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30 SEP 2025 QUARTERLY ACTIVITIES REPORT:
RECORD CASH RECEIPTS, RECORD REVENUES & EBITDA

30 October 2025: Industrial water and wastewater treatment company De.mem Limited (ASX: DEM) ("De.mem" or "the Company") is pleased to report record September Quarter 2025 results.

KEY HIGHLIGHTS

- **Quarterly cash receipts** of ~$7.81 million, second highest ever recorded.
- **Positive operating cash flow of ~$1.2m** in the last 12 months.
- **Continued growth momentum,** with 26 successive cash receipts growth quarters versus prior corresponding period ("pcp").
- **Record cash receipts compound annual growth rate (CAGR) of ~24%** over 6 years.
- **Record quarterly ~$7.6m revenues and adjusted EBITDA ~$550k (unaudited).**
- **Over 90% recurring revenues**
- **Domestic water treatment product launch continuing,** with sales partnerships in Indonesia, China and Japan, and Australian Watermark certification process initiated.
- **Two new project awards of ~$1m revenue** received for the supply of water treatment equipment.
- **Post quarter acquisition of Core Chemicals providing additional exposure to the surging gold sector outlook and increasing proforma adjusted EBITDA to ~$1.6m** for the 12 months to 30 June 2025 (pre synergies).
- **De.mem stand-alone on track for record full calendar year 2025 results,** with additional upside from the Core Chemicals acquisition post quarter.

Record results

De.mem is delighted to report record results in cash receipts, growth rates and growth momentum.

Cash receipts

September Quarter 2025 cash receipts of ~$7.81m are the second highest quarterly cash receipts in the Company's history.

This result excludes the late receipt of $170k related to one major contract concluded in September (received 9 October 2025). If this late payment was included, September Quarter 2025 would have been a record quarterly cash receipts result of ~$8m.

Furthermore, De.mem made advance payments of approx. $200k to suppliers, related to two major project orders received (see section below). De.mem expects a positive impact from the above on the operating cash flows in the upcoming two quarters.

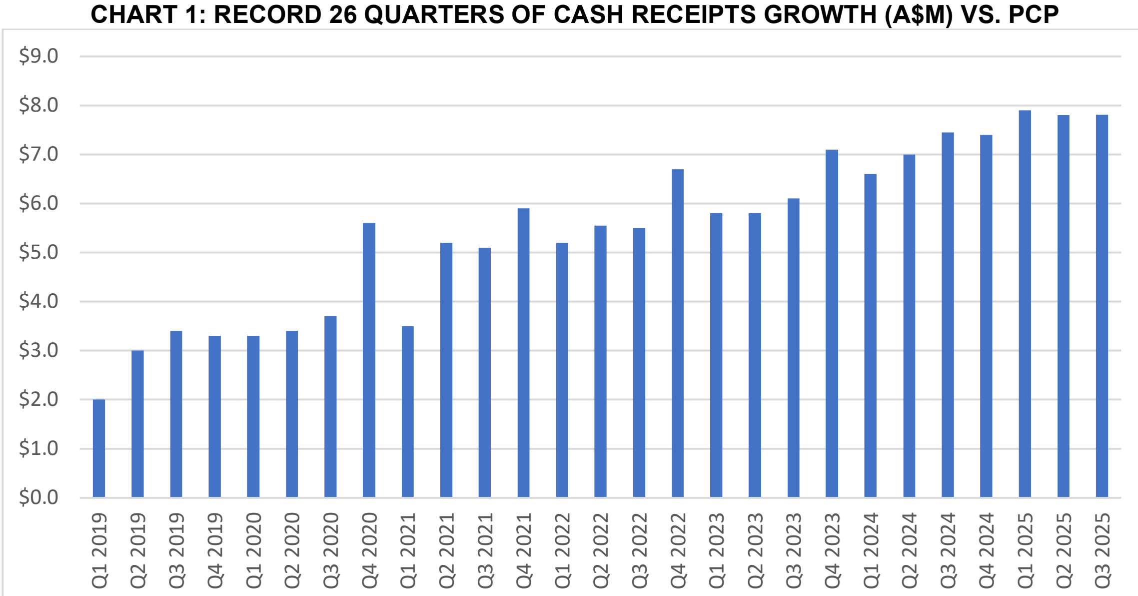
Growth rate

The Company reported cash receipts compound annual growth rate (CAGR) of ~24% over 6.5 years (Chart 1).

Growth momentum

The Company achieved a record 26 consecutive quarters of cash receipts growth vs prior corresponding period, pcp (Chart 1).

CHART 1: RECORD 26 QUARTERS OF CASH RECEIPTS GROWTH (A$M) VS. PCP



Positive operating cashflows

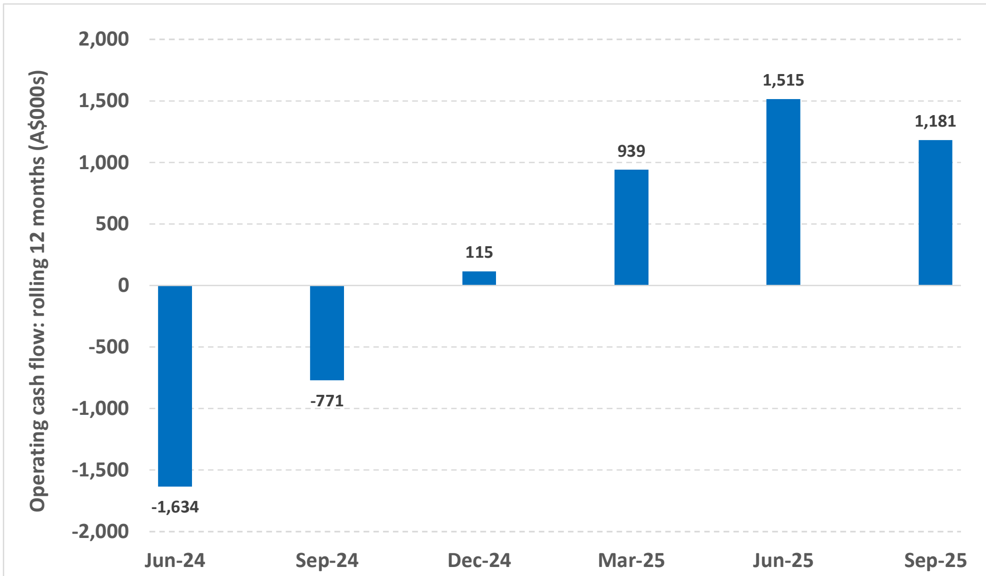
De.mem reported ~$1.2m in positive operating cash flows over the last 12 months (Chart 2).

Although the September Quarter 2025 reported a small negative operating cashflow of -$252k, the December Quarter outlook is for a return to positive operating cashflows given the following:

- ~55% of full-year cash receipts are historically received in the second half of the calendar year (with customers purchasing more consumables for the end of calendar year holiday period).
- De.mem made advance payments in the September Quarter 2025 of ~$200k to suppliers, related to two major project orders received (see section below), which are expected to positively contribute to operating cash flows in the upcoming two quarters.
- Late receipt of $170k (received 9 October 2025), as described above.

During the September Quarter, De.mem paid the deferred tranche of $110,000 for the acquisition of Auswater Systems Pty Ltd (see ASX release dated 3 June 2024 for further details). The payment is included into the cash flows from investing activities, line 2.1a. Please see the Appendix 4C attached to this release for further details.

CHART 2: LAST 12 MONTHS OPERATING CASH FLOWS*



*For December 2024: Net operating cash flows as stated in the audited financial statements (see ASX release "CY 2024 Consolidated Financial Report" dated 27 February 2025 for details)

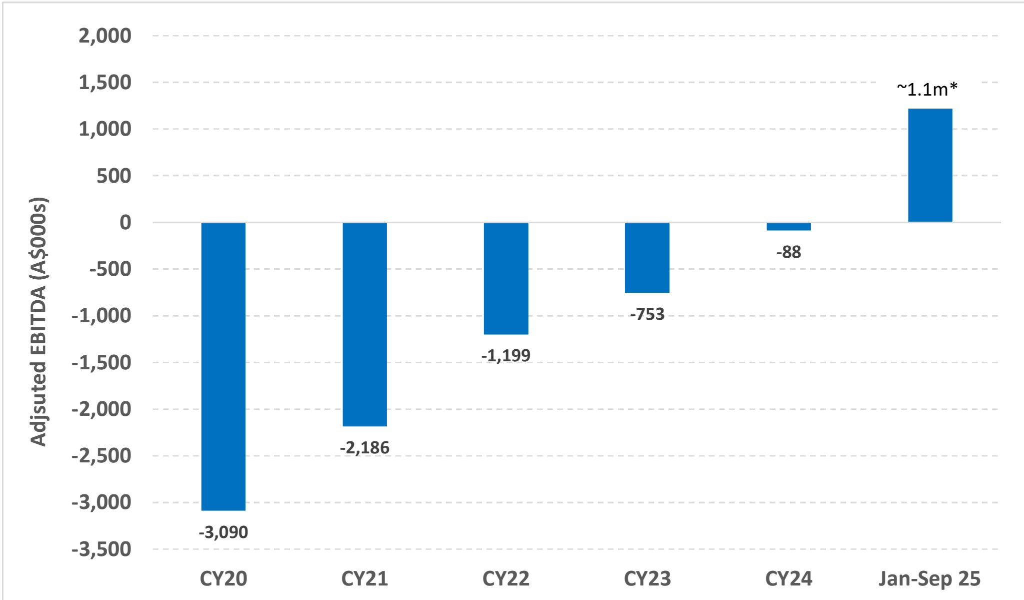
Record revenues and adjusted EBITDA

De.mem is pleased to report record September Quarter 2025 revenues of ~$7.6m (unaudited).

Furthermore, De.mem achieved record September Quarter 2025 adjusted EBITDA of ~$550k (unaudited). For the 9 months to September 2025, De.mem stand-alone has achieved ~$1.1m adjusted EBITDA, which includes ~$556k for H1 CY 2025 (Chart 3).

Adjusted EBITDA is EBITDA prior to share based payments, business acquisition costs and other one-off items.

CHART 3: ADJUSTED EBITDA*



*CY20-24: see consolidated financial reports; Jan-Sep 2025: unaudited

Additionally, the Core Chemicals acquisition adds ~$730k EBITDA on a full-year basis, based on Core Chemicals' historic financials for the 12 months ended 30 June 2025 (pre-synergies). See ASX release, "*Acquisition of Core Chemicals to increase exposure to surging gold mining sector*", dated 17 October 2025.

Project awards

De.mem is pleased to report that during the September Quarter 2025, the Company received two project awards of ~$1m revenue combined, relating to waste-water treatment equipment supply to corporate customers in Australia and Germany.

Consequently, the Company made advance payments of ~$200k for related purchases of materials and components during the September 2025 quarter, with most of these project cash receipts expected to be received in the December 2025 and March 2026 Quarters.

Key service contracts extended

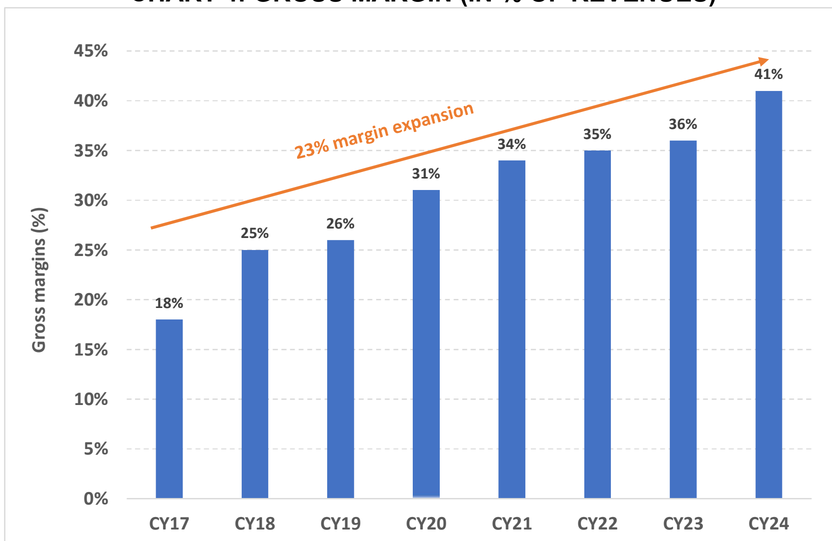
De.mem extended two existing service (operations & maintenance) contracts during the quarter with Australian mining clients, worth ~$1.3 million in annual revenues, excluding the additional potential from the sales of chemicals, consumables and equipment into each site.

Given that both contracts were originally signed in 2017, these renewals highlight the stability and long-term nature of De.mem's customer relationships and revenues.

Continued margin growth driven by premium offering and blue-chip client base

De.mem's premium offering continues to expand gross product margins. De.mem's gross margins have increased from 18% in CY 2017 to a record 41% in CY 2024, above 38.7% average industry gross margins (source: Baird, Global Water Sector Update, Q1 2024).

CHART 4: GROSS MARGIN (IN % OF REVENUES)



Vision

The Company's vision is to be the leading international supplier of decentralized water treatment solutions to industrial and residential customers.

For multi-site industrial customers, De.mem offers a "one stop shop" of premium water and waste water treatment solutions, while focusing on generating high margin recurring revenues from its services and specialty chemicals divisions.

For residential customers, De.mem offers its membrane products for domestic water treatment applications – a large and growing segment of the global water treatment market. See below commentary, "*Domestic water filtration market entry in progress".*

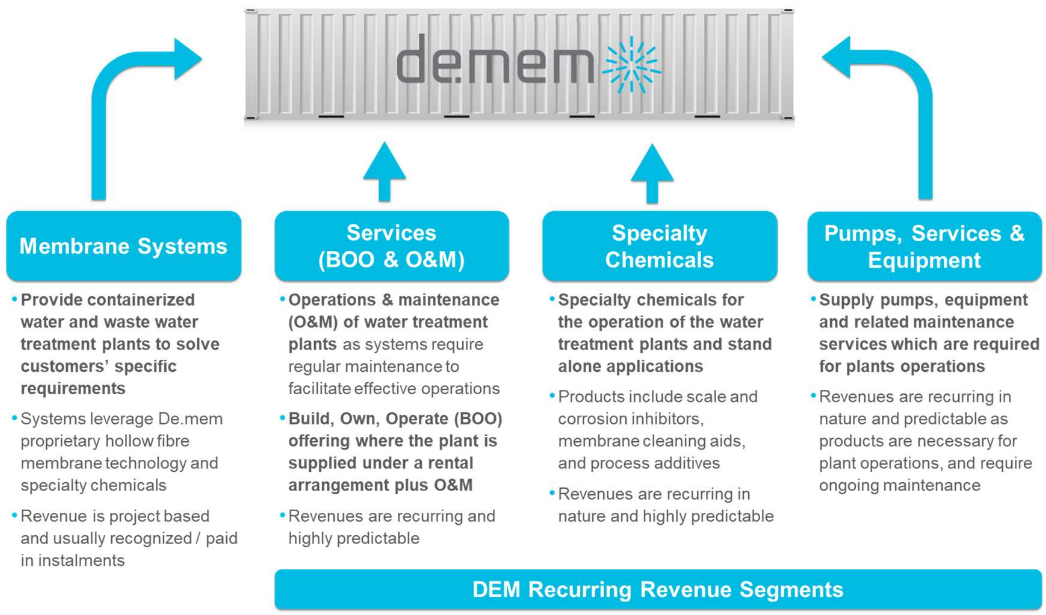
Recurring revenues

Recurring revenue segments comprise the following:

- The provision of water and waste water treatment services i.e. through the following:
    - Long term Build, Own, Operate ("BOO") and Operations & Maintenance ("O&M") contracts.
    - Regular maintenance work on water treatment equipment.
    - Maintenance of pumps.
- Specialty chemicals sales.
- Sales of small equipment and consumables.
- Membrane replacement sales into existing industrial facilities.
- Sale of domestic water treatment systems and replacement of membrane cartridges.

The comprehensive offering, backed by innovative membrane technology is unique within a highly fragmented market for de-centralized (ie. containerized, flexible solutions deployed at the water source) industrial water treatment. Image 1.

IMAGE 1: DE.MEM BUSINESS SEGMENTS & COMPREHENSIVE OFFERING



<u>Blue-chip customer base diversified across multiple sectors</u>

Industrial customers include blue-chop global customers across a range of industrial sectors such as AGL (utilities); Givaudan and Coca-Cola (food and beverages); Alcoa, Rio Tinto, South 32 (mining).

The Company expects increased exposure to gold mining clients, following the recent acquisition of Core Chemicals (see ASX release, "*Acquisition of Core Chemicals to increase exposure to surging gold mining sector*", dated 17 October 2025).

Core Chemicals acquisition

De.mem has a strong acquisition track record, reporting 69% revenue growth across 4 acquisitions closed between 2019 and 2022 (see the ASX Investor Presentation dated 20 May 2025, page 7).

The Company operates in a highly fragmented sector, with several niche, local operators. These smaller operators are unable to compete with De.mem's national reach, proprietary technologies, technical capabilities and "one stop shop" offering, which includes chemicals, proprietary membrane technology, pumps and filters.

On 17 October 2025, De.mem announced the acquisition of Core Chemicals Pty Ltd, Perth, Western Australia, for a total consideration of ~$3m. Core Chemicals supplies process chemicals to gold mining clients, that help to maximise gold extraction and recovery of tiny gold fragments from the refining waste stream.

The acquisition provides De.mem with further leverage to the booming gold mining sector. It creates significant revenue synergies through new gold mining client acquisition and cross-selling into the existing client portfolio of both companies. Pro-forma adjusted EBITDA of De.mem and Core Chemicals combined is $1.6m for the 12 months ended 30 June 2025, excluding the upside from revenue and cost synergies.

The acquisition was funded through an oversubscribed placement of $3m at share price of $10.5 cents per share. Completion of the acquisition is expected on 31 October 2025.

Domestic water filtration market entry in progress

De.mem also offers its membrane products for domestic water treatment applications – a large and growing segment of the global water treatment market.

The global domestic water filtration market was estimated at US$12.1 billion in 2022 and is expected to grow by 10.5% per annum to US$26.7 billion by 2030 (source: *Grand View Research, November 2022*). The Asia-Pacific region accounts for the largest share in the overall market for domestic water filters.

On 9 May 2024, the Company announced its formal USA National Sanitation Foundation (NSF) certification under NSF Standard 53 for the Company's GO enhanced membrane technology (see ASX release "*Graphene Oxide enhanced membrane - NSF formal certification"*, 9 May 2024). The certification is required for the deployment of the membrane in potable or drinking water applications in the USA and many other countries.

In North America, De.mem commercialises the new Graphene Oxide enhanced membranes through its sales distribution partnership with Purafy Clean Technologies, Kingston, Ontario, Canada (see ASX release, "*De.mem signs technology commercialization partnership agreement*", 19 July 2022).

During the March Quarter 2025, De.mem announced a new distribution partnership with Firmbase Singapore. Under the agreement, Firmbase Singapore gained non-exclusive rights to distribute De.mem's standardized filtration systems to customers in China, Indonesia and Japan. See ASX release, "*De.mem announces strategic distribution agreement for key Asian markets*", dated 11 February 2025, for further details.

De.mem also received its first order for the new Ultrafiltration systems from Firmbase Singapore worth approximately $15,000 in revenues. While not material relative to De.mem's annual revenues, the order represents a significant milestone as it marks successful entry into the substantial Chinese market.

During the June Quarter 2025, De.mem supplied a number of its standardized Ultrafiltration systems to a customer in Indonesia, for a trial related to domestic water filtration applications.

During the September Quarter 2025, De.mem continued to engage with the customer, including a site visit to Indonesia in the month of October. If successful, De.mem expects an initial follow-on order in the range between $100,000-$200,000, and potential for further orders beyond. The trial continues and results are expected shortly.

Australian Watermark certification process initiated

In June 2025, De.mem initiated the WaterMark certification process.

WaterMark refers to a mandatory Australian product certification scheme for plumbing and drainage products. It ensures these products are safe, fit for purpose, and meet relevant Australian standards before they can be legally used in plumbing and drainage systems.

During the September 2025 quarter, De.mem prepared for numerous testing requirements such as extensive lab testing of the De.mem's membrane products. A site visit by WaterMark representatives to De.mem's facility in Singapore is scheduled for November.

Subject to the successful completion of the certification, De.mem intends to launch its proprietary membrane products into drinking water applications in Australia. The completion of the process is expected for the first quarter of CY 2026.

Record CY 2025 outlook

De.mem is on track for multiple record CY 2025 results, as summarised below.

Record CY 2025 EBITDA outlook

De.mem is on track for record CY 2025 Adjusted EBITDA given the following factors:

- Adjusted EBITDA for the 9 months to September 2025 of ~$1.1m (unaudited).
- Post September Quarter 2025, the Core Chemicals acquisition adds ~$730k Adjusted EBITDA, based on Core Chemicals historic financials for the 12 months ended 30 June 2025 (pre-synergies).
- December Quarter is typically the Company's strongest quarter, given customers purchase consumables ahead of the Christmas holiday season.

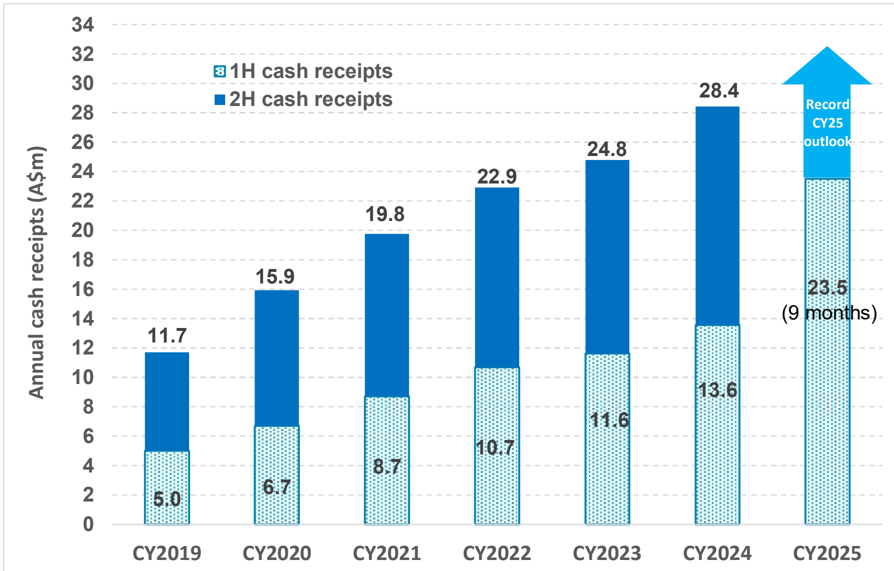
Record CY 2025 cash receipts outlook

De.mem is on track for record CY 2025 cash receipts given the following factors:

- ~90% recurring cash receipts.
- Record first 9 months of CY 2025 cash receipts of $23.5m.
- 24% CAGR in cash receipts over the past 6.5 years.

Chart 5 illustrates De.mem's CY cash receipts, including the 9 months to September 2025, for De.mem stand alone. The Core Chemicals acquisition will add further upside to the full-year cash receipts outlook, with Core Chemicals generating ~$4m in revenues for the 12 months ended 30 June 2025.

CHART 5: DE.MEM STAND-ALONE RECORD FULL CALENDAR YEAR CASH RECEIPTS OUTLOOK *



Record CY 2025 positive operating cashflow outlook

De.mem is on track for record trailing 12 months positive operating cashflows in the December Quarter 2025, given the following factors:

- Trailing 12 months positive operating cashflows of $1,181k in the September Quarter 2025.
- Record positive operating cashflow of $597k in December Quarter 2024.
- The positive impact of late payments received of $170k (received 9 October 2025), as described above.
- Advance payments in the September Quarter 2025 of ~$200k to suppliers, related to two major project orders received. Incoming customer payments are expected to positively contribute to operating cash flows in the upcoming two quarters, as described above.
- ~55% of full-year cash receipts are historically received in the second half of the calendar year.

Further outlook considerations

The following factors add to the improved outlook for the Company:

- Strong upside potential from the recent Core Chemicals acquisition, leveraging the Company's offering further into the booming gold mining segment, with significant synergy potential.
- Revenue contribution from the Company's domestic water filtration products.
- Continued cross-sell of high-margin products across the Company's national business portfolio, also driving margins.

CEO Commentary

De.mem Chief Executive Officer Andreas Kroell said:

"The September Quarter 2025 marks another strong performance for De.mem, delivering sustained growth, positive cashflows and continued profitability across all core business units. With 26 consecutive quarters of cash receipts growth, our results demonstrate the strength of our recurring revenue model, the resilience of our diversified customer base, and the operational leverage within the business.

We have entered the final quarter of the year with strong momentum, supported by positive cashflows, a robust pipeline of recurring contracts, and the pending completion of the Core Chemicals acquisition, which adds further exposure to the fast-growing gold mining sector. De.mem remains firmly on track to deliver record full-year results in CY 2025 and is well positioned to continue compounding growth into CY 2026."

Payments to related parties included in Appendix 4C

The payments to related parties of De.mem disclosed in item 6.1 of the Appendix 4C for the quarter, accompanying this Quarterly Activities Report, were payments of directors' fees and salaries.

This release was authorized by the Company's CEO, Andreas Kroell, on behalf of the Board.

-ENDS-

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De.mem Limited (ASX:DEM) is an Australian headquartered, international decentralized 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 offers a "one-stop-shop" of equipment, services, chemicals and consumables to its clients, for the ongoing operations of their water and wastewater treatment plants. De.mem's technology to treat water and wastewater is among the most advanced globally. The Company commercialises an array of innovative proprietary hollow-fibre membrane technologies. De.mem has been partnering with Nanyang Technological University (NTU) in Singapore, a world leader in membrane and water research. 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
De.mem Limited	
ABN	**Quarter ended ("current quarter")**
12 614 756 642	30 September 2025

Consolidated statement of cash flows			Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		7,812	23,480
1.2	Payments for			
	(a)	research and development	-	-
	(b)	product manufacturing and operating costs	(4,914)	(14,130)
	(c)	advertising and marketing	(46)	(131)
	(d)	leased assets	-	-
	(e)	staff costs	(2,452)	(6,977)
	(f)	administration and corporate costs	(649)	(1,723)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		16	43
1.5	Interest and other costs of finance paid		(16)	(33)
1.6	Income taxes paid		(3)	20
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)		-	35
1.9	**Net cash from / (used in) operating activities**		**(252)**	**584**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	businesses	(110)	(170)
	(b)	property, plant and equipment	(87)	(140)
	(c)	investments	-	(7)
	(d)	intellectual property	-	-
	(e)	other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	38
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(197)**	**(279)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(33)	(93)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities)	(180)	(564)
3.10	**Net cash from / (used in) financing activities**	**(213)**	**(657)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
	Net Cash and equivalents at beginning of quarter/year to date.	3,975	3,632
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(252)	584

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(197)	(279)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(213)	(657)
4.5	Effect of movement in exchange rates on cash held	(9)	24
4.6	**Cash and cash equivalents at end of period**	**3,304**	**3,304**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	2,750	3,020
5.2	Call deposits	554	955
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,304**	**3,975**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	187
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) Bank overdraft	-	-
7.4	**Total financing facilities**	-	
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(252)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,304
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,304
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	13.1

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2025

Authorised by: Andreas Kroell
Chief Executive Officer

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.