

De.mem Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	De.mem Limited
ABN:	12 614 756 642
Reporting period:	For the half-year ended 30 June 2025
Previous period:	For the half-year ended 30 June 2024

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	19.7% to	13,964
Loss from ordinary activities after tax attributable to the owners of De.mem Limited	down	42.4% to	(980)
Loss for the half-year attributable to the owners of De.mem Limited	down	42.4% to	(980)

Dividends

There was no dividend paid, recommended or declared during the current financial period.

Commentary on the Results for the half year ended 30 June 2025

De.mem's (referred to as "the Group" or "the Company") revenue for the half year ended 30 June 2025 increased by 20% to \$13,964,000 (6 month period to 30 June 2024: \$11,668,000). The loss for the consolidated entity after providing for income tax amounted to \$980,000 (6 month period to 30 June 2024: \$1,702,000).

Gross profit margins (gross profit divided by revenues) increased from 40% for the 6 month period to 30 June 2024 to 43% as at 30 June 2025. In absolute numbers, gross profit has increased by 26% to \$5,941,000 (6 month period to June 2024: \$4,702,000).

The net loss for the half year as at 30 June 2025 includes depreciation and amortisation of \$1,414,000 (6 month period to June 2024: \$1,084,000) and business acquisition costs of \$13,000 incurred in respect of the Auswater Systems Pty Ltd acquisitions (6 month period June 2024: \$38,000).

The Company's adjusted EBITDA * is as follows:

	Consolidated 30 June 2025 \$'000	30 June 2024 \$'000
Loss before tax	(980)	(1,647)
Depreciation and amortisation	1,414	1,084
Finance costs	44	54
EBITDA	478	(509)
Business acquisition cost	13	38
Share based payments	65	82
Adjusted EBITDA *	556	(389)

* EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Adjusted EBITDA is EBITDA adjusted to exclude business acquisition costs and share based payments. The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.00	2.16

4. Controlled Entities

Parent entity	Country of Incorporation	Principal Activities	Ownership
De.mem Limited	Australia	Parent	
Name of Controlled Entity			%
De.mem-Akwa Pty Ltd	Australia	Water and waste water treatment	100.00%
Akwa Facility Maintenance Pty Ltd	Australia	Dormant	100.00%
De.mem Pte Ltd	Singapore	Water and waste water treatment	100.00%
De.mem Vietnam Ltd	Vietnam	Dormant	100.00%
De.mem-Pumptech Pty Ltd	Australia	Water and waste water treatment	100.00%
De.mem-Geutec GmbH	Germany	Water and waste water treatment	100.00%
De.mem-Capic Pty Ltd	Australia	Water and waste water treatment products	100.00%
De.mem-Stevco Pty Ltd	Australia	Water and waste water treatment products	100.00%
Auswater Systems Pty Ltd	Australia	Water and waste water treatment products	100.00%
Control gained over businesses			
Not applicable.			

5. Independent Review Report

Details of audit/review dispute or qualification (if any):

The financial statements were subject to review by the auditors and the review report is attached as part of the Consolidated Interim Financial Report.

6. Signed

Signed A. Kroell

Date: 28 August 2025

Mr Andreas Kroell
Director
Melbourne

De.mem Limited

ABN 12 614 756 642

Consolidated Interim Financial Report - 30 June 2025

De.mem Limited
Corporate directory
30 June 2025

Directors	Andreas Hendrik (Harry) De Wit - Non-Executive Chairman Andreas Kroell - Chief Executive Officer and Director Cosimo Trimigliozzi - Non-Executive Director Bernd Dautel - Non-Executive Director Michael Edwards - Non-Executive Director Danny Conlon - Non-Executive Director
Company secretary	Tony Panther (Resigned 21 May 2025) Tony Di Pietro (Appointed 21 May 2025)
Registered office	Suite 2, Level 11 385 Bourke Street Melbourne 3000 VIC
Principal place of business	Suite 2, Level 11 385 Bourke Street Melbourne 3000 VIC
Share register	MUFG Corporate Markets (AU) Limited Level 41, Liberty Place 161 Castlereagh St, Sydney NSW 2000
Auditor	William Buck Audit (Vic) Pty Ltd Level 20, 181 William Street Melbourne Vic 3000
Solicitors	HopgoodGanim Lawyers Level 8, Waterfront Place, 1 Eagle Street, Brisbane Qld 4000
Bankers	Australia and New Zealand Banking Group Limited – Launceston Commonwealth Bank of Australia – Sydney National Australia Bank – Brisbane Westpac Bank – Perth
Stock exchange listing	De.mem Limited shares are listed on the Australian Securities Exchange (ASX code: DEM)
Website	www.demembranes.com

De.mem Limited
Contents
30 June 2025

Directors' report	3
Auditor's independence declaration	8
Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the consolidated financial statements	13
Directors' declaration	19
Independent auditor's review report to the members of De.mem Limited	20

De.mem Limited
Directors' report
30 June 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of De.mem Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2025.

Directors

The following persons were directors of De.mem Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Andreas Hendrik (Harry) De Wit - Non-Executive Chairman (assumed the role on 1 May 2025)
Andreas Kroell - Chief Executive Officer and Director
Cosimo Trimigliozi - Non-Executive Director (retired on 1 May 2025 as Non-Executive Chairman)
Bernd Dautel - Non-Executive Director
Michael Edwards - Non-Executive Director
Danny Conlon - Non-Executive Director

Principal activities

De.mem Ltd (ASX:DEM) provides a “one stop shop” offering around high-quality water and waste treatment equipment, services, specialty chemicals, pumps and consumables. The Company's focus is on industrial customers across a wide range of industries including the mining & resources, infrastructure, food & beverage/agriculture and heavy industrial sectors.

The company serves large multinationals as well as SMEs (small and medium enterprises) through its offices in Australia (Melbourne, Brisbane, Perth, Launceston, Wodonga and Kalgoorlie), Singapore and Velbert, Germany.

Equipment manufactured and sold by De.mem includes a wide range of membrane-based water and waste water treatment systems which are deployed on-site at the customer's facility. De.mem's de-centralised solutions are typically containerised, packaged and/or with modular design, for easy transport to and turn-key deployment at the customer site.

De.mem offers Operations & Maintenance services as well as a Build, Own, Operate (“BOO”) or Build, Own, Operate, Transfer (“BOOT”) option. Under a BOO or BOOT agreement, the equipment is provided to the customer under a leasing scheme and operated & maintained by De.mem under a long term arrangement. Based on its extended range of capabilities, the Company is uniquely positioned as a supplier of BOO/BOOT services to industrial customers in Australia.

The Company's offering is backed by leading hollow-fibre membrane technology and Intellectual Property developed and manufactured at the Company's facility in Singapore. De.mem's hollow fibre membranes often serve as the key component in the Company's integrated, turn-key systems, to provide its products with strong competitive advantage.

Key hollow-fibre membrane technologies offered by De.mem comprise the Company's Ultrafiltration, Graphene-Oxide enhanced and hollow-fibre Nanofiltration membranes.

De.mem's product and services range is complemented by specialty chemicals such as anti-scalants, corrosion inhibitors, de- and antifoamers, membrane cleaners or flocculants & coagulants, which are typically required during the ongoing operations of membrane-based water treatment plants. The Company blends its specialty chemicals at its facilities in Perth, Australia, and Velbert, Germany.

De.mem also offers small, standardized membrane filtration systems for domestic water treatment applications.

Review of operations
H1 2025 Highlights

Revenue / cash receipts growth and recurring revenue focus drive gross margins

- Revenue and cash receipts growth of 20% and 15% respectively vs. prior corresponding period
- Share of high margin recurring revenue segments remains at >90% of total revenues
- Gross profit margin (gross profit divided by revenues) up to 43% (40% in H1 CY 2024)

Positive EBITDA and operating cash flow

- Positive adjusted EBITDA of \$556,000 (June 2024: negative adjusted EBITDA of \$389,000); first time the Company reports a positive EBITDA for the half year
- Corresponding to the above, operating cash inflows were \$768,000 (June 2024: Net cash operating outflows of \$234,000)

Commercial launch of domestic water treatment products continues with new partnership signed in Asia

- De.mem continues the commercial launch of its domestic water treatment products following completion of NSF certification for its Graphene Oxide enhanced membrane in May 2024
- New partnership signed with Firmbase, Singapore, for distribution of De.mem's product into Indonesia, China and Japan

Two acquisitions from 2024 integrated and contributing to revenues and margins

- Acquired the assets of the Border Pumpworks business, Wodonga, Victoria, effective 1 May 2024. and Auswater Systems Pty Ltd, Perth, Western Australia effective 2 July 2024
- The two businesses contributed combined revenues of approximately \$1.7m to De.mem in H1 CY 2025

Business Development & Operations

During H1 CY 2025, De.mem continued to operate with the strategic focus on its recurring revenue segments, which mainly comprise the Company's Services (Operations & Maintenance and Build, Own, Operate) and Specialty Chemicals divisions.

Within the Services business segment, the Company continues to operate the water and waste water treatment facilities at a number of mining sites, mining accommodation camps and resorts in Queensland. Furthermore, the Company operates a number of industrial water and waste water treatment facilities under long-term Build, Own, Operate agreements in Australia and Singapore.

Within its Specialty Chemicals division, De.mem's Perth-based De.mem-Capic Pty Ltd subsidiary remains the core of the Company's business. De.mem-Capic generated revenues of approximately \$4.0m in the 6-month period ended 30 June 2025, compared to \$2.9m in revenues in H1 CY 2024 and \$3.3m in annual revenues prior to the acquisition of the Capic business by De.mem in April 2021, respectively. De.mem-Capic contributed to the overall revenue growth of the group through a number of contract wins.

Membrane Technology & R&D

Following the successful completion of the NSF (American drinking water) product certification for its new Graphene-Oxide enhanced membrane technology in May 2024, De.mem continued the commercial launch of the technology as the key component within the Company's domestic water treatment products.

In February 2025, the Company announced a new partnership with Firmbase, Singapore, for the launch of its domestic water treatment products into Indonesia, China and Japan. De.mem received a first order from Firmbase worth approx. \$15,000 in revenues for sales of domestic water treatment products into China.

Integration of two acquisitions

De.mem acquired the assets of the Border Pumpworks business, Wodonga, Victoria, effective 1 May 2024, and Auswater Systems Pty Ltd, Perth, Western Australia, effective 2 July 2024. Border Pumpworks supplies filtration and pumping systems as well as related maintenance services to industrial customers in regional Victoria and New South Wales. Auswater Systems Pty Ltd services and maintains water and waste water treatment plants for more than 50 mining clients in Western Australia.

During H1 CY 2025, both businesses contributed combined revenues of approx. \$1.7 million to De.mem group, indicating

strong growth over the pre-acquisition revenues.

Financials

De.mem Group's revenues and cash receipts increased by 20% and 15% respectively vs. prior corresponding period, to \$14.0m and \$15.7m (H1 CY 2024: \$11.7m and \$13.6 m respectively).

The vast majority of revenues in H1 CY 2025 (>90%) were derived from De.mem's recurring revenue segments. The recurring revenue segments comprise the revenues from the rendering of services and the sale of goods as per note 4 in the "Notes to the Consolidated Financial Statements".

Due to the focus and growth of the high margin recurring revenue segments, overall gross margins (gross profit divided by revenues) increased to 43% in H1 CY 2025 (from 40% in H1 CY 2024).

With the focus on growing its recurring revenue segments and Build, Own, Operate and Operations & Maintenance contracts, complemented by bolt-on acquisitions of profitable businesses with a strong industrial customer base, De.mem has been able to deliver significant revenue growth while achieving both adjusted EBITDA and operating cash flow break even. In H1 2025, De.mem recorded positive adjusted EBITDA of approximately \$556,000, and positive operating cash flows of \$768,000.

	H1 CY 2025 \$'000	H1 CY 2024 \$'000
Loss before taxes	(980)	(1,647)
Add:		
Depreciation and amortisation	1,414	1,084
Interest expenses	44	54
Business acquisition cost**	13	38
Share based payments expense	65	82
Adjusted EBITDA	556	(389)

** EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Adjusted EBITDA is EBITDA adjusted to exclude business acquisition costs and share based payments. The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.*

*** Consists of listing fees for shares issued to the vendor and valuation fees incurred in completing the purchase price allocation of the Auswater Systems Pty Ltd acquisition*

Net loss before taxes for the period amounted to approximately \$0.98 million. The reported net loss includes a number of non-cash expenses including depreciation and amortisation of \$1.4 million.

Net assets were \$11.9 million as at 30 June 2025 (\$12.9 million as at 31 December 2024).

As of 30 June 2025, De.mem holds approximately \$4.1 million in cash and term deposits, comprising both current and non-current term deposits (31 December 2024: \$3.7 million).

Corporate

On 20 May 2025, De.mem Limited held its 2025 Annual General Meeting, with all resolutions being passed.

Significant changes in the state of affairs

On 1 April 2025, the Company issued a total of 110,000 fully paid ordinary shares on the exercise of performance rights previously granted under the Company's Employee Incentive Plan. This tranche of performance right was valued at \$0.20 per share, reflecting the assumptions and value at grant date.

On 1 May 2025, Mr. Cosimo Trimiglioizzi retired as Non-Executive Chairman of the Company and Mr. Andreas Hendrik ("Harry") De Wit assumed the role of the Non-Executive Chairman.

On 26 May 2025, the Company issued a total of 115,384 fully paid ordinary shares at a price of \$0.13 cents per share to Mr Andrew Tay (CFO) as part of his 2024 compensation package.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out

De.mem Limited
Directors' report
30 June 2025

immediately after this directors' report.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001. The directors have the power to amend and reissue the financial statements.

On behalf of the directors



Mr Andreas Kroell
Director

28 August 2025
Melbourne

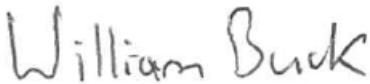
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of De.Mem Limited

As lead auditor for the review of De.Mem Limited for the half-year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of De.Mem Limited and the entities it controlled during the period.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



R. P. Burt
Director
Melbourne, 28 August 2025

De.mem Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2025

		Consolidated	
	Note	30 June 2025	30 June 2024
		\$'000	\$'000
Revenue	4	13,964	11,668
Cost of sales		(8,023)	(6,966)
Gross Profit		5,941	4,702
Other income		53	49
Finance income		28	9
Administrative and corporate expenses		(5,466)	(5,149)
Depreciation and amortisation		(1,414)	(1,084)
Finance costs		(44)	(54)
Business acquisition costs		(13)	(38)
Share based payments		(65)	(82)
Loss before income tax expense		(980)	(1,647)
Income tax expense		-	(55)
Loss after income tax expense for the half-year attributable to the owners of De.mem Limited		(980)	(1,702)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(90)	31
Other comprehensive income/(loss) for the half-year, net of tax		(90)	31
Total comprehensive loss for the half-year attributable to the owners of De.mem Limited		(1,070)	(1,671)
		Cents	Cents
Basic loss per share	9	(0.33)	(0.66)
Diluted loss per share	9	(0.33)	(0.66)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

De.mem Limited
Consolidated statement of financial position
As at 30 June 2025

		Consolidated	31 December
	Note	30 June 2025	2024
		\$'000	\$'000
Assets			
Current assets			
Cash and Cash equivalents		3,928	3,632
Trade and Other receivables		3,601	3,949
Inventories		1,459	1,265
Other financial assets		91	86
Income tax receivables		15	13
Prepayments		240	291
Contract assets		219	196
Total current assets		<u>9,553</u>	<u>9,432</u>
Non-current assets			
Other financial assets		50	50
Property, plant and equipment		2,840	3,175
Right-of-use assets		1,029	1,228
Intangible assets	5	<u>6,013</u>	<u>6,692</u>
Total non-current assets		<u>9,932</u>	<u>11,145</u>
Total assets		<u>19,485</u>	<u>20,577</u>
Liabilities			
Current liabilities			
Trade and Other payables	6	4,084	4,152
Contract liabilities		338	467
Borrowings		210	52
Lease liabilities		638	660
Employee benefits		1,218	1,094
Total current liabilities		<u>6,488</u>	<u>6,425</u>
Non-current liabilities			
Trade and Other payables	6	-	50
Contract liabilities		664	483
Lease liabilities		363	654
Employee benefits		55	45
Total non-current liabilities		<u>1,082</u>	<u>1,232</u>
Total liabilities		<u>7,570</u>	<u>7,657</u>
Net assets		<u>11,915</u>	<u>12,920</u>
Equity			
Issued capital	7	43,658	43,621
Reserves		866	1,088
Accumulated losses		<u>(32,609)</u>	<u>(31,789)</u>
Total equity		<u>11,915</u>	<u>12,920</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

De.mem Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2025

Consolidated	Issued capital \$'000	Foreign currency translation reserve \$'000	Share based payment reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2024	39,357	268	967	(29,019)	11,573
Loss after income tax expense for the half-year	-	-	-	(1,702)	(1,702)
Other comprehensive income for the half-year, net of tax	-	31	-	-	31
Total comprehensive income/(loss) for the half-year	-	31	-	(1,702)	(1,671)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	3,727	-	-	-	3,727
Vesting charge for share based payments	-	-	52	-	52
Balance at 30 June 2024	<u>43,084</u>	<u>299</u>	<u>1,019</u>	<u>(30,721)</u>	<u>13,681</u>

Consolidated	Issued capital \$'000	Foreign currency translation reserve \$'000	Share based payment reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2025	43,621	244	844	(31,789)	12,920
Loss after income tax expense for the half-year	-	-	-	(980)	(980)
Other comprehensive loss for the half-year, net of tax	-	(90)	-	-	(90)
Total comprehensive loss for the half-year	-	(90)	-	(980)	(1,070)
<i>Transactions with owners in their capacity as owners:</i>					
Exercise of performance rights (Note 7)	22	-	(22)	-	-
Shares issued to an employee under contractual remuneration terms (Note 7)	15	-	(15)	-	-
Vesting charge for share based payments	-	-	65	-	65
Expiry of options	-	-	(160)	160	-
Balance at 30 June 2025	<u>43,658</u>	<u>154</u>	<u>712</u>	<u>(32,609)</u>	<u>11,915</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

De.mem Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2025

	Consolidated	
Note	30 June 2025	30 June 2024
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	15,668	13,570
Payments to suppliers and employees (inclusive of GST)	(14,910)	(13,800)
	758	(230)
Interest received	27	22
Interest and other finance costs paid	(17)	(45)
Income taxes refunded	-	19
Net cash from/(used in) operating activities	768	(234)
Cash flows from investing activities		
Placement of short-term term deposits	(43)	-
Payment for purchase of Border Pumpworks assets	-	(400)
Payments for property, plant and equipment	(53)	(137)
Payments for intangibles	-	(85)
Transaction costs relating to acquisitions	(13)	(9)
Proceeds from disposal of property, plant and equipment	48	11
Net cash used in investing activities	(61)	(620)
Cash flows from financing activities		
Proceeds from issue of shares, net of transaction costs	-	3,727
Repayment of borrowings	(60)	-
Principal elements of lease payments	(384)	(360)
Net cash from/(used in) financing activities	(444)	3,367
Net increase in cash and cash equivalents	263	2,513
Cash and cash equivalents at the beginning of the financial half-year	3,632	2,403
Effects of exchange rate changes on cash and cash equivalents	33	5
Cash and cash equivalents at the end of the financial half-year	3,928	4,921

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover De.mem Limited as a consolidated entity consisting of De.mem Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is De.mem Limited's functional and presentation currency.

De.mem Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2, Level 11
385 Bourke Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2025.

Note 2. Material accounting policy information

This condensed Interim Financial Report for the half-year reporting period ended 30 June 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This condensed Interim Financial Report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Segment Reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the Directors in order to allocate resources to the segment and to assess its performance. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the consolidated entity's accounting policies. The following tables are an analysis of the consolidated entity's revenue and results by reportable segment provided to the Directors.

De.mem Limited
Notes to the consolidated financial statements
30 June 2025

Note 3. Segment Reporting (continued)

Operating segment information

Consolidated - 30 June 2025	Singapore \$'000	Australia \$'000	Germany \$'000	Other \$'000	Total \$'000
Revenue					
Revenue from external customers	447	11,922	1,609	-	13,978
Intersegment revenue	(14)	-	-	-	(14)
Total revenue	<u>433</u>	<u>11,922</u>	<u>1,609</u>	<u>-</u>	<u>13,964</u>
Adjusted EBITDA	(204)	1,218	10	(496)	528
Depreciation and amortisation	(241)	(527)	(25)	(621)	(1,414)
Business acquisition cost	-	-	-	(13)	(13)
Interest revenue	-	5	-	23	28
Finance costs	(7)	(37)	-	-	(44)
Share based payments expense	-	-	-	(65)	(65)
Profit/(loss) before income tax expense	<u>(452)</u>	<u>659</u>	<u>(15)</u>	<u>(1,172)</u>	<u>(980)</u>
Income tax expense					-
Loss after income tax expense					<u>(980)</u>
Assets					
Segment assets	<u>2,757</u>	<u>9,356</u>	<u>1,291</u>	<u>17,635</u>	31,039
Intersegment eliminations					(11,554)
Total assets					<u>19,485</u>
Liabilities					
Segment liabilities	<u>2,227</u>	<u>17,413</u>	<u>334</u>	<u>620</u>	20,594
Intersegment eliminations					(13,024)
Total liabilities					<u>7,570</u>

In accordance with AASB 8 Operating Segments, the presentation of segment results, assets and liabilities reflects the internal reporting structure reviewed by the Chief Operating Decision Maker ("CODM"). The CODM monitors goodwill, intangibles and related amortisation on a centralised basis within the Head Office function, and accordingly these assets and related amortisation costs are presented within the 'Other' segment.

De.mem Limited
Notes to the consolidated financial statements
30 June 2025

Note 3. Segment Reporting (continued)

	Singapore \$'000	Australia \$'000	Germany \$'000	Other \$'000	Total \$'000
Consolidated - 30 June 2024					
Revenue					
Revenue from external customers	510	9,533	1,670	-	11,713
Intersegment revenue	(45)	-	-	-	(45)
Total revenue	<u>465</u>	<u>9,533</u>	<u>1,670</u>	<u>-</u>	<u>11,668</u>
Adjusted EBITDA	(128)	95	83	(457)	(407)
Depreciation and amortisation	(179)	(526)	(28)	(351)	(1,084)
Expected credit loss	-	9	-	-	9
Business acquisition cost	-	-	(27)	(11)	(38)
Interest revenue	-	2	-	7	9
Finance costs	(6)	(48)	-	-	(54)
Share based payments expense	-	-	-	(82)	(82)
Profit/(loss) before income tax expense	<u>(313)</u>	<u>(468)</u>	<u>28</u>	<u>(894)</u>	<u>(1,647)</u>
Income tax expense					(55)
Loss after income tax expense					<u>(1,702)</u>
Consolidated - 30 June 2024					
Assets					
Segment assets	2,982	7,102	1,051	31,778	42,913
Intersegment eliminations					(22,056)
Total assets					<u>20,857</u>
Liabilities					
Segment liabilities	1,419	14,485	527	526	16,957
Intersegment eliminations					(9,781)
Total liabilities					<u>7,176</u>

Note 4. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Rendering of services \$'000	Sale of goods \$'000	Projects and equipment \$'000	Total \$'000
Consolidated - 30 June 2025				
<i>Geographical regions</i>				
Australia	1,472	9,849	601	11,922
Singapore	433	-	-	433
Germany	180	1,299	130	1,609
	<u>2,085</u>	<u>11,148</u>	<u>731</u>	<u>13,964</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	-	11,148	-	11,148
Services transferred over time	2,085	-	731	2,816
	<u>2,085</u>	<u>11,148</u>	<u>731</u>	<u>13,964</u>

De.mem Limited
Notes to the consolidated financial statements
30 June 2025

Note 4. Revenue (continued)

	Rendering of services \$'000	Sale of goods \$'000	Projects and equipment \$'000	Total \$'000
Consolidated - 30 June 2024				
<i>Geographical regions</i>				
Australia	1,427	7,191	871	9,489
Singapore	510	-	-	510
Germany	117	1,401	151	1,669
	<u>2,054</u>	<u>8,592</u>	<u>1,022</u>	<u>11,668</u>
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	-	8,592	-	8,592
Services transferred over time	2,054	-	1,022	3,076
	<u>2,054</u>	<u>8,592</u>	<u>1,022</u>	<u>11,668</u>

Note 5. Intangibles

	Consolidated 30 June 2025 \$'000	31 December 2024 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	259	259
Development - at cost	646	633
Less: Accumulated amortisation	(151)	(82)
	<u>495</u>	<u>551</u>
Software - at cost	19	19
Less: Accumulated amortisation	(13)	(11)
	<u>6</u>	<u>8</u>
Customer relationships	8,207	8,319
Less: Accumulated amortisation	(2,954)	(2,445)
	<u>5,253</u>	<u>5,874</u>
	<u>6,013</u>	<u>6,692</u>

Note 6. Other payables

Auswater System Pty Ltd - Deferred and contingent consideration

As previously reported, on 2 July 2024, the Company acquired 100% of the shares in Auswater System Pty Ltd. The terms of the acquisition arrangement resulted in contingent consideration with the status as follows:

The acquisition was accounted for under AASB 3 Business Combinations, with total consideration of \$1.75 million comprising cash, shares, contractual deferred consideration (Tranche 2), and contingent consideration linked to future revenue growth (Incentive tranche for Milestone 1 and Milestone 2).

At acquisition, a liability totalling \$100,000 was recognised in respect of Incentive tranches for Milestone 1 (\$50,000) and Milestone 2 (\$50,000) as contingent considerations, which comprised of two revenue milestones for Year 1 (July 2025) and Year 2 (July 2026) as announced in the Investor Presentation dated 3 June 2024 lodged with the ASX. Each component is assessed independently based on the likelihood of the respective revenue targets being achieved at the time of recognition.

Tranche 2 payments, representing the contractual deferred consideration, were settled through a cash payment of \$110,000 on 2 July 2025 and the issue of 400,000 fully paid ordinary shares at a deemed issue price of \$0.10 per share to the vendor on 8 July 2025.

An assessment conducted in early July 2025 determined that the revenue milestone set has not been achieved. Thus, no payment is required under the Incentive tranche for Milestone 1.

Note 7. Issued capital

	Consolidated		
	30 June 2025	31 December 2024	31 December 2024
	Shares	Shares	\$'000
Ordinary shares - fully paid	<u>293,018,761</u>	<u>292,793,377</u>	<u>43,658</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 January 2025	292,793,377		43,621
Exercise of performance rights	1 April 2025	110,000	\$0.20	22
Issuance of shares to an employee under contractual remuneration terms	26 May 2025	<u>115,384</u>	<u>\$0.13</u>	<u>15</u>
Balance	30 June 2025	<u>293,018,761</u>		<u>43,658</u>

Note 8. Contingent liabilities

As at 30 June 2025 there is a total of \$141,000 (31 December 2024: \$136,000) being held in current term deposits, representing warranties for a project subject to completion of the defect liability period and bank guarantees for lease obligations.

Note 9. Loss per share

	Consolidated	
	30 June 2025	30 June 2024
	\$'000	\$'000
Loss after income tax attributable to the owners of De.mem Limited	<u>(980)</u>	<u>(1,702)</u>

Note 9. Loss per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	292,869,543	259,715,485
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>292,869,543</u>	<u>259,715,485</u>
	Cents	Cents
Basic loss per share	(0.33)	(0.66)
Diluted loss per share	(0.33)	(0.66)

As at 30 June 2025, the Group has 6,250,000 unlisted options (30 June 2024: 9,860,000) and 700,000 performance rights (30 June 2024: NIL) on issue. These options are considered to be non-dilutive whilst the Group is in a loss position.

Note 10. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

De.mem Limited
Directors' declaration
30 June 2025

In the directors' opinion:

- The consolidated interim financial statements and notes comply with the Corporations Act 2001, and Australian Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Andreas Kroell
Director

28 August 2025
Melbourne

Independent auditor's report to the members of De.Mem Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of De.Mem Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the half-year then ended; and

complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2025,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.


Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



R. P. Burt

Director

Melbourne, 28 August 2025