BAWAT H1 REPORT 2026

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 26. August 2026, at 08:30 am.

Bawat continues to strive towards EBITDA breakeven with increase in gross margin to almost 80%. Ballast-as-a-Service drives profitability. EBITDA guidance full year 2026 is adjusted to around breakeven.

- Gross Profit % was 79,8 %, compared with 43,0% in H1 2025.
- EBITDA for H1 2026 was SEK –2.3m, up from SEK -9.9m in H1 2025.
- EBITDA and Gross Profit is driven by a significant increase in Baas (Ballast-as-a-Service) delivered across applications and geographies in Northern Europe.
- Sales volume is up by 50% relative to H1 2025 sales.
- Execution of BaaS customers with now three units strategically located between Belgium and Denmark enabling service delivery with a 24 hrs. notice to northern Europe ports and yards.

Work continues to increase awareness and knowledge with all stakeholders when it comes to ballast water and its specific applications during the life cycle of vessels. Whether in operation, in dock or end-of-life recycling.

The half year saw the opening of first European tender for a port reception facility for ballast water. The tender is expected to be finalized during H2 and Bawat is participating. On a similar note, Bawat has won a pre-engineering contract for a private initiative in Africa for a land-based ballast water reception facility in a large expansion of current port facilities being under construction.

FINANCIAL KEY FIGURES H1 2026

SEK '1.000	H1 2026	H1 2025	12M 2025
Sales	12.433	8.328	21.335
Gross Profit	9.925	3.581	12.533
Gross Profit %	79,8%	43,0%	58,7%
EBITDA	-2.326	-9.913	-11.586
Result for the period	-7.679	-14.863	-21.356
Earnings per share	-0,09	-0,17	-0,24
Cash flow from operations*	-3.662	-14.049	-11.795
Net working capital	-347	-13	-1.385
Equity ratio %	-118,2%	-52,1%	-88,9%

*In addition to this, Capital raise and other related non-recurrent items SEK 0.0m in H1 ’26 (SEK 1.6m in H1 ’25 & SEK 1.6 in FY 2025)

Marcus P. Hummer, CEO. *“First half of 2026 was a positive continuation of the end of 2025 with growth in our Ballast as a Service segment resulting in a further increase in Gross Profit to almost 80%.*

We continue to come across un-awareness among relevant stakeholders regarding correct treatment of ballast water in full compliance with both domestic and international law at both ports, yards and recycling yards. We saw the first European public tender for land-based ballast water reception facilities during Q2 and see this as a confirmation of a steady increasing learning curve on enforcement of the ballast water convention”.

“In a world of growing AI-interaction, we are pleased to understand from new customers, that very often they found the Bawat name and our services through AI-prompting”.

Guidance 2026

The half year figures are a continuation of the performance from H2 2025 in terms of Sales and a continued increase in gross margin % to almost 80% driven almost solely by Ballast as a Service (BaaS) and service activities. Gross Margin is somewhat better than budgeted driven by single large orders, but workload and timing of it is still difficult to predict. The expectations for the remaining part of the year regards BaaS is still in line with budget with timing on one larger confirmed job as large differentiator.

Our guidance includes sale of mobile systems, and a large portion of that relates to the public European tender which has been delayed from Q2 to Q4, and thus expected order intake and subsequent conversion to sales is impacting the full year EBITDA. Full year guidance for EBITDA thus needs to be adjusted to around breakeven.

FINANCIAL DEVELOPMENTS 2026

Sales

Sales in the first half of 2026 amounted to SEK 12.4m (H1 2025 SEK 8.3m) which is an increase of 50%. Sale is lower than forecasted due to postponed order on Mobile systems.

Gross profit

More than 90% of sales in H1 2026 were related to Ballast-as-a-Service offering. Gross profit in the first half of 2026 amounted to SEK 9.9m (H1 2025 SEK 3.6m). The Gross profit ratio in H1 2026 was 79,8% which is higher than 2025 and slightly higher than expectations.

For the full year 2026 the company expects gross profit to increase and full year Gross profit ratio to stay above 70% though sales within lower margin business areas such as Mobile BWMS and Vessel systems are expected to increase. This will be 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 2026 amounted to SEK -2.3m (H1 2025 SEK -9.9m). Positive Operating profit is expected in H2 2026 and will be driven by sale within all three business legs.

Earnings

Earnings after tax in H1 2026 amounted to SEK -7.7m (H1 2025 SEK -14.9m).

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 2-7 years ago and hence depreciation levels will reduce slightly over the coming years. Bawat expects current depreciation level to reduce from SEK -6m to SEK -4m 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 June 2026 was 88.266.080 (2025 88.266.080). The average number of circulating shares for H1 2025 was 88.266.080 (2025 86.488.128).

Further, 2.265.799 (H1 2025 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 H1 2026 amounted to SEK -3.6m (H1 2025 SEK -14.0m). Cash flow from investment activities in H1 2026 amounted to SEK -0.2m (H1 2025 SEK -5.2m).

Cashflow from financing activities of SEK 5.8m in H1 2026 includes a shareholder loan from the company's larger shareholders as an interim financing.

At the end of H1 2026, net working capital amounted to SEK -0.3m (H1 2025: SEK 0.0m).

Cash and financial position

Cash at the end of H1 2026 amounted to SEK 3.1m (End of 2025: 1.1m) and Net interest-bearing debt amounted to SEK 60.6m (End of 2025: SEK 55.0m).

At the end of H1 2026, Equity amounted to SEK -35.6m (End of 2025: SEK -28.0m), equivalent to an equity ratio of -118,2%.

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 offer 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 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:

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 26, 2026*.
For further information about Bawat *Water Technologies AB*, please contact above.

FINANCIAL STATEMENTS 2026

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 few new standards and interpretations are effective for financial years beginning after 1. January 2024 and have not been fully 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 2026	H1 2025	12M 2025
Sales	12.433	8.328	21.335
Gross Profit	9.925	3.581	12.533
Gross Profit %	79,8%	43,0%	58,7%
Personnel cost	-8.298	-9.108	-17.137
EBITDA	-2.326	-9.913	-11.586
Operating profit/loss	-5.427	-12.304	-16.558
Finance cost – net	-2.253	-2.558	-4.651
Result for the period before income tax	-7.679	-14.862	-21.209

Consolidated balance sheet (condensed)

SEK '1.000	30 Jun 2026	31 Dec 2025	30 Jun 2025
Total intangible assets	14.507	16.486	19.427
Total tangible fixed assets	10.507	10.619	9.025
Total financial assets	320	336	347
Total non-current assets	25.334	27.441	28.799
Trade receivables	104	943	3.598
Contract assets	0	0	0
Other receivables	894	1.505	1.756
Prepayments	660	575	859
Total current receivables	1.658	3.023	6.213
Cash and cash equivalents	3.121	1.064	5.615
Total assets	**30.113**	**31.528**	**40.627**
Share capital	1.456	1.456	1.456
Total equity	-35.605	-28.016	-21.175
Total non-current liabilities	52.777	32.755	33.684
Borrowings, current	7.816	22.232	22.591
Lease liabilities, current	0	0	0
Trade payables	1.794	2.979	2.139
Contract Liabilities	264	258	387
Other payables	3.067	1.320	3.000
Total current liabilities	12.941	26.789	28.118
Total liabilities	65.571	59.544	61.802
Total liabilities and equity	**30.113**	**31.528**	**40.627**

Consolidated statement of changes in equity (condensed)

SEK '1.000	30 Jun 2026	31 Dec 2025	30 Jun 2025
Equity 1 January	-28.016	-20.217	-20.217
Profit/loss for the period	-7.679	-21.356	-14.862
Other comprehensive income for the period	90	-213	134
Total comprehensive income for the period	-7.589	-21.569	-14.728
Total transactions with owners	0	13.770	13.770
Equity 31 December	**-35.605**	**-28.016**	**-21.175**

Consolidated statement of cash flows (condensed)

SEK '1.000	H1 2026	H1 2025	12M 2025
Cash flow from operations*	-3.612	-14.049	-11.795
Cash flow from investments	-158	-5.226	-11.644
Cash flow from financing activities	5.827	11.731	11.369
Total	**2.057**	**-7.544**	**-12.070**

* Including capital raise cost and other related non-recurrent items SEK 0,0m in H1 2026 (SEK 1,6m in H1 2025)

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

SEK '1.000	H1 2026	H1 2025	12M 2025
Income Statement			
Sales	149	178	328
Operating profit/loss	-1.033	-1.278	-2.038
Finance Income - net	-996	-250	-1.111
Result for the period before income tax	-2.029	-1.529	-17.149

Balance Sheet	Jun 2026	Jun 2025	Dec 2025
Investment in subsidiaries	150.000	150.000	150.000
Current assets	8.206	15.885	2.113
Cash and cash equivalents	215	1.324	131
Total assets	**158.421**	**167.209**	**152.244**
Equity	115.908	133.558	117.937
Borrowings, long term	10.490	11.145	11.475
Current liabilities	32.023	22.506	22.832
Total liabilities and equity	**158.421**	**167.209**	**152.244**

MANAGEMENT'S STATEMENT

The Executive Management and Board of Directors of BAWAT have today adopted the interim financial statement for the first half of 2026. 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, 26. August 2026

Executive Management

Marcus P. Hummer

CEO

Board of Directors

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