

First revenues from new 5-stage domestic water filtration system

11 November 2019: Australian-Singaporean water and waste water treatment company De.mem (ASX:DEM) (“De.mem” or “the Company”) is pleased to announce first revenues from its recently launched 5-stage domestic water filtration system, based on its innovative hollow fibre membrane technology.

The Company is pleased to report that it has received an initial order of approx. A\$55,000 for the new product from its Singaporean distribution partner and expects repeat orders of a similar magnitude from Singapore in regular intervals.

De.mem’s consumer water filtration system

The Company’s new 5-stage consumer water filtration system (“the consumer water filtration system”) treats water at the domestic consumer level to improve the water’s health benefits and purity.

The consumer water filtration system is packaged into a specifically designed “box” for easy deployment, installation and maintenance. The different types of filters are easily plugged into the system as cartridges.

The system utilises De.mem’s hollow fibre Ultrafiltration membrane as the key treatment process.

Ultrafiltration is combined with other treatment steps, including an alkaline filter, to increase the water’s pH value (alkalinity). Alkaline water is associated with beneficial health effects in scientific literature and is a growing trend in domestic water consumption.

Hollow fibre membrane technology is the key process step in removing large amounts of suspended solids, nearly all bacteria and viruses from the water. The De.mem hollow fibre ultrafiltration membranes are tested to ‘6 log reduction’ – which means that a number of 1,000,000 (one million) microbes is reduced to only 1 (one) after filtration.

Image: New 5-stage consumer water filtration system



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The consumer water filtration systems opportunity

The global market for domestic ‘point of use’ filter systems was estimated to be US\$19.9 billion in 2018 (Source: Markets and Markets).

The Asia-Pacific region is the world’s largest market, followed by North America and Europe.

Sales strategy

De.mem sells its consumer water filtration system through a third party sales distribution model which creates high sales leverage and high cash generation.

Under this sales model, the sales partner purchases and pays for the systems upfront, creating a neutral working capital sales cycle for De.mem and transferring sales overheads onto the sales distribution partner.

Importantly, De.mem is able to replicate this sales model with several other distribution partners, creating a high sales leverage model for De.mem in all its target markets.

De.mem intends to broaden its consumer product sales channels by forming more distribution partnerships throughout the Asia-Pacific. A number of partnership opportunities are currently being aggressively pursued.

Andreas Kroell, CEO of De.mem Ltd, commented: “De.mem’s new 5-stage domestic point-of-use system is a high quality domestic water filter with an attractive design, which allows our distribution partners to comfortably sell this product range. The order received from our Singaporean distributor shows how quickly we are able to grow sales and production since the launch of this new product line .”

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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 solutions to treat water and wastewater are among the most advanced globally. The Company is headquartered in Australia and has international locations in Singapore, Germany and Vietnam. It is commercialising an array of innovative technologies developed by itself and licensed from its research and development partner, Nanyang Technological University (NTU), Singapore, a world leader in membrane and water research. Technologies uniquely offered by De.mem include a revolutionary low-pressure hollow fibre nanofiltration membrane that uses less electricity and is cheaper to operate than conventional systems, as well as a new Forward Osmosis membrane deployed in de-watering applications or the concentration of liquids.

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.

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