



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

## De.mem Increases Revenue Forecast for CY2018 to \$10m-\$12m

- Upgrade represents a potential 20-25% increase on prior forecast
- Supported by project awards, order book growth and expanding pipeline in Australia and Asia
- De.mem well funded to meet near-term growth objectives with cash at bank of ~\$2.5m
- Reduced cash burn leaves DEM well positioned to achieve near-term break even operating cash flow

**16 May 2018: Water and waste water treatment company De.mem (ASX:DEM)** ("De.mem" or "the Company") is pleased to report that revenue for Calendar Year (CY) 2018 is expected to be between \$10 million to \$12 million.

The revised revenue forecast for CY2018 represents a year-on-year increase of up to 314% compared to CY2017 revenues of approximately \$2.9 million and a potential up to 25% increase from the Company's previous forecast of \$8 million to \$10 million (refer ASX announcement: 13 March 2018).

This projected revenue growth is underpinned by:

- Projects already completed;
- Projects already contracted to De.mem that are yet to be recorded as revenues;
- Execution of existing long term contracts ("Build, Own, Operate (BOO)" or "Operations & Maintenance"); and
- Additional project awards likely to be received during the CY2018 in Australia and Asia.

Projects already contracted to De.mem but yet to be recorded as revenues include the recent \$1.7 million contract for the delivery of a water treatment system to a site in Cultana, South Australia (refer: ASX release 30 April 2018), which is expected to be completed during CY 2018.

Revenues from existing or revolving BOO or Operations & Maintenance contracts alone are expected to generate approximately \$3 million for the year. While a full year contribution from the Akwa-Worx business acquired in September 2017 also underpins this revenue guidance increase.

The Company started Q2 2018 with a cash balance of circa \$2.5 million, leaving De.mem well funded to execute its current growth objectives.



## **Commentary**

**De.mem CEO Andreas Kroell said:** “The Company is continuing its rapid momentum across the calendar year and pleased to provide an upgraded revenue forecast for CY2018.

“The significant increase in expected revenue is underpinned by a number of projects, from which revenues will be realised in the near term, as well as a strong order book growing in both Australia and Asia.

“The successful validation of our proprietary technologies such as our hollow fiber Nanofiltration (NF) membrane is a key factor for the company’s success, as it strengthens our competitive position and ability to win projects.

“De.mem remains well funded with a healthy cash balance, and together with a reduced cash burn and a growing revenue base, is strongly positioned to become cash flow positive in the near term.”

**-Ends-**

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

### **De.mem Limited**

**Andreas Kroell**

CEO

De.mem Limited

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

### **Media & Investor Enquires**

**Six Degrees Investor Relations**

Henry Jordan

+61 (0) 431 271 538

## **About De.mem Limited**

**De.mem Limited (ASX:DEM)** is a Singaporean-Australian decentralised water and waste-water treatment business that designs, builds, owns and operates water and waste water treatment systems for its clients. De.mem operates in the industrial segment providing systems and solutions to customers from the mining, electronics, chemicals, oil & gas and the food & beverage industries and in the municipal and residential segments. De.mem has licensed proprietary technologies from its partner in research & development Singapore’s Nanyang Technological University (NTU), including an exclusive worldwide license for a revolutionary low-pressure hollow fibre nanofiltration membrane. Through its wholly owned water and waste water treatment original equipment manufacturing (OEM) subsidiary Akwa-Worx Pty Ltd, De.mem has a strong presence in Australia. Akwa-Worx has a market reputation for building high quality Australian designed and manufactured products and has long-term customers in the Australian mining industry. 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.