DWS

DWS Limited
ACN 085 656 088

Company Announcement

Half Year Financial Results to 31 December 2019

DWS Limited (DWS) announces the following results and highlights for the half year ended 31 December 2019.

- **First half revenue of $83.02M (up $0.75M or 1% on pcp).**
- **First half underlying EBITDA of $12.32M (up $0.30M or 2% on pcp).**
- **First half underlying NPAT of $8.4M (up $0.8M or 11% on pcp)**
- **First half Reported NPAT of $5.13M (down $1.55M or 23% on pcp)**
    - **H1 FY20 Reported NPAT includes the after-tax impact of $1.98M of costs relating to the acquisition of Projects Assured and Object Consulting, $0.75M of amortisation costs arising from the new accounting treatment for leases and $0.5M loss from DWS's joint venture, Site Supervisor**
    - **After adjusting for the after-tax impact of Projects Assured and Object Consulting acquisition costs, the amortisation of leases and the loss from Site Supervisor, H1 FY20 adjusted NPAT is $8.4M (up $0.81M or 11% on pcp)**
- **First half operating cash flow (before interest and tax) of $15.1M, which is 122% of adjusted EBITDA.**
- **Interim fully franked dividend of 3.0 cents per ordinary share declared (4.0 cents per share pcp):**
    - **Record Date** — **13 March 2020**
    - **Expected Payment Date** — **3 April 2020**

Key drivers of the financial results are:

- Lower than expected demand in the Banking & Finance, IT&C and Transport sectors offset by an increase in demand in the Government and Defence sector;
- Total consulting staff numbers decreased to 745 (763 in pcp) due to lower than expected demand in DWS traditional services and underperformance of the Symplicit business;
- Utilisation of staff was lower during the period as consultant numbers were adjusted to match the lower than expected client demand in DWS traditional services and due to a one-off mandatory leave initiative implemented at short notice by a key client;
- Strong cost management across the DWS Group resulted in a 14.8% adjusted EBITDA margin (14.6% pcp).

Danny Wallis, CEO and Managing Director of DWS Limited commented on the result saying:

"DWS's acquisition of Projects Assured and our strategy to increase our footprint in Government and Defence has led to an increase in underlying EBITDA for the first half of FY20 despite reduced demand from other industry sectors, underperformance by our Symplicit business and initial losses from the integration of the newly acquired Object Consulting business. Strategies are in place to improve the performance of Symplicit whilst the newly acquired Object Consulting business will be integrated into the DWS traditional service offering. Given these changes and assuming similar conditions to those in H1 FY20, we expect a stronger performance for the DWS Group in H2 FY20.

During the period, DWS has used its strong cash flow to fund the acquisition of the Object Consulting business, to pay the acquisition costs for Projects Assured and to continue to fund ongoing investment in our core service offerings and current and potential licensed products with total payments of approximately $8.0 million. Given the higher than usual cash outlays during the period, the Board of Directors have declared a fully franked interim dividend of 3.0 cents for H1 FY20. Assuming no further acquisitions, cash outlays more in line with historic levels and normal trading conditions, we will look to use the DWS Group's strong cash flow generation to increase dividends in H2 FY20 and future periods whilst at the same time paying down acquisition debt.

For further information, contact:

Danny Wallis (Chief Executive Officer and Managing Director)

or

Stuart Whipp (Chief Financial Officer and Company Secretary)

Phone (03) 9650 9777

About DWS

DWS Limited (DWS) is a professional services company which provides information technology consulting services to large corporate entities and Australian Government agencies. DWS listed on the Australian Securities Exchange on 15th June 2006. ASX code 'DWS'. DWS currently employs over 800 staff and contractors and has offices in Melbourne, Sydney, Brisbane, Adelaide and Canberra. More information can be obtained at our website http://www.dws.com.au, or by contacting our head office in Melbourne on (03) 9650 9777.

DWS

Excellence

APPENDIX 4D

31 DECEMBER 2019
DWS LIMITED

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DWS Limited

Appendix 4D and Interim Financial Report

For six months ended 31 December 2019

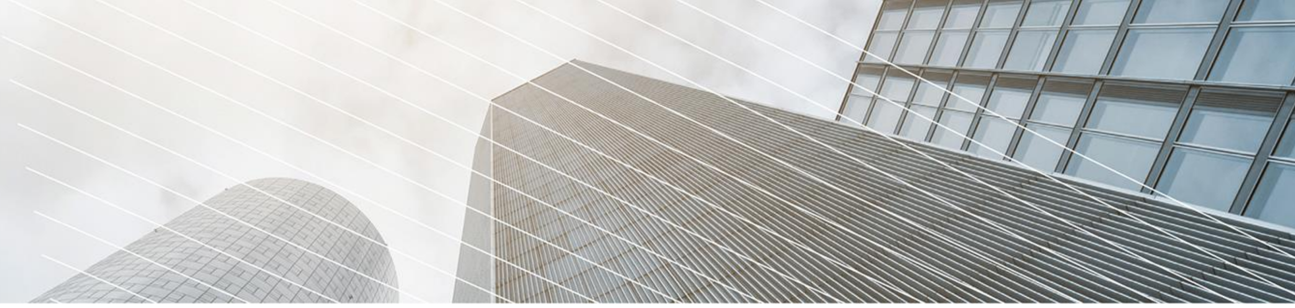
RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Dec-19	Dec-18			
	$'000	$'000		**Change $'000**	**% Change**
Revenue from continuing operations	**83,024**	82,271	**up**	**753**	1%
Total comprehensive income for the half year	**5,129**	6,679	**down**	**(1,550)**	(23%)

Dividends (distributions)	**Amount per security**	**Franked amount per security**	**Record Date for dividend entitlement**
Dividend Declared during the half financial year	4.00 cents	100%	4 September 2019
Dividend Declared subsequent to half financial year end	3.00 cents	100%	13 March 2020

	Current period	**Previous corresponding period**
Net tangible asset backing per ordinary security	**(25.64) cents**	(31.86) cents
Earnings per Share	**3.89 cents**	5.07 cents

DWS



DIRECTORS' REPORT

The Directors present their report together with the half year consolidated financial report of the consolidated entity consisting of DWS Limited (the Company) and its controlled entities for the half year ended 31 December 2019 and the auditor's review report thereon.

The consolidated half year financial report does not include all of the information required for a full annual report and should be read in conjunction with the consolidated annual financial report of the consolidated entity for the year ended 30 June 2019 and any public announcements made by the consolidated entity during the half year reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

Directors

The Directors of the Company at any time during or since the end of the half year are:

Name	**Period of Directorship**
Non-Executive Directors	
Martin Ralston (Chair)	Director since November 2008
Ken Barry	Director since May 2006. Resigned 1 July 2019.
Gary Ebeyan	Director since November 2010
Hayden Kelly	Director since November 2015
Selina Lightfoot	Director since December 2016
Danny Gorog	Director since July 2019
Executive Directors	
Danny Wallis	Director since May 2006

Directors' Report Cont'
Review of Operations

The following table summarises the consolidated entity's financial performance for the half year ended 31 December 2019:

	Dec 2019 $'000	Dec 2018 $'000	Change $'000	Change %
Revenue from continuing operations	**83,024**	82,271	**753**	**1%**
Other income (excluding interest)	**221**	444	**(223)**	**(50%)**
Employee benefits expense	**(67,775)**	(67,309)	**(466)**	**(1%)**
Selling, general and admin expense	**(3,146)**	(3,379)	**233**	**7%**
Underlying EBITDA	**12,324**	12,027	**297**	**2%**
Acquisition costs	**(1,524)**	(1,138)	**(386)**	**(34%)**
EBITDA	**10,800**	10,889	**(89)**	**(1%)**
Depreciation and amortisation	**(1,808)**	(203)	**(1,605)**	**(791%)**
Capitalised product development	**69**	122	**(53)**	**(43%)**
Net interest (expense)/ income	**(595)**	(955)	**360**	**38%**
Share of loss from equity accounted investments	**(500)**	(125)	**(375)**	**300%**
Net profit before tax	**7,966**	9,728	**(1,762)**	**(18%)**
Income tax expense	**(2,837)**	(3,049)	**212**	**7%**
Net Profit After Tax attributable to DWS Holders	**5,129**	6,679	**(1,550)**	**(23%)**

DWS recorded a first-half result with underlying EBITDA of $12.32 million, which was $0.30 million or 2% up on pcp. Key drivers of the result were as follows:

- Continued strong earnings contribution from management and strategic consulting engagements in Federal Government performed by Projects Assured;
- Lower than expected demand in the Banking & Finance, IT&C and Transport sectors; and
- Impact of increased acquisition costs due to accounting for earnout payments as an employee benefit instead of a capital cost of acquisition.

DWS's balance sheet had gross bank debt of $45.00 million ($42.00 million pcp) and cash reserves of $10.87 million ($8.88 million pcp) resulting in net bank debt of $34.13 million ($33.12 million pcp). After careful consideration, the Board has declared a 3.0 cent fully franked interim dividend.

Directors' Report Cont'

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001.

The lead auditor's independence declaration is set out on page 17 and forms part of the Directors' Report for the half year ended 31 December 2019.

Rounding Off

The consolidated entity is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191 and therefore the amounts contained in this report and in the Financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Dated at Melbourne 11 February 2020

Signed in accordance with a resolution of the Directors.

Danny Wallis
Chief Executive Officer and Managing Director

DWS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2019

	Notes		Consolidated		
			31 Dec 2019 $'000		31 Dec 2018 $'000
Revenue from continuing operations	2		**83,024**		82,271
Other income	2		**258**		495
Employee benefit expense			**(69,264)**		(68,447)
Depreciation and amortisation expense			**(1,808)**		(203)
Other expenses			**(2,747)**		(3,257)
Financing expenses			**(997)**		(1,006)
Share of loss from equity accounted investments			**(500)**		(125)
Profit before tax			**7,966**		9,728
Income tax expense	4		**(2,837)**		(3,049)
Profit from continuing operations			**5,129**		6,679
Profit for the half year			**5,129**		6,679
Other comprehensive income			**-**		-
Total comprehensive income attributable to DWS holders			**5,129**		6,679
Earnings per Share					
Basic earnings per share	5	**$**	**0.039**	$	0.051
Diluted earnings per share	5	**$**	**0.039**	$	0.051

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the half year financial report set out on pages 9-15.

Consolidated Statement of Financial Position

As at 31 December 2019

	Consolidated	
	31 Dec 2019	30 Jun 2019
	$'000	$'000
Current Assets		
Cash and cash equivalents	**10,866**	8,880
Trade and other receivables	**21,832**	30,575
Other	**1,128**	1,133
Total Current Assets	**33,826**	40,588
Non-Current Assets		
Property, plant and equipment	**2,603**	2,701
Right-of-use asset	**5,054**	-
Intangible assets	**99,655**	96,995
Investment in associate	**-**	187
Other financial assets	**688**	-
Deferred tax assets	**4,580**	3,673
Total Non-Current Assets	**112,580**	103,556
Total Assets	**146,406**	144,144
Current Liabilities		
Trade and other payables	**14,928**	17,150
Current tax liabilities	**1,431**	3,270
Provisions	**7,271**	7,261
Lease liabilities	**676**	-
Contract liabilities	**1,050**	2,472
Total Current Liabilities	**25,356**	30,153
Non-Current Liabilities		
Interest bearing liability	**45,000**	42,000
Lease liabilities	**4,448**	-
Long term provisions	**1,168**	1,413
Total Non-Current Liabilities	**50,616**	43,413
Total Liabilities	**75,972**	73,566
Net Assets	**70,434**	70,578
Equity		
Issued Capital	**34,187**	34,187
Retained Earnings	**36,247**	36,391
Total Equity attributable to DWS Holders	**70,434**	70,578
Outside Equity Interest	-	-
Total Equity	**70,434**	70,578

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the half year financial report set out on pages 9-15.

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2019

	Share Capital $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2019	**34,187**	**36,391**	**70,578**
Dividends paid	-	(5,273)	(5,273)
Share buy-back	-	-	-
Total transactions with owners	-	(5,273)	(5,273)
Profit for the period atttributable to DWS holders	-	5,129	5,129
Other comprehensive income	-	-	-
Balance at 31 December 2019	**34,187**	**36,247**	**70,434**
Balance at 1 July 2018	**34,187**	**37,958**	**72,145**
Dividends paid	-	(6,592)	(6,592)
Share buy-back	-	-	-
Total transactions with owners	-	(6,592)	(6,592)
Profit for the period atttributable to DWS holders	-	6,679	6,679
Other comprehensive income	-	-	-
Balance at 31 December 2018	**34,187**	**38,045**	**72,232**

Number of Shares on Issue	**31 Dec 2019 No.**	31 Dec 2018 No.
Fully paid ordinary shares with no par value	**131,831,328**	131,831,328

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the half year financial report set out on pages 9-15.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2019

	Consolidated	
	31 Dec 2019	31 Dec 2018
	$'000	$'000
Cash flows from operating activities		
Cash receipts from customers	**99,426**	90,874
Cash payments to suppliers and employees	**(83,673)**	(79,705)
Income taxes paid	**(5,335)**	(2,587)
Interest paid	**(1,103)**	(352)
Interest received	**37**	51
Net cash provided by operating activities	**9,352**	8,281
Cash flows from investing activities		
Payment for acquisitions	**(3,318)**	(33,000)
Cash acquired within business acquisitions	**-**	787
Payments for plant and equipment	**(22)**	(58)
Payments for intangible assets	**(69)**	(122)
Payment for investment in associate	**(1,000)**	(1,000)
Proceeds from the sales of plant and equipment	**-**	3
Net cash (used in) investing activities	**(4,409)**	(33,390)
Cash flows from financing activities		
External loan drawn/(repaid)	**3,000**	32,000
Repayment of leasing liabilities	**(684)**	-
Dividends paid	**(5,273)**	(6,592)
Net cash (used in) financing activities	**(2,957)**	25,408
Net (decrease) / increase in cash and cash equivalents held	**1,986**	299
Cash at the beginning of the reporting period	**8,880**	8,128
Cash at the end of the reporting period	**10,866**	8,427

The Consolidated Statement of Cash Flows is to be read in conjunction with the notes to the half year financial report set out on pages 9-15.

NOTES TO THE HALF YEAR FINANCIAL REPORT

For the half year ended 31 December 2019

Note 1 Significant Accounting Policies

Reporting Entity

DWS Limited (the Company) and its controlled entities are companies domiciled in Australia. The consolidated half year financial report for the half year ended 31 December 2019 comprises the Company and its controlled entities (together referred to as the "consolidated Group").

The consolidated annual financial report of the consolidated Group as at and for the year ended 30 June 2019 is available to shareholders upon request from the Company's registered office at Level 4, 500 Collins Street, Melbourne or at www.dws.com.au.

Statement of Compliance

The consolidated half year financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with the International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The consolidated half year financial report does not include all of the information required for a full annual report and should be read in conjunction with the consolidated annual financial report of the consolidated Group for the year ended 30 June 2019 and any public announcements made by the consolidated entity during the half year reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The consolidated Group is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000, or in certain cases, to the nearest dollar.

AASB 16 *Leases* became mandatory on 1 January 2019. Accordingly, this standard applies for the first time to this set of financial statements. The nature and effect of changes arising from this standard are summarised below.

The consolidated half year financial report was approved by the Board of Directors on 11 February 2020.

Significant Accounting Policies

The accounting policies applied by the consolidated entity in the consolidated half year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 June 2019, except as described below. Note that the changes in accounting policies specified below only apply to the current period.

New accounting standards adopted as at 1 July 2019

AASB 16 *Leases* became effective for periods beginning on or after 1 January 2019. Accordingly, the Group applied AASB 16 for the first time to the interim period ended 31 December 2019. There have been no significant changes to the Group's financial performance and position as a result of the adoption of the new and amended accounting standard and interpretations effective for annual reporting periods beginning on or after 1 January 2019. Changes to the Group's accounting policies arising from this standard are summarised below.

The initial application of AASB 16 resulted in the Group recognising a right-of-use asset of $5.85 million and related lease liability recorded of $5.85 million which represents the present future value of payments on the Group's lease commitments except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The impact to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the results for the interim period ended 31 December 2019 are an increase in depreciation of the right-of-use assets of $0.8 million. The depreciation of right-of-use assets is materially consistent to the expected occupancy expense recorded under AASB 117.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 3.1705%.

AASB 16 has been applied using the modified retrospective approach. Under this method, the cumulative effect of initial application has been recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 and comparitives are not restated.

AASB 16 Leases

AASB 16 *Leases* replaces AASB 117 *Leases* and some related interpretations. It:

- Requires all leases to be accounted 'on-balance sheet' by lessees, other than short-term and low value asset leases; and
- Provides guidance on the application of the definition of lease and on sale and lease back accounting and requires new and different disclosures about leases.

The Group as a lessee

For any new contracts entered into or or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being indentified at the time the asset is made available to the Group;
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurerment and recognition of leases as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, and initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the preset value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or alternatively the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be excercised.

Subsequent to the initial measurement, the liability will be reduced for payments made and increased for interest. It is measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is reassessed, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use-asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets usisng the practical expedients method. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

In the Consolidated Statement of Financial Position, right-of-use assets have been presented separately to property, plant and equipment and lease liabilities (current and non-current) have been presented separately to trade and other payables.

The Group as a lessor

The Group's accounting policy under AASB 16 has not changed from the comparative period.

Where the Group acts in the capacity of lessor, the Group will classify its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all of the risks and rewards incidental ownership of the underlying asset, and classified as an operating lease if it does not.

DWS

Notes to the half year financial report Cont'

Note 2 Revenue

	Consolidated	
	31 Dec 2019	31 Dec 2018
	$'000	$'000
Revenue from continuing operations		
Services revenue	**82,567**	81,895
Licensing Revenue	**457**	376
Total revenue from continuing operations	**83,024**	82,271
Other income		
Interest received	**37**	51
Other	**221**	444
Total other income	**258**	495

The revenue from operations of the consolidating entity is not subject to any identifiable seasonal or cyclic trends.

Note 3 Segment Reporting

Operating Segments

DWS Limited and its controlled entities, develop, manage and implement information technology solutions. There is only one reportable segment based on the aggregation criteria in AASB 8. The business operates within Australia only.

DWS

Notes to the half year financial report Cont'

Note 4 Income Tax

	Consolidated	
	31 Dec 2019	31 Dec 2018
	$'000	$'000
The components of income tax expense		
Current tax payable	**3,495**	3,182
Deferred tax expense	**(658)**	(133)
	2,837	3,049
Profit before income tax		
Prima facie tax on profit from ordinary activities before income tax at 30% (2019 30%)	**2,390**	2,918
Increase in income tax expense due to:		
Non-deductible entertainment	**132**	122
Non-deductible loss attributable to associates	**150**	-
Other items	**165**	9
Income tax expense/(benefit)	**2,837**	3,049

Note 5 Earnings Per Share

	Consolidated	
	31 Dec 2019	31 Dec 2018
Earnings used in calculation of basic and dilutive EPS	**$ 5,128,983**	$ 6,678,642
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share	**131,831,328**	131,831,328
Number for diluted earnings per share		
Ordinary shares	**131,831,328**	131,831,328
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**131,831,328**	131,831,328
Basic earnings per share	**$0.039**	$0.051
Diluted earnings per share	**$0.039**	$0.051
Ordinary Shares		
Shares on issue start of period	**131,831,328**	131,831,328
Share buy-backs	-	-
Share based payments	-	-
Total Shares on issue at end of period	**131,831,328**	131,831,328

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Notes to the half year financial report Cont'

Note 6 Subsequent Events

Since the end of the financial half year the Directors have declared the following dividend:

	Amount Per Share	Franked Amount Per Share	Expected Payment Date
Interim - Ordinary	3.0 cents	3.0 cents	3 April 2020

Note 7 Contingencies

Bank guarantees to the value of $1,000,680 remain in place and are provided as a security for the performance of rental property covenants. The bank guarantees are secured by a Standard Authority to Appropriate and Set-Off Term Deposits to the equivalent guarantee value or are drawn down under a bank guarantee facility.

Note 8 Dividends

During the reporting period, the Company made the following dividend payments:

	Half-year ended 31-Dec-19		Half-year ended 31-Dec-18	
	Amount per share	Total $'000	Amount per share	Total $'000
Ordinary shares				
Final dividend	4.00 cents	5,273	5.00 cents	6,592

DWS

Notes to the half year financial report Cont'

Note 9 Business combinations

On 4 October 2019, DWS Limited acquired some of the business assets of Object Consulting Pty Ltd, a Sydney and Melbourne based IT consulting business. This acquisition was funded by cash of $3.3 million.

The acquisition had the following effect on the Group's assets and liabilities.

	Recognised Values ($)'000
Net Assets Acquired	
Other assets and liabilities	(402)
Deferred Tax Asset on acquisition	248
Property, plant & equipment	30
Net identifiable assets and liabilities	(124)
Goodwill and intangibles on acquisition	3,442
Total acquisition Cost	**3,318**
Consideration paid in cash	**3,318**

The goodwill on acquisition arises as a result of a premium being paid in excess of the fair value of the net assets acquired. The value of goodwill represents the future benefit arising from the expected future earnings, synergies and personnel assumed via the acquisition.

Goodwill is not deductable for tax purposes.

The initial accounting for the acquisition of some of the business assets of Object Consulting has not separately recognised any identifiable intangible assets separate from goodwill. An intangible asset may exist for the customer contracts and relationships that were taken over as part of this acquisition. DWS Limited expects this will be resolved prior to the release of the 30 June 2020 financial statements within the measurement period prescribed by AASB 3 Business Combinations.

Transaction costs

Transaction costs of $34,710 relating to the acquisition have been expensed through other expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of DWS Limited:

(a) the financial statements and notes, set out on pages 5 to 15 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the consolidated Group as at 31 December 2019 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date;

(ii) complying with 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.

This declaration is made in accordance with a resolution of the Directors.

Danny Wallis
Chief Executive Officer and Managing Director

Signed at Melbourne 11 February 2020

Grant Thornton

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Auditor's Independence Declaration

To the Directors of DWS Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of DWS Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

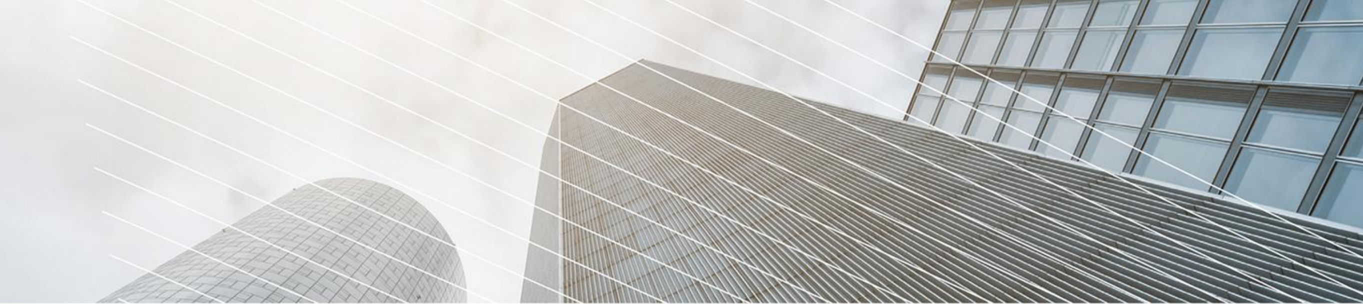
a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 11 February 2020



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Independent Auditor's Review Report

To the Members of DWS Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of DWS Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and 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 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, nothing has come to our attention that causes us to believe that the half year financial report of DWS Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

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 Group's financial position as at 31 December 2019 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*. As the auditor of DWS Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 11 February 2020