

BAWAT H1 REPORT 2025

BAWAT is a leading supplier of sustainable ballast water treatment technology and services. BAWAT was listed on Nasdaq First North Premier Growth Market in Stockholm in March 2022. The report contains information that BAWAT is required to disclose pursuant to the EU Market Abuse Regulation. The report was submitted for publication on 27 August 2025, at 08:30 am.



Bawat in positive EBITDA figures from June onwards. Backlog volume supports positive EBITDA for second half year of 2025. BaaS (Ballast-as-a-Service) is driving profitability.

- Gross Profit % was 43,0 %, compared with 13,2% in H1 2024 and higher than earlier guidance.
- EBITDA for H1 was SEK - 9,9m.
- For the month of June, EBITDA was positive.
- EBITDA is expected to be positive for H2 2025. A major step for Bawat.
- EBITDA and Gross Profit is driven by a significant increase in Baas (Ballast-as-a-Service) delivered in Holland, Belgium, Germany, Spain and Denmark for a variety of clients and project types.
- The positive development in business activities came later than expected as Bawat only started executing on the backlog BaaS volume signed already in late 2024 with a ship recycling client due to external factors.
- Additional new BaaS capacity will deliver in Q3 supporting growth.
- With the Hong Kong convention on ship re-cycling coming into force in late June, ballast water on ships for re-cycling has become a hazardous material that needs disposal, and thus Bawat is expecting a further uptake from this business segment in H2 2025 and onwards.

Post closing, Bawat has in addition to other orders received a large BaaS contract in Germany for execution in September signed for *delivery* of D2 compliant ballast water. This *delivery* to vessels is to Bawat knowledge a first of its kind and only possible due to the unique one-pass technology Bawat BaaS is based upon.

Bawat has had initial dialogue regarding supply of water on land for various purposes treated by Bawat for invasive species. This market could potentially be significant utilizing Bawats existing technology unchanged.

Bawat is post closure in dialogue with our lenders to prolong the repayment profile of the long-term debt.

A Concentrated Inspection Campaign (CIC) will be conducted across the world by port state controls starting September 2025. Expectations are that it will gradually increase awareness of non-functional BWMS and the need to use of Port Reception Facilities including Bawats BaaS solution.

FINANCIAL KEY FIGURES H1 2025

SEK '1.000	H1 2025	H1 2024	12M 2024
Sales	8.328	8.786	14.584
Gross Profit	3.581	1.155	2.324
Gross Profit %	43,0%	13,2%	15,9%
EBITDA	-9.913	-12.381	-23.595
Result for the period	-14.863	-21.562	-41.314
Earnings per share	-0,17	-0,39	-0,66
Cash flow from operations*	-14.049	-11.871	-25.275
Net working capital	-13	-3.978	-1.772
Equity ratio %	-52,1%	-47,9%	-41,3%

*In addition to this, Capital raise and other related non-recurrent items SEK 1.6m in H1 '24 (SEK 0.4m in H1 '24 & 3.1 in FY 2024)

Marcus P. Hummer, CEO. "2025 is a pivotal year for Bawat. We are now moving into black EBITDA figures for the second half of the year and our BaaS activity is driving this. We are however also experiencing an increase in demand for both our mobile systems and ship board systems as customers with non-compliant ballast water acknowledge the value of having a BWMS that works in all conditions".

"We have a unique product offering to support the spread of invasive species in the marine environment. Port State Control and local environmental authorities have all options open to enforce the legislation. We expect the Concentrated Inspection Campaign starting September across the world will highlight the massive need for Port Reception Facilities in order for ballast water discharge to stay compliant – in ports, at yards and at sea".

Guidance 2025

The Company has gradually changed its emphasis to more focus on sales of our mobile solutions and in particular BaaS solutions but still offering our unique pasteurization solutions to vessels. So in essence Bawat has three legs to stand on based on same unique and patented technology, pasteurization.

Following the final adoption of the ballast water convention on 8th September 2024 Bawat has seen a gradual ramp-up in activities, especially on BaaS. This also means the existing guiding principles being sales forecast are no longer ideal to measure performance as the new activities contribute with a far higher margin than pure sale of systems.

Bawat has previously changed guiding principles from sales to EBITDA. On a comparable sales volume to H1 2024, the GP margin has increased from 13% to 43% which is higher than previously guided.

July 2025 was the second consecutive month with a positive EBITDA. Consequently, Bawat is guiding for positive EBITDA for H2 2025 based on combination of current BaaS track record and backlog. The full year EBITDA for 2025 is expected to be in the range of SEK -9 to -6m, below earlier guidance indicating a positive EBITDA for the year.

At the time of our listing in March 2022 our prospectus guided our investors towards EBITDA-breakeven Q4 2024. The company is two quarters late relative to our original guidance. However, business potential is broader and with significantly higher profitability than originally forecasted.

FINANCIAL DEVELOPMENTS 2025

Sales

Sales in the first half of 2025 amounted to SEK 8.3m (H1 2024 SEK 8.8m). Sales is lower than forecasted due to lack of ship orders. However, BaaS jobs have increased significantly and have partly compensated hardware vessel orders.

Gross profit

Gross profit in the first half of 2025 amounted to SEK 3.6m (H1 2024 SEK 1.2m). The Gross profit ratio in H1 2025 was 43.0% which is higher than 2024 but in line with expectations due to Bawat's innovative Ballast-as-a-Service offering. Full year 2025 ratio is expected to be minimum in line with H1 2025 ratio. Overall margin on BaaS jobs in H1 2025 has been 40-50%, which is considered very positive.

The company expects gross profit to stay above 30% over time, driven by greater efficiency in project execution as well as delivery of repeat orders to single customers in combination with delivery of mobile systems and/or recurrent cashflow from BaaS.

Operating profit

Operating profit, EBITDA, H1 2025 amounted to SEK -9.9m (H1 2024 SEK -12.4m). Positive operating profit is expected in H2 2025 and will be driven primarily by increased activity level in BaaS.

Earnings

Earnings after tax in H1 2025 amounted to SEK -14.9m (H1 2024 SEK -21.6m).

Bawat is gradually approaching break even at EBITDA level with EBIT following same path. Investments in intangible assets to develop our systems were substantial some 3-8 years ago and hence current high depreciation levels will reduce significantly over the coming 2-3 years. Bawat expects current depreciation level to reduce from SEK -10m to SEK -5m p.a. in coming years Bawat do not see any significant need for new investment in product development in the coming years.

Circulating shares

The number of circulating shares at the end of June 2025 was 88,266,080 (2024 55,703,621). The average number of circulating shares for H1 2025 was 86,488,128 (2024 54,852,083).

Further, 444,827 (H1 2024 457,850) warrants are circulating. The exercise impact of the warrants is not included above. The warrants are out of the money and thus insignificant.

Cash flow and working capital

Cash flow from operating activities in H1 2025 amounted to SEK -14.0m (H1 2024 SEK -11.9m). Cash flow from investment activities in H1 2025 amounted to SEK -5.2m (H1 2024 SEK -0.7m).

Cashflow from financing activities of SEK 11.7m in H1 2025 includes proceeds from directed share issue conducted in January 2025, where 15,324,250 new shares were issued at SEK 1.00 each. Gross proceeds SEK 15.3m.

At the end of H1 2025, net working capital amounted to SEK -0.0m (H1 2024: SEK -4.0m).

Cash and financial position

Cash at the end of H1 2025 amounted to SEK 5.6m (End of 2024: 7.6m) and Net interest-bearing debt amounted to SEK 56.3m (End of 2024: SEK 58.8m). However, the Net interest-bearing debt includes SEK 11.15m as a convertible bond issued to one lender.

At the end of H1 2025, Equity amounted to SEK -21.2m (End of 2024: SEK -18.7m), equivalent to an equity ratio of -52.1%.

Directed share issue carried out in January 2025 is included in H1 2025 of SEK 15.3m before transaction costs.

Risks

BAWAT is exposed to market risks including currency risks, interest risks and commodity price risks as part of its ongoing operations and investment activities. The key commercial risks relate to the company's ability to effectively manage the anticipated rapid growth and attract sufficient and skilled employees. Also, BAWAT's success depends on its ability to develop and market products that are recognized by customers as reliable, sustainable, and cost-effective. Many of its competitors are much larger than BAWAT, but none offer heat-based systems, and as far as the Company is aware, no other heat-based system is currently undergoing the certification processes with IMO or the US Coast Guard. The flip side of having no other competitor with a similar offering is that the market's general awareness of the advantages of a heat-based system to treat ballast water is limited, and that is the reason why increased sales and marketing activities are essential for the future growth prospects.

FINANCIAL CALENDAR 2025

Interim Report H1

August 27, 2025

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements. Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'outlook', 'guidance', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Statements regarding the future are subject to risks and uncertainties that may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect.

FOR MORE INFORMATION, PLEASE CONTACT:

Investors & Media:

Marcus P. Hummer, CEO, E-mail: mph@BAWAT.com

Jesper L. Sørensen, CFO, E-mail: jls@BAWAT.com

Certified Adviser

Svensk Kapitalmarknadsgranskning AB
ca@skmg.se

This report constitutes inside information that Bawat *Water Technologies AB* is obliged to make public pursuant to the EU Market Abuse Regulation 596/2014. The information was sent for publication, through the agency of the contact persons set out above, at the time stated by the Company's news distributor, Cision, at the publication of this press release *on August 27, 2025*.

For further information about Bawat *Water Technologies AB*, please contact above.

FINANCIAL STATEMENTS 2025

This interim report for Bawat Water Technologies AB's is prepared in accordance with IFRS. The consolidated financial statements have been prepared using the cost method.

A number of new standards and interpretations are effective for financial years beginning after 1. January 2024 and have not been applied in the preparation of these financial statements. These new standards and interpretations are not expected to have a significant impact on the consolidated financial statements.

The Financial report has not been audited by the Company's independent auditors.

Consolidated income statement (condensed)

SEK '1.000	H1 2025	H1 2024	12M 2024
Sales	8.328	8.786	14.584
Gross Profit	3.581	1.155	2.324
Gross Profit %	43,0%	13,2%	15,9%
Personnel cost	-9.108	-9.491	-18.124
EBITDA	-9.913	-12.381	-23.596
Operating profit/loss	-12.304	-17.419	-32.740
Finance cost – net	-2.558	-4.143	-8.573
Result for the period before income tax	-14.862	-21.561	-41.314

Consolidated balance sheet (condensed)

SEK '1.000	30 Jun 2025	31 Dec 2024	30 Jun 2024
Total intangible assets	19.427	22.161	25.638
Total tangible fixed assets	9.025	6.483	5.337
Total financial assets	347	352	349
Total non-current assets	28.799	28.996	31.324
Trade receivables	3.598	3.224	3.143
Contract assets	0	823	2.669
Other receivables	1.756	1.692	1.447
Prepayments	859	618	1.149
Total current receivables	6.213	6.357	8.408
Cash and cash equivalents	5.615	13.611	7.634
Total assets	40.627	48.964	47.366
Share capital	1.456	1.203	919
Total equity	-21.175	-20.217	-22.703
Total non-current liabilities	33.684	45.229	50.465
Borrowings, current	22.591	13.561	7.217
Lease liabilities, current	0	0	205
Trade payables	2.139	6.408	4.718
Contract Liabilities	387	875	1.214
Other payables	3.000	3.108	6.250
Total current liabilities	28.118	23.964	19.604
Total liabilities	61.802	69.193	70.069
Total liabilities and equity	40.627	48.964	47.366

Consolidated statement of changes in equity (condensed)

SEK '1.000	30 Jun 2025	31 Dec 2024	30 Jun 2024
Equity 1 January	-20.217	-8.033	-8.033
Profit/loss for the period	-14.862	-41.314	-21.561
Other comprehensive income for the period	134	22	220
Total comprehensive income for the period	-14.862	-41.292	-21.341
Total transactions with owners	13.770	29.108	6.671
Equity 31 December	-21.175	-20.217	-22.703

Consolidated statement of cash flows (condensed)

SEK '1.000	H1 2025	H1 2024	12M 2024
Cash flow from operations*	-14.049	-11.871	-25.276
Cash flow from investments	-5.226	-697	-3.274
Cash flow from financing activities	11.731	17.921	39.803
Total	-7.544	5.353	11.253

* including capital raise cost and other related non-recurrent items SEK 1,6m in H1 2025 (SEK 1,0m in H1 2024 and 3.1m in FY 2024)

Financial statement, Bawat Water Technologies AB (Parent Company) (condensed)

SEK '1.000	H1 2025	H1 2024	12M 2024
Income Statement			
Sales	178	267	550
Operating profit/loss	-1.278	-1.232	-2.219
Finance Income - net	-250	-534	-1.158
Result for the period before income tax	-1.529	-1.766	-45.355

Balance Sheet	Jun 2025	Jun 2024	Dec 2024
Investment in subsidiaries	150.000	155.000	150.000
Current assets	15.885	1.317	1.440
Cash and cash equivalents	1.324	1.611	1.457
Total assets	167.209	157.928	152.897
Equity	133.558	142.490	121.304
Borrowings, long term	11.145	9.605	10.493
Current liabilities	22.506	5.833	21.100
Total liabilities and equity	167.209	157.928	152.897

MANAGEMENT'S STATEMENT

The Executive Management and Board of Directors of BAWAT have today adopted the interim financial statement for the first half of 2025. The Financial report has not been reviewed by the Company's independent auditors.

BAWAT applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS34 Interim Financial Reporting.

In our opinion, the Interim Financial Statements give a true and fair view of the operations, financial position, and results, and describe the significant risks and uncertainties facing the company.

Copenhagen, 27. August 2025

Executive Management

Marcus P. Hummer

CEO

Board of Directors

Klaus Nyborg Steffen Jacobsen Lars H. Hansen Laust J. Johnsen Mads. V. Kragh

Chairman