



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

### **De.mem signs new contracts in move to service-based business model**

15 September 2021: Australian-Singaporean water and waste water treatment company De.mem (ASX:DEM) (“De.mem” or “the Company”) is pleased to announce the signing of 2 new service and Build, Own, Operate and Transfer (“BOOT”) contracts, contributing to the Company’s objective of growing recurring revenues.

#### **New contracts**

The two new contracts are summarised below.

- An Operations & Maintenance contract for approx. \$300,000 in revenues per annum, commencing immediately, whereby De.mem will operate & maintain the water treatment facilities of an Australian holiday resort. The customer’s facilities incorporate an existing, membrane-based water treatment process.
- A Build, Own, Operate and Transfer (“BOOT”) contract for approx. \$400,000 in revenues per annum, commencing March 2022, whereby De.mem will design, manufacture, commission, operate & maintain a membrane based water treatment plant for an industrial customer in Australia. The treatment plant incorporates De.mem’s Ultrafiltration membrane technology as its key treatment process. The membrane technology to be deployed is an environmentally friendly, low energy consumption filtration process that delivers superior treatment results.

#### **Growing recurring revenues**

De.mem has continuously grown its recurring revenue segments, driving overall revenue growth.

Whilst not individually material relative to overall group cash receipts/revenues (approx. \$15 million in revenues in CY2020), these two new contracts highlight De.mem’s transition to a stable, recurring, service-based revenue model, driven by the Company’s unique technology portfolio and customer service offering.

Group revenues continue their strong growth:

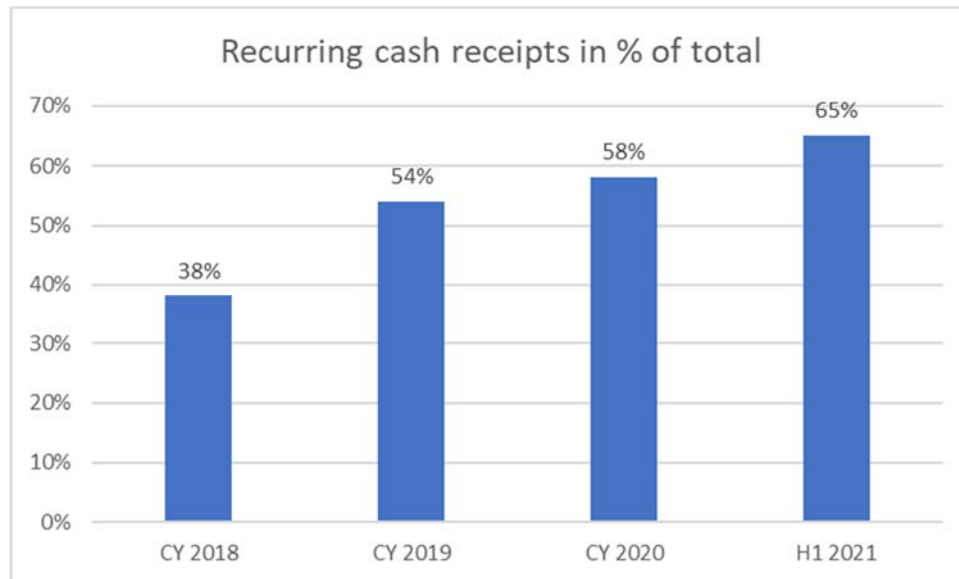
- 40% CY 2020 growth (vs CY2019);
- 44% H1 2021 (vs prior corresponding half H1 2020).

See ASX release, “*Record Growth in H1 2021*”, dated 28 August 2021.

Meanwhile, recurring receipts are generating a greater proportion of total revenues. Recurring cash receipts have increased from 38% of total in CY2018 to ~65% total revenue in H1 2021. Chart 1 illustrates this growing recurring cash receipts trend.



**CHART 1: GROWING RECURRING CASH RECEIPTS**



Recurring revenues include:

- Build, Own, Operate (BOO) and Operations & Maintenance contracts.
- Membrane replacement sales into existing facilities.
- Specialty chemicals sales through the De.mem-Capic and De.mem-Geutec subsidiaries.
- Pumps and maintenance services through the De.mem-Pumptech subsidiary.

### **CEO Commentary**

De.mem CEO Andreas Kroell comments:

“The new service and Build, Own, Operate, Transfer agreements announced today highlight the ongoing success of our recurring revenue growth strategy.

Recurring revenues include Build, Own, Operate and service segments, and repeat sales including the supply of membranes, chemicals and consumables into our industrial customer base.

Our Build, Own, Operate solutions for industrial customers, driven by our unique membrane technology, form a key part of this offering and provide us with a unique position within the water treatment industry.

We are pleased to continue growing recurring revenue and revenue quality across the Group.”

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

-ENDS-



**For further information, please contact:**

**De.mem Limited**

Andreas Kroell

CEO

De.mem Limited

[investor@demem.com.sg](mailto:investor@demem.com.sg)

**Investor Enquires**

George Gabriel, CFA

+61 3 8686 9144

**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](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.