

## RECORD CASH RECEIPTS, REVENUES AND MARGINS, OPERATING CASH FLOW BREAK EVEN

27 February 2025: Australian headquartered, international water and waste-water treatment company De.mem (ASX:DEM) (“De.mem” or “the Company”) is pleased to release its Consolidated Financial Report for the 12 months ended 31 December 2024 (“CY 2024”).

### HIGHLIGHTS

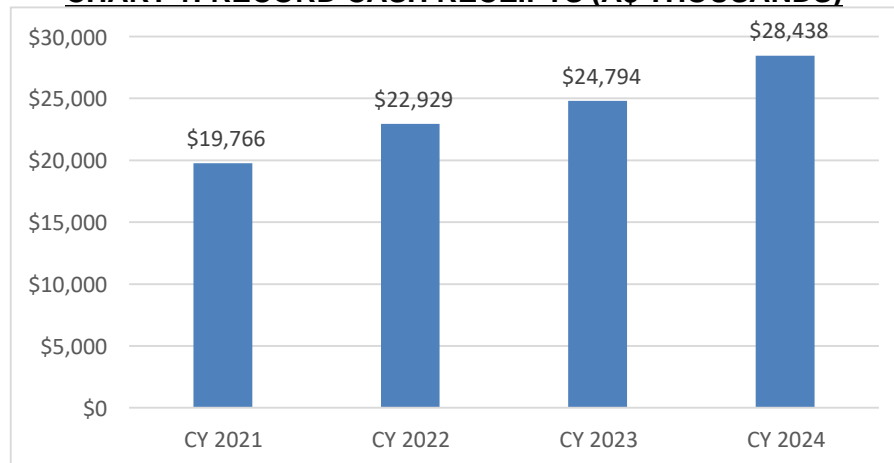
- **Record full calendar year (CY) cash receipts of approximately \$28.4m**, ~15% growth vs. CY2023
- **Operating cash flow positive** for the full CY
- **Recurring revenues of 92%** of total CY2024
- **Record 41% gross margins**, more than doubling over 7 years
- **Australian nationwide presence**, with two recent acquisitions integrated
- **NSF certification achieved and new Ultrafiltration products launched**
- **Strong balance sheet**, with \$3.6m cash as at 31 December 2024
- **Strong outlook for CY 2025**

### Record cash receipts

De.mem is pleased to report record CY 2024 cash receipts of approximately \$28.4m, a 15% increase vs. CY2023 cash receipts of \$24.8m and 44% growth since CY2021. **Chart 1.**

De.mem is experiencing strong growth momentum, with 23 successive quarters of cash receipts growth versus prior corresponding periods (pcp) and expects to continue this strong growth momentum.

**CHART 1: RECORD CASH RECEIPTS (A\$ THOUSANDS)**

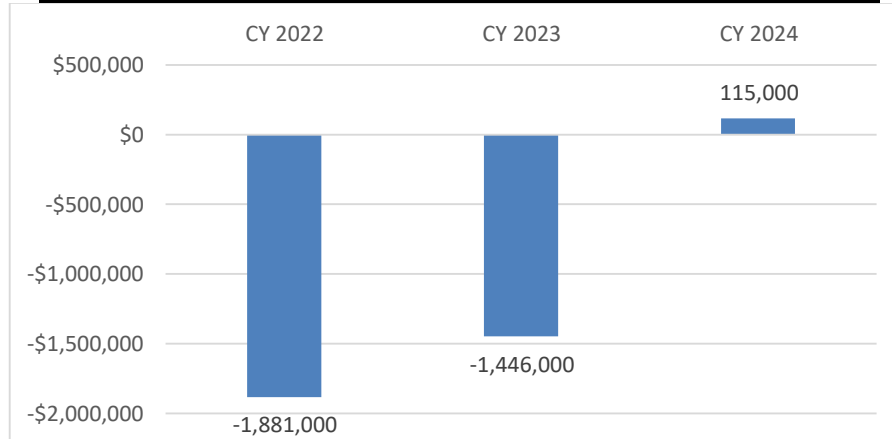


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## Operating cashflow positive

The Company is delighted to report its inaugural full calendar year of positive operating cash flows, with \$115,000 in operating cash flows reported for CY2024. **Chart 2.**

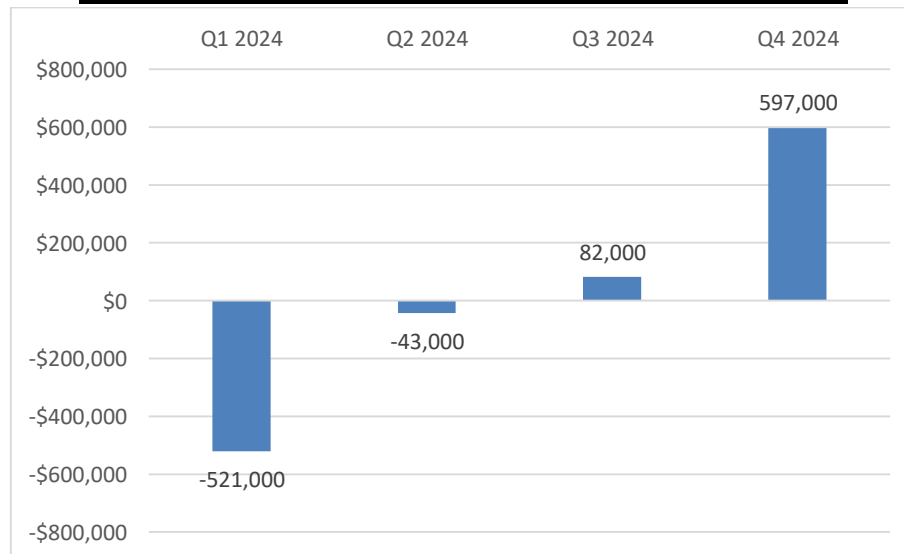
**CHART 2: OPERATING CASH FLOW (CALENDAR YEAR, A\$)**



Furthermore, the quarterly operating cashflow momentum is very strong, increasing from September to December Quarter 2024, as follows:

- Record positive operating cashflow of \$597k in the December Quarter 2024,
- September Quarter 2024 operating cashflow of \$82k. **Chart 3.**

**CHART 3: OPERATING CASH FLOW (QUARTERLY, A\$)**



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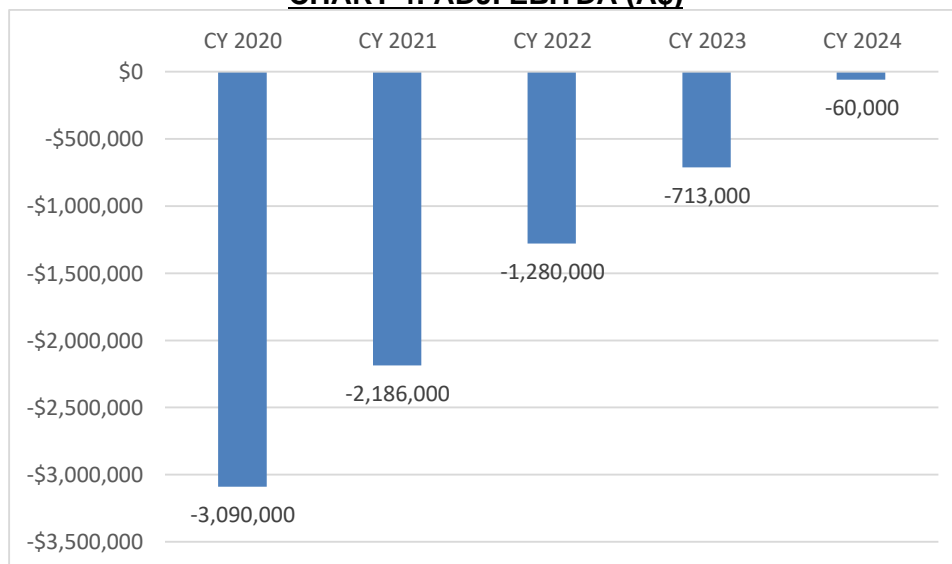
## EBITDA break-even in second half

De.mem has achieved positive adjusted EBITDA of \$329,000 in the second half of CY2024.

Adjusted EBITDA loss for CY 2024 reduced to -\$60,000, from \$0.7 million in 2023, \$1.3 million in 2022 and \$2.2 million in 2021. **Chart 4.**

Adjusted EBITDA is defined as EBITDA less business acquisition cost, share based payments expense, and other one-off items. For further details, please refer to “Review of Operations” in the Consolidated Financial Report.

**CHART 4: ADJ. EBITDA (A\$)**



## Successful transition to recurring revenues

De.mem has delivered on its strategy of transitioning to high margin, recurring cash receipts, with a record 92% recurring cash receipts reported in CY2024.

Recurring revenues segments include:

- Build, Own, Operate (“BOO”) and Operations & Maintenance contracts;
- Regular maintenance work on water treatment equipment;
- Membrane replacement sales into existing facilities;
- Specialty chemicals sales through the De.mem-Capic and De.mem-Geutec subsidiaries;
- Sales of pumps and related maintenance services through the De.mem-Pumptech and De.mem-Stevco subsidiaries;
- Sales of small equipment and consumables; and
- Sales of domestic water filters.

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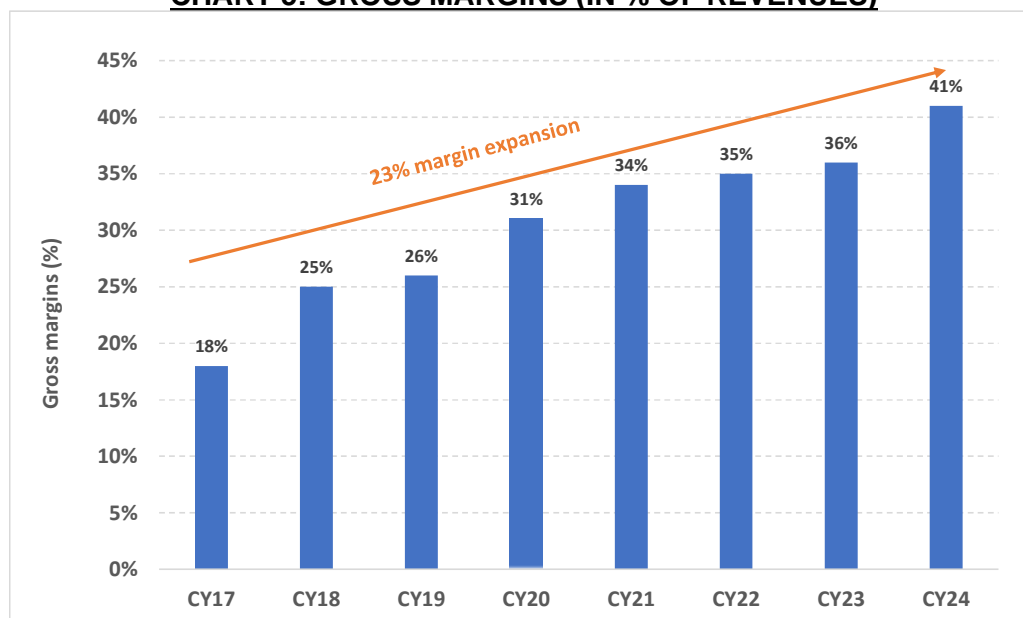
## Strong margin growth

Margins have expanded as the Company has continually increased cash receipts over its relatively fixed cost base and increased its cross-sell of higher margin, recurring products and services.

The Company's gross margins have increased substantially in CY2024 to a record 41% (CY 2023: 36%), more than doubling from CY2017 gross margins of 18%. **Chart 5.**

In absolute numbers, De.mem has generated gross margin of \$10.2m in CY 2024, up by \$1.8m from \$8.4m in CY 2023.

**CHART 5: GROSS MARGINS (IN % OF REVENUES)**



## Australian nationwide geographic presence

During 2024, De.mem acquired and integrated two businesses, Border Pumpworks and Auswater Systems, reinforcing De.mem's competitive advantage as the only nationwide, ASX-listed company providing industrial water treatment products and services on site to blue-chip customers. **Chart 6.**

De.mem has a strong acquisition track record, reporting 63% revenue growth across 4 acquisitions since 2019 (excluding Border Pumpworks and Auswater Systems, see ASX Investor Presentation dated 3 June 2024, page 4).

The Company expects continued growth from both these recent acquisitions. Both companies will make full year contributions to revenues, cash receipts and margins in CY2025.

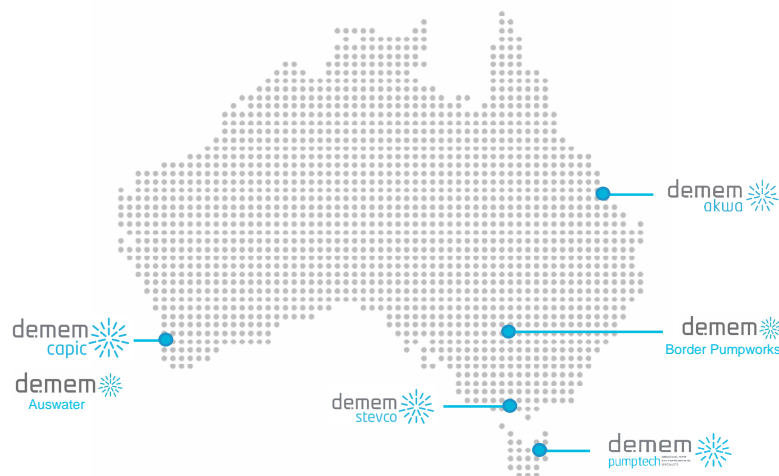
Border Pumpworks, based in Wodonga/regional Victoria, was acquired on 1 May 2024 (see ASX release dated 29 April 2024). It has been operating since 1992, servicing and supplying pumps and small water

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treatment systems to mainly industrial customers in regional Victoria and New South Wales. At acquisition, Border Pumpworks reported approximately \$100k in normalised annual EBITDA.

Auswater Systems, based in Perth, Western Australia, was acquired on 2 July 2024 (see ASX Investor Presentation dated 3 June 2024). It has been operating for 29 years and services water and waste-water treatment systems on behalf of more than 50 recurring clients, mainly from the Western Australian mining industry. At acquisition, Auswater Systems reported approximately A\$450k normalised annual EBITDA.

## CHART 6: AUSTRALIAN NATIONWIDE GEOGRAPHIC PRESENCE



Source: ASX Investor Presentation, 3 June 2024, page 7.

### NSF certification accomplished; launch of domestic water filters in progress

On 9 May 2024, the Company announced its formal USA National Sanitation Foundation (“NSF”) certification under NSF Standard 53 for the Company’s Graphene Oxide (“GO”) enhanced membrane technology (see ASX release “Graphene Oxide enhanced membrane - NSF formal certification”, 9 May 2024). **Images 1 & 2.**

In February 2024, De.mem announced first revenues generated from the new product of \$55k.

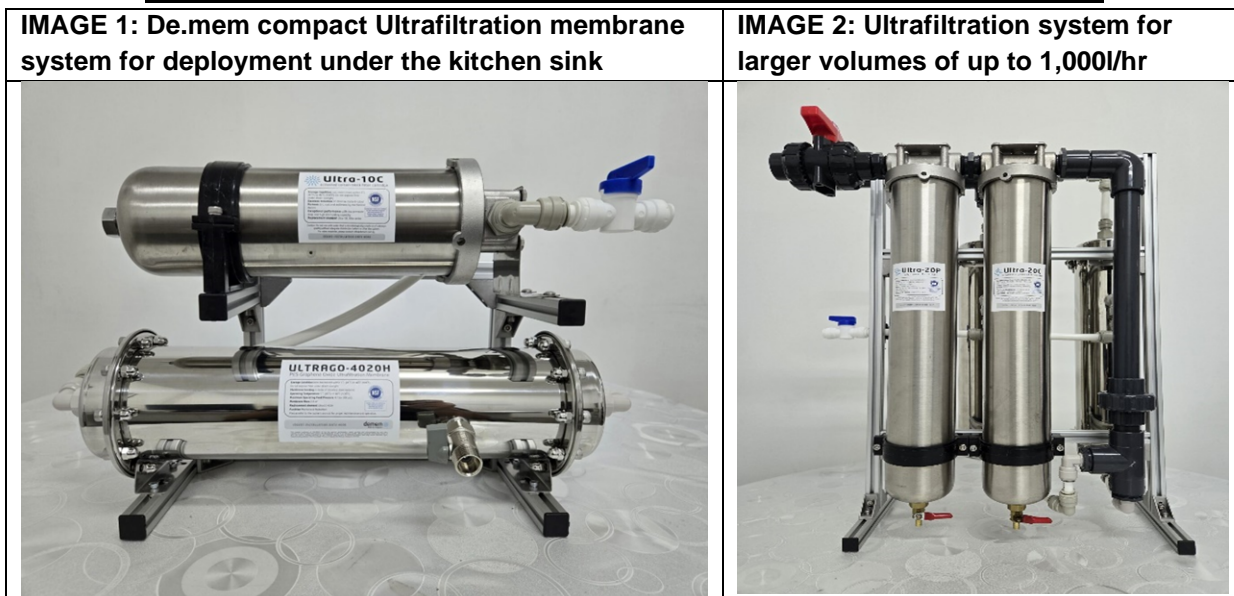
Since then, De.mem has initiated the full commercial launch of the new technology, providing premium water filtration solutions for domestic water treatment applications.

In November 2024, De.mem presented its new range of small, standardised Ultrafiltration systems, integrating the Company’s GO enhanced membrane as the key component, with all components of the new systems being NSF certified.

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In February 2025, the Company announced a new distribution partnership with Firmbase Pte Ltd, Singapore, targeting sales into China, Japan and Indonesia.

## **IMAGES 1 AND 2: DE.MEM COMPACT ULTRAFILTRATION SYSTEMS**



### **Strong outlook for CY2025**

De.mem sees itself well positioned for continued growth in CY2025, based on the following:

- Recurring revenue profile with 92% of revenues generated by the Company's recurring revenue segments;
- Continued organic growth momentum, with a focus on cross-sell of high margin products across the Company's national business portfolio;
- Potential access to debt finance to enhance return on equity , based on the positive operating cashflow and EBITDA reported;
- Expected contribution from entering the US and Asian markets for domestic water filtration; and
- Full year contribution to revenues and margins from the recent acquisitions of Auswater Systems Pty Ltd and Border Pumpworks.

### **CEO Commentary**

De.mem Chief Executive Officer Andreas Kroell said:

*"I am delighted to report record financial results for CY2024.*

*Importantly, we have achieved key financial milestones, with positive operating cash flows for the full CY2024 and positive adjusted EBITDA in the second half of the calendar year.*

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*We have delivered on our strategy of creating a high-quality business model, across Australia, providing a unique and comprehensive offering of products & services, servicing long-term, stable industrial customers.*

*We have successfully achieved the Company's high recurring revenues of over 90% and expanded our gross margins to a record 41% in CY 2024.*

*This positions us well for further growth in CY 2025.*

*We look forward to delivering for our shareholders, customers and employees in 2025 and beyond."*

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

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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 and Germany. It is commercialising an array of innovative proprietary membrane technologies.

To learn more, please visit: [www.demembranes.com](http://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.

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