

ASX release

ABN/ 61 003 184 932
ASX CODE/ DGH

12 November 2025

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2025 ANNUAL GENERAL MEETING – CHAIRMAN'S ADDRESS

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Prof. John Sheehan AM

I report to shareholders that the Group's earnings before interest and tax, for the financial year ending 30 June 2025, was **\$5.4m** and the Group's total assets are now **\$104.8m**. The Group's **net tangible assets (NTA) now stand at \$1.70 per security**, an increase of 5% over the previous corresponding year.



The Group has again achieved a sound financial result, again notably, with further asset revaluations. The continuing focus of the Group on maintaining its significant cash reserves and ongoing prudent management of existing property assets has resulted in the financial soundness of the overall Group. The current cash and financial assets stand at a significant \$5.5m, enabling the Group to act upon opportunities during the financial year and especially over the forthcoming financial year as they have arisen.

As mentioned in previous reports, the Group's traditional base of industrial, warehousing, and logistics properties have continued to perform well, reflecting the solidifying new patterns of employment. The growth of the overall workforce and the concomitant low unemployment rate strongly suggests that prudent property investment in traditional industrial and warehousing uses will continue to benefit from such employment patterns. Yet again, the continuing preference for working from home for many individuals in the workforce at least for a few days each week has impacted upon suburban and near coastal-based services. The growth in remote employment has noticeably increased the demand for investment in logistics properties, a mirror of substantial changes in not only delivery patterns but also crucial purchasing preferences of employers and employees. Further, a westward shift in employment locations in Greater Sydney has gained further impetus from the approaching inauguration of Western Sydney Airport with well-located warehousing and logistics properties being sought after by prospective owner occupiers and obviously investors. This is especially evident in the continuing increase in overall cash flow from the Group's leased properties, some of which focus on the sector whilst also providing a robust and steadily rising capital value. As I mentioned earlier, this increase in capital value is notable with the **Group's total assets rising to \$104.8m**.

Yet again, this financial year has evidenced a surprisingly resilient Australian economy with domestic expenditure growing regardless of community concerns over inflationary trends in basic goods. The tardiness of the Reserve Bank to lower official cash rates as fast as many commentators anticipated suggests the Australian economy remains arguably more vigorous and indeed healthier than expected. Further interest rate reductions will clearly be based on a complex mixture of regional and domestic concerns.

Finally, I can report to shareholders that this annual report is the 38th such report of Desane Group Holdings Limited. Your Company has continued to maintain its profitability due to the input of its senior management and the invaluable contribution of its current Board members. Both the Board and the senior management of the Group recognise that mindful measured decision making in the next financial year will continue to ensure the profitability of the Company. Such an approach has served the shareholders well in the past and will continue to be the touchstone which distinguishes Desane Group Holdings Limited.

Your Board remains confident the current medium-term strategies of investment and cash shepherding will continue to result in ongoing Group asset growth and further earnings for shareholders. I congratulate both the team comprising the Group executives and the dedicated employees of Desane Group Holdings Limited for their professional management of the Group.

Finally, I would like to welcome those shareholders who have recently joined the Company. I and the Board look to a rewarding and fruitful association with those new shareholders during the coming years.

For further information, please visit www.desane.com.au or please contact:

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ABOUT DESANE:



Desane Group Holdings Limited is a leading property investment and development company, based in Sydney, Australia. Integrity, work ethic and a commitment to excellence underpins the basis of Desane's long term vision of ensuring maximum value for its shareholders.