



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

ACQUISITION OF CORE CHEMICALS COMPLETED

3 November 2025: De.mem Ltd (ASX: DEM) ("De.mem" or "the Company"), a leading provider of decentralised water and wastewater treatment solutions across Australia and globally, is pleased to advise that it has completed the acquisition of Western Australian based Core Chemicals Pty Ltd ("Core Chemicals"), a speciality chemicals supplier servicing the gold mining sector in the state.

HIGHLIGHTS

- **Acquisition of Core Chemicals completed.**
- **Core Chemicals** supplies specialty chemicals to gold mining clients in Western Australia.
- **Total consideration for the acquisition is approximately \$3m.**
- **Increased exposure to surging gold mining sector.**
- **Significant revenue synergies** through new gold mining client acquisition and cross-sell of expanded product and services portfolio.
- **Pro-forma adjusted EBITDA of \$1.6m** for the 12 months ended 30 June 2025.
- **Strong pro-forma cash balance of ~\$3.7m** as at 30 September 2025, with positive organic growth outlook.

Acquisition of Core Chemicals Pty Ltd ("Core Chemicals")

De.mem has completed the acquisition of Core Chemicals effective 31 October 2025.

Core Chemicals is a specialty chemicals and service business that supplies West Australian gold mining clients. The company's products help gold mining clients maximise gold extraction and recovery of tiny gold fragments from the refining waste stream.

Core Chemicals was established in 2022 and currently services 18 clients from the Western Australian gold mining sector on a recurring basis, generating approximately \$4m in revenues for the 12 months ending 30 June 2025 and approximately \$730k of pre-tax profits.

The Core Chemicals acquisition brings the following benefits to the De.mem group:

- **Significant cross-sell opportunities:** Core Chemicals' products are complementary to De.mem and will be offered to De.mem's existing 15 gold mining clients. In turn, De.mem's diversified product offering will be offered to Core Chemicals' existing gold mining clients. Through its existing operations in Perth, De.mem supplies antiscalants and water & wastewater treatment services into several gold mining clients in Western Australia.
- **Significant customer growth opportunity:** There are 142 gold mines in Australia (out of total 175) not currently serviced by either De.mem or Core Chemicals, which provides a substantial



growth opportunity (source: “*The five largest gold mines in operation in Australia*”, Mining Technology, 18 June 2024).

- **Significant geographic expansion potential:** The acquisition provides a significant opportunity to expand Core Chemicals’ offering into the Eastern states of Australia as well as the Pacific region. Core Chemicals currently only operates in Western Australia. De.mem currently works with numerous gold mining customers in Tasmania, Queensland and Papua New Guinea.
- **Significant, positive pro-forma EBITDA post-transaction:** On a pro-forma basis, the combined group’s EBITDA equates to approximately \$1.6m for the 12 months to 30 June 2025.
- **Cost synergies:** Core Chemicals is simple to integrate into De.mem’s existing operations in Perth, which is expected to result in approximately \$100k of cost savings through a consolidation of head office and warehousing operations and a reduction in finance costs.
- **Leveraged to surging gold sector outlook:** The acquisition gives the Company exposure to gold sector upside. Importantly, as a service provider to the gold sector, De.mem has minimal direct exposure to gold price downside risk. .

The surging Gold Mining Sector Presents a Significant Revenue Opportunity

The acquisition leverages De.mem to the surging gold price outlook.

The combined De.mem-Core Chemicals business provides a significant revenue opportunity to service Australian gold mines, with international gold mines an additional growth option:

- Initially, the combined group will be servicing 33 gold mines and will target the other ~142 Australian gold mines.
- Given Core Chemicals’ average revenue per gold mine of \$222k and De.mem’s average of \$250k, this clearly presents a significant revenue opportunity.

The gold sector is experiencing a strong, secular bull market, with an outlook for strong continued growth.

- **In 2016, the current bull run started at \$US1,168/oz.** The gold price gained momentum in 2018 due to trade tensions during Trump’s first term, continuing during the 2020 Covid-19 pandemic and the following inflationary fiscal stimulus. In 2022, the rally continued when Russia invaded Ukraine, whilst globally high inflation persisted (source: ANZ Bank, “*Gold rush not slowing down*”, 28 April 2025).
- **In October 2025, the gold price exceeded US\$4,000/ounce for the first time in history.**
- **Goldman Sachs forecasts a US\$4,900/ounce gold price** (source: The Straits Times, “*Goldman raises December 2026 gold price forecast to US\$4,900 per ounce*”, 7 October 2025).
- **Most forecasts are that the gold price will exceed US\$5,000/ounce** as a hedge against mounting sovereign debt, inflation protection, protection against asset freezes and geopolitical instability and reserve diversification away from US Treasuries and dollar-denominated assets (source: Finance Magnates, “*This New Gold Price Prediction from Goldman Sachs Suggests Precious Metal Can Surge to \$5,000*”, 9 October 2025).



Transaction Structure

The Core Chemicals acquisition is ~\$3m in total, which values the company at ~ 3.7 times pre-tax profits.

The consideration comprises the following tranches:

- **Tranche 1.** \$2.43m upon completion, comprising ~\$2.07m in cash and \$0.36m in De.mem fully paid ordinary ASX listed shares ("DEM shares"). The cash has been paid and shares have been issued as of 31 October 2025; and
- **Tranche 2.** \$250k, comprising \$212.5k in cash and \$37.5k in DEM shares, subject to the achievement of pre-tax profit of at least \$620k by Core Chemicals within the 12 months following the completion.
- **Working capital.** A potential payment for working capital (i.e. inventory and chemicals at the date of completion) of ~\$300k. The exact amount of the additional payment will be determined within six weeks from completion.

Mr. Kit Heng Chia, the operations manager and co-vendor of Core Chemicals, will retain his role post-transaction, joining the De.mem management team and supporting the integration of the business into De.mem group, for a minimum of 2 years. Mr. Robert Bamber and Mr. Bernard Hoey are co-vendors of the company and will assist in the business transition as required on a consultancy basis.

Strong cash balance

The Company is pleased to report a strong pro-forma cash balance of approximately \$3.7m as at 30 September 2025, as summarised in Table 1 below.

Given the combined De.mem-Core Chemicals pro-forma adjusted EBITDA for the 12 months ended 30 June 2025 would have been approximately \$1.6m (pre-synergies), the outlook is for an organic increase to this cash balance.

TABLE 1: De.mem pro-forma Cash Balance as at 30 September 2025

| Date | Cash | Source |
|--------------------------------------|----------------------------------|----------------------------------------|
| 30 Sept 2025 | ~\$3.3m cash balance | 30 Oct 2025 - September Quarterly 2025 |
| Add: Capital raising | ~\$2.8m (post transaction costs) | 17 Oct 2025 - Capital raising |
| Less: Cash payment - completion | ~\$2.1m | 3 Nov 2025 - this announcement |
| Less: Cash payment - working capital | ~\$0.3m | 3 Nov 2025 - this announcement |
| Pro-forma cash balance | ~\$3.7m | |



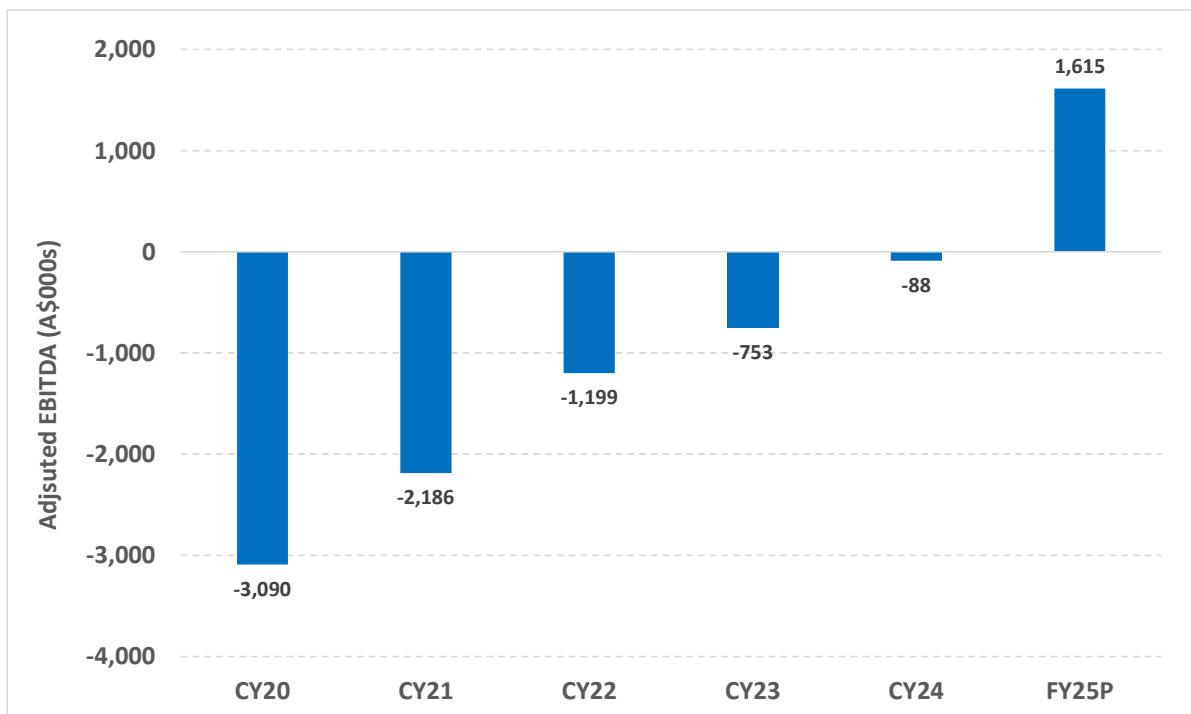
Significant increase in pro-forma adjusted EBITDA

The Core Chemicals acquisition accelerates De.mem's adjusted EBITDA growth.

De.mem generated adjusted EBITDA of \$329k in the second half of Calendar Year (CY) 2024 (see annual report) and \$556k in the first half of CY 2025 (see half year report). The total adjusted EBITDA for the 12 months ended 30 June 2025 was \$885k. As noted above, the Core Chemicals acquisition would have added approximately \$730k to the above.

The combined pro-forma adjusted EBITDA for the 12 months ended 30 June 2025 would have been approximately \$1.6m. Chart 1 illustrates the pro-forma EBITDA trends (noting that De.mem reports on a calendar year basis and the combined results are pro-forma only).

CHART 1: De.mem-Core Chemicals Proforma FY25 EBITDA (A\$M)



Note: CY20-CY24 represents De.mem stand alone EBITDA.

This release was authorised by the Company's Chief Executive Officer, Mr. Andreas Kroell.

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De.mem Limited (ASX:DEM) is a decentralised 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's technology to treat water and wastewater is among the most advanced globally. The Company is headquartered in Australia and has international locations in Singapore and Germany. It is commercialising an array of innovative proprietary membrane technologies.

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.