

SEPTEMBER 2026 QUARTERLY ACTIVITIES REPORT: HIGHEST POSITIVE OPERATING CASH FLOW IN COMPANY HISTORY

12 October 2026: Industrial water and wastewater treatment company De.mem Limited (ASX: DEM) (“De.mem” or “the Company”) is pleased to report record September Quarter 2026 results, extending the Company’s unbroken streak of quarterly cash receipts growth to 30 consecutive quarters, while delivering the highest positive operating cash flow in company history.

KEY HIGHLIGHTS

- **Cash receipts of ~\$ 10.1m, 29% growth vs. prior corresponding period (“pcp”) -** second highest quarterly cash receipts in Company history.
- **Record growth momentum, with 30 successive quarters of cash receipts growth** vs. pcp, underwritten by over 90% recurring cash receipts.
- **Record cash receipts compound annual growth rate (CAGR) of ~24%** over ~7.5 years.
- **Positive operating cash flow of \$842k for the quarter**, following \$424k in the June Quarter 2026 and \$504k in the March Quarter 2026. Accumulated positive operating cash flow of 1.77m for the 9 months ended 30 September 2026.
- **Increased cash balance of ~\$4.8m** as of 30 September 2026, up from \$4.3m as of 30 June 2026 and \$4.0m as of 31 December 2025.
- **Strong underlying performance of Western Australian businesses**, including recent Core Chemicals acquisition which has added new customers and organic growth post-acquisition.
- **Signed new contract for specialty chemicals supply** to Australian mining customer.
- **New water treatment equipment supply orders** in Australia and Germany.
- **Record CY 2026 outlook.**

RECORD RESULTS

De.mem is delighted to report **record results in cash receipts, growth rates and continued growth momentum**, while reporting the **highest positive quarterly operating cashflow in the Company’s history**.

The Company’s vision is to be the leading international supplier of decentralized water treatment solutions to industrial and residential customers, **driving revenue growth through high margin recurring sales**. For multi-site industrial customers, De.mem offers a “one stop shop” of premium water and waste water treatment solutions, **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*”.

Record cash receipts

De.mem is pleased to report record September Quarter 2026 cash receipts of ~\$10.1m, the second highest quarterly cash receipts in the Company’s history. The result is approx. 29% higher than the prior corresponding period (“pcp”) of the September Quarter 2025. It includes double digit organic growth across the Company’s core operating business.

Total cash receipts in the 9 months ended September 2026 are ~\$30.1m, approx. 28% above pcp.

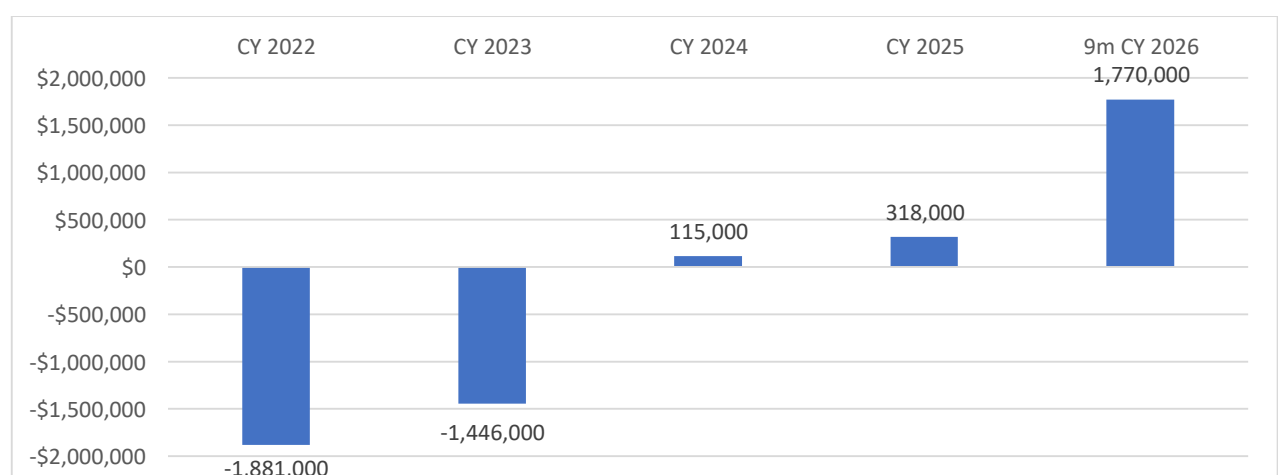
Highest positive quarterly operating cashflow in the Company’s history

De.mem is pleased to report its highest positive operating cashflow quarter in the Company’s history, and its third consecutive quarter of positive operating cash flows. The strong result continues the successful turnaround since CY 2022. Chart 1.

For the 9 months to 30 September 2026, the Company has reported positive operating cashflows of \$1.77m, comprised as follows on a quarterly basis:

- \$842k in the September Quarter 2026,
- \$424k in the June Quarter 2026, and
- \$504k in the March Quarter 2026.

CHART 1: NET OPERATING CASH FLOWS (IN \$)



Importantly, De.mem has achieved these positive results **after** continued investment in its proprietary membrane product development, organic growth and integration activities. The Company has been funding the membrane and product development activities of its

Singapore subsidiary with approx. \$800k per annum, or \$180k during the September Quarter 2026 (included in the net operating cash flows as reported above).

De.mem's proprietary membrane technology sustains and expands the Company's competitive advantage. The Company's unique Graphene Oxide-enhanced membrane technology increases throughput of the membrane by up to 20% compared to conventional technology. It provides for an efficient, compact treatment solution, particularly for domestic water treatment applications, where space is constrained. De.mem received American NSF (National Sanitation Foundation) certification for its technology in 2024.

Please see the Appendix 4C attached to this release for further details regarding the cash flows.

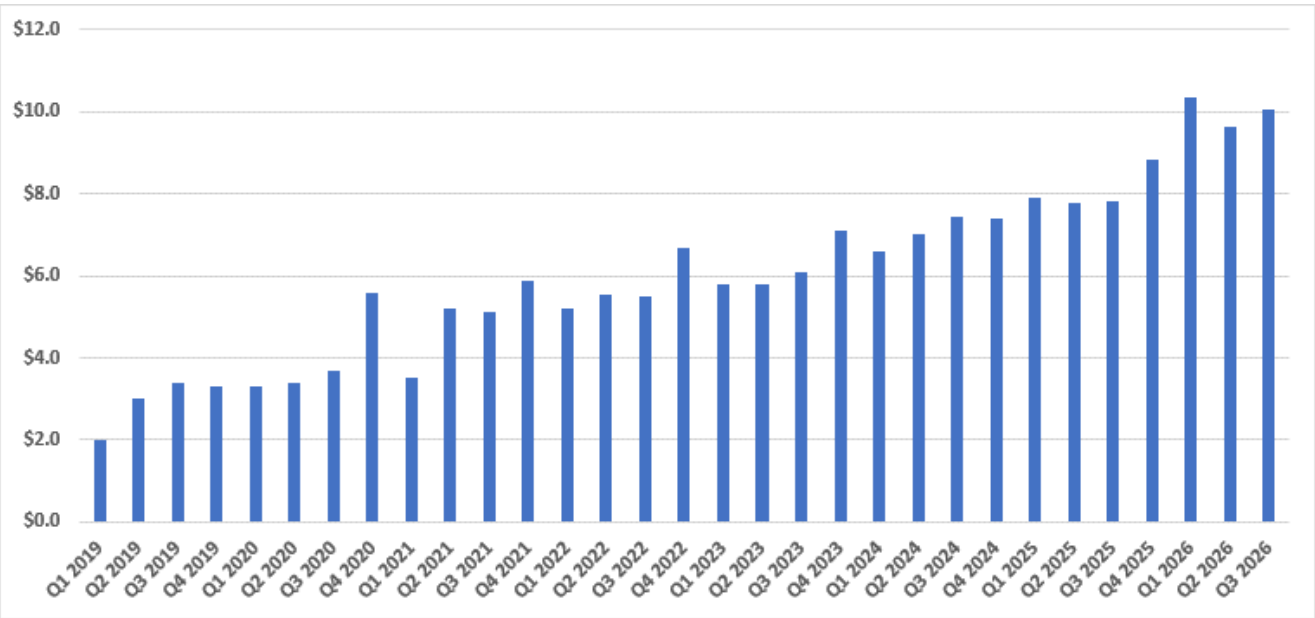
Record growth momentum

De.mem is pleased to report strong, sustainable growth, effectively underwritten by its over 90% recurring cash receipts.

Key growth highlights include:

- ~24% cash receipts compound annual growth rate (CAGR) over ~7.5 years.
- Record 30 consecutive quarters of cash receipts growth vs pcg. Chart 2.

**CHART 2: RECORD 30 QUARTERS OF CASH RECEIPTS GROWTH VS. PCP
(QUARTERLY CASH RECEIPTS IN \$M)**



Strong cash balance

De.mem's cash balance has increased by approximately 20% in the 9 months to 30 September 2026, growing from \$4.0m as of 31 December 2025 to \$4.8m as of 30 September 2026.

Strong contribution of Western Australian business including recently acquired Core Chemicals Pty Ltd

De.mem's Western Australian business continues to perform strongly, contributing approximately 47% of the overall cash receipts generated during the September Quarter 2026. This provides De.mem group with a strong, cash flow generating core business.

This segment includes the recently acquired Core Chemicals Pty Ltd and existing Western Australian entities (De.mem-Capic Pty Ltd and Auswater Systems Pty Ltd).

Core Chemicals, De.mem's recent acquisition completed on 1 November 2025, supplies specialty chemicals for gold fragment extraction and recovery from the refining waste stream to gold mining clients. Along with the two other Perth-based entities, the business has a strong customer base among the Western Australian gold mining sector.

The Company has successfully won new clients since the Core Chemicals acquisition and is actively quoting its products to additional potential new clients, demonstrating the cross-selling opportunity available across the enlarged group's combined customer base.

New contract for specialty chemicals supply

De.mem signed a new framework agreement for the supply of antiscalants to an Australian mining customer during the quarter. The value of the contract is estimated at approx. \$800k for the next 12 months. It starts from the December 2026 Quarter onwards and can be terminated at convenience.

New purchase orders for the supply of water treatment equipment received

De.mem received two purchase orders for the supply of water treatment equipment during the quarter.

The first order from an Australian mining customer is worth approx. \$350k in revenues.

The second order was received by De.mem's German subsidiary, De.mem-Geutec GmbH, from an industrial customer, and is worth approximately \$380k in revenues.

Both orders are expected to be delivered in CY 2027.

RECURRING REVENUES

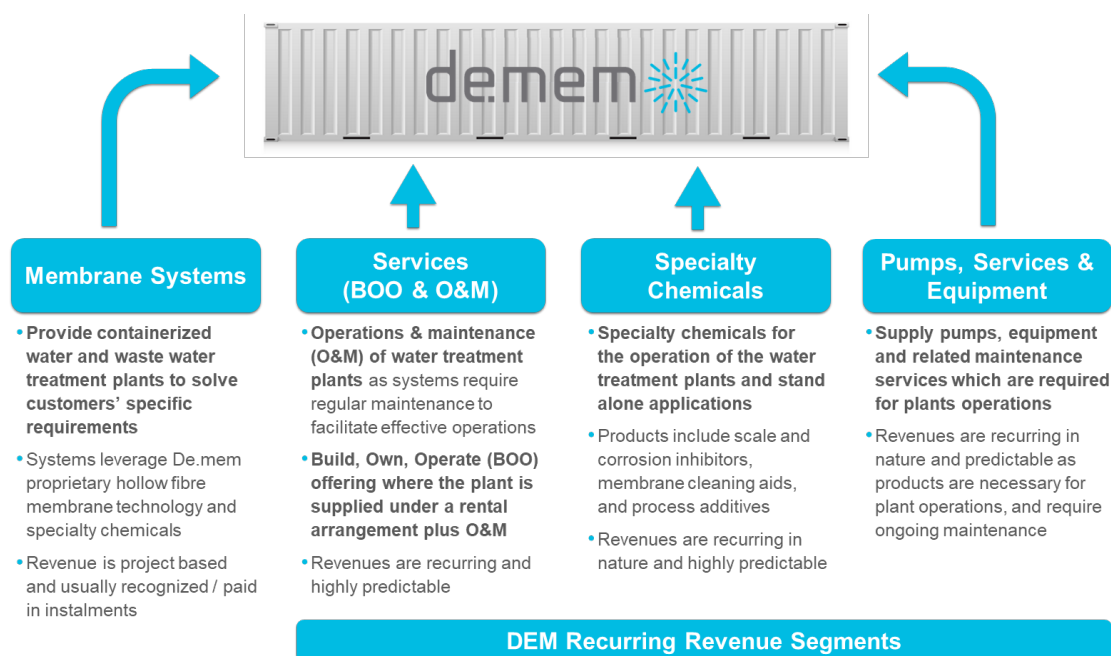
De.mem generates over 90% recurring revenues, which is a key driver of its consistent growth over 30 quarters.

Recurring revenue segments comprise the following:

- The provision of water and waste water treatment services through provision of:

- o Long term Build, Own, Operate (“BOO”) and Operations & Maintenance (“O&M”) contracts; and
 - o Regular maintenance work on water treatment equipment and 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.

IMAGE 1: DE.MEM BUSINESS SEGMENTS & COMPREHENSIVE OFFERING



The Company's recurring revenue model is driven by its comprehensive “one stop shop” offering, backed by innovative membrane technology. This combination is unique within the highly fragmented market for de-centralized (ie. containerized, flexible solutions deployed at the water source) industrial water treatment. Image 1.

BLUE-CHIP, DIVERSIFIED CUSTOMER BASE WITH LEVERAGE TO SURGING GOLD SECTOR

De.mem's industrial customers are blue-chip enterprises, diversified across a range of industrial sectors such as the following:

- AGL (utilities);
- Givaudan, Coca-Cola (food and beverages);
- Rio Tinto, South 32 (mining).

The acquisition of Core Chemicals completed on 1 November 2025 has materially **increased De.mem's exposure to the gold mining sector** (see ASX release, “Acquisition of Core Chemicals to increase exposure to surging gold mining sector”, dated 17 October 2025).

Core Chemicals supplies process chemicals to gold mining clients to maximise gold extraction and recovery from the refining waste stream. **The combined De.mem-Core Chemicals business has a significant revenue growth opportunity** through cross-sales and servicing new Australian and international gold mines.

As previously stated, De.mem has successfully grown Core Chemicals post-acquisition, adding new clients, and cross-selling the broader De.mem product portfolio, demonstrating the cross-selling and margin expansion opportunity available across the enlarged group's combined customer base.

DOMESTIC WATER FILTRATION MARKET ENTRY IN PROGRESS

De.mem also offers its membrane products for domestic water treatment applications. The Company's domestic systems are using its flagship membrane technology, the Graphene-Oxide ("GO") enhanced Ultrafiltration membrane, as the key component.

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.

The Company has achieved the certifications required for the deployment of its membrane in potable or drinking water applications in the USA and many other countries. 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).

De.mem is pursuing a **third party sales distribution model to drive significant operating leverage** with minimal capital contribution to maximise revenue growth. De.mem has existing partnerships in place covering North America, Singapore, Indonesia, China and Japan.

Currently, De.mem is working on the completion of the WaterMark certification process, which it expects in the coming months. WaterMark refers to a mandatory Australian product certification scheme for plumbing and drainage products. Upon completion, WaterMark certification will enable De.mem to launch its proprietary membrane products into drinking water applications in Australia.

STRONG CY 2026 OUTLOOK

De.mem is pleased to report a record **CY 2026 outlook**, given the following factors.

- Record cash receipts in the 9 months ended 30 September 2026, with 28% growth vs pcp, underwritten by over 90% recurring cash receipts.
- Record positive operating cash flows in the 9 months ended 30 September 2026.

- Continued strong growth momentum over now 30 consecutive quarters.
- 24% CAGR in cash receipts over the past ~7.5 years.
- Double digit organic growth momentum.
- Continued strong contribution from the Company's Western Australian business, including Core Chemicals, contributing ~47% of the Group's quarterly cash receipts.
- New contract and project awards received, with first revenues to be received in December Quarter 2026.

CEO Commentary

De.mem Chief Executive Officer Andreas Kroell said:

"We are delighted to report record quarterly operating cash flows of \$842k during the September Quarter 2026.

Along with the record operating cash flows, we have been able to expand our quarterly growth track record to now 30 consecutive quarters of cash receipts growth.

The strong financial results highlight that we are successfully executing our strategy of building a unique, technology-backed, high margin recurring revenue business within the water treatment industry.

De.mem is well positioned to deliver a very strong CY 2026, underwritten by our recurring revenue model. The new orders received during the September quarter provide for a solid foundation for the extension of our growth track record into CY 2027 and beyond."

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, salaries and interest related to the shareholder loan provided on 15 December 2025 (see item 7 of the Appendix 4C for further details).

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 waste water 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

12 614 756 642

Quarter ended ("current quarter")

30 Sep 2026

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	10,074	30,065
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(5,933)	(18,585)
	(c) advertising and marketing	(57)	(135)
	(d) leased assets	-	-
	(e) staff costs	(2,672)	(7,839)
	(f) administration and corporate costs	(644)	(1,745)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	19	48
1.5	Interest and other costs of finance paid	(23)	(78)
1.6	Income taxes paid	75	29
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	3	10
1.9	Net cash from / (used in) operating activities	842	1,770
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) businesses	(27)	(40)
	(b) property, plant and equipment	(58)	(163)
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	(56)	(56)

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	8	8
	(d) investments	-	-
	(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	(133)	(251)

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	-	(4)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(61)	(160)
3.7	Transaction costs related to loans and borrowings	-	(3)
3.8	Dividends paid	-	-
3.9	Other (lease liabilities)	(180)	(521)
3.10	Net cash from / (used in) financing activities	(241)	(688)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
	Net Cash and equivalents at beginning of quarter/year to date.	4,328	3,990
4.2	Net cash from / (used in) operating activities (item 1.9 above)	842	1,770

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)	(133)	(251)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(241)	(688)
4.5	Effect of movement in exchange rates on cash held	(17)	(42)
4.6	Cash and cash equivalents at end of period	4,779	4,779

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	3,868	3,174
5.2	Call deposits	911	1,154
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)	4,779	4,328

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	134
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	438	438
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) Bank overdraft	-	-
7.4	Total financing facilities	438	438
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. The loan facility under 7.1 relates to a shareholder loan of \$500k in total provided by the Chairman of the Board, Mr. Harry De Wit, and the CFO, Mr. Andrew Tay, as of 15 December 2025. The facility is unsecured, to be repaid over 5 years and is not convertible into De.mem shares. See ASX announcement dated 15 December 2025 for further details. The remaining balance of the loan as of 30 September 2026 is \$438k.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	842
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,779
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,779
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>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.</i>	
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	
	<i>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.</i>	

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: 12 October 2026

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.