

THE BOARD OF DIRECTORS' PROPOSAL FOR RESOLUTION ON A WARRANT PROGRAM AND ON APPROVAL OF TRANSFER OF WARRANTS SERIES 2026/2029

The board of directors proposes that the general meeting resolves to issue warrants and to approve subsequent transfer of these warrants in accordance with the following.

Reasons for the board of directors' proposal

The board of directors deems it to be in the interest of the company and its shareholders that the employees are engaged in the development of the company by being offered to acquire warrants in an incentive program. Such offer is expected to lead to increased motivation and an increased sense of belonging with the company, as well as to an increased interest in the business and performance of the company. The intention is for the warrant program to be annually recurring and adopted at future annual general meetings based on proposals from the board of directors.

A. Issue of warrants

The board of directors proposes that the general meeting resolves on a directed issue of not more than 1,460,486 warrants in Bawat Water Technologies AB (the "**Company**"), entailing an increase in the share capital if fully exercised by not more than SEK 24,098.019. The resolution shall otherwise be governed by the following terms and conditions.

1. The right to subscribe for the warrants shall, with deviation from the shareholders' preferential rights, vest in the Company or the Company's subsidiary Bawat A/S, who will transfer warrants to certain employees in accordance with item B below.
2. Oversubscription may not occur.
3. The reason for the deviation from the shareholders' preferential rights is that the warrants are included in an incentive program for certain persons who are or will be employed by the Company or its subsidiaries. The board of directors considers that the Company should promote the Company's long-term financial interests by encouraging the employees to become stakeholders in the Company.
4. The warrants are issued without consideration.
5. Subscription of the warrants must occur by April 16, 2026, at the latest. The board of directors has the right to extend the subscription period.
6. The warrants may be exercised to subscribe for new shares during the period from and including November 16, 2029, to and including November 30, 2029.
7. Each warrant shall entitle the holder to subscribe for one (1) new share in the Company at a subscription price corresponding to 110 % of the volume weighted average price of the Company's share during the period from and including October 1, 2026, to and including October 30, 2026. However, the subscription price may not be less than the quota value of the share.
8. Payment for subscribed shares that exceeds the quota value of the shares shall be added in full to the unrestricted share premium reserve.

9. Shares that have been issued as a result of subscription entitle to dividends for the first time on the record date for dividends that occurs after the new shares have been entered into the share register kept by Euroclear Sweden AB.
10. Other terms and conditions according to Appendix A.

B. Approval of allotment and transfer of warrants

1. Background and Qualifying Period

After a period of three years, the participants will be allotted warrants in the Company without any payment of consideration provided that certain qualifying terms and conditions have been fulfilled (“**Share Right**”). In order for these Share Rights to entitle the participants to receive allotment of warrants, the participants must have maintained their employment in the group during a qualifying period. The Share Rights are annually vested during the qualifying period, with 50 % being vested 1 year from allotment of Share Rights, an additional 25 % being vested 2 years after allotment of Share Rights, and the remaining 25 % being vested approximately 3 years after allotment of Share Rights (“**Qualifying Period**”).

2. Eligible for Share Rights

The right to receive Share Rights will accrue to employees in the group, who are divided into two categories. Category 1 consists of the CEO and category 2 consists of all other employees within the group, as set out below:

Category 1: 1 participant (CEO), maximum 341,235 Share Rights.

Category 2: Maximum 10 participants. A guaranteed allotment of 40,948 Share Rights per participant and a maximum allotment of 163,793 Share Rights per participant.

However, the total number of Share Rights may not exceed 1,460,486.

The board of directors determines the number of Share Rights that each participant will be allotted on the basis of objective guidelines that take into account each participant's experience, competence and other terms of employment. The board of directors decides on the final allotment.

The right to receive Share Rights shall only accrue to those persons who, at the time of allotment, have not resigned or been terminated. The allotment of the Share Rights will not exceed the total number of warrants in accordance with item A above.

Allotment presupposes that acquisition of warrants is legally possible and that it can, in the opinion of the board of directors, be made with reasonable administrative and financial efforts.

3. Period for participation in the program

The intention is that the majority of the Share Rights shall be allotted to employees during the period from and including November 2, 2026, to and including November 16, 2026. However, there shall be a flexibility that enables Share Rights that have not been allotted to be allotted to future employees, but no later than June 30, 2027, whereby notification of participation in the program shall be made no later than May 31, 2027.

The fact that Share Rights may be offered to new employees may mean that the Qualifying Period may in some cases be less than three years. However, the Company assesses that this does not affect the suitability of the warrant program since the purposes that justify the introduction of the warrant program are not significantly affected by the fact that the term of the warrants is marginally less than three years.

4. Consideration

The warrants will be transferred to employees without consideration.

5. Structure and administration

The Board is responsible for the more detailed structure and administration of the warrant program, as well as the detailed terms and conditions which shall apply between the Company and the participant under the program, within the scope of the terms and conditions and guidelines set forth herein. In conjunction with this, the Board shall be entitled to establish different terms and conditions for the program regarding, among other things, the Qualifying Period and allotment, in the event of termination of employment during the Qualifying Period under specific circumstances. The Board shall also be entitled to make adjustments in order to fulfil specific rules or market conditions.

In certain cases, the Board shall be entitled to reduce the final allotment or to terminate the warrant program early, in whole or in part, without payment of any compensation to the participants in the event of significant changes in the Company or on the market.

C. Further information about the warrant program

1. Dilution

Upon full exercise of all warrants, 1,460,486 new shares may be issued, which corresponds to a dilution of approximately 1.6 per cent of the total number of shares and votes in the Company, however, subject to the recalculation of the number of shares that each warrant entitles the holder to subscribe for that may occur as a result of certain issues etc.

2. Costs for the Company etc.

The warrant program is subject to § 7P Ligningsloven (in Denmark) and only subject to minor costs for setting up the program. Against this background, there is no reason for the Company to hedge the warrant program in this regard.

The value has preliminarily been calculated by the Company at the time of the issuance of the notice to SEK 0.342 per warrant based on a share price of SEK 1, a subscription price per share of SEK 1.13 and a volatility of 50 %.

Overall, the board of directors deems that the subscription price and the term of the warrants, as well as the principles for allotment of warrants to the employees, are reasonable in light of market practice and the Company's need to be able to stimulate key employees' work effort by offering to participate in the warrant program.

3. Other share-based incentive programs

Warrant Program 2025/2028

The Company has an ongoing warrant program which was launched in 2025, Warrant Program 2025/2028, which comprises 2,729,879 warrants, of which 2,265,799 were allotted to participants in the program. The warrants may be utilized for subscription of shares during the period from and including November 16, 2028, to and including November 30, 2028, with a subscription price corresponding to 110 % of the volume weighted average price of the Company's share during the period from and including October 1, 2025, to and including October 31, 2025. Upon full exercise of all warrants in Warrant Program 2025/2028, 2,729,879 shares may be issued, which corresponds to a dilution of approximately 3 per cent of the total number of shares and votes in the Company.

4. Promoting the Company's long-term value creation

In order for the program to have an economic value for the participants, it is required that the share price exceeds the subscription price during the period when the warrants can be exercised. The Company deems that the share price is a good indication that the participants have contributed to long-term value creation for the Company.

5. Preparation of the proposal

The warrant program has been prepared by the Company's board of directors with the support of Advokatfirman Lindahl KB.

6. Authorisation and decision-making rules

The general meeting instructs the board of directors of the Company to execute the resolution in accordance with item A above and to carry out the transfer of warrants in accordance with item B above.

The board of directors, or a person appointed by the board of directors, shall be authorised to make the minor adjustments required for the registration of the resolution with the Swedish Companies Registration Office.

The resolutions of the general meeting regarding this item are valid only if they are supported by shareholders representing at least nine-tenths of both the votes cast and the shares represented at the meeting.

Bawat Water Technologies AB (publ)
The board of directors