

AGM

DESANE
GROUP HOLDINGS LIMITED

ANNUAL GENERAL MEETING
25th OCTOBER 2023

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Chairman's Address

PROF. JOHN SHEEHAN AM



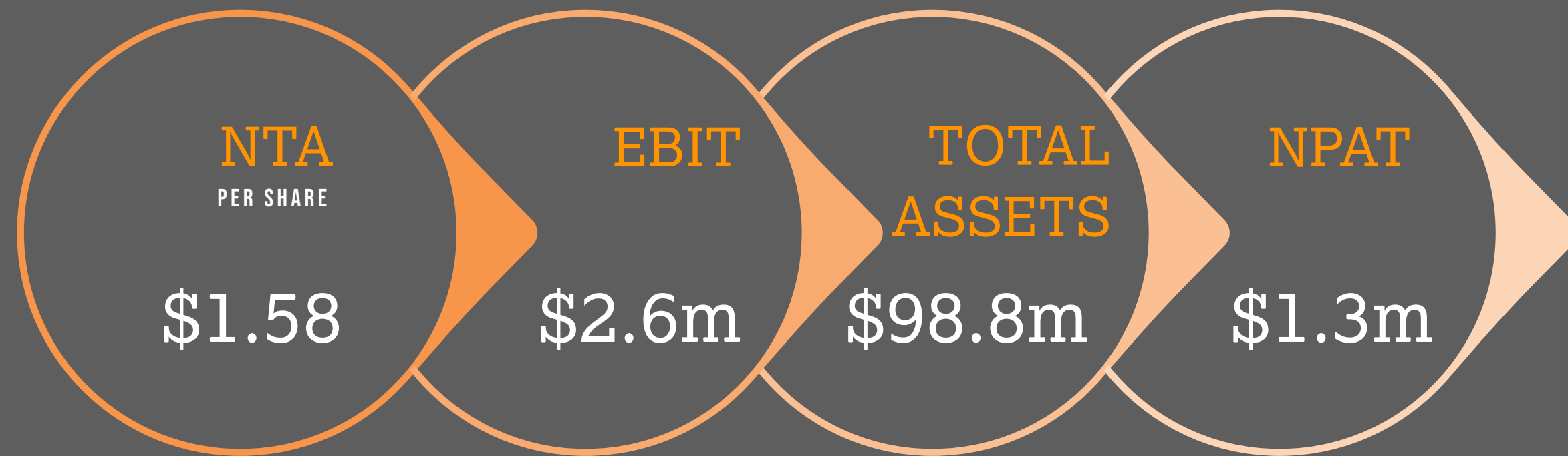


Managing Director's Address

PHIL MONTRONE OAM

FY23 Results Snapshot

SOLID GROWTH & CONTINUED PROFITABILITY



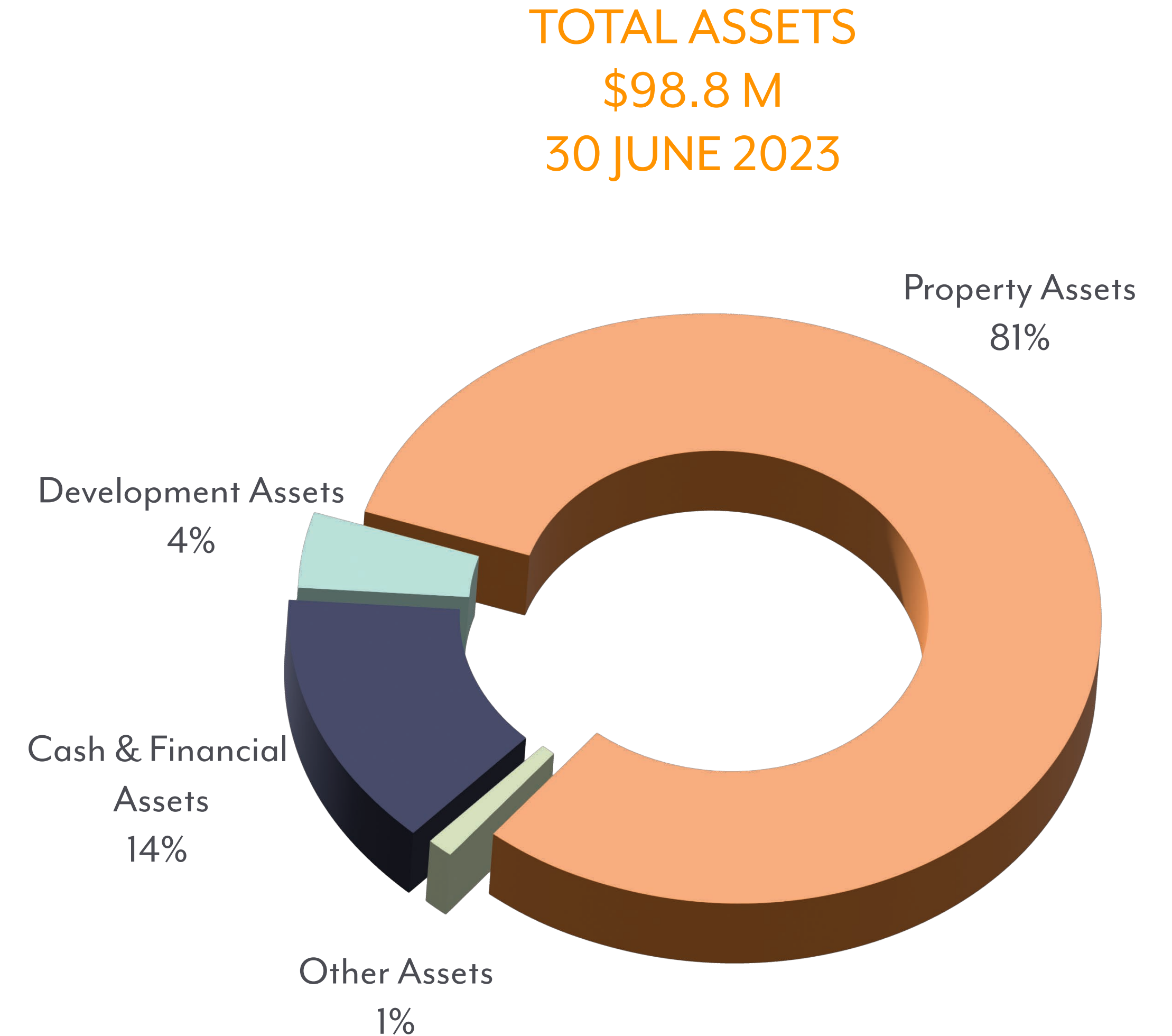
FY23 Highlights

- Investment property revaluation uplift of \$2.5m
- Operational Revenues up 18%
- Operational expenses remained steady
- Strong balance sheet position
- 2% uplift in NTA to \$1.58

Capital & Balance Sheet Position

- Gearing* remains low at <40%
- Financial assets performing well - generating circa 7.5% pa interest revenue for the Group in FY24
- Ample capacity to deploy existing cash, debt or capital initiatives, to secure additional property acquisitions
- DGH trading at approximately 66% discount to post-tax NTA

* Gearing of total liabilities vs total assets



Properties

Investments

Re-Stocking Continues

INVESTMENT PROPERTY PORTFOLIO RE-STOCKING

- 📍 Acquisition of 436 sqm freestanding E1 Zoned (Local Centre) property at 35 Norton Street, Leichhardt for \$3.5m.
- 📍 Acquisition is part of the Group's investment property re-stocking (as part of the CGT rollover deferral) and will bolster future revenue streams and provide development upside in the long term.
- 📍 Currently tenanted on medium term leases to a diversified tenancy mix.
- 📍 10% deposit paid on exchange with settlement to occur on or before 15 February 2024.
- 📍 The property is located in the heart of Norton Street, Leichhardt offering easy access to public transport, including the Leichhardt North light rail, Petersham train station and well-serviced bus routes. The area is also known for its vibrant cafe culture, restaurants, and boutique shops.



Penrith Central Industrial Estate

INDUSTRIAL DEVELOPMENT PROJECT

- The 2024 and 2025 financial years will present an opportunity for Desane to progress the development of the 11,650m² Thornton Estate property, located in the heart of Penrith.
- Management has engaged a local design architect to scope and design the subdivision of the property into two separate lots. Lot 1 - 6,000m² and Lot 2 - 5,650m².



- Stage 1 will create the opportunity to develop Lot 1 into a 6,000m² industrial facility, comprising 23 industrial units and 82 storage units. The Stage 1 construction will be funded internally and sold on completion. The successful development and sale of Stage 1 will determine the best way to progress the 5,650m² Stage 2.
- The construction of the Western Sydney Airport continues to drive the strong demand for industrial and commercial land in western Sydney. The successful development of this property will make a substantial contribution to Desane's balance sheet.

Property & Investment Summary

Investment	Value*	Property Size	Borrowings	Strategy
Cash & Financial Assets	\$13.6m	N/A	N/A	Re-deploy into the construction of the Penrith Central Industrial Estate and acquisitions of property assets
91 Thornton Drive PENRITH NSW	\$10.0m	11,650sqm	unencumbered	Sub-divide property into two lots. Lot 1 (6,000sqm) & Lot 2 (5,650sqm) Progress the construction of the industrial development project
13 Sirius Road LANE COVE NSW	\$8.7m	2,181sqm	\$2.95m	Leased Medium - long term hold industrial
7 Sirius Road LANE COVE NSW	\$10.5m	2,778sqm	\$2.95m	Leased Long term hold industrial
16 Industrial Avenue WACOL QLD	\$16.0m	21,750sqm	\$8.0m	Leased Long term hold industrial Develop Stage 2 DA approved industrial facility
159 Allen Street LEICHHARDT NSW	\$23.0m	2,782sqm	unencumbered	Leased Progress to select a joint venture partner (developer/builder) to construct the DA approved 46 residential apartment project
270-278 Norton Street LEICHHARDT NSW	\$9.2m	929sqm	unencumbered	Leased Long term hold commercial
322 Norton Street LEICHHARDT NSW	\$4.3m	607sqm	unencumbered	Engage builder and develop DA approved 9 residential apartments with ground floor retail suite and basement car park
35 Norton Street LEICHHARDT NSW	\$3.5m	436sqm	unencumbered	Leased Long term hold commercial
Suite 4, 26-32 Pirrama Road PYRMONT NSW	\$2.3m	190sqm	unencumbered	Desane Group Holdings Ltd corporate head office

Valuations as at 30.06.23 except 35 Norton Street, Leichhardt which was exchanged in FY24. The purchase of 35 Norton Street will be internally funded which means funds held in Cash & Financial Assets will be utilised for the purchase.

2024 & Beyond Outlook

DESANE WILL CONTINUE TO FOCUS ON ITS 3 MAIN OBJECTIVES:

- Strategic investments which will bolster returns and rental income streams
- Review capital management strategies to ensure capacity for growth and a return to sustainable dividends to shareholders
- Evaluate its development projects to achieve maximum value outcomes

ROI

Items of Business



Proxies Received

TOTAL NUMBER OF ASX - LISTED DGH SHARES IS 40,909,990

Desane Group Holdings Limited

For

Open

Against

Abstain

Item 1

Receive and adopt the 2023 Financial Report

NO VOTING FOR THIS ITEM

Item 2

Adopt the 2023 Remuneration Report

12,014,189

67.29 %

5,831,211

32.66 %

8,429

0.05%

0

N/A

Item 3

Re-elect Prof. John Sheehan as a
non-executive director

27,189,420

82.30%

5,831,211

17.65%

15,300

0.05%

0

N/A



uestions



Thank You

DESANE
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