

2019 ANNUAL GENERAL MEETING

Friday, 1 November 2019
Doltone House
Jones Bay Wharf, Pyrmont
Sydney

DESANE
GROUP HOLDINGS LIMITED



AGENDA

Chairman's Address

Proxy Voting

CEO & Managing Director's Address

Questions

A photograph of Professor John Sheehan AM, an older man with white hair, wearing a dark suit, white shirt, and a purple and gold striped tie. He is sitting on a large, rusty metal bollard on a pier or dock. The background is a blurred view of a harbor with buildings and water. The text 'CHAIRMAN'S ADDRESS' is overlaid in large white letters, underlined with a thin orange line.

CHAIRMAN'S ADDRESS

Professor John Sheehan AM

PROXY VOTING

SUMMARY

Total number of ASX listed DGH shares on issue are 40.9m

DESANE GROUP HOLDINGS LIMITED

VALID PROXIES RECIEVED FOR RESOLUTION

Item 1: Consideration of Financial Statements & Reports

Item 2: Adoption of Remuneration Report

Item 3: Election of Peter Krejci

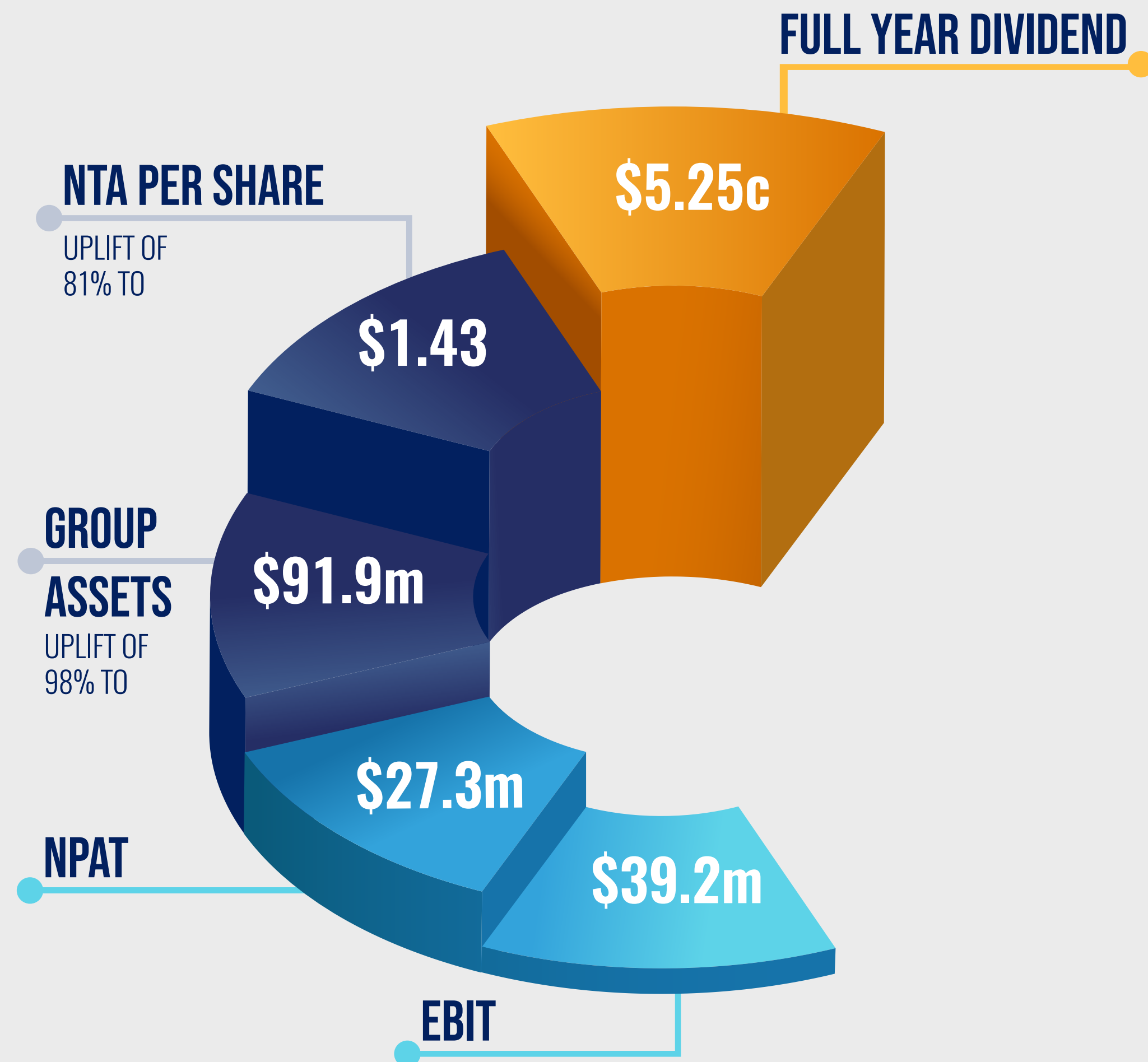
FOR	OPEN	AGAINST	ABSTAIN
N/A	N/A	N/A	N/A
12,369,344 61%	7,758,023 39%	- 0%	- 0%
27,163,213 78%	7,758,023 22%	- 0%	- 0%

A man in a blue suit and light blue shirt stands on a bridge, leaning on a metal railing. The background shows a blurred view of a river and a bridge arch. The text 'CEO & MANAGING DIRECTOR'S ADDRESS' is overlaid in large white letters.

CEO & MANAGING DIRECTOR'S ADDRESS

Phil Montrone OAM

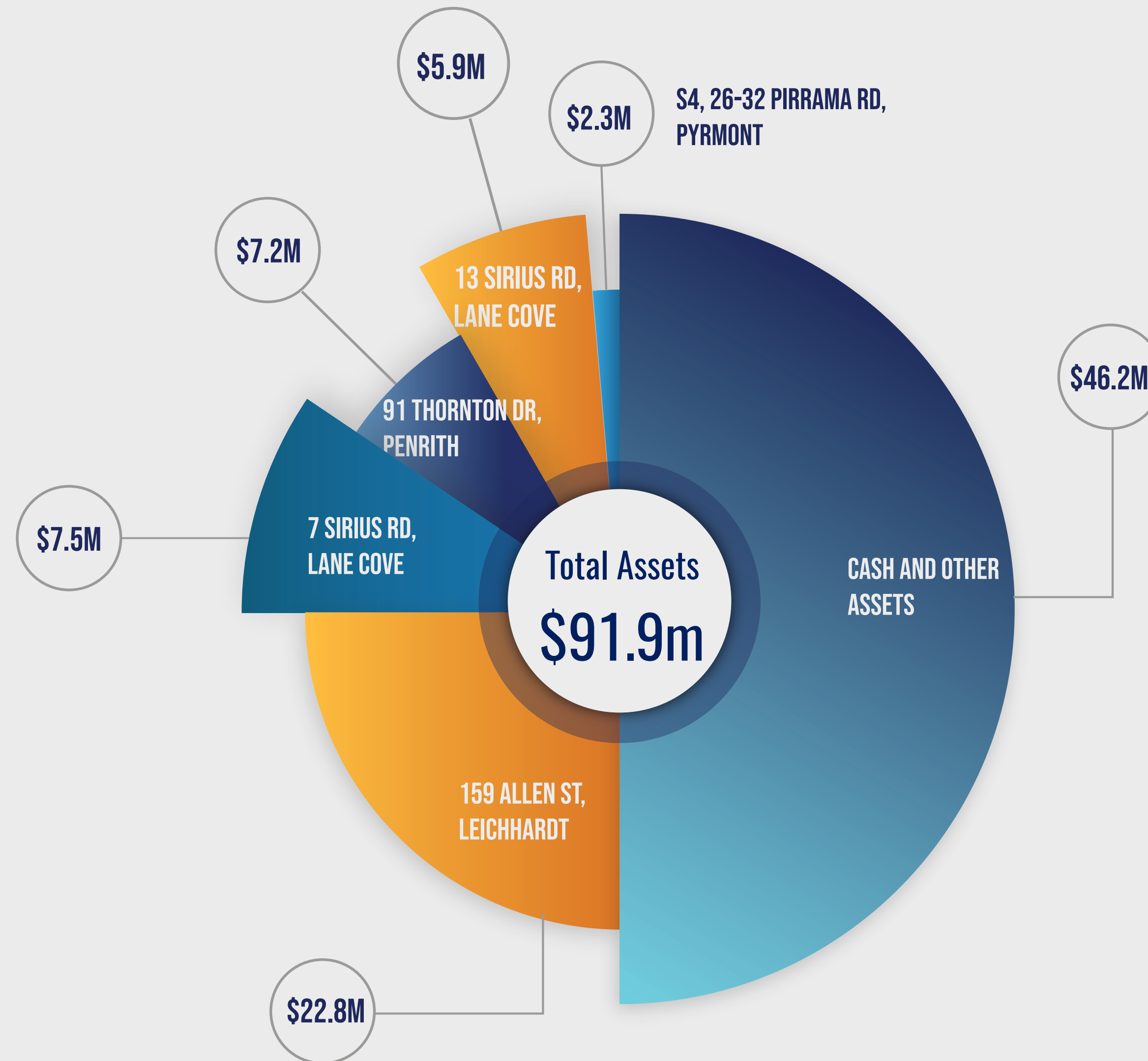
AT A GLANCE



FY19 has delivered a strong performance and cash position following the completion of the sale of the Rozelle property

STRENGTHENED BALANCE SHEET

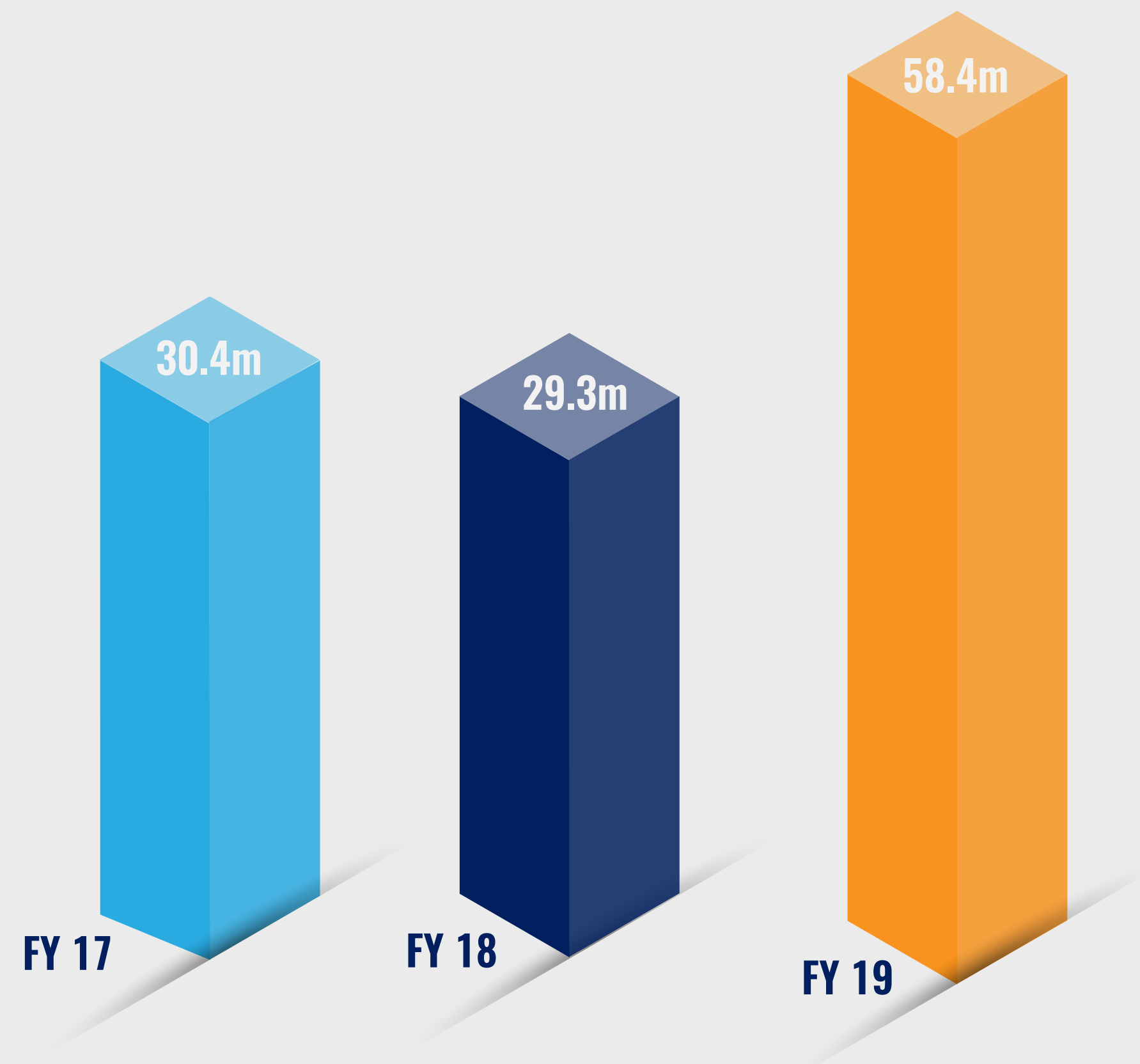
Assets as at 30 June 2019



STRENGTHENED BALANCE SHEET

Assets as at 30 June 2019

NET ASSET GROWTH DOUBLED



CAPITAL GAINS TAX DEFERRAL AVAILABLE

- The Rozelle property was sold to RMS involuntarily as part of the compulsory acquisition process which has triggered a CGT event
- Included in the deferred tax liability of \$15.4m is approximately \$13.9m of capital gains tax deferral pertaining to the sale of the Rozelle property
- Proceeds from the sale, including the CGT \$13.9m tax deferral, is being deployed in the short to medium term to acquire income yielding replacement asset/s

REWARDING SHAREHOLDERS



	FY19	FY18	FY17
Interim Dividend	2.25	2.25c	2.25c
Special Dividend	-	-	10.00c
Final Dividend	3.00c	2.25c	2.25c
Total Dividend	5.25c	4.50c	14.50c
Franking	Partial	100%	100%

OPERATIONS

“Investing for tomorrow, today”

PROPERTY PORTFOLIO

NSW ASSETS

- Desane completed the sale of 68-72 Lilyfield Road for \$78.0m in November 2018
- The sale of this property resulted in a \$38.9m net gain before tax and cash of \$45.6m

PROPERTY PORTFOLIO

Delivering strong returns with a quality diversified property portfolio



NSW ASSETS

- 2 x mature industrial/commercial assets located in Lane Cove comprising approximately 5,000m² + NLA
- Successful negotiation of a new five year lease with an existing tenant, combined with the existing lease on the property has resulted in a 13% net rental income increase for 13 Sirius Road
- The combined leases of 7 & 13 Sirius Road are expected to contribute more than \$4.6 million of net rental income, delivering a 17.5% increase over the next five years

PROPERTY PORTFOLIO

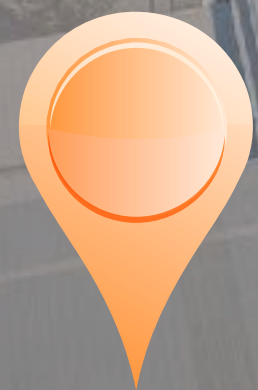
Delivering strong returns with a quality diversified property portfolio



QLD ASSET

- Entered into an unconditional contract for the purchase of a 21,750m² industrial property located in the Brisbane suburb of Wacol
- Leased on a 10+5+5 with Brisbane City Council
- This property is a quality addition that will provide long term revenue streams

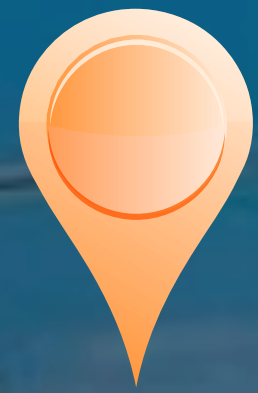
DEVELOPMENT PIPELINE



159 ALLEN STREET, LEICHHARDT

- ◉ 2,782m² property located in the Sydney city fringe
- ◉ Development approval received for 46 residential apartments
- ◉ Close to public services and amenities
- ◉ A valuable addition in a much sought after area

DEVELOPMENT PIPELINE



318 - 322 NORTON STREET, LEICHHARDT

- ◉ 607m² mixed use property
- ◉ The property has DA approval for 9 residential units and could be utilised under the new age boarding house provisions of the SEPP
- ◉ Discussions have been had with a number of co-living housing providers

DEVELOPMENT PIPELINE



91 THORNTON DRIVE, PENRITH

- Desane is progressing with its planning proposal for its 1.2 ha site in Penrith

- The proposal has the potential to provide a mixed use development 400m from Penrith train station, in an area that has been transformed over the past three years

LOAN PORTFOLIO INVESTMENT

Senior debt with 1st mortgage

26-30 HALLORAN STREET, LILYFIELD



VARIOUS



Type: Commercial industrial building
Size: 1,963 sqm
Facility amount: \$6.0m
Term: 12 months
Interest rate: 8%pa (12%pa default rate)
LVR: 65%

Type: Various commercial properties
Size: N/A
Facility amount: \$1.0m
Term: 12 months
Interest rate: 7.5%pa (average)
LVR: 50% (average)

FY20 OUTLOOK

What next?



*“It’s pointless parking money under the mattress
and waiting.
Look for the best returns from the available
investment choices.”*

Frank Gelber

QUESTIONS

DISCLAIMER

This presentation paper has been published for information only. The information contained in this presentation paper is of general purpose nature and does not constitute financial product advice. It has been prepared without taking into account any readers financial position or needs. As such, each reader of this presentation paper, and consequently any reader acting on information of this presentation paper, should seek professional advice from (or consult) their stockbroker, bank manager, financial planner, or any other qualified and independent financial advisor.

In preparing this presentation paper, Desane Group Holdings Limited (“Desane”) has relied upon and assumed, without independent, verification, the accuracy and completeness of of all information available from public sources and the Company’s audited financial reports or which has otherwise been reviewed in preparation of this preparation paper. The information contained in the presentation paper is current as at the date of this presentation paper and is subject to change without notice.

Any forward looking statements included in this presentation paper include subjective judgment and analysis, and are subject to significant uncertainties, risk and contingencies, many of which are outside the control of, and are unknown to Desane and its directors. Desane, nor any of its director’s, employees and associates, give any warranty as to the accuracy, reliability or completeness of the information contained throughout the presentation paper, nor do they accept any liability for any loss of damage (whether direct, indirect, consequential or otherwise) arising from the use of of information supplied throughout this presentation paper, except as required by law or by any appropriate regulatory authority.