



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

De.mem completes Capital Raising; announces Share Purchase Plan

Highlights:

- Accepted commitments for ~\$9m from leading strategic and institutional investors through a placement of ordinary equity at \$0.28 per share in an oversubscribed capital raising.
- Welcomes follow-on investment from existing institutional shareholders and new investment from several leading institutions, including impact investment funds and specialist ESG funds.
- Share Purchase Plan ("SPP") available for Eligible Shareholders.
- The additional capital is primarily intended to fund the previously announced acquisition of Capic and expansion of the Company's Build, Own, Operate and services segment.
- De.mem's indicative post-capital raising position including Placement proceeds, assuming the target SPP of ~\$1.2m, after acquisition payment and transaction costs, is ~\$11.5m cash and term deposits.

17 March 2021: Water and wastewater treatment company **De.mem Limited (ASX:DEM)** ("De.mem" or "the Company") is pleased to announce that it has accepted firm commitments to raise ~\$9m (before costs) by way of a Share Placement of approximately 32,142,856 fully paid ordinary shares (**New Shares**) at \$0.28 (28 cents) per share (**Placement**).

Placement Overview

The Issue Price of A\$0.28 per share represents a 13.77% discount to the 5 Day VWAP (Volume Weighted Average Market Price over that period). The New Shares will be issued on or around Monday 22 March 2021, subject to receipt of funds by Friday 19 March 2021.

The New Shares issued under the capital raising will rank equally with existing fully paid shares of the Company. The New Shares will be issued without shareholder approval from the Company's 15% placement capacity (approximately 14,607,723 shares) and 10% placement capacity (17,535,133 shares).

Placement to High Quality Institutional Investors

The Company thanks all participating investors, including the following institutions who substantially contributed:

- Substantial shareholder **Perennial Value Management**, a long-term supporter and participant in every capital raising since June 2019, Money Management's 2019 Fund Manager of the Year (small caps).

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- Strategic, specialist Environmental, Social, Governance (ESG) investor **Pathfinder Asset Management**. Pathfinder's Global Water Fund focuses on companies addressing the global water crisis, and won the Good Returns/Research IP Alternatives Fund of the Year Award for 2019 (Global Water Fund).
- Impact investment **Inspire Australia Equities Fund**, a profit for purpose organisation that aims to direct capital to assets and companies that positively impact society and/or the environment.
- Long-term growth **New Horizons Fund**, whose core function is to back companies they believe "can dominate in the local or global market."

Share Purchase Plan (SPP) Offer

*The Company will offer eligible shareholders with a registered address in Australia or New Zealand (**Eligible Shareholder**) an opportunity to subscribe for new fully paid ordinary shares (**SPP Shares**) in the Company by way of a Share Purchase Plan (SPP) with the same pricing as the Placement.*

The SPP Shares will be offered as follows:

- Issue price of \$0.28 (28 cents) per share (being the same issue price as the Placement share price).
- To each Eligible Shareholder who held Shares in the Company at the record date of 7.00pm (Melbourne, Australia time) on Tuesday 16 March 2021.
- To each Eligible Shareholder for an amount of up to \$30,000 of SPP Shares, without paying brokerage.
- The minimum SPP subscription will be \$1,000, with subscriptions in increments of \$1,000 up to the \$30,000 maximum.
- The SPP target raising is ~\$1.2 million, with oversubscriptions at the Board's absolute discretion.

SPP Shares will rank equally in all respects with the existing fully paid shares in the Company. Shareholder approval is not required for the SPP. The SPP will not be underwritten.

The indicative* timetable for the SPP is:

Event	Date and time
Record Date	Tuesday 16 March 2021
Announcement of the SPP	Wednesday 17 March 2021
SPP Opening Date	Tuesday 23 March 2021
SPP Closing Date	Tuesday 20 April 2021
SPP Results announcement	Friday 23 April 2021
SPP Shares Issue Date	Thursday 29 April 2021
Quotation of Shares on ASX	Friday 30 April 2021

* - The indicative timetable is subject to change at the Board's absolute discretion.

An SPP booklet with further details of the SPP will be dispatched to Eligible Shareholders in coming days.



Use of Funds

The funding will be primarily directed towards acquisition funding; Build, Own, Operate (“BOO”) expansion; general working capital; organic growth initiatives; and transaction costs.

De.mem intends to acquire the assets of the Capic business, and has a 3-month exclusive right to conduct due diligence and finalise the acquisition, as announced to the ASX on 16 March 2021, “*De.mem Announces Strategic Acquisition in Western Australia*”.

The Company’s strong balance sheet, combined with its specialist skills and national footprint, enables it to offer BOO services to institutional clients around Australia. The BOO service offering deepens the Company’s engagement and long-term relationships with its large industrial customers.

Strengthened Balance Sheet

De.mem’s indicative post-capital raising cash position including Placement proceeds, assuming the target SPP of ~\$1.2m, after acquisition payment and transaction costs, is ~\$11.5m cash and term deposits.

The Company previously reported \$5.4m cash and term deposits as at 31 December 2020.

CEO Commentary

CEO Andreas Kroell said:

“We are pleased to complete this capital raising, primarily allowing us to complete the Capic acquisition and grow our BOO segment.

We welcome investment from high-quality institutions, with each investor known to be a long-term supporter of high-quality growth businesses.

With our world-leading, innovative membrane technology, expanded product range, including Capic’s speciality chemicals, and our proven capability to operate and maintain water treatment plants, De.mem is uniquely positioned to realise our vision of becoming ***the 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.

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De.mem Limited (ASX:DEM) is an Australian-Singaporean 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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