De.mem Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	De.mem Limited
ABN:	12 614 756 642
Reporting period:	For the half-year ended 30 June 2026
Previous period:	For the half-year ended 30 June 2025

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	26.1%	to	17,606
Loss from ordinary activities after tax attributable to the owners of De.mem Limited	down	98.4%	to	(16)
Loss for the half-year attributable to the owners of De.mem Limited	down	98.4%	to	(16)

Dividends
There was no dividend paid, recommended or declared during the current financial period.

Commentary on the Results for the half year ended 30 June 2026
De.mem's revenue (De.mem, together with its subsidiaries, referred to as "the Group") for the half year ended 30 June 2026 increased by 26% to $17,606,000 (30 June 2025: $13,964,000). The loss for the consolidated entity after providing for income tax amounted to $16,000 (6 month period to 30 June 2025: loss after tax of $980,000). The profit before tax was $213,000 (6 month period to June 2025: loss before tax of $980,000).

Gross profit margins (gross profit divided by revenues) moderated from 43% for the 6 month period to 30 June 2025 to 41% for the 6 month period to 30 June 2026. In absolute numbers, gross profit has increased by 23% to $7,298,000 (6 month period to 30 June 2025: $5,941,000).

The net loss after tax / profit before tax for the half year ended 30 June 2026 includes depreciation and amortisation of $1,412,000 (6 month period to 30 June 2025: $1,414,000) and business acquisition costs of $12,000 incurred in respect of the Core Chemicals Pty Ltd acquisition (6 month period to 30 June 2025: $13,000 incurred in respect of the Auswater Systems Pty Ltd acquisition).

The Group's adjusted EBITDA * is as follows:

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Profit/(Loss) before tax	213	(980)
Depreciation and amortisation	1,412	1,414
Finance costs	64	44
EBITDA	1,689	478
Business acquisition cost	12	13
Fair value movement of contingent consideration	(174)	-
Share based payments	55	65
Adjusted EBITDA *	1,582	556

* EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Adjusted EBITDA is EBITDA adjusted to exclude business acquisition costs, fair value movement on contingent consideration and share-based payments. The Directors consider that these measures are useful in gaining an understanding of the performance of the consolidated entity, consistent with internal reporting.

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De.mem Limited
Appendix 4D
Half-year report

3. Net tangible assets

	30 June 2026 Cents	31 December 2025 Cents	30 June 2025 Cents
Net tangible assets per ordinary security	2.38	2.09	2.00

4. Controlled Entities

Parent entity	Country of Incorporation	Principal Activities	
De.mem Limited	Australia	Parent	
Name of Controlled Entity	**Country of Incorporation**	**Principal Activities**	**%**
De.mem-Akwa Pty Ltd	Australia	Water and waste water treatment	100.00%
Akwa Facility Maintenance Pty Ltd	Australia	Dormant	100.00%
De.mem Pte Ltd	Singapore	Water and waste water treatment	100.00%
De.mem Vietnam Ltd	Vietnam	Dormant	100.00%
De.mem-Pumptech Pty Ltd	Australia	Water and waste water treatment	100.00%
De.mem-Geutec GmbH	Germany	Water and waste water treatment	100.00%
De.mem-Capic Pty Ltd	Australia	Water and waste water treatment products	100.00%
De.mem-Stevco Pty Ltd	Australia	Water and waste water treatment products	100.00%
Auswater Systems Pty Ltd	Australia	Water and waste water treatment products	100.00%
Core Chemicals Pty Ltd	Australia	Speciality chemicals supplier servicing the gold mining sector	100.00%

Control gained over businesses
Not applicable.

5. Independent Review Report

Details of audit/review dispute or qualification (if any):

The financial statements were subject to review by the auditors and the review report is attached as part of the Consolidated Interim Financial Report.

6. Signed



Signed _____ Date: 27 August 2026

Mr Andreas Kroell
Director
Melbourne

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De.mem Limited

ABN 12 614 756 642

Consolidated Interim Financial Report - 30 June 2026

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De.mem Limited
Corporate directory
30 June 2026

Directors	Andreas Hendrik (Harry) De Wit - Non-Executive Chairman Andreas Kroell - Chief Executive Officer and Director Bernd Dautel - Non-Executive Director Michael Edwards - Non-Executive Director Danny Conlon - Non-Executive Director
Company secretary	Tony Di Pietro
Registered office	Suite 2, Level 11 385 Bourke Street Melbourne 3000 VIC
Principal place of business	Suite 2, Level 11 385 Bourke Street Melbourne 3000 VIC
Share register	MUFG Corporate Markets (AU) Limited Level 41, Liberty Place 161 Castlereagh St, Sydney NSW 2000
Auditor	Hall Chadwick Melbourne Level 14/440 Collins St Melbourne Vic 3000 Australia
Solicitors	HopgoodGanim Lawyers Level 8, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000 Australia
Bankers	Australia and New Zealand Banking Group Limited – Launceston Commonwealth Bank of Australia – Sydney National Australia Bank – Brisbane Westpac Bank – Perth
Stock exchange listing	De.mem Limited shares are listed on the Australian Securities Exchange (ASX code: DEM)
Website	www.dememebranes.com

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De.mem Limited
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30 June 2026

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De.mem Limited
Directors' report
30 June 2026

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or “the Group”) consisting of De.mem Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2026.

Directors
The following persons were directors of De.mem Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Andreas Hendrik (Harry) De Wit - Non-Executive Chairman
Andreas Kroell - Chief Executive Officer and Director
Bernd Dautel - Non-Executive Director
Michael Edwards - Non-Executive Director
Danny Conlon - Non-Executive Director

Principal activities
De.mem Ltd (ASX:DEM) provides a “one stop shop” offering around high-quality water and waste treatment chemicals, services, equipment, pumps and consumables. Its focus is on industrial customers across a wide range of industries including the mining & resources, infrastructure, food & beverage/agriculture and heavy industrial sectors.

The Group serves large multinationals as well as SMEs (small and medium enterprises) through its offices in Australia (Melbourne, Brisbane, Perth, Kalgoorlie, Launceston and Wodonga), Singapore and Velbert, Germany.

The core of De.mem’s business is the supply of specialty water treatment and process chemicals such as anti-scalants, corrosion inhibitors, defoamers and antifoamers, membrane cleaners and/or flocculants & coagulants to mining customers. Through the acquisition of Core Chemicals Pty Ltd effective 1 November 2025, De.mem has expanded its offering to include the supply of process chemicals for the extraction and recovery of small gold fragments from the gold mining & refining process. The Group blends its specialty chemicals at its facilities in Perth, Australia, and Velbert, Germany.

Equipment manufactured and sold by De.mem includes a wide range of membrane-based water and waste water treatment systems which are deployed on-site at the customer’s facility. De.mem’s de-centralised solutions are typically containerised, packaged and/or modular in design, for easy transport to and turn-key deployment at the customer site.

De.mem offers Operations & Maintenance as well as Build, Own, Operate (“BOO”) or Build, Own, Operate, Transfer (“BOOT”) services related to water and waste treatment equipment. Under a BOO or BOOT agreement, the equipment is provided to the customer under a leasing scheme and operated & maintained by De.mem under a long-term arrangement. Based on its extended range of capabilities, De.mem is uniquely positioned as a supplier of BOO/BOOT services to industrial customers in Australia.

The Group’s offering is backed by leading hollow-fibre membrane technology and intellectual property developed and manufactured at De.mem’s facility in Singapore. Its hollow-fibre membranes often serve as the key component in the Group’s integrated, turn-key systems, to provide its products with a strong competitive advantage. Key hollow-fibre membrane technologies offered by De.mem are comprised of its Ultrafiltration, Graphene-Oxide enhanced and hollow-fibre Nanofiltration membranes.

In addition to its offering to industrial clients, De.mem also promotes a range of small, standardised water treatment systems for domestic “point of use” and “point of entry” water treatment applications, deploying its proprietary membrane technology as a key component.

Review of operations
H1 2026 Highlights

Revenue / cash receipts growth and recurring revenue focus drive gross margins

- Revenue and cash receipts growth of 26% and 28% respectively vs. prior corresponding period
- Share of high-margin recurring revenue segments remains at >90% of total revenues
- Gross profit margin (gross profit divided by revenues) remained strong at 41% (43% in H1 CY 2025)

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Positive EBITDA and operating cash flow

- Positive adjusted EBITDA of $1,582,000 (June 2025: positive adjusted EBITDA of $556,000)
- Corresponding to the above, operating cash inflows were $928,000 (June 2025: Net cash operating inflows of $768,000)

Commercial launch of domestic water treatment products continues with new order received in Singapore

- De.mem received a new order for the sale of domestic water treatment cartridges in Singapore. The annual revenues from the new business are estimated at approx. $100k
- Progressing with Australian Watermark certification

Core Chemicals acquisition from 2025 integrated and contributing to revenues and margins

- Acquired Core Chemicals Pty Ltd, Perth, Western Australia effective 1 November 2025
- The acquired business contributed revenues of approximately $2.4m to De.mem in H1 CY 2026

Business Development & Operations

During H1 CY 2026, De.mem continued to operate with the strategic focus on its recurring revenue segments, which mainly comprise the Group's Services (Operations & Maintenance and Build, Own, Operate) and Specialty Chemicals divisions.

Within the Services business segment, De.mem continues to operate the water and waste water treatment facilities at a number of mining sites, mining accommodation camps and resorts in Queensland. Furthermore, the Group operates a number of industrial water and waste water treatment facilities under long-term Build, Own, Operate agreements in Australia and Singapore.

Within its Specialty Chemicals division, De.mem's Perth-based De.mem-Capic Pty Ltd subsidiary remains the core of the Group's business. De.mem-Capic generated revenues of approximately $5.3m in the 6-month period ended 30 June 2026, compared to $4.0m in revenues in H1 CY 2025 and $3.3m in annual revenues prior to the acquisition of the Capic business by De.mem in April 2021. De.mem-Capic contributed to the overall revenue growth of the consolidated entity through a number of contract wins.

Membrane Technology & R&D

Following the successful completion of the NSF (American drinking water) product certification for its new Graphene-Oxide enhanced membrane technology in May 2024, De.mem continued the commercial launch of the technology as the key component within the Group's domestic water treatment products.

In H1 CY 2026, the Group received a new order for membrane cartridges for domestic water treatment applications from a Singapore customer. The annual revenues from the new business are estimated at approx. $100k.

De.mem has been working on the Australian Watermark certification for its membrane products. Following the finalisation of the product certification, De.mem intends to launch the products into the Australian market as well.

Integration of Core Chemicals acquisition

Effective 1 November 2025, De.mem acquired Core Chemicals Pty Ltd, Perth, Western Australia. Core Chemicals supplies process chemicals for gold fragment extraction and recovery to gold mining & refining customers.

Since the completion of the acquisition, the business has been integrated into De.mem's existing operations in Perth. During H1 CY 2026, it contributed revenues of approx. $2.4m to the consolidated entity, indicating approx. 20% growth over the pre-acquisition revenues.

Financials

De.mem Group's revenues and cash receipts increased by 26% and 28% respectively vs. prior corresponding period, to $17.6m and $20.0m (H1 CY 2025: $14.0m and $15.7m respectively).

The vast majority of revenues in H1 CY 2026 (>90%) were derived from De.mem's recurring revenue segments. The recurring

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revenue segments comprise the revenues from the rendering of services and the sale of goods as per note 4 in the "Notes to the Consolidated Financial Statements".

Due to the focus and growth of the high-margin recurring revenue segments, overall gross margins (gross profit divided by revenues) remained strong at 41% in H1 CY 2026 (43% in H1 CY 2025).

With the focus on growing its recurring revenue segments and Build, Own, Operate and Operations & Maintenance contracts, complemented by bolt-on acquisitions of profitable businesses with a strong industrial customer base, De.mem has been able to deliver significant revenue growth while achieving both adjusted EBITDA and operating cash flow break-even. In H1 2026, De.mem recorded positive adjusted EBITDA of approximately $1,582,000, and positive operating cash flows of $928,000.

	H1 2026 $'000	HY 2025 $'000
Profit/(Loss) before taxes	213	(980)
Add:		
Depreciation and amortisation	1,412	1,414
Interest expenses	64	44
Adjustments for one off expenses:		
Business acquisition cost **	12	13
Share-based payments expense	55	65
Fair value movement on contingent consideration	(174)	-
Adjusted EBITDA	1,582	556

** EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Adjusted EBITDA is EBITDA adjusted to exclude business acquisition costs and net fair value gain or movement on business combinations and share-based payments. The Directors consider that these measures are useful in gaining an understanding of the performance of the consolidated entity, consistent with internal reporting.*

*** Consists of consultancy fees incurred in completing the purchase price allocation of the Core Chemicals Pty Ltd acquisition. 30 June 2025: $13,000 incurred in respect of the Auswater Systems Pty Ltd acquisition.*

De.mem reports pre-tax profit of $213,000 and a net loss for the half-year period of $16,000. The figure includes depreciation and amortisation of $1.4 million.

Net assets were $14.0 million as at 30 June 2026 ($14.0 million as at 31 December 2025).

As of 30 June 2026, De.mem holds approximately $4.3 million in cash and cash equivalents (31 December 2025: $3.9 million).

Corporate

On 26 May 2026, De.mem Limited held its 2026 Annual General Meeting, with all resolutions being passed.

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Significant changes in the state of affairs
On 16 January 2026, the Company issued a total of 250,000 fully paid ordinary shares on the exercise of performance rights previously granted under the Company's Employee Incentive Plan. This tranche of performance rights was valued at $0.13 per share, reflecting the assumptions and value at grant date.

Following the approval of shareholders at a general meeting held on 22 January 2026, the Company issued 2,380,952 Fully Paid Ordinary Shares (Shares) on 22 January 2026 at an issue price of $0.105 (10.5 cents) per share to the Company's Chairman, Mr Harry De Wit, as part of the funding for the Core Chemicals Pty Ltd Acquisition as announced on 17 October 2025.

Shareholders' approval was also obtained from the same General Meeting on 22 January 2026 to appoint Hall Chadwick Melbourne Audit as the Company's new auditor following the resignation of the previous auditor William Buck Audit (Vic) Pty Ltd.

On 26 February 2026, the Company issued 2,000,000 performance rights to the CEO, Mr Andreas Kroell, vesting on 31 December 2027 and expiring on 31 December 2028, following the approval of shareholders at a general meeting held on 20 May 2025. The expense for this was already accounted for as share-based payment in the year ended 31 December 2025.

On 30 April 2026, the Company issued 134,048 ordinary shares at $0.1119 (11.19 cents) per share to the CFO, Mr Andrew Tay, as consideration for part of the CFO's remuneration.

On 30 April 2026, the Company issued 500,000 performance rights to its employees, vesting on 31 December 2027 and expiring on 31 December 2028, following approval of shareholders at a general meeting held on 20 May 2025.

On 1 May 2026, the Company issued 192,593 ordinary shares at $0.135 (13.5 cents) per share to a supplier, as consideration for services rendered in lieu of cash.

On 17 June 2026, the Company issued 2,000,000 unlisted options with an exercise price of $0.105 (10.5 cents), and expiring on 16 June 2029, to Non-Executive Directors of the Company.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 12 August 2026, the Company issued 362,510 fully paid ordinary shares as part of the consideration for the acquisition of Auswater Systems Pty Ltd, following the achievement of Milestone 2 under the terms of the acquisition agreement. The shares were valued at $25,000 ($0.0689637 or 6.89637 cents per share), based on a 20-day volume weighted average price (VWAP) of the Company's shares.

Other than the matter noted above, no other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with the Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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De.mem Limited
Directors' report
30 June 2026

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001. The directors have the power to amend and reissue the financial statements.

On behalf of the directors



Mr Andreas Kroell
Director

27 August 2026
Melbourne

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HALL CHADWICK
MELBOURNE AUDIT

DE.MEM LIMITED
AND ITS CONTROLLED ENTITIES
ABN 12 614 756 642

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DE.MEM LIMITED AND ITS CONTROLLED ENTITIES

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As lead auditor for the review of the half-year financial report of De.mem Limited for the half-year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Hall Chadwick Melbourne Audit
Level 14 440 Collins Street
Melbourne VIC 3000



Anh (Steven) Nguyen
Partner
27 August 2026

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Hall Chadwick Melbourne Audit
ABN 41 134 806 025 Registered Company Auditors.

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De.mem Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2026

	Note	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Revenue	4	17,606	13,964
Cost of sales		(10,308)	(8,023)
Gross Profit		7,298	5,941
Other income		29	53
Finance income		31	28
Administrative and corporate expenses		(1,262)	(1,198)
Employee benefits expenses		(4,514)	(4,268)
Depreciation and amortisation		(1,412)	(1,414)
Finance costs		(64)	(44)
Business acquisition costs		(12)	(13)
Share based payments		(55)	(65)
Fair value movement of contingent consideration		174	-
Profit/(loss) before income tax expense		213	(980)
Income tax expense		(229)	-
Loss after income tax expense for the half-year attributable to the owners of De.mem Limited		(16)	(980)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(187)	(90)
Other comprehensive loss for the half-year, net of tax		(187)	(90)
Total comprehensive loss for the half-year attributable to the owners of De.mem Limited		(203)	(1,070)
		Cents	**Cents**
Basic loss per share	9	(0.00)	(0.33)
Diluted loss per share	9	(0.00)	(0.33)

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The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

De.mem Limited
Consolidated statement of financial position
As at 30 June 2026

	Note	Consolidated 30 June 2026 $'000	Consolidated 31 December 2025 $'000
Assets			
Current assets			
Cash and cash equivalents		4,275	3,941
Trade and other receivables		3,869	3,977
Inventories		2,533	1,999
Other financial assets		113	92
Income tax receivables		34	36
Prepayments		557	157
Contract assets		-	91
Total current assets		11,381	10,293
Non-current assets			
Other financial assets		50	50
Property, plant and equipment		2,222	2,243
Right-of-use assets		745	1,083
Intangibles	5	6,557	7,341
Total non-current assets		9,574	10,717
Total assets		20,955	21,010
Liabilities			
Current liabilities			
Trade and other payables		2,659	3,240
Contract liabilities		563	311
Borrowings		199	205
Lease liabilities		386	618
Employee benefits		1,910	1,279
Other provision		8	8
Contingent consideration	6	50	262
Total current liabilities		5,775	5,923
Non-current liabilities			
Contract liabilities		51	115
Borrowings		373	375
Lease liabilities		670	599
Employee benefits		52	33
Total non-current liabilities		1,146	1,122
Total liabilities		6,921	7,045
Net assets		14,034	13,965
Equity			
Issued capital	7	47,029	46,712
Reserves		265	497
Accumulated losses		(33,260)	(33,244)
Total equity		14,034	13,965

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The above consolidated statement of financial position should be read in conjunction with the accompanying notes

De.mem Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2026

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Share based payment reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2025	43,621	244	844	(31,789)	12,920
Loss after income tax expense for the half-year	-	-	-	(980)	(980)
Other comprehensive loss for the half-year, net of tax	-	(90)	-	-	(90)
Total comprehensive loss for the half-year	-	(90)	-	(980)	(1,070)
Transactions with owners in their capacity as owners:					
Exercise of performance rights	22	-	(22)	-	-
Expiry of options	-	-	(160)	160	-
Shares issued to an employee under contractual remuneration terms	15	-	(15)	-	-
Vesting charge for share based payments	-	-	65	-	65
Balance at 30 June 2025	43,658	154	712	(32,609)	11,915

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Share based payment reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2026	46,712	96	401	(33,244)	13,965
Loss after income tax expense for the half-year	-	-	-	(16)	(16)
Other comprehensive loss for the half-year, net of tax	-	(187)	-	-	(187)
Total comprehensive loss for the half-year	-	(187)	-	(16)	(203)
Transactions with owners in their capacity as owners:					
Conversion of performance rights (note 7)	32	-	(32)	-	-
Placement, net of transaction costs (note 7)	244	-	-	-	244
Shares issued from services rendered (note 7)	26	-	-	-	26
Shares issued as part of remuneration to CFO (note 7)	15	-	-	-	15
Vesting charge for share based payments	-	-	(13)	-	(13)
Balance at 30 June 2026	47,029	(91)	356	(33,260)	14,034

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The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

De.mem Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2026

	Consolidated	
	30 June 2026 $'000	30 June 2025 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	19,991	15,668
Payments to suppliers and employees (inclusive of GST)	(19,037)	(14,910)
Total inflows/(outflows)	954	758
Interest received	29	27
Interest and other finance costs paid	(55)	(17)
Net cash from operating activities	928	768
Cash flows from investing activities		
Placement of short-term term deposits	-	(43)
Payments for property, plant and equipment	(105)	(53)
Transaction costs relating to acquisition	(13)	(13)
Proceeds from disposal of property, plant and equipment	-	48
Net cash used in investing activities	(118)	(61)
Cash flows from financing activities		
Repayment of borrowings	(99)	(60)
Transaction costs related to issues of equity securities	(6)	-
Transaction costs related to loans and borrowings	(3)	-
Principal elements of lease payments	(341)	(384)
Net cash used in financing activities	(449)	(444)
Net increase in cash and cash equivalents	361	263
Cash and cash equivalents at the beginning of the financial half-year	3,941	3,632
Effects of exchange rate changes on cash and cash equivalents	(27)	33
Cash and cash equivalents at the end of the financial half-year	4,275	3,928

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The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

De.mem Limited
Notes to the consolidated financial statements
30 June 2026

Note 1. General information

The financial statements cover De.mem Limited as a consolidated entity consisting of De.mem Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is De.mem Limited's functional and presentation currency.

De.mem Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2, Level 11
385 Bourke Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2026.

Note 2. Material accounting policy information

This condensed Interim Financial Report for the half-year reporting period ended 30 June 2026 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This condensed Interim Financial Report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Segment Reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Directors in order to allocate resources to the segment and to assess its performance. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the consolidated entity’s accounting policies. The following tables are an analysis of the consolidated entity’s revenue and results by reportable segment provided to the Directors.

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Note 3. Segment Reporting (continued)

Operating segment information

Consolidated - 30 June 2026	Singapore $'000	Australia $'000	Germany $'000	Other $'000	Total $'000
Revenue					
Revenue from external customers	448	14,645	2,518	-	17,611
Intersegment revenue	(5)	-	-	-	(5)
Total revenue	443	14,645	2,518	-	17,606
EBITDA	(245)	1,771	754	(731)	1,549
Depreciation and amortisation	(226)	(501)	(21)	(664)	(1,412)
Business acquisition cost	-	-	-	(12)	(12)
Interest revenue	-	12	-	21	33
Finance costs	(4)	(36)	(2)	(22)	(64)
Fair value movement	-	-	-	174	174
Share based payments expense	-	-	-	(55)	(55)
Profit/(loss) before income tax expense	(475)	1,246	731	(1,289)	213
Income tax expense					(229)
Loss after income tax expense					(16)
Assets					
Segment assets	2,086	9,404	2,006	16,682	30,178
Intersegment eliminations					(9,223)
Total assets					20,955
Liabilities					
Segment liabilities	2,688	11,759	986	841	16,274
Intersegment eliminations					(9,353)
Total liabilities					6,921

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Note 3. Segment Reporting (continued)

Consolidated - 30 June 2025	Singapore $'000	Australia $'000	Germany $'000	Other $'000	Total $'000
Revenue					
Revenue from external customers	447	11,922	1,609	-	13,978
Intersegment revenue	(14)	-	-	-	(14)
Total revenue	433	11,922	1,609	-	13,964
EBITDA	(204)	1,218	10	(496)	528
Depreciation and amortisation	(241)	(527)	(25)	(621)	(1,414)
Business acquisition cost	-	-	-	(13)	(13)
Interest revenue	-	5	-	23	28
Finance costs	(7)	(37)	-	-	(44)
Share based payments expense	-	-	-	(65)	(65)
Profit/(loss) before income tax expense	(452)	659	(15)	(1,172)	(980)
Income tax expense					-
Loss after income tax expense					(980)
Consolidated - 31 December 2025					
Assets					
Segment assets	2,575	11,365	1,090	19,660	34,690
Intersegment eliminations					(13,680)
Total assets					21,010
Liabilities					
Segment liabilities	2,703	15,874	424	1,349	20,350
Intersegment eliminations					(13,305)
Total liabilities					7,045

Note 4. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 30 June 2026	Rendering of services $'000	Sale of goods $'000	Projects and equipment $'000	Total $'000
Geographical regions				
Australia	2,125	12,118	402	14,645
Singapore	443	-	-	443
Germany	137	2,326	55	2,518
	2,705	14,444	457	17,606
Timing of revenue recognition				
Goods transferred at a point in time	-	14,444	-	14,444
Services transferred over time	2,705	-	457	3,162
	2,705	14,444	457	17,606

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Note 4. Revenue (continued)

Consolidated - 30 June 2025	Rendering of services $'000	Sale of goods $'000	Projects and equipment $'000	Total $'000
Geographical regions				
Australia	1,472	9,849	601	11,922
Singapore	433	-	-	433
Germany	180	1,299	130	1,609
	2,085	11,148	731	13,964
Timing of revenue recognition				
Goods transferred at a point in time	-	11,148	-	11,148
Services transferred over time	2,085	-	731	2,816
	2,085	11,148	731	13,964

Note 5. Intangibles

	Consolidated	
	30 June 2026 $'000	31 December 2025 $'000
Non-current assets		
Goodwill - at cost	1,215	1,215
Development - at cost	605	627
Less: Accumulated amortisation	(263)	(210)
	342	417
Software - at cost	34	21
Less: Accumulated amortisation	(17)	(15)
	17	6
Customer relationships	9,946	8,997
Less: Accumulated amortisation	(4,963)	(3,294)
	4,983	5,703
	6,557	7,341

Note 6. Contingent consideration

	Consolidated	
	30 June 2026 $'000	31 December 2025 $'000
Current liabilities		
Contingent consideration	50	262

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Note 6. Contingent consideration (continued)

Contingent consideration
As at 30 June 2026, the contingent consideration payable in respect of the Auswater Systems Pty Ltd acquisition stands at $50,000 (31 December 2025: $50,000), with the Management assessing the probability of the relevant performance hurdle being achieved at 100%. This liability relates to the arrangement agreed as part of the original $1.75 million acquisition consideration, which was structured to reward revenue growth in this business over the two years following completion on 2 July 2024. This amount, when paid, will complete the total acquisition consideration.

As disclosed in the 31 December 2025 financial statements (Note 25 Business combinations), total consideration transferred for the acquisition of Core Chemicals Pty Ltd included contingent consideration of $250,000, comprising $212,000 payable in cash and $38,000 payable in De.mem shares, contingent on Core Chemicals achieving pre-tax profit of at least $620,000 in the 12 months to 30 October 2026. This was fair valued at acquisition based on a 100% probability of the target being achieved.

Based on Core Chemicals' forecasted pre-tax profit performance for the period to 30 June 2026, the Management has revised its assessment of the probability that the $620,000 target will be achieved by 30 October 2026 to 20%. As a result, the fair value of the total contingent consideration liability has been remeasured as at 30 June 2026 and resulted in a gain of $174,000 recognised in profit or loss for the period. There is a variance of $38,000 between the movement in contingent consideration liability and fair value gain recognised in profit and loss due to the impact of discounting.

This remeasurement reflects a change in circumstances arising after the acquisition date, rather than new information about facts and circumstances existing at that date. In accordance with AASB 3 Business Combinations, the change is recognised in profit or loss rather than as a measurement period adjustment to the cost of the business combination.

Note 7. Issued capital

	Consolidated			
	30 June 2026 Shares	31 December 2025 Shares	30 June 2026 $'000	31 December 2025 $'000
Ordinary shares - fully paid	326,912,451	323,954,858	47,029	46,712

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 January 2026	323,954,858		46,712
Conversion of performance rights	16 January 2026	250,000	$0.13	32
Placement	22 January 2026	2,380,952	$0.10	250
Shares issued as part of CFO's remunerations	30 April 2026	134,048	$0.11	15
Shares issued in lieu of cash payment for services rendered	1 May 2026	192,593	$0.14	26
Capital raising costs		-		(6)
Balance	30 June 2026	326,912,451		47,029

Note 8. Contingent liabilities

As at 30 June 2026, there is a total of $144,000 (31 December 2025: $142,000) being held in current term deposits, representing bank guarantees relating to a project (held pending completion of the defect liability period) and bank guarantees for lease obligations.

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Note 9. Loss per share

	Consolidated 30 June 2026 $'000	Consolidated 30 June 2025 $'000
Loss after income tax attributable to the owners of De.mem Limited	(16)	(980)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	326,356,792	292,869,543
Weighted average number of ordinary shares used in calculating diluted earnings per share	326,356,792	292,869,543
	Cents	**Cents**
Basic loss per share	(0.01)	(0.33)
Diluted loss per share	(0.01)	(0.33)

As at 30 June 2026, the Group has 3,250,000 unlisted options (30 June 2025: 6,250,000) and 2,700,000 performance rights (30 June 2025: 700,000) on issue. These options are considered to be non-dilutive if the Group is in a loss position.

Note 10. Events after the reporting period

On 12 August 2026, the Company issued 362,510 fully paid ordinary shares as part of the consideration for the acquisition of Auswater Systems Pty Ltd, following the achievement of Milestone 2 under the terms of the acquisition agreement. The shares were valued at $25,000 ($0.0689637 or 6.89637 cents per share), based on a 20-day volume weighted average price (VWAP) of the Company's shares.

Other than the matter noted above, no other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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De.mem Limited
Directors' declaration
30 June 2026

In the directors' opinion:

- The consolidated interim financial statements and notes comply with the Corporations Act 2001, and Australian Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Andreas Kroell
Director

27 August 2026
Melbourne

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DE.MEM LIMITED
ABN 12 614 756 642

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE SHAREHOLDERS OF DE.MEM LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of De.mem Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements, including material accounting policy information and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of De.mem Limited does not comply with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirement of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for:

a) the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*

b) such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2026 and its financial performance for the half-year ended as at that date; and complying with Accounting Standard *AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14, 440 Collins Street
MELBOURNE VIC 3000



Anh (Steven) Nguyen
Partner

Date: 27 August 2026