

29 June 2023

Dear Shareholder,

DECMIL GROUP LIMITED – PRO-RATA ACCELERATED NON-RENOUCEABLE RIGHTS ISSUE

As announced on 22 June 2023, Decmil Group Limited (ACN 111 210 390) (**Company**) is undertaking a pro-rata accelerated non-renounceable entitlement issue of 25 redeemable convertible preference shares (**RCPS**) for every 34 fully paid ordinary share in the Company (**Share**) at an issue price of \$0.20 per RCPS, to raise up to \$22,875,326 (**Entitlement Offer**).

The Entitlement Offer will comprise of:

- (a) an accelerated institutional entitlement offer to eligible institutional shareholders and eligible retail shareholders on 21 June 2023 and whom the Company and Blue Ocean Equities Pty Limited (the underwriter to the Entitlement Offer) (**Underwriter**) determines meet the eligibility requirements (**Institutional Entitlement Offer**); and
- (b) a retail entitlement offer to those eligible retail shareholders who:
 - (i) is entered on the Company's Share register at 5:00pm (WST) on 26 June 2023 (**Record Date**);
 - (ii) has a registered address in the resides in Australia, New Zealand, Hong Kong or Singapore (**Permitted Jurisdiction**);
 - (iii) 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
 - (iv) are eligible under all applicable securities laws to receive an offer under the retail entitlement offer,(the **Retail Entitlement Offer**).

Further information on eligibility under the Entitlement Offer is set out in Section 3.5 of the Prospectus.

The Underwriter will underwrite up to \$20,000,000. The Company must pay the Underwriter an underwriting fee of 6% of the total amount raised pursuant to the Offer and has agreed to issue, subject to shareholder approval, 2,793,238 Options with exercise price equal 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, exercisable on or before 5:00pm (WST) on the date which is three (3) years from the issue date (**Underwriter Options**). The issue of

the Underwriter Options will be made under a separate offer to the Underwriter (the **Underwriter Offer**). The Company must also reimburse the Underwriter for costs incidental to the Offer. Please refer to Section 8.4.1 of the Prospectus for further information.

The Company lodged a prospectus for the Entitlement Offer and Underwriter Offer (together, the **Offers**) with ASIC and ASX on 21 June 2023 (**Prospectus**).

In conjunction to the Offers, the Company intends to conduct a placement to sophisticated and professional investors to raise \$3,400,000 via the issue of 17,000,000 RCPS at an issue price of \$0.20 per RCPS (**Placement**).

The Company intends to apply the funds raised from the Offers (less expenses) towards working capital to be cover several purposes and projects. For further specifics of the use of funds please refer to section 4.1 of the Prospectus.

Following completion of the Placement and the Offers (assuming any shortfall is subsequently placed, and the full subscription is raised), the Company will have issued approximately 131,376,629 RCPS and 2,793,238 Underwriter Options, resulting in total RCPS on issue of 131,376,629 and 17,791,072 Options.

Ineligible shareholders

A Shareholder who has a registered address outside the Permitted Jurisdictions (**Ineligible Shareholder**) will not be eligible to participate in the Entitlement Offer.

You are not eligible to participate in the Entitlement Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of the Permitted Jurisdictions compared with the small number of Ineligible Shareholders and the number and value of RCPS to which they would otherwise be entitled.

If you have any queries concerning the Offers, please contact your financial adviser or Peter Coppini, Company Secretary, on +61 8 6240 8160.

Yours faithfully,



Andrew Barclay

Non-Executive Chairman

Decmil Group Limited