

DECMIL GROUP LIMITED
ACN 111 210 390
ABN 35 111 210 390

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata accelerated non-renounceable entitlement issue of 25 redeemable convertible preference shares with the terms set out in Schedule 1 (**RCPS**) for every 34 fully paid ordinary shares (**Shares**) held by those Shareholders registered at the Record Date at an issue price of \$0.20 per RCPS to raise up to \$22,875,326 (based on the number of Shares on issue as at the date of this Prospectus) (**Entitlement Offer**).

The Entitlement Offer is underwritten by Blue Ocean Equities Pty Limited (AFSL 412765) (**Underwriter** or **Blue Ocean**) up to \$20,000,000. Refer to Section 8.4.1 for details regarding the terms of the underwriting. Blue Ocean is also acting as lead manager to the Entitlement Offer and the Placement.

This Prospectus also contains an offer of 2,793,238 Options to the Underwriter (**Underwriter Offer**). Refer to Section 3.11 for further details with respect to the Underwriter Offer.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the RCPS being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The RCPS offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 21 June 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities the subject of the Entitlement Offer or the Underwriter Offer (**Offers**) may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by the relevant Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act and ASIC Corporations (Offers of Convertibles) Instrument 2016/83. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Overseas shareholders

The Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of RCPS these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and RCPS will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong or Singapore (together, the **Permitted Jurisdictions**).

For further information on overseas Shareholders please refer to Section 3.14.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities being offered under this Prospectus.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 8.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of RCPS issued under this Prospectus. The Company and the Underwriter will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (<https://decmil.com/>). By making an application under the Entitlement Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://decmil.com/> or from the offer website www.computersharecas.com.au/dcooffer. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must reside in the Permitted Jurisdictions and must only access this Prospectus from within the Permitted Jurisdictions.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6240 8160 during office hours or by emailing the Company at investors@decmil.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of

potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will apply to participate in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of RCPS issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 10.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate

communications to you as a Shareholder.

The information may also be used to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for RCPS, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers, please call the Company Secretary on +61 8 6240 8160.

CORPORATE DIRECTORY

Directors

Andrew Barclay
Non-Executive Chairman

Peter Thomas
Director and Chief Financial Officer

David Steele
Non-Executive Director

Vin Vassallo
Non-Executive Director

Company Secretary

Peter Coppini

Registered Office

20 Parkland Road
OSBORNE PARK WA 6017

Telephone: + 61 8 6240 8160
Email: investors@decmil.com.au
Website: <https://decmil.com/>

ASX Code

DCG

Auditor*

RSM Australia Partners
Level 32, Exchange Tower,
2 The Esplanade
PERTH WA 6000

Share Registry*

Computershare Investor Services Pty Ltd
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172 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Underwriter and Lead Manager

Blue Ocean Equities Pty Limited
Level 29
88 Phillip Street
SYDNEY NSW 2000

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

Request for trading halt Lodgement of Prospectus with the ASIC	Post-market close on Wednesday, 21 June 2023
Announcement of the Placement and Entitlement Offer and release of the Appendix 3B and Prospectus on ASX	Pre-market open on Thursday, 22 June 2023
Institutional Entitlement Offer and Placement open	Thursday, 22 June 2023
Institutional Entitlement Offer closes	Monday, 26 June 2023
Announcement of completion of Institutional Entitlement Offer	Monday, 26 June 2023
Trading halt lifted	Monday, 26 June 2023
Record Date for determining Eligible Retail Shareholders under Retail Entitlement Offer	Monday, 26 June 2023
Retail Entitlement Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Thursday, 29 June 2023
Settlement Date for RCPS under the Institutional Entitlement Offer	Thursday, 29 June 2023
Last day to extend the Closing Date under Retail Entitlement Offer	Wednesday, 12 July 2023
Closing Date for Retail Entitlement Offer and Placement as at 5:00pm*	Monday, 17 July 2023
ASX notified of under subscriptions under Retail Entitlement Offer	Tuesday, 18 July 2023
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	Thursday, 20 July 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the RCPS under Entitlement Offer and Placement ("Issue Date")	Friday, 21 July 2023
Quotation of RCPS issued under the Entitlement Offer and Placement*	Monday, 24 July 2023

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the RCPS are expected to commence trading on ASX may vary.

1.2 Key statistics of the Capital Raising

	Full Subscription ¹
Offer Price per RCPS	\$0.20
Entitlement Ratio (based on existing Shares)	25:34
RCPS currently on issue	Nil
Options currently on issue ¹	14,997,834
RCPS to be issued under the Entitlement Offer ^{2,3}	114,376,629

	Full Subscription ¹
RCPS to be issued under the Placement ^{2,4}	17,000,000
Underwriter Options to be issued under the Underwriter Offer ⁵	2,793,238
Gross proceeds of the issue of RCPS under the Entitlement Offer	\$22,875,326
Gross proceeds of the issue of RCPS under the Placement	\$3,400,000
Gross proceeds of the issue of RCPS under the Capital Raising	\$26,275,326
RCPS on issue Post-Capital Raising	131,376,629
Options on issue Post-Capital Raising	17,791,072

Notes:

1. Refer to Section 4.3 for details of the Options on issue.
2. The rights and liabilities of each RCPS are summarised in Section 1.4 and are set out in full in Schedule 1.
3. Assuming the full subscription of \$22,875,326 under the Entitlement Offer.
4. Refer to Section 3.4 for further details with respect to the Placement.
5. Refer to Section 5.3 for the terms of the Underwriter Options.

1.3 Summary of the Capital Raising

The Company is conducting a \$26,275,326 equity raising comprising the issue of approximately 131,376,629 RCPS at an issue price of \$0.20 per RCPS. The equity raising comprises:

- (a) a placement of 17,000,000 RCPS to raise approximately \$3,400,000 (before costs) (**Placement**); and
- (b) an accelerated non-renounceable entitlement offer of 114,376,629 RCPS to raise up to approximately \$22,875,326 (before costs), which is underwritten by Blue Ocean to the extent of \$20,000,000 (**Entitlement Offer**),

(together, the **Capital Raising**).

Entitlement Offer

The Entitlement Offer is being made as an accelerated non-renounceable entitlement issue of 25 redeemable RCPS for 34 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.20 per RCPS to raise up to \$22,875,326.

The Entitlement Offer will comprise:

- (a) an accelerated offer to Eligible Institutional Shareholders (**Institutional Entitlement Offer**); and
- (b) an offer to Eligible Retail Shareholders (**Retail Entitlement Offer**),

each of which are described in Sections 3.2 and 3.3 respectively.

Blue Ocean will act as underwriter to the Entitlement Offer to the extent of \$20,000,000 (**Underwritten Amount**). If Shareholders accept the Entitlement Offer in aggregate greater than the Underwritten Amount, Blue Ocean will not be required to subscribe for any RCPS under the Underwriting Agreement.

Underwriter Offer

Blue Ocean will be paid the fees set out in 8.4.1.

Its fees include, subject to Shareholder approval, the issue of the Underwriter Options under the Underwriter Offer. The Company intends to seek Shareholder approval in July to the issuance of the Underwriter Options and, if Shareholders approve the issuance, proceed to issue the Underwriter Options shortly afterwards. Further details in respect of the Underwriter Offer are set out in Section 3.11.

Placement

The Company intends to complete a placement to sophisticated and professional investors to \$3,400,000 (before costs) (**Placement**) through the issue of 17,000,000 RCPS at an issue price of \$0.20 per RCPS (**Placement RCPS**). The Placement RCPS will not be offered under this Prospectus.

The Board anticipates that the Placement RCPS will be issued on 21 July 2023. The issue of the Placement RCPS will be under the Company's existing placement capacity under Listing Rule 7.1.

Blue Ocean will act as the lead manager to the Placement. The Placement will involve a bookbuild process which will occur contemporaneously with the bookbuild process for the Institutional Entitlement Offer.

Further details in respect of the Placement are set out in Section 3.4.

1.4 Key Terms of the RCPS

Security	Cumulative, fully paid, redeemable convertible preference shares (RCPS)
Issuer	Decmil Group Limited (Decmil)
"Initial Term"	3 years
Dividend Rate	<p>Preferential dividends accrue and are, at the election of Decmil, payable semi-annually (Dividend Payment Date) at 12.00% pa during the Initial Term. The dividend rate will increase by 1.00% pa each year after the Initial Term unless the RCPS is converted or redeemed on the terms set out below. Any dividends not paid accumulate until the RCPS is converted or redeemed.</p> <p>Preferential dividends will be 100% franked in the Initial Term and are expected to carry franking credits beyond the initial term.</p>

	Decmil intends to hold the amount of cash equal to each years' dividend amount in advance to ensure that each of the dividend payments for that year are paid in cash rather than cumulating. It is intended that whenever a dividend is paid in cash, the relevant bank account will be immediately replenished with an equivalent amount to ensure that, at all times there is at least the next 12 months' worth of dividend payments on deposit in advance. In addition, the bank account will have an attaching irrevocable directive that the funds deposited can only be disbursed for the purpose of paying the RCPS semi-annual dividend payments.
Conversion Dates – Holder's election	<p>RCPS Holders may elect to convert all or some of their RCPS (including accrued but unpaid dividends) into fully paid ordinary shares (Shares) (Conversion):</p> <p>(a) on the last Business Day of every month within 30 months of the issue date; or</p> <p>(b) on the occurrence of a trigger event (e.g. takeover bids, schemes, delisting, insolvency etc),</p> <p>by giving a conversion notice to Decmil not less than 10 Business Days (or in the case of a trigger event, 5 Business Days) prior to the relevant conversion date (provided that if the RCPS Holder holds less than 20,000 RCPS, this election must be for all of their RCPS).</p> <p>Decmil must, as soon as reasonably possible, announce the occurrence of any trigger event, or any other event or circumstance has occurred which would, with the expiry of a grace period, the giving of notice or any combination of the foregoing, be a trigger event, has occurred.</p>
Conversion formula	<p>The number of Shares issued on Conversion is:</p> <p>(a) 1 per RCPS; and</p> <p>(b) 1 per each \$0.20 of unpaid dividends,</p> <p>subject to adjustment for any share splits, bonus issues, rights issues, or other capital reconstructions or certain other dilutionary events.</p>
Ordinary shares Issued upon Conversion	<p>Each new Share issued on Conversion will rank in all respects equally with the then existing Shares.</p> <p>The issue of Shares issued on Conversion following the Call Date (as that term is defined below) (including those Shares issued on conversion of any unpaid dividends as contemplated below) shall be issued to the Holder of the RCPS on the relevant Conversion date.</p> <p>If the issue of Shares upon Conversion of any RCPS would result in any Holder being in contravention of section 606(1) of the Corporations Act (General Prohibition), then the Conversion shall be deferred until such later time or times that the issue would not result in a contravention of the General Prohibition.</p>
Decmil Conversion / Redemption election	<p>On the date that the Initial Term concludes (Call Date) and on each subsequent Dividend Payment Date, Decmil will have the right to convert the RCPS into Shares or redeem the RCPS for cash at Face Value (plus any unpaid dividends).</p>

	<p>The Conversion of any unpaid dividends accrued following the Call Date into Shares shall be subject to the prior approval of Decmil's Shareholders.</p> <p>If the RCPS are not redeemed or converted on the Call Date or any subsequent Dividend Payment Date, the Directors will ensure that they are satisfied on a reasonable basis that Decmil will have sufficient cash reserves to meet the dividend payments for the next year of the term of the RCPS.</p>
Ranking	<p>On a winding up of Decmil, RCPS will rank for a return of capital, behind all creditors of Decmil but ahead of ordinary shareholders.</p>
Rights	<p>Prior to the Call Date, RCPS holders are only entitled to vote on certain limited matters as required under the ASX Listing Rules and Decmil's Constitution such as a proposal that affects the rights attaching to RCPS or for the disposal of the whole of the property, business and undertaking of Decmil.</p> <p>However, this restriction on voting does not apply when a dividend is not paid in full on the RCPS or during a winding up of Decmil.</p> <p>RCPS Holders are entitled to receive all reports, notices of meeting and other documents sent to Shareholders and to attend general meetings.</p>
Quotation	<p>The RCPS are intended to be listed on ASX.</p>

The full terms and conditions of the RCPS are set out in full in Schedule 1.

1.5 Key Risk Factors

Prospective investors should be aware that subscribing for RCPS involves several risks and an investment in the Company should be considered as speculative. The future performance of the Company and the value of the RCPS may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors.

The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 6.

The predominant risks relating to the Company and Capital Raising are summarised below:

Risk	Description
<p>Potential for dilution</p>	<p>No immediate dilution will occur as a result of the issue of RCPS under this Prospectus. However, conversion of any or all of the RCPS into Shares will result in dilution. Assuming all RCPS offered pursuant to this Prospectus are issued and Converted into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by a maximum of approximately 45.79% following the completion of the Capital Raising (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an RCPS will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.17 is not a reliable indicator as to the potential trading price of the RCPS or Shares after implementation of the Entitlement Offer.</p>
<p>Potential funding issues</p>	<p>The Company's ability to effectively implement its business strategy over time, may also depend in part on its ability to raise sufficient working capital. The Company's capital requirements depend on numerous factors. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.</p> <p>The Company relies on surety bond providers or its primary bank to provide bonding facilities that allow the Company to procure new work. As the Company grows its revenue, it may need to find new bonding facilities which may not be available to the Company on acceptable terms. If such bonding is not available on acceptable terms, the Company may not be able to take advantage of growth opportunities.</p>
<p>Accreditations</p>	<p>The Company and its subsidiaries rely upon various technical and financial accreditations to operate its business. These include safety accreditations, quality assurance standards, building licences, technical accreditations by State Main Roads agencies and various financial accreditations. Many of these accreditations are assessed and monitored by State and Federal government agencies on a regular basis. Any failure to maintain or comply with an accreditation can impact the eligibility of the Company to participate in certain projects and/or sectors and this may have a material effect on the business.</p> <p>Many of the civil projects conducted by the Decmil and its subsidiaries (Decmil Group) are for State Government Roads authorities who reference the Group's financial capacity accreditation when awarding contracts. Currently the Company and its subsidiaries have the highest Civil National Prequalification financial accreditation (F150+). This accreditation is currently being reviewed and may be reduced to a lower accreditation level.</p> <p>However, upon successful completion of the Capital Raising, such a reduction in the Decmil Group's accreditation level is not expected to occur.</p>

Risk	Description
Going Concern	<p>The Company's Half Year Report for the period ended 31 December 2022 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the commentary with respect to 'going concern' that was included in the Financial Report, the Directors believe that upon the successful completion of the Entitlement Offer, the Company will have sufficient funds to adequately meet the Company's current activities and short-term working capital requirements.</p> <p>If the Entitlement Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>
Litigation risks	<p>The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is currently engaged in one item of material litigation which is described in Section 8.1.</p>

1.6 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Performance Rights	RCPS Entitlement	\$
Peter Thomas	1,300,000	1,150,000 ¹	6,000,000 ²	955,883	\$191,177
Andrew Barclay ³	241,855	962,500 ⁴	Nil	177,835	\$35,567
David Steele ⁵	125,000	62,500 ⁶	Nil	91,912	\$18,382
Vin Vassallo ⁷	100,000	Nil	Nil	73,530	\$14,706

Notes:

- Comprising of 900,000 unquoted Options exercisable at \$0.75 and expiring 31 October 2024, and 250,000 unquoted Options exercisable at \$0.48 and expiring on 6 September 2023.
- Comprising of:
 - 600,000 Class A Performance Rights, expiring on 30 September 2025;
 - 2,100,000 Class C Performance Rights, expiring on 7 December 2027;
 - 1,200,000 Class B Performance Rights, expiring on 31 July 2025;
 - 1,050,000 Class D Performance Rights, expiring on 31 July 2024; and
 - 1,050,000 Class E Performance Rights, expiring on 31 July 2025, each of which were issued on 8 December 2022.

3. Held indirectly through Sobrado Pty Ltd <Barclay Family Superannuation Fund>, an entity in which Mr Barclay is a director and beneficiary of and beneficiary of Barclay Family Superannuation Fund.
4. Comprising 900,000 unquoted Options exercisable at \$0.75 and expiring 31 October 2024, and 62,500 unquoted Options exercisable at \$0.48 and expiring on 6 September 2023.
5. Held indirectly through Borrello Holdings Pty Ltd, an entity in which Mr Steele is a director and beneficiary.
6. Unquoted Options exercisable at \$0.48 and expiring on 6 September 2023.
7. Held indirectly through Olla Investments Pty Ltd <Olla Investments Trust>, an entity in which Mr Vassallo is a shareholder and director of and beneficiary of Olla Investments Trust.

The Company's Board recommends all Shareholders take up their Entitlements. The Board advises that Directors Andrew Barclay, Peter Thomas and David Steele intend to take up their full Entitlements. Vin Vassallo also intends to partially take up his Entitlement (to the extent of \$10,000, or 50,000 RCPS).

Peter Thomas and Rod Heale (or their associated entities), respectively a Director and the Chief Executive Officer of the Company, have also entered into a sub-underwriting agreement with the Underwriter to sub-underwrite a total of 1,052,940 Shortfall RCPS under the Shortfall Offer (being \$210,588) as follows:

- (a) Peter Thomas – 652,940 Shortfall RCPS (\$130,588). Accordingly, Mr Thomas is intending to apply for an aggregate of 1,608,823 RCPS (\$343,529) under the Entitlement Offer; and
- (b) Rod Heale – 400,000 Shortfall RCPS (\$80,000).

In consideration for this, Mr Thomas and Mr Heale will be paid by Blue Ocean a fee equal to 2% of their respective sub-underwriting commitment multiplied by \$0.20 (inclusive of GST). Refer to Section 8.4.2 for further detail with respect to the sub-underwriting agreements.

1.7 Details of Substantial Holders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Number of Shares held	% of voting Shares	RCPS Entitlement	Shortfall RCPS Commitment
Thorney Investment Group (Thorney) ¹	31,301,306	20.12%	23,015,667	36,984,333 ³
Franco Family Holdings (FFH) ²	11,953,300	7.68%	8,789,192	Nil

Notes:

1. Held through UBS Nominees Pty Ltd. Thorney has indicated that it will subscribe for its Entitlement in full.
2. Held through BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd <DRP A/C>. FFH has indicated that it will subscribe for its Entitlement in full.
3. Thorney has entered into a sub-underwriting agreement with Blue Ocean, refer to Sections 1.8 and 1.9 for further details.

The issue of RCPS pursuant to this Prospectus will not have any effect on the relevant interests of any persons unless those RCPS are Converted into Shares. The

rights and liabilities attaching to the RCPS, including Conversion rights, are summarised in Section 1.4 and are set out in full in Schedule 1.

1.8 Underwriting and sub-underwriting

The Entitlement Offer is underwritten by Blue Ocean Equities Pty Limited (AFSL 412765) (**Underwriter** or **Blue Ocean**) to the extent of \$20,000,000.

Refer to Section 8.4.1 for details of the terms of the underwriting.

The Underwriter has also been appointed as the lead manager of the Entitlement Offer and the Placement (together, the **Capital Raising**). The terms of the lead manager appointment and total fees payable are set out in Section 8.4.1 below.

The Underwriter has entered into a number of sub-underwriting agreements in respect of the Shortfall RCPS, including sub-underwriting agreements with Thorney, Peter Thomas, and Rod Heale (or their associated entities).

If the issue of Shares upon Conversion would result in any sub-underwriter being in contravention of section 606(1) of the Corporations Act (**General Prohibition**), then the issue of Shares upon Conversion shall be deferred until such later time or times that the issue would not result in a contravention of the General Prohibition. The rights and liabilities of each RCPS are summarised in Section 1.4 and are set out in full in Schedule 1.

Refer to Section 8.4.2 for further detail of the sub-underwriting agreements.

1.9 Effect on control

The issue of RCPS pursuant to this Prospectus will not have any effect on the relevant interests of any persons unless those RCPS are Converted into Shares.

As set out in Section 1.7, Thorney holds 31,301,306 Shares equivalent to a voting power of approximately 20.12% in the Company as at the date of this Prospectus.

The Company understands that Thorney intends to apply for up to a total of 60,000,000 RCPS under the Capital Raising (raising \$12,000,000) on the following basis:

- (a) it will take up its full Entitlement under the Entitlement Offer (being 23,015,667 RCPS); and
- (b) it will apply for up to 36,984,333 additional RCPS under the Shortfall Offer (for which Thorney has entered into a sub-underwriting agreement for with Blue Ocean, see Section 8.4.2 for further details).

Assuming the above (and Thorney applying for its maximum sub-underwriting commitment), no further issues of Shares prior to conversion and if only the minimum subscription is raised under the Entitlement Offer, upon the conversion of the RCPS held by Thorney into Shares (and subject to compliance with the General Prohibition, as defined below), Thorney's voting power in the Company would theoretically increase to a maximum of 33.50% upon conversion of the RCPS. If all Shareholders take up their full entitlement and convert their RCPS into Shares (i.e. there are no Shortfall RCPS for Thorney to apply for), there will be no change to any Shareholder's voting power.

It is also a term of the RCPS that if the issue of Shares upon conversion of any RCPS would result in any holder of RCPS being in contravention of section 606(1) of the General Prohibition, then the conversion shall be deferred until such later time or times that the issue would not result in a contravention of the General Prohibition. The Company also notes that it has the right to redeem RCPS at each dividend payment date once the RCPS have been on issue for 30 months. See Schedule 1 for the full terms of the RCPS.

Additionally, the Underwriter is presently not a Shareholder and is not a related party of the Company for the purposes of the Corporations Act. The issue of RCPS under this Prospectus to the Underwriter may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Entitlement Offer or are ineligible to participate in the Entitlement Offer.

The Company, in consultation with the Underwriter, will ensure that the Entitlement Offer (including the equitable dispersion of any Shortfall RCPS) complies with the provisions of Chapter 6 of the Corporations Act and is otherwise consistent with the policy guidelines contained in ASIC Regulatory Guide 6 and Takeovers Panel Guidance Note 17.

1.10 Potential dilution

The issue of RCPS and the Underwriter Options under this Prospectus will not dilute the existing Shareholders' voting power in the Company. Dilution may only occur where the RCPS or the Underwriter Options are exercised, and new Shares are issued on conversion of those RCPS or exercise of Underwriter Options.

Given the Company intends to obtain Official Quotation of RCPS on the ASX, the holders of those RCPS may elect to dispose of the RCPS by way of an on market trade on ASX rather than converting the RCPS.

The Company is not intending to apply for Official Quotation of the Underwriter Options.

As at the date of the Prospectus, the Shares are trading at a price below the offer price of the RCPS, and therefore the immediate conversion of the RCPS is not reasonably expected by the Company.

To ensure compliance with Chapter 6 of the Corporations Act, if the issue of Shares upon conversion of any RCPS would result in any person being in contravention of the General Prohibition (as that term is defined in Section 1.8), then the issue of Shares upon conversion of any RCPS shall be deferred until such later time or times that the issue would not result in a contravention of the General Prohibition. The rights and liabilities of each RCPS are summarised in Section 1.4 and are set out in full in Schedule 1.

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings may be diluted on conversion of the RCPS, subject to compliance with the General Prohibition, by a maximum of 45.79% following the completion of the Capital Raising (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of the Shareholders:

Holder	Share Holding as at Record date	% at Record Date	RCPS Entitlements under the Entitlement Offer	Share Holdings if Offer not taken Up	% if all RCPS issued under the Capital Raising are Converted into Shares
Shareholder 1	10,000,000	6.43%	7,352,942	10,000,000	3.49%
Shareholder 2	5,000,000	3.21%	3,676,471	5,000,000	1.74%
Shareholder 3	1,500,000	0.96%	1,102,942	1,500,000	0.52%
Shareholder 4	400,000	0.26%	294,118	400,000	0.14%
Shareholder 5	50,000	0.03%	36,765	50,000	0.02%

Notes:

1. This is based on a share capital of 155,552,216 Shares as at the date of the Prospectus and that no Options are exercised prior to the Record Date.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that if all Eligible Shareholders take up their Entitlements under the Entitlement Offer and each Eligible Shareholder converts their RCPS into Shares.
3. This table assumes that any dividends attaching to the RCPS are paid in cash (rather than converted into Shares). In the event all Entitlements are not accepted, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. LETTER FROM THE CHAIRMAN

21 June 2023

Dear Shareholder,

On behalf of the Board, I am pleased to offer you the opportunity to participate in a 25 for 34 pro-rata accelerated non-renounceable entitlement offer of 3-year cumulative redeemable convertible preference shares with an attractive fully franked 12% p.a. semi-annual dividend ('**RCPS**') in Decmil Group Limited ('**Decmil**' or '**Company**'), at an offer price of \$0.20, to raise up to approximately \$22.9 million ('**Entitlement Offer**'). Decmil is also conducting a placement of RCPS to sophisticated and professional investors to raise approximately \$3.4 million ('**Placement**').

Purpose of the Entitlement Offer and Placement

The total gross proceeds of the Entitlement Offer and the Placement (together, the **Capital Raising**) is expected to be a maximum of \$26.3 million. Decmil will apply net proceeds after costs from the Capital Raising to enhance Decmil's working capital position enabling it to target an increased pipeline of project opportunities from favourable market conditions for contractors emerging post-Covid-19; and accelerate the Company's roadmap for profitable revenue growth.

Company update

Decmil is well-positioned to continue growth in construction projects in its core target markets of resources, government infrastructure and wind farm balance of plant projects. Each of these markets has significant tailwinds.

Current high prices in most mining and resources commodities means that many iron ore, lithium, gold, oil and gas players have significant investment plans over the next decade. The Company is aiming to benefit from these investment plans, which include \$100 billion plus in mining projects within Western Australia; \$75 billion of road and rail infrastructure projects over the next five years throughout Australia and the anticipated growth in decarbonisation projects. Decmil is or has recently completed work with all of Australia's four leading iron ore companies (BHP, Rio Tinto, Fortescue, Roy Hill) and presently works with two of the emerging large lithium producers (Covalent and Talison). It is also well positioned to win further work with each of these along with several other large players.

The Company is staging a successful turnaround and has recently strengthened its executive team, has a strong book of submitted tenders and has shifted its tender mix to larger more profitable projects, stemmed losses from loss-making projects, settled legacy disputes, and reduced reliance on revenue claims. During May 2023, the Company executed finance agreements which, subject to a minimum of \$20,000,000 being raised under the Capital Raising, improve terms to its main bank facility and increase its surety bond capacity.

In addition, the Company's multi-option facility with National Australia Bank will have its sub-limits removed and be extended to 15 July 2025.

Decmil is demonstrating the rollout of profitable revenue growth. By focussing on profitable contracts rather than revenue volume, Decmil is on target to generate \$470-\$500 million for FY23 which has resulted in EBITDA of \$3.3 million for H1 FY23. Continuing the trend in profitability, EBITDA is estimated to be approximately between \$8.5 to \$11.0 million for FY23.

Details of the Entitlement Offer

Under the Entitlement Offer:

- Lead Manger Blue Ocean Equities Pty Limited (ACN 151 186 935) has underwritten the Entitlement Offer to the extent of \$20,000,000.
- Eligible Shareholders can choose to take up all, or part of their Entitlement.
- Dividends will be fully franked which are backed by more than four times by the Company's franking credit account, which has a balance of \$55 million.
- Investors will have the option to convert each RCPS into a Share during the first two and a half years.
- The RCPS are intended to be Officially Quoted on the ASX.

Further information

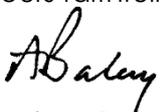
Further information for the Entitlement Offer is detailed in this Prospectus, particularly Schedule 1. Please carefully read this Prospectus in its entirety, especially Section 6 which details the risk factors concerning an invest in Decmil.

Before deciding to invest in Decmil, you should consult your accountant, financial adviser, stockbroker, lawyer, or other professional adviser.

If you have any questions concerning the Entitlement Offer or in relation to the Entitlement Issue Prospectus, please contact the Company by calling (08) 6240 8160 Monday to Friday between 8am and 5pm WST, or by email at 'investors@decmil.com.au'.

On behalf of the Board, I encourage you to consider this opportunity to invest in Decmil and thank you for continuing to support the Company.

Yours faithfully,


Andrew Barclay
Chairman

3. DETAILS OF THE CAPITAL RAISING

3.1 The Entitlement Offer

The Entitlement Offer is being made as a pro-rata accelerated non-renounceable entitlement issue of 25 RCPS for every 34 Shares held by Shareholders registered at the Record Date at an issue price of \$0.20 per RCPS. Fractional entitlements will be rounded up to the nearest whole number.

The Entitlement Offer will comprise the:

- (a) accelerated Institutional Entitlement Offer (see Section 3.2); and
- (b) Retail Entitlement Offer (see Section 3.3).

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no further Shares are issued prior to the Record Date, including on exercise of Options or Warrants on issue) up to approximately 114,376,629 RCPS may be issued under the Entitlement Offer to raise up to \$22,875,326.

As at the date of this Prospectus the Company has 155,552,216 Shares, 14,997,834 Options, 19,735,727 Performance Rights, and Warrants that are exercisable or convertible into 50,769,231 Shares on issue all of which may be exercised prior to the Record Date to participate in the Entitlement Offer. Please refer to Section 4.3 for information on the exercise price and expiry date of the Options on issue.

Upon any future conversion of the RCPS offered under this Prospectus to Shares, the Shares will rank equally with the Shares on issue at the date of this Prospectus. The rights and liabilities of each RCPS are summarised in Section 1.4 and are set out in full in Schedule 1.

The purpose of the Entitlement Offer and the intended use of funds raised are set out in Section 4.

3.2 Institutional Entitlement Offer

The Institutional Entitlement Offer will be conducted over a two-day period, opening on 22 June 2023 and closing on 26 June 2023 (or such later date as determined by the Company in its absolute discretion, subject to compliance with the ASX Listing Rules). During the Institutional Entitlement Offer period, Eligible Institutional Shareholders will be invited to participate in the Institutional Entitlement Offer and will be afforded the opportunity to subscribe for all or a portion of their full Entitlement under the Institutional Entitlement Offer, at the issue price of \$0.20 per RCPS.

Unless otherwise agreed by the Company, any Eligible Institutional Shareholder that does not confirm their acceptance of the Institutional Entitlement Offer by the close of the Institutional Entitlement Offer will be deemed to have renounced all of their Entitlement and will not receive any value in respect of their Entitlement.

RCPS equal in number to those Entitlements not taken up by Eligible Institutional Shareholders, together with any RCPS attributable to Entitlements which would otherwise have been offered to Ineligible Institutional Shareholders if they had been eligible to participate in the Institutional Entitlement Offer, will also be offered for subscription to Eligible Institutional Shareholders and selected institutional investors through a volume bookbuild process over the Institutional Entitlement Offer period at the Offer Price.

All participants under the Institutional Entitlement Offer will pay the same price for all of the RCPS they subscribe for (being the Offer Price).

3.3 Retail Entitlement Offer

Eligible Retail Shareholders are invited to participate in the Retail Entitlement Offer under the Prospectus, on the same terms as the Institutional Entitlement Offer.

Eligible Retail Shareholders who wish to acquire RCPS under the Retail Entitlement Offer will need to complete their personalised Entitlement and Acceptance Form that will be made available to them, accompanying a copy of the Prospectus.

The Retail Entitlement Offer is expected to open on 29 June 2023 and close on 17 July 2023 (or such later date as determined by the Company in its absolute discretion, subject to compliance with the ASX Listing Rules). The RCPS subscribed for under the Retail Entitlement Offer are expected to be issued on 21 July 2023 and commence trading on ASX on 24 July 2023.

3.4 Placement

In addition to the Entitlement Offer, the Company has agreed to issue 17,000,000 RCPS at an issue price of \$0.20 per RCPS (which is the same issue price as RCPS being offered under the Entitlement Offer) to sophisticated and professional investors to raise approximately \$3,400,000 (before costs).

The Placement will involve a bookbuild process which will occur contemporaneously with the bookbuild process for the Institutional Entitlement Offer.

The RCPS to be issued under the Placement are expected to be issued on or around 21 July 2023. As the Placement involves an offer of RCPS, participants in the Placement will not be able to participate in the Retail Entitlement Offer in respect of the RCPS they receive under the Placement.

The intended use of funds raised under the Placement are set out in Section 4.1.

The Underwriter will also act as the lead manager to the Placement, for which they will be paid a fee by the Company equal to 6% of the funds raised under the Placement.

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months after the date of their issue.

Section 708A(5) of the Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5).

Section 708A(11) of the Corporations Act provides another exemption from this general requirement where:

- (a) the relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

- (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

A secondary purpose of this Prospectus is to meet the requirements of section 708A(11) of the Corporations Act, so that any trading restrictions on RCPS issued pursuant to the Placement are removed.

3.5 Eligibility to participate in the Entitlement Offer

Participation in the Entitlement Offer is optional, subject to the eligibility criteria set out below and the terms and conditions of this Prospectus. The Entitlement Offer is only open to Eligible Shareholders.

Eligible Institutional Shareholders

Eligible Institutional Shareholders are those Institutional Shareholders who are registered Shareholders on 21 June 2023 and whom the Company and the Underwriter determines in its discretion:

- (a) are eligible to participate in the Institutional Entitlement Offer; and
- (b) successfully received an invitation from the Underwriter to participate in the Institutional Entitlement Offer (either directly or through a nominee); and
- (c) reside in a Permitted Jurisdiction.

An Institutional Shareholder who does not satisfy the criteria to be an Eligible Institutional Shareholder is an '**Ineligible Institutional Shareholder**'.

The Company reserves the right to determine whether an Institutional Shareholder is an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.

Eligible Retail Shareholders

An Eligible Retail Shareholder is a Shareholder who:

- (a) is entered on the Company's Share register at 5:00pm (WST) on the Record Date; and
- (b) has a registered address in the Permitted Jurisdictions; and
- (c) were not invited to participate in the Institutional Entitlement Offer and were not treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer (other than as a nominee or custodian, in each case in respect of other underlying holdings); and
- (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Any Retail Shareholders who are not Eligible Retail Shareholders are '**Ineligible Retail Shareholders**'. The Company reserves the right to determine whether a Retail Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

3.6 What Eligible Shareholders may do

The number of RCPS to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and which can be accessed at the offer website www.computersharecas.com.au/dcgoffer from the offer open date. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your Application for RCPS under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and which can be accessed at www.computersharecas.com.au/dcgoffer from the opening date of the Retail Entitlement Offer. Please read the instructions carefully. Payment can be made by the methods set out in Section 3.7. As set out in Section 3.7, if you pay by BPAY or EFT, for overseas applicants only, you do not need to return the Entitlement and Acceptance Form. 	Section 3.7 and Section 3.8.
Take up all of your Entitlement and also apply for Shortfall RCPS	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall RCPS, then your Application for your Entitlement and additional Shortfall RCPS under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies this Prospectus, and which can be accessed at www.computersharecas.com.au/dcgoffer from the opening date of the Retail Entitlement Offer. Please read the instructions carefully. Payment can be made by the methods set out in Section 3.7. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you apply for Shortfall RCPS beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall RCPS is at the Company's absolute discretion as per the allocation policy set out in Section 3.10. Accordingly, your Application for additional Shortfall RCPS may be scaled-back. The Company's decision on the number of Shortfall RCPS to be allocated to you will be final. 	Sections 3.7, 3.8 and 3.10.

Option	Key Considerations	For more information
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your Application must be made by completing the personalized Entitlement and Acceptance Form which accompanies this Prospectus and which can be accessed at www.computersharecas.com.au/dcgoffer from the opening date of the Retail Entitlement Offer for the number of RCPS you wish to take up and making payment using the methods set out in Section 3.7 below. As set out in Section 3.7, if you pay by BPAY or EFT, for overseas applicants only, you do not need to return the Entitlement and Acceptance Form. 	Section 3.7 and Section 3.8
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Entitlement Offer to you will lapse. 	N/A

The Entitlement Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3.7 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form or available at www.computersharecas.com.au/dcgoffer from the opening date of the Retail Entitlement Offer. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of RCPS which is covered in full by your Application Monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall RCPS (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

It is your responsibility to ensure that funds submitted through BPAY® are received by 5:00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your shareholdings.** This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants only)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of RCPS which is covered in full by your Application Monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall RCPS (if any) under the Shortfall Offer, to the extent of the excess.

3.8 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® or EFT (the latter is only available for overseas applicants) will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT (the latter is only available for overseas applicants) payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

3.9 Minimum subscription

The minimum subscription for the Entitlement Offer is \$20,000,000.

No RCPS will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

3.10 Shortfall Offer

Any Entitlement not taken up pursuant to the Retail Entitlement Offer will form the Shortfall Offer (**Shortfall RCPS**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each RCPS to be issued under the Shortfall Offer shall be \$0.20 being the price at which RCPS have been offered under the Retail Entitlement Offer. The Shortfall Offer is open to Eligible Shareholders and also other applicants.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between Applications received from Eligible Shareholders and the number of RCPS proposed to be issued under the Retail Entitlement Offer.

Eligible Shareholders who wish to subscribe for RCPS above their Entitlement are invited to apply for Shortfall RCPS under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall RCPS in accordance with Sections 3.7.

All decisions regarding the allocation of Shortfall RCPS will be made by the Underwriter and will be final and binding on all applicants under the Shortfall Offer. As such, there is no guarantee that any Shortfall RCPS applied for will be issued to applicants.

The Company reserves the right to issue, and the Underwriter reserves the right to allocate, an Eligible Shareholder a lesser number of Shortfall RCPS than applied for or no Shortfall RCPS at all. However, it is not intended that an Application for Shortfall RCPS from Eligible Shareholders will be refused, other than in circumstances of oversubscription, where acceptance would result in a breach of the Underwriting Agreement, or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall RCPS applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall RCPS applied for by Eligible Shareholders may, at the discretion of the Underwriter be scaled back .

All decisions regarding the allocation of Shortfall RCPS will be made by the Underwriter and will be final and binding on all applicants under the Shortfall Offer.

The Company will have no liability to any applicant who receives less than the number of Shortfall RCPS they applied for under the Shortfall Offer. If the Company, at the direction of the Underwriter, scales back any Applications for Shortfall RCPS under the Shortfall Offer any Application Monies will be returned (without interest) as soon as practicable.

3.11 Underwriter Offer

This Prospectus includes an offer of 2,793,238 Options (**Underwriter Options**) to be issued to the Underwriter (or its nominee/s) in part consideration for the services provided to the Company in respect to the Entitlement Offer (**Underwriter Offer**).

This Prospectus contains the Underwriter Offer for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of the Underwriter Options issued by the Company.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

Only the Underwriter (or its nominee/s) may accept the Underwriter Offer. A personalised Application Form in relation to the Underwriter Offer will be issued to the Underwriter (or its nominee/s) together with a copy of this Prospectus.

The Underwriter Options will be exercisable at the price equal to 150% of the volume weighted average price of Shares (i.e. fully paid ordinary shares) for the five trading days on which trades are recorded following the Closing Date on or before the date that is three years from the issue date and otherwise on the terms set out in Section 5.3.

3.12 ASX listing

Application for Official Quotation of the RCPS offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the RCPS offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any RCPS and will repay all Application monies for the RCPS within the time prescribed under the Corporations Act, without interest. If ASX does not grant Official Quotation to the RCPS, this is not to be taken in any way as an indication of the merits of the Company or the RCPS now offered for subscription.

The Company also notes that the ASX Listing Rules have certain conditions to the quotation of the RCPS, which includes a requirement for there to be a certain number of holders of RCPS prior to quotation being granted. As such, there may not be the required number of holders of RCPS following the completion of the Institutional Entitlement Offer, in which case ASX may not grant the quotation of the RCPS until the completion of the Retail Entitlement Offer.

The fact that ASX may grant Official Quotation to the RCPS is not to be taken in any way as an indication of the merits of the Company or the RCPS now offered for subscription.

The Company will not apply for Official Quotation of the Underwriter Options issued pursuant to this Prospectus.

3.13 Issue of RCPS

The RCPS issued pursuant to the offers made in this Prospectus will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

RCPS issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of RCPS issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the RCPS or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Registry in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

Holding statements for RCPS issued under the Entitlement Offer will be mailed as soon as practicable after the issue of RCPS and for Shortfall RCPS issued under the Shortfall Offer as soon as practicable after their issue.

3.14 Overseas shareholders

This Entitlement Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of RCPS these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Offer is not being extended and RCPS will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong or Singapore.

New Zealand

The RCPS are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the RCPS have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the RCPS may not be issued, circulated or distributed, nor may the RCPS be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's Shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the RCPS being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire RCPS. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Hong Kong or Singapore without the prior consent of the Company, considering relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4. PURPOSE AND EFFECT OF THE CAPITAL RAISING

4.1 Purpose of the Capital Raising

The purpose of the Capital Raising is to raise up to \$26,275,326 before costs.

The funds raised from the Capital Raising are intended to be applied in accordance with the table set out below:

Proceeds of the Capital Raising	Maximum Subscription (\$)	Max %	Minimum Subscription (\$)	Min %
Working capital ¹	24,475,007	93%	18,580,702	93%
Expenses of the Capital Raising ²	1,800,319	7%	1,419,298	7%
Total	\$26,275,326	100%	\$20,000,000	100%

Notes:

- Decmil is unable to meaningfully breakdown the use of the proceeds of the Capital Raising beyond an allocation to working capital. Under agreements Decmil has entered into during May 2023 and June 2023 with National Australia Bank and Decmil's surety bond providers, respectively, Decmil is required to enhance its working capital by receiving gross proceeds from a capital raising of not less than \$20 million. In addition, the Company's enhanced working capital position will in turn allow the Company's to tender for and commit to additional construction contracts.
- Refer to Section 8.8 for further details relating to the estimated expenses of the Entitlement Offer.

To the extent that the Company raises less than the maximum subscription, the allocation of the proceeds of the Capital Raising to working capital will be reduced by a corresponding amount.

On completion of the Entitlement Offer, the Board believes the Company will have sufficient working capital to achieve its business strategy. In the event the Entitlement Offer is not fully subscribed, the Company's business strategy is likely to be modified, which may result in delay or substantial changes to the Company's plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. Intervening events and new circumstances have the potential to affect the way the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

4.2 Effect of the Capital Raising

The principal effect of the Capital Raising, assuming all Entitlements are accepted, and no Shares are issued including on exercise of Options on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$24,475,007 (after deducting the estimated expenses of the Capital Raising) immediately after completion of the Capital Raising; and
- (b) increase the number of RCPS on issue from nil as at the date of this Prospectus to 131,376,629 RCPS.

4.3 Effect on capital structure

The effect of the Entitlement Offer and Placement on the capital structure of the Company, assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Preference Shares

	Number
Preference Shares currently on issue	Nil
RCPS offered pursuant to the Entitlement Offer	114,376,629
RCPS offered pursuant to the Placement	17,000,000
Total Preference Shares on issue after completion of the Entitlement Offer	131,376,629

Shares

	Number
Shares currently on issue	155,552,216
Shares offered pursuant to the Entitlement Offer	Nil
Total Shares on issue after completion of the Entitlement Offer	155,552,216

Options

	Number
Options currently on issue	
Unquoted Options exercisable at \$0.75 on or before 31 October 2024	1,800,000
Unquoted Options exercisable at \$0.48 on or before 6 September 2023	13,197,834
Options to be issued pursuant to the Entitlement Offer	Nil
Underwriter Options to be issued to the Underwriter Offer	2,793,238
Total Options on issue after completion of the Entitlement Offer	17,791,072

Performance Rights

	Number
Performance Rights currently on issue (unquoted)	19,735,727
Performance Rights offered pursuant to the Entitlement Offer	Nil
Total Performance Rights on issue after completion of the Entitlement Offer	19,735,727

Warrants

	Number
Warrants currently on issue (unquoted)	50,769,231
Warrants offered pursuant to the Entitlement Offer	Nil
Total Warrants on issue after completion of the Entitlement Offer	50,769,231

The capital structure on a fully diluted basis as at the date of this Prospectus would be 241,055,008 Shares and on completion of the Entitlement Offer (assuming all Entitlements are accepted, and no Shares are issued including on exercise of other Securities on issue prior to the Record Date) would be 375,224,875 Shares.

No Securities on issue are subject to escrow restrictions, either voluntary or ASX imposed.

4.4 Pro-forma balance sheet

The unaudited balance sheet as at 31 March 2023 and the unaudited pro-forma balance sheet as at 31 March 2023 shown below have been prepared using the accounting policies normally adopted by the Company and reflect the changes to its financial position because of the Capital Raising.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Capital Raising.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	31 March 2023 (Un-audited)	PROFORMA Minimum Raise ¹	PROFORMA Maximum Raise ²
	\$m	\$m	\$m
CURRENT ASSETS			
Cash	3.7	22.3	28.2
Other current assets	126.1	126.1	126.1
TOTAL CURRENT ASSETS	129.8	148.4	154.3
NON-CURRENT ASSETS			
Plant and equipment	6.1	6.1	6.1
Other non-current assets	9.1	9.1	9.1
Goodwill	50.0	50.0	50.0
TOTAL NON-CURRENT ASSETS	65.2	65.2	65.2
TOTAL ASSETS	194.9	213.5	219.4
CURRENT LIABILITIES			
Creditors and borrowings ³	120.8	110.9	110.9
TOTAL CURRENT LIABILITIES	120.8	110.9	110.9
NON-CURRENT LIABILITIES³	37.9	47.8	47.8
TOTAL LIABILITIES	158.7	158.7	158.7
NET ASSETS (LIABILITIES)	36.3	54.9	60.8
EQUITY			
Share capital and reserves	279.8	298.4	304.3
Retained profits / (losses)	(243.5)	(243.5)	(243.5)
TOTAL EQUITY	36.3	54.9	60.8

Notes:

1. Assumes a minimum of \$20.0m is raised under the Capital Raising.
2. Assumes a maximum of \$26.3m is raised under the Capital Raising.
3. In the proforma balance sheets, the Company's liability to National Australia Bank for the Company's multi-option facility (**Facility**) is reclassified from current to non-current. This is because the Facility will be extended from July 2023 to July 2025 upon successful completion of the Capital Raising. For further information, see Sections 2, 4.1, and 6.2 of this Prospectus.

5. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following summarises the more significant rights and liabilities attaching to the Shares, RCPS and Underwriter Options. These summaries are not exhaustive and do not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 Rights and liabilities attached to RCPS

The rights and liabilities of each RCPS are summarised in Section 1.4 and are set out in full in Schedule 1.

5.2 Rights and liabilities attaching to Shares

The shares issued on conversion of the RCPS will be Shares and will rank equally with all Shares and hold the following rights and liabilities.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5.3 Terms of Underwriter Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be equal to 150% of the volume weighted average price of Shares for the five trading days on which trades are recorded following the Entitlement Offer Closing Date (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5 pm (WST) on the date which is three years from the issue date (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

6. RISK FACTORS

6.1 Introduction

The RCPS offered under this Prospectus should be considered as speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 6, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the RCPS may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 6, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the RCPS. This Section 6 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 6 and all the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

6.2 Company specific

Risk Category	Risk
Potential for dilution	<p>No immediate dilution will occur as a result of the issue of RCPS under this Prospectus. However, conversion of any or all of the RCPS into Shares will result in dilution. Assuming all RCPS offered pursuant to this Prospectus are issued and converted into Shares, Shareholders who do not participate in the Entitlement Offer, are likely to be diluted by a maximum of approximately 45.79% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an RCPS will be following the completion of the Entitlement Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.17 is not a reliable indicator as to the potential trading price of Shares after implementation of the Entitlement Offer.</p>

Risk Category	Risk
<p>Potential funding issues</p>	<p>The Company's ability to effectively implement its business strategy over time, may also depend in part on its ability to raise sufficient working capital. The Company's capital requirements depend on numerous factors. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures.</p> <p>The Company relies on surety bond providers or its primary bank to provide bonding facilities that allow the Company to procure new work. As the Company grows its revenue, it may need to find new bonding facilities which may not be available to the Company on acceptable terms. If such bonding is not available on acceptable terms, the Company may not be able to take advantage of growth opportunities.</p>
<p>Debt facilities</p>	<p>The Company has a \$40 million multi-option facility with National Australia Bank, and surety bonding facilities with surety bond providers (together, Debt Facilities).</p> <p>The Company is also subject to various covenants and obligations contained in its Debt Facilities. The Company has complied with its obligations under those facilities to date, and forecast projections indicate that the Company will continue to comply with those obligations going forward.</p> <p>However, if any of the covenants are breached, the Company's lenders may cancel their commitments under the facilities and require all amounts payable to them under or in connection with the facilities to be repaid immediately.</p> <p>If the Company is unable to repay or refinance its Debt Facilities upon maturity, or in the event of a breach of covenant, the Company may have to seek further equity funding, dispose of its assets, or enter into new debt facilities on less favourable terms and there is no guarantee it will be able to obtain further debt. These factors would materially affect the Company's ability to continue to operate its business and its financial performance.</p>
<p>Future capital requirements</p>	<p>While the Company believes that it will have sufficient working capital on completion of the Entitlement Offer and through its ability to draw down under the Debt Facilities, there remains a risk that the Company may need additional capital in the future. For example, the Company is required to make assumptions when carrying out its forecasting activities and these may prove incorrect, including revenue forecasts or the outcome of disputes. While the Company has taken a conservative view in making these assumptions, it may transpire that the Company's anticipated working capital shortfall is greater than forecast and that the capital raised through the Entitlement Offer, and the capital available under the Debt Facilities is insufficient to bridge this working capital shortfall.</p> <p>Any additional equity financing that the Company may undertake in the future may dilute existing Shareholders. The terms of any additional debt financing, if available, may impose further restrictions on the Company's financing and</p>

Risk Category	Risk
	<p>operating activities. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company, will vary according to a number of factors, including stock market and industry conditions. There can be no assurance that the Company will be able to obtain capital when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to the Company. This may have an adverse effect on the Company's financial position and prospects.</p>
<p>Accreditations</p>	<p>The Company and its subsidiaries rely upon various technical and financial accreditations to operate its business. These include safety accreditations, quality assurance standards, building licences, technical accreditations by State Main Roads agencies and various financial accreditations. Many of these accreditations are assessed and monitored by State and Federal government agencies on a regular basis. Any failure to maintain or comply with an accreditation can impact the eligibility of the Company to participate in certain projects and/or sectors and this may have a material effect on the business.</p> <p>Many of the civil projects conducted by the Decmil and its subsidiaries (Decmil Group) are for State Government Roads authorities who reference the Group's financial capacity accreditation when awarding contracts. Currently the Company and its subsidiaries have the highest Civil National Prequalification financial accreditation (F150+). This accreditation is currently being reviewed and may be reduced to a lower accreditation level.</p> <p>However, upon successful completion of the Capital Raising, such a reduction in the Decmil Group's accreditation level is not expected to occur.</p>
<p>Going Concern</p>	<p>The Company's Half Year Report for the period ended 31 December 2022 (Financial Report) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.</p> <p>Notwithstanding the commentary with respect to 'going concern' that was included in the Financial Report, the Directors believe that upon the successful completion of the Entitlement Offer, the Company will have sufficient funds to adequately meet the Company's current activities and short-term working capital requirements.</p> <p>If the Entitlement Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern which is likely to have a material adverse effect on the Company's activities.</p>

Risk Category	Risk
<p>Effective management of contracts and the risk of dispute</p>	<p>Effective ongoing contract management seeks to ensure, among other things, appropriate project and customer selection and the effective management of customer expectations and contract terms. There is a risk that the Company may fail to manage its existing contracts appropriately and may therefore be subject to disputes with customers regarding the payment of fees and liability for costs and delays. Such disputes can be costly, result in further liability to the Company, absorb significant amounts of management time and damage customer relationships. The Company may also experience payment defaults or delays, whether in conjunction with disputes or otherwise, leading to increased debt levels.</p>
<p>External factors that may impede operational activities</p>	<p>The Company's activities are subject to numerous operational risks, many of which are beyond the Company's control. The Company's activities may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages or increases in the costs of consumables, spare parts, plant and equipment, external services failure, industrial disputes and action, IT system failures, mechanical failures and compliance with governmental requirements. Industrial and environmental accidents could lead to substantial claims against the Company for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, penalties and the suspension of operations. The occurrence of any one or a combination of these events may have a material adverse effect on the Company's performance and the value of its assets.</p>
<p>Climate Risk</p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with

Risk Category	Risk
	<p>climate change may significantly change the industry in which the Company operates.</p>
<p>Coronavirus (COVID-19)</p>	<p>The coronavirus (COVID-19) is continuing to impact global markets, commodity prices and foreign exchange rates. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to labour shortages and delays if the Company's personnel or contractors are hospitalised due to COVID-19 and fluctuations in the availability of equipment which may cause delays or cost increases. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p> <p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>
<p>Tender processes and new contracts</p>	<p>The Company's revenue is dependent on winning new contracts with acceptable terms and conditions. The Company operates in increasingly competitive markets and it is difficult to predict whether and when the Company will be awarded new contracts due to multiple factors influencing how clients evaluate potential service providers, such as accreditations, maintenance and safety standards, experience, reputation, client relationships and financial strength. Consequently, the Company is subject to the risk of losing new awards to competitors which will adversely impact its business, results of operations and financial condition. The Company's results of operations and cash flows may fluctuate from quarter to quarter depending on the timing and size of new contract awards. The Company is also at risk from materially underestimating the cost of providing services, equipment or plant.</p>
<p>Inflation</p>	<p>The buoyant economy and demand for construction services and commodities is impacting the price of many construction components including steel, concrete and other items. While most of the Company's contracts contain rise and fall clauses, those clauses generally reference publicly available cost indices which may not correspond to the price rises of cost inputs and as such the profitability of individual projects may be impacted.</p>
<p>Lump sum contracts</p>	<p>A portion of the Company's contracts are 'lump sum' in nature and to the extent costs exceed the contracted price, there is a risk these amounts may not be recovered. From time-to-time, variations to the planned scope occur or issues arise during the construction phase of a project, not anticipated at the time of</p>

Risk Category	Risk
	bid. This may give rise to claims under the contract with the principal in the ordinary course of business. Where such claims are not resolved in the ordinary course of business, they may enter formal dispute and the outcome upon resolution of these claims may be materially different to the position taken by Company.
Competition Risk	The Company's current and future potential competitors include companies with substantially greater resources. The Company may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market shares. Such competition could adversely affect the Company's growth prospects, operating results and financial performance.
Homeground occupancy	<p>Any abatement in economic activity in the Gladstone region will result in a short-term diminution in the occupancy levels at the Homeground Village and lower levels of revenue and profit than historically generated. The Company expects that in the medium-term new opportunities will arise for Homeground Gladstone as energy prices rise and energy companies (gas, hydrogen, renewables) progress investment plans; however, the risk of volatility in the short term remains present.</p> <p>The Company notes that its budgets and forecasts do not rely on increases in Homeground occupancy levels and are instead based on recent historical occupancy levels.</p>
Insurance Risk	The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. Although insurance is maintained in line with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.

6.3 Industry specific

Risk Category	Risk
Safety	For the Company to continue working on engineering construction projects, a robust safety methodology needs to be in place. A serious safety incident or fatality may impact the Company's social licence to operate. This can affect the Company by increasing its costs for carrying out work, increasing the time required to complete packages of work and impairing the Company's ability to win new work.
Labour costs and availability	<p>The Company's ability to remain productive and competitive and to affect its planned growth initiatives depends on its ability to attract and retain skilled labour.</p> <p>Tightening of the labour market in key regions due to a shortage of skilled labour, combined with a high industry turnover rate and growing number of competing employers for skilled labour, may inhibit the Company's ability to hire and retain employees. The Company is exposed to increased labour costs in markets where the demand for labour is strong. A shortage of skilled labour could limit the Company's ability to</p>

Risk Category	Risk
	grow its business or lead to a decline in productivity and an increase in training costs and adversely affect its safety record. Each of these factors could materially adversely impact its revenue and, if costs increase or productivity declines, its operating margins.
Environmental Regulation	The Company is subject to environmental regulation in accordance with applicable state, territory or federal legislation and statutory requirements for the jurisdictions in which it operates. The Company aims to continually improve its environmental performance.

6.4 General risks

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's operations, as well as on its ability to fund those activities.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in the construction sector in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is currently engaged in one item of material litigation which is described in Section 8.1.
Dividends	Any future determination as to the payment of dividends by the Company, including those that are payable to RCPS Holders, will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation

Risk Category	Risk
	<p>to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p> <p>If an RCPS dividend is not paid, it will accumulate. Dividends will not be paid to the holders of Shares in situations where RCPS Holders are owed dividend payments by the Company. The rights and liabilities of each RCPS are summarised in Section 1.4 and are set out in full in Schedule 1.</p> <p>However, Decmil is intending to hold the amount of cash equal to each years' dividend amount in advance to ensure that each of the dividend payments for that year are paid in cash rather than cumulating. It is intended that whenever a dividend is paid in cash, the relevant bank account will be immediately replenished with an equivalent amount to ensure that at all times there is at least the next 12 months' worth of dividend payments on deposit in advance. In addition that bank account will have an attaching irrevocable directive that the funds deposited can only be disbursed for the purpose of paying the RCPS semi-annual dividend payments</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for RCPS under this Prospectus. For further information concerning taxation, please see Section 7 below.</p>
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's construction activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global</p>

Risk Category	Risk
	<p>macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of the Company's Securities remains unknown. The price of the Company's Securities may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>
<p>Technology and Information Systems</p>	<p>The Company relies on the effective and efficient operation of information technology, software systems, communications technology and other systems and equipment for its operations, including technology and systems provided by third parties. If any of these systems, software or technologies failed to operate effectively, or new system implementations or significant upgrades are required, the Company could suffer interruption to its services and loss of data which could lead to financial loss and damage to its reputation.</p> <p>This may be as a result of issues including hardware, software or system failures, computer viruses, third party service failures, cyber-attacks or other cyber incidents. Further, failure of the Company's disaster recovery arrangements to operate effectively could also result in financial loss and damage to the reputation of the Company.</p>

6.5 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the RCPS.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the RCPS offered under this Prospectus will provide a return on capital, payment of dividends in cash, or increases in the market value of those RCPS.

Before deciding whether to subscribe for RCPS under this Prospectus you should read this Prospectus in its entirety and consider all factors, considering your objectives, financial situation and needs.

7. AUSTRALIAN TAX IMPLICATIONS

7.1 Background

This section contains a general summary of the Australian income taxation consequences of acquiring, holding and disposing of RCPS.

This summary assumes that all relevant transactions are carried out in the manner described in this Prospectus and is based upon the Australian taxation law, interpretations and administrative practices in effect at the date of this Prospectus.

This summary is not intended to be, nor should it be construed as being investment, legal or tax advice to any particular holder.

Prospective investors should note that the taxation law and its interpretation is subject to change at any time and sometimes with retrospective effect.

The description applies only to Australian holders who acquire, hold and dispose of the RCPS under the Entitlement Offer, on capital account for Australian income tax purposes. It does not apply to holders who acquire, hold or dispose of the RCPS as part of the conduct of a business, or who otherwise hold the RCPS on revenue account or as trading stock, nor to holders who are subject to the Taxation Of Financial Arrangements (**TOFA**) rules contained under Division 230 of the *Income Tax Assessment Act 1997* (Cth) (**Tax Act**) in relation to gains and losses on their RCPS.

The actual taxation consequences of acquiring, holding and disposing of the RCPS will vary depending upon the specific circumstances of each Holder. Therefore, prospective holders should obtain independent professional advice relating to their own specific circumstances and should not rely on the summary below.

The Company has not received a class ruling from the Australian Taxation Office (**ATO**) for holders who may participate in the Entitlement Offer, nor does it intend to seek such a ruling.

7.2 Taxation consequences for Australian residents

(a) Australian income tax character of RCPS

The RCPS do not meet the definition of a debt instrument under the Tax Act and satisfy the equity test.

(b) Dividends

The CPS dividends will be able to be franked to the extent that they meet the following criteria:

- (i) the dividend is not sourced directly from the share capital account. If this is the case, the distribution will satisfy the definition of an unfrankable distribution and therefore not be an eligible frankable distribution; and
- (ii) the dividend is paid out of current or prior year profits.

(c) **Conversion of RCPS and subsequent disposal of ordinary shares**

In the event holders of RCPS decide to convert RCPS to Shares in the Company in accordance with the terms under this Prospectus, the conversion should trigger a Capital Gains Tax (**CGT**) event. However, under the Australian income taxation rules, any capital gain or loss arising from this conversion should be disregarded. For CGT purposes, the Shares in the Company are taken to be acquired by the Holder at the time the conversion happened.

Further, a CGT event would occur for the holder on the subsequent disposal of Shares in the Company acquired on conversion. Upon disposal, a capital gain or loss may arise, calculated as the difference between the capital proceeds received and the cost base of ordinary shares in the Company.

The cost base of Shares in the Company should include the Holder's acquisition cost (which would generally be the cost base of RCPS at the time of conversion), incidental acquisition and disposal costs (i.e. brokerage fees).

Any net capital gain would be included in the assessable income of the Holder in the income year it disposes the Shares in the Company. Any net capital loss may be used to offset other capital gains made by the Holder.

Furthermore, after applying any capital loss, holders (companies are excluded) may then be entitled to a capital gain discount equivalent to 50% for individuals and trusts, and 33 1/3% for complying superannuation funds, provided the relevant asset is disposed of after 12 months.

(d) **Redemption of RCPS**

If the amount received by the Holder upon redemption of RCPS exceeds the amount paid upon acquisition of RCPS, that amount should be included in the assessable income of the holder as a capital gain.

Conversely, if the amount received by the holder upon redemption of RCPS is less than the amount paid upon acquisition of RCPS, a capital loss will arise.

7.3 **Tax File Numbers and Australian Business Numbers**

Holders are not required to provide their Tax File Numbers (**TFN**) or Australian Business Numbers (**ABN**) when subscribing for RCPS. However, if holders do not provide their TFN or ABN, the Company may be required to deduct and withhold tax at the top marginal rate plus Medicare Levy on any payments made. Any tax withheld will be remitted to the ATO and should be available to the Holder as a tax credit.

7.4 **Other taxes**

On the basis that RCPS are considered as 'equity interests' under the Tax Act, any payments to non-residents in the form of 'dividends', may be subject to non-resident withholding tax in Australia. However, dividends which are franked are generally exempt from withholding tax.

For personal use only

Holders of RCPS will generally not be subject to any Australian Goods and Services Tax or stamp duties in any Australian State or Territory in respect of their acquisition, holding, sale, redemption, or conversion of RCPS or the receipt of dividend payable on RCPS.

In compliance with the Foreign Account Tax Compliance Act (**FATCA**) and Common Reporting Standard (**CRS**), the Company may be required to collect and provide certain information to the ATO, regarding non-resident holders. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

7.5 Holding period rule

Unless a holder of RCPS (**RCPS Holder**) is a 'qualified person' in relation to a dividend payable under the terms of the RCPS (**Dividend**), the RCPS Holder will not be entitled to tax offsets in respect of franking credits attached to the Dividend.

To be a 'qualified person' in relation to a Dividend, RCPS Holders must have held the RCPS 'at risk' for a continuous period of at least 90 days (excluding the days of acquisition and disposal) during:

- (a) the 'primary qualification period', which is the period beginning on the day after the day on which the RCPS are acquired by a Holder and ending on the 90th day after the day that the RCPS became ex-Dividend; or
- (b) if a Holder, or an associate, is under an obligation to make 'related payments' (which have the effect of passing on the benefit of Dividends to other entities) in respect of Dividends, the 'secondary qualification period', which is the period beginning on the 90th day before, and ending on the 90th day after, the day that the RCPS became ex-Dividend.

To be held 'at risk', RCPS Holders must effectively retain 30% or more of the risks and benefits associated with holding the RCPS. In determining the length of time for which a particular RCPS has been held, the holding period rule applies on a 'last in, first out' basis. Any day on which a RCPS Holder has a materially diminished risk of loss or opportunity for gain in respect of the RCPS or additional RCPS will not be counted as a day on which the RCPS Holder held the RCPS or additional RCPS 'at risk'. Whether or not the RCPS are held 'at risk' by a Holder during the relevant periods will depend upon whether the Holder has financial positions or undertakes risk management strategies (for example, using limited recourse loans, options or forward sale contracts) in relation to the RCPS.

RCPS Holders should be 'qualified persons' in relation to Dividends on the RCPS, provided RCPS Holders will continue to hold the RCPS for at least the 'primary qualification period', will not have any financial positions or enter into any relevant risk management strategies in relation to the RCPS, and will not be under an obligation to make 'related payments' to other entities.

RCPS Holders who are individuals and who will not claim tax offsets in any one year in excess of \$5,000, will automatically be taken to be 'qualified persons' in relation to all Dividends that they receive (provided that they are not under an obligation to make a 'related payment' as described above).

The application of the franking rules to RCPS Holders will depend upon the particular circumstances of each RCPS Holder. RCPS Holders should seek independent advice as to whether they will be treated as 'qualified persons' in relation to Dividends received on the RCPS.

7.6 Anti-avoidance rule

Section 177EA of the *Income Tax Assessment Act 1936* (Cth) is an anti-avoidance provision which is designed to counter schemes where one of the purposes (other than an incidental purpose) of the scheme is to obtain imputation benefits. There are a number of different objective factors that the Commissioner may take into account in forming a view as to whether a scheme has such a purpose. Where section 177EA applies, the Commissioner may make a written determination with the effect of either:

- (a) imposing a franking debit on the distributing entity's franking account; or
- (b) denying the imputation benefit on the distribution that flowed directly or indirectly to the relevant taxpayer.
- (c) The Company has not received a private ruling from the Commissioner of Taxation with respect to the whether the Commissioner will make any such determination under section 177EA in relation to the RCPS.

8. ADDITIONAL INFORMATION

8.1 Disputes

Other than as set out below and as previously announced to the ASX, the Decmil Group is not involved in any legal proceedings which may have a material impact on the Group or the financial condition of the Group and the Directors are not aware of any other legal proceedings pending or threatened against the Decmil Group.

The only current material disputes concerning the Decmil Group is a dispute between Decmil Southern Pty Ltd (ABN 71 005 412 446) and the Department of Transport and Main Roads (Queensland) in relation to a works contract on the Bruce Highway. The Company has submitted a claim for approximately \$11.1 million, primarily related to earthworks and subgrade ground condition. The claim is now being dealt with in accordance with the dispute resolution procedure in the contract. The provisions which have been made in the Group's accounts in respect of the dispute are consistent with legal advice and been approved by the Company's external advisors.

In the course of undertaking contract works on a renewable energy project in Victoria, there are some ongoing delays and quality matters relating to material supplied from an onsite quarry. The project is approximately 70% complete and is working with the supplier and the owner to resolve these issues. The provisions which have been made in the Group's accounts in respect to these matters are consistent with legal advice obtained by the Group.

The Company notes that the quantum of reliance on unapproved claims and associated revenue is in the order of approximately between 4 - 5 % of the Group's annual turnover, which the Company considers to be a standard level for an entity operating in the Company's sectors and industries. The Company's reliance on unapproved claims has been acquired in the ordinary course of business.

8.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred

to in (i) and before the lodgement of this Prospectus with the ASIC; and

- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
19 April 2023	Trading Update
31 March 2023	Company Secretary Appointment / Resignation
27 February 2023	Decmil Concludes Munjina Commercial Claims
24 February 2023	Half Year Results Presentation
24 February 2023	Half-Year Earnings Growth Amid Challenging Market Conditions
24 February 2023	Half Yearly Report and Accounts
20 February 2023	Decmil Concludes Sunraysia Solar Farm Disputes
7 February 2023	Response to ASX Price and Volume Query
22 December 2022	Notification of cessation of securities - DCG
22 December 2022	Application for quotation of securities - DCG
12 December 2022	Change of Director's Interest Notice
8 December 2022	Notification regarding unquoted securities - DCG
10 November 2022	Results of Meeting
10 November 2022	AGM Presentation
31 October 2022	Decmil Further Bolsters Executive Team
21 October 2022	Contracts Update
7 October 2022	AGM Access Letter to Shareholders
7 October 2022	Notice of Annual General Meeting/Proxy Form
5 October 2022	Proposed issue of securities - DCG
5 October 2022	Management Changes
20 September 2022	Decmil Appoints New CFO
6 September 2022	Corporate Calendar
29 August 2022	FY22 Full Year Results Presentation

Date	Description of Announcement
29 August 2022	Decmil Releases FY22 Results, Positive Outlook Maintained
29 August 2022	Appendix 4G & Corporate Governance Statement

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.decmil.com.

8.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.235	20 April 2023
Lowest	\$0.15	11 April 2023
Last	\$0.17	21 June 2023

Whilst it is intended that the RCPS will be quoted, there is no market or trading history for the RCPS. It is not possible to predict the value at which the RCPS or Shares will trade be following the Entitlement Offer and the Directors do not make any representations with respect to this.

8.4 Material Contracts

8.4.1 Underwriting Agreement

The Company has entered into an underwriting agreement with **(Underwriting Agreement)** with Blue Ocean, pursuant to which Blue Ocean has agreed to underwrite the initial \$20,000,000 raised under the Entitlement Offer, being 100,000,000 RCPS **(Underwritten RCPS)**.

The Underwriter may at any time appoint sub-underwriters to sub-underwrite subscriptions for Underwritten RCPS under the Entitlement Offer and brokers to all or part of the Entitlement Offer. The Underwriter will be responsible for the costs and expenses (if any) payable to sub-underwriters and brokers.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	The Company has agreed to pay the Underwriter a fee equal to 6% of the Entitlement Offer's gross proceeds and issue 2,793,238 Underwriter Options on the terms set out in Section 5.3 (being the Underwriter Options).
Expenses	The Company must pay or reimburse the Underwriter:

	<ul style="list-style-type: none"> (a) for all reasonable legal costs but not exceeding the sum of \$28,000 that the Underwriter incurs in respect of the Entitlement Offer; (b) for out-of-pocket expenses that the Underwriter incurs in respect of the Entitlement Offer provided that any individual expense item, other than legal fees referred to above, of an amount greater than \$2,000 has been approved by the Company in writing prior to the expense being incurred; (c) any stamp duty, transfer taxes, withholding taxes or similar taxes payable in respect of this agreement or the Entitlement Offer; and (d) all reasonable Costs (including legal Costs) in respect of any inquiry or review by ASX, ASIC, the ATO or any other regulatory body.
Termination Events	<p>The Underwriter immediately terminate the Underwriting Agreement if any one or more of the following occurs:</p> <ul style="list-style-type: none"> (a) (Listing): <ul style="list-style-type: none"> (i) the Company ceases to be admitted to the Official List; (ii) the Shares (being the Company's fully paid ordinary shares) cease to be officially quoted by ASX; (iii) ASX makes any official statement to any person, or indicates to the Company or the Underwriter that Official Quotation of the RCPS will not be granted; or (iv) approval is not granted to the Official Quotation of the RCPS on ASX on or before the dates referred to in the timetable, or if granted, the approval is subsequently withdrawn, qualified or withheld or is subject to any condition which is unacceptable to the Underwriter; (b) (notifications) ASIC: <ul style="list-style-type: none"> (i) applies for an order under Part 9.5 of the Corporations Act, in relation to the Entitlement Offer or any document issued or published by or on behalf of the Company in respect of or relating to the Entitlement Offer (Offer Document); (ii) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Entitlement Offer or any Offer Document; (iii) commences an examination of any person or requires any person to produce documents arising out of or in connection with the Entitlement Offer or the Company under sections 19 or 30 to 33 of the Australian Securities and Investments Commissions Act; or (iv) prosecutes or commences proceedings against, or gives notice of an intention to

prosecute or commence proceedings against, the Company,

and the matter has not been withdrawn within three business days of receipt, or by the Institutional Entitlement Offer settlement date if arising within that period, or by the Retail Entitlement Offer settlement date if arising after the Institutional Entitlement Offer settlement date and within that period;

- (c) **(timetable)** any event specified in this agreement (including the timetable) to occur before the Institutional Entitlement Offer settlement date, or on the Institutional Entitlement Offer settlement date, is delayed by five business days or more or an event specified in this agreement (including the timetable) to occur after the Institutional Entitlement Offer settlement date is delayed by two business days or more, in any such case, without the prior written consent of the Underwriter;
- (d) **(withdrawal)** the Company withdraws an Offer Document or the Entitlement Offer or indicates that it does not intend to proceed with the Entitlement Offer;
- (e) **(unable to issue)** the Company is prevented from granting the Entitlements or issuing RCPS under the Entitlement Offer in accordance with ASX Listing Rules, applicable laws, a government agency or an order of a court of competent jurisdiction;
- (f) **(prosecution)** any of the following occur:
 - (i) a director of the Company is charged with an indictable offence;
 - (ii) any government agency commences any public proceedings against the Company or any of the Directors in their capacity as a director of the Company, or announces that it intends to take such action; or
 - (iii) any director of the Company is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (g) **(fraud)** a Director, CEO or CFO of the Company or the Company is charged in relation to fraudulent conduct, whether or not in connection with the Entitlement Offer;
- (h) **(Insolvency)** the Company or a subsidiary of the Company (**Group**) is or becomes insolvent;
- (i) **(force majeure)** there is an event or occurrence, including an official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for the Underwriter to satisfy an obligation under this agreement, or to market, promote or settle the Entitlement Offer;
- (j) **(market fall)** the All Ordinaries Index falls to a level that is 10% or more below its level at market close on the business day immediately preceding the date of the

Underwriting Agreement and is at or below that level at the close of trading:

- (i) for two consecutive business days during any time after the date of this document until completion of the Entitlement Offer; or
 - (ii) on the Business Day immediately prior to the Institutional Entitlement Offer settlement date or the Retail Entitlement Offer settlement date; or
- (k) **(consent)** any person other than an Underwriter who has previously consented to the inclusion of its name in the Offer Documents withdraws that consent.

The Underwriter may, if the Underwriter has reasonable and bona fide grounds to believe that the event:

- (a) has had, or could reasonably be expected to have a material adverse effect on:
 - (i) the outcome of the Entitlement Offer or the likely trading price of RCPS; or
 - (ii) the ability of the Underwriter to market or promote or settle the Entitlement Offer; or
- (b) could give rise to a contravention by the Underwriter of, or liability for the Underwriter under, the Corporations Act or any applicable laws,

immediately terminate the Underwriting Agreement on occurrence of any of the following events:

- (a) **(Offer Documents):**
 - (i) an Offer Document, or any statement, report, representation, matter or thing contained therein is or becomes misleading or deceptive or is likely to mislead or deceive; or
 - (ii) there is an omission from an Offer Document of material required to be included by the Corporations Act or any other applicable law;
- (b) **(new circumstance)** a new circumstance arises which is a matter adverse to investors in the Entitlement Offer and which would have been required by the Corporations Act to be included in the Offer Documents had it arisen before the Offer Documents were given to ASX;
- (c) **(adverse change)** any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group, from the position most recently disclosed to ASX by the Company before the date of this agreement, or otherwise fairly disclosed to the Underwriter prior to entry into this agreement;
- (d) **(future matters)** any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in an Offer Document is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;

- (e) **(changes to the Company)** the Company:
 - (i) varies any term of the Constitution; or
 - (ii) disposes, attempts or agrees to dispose of a substantial part of the business or property of the Company (including any material subsidiary),
 without the prior written consent of the Underwriter;
- (f) **(default)** a default by the Company in the performance of any of its obligations under this agreement occurs;
- (g) **(representations and warranties)** a representation and warranty contained in this agreement on the part of the Company was or is not true or correct or becomes untrue or incorrect;
- (h) **(Certificate)** a statement in a certificate relating to the Underwriting Agreement, a "first new circumstances certificate" or "second new circumstances certificate" is untrue or incorrect, or misleading or deceptive or contains omissions of any required information;
- (i) **(information)** the report made by the due diligence committee formed by the Company in connection with the Entitlement Offer, or the information provided by or on behalf of the Company to the Underwriter in relation to the investigations conducted during the due diligence process, the Offer Documents or the Entitlement Offer, is false, misleading or deceptive or likely to mislead or deceive (including by omission);
- (j) **(disruption in financial markets)** any of the following occurs:
 - (i) a general moratorium on commercial banking activities in Australia the United States of America, the United Kingdom, Hong Kong, Singapore, the People's Republic of China or Japan is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the New York Stock Exchange, the Singapore Exchange, the Shanghai Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect for more than 1 trading day;
- (k) **(change of law)** there is introduced or there is a public announcement of a proposal to introduce:
 - (i) into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority or government agency, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been

	announced before the date of this agreement); or
	(ii) into the laws of the United States of America, the United Kingdom, Hong Kong, Japan or the People's Republic of China a new law or a proposal to adopt a new law, any of which does or is likely to prohibit or adversely affect the regulation of the Company or the Entitlement Offer, capital issues or stock markets or affects the taxation treatment of the The Entitlement Offer;
(l)	(hostilities) in respect of or involving any one or more of Australia, the United States of America, Hong Kong, the United Kingdom, Japan or the People's Republic of China: (i) hostilities not presently existing commence; (ii) a major escalation in existing hostilities occurs; (iii) a declaration is made of a national emergency or war; or (iv) a terrorist act is perpetrated on any of those countries or any diplomatic, military or political establishment of any of those countries elsewhere in the world; or
(m)	(political or economic conditions) the occurrence of any adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, the United States of America, Hong Kong, the United Kingdom, Japan or the People's Republic of China.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.4.2 Sub-underwriting Agreements

The Underwriter has entered into a number of sub-underwriting agreements, including with Thorney, Peter Thomas (a Director) and Rod Heale (the Company's Chief Executive Officer) (**Sub-underwriters**), pursuant to which each of the Sub-underwriters have agreed to sub-underwrite the Retail Entitlement Offer (**Sub-underwriting Agreements**).

The Sub-underwriters have agreed to sub-underwrite the following amounts under the Shortfall Offer:

- (a) Thorney – 36,984,333 Shortfall RCPS; and
- (b) Peter Thomas – 652,940 Shortfall RCPS; and
- (c) Rod Heale – 400,000 Shortfall RCPS.

The Sub-underwriters will receive a fee from the Underwriter equal to:

- (a) for Thorney, 3%; and
- (b) for other Sub-underwriters, 2%.

of the amount of Shortfall RCPS each Sub-underwriter subscribes for multiplied by \$0.20 (inclusive of GST).

The Sub-underwriting Agreements shall terminate if the Underwriter's obligations under the Underwriting Agreement cease or are terminated. The Sub-underwriting Agreements are otherwise made on terms and conditions considered standard for an agreement of this nature.

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Entitlement Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.6.

Remuneration

The remuneration of the Managing Director and executive Directors is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and

other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors.

Director	FY ending 30 June 2023 (Proposed)	FY ended 30 June 2022 (Actual)
Peter Thomas	\$820,094 ^{1,2}	\$348,855 ³
Andrew Barclay	\$130,000 ^{1,4}	\$130,000 ⁵
David Steele	\$75,000 ^{1,6}	\$75,000 ⁶
Vin Vassallo	\$227,940 ^{1,7}	\$288,438 ⁸

Notes:

1. Amounts are only cashed based estimates, securities yet to be issued have not been included.
2. Comprising of estimated CFO fees of \$820,094 (which includes \$75,000 of Director fees).
3. Comprising of Executive Director salary of \$348,855.
4. Comprising of chairman Director salary of \$130,000 (including superannuation). In addition to this, Andrew Barclay & Associates has been paid by the Company a total of \$396,211 (excluding GST) in legal fees for the 30 June 2023 financial year.
5. Comprising of \$118,182 Director salary and fees and \$11,818 superannuation.
6. Comprising of \$68,182 Director salary and fees and \$6,818 superannuation.
7. Comprising of \$75,000 Director salary and fees and \$152,940 for acting CEO fees.
8. Comprising of \$69,588 Non-Executive Director salary and fees and \$218,850 Executive Director salary and fees.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Entitlement Offer; or
- (f) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Entitlement Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Capital Raising. The Company estimates it will pay Steinepreis Paganin \$80,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$116,621.00 (excluding GST and disbursements) for legal services provided to the Company / not received any other fees for any other services.

Blue Ocean Equities Pty Limited will be paid an aggregate broker fee of approximately \$1,576,519.55 in respect of the Capital Raising. Blue Ocean Equities Pty Ltd will also be issued a maximum of 2,793,238 Underwriter Options in consideration for their services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Blue Ocean Equities Pty Limited has not received any fees from the Company for any other services.

8.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Blue Ocean Equities Pty Limited has given its written consent to being named as the lead manager and the underwriter to the Capital Raising in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

8.8 Expenses of the Capital Raising

If all Entitlements are accepted, the total expenses of the Capital Raising are estimated to be approximately \$1,800,319 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	35,593
Broker fee	1,576,520 ¹
Legal fees	80,000
Printing and distribution	100,000
Miscellaneous	5,000
Total	1,800,319

Notes:

- 1. See Section 8.4.1 for further details.
- 2. The above assumes that \$26,275,326 is raised under the Capital Raising.

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9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Andrew Barclay
Non-Executive Chairman
DECMIL GROUP LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application means a valid application under the Entitlement Offer, Shortfall Offer or the Underwriter Offer (as applicable).

Application Form means an Entitlement and Acceptance Form, Shortfall Application Form, or an Underwriter Application Form, as the context requires.

Application Monies means the monies paid by an Applicant in respect of Shares the subject of an Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Blue Ocean or **Underwriter** means Blue Ocean Equities Pty Limited (ACN 151 186 935) (AFSL 412765).

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Capital Raising the Entitlement Offer, the Shortfall Offer and the Placement.

Closing Date means the closing date of the Entitlement Offer as specified in the timetable set out at Section 1 (unless extended).

Company or **Decmil** means Decmil Group Limited (ACN 111 210 390).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Institutional Shareholder mean an Institutional Shareholder who is eligible to participate in the Institutional Entitlement Offer set out in Section 3.2.

Eligible Retail Shareholder means a person who is eligible to participate in the Retail Entitlement Offer as set out in Section 3.5.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Entitlement Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Offer means the accelerated non-renounceable entitlement offer the subject of this Prospectus, and includes the Institutional Entitlement Offer and Retail Entitlement Offer.

FFH means Franco Family Holdings, as described in Section 1.7.

General Prohibition means section 606(1) of the Corporations Act.

Ineligible Institutional Shareholders has the meaning given to it in Section 3.5.

Ineligible Retail Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand, Hong Kong and Singapore.

Institutional Entitlement Offer means the accelerated non-renounceable entitlement issue to Eligible Institutional Shareholders being made under this Prospectus.

Institutional Shareholder means if in Australia, a professional or sophisticated investor as defined in subsections 708(8) and 708(11) of the Corporations Act or, if in New Zealand, Singapore or Hong Kong, an investor which falls within the categories set out in Section 3.14

Offer Price means \$0.20.

Official Quotation means official quotation on ASX.

Official List means the Official List of ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the issue of 17,000,000 RCPS at \$0.20 per RCPS Share as outlined in Section 3.4.

Performance Right means a performance right convertible into a Share.

Permitted Jurisdictions means Australia, New Zealand, Hong Kong and Singapore.

Prospectus means this prospectus.

RCPS means the redeemable convertible preference shares being offered under this Prospectus with the terms set out in full in Schedule 1.

RCPS Holder means a holder of an RCPS.

Record Date means the date specified in the timetable set out at Section 1.

Retail Entitlement Offer means the accelerated non-renounceable entitlement issue to Eligible Retail Shareholders being made under this Prospectus.

Section means a section of this Prospectus.

Securities means Shares, RCPS, Options, Performance Rights and warrants as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the RCPS not applied for under the Entitlement Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall RCPS on the terms and conditions set out in Section 3.10.

Shortfall RCPS means those RCPS not applied for under the Entitlement Offer (if any) and offered pursuant to the Shortfall Offer.

Thorney means Thorney Investment Group, as described in Section 1.7.

Underwriter Application Form means the application form with respect to the Underwriter Offer either attached to or accompanying this Prospectus.

Underwriter Offer has the meaning given in Section 3.11.

Underwriter Options means an Option being issued under the Underwriter Offer on the terms set out in Section 5.3.

Warrant means a warrant exercisable into a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – RIGHTS AND LIABILITIES OF THE RCPS

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1.	Security	Fully paid redeemable, cumulative, convertible preference shares issued by Decmil (RCPS).
2.	Face Value	\$0.20 per RCPS.
3.	Issue Price	\$0.20 per RCPS.
4.	Initial Term	Three years from the date of issue of the RCPS.
5.	Dividend Rate	(a) During the Initial Term – 12.00% pa (b) Following the Initial Term – the Dividend Rate will increase by 1.00% per annum on each anniversary of the conclusion of the Initial Term.
6.	Conversion Price	\$0.20, subject to paragraphs 22 to 27.
7.	Dividends	<p>Accruing and payable semi-annually in arrears on 31 March and 30 September each year while the RCPS remain on issue, with the first Dividend payable on 30 September 2023 (each a Dividend Payment Date).</p> <p>If all or any part of a Dividend is not paid on the relevant Dividend Payment Date (Unpaid Dividend) that Unpaid Dividend shall be a liability owing by Decmil to the Holder. No interest accrues on any Unpaid Dividends.</p> <p>An Unpaid Dividend may be repaid by Decmil, at its election, at a subsequent Dividend Payment Date to the Holder of the RCPS at that time.</p> <p>Until such time as all Unpaid Dividends are paid in full by Decmil, Decmil may not declare any or pay any dividend to any holder of any other Decmil Securities that rank equal to or lower than the RCPS in terms of dividend payments and return of capital on a winding up of Decmil.</p> <p>Preferential dividends will be 100% franked in the Initial Term and are expected to carry franking credits beyond the initial term.</p> <p>Decmil intends to hold the amount of cash equal to each years' dividend amount in advance to ensure that each of the dividend payments for that year are paid in cash rather than cumulating. It is intended that whenever a dividend is paid in cash, the relevant bank account will be immediately replenished with an equivalent amount to ensure that, at all times there is at least the next 12 months' worth of dividend payments on deposit in advance. In addition, the bank account will have an attaching irrevocable directive that the funds deposited can only be disbursed for the purpose of paying the RCPS semi-annual dividend payments.</p>
8.	Franking	Dividends are expected to be fully franked.
9.	Conversion of the RCPS	Each RCPS (excluding any Unpaid Dividends) may convert into one fully paid ordinary share (Ordinary Shares) (Conversion and Convert shall have the corresponding meaning).

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10.	Conversion of the Unpaid Dividends	<p>The Unpaid Dividends may convert into a number of Ordinary Shares determined by dividing the aggregate value of the Unpaid Dividends by the Conversion Price.</p> <p>Should the RCPS not be converted at the end of the Initial Term, any issue of Ordinary Shares on conversion of Unpaid Dividends which accrue following the completion of the Initial Term shall be subject to the prior approval of Decmil's shareholders.</p>
11.	Ordinary Shares Issued upon Conversion	<p>Each new Ordinary Share issued on conversion of the Face Value and/or the Unpaid Dividends (as applicable) will rank pari passu with Decmil's existing Ordinary Shares.</p>
12.	Holder Conversion	<p>Subject to paragraph 14, Holders may elect to Convert the Face Value and the Unpaid Dividends (provided that if the Holder holds less than 20,000 RCPS, this election must be for all of their RCPS):</p> <p>(a) on the last Business Day of every month within 30 months of the date of issue of the RCPS (each being a Monthly Conversion Date) by giving a conversion notice to Decmil not less than 10 Business Days' notice prior to the Monthly Conversion Date; or</p> <p>(b) on the occurrence of a Trigger Event by giving a conversion notice to Decmil within 10 Business Days of Decmil's initial announcement of the occurrence of a Trigger Event.</p> <p>In either case, the Conversion will occur 10 Business Days following Decmil's receipt of such notice.</p>
13.	Decmil Conversion/Redemption	<p>On the conclusion of the Initial Term (Call Date) and on each subsequent Dividend Payment Date, Decmil will have the right to:</p> <p>(a) subject to paragraph 14, Convert the Face Value and the Unpaid Dividends; or</p> <p>(b) redeem each RCPS for an amount equal to the Face Value, plus any Unpaid Dividends, in cash.</p> <p>If the RCPS are not redeemed or converted on the Call Date or any subsequent Dividend Payment Date, the directors of Decmil will ensure that they are satisfied on a reasonable basis that Decmil will have sufficient cash reserves to meet the dividend payments due over the following year of the term of the RCPS.</p>
14.	General Prohibition on Conversion	<p>If the issue of Shares upon Conversion of any RCPS would result in any Holder being in contravention of section 606(1) of the Corporations Act (General Prohibition), then the Conversion shall be deferred until such later time or times that the issue would not result in a contravention of the General Prohibition.</p>
15.	Trigger Events	<p>Each of the following is a Trigger Event in relation to RCPS:</p> <p>(a) (change of control) a Change of Control Event occurs;</p> <p>(b) (delisting event) a Delisting Event occurs;</p> <p>(c) (insolvency) an Insolvency Event occurs in respect of Decmil;</p>

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		<p>(d) (vitiation) all or any rights or obligations of Decmil or the RCPS Holder are terminated or become void, illegal, invalid, unenforceable or of limited force and effect; and</p> <p>(e) (unlawfulness) it is, at any time, unlawful for Decmil to make any of its payment obligations under the RCPS.</p>
16.	Delisting Event	<p>Each of the following is a Delisting Event in relation to any RCPS:</p> <p>(a) Ordinary Shares are no longer quoted on ASX;</p> <p>(b) the RCPS are no longer quoted on ASX; or</p> <p>(c) Decmil's Securities are suspended from trading on ASX for a period of 20 consecutive Business Days, for any reason, other than as a result (directly or indirectly) of a Change of Control Event.</p>
17.	Change of Control Event	<p>Each of the following occurrences constitute a Change of Control Event:</p> <p>(a) a change in Control (as that term is defined by section 50AA of the Corporations Act) of Decmil;</p> <p>(b) where members of Decmil approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of Decmil or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of Decmil), which will, upon becoming effective, result in any person (either alone or together with its associates) owning more than fifty per cent (50%) of Decmil's issued Ordinary Shares (Issued Capital);</p> <p>(c) where a person becomes the legal or the beneficial owner of, or has a relevant interest in, more than 50% of the Issued Capital;</p> <p>(d) where a person becomes entitled to acquire, hold or has an equitable interest in more than 50% of the Issued Capital; and</p> <p>(e) where a takeover bid is made to acquire more than 50% of the Issued Capital (or such lesser number of Ordinary Shares that when combined with the Ordinary Shares that the bidder (together with its associates) already owns will amount to more than 50% of the Issued Capital) and the takeover bid becomes unconditional and the bidder (together with its associates) has a relevant interest in more than 50% of the Issued Capital,</p> <p>but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of Decmil.</p>
18.	Reporting requirements	<p>Decmil must, as soon as reasonably possible, announce the occurrence of any Trigger Event, or any other event or circumstance has occurred which would, with the expiry of a grace period, the giving of notice or any combination of the foregoing, be a Trigger Event, has occurred.</p>

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		<p>Additionally, if Decmil ceases to be listed on ASX, Decmil must provide to Holders, by making available on its own public website, for so long as any of the RCPS remain outstanding any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the RCPS.</p>
19.	<p>Limitations on future issues</p>	<p>As long as any RCPS remain on issue, Decmil must not, without the approval of the Holders by way of a special resolution of (Special Resolution) passed at a separate meeting of Holders, issue shares ranking in priority to the RCPS in terms of dividend payments and return of capital on a winding up of Decmil, or permit the conversion of any existing shares to shares ranking equally or in priority to the RCPS in terms of dividend payments and return of capital on a winding up of Decmil.</p>
20.	<p>Limitations on Dividends</p>	<p>For so long as any RCPS remain outstanding, if there are any Unpaid Dividends, Decmil must not make any cash in-specie distribution on any share capital in Decmil over which RCPS rank in priority.</p>
21.	<p>Participation rights</p>	<p>Prior to Conversion, Holders do not have a right to subscribe for new securities in Decmil or participate in a bonus issue by Decmil.</p>
22.	<p>Adjustment of Face Value for Reconstructions</p>	<p>Where the RCPS is reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities (Reconstruction, and Reconstructed shall have the corresponding meaning), the Face Value of each RCPS and Conversion Price will equal the Face Value/Conversion Price (as applicable) immediately before the Reconstruction divided by the number of RCPS into which the RCPS has been Reconstructed.</p>
23.	<p>Adjustment for Reconstructions of Ordinary Shares</p>	<p>If at any time the Ordinary Shares are Reconstructed (other than by way of a bonus issue, which is dealt with under clause paragraph 24), the RCPS may, in accordance with the ASX Listing Rules, be Reconstructed and the number of Ordinary Shares to be issued on Conversion may be adjusted as appropriate.</p>
24.	<p>Adjustments to Conversion Price for Bonus Issues</p>	<p>(a) Subject to (b), if the Company makes a bonus issue of Ordinary Shares to shareholders, the Conversion Price will be adjusted immediately under the following formula:</p> <div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 10px auto;"> $CP = CPo \times \frac{RD}{(RD + RN)}$ </div> <p>where:</p> <p>CP means the Conversion Price applying immediately after the application of this formula;</p> <p>CPo means the Conversion Price applying immediately before the application of this formula;</p> <p>RD means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the bonus issue; and</p>

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		<p>RN means the number of Ordinary Shares issued under the bonus issue.</p> <p>(b) For the purpose of (a), an issue will be regarded as a bonus issue notwithstanding that the Company does not make offers to some or all shareholders with registered addresses outside Australia, provided that in so doing the Company is not in contravention of the applicable ASX Listing Rules.</p>
25.	<p>Adjustment to Conversion Price for issues under a share purchase plan or dividend reinvestment plan at a discount</p>	<p>If, at any time, the Company issues any new Ordinary Shares under a share purchase plan or dividend reinvestment plan where the pricing of new Ordinary Shares under that plan is expressly calculated as a discount to a market price and that discount is greater than 5%, the Conversion Price will be adjusted immediately using the following formula:</p> $CP = CP_0 \times \frac{(RD + ((1-D) \times RN))}{(RD + RN)}$ <p>where:</p> <p>CP means the Conversion Price applying immediately after the application of this formula;</p> <p>CP₀ means the Conversion Price applying immediately before the application of this formula;</p> <p>RD means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the share purchase plan or dividend reinvestment plan;</p> <p>RN means the number of Ordinary Shares issued under the plan; and</p> <p>D means the discount at which new Ordinary Shares are issued under the plan.</p>
26.	<p>Adjustment to Conversion Price for return of capital and special dividends</p>	<p>If the Company makes a pro rata return of capital or special dividend to holders of Ordinary Shares without cancellation of any Ordinary Shares, the Conversion Price will be adjusted under the following formula:</p> $CP = CP_0 \times \frac{(P-C)}{P}$ <p>where:</p> <p>CP means the Conversion Price applying immediately after the application of this formula;</p> <p>CP₀ means the Conversion Price applying immediately before the application of this formula;</p> <p>P means the volume weighted average price of Ordinary Shares (VWAP) during the period from (and including) the first Business Day after the announcement to the ASX of the return of capital up to and including the last Business Day of trading cum the return of capital (or if there is no period of cum return of capital, an amount reasonably determined by the Directors as representing the value of an Ordinary Share cum the return of capital); and</p>

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		<p>C means with respect to a return of capital or special dividend (being a dividend that is paid other than in accordance with the Company's dividend policy from time to time), the amount of the cash and/or the value (as reasonably determined by the Directors) of any other property distributed to holders of Ordinary Shares per Ordinary Share (or such lesser amount such that the difference between P and C is greater than zero).</p>
27.	<p>Adjustment to Conversion Price for issue of Equity Securities</p>	<p>If Decmil makes an issue of Equity Securities (or a series of consecutive issuances of Equity Securities in any period not exceeding 12 months) that has not been granted prior approval from the holders of Ordinary Shares, and the Diluted Amount of those Equity Securities (in aggregate) exceeds 15% of the number of Ordinary Shares on issue before the issue or issuances, the Conversion Price will be adjusted to equal:</p> <p>(a) the Adjusted Price; or</p> <p>(b) in the case of a series of issuances, the volume weighted average price of the Adjusted Price in relation to those issuances.</p> <p>For the purposes of this paragraph, Adjusted Price means the price calculated in accordance with the following formula:</p> $CP = CPo \times \frac{1}{P} \times \frac{(RD \times P) + (RN \times A)}{(RD + RN)}$ <p>where:</p> <p>CP means the Conversion Price applying immediately after the application of this formula;</p> <p>CPo means the Conversion Price applying immediately before the application of this formula;</p> <p>P means the VWAP during the five Business Days immediately preceding the date of the first public announcement of the terms of such issue or grant;</p> <p>RD means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the issue of Ordinary Shares;</p> <p>RN means the number of Ordinary Shares issued at a price per Ordinary Share which is less than 90% of the VWAP during the five Business Days immediately preceding the date of the first public announcement of the terms of such issue or grant; and</p> <p>A means the subscription price per Ordinary Share for the issue.</p>
28.	<p>Ranking on winding up</p>	<p>On a winding up of Decmil, RCPS will rank for return of capital (not exceeding the Face Value), behind all creditors of Decmil but ahead of ordinary shareholders.</p>
29.	<p>Voting rights</p>	<p>Prior to the Call Date, RCPS Holders are only entitled to vote on certain limited matters as required under the ASX Listing Rules and Decmil's Constitution such as a proposal that affects the rights attaching to RCPS or for the disposal of the whole of the property, business and undertaking of Decmil. If RCPS Holders are entitled to vote, each Holder is entitled to one vote per RCPS held.</p>

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		However, this restriction on voting does not apply when a dividend is not paid in full on the RCPS or during a winding up of Decmil. At such times, and at all times subsequent to the Call Date, RCPS shall vote on an as if converted based.
30.	Notices and Reports	<p>Without prejudice to any other right, power or privilege conferred on a Holder, each RCPS confers on its Holder the same rights as a holder of Ordinary Shares to:</p> <p>(a) receive notice of any general meeting of Decmil and reports and audited accounts; and</p> <p>(b) attend at any general meeting of Decmil.</p>
31.	Listing	<p>Decmil will apply for the quotation of the RCPS on ASX.</p> <p>It is expected that the RCPS will be quoted under the code "DCGPA".</p>
32.	Governing Law	Western Australia