

JUNE 2026 QUARTERLY ACTIVITIES REPORT: RECORD CASH RECEIPTS AND POSITIVE OPERATING CASH FLOW

29 July 2026: Industrial water and wastewater treatment company De.mem Limited (ASX: DEM) ("De.mem" or "the Company") is pleased to report record June Quarter 2026 results, extending the Company's unbroken streak of quarterly cash receipts growth to 29 consecutive quarters.

KEY HIGHLIGHTS

- **Cash receipts** of ~\$ 9.6m, 24% growth vs. prior corresponding period ("pcp") - second highest quarterly cash receipts in Company history.
- **Record H1 CY 2026 cash receipts of ~\$20.0m**, approximately 28% above prior corresponding period (pcp) - the strongest first-half result in Company history.
- **Record growth momentum**, with 29 successive quarters of cash receipts growth vs. pcp.
- **Record cash receipts compound annual growth rate (CAGR) of ~24%** over 7 years.
- **Positive operating cash flow** of \$424k for the quarter, following \$504k in the previous March Quarter 2026; combined record H1 CY 2026 positive operating cashflow of \$928k.
- **Increased cash balance of ~\$4.3m** as at 30 June 2026, up from \$4.2m at 31 March 2026.
- **New order received for filter cartridges for domestic water treatment** applications in Singapore worth ~\$100k in revenues.
- **Strong CY 2026 outlook**, with continued growth in cash receipts and WaterMark certification expected prior to year end.

RECORD RESULTS

De.mem is delighted to report **record results in cash receipts, growth rates and continued growth momentum**, while maintaining **positive quarterly operating cashflow**.

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.

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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 June Quarter 2026 cash receipts of ~\$9.6m, the second highest quarterly cash receipts in the Company’s history. The result is approx. 24% higher than the prior corresponding period (“pcp”) of June 2025. It includes double digit organic growth across the Company’s core operating business.

Total cash receipts in H1 CY 2026 are ~\$20.0m, approx. 28% above pcp.

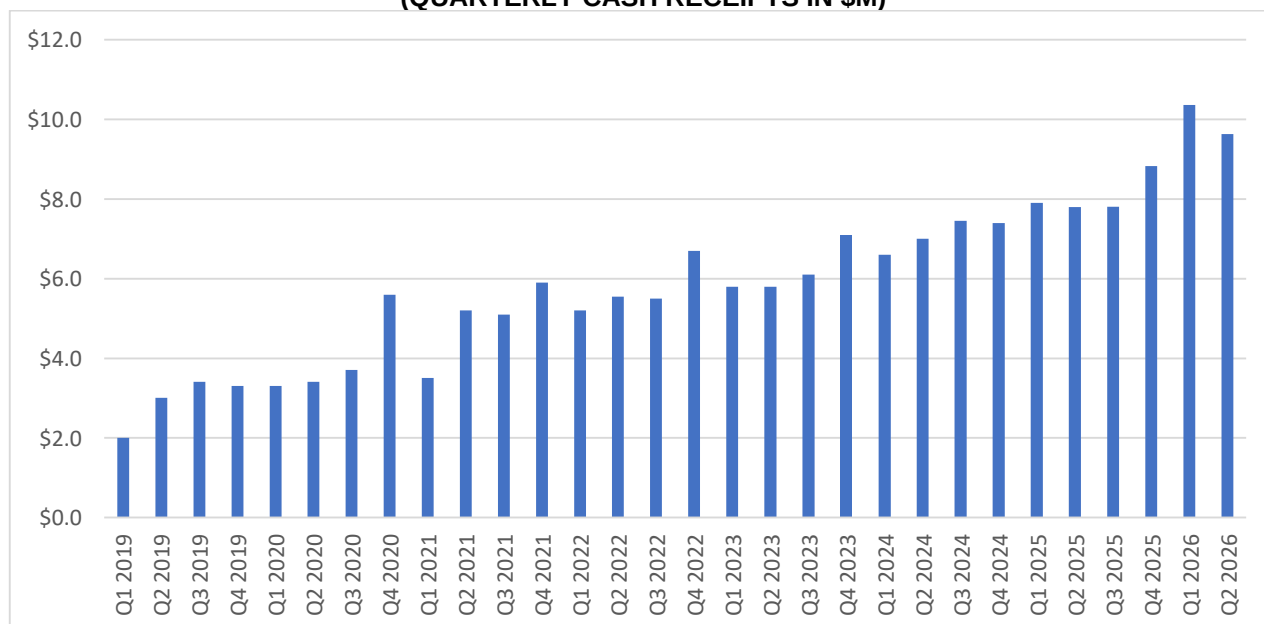
Growth rate

De.mem achieved a ~24% long term compound annual growth rate (CAGR) in cash receipts over 7.25 years (Chart 1).

Record growth momentum

De.mem achieved a **record 29 consecutive quarters of cash receipts growth** vs pcp (Chart 1), which highlights the strength of the Company’s recurring cash flow business model.

**CHART 1: RECORD 29 QUARTERS OF CASH RECEIPTS GROWTH VS. PCP
(QUARTERLY CASH RECEIPTS IN \$M)**



Positive quarterly operating cashflows

De.mem is pleased to report positive operating cash flows of \$424k in the June Quarter 2026, following positive operating cash flows of \$504k reported for the March Quarter 2026.

Total operating cash flows for H1 CY 2026 are \$928k.

The strong result reflects the combination of sustained cash receipts growth, expanding margins through the focus on high margin recurring revenue segments and disciplined cost management. Importantly, the positive result was achieved **after** continued investment in membrane product development, organic growth and integration activities.

De.mem's German subsidiary (De.mem-Geutec GmbH) contributed approximately \$350k in positive operating cash flows to the strong result for the June Quarter 2026, driven by the delivery of a previously awarded wastewater treatment equipment project (see below for further details) combined with a robust services and chemicals business.

Please see the Appendix 4C attached to this release for further details regarding the cash flows.

Strong cash balance

De.mem's cash balance increased to ~\$4.3m as at 30 June 2026, up from \$4.2m as at 31 March 2026 and \$4.0m as at 31 December 2025.

The improvement reflects the strength of the Company's operating cash generation in the first half of the calendar year.

Strong contribution of Western Australian business including recently acquired Core Chemicals Pty Ltd

De.mem's Western Australian business continues to perform strongly, contributing approximately 45% of the overall cash receipts generated during the June Quarter 2026. This provides De.mem group with a strong, cash flow generating core business.

This segment includes the recently acquired Core Chemicals Pty Ltd and existing Western Australian entities (De.mem-Capic Pty Ltd and Auswater Systems Pty Ltd).

Core Chemicals, De.mem's recent acquisition completed on 1 November 2025, supplies specialty chemicals for gold fragment extraction and recovery from the refining waste stream to gold mining clients. Along with the two other Perth-based entities the business has a strong customer base among the Western Australian gold mining sector.

The Company has successfully won new clients since the Core Chemicals acquisition and is actively quoting its products to additional potential new clients, demonstrating the cross-selling opportunity available across the enlarged group's combined customer base.

Strong performance of German subsidiary De.mem-Geutec GmbH

De.mem's German subsidiary De.mem-Geutec GmbH delivered an outstanding June Quarter 2026, generating record ~\$1.5m in quarterly cash receipts and record ~\$350k in

positive operating cash flows. The strong performance was driven by a robust services and chemicals business combined with delivery of a previously awarded wastewater treatment equipment project.

During the June Quarter 2026, De.mem delivered on a waste water treatment equipment project for a galvanizing client in Germany, worth approximately \$500k in total revenues/cash receipts. Approximately two-thirds of the cash receipts were received before 30 June 2026, with the largest part of the work completed as of 30 June 2026. The project had originally been awarded to De.mem during the December Quarter 2025.

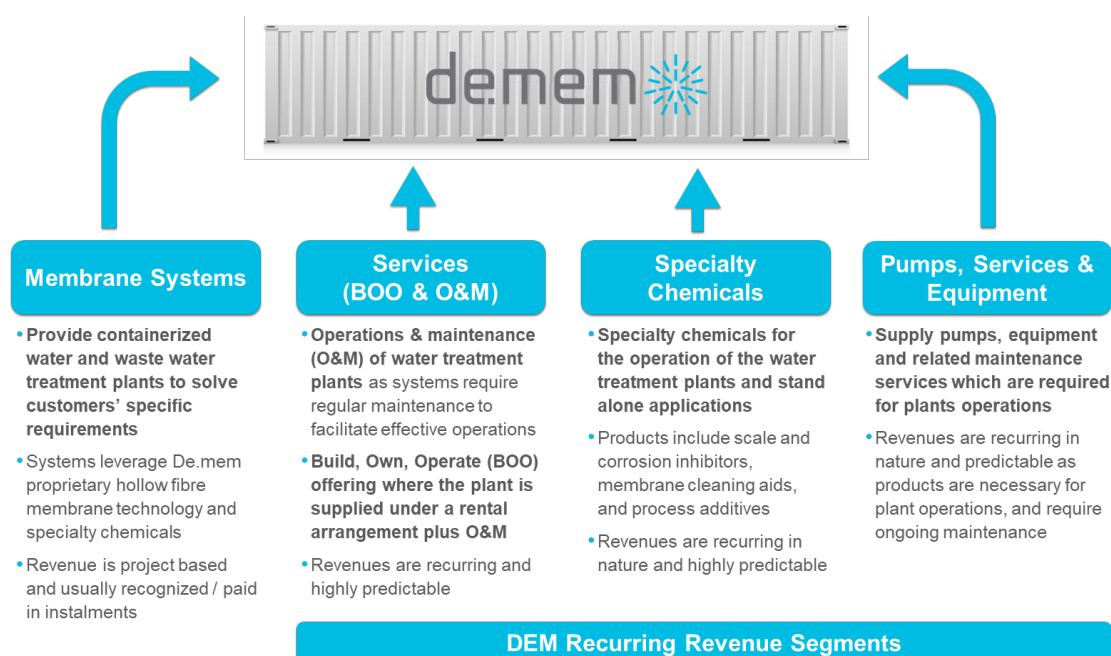
RECURRING REVENUES

De.mem generates over 90% recurring revenues, which is a key driver of its consistent growth over 29 quarters (Chart 1).

Recurring revenue segments comprise the following:

- The provision of water and waste water treatment services through provision of:
 - Long term Build, Own, Operate (“BOO”) and Operations & Maintenance (“O&M”) contracts; and
 - Regular maintenance work on water treatment equipment and 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.

IMAGE 1: DE.MEM BUSINESS SEGMENTS & COMPREHENSIVE OFFERING



The Company's recurring revenue model is driven by its comprehensive “one stop shop”

offering, backed by innovative membrane technology. This combination is unique within the highly fragmented market for de-centralized (ie. containerized, flexible solutions deployed at the water source) industrial water treatment. Image 1.

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 acquisition of Core Chemicals completed on 1 November 2025 has materially **increased De.mem's exposure to the gold mining sector** (see ASX release, "Acquisition of Core Chemicals to increase exposure to surging gold mining sector", dated 17 October 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.

DOMESTIC WATER FILTRATION MARKET ENTRY IN PROGRESS

De.mem also offers its membrane products for domestic water treatment applications. The Company's domestic systems are using its flagship membrane technology, the Graphene-Oxide ("GO") enhanced Ultrafiltration membrane, as the key component.

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. De.mem has existing partnerships in place covering North America, Singapore, Indonesia, China and Japan.

New order for filter cartridges received

In May 2026, De.mem received a new order for the manufacturing and supply of filter cartridges from a Singapore distributor, worth approximately 100k. The Company expects that there will be repeat orders from this customer for the products in regular intervals, consistent with the recurring nature of De.mem's core business model.

Australian Watermark certification process continues

In June 2025, De.mem initiated the WaterMark certification process for its domestic water treatment systems.

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.

De.mem now expects to complete the WaterMark certification process prior to the end of CY 2026. Upon completion, WaterMark certification will enable De.mem to launch its proprietary membrane products into drinking water applications in Australia.

STRONG CY 2026 OUTLOOK

De.mem is pleased to report a strong **CY 2026 outlook**, given the following factors.

- Record cash receipts in H1 CY 2026, with 28% growth vs pcp.
- Strong growth momentum over now 29 consecutive quarters.
- 24% CAGR in cash receipts over the past 7 years.
- Double digit organic growth momentum.
- Continued strong contribution from the Company's Western Australian business, including Core Chemicals, contributing ~45% of the Group's quarterly cash receipts.
- Record performance of the German subsidiary De.mem-Geutec GmbH with ~\$1.5m quarterly cash receipts and ~\$350k positive operating cash flows.
- Ongoing launch of domestic water treatment products to add to existing momentum, including the new ~\$100k Singapore filter cartridge order.

CEO Commentary

De.mem Chief Executive Officer Andreas Kroell said:

"We are pleased to deliver another record quarter, which expands our growth track record to now 29 consecutive quarters of cash receipts growth. Importantly, both quarters of H1 CY 2026 delivered positive operating cash flows, of \$504k in Q1 and \$424k in Q2, for a total H1 contribution of \$928k. This validates our strategy and demonstrates the structural quality of our cash generation."

Our Western Australian business continues to be a standout performer, contributing approximately 45% of group receipts in the quarter. Our German subsidiary also had an exceptional quarter, generating record cash receipts of ~\$1.5m and ~\$350k in positive operating cash flows. These results reflect the strength and diversity of our business model.

We are also excited by the new Singapore filter cartridge order, which proves that our domestic water filtration revenues are increasing.

We believe De.mem is well positioned to deliver a very strong CY 2026.”

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, salaries and interest related to the shareholder loan provided on 15 December 2025 (see item 7 of the Appendix 4C for further details).

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

-ENDS-

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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 waste water 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

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

12 614 756 642

Quarter ended ("current quarter")

30 Jun 2026

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	9,634	19,991
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(6,138)	(12,652)
	(c) advertising and marketing	(42)	(78)
	(d) leased assets	-	-
	(e) staff costs	(2,604)	(5,167)
	(f) administration and corporate costs	(413)	(1,101)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	19	29
1.5	Interest and other costs of finance paid	(24)	(55)
1.6	Income taxes paid	(10)	(46)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	2	7
1.9	Net cash from / (used in) operating activities	424	928
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) businesses	(7)	(13)
	(b) property, plant and equipment	(75)	(105)
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(82)	(118)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(4)	(4)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(41)	(99)
3.7	Transaction costs related to loans and borrowings	-	(3)
3.8	Dividends paid	-	-
3.9	Other (lease liabilities)	(169)	(341)
3.10	Net cash from / (used in) financing activities	(214)	(447)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
	Net Cash and equivalents at beginning of quarter/year to date.	4,206	3,990
4.2	Net cash from / (used in) operating activities (item 1.9 above)	424	928

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(82)	(118)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(214)	(447)
4.5	Effect of movement in exchange rates on cash held	(6)	(25)
4.6	Cash and cash equivalents at end of period	4,328	4,328

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,174	3,052
5.2	Call deposits	1,154	1,154
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,328	4,206

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	160
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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	459	459
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) Bank overdraft	-	-
7.4	Total financing facilities	459	459
7.5	Unused financing facilities available at quarter end		-
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 of \$500k in total 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. The remaining balance of the loan as of 31 March 2026 is \$459k.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	424
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,328
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,328
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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 July 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.