Amounts expressed in \$A'000

Appendix 4D

Half-Year Report Period ended 31 December 2022

DECMIL GROUP LIMITED

ABN 35 111 210 390

Reporting Period & Previous Corresponding Period

The current reporting period is for the half-year ended 31 December 2022. The prior reporting period is for the half-year ended 31 December 2021.

Results for	Announcement to the Market

	Results	% Movement	Increase/ Decrease
Revenues from ordinary activities	256,051	13%	Increase
Loss after tax from ordinary activities attributable to members	(2,483)	37%	Increase
Net loss after tax for the period attributable to members	(2,483)	37%	Increase

Dividends

No dividend was declared or recommended for payment in 2021 or 2022.

Explanation of Results

Operations continue to reflect the diversity of the Group, with project activity spanning public sector infrastructure projects across Australia, non-process and worker accommodation facilities for the WA and Queensland resource sectors, general in-situ construction in WA and balance of plant works in renewable energy across multiple states.

Revenue of \$256 million for the six months ended 31 December 2022 was above the comparative period (\$227 million) due to a larger volume of projects increasing in progress compared to the prior half-year.

The business increased its profit before interest, tax and depreciation to \$3.3 million in the period compared with \$1.5 million in the comparative period, which was driven by a \$2.4 million increase in gross profit to \$16.8 million in the period with administration expenses staying relatively stable. The consolidated entity reported a statutory net loss after providing for income tax of \$2,483,000 (31 December 2021: loss of \$3,962,000).

The result was affected by COVID-related impacts such as labour and material supply constraints and high borrowing costs.

The Group reported net operating cash outflows of \$6.3 million for the six months ended 31 December 2022 as it continues to negotiate resolutions on several contractual claims and the unwinding of certain project related upfront payments.

At 31 December 2022 the Group's balance sheet reflected cash and cash equivalents of \$10.8 million whilst borrowings reduced by \$16.7 million to \$20.7 million against the comparable period 30 June 2022. At balance date the Group held net assets of \$35.5 million.

The Homeground Gladstone accommodation village remains as an asset held for sale with a valuation of \$57.0 million.

NTA Backing	31 December 2022 Cents per share	31 December 2021 Cents per share
Net tangible asset backing per ordinary share	(9.3) cents	30.5 cents

Control gained or lost over entities having material effect

Not applicable.

Details of associates and joint venture entities

Decmil Southern Pty Ltd, a controlled entity of Decmil Group Limited, has a 40% participation interest as a non-owner participant in the VicConnect Alliance along with UGL Engineering Pty Limited, Arup Australia Projects Pty Ltd, the rail operator V/Line Corporation and the owner/client, Rail Projects Victoria. The VicConnect Alliance has a \$350 million contract for the Gippsland Line Upgrade project, part of the Victorian Government's Regional Rail Revival program.

Decmil Southern Pty Ltd, a controlled entity of Decmil Group Limited, has a 40% participation interest in the Mordialloc JV with McConnell Dowell Constructors (Aust) Pty Ltd to complete a \$25 million contract for an early works package and a \$417 million main works package for the Mordialloc Freeway project. The project will link the Mornington Peninsular Freeway to the Dingley Bypass and create one continuous freeway from Frankston to Clayton.

Material interests in entities which are not controlled entities

Not applicable.

Compliance statement

This report is based on accounts which have been subject to independent review.

Signed by Ian Hobson, Company Secretary 23rd February 2023



Decmil Group Limited Half Year Report

31 December 2022

Together, we're the difference.

DECMIL

CORPORATE DIRECTORY

Directors

Andrew Barclay, Chairman David Steele, Non-Executive Director Peter Thomas, Executive Director Vin Vassallo, Non-Executive Director

Executive Team

Rod Heale, Chief Executive Officer Peter Thomas, Chief Financial Officer Deon Baddock, Executive General Manager West Simon Barnes, Executive General Manager East

Company Secretary

Ian Hobson

Australian Business Number

35 111 210 390

Principal Registered Address

20 Parkland Road Osborne Park WA 6017 Telephone: 08 9368 8877 Facsimile: 08 9368 8878

Postal Address

PO Box 1233 Osborne Park WA 6916

Operational Offices

Perth Level 6, 20 Parkland Road Osborne Park WA 6017 Telephone: 08 9368 8877

Brisbane Level 5, 60 Edward Street Brisbane QLD 4000 Telephone: 07 3640 4600

Melbourne Level 3, 850 Collins Street Docklands VIC 3008 Telephone: 1300 332 645

Auditor

RSM Australia Partners Level 32, Exchange Tower 2 The Esplanade Perth WA 6000 Telephone: 08 9261 9100

Share Registry

Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 Telephone: 08 9323 2000 Email: www-au.computershare.com/Investor/Contact Website: www.computershare.com

Bankers

National Australia Bank Ltd 100 St Georges Terrace Perth WA 6000 Telephone: 13 10 12

Controlled Entities

Decmil Australia Pty Ltd Decmil Engineering Pty Ltd Decmil PNG Limited Decmil Southern Pty Ltd Eastcoast Development Engineering Pty Ltd Homeground Villages Pty Ltd Homeground Gladstone Pty Ltd ATF Homeground Gladstone Unit Trust Decmil Maintenance Pty Ltd Decmil Group Limited Employee Share Plan Trust

ASX Code

DCG



DIRECTORS' REPORT

Your directors submit the financial report of Decmil Group Limited and its controlled entities ("the Group" or "the consolidated entity") for the half-year ended 31 December 2022.

DIRECTORS

The names of directors who held office during or since the end of the half-year are as follows:

Mr Andrew Barclay (Chairman) Mr David Steele Mr Peter Thomas Mr Vin Vassallo

REVIEW OF OPERATIONS

Principal activities

The Group provides integrated construction and engineering solutions across the Infrastructure, Resources, Energy and Construction sectors, including but not limited to the following:

Infrastructure

- Government infrastructure projects including major road and bridge civil engineering projects.
- Integrated transport solutions such as railway networks.

Resources

- Non-process infrastructure, including industrial buildings, workshops and storage facilities.
- Construction of workforce accommodation and associated facilities.
- Structural mechanical and piping, processing units and systems and engineering infrastructure for power delivery management.
- Civil works including site preparation, excavation, bulk earthworks and construction of roads and bridges.

Energy

- Civil balance of plant works for wind farms
- Non-process infrastructure such as control rooms, substations, workshops and accommodation facilities.
- Feasibility, engineering, project management and construction services for the renewable energy sector.

Construction

- Construction of schools, medical centres, airports and accommodation units, community and sport centres for government and local councils.
- Construction of industrial and commercial buildings.

DIRECTORS' REPORT (CONT'D)

Operations

Decmil was established in 1978 and since has grown to provide engineering, construction and maintenance services to the Infrastructure, Resources, Energy and Construction sectors across Australia.

Operations continue to reflect the diversity of the Group, with project activity spanning public sector infrastructure projects across Australia, non-process and worker accommodation facilities for the WA and Queensland resource sectors, general in-situ construction in WA and civil balance of plant works in renewable energy across multiple states.

Key operational highlights for the six months ended 31 December 2022 include:

Safety

- Strong safety performance with one lost time injury for the period resulting in a lost time injury frequency rate (LTIFR) of 0.0 and a total recordable injury frequency rate (TRIFR) of 1.3.
- Continued navigation and management of COVID-19 restrictions on personnel movement, offshore manufacture and border restrictions to ensure minimal effect on projects.

Infrastructure

- No projects were awarded in the period with work continuing on major projects awarded in FY22 including:
- \$89 million contract by Major Road Projects Victoria for the Barwon Heads Road Upgrade Work Package 1
- \$55 million contract for the design and construction of phase one of the Albany Ring Road for the Western Australian Government and the \$99 million contract for phase two.
- \$23 million contract by Main Roads WA for the construction of the Mitchell Freeway Principal Shared Path from Civic Place to Reid Highway. The Contract was awarded through the State-wide Road Construction Panel, which Decmil was approved to join in FY21.
- \$7 million Great Eastern Highway Coates Gully projects as part of Main Roads Western Australia Panel Works Program.
- \$8 million Peninsular Development Road project at Archer River for the Queensland Department of Transport.
- Continued progress on the \$350 million Gippsland Line Upgrade contract with the VicConnect Alliance, an alliance between Rail Projects Victoria, UGL and Arup. Decmil's share of the rail infrastructure contract is \$157 million.
- Practical completion achieved for the \$28 million Roy Hill-Munjina Bridge 5413 road over rail infrastructure project with Main Roads Western Australia.

Resources

- Awarded an Early Contractor Involvement contract by Roll Hill Infrastructure to provide Early Design Development Services for its Rolling Stock Maintenance Workshop upgrade.
- Completion of the \$7 million Christmas Creek Hydrogen Refuelling Station for Fortescue Metals Group.
- Completion of \$50m of non-process infrastructure works at the Mesa A and Mesa J iron ore mines in the Pilbara region of Western Australia for Rio Tinto
- \$19 million Covalent Kwinana NPI works progressing well for Covalent Lithium.
- \$12 million Talison NPI works progressing well for Talison.

DECMIL

DIRECTORS' REPORT (CONT'D)

Operations (Cont'd)

Construction

- Work continued on the \$18 million contract with the Town of Port Hedland to construct a new Port Hedland Community Centre building complex.
- Work continued on the \$26 million Karratha Senior High School which is due for completion in early FY24.

Energy

- The Crookwell Windfarm for GPG in New South Wales was completed in the period and work is continuing to progress well at the Ryan Corner Windfarm, also for GPG.
- As previously announced on the ASX, Decmil concluded its subcontract dispute with Schneider Electric with no material impact to the financial accounts.
- Decmil has been advised of conditional preferred status as Balance of Plant contractor for the construction of the 108 MW Waddi Wind Farm in Western Australia.

Homeground Gladstone

- Occupancy levels were strong in the first two months of FY23 at Homeground Gladstone, boosted by LNG plant shutdown works taking place in the region, which tapered off in the following months.
- Between July 2022 and December 2022, average occupancy was 18.2%, an increase of 1.1% from the corresponding period to 31 December 2021.
- Bookings are weaker for the second half of FY23 with occupancy expected to be lower than the first half.
- Safety performance at Homeground Gladstone was exceptional, with LTIFR of 0 and TRIFR of 0.

COVID-19

Decmil has experienced some operational impact from COVID-19 although this has largely abated with no travel restrictions in the period. However, material supply continued to be significantly impacted, which includes strategic components and materials that were delayed from off-shore suppliers.

As the date of this report all Decmil sites are operational, with strict hygiene and control measures in place, however, this is subject to change.

Financial Performance

Revenue of \$256 million for the six months ended 31 December 2022 was above the comparative period (\$227 million) due to a larger volume of projects increasing in progress compared to the prior half-year.

The business increased its profit before interest, tax and depreciation to \$3.3 million in the period compared with \$1.5 million in the comparative period, which was driven by a \$2.4 million increase in gross profit to \$16.8 million in the period with administration expenses staying relatively stable.

The consolidated entity reported a statutory net loss after providing for income tax of \$2,483,000 (31 December 2021: loss of \$3,962,000).

The improved result from the comparative period is indicative of the steps the business is taking to improve its financial performance after several years of underperformance.

The Group reported net operating cash outflows of \$6.3 million for the six months ended 31 December 2022 as it continued to negotiate resolutions on several contractual claims and the unwinding of certain project related upfront payments.

DECMIL

DIRECTORS' REPORT (CONT'D)

Financial Position

At 31 December 2022 the Group's balance sheet reflected cash and cash equivalents of \$10.8 million with borrowings of \$20.7 million. At balance date the Group held net assets of \$35.5 million.

The Homeground Gladstone accommodation village remains as an asset held for sale with a valuation of \$57.0 million.

Dividend

To preserve working capital for new project opportunities in the business in FY23, the Board has resolved to not declare an interim dividend for FY23. This will be re-assessed given future market conditions and working capital requirements.

Strategy and Outlook

The business continues to focus on the Infrastructure, Resources, Energy and Construction sectors which continue to have a strong pipeline of upcoming work.

Several of Decmil's key sectors are experiencing strong market conditions. These sectors and their drivers are summarised below:

- Infrastructure (WA, Vic and Qld): a significant spend in transport infrastructure (road and rail) over the coming 3-4 years has been announced by all state governments. Decmil continues to build its position in road and rail projects and is currently tendering a number of projects in this sector. In addition to Decmil's existing capability in road and bridge construction, there are also opportunities to expand further into rail construction.
- Resources (WA): the iron price has remained very strong allowing Pilbara iron ore producers to generate significant cashflows. All four major producers (BHP, Rio, Fortescue, Roy Hill) are each investing in significant operational upgrades and maintenance projects that are expected to continue over the next several years.
- Over and above Iron Ore, strong commodity prices in other minerals (for example lithium) and a strategic focus by Decmil on opportunities in this sector are anticipated to yield new project awards in the coming months.
- Energy (National): high levels of capital spend on renewable energy projects with the shift towards a
 decarbonised economy. Decmil has now established a demonstrated successful track record in wind
 farms (Warradarge, Yandin, and Ryan Corner). Decmil's focus on renewable projects is on balance of
 plant contracts and Decmil without interconnection risk.

As at 31 December 2022 the Company has committed revenue for FY23 of ~\$490 million, with ~\$335 million of work in hand (contracted and preferred) for the remainder of FY23, FY24 and extending to FY25.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest million.



DIRECTORS' REPORT (CONT'D)

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included within this interim financial report.

This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the Corporation Act 2001.

On behalf of the Directors

Abalen

Andrew Barclay CHAIRMAN

Dated this 23rd day of February 2023



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Decmil Group Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG Partner

Perth, WA Dated: 23 February 2023

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction. RSM Australia Partners ABN 36 965 185 036

DECMIL

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

		Consolidated Entity	
		31/12/2022	31/12/2021
	Note	\$000	\$000
Revenue	3	256,051	226,475
Cost of sales		(239,221)	(212,033)
Gross profit		16,830	14,442
Administration expenses		(13,185)	(12,956)
Equity based payments		(309)	19
Earnings before interest, tax, depreciation and amortisation		3,336	1,505
Interest received	3	1	7
Borrowing costs		(2,916)	(2,685)
Depreciation and amortisation expense		(2,904)	(2,789)
Loss before income tax expense		(2,483)	(3,962)
Income tax expense			-
Net loss after tax		(2,483)	(3,962)
Other Comprehensive Income			
Other comprehensive income		(2,483)	(3,962)
Total comprehensive income for the period		(2,483)	(3,962)
Basic earnings per share (cents per share)		(1.60)	(2.65)
Diluted earnings per share (cents per share)		(1.60)	(2.65)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		Consolidated Entity 31/12/2022 30/06	
	Note	\$000	\$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		10,815	39,263
Trade and other receivables		35,727	37,175
Contract assets		31,502	16,258
Non-current asset held for sale	6	56,974	56,865
Other assets		8,203	5,808
TOTAL CURRENT ASSETS		143,221	155,369
NON-CURRENT ASSETS			
Plant and equipment		6,548	7,975
Right-of-use assets		9,718	11,030
Intangible assets		50,000	50,000
TOTAL NON-CURRENT ASSETS		66,266	69,005
TOTAL ASSETS		209,487	224,374
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		84,847	73,261
Contract liabilities		39,439	41,959
Borrowings		2,185	19,454
Hire purchase lease liabilities		1,365	1,561
Leasing liabilities		2,461	2,619
Provisions		3,989	4,986
TOTAL CURRENT LIABILITIES		134,286	143,840
NON-CURRENT LIABILITIES			
Trade and other payables		9,735	10,866
Borrowings		18,490	17,873
Hire purchase lease liabilities		2,245	2,919
Leasing liabilities		8,696	10,216
Provisions		487	319
TOTAL NON-CURRENT LIABILITIES		39,653	42,193
TOTAL LIABILITIES		173,939	186,033
NET ASSETS		35,548	38,341
EQUITY			
Issued capital	4	279,651	279,961
Accumulated losses		(244,103)	(241,620)
TOTAL EQUITY		35,548	38,341



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Accumulated Losses	Total
	\$000	\$000	\$000
Balance at 1 July 2021	267,487	(138,390)	129,097
Net loss for the period	-	(3,962)	(3,962)
Total comprehensive loss for the period	-	(3,962)	(3,962)
Shares issued for the period	10,558	-	10,558
Transaction costs net of tax benefit	(522)	-	(522)
Equity based payments	(19)	-	(19)
Balance at 31 December 2021	277,504	(142,352)	135,152
Delense of 4 July 2022	070.004	(244.020)	20.244
Balance at 1 July 2022	279,961	(241,620)	38,341
Net loss for the period		(2,483)	(2,483)
Total comprehensive loss for the period	-	(2,483)	(2,483)
Shares issued for the period	0	-	0
Transaction costs net of tax benefit	(1)	-	(1)
Equity based payments	(309)	-	(309)
Balance at 31 December 2022	279,651	(244,103)	35,548



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Consolidat	ed Entity
	31/12/2022	31/12/2021
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	239,380	214,875
Payments to suppliers and employees	(242,781)	(218,278)
Interest received	1	7
Finance costs	(2,916)	(2,685)
Net cash used in operating activities	(6,316)	(6,081)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(392)	(701)
Proceeds from sale of non-current assets	473	96
Net cash provided by / (used in) investing activities	81	(605)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	20,000
Repayment of borrowings	(19,663)	(17,115)
Repayment of lease liabilities	(2,548)	(2,789)
Net proceeds from share issue	(2)	9,812
Net cash (used in)/ provided by financing activities	(22,213)	9,908
Net (decrease)/ increase in cash held	(28,448)	3,222
Cash at beginning of period	39,263	9,703
Cash at end of period	10,815	12,925



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The half-year financial report ending 31 December 2022 is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standard AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'. The half-year financial report does not include full disclosures of the type normally included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Decmil Group Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets. The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial report, except in relation to the matters disclosed below.

New and amended Accounting Standards and Interpretations

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

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

The consolidated entity incurred a net loss of \$2,483,000 and had net cash outflows from operating and financing activities of \$6,316,000 and \$22,213,000 respectively for the half-year ended 31 December 2022.

The ability of the consolidated entity to continue as a going concern is dependent on the directors and management continuing to manage its cash flows in line with its existing cash reserves and banking facilities to successfully execute its contracted projects in hand and win new work to operate within the Company's cash flow forecast. The Company has commenced discussions with its bank and surety providers to extend these existing facilities. As the Company has not yet agreed these extensions as at the date of this report, this creates a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.



NOTE 2: SEGMENT INFORMATION

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The consolidated entity operates as two segments.

1. Construction & Engineering

- Decmil Australia Pty Ltd multi-discipline design, civil engineering and construction services
- Decmil Southern Pty Ltd civil engineering and infrastructure construction services
- Decmil Maintenance Pty Ltd dormant entity formerly known as Decmil Infrastructure Pty Ltd
- Eastcoast Development Engineering Pty Ltd acquired business now integrated into the Decmil Australia Pty Ltd
- Decmil Engineering Pty Ltd acquired business now integrated into Decmil Australia Pty Ltd
- Decmil PNG Limited dormant construction arm of Decmil located in Papua New Guinea.

2. Accommodation

- Homeground Villages Pty Ltd holder of the units in the Homeground Gladstone Unit Trust
- Homeground Gladstone Unit Trust Homeground Gladstone Accommodation Village located in Gladstone, Queensland.

All the assets are located in Australia.

NOTE 2: SEGMENT INFORMATION (Cont'd)

(a)	Segment performance 31/12/2022	Construction & Engineering \$000	Accommodation \$000	Total \$000
	External sales	249,688	6,363	256,051
	Total segment revenue	249,688	6,363	256,051
	Segment EBITDA	2,017	1,319	3,336
	Depreciation & amortisation expense	(2,873)	(31)	(2,904)
	Net interest	(2,916)	1	(2,915)
	Segment result	(3,772)	1,289	(2,483)
	Other unallocated expenses			-
	Loss for the period			(2,483)

Segment performance 31/12/2021	Construction & Engineering \$000	Accommodation \$000	Total \$000
External sales	220,693	5,782	226,475
Total segment revenue	220,693	5,782	226,475
Segment EBITDA	419	1,361	1,780
Depreciation & amortisation expense	(2,757)	(32)	(2,789)
Net interest	(2,678)	-	(2,678)
Segment result	(5,016)	1,329	(3,687)
Other unallocated expenses			(275)
Loss for the period			(3,962)

(b)	Segment assets 31/12/2022	Construction & Engineering \$000	Accommodation \$000	Total \$000
	Current assets	79,602	57,597	137,199
	Non-current assets	57,569	208	57,777
	Other unallocated assets	-	-	14,511
	Total segment assets	137,171	57,805	209,487

Segment assets 30/06/2022	Construction & Engineering \$000	Accommodation \$000	Total \$000
Current assets	93,774	58,640	152,414
Non-current assets	59,321	125	59,446
Other unallocated assets	-	-	12,514
Total segment assets	153,095	58,765	224,374

NOTE 2: SEGMENT INFORMATION (Cont'd)

(c)	Segment liabilities 31/12/2022	Construction & Engineering \$000	Accommodation \$000	Total \$000
	Current liabilities	126,095	763	126,858
	Non-current liabilities	13,833	-	13,833
	Other unallocated liabilities	-	-	33,248
	Total segment liabilities	139,928	763	173,939

Segment liabilities 30/06/2022	Construction & Engineering \$000	Accommodation \$000	Total \$000
Current liabilities	117,984	1,481	119,465
Non-current liabilities	15,828	-	15,828
Other unallocated liabilities	-	-	50,740
Total segment liabilities	133,812	1,481	186,033

NOTE 3: REVENUE

	Consolidated Entity	
	31/12/2022	31/12/2021
	\$000	\$000
Construction and engineering revenue	249,565	220,582
Accommodation revenue	6,363	5,782
Other revenue		
- rentals	123	111
- interest received	1	7
Total revenue	256,052	226,482

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidat	Consolidated Entity	
	31/12/2022	31/12/2021	
	\$000	\$000	
Sectors			
Infrastructure	202,914	155,466	
Resources	17,599	36,765	
Energy	24,059	28,198	
Accommodation	6,363	5,782	
Other	5,117	271	
	256,052	226,482	
Geographical regions			
Australia	256,052	226,482	
	256,052	226,482	



NOTE 3: REVENUE (Cont'd)

	Consolidate	Consolidated Entity	
	31/12/2022	31/12/2021	
	\$000	\$000	
Timing of revenue recognition			
Services transferred over time	249,565	220,582	
Services transferred at a point in time	6,487	5,900	
	256,052	226,482	

NOTE 4: ISSUED CAPITAL

	Consolidated Entity	
	31/12/2022	30/06/2022
	\$000	\$000
a) Paid up capital		
Fully paid ordinary shares	277,318	279,961
	No. of Shares '000	Paid Up Capital \$000
b) Movements		
Balance 1 July 2022	155,133	279,961
Performance rights converted to shares	419	-
	155,552	279,961
Equity based payments		(309)
Transaction costs net of tax benefit		(1)
		279,651

NOTE 5: DIVIDENDS

There was no final dividend paid, declared or recommended for payment for the year ended 30 June 2022.

There will be no interim dividend paid, declared or recommended for payment for the half-year ended 31 December 2022 in keeping with the Board resolution to preserve working capital for new project opportunities. This will be re-assessed given future market conditions and working capital requirements.

NOTE 6: FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets that the consolidated entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3: Unobservable inputs for the asset

NOTE 6: FAIR VALUE MEASUREMENT (Cont'd)

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Consolidated – 31 December 2022				
Assets				
Non-current asset held for sale	-	-	56,974	56,974
Total assets	-	-	56,974	56,974
Consolidated – 30 June 2022				
Assets				
Non-current asset held for sale	-	-	56,865	56,865
Total assets	-	-	56,865	56,865

There were no transfers between levels during the half-year period.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Movements in level 3 assets during the current half-year financial period and previous financial year are set out below:

	Non-current asset held for sale	Total
Consolidated	\$000	\$000
Balance at 30 June 2022	56,865	56,865
Additions	109	109
Balance at 31 December 2022	56,974	56,974

In June 2022, the Group's property, being the Homeground accommodation village located near Gladstone, Queensland, was revalued by an independent valuer (Ernst and Young). The primary valuation method utilised by the valuer was a discounted cash flow model.

Key assumptions utilised by the valuer in the preparation of its valuation included:

- Useful life of the asset is 20 years with no terminal value
- Various occupancy assumptions over the estimated useful life based on expected future accommodation demand
- Room rate growth of 2.5% from FY24
- A nominal post-tax discount rate range of 9.0% to 11.0%.

The independent valuation resulted in values within the range of \$58,900,000 to \$124,400,000.

The Homeground Gladstone property is currently on the market and classified as a non-current asset held for sale and is valued at \$56,974,000, as the directors believe the sale will be completed before 31 December 2023.



NOTE 6: FAIR VALUE MEASUREMENT (Cont'd)

The fair value is sensitive to changes within the range of key assumptions disclosed above. Any material change within the range for any individual assumption or any combination of assumptions will likely have a material impact on the fair value as follows:

Assumption	Increase in Assumption	Decrease in Assumption
Useful life	Positive impact	Negative impact
Occupancy	Positive impact	Negative impact
Room rate growth	Positive impact	Negative impact
Discount rate	Negative impact	Positive impact

NOTE 7: CONTINGENT LIABILITIES

As at 31 December 2022, the guarantees given to various customers for satisfactory contract performance amounted to \$64.3 million.

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

On 20 February 2023, Decmil finalised its dispute with Sunraysia Solar Project trust in relation to the Head Contract of the Sunraysia Solar Farm project in New South Wales. The terms of the settlement are confidential, but Decmil can confirm that the settlement amount to be received is in line with its accounts.

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.



DIRECTORS' DECLARATION

The directors of the company declare that:

- 1. The attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 2. The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- 3. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Abaleny

Andrew Barclay CHAIRMAN Dated this 23rd day of February 2023

DECMIL | Decmil Group Limited ABN 35 111 210 390 and controlled entities



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DECMIL GROUP LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Decmil Group Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Decmil Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the consolidated entity incurred a net loss of \$2,483,000 and had net cash outflows from operating and financing activities of \$6,316,000 and \$22,213,000 respectively for the half-year ended 31 December 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Decmil Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Directors' Responsibility for the Half-Year Financial Report

The directors of Decmil Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

SSM

RSM AUSTRALIA PARTNERS

TUTU PHONG Partner

Perth, WA Dated: 23 February 2023