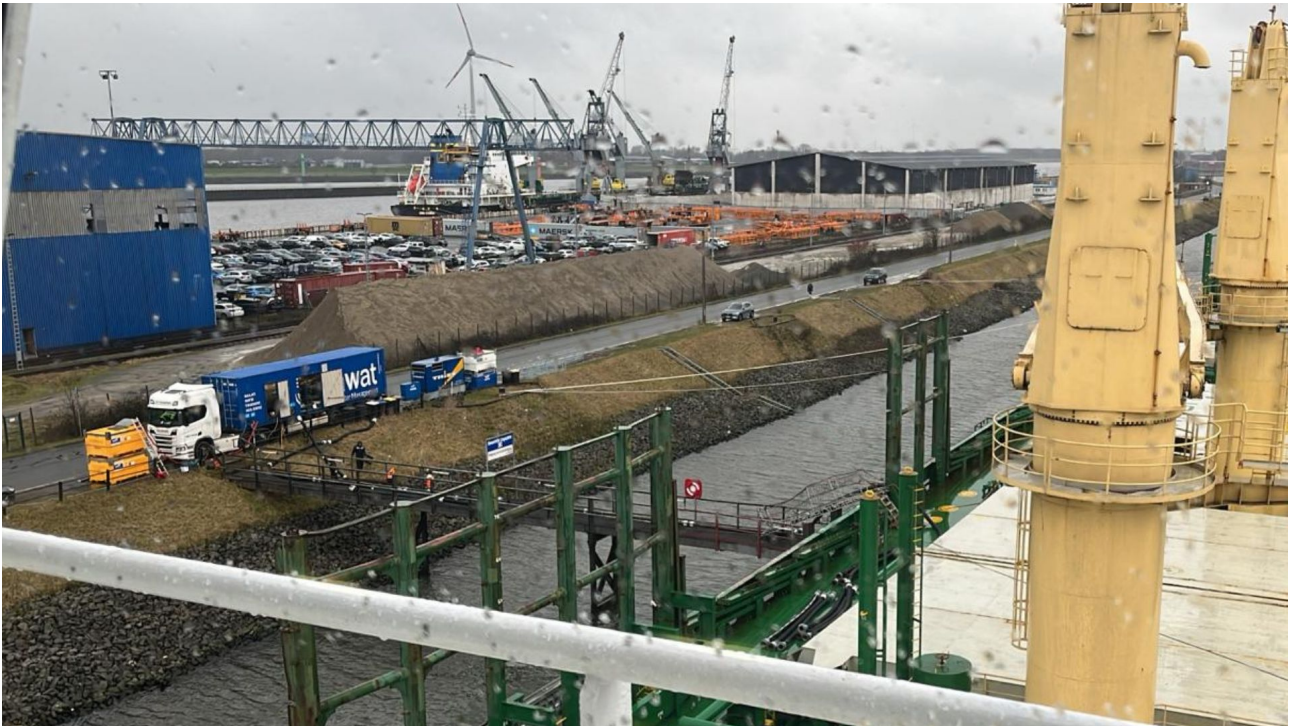


## BAWAT Q1 REPORT 2024

*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. This quarterly report represents the eighth financial update to the Stock Exchange since the company was listed. The report contains information that BAWAT is required to disclose pursuant to the EU Market Abuse Regulation. The report was submitted for publication on 30. May 2024, at 09:00 am.*

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**Delivery of first BaaS (Ballast as a Service) service job in the quarter in Northern Europe with more jobs in April and May.**

Q1 2024

- Sales is trailing behind prorate for the Full Year due low conversion of back-log and some delay in the actual placement of new orders. However, overall activities are picking up.
- Sales guidance for the Year is therefore maintained at SEK 42-54m.
- First BaaS (Ballast as a Service) job was performed in Bremen Port in Q1 2024 for a vessel with a non-compliant ballast water system onboard a vessel.
- Negotiations with Hamburg Port, the second largest commercial port in Europe, for a permanent presence of Bawat BaaS set-up in the port, took place during the quarter. Post quarter our Bawat BaaS will be permanently present in the Port end May 2024 handling a wide range of customers. A milestone for BAWAT.

Post Q1 more BaaS jobs with our own mobile solution were performed supporting the growing trend of customers asking for this beneficial service.

Bawat have seen a very substantial uptick in approaches from all areas of the world regarding our unique mobile system such as larger fleet owners, ports and terminals, navies as well as various marine and environmental authorities.

**FINANCIAL KEY FIGURES Q1 2024**

SEK '1.000	Q1 2024	Q1 2023	12M 2023	12M 2022
Sales	4.362	4.159	19.140	15.866
Gross Profit	812	899	10.704	2.718
Gross Profit %	18,6%	21,6%	55,9%	17,1%
EBITDA*	-5.805	-6.657	-14.701	-21.320
Result for the period	-10.407	-10.221	-33.603	-38.879
Earnings per share	-0,19	-0,26	-0,71	-0,99
Cash flow from operations**	-6.328	-7.229	-26.568	-25.378
Net working capital	-1.349	-6.246	-732	-4.469
Equity ratio %	-26,3%	-2,7%	-17,5%	17,4%

\*In addition to this, Capital raise and other related non-recurrent items SEK 0.051m in Q1 2024 (SEK 3.4m in 2023 and SEK 6.9m in 2022)

\*\*In addition to this, Capital raise and other related non-recurrent items SEK 0.086m (SEK 6.4m in 2023 and SEK 8.1m in 2022)

*Marcus P. Hummer, CEO. "The year started with a breakthrough order in the BaaS segment in Europe. Bawat BaaS are in dialogue with other major ports around the world, in particular in North Europe for establishing a permanent presence similar to Hamburg".*

*"The increased focus from Port State Control and regulators seeking solutions regarding non-compliance in ballast water discharge. Hence, we see significant value in our BaaS business going forward. Bawat being the only globally certified provider of a one-pass mobile port system, the opportunities as a land-based BWMS facility in Ports, docks, yards and other places are very significant."*

*“The United Nations IMO and US Coast Guards regulations are now firmly being in place with final implementation day for the ballast water convention in September this year which is getting very apparent to all involved. It effectively changes from an installation of ballast water systems to ensuring the discharged ballast water is compliant. Any non-compliance can have significant negative impact on the operation of vessels, ports and yards.”*

*The ordering for ships, especially for New Builds, is experiencing some delays, but with the maturity of actual consolidated sales leads, especially on mobile systems, the yearly guidance is kept unchanged.*

#### Guidance 2024

- The company continues to grow significantly and has decided to change guidance principles to better reflect ongoing business with 2024 Sales between SEK 42 – 54m and EBITDA of SEK -12 – -7m.
- Guidance figures for 2024 are **NOT** comparable to 2023 actual figures due to new P&L consolidation methods after having established the Bawat Damen JV and Bawat BaaS ownership set-up.
- Q4 2024 is expected to be EBITDA break-even, in line with communicated expectations during 2022 IPO.

## FINANCIAL DEVELOPMENTS Q1 2024

### Order Intake

Order Intake in Q1 was SEK 3.1m. This is trailing behind prorated Order Intake for the year. It is largely due to delay in decision from customers on New Building projects and to a lesser extent delay in orders for mobile units. Planned Order Intake for the Year is maintained.

### Sales

Sales in first quarter of 2024 amounted to SEK 4.3m (Q1 2023 SEK 4.2m). The quarter was dominated by projects in the very last phase of execution, which is also the reason for stagnation in sales recognition.

### Gross profit

Gross profit first quarter of 2024 amounted to SEK 0.8m (Q1 2023 SEK 0.9m). Gross profit in the quarter was reduced due to two mobile units and ship installations delivered after the end of the quarter. This has contributed to lower-than-normal level of GP ratio. On a positive note, service job in Bremen has contributed positively to the average ratio of the quarter of 21.5% - before a.o. depreciations on mobile BWMS for rent.

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, Q1 in 2024 amounted to SEK -5.8m ( Q1 2023 SEK -6.7m). It is expected that operating profit will be negative until quarter 3 2024. Positive operating profit is expected in Q4 2024 and will be driven primarily by increased activity level. Operating fixed cost in Q1 2024 is more than 12 percent below last year's level, even more in local currencies.

## **Earnings**

Earnings after tax in Q1 2024 amounted to SEK -10.4m (Q1 2023 SEK -10.2m).

No dividends will be paid out for the financial year 2024.

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. Bawat do not see any need for new investment in product development in the coming years.

## **Cash flow and working capital**

Cash flow from operating activities in Q1 2024 amounted to SEK -6.4m (Q1 2023 SEK -7.2m). Cash flow from investment activities in Q1 2024 amounted to only SEK -0.2m (Q1 2023 SEK -0.7m).

Cashflow from financing activities of SEK 6.4m includes proceeds from directed share issue conducted in January 2024, where 4,060,000 new shares were issued at SEK 1.60 each. Gross proceeds SEK 6.5m.

At the end of March 2024, net working capital amounted to SEK -1.3m (Q1 2023: SEK -6.2m). The negative development is driven by net cash position on ongoing customer projects. The impact of this alone accounts for SEK 4.3m. The cash tide up in customer projects is expected to normalize over the coming 2 quarters.

## **Cash and financial position**

Cash at the end of first quarter 2024 amounted to SEK 2.1m (Q1 2023: 3.6m) and Net interest-bearing debt amounted to SEK 47.3m (End of 2023: SEK 45.2m).

At the end of first quarter 2024, Equity amounted to SEK -12.2m (End of 2023: SEK -8.0m), equivalent to an equity ratio of -26.3%.

Following the directed share issue carried out in January 2024 of SEK 6.5m, convertible loan from NEFCO of SEK 11.2m was received in April 2024. With this the full NEFCO financing package has been completed.

## **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 2024**

AGM	30. May
Q1 report	30. May
Q2 report	21. August
Q3 report	27. November

#### **Management view**

A video recording of management's view of the quarterly result will be available online on Bawat investor page as well as LinkedIn on 5 June 2024.

#### **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:

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John B. Henriksen, CFO, E-mail [jbh@BAWAT.com](mailto:jbh@BAWAT.com)

**Certified Adviser**

Svensk Kapitalmarknadsgranskning AB

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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 May 30, 2024*.

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

## FINANCIAL STATEMENTS 2024

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	Q1 2024	Q1 2023	12M 2023	12M 2022
Sales	4.362	4.159	19.140	15.866
Gross Profit	812	899	10.704	2.718
Gross Profit %	18,6%	21,6%	55,9%	17,1%
Personnel cost	-4.583	-5.562	-18.891	-17.704
EBITDA*	-5.856	-6.657	-18.133	-28.186
Operating profit/loss*	-8.350	-9.115	-28.190	-37.320
Finance cost – net	-2.057	-1.106	-5.413	-1.588
Result for the period before income tax*	-10.407	-10.221	-33.603	-38.908

\*including cost of the capital raise and other related non-recurrent items FY SEK 0.051m (2023 SEK 3.4m, 2022 SEK 8.1m)

**Consolidated balance sheet (condensed)**

SEK '1.000	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Total intangible assets	28.207	36.058	29.434	37.354
Total tangible fixed assets	5.308	1.201	5.322	1.267
Total financial assets	353	342	336	355
Total non-current assets	33.868	37.601	35.092	38.976
Trade receivables	1.888	655	531	1.482
Contract assets	6.270	1.321	5.167	1.611
Other receivables	1.598	2.598	1.987	1.912
Prepayments	962	1.241	772	1.014
Total current receivables	10.718	5.815	8.457	6.019
Cash and cash equivalents	2.120	3.572	2.260	6.723
<b>Total assets</b>	<b>46.707</b>	<b>46.988</b>	<b>45.809</b>	<b>51.718</b>
Share capital	913	652	846	652
Total equity	-12.280	-1.268	-8.033	9.030
Total non-current liabilities	33.848	31.511	35.073	24.482
Borrowings, current	13.072	4.925	9.579	6.228
Lease liabilities, current	411	841	590	738
Trade payables	3.498	5.703	3.771	4.983
Contract Liabilities	2.526	1.800	141	2.843
Other payables	5.632	3.476	4.688	3.414
Total current liabilities	25.140	16.745	18.769	18.206
Total liabilities	58.988	48.256	53.842	42.688
<b>Total liabilities and equity</b>	<b>46.707</b>	<b>46.988</b>	<b>45.809</b>	<b>51.718</b>

**Consolidated statement of changes in equity (condensed)**

SEK '1.000	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Equity 1 January	-8.033	9.030	9.030	-8.351
Profit/loss for the period	<b>-10.407</b>	-10.221	-33.603	-38.908
Other comprehensive income for the period	49	-77	738	452
Total comprehensive income for the period	-10.358	-10.228	-32.865	-38.456
Total transactions with owners	6.111	-	15.802	55.487
Equity 31 December	-12.280	-1.268	-8.033	9.030



### Consolidated statement of cash flows (condensed)

SEK '1.000	Q1 2024	Q1 2023	12M 2023	12M 2022
Cash flow from operations*	-6.414	-7.229	-33.000	-29.305
Cash flow from investments	-163	-722	-6.354	-1.271
Cash flow from financing activities	6.401	5.008	35.021	32.113
<b>Total</b>	<b>-176</b>	<b>-2.943</b>	<b>-4.333</b>	<b>1.537</b>

\* including capital raise cost and other related non-recurrent items SEK 0.051m (2023 SEK 6.4m/2022 SEK 8.1m)

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

SEK '1.000	Q1 2024	Q1 2023	12M 2023	12M 2022
<b>Income Statement</b>				
Sales	0		530	0
Operating profit/loss	-525		-2.967	-7.843
Finance Income - net	-1		831	1.317
Result for the period before income tax	-526		-2.136	6.526

<b>Balance Sheet</b>	Q1 2024
Investment in subsidiaries	155.000
Current assets	773
Cash and cash equivalents	1.270
Total assets	157.043
Equity	143.135
Current liabilities	14.189
Total liabilities and equity	157.043

	12M 2023	12M 2022
Investment in subsidiaries	150.000	200.325
Current assets	805	23.682
Cash and cash equivalents	936	92
Total assets	151.741	224.099
Equity	137.550	214.136
Current liabilities	14.191	9.963
Total liabilities and equity	151.741	224.099

## **MANAGEMENT'S STATEMENT**

The Executive Management and Board of Directors of BAWAT have today adopted the interim financial statement for the first quarter of 2024. 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, 30. May 2024

### **Executive Management**

Marcus P. Hummer

*CEO*

### **Board of Directors**

Klaus Nyborg

Charlotte Vad

Steffen Jacobsen

Lars H. Hansen

*Chairman*