

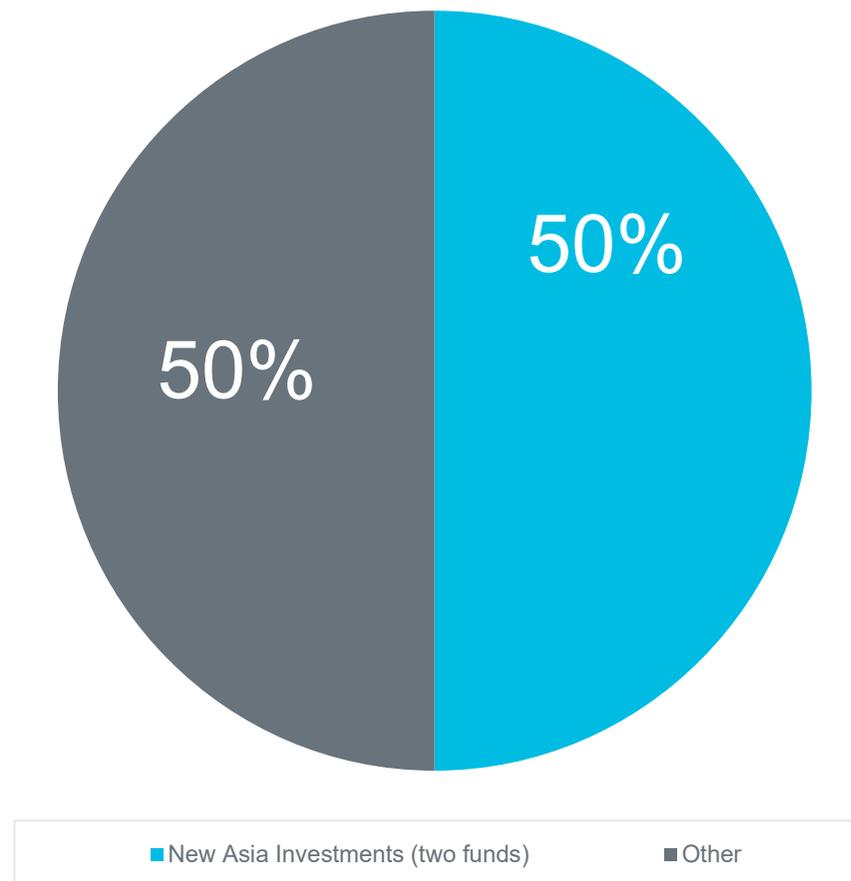
demem

De.mem Limited (ASX:DEM)



Corporate Snapshot

ASX code	DEM
Ordinary shares	107.7m
Market capitalisation	\$22m
Cash on hand (31.12.17)	\$3.3m
Listed on ASX	7 April 2017
Issue price	\$0.20
Last price (12.3.18)	\$0.205
52 week high	\$0.50
52 week low	\$0.19
Average daily volume	57,832
GICS classification	Utilities



Overview

Introduction

De.mem Group (DEM) is a Singaporean-Australian company which builds decentralized water treatment systems for customers in the Asia Pacific region

Key Target Markets

Potable water
Sewage treatment
Industrial waste water

Key Product Lines

Membrane based water treatment systems
MBRs
Bioreactors
Chemical dosing systems
Hollow fibre membranes



Key Investment Proposition

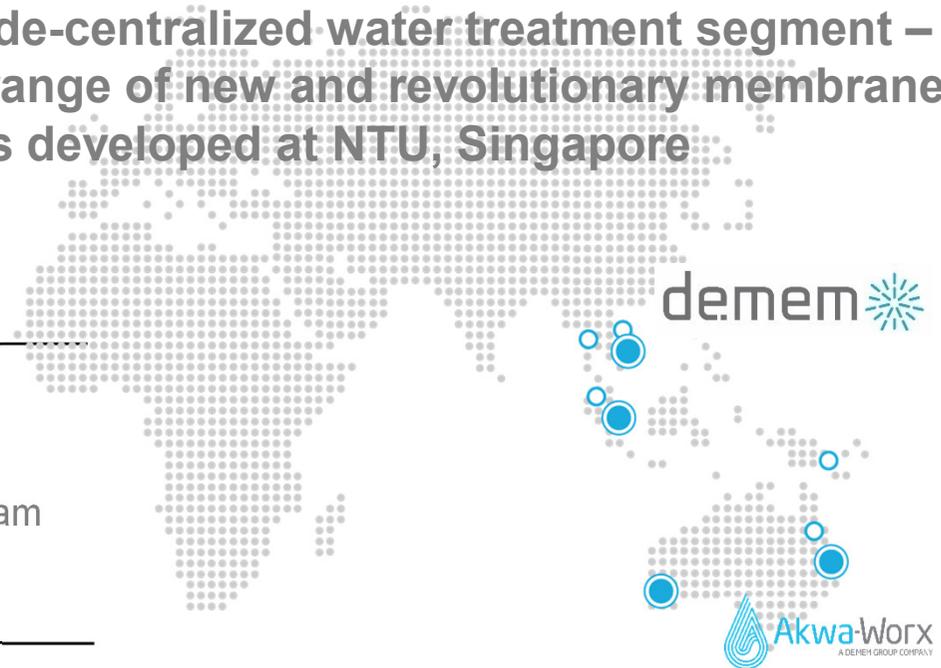
DEM strives to become the market leader in the fragmented de-centralized water treatment segment – based on a range of new and revolutionary membrane technologies developed at NTU, Singapore

Locations

Perth
Brisbane
Singapore
Ho Chi Minh City, Vietnam

Employees

45
25 Australia
12 Singapore
8 Vietnam



Leading Expertise in Engineering & Design of Water & Wastewater Treatment Systems

- De.mem builds, owns, operates and sells a wide range of water and waste water treatment systems turn-key to the customer
- Systems use membranes as their key component (filter)
- Customers include mining companies, global EPC contractors, municipalities and water utilities

Potable Water



Industrial waste water



Sewage

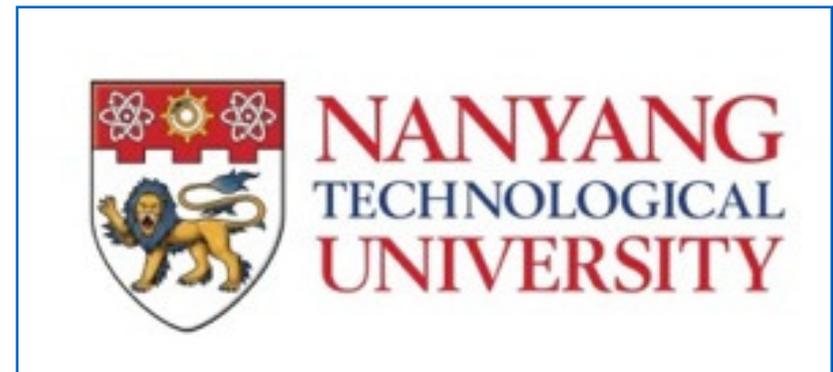


Process Water & Recycling



Underpinned by the Best Water & Waste Water Treatment Technologies

- Collaboration with Nanyang Technological University (NTU), Singapore – one of the world's leading institutions for water technology research & development
- NTU ranked no. 2 in membrane research worldwide by Lux Research (2013)
- De.mem owns the exclusive rights to a range of membrane technologies developed by NTU
- Technology portfolio includes breakthrough innovations such as
 - low pressure hollow fibre Nanofiltration (NF) membrane and
 - hollow fiber Forward Osmosis (FO) membrane



Inventors Prof. Wang Rong and Prof. Anthony Fane awarded with the Alternative Water Resources Prize by UN Secretary-General Ban Ki Moon

Financials

A\$m	2016	2017	2018 Forecast
Revenues	0.3	2.9	8.0 – 10.0
COGS	0.4	2.4	n/a
Gross Margin	(-0.1)	0.5	n/a
Gross Profit (%)	Neg.	18%	n/a
Net Operating Cash Flows	(-1.2)	(-2.4)	n/a

- Revenue growth in CY17 from \$0.3 to \$2.9m
- Revenue forecast to grow further to \$8m-10m in CY18 based on strong sales pipeline in Australia and Asia
- Forecast includes approx. \$3m in recurring revenue from BOO & O&M projects
- Gross margins of approx. 18% in CY 2017
- Cash balance of \$3.3m as of 31 Dec '17 – well funded for growth in 2018
- Reasonable cost structure: -\$2.4 million operating cash outflows in CY17

DEM: Excellent Leverage to Growth in Water Infrastructure Spending

Company	FY17 Revenue	Market Capitalisation (12.3.18)	Technology	Market Focus
Fluence ASX: FLC	A\$44.0m* 12 months to 31/12/17 *(US\$ 33m)	A\$179m	Aerobic waste water treatment (MABR)	Municipal waste water
CleanTeQ ASX:CLQ	A\$1.6 m 12 months to 30/6/17	A\$722m	Ion exchange	Industrial waste water (mining)
Phoslock Water Solutions ASX: PHK	A\$3.8m 12 months to 30/6/17	A\$152m	Chemicals to bind phosphorus	Prevention of algae growth
De.mem ASX:DEM	A\$2.9m 12 months to 31/12/17	A\$22m	Membranes	Industrial (across many sectors) & municipal/residential water and sewage

Integrated Service Offering

ENGINEERING KNOW-HOW	PROPRIETARY TECHNOLOGIES	PROCESS EXPERTISE	FLEXIBLE END PRODUCTS FOR THE CUSTOMER
<p>Wide range of base components, i.e.</p> <ul style="list-style-type: none"> • Bioreactors • Chemical dosing • DAF • Oil removal • MBRs • UF-RO 	<ul style="list-style-type: none"> • Low pressure, hollow fiber nanofiltration membrane • Hollow fiber forward osmosis membrane (for dewatering of waste from membrane based water treatment plants) • De.live monitoring system • Further membrane technologies (planned) 	<ul style="list-style-type: none"> • Engineering • Operations & Maintenance • Process design • System integration 	<ul style="list-style-type: none"> • Specialised products <ul style="list-style-type: none"> - Containerised - Modular - Compact - Customised, high quality, efficient • Operations & Maintenance • Build-Own-Operate (BOO) • Build-Own-Transfer (BOT)

De.mem's business model includes proprietary technology, engineering and system integration as well as ongoing operations & maintenance

Highly Scalable Revenue Model



Build-Own-Operate or Build-Own-Transfer

- De.mem owns the equipment
- Long term contract with the customer
- Stable recurring revenue stream
- High margin



Equipment sales

- Customer driven
- Opportunity for ongoing maintenance revenue



Pricing

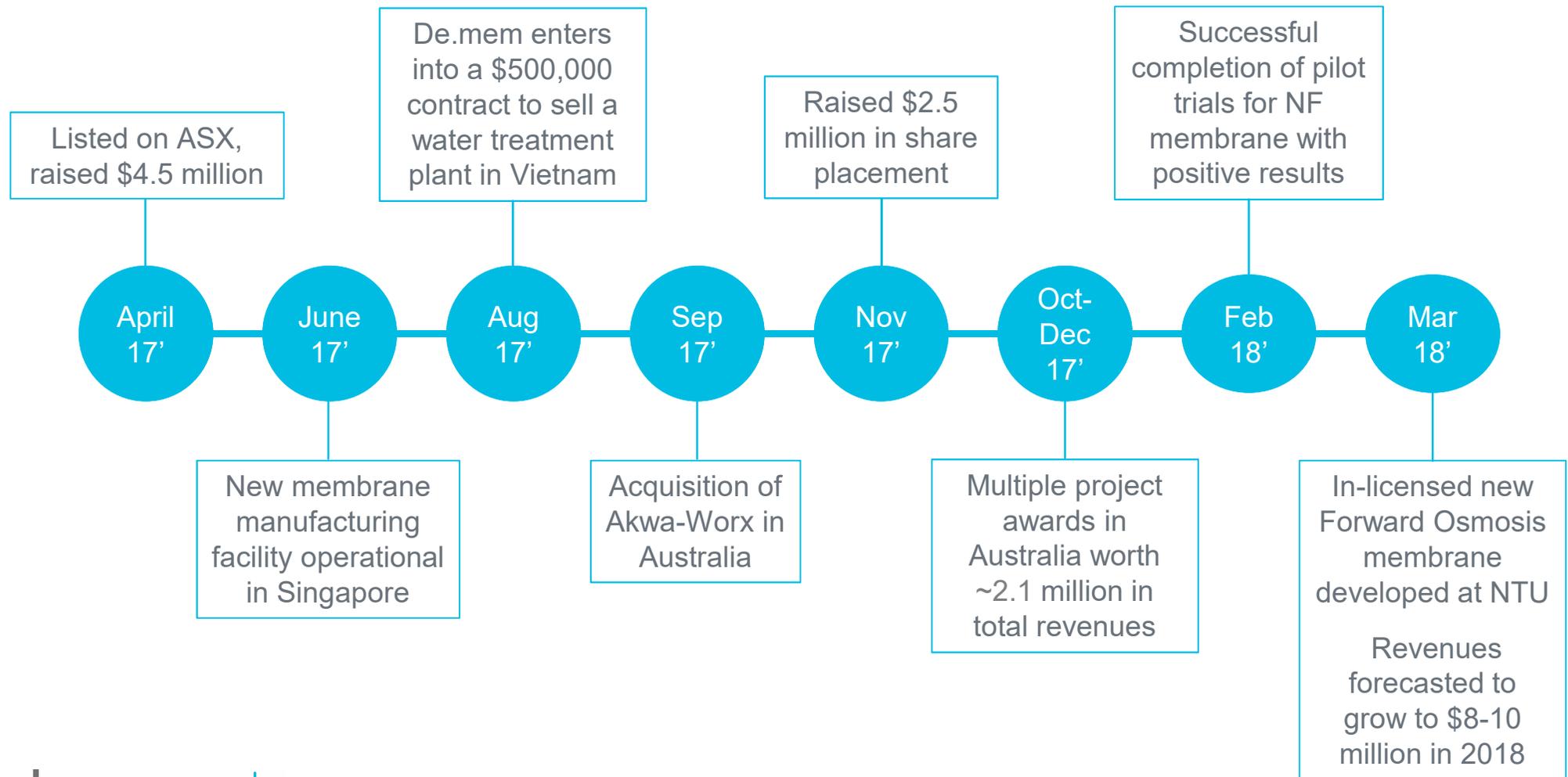
- Flexible pricing structure
- De.mem's pricing model allows the company and its customers to share those savings – providing a genuine win-win outcome



Customer base

- Long-term, repeat customers
- Multi-national corporations from high volume and high growth sectors
- Clients with manufacturing presence in many countries

Key Milestones Achieved since IPO



Blue Chip Customer Base



Global Opportunities: Expanding into Growth Markets



Germany

- A\$13 billion market ¹
- Started marketing De.mem products in Germany in 2017

Singapore

- A\$ 2 billion market ²
- Established presence through De.mem in Singapore
- Focus on industrial waste water
- Strong reference for the region

Malaysia & Indonesia

- Short term expansion plans based on expanded product range

China

- A\$20 billion market ¹
- Strong potential for the combined group to expand into China

Vietnam

- A\$1 billion market ³
- Established presence and manufacturing capability through De.mem
- Short term expansion plans based on expanded product range

PNG & Pacific Islands

- Multiple projects completed by De.mem/Akwa-Worx
- Potential to gain significant market share

Australia

- A\$5 billion market ⁴
- Strong and well established presence in Queensland through Akwa-Worx
- Short-term expansion plans into other regions – i.e. Western Australia

Sources: 1. Global Water Intelligence 2. The Singapore EDB 3. Frost & Sullivan 4. IBIS

Near Term Growth Drivers

- CY 2018 revenue forecast
\$8-10 million
- Award of customer contracts
- Expansion into key growth markets
- M&A / Partnerships / JV's
- Access to new technology /
expansion of intellectual property
portfolio

Appendix _____

Board with Strong Industrial Background



Cosimo Trimigliozzi
Chairman

- COO of Wild Flavors International
- Managing Director Givaudan Asia
- MBA, University of Basel, Switzerland



Andreas Kroell
CEO and Director

- Director New Asia Investments
- Deutsche Bank Corporate Finance
- Deloitte Audit & Advisory
- MBA, University of Frankfurt, Germany



Bernd Dautel
Non-Executive Director

- Director New Asia Investments
- Managing Director Wieland Metals Asia Pacific
- Master of Chemical Engineering, Karlsruhe University of Technology, Germany



Stuart Carmichael
Non-Executive Director

- Partner & Director Ventnor Capital
- Executive Vice President UGL Limited (ASX:UGL) KPMG Corporate Finance
- Bcom, CA



Michael Edwards
Non-Executive Director

- Non-Executive Director Norwood Systems Limited (ASX:NOR) & Dawine Limited (ASX:DW8)
- BBus (Economics / Finance), BSc (Geology), Grad Dip (Oen)

Experienced Management Team



Shane Ayre
Managing Director,
Akwa-Worx

- Founder of Akwa-Worx
- 20 years industry experience



Kian Lip Teo
Chief Operating Officer

- Lien Aid
- Bachelor/Master, Nanyang Technological University, Singapore



David Chua
Director, Membrane
Manufacturing

- Mann+Hummel
- Hyflux
- 10+ years experience in membrane production
- Bachelor/Master, Nanyang Technological University, Singapore



Nicanor Suarin
Chief Engineer

- Hyflux
- Doosan Hydro
- 30+ years experience in process and system design
- Bachelor of Engineering, MBA, Philippines

Portfolio of World Class Membrane Innovations

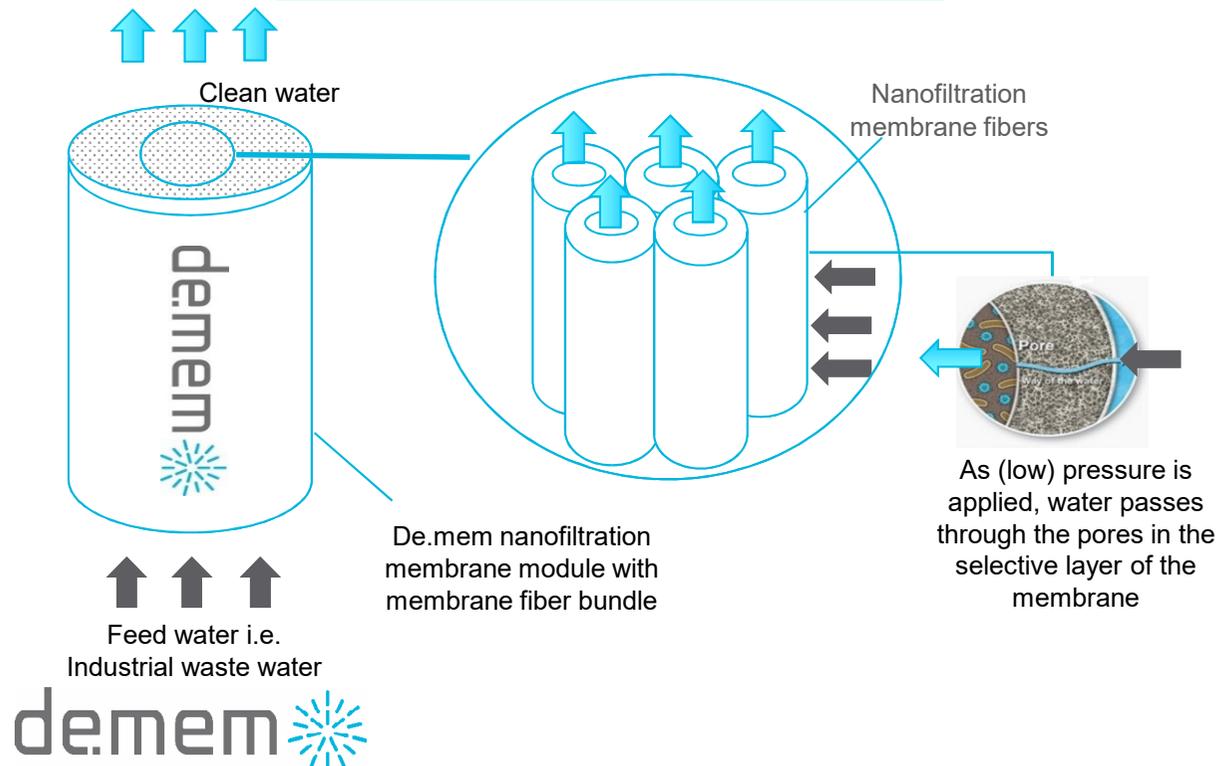
HF Membrane Bundles



Membrane Modules



Working Principle of HF Membrane Filtration



- De.mem offers a range of proprietary hollow fiber (HF) membrane technologies
- The membranes/membrane modules serve as the key component (the actual filter) in De.mem's water treatment systems
- Technologies originally developed at Nanyang Technological University (NTU), Singapore
- Licensed to De.mem exclusively and world-wide at favourable terms (based on royalties in % of revenues)

Membrane Manufacturing in Singapore

- With the proceeds from the IPO, De.mem has started its own membrane manufacturing facility in Singapore
- At the De.mem factory, different types of hollow fiber membranes and modules can be produced
- The factory has been fully operational since mid-2017 and manufactures industry standard membrane modules (4-inch and 8-inch diameter)



Low Pressure Hollow Fiber Nanofiltration Membrane

- De.mem holds a worldwide, exclusive license from NTU for a novel low pressure hollow fiber nanofiltration (NF) membrane
- Enables significant reduction in operating cost (less power consumption due to lower pressure required) and investment relative to traditional technologies
- Estimated market size of ~\$ 570 million per annum for NF membranes as a component*
- Technology is at the commercial stage

*Source: BCC Research, prediction for the year 2019

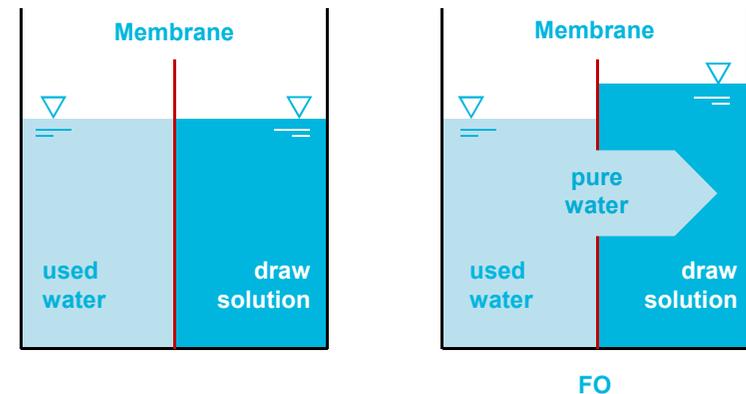


Hollow Fiber Forward Osmosis Membrane

- In March 2018, De.mem signed an exclusive license for a novel hollow fiber Forward Osmosis membrane (FO) for applications in industrial waste water (de-watering of concentrate / waste from membrane based water treatment plants)
- Working principle of FO is based on osmotic pressure differences, without the use of external pressure
- Helps to reduce the waste from membrane based water treatment plants and leads to substantial cost savings for customers
- Large addressable market of \$400m p.a.*
- Mature technology with first commercial projects expected from 2019 onwards

*Source: ForwardOsmosisTech (projection for market for “Zero Liquid Discharge” applications of FO)

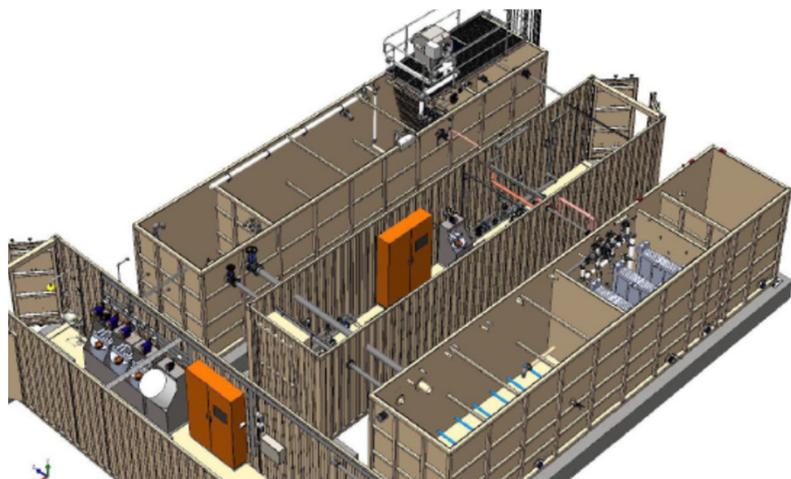
Working Principle of Forward Osmosis Membrane



Inventors Prof. Wang Rong and Prof. Anthony Fane Awarded with the Alternative Water Resources Prize by UN Secretary-General Ban Ki Moon



Sample Projects: Membrane-based Water Treatment Plants



Sewage Treatment Plant MBR

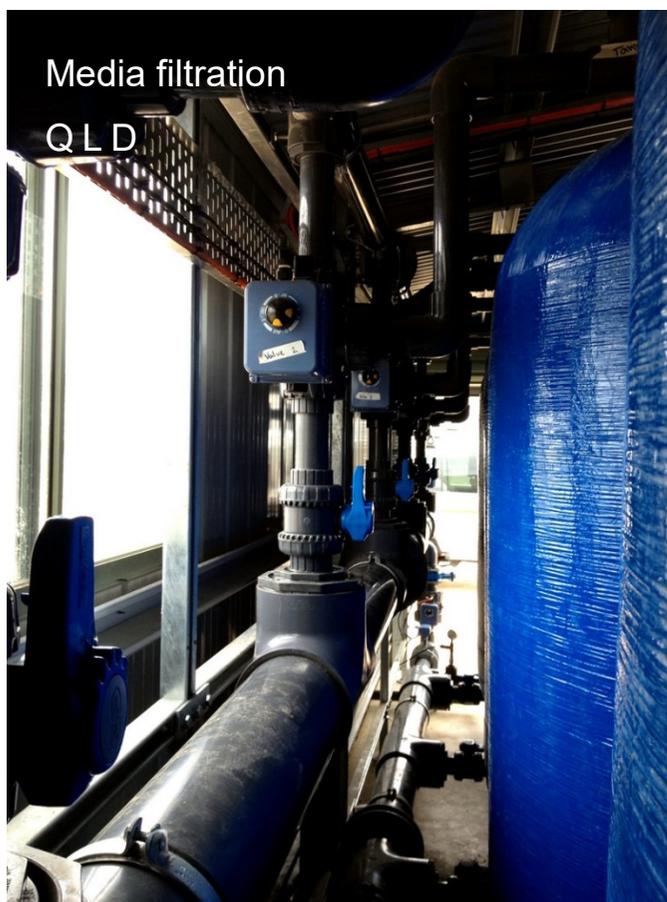
Location	Heron Island, QLD
Description	Submerged Membrane Bioreactor (MBR)
Client	Heron Island Resort
Value	\$1 million
Year	2015



Sewage Treatment Plant UF membranes

Location	Papua New Guinea
Description	Ultrafiltration membrane based process plus pre treatment via BNR
Client	Wafi Golpu Mine JV
Value	\$1 million
Year	2013

Sample Projects: Long term Operations & Maintenance Contracts



Project Experience



Civeo

Coppabella Sewage Treatment Plant

Coppabella, QLD

Capacity: 270kl per day

Total value: Approx \$1.5 million

- Membrane Bioreactor (MBR)
- Treats waste water from mining camp
- Operational in April 2015



Monadelphous

East Nogoa Water Treatment Plant

Papua New Guinea

Total value: Approx \$0.4 million

- Fluoride saturator and powder polymer preparation and dosing plants
- Operational in July 2015



Civeo

Coppabella Water Treatment Plant

Coppabella, QLD

Capacity: Approx 1,500kl per day

Total value: Approx \$1.2 million

- Containerised water treatment system including dosing and potable water storage
- Supplies drinking water to mining camp
- Operational in April 2015



Mount Isa City Council

Containerised Re-Chlorination Package

Mount Isa, QLD

Total value: Approx \$0.1 million

- Containerised re-chlorination package
- Operational in March 2015

Project Experience (Cont.)



Jacobs

Bulwer Island Sewage Treatment Plant

Bulwer Island, QLD

Total value: Approx \$0.5 million

- Packaged sewage treatment plant to treat waste water for discharge into Brisbane river
- Operational in 2016



Ausco Modular

Containerised Water Treatment Plant

Cavel Ridge Mine Moranbah, QLD

Total value: Approx \$0.3 million

- Using Ultrafiltration (UF) membranes, packaged in standard industrial 40 feet container, fully automated incl. remote monitoring package
- Operational in 2012



Mining Industry

Sewage and Water Treatment Plants

Papua New Guinea

Total value: Approx \$2.0 million

- Capacity: 350 kl per day
- Using multiple bioreactors and Ultrafiltration (UF) membranes
- Operational in 2012



Carwash facility with 20 bays

Carwash

Greater Brisbane, QLD

Total value: Approx \$0.1 million

- Integrated system including DAF and multimedia filters, treating car wash water to recycling standards
- Operational in 2014

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