

## DECEMBER 2025 QUARTERLY ACTIVITIES REPORT: RECORD RESULTS AND POSITIVE FULL-YEAR OPERATING CASH FLOWS

**29 January 2026:** Industrial water and wastewater treatment company De.mem Limited (ASX: DEM) (“De.mem” or “the Company”) is pleased to report record December Quarter 2025 results.

### KEY HIGHLIGHTS

- **Record quarterly cash receipts in company history** of ~\$8.8 million, 19% growth vs. prior corresponding period (“pcp”).
- **Record growth momentum**, with 27 successive cash receipts growth quarters vs. pcp.
- **Record cash receipts compound annual growth rate (CAGR) of ~24%** over ~7 years.
- **Double digit organic growth**.
- **Positive operating cash flow** of \$232k for the calendar year.
- **Over 90% recurring revenues**.
- **Acquisition of Core Chemicals completed** providing additional exposure to the surging gold sector outlook.
- **Domestic water treatment product launch continuing**, with Australian Watermark certification process progressing.
- **Outlook for record calendar year 2026**.

### Record results with high margin recurring revenues

De.mem is delighted to report **record results in cash receipts, growth rates, growth momentum, and with positive full year operating cashflow**, as the Company successfully executes its vision and strategy.

The Company’s vision is to be the leading international supplier of decentralized water treatment solutions to industrial and residential customers, **driving revenue growth through high margin recurring sales**.

For multi-site industrial customers, De.mem offers a “one stop shop” of premium water and waste water treatment solutions, **generating high margin recurring revenues** from its services and specialty chemicals divisions.

For residential customers, De.mem offers its membrane products for domestic water treatment applications – a large and growing segment of the global water treatment market. See below commentary, “*Domestic water filtration market entry in progress*”.

### Record cash receipts

De.mem is pleased to report record December Quarter 2025 cash receipts of ~\$8.8m, the highest quarterly cash receipts in the Company’s history. The result is approximately 19% higher than the prior corresponding period (“pcp”) of December 2024. It includes double digit organic growth.

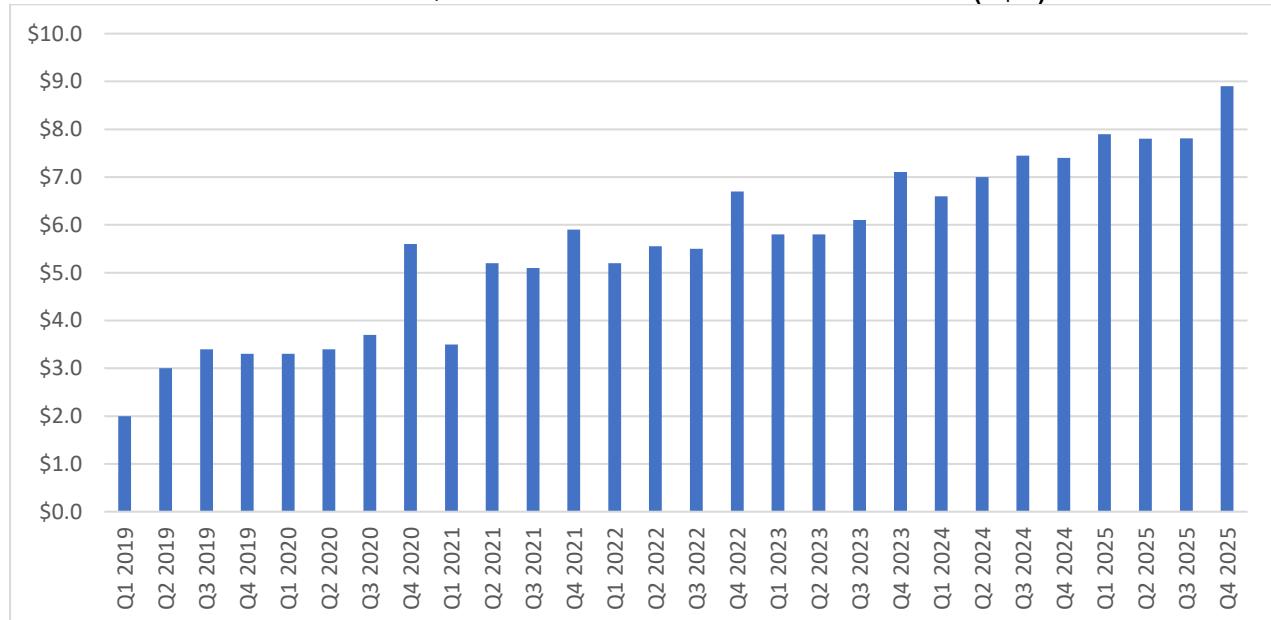
### Growth rate

De.mem achieved a ~24% long term compound annual growth rate (CAGR) of in cash receipts over 6.75 years (Chart 1).

### Record growth momentum

De.mem achieved **a record 27 consecutive quarters of cash receipts growth** vs pcp (Chart 1), which highlights the strength of the Company’s high recurring cashflow business model.

**CHART 1: RECORD 27 QUARTERS OF CASH RECEIPTS GROWTH (A\$M) VS. PCP**



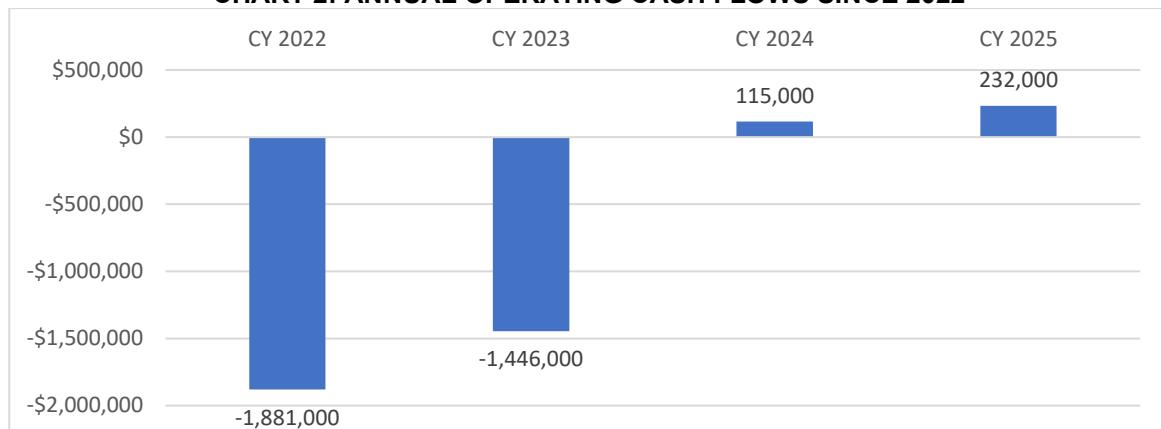
### Positive operating cashflows

De.mem closes the calendar year with positive operating cash flows of \$232k in Calendar Year (“CY”) 2025 (Chart 2), which is a substantial turnaround from operating cash outflows of approximately \$1.9m in CY 2022. The Company’s positive operating cash flow reflects the combination of sustained cash receipt growth, margin growth due to the focus on recurring revenue segments and disciplined cost control.

Importantly, the positive operating cash flow outcome was achieved **after** continued investment in integration activities and organic growth initiatives, indicating that current cash generation is structural rather than timing-related. The full-year results would have been significantly higher but for several one-off factors in the December Quarter 2025 (see below for discussion).

The outlook is for continued growth in operating cashflow, both organically and adding back these one-off factors.

**CHART 2: ANNUAL OPERATING CASH FLOWS SINCE 2022**



\*For 2022-2024: Net operating cash flows as stated in the audited financial statements

### Recurring revenues

**De.mem generates over 90% recurring revenues**, which is a key driver of its consistent growth over 27 quarters (Chart 1).

Recurring revenue segments comprise the following:

- The provision of water and waste water treatment services i.e. through the following:
  - Long term Build, Own, Operate (“BOO”) and Operations & Maintenance (“O&M”) contracts.
  - Regular maintenance work on water treatment equipment.
  - Maintenance of pumps.
- Specialty chemicals sales.
- Sales of small equipment and consumables.
- Membrane replacement sales into existing industrial facilities.
- Sale of domestic water treatment systems and replacement of membrane cartridges.

The Company's recurring revenue model is driven by its comprehensive offering, backed by innovative membrane technology which is unique within a highly fragmented market for de-centralized (ie. containerized, flexible solutions deployed at the water source) industrial water treatment. Image 1.

IMAGE 1: DE.MEM BUSINESS SEGMENTS & COMPREHENSIVE OFFERING



## December Quarter commentary

### Project award received during the quarter

De.mem is pleased to report that during the December Quarter 2025, the Company received a new project award in Germany related to the supply of waste water treatment equipment worth approximately \$500k, with cash receipts scheduled to be received during CY 2026.

### One-off items

The December Quarter 2025 reported a negative operating cashflow of -\$352k, due to the following:

- Working capital contribution of \$250k to Core Chemicals in November following the acquisition of the business (see section below for further details), to fund the purchase of raw materials required to fulfil customer orders which will convert into cash receipts mostly in the March Quarter 2026; and
- Upfront investment into the purchase of components related to one larger project in Germany totalling cost of approximately \$250k, while corresponding cash receipts are expected to be received mostly in the March and June Quarters of Calendar Year 2026; and
- Late payments of at least \$340k to a number of customer receivables for ongoing supplies which were received only in early January, but had fallen due and were expected to be paid for during the month of December.

Cash outflows for investments into businesses (line 2.1a of the Appendix 4C) relate to the initial payment for the acquisition of Core Chemicals Pty Ltd (see section below) and corresponding legal and professional fees. Please see the Appendix 4C attached to this release for further details.

### **Blue-chip, diversified customer base with leverage to surging gold sector**

De.mem's industrial customers are blue-chip enterprises, diversified across a range of industrial sectors such as AGL (utilities); Givaudan and Coca-Cola (food and beverages); Alcoa, Rio Tinto, South 32 (mining).

The Company expects increased exposure to gold mining clients, following the recent acquisition of Core Chemicals (see ASX release, *"Acquisition of Core Chemicals to increase exposure to surging gold mining sector"*, dated 17 October 2025).

### **Core Chemicals acquisition completed**

On 17 October 2025, De.mem announced the acquisition of Core Chemicals Pty Ltd, Perth, Western Australia, for a total consideration of ~\$3m. The acquisition was completed on 1 November 2025.

Core Chemicals supplies process chemicals to gold mining clients to maximise gold extraction and recovery from the refining waste stream.

**The combined De.mem-Core Chemicals business has a significant revenue growth opportunity** through cross-sales and servicing new Australian and international gold mines.

Initially, the combined group will be servicing 33 gold mines. There are 142 gold mines in Australia not currently serviced by either De.mem or Core Chemicals, which provides a substantial growth opportunity (source: *"The five largest gold mines in operation in Australia"*, Mining Technology, 18 June 2024).

The acquisition provides a significant opportunity to expand Core Chemicals' offering into the Eastern states of Australia as well as the Pacific region. Core Chemicals currently only operates in Western Australia. De.mem has been working with numerous gold mining customers in Tasmania, Queensland and Papua New Guinea.

Given Core Chemicals' average revenue per gold mine of \$222k and De.mem's average of \$250k, this clearly presents a **significant revenue growth opportunity**. Core Chemicals' products are complementary to De.mem and will be offered to De.mem's existing 15 gold mining clients. In turn, De.mem's diversified product offering will be offered to Core Chemicals' existing 18 gold mining clients in Western Australia.

## Domestic water filtration market entry in progress

De.mem also offers its membrane products for domestic water treatment applications.

**The global domestic water filtration market** was estimated at US\$12.1 billion in 2022 and **is expected to grow by 10.5% per annum to US\$26.7 billion by 2030** (source: *Grand View Research, November 2022*). The Asia-Pacific region accounts for the largest share in the overall market for domestic water filters.

The Company has achieved the certifications required for the deployment of its membrane in potable or drinking water applications in the USA and many other countries. On 9 May 2024, the Company announced its formal USA National Sanitation Foundation (NSF) certification under NSF Standard 53 for the Company's GO enhanced membrane technology (see ASX release "*Graphene Oxide enhanced membrane - NSF formal certification*", 9 May 2024).

De.mem is pursuing a **third party sales distribution model to drive significant operating leverage** with minimal capital contribution to maximise revenue growth. Current distribution partnerships include the following:

- In North America, De.mem commercialises the new Graphene Oxide enhanced membranes through its sales distribution partnership with Purafy Clean Technologies, Kingston, Ontario, Canada (see ASX release, "*De.mem signs technology commercialization partnership agreement*", 19 July 2022).
- During the March Quarter 2025, De.mem announced a new distribution partnership with Firmbase Singapore. Under the agreement, Firmbase Singapore gained non-exclusive rights to distribute De.mem's standardized filtration systems to customers in China, Indonesia and Japan. See ASX release, "*De.mem announces strategic distribution agreement for key Asian markets*", dated 11 February 2025, for further details.

Key milestones are:

- Received first order for the new Ultrafiltration systems from Firmbase Singapore worth approximately \$15,000 in revenues. While not material relative to De.mem's annual revenues, the order represents a significant milestone as it marks successful entry into the substantial Chinese market.
- Since the June Quarter 2025, De.mem supplied several of its standardized Ultrafiltration systems to a customer in Indonesia, for a trial related to domestic water filtration applications. De.mem is currently working on potential initial orders for a range of systems worth up to \$150,000 in revenues, with site visits to Indonesia held in the December Quarter 2025.

## Australian Watermark certification process initiated

In June 2025, De.mem initiated the WaterMark certification process.

WaterMark refers to a mandatory Australian product certification scheme for plumbing and drainage products. It ensures these products are safe, fit for purpose, and meet relevant Australian standards before they can be legally used in plumbing and drainage systems.

During the December Quarter 2025, WaterMark representatives successfully concluded a De.mem site audit in Singapore.

Subject to the successful completion of the certification, De.mem intends to launch its proprietary membrane products into drinking water applications in Australia. The completion of the process is expected for the first quarter of CY 2026.

## Strong CY 2026 outlook

De.mem **expects to deliver record CY 2026 results**, as summarised below.

### Continued cash receipts growth

De.mem is on track also for record CY 2026 cash receipts, given the following factors:

- Strong growth momentum over now 27 consecutive quarters.
- 24% CAGR in cash receipts over the past 6.75 years.
- Double digit organic growth momentum.
- Contribution from Core Chemicals (see section above). Only 2 months of Core Chemicals' revenues and cash receipts respectively have been reflected in De.mem's reported financials for CY 2025.
- Contribution from the launch of domestic water treatment products (see section above).

### Positive operating cashflow outlook

De.mem has delivered record annual positive operating cash flows for CY 2025. The Company expects further improvements in operating cashflows for the ongoing CY 2026, given the following factors:

- Overall growth momentum of the business, with now 27 consecutive quarters of cash receipts growth (see above).
- Strong and continuous improvement of operating cash flows since CY 2022.
- Full revenue and margin contribution from the Core Chemicals acquisition, after an upfront working capital contribution of \$250k was provided to Core Chemicals in November 2025 to fund purchases of raw materials.
- Positive impact from two projects in Germany worth approximately \$500k in revenues each. For one of the two projects, funding of approx. \$250k was required in the

December Quarter 2025 related to the purchase of components.

## CEO Commentary

De.mem Chief Executive Officer Andreas Kroell said:

*"We are pleased to deliver record cash receipts in the December Quarter 2025, which expands our growth track record to now 27 consecutive quarters of cash receipts growth.*

*We have also closed the calendar year with positive operating cash flows, absorbing some impact from required working capital contributions to fund upcoming growth, for example with regards to the Core Chemicals acquisition.*

*We believe De.mem is well positioned to continue compounding growth into CY 2026 and beyond."*

### **Payments to related parties included in Appendix 4C**

The payments to related parties of De.mem disclosed in item 6.1 of the Appendix 4C for the quarter, accompanying this Quarterly Activities Report, were payments of directors' fees and salaries.

This release was authorized by the Company's CEO, Andreas Kroell, on behalf of the Board.

**-ENDS-**

### **For further information, please contact:**

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**De.mem Limited (ASX:DEM)** is an Australian headquartered, international decentralized 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 offers a "one-stop-shop" of equipment, services, chemicals and consumables to its clients, for the ongoing operations of their water and wastewater treatment plants. De.mem's technology to treat water and wastewater is among the most advanced globally. The Company commercialises an array of innovative proprietary hollow-fibre membrane technologies. De.mem has been partnering with Nanyang Technological University (NTU) in Singapore, a world leader in membrane and water research. To learn more, please visit: [www.demembranes.com](http://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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity			
De.mem Limited			
ABN		Quarter ended (“current quarter”)	
12 614 756 642		31 Dec 2025	
<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1	Receipts from customers	8,833	32,313
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(6,242)	(20,372)
	(c) advertising and marketing	(46)	(177)
	(d) leased assets	-	-
	(e) staff costs	(2,310)	(9,287)
	(f) administration and corporate costs	(577)	(2,300)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	55
1.5	Interest and other costs of finance paid	(19)	(52)
1.6	Income taxes paid	(3)	17
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	35
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(352)</b>	<b>232</b>
<b>2. Cash flows from investing activities</b>			
2.1	Payments to acquire:		
	(a) businesses	(2,105)	(2,275)
	(b) property, plant and equipment	(14)	(154)
	(c) investments	7	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	38
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	23	23
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,089)</b>	<b>(2,368)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,994	2,994
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(210)	(210)
3.5	Proceeds from borrowings	500	500
3.6	Repayment of borrowings	(39)	(132)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities)	(165)	(729)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(3,080)</b>	<b>(2,423)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
	Net Cash and equivalents at beginning of quarter/year to date.	3,304	3,632
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(352)	232

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,089)	(2,368)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,080	2,423
4.5	Effect of movement in exchange rates on cash held	47	71
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,990</b>	<b>3,990</b>
<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,436	2,750
5.2	Call deposits	554	554
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,990</b>	<b>3,304</b>
<b>6. Payments to related parties of the entity and their associates</b>		<b>Current quarter \$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1		134
6.2	Aggregate amount of payments to related parties and their associates included in item 2		-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>			

<b>7. Financing facilities</b>		<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
	<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>		
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	500	500
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) Bank overdraft	-	-
7.4	<b>Total financing facilities</b>	-	
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	The loan facility under 7.1 relates to a shareholder loan provided by the Chairman of the Board, Mr. Harry De Wit, and the CFO, Mr. Andrew Tay, as of 15 December 2025. The facility is unsecured, to be repaid over 5 years and is not convertible into De.mem shares. See ASX announcement dated 15 December 2025 for further details.		
<b>8. Estimated cash available for future operating activities</b>		<b>\$A'000</b>	
8.1	Net cash from / (used in) operating activities (item 1.9)		(352)
8.2	Cash and cash equivalents at quarter end (item 4.6)		3,990
8.3	Unused finance facilities available at quarter end (item 7.5)		-
8.4	Total available funding (item 8.2 + item 8.3)		3,990
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>		11.3
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:		
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?		
	N/A		
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?		
	N/A		
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?		
	N/A		
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2026

Authorised by: Andreas Kroell  
Chief Executive Officer

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.