



ASX RELEASE | De.mem Limited (ASX:DEM)

Closes \$2.2m Placement Ahead of Expected Entry Into New Growth Markets

Highlights:

- Received commitments for \$2.2m at 9 cps
- Funding almost entirely from existing institutional investors and the Board
- Supporting the execution of contracts and launch of new business such as the company's new Graphene Oxide enhanced membrane, as well as potential acquisitions

21 February 2024: Australian headquartered, international water technology company De.mem Ltd (ASX:DEM) ("De.mem" or "the Company") is pleased to announce that it has received firm commitments to raise \$2.2m (before costs) by way of a share placement of approximately 24.4 million fully paid ordinary shares (**New Shares**) at \$0.09 (9 cents) per New Share (**Placement**), almost entirely from a group of existing institutional investors and members of the Board.

Placement Overview

The Issue Price of \$0.09 per share represents a 10% discount to the shares' 5-day VWAP (Volume Weighted Average Price) to 16 February 2024 and a 6.3% discount to the closing price on 16 February 2024. The Placement comprises the issue of approximately 24.4 million New Shares (equivalent to 9.96% of the Company's current shares outstanding), utilising the Company's existing placement capacity under ASX Listing Rule 7.1A as applicable.

No shareholder approval is required other than for the proposed subscriptions by Chairman Mr Cosimo Trimigliozzi and Non-Executive Director Mr Harry De Wit, for which shareholder approval will be sought at the Company's forthcoming Annual General Meeting.

New Shares subscribed for under the Placement, other any New Shares to be issued to Mr Trimigliozzi and Mr De Wit, are expected to settle on Monday, 26 February 2024.

The New Shares issued under the Placement will rank equally with existing fully paid shares of the Company.

Use of Funds

The additional capital is intended to fund:

- the execution of existing contracts,
- new business opportunities such as the launch of the Company's new Graphene Oxide enhanced membrane,
- potential mergers & acquisitions,
- costs of the Placement, and
- general working capital.



New Graphene Oxide enhanced membrane technology (domestic water treatment systems)

As previously announced (see ASX release “First Order for Graphene Oxide Enhanced Membrane Cartridges” dated 7 February 2024), the Company has initiated the launch of its new Graphene Oxide enhanced membrane technology. The new technology allows for up to 40% higher flux (increased throughput), enabling significant cost savings and/or a smaller cartridge size. With the more compact cartridge size, the membrane fits well into domestic or mobile water treatment systems, where space is constrained.

The global market for domestic water treatment systems was valued at US\$10.9 billion in 2021 and is expected to grow at a compound annual growth rate of 10.5% from 2022 to 2030 (Source: *Grandview Research, Home Water Filtration Unit Market Size*, 9 July 2019).

While De.mem is already pursuing non-regulated opportunities, the expected completion of the National Sanitation Foundation (NSF) certification for usage of the membrane for potable water treatment applications in the USA will further increase the addressable market for the new product.

Acquisitions

Since 2019, De.mem has completed four successful “bolt-on” acquisitions.

Post-acquisition, De.mem has substantially grown the revenues of all four acquired businesses, with the average revenue growth being 63% (see the Investor Presentation lodged on 9 February 2024, page 7, for further details).

Currently, De.mem’s core market is the Australian market for provision of decentralized (i.e. on customer premises) water treatment membranes. This market is highly fragmented, with several smaller operators lacking scale, capital, technical expertise and/or proprietary technology. This highly fragmented market structure provides a highly attractive opportunity for De.mem to continue executing its strategy of integrating value-adding acquisitions.

CEO commentary

De.mem CEO Andreas Kroell said: “We would like to thank existing investors who have added to their investments, particularly substantial shareholder Perennial Value Smaller Companies and Northstar Impact Australian Equities Fund, with each investor demonstrated to be a long-term supporter of high-quality growth businesses.

I would also like to also thank the Chairman Mr Cosimo Trimigliozzi and Non-Executive Director Mr Harry De Wit for their substantial investments, which are subject to shareholder approval.

With our world-leading, innovative membrane technology, expanded product range around water treatment specialty chemicals and our proven capability to operate and maintain water treatment plants, De.mem is uniquely positioned as a water and waste water treatment supplier to industrial customers in Australia, Singapore and internationally. We look forward to expanding our position in both the industrial as well as the domestic water filtration market.”



This release was authorized by the Company's Chief Executive Officer, Mr. Andreas Kroell.

-ENDS-

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De.mem Limited (ASX:DEM) is a decentralised water and wastewater treatment business that designs, builds, owns and operates turnkey water and wastewater treatment systems for some of the world's largest companies in the mining, electronics, chemical, oil & gas, and food & beverage industries. Its systems also provide municipalities, residential developments and hotels/resorts across the Asia Pacific with a reliable supply of clean drinking water.

De.mem's technology to treat water and wastewater is among the most advanced globally. The Company is headquartered in Australia and has international locations in Singapore, Germany and Vietnam. It is commercialising an array of innovative proprietary technologies, including its new Graphene Oxide enhanced membrane.

To learn more, please visit: www.demembranes.com

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of De.mem Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.