

DC MODULAR 'COLLIE' PROJECT ENTERS NEXT PHASE OF DEVELOPMENT WITH CANNAPONICS LIMITED

Highlights:

- *A non-binding Memorandum of Understanding (MOU) has been signed with Cannaponics Limited to deploy data centres 'behind the meter' at their large-scale cannabis facility*
- *Opportunity for DC Two to access the facility's renewable power source for reduced data centre operational costs*
- *Innovative new heat-recovery system under development to re-direct heat from servers which can be used to heat the Cannaponics greenhouses*
- *MOU reiterates DC Two's commitment to sustainable and renewable power generation*
- *Both companies will begin work towards preparing formal agreements with the goal to have data centre modules online by the end of 2021*

10 June 2021: DC Two Limited (ASX: DC2) ("DC Two" or the "Company"), a vertically integrated revenue generating data centre, cloud and software business, is pleased to provide an update on its DC Modular Collie Project, whereby a number of positive developments have been achieved which take the project closer towards potential future commercialisation.

As noted in section 7.11 of the Company's prospectus, DC Two received a grant from the State Government of Western Australia via the Department of Primary Industries and Regional Development for an amount of \$200,000 ex GST for the purpose of developing and constructing a new modular, transportable and relocatable data centre in Collie.

Since receiving the grant, DC Two has been actively working with the department, members of the Collie community and multiple third parties to satisfy our requirements pursuant with the grant agreement and is now very pleased to have found a potential supplier/partner in Cannaponics Limited which has similar corporate, environmental and ethical goals and objectives as DC Two.

The relationship with Cannaponics has the potential to greatly benefit both parties while simultaneously enabling DC Two to finalise and complete its objectives and obligations of the grant while seeding another data centre site for the fast growing DC Modular customer base.

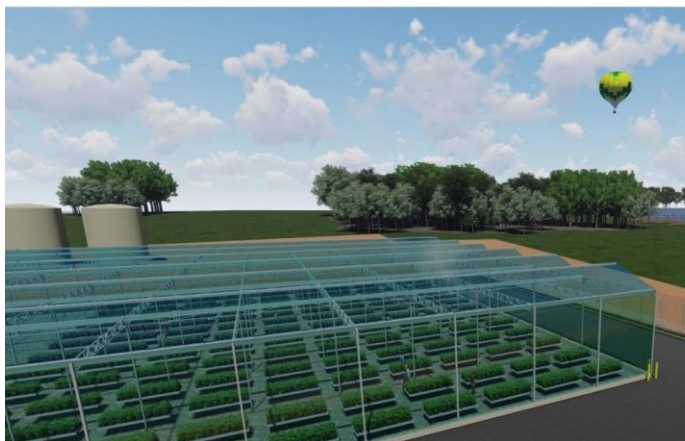
Non-binding Memorandum of Understanding (MOU) signed

DC Two has signed a non-binding Memorandum of Understanding ("MOU") with Cannaponics Limited to explore the potential deployment of modular data centres at the Cannaponics cannabis facility under construction in Collie, Western Australia.

Cannaponics are building a world class cannabis research, cultivation, extraction and manufacturing facility and planning to install significant solar and/or other renewable infrastructure to provide power to the site.

DC Two plans to harness this renewable power source and install its eco-friendly, transportable and modular data centres ‘behind the meter’ to access reduced power prices to decrease operational costs of running the data centres.

The execution of this MOU with Cannaponics reiterates DC Two’s ESG focus and commitment to sustainable and renewable power generation.



Concept render of the Cannaponics Limited facility in Collie

Potential to create innovative new systems

The collaboration will also explore the possibility to re-use the low-grade waste heat produced by the data centre modules to heat the greenhouses as needed, effectively using the electrical power energy twice, firstly to power the data centre and secondly to heat the greenhouses.

Data centres consume significant amounts of energy and produce low grade waste heat in the form of “hot air” as the waste by-product. By strategically locating data centre modules within close proximity to the

greenhouses, the hot air waste can be directed into the greenhouses to maintain internal temperatures as needed, especially during cold periods.

This re-use of energy can conceptually lower the overall cost of heating the greenhouses while providing lower cost of power for the data centre modules, with both Cannaponics and DC Two effectively sharing the energy and keeping operating costs lower for both entities.

DC Two Managing Director Justin Thomas said: “Greenhouses need large amounts of energy to recreate the climatic conditions that crops need. The ability to re-use excess heat from our servers to improve the energy efficiency profile of these facilities is another example of our dedication to lower the environmental impact of data centres.”



Next steps

DC Two and Cannaponics will now commence work towards preparing formal agreements with the goal to have data centre modules online by the end of 2021, in line with the Cannaponics staged development rollout. Within the formal agreement, both companies will agree to power prices at which DC Two can access for data centre operation and explore the option of Cannaponics re-directing electricity generation back to the grid at certain times to take advantage of “extreme pricing events”. Both companies will also work together to achieve local council approval for the data centres to be located on-site.

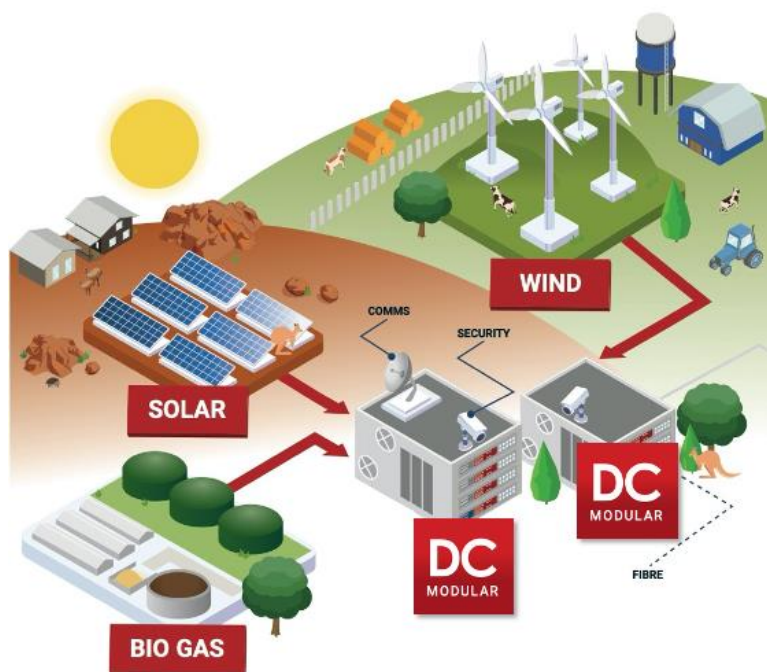
This announcement has been approved for release by the Board of DC Two.

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ABOUT DC TWO

Established in 2012, DC Two offers a suite of vertically integrated services covering every part of the data centre and cloud technology stack. The Company offers a number of managed and integrated cloud services delivered from datacentres in Perth and Darwin and is currently rolling out DC Modular - a containerised "data centre in a box" innovation. DC Two also develops software assets to support our internal operations and provide enhanced control and flexibility, through automation and self-service, to our customers and technology partners, wherever they are.



GMP manufacture facility on its 160-acre freehold property in Collie WA, which will produce dried cannabis flower to be further processed into Cannaponics medicinal products. The whole project uses 100% renewable resources with Cannaponics subsidiary company CannaEnergy, building a 25,000 sqm solar electrical power micro-grid with advanced water harvesting technology.

ABOUT DC MODULAR

DC Two have developed a high density and transportable data centre that enables quick and easy deployment in any location. Based on durable ISO standard sea containers and non-ruggedized insulated variants, the transportable data centre only requires power and data connectivity and is suitable for high performance or supercomputing specific workloads.

ABOUT CANNAPONICS

Cannaponics Limited is a renewable resource, licensed producer medicinal cannabis cultivation, manufacturing and research company. Stage 1 will see Cannaponics build a 3,600sqm greenhouse along with a 2,000sqm EU