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

Investor Presentation

9 February 2024: Australian headquartered, international water technology company **De.mem Limited (ASX:DEM)** (“De.mem” or “the Company”) is pleased to release the attached Investor Presentation with updated information about the business for current and future investors.

This announcement has been authorised for release by the Company’s CEO, Mr Andreas Kroell, on behalf of the Board of Directors.

-ENDS-

For further information, please contact:

De.mem Limited

Andreas Kroell

CEO

De.mem Limited

investor@demem.com.sg

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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De.mem Limited (ASX:DEM)

Industrial Water & Waste Water Treatment Solutions
Investor Presentation
February 2024



Over the last 12 months, De.mem has mostly tracked the ASX Small Industrials index

MARKET DATA

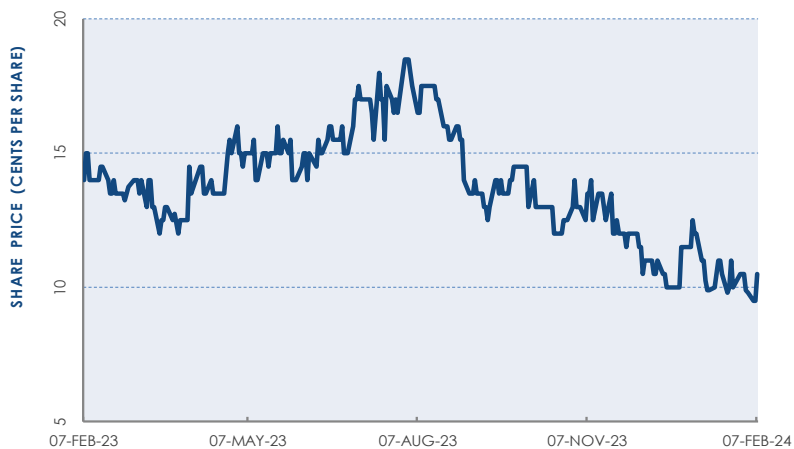
ASX code	DEM
Ordinary shares	245,306,369
Market capitalisation	\$24.5m
Cash on hand (31.12.23)	\$2.4m
Listed on ASX	7 April 2017
Last price (07.02.2024)	\$0.10
52 week high	\$0.19
52 week low	\$0.095
CY23 cash receipts (up 8% vs CY22)	~\$25m
Market cap / CY23 cash receipts	0.9x
GICS classification	Utilities

MAJOR SHAREHOLDERS

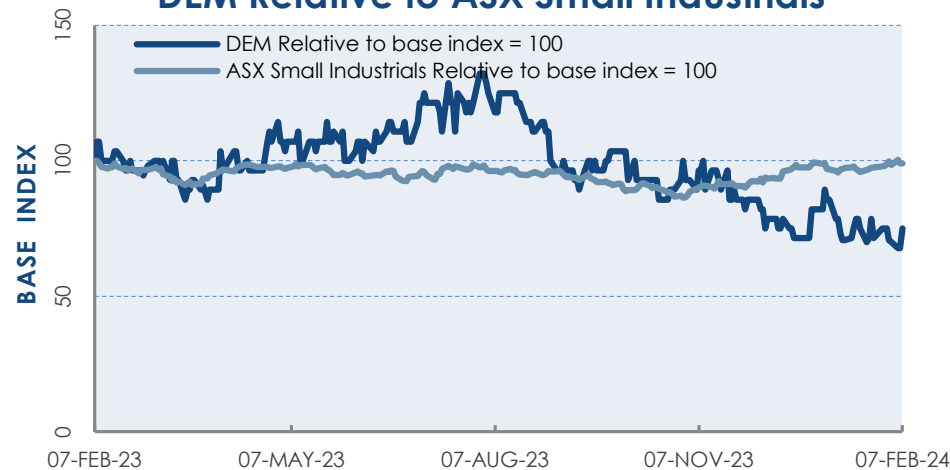
NA Singapore Early-Stage Venture Fund	19.0%
Perennial Value Microcap Opportunities Fund	~14.0%
New Asia Investments Pte Ltd	5.0%
Mr Andreas Hendrik De Wit (Non-executive Director)	~6.0%
Pathfinder Fund	~5.0%
Mr. Andreas Kroell (CEO)	~1.0%

SHARE PRICE PERFORMANCE

DEM Stock Price



DEM Relative to ASX Small Industrials



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OVERVIEW & INVESTMENT HIGHLIGHTS

Unique water & ESG investment proposition based on its membrane tech, industrial client focus and recurring revenue model – approaching financial break even

Technology Driven Competitive Advantage & Customer Value Proposition

- Portfolio of hollow fibre membranes deployed as the key component in the company's systems
- Niche competitors with limited technical, financial and organisational capabilities

Unique Recurring Revenue Business Model – Recurring Revenue Segments Drive Growth

- Recurring cash receipts of \$22.5m in CY23 ~91% of total – up 63% on CY21; up 15% on CY22
- Capic specialty chemicals segment cash receipts up ~80% since acquisition in March 2021

Strong Growth Momentum and Outlook, with 19 Successive Quarters of Growth

- Highest quarterly cash receipts ever recorded in December Quarter 2023 (\$7.1m)
- 19 successive quarters of cash receipts growth vs. prior corresponding period

Operating near cash flow positive

- Positive operating cash flow in Dec Qtr 2022 (+\$203k) & March Qtr 23 (+\$19k); operating cash outflow in the Dec Qtr 2023 (-289k)
- Gross margins up from 19% to 37% (CY18 to H1 CY23)

Blue Chip Customers

- Technology and business model validated by repeat orders from global, blue-chip corporates
- Substantial growth opportunity via land & expand and cross sell opportunities.



Favourable Market Dynamics – Highly Fragmented, Large Addressable Market

- Domestic addressable market A\$2.3bn; global market expected to reach US\$39bn by 2026.
- First commercialisation of domestic water purification application, applying unique Graphene Oxide technology, targeting US\$82.6 billion market
- Strong acquisition value-add track record, with average 63% revenue growth by De.mem across 4 acquisitions

Attractive valuation, transformational CY23 with record results, record outlook

- Trading at ~\$24m market cap, ~0.9x revenue, discount relative to global comparable acquisitions
- Record annual CY23 cash receipts \$25m (up 8%), record growth momentum and margins



Record cash receipts / revenues, record margins, EBITDA near break-even

Record annual cash receipts CY23 A\$24.8m, up 8% vs CY22

Record growth momentum, with 19 quarters of cash receipts growth vs pcp

Highest ever quarterly cash receipts in the December quarter 2023 (\$7.1m)



Transition towards high margin recurring revenue model continued and completed

- Recurring cash receipts ~91% of total cash receipts in CY23
- 37% gross margin in H1 CY 2023 (19% in CY 2018)



Visible path to operating cash positive cash flow

- Positive quarterly operating cash flow recorded in both the March Quarter 2023 (approx. +\$19,000) and the December Quarter 2022 (approx. +\$200,000)
- Annual CY23 cash operating loss reduced to A\$1.5m (vs \$1.9m CY22) – excluding outstanding final payments from two projects of ~900k (proforma CY23 loss ~A\$0.6m)
- -\$289k operating cash loss in Dec Quarter 2023
- Intended expansion into global domestic water filtration market (US\$24.1bn estimated size in 2025 *), with expected base revenues of \$300k in Year 1 and \$750k in Year 2 (*Source: *Grand View Research, Home Water Filtration Market Unit Market Size, 9 July 2019*)

Record cash receipts / revenues, record margins, EBITDA near break-even

Delivered on contracts, grew acquired businesses, progressed entry into domestic water filtration market



Contract Milestones

- Commissioned key BOO contracts (i.e. Givaudan/Singapore and Selwyn Snow Resort) and extended and expanded key service contracts during CY 2023
- \$1.6 million contract award for the supply of a water treatment plant to South 32 largely completed with plant shipped to site in late 2023; to be commissioned in H1 CY 2024



Strong acquisition value-add track record

- Successfully grown revenues of all 4 recently acquired businesses
- **Average 63% growth across 4 acquisitions**
- Strong growth of Capic specialty chemicals business segment continued with cash receipts of \$~6m in CY 2023 for the subsidiary (vs. \$~3.3m in annual revenues pre-acquisition in March 2021)



Entry into global domestic water filtration market with new Graphene-Oxide enhanced membrane

- Partnership with Purafy progressed
- Continued National Sanitary Foundation (NSF) certification progress with key technical milestones/test procedures passed
- First order/revenues for the new technology announced on 8 Feb 2024

Record cash receipts / revenues, record margins, EBITDA near break-even
Continued growth momentum, acquisitions & new tech as a basis for sustainable positive cashflow



High cash receipts visibility

- CY2023 ~91% recurring cash receipts
- CY2023 deferred contract payments: ~\$900k in final payments for two projects carried over in CY 2024
- Additional orders received for projects worth \$~1m add to contracted cash receipts expectations
- 19 quarters of cash receipts growth vs prior corresponding period
- Specialty chemicals segment/Capic a key driver of recurring receipts growth
- Significant cross-sell potential



Corporate

- Successfully grown revenues of all 4 recently acquired businesses
- Strong growth of Capic specialty chemicals business segment continued with cash receipts of \$~6m in CY 2023 for the subsidiary (vs. \$~3.3m in annual revenues pre-acquisition in March 2021)

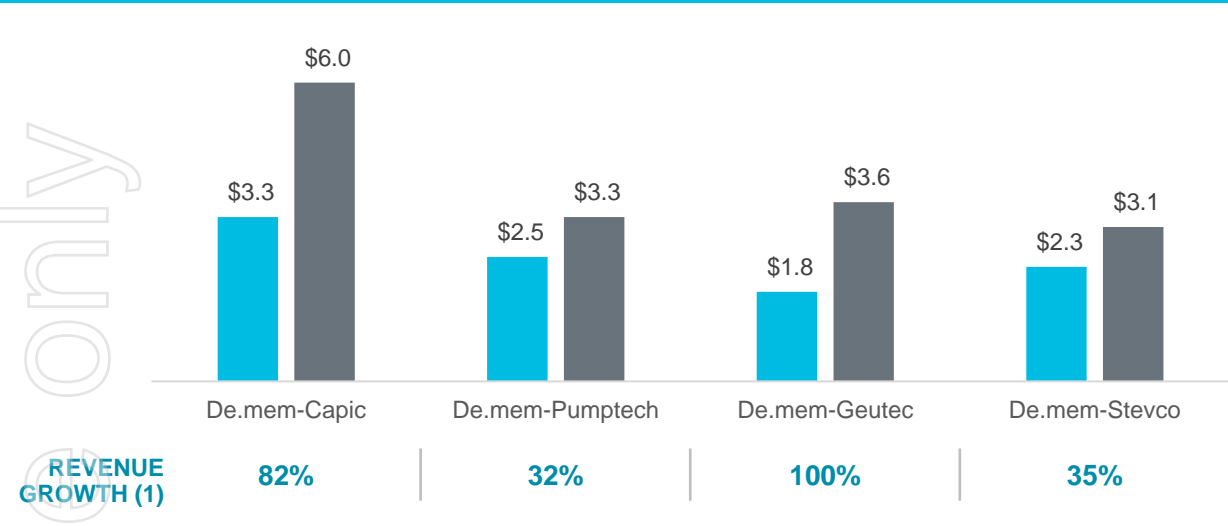


Entry into global domestic water filtration market with new Graphene-Oxide enhanced membrane

- First revenues announced on 8 Feb 2024
- National Sanitary Foundation (NSF) certification to expand immediately addressable market
- Enter global US\$82.6 bn global domestic point-of-use and point-of-entry water purification applications market, with combined expected revenues from North America and Australia:
 - Year 1 - ~\$300k
 - Year 2 - ~\$750k
- Further revenue upside from launch into other global markets, and release of new products

STRONG ACQUISITION VALUE-ADD TRACK RECORD

Revenue Performance of DEM Acquisitions



- De.mem completed 4 bolt-on acquisitions since 2019
- all have provided significant growth post acquisition
- cross-selling and adding innovative products into existing customer relationships
- **Average 63% revenue increase across 4 acquisitions**
- *Note (1): revenue growth % compares last financial year (preliminary/unaudited) vs. annual revenue pre acquisition. See acquisition dates below.*

Business, Acquisition date	Business Focus	Price Paid	Rationale & Cross Selling Opportunities
Capic Perth-based 2021	Supplies high value add, high margin, speciality chemicals within mining services.	\$3.4m cash \$1.0m scrip	<ul style="list-style-type: none"> • Added highly complementary and high margin range of specialty chemical products, today forming the core of De.mem's specialty chemicals segment. • Provided De.mem with increased scale & geographic expansion into the strategically important WA market. • Added blue-chip customer base and potential revenue cross-sell synergies.
Pumptech Tasmanian-based 2019	Main product lines include membrane-based and other water / waste water treatment systems, as well as mechanical equipment.	\$0.9m cash \$0.15m scrip	<ul style="list-style-type: none"> • Provided geographic expansion into Tasmania, further penetration of target verticals, product portfolio expansion, cross-sell opportunities, cost synergies and earnings accretion.
Geutec German-based 2019 & 2022	Develops, manufactures and sells innovative chemicals-based products and solutions for waste water treatment to customers across Germany and Europe	\$0.92m cash (75% in 2019) \$0.34m cash (25% in 2022)	<ul style="list-style-type: none"> • Provided platform for expansion into Europe, proprietary chemical range and synergistic membrane products. • De.mem's existing customer base expressed pre-existing demand for products sold by Geutec. • Geutecs products were a key input for De.mem's membrane treatments.
Stevco Seals & Pumps Victorian-based 2022	Supplier of pumps, small water treatment equipment & maintenance services in Victoria.	\$1.25m cash \$0.25m scrip	<ul style="list-style-type: none"> • Stevco's long term customer base also requires larger water treatment equipment, services and chemicals, creating substantial potential for cross-selling of advanced membrane-based water treatment solutions and its specialty chemicals range.

CASE STUDY: WASTE WATER TREATMENT FOR F&B CLIENT

De.mem provided a waste water treatment plant deploying its Ultrafiltration technology under a BOO agreement to a leading multinational from the F&B industry in Singapore



- De.mem provided an integrated waste water treatment plant deploying our proprietary Ultrafiltration membrane technology and other treatment processes to a multinational client in Singapore under a \$2.1m, minimum 6-year BOO agreement (announced on 29 August 2022)
- The main components of the system are containerized for plug & play deployment on site
- Key treatment processes are De.mem's proprietary hollow fibre Ultrafiltration membranes
- De.mem operates & maintains the system on behalf of the client and provides all chemicals & consumables required
- Effectively, De.mem manages the entire waste water treatment process for the client's site
- De.mem also manages the concentrate from the plant based on another, separate BOO; reducing the liquid waste to a minimum ("Zero Liquid Discharge")

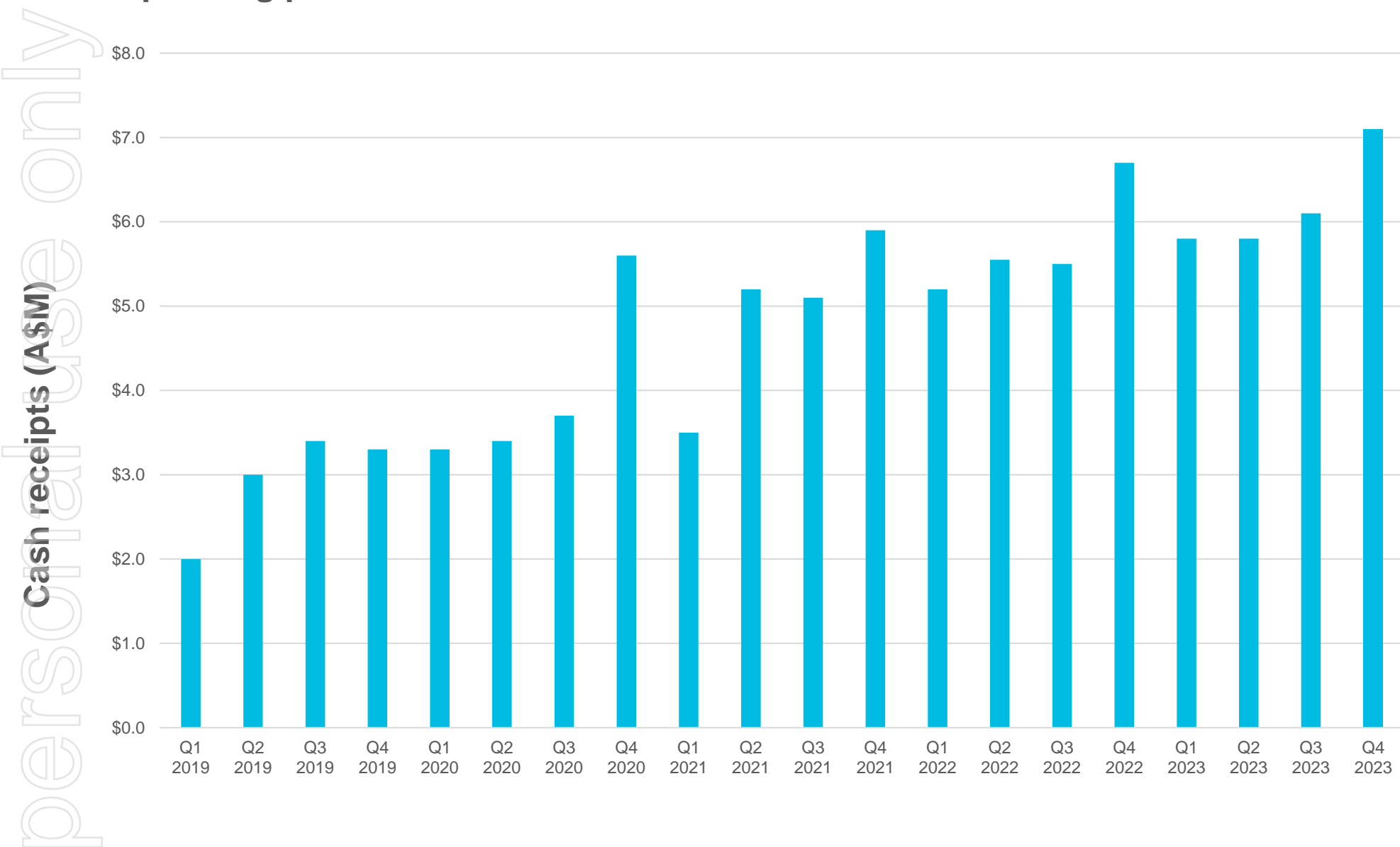
De.mem provided a Membrane Bioreactor (MBR) plant under a BOO agreement to a snow resort in Australia for their waste water treatment and recycling

- **De.mem provided a Membrane Bioreactor (MBR) plant to an Australian snow resort under a \$1m, 5-year BOO agreement (announced on 8 December 2021)**
- The system is containerized in 2 40-foot containers
- It is based on a very robust design, to operate reliably under extreme weather conditions
- The plant uses hollow fibre membrane technology to deliver high quality treated water for recycling/re-use of the resort's waste water and sewage i.e. for the snow making process
- De.mem assists the client with the ongoing operations of the system, ensuring the resort's regulatory compliance



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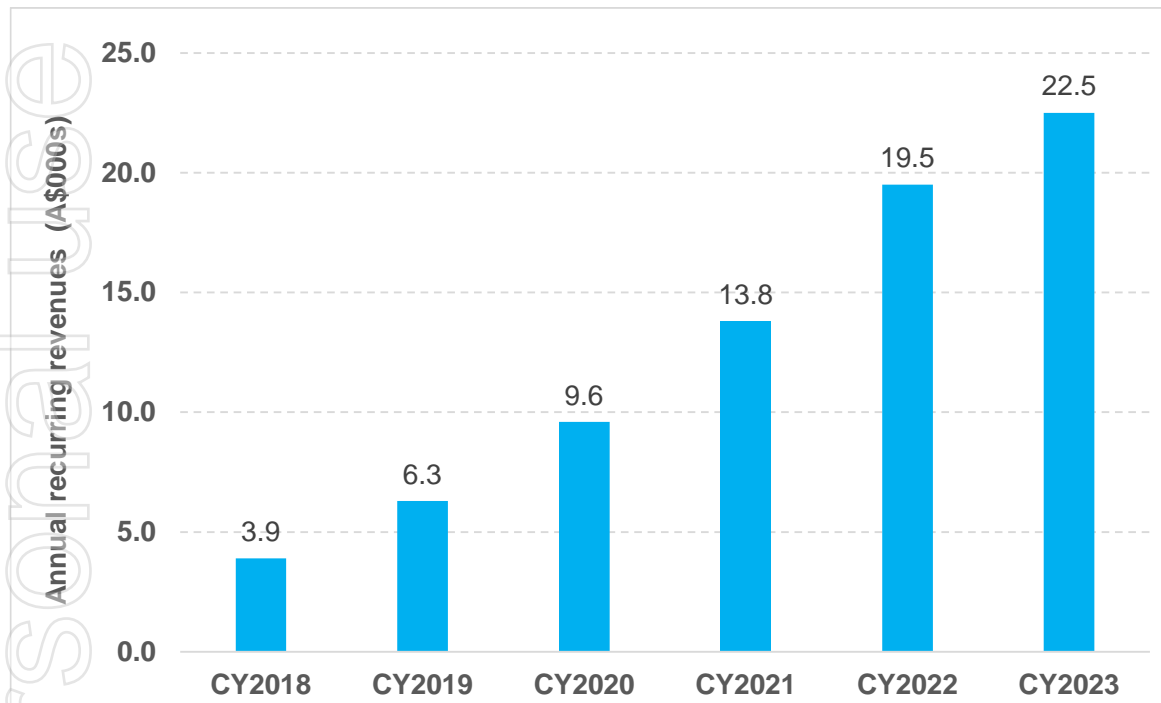
De.mem has delivered 19 consecutive quarters of overall cash receipts growth vs. prior corresponding period



De.mem has successfully achieved its stated strategy of growing recurring revenues – resulting in a stable, high-margin business model

Recurring cash receipts 91% total CY23 cash receipts, up from 38% in CY18

Recurring revenue growth



DEM Recurring Revenue Segments

- **Contracts:**
 - Build, Own, Operate (“BOO”)
 - Operations & Maintenance (“O&M”)
- **Specialty chemicals sales**
- **Pumps** – sales, maintenance, services
- **Water treatment** equipment maintenance
- **Small equipment & consumables** sales
- **Membrane replacement** sales

Comprehensive water & waste water treatment offering allows substantial cross-selling and supports recurring revenue growth to >90% total revenue

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Membrane Systems

- Provide containerized water and waste water treatment plants to solve customers' specific requirements
- Systems leverage De.mem proprietary hollow fibre membrane technology and specialty chemicals
- Revenue is project based and usually recognized / paid in instalments

Services (BOO & O&M)

- Operations & maintenance (O&M) of water treatment plants as systems require regular maintenance to facilitate effective operations
- **Build, Own, Operate (BOO) offering where the plant is supplied under a rental arrangement plus O&M**
- Revenues are recurring and highly predictable

Specialty Chemicals

- Specialty chemicals for the operation of the water treatment plants and stand alone applications
- Products include scale and corrosion inhibitors, membrane cleaning aids, and process additives
- Revenues are recurring in nature and highly predictable

Pumps, Services & Equipment

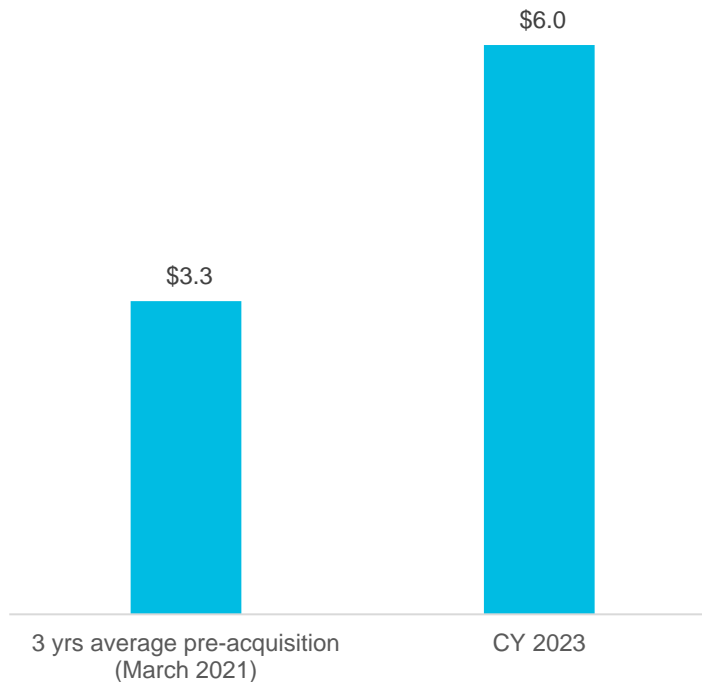
- Supply pumps, equipment and related maintenance services which are required for plants operations
- Revenues are recurring in nature and predictable as products are necessary for plant operations, and require ongoing maintenance

DEM Recurring Revenue Segments

SPECIALTY CHEMICALS SEGMENT GROWTH (UPDATE)

De.mem's specialty chemicals segment via its Perth-based subsidiary Capic provides for stable and high-margin revenues. It is a key segment within the Company's expansion strategy

Segment revenue growth since acquisition in March 2021



De.mem-Capic / specialty chemicals product lines

- Through its Capic subsidiary, De.mem offers the following water treatment products:
 - Antiscalants
 - Corrosion inhibitors
 - De- and antifoamers
 - Other specialty chemicals
- The chemicals are regularly “topped up” by the customers, providing for stable income streams
- Specialty chemicals sales provide for the highest gross margins within the De.mem business

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BLUE CHIP CUSTOMER BASE - FOCUS ON THE INDUSTRIAL SEGMENT

Global, blue-chip customers with multiple sites provide significant cross-sell opportunities

De.mem's sales strategy is based on a "land and expand" strategy with multi-site customers

Mining

- Potable/sewage treatment for mining camps
- Waste water
- Mining water supply





 Monadelphous



Infrastructure

- Potable
- Sewage treatment
- Water treatment for industrial facilities



Food & Beverage

- Waste water
- Process water
- Ultrapure water
- Recycling





Other Industrial

- Industrial waste water
- Process water
- Ultrapure water
- Recycling



DE.MEM “NEXT-GEN” GRAPHENE OXIDE ENHANCED MEMBRANE

De.mem’s Graphene-Oxide enhanced Ultrafiltration membrane allows for substantially increased throughput compared to a standard membrane. This is a game changing advancement



- **2019: Started R&D in-house**
- **Sep 2021: Presented new GO-enhanced membrane tech**, which increases throughput of the membrane by 20-40% vs. standard. Technology incorporates GO nanoparticles in De.mem’s standard polymer membrane. Well suited for domestic applications due to reduced cartridge size
- **H1 CY 2022: Initiated process to obtain NSF certification** (American regulator for potable water treatment products)
- **Jul 2022: Announced partnership with Purafy, Canada**, to jointly launch the membrane into domestic point of entry / point of use applications in North America, a \$82.6bn global market (Market Research Future, study on the water purifier market, May 2021)
- **Feb 2024: First revenues from non-NSF regulated applications**
- **Expected in coming months:**
 - Completion of NSF process
 - Expand global addressable markets

LARGE ADDRESSABLE MARKET: STRONG REGULATORY TAILWINDS

ESG pressures are growing & driving the adoption of wastewater solutions and services. De.mem is well positioned to capitalise on these as a provider of water treatment solutions

Drivers of Adoption

Treated wastewater being embraced as a sustainable alternative to fresh water

Growing cost of compliance, increased regulatory & social governance pressures

Water is a scarce resource which is fundamental to certain industries

Increased recognition of requirement to invest in ESG & regenerative practises



Significant Addressable Market

A\$2.3bn
Total Addressable Market in Australia

Decentralised wastewater systems
A\$300m p.a.¹

Pumps equipment market
>A\$1bn p.a.²

Water treatment chemicals
>A\$1bn p.a.³

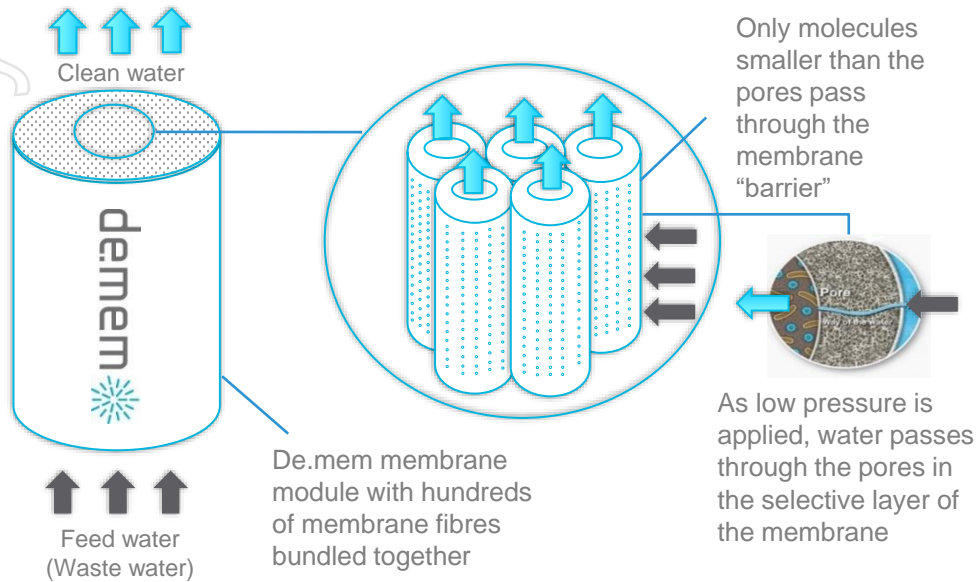
US\$39bn
Global market for decentralised water treatment by 2026⁴

Sources:

- (1) Company estimates
- (2) From the Australian Pump Industry Association website, April 2022

- (3) RFDTV, Australian Water Treatment Chemicals Market Size in 2018, 29/11/2021
- (4) Research & Markets, "Decentralized Water Treatment Market – Global Outlook and Forecast 2021-26", 24/9.2021

Principle of Hollow Fibre Membrane Filtration



- De.mem's membranes are a microporous structure, whereby the pore size within the membrane determines which contaminants can be removed.
- Membrane sizes span across nano, ultra and micro with varying pore sizes. Contaminants that can be removed are shown in the chart in the Appendix.

Technology results in lower CAPEX & operating costs driven by the following:

- **Less Power Required:** Typically operates under 1-2 bar pressure, which can reduce energy consumption by up to 70% vs. a standard reverse osmosis plant (where applicable)
- **Less Harmful Chemicals Required:** Membrane can be operated in a simple, one-stage process, without additional pre-filtration resulting in less harmful and/or bulk chemicals
- **Ease of Use & Cleaning:** Simple backwash cleaning process results in reduced chemical usage, less maintenance requirements and longer product life due to minimal membrane fouling
- **Lower Footprint:** Less space required for treatment plant due to membranes high throughput capabilities and ability to be containerized

Membrane Bundles

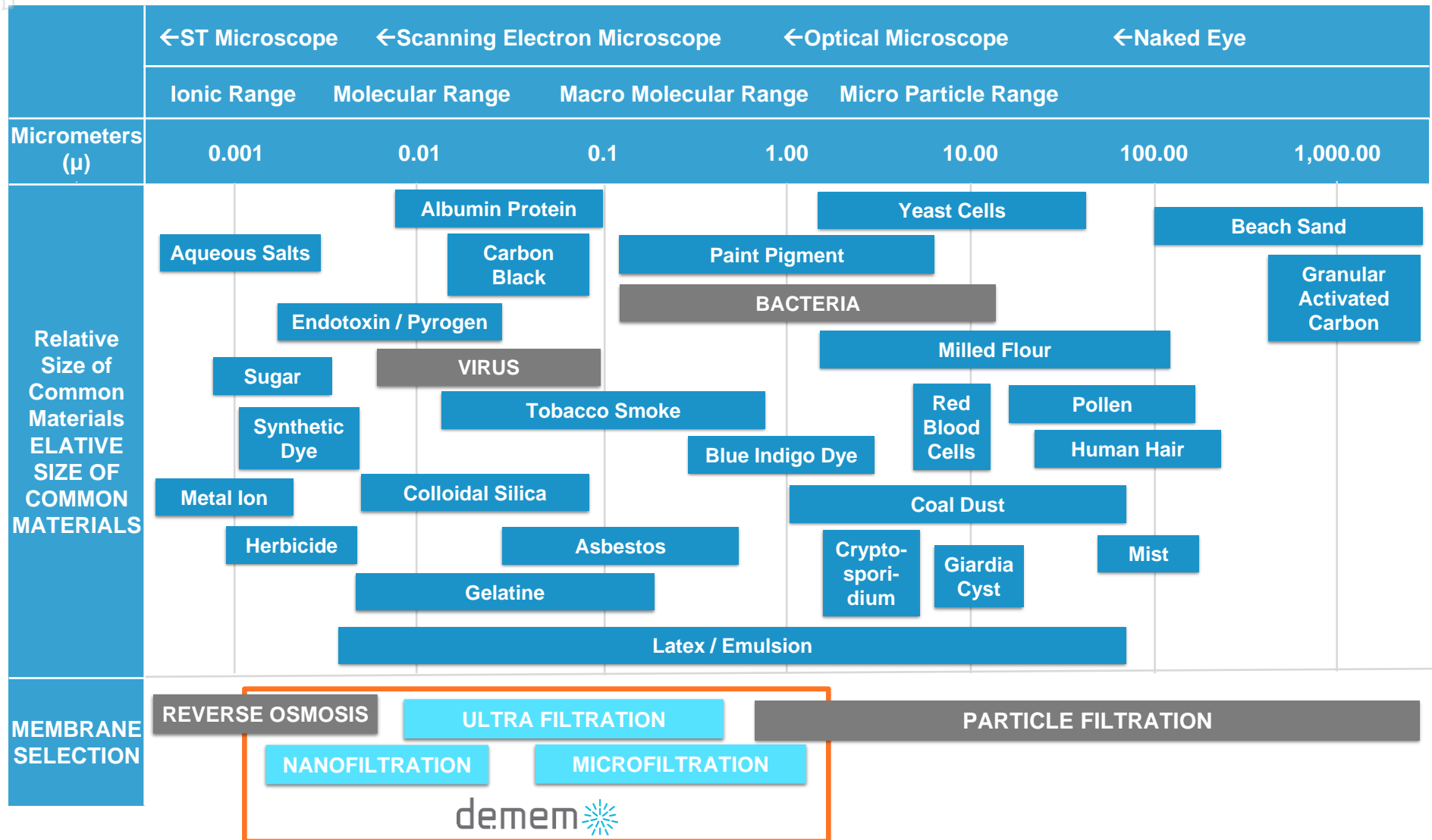


Membrane Modules



DE.MEM TECH: BROAD APPLICATION RANGE

De.mem's hollow fibre membrane technology comes with a variety of pore sizes which can remove tiny contaminants including dyes, pesticides/herbicides, microplastics, solids, viruses, bacteria etc. in a simple process



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POSITIVE ESG IMPACT FOR FUTURE GENERATIONS

De.mem is driven by our impact on society. Our technology is pioneering a revolution in how we can better utilise our environments' limited resources in order to sustainably meet/exceed regulated ESG targets



Water Treatment & Reuse

- De.mem's membrane technology and treatment plants clean waste water, facilitate water discharge and water reuse/recycling
- Treated a total of 550 million litres of water under our BOO and O&M contracts across 15 sites in Australia and Singapore in Q1 CY2023
- Equivalent of ~220 Olympic sized swimming pools of waste water being turned safe for discharge and reuse



Less Power, Land & Chemicals

- De.mem's hollow fibre membrane technology is a sustainable solution. Environmental benefits:
- Up to a 70% reduction in power consumption compared to reverse osmosis
- Systems and plants have smaller foot prints translating to less land requirements
- Less chemicals are required to operate and maintain De.mem systems



Plastic Waste Reduction

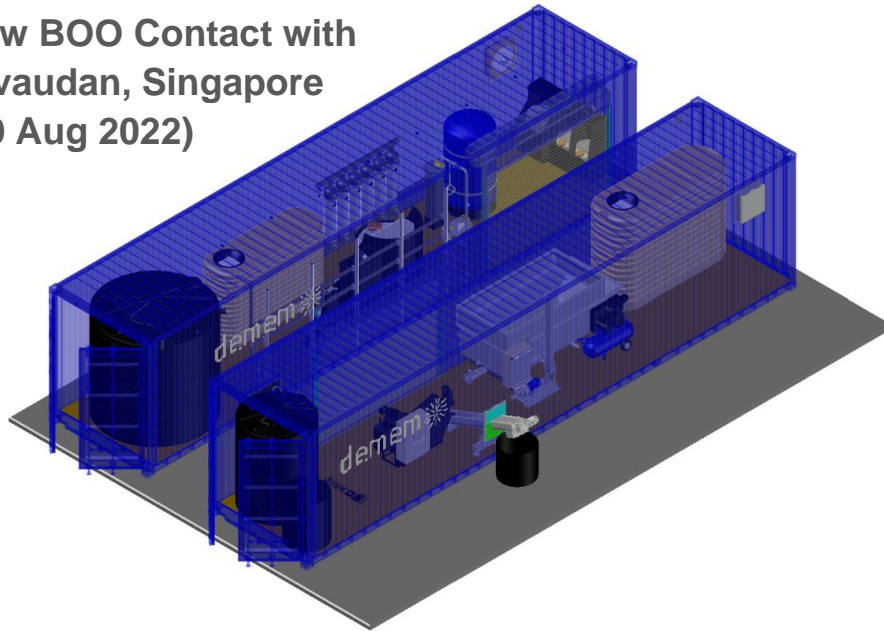
- De.mem's domestic water filters are being actively used by customers to replace bottled drinking water
- Anticipated launch of new graphene oxide enhanced membranes lead to further uptake of De.mem's domestic filters
- More than 373 million plastic bottles are used in Australia per annum with only 36% being recycled

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KEY SERVICE CONTRACTS - OVERVIEW

De.mem has never lost a material* BOO or O&M contract once installed. These services are inherently very sticky

New BOO Contact with Givaudan, Singapore (29 Aug 2022)



- **4th major BOO contract** with same customer
- **\$2.1m in revenues over 6 years fixed term**
- **Plant commissioned in May 2023**
- Client is world wide leader in flavours & fragrances industry (F&B) with over 185 locations worldwide
- Design, manufacture and O&M of waste water treatment plant for Singapore factory
- De.mem Ultrafiltration membranes as key process

Other Key BOO & O&M Contracts for Potable Water and Waste Water Treatment Plants – DEM References

- BOO no.1 with Givaudan, Singapore (\$160k in revenues p.a.; signed 2017)
- O&M contract for mining accommodation camp water treatment facilities (\$600k p.a., signed 2017)
- BOO no. 2 with Givaudan, Singapore (\$2.1m in revenues over 6 years; signed 2019)
- O&M contract for QLD luxury resort (\$300k p.a., signed 2020)
- BOO no. 3 with Givaudan, Singapore (\$800k in revenues over 10 years; signed 2020)
- O&M contract for QLD island resort (300k in revenues per annum, signed 2021)
- BOO contract with Australian agricultural business (\$2m in revenues over 5 years, signed 2021)
- BOO contract with Australian ski resort (\$1m in revenues over 5 years, signed 2021)
- O&M contract with Rio Tinto for QLD mining site (\$1.7m over 3 years, signed 2022)

*Material is defined as a contract with revenue above \$100k per annum



Cosimo Trimigliozi
Non-Exec. Chairman

30-year experience in the feed and food ingredients / flavours & fragrances industry

Former COO at Wild Flavors, and was a key member involved in the sale of the Company to ADM Group for approx. US\$2.5 billion

Previously, MD Asia for Givaudan, Switzerland



Bernd Dautel
Non-Executive Director

Director and Partner with New Asia Investments for the past decade

Previously MD of Wieland Asia/Pacific, growing the Asia-Pacific business from a small enterprise to generating more than SGD\$400 million in revenues, for one of the world's leading independent producers of semi-finished copper and copper alloy products



Harry De Wit
Non-Executive Director

Senior corporate executive with long term experience in the healthcare industry

Has been the CEO of Asia Pacific for Fresenius Medical Care since 2016 and served as a member of the Management Board from 2016-2021. In 2022 he was leading Europe, Middle East and Africa as well as Asia Pacific with a total revenue of over 5 billion Euro



Stuart Carmichael
Non-Executive Director

Principal and Director at Ventnor specialising in corporate and financial advice to small cap ASX listed companies including capital raisings, IPO's, restructures and M&A

A Chartered Accountant with over 20 years' experience in the provision of corporate advisory services both within Australia and internationally

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EXPERIENCED LEADERSHIP TEAM (CONT.)



Danny Conlon
Non-Executive Director

CEO and Managing Director of Veolia for the Australia & New Zealand region from 2018-20, responsible for more than 4,000 employees and 240 locations across the region

With Veolia since 1998. Served as the Executive General Manager of Veolia's East Coast Operations in ANZ, prior to being the CEO



Michael Edwards
Non-Executive Director

A Geologist and Economist with over 20 years of senior management experience in both the private and public sector

Currently Executive Chairman of Auroch Minerals (ASX:AOU) and Non-Executive Chairman of Greenstone Resources (ASX:GSR)



Andreas Kroell
CEO

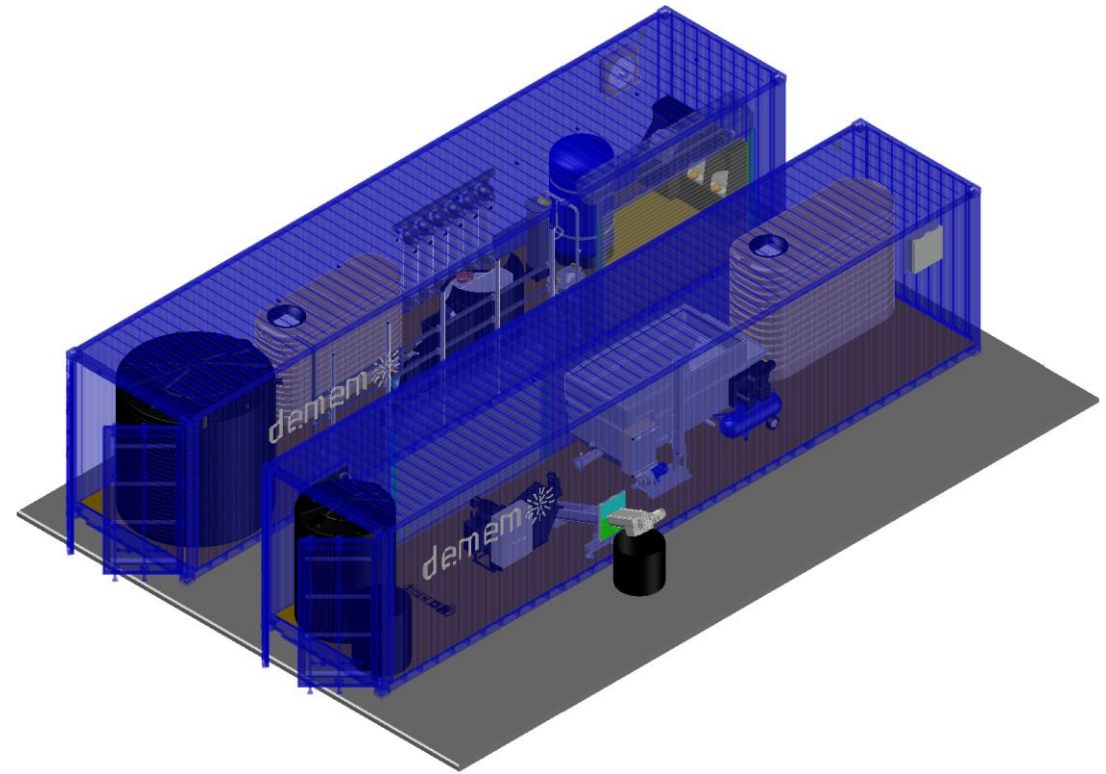
Previously Director and Partner of New Asia Investments, a Singapore-based technology investment firm, responsible for numerous investments in the water and industrial sectors

Experience at Nanostart AG, a German publicly listed nanotech-focused VC fund, and holding corporate finance roles with Deutsche Bank and Deloitte in Germany

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Andreas Kroell

Chief Executive Officer

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