 were as follows:

	Minimum Lease Payments			
	Within 1 Year	**1-5 Years**	**After 5 Years**	**Total**
31 Dec 2021				
Lease payments	852,698	2,881,214	-	3,733,913
Finance charges	(151,145)	(295,219)	-	(446,365)
Net present value	**701,553**	**2,585,995**	**-**	**3,287,548**
30 June 2021				
Lease payments	590,989	2,178,752	512,000	3,281,741
Finance charges	(131,063)	(275,572)	(16,728)	(423,363)
Net present value	**459,926**	**1,903,180**	**495,272**	**2,858,378**

Note 8. Issued Capital

	31 Dec 2021		30 Jun 2021	
	No. of Shares	**$**	**No. of Shares**	**$**
Fully paid ordinary shares	**75,166,666**	**8,072,098**	**58,500,000**	**5,733,952**

Movements in ordinary share capital

	Date	No. of Shares	Issue price	$
Balance at 1 July 2021		58,500,000		5,733,952
Issue of shares	6 Oct 2021	8,774,984	$0.15	1,316,248
Issue of shares	4 Dec 2021	7,891,682	$0.15	1,183,752
Share issue costs		-		(161,854)
Balance at 31 December 2021		**75,166,666**		**8,072,098**

Note 9. Reserves

	31 Dec 2021 $	30 Jun 2021 $
Share based payment reserve	1,729,397	1,292,715
	1,729,397	**1,292,715**

Share Based Payment Reserve	**No. of Options**	**$**
Share-based payment reserve as at 31 December 2021	**28,483,333**	**1,729,397**
Movements in share-based payment reserve		
Options		
Balance at 1 July 2021	10,150,000	1,292,715
Options issued to shareholders as part of capital raise	8,000,000	-
Options issued to directors as part of capital raise	333,333	-
Options issued to directors	1,000,000	149,539
Options issued to joint lead managers	4,000,000	190,580
	23,483,333	1,632,834
Performance rights		
Performance rights issued to directors and employees	5,000,000	96,563
Balance at 31 December 2021	**28,483,333**	**1,729,397**

Note 9. Reserves (continued)

On 24 September 2021, 2,500,000 unlisted class A performance rights expiring on 30 June 2023, were issued to directors and employees on condition of the Company achieving a minimum revenue of A$6m and an EBITDA of A$900k for either of the financial years ending 30 June 2022 or 2023, as independently verified by the Company auditors, as approved by Shareholders on 25 August 2021.

On 24 September 2021, 2,500,000 unlisted class B performance rights expiring on 30 June 2025, were issued to directors and employees on condition of the Company achieving a minimum revenue of A$12m and an EBITDA of A$1.8m for any of the financial years ending 30 June 2022 - 2025 as independently verified by the company auditors, as approved by Shareholders on 25 August 2021.

On 20 December 2021, 8,333,333 listed options exercisable at $0.30 and expiring on 25 November 2023 were issued as free-attaching options to the share placement, as approved by Shareholders on 26 November 2021. Of the listed options, 333,333 were issued to Directors who participated in the share placement.

On 20 December 2021, 1,000,000 unlisted options exercisable at $0.60 and expiring on 25 November 2025 were issued to a director, as approved by Shareholders on 26 November 2021. 50% of the options vest on 1 January 2022 and the remaining 50% of the options vest on 1 January 2023.

On 20 December 2021, 4,000,000 listed options exercisable at $0.30 expiring on 25 November 2023 were issued to joint lead managers of the share placement in consideration for their service provided in respect to the placement, as approved by Shareholders on 26 November 2021. All options vest at grant date.

The Company has measured the fair value of the options granted during the current period by adapting a Black-Scholes option pricing model using the following inputs:

Grant Date	Expiry Date	Exercise Price	Share Price	Volatility	Dividend Yield	Risk Free Rate	Fair Value at Grant Date
25 Aug 2021	30 Jun 2023	-	$0.20	100%	-	0.315%	$0.0808
25 Aug 2021	30 Jun 2025	-	$0.20	100%	-	0.315%	$0.0667
26 Nov 2021	25 Nov 2023	$0.30	$0.155	100%	-	0.315%	$0.0477
26 Nov 2021	25 Nov 2025	$0.60	$0.155	100%	-	0.315%	$0.0692

Valuation of Performance Rights
Performance rights were valued using the spot price on grant date with the assumption that both class A and B performance rights will vest within the timeframe. The fair value has been spread over the measurement period and there is an underlying service condition that any unvested performance rights will be forfeited if the directors or employees leave the company, unless the Board exercises its discretion otherwise.

Note 10. Segment Reporting
The Company is considered to be one operating segment based on the geographical location of its operations. The Board has identified its operating segments based on the internal reports that are used by the Board in assessing performance and in determining the allocation of resources. The information presented in the financial statements approximates the information of the operating segment.

Note 11. Contingent Assets and Liabilities

As reported previously, a dispute is still ongoing with the Company's landlord and the previous tenant of the Bibra Lake data centre. The previous tenant carried out and installed multiple capital works of which the Company is utilising for their operations. At this stage, the Company is not party to any of the claims and the risk of loss is remote.

The Directors of the Company are not aware of any other contingent liabilities which require disclosure as at 31 December 2021 (30 June 2021: nil).

Note 12. Related Party Transactions

Related party remuneration includes the following expenses:

	31 Dec 2021	31 Dec 2020
	$	$
Short term employee benefits	239,628	177,830
Post-employment benefits	21,615	15,132
Share-based payments benefits	96,563	176,383
	357,806	**369,345**

Note 13. Commitments

The Company had capital commitments of $145,902 at 31 December 2021 (30 June 2021: $643,039). These commitments relate to contract asset purchases.

Note 14. Events Subsequent to Reporting Period

As stated in Note 3 above, subsequent to reporting date the Company received a short-term loan of $361,000 from directors at an interest rate of 5% p.a. which is repayable in 12 months.

DIRECTORS' DECLARATION

In the opinion of the Directors of DC Two Limited

1. The financial statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:

   (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

   (b) giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year then ended.

2. 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 is made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Justin Thomas
Managing Director
28 February 2022

Central Park, Level 43
152-158 St Georges Terrace
Perth WA 6000

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Independent Auditor's Review Report

To the Members of DC Two Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of DC Two Limited (the Company), which comprises the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, 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 DC Two Limited does not comply with the *Corporations Act 2001* including:

a) giving a true and fair view of the Company's financial position as at 31 December 2021 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.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Company incurred a net loss of $1,957,496 during the half year ended 31 December 2021 and, as of that date, the Company's operating and investing cash outflows for the period is $2,697,769. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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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

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 Company's financial position as at 31 December 2021 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.

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GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 28 February 2022