

Investor Presentation

10 March 2021: Australian-Singaporean water and waste-water treatment company De.mem (ASX:DEM) (“De.mem” or “the Company”) is pleased to release its Investor Presentation for the 12 months ended 31 December 2020 (“CY2020”).

The Company is delighted to report that CY2020 was a record-breaking year, and the company retains strong momentum for its CY2021 outlook.

CY2020: Record-breaking year

The Company is delighted to report that CY2020 was a record-breaking year. De.mem reported record cash receipts, cash flow, recurring cash receipts, margins, acquisition performance and inaugural cash positive.

This is summarized in Page 5 of the CY2020 Investor Presentation, below.

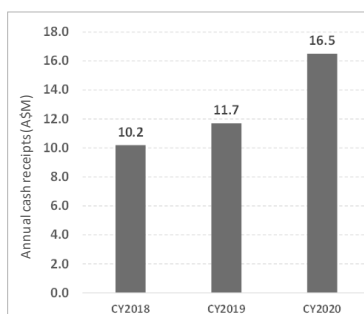
RECORD RESULTS – CY2020: A RECORD BREAKING-YEAR

CY2020: Record full-year cash receipts, record cash positive, record recurring revenues record margins

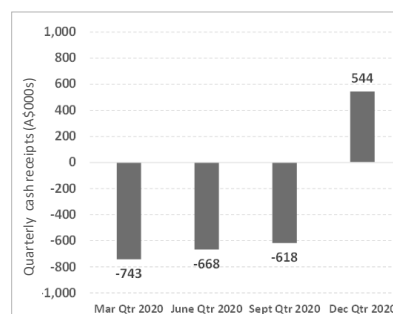
CY2021: Record outlook

- **Record CY2020 cash receipts** - \$16.5m, up 41%
- **Record cash flow - inaugural cash positive** +\$544k, December Quarter 2020
- **Record 58% recurring cash receipts** - up from 38% in CY18 and 54% in CY19, comprising **consumables sales** (chemicals, membranes, filters, pumps) and **services** (Build, Own, Operate; and Operations & Maintenance).
- **Record 31% margins** - from 25% in CY18 and 26% CY19, driven by high margin consumables and services.
- **Record acquisition performance** - Pumptech up +67% to CY20 \$4m cash receipts; Geutech up +18% to \$2.6m
- **Record CY2021 outlook** – Significant CY2021 growth expected, with ~\$14m CY2021 cash receipts already visible as at March 2021
- **Strong balance sheet** - \$5.4m cash and term deposits as at 31 Dec 2020.

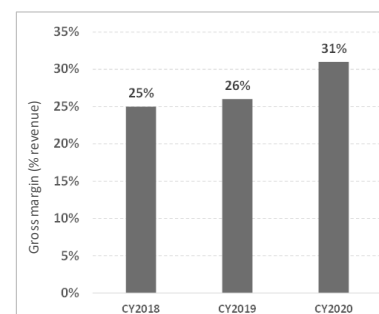
GROWING CASH RECEIPTS



INAUGURAL CASH POSITIVE



GROWING MARGINS



CY2021: Record Outlook

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De.mem is pleased to report that it expects significant cash receipts growth in CY2021 relative to CY2020.

Chart 1 illustrates CY2021's strong momentum and significant growth outlook, with ~\$14m cash receipts already visible as at March 2021, comprising:

- ~\$10m of recurring cash receipts and
- ~\$4m of project contracts.

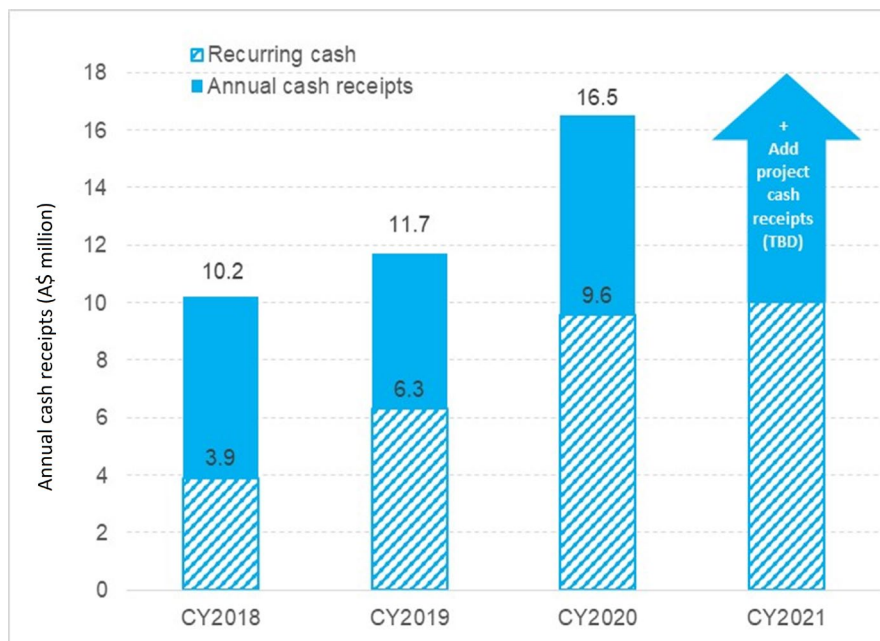
The ~\$14m cash receipts visibility implies that ~85% of CY2020 cash receipts are already achievable as at March 2021, with further upside from April to December 2021.

CHART 1: DE.MEM RECURRING CASH RECEIPTS AND OUTLOOK

Strong Growth Momentum

The Company has strong growth momentum, with full-year cash receipts increasing +41% to A\$16.5m in CY2020 and recurring receipts increasing +52% to \$9.6m.

Growth momentum accelerated in the second half of CY2020, with \$7.4m cash receipts in 1H and \$9.1m in 2H.



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Drivers of the strong outlook include:

- New Australian sales team, now well established.
- Growing pipeline across Australia.
- Leveraged to Covid-19 recovery, as previously paused projects are re-commissioned.
- Customer focus on “Buy Australian” to avoid global supply chain risks.
- New Zealand growth opportunity as international markets re-open.
- Strong growth in acquired businesses, with cross- and up-sell momentum across the enlarged group driven by the membrane technology portfolio and proprietary intellectual property.

Strong Growth Momentum in Acquired Businesses

The Company has a strong track record of adding value to strategic “bolt-on” acquisitions. De.mem’s two recently acquired subsidiaries, Pumptech and Geutec, both reported strong growth momentum during CY2020.

De.mem-Pumptech Pty Ltd (formerly: Pumptech Tasmania Pty Ltd) (“Pumptech”) has achieved strong growth of customer cash receipts since acquisition by De.mem in August 2019 (see ASX release, “De.mem completes acquisition of Pumptech Tasmania”, 7 August 2019).

Pumptech’s performance highlights are:

- **Total cash receipts up +67% in CY2020 to ~\$4.0m, vs ~\$2.4m in CY2019.**
- December Quarter 2020 customer cash receipts of \$1.17m, a ~67% increase on \$700k in March Quarter 2020.

German subsidiary De.mem-Geutec GmbH, Essen (“Geutec”) was acquired by De.mem in October 2019 (see ASX release, “De.mem acquires German industrial wastewater treatment company”, dated 17 October 2019).

Geutec’s performance highlights are:

- **An 18% increase of CY2020 cash receipts to \$2.6m, vs \$2.2m in CY 2019.**
- December quarter cash receipts of ~\$740k are ~33% above ~\$550k March Quarter 2020 cash receipts, which is an excellent result considering the adverse impact of the Covid-19 pandemic during the period.

Acquisition growth is driven by the Group’s strong cross-sell and up-sell customer value proposition. De.mem’s complete “one-stop shop” range of products, services, sales and leasing options, supported by its unique intellectual property technology portfolio, has consistently proven to be highly attractive to the customers of acquired businesses.

Strategic Outlook

De.mem achieved its 3 strategic priorities for CY2020.

De.mem achieved its three CY2020 strategic priorities, as outlined in ASX release “March 2020 Quarterly Activities Report”, dated 30 April 2020, as follows:

- Sales growth – revenues and cash receipts grew 47% and 41% respectively during CY2020 vs CY2019.

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- Enhancing revenue quality – recurring cash receipts have grown to 58% of total, with growing revenue diversification into key strategic growth sectors including food & beverages, sustainable agriculture and power generation.
- Cash flow positive – inaugural +\$544k cash positive December Quarter 2020.

Through CY2021, De.mem will continue to focus on its three strategic priorities of (i) sales growth, (ii) enhancing revenue quality and (iii) achieving sustainable cash flow positive, as the Company seeks to realise its vision of becoming an Australian “international champion” providing the complete “one-stop shop” of decentralised industrial water treatment solutions.

This release was authorized by the Company’s Chief Executive Officer, Mr. Andreas Kroell.

-ENDS-

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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, Germany and Vietnam. It is commercialising an array of innovative proprietary technologies from its research and development partner, Nanyang Technological University (NTU) in 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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