

RECORD HALF YEAR RESULTS

28 August 2025: Australian headquartered, international water and wastewater treatment company De.mem Limited (ASX:DEM) ("De.mem" or "the Company") is pleased to release its Consolidated Financial Report for the 6 months ended 30 June 2025 ("H1 2025").

HIGHLIGHTS

- **Record half-year revenue of \$14.0m**, up 20% vs prior corresponding period.
- **Record half-year cash receipts of \$15.7m**, up 16% vs prior corresponding period.
- **Record growth momentum**, with 25 consecutive quarters of cash receipts growth.
- **Record 43% gross margins**, up from 40% in H1 2024.
- **First positive half-year adjusted EBITDA of \$556k**, vs negative \$389k in H1 2024.
- **Strong operating cash flows of \$768k**, vs negative \$234k in H1 2024.
- **More than 90% recurring revenues** providing high cash flow visibility.
- **Strong balance sheet**, with \$4.0m cash and term deposits as at 30 June 2025.
- **On track for record full calendar year 2025 results.**

Record results

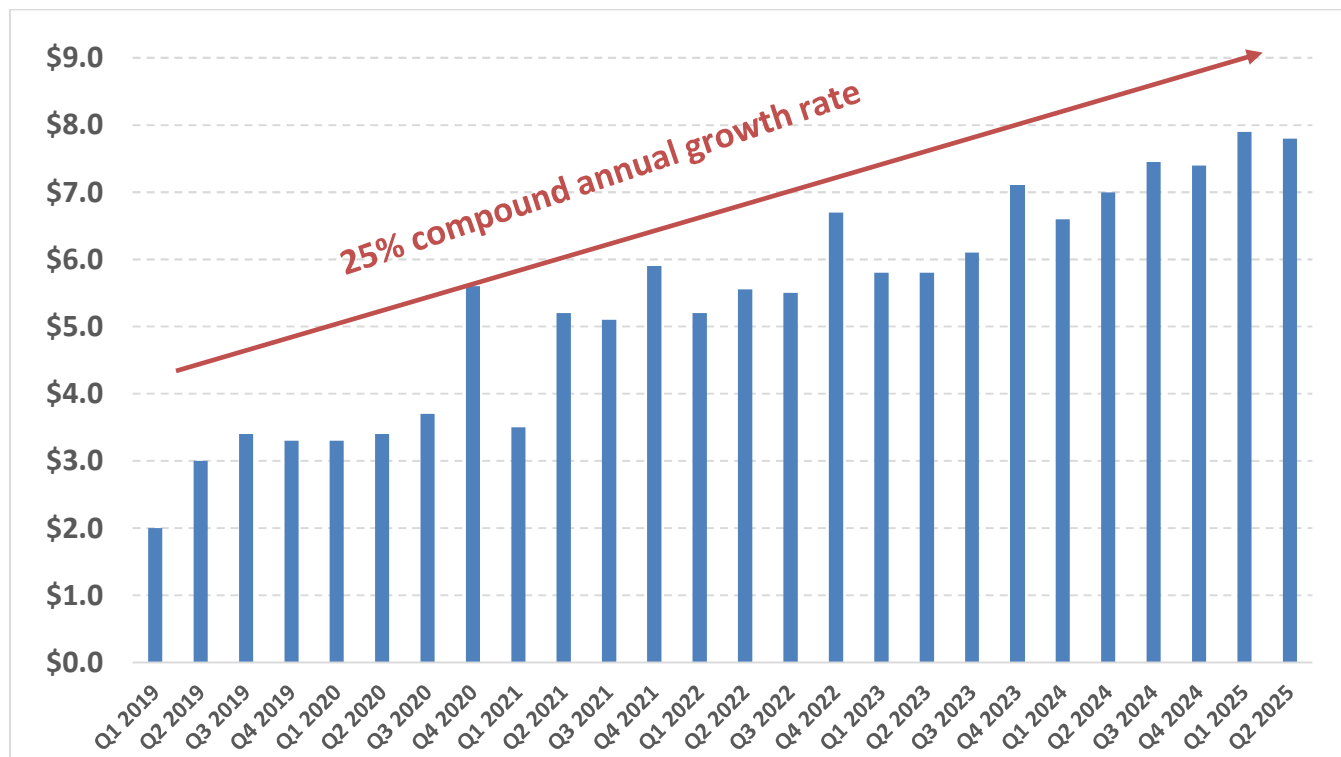
De.mem is pleased to report record H1 2025 results across all key financial metrics. Revenue increased by 20% to \$14.0m (H1 2024: \$11.7m), while cash receipts grew 16% to \$15.7m (H1 2024: \$13.6m).

De.mem achieved continued strong growth momentum, with 25 successive quarters of cash receipts growth versus prior corresponding periods and expects to continue this growth trajectory. **Chart 1.**

Since 2019, the Company has grown cash receipts at a compound annual growth rate of approx. 25% per annum.

The Company achieved a significant milestone with positive adjusted EBITDA of \$556,000 for H1 2025, compared to negative \$389,000 in H1 2024 - representing the first time De.mem has reported positive EBITDA for a half-year period.

CHART 1: RECORD 25 QUARTERS OF CASH RECEIPTS GROWTH (A\$M)



Recurring revenues underpin strong growth outlook

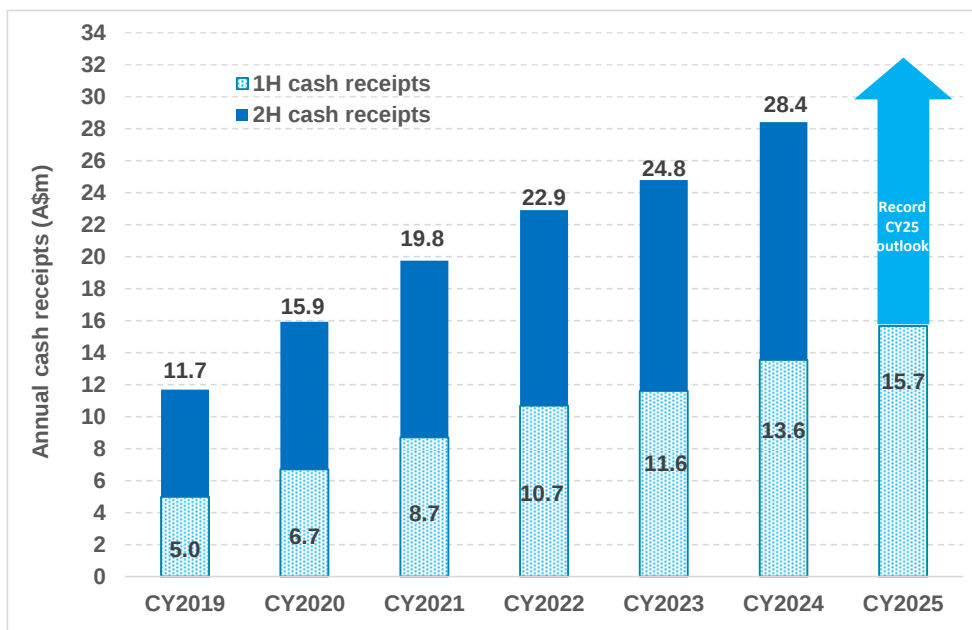
The Company's transition to a recurring revenue model continues to drive results, with ~90% recurring cash receipts in H1 2025, consistent with the strategic focus established in recent years.

This recurring revenue base provides strong cash flow visibility and underpins the Company's record calendar year ("CY") 2025 outlook. **Chart 2.**

Recurring revenue 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 other subsidiaries
- Sales of pumps and related maintenance services
- Sales of small equipment and consumables
- Domestic water treatment systems and membrane cartridge sales

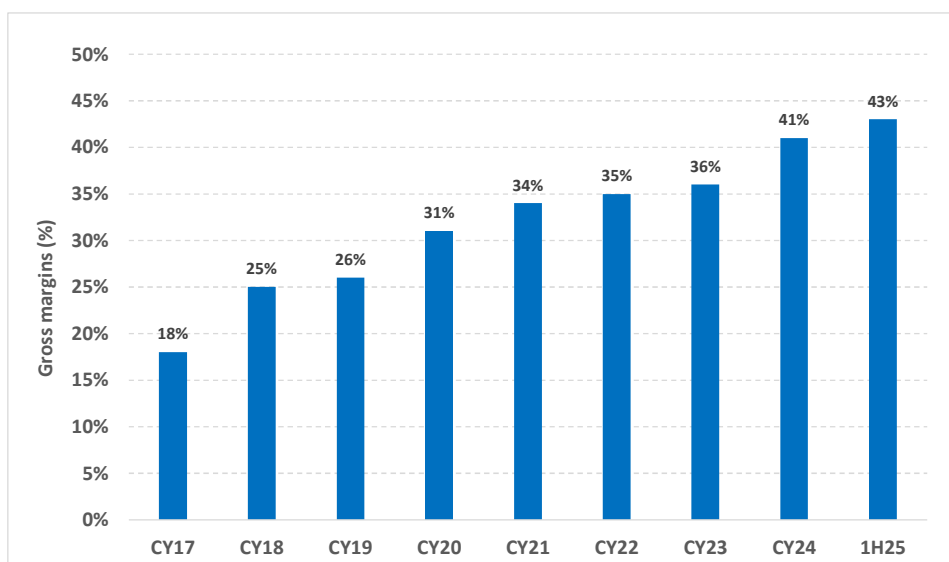
CHART 2: RECORD CY 2025 CASH RECEIPTS OUTLOOK (A\$M)



Record gross margins

The Company achieved another significant milestone, reporting record 43% gross margins in H1 2025, up from 40% in H1 2024. This continues the strategic progression from 18% gross margins in 2017, demonstrating the success of De.mem's focus on high-margin recurring revenue segments. **Chart 3.**

CHART 3: RECORD GROSS MARGINS

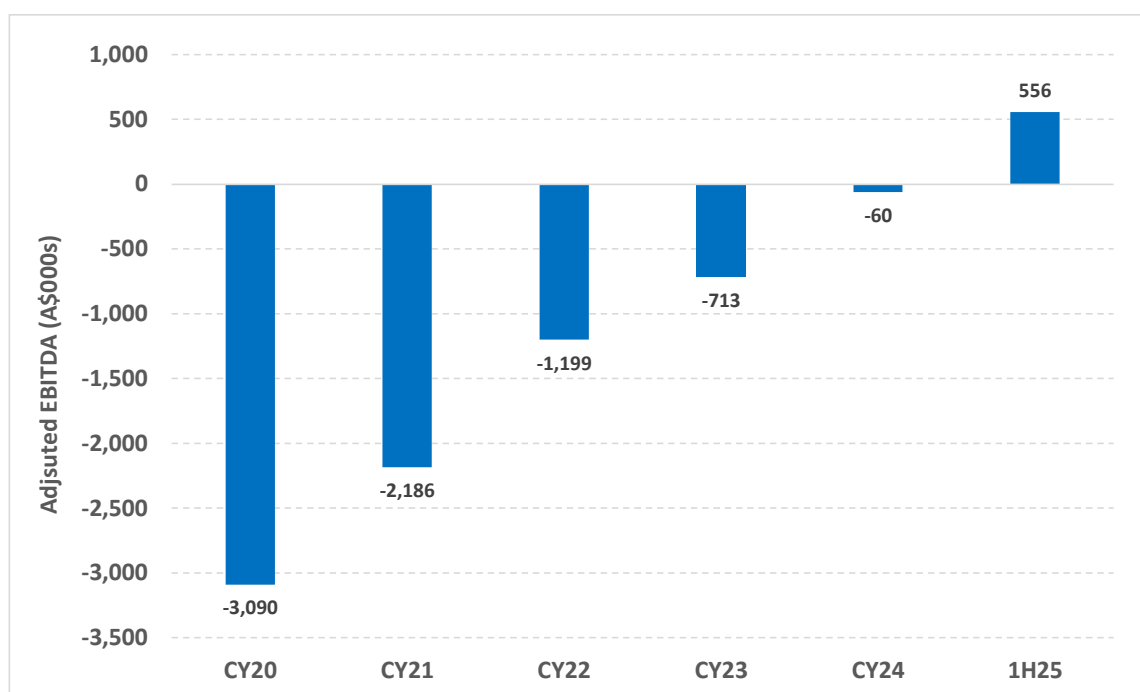


Positive EBITDA achieved

De.mem achieved positive adjusted EBITDA of \$556,000 in H1 2025, a significant improvement of \$945,000 compared to negative \$389,000 in H1 2024. This represents a major milestone, marking the first positive half-year EBITDA in company history. **Chart 4.**

The result includes continued investment into the Singapore operations, which mainly relate to membrane technology research & development activities. De.mem's Singapore facility contributes to the Company's competitive advantage through its unique portfolio of innovative water treatment technology and intellectual property.

CHART 4: ADJUSTED EBITDA (A\$000s)



Strong operating cash flow generation

De.mem achieved positive operating cash flows of \$768,000 in H1 2025, representing a \$1,002,000 improvement from negative \$234,000 in H1 2024. **Chart 5.**

June Quarter 2025 marked the fourth consecutive quarter of positive operating cash flows, with the Company generating approx. \$1.5m in operating cash flows over the last 12 months. **Chart 6.**

CHART 5: OPERATING CASHFLOW (A\$000s)

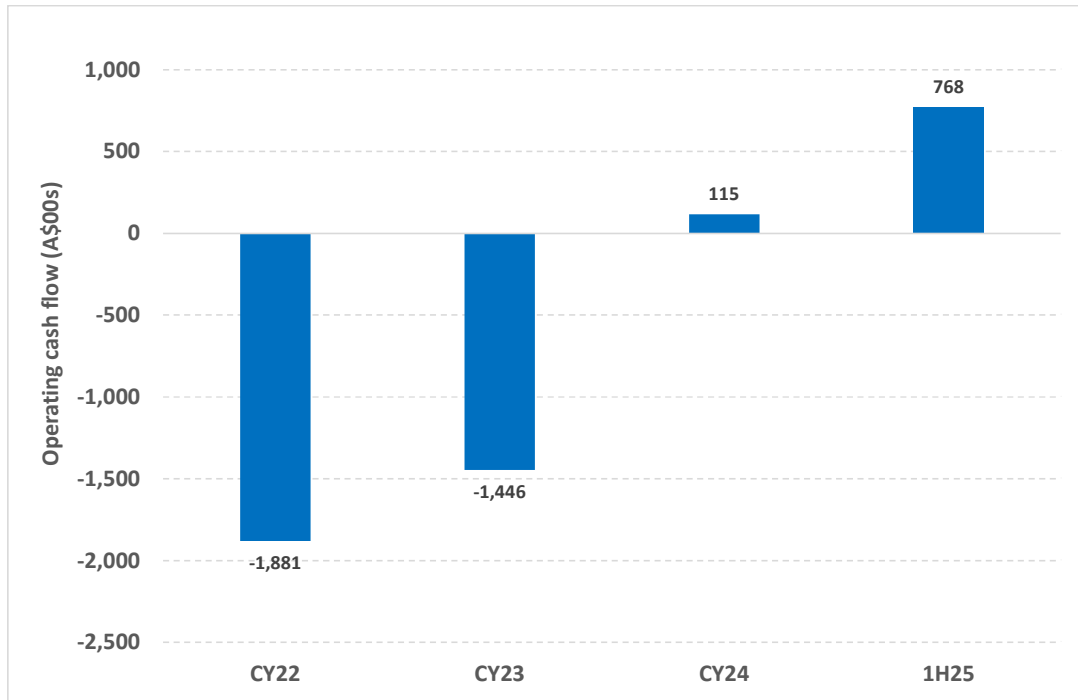
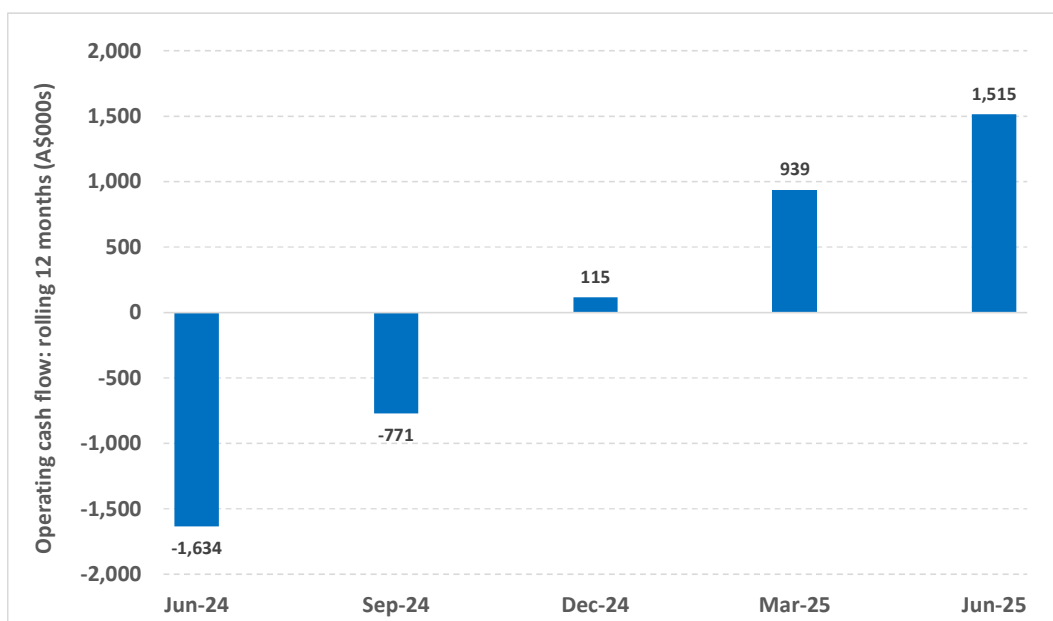


CHART 6: OPERATING CASHFLOW: ROLLING 12 MONTHS (A\$000s)*



*as per quarterly reports; December 2024: as per audited financial statements

Continues strong acquisition value-add track record

De.mem continues to deliver on its strategy of acquiring and integrating high-margin businesses. The Company has demonstrated a strong acquisition track record, with 69% average revenue growth across four acquisitions completed between 2019 and 2022.

The Company operates in a highly fragmented sector with numerous niches, local operators unable to compete with De.mem's national reach, proprietary technologies, and comprehensive "one stop shop" offering.

Recent acquisitions driving growth

The Company's two recent acquisitions continue to perform strongly and contribute significantly to growth:

Border Pumpworks (acquired 1 May 2024): Based in Wodonga/regional Victoria, operating since 1992, servicing industrial customers in regional Victoria and New South Wales.

Auswater Systems (acquired 2 July 2024): Based in Perth, Western Australia, with 29 years' operating history servicing water and wastewater treatment systems for more than 50 recurring clients, mainly from the Western Australian mining industry.

Combined, these acquisitions contributed approximately \$1.7m in revenues during H1 2025, representing strong growth of approximately 42% compared to their combined pre-acquisition revenues on an annualized basis.

Strong growth outlook for domestic water filtration sales

Following the successful NSF certification of its Graphene Oxide enhanced membrane technology in May 2024, De.mem has made significant progress in domestic water treatment markets:

- **New distribution partnerships for China, Indonesia and Japan** with Fimbase Singapore.
- **First China commercial order** of \$15,000 received.
- **Indonesian market trial initiated** with potential follow-on orders of \$100,000-\$200,000.
- **Australian WaterMark certification process initiated** for domestic market entry.

The global domestic water filtration market was estimated at US\$12.1 billion in 2022 and is expected to grow by 10.5% per annum to US\$26.7 billion by 2030 (source: *Grand View Research, November 2022*), with Asia-Pacific representing the largest regional market.



Record full-year CY2025 outlook

De.mem expects continued strong performance in H2 2025, supported by:

- Record H1 2025 results providing solid foundation.
- 25 consecutive quarters of cash receipts growth momentum.
- Approximately 90% recurring cash receipts providing cash flow visibility.
- Positive EBITDA achievement demonstrating operational leverage.
- Strong balance sheet with \$4.0m cash position.
- Full-year contribution from recent acquisitions.
- Domestic water filtration market expansion opportunities.
- Continued cross-selling of high-margin products.
- Potential access to debt finance to enhance return on equity.

CEO Commentary

De.mem Chief Executive Officer Andreas Kroell said:

"I am delighted to report our strongest half-year results in company history, achieving multiple significant milestones including our first positive half-year EBITDA and continued strong operating cash flow generation.

Our record revenue growth of 20% and cash receipts growth of 16% demonstrate the success of our strategic focus on recurring revenue segments and operational excellence. The achievement of positive EBITDA marks an important inflection point for De.mem.

With over 90% recurring revenues, strong cash generation, and exciting growth opportunities in domestic water treatment markets, we are well positioned to continue delivering record results for shareholders.

Our strong first half performance, combined with the full-year contribution from recent acquisitions and progress in new markets, positions us well for continued growth in the second half and beyond."

This release was authorized 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

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.