



INVITATION TO SUBSCRIBE FOR UNITS IN BAWAT WATER TECHNOLOGIES AB

IPO on Nasdag First North Premier Growth Market in Stockholm

IMPORTANT INFORMATION

Please note that this document is not an offering and shall only be read as an introduction to the prospectus and that any decision to invest in Bawat Water Technologies AB ("Bawat") shall be based on the prospectus (the "Prospectus"). The Board of Bawat has prepared the Prospectus in connection with the upcoming offering (the "Offering"). The Prospectus is available on Bawat's website, www.bawat.com. Translution Capital is financial advisor and Nordic Issuing is acting as issuing agent in connection with the Offering. The Prospectus contains, among others, a presentation of Bawat, the Offering and the risks associated with an investment in Bawat and participation in the Offering. The information brochure is not intended to replace the Prospectus as a basis for decisions to subscribe for units in Bawat. Investors who want or are considering to invest in Bawat are encouraged to read the Prospectus.

Translution Capital[®]



COMPANY OVERVIEW

Bawat is a Danish maritime Greentech engineering company dedicated to the protection of our marine environments

Bawat was founded in 2011 to create an environmentally friendly solution to the problem of ballast water treatment. The company's mission is to be the recognized global leader in heat-based water treatment technologies for maritime, aquacultural and other relevant applications.

In 2017 Bawat received a EUR 3 million Horizon 2020 EU grant in recognition of the pressing environmental need and innovative nature of the company's solution. Bawat's patented heat-based system to treat ships' ballast water received type approval from the International Maritime Organization in 2019 and recorded its first commercial sale the same year.

In 2020 the system was also approved by the United States Coast Guard, thus making Bawat the first and still only company to receive type approvals from both these regulatory bodies for a heat-based ballast water treatment system.

Bawat uses excess heat from the ship's main engine to pasteurize the ballast water

Most ballast water treatment system are based on land-based technologies subsequently adapted for onboard use.

The market leading technologies today are UV-light disinfection and electro-chlorination. Both these technologies are relatively complex and energy consuming, and both rely on a filtration step to be effective against larger organism, such as zooplankton. This makes them expensive to operate and prone to failure.

Furthermore, independent studies show that discharged ballast water from chlorination-based systems often contain high residual levels of toxic chemicals.

In contrast, Bawat's system used excess heat from the ship's main engine to pasteurize the ballast water.

Pasteurization is a virtually fool proof way to disinfect, and not surprisingly, all third-party certification tests have confirmed that Bawat's system is extremely efficient.

Equally important, the system does not need filters and is constructed from well-known marine components. This makes the system easier to operate and maintain for crews and provides for a significantly lower total cost of ownership over the system's lifetime.

The residual heat in the treated ballast water is also used

Before the treated ballast water is directed back into the ship's ballast tanks or pumped overboard, the residual heat in the water is used to heat incoming ballast water.

The result is - in addition to even better energy efficiency - that after treatment, the ballast water is only a few degrees warmer than when it came on board. Bawat does not lead hot water into the ballast tanks, nor does it pump hot water overboard.

The problem with ballast water

Ever since the introduction of steel hulls, water has been used as ballast to stabilize ships at sea. When the ship is travelling without cargo, or only partially laden, it takes in ballast water to enable it to operate effectively and safely. Once new cargo is loaded, ballast water is discharged.

However, just one cubic metre of ballast water can contain up to 300,000 zooplankton specimens and 10 million phytoplankton cells. Since the life cycle of most marine species include a planktonic phase, there are effectively thousands of different species that can be transferred this way. This also includes disease causing *cholera*, *enterococcus* and *E. coli* bacteria.



These species may survive to establish a reproductive population in the new environment. Often the invader has no natural predator in the new habitat and the original species become extinct, thereby disrupting the entire marine ecosystem, and reducing local biodiversity.



The International Maritime Organization estimates that up to 10 billion tonnes of ballast water are transferred between marine ecosystems each year, with an individual ship carrying anything from a few thousand litres to more than 130,000 tonnes, depending on the size and purpose of the ship.

The Ballast Water Convention was adopted to protect our seas, rivers, and lakes

Recognising the growing threat to marine ecosystems around the world, the IMO adopted the Ballast Water Management Convention which aims to prevent the spread of invasive and harmful aquatic organisms from one ecosystem to another.

The full implementation of the Convention from September 2024 effectively means that all new merchant ships today (approximately 1,700 new builds worldwide per year) will be delivered with a ballast water treatment system on board.

Another 40,000 existing ships will need to have a ballast water treatment system retrofitted over the coming years.

Furthermore, Bawat believes harbours around the world will see an advantage in being able to offer

port-side ballast water treatment services for ships that for one reason or another cannot comply.

Bawat is active in all three market segments, which the company estimates represent a combined market opportunity of at least USD 10 billion.





Bawat's heat-based system is also suited for at-port (land based) containerized installations where it is the only approved system.

This is how Bawat intends to utilize the proceeds from the Offering

The proceeds from the Offering will be applied in the following way:

Sales and marketing

(approximately 50-60% of the Offering)

Most of the proceeds from the Offering will be directed towards expanding the Bawat's global sales network to ensure brand name recognition and technology awareness across all relevant regions. This requires a combination of investments into hiring additional sales and marketing personnel and the continued development of the company's indirect sales channels, including its international network of sales agents.

Investments

(approximately 20-25% of the Offering)

Although it is an important part of the company's business strategy to operate an asset light business

model, Bawat will make selected investments into containerized shore-based systems in support of the company's innovative service model. These investments will be made to make sure the already identified demand for rental equipment is met as soon as possible.

Organisation

(approximately 10-15% of the Offering)

A smaller amount of the proceeds will be used to cover the cost of strengthening Bawat's technical back-up and execution organisation.

THE OFFERING IN BRIEF

- consist of three (3) new shares in Bawat and one (1) warrant (together "Units").
- The subscription price is SEK 19.5 per Unit, corresponding to SEK 6.5 per share and a company valuation of approximately SEK 200 million before the Offering. The warrants are issued free of charge.
- The Offering also includes an oversubscription option of up to 1,150,000 additional Units in case of significant demand.
- Upon full subscription of the Offering, Bawat will receive SEK 44.9 million before costs. If the oversubscription option is exercised, Bawat will receive an additional SEK 22.4 million in proceeds before cost.
- Each warrant entitles the holder to subscribe for one (1) share in the company during a 14-day period following the publication of the company's Q1 2023 report.
- The exercise price for the warrants will correspond to 70 percent of the Volume Weighted Average Price (VWAP) of Bawat's shares in the preceding 10 days, but at least SEK 6.2 and at most SEK 13.
- If all the warrants are exercised at the maximum price, the company may receive up to an additional SEK 29.9 million before costs. Hence, the total proceeds to Bawat from the Offering, including warrants and the oversubscription option could amount up to SEK 112.1 million before costs.

- The Offering consist of 2,300,000 Units. Each Unit Certain existing shareholders and a group of new investors have undertaken to subscribe Units in the Offering for an amount of SEK 23.3 million, corresponding to 52% of the Offering.
 - Existing shareholders in Bawat holding more than 5% and senior management have agreed to a lock-up period of 12 months after the completion of the Offering.
 - The prospectus is available from today March 1, 2022, and will be passported to Denmark, Norway, and Finland from March 2, 2021.
 - The subscription period runs from March 3 through March 17, 2022, both days included.
 - The new shares will be issued under the ISIN code SE0017487424. The warrants will be issued under ISIN code SE0017563265.
 - The first day of trading in the shares and warrants on NASDAQ First North Growth Market is expected to be March 28, 2022. The shares and the warrants will be trading under the trading symbol BAWAT.

SUBSCRIPTION OF UNITS

Nordnet clients in Sweden, Norway, Denmark, and Finland can subscribe online through Nordnet.

Clients at Avanza can subscribe online through Avanza.

Subscription can also be made by completing and signing the subscription form that is available on www.bawat.com and www.nordic-issuing.se. The completed subscription form shall be received by Nordic Issuing via email (not by mail) no later than 3.30 p.m. on March 17, 2022. Please note that subscription using the subscription form first and foremost shall be made through the subscriber's own bank. If subscription is made directly to Nordic Issuing, there is no guarantee that allotted Units will be on the subscribers account before the first day of trading.

The minimum subscription is 250 Units. Further instructions can be found on the subscription form.



Translution Capital[®]