



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

De.mem well placed for strong growth in 2019 after solid CY 2018

28 February 2019: Water and wastewater services and technology company De.mem Limited (ASX:DEM) (the “Company”) is pleased to report its financial and operational performance for Calendar Year 2018. Full details of the Company’s financial performance can be found in the Appendix 4E – Preliminary Final report for the Year Ended 31 December 2018.

The company has delivered very encouraging growth in revenue and gross profit margins and established an excellent foundation for further growth in Australia and Asia. Key highlights include:

- **Revenue for the CY 2018 was ~\$10.5 million, ~259% growth on prior year revenue of ~\$2.9 million**
- **Gross profit was ~\$2.6 million, or 25% of revenues (2017: ~\$0.5 million or 18% of revenues)**
- **The net loss narrowed substantially to ~\$-2.0 million (2017: \$ -6.3 million)**
- **Operating cash outflows were \$-1.6 million (2017: \$-2.4 million)**
- **Cash balance as at 31 December 2018 was around \$1.7 million**
- **Further investment and market acceptance of proprietary technology suite creates strong market advantage**
- **Australian operating business (De.mem-Akwa Pty Ltd) made a ~\$370,000 net profit contribution to group result**

De.mem Chief Executive Officer Andreas Kroell commented: “CY 2018 was a stellar year for De.mem and this is reflected in the substantial improvement in revenue, gross profit, and the greatly reduced cash burn. It is best characterised as a year in which we put in place the foundation to establish De.mem as a leading technology-led water and wastewater treatment company focused on Australia and Asia.

A key achievement was the growth of the Australian business with multiple new contracts secured, including a \$1.7 million project with St Hilliers announced in April 2018. Beyond our strong presence in Queensland, we expanded operations into South East Australia with new regional offices established in Adelaide and Melbourne at the end of CY 2018.

Furthermore, the company broadened and advanced its market-leading technology portfolio which gives De.mem a major strategic advantage in water and wastewater treatment markets. Our proprietary products are now centered around three product families: a range of Ultrafiltration membranes; the low pressure, hollow fibre Nanofiltration membrane which leads to substantial power savings while providing high quality treated water; and the hollow fibre Forward Osmosis membrane developed at Nanyang Technological University, Singapore, used for the concentration of liquids, i.e. during the production of beverages, or for the reduction of brine from water treatment plants.



All technologies are at the commercial stage and have been deployed in commercial projects. With this validation ongoing, the company is building substantial value with a very unique product offering in the water treatment sector.

Sales growth, as well as the positive developments around our technology portfolio, have been achieved with a very low annual operating cash burn of \$1.6 million, a substantial improvement on the prior year with the reduced spend on product development reflecting the maturing of the technology.

Most notably, our Australian water and wastewater business, De.mem-Akwa Pty Ltd, formerly Akwa-Worx Pty Ltd, delivered net profit of approximately \$370,000 for the year and has commenced CY 2019 strongly with new contract wins with some notable blue chip customers. Growth opportunities in the resources, municipal and food and beverage sectors continue to be very encouraging.

CY 2019 is shaping up to be another year of strong growth for De.mem based on the substantial sales pipeline we have established in Australia and Asia. We look forward to reporting on progress.”

-Ends-

For further information, please contact:

De.mem Limited

Andreas Kroell

CEO

De.mem Limited

investor@demem.com.sg

Media & Investor Enquiries

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 turn-key water and waste water treatment systems for its clients. The Company 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 makes use of a portfolio of proprietary hollow fibre membrane technologies, which are commercialized as a key component within the Company’s water and waste water treatment systems. Some of the technologies were originally developed by the De.mem’s partner in research & development, Singapore’s Nanyang Technological University (NTU), and exclusively licensed to the Company. Those include a revolutionary low-pressure hollow fibre nanofiltration membrane and a hollow fibre forward osmosis membrane for de-watering or concentration of liquids. Through its wholly owned subsidiary De.mem-Akwa Pty Ltd (formerly: Akwa-Worx Pty Ltd), De.mem has a strong presence in Australia. De.mem-Akwa has a market reputation for building high quality Australian-made water and waste water treatment systems and has long-term customers in the Australian mining, infrastructure and food & beverage industries. 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.