

BAWAT H2 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 25 February 2026, at 08:30 am.



Bawat is almost EBITDA break-even for H2 2025 supported by a significant uptake of Ballast-as-a-service activity. Backlog volume for 2026 supports positive EBITDA guidance for full year 2026 of SEK 3-7m.

- Gross Profit % was 68,8% for H2 2025, compared with 27,6% in H2 2024 and higher than earlier guidance.
- EBITDA for H2 2025 was SEK -1.7m and including June SEK -1.3m.
- EBITDA and Gross Profit is driven by a significant increase in BaaS (Ballast-as-a-Service) delivered in Holland, Belgium, Germany, Spain, Sweden and Denmark for a variety of customers and applications.
- In Q3 2025 another BaaS capacity was added to the portfolio which will be supporting the continuing growth.
- BaaS for ship recycling is a growing business in H2 of 2025 with the Hong Kong convention on ship recycling that came into force in June 2025.

Bawat has post-closing reached agreements for partial prolongation of its loan profiles which also include deferred repayment profiles now starting in Q4 2027. Agreements are subject to final approval, certain conditions and specific documentation.

Bawat is still heavily engaged with Port State Controls (PSC) across primarily Western Europe in order to inform of its Port Reception Facilities including Bawats BaaS solution.

Similar to information to PSC's, Bawat is engaged with several larger dry-dock operations in Western Europe on how to manage its release of untreated ballast water from dry-dock operations. In September the Danish Environmental Ministry acknowledged that in most cases ballast water released from ballast tanks in dry-docks is to be considered D2 non-compliant and thus cannot be released without further treatment.

FINANCIAL KEY FIGURES H2 2025

SEK '1.000	H2 2025	H2 2024	12M 2025	12M 2024
Sales	13.007	6.393	21.335	14.584
Gross Profit	8.952	1.764	12.533	2.324
Gross Profit %	68,8%	27,6%	58,7%	15,9%
EBITDA	-1.673	-10.461	-11.586	-23.595
Result for the period	-6.493	-18.279	-21.356	-41.314
Earnings per share	-0,07	-0,27	-0,24	-0,66
Cash flow from operations*	2.254	-10.693	-11.795	-25.275
Net working capital	-1.385	-1.772	-1.385	-1.772
Equity ratio %	-88,9%	-41,3%	-88,9%	-41,3%

*In addition to this, Capital raise and other related non-recurrent items SEK 1,6m in H1 '25 (SEK 2.1m in H2 '24 & 3.1 in Full Year 2024)

Marcus P. Hummer, CEO. "The second half of 2025 has been a turning point for Bawat. The growth has continued into 2026 and Bawat guides for EBITDA 2026 of SEK 3-7m. Ballast-as-a-Service is driving the shift in financial performance supported by an organization with a strong ability to deliver on time, budget and customer satisfaction. I look forward to continuing the growth in 2026".

"We have a specific global focus on dry-dock operations where stakeholders clearly have overseen that untreated ballast water is discharged on a routinely basis as part of docking operations. We are in dialogue

with all stakeholders to support effort to meet ballast water compliance also in this aspect of marine operations”.

Guidance 2026

For the Full Year 2026 Bawat is guiding for a positive EBITDA in the range between SEK 3-7m.

Business potential is still broader and with significantly higher profitability than originally forecasted during time of listing.

FINANCIAL DEVELOPMENTS 2025

Sales

Sales in the second half of 2025 amounted to SEK 13.0m (H2 2024 SEK 6.4m). Sales is lower than forecasted due to lack of ship orders. However, BaaS jobs have continued to grow and have partly compensated hardware vessel orders.

Full year sales are SEK 21.3m (SEK 14.6m) which is an increase of 46,3% compared to last year, mainly driven by more BaaS jobs in the western part of Europe.

Gross profit

Gross profit in the second half of 2025 amounted to SEK 9.0m (H2 2024 SEK 1.8m). The Gross profit ratio in H2 2025 was 68,8%, which is significantly higher than H2 2024 but in line with expectations due to Bawat’s innovative Ballast-as-a-Service offering. Full year 2025 Gross profit ratio is 58,7% (H2 2024 15,9%) driven by orders with higher volume and greater efficiency in execution of the orders.

The company anticipate maintaining a gross profit margin in the range of 50-55% over the long term, depending on the sales mix. It remains consistently focused on strong project execution and on securing repeat orders from individual customers, alongside the delivery of mobile systems and the generation of recurring cash flow through BaaS.

Operating profit

Operating profit, EBITDA, H2 2025 amounted to SEK -1.7m (H2 2024 SEK -10.5m). Positive operating profit is expected in H1 2026 and will be driven by increased activity across all three business segments with BaaS being the primary driver.

Earnings

Earnings after tax in H2 2025 amounted to SEK -6.5m (H2 2024 SEK -18.3m).

Investments in intangible assets to develop our systems were substantial some 3-8 years ago and hence current Amortization for intangible assets levels will reduce over the coming 2-3 years. Bawat expects current Amortization for intangible assets level to reduce to below SEK -5m p.a. in coming years. Bawat does 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 December 2025 was 88,266,080 (2024 72,941,830). The average number of circulating shares for H2 2025 was 88,266,080 (2024 66,852,245).

Further, 2,265,799 (H2 2024 444,827) warrants are circulating as part of a new warrant program initiated in 2025. 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 H2 2025 amounted to SEK 2.3m (H2 2024 SEK -13.4m) highly impacted by improvement of NOWC (Net Operating Working Capital). Cash flow from investment activities in H2 2025 amounted to SEK -6.4m (H2 2024 SEK -2.6m) and is related to purchasing of another mobile BWMS unit to own fleet.

Cashflow from financing activities of SEK -0.4m in H2 2025 (H2 2024 SEK 21,9m).

At the end of H2 2025, net working capital amounted to SEK -1.4m (H2 2024: SEK -1.8m).

Cash and financial position

Cash at the end of 2025 amounted to SEK 1.1m (End of 2024: 13.6m). Following end of year, Bawat has obtained loans and commitments totaling SEK 6,1m.

Net interest-bearing debt amounted to SEK 55.0m (End of 2024: SEK 58.8m).

At the end of H2 2025, Equity amounted to SEK -28.0m (End of 2024: SEK -20.2m), equivalent to an equity ratio of -88.9%.

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 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 future growth prospects.

FINANCIAL CALENDAR 2026

Interim Report H2	February 25, 2026
Annual Report Publication	March 19, 2026
Annual General Meeting	April 9, 2026
Interim Report H1	August 26, 2026

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:

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Certified Adviser

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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 *February 25, 2026*.

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	H2 2025	H2 2024	12M 2025	12M 2024
Sales	13.007	6.393	21.335	14.584
Gross Profit	8.952	1.764	12.533	2.324
Gross Profit %	68,8%	27,6%	58,7%	15,9%
Personnel cost	-8.029	-8.633	-17.137	-18.124
EBITDA*	-1.673	-10.461	-11.586	-23.596
Operating profit/loss*	-4.254	-14.568	-16.558	-32.740
Finance cost – net	-2.093	-3.710	-4.651	-8.573
Result for the period before income tax*	-6.347	-18.280	-21.209	-41.314

Earnings before interest, tax, depreciations and amortizations

Consolidated balance sheet (condensed)

SEK '1.000	31 Dec 2025	30 Jun 2025	31 Dec 2024	31 Dec 2023
Total intangible assets	16.486	19.427	22.161	29.434
Total tangible fixed assets	10.619	9.025	6.483	5.322
Total financial assets	336	347	352	336
Total non-current assets	27.441	28.799	28.996	35.092
Trade receivables	943	3.598	3.224	531
Contract assets	0	0	823	5.167
Other receivables	1.505	1.756	1.692	1.987
Prepayments	575	859	618	772
Total current receivables	3.023	6.213	6.357	8.457
Cash and cash equivalents	1.064	5.615	13.611	2.260
Total assets	31.528	40.627	48.964	45.809
Share capital	1.456	1.456	1.203	846
Total equity	-28.016	-21.175	-20.217	-8.033
Total non-current liabilities	32.755	33.684	45.229	35.073
Borrowings, current	22.232	22.591	13.561	9.579
Lease liabilities, current	0	0	0	590
Trade payables	2.979	2.139	6.408	3.771
Contract Liabilities	258	387	875	141
Other payables	1.320	3.000	3.108	4.688
Total current liabilities	26.789	28.118	23.964	18.769
Total liabilities	59.544	61.802	69.193	53.842
Total liabilities and equity	31.528	40.627	48.964	45.809

Consolidated statement of changes in equity (condensed)

SEK '1.000	31 Dec 2025	30 Jun 2025	31 Dec 2024	31 Dec 2023
Equity 1 January	-20.217	-20.217	-8.033	9.030
Profit/loss for the period	-21.356	-14.862	-41.314	-33.603
Other comprehensive income for the period	-213	134	22	738
Total comprehensive income for the period	-21.569	-14.862	-41.292	-32.865
Total transactions with owners	13.770	13.770	29.108	15.802
Equity 31 December	-28.016	-21.175	-20.217	-8.033

Consolidated statement of cash flows (condensed)

SEK '1.000	H2 2025	H2 2024	12M 2025	12M 2024
Cash flow from operations*	2.254	-13.405	-11.795	-25.276
Cash flow from investments	-6.418	-2.577	-11.644	-3.274
Cash flow from financing activities	-362	21.882	11.369	39.803
Total	-4.526	5.900	-12.070	11.253

*In addition to this, Capital raise and other related non-recurrent items SEK 1,6m in H1 '25 (SEK 2.1m in H2 '24 & 3.1 in Full Year 2024)

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

SEK '1.000	H2 2025	H2 2024	12M 2025	12M 2024
Income Statement				
Sales	150	283	328	550
Operating profit/loss	-760	-987	-2.038	-2.377
Finance Income - net	-861	-624	-1.111	-988
Result for the period before income tax	-15.620	-1.611	-17.149	-45.343

Balance Sheet	Dec 2025	H1 2025	12M 2025	Dec 2024
Investment in subsidiaries	150.000	150.000	150.000	150.000
Current assets	2.113	15.885	2.113	1.140
Cash and cash equivalents	131	1.324	131	1.457
Total assets	152.244	167.209	152.244	152.597
Equity	117.937	133.558	117.937	121.316
Borrowings, long term	11.475	11.145	11.475	11.507
Current liabilities	22.832	22.506	22.832	19.774
Total liabilities and equity	152.244	167.209	152.244	152.597

MANAGEMENT'S STATEMENT

The Executive Management and Board of Directors of BAWAT have today adopted the interim financial statement for the second 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, 25. February 2026

Executive Management

Marcus P. Hummer

CEO

Board of Directors

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

Chairman