



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

De.mem Forecasts \$8m-\$10m Revenue for Calendar Year 2018

- Year-on-year revenue to increase by up to ~245% on prior corresponding period
- Underpinned by order book growth and expanding project pipeline in Australia and Asia
- De.mem well funded to meet near-term growth objectives with cash at bank of ~\$3.3m
- Targeting operating cash flow breakeven in near term

13 March 2018: Water and waste water treatment company De.mem (ASX:DEM) (“De.mem” or “the Company”) is pleased to report forecast revenue for Calendar Year 2018 will be between \$8 million to \$10 million, compared to CY2017 revenues of \$2.9 million. This represents a year-on-year increase of up to 245%.

The execution of existing long term contracts (“Build, Own, Operate (BOO)” or “Operations & Maintenance”) projects already contracted to De.mem, as well as additional project awards likely to be received during the CY2018 in Australia and Asia underpin this revenue growth. Revenues from existing or revolving BOO or Operations & Maintenance contracts alone are expected to generate ~A\$3 million for the year. A full year contribution from the Akwa-Worx business acquired in September 2017 is also a contributing factor.

The company started 2018 with a cash balance of approx. A\$3.3 million. De.mem is sufficiently funded to execute on its current growth objectives.

The Company is also assessing opportunities to accelerate its growth with a number of additional organic growth and acquisition-focused growth initiatives under consideration. Opportunities being reviewed are earnings accretive.

Commentary

De.mem CEO Andreas Kroell said: “Since our IPO in April 2017, De.mem has continued its rapid expansion with important growth milestones achieved. These include the entry into the highly lucrative Australian market through the acquisition of Akwa-Worx on 18 September 2017, the commencement of our membrane manufacturing plant in Singapore on 12 July 2017, the successful completion of pilot trials on our new nanofiltration membrane in February 2018, and the recent in-licensing of the Forward Osmosis technology for certain industrial waste water treatment applications.

“De.mem is well funded with a healthy cash balance, and together with a reduced cash burn and a growing revenue base, we are strongly positioned to become cash flow positive in the near term. The Board continues to assess growth opportunities in the water and wastewater technology sector, a space which is still highly fragmented and has considerable scope for consolidation. While organic growth is a priority, we will also assess opportunistic acquisitions that make an immediate contribution to earnings.”

-Ends-

For personal use only



For further information, please contact:

De.mem Limited

Andreas Kroell

CEO

De.mem Limited

investor@demem.com.sg

Media & Investor Enquires

Six Degrees Investor Relations

Henry Jordan

+61 (0) 431 271 538

About De.mem Limited

De.mem Limited (ASX:DEM) is a Singaporean-Australian decentralised water and waste-water treatment business that designs, builds, owns and operates water and waste water treatment systems for its clients. De.mem operates in the industrial segment providing systems and solutions to customers from the mining, electronics, chemicals, oil & gas and the food & beverage industries and in the municipal and residential segments. De.mem has licensed proprietary technologies from its partner in research & development Singapore's Nanyang Technological University (NTU), including an exclusive worldwide license for a revolutionary low-pressure hollow fibre nanofiltration membrane. Through its wholly owned water and waste water treatment original equipment manufacturing (OEM) subsidiary Akwa-Worx Pty Ltd, De.mem has a strong presence in Australia. Akwa-Worx has a market reputation for building high quality Australian designed and manufactured products and has long-term customers in the Australian mining industry. 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.

For personal use only