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

INVESTOR PRESENTATION

20 May 2025: Australian headquartered, international water technology company **De.mem Limited (ASX:DEM)** (“De.mem” or “the Company”) is pleased to release the attached Investor Presentation with updated information about the Company for current and future investors.

This announcement has been authorised for release by the Company’s CEO, Mr Andreas Kroell, on behalf of the Board of Directors.

-ENDS-

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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.



De.mem Limited (ASX:DEM)

Investor Presentation
20 May 2025



RESULTS OVERVIEW

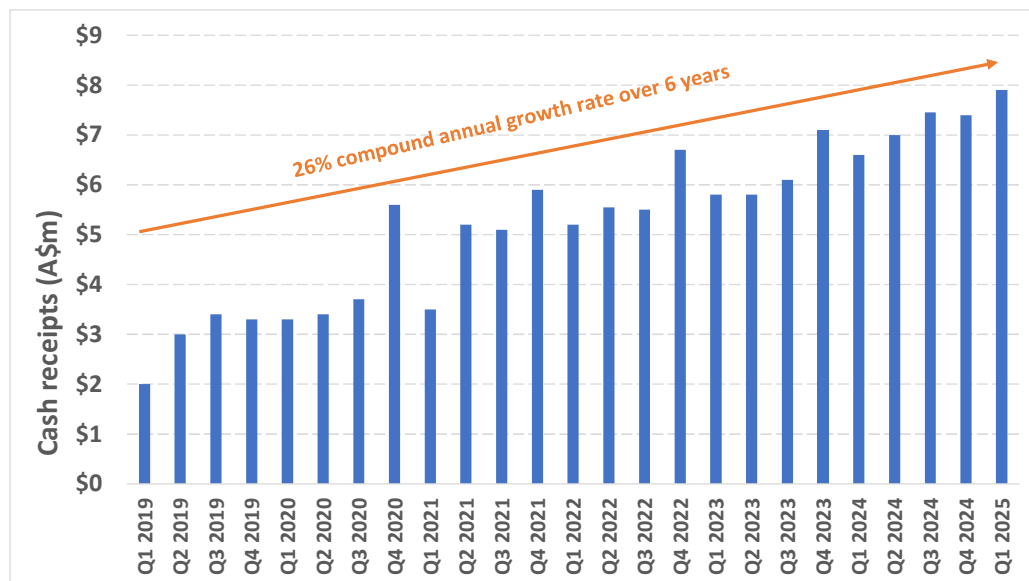
- 3 Record cash receipts
- 4 Positive operating cashflows
- 5 Record gross margins
- 6 High operating leverage
- 7 Strong acquisition track record
- 8 Record outlook

KEY INVESTMENT CONSIDERATIONS

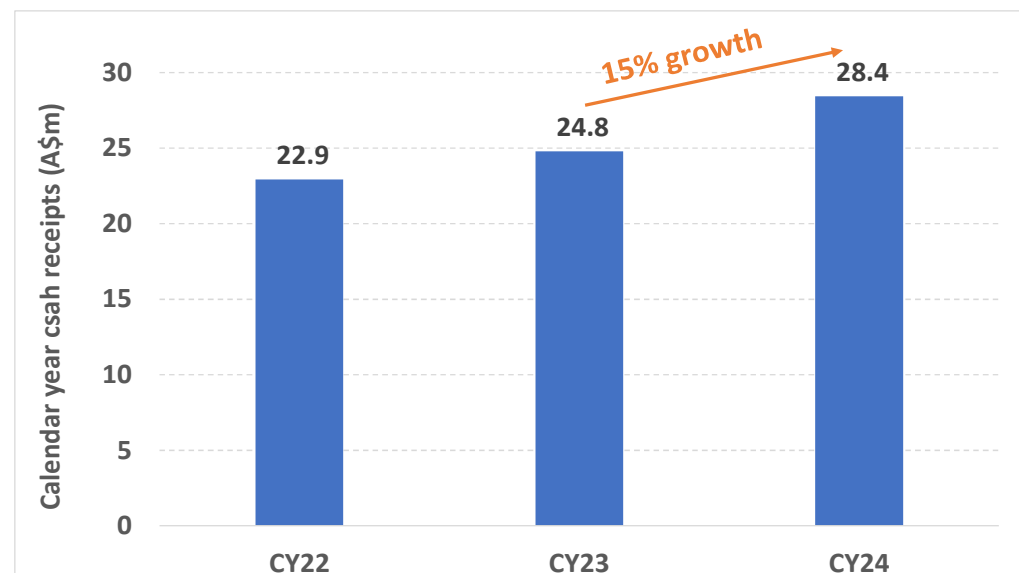
- 9 Investment highlights
- 10 Large, highly fragmented market
- 11 Recurring revenue model
- 12 Geographic diversification
- 13 Diversified products & services
- 14 Corporate Snapshot

On track for record FY2025 results

Record quarterly cash receipts (A\$m)



Record annual cash receipts (A\$m)



Consistent quarterly growth

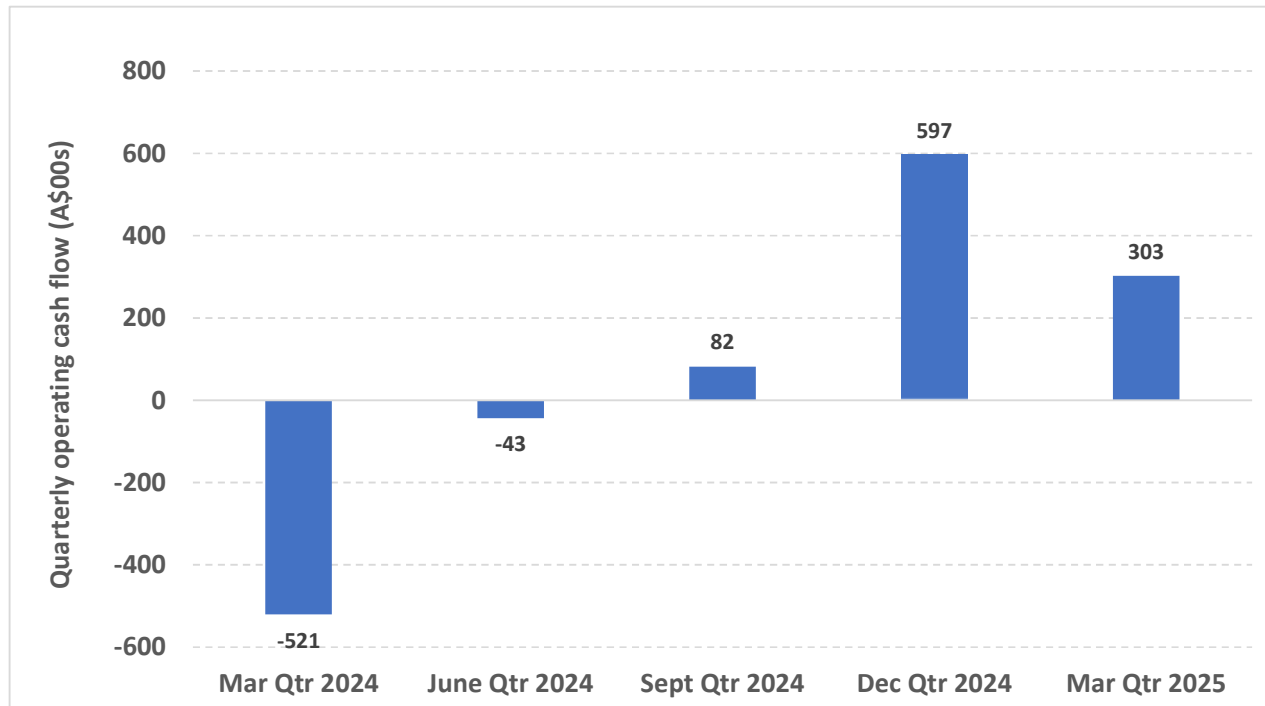
- **March Quarter 2025 cash receipts of \$7.9m: ~20% growth** vs prior corresponding period (pcp) March 2024
- 24 quarters of cash receipts growth vs pcp
- 26% compound annual growth rate (CAGR) over 6 years

Record annual cash receipts

- 15% growth in CY24 cash receipts to \$28.4m
- On track for record CY25 cash receipts

Three consecutive quarters of positive operating cash flows, reflecting positive growth inflection point

Positive operating cash flow (A\$000s)

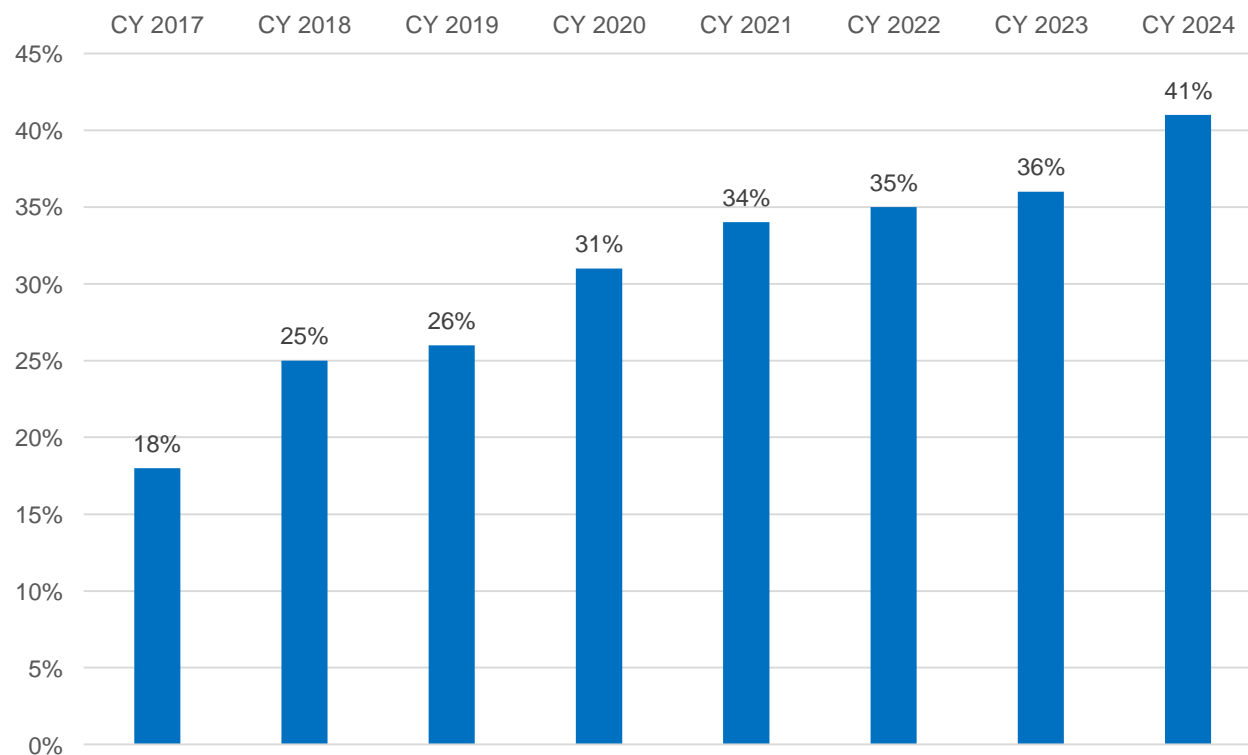


Positive operating cash flow

- March Quarter 2025 positive operating cash flows of \$303,000
- \$900k last 6 months positive operating cash flow
- Full CY 2024 positive operating cash flow of \$115,000

Consistent gross margin growth to record levels

Gross margin in % of revenues



Record Gross Margins

- Record gross margin of 41% in CY 2024, up from 36% in CY 2023
- Margin expansion by 23% from CY 2017 to CY 2024
- Consistent margin expansion due to move towards high-margin recurring revenue segments and cross-selling of higher-margin products

Well positioned for high free cashflow generation with high gross margins and relatively fixed cost base

| A\$m | CY23 | CY24 | % change |
|--------------------------------|---------|-----------|----------|
| Cash receipts (A\$m) | \$24.8 | \$28.4 | 15% |
| Operating cash payments (A\$m) | \$26.2 | \$28.2 | 8% |
| Net operating cashflow | -\$1.4m | \$115,000 | |

GROWING CASH BALANCE

- Cash balance increased ~\$111k from 31 December 2024 to 31 March 2025 to ~\$3.7m

HIGH QUALITY CASH FLOWS

- Over 90% recurring cash receipts
- Revenues well diversified by geography, product/service, customer
- Blue-chip customer base

POSITIVE OPERATING LEVERAGE

- 7% positive operating leverage CY2024 vs CY2023 (cash receipts less cash costs growth %)
- 15% cash receipts growth in CY2024 vs CY2023
- 8% operating cash costs growth in CY2024 vs CY2023

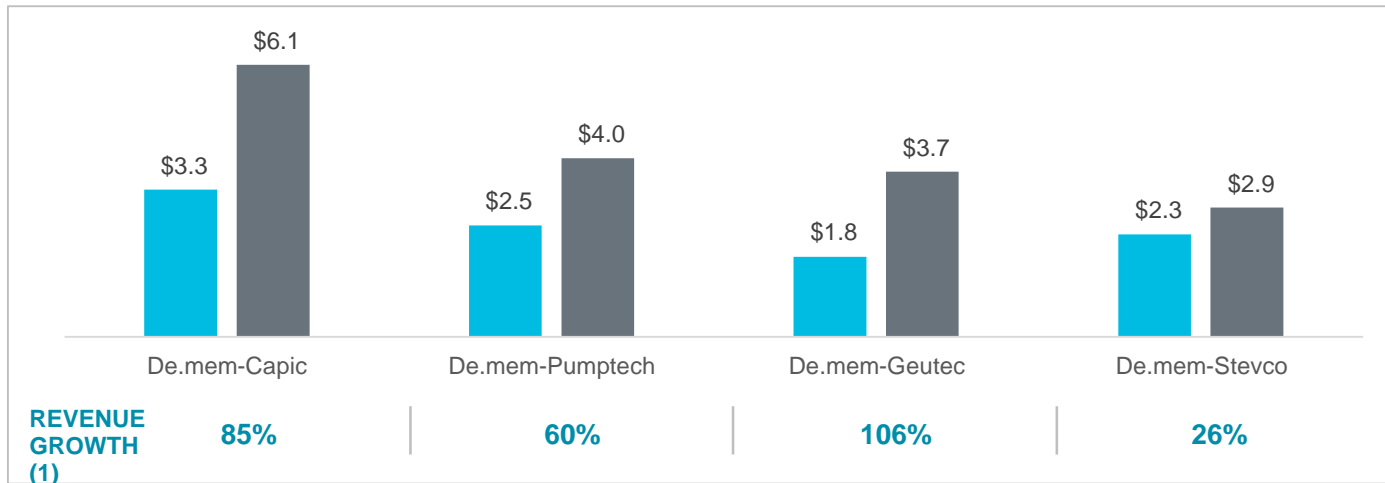
STRONG ACQUISITION VALUE-ADD TRACK RECORD

Since 2019, Demem has successfully grown 4 bolt-on acquisitions by average ~69%

Historical acquisition growth

- Since 2019, ~\$11m total value has been paid to acquire 6 businesses (with Border Pumpworks and Auswater acquired in 2024), adding approximately \$12.3m revenue at acquisition (vs \$28.4m CY24 cash receipts)
- Revenues of the 4 historical acquisitions have increased by ~69% since acquisition
- Two recent acquisitions Border Pumpworks and Auswater Systems have grown by approx. 67% based on annualized March Quarter 2025 cash receipts (see March Quarter 2025 report for details)

Acquired business revenue growth



**Demem
achieved 69%
revenue growth
of acquired
businesses**

(1) revenue growth % = compares last financial year revenues vs. annual revenues pre acquisition. .



Record March Quarter 2025 results

- Record March Quarter cash receipts of \$7.9m, highest ever in Company history
- 20% growth vs pcp
- 26% CAGR in annual cash receipts over the last 6 years
- Continued double-digit organic growth momentum



Strong Balance Sheet

- 3 consecutive operating cash flow positive quarters
- Allows further growth reinvestment and potential access to debt finance to enhance ROE



Expansion into New Geographies

- Successful entry into North America domestic water filtration market
- Expanding into Asia Pacific



Strategic Opportunities

- Strong acquisition track record within highly fragmented market – potential to continue using debt
- Recent partnership incorporating Graphene Oxide enhanced membrane for domestic water filtration system sales into China, Indonesia and Japan



Product Cross-sell

- Product gross margins have increased to 41% in CY 2024 as high margin products are cross-sold across customer portfolio (vs 18% in CY17)

On track for record CY2025 full year results, supported by record growth momentum and recurring cash flows



Record results, with positive operating cashflow

- Record CY24 cash receipts of \$28.4m, 26% compound annual growth rate (CAGR) over 6 years
- March Quarter 2025 highest cash receipts ever and positive net operating cash flows of \$303,000
- 3 consecutive positive operating cashflow quarters
- Record CY24 41% gross margins



Recurring revenue model

- More than 90% recurring revenues / cash receipts



Strong balance sheet

- Cash balance increased ~\$111k from 31 December 2024 to 31 March 2025 to ~\$3.7m



Record outlook

- On track for record full CY25 cash receipts
- 24 successive quarters of cash receipts growth vs. prior corresponding period



Blue chip clients

- Blue chip, multi-site clients across multiple segments
- Mining & resources – Rio Tinto, South 32, Pilbara Minerals
- Food & beverage – Coca Cola, Givaudan, Costa Group, Inghams
- Industrial – AGL, Alcoa

RioTinto

acciona

Coca-Cola

Pilbara Minerals

agl

INGHAM'S
Nourish Our World

Alcoa

TREASURY
WINE ESTATES



Strong acquisition value-add track record

- ~69% revenue growth over 4 acquisitions over 4 years
- Two recent acquisitions well integrated and adding value

KRONES

costa
well grown

Givaudan

SOUTH32



Attractive valuation

- Trading at ~\$32m market cap, ~1.1x cash receipts, discount relative to global comparable companies and global acquisitions

The Australian market is highly fragmented, with multiple small operators in narrow niches and limited geographies.

The global market is US\$39 billion (4).

DEM is the only ASX listed provider of a complete decentralised water treatment offering across Australia.

A\$2.3 billion
Addressable Market (Australia)

Decentralised
wastewater
systems
A\$300m p.a.¹



Pumps
equipment
market
>A\$1bn p.a.²



Water
treatment
chemicals
>A\$1bn p.a.³



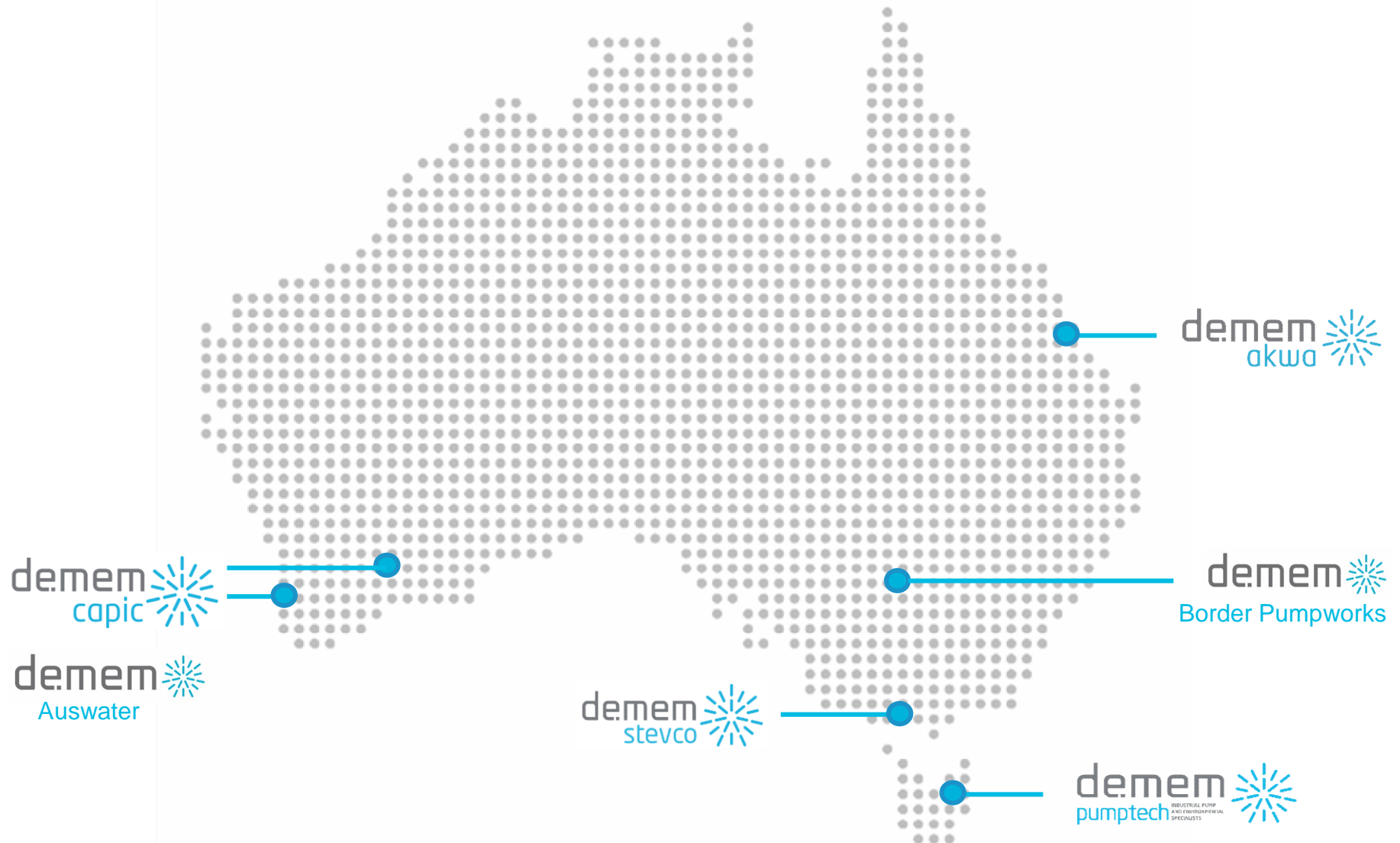
Sources:

- (1) Company estimates
- (2) Australian Pump Industry Association website, April 2022
- (3) RFDTV, Australian Water Treatment Chemicals Market Size in 2018, 29/11/2021
- (4) 2026 forecast, Research & Markets, "Decentralized Water Treatment Market – Global Outlook and Forecast 2021-26", 24/9.2021

De.mem generates more than 90% recurring revenues



Australia-wide offering
including key regions of Kalgoorlie (Western Australia) and Albury-Wodonga (regional VIC/NSW)



Only ASX-listed company with fully diversified offering and Australian metropolitan and regional presence

Packaged Membrane Systems



Membrane Modules



Membranes



Chemical Dosing Equipment



Domestic Water Filters



Water Treatment Chemicals



Services (O&M, BOO)



Pumps & Hydraulics



Over the last 12 months, De.mem has traded in line with ASX Small Industrials index

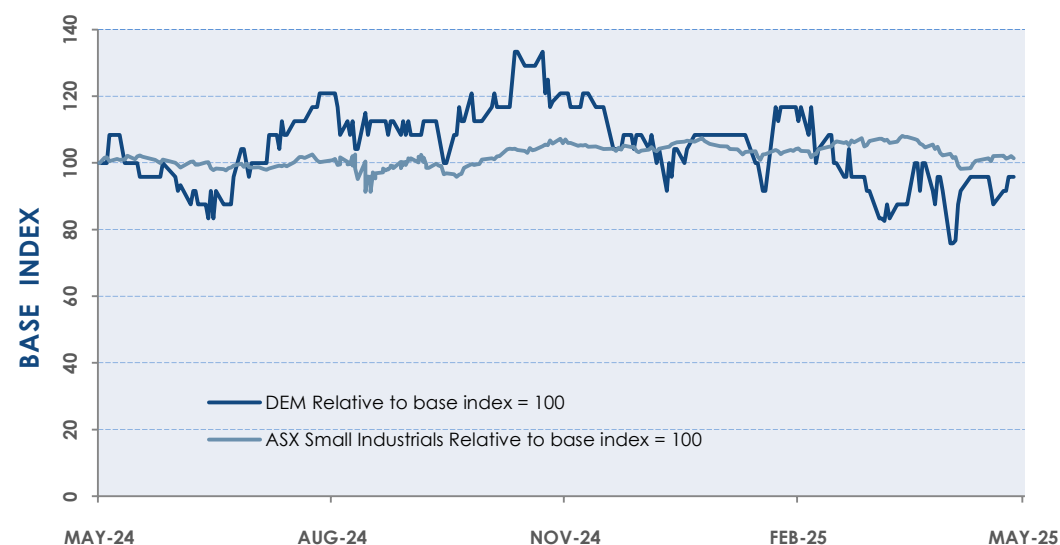
MARKET DATA

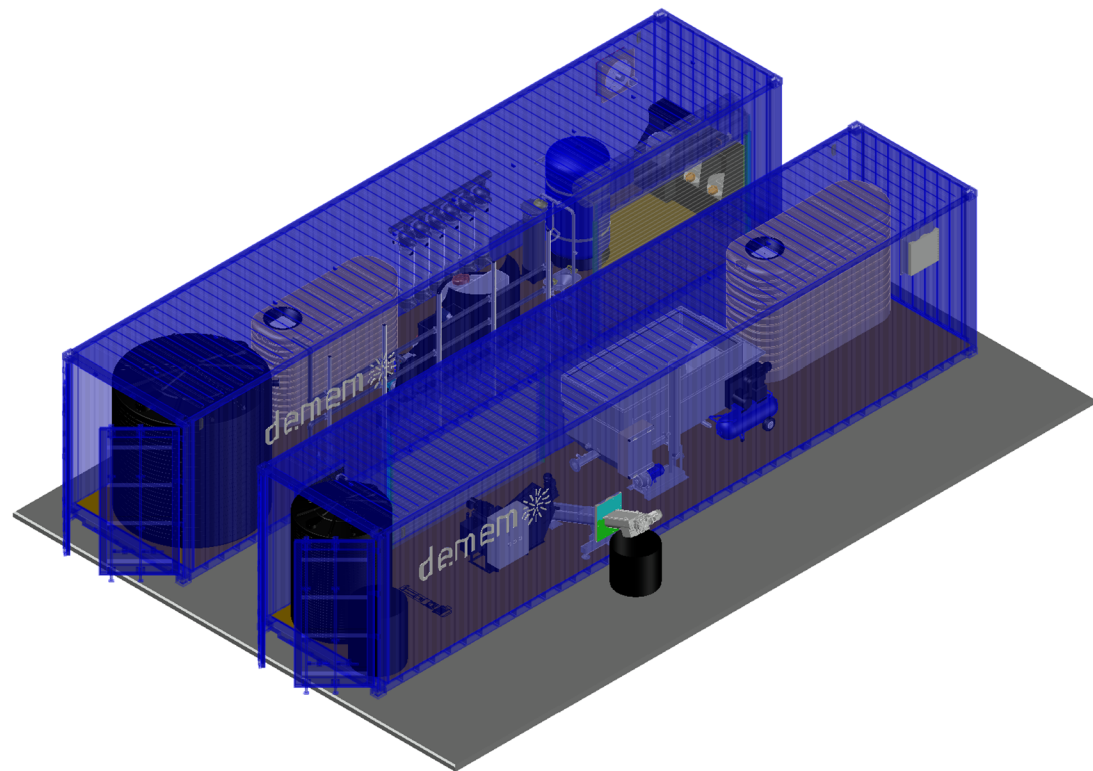
| | |
|---------------------------------|--------------|
| ASX code | DEM |
| Ordinary shares | ~293m |
| Market capitalisation | \$32m |
| Cash on hand (31.3.25) | \$3.7m |
| Listed on ASX | 7 April 2017 |
| Last price (13.5.2025) | \$0.105 |
| 52 week high | \$0.160 |
| 52 week low | \$0.079 |
| Cash receipts – CY24 | ~\$28.4m |
| Market cap / CY24 cash receipts | 1.1x |
| GICS classification | Utilities |

MAJOR SHAREHOLDERS

| | |
|--|-------|
| NA Singapore Early-Stage Venture Fund | 14.1% |
| Perennial Value Microcap Opportunities Fund | 13.7% |
| Mr Andreas Hendrik De Wit (Non-exec. Chairman) | 7.4% |
| Pathfinder Fund | ~5.0% |
| New Asia Investments Pte Ltd | 4.4% |
| Mr. Andreas Kroell (CEO) | 1.1% |

SHARE PRICE PERFORMANCE





Andreas Kroell

Chief Executive Officer

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