



DESANE
GROUP HOLDINGS LIMITED

ANNUAL REPORT 2026

CREATING WEALTH *through* property

/ IN THIS REPORT

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“Every investment and project is thoughtfully considered – to leave a lasting legacy and enrich the communities we touch.”



DEVELOPMENT PORTFOLIO
THORNTON DRIVE,
PENRITH

01

/ THE YEAR IN BRIEF

A DISCIPLINED YEAR OF *resilience*

Desane is a diverse ASX-listed property group with extensive experience in property investment and development. Our dynamic knowledge of the commercial and residential markets has allowed us to transform value-add opportunities into consistent returns for our shareholders, while a disciplined focus on industrial and logistics assets continued to underpin earnings through the year.

With a strong balance sheet and meaningful cash reserves, the Group remains well positioned to seize opportunities that enhance the quality and earnings of the portfolio. We remain a proud member of the Property Council of Australia.

“Investing for tomorrow, today.”

FY26 AT A GLANCE

\$105.9m

TOTAL ASSETS

\$2.2m

RENTAL INCOME

\$1.69

NTA PER SHARE

TOTAL ASSETS · FY26

Up on the prior year, underpinned by a portfolio weighted to industrial & logistic assets.

NET TANGIBLE ASSETS PER SHARE **\$1.69**

NET ASSETS **\$69.1M**

NET PROFIT AFTER TAX **\$0.02M**

DIVIDEND DISTRIBUTION (82% FRANKED) **2.0c**

THREE COMPLEMENTARY SEGMENTS

Property Investment - rental income from prime real estate.
Property Development - residential, commercial & industrial projects.
Property Services - property and related services.

OUTLOOK

With significant cash reserves, Desane is well positioned to seize future opportunities, ensuring continued asset growth and earnings for shareholders.

DELIVERING ENDURING *value*

WHAT DRIVES US

01 EXPERIENCED PEOPLE

Decades of expertise inform every decision we make. Our team combines market knowledge, commercial discipline and a practical understanding of property to identify quality assets and manage them with confidence.

02 PRUDENT CAPITAL

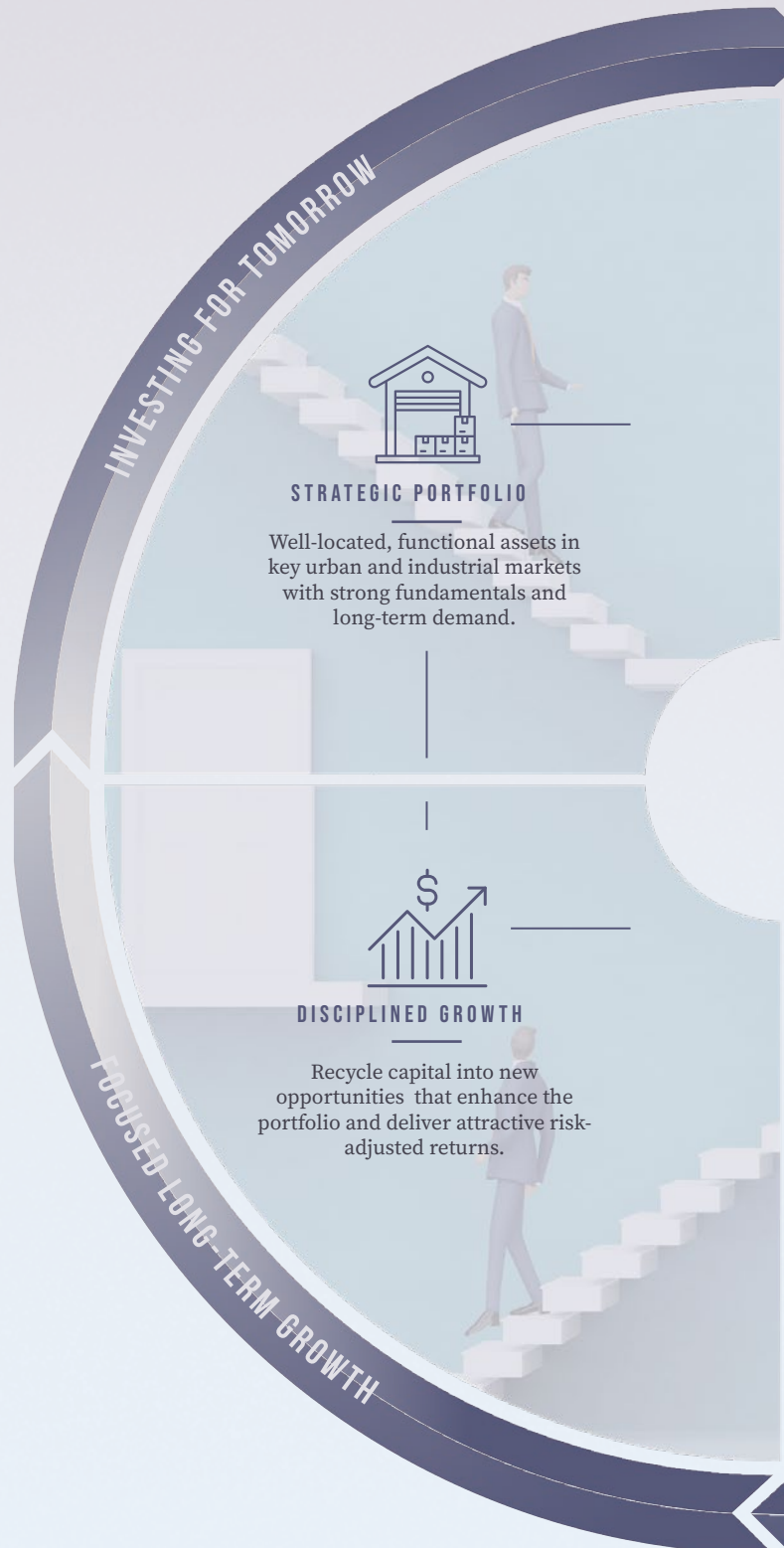
A strong balance sheet and disciplined approach to funding underpin our growth. We carefully assess risk, capital requirements and potential returns to support resilient, sustainable investment decisions.

03 ACTIVE MANAGEMENT

We take a hands-on approach throughout the property lifecycle. By working closely with tenants and partners, we seek to strengthen occupancy, improve asset performance and respond to changing market needs.

04 LONG-TERM FOCUS

We take a patient and considered approach to investment. This allows us to look beyond short-term market movements and make decisions designed to preserve and build value over time.





FROM CAPITAL TO *community*

HOW WE CREATE VALUE

01 IDENTIFY OPPORTUNITIES

We target well-located properties with strong fundamentals and clear value-add potential. Our experience helps us recognise opportunities that may be repositioned, enhanced or developed to meet evolving demand.

02 CREATE VALUE

We unlock the potential of our assets through development, repositioning and active asset management. Each initiative is carefully considered to improve functionality, market appeal and long-term performance.

03 DELIVER RETURNS

Well-managed assets are positioned to generate stable income while supporting long-term capital growth. Our disciplined approach balances immediate performance with the enduring value of the portfolio.

04 REINVEST FOR GROWTH

Capital is selectively recycled into new opportunities that strengthen portfolio quality, improve earnings potential and support future growth. This disciplined cycle enables value created today to fund the opportunities of tomorrow.

WHO WE CREATE VALUE FOR

Shareholders

Tenants

Communities

People & Partners

Future Generations

CHAIRMAN'S *Report*

/ PROFESSOR JOHN SHEEHAN AM

It is my pleasure to present my Chairman's Report for Desane Group Holdings Limited for the financial year ended 30 June 2026. I report to shareholders that the Group's earnings before interest and tax, for the financial year ended 30 June 2026 was \$1.0 million and the Group's total assets are now \$105.9 million. The Group's net tangible assets (NTA) stand at \$1.69 per security.

The year has again demonstrated the importance of patience, financial discipline and a long-term perspective. Globally, geopolitical pressures have continued to create uncertainty, and notably the cost of debt continues to be of concern, and yet Australia still remains a secure location for debt and equity investment amongst the developed economies.

Inflation stubbornly remained above the Reserve Bank's target range through FY26, and commentators generally suggest that interest rates will rise in line with similar movements in other central banks. The cost of debt continues to influence broad community spending, with investment in equities and property markets remaining subdued. Shareholders will be aware that I have mentioned a number of times in the past regarding the ongoing difficulties in obtaining rezonings, development consents and even variations to existing consents.

The attempts by the NSW Government to create a less tortuous pathway to gaining development consents, in particular, has been welcomed by the property industry. Nevertheless, there still remains significant hurdles for investment in property at the highest and best legally permissible use, given the reluctance of Local Government to adopt a number of the planning and development measures being encouraged by the NSW Government. The cost of construction continues to bear upon decisions to commit to project commencement, primarily due to concerns over the cost of a broad range of materials. In such an environment the need for management to carefully test the feasibility of construction has been a notable feature of Desane. In adopting a definite measured approach to such issues has ensured that FY26 was concluded with a strong asset base, sound liquidity and, notably, conservative gearing. Indeed, the Company paid shareholders a special dividend of 2 cents per share during the year, a reflection of the commitment to prudent management of the overall property portfolio.

The strategic adoption of a highly disciplined use of the Group's capital resulted in the completed sale of 13 Sirius Road, Lane Cove after more than two decades of ownership. The transaction released capital and increased the flexibility available to the Group. The Board continues to believe that capital should not remain tied to an asset simply because it has been owned for a long period.

The appropriate management approach remains whether capital can be retained, redeployed or recycled in a manner that improves the quality of the overall portfolio and produces an attractive risk-adjusted returns for shareholders.

Such a disciplined approach is now particularly relevant as Desane progresses its active development pipeline. The Company has significant embedded opportunities within its existing portfolio, and management's immediate task is to convert those opportunities into sustainable earnings and realised value. The Penrith industrial project and the redevelopment of 322 Norton Street are at different stages of that process, but both demonstrate the importance of careful planning, risk management and execution. The Board has supported management in progressing these projects while remaining conscious that development returns must adequately compensate shareholders for construction, leasing and market risk.

As many long-term shareholders would be aware, Desane's initial property heritage was industrial properties and this approach has been maintained over the years since listing, providing a strong income stream to support construction and redevelopment. Long-term leases, active asset management and prudent tenant selection provide recurring income and stability while management assesses future development and capital recycling opportunities.

The Board is also conscious that a strong balance sheet alone is not the ultimate measure of success. Shareholders reasonably expect the value represented by the Company's property portfolio to be translated over time into improved earnings, distributions and long-term wealth creation. The market value of Desane's shares has for some time traded below reported net tangible asset backing. There are structural reasons why smaller listed property companies can trade at such discounts, including limited liquidity and the time required to realise value from property assets. Nevertheless, the Board and management must continue to focus on the factors within our control: execution, recurring income, disciplined capital allocation, transparent communication and the realisation of value when appropriate.

Good governance has remained fundamental to that approach. During the year the Board welcomed Melissa Ashcroft as an Independent Non-Executive Director. Melissa brings valuable experience in commercial property finance, private credit and complex funding structures, and her appointment further broadens the Board's skills as the Group enters a period in which funding discipline and development execution will be increasingly important. Peter Krejci has continued to provide the Board with the benefit of his extensive experience in corporate management,

02

restructuring and risk, and I am confident that Desane will be well served under his leadership as he succeeds me as Chairman.

This Annual Report also marks a personal milestone. I joined the Board of Desane in 1987 and have had the privilege of serving as Chairman since 1992. As I leave the Board, I do so after close to four decades as a Director and more than three decades as Chairman. Over that period the Group navigated numerous property cycles, periods of high and low interest rates, recessions and recoveries, changing planning regimes, the global financial crisis, the COVID-19 pandemic and the considerable transformation of Sydney's property markets.

What has remained constant throughout those years has been Desane's commitment to property, to prudent balance-sheet management and to taking a long-term view. Property markets inevitably move through cycles. Values rise and fall, capital becomes more or less available and development economics change. Sound assets, sensible gearing and patience provide a company with the capacity to withstand those cycles and act when opportunities emerge. Those principles remain as relevant to Desane today as they were when I first joined the Board on listing.

It has also been a privilege to work with the Montrone family and with the many directors, executives, advisers, employees, tenants and shareholders who have contributed to the Company over the years. I particularly acknowledge Phil Montrone OAM for the leadership he provided to Desane over many decades. I have also been pleased to see the transition of executive leadership to Rick Montrone, supported by Jack Sciara and the broader management team. The responsibility now rests with the current leadership group to build on the asset base that has been assembled and to improve the economic returns generated from it.

It is clear the economic environment is unlikely to become calm, and the likelihood is that the financial years ahead for the Group will be testing for management and the Board. Global uncertainty, inflation, interest rates and construction costs will continue to influence investment decisions. Yet periods of uncertainty also create opportunity for organisations that retain liquidity, discipline and the ability to act selectively. Desane enters this next phase with those attributes. The Board's priority will remain to protect shareholder capital while supporting opportunities that can materially improve recurring earnings and long-term returns.

I thank my fellow Directors for their judgement, support and collegiality, and I thank management and staff for their work throughout FY26. Most importantly, I thank Desane's shareholders for the confidence they have placed in the Company, and in me personally, over many years. It has been an honour to serve as Chairman. I depart from the Board with confidence in the Company's financial position, its property portfolio and the directors and management who will guide Desane through its next chapter.



PROF. JOHN SHEEHAN AM

CEO *Report*

/ RICK MONTRONE

FY26 was a year of transition. Strengthening the balance sheet, recycling capital and moving two key development projects closer to earnings-producing outcomes.

It is my pleasure to present the CEO Report for Desane Group Holdings Limited for the financial year ended 30 June 2026.

FY26 was a year in which the Group continued to reshape and strengthen its property portfolio while preparing the next phase of its development pipeline. The statutory profit result of \$0.02 million was materially lower than the prior year and reflects the significantly reduced level of property revaluation gains as well as higher finance and operating costs. While the headline profit result is modest, Desane ended the year with a sound balance sheet and a number of important strategic initiatives materially advanced.

03

At 30 June 2026, the Group held total assets of approximately \$105.9 million and net assets of approximately \$69.1 million. Net tangible assets were \$1.69 per share. Cash and financial assets were approximately \$10.9 million and borrowings were approximately \$13.9 million. The Group also paid a special dividend of 2.0 cents per share during FY26, franked at 82%.

The property portfolio recorded a net fair value uplift of approximately \$2.1 million during the year. The principal positive movements were at 7 Sirius Road, Lane Cove and 16 Industrial Avenue, Wacol. 7 Sirius Road was independently valued at \$12.15 million in November 2025, while 16 Industrial Avenue was independently valued by Knight Frank at \$20.1 million as at June 2026. Importantly, the year-end valuation process also reflected a measured approach to carrying values, including a reduction in the value of 35 Norton Street to align with more recent external evidence.

During FY26, Desane completed the sale of 13 Sirius Road, Lane Cove for approximately \$8.7 million excluding GST. The sale followed more than two decades of ownership and released capital for redeployment across the Group. Although the accounting treatment resulted in a modest reported loss on disposal, the transaction materially strengthened the Group's liquidity and provides flexibility to fund existing development opportunities and assess future acquisitions.

The most significant development opportunity remains 91 Thornton Drive, Penrith. During the year the project advanced through the planning, design and approval phases for a proposed 44-unit industrial development. Following the reporting date, Penrith City Council approved the creation of the required stormwater easement and management continued the final administrative steps required before execution of the construction contract. The negotiated construction budget provides for approximately \$14.0 million of construction costs, together with approximately \$0.5 million of pre-construction and approval costs. Management's current feasibility continues to indicate a positive development margin. The project is strategically located close to Penrith CBD, Penrith railway station and major transport infrastructure, and represents a meaningful opportunity to convert a long-held land asset into realised development value.

At 322 Norton Street, Leichhardt, the Group progressed the redevelopment of the property for Petbarn under an initial 10-year term with two 5-year options. During FY26, demolition, enabling works and environmental remediation advanced substantially. Construction continued following year end, with structural and masonry works progressing while final environmental validation and Site Auditor close-out were undertaken. The Group is delivering the premises on a cold-shell basis, with Petbarn responsible for its specialised retail fit-out. This structure limits Desane's exposure to tenant-specific fit-out costs and, on completion, will transform the property into a long-dated income-producing asset.

The Group's core income-producing assets continued to provide stability. Brisbane City Council's lease at 16 Industrial Avenue, Wacol extends to June 2030 and is expected to generate approximately \$4.5 million in rental income over the lease period. Signature Orthopaedics' lease at 7 Sirius Road extends to November 2032 and is expected to generate approximately \$5.0 million in rental income

over the lease period. These two assets provide long-dated income security while retaining future strategic optionality.

At 159 Allen Street, Leichhardt, the Group preserved the value of its activated development approval for 46 residential apartments while maintaining the property as an income-producing holding asset. The property is now fully leased and remains carried at \$25.0 million, consistent with the December 2024 independent valuation. Residential construction economics remain challenging and management continues to assess the timing and structure of any future redevelopment, including direct development, partnership or sale. The objective remains to protect the value embedded in the existing approval while avoiding development risk that is not appropriately rewarded.

Across the balance of the Inner West portfolio, management continued to focus on occupancy, lease management, recoverable outgoings and positioning assets for future value creation. 270-278 Norton Street remains fully leased, while 35 Norton Street continues to generate recurring income and provides longer-term strategic exposure to the Norton Street precinct.

Looking ahead to FY27, management's priorities are clear: progress construction at Penrith; complete and deliver the Petbarn premises at 322 Norton Street; improve occupancy and recurring rental income across the portfolio; and continue to assess opportunities to enhance returns from the Group's existing assets. Desane enters the new financial year with a strong asset base, conservative gearing and sufficient liquidity to execute these priorities in a disciplined manner.

Finally, I would like to acknowledge our retiring Chairman, Professor John Sheehan AM on an extraordinary contribution to Desane for almost four decades as a Director and more than 30 years as Chairman. It has been a privilege to work alongside John and to witness firsthand his integrity and commitment to the Company and its shareholders.

I would also like to acknowledge our incoming Chairman Peter Krejci for his continued guidance during the year, as well as formally welcome new Director Melissa Ashcroft, who joined the Board in March 2026.

I thank all our shareholders for their continued support. The task for management is now to translate the strength of the Group's asset base into improved recurring earnings, development outcomes and sustainable long-term shareholder returns.



RICK MONTRONE- CEO

/ PORTFOLIO AT A GLANCE

INVESTMENTS & *Developments*

Seven assets across New South Wales and Queensland, a balanced book of income-producing investments and active development sites, each held and managed for long-term value. The pages that follow profile every property in turn.

01	91 THORNTON DRIVE <i>Penrith, NSW</i>	<i>Development / Industrial</i>	09
02	270-278 NORTON STREET <i>Leichhardt, NSW</i>	<i>Investment / Mixed Use</i>	12
03	322 NORTON STREET <i>Leichhardt, NSW</i>	<i>Commercial / Retail Petbarn Development</i>	14
04	35 NORTON STREET <i>Leichhardt, NSW</i>	<i>Investment / Mixed Use</i>	17
05	159 ALLEN STREET <i>Leichhardt, NSW</i>	<i>Development / Residential</i>	18
06	7 SIRIUS ROAD <i>Lane Cove, NSW</i>	<i>Investment / Industrial</i>	19
07	16 INDUSTRIAL AVENUE <i>Wacol, QLD</i>	<i>Investment / Industrial</i>	20

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PORTFOLIO ASSETS

2

STATES

3

SECTORS

2

ACTIVE
DEVELOPMENTS



01 · DEVELOPMENT · INDUSTRIAL · PENRITH, NSW

91 THORNTON DRIVE

Artist's impression

/ PROPERTY 01 · FEATURED

44 industrial units / *Key development project*

Strategically located close to Penrith CBD, rail and major Western Sydney infrastructure, this 1.17-hectare site is planned for a 44-unit industrial strata development designed for owner-occupiers and investors.

During FY26, Development Approval and the Construction Certificate were secured, with remaining easement documentation progressing. Management's current feasibility indicates a positive development margin, with construction commencement the next key milestone.



01 • INVESTMENT • INDUSTRIAL • PENRITH, NSW

91 THORNTON DRIVE

Artist's impression

LOCATION	PENRITH, NSW
SECTOR	INDUSTRIAL
HOLD TYPE	DEVELOPMENT
SITE AREA	1.17 HA
DEVELOPMENT FACTS	44 INDUSTRIAL UNITS

Development
PROJECT

1.17 HA
SITE AREA

44
INDUSTRIAL UNITS



/ PROPERTY 02

INVESTMENT · MIXED USE · LEICHHARDT, NSW

*Established **income** with
longer-term redevelopment potential.*



02 · INVESTMENT · MIXED USE · LEICHHARDT, NSW

270-278 NORTON STREET



LOCATION	LEICHHARDT, NSW
SECTOR	MIXED USE
HOLD TYPE	INVESTMENT
LETTABLE AREA	929 SQM
OCCUPANCY	100%

A fully leased 929 sqm mixed commercial property within Desane's established Norton Street portfolio, providing diversified recurring income in a tightly held Inner West location.

The property also retains longer-term redevelopment potential, supported by its prominent Norton Street position and favourable planning controls. Near-term focus remains on active lease management and rental optimisation.

Fully leased / Carrying value approximately \$9.9m

929 sqm
LETTABLE AREA

100%
OCCUPIED

\$9.9m
CARRYING VALUE

/ PROPERTY 03

Petbarn lease: 10 + 5 + 5 years
Delivery targeted Q4 2026



03 · INVESTMENT · COMMERCIAL · LEICHHARDT, NSW

322 NORTON STREET

Artist's impression



Q4 2026
TARGET DELIVERY

Petbarn
TENANT

Income
PRODUCING

03 · INVESTMENT · COMMERCIAL · LEICHHARDT, NSW

322 NORTON STREET

This Norton Street property is being transformed into a modern large-format retail premises for Petbarn under a long-term 10 + 5 + 5 year lease.

Construction advanced materially during FY26, alongside completion of environmental remediation. On completion, the property is expected to convert a previously under-utilised asset into a long-dated income-producing investment in one of Desane's core Inner West locations.

*Long-term Petbarn tenancy creating a **high-quality income-producing** asset.*



Artist's impression

LOCATION	LEICHHARDT, NSW
SECTOR	COMMERCIAL / RETAIL
HOLD TYPE	INVESTMENT
TENANT	PETBARN
LEASE	10 + 5 + 5 YEARS



04 · INVESTMENT · COMMERCIAL · LEICHHARDT, NSW

35 NORTON STREET

LOCATION	LEICHHARDT, NSW
SECTOR	COMMERCIAL
HOLD TYPE	INVESTMENT
LETTABLE AREA	436 SQM
OCCUPANCY	100%

This fully occupied 436 sqm Norton Street property provides recurring income and strategic exposure to the continuing evolution of the Leichhardt town centre and Parramatta Road precinct.

Its established tenancy profile supports income during the holding period, while its location, transport accessibility and surrounding planning activity provide longer-term redevelopment and capital growth potential.

*Secure income with longer-term **strategic upside**.*

436 sqm
LETTABLE AREA

100%
OCCUPIED

\$0.2m
ANNUAL RENT



05 · INVESTMENT · DEVELOPMENT · LEICHHARDT, NSW

159 ALLEN STREET

LOCATION

LEICHHARDT, NSW

SECTOR

RESIDENTIAL DEVELOPMENT

HOLD TYPE

INVESTMENT / DEVELOPMENT

SITE AREA

2,782 SQM

APPROVAL

46 APARTMENTS

Located approximately five kilometres from Sydney CBD and less than 200 metres from Hawthorne Light Rail, this 2,782 sqm property combines current holding income with significant residential development potential.

An activated Development Approval for 46 apartments has been preserved, maintaining valuable development density while the fully leased property continues to generate income pending future redevelopment.

*Holding **income today**, with a valuable approved residential opportunity.*

100%

LEASED

\$25.0m

CARRYING VALUE

46

APARTMENTS APPROVED

OWN · DEVELOP · MANAGE

06 • INVESTMENT • COMMERCIAL • LANE COVE, NSW

7 SIRIUS ROAD

This approximately 2,700 sqm Lane Cove West industrial property is a core income-producing asset, leased to Signature Orthopaedics through to November 2032.

The long-term tenancy provides dependable rental income and strong occupancy security, supported by the property's position within a tightly held industrial precinct approximately 12 kilometres from Sydney CBD.

*Lease to November 2032 / FY26 carrying value approximately **\$12.2m***



LOCATION	LANE COVE, NSW
SECTOR	INVESTMENT / INDUSTRIAL
HOLD TYPE	INVESTMENT
LETTABLE AREA	APPROX. 2,700 SQM
OCCUPANCY	100%

2032
LEASE EXPIRY

2,700sqm
APPROX. AREA

\$12.2m
CARRYING VALUE

Lease to June 2030
Independent valuation \$20.1m



07 • INVESTMENT • INDUSTRIAL • BRISBANE, QLD

16 INDUSTRIAL AVENUE



A substantial 21,750 sqm industrial property in Wacol, Brisbane, anchored by Brisbane City Council under a lease extending to June 2030.

The asset combines secure long-term income with future development potential, including approval for an additional approximately 3,250 sqm warehouse facility to the rear of the site.

Secure *institutional income* with future expansion potential.

LOCATION	WACOL, QLD
SECTOR	INDUSTRIAL
HOLD TYPE	INVESTMENT
TENANT	BRISBANE CITY COUNCIL
VALUATION	\$20.1M

2030
LEASE EXPIRY

Council
TENANT

\$20.1m
VALUATION

/DIRECTORS' REPORT

MEET THE *Board*

The Directors have the power to amend and reissue the consolidated financial statements. Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available on our website: desane.com.au



MANAGING DIRECTOR & CEO

**RICK
MONTRONE**

More than 25 years with the Group, leading strategy, acquisitions and development. Drives Desane's disciplined, value-add approach to property investment.

CHAIRMAN · NON-EXECUTIVE
DIRECTOR

**PROF. JOHN
SHEEHAN AM**

A member of the Board since 1987 and Chairman since 1992. A nationally recognised authority in property valuation and compulsory acquisition, bringing deep governance and sector expertise.

EXECUTIVE DIRECTOR · CFO &
JOINT CO.SECRETARY

**JACK
SCIARA**

With the Group since 2001 and appointed an Executive Director in 2024. Oversees finance, capital management and corporate governance.

JOINT COMPANY SECRETARY /
FINANCIAL ACCOUNTANT

**KYLIE
ICHSAN**

With the Group since 2019 and with over 20 years' experience in a variety of financial positions.

INDEPENDENT
NON-EXECUTIVE DIRECTOR

**MELISSA
ASHCROFT**

Appointed Director on 2 March 2026. Ms Ashcroft is an Australian commercial and property finance specialist with extensive experience in senior debt, private credit and complex funding structures.

INDEPENDENT
NON-EXECUTIVE DIRECTOR

**PETER
KREJCI**

Appointed in 2019. Founding principal of advisory BRI Ferrier, contributing extensive restructuring, risk and financial advisory expertise.

MANAGING DIRECTOR & CEO

RICK MONTRONE

EXPERTISE & EXPERIENCE

Mr Montrone has over 20 years' experience in property investment, acquisitions, developments, management, leasing, sales and project management. Mr Montrone is a licensed real estate agent and an associate member of the Australian Property Institute. Mr Montrone has been a board member since 2015 and was appointed as Managing Director in 2024.

SPECIAL RESPONSIBILITIES

Member of the Risk Management & Audit Committee
Member of the Finance & Operations Committee
Member of the Environmental, Occupational Health & Safety Committee

INTEREST IN DESANE

Ordinary shares 303,721

CHAIRMAN · NON-EXECUTIVE DIRECTOR

PROF. JOHN SHEEHAN AM

EXPERTISE & EXPERIENCE

Prof. Sheehan, a Life Fellow member of the Australian Property Institute (NSW division), has over 30 years' experience and expertise in property compensation law, town and country planning and environmental law. He has been a board member since the Company's incorporation in 1987 and was appointed as Chairman in 1992, which he currently serves.

SPECIAL RESPONSIBILITIES

Chairman of the Remuneration & Nomination Committee
Chairman of the Environmental, Occupational Health and Safety Committee
Member of the Risk Management & Audit Committee
Member of the Finance & Operations Committee

INTEREST IN DESANE

Ordinary shares 179,305

DIRECTOR · CFO & JOINT CO.SECRETARY

JACK SCIARA

EXPERTISE & EXPERIENCE

Mr Sciara joined Desane in 2001 and has over 25 years' experience and expertise in corporate accounting and taxation. Jack was appointed as Company Secretary in 2016 and as a Director in 2024. His role in the Company includes developing financial and tax strategies for the Group, investor relations, ASX compliance and corporate governance and overseeing the financial operations and financial reporting of all controlled entities. Jack is a member of the Institute of Public Accountants and a registered Tax Practitioner.

SPECIAL RESPONSIBILITIES

Chief Financial Officer
Joint Company Secretary

INTEREST IN DESANE

Ordinary shares 103,000

JOINT CO.SECRETARY

KYLIE ICHSAN

EXPERTISE & EXPERIENCE

Ms Ichsán joined Desane in 2019 and has over 20 years' experience in a variety of financial positions including retail, events, community health, financial and corporate accounting. Her role covers performing critical financial year reports, budgets and transactions. Ms Ichsán was appointed as Joint Company Secretary on 30 July 2024. She is also responsible for investor relations, ASX compliance, corporate governance and reporting financial results to the Board and the market. Kylie is a member of CPA Australia.

SPECIAL RESPONSIBILITIES

Financial Accountant

INTEREST IN DESANE

Ordinary shares 7,653

INDEPENDENT NON-EXECUTIVE DIRECTOR

MS MELISSA ASHCROFT

Ms Ashcroft is an Australian commercial and property finance specialist with extensive experience in senior debt, private credit and complex funding structures. Ms Ashcroft serves as Director of private mortgage broker AAA Financial Group. In her professional occupation Ms Ashcroft advises developers, business owners and high-net-worth individuals on large-scale property finance, construction funding, restructures and bespoke lending solutions across both bank and non-bank markets. Ms Ashcroft was appointed as a Director on 2 March 2026.

SPECIAL RESPONSIBILITIES

Member of the Risk Management & Audit Committee
Member of the Remuneration & Nomination Committee
Member of the Finance & Operations Committee
Member of the Environmental, Occupational Health & Safety Committee

INTEREST IN DESANE

Ordinary shares Nil

INDEPENDENT NON-EXECUTIVE DIRECTOR

PETER KREJCI

Mr Krejci has over 25 years' experience and expertise in corporate management and is a founding Principal of BRI Ferrier. His professional experience covers financial services, property and construction, retail, logistics, manufacturing and mining. Mr Krejci was appointed as a board member in 2019.

SPECIAL RESPONSIBILITIES

Chairman of the Risk Management & Audit Committee
Member of the Remuneration & Nomination Committee
Member of the Finance & Operations Committee
Member of the Environmental, Occupational Health & Safety Committee

INTEREST IN DESANE

Ordinary shares 25,000

Meetings of Directors

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the company during the financial year were as follows:

Director	Directors' Meetings and Finance & Operations Committee Meetings		Committee Meetings Risk Management & Audit	
	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held
J B Sheehan	11	11	2	2
R Montrone	11	11	2	2
P Krejci	11	11	2	2
J Sciara	11	11	2	2
M Ashcroft (appointed 2 March 2026)#	2	2	-	-
K Ichsan (on maternity leave from February 2026)*	7	11	1	2
# Meetings held since appointment				
* Attended as Company Secretary				

Director	Remuneration & Nomination Committee Meetings		Environmental & Occupational Health & Safety Committee	
	No. of Meetings Attended	No of Meetings Held	No. of Meetings Attended	No of Meetings Held
J B Sheehan	1	1	1	1
R Montrone	1	1	1	1
P Krejci	1	1	1	1
J Sciara	1	1	1	1
M Ashcroft (appointed 2 March 2026)#	-	-	-	-
K Ichsan (on maternity leave from February 2026)*	1	1	1	1
* Attended as Company Secretary				
* Meetings held since appointment				

Principal Activities

There were no significant changes in the principal activities of the Company during the financial year, which were:

- Property investment; and
- Property development (residential and mixed use).

Operating and Financial Review

The Group recorded a consolidated statutory net profit after tax for the year of \$0.02m (2025: \$3.3m). Statutory net profit after tax has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards, which comply with International Financial Reporting Standards.

The profit of the consolidated group, after providing for income tax amounted to

2026 \$'000	2025 \$'000
21	3,316

A summary of consolidated financial results by operational segments is set out below:

	Total Revenue		Segment Result	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Property investment – rental	2,198	2,262	(640)	66
Property management and services	66	65	66	65
Property investment – net revaluations	2,135	6,188	2,135	6,188
Interest income	328	264	328	264
	4,727	8,779	1,889	6,583
Less: Unallocated expenses			(1,858)	(1,835)
Operating profit			31	4,748
Income tax (expense)/benefit attributable to operating profit			(348)	-
Deferred (tax expense)/benefit attributable to operating profit			338	(1,432)
Operating profit after income tax attributable to members of Desane Group Holdings Limited			21	3,316

Financial Review

The Group recorded a statutory net profit after tax of \$0.02 million for the year ended 30 June 2026. Property rental income was \$2.20 million compared with \$2.26 million in the prior year, while interest income increased to \$0.33 million from \$0.26 million. Finance costs increased to \$0.97 million from \$0.68 million, reflecting higher average borrowing costs and debt utilisation during the year.

The Group recorded net fair value gains on investment properties of \$2.14 million during FY2026. The principal increases arose from 7 Sirius Road, Lane Cove and 16 Industrial Avenue, Wacol. The Wacol property was valued at \$20.1 million at 30 June 2026, an increase of approximately 6.3% from the prior year carrying value.

During the year, the Group completed the sale of 13 Sirius Road, Lane Cove for approximately \$8.7 million (excluding GST). The Group also continued expenditure on 322 Norton Street, Leichhardt, which was reclassified from development inventory to investment property during the year.

The Group's financial position remained strong at 30 June 2026, with total assets of \$105.9 million and net assets of \$69.1 million. Cash and cash equivalents were reported at \$9.3 million, compared with \$4.6 million at 30 June 2025, while total borrowings were \$13.9 million, compared with \$12.8 million in the prior year. Net tangible assets were approximately \$1.69 per share.

During FY2026 the Company paid a special dividend of 2 cents per share, totalling approximately \$0.82 million. The Board continues to assess capital allocation having regard to available liquidity, debt requirements, investment and development opportunities and the objective of delivering sustainable returns to shareholders.

Outlook

Looking ahead to FY27, Desane will maintain its focus on three core strategic objectives:

1. **Assessing and advancing the development pipeline** to ensure projects deliver maximum value and align with market demand.
2. **Pursuing strategic investment acquisitions** that enhance return on equity (ROE) and strengthen recurring rental income streams.
3. **Reviewing capital management strategies** with the aim of driving growth and delivering sustainable dividends to shareholders.

Dividends Paid or Recognised

Dividends paid or declared for payment are as follows:

No dividend was declared for the full year ended 30 June 2026

Special Dividend of 2 cents per share (franked at 82%), paid on 17 December 2025

2026 \$'000	2025 \$'000
----------------	----------------

-	-
818	-

Dividend Reinvestment Plan (DRP)

The DRP has been suspended until further notice.

Significant Changes in State of Affairs

There was no significant change in the state of affairs of the Group.

Likely Developments

The Group continues to pursue its strategy of focusing on its core operations, utilising a strengthened statement of financial position to provide support to grow and develop these operations.

Environmental Regulation

The consolidated group complies with all relevant legislation and regulations in respect to environmental matters. No matters have arisen during the year in connection with Desane's obligations pursuant to Commonwealth and State environmental regulations.

Occupational Health and Safety Regulations

The consolidated group complies with all relevant legislation and regulations in respect to occupational health and safety matters. Desane's workplace environment and practices are regularly reviewed to ensure that the safety of its staff and visitors is a priority.

All staff members have been given the option and equipment to work from home and all Board members have been given the option to attend Board meetings remotely.

All properties owned and managed by Desane, both in NSW and QLD, also adhere to Occupational Health and Safety requirements. Staff members and contractors (on behalf of Desane) attending properties ensured that all site safety measures were followed.

AUDITED REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Desane Group Holdings Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy of Desane Group Holdings Limited has been designed to align director and executive objectives with shareholder and business objectives. The board of Desane Group Holdings Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

Approach to Remuneration

The Group is committed to applying fair and equitable remuneration practices, taking into account the Company's corporate strategy, objectives and shareholder returns. The Group's current remuneration framework includes:

1. Fixed remuneration
2. Incentive schemes
3. Executive agreements

Fixed Remuneration

Fixed remuneration includes a base salary, statutory superannuation and all other statutory entitlements. Fixed remunerations are reviewed annually by the Remuneration Committee and are based upon performance, qualification, experience and current market practices. The Remuneration Committee accesses external independent advice if required.

Incentive Schemes (Discretionary Remuneration)

Short Term Incentives

A discretionary Short Term Incentive ("STI") cash bonus has been offered to executives and key management personnel ("KMP") at the discretion of the Remuneration Committee. STIs align the achievement of strategic short term objectives for the long term benefit of the Company and its shareholders. The total potential STI available is set at a level that provides sufficient incentive to the executive to achieve the operational targets at a cost to the Group that is reasonable.

Approved STIs depend on the extent to which specific targets set by the Board at the beginning of the financial year (or shortly thereafter) are achieved. The targets consist of a number of Key Performance Indicators ("KPI") which are linked to the Company's strategic business objectives such as (but not limited to):

- Dividends paid;
- Net profit after tax ("NPAT");
- Earnings before interest and tax ("EBIT");
- Operational performance; and
- Net tangible asset ("NTA") per share.

On an annual basis, after consideration of the Group's performance against KPIs, the remuneration committee determines the amount, if any, of the STI to be paid to KMP. For the financial year ended 30 June 2026, there was approval of an STI bonus to KMP for \$0.1m (2025: \$-).

Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the remuneration committee have regard to the following indices in respect of the current and previous financial years.

	2026	2025	2024
NPAT for the year at 30 June	\$0.02m	\$3.32m	\$1.65m
Dividends paid per share (cents)	2.0	-	-
Closing share price at 30 June	\$0.75	\$0.83	\$0.95
Earnings/(loss) per share (cents) at 30 June	0.05	8.11	4.02
Ordinary shares on issue at 30 June	40,909,990	40,909,990	40,909,990
NTA per share at 30 June	\$1.69	\$1.70	\$1.62

Executive Agreements

Executive agreements are formal legal agreements between the Company and all executives and KMP. The agreements are executed in line with the Corporations Act and will define terms of employment, role and responsibilities, performance expectations, specify termination payment arrangements, provide provisions for performance related bonuses and ensure transparency for the Company and its shareholders.

Executive agreements are generally reviewed every three years (unless required earlier) by the executive, KMP and the Remuneration Committee to ensure that they are adequate and updated if required.

Termination benefits are within the limits set by the *Corporations Act 2001* such that they do not require shareholder approval.

Name	Commencement Date	Term of Agreement & Notice Period	Base Salary Including Superannuation \$'000	Termination Payments / Benefits \$'000
R Montrone	2 November 2003	No fixed term & 12 months	560	-
J Sciara	3 September 2001	No fixed term & 12 months	314	-

Non-Executive Directors

Total compensation for all non-executive directors, last voted on at the 2015 Annual General Meeting, is not to exceed \$300,000 per annum. Currently, non-executive directors are compensated to a total of \$0.2m per annum (2025: \$0.2m), inclusive of superannuation. The 2026 non-executive director fees are 58% (2025: 52.3%) of the aggregate maximum sum approved by shareholders.

The base fee for the Chairman is \$93,000 per annum and \$68,320 per annum for other non-executive directors. The base fee covers all main board activities and membership of all board committees. Non-executive directors are not provided with retirement benefits apart from statutory superannuation if applicable.

Details of Remuneration for year ended 30 June 2026

The remuneration for each director and the executive officer of the consolidated entity receiving the highest remuneration during the year was as follows:

Directors	Salary & Fees \$'000	STI Cash Bonus \$'000	Superannuation \$'000	Total \$'000
John B. Sheehan (non-executive)	93	-	-	93
Peter Krejci (non-executive)	61	-	7	68
Rick Montrone	500	75	60	635
Jack Sciara	280	40	34	354
Melissa Ashcroft (appointed 2 March 2026)	13	-	-	13
Joint Company Secretary				
Kylie Ichsan	150	-	18	168
	1,097	115	119	1,331

Indemnifying Officers or Auditor

The company or consolidated group has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

The company paid a premium of \$40,840 to insure the directors of the company and controlled entities. The policy provides cover for individual directors and officers of the company, in respect of claims made and notified to the insurer during the policy period for losses and expenses incurred in defence of claims for any alleged wrongful acts arising out of their official capacities.

It will also reimburse the company for any liability it has to indemnify the directors or officers for such losses.

It is noted that the company's Constitution allows an officer or auditor of the company to be indemnified by the company against any liability incurred by him in his capacity of officer or auditor in defending any proceedings in which judgement is given in his favour.

Options

No options have been granted over unissued shares during the financial year and there are no outstanding options at 30 June 2026.

Non-audit Services

The board of directors, in accordance with the advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2026.

	\$'000
Non-audit services	-

Auditor's Independence Declaration

The lead auditor's Independence Declaration for the year ended 30 June 2026, has been received and can be found on page 9 of the Financial Report.

ASIC Corporations Instrument 2016/191 Rounding of Amounts (formerly ASIC Class Order 98/100 Rounding of Amounts)

The company is an entity to which ASIC Corporations Instrument 2016/191 applies and accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars.

Corporate Governance Statement

Desane is committed to implementing sound standards of corporate governance. The Group has taken into consideration the ASX Corporate Governance Council's Corporate Governance principles and Recommendations (4th Edition) ("ASX Recommendations"). The Group's corporate governance statement outlines the key principles and practices of the Company. A copy of the Group's Corporate Governance Statement has been placed on the Group's website under the About Us tab in the Corporate Governance Section - desane.com.au/about/corporategovernance/

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors, at Sydney, this 26th day of August 2026.



JB Sheehan
Director
Sydney

R Montrone
Director
Sydney

AUDITOR'S INDEPENDENCE *Declaration*

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G.C.C. Business & Assurance Pty Ltd

GPO Box 4566, Sydney NSW 2001
Telephone: (02) 9231 6166
Email: gmga@gccbusiness.com.au

Suite 807, 109 Pitt Street, Sydney

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO DIRECTORS OF DESANE GROUP HOLDINGS LIMITED AND ITS CONTROLLED
ENTITIES**

As the lead auditor for the audit of the Desane Group Holdings Limited and its controlled entities for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

G.C.C. Business & Assurance Pty Ltd.

GCC Business and Assurance Pty Limited
(Authorised Audit Company No. 307963)

Jing Shu

Jing Shu
Director
Sydney, 26 August 2026

/ CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Consolidated Statement of Profit or Loss and Other Comprehensive Income		Consolidated Group	
		2026 \$'000	2025 \$'000
Continuing Operations			
Revenue	2	2,264	2,327
Other income	2a	328	264
Gain/(loss) on revaluation of investment properties	2	2,135	6,188
Employee benefits expense		(1,373)	(1,029)
Employee retirement benefit expense		-	(490)
Depreciation and amortisation expense		(53)	(38)
Finance costs		(967)	(682)
Loss (accounting) on sale of investment property		(287)	-
Other expenses from ordinary activities		(2,016)	(1,792)
Profit before income tax		31	4,748
Income tax expense	4	(348)	-
Income tax deferred	4	338	(1,432)
Profit from continuing operations		21	3,316
Other comprehensive income:			
Property revaluation increment (net of income tax)		227	-
Total comprehensive income for the year		248	3,316
Profit attributable to minority equity interest		-	-
Total comprehensive income attributable to members of the parent entity		248	3,316
Earnings per Share:			
Overall Operations			
Basic earnings per share (cents per share)	8	0.05	8.11
Diluted earnings per share (cents per share)	8	0.05	8.11
Continuing Operations			
Basic earnings per share (cents per share)		0.05	8.11
Diluted earnings per share (cents per share)		0.05	8.11

The accompanying notes form part of these financial statements.

/ CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

Consolidated Statement of Financial Position

	Note	Consolidated Group	
		2026 \$'000	2025 \$'000
Current Assets			
Cash and cash equivalents	9	9,306	4,634
Trade and other receivables	10	310	224
Other current assets	11	516	523
Other financial assets	12	1,565	891
Total Current Assets		11,697	6,272
Non-current Assets			
Inventory – development property	13	-	4,485
Investment properties	14	91,322	91,556
Property, plant and equipment	15	2,752	2,221
Other assets	11	194	270
Total Non-current Assets		94,268	98,532
Total Assets		105,965	104,804
Current Liabilities			
Trade and other payables	16	1,145	725
Borrowings	17	900	-
Provisions	18	469	26
Total Current Liabilities		2,514	751
Non-current Liabilities			
Trade and other payables	16	20	20
Borrowings	17	12,995	12,800
Provisions	19	44	31
Deferred tax liability	22	21,266	21,506
Total Non-current Liabilities		34,325	34,357
Total Liabilities		36,839	35,108
Net Assets		69,126	69,696
Equity			
Issued capital	20	21,213	21,213
Asset revaluation reserve	21	227	-
Retained earnings	21	47,686	48,483
Total Equity		69,126	69,696

The accompanying notes form part of these financial statements.

/ CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2026

Consolidated Statement of Changes in Equity

	Issued Capital \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2025	21,213	-	48,483	69,696
Shares issued during the year	-	-	-	-
Profit attributable to members of the parent entity	-	-	248	248
	21,213	-	48,731	69,944
Transfer – property valuation	-	227	(227)	-
Dividends paid or recognised for the year	-	-	(818)	(818)
Balance at 30 June 2026	21,213	227	47,686	69,126

	Issued Capital \$'000	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2024	21,213	-	45,167	66,380
Shares issued during the year	-	-	-	-
Profit attributable to members of the parent entity	-	-	3,316	3,316
	21,213	-	48,483	69,696
Dividends paid or recognised for the year	-	-	-	-
Balance at 30 June 2025	21,213	-	48,483	69,696

The accompanying notes form part of these financial statements.

/ CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2026

Consolidated Statement of Cash Flows		Consolidated Group	
	Note	2026 Inflows (Outflows) \$'000	2025 Inflows (Outflows) \$'000
Cash flows from operating activities			
Receipts from customers		2,264	2,637
Payments to suppliers and employees		(4,431)	(3,226)
Interest received		328	275
Finance costs		(967)	(654)
Net cash provided by (used in) operating activities	29	(2,806)	(968)
Cash flows from investing activities			
Purchase of property, plant and equipment		(259)	(10)
Purchase of development properties		-	(68)
Proceeds from sale of investment properties		8,708	-
Purchase of investment properties		(287)	-
Purchase of financial assets		(3,000)	(6,200)
Proceeds from sale of financial assets		3,894	10,105
Capital costs of investment properties		(1,855)	(583)
Net cash provided by (used in) investing activities		7,201	3,244
Cash flows from financing activities			
Dividends paid		(818)	-
New borrowings		13,895	2,500
Repayment of borrowings		(12,800)	(3,600)
Net cash provided by (used in) financing activities		277	(1,100)
Net increase/(decrease) in cash held		4,672	1,176
Cash at beginning of financial year		4,634	3,458
Cash at end of financial year	9	9,306	4,634

The accompanying notes form part of these financial statements.

FINANCIAL *Statements*

07

Note 1: Summary of Material Accounting Policies

Basis of Preparation

The financial report covers the economic entity of Desane Group Holdings Limited and its controlled entities. The separate financial statements of the parent entity, Desane Group Holdings Limited, have not been presented within this financial report, as permitted by the Corporations Act, 2001. Desane Group Holdings Limited is a listed public company, incorporated and domiciled in Australia.

The consolidated financial statements are presented in Australian dollars, which is the functional currency for the parent company and its controlled entities.

The financial statements were authorised for issue on 26 August 2026 by the directors of the Company.

The financial statements are a general-purpose financial report, that have been prepared in accordance with the Corporations Act, 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board ("AASB") and the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"). The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards, as issued by IASB.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The accounting policies set out below have been consistently applied to all years presented.

Accounting Policies

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity controlled by Desane Group Holdings Limited and all of its controlled entities. Desane Group Holdings Limited controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A list of controlled entities is contained in note 30 to the financial statements. All controlled entities have a 30 June financial year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Non-controlling interests, being the equity in a controlled entity not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of other comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

b. Income Tax

The income tax expense (benefit) for the year comprises current income tax expense and deferred tax expense (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using the applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amount expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax

liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on the temporary differences arising between the tax base of the assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or a liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets or liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled, and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that the net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Desane Group Holdings Limited and its wholly owned Australian controlled entities have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the controlled entities are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2003. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income.

c. Inventories

Development Property

Land held for development and sale is measured at the lower of cost and net realisable value. Net realisable value is determined on the basis of like sales in the location and the assessment of the likelihood of full recovery of costs on the ultimate sale of the property. Costs include the cost of acquisition, development, borrowing costs and holding costs until the completion of development. Gains and losses are recognised in the statement of profit and loss on the signing of an unconditional contract of sale if significant risks and rewards and effective control over the property passes to the purchaser at this point.

Inventory is classified as current when development is expected to be developed and available for sale in the next twelve months, otherwise it will be classified as non-current

If applicable, the carrying value will include revaluations applied to the asset during the period the property was classified as an investment property.

d. Property, Plant and Equipment

Property

Freehold land and buildings are carried at their fair value (being the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date), based on periodic, but at least triennial, valuations

by external independent valuers, less accumulated impairment losses and accumulated depreciation for buildings. Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity under the heading of asset revaluation reserve. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Motor vehicles	15%
Plant and equipment	2.5%-33%
Office and computer equipment	10%-33%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and

losses are included in the consolidated statement of profit and loss.

e. Investment Properties

Investment properties, comprising freehold office and industrial complexes, are held to generate long-term rental yields and capital gains. All tenant leases are on an arm's length basis. The fair value model is applied to all investment property and each property is reviewed at each reporting date. The fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Each property is independently valued at least every three years by registered valuers who have recognised and appropriate professional qualifications, and recent experience in the location and category of investment property being valued. Changes to fair value are recorded in the statement of profit and loss as revenue from non operating activities. Acquired investment properties are recognised in the statement of financial position when control of the property is attained and the Group derives the benefits of ownership.

Investment properties under construction are measured at the lower of fair value and net realisable value. Cost includes the cost of acquisition, development and interest on financing during development. Interest and other holding charges after practical completion are expensed as incurred.

Investment properties are maintained at a high standard and, as permitted by accounting standards, the properties are not depreciated.

Rental revenue from the leasing of investment properties is recognised in the statement of profit and loss and other comprehensive income in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties. All tenant leases are on an arm's length basis.

f. Leases

The Group leases its investment properties to tenants under operating leases.

Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

Lease incentives granted to tenants are valued and recognised progressively on a straight-line basis over the term of the applicable lease.

Note 1: Summary of Material Accounting Policies (Cont)

g. Financial Instruments

The Group has adopted AASB 9: Financial Instruments.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments, except for trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component, or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement Financial instruments are subsequently measured at fair value through profit or loss, or amortised cost using the effective interest method, or cost.

The Group has interests in the following financial assets:

- (i) Financial assets at amortised cost

Financial assets are measured at amortised cost where the objective is to hold assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised using the effective interest method.

h. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit and loss.

i. Employee Benefits

Short-term Employee Benefits Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits (other than

termination benefits) are those that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

j. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities

of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

l. Revenue and Other Income

The Group has applied AASB 15: Revenue from Contracts with Customers.

Revenue from the rendering of property services is recognised upon delivery of the service to customers.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment. The Group derives revenue from investing in properties for rental and capital appreciation over time.

Revenue from sale of properties held for resale and non-current property or other assets is brought to account when control over the property is transferred to the purchaser, often on the signing of an unconditional contract of sale if the significant risks and rewards and effective control over the property passes to the purchaser at this point.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (GST).

m. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

n. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

p. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financial activities.

q. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in the presentation in the financial year. When the Group retrospectively applies an accounting policy and makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

r. Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Corporations - Rounding in Financial/Directors' reports Instrument 2016/191. Accordingly, amounts in the financial statements and directors' report have been rounded off to the nearest \$1,000.

s. Critical Accounting Estimates and Judgements

The preparation of the financial reports requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial reports. Management bases its judgements and estimates on historical experience and other various factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the results of which form the basis of the carrying value of assets and liabilities. The resulting accounting estimates may differ from actual results under different assumptions and conditions.

Key estimates and assumptions that have a risk of causing adjustment with the next financial year to the carrying amounts of assets and liabilities recognised in these financial reports are:

(i) Impairment – property valuations

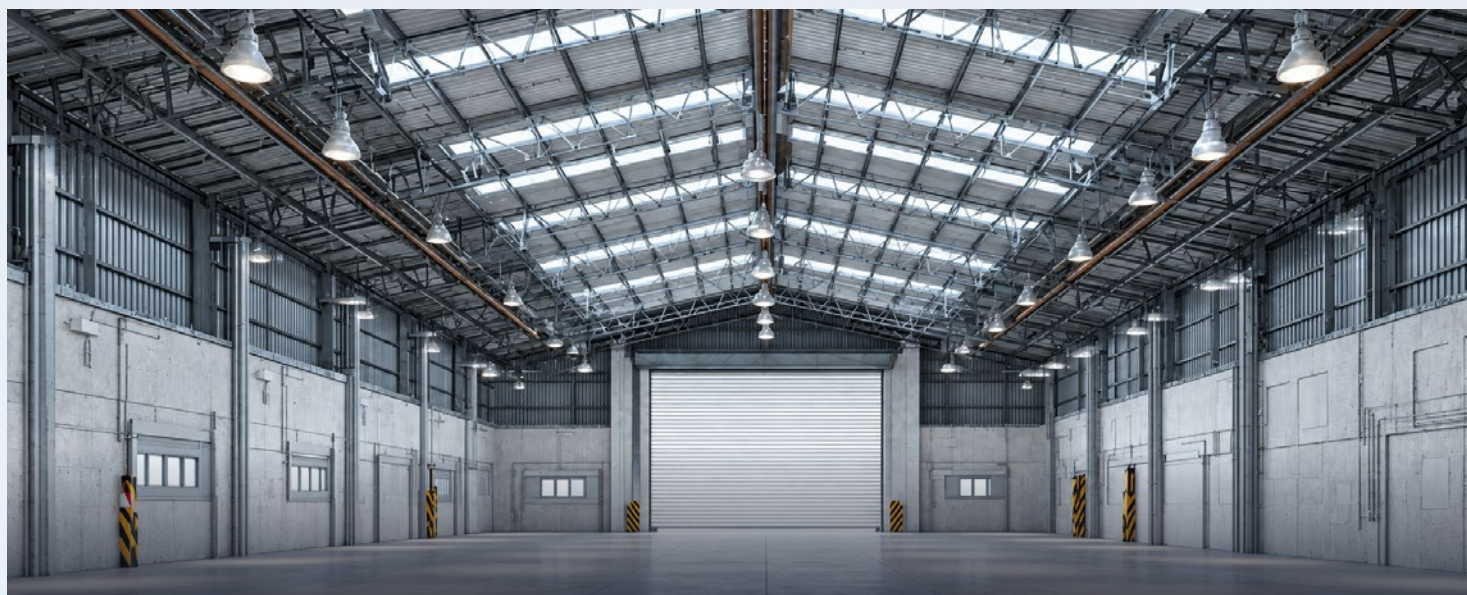
Critical judgements are made by the Group in respect of the fair values of investment properties. The fair value of these investments are reviewed regularly by management with reference to external independent property valuations and market conditions existing at reporting date, using generally accepted market practices.

The critical assumptions underlying management's estimates of fair values are those relating to the passing rent, market rent, occupancy, capitalisation rate, direct comparison to market sales evidence, terminal yield and discount rate. If there is any change in these assumptions or economic conditions, the fair value of the property investments may differ. Assumptions used in valuation of property investments are disclosed in note 14.

(ii) Impairment – general The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group the property sector or the economy in general that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

t. New and Amended Policies Adopted by the Group

The Group 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. Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026.



Note 2: Revenue and Other Income

	Consolidated Group	
	2026 \$'000	2025 \$'000
Revenue from Continuing Operations		
Property rental income	2,198	2,262
Property management fees and services	66	65
Total Revenue from Continuing Operations	2,264	2,327
Other Revenue		
a. Interest revenue from:		
- other persons	328	264
Total Other Revenue	328	264
Total Revenue	2,592	2,591
Other Income		
Property investment – net revaluations	2,135	6,188
Total Other Income	2,135	6,188

Note 3: Profit for the Year

Profit before income tax from continuing operations includes the following specific expenses:

	Note	Consolidated Group	
		2026 \$'000	2025 \$'000
Expenses			
Auditor's remuneration	6	89	67
Depreciation of plant and equipment		53	38
Finance costs:			
- External		967	682
Transfer to/(from) provisions for:			
- Employee entitlements		(8)	(66)
Direct property expenditure from investment property generating rental income		1,301	1,151

Note 4: Income Tax Expense - components

	Note	Consolidated Group	
		2026 \$'000	2025 \$'000
a. The components of tax expense comprise:			
Current tax		348	-
Deferred tax	22	(338)	1,432
		10	1,432
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2025: 30%)			
- consolidated group		9	1,492
Add:			
Tax effect of:			
- other accruals/provisions		-	24
- other non-allowable items		1	1
- other items not included in taxable income		-	(17)
Income tax attributable to entity		10	1,432
The applicable weighted average effective tax rates		33.2%	30.2%

Note 5: Key Personnel Compensation

a. Names and position held of economic and parent entity key personnel in office at any time during the financial year are:

Key Personnel	Position
Prof. John B. Sheehan AM	Chairman (non-executive director)
Mr Rick Montrone	Managing Director
Mr Peter Krejci	Director (non-executive)
Mr Jack Sciara	Director, Joint Company Secretary and Chief Financial Officer
Ms Melissa Ashcroft	Director (non-executive) (appointed 2 March 2026)
Mrs Kylie Ichsan	Joint Company Secretary and Financial Accountant

b. Compensation Practices

The board's policy for determining the nature and amount of compensation of key personnel for the group is as follows:

The compensation structure for key personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and the overall performance of the company. Employment is on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement key personnel are paid employee benefit entitlements accrued to the date of retirement.

The company may terminate any employee without cause by providing adequate written notice or making payment in lieu of notice based on the individual's annual salary component. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the company can terminate employment at any time.

All remuneration packages are set at levels that are intended to attract and retain executives capable of managing the economic entity's operations. Refer note 5c.



Note 5: Key Personnel Compensation (cont)

c. Key Personnel Compensation

2026

Key Personnel	Salary & Fees \$'000	Superannuation \$'000	Short Term incentives \$'000	Total \$'000
John B. Sheehan	93	-	-	93
Peter Krejci	61	7	-	68
Rick Montrone	500	60	75	635
Jack Sciara	280	34	40	354
Melissa Ashcroft	13	-	-	13
Kylie Ichsan	150	18	-	168
	1,097	119	115	1,331

2025

Key Personnel	Salary & Fees \$'000	Superannuation \$'000	Short Term Incentives \$'000	Total \$'000
John B. Sheehan	91	-	-	91
Peter Krejci	59	7	-	66
Rick Montrone	395	46	-	441
Jack Sciara	238	27	-	265
Kylie Ichsan	118	14	-	132
Retired Key Personnel				
Phil Montrone #	440	50	-	490
	1,341	144	-	1,485

Retired director 30 July 2024

d. Shareholdings

Number of shares held by parent entity directors and specified executives.

Key Personnel	Balance 30.06.25 '000	Net Change Other* '000	Balance 30.06.26 '000
John B. Sheehan	179	-	179
Rick Montrone	304	-	304
Peter Krejci	25	-	25
Jack Sciara	103	-	103
Melissa Ashcroft	-	-	-
Kylie Ichsan	4	4	8
	615	4	619

* "Net Change Other" refers to shares purchased or sold during the financial year.

Note 6: Auditors' Remuneration

Remuneration of the auditor for the parent entity:

GCC Business Assurance Pty Ltd

- auditing or reviewing the financial report
- taxation services

Consolidated Group	
2026 \$'000	2025 \$'000
89	67
-	
89	67

Note 7: Dividends**Dividends paid**

- a. No dividend was declared for full year ended 30 June 2026
- b. Special dividend of 2 cents per share (franked at 82%), paid on 17 December 2025
- c. The Group has \$nil (2025 - \$288,847) franking credits available.

2026 \$'000	2025 \$'000
-	-
818	-

Note 8: Earnings per Share

Reconciliation of earnings used in the calculation of earnings per share

Operating profit after income tax

2026 \$'000	2025 \$'000
21	3,316

Reconciliation of weighted average numbers of ordinary shares used in the calculation of earnings per share

Weighted average number of ordinary shares used in the calculation of basic earnings per share

Basic earnings per share (cents per share)

Diluted earnings per share (cents per share)

2026 \$'000	2025 \$'000
40,909,990	40,909,990
0.05	8.11
0.05	8.11

Conversion, call, subscription or issue after 30 June 2026

There has been no conversion to, calls of, or subscription for ordinary shares since the reporting date and before the completion of these accounts.

Note 9: Current Assets - Cash and Cash Equivalents

Cash at bank and in hand

Interest bearing short term deposits

2026 \$'000	2025 \$'000
7,306	634
2,000	4,000
9,306	4,634

Note 9: Current Assets – Cash and Cash Equivalents (cont)

The effective interest rate on cash at bank was 3.0% (2025 – 1.1%).

The effective interest rate on short term bank deposits was an average of 4.05% (2025 – 4.03%). These deposits have a weighted average maturity of 90 days.

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Cash as above	7,306	4,634
Less: Bank overdraft	7,306	4,634

Note 10: Current Assets - Trade and Other Receivables

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Trade receivables	310	224

Note 11(a): Other Assets - Current Assets

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Prepayments and GST receivables	516	523
	516	523

Note 11(b): Other Assets - Non-Current Assets

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Formation costs	2	2
Lease rental incentive	192	241
Lease payment plan	-	27
	194	270

Note 12: Other Financial Assets

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Held-to-maturity investments		
Fixed interest securities	1,565	891
	1,565	891

The effective interest rate on fixed interest securities is an average of 7.0% pa These securities have a weighted average maturity of 365 days.

Note 13: Non-Current Assets - Inventory (Development Property)

	Consolidated Group	
	2026	2025
	\$'000	\$'000
322 Norton Street, Leichhardt – acquisition cost	-	3,379
322 Norton Street, Leichhardt – development costs	-	1,106
	-	4,485

322 Norton Street, Leichhardt reclassified as an Investment Property (refer to Note 14)

Note 14: Non-current Assets – Properties

		Consolidated Group	
Investment properties:	Note	2026 \$'000	2025 \$'000
13 Sirius Road, Lane Cove NSW	14a	-	8,724
7 Sirius Road, Lane Cove NSW	14b	12,194	10,530
91 Thornton Drive, Penrith NSW	14c	14,488	13,713
159 Allen Street, Leichhardt NSW	14d	25,028	25,008
16 Industrial Avenue, Wacol QLD	14e	20,100	18,909
270-278 Norton Street, Leichhardt NSW	14f	9,903	9,902
35 Norton Street, Leichhardt NSW	14g	4,300	4,770
322 Norton Street, Leichhardt NSW	14h	5,309	-
		91,322	91,556

Valuation overview

The basis of the directors' valuation of the investment properties (non-current) is a fair market value as defined in note 1e. In arriving at their opinion, the directors have reviewed and adopted the following three approaches and methodologies:

1. Capitalisation of current net rental income;
2. Discounted cash flow ("DCF"); and
3. Direct comparison to market sales evidence

The properties are being valued independently at least every three years. The Group has no restrictions on the realisability of an investment property. The Group has a contractual commitment of approximately \$1.0 million to complete approved alterations and additions at 322 Norton Street, Leichhardt. Works to be completed by 31 December 2026. With this exception the Group no other contractual obligations to construct, develop, perform, repair or enhance an investment property.

- a. The property was sold and realised for \$8.7 million during financial year ended 30 June 2026.
- b. The directors' valuation as at 30 June 2026. An independent valuation was undertaken in November 2025 by a certified practicing valuation company. The directors have based the value on the valuation report, together with current direct comparison market sales evidence.
- c. The directors' valuation, as at 30 June 2026. An independent valuation was undertaken in February 2024 by a certified practicing valuation company. The directors have based the value on the valuation report, together with current direct comparison market sales evidence.
- d. The directors' valuation as at 30 June 2026. An independent valuation was undertaken in December 2024 by a certified practicing valuation company. The directors have based the value on the valuation report, together with current direct comparison market sales evidence.
- e. The directors' valuation as at 30 June 2026. An independent valuation was undertaken in June 2026 by a certified practicing valuation company. The directors have based the value on the valuation report, together with current direct comparison market sales evidence.
- f. The directors' valuation as at 30 June 2026. An independent valuation was undertaken in October 2025 by a certified practicing valuation company. The directors have based the value on the valuation report, together with current direct comparison market sales evidence.
- g. The directors' valuation as at 30 June 2026. An independent valuation was undertaken in October 2025 by a certified practicing valuation company. The directors have based the value on the valuation report, together with current direct comparison market sales evidence.
- h. The valuation of the property is at cost.

Operational Overview

Rental income from investment properties is recognised in the consolidated statement of profit or loss.

Direct operating expenses from investment properties generating rental income and from investment properties not generating rental income are recognised in the consolidated statement of profit or loss.

Note 14: Non-current Assets – Properties (cont)

Investment Properties
2026

	Acquisition Cost \$'000	Construction Cost \$'000	Other Capital Costs \$'000	Revaluation \$'000	Carrying Value 30.06.2026 \$'000
7 Sirius Rd, Lane Cove NSW	2,950	1,137	471	7,636	12,194
91 Thornton Dr, Penrith NSW	4,149	-	1,989	8,350	14,488
159 Allen St, Leichhardt NSW	22,280	-	634	2,114	25,028
16 Industrial Ave, Wacol QLD	10,073	-	467	9,560	20,100
270-278 Norton St, Leichhardt NSW	7,688	-	98	2,117	9,903
35 Norton St, Leichhardt NSW	3,715	-	372	213	4,300
322 Norton St, Leichhardt NSW	3,379	-	1,930	-	5,309
	54,234	1,137	5,961	29,990	91,322

2025

	Acquisition Cost \$'000	Construction Cost \$'000	Other Capital Costs \$'000	Revaluation \$'000	Carrying Value 30.06.2025 \$'000
13 Sirius Rd, Lane Cove NSW	2,900	672	1,446	3,706	8,724
7 Sirius Rd, Lane Cove NSW	2,950	1,137	373	6,070	10,530
91 Thornton Dr, Penrith NSW	4,149	-	1,214	8,350	13,713
159 Allen St, Leichhardt NSW	22,280	-	614	2,114	25,008
16 Industrial Ave, Wacol QLD	10,073	-	468	8,368	18,909
270-278 Norton St, Leichhardt NSW	7,688	-	88	2,126	9,902
35 Norton St, Leichhardt NSW	3,715	-	229	826	4,770
	53,755	1,809	4,432	31,560	91,556



Note 15: Non-current Assets - Property, Plant and Equipment

	Consolidated Group	
	2026 \$'000	2025 \$'000
Suite 4, 26-32 Pirrama Road, Pyrmont – land and buildings	1,834	1,834
Revaluation recognised in other comprehensive income	325	-
Less: Accumulated depreciation	-	-
	2,159	1,834
Capital works – Suite 4	352	352
Less: Accumulated depreciation	(102)	(89)
	250	263
Depreciable plant and equipment	11	11
Less: Accumulated depreciation	(4)	(3)
	7	8
Leasehold improvements	104	104
Less: Accumulated depreciation	(20)	(17)
	84	87
Office furniture and equipment – at cost	67	53
Less: Accumulated depreciation	(32)	(24)
	35	29
Motor vehicle – at cost	242	69
Less: Accumulated depreciation	(25)	(69)
	217	-
Total non-current assets	2,752	2,221

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

The \$325,000 revaluation increment relates to the Group's owner-occupied property at Suite 4, 26-32 Pirrama Road, Pyrmont. Under the revaluation model, the gross increment and related deferred tax effect are recognised in other comprehensive income, with the net amount accumulated in the asset revaluation reserve. The revalued amount is allocated between land and building; the building component will continue to be depreciated over its remaining useful life from the revaluation date.

	Land and Buildings \$'000	Capital Works \$'000	Leasehold Improvements \$'000	Plant & Equipment \$'000	Total \$'000
Consolidated Group					
Balance at the beginning of year	1,834	263	87	37	2,221
Revaluation recognised in other comprehensive income	325	-	-	-	325
Additions	-	-	-	259	259
Disposals/write offs	-	-	-	-	-
Depreciation expense	-	(13)	(3)	(37)	(53)
Carrying amount at the end of the year	2,159	250	84	259	2,752

Note 16 (a): Trade and Other Payables - Current

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Unsecured liabilities		
Trade payables	1,145	725
	1,145	725

Note 16(b): Trade and Other Payables - Non-Current

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Unsecured liabilities		
Trade payables – rental bonds held	20	20

Note 17(a): Borrowings - Current

	Note	Consolidated Group	
		2026	2025
		\$'000	\$'000
Secured Liabilities – Bank Loans			
Finance for property 322 Norton Street, Leichhardt NSW	17v	900	-
		900	-

Note 17 (b) Borrowings- Non-Current

	Note	Consolidated Group	
		2026	2025
		\$'000	\$'000
Secured Liabilities – Bank Loans			
Finance for property 7 Sirius Road, Lane Cove	17i	4,800	4,800
Finance for property 16 Industrial Avenue, Wacol	17ii	8,000	8,000
Finance for property 35 Norton Street, Leichhardt	17iii	16	-
Finance for property 270-278 Norton Street, Leichhardt	17iv	179	-
		12,995	12,800

- i. First mortgage finance secured over 7 Sirius Road, Lane Cove property (note 14b) with National Australia Bank. Covenants imposed by mortgagor require total debt not to exceed 50% of the property value.
- ii. First mortgage finance secured over 16 Industrial Avenue, Wacol property (note 14e) with National Australia Bank. Covenants imposed by mortgagor require total debt not to exceed 50% of the property value and the EBITDA is required to exceed interest expense by at least 1.25 times.
- iii. First mortgage finance secured over 35 Norton Street, Leichhardt (note 14g) with National Australia Bank. Covenants imposed by mortgagor require total debt not to exceed 50% of the property value.
- iv. First mortgage finance secured over 270-278 Norton Street, Leichhardt (note 14f) with National Australia Bank. Covenants imposed by mortgagor require total debt not to exceed 50% of the property value.
- v. First mortgage finance secured over 322 Norton Street, Leichhardt (note 14h) with National Australia Bank. Covenants imposed by mortgagor require total debt not to exceed 50% of the property value and EBITDA is required to exceed interest expense by at least 1.35 times when the tenant occupies the premises.

Maturity Schedule

	Interest Rates (average)	Consolidated Group	
		2026 \$'000	2025 \$'000
26 February 2027	6.32% pa	900	-
27 October 2028	6.32% pa	4,800	4,800
27 October 2028	6.32% pa	8,000	8,000
27 October 2028	6.32% pa	179	-
27 October 2028	6.32% pa	16	-
		13,895	12,800

Note 18: Current Liabilities – Provisions

	Consolidated Group	
	2026 \$'000	2025 \$'000
Current income tax	349	-
Employee entitlements*	120	26
	469	26

* Movement represents net increase (decrease) in provision set aside and includes approved STI.

	Consolidated Group	
	2026 No	2025 No
Number of employees at year end	7	7

Note 19: Non-Current Liabilities – Provisions

	Consolidated Group	
	2026 No	2025 No
Employee long service leave entitlement*	44	31

* Movement represents provision set aside.

The provision for employee entitlements represents amounts accrued for annual leave and long service leave.

The current position for the employee entitlement includes the total amount accrued for annual leave entitlement and long service leave that have been vested due to employees having completed the required period of service.

Note 20: Issued Capital

Note 20: Issued Capital

	Consolidated Group	
	2026 No	2025 No
40,909,990 (2025: 40,909,990) Ordinary Shares fully paid	21,213	21,213

	Consolidated Group		Consolidated Group	
	2026 Shares	2025 Shares	2026 \$'000	2025 \$'000
Ordinary Shares Fully Paid				
At beginning of the year	40,909,990	40,909,990	21,213	21,213
Ordinary Shares fully paid at reporting period	40,909,990	40,909,990	21,213	21,213

Note 20: Issued Capital (cont)**a. Movements in Ordinary Share Capital of the Company**

No shares were issued during 2026: nil (2025: nil).

b. Authorised Capital

500,000,000 Ordinary Shares of no-par value.

c. Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no significant changes in the strategy adopted by management to control and manage the capital of the Group since the prior year.

Note 21: Asset Revaluation Reserve and Retained Earnings

	Consolidated Group	
	2026 \$'000	2025 \$'000
Asset revaluation reserve at beginning of financial year	-	-
Property revaluation	325	-
Deferred tax recognised in other comprehensive income	(98)	-
Asset revaluation reserve at end of financial year	227	-
Retained earnings at beginning of financial year	48,483	45,167
Special dividend paid	(818)	-
Net profit attributable to members of parent entity	21	3,316
Retained earnings at end of financial year	47,686	48,483



Note 22: Deferred Taxes

Non-current

Deferred tax liability comprises:

	Note	Consolidated Group	
		2026 \$'000	2025 \$'000
Tax allowances relating to property and equipment		12,296	12,575
Revaluation of owner-occupied property		98	-
Revaluation of investment properties		8,997	9,468
Deferred tax asset attributable to tax and capital losses		-	(499)
Provisions		(125)	(38)
		21,266	21,506

Reconciliation**Gross Movement**

The overall movement in the deferred tax account is as follows:

Opening balance		21,506	20,074
Charge/(credit) to statement of profit and loss	4	(338)	1,432
Deferred tax recognised in other comprehensive income		98	-
Closing balance		21,266	21,506

Deferred Tax Liability

Tax allowance relating to property, plant and equipment

Opening balance		12,575	12,524
Charged to the statement of profit and loss		(279)	51
Closing balance		12,296	12,575

Revaluation of owner-occupied property

Opening balance		-	-
Deferred tax recognised in other comprehensive income		98	98
Closing balance		98	98

Revaluation of investment properties

Opening balance		9,468	7,612
Net revaluation during the current period		(471)	1,856
Closing balance		8,997	9,468

Deferred Tax Assets

Tax and capital losses

Opening balance		(499)	-
Prior year adjustment		-	-
Tax and capital losses utilised		499	(499)
Closing balance		-	(499)

Provisions

Opening balance		(38)	(62)
Credited to statement of profit and loss		(87)	24
Closing balance		(125)	(38)

Note 23: Financial Instruments**a. Financial Risk Management**

The group's financial instruments consist mainly of deposits with banks, mortgage loans with banking institutions, accounts receivable and payable, and loans to and from controlled entities.

Desane's Board of Directors and management are responsible for the monitoring and managing of financial risk exposures on a monthly basis.

The main risks the group is exposed to through its financial instruments are liquidity risk and interest rate risk.

Liquidity Risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Desane manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Obtaining funding from a variety of sources; and
- Investing surplus cash with major financial institutions.

Interest Rate Risk

Exposure to interest rate risks arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2026, approximately 100% of the Group's debt is with a floating interest rate and any balance is fixed interest rate debt.

The group entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods are set out in the following table (note 23d). For interest rates applicable to each class of asset or liability, refer to individual notes to the financial statements. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

The contractual maturities of the financial liabilities are set out below. The amounts represent the future undiscounted principal and interest cash flows relating to the amounts drawn at reporting date.

b. Credit Risk Exposure

The credit risk on financial assets of the consolidated entity which has been recognised in the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts. The consolidated group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

c. Net Fair Values

On Statement of Financial Position:

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

Off Statement of Financial Position:

The parent entity and certain controlled entities have potential financial liabilities which may arise from certain contingencies disclosed in note 27. No material losses are anticipated in respect of any of these contingencies.

(d): Carrying Amount and Net Fair Values

There is no material difference between the carrying amounts and the net fair values of financial assets and liabilities.

2026	Note	Floating Interest Maturing within 1-5 years \$'000	Fixed Interest Maturing within 1 year \$'000	Fixed Interest Maturing within 1-5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Assets						
Cash and deposits	9	-	9,306	-	-	9,306
Receivables	10, 11	-	-	-	1,020	1,020
Other financial assets	12	-	1,565	-	-	1,565
		-	10,871	-	1,020	11,891
Weighted average interest rates		-	1.7%	-	-	1.7%
Financial Liabilities						
Trade and other creditors	16	-	-	-	1,165	1,165
Interest bearing liabilities	17	13,895	-	-	-	13,895
		13,895	-	-	1,165	15,060
Weighted average interest rate		6.32%	-	-	-	6.32%
Net financial assets (liabilities)		(13,895)	10,871	-	(144)	(3,169)

2025	Note	Floating Interest Maturing within 1-5 years \$'000	Fixed Interest Maturing within 1 year \$'000	Fixed Interest Maturing within 1-5 years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial Assets						
Cash and deposits	9	-	4,634	-	-	4,634
Receivables	10, 11	-	-	-	1,017	1,017
Other financial assets	12	-	891	-	-	891
		-	5,525	-	1,017	6,542
Weighted average interest rates		-%	2.4%	-	-	2.4%
Financial Liabilities						
Trade and other creditors	16	-	-	-	745	745
Interest bearing liabilities	17	12,800	-	-	-	12,800
		12,800	-	-	745	13,545
Weighted average interest rate		5.71%	-%	-%	-%	5.71%
Net financial assets (liabilities)		(12,800)	5,525	-	272	(7,003)

Note 23: Financial Instruments (cont)**Sensitivity Analysis**

The following table illustrates sensitivities to the Group's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by change in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

The net effective variable interest rate borrowings (floating interest rate) expose the Group to interest rate risk which will impact future cash flows and interest charges, are indicated in the above figures. All interest bearing liabilities and their weighted interest rate is shown in note 23(d).

There are no financial liabilities maturing over 5 years.

	Consolidated Group	
	Profit \$'000	Equity \$'000
Year ended 30 June 2026	+/- 278	+/- 278
-Interest rate sensitivity calculated at an average of +/- 2% p.a.		

	Consolidated Group	
	Profit \$'000	Equity \$'000
Year ended 30 June 2025	+/- 256	+/- 256
-Interest rate sensitivity calculated at an average of +/- 2% p.a.		

Held to Maturity Investments

There is an inherent risk associated with investments in fixed interest securities, however, the risks are mitigated by ensuring funds invested are secured with a first registered mortgage security, the term of the investment is for a period of 12 months or less, and the secured property asset has a loan-to-value-ratio (LVR) of less than 50% based on an independent valuation completed by a registered and qualified property valuer.

Note 24: Related Party Transactions

All transactions are under normal commercial terms and conditions.

The Group's main related parties are as follows:

i. Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

ii. Other related parties:

Other related parties include entities controlled by the parent entity and entities over which key management personnel have control.

Related parties of Desane Group Holdings Limited (parent entity) fall into the following categories:

a. Controlled Entities

Information relating to controlled entities is set out in note 30. Other transactions between related parties consist of:

	Consolidated Group	
	2026 \$'000	2025 \$'000
Desane Properties Pty Ltd: Dividend paid	1,850	1,850

b. Directors

The names of the persons who were directors of the parent entity during the financial year are as follows:

- Rick Montrone
- John Blair Sheehan
- Peter Krejci
- Jack Sciara
- Melissa Ashcroft (appointed 2 March 2026)

Information on the remuneration of directors and executives is set out in note 5. The Managing Director and all executives are permanent employees of Desane Group Holdings Limited.

Companies controlled by a relative of a director, have provided maintenance and project management services at properties owned by the Group, totalling \$148,394. The services were provided on normal commercial terms and conditions and on an arm's length basis.

Mr Jack Sciara provided professional tax services to the Group, on an arm's length basis, for the amount of \$9,000. Mr Jack Sciara's spouse and daughter have been employed by Desane Group Holdings Limited, on a part time and casual basis respectively, as administration assistants for the accounting and finance department. Their employment is on an arm's length basis.

Mr Rick Montrone's spouse was paid \$8,500 on market terms, for the design and production of the annual financial report, as well as the AGM presentation and ongoing website maintenance. Mr Rick Montrone's spouse has been employed by Desane Group Holdings Limited, on a part time basis, as administration assistant for the property department.

Mr Felice Montrone, a substantial shareholder, rents a tenancy at 35 Norton Street, Leichhardt, at a commercial rate of \$46,000 per annum.

Other than the above transactions, no director has entered into a material contract since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

Note 25: Commitments for Expenditure

There is a contractual commitment to complete the approved alterations and additions works at 322 Norton Street, Leichhardt. As at 30 June 2026, the group had contractual capital expenditure commitments of \$1,141,433.92 (2025: \$nil) relating to the approved alterations and additions works. These commitments have not been recognised as liabilities in the financial statements. These contractual works are anticipated to be completed on or before 31 December 2026.

Note 26: Superannuation Commitments

In the case of employees of the holding company and controlled entities, the company contributed 12% of each member's salary into the fund nominated by each member. Group companies contribute a minimum amount equal to 12% of each member's salary, plus the cost of the insurance coverage, if required, to insure the provision of all benefits to the Fund. The benefits provided by the accumulation fund are based on the contributions and income thereon held by the Fund on behalf of the member. The 12% contribution made by group companies is legally enforceable.

The company and its controlled entities have a legally enforceable obligation to contribute to the funds.

The directors are not aware of any other changes in circumstances which would have a material impact on the overall financial position of the funds.

Employer contributions to the plans; consolidated \$139,104 (2025 - \$163,007), parent entity \$139,104 (2025 - \$147,171).

Note 27: Contingent Liabilities

- a. The parent entity has given a letter of support to each of its two controlled entities, to the effect that it will not require repayment of the loan funds advanced in the coming year (refer note 30(ii)).

The shareholders' funds as at 30 June 2026, in the controlled entities concerned were:

	Consolidated Group	
	2026 \$'000	2025 \$'000
159 Allen Street Leichhardt Pty Ltd – net assets	616	949
Desane Properties Pty Limited – net assets	60,136	59,482

b. 7 Sirius Road Property

The parent entity has guaranteed the repayment of the first mortgage finance secured over the 7 Sirius Road property (note 17).

c. 16 Industrial Avenue Property

The parent entity has guaranteed the repayment of the first mortgage finance secured over the 16 Industrial Avenue property (note 17).

Note 27: Contingent Liabilities (cont)**d. 270-278 Norton Street Property**

The parent entity has guaranteed the repayment of the first mortgage finance secured over the 270-278 Norton Street property (note 17).

e. 35 Norton Street Property

The parent entity has guaranteed the repayment of the first mortgage finance secured over the 35 Norton Street property (note 17).

f. 322 Norton Street Property

The parent entity has guaranteed the repayment of the first mortgage finance secured over the 322 Norton Street property (note 17).

Note 28: Operating Segments – Consolidated Group**Segment Information****Identification of Reportable Segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar to the operations and / or services provided by the segment.

Types of Operations and Services by Segment

Revenue is derived by the industry segments from the following activities:

- i. Property Development**
Development projects (residential, commercial or industrial).
- ii. Property Investment**
Rental income from prime real estate investments.
- iii. Property Project Management and Resale**
Property project management and resale of commercial, industrial and residential properties, principally in Sydney metropolitan areas.
- iv. Property Services**
Property and related services.

Accounting Policies Adopted

Unless stated otherwise, all amounts reported to the Board of Directors, with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment Assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment Liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated Items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Net gains on disposal of available for sale investments;
- Impairment of assets and other non-recurring items of revenue or expenses;
- Income tax expense;
- Deferred tax assets and liabilities;
- Current tax liabilities;
- Other financial liabilities;
- Retirement benefit obligations; and
- Administration expenses.

Geographical Segments

The consolidated group operates mainly in two geographical segments being New South Wales and Queensland, Australia.

Inter-segment Transactions

Inter-segment pricing is based on what would be realised in the event the sale was made to an external party on an arm's-length basis.

2026	Property Investment \$'000	Property Development \$'000	Property Services \$'000	Plant and Equipment \$'000	Other \$'000	Consolidated Group \$'000
External sales	2,198	-	66	-	328	2,592
Other segments	-	-	-	-	-	-
Total revenue	2,198	-	66	-	328	2,592
Segment result	2,462	-	66	-	328	2,856
Unallocated expenses						(1,858)
Finance costs						(967)
Profit/(loss) before income tax						31
Income tax expense						(10)
Profit/(loss) after income tax						21
2026 Segment Assets	Property Investment \$'000	Property Development \$'000	Property Services \$'000	Plant and Equipment \$'000	Other \$'000	Consolidated Group \$'000
2025 opening balance	91,556	4,485	-	2,221	6,542	104,804
Unallocated Assets						
Deferred tax assets						
Segment Asset Increases/ (Decreases) for the Period						
Reclassification	4,485	(4,485)	-	-	-	-
Acquisitions	-	-	-	259	-	259
Proceeds from sale	(8,708)	-	-	-	-	(8,708)
Revaluations/(devaluations)	2,134	-	-	325	-	2,459
Capital expenditures	296	-	-	-	-	296
Development expenditures	1,559	-	-	-	-	1,559
Depreciation and capital allowance	-	-	-	(53)	-	(53)
Net movement in other segments	-	-	-	-	5,349	5,349
	91,322	-	-	2,752	11,891	105,965
Unallocated Assets						
Deferred Tax Assets						
Total Group Assets						105,965
2026 Segment Liabilities	Property Investment \$'000	Property Development \$'000	Property Services \$'000	Plant and Equipment \$'000	Other \$'000	Consolidated Group \$'000
2025 opening balance	12,800	-	-	-	22,308	35,108
Unallocated Liabilities						
Deferred Tax Liability						
Segment Liabilities Increases/ (Decreases) for the Period						
New Borrowings	13,895	-	-	-	-	13,895
Repayment of Borrowings	(12,800)	-	-	-	-	(12,800)
Net movement in other segments	-	-	-	-	876	876
	13,895	-	-	-	23,184	37,079
Unallocated Liabilities						
Deferred Tax Liabilities						(240)
Total Group Liabilities						36,839

Note 28: Operating Segments – Consolidated Group (cont)

2025	Property Investment \$'000	Property Development \$'000	Property Services \$'000	Plant and Equipment \$'000	Other \$'000	Consolidated Group \$'000
External sales	2,262	-	65	-	264	2,591
Other segments	-	-	-	-	-	-
Total revenue	2,262	-	65	-	264	2,591
Segment result	6,936	-	65	-	264	7,265
Unallocated expenses						(1,835)
Finance costs						(682)
Profit/(loss) before income tax						4,748
Income tax expense						(1,432)
Profit/(loss) after income tax						3,316
2025 Segment Assets	Property Investment \$'000	Property Development \$'000	Property Services \$'000	Plant and Equipment \$'000	Other \$'000	Consolidated Group \$'000
2024 opening balance	84,785	4,417	-	2,287	10,162	101,651
Unallocated Assets						
Deferred tax assets						-
Segment Asset Increases/ (Decreases) for the Period						
Acquisitions	-	-	-	9	-	9
Proceeds from sale	-	-	-	(37)	-	(37)
Revaluations/(devaluations)	6,188	-	-	-	-	6,188
Capital expenditures	583	-	-	-	-	583
Development expenditures	-	68	-	-	-	68
Depreciation and capital allowance	-	-	-	(38)	-	(38)
Net movement in other segments	-	-	-	-	(3,620)	(3,620)
	91,556	4,485	-	2,221	6,542	104,804
Unallocated Assets						-
Deferred Tax Assets						-
Total Group Assets						104,804
2025 Segment Liabilities	Property Investment \$'000	Property Development \$'000	Property Services \$'000	Plant and Equipment \$'000	Other \$'000	Consolidated Group \$'000
2024 opening balance	13,900	-	-	-	21,371	35,271
Unallocated Liabilities						-
Segment Liabilities Increases/ (Decreases) for the Period						
New Borrowings	2,500	-	-	-	-	2,500
Repayment of Borrowings	(3,600)	-	-	-	-	(3,600)
Net movement in other segments	-	-	-	-	(495)	(495)
	12,800	-	-	-	20,876	33,676
Unallocated Liabilities						
Deferred Tax Liabilities						1,432
Total Group Liabilities						35,108

Note 29: Cash Flow Information**a. Reconciliation of Cash Flow from Operations with Profit After Income Tax**

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Profit/(loss) after income tax	21	3,316
Non-cash flows in profit/(loss)		
Depreciation and amortisation	53	38
(Gain)/loss on asset revaluation	(2,135)	(6,188)
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	(86)	107
(Increase)/decrease in prepayments	7	(37)
(Decrease)/increase in trade payments and accruals	419	(159)
(Decrease)/increase in other payables	-	-
(Decrease)/increase in provisions	107	(65)
Increase/(decrease) in deferred taxes payable	(338)	1,432
Transfer to financing activities	(854)	588
Cash flow from operations	(2,806)	(968)

Credit Standby Arrangements with Banks

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Credit facility	-	100
Amount utilised	-	-

Bank overdraft facility is arranged with one bank and the general terms and conditions are set and agreed annually. Interest rates are variable and subject to adjustment. Please refer to note 17.

Loan Facilities with Financial Institutions

	Consolidated Group	
	2026	2025
	\$'000	\$'000
Loan facilities	20,800	12,800
Amount utilised	(13,895)	(12,800)

For more details on the loan facilities, please refer to note 17.

Note 30: Parent Entity Disclosures

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Accounting Standards.

Note	Parent Entity	
	2026 \$'000	2025 \$'000
STATEMENT OF COMPREHENSIVE INCOME		
Result of Parent Entity		
Profit for the period	25	49
Other comprehensive income	-	-
Total profit and comprehensive income for the period	25	49
STATEMENT OF FINANCIAL POSITION		
Current Assets		
Cash	3	7
Trade and other receivables	25	13
Other assets	-	38
Non-current Assets		
Trade and other receivables – loans to controlled entities	ii 8,422	9,311
Investment – controlled entities	i 490	490
Property, plant and equipment	252	30
Total Assets	9,192	9,889
Current Liabilities		
Trade and other payables	67	77
Short term provisions	164	26
Non-current Liabilities		
Long term provisions	-	31
Total Liabilities	231	134
Net Assets	8,961	9,755
Total Equity		
Issued capital	21,213	21,213
Retained earnings/(accumulated losses)	(12,252)	(11,458)
Total Equity	8,961	9,755

i. Controlled Entities

Investments in controlled entities are unquoted and comprise:

Controlled Entities	Class of Shares	Holding %	Parent Entity	
			2026	2025
			Investment \$'000	Holding % Investment \$'000
Desane Properties Pty Ltd	Ordinary	100	490	100 490
159 Allen Street Leichhardt Pty Ltd	Ordinary	100	-	100 -
			490	490

All controlled entities are incorporated in Australia. Desane Properties Pty Ltd declared a dividend of \$1,850,000 out of retained profits (2025: \$1,850,000). 159 Allen Street Leichhardt Pty Ltd declared a dividend of \$nil (2025: \$nil).

Contribution to profit/(loss) after tax:

	2026 \$'000	2025 \$'000
Desane Group Holdings Limited	(1,825)	(1,801)
Desane Properties Pty Limited	2,179	3,400
159 Allen Street Leichhardt Pty Ltd	(333)	1,717
	21	3,316

(ii): Loans to Controlled Entities

	2026 \$'000	2025 \$'000
Desane Properties Pty Limited	(16,007)	(14,723)
159 Allen Street Leichhardt Pty Ltd	24,429	24,034
	8,422	9,311

Guarantees

Desane Group Holdings Limited has not entered into any guarantees, in the current or previous financial year, in relation to the above debts of its controlled entities.

Capital Commitments

Desane Group Holdings has no capital commitments to note.

Contractual Commitments

At 30 June 2026, Desane Group Holdings Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment or any other affairs (2025: Nil).

Note 31: Events after the Reporting Date

There were no events after the reporting date.

Note 32: Economic Dependency

A portion of all the Group's investment properties are under financial loans.

DIRECTORS' *Declaration*

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In accordance with a resolution of the directors of Desane Group Holdings Limited, the directors of the company declare that:

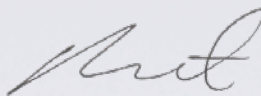
1. The financial statements and notes, as set out on pages 30 to 59 are in accordance with the *Corporations Act 2001* and;
 - a. Comply with Australian Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. Give a true and fair view of the financial position as at 30 June 2026 and of the performance for the year ended on that date of the consolidated group;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. The directors have been given the declarations required by a 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer.

This declaration is made in accordance with a resolution of the Board of Directors.



J B Sheehan
Director
Sydney

26th August 2026



R Montrone
Director
Sydney

INDEPENDENT *Audit*

G. C. C. Business & Assurance Pty Ltd

ABN 61 105 044 862

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Suite 807, 109 Pitt Street, Sydney

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESANE GROUP HOLDINGS LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Report on the Financial Report

Opinion

We have audited the financial report of Desane Holdings Limited and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the financial statements, including a summary of material accounting policies information and the directors' declaration.

In our opinion, the accompanying financial report of Desane Holdings Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group 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 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 the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June, 2026. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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G. C. C. Business & Assurance Pty Ltd

Description of Key Audit Matter	How Our Audit Addressed the Key Audit Matter														
1. Valuation of Investment Properties – non current refer note 1(e) and note 14 to the consolidated financial statements. \$,000 <table> <tr><td>7 Sirius Road, Lane Cove NSW</td><td style="text-align: right;">12,194</td></tr> <tr><td>91 Thornton Drive, Penrith</td><td style="text-align: right;">14,488</td></tr> <tr><td>159 Allen Street, Leichhardt NSW</td><td style="text-align: right;">25,028</td></tr> <tr><td>16 Industrial Avenue, Wacol QLD</td><td style="text-align: right;">20,100</td></tr> <tr><td>270-278 Norton Street, Leichhardt</td><td style="text-align: right;">9,903</td></tr> <tr><td>35 Norton Street, Leichhardt</td><td style="text-align: right;">4,300</td></tr> <tr><td>322 Norton Street, Leichhardt</td><td style="text-align: right;">5,309</td></tr> </table> During the year, independent valuations were undertaken for 7 Sirius Street, 16 Industrial Avenue, 270-278 Norton Street and 35 Norton Street. The other properties were valued by the directors based on the methodologies used in independent valuations undertaken by licensed valuers. Commercial property valuations are sensitive to the key assumptions applied in valuations. In particular, rates of capitalisation of net rental income, the inputs to determine discounted cash flow outcomes, assessing other factors which may currently add or detract from the value of a property and appropriately assessing market sales evidence in the property sector and location under review.	7 Sirius Road, Lane Cove NSW	12,194	91 Thornton Drive, Penrith	14,488	159 Allen Street, Leichhardt NSW	25,028	16 Industrial Avenue, Wacol QLD	20,100	270-278 Norton Street, Leichhardt	9,903	35 Norton Street, Leichhardt	4,300	322 Norton Street, Leichhardt	5,309	Our procedures included, but were not limited to the following: 1. We confirmed that the independent valuations were undertaken in accordance with both International Financial Reporting Standards (IFRS) 13 and the Australian Property Institute Standards to determine the fair value of the properties. 2. We considered the valuation methods used by the directors to ensure their approach and methodologies accorded with the industry norm for valuations of this nature and that all commonly accepted valuation methods had been considered. 3. The professional memberships of the independent valuers were confirmed. 4. We checked the continued reliability of the underlying assumptions used in the valuations to supporting lease agreements and market research. To assist with this, we contacted valuers directly. 5. We compared the inputs in the valuations, including capitalisation rates, discount rates and rental yields to historical data and available industry data for their current relevance and applicability. The relative sensitivity of the inputs was discussed with the Directors. 6. We met with the Directors and management to ascertain their assessment of current factors which may affect the values. We reviewed evidence of comparable market sales for reasonableness. 7. We considered the adequacy of the disclosures in the financial statements. We confirmed that the directors' valuations were in accordance with generally acceptable market valuations with the key assumptions being within the range of current market data. We found the disclosures in the financial statements to be adequate.
7 Sirius Road, Lane Cove NSW	12,194														
91 Thornton Drive, Penrith	14,488														
159 Allen Street, Leichhardt NSW	25,028														
16 Industrial Avenue, Wacol QLD	20,100														
270-278 Norton Street, Leichhardt	9,903														
35 Norton Street, Leichhardt	4,300														
322 Norton Street, Leichhardt	5,309														

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Information Other than the Financial Report and the Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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G. C. C. Business & Assurance Pty Ltd

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 5 to 7 of the directors' report for the year ended 30 June 2026. In our opinion, the remuneration report of Desane Group Holdings Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

GCC Business & Assurance Pty Ltd

GCC Business and Assurance Pty Ltd
Authorised Audit Company



Jing Shu
Director
Sydney
Dated: 25 August 2026

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SHAREHOLDER *Information*

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The shareholder information set out below was applicable as at 12 August 2026.

1. SHAREHOLDING

Distribution of equitable securities:

Category (size of holding)	Number of Ordinary Shares*	Number of Holders of Ordinary Shares	% of Issued Capital
1 - 1,000	29,054	128	0.07
1,001 - 5,000	277,776	111	0.68
5,001 - 10,000	357,435	46	0.87
10,001 - 100,000	4,056,949	107	9.92
100,001 and over	36,188,776	55	88.46
Rounding			(0.00)
Total	40,909,990	447	100.00

There were 105 holders of less than a marketable parcel of ordinary shares.

* The number of Ordinary Shares on issue as at 30 June 2026 was 40,909,990.

2. TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the 20 largest security holders are listed below:

Name	Ordinary Shares	% Held to Issued Capital
1. Cupara Pty Ltd	6,270,878	15.33
2. Mansfield Holdings Pty Ltd	5,800,632	14.18
3. J P Morgan Nominees Australia Pty Limited	4,499,201	11.00
4. Montevans Pty Ltd <M & M Super A/C>	2,210,400	5.40
5. Trafalgar Custodians Pty Ltd <The Forfar A/C>	2,210,294	5.40
6. Glencairn Pty Limited	1,520,000	3.72
7. Citicorp Nominees Pty Limited	1,053,704	2.58
8. PFPT Management Pty Ltd <Pellarini Super Fund A/C>	938,831	2.29
9. BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	850,512	2.08
10. Cordato Partners (Superannuation) Pty Ltd <Cordato Partners S/F A/C>	790,409	1.93
11. Dotnric Pty Ltd <Famiglia di Riccardo SF A/C>	604,579	1.48
12. John & Judith Pty Ltd <Joju Superannuationfund A/C>	582,677	1.42
13. Keiser Investments Pty Ltd <Gann Family Retirement A/C>	556,158	1.36
14. Hillmorton Custodians Pty Ltd <The Lennox Unit A/C>	552,051	1.35
15. Oakmount Nominees Pty Ltd <Narromine Super Fund A/C>	330,000	0.81
16. Fruitful Super Pty Ltd <Fruitful Super Fund A/C>	319,825	0.78
17. Woodtrone Pty Ltd <Woodtrone Superannuation A/C>	303,721	0.74
18. Waratah Property Services (No 1) Pty Ltd <Rayner Family S/F A/C>	303,105	0.74
19. Whimplecreek Pty Ltd <Stawell Family A/C>	290,000	0.71
20. Joe Scardino & Felicia Scardino	273,555	0.67
	30,260,532	73.97

3. SUBSTANTIAL SHAREHOLDERS

Substantial holders in the Company are set out below:

Substantial Holder	Ordinary Number	%
Cupara Pty Ltd	6,270,878	15.33
Mansfield Holdings Pty Ltd	5,800,632	14.18
Greig & Harrison Pty Ltd	4,624,331	11.30
Phoenix Portfolios Pty Ltd	4,560,206	12.36
Montevans Pty Ltd <M & M Super A/C>	2,729,374	6.67

The above information is based on the most recently lodged ASIC Form 604 submitted by each substantial shareholder.

4. VOTING RIGHTS

The voting rights attaching to each class of shares are set out below:

Ordinary Shares

No restrictions. Every member present or by proxy shall have one vote per share and upon a poll, each share shall have one vote.

There are no other classes of equity securities.



COMPANY *Directory*

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Directors & Key Personnel

Prof. John Blair Sheehan AM – Chairman (non-executive director)
Rick Montrone – Managing Director
Peter Krejci – Director (non-executive)
Jack Sciara – Director, Chief Financial Officer and Joint Company Secretary
Melissa Ashcroft – Director (non-executive)
Kylie Ichsan – Joint Company Secretary and Financial Accountant

Principal Registered Office in Australia

Suite 4, 26-32 Pirrama Road, Pyrmont NSW 2009

Other Company Details

Postal address: PO Box 331, Leichhardt NSW 2040
Telephone: (02) 9555-9922
E-mail Address: info@desane.com.au
Website: desane.com.au

Share Register

Shareholders with questions about their shareholdings should contact Desane's external share registrar:

Computershare Investor Services Pty Limited
452 Johnston Street, Yarra Falls, Abbotsford VIC 3067
Postal Address: GPO Box 2975, Melbourne VIC 3001
Telephone enquiries within Australia: 1300-556-161
Telephone enquiries outside Australia: 61-3-9415-4000
Website: www.computershare.com

Please advise the share registrar if you have a new postal address.

Auditor

GCC Business & Assurance Pty Ltd
Suite 807, 109 Pitt Street, Sydney NSW 2000

Bankers

Commonwealth Bank of Australia and National Australia Bank

Securities Exchange Listing

Desane Group Holdings Limited shares are listed on the Australian Securities Exchange. The ASX code is DGH.

Notice of Annual General Meeting

The Annual General Meeting of Desane Group Holdings Limited will be held at the Canada Bay Club, the William Room, 8 William Street, Five Dock NSW on Thursday, 5 November 2026, commencing at 10.30 am.