



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

CEO AGM PRESENTATION

20 May 2025: De.mem Ltd (ASX: DEM) (“De.mem” or “the Company”), an Australian headquartered, international water technology company, hereby encloses, in accordance with ASX Listing Rule 3.13.3, the CEO Presentation to be delivered today at the De.Mem Limited Annual General Meeting.

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

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De.mem Limited (ASX:DEM) is an Australian headquartered, international decentralized 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 offers a “one-stop-shop” of equipment, services, chemicals and consumables to its clients, for the ongoing operations of their water and wastewater treatment plants.

De.mem’s technology to treat water and wastewater is among the most advanced globally. The Company commercialises an array of innovative proprietary hollow-fibre membrane technologies. De.mem has been partnering with Nanyang Technological University (NTU) in Singapore, a world leader in membrane and water research.

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.



Dear Shareholders,

I am delighted to report a strong performance of De.mem ("De.mem" or "the Company") in Calendar Year ("CY") 2024, with key financial, operational and strategic milestones achieved.

Record Results

We are proud to report that De.mem continued the growth trend from prior years. Cash receipts grew by 15% from 24.8m in CY 2023 to 28.4m in CY 2024, the highest annual cash receipts recorded in company history.

Chart 1) Annual cash receipts in \$m

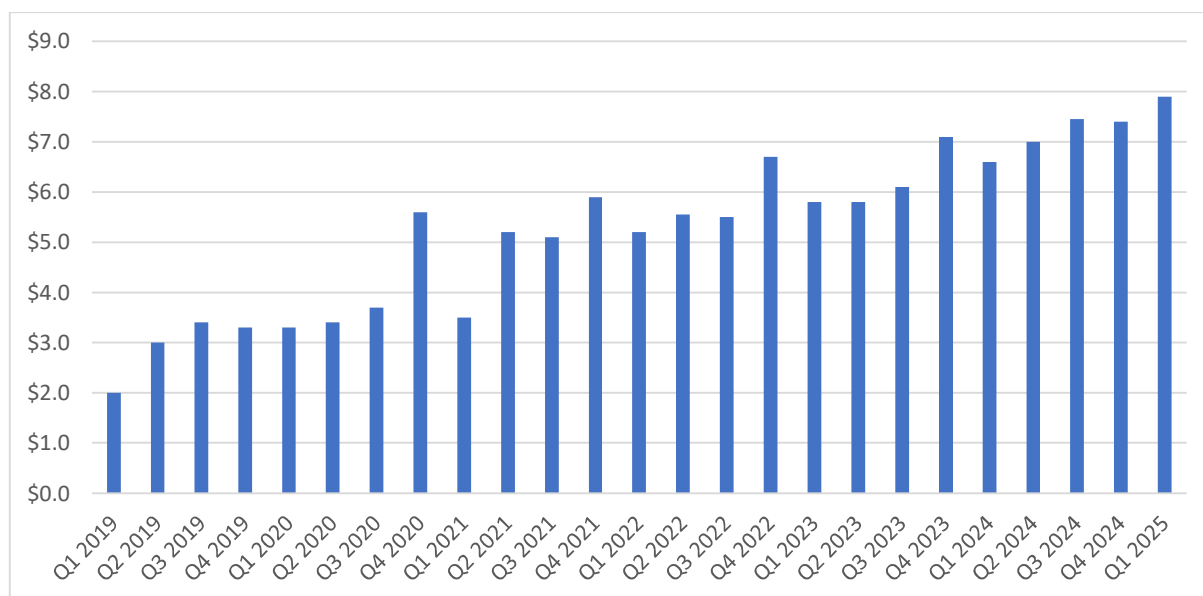


Importantly, the growth has been very consistent, with De.mem's quarterly cash receipts exceeding the prior corresponding period's results for 24 consecutive quarters (as of March 2025).

Furthermore, we carried the growth momentum over into the March Quarter 2025, with a record result of \$7.9m in quarterly cash receipts, up by 20% vs. prior corresponding period.

We have delivered 26% average annual growth since the March Quarter 2019 (as measured by the CAGR or compound annual growth rate).

Chart 2) Quarterly cash receipts in \$m



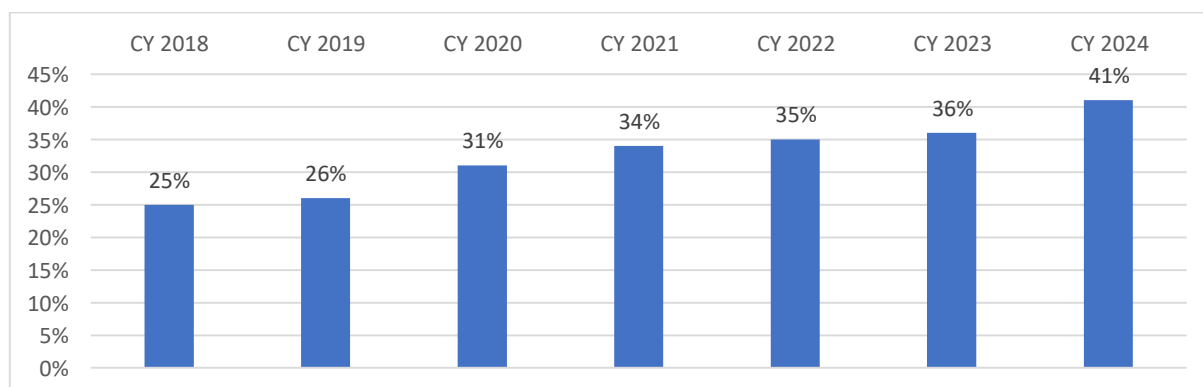
Recurring Revenue Profile Results in Continued Margin Growth

We completed the key strategic objective of shifting towards a predominantly recurring revenue model. Today, approx. 90% of cash receipts and revenues respectively are recurring.

Recurring revenues are primarily generated from our Services and Specialty Chemicals divisions, which deliver strong margins.

As a result of this strategic shift, the overall gross margins of De.mem have improved further in CY 2024 to a record 41%, up from 36% in CY 2023.

Chart 3) Gross margins in % of revenues

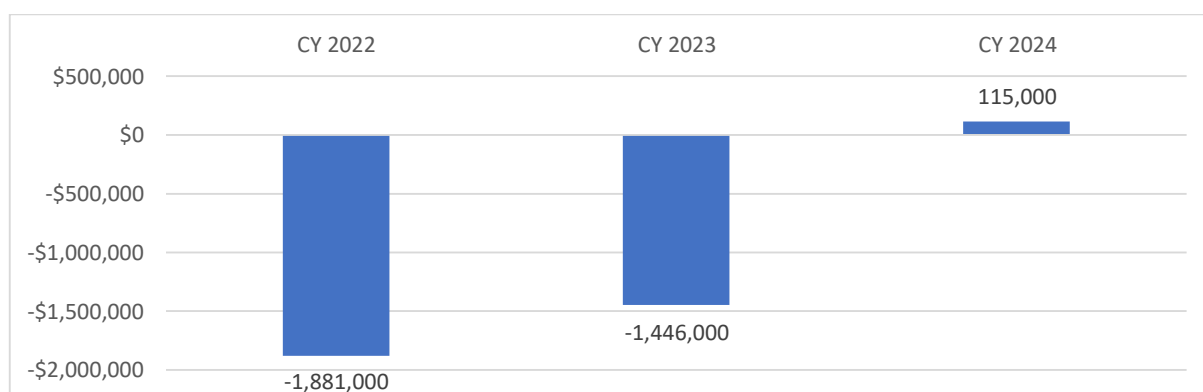


Key Milestone Achieved: Operating Cash Flow Positive in CY 2024

De.mem is proud to report positive operating cash flows of \$115,000 for CY 2024. The achievement of this key financial milestone is a direct result of the revenue and margin growth across the business.

The transition to operating cash flow positive is of particular importance to De.mem as it provides for further growth opportunities, for example through easier access to potential debt financing opportunities for acquisitions or other strategic growth initiatives.

Chart 4) Annual operating cash flows in \$



The Company was able to continue this trend in the March Quarter 2025, for which it reported operating cash flows of \$303,000, delivering three consecutive quarters of positive operating cash flows.

The operating cash flows include continued investment in De.mem's Singapore membrane technology research & development activities, which reinforces our competitive advantage in water treatment technology.

National Sanitation Foundation ("NSF") Certification for Graphene-Oxide Enhanced Membrane Completed

In May 2024, we were delighted to achieve NSF certification for our Graphene Oxide ("GO") enhanced membrane technology, after more than two years of strenuous NSF testing.

With this milestone completed, the technology is now being commercialized into North America. The North American market for domestic water filtration is a significant market that is estimated at US\$12.1 billion in 2022 (source: Grand View Research, November 2022).

The certification also serves as a prerequisite for the market entry into many other countries, reaching far beyond the North American market alone.

Presentation of New Domestic Filter Systems

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.

The new systems provide for a compact and high-quality filtration device that can serve both households and industrial customers.

IMAGE 1: De.mem compact Ultrafiltration membrane system for deployment under the kitchen sink



IMAGE 2: Ultrafiltration system for larger volumes of up to 1,000l/hr



New Distribution Partnership for Asian Markets Announced in February 2025

In February 2025, De.mem announced a new distribution partnership with Firmbase, Singapore, targeting sales of the Company's domestic water filtration products into China, Indonesia and Japan.

Along with the new distribution partnership, De.mem received an initial order worth approx. \$15,000 for sales into China. While immaterial in value, this marks the first step into the large Chinese domestic water treatment market.

Acquisition Value-add Strategy

I am delighted to report continued success in our acquisition strategy, which supports the expansion of our industrial core business.

Decentralised water treatment is a highly fragmented sector, often operated by smaller local companies without national scale and with a limited product range and skills base. In contrast, De.mem's strategy is to offer a national, diversified product and services offering that allows us to service national and international blue-chip customers operating across multiple sites.

To this end, our strategy has been to acquire smaller water treatment solutions operators and grow revenues and earnings through cross-sales, economies of scale and cost synergies.

Our track record of acquisition value-add is excellent. The revenues of the 4 historical acquisitions completed between 2019 and 2022 – by name, the Pumptech Tasmania, Geutec, Capic and Stevco businesses – have increased by approximately 69% since acquisition.

Our more recent acquisitions from 2024 are Border Pumpworks and Auswater Systems Pty Ltd.

Completed in May 2024, we acquired Border Pumpworks, located in Wodonga / regional Victoria. Border Pumpworks adds to our industrial customer base, capabilities and regional presence in South East Australia, enabling further cross-sell and recurring revenue growth.

As of July 2024, we completed the acquisition of Auswater Systems Pty Ltd in Perth. Auswater is an established service business working with mining and industrial clients in Western Australia.

Both businesses combined generated approx. \$2.4m in revenues prior to the acquisition by De.mem. In the three months of the March Quarter 2025, the two businesses combined contributed approx. \$1m in cash receipts to the group, indicating significant growth over their historic financials.

Conclusion

I am delighted to report that our performance and outlook have never been better.

We see De.mem well positioned for continued growth in CY 2025, based on the following:

- Recurring revenue profile with approx. 90% of revenues generated by the Company's recurring revenue segments;
- continued organic growth momentum, with a focus on the 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 cash flows 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.

We look forward to updating shareholders on our continued strong growth momentum.

Andreas Kroell
CEO, De.mem Limited