

Set for strong growth in 2024

Bawat - Equity Update

26 February 2024



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Bawat

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Bawat's Q4 order intake came in slightly above our expectations, leading to a FY-23 order intake of SEK 42m and in line with the guided range. In this update, we have made some adjustments to align with the changes in the JV structure with Damen for the sale of Mobile Solutions. Driven by the strong backlog and continued order intake growth, we estimate 2024 revenue of NOK 53m and EBITDA of NOK -12m, which is in line with the latest guidance. Our updated valuation range yields SEK 0.8-4.2 per share, with SEK 2.0 as the midpoint in our base case, which compares favourably to the current share price of SEK 1.7.

Q4 figures above our expectations

Bawat reported Q4 revenues 15% above our expectations at SEK 3.2m, mainly driven by progress on customer projects for mobile units and lease income from Bawat's own mobile ballast water management system (BWMS). EBITDA came in at SEK -1.3m, well above our estimated -6.8m, driven by higher revenues, higher gross margins, and lower SG&A expenses. The gross margin for FY'23 ended at 55.9% and was positively impacted by lease income from Bawat's own BWMS. Adjusted for the lease income, the company reports a gross margin of 30.2% which is in line with the company's long-term aspiration of achieving a 30% gross margin. The order intake of SEK 18m was slightly above our estimates and the full year order intake ended at SEK 41.8m, slightly above our estimate of SEK 40m and in line with the guided interval of SEK 40 – 50m.

New JV with Damen leads to changes in guidance principles

During Q4, Bawat signed a JV agreement with Damen. The JV will according to Bawat offer significant scaling opportunities with manufacturing and sales of the mobile ballast water units worldwide. As a result of the JV, guidance for 2024 will not be comparable to the 2023 actual figures due to the P&L consolidation. Driven by the strong backlog and continued order intake growth, we estimate 2024 revenue of NOK 53m and EBITDA of NOK -12m, which is in line with the

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Buy
Hold
Sell

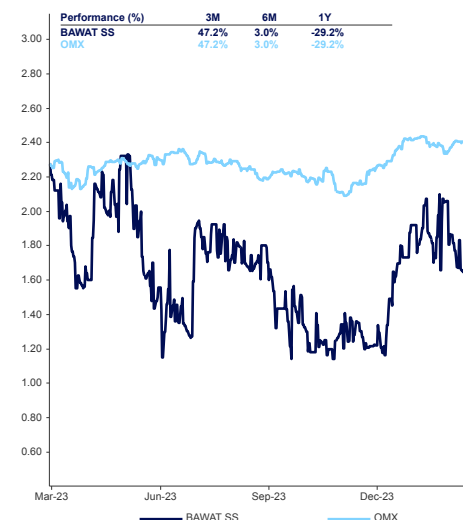
Financials and estimates changes

Target **NA**

| Key Figures (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|---------------------------|-----------|-----------|---------|---------|---------|
| Revenue | 15.9 | 19.1 | 52.7 | 127.3 | 170.4 |
| EBITDA | (28.2) | (18.1) | (12.1) | 7.1 | 17.5 |
| EBIT | (37.3) | (28.2) | (14.9) | 4.6 | 15.2 |
| EPS | (0.98) | (0.70) | (0.43) | (0.13) | 0.04 |
| Adj. EBITDA | (28.2) | (18.1) | (12.1) | 7.1 | 17.5 |
| Adj. EBITDA margin (%) | (177.7) | (94.7) | (22.9) | 5.6 | 10.3 |
| Adj. EPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Revenue growth (%) | 48.0 | 20.6 | 175.4 | 141.4 | 33.9 |
| EPS growth (%) | (5.7) | (29.0) | (37.8) | (71.0) | (131.7) |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net interest bearing debt | 24.7 | 42.9 | 70.1 | 76.6 | 73.8 |
| ROE (%) | (5,811.5) | (7,184.6) | 116.2 | 19.3 | (5.7) |
| ROACE (%) | (110.6) | (82.1) | (39.8) | 11.5 | 38.4 |
| FCFF yield (%) | (21.8) | (23.8) | (12.0) | 2.8 | 9.3 |
| EV / Sales (x) | 7.5 | 7.1 | 3.1 | 1.3 | 1.0 |
| EV | 118.4 | 135.9 | 163.0 | 169.5 | 166.7 |

| Highlights | |
|-------------------------|-----------|
| Recommendation | Not Rated |
| Target Price | NA |
| Share Price | SEK 1.7 |
| Market cap (SEKm) | 87 |
| Enterprise Value (SEKm) | 136 |
| Number of shares (m) | 51 |

12 months share price performance:



guided range of SEK 42 – 54m and EBITDA between SEK -12 - -7m, respectively. Beyond 2024, our estimates imply a market share of below 3% within newbuilds and < 2% of the addressable market for Mobile systems.

Fair value range SEK 0.8-4.2

Our fair valuation range is based on a combination of multiple and DCF analysis derived from low-, base- and high-case scenarios, yielding a fair valuation range of SEK 0.8-4.2 per share, with SEK 2.0 as the midpoint in our base case, which compares favourably to the current share price of SEK 1.7 (trading at ~0.4x invested capital).

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Q4 recap: Revenue and EBITDA above our estimates, FY-23 order intake in line with guiding

Q4 deviation table:

| Bawat (SEKm) | Q4/23 | | | | Deviation-% | | |
|---------------------------|--------------|--------------|--------------|--------------|-------------|---------|---------|
| | Q4/22 | Q3/23 | Actual | Arctic | Arctic | QOQ | YOY |
| Revenues | 2.4 | 7.6 | 3.2 | 2.8 | 15% | -3% | 33% |
| Cost of goods sold | - 0.9 | - 4.7 | 2.2 | 2.2 | | | |
| Gross contribution | 1.5 | 2.9 | 5.4 | 0.6 | 878% | 85% | 251% |
| Gross margin-% | 64% | 38% | 170% | 20% | 149.8pp | 131.6pp | 105.4pp |
| Opex | - 7.5 | - 4.9 | - 6.7 | - 7.3 | | | |
| EBITDA | - 6.0 | - 2.0 | - 1.3 | - 6.8 | 81% | 35% | 78% |
| Order intake | 1.2 | 3.3 | 18.0 | 16.7 | 8% | 446% | 1,375% |

Q4 comments

- Q4 revenues 15% above ARCe, while EBITDA improved to SEK -1.3m from -6.0 last year, driven by increased scale and improved gross margins.
- Order intake in SEK was 8% above expectations at SEK 18m. The growth was driven by an order within Mobile systems.
- FY-23 order intake at SEK 41.8m was slightly above our estimate of SEK 40m and in line with the guided interval of SEK 40 – 50m.
- During Q4, Bawat signed a JV agreement with Damen. The JV will according to Bawat offer significant scaling opportunities with manufacturing and sales of the mobile ballast water units worldwide. As a result of the JV, guidance for 2024 will not be comparable to the 2023 actual figures due to the P&L consolidation.

Estimate changes

| Bawat (SEKm) | New estimates | | | | Old estimates | | | | Changes-% | | | |
|---------------------------|---------------|------------|------------|------------|---------------|------------|------------|------------|-----------|-------|-------|-------|
| | 2024e | 2025e | 2026e | 2027e | 2024e | 2025e | 2026e | 2027e | 2024e | 2025e | 2026e | 2027e |
| Revenues | 53 | 127 | 170 | 219 | 61 | 124 | 171 | 233 | -14% | 3% | -0% | -6% |
| Cost of goods sold | -35 | -85 | -112 | -144 | -43 | -85 | -116 | -156 | | | | |
| Gross contribution | 17 | 42 | 58 | 75 | 18 | 40 | 56 | 77 | -5% | 7% | 4% | -3% |
| Gross margin-% | 33% | 33% | 34% | 34% | 30% | 32% | 32% | 33% | | | | |
| Opex | - 29 | - 35 | - 40 | - 42 | - 38 | - 39 | - 42 | - 45 | | | | |
| EBITDA | - 12 | 7 | 17 | 32 | - 20 | 0 | 13 | 32 | | | 33% | 1% |
| Revenue by segment | | | | | | | | | | | | |
| Ship solutions | 24 | 53 | 65 | 81 | 31 | 50 | 65 | 81 | -24% | 5% | 0% | 0% |
| Mobile solutions | 19 | 34 | 37 | 42 | 25 | 48 | 61 | 82 | -23% | -30% | -39% | -49% |
| BaaS | 2 | 22 | 43 | 67 | 2 | 16 | 33 | 54 | 28% | 38% | 32% | 23% |
| Service agreements | 2 | 9 | 10 | 12 | 3 | 10 | 13 | 16 | -23% | -12% | -19% | -25% |
| EBITDA by segment | | | | | | | | | | | | |
| Ship solutions | 0 | 6 | 9 | 13 | - | 5 | 8 | 11 | | 26% | 17% | 14% |
| Mobile solutions | 4 | 10 | 12 | 14 | 5 | 14 | 19 | 28 | -23% | -30% | -39% | -49% |
| BaaS | 1 | 7 | 14 | 21 | 0 | 5 | 10 | 16 | 37% | 48% | 41% | 31% |
| Service agreements | 0 | 3 | 3 | 4 | 1 | 3 | 4 | 6 | -23% | -12% | -19% | -25% |
| G&A | - 20 | - 24 | - 28 | - 29 | - 26 | - 27 | - 28 | - 29 | | | | |
| Order intake | | | | | | | | | | | | |
| Ship solutions | 40 | 57 | 73 | 87 | 40 | 57 | 73 | 87 | - | - | - | - |
| Mobile solutions | 24 | 34 | 39 | 44 | 37 | 53 | 70 | 87 | -36% | -35% | -44% | -50% |

Order intake: We model > 50% order intake growth for 2024

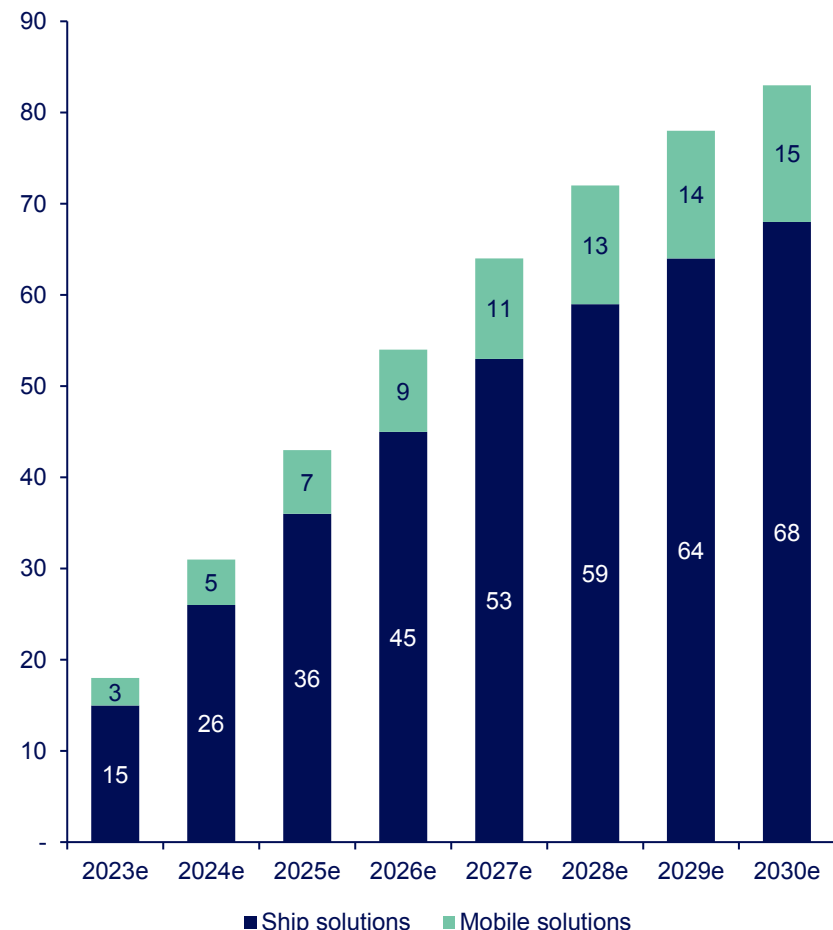
Assumptions and comments

Order intake 2024: We estimate an order intake of SEK 63m for 2024 (52% growth YoY).

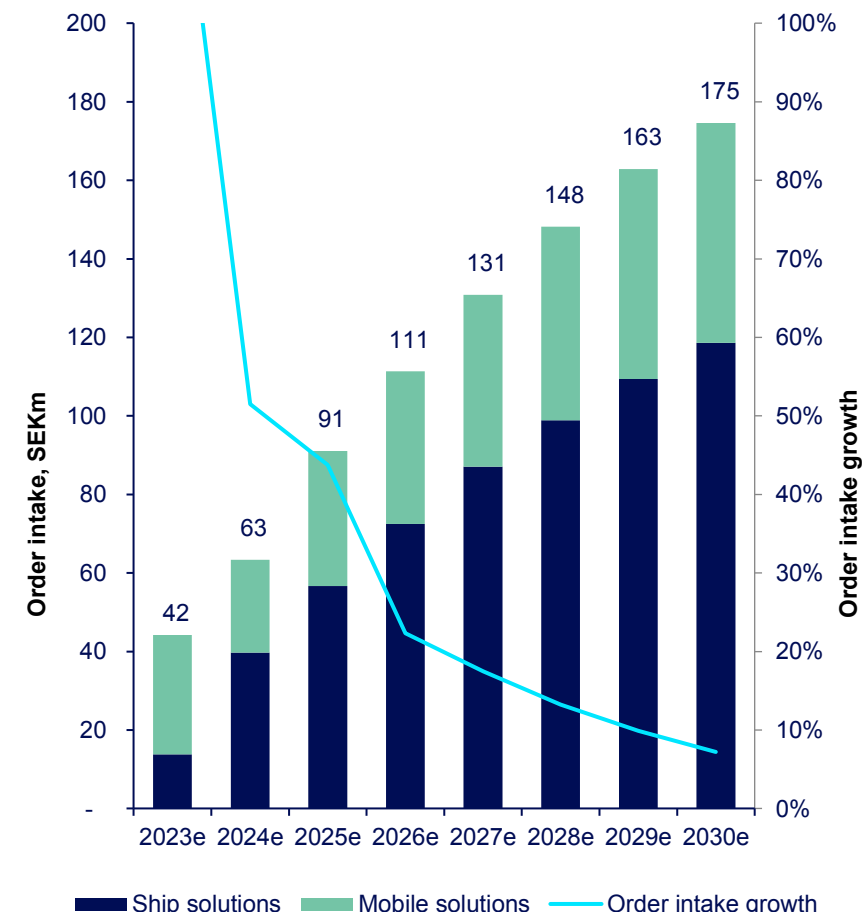
Conservative implied market share: To meet our estimated order intake beyond 2024, our estimates imply < 3% of the average market for Ship solutions and ~3% of the addressable market for Mobile Systems.

Order intake growth: We estimate average order intake growth of 23% towards 2030 for Ship and Mobile Systems.

Number of orders by segment



ARCe system order intake by segment, SEKm

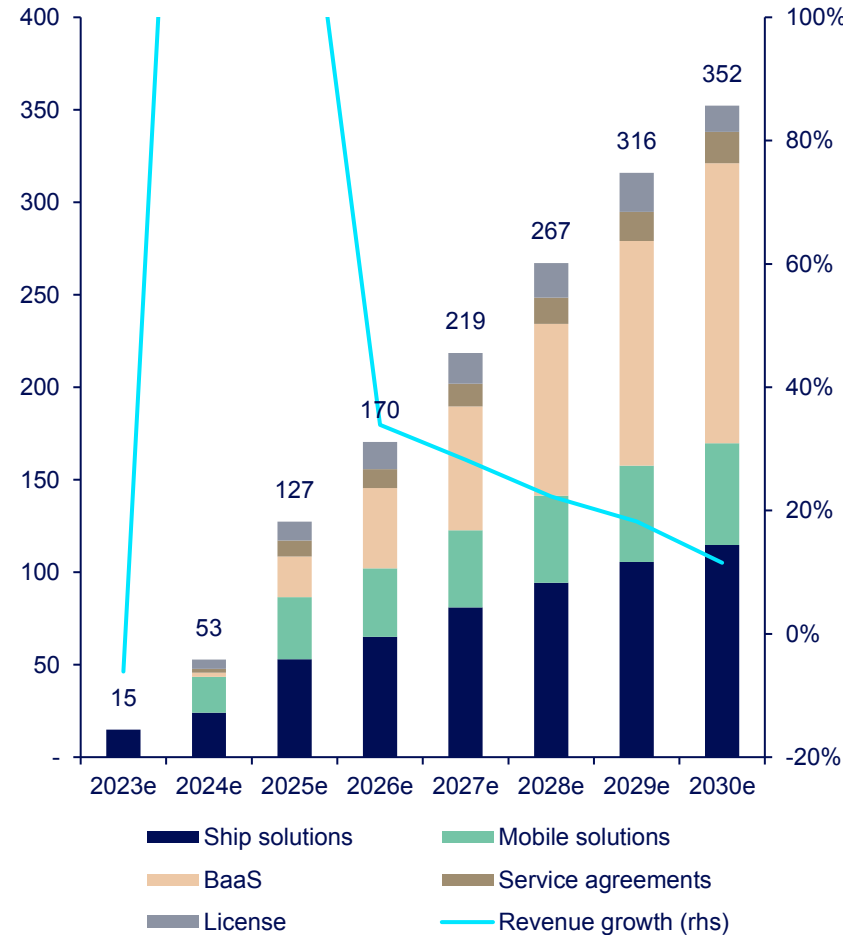


We estimate > 50% sales CAGR towards 2030 and EBITDA positive in 2025

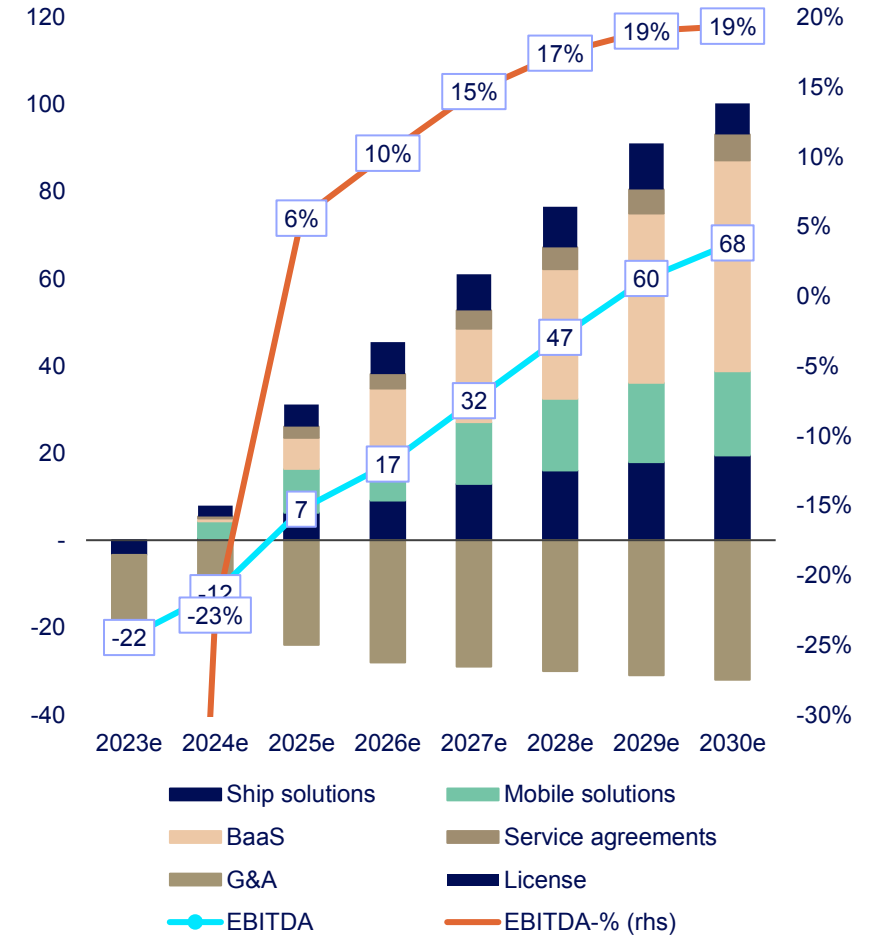
Assumptions and comments

- **Revenue growth to accelerate in '24:** With 1-2 quarters lead time from order to delivery, We expect 2024 to mark the start of significant revenue growth, driven by strong sales growth within both Ship and Mobile solutions.
- **ARCe >50% sales CAGR:** Towards 2030, we estimate a sales CAGR of 56%, where Ship and Mobile Systems are the largest contributors short term, while the BaaS business becomes the largest segment from 2028 with a growing ARR base.
- **EBITDA positive in 2025:** We estimate breakeven levels around SEK 115-130m in revenues, which in our base case occurs in 2025. Mobile Systems and BaaS account for > 50% of the EBITDA contribution.

ARC revenue, SEKm



ARCe EBITDA, SEKm



Arctic base case: > 50% revenue growth between 2023 and 2030

Assumptions

- **Revenue split:** We model a fairly even distribution between Ship and Mobile Systems, with 50% of the latter going into the BaaS offering, contributing to >50% ARR for the group by 2030.
- **EBITDA:** With 22%/40% GM long term in Ship- and Mobile Systems/BaaS, respectively and the projected sales mix, we estimate EBITDA to grow to SEK 68m in 2030, implying a long-term EBITDA margin of 19%.

Estimate overview in base case scenario, ARCe

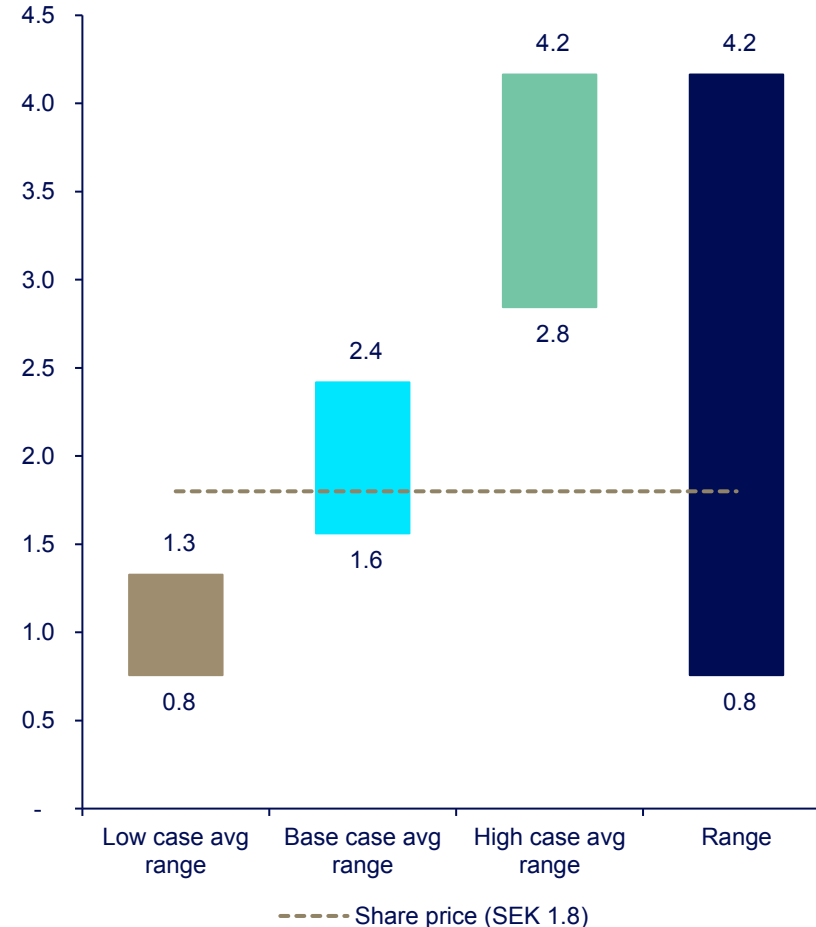
| P&L (SEKm) | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e |
|----------------------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
| Revenue | 19 | 53 | 127 | 170 | 219 | 267 | 316 | 352 |
| <i>Revenue growth, YoY</i> | 21% | 175% | 141% | 34% | 28% | 22% | 18% | 12% |
| Cost of goods sold | - 8 | - 35 | - 85 | - 112 | - 144 | - 175 | - 206 | - 231 |
| Gross contribution | 11 | 17 | 42 | 58 | 75 | 92 | 109 | 122 |
| <i>Gross margin-%</i> | 56% | 33% | 33% | 34% | 34% | 34% | 35% | 35% |
| Opex | - 29 | - 29 | - 35 | - 40 | - 42 | - 45 | - 49 | - 53 |
| EBITDA | - 18 | - 12 | 7 | 17 | 32 | 47 | 60 | 68 |
| <i>EBITDA margin</i> | -95% | -23% | 6% | 10% | 15% | 17% | 19% | 19% |
| EBIT | - 28 | - 15 | 5 | 15 | 30 | 45 | 58 | 67 |
| Net income | - 36 | - 22 | 6 | 2 | 14 | 27 | 41 | 50 |
| EPS | - 0.7 | - 0.4 | 0.1 | 0.0 | 0.3 | 0.5 | 0.8 | 1.0 |
| Revenue split | | | | | | | | |
| Ship solutions | 15 | 24 | 53 | 65 | 81 | 94 | 106 | 115 |
| Mobile solutions | - | 19 | 34 | 37 | 42 | 47 | 52 | 55 |
| BaaS | - | 2 | 22 | 43 | 67 | 93 | 122 | 151 |
| Service agreements | - | 2 | 9 | 10 | 12 | 14 | 16 | 17 |
| EBITDA split | | | | | | | | |
| Ship solutions | - 3 | 0 | 6 | 9 | 13 | 16 | 18 | 20 |
| Mobile solutions | - | 4 | 10 | 12 | 14 | 16 | 18 | 19 |
| BaaS | - | 1 | 7 | 14 | 21 | 30 | 39 | 48 |
| Service agreements | - | 0 | 3 | 3 | 4 | 5 | 6 | 6 |
| G&A | - 19 | - 20 | - 24 | - 28 | - 29 | - 30 | - 31 | - 32 |
| Change in debt | 9 | 30 | 20 | - | - 10 | - 20 | - 30 | - |
| Cash position | 2 | 5 | 19 | 21 | 26 | 33 | 44 | 94 |

Value range of SEK 0.8-4.2 per share, risk/reward profile tilted towards the upside

Comments

- **Valuation range SEK 0.8-4.2:** Our fair range is based on a combination of multiple and DCF analysis derived from low-, base- and high-case scenarios, yielding a fair valuation range of SEK 0.8-4.2 per share, with SEK 2.0 as the midpoint in our base case.
- **Trading at depressed levels:** Our range compares favourably to the current share price of SEK 1.8 (trading at < 0.4x invested capital).
- **Upside potential beyond our range:** Even our high case scenario may be too conservative in a full adoption scenario with a higher market share.
- **Consequently, we see the risk/reward profile tilted towards the upside.**

ARCe fair valuation range, SEK per share



Share price performance and estimated value range (trading at ~0.4x invested capital)



ESG profile – Bawat Water Technologies

ESG snapshot and disclosures

- Bawat is well-positioned with regard to ESG though its ballast water treatment system offering, helping shipowners to clean their ballast water before discharge.
- The International Maritime Organisation (IMO) and the U.S. Coast Guard have adopted legislation that all ships must treat their ballast water by September 2024.
- The legislation is implemented to prevent the spread of marine species, which is harmful to the marine ecosystem.
- Bawat’s ballast water treatment offering has a positive impact on the SDG number 14: Life below water.
- Bawat does not report ESG metrics or targets.

Selected Sustainable Development Goals



Sustainalytics ESG risk rating

Taxonomy eligible activities

Disclosed ESG Targets

n.a

n.a

No

*0-100 where 0 is best

Source: Arctic Securities Research, Company information

Key ESG risks

| Key risks | How Bawat is positioned |
|---|---|
| System efficiency and approvals | <ul style="list-style-type: none"> • Bawat’s heat-based solution has received both IMO and U.S Coast Guard approval. • Studies have shown that Bawat’s heating system is 10-25x more efficient than required. |
| Energy intensity: Ballast Water Treatment systems need energy to operate. | <ul style="list-style-type: none"> • Bawat’s ship system utilises excess heat from the engine, which makes the process energy efficient compared to UV/filter technologies. Bawat’s Mobile systems can use the energy available at the port. |
| Supply chain risks: Bawat is dependent on third parties to deliver its products. | <ul style="list-style-type: none"> • We view the risk related to third parties is relatively low as the company use standard marine components. We view it as likely that it will be able to change sourcing partners. |
| Health, Safety and Environment risks: A failure to maintain adequate HSE procedures and requirements may result in Bawat being held liable. | <ul style="list-style-type: none"> • The Company believe that the risk that it will inadvertently fail to comply with applicable HSE requirements is low. |

Profit and Loss

| Profit and Loss (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|-------------------------------------|---------------|---------------|---------------|--------------|-------------|
| Revenue | 15.9 | 19.1 | 52.7 | 127.3 | 170.4 |
| Cost of sales | 0.0 | (8.4) | (35.5) | (84.9) | (112.5) |
| Other operating income/(costs) | (26.3) | (9.9) | (9.3) | (11.3) | (12.5) |
| Operating expenses | (44.1) | (37.3) | (64.8) | (120.1) | (152.9) |
| EBITDA | (28.2) | (18.1) | (12.1) | 7.1 | 17.5 |
| Depreciation | (9.1) | (10.1) | (2.8) | (2.6) | (2.3) |
| Impairment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Share of JV and ass. companies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| EBIT | (37.3) | (28.2) | (14.9) | 4.6 | 15.2 |
| Interest expense | (4.8) | (7.6) | (7.5) | (11.3) | (12.8) |
| Net interest | (1.6) | (7.6) | (7.4) | (11.0) | (12.4) |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pre-tax profit | (38.9) | (35.8) | (22.3) | (6.5) | 2.8 |
| Income tax | 0.0 | 0.0 | 0.0 | 0.0 | (0.7) |
| Net income | (38.9) | (35.8) | (22.3) | (6.5) | 2.0 |
| Equity holders of the parent | (38.9) | (35.8) | (22.3) | (6.5) | 2.0 |
| Adj. EPS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| Profit and Loss Statement (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|----------------------------------|---------|---------|---------|---------|---------|
| Adj. revenue | 15.9 | 19.1 | 52.7 | 127.3 | 170.4 |
| Adj. EBITDA | (28.2) | (18.1) | (12.1) | 7.1 | 17.5 |
| Adj. EBIT | (37.3) | (28.2) | (14.9) | 4.6 | 15.2 |
| Adj. net profit | (38.9) | (35.8) | (22.3) | (6.5) | 2.0 |
| Gross margin | 100.0 | 55.9 | 32.7 | 33.3 | 34.0 |
| EBITDA margin (%) | (177.7) | (94.7) | (22.9) | 5.6 | 10.3 |
| Adj. EBITDA margin | (177.7) | (94.7) | (22.9) | 5.6 | 10.3 |
| EBIT margin (%) | (235.2) | (147.3) | (28.2) | 3.6 | 8.9 |
| Adj. EBIT margin | (235.2) | (147.3) | (28.2) | 3.6 | 8.9 |
| Net profit margin | (235.2) | (187.1) | (42.2) | (5.1) | 1.2 |
| Adj. net profit margin | (245.2) | (187.1) | (42.2) | (5.1) | 1.2 |
| Revenue growth (%) | 48.0 | 20.6 | 175.4 | 141.4 | 33.9 |
| EBITDA growth (%) | 43.1 | (35.7) | (33.5) | (159.1) | 145.3 |
| EBIT growth (%) | 31.2 | (24.5) | (47.2) | (130.7) | 232.1 |
| Net profit growth | 30.3 | (3.8) | (36.8) | (68.1) | (104.0) |

Balance Sheet

| Balance Sheet (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|--|-------------|-------------|-------------|-------------|-------------|
| Property, plant and equipment | 0.0 | 5.3 | 5.3 | 5.3 | 5.3 |
| Right-of-use assets | 1.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Intangible assets | 37.4 | 29.4 | 26.6 | 24.0 | 21.7 |
| Share of JV, ass. comp. and other inv. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest bearing assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-current assets | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total non-current assets | 39.0 | 35.0 | 32.2 | 29.7 | 27.4 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Receivables | 3.4 | 2.5 | 6.1 | 11.7 | 15.3 |
| Other current assets | 1.0 | 0.8 | 0.8 | 0.8 | 0.8 |
| Cash and cash equivalents | 6.7 | 2.3 | 5.1 | 18.6 | 21.4 |
| Total current assets | 12.7 | 10.7 | 17.2 | 36.2 | 42.7 |
| Total assets | 51.7 | 45.7 | 49.4 | 65.9 | 70.0 |

| Balance Sheet (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|--------------------------------------|-------------|--------------|---------------|---------------|---------------|
| Equity attributable to the parent | 9.0 | (8.0) | (30.3) | (36.8) | (34.7) |
| Non-controlling interests | - | - | - | - | - |
| Total equity | 9.0 | (8.0) | (30.3) | (36.8) | (34.7) |
| Long-term interest-bearing debt | 23.9 | 35.0 | 65.0 | 85.0 | 85.0 |
| Non-current lease liabilities | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non-current liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total non-current liabilities | 24.5 | 35.0 | 65.0 | 85.0 | 85.0 |
| Short-term interest-bearing debt | 6.2 | 9.6 | 9.6 | 9.6 | 9.6 |
| Current lease liabilities | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 |
| Current tax assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other current liabilities | 6.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total current liabilities | 18.2 | 18.8 | 14.7 | 17.6 | 19.7 |
| Total equity and liabilities | 51.7 | 45.8 | 49.4 | 65.9 | 70.0 |
| Gross debt | 31.4 | 45.2 | 75.2 | 95.2 | 95.2 |
| Net interest bearing debt | 24.7 | 42.9 | 70.1 | 76.6 | 73.8 |
| Capital employed | 33.8 | 34.9 | 39.8 | 39.9 | 39.1 |
| Working capital | (6.8) | (5.3) | 2.4 | 5.0 | 6.6 |

Cash Flow Statement

| Cash Flow Statement (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|--|---------------|---------------|---------------|--------------|------------|
| Net profit | (37.3) | (35.8) | (22.3) | (6.5) | 2.0 |
| D,A&I | 9.1 | 5.1 | 2.8 | 2.6 | 2.3 |
| Change in working capital | 0.8 | (8.6) | (7.7) | (2.6) | (1.5) |
| Cash flow from JV's and Associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other operating cash flow items | (1.9) | 5.7 | 0.0 | 0.0 | 0.0 |
| Cash flow from operations | (29.3) | (33.6) | (27.1) | (6.5) | 2.8 |
| Capital expenditures | (1.3) | 0.0 | 0.0 | 0.0 | 0.0 |
| Net financial investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net acquisitions/divestments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other investment items | (0.0) | (6.4) | 0.0 | 0.0 | 0.0 |
| Cash flow from investing activities | (1.3) | (6.4) | 0.0 | 0.0 | 0.0 |
| New debt | 1.4 | 10.7 | 30.0 | 20.0 | 0.0 |
| Repayment of debt | (3.3) | (1.3) | 0.0 | 0.0 | 0.0 |
| Change in debt | (1.9) | 9.3 | 30.0 | 20.0 | 0.0 |
| Dividend payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other financing items | (0.7) | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from financing activities | 32.1 | 35.0 | 30.0 | 20.0 | 0.0 |
| Other (e.g. FX) | 0.4 | 0.5 | 0.0 | 0.0 | 0.0 |
| Net cash flow | 2.0 | (4.4) | 2.9 | 13.5 | 2.8 |

| Cash Flow Statement (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|----------------------------|--------|--------|---------|---------|---------|
| Free cash flow to firm | (25.8) | (32.3) | (19.6) | 4.7 | 15.6 |
| Free cash flow to equity | (32.4) | (30.6) | 2.9 | 13.5 | 2.8 |

Key ratios & Valuation

| Key ratios & Valuation (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|--------------------------------------|--------|--------|---------|---------|---------|
| Avg. shares outstanding (m) | 39.5 | 51.3 | 51.3 | 51.3 | 51.3 |
| Avg. diluted shares outstanding (m) | 39.5 | 51.3 | 51.3 | 51.3 | 51.3 |
| EV | 113.3 | 130.7 | 157.9 | 164.4 | 161.6 |
| NIBD / EBITDA (x) | (0.9) | (2.4) | (5.8) | 10.8 | 4.2 |
| IBD / EBITDA (x) | (1.1) | (2.5) | (6.2) | 13.4 | 5.4 |
| IBD / (EBITDA - capex) (x) | (1.1) | (2.5) | (6.2) | 13.4 | 5.4 |
| IBD / Total assets | 60.8 | 98.9 | 152.2 | 144.5 | 136.0 |
| Operating cash flow / IBD | (93.2) | (74.3) | (36.1) | (6.9) | 3.0 |
| Free cash flow / IBD | (82.1) | (71.5) | (26.1) | 5.0 | 16.4 |
| EBITDA / Interest (x) | (5.9) | (2.4) | (1.6) | 0.6 | 1.4 |
| EBITDA / (Interest+Amortisation) (x) | (5.9) | (2.4) | (1.6) | 0.6 | 1.4 |
| Equity / total assets | 17.5 | (17.6) | (61.3) | (55.8) | (49.6) |

| Key ratios & Valuation (SEKm) | Dec-22 | Dec-23 | Dec-24e | Dec-25e | Dec-26e |
|-------------------------------|-----------|-----------|---------|---------|---------|
| FCFF yield | (21.8) | (23.8) | (12.0) | 2.8 | 9.3 |
| FCFE yield | (37.2) | (35.1) | 3.3 | 15.4 | 3.2 |
| ROE | (5,811.5) | (7,184.6) | 116.2 | 19.3 | (5.7) |
| ROACE | (110.6) | (82.1) | (39.8) | 11.5 | 38.4 |
| EV / Sales | 7.5 | 7.1 | 3.1 | 1.3 | 1.0 |
| EV / adj. Sales | 7.5 | 7.1 | 3.1 | 1.3 | 1.0 |
| EV / EBITDA | (4.2) | (7.5) | (13.5) | 23.8 | 9.5 |
| EV / adj. EBITDA | (4.2) | (7.5) | (13.5) | 23.8 | 9.5 |
| EV / EBIT | (3.2) | (4.8) | (11.0) | 37.1 | 11.0 |
| EV / adj. EBIT | (3.2) | (4.8) | (11.0) | 37.1 | 11.0 |
| P/E | (2) | (2) | (4) | (13) | 43 |
| P/E adj. | -- | -- | -- | -- | -- |
| P/BV | -- | -- | -- | -- | -- |
| Earnings yield | (57.9) | (41.1) | (25.5) | (7.4) | 2.3 |
| Dividend yield | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

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|------------------------------------|--|------------------------------|--------|-----------------|-----------------|-----------------------------------|--------------------|
| Bawat Water Technologies AB | - | - | - | - | - | - | - |

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|------------------------------------|-------------------|------------------|-----------------------|----------------------|
| Bawat Water Technologies AB | - | - | - | - |

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| Date | Recommendation | Target (SEK) | Price (SEK) |
|------------------|----------------|--------------|-------------|
| 26 February 2024 | Not Rated | NA | 1.7 |
| 21 November 2023 | Not Rated | NA | 1.2 |
| 5 October 2023 | Not Rated | NA | 1.13 |

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The part of this report concerning Bawat Water Technologies AB has been prepared by Ivar Ryttervold, Andreas G. Sie

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