



WATER WAYS REPORTS Q2 2020 FINANCIAL RESULTS

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August 27, 2020 – Toronto, Canada – Water Ways Technologies Inc. (TSXV: WWT) ("**Water Ways**" or the "**Company**") reports today its financial and business results for the three months ended June 30, 2020 (the "**Financial Statements**") and is pleased to provide highlights and comments on these results. This press release should be read in conjunction with the Financial Statements and corresponding Managements Discussion & Analysis found at www.sedar.com. The Company's Financial Statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**").

Ohad Haber, President, CEO and Chairman of the Board of Water Ways, commented: *"These are challenging times in the world. Our business in Canada grew substantially and we were able to reach sales of C\$3 million in the first half of 2020 making inroads selling to Canadian farmers. We will strive to continue to grow the business in Canada in the coming quarters. We are also launching our business through a direct sales subsidiary in the Republic of China which will result in growth and improved margins"*

Business highlights for the second quarter ended June 30, 2020

- (i) Canada
Our Canadian subsidiary achieved record sales of C\$1.9 million in the three months period ending June 30, 2020 and a total of C\$3 million for the six months period ending June 30, 2020. The sales were mostly comprised of products to Canadian farmers. The Company will continue to invest in the Canadian market and seek growth opportunities in Canada.
- (ii) China
Our majority owned Chinese subsidiary commenced full operations in the period and signed two irrigation projects totaling C\$210,000.
- (iii) Ethiopia
The Company's sales reached C\$464,000 in the three months period ending June 30, 2020. The Company delivered two water systems in the period: A water supply to a polymer factory and a 90,000 Sq./m blueberries irrigation project.
- (iv) Peru
Sales in Peru remained solid in the three month period amounting to C\$539,000.
- (v) Colombia
The Company advanced its planning of the of the previously announced (See *the Company's press release dated October 17, 2019*) Emerald Bud medical Cannabis cultivation project which is still in the planning phase.

Financial Highlights for the three months period ended June 30, 2020, compared to the three months period ended June 30, 2019:

The following are financial highlights of Water Ways' operating results for the three months period ended June 30, 2020, compared to the three months period ended June 30, 2019:

- Revenue amounted to C\$3.7 million for the three months period ended June 30, 2020 compared to C\$4.2 million for the three months period ended June 30, 2019.

The recognized revenues from service projects amounted to C\$0.7 million for the three months period ended June 30, 2020 as compared to C\$2.2 million for the three months period ended June 30, 2019. The decrease is mainly due to the change in dates of revenue recognition attributed to the projects.

The revenues from sales of products amounted to C\$3.1 million for the three months period ended June 30, 2020, an increase from C\$1.98 million for the three months period ended June 30, 2019. The increase is mainly due to sales of the Company's Canadian subsidiary in the Canadian market, which were C\$1.9 million.

- Cost of revenues amounted to C\$3.1 for the three months period ended June 30, 2020 compared to C\$3.6 for the three months period ended June 30, 2019.
- Gross profit reached C\$579,000 for the three months period ended June 30, 2020 compared to C\$605,000 for the three months period ended June 30, 2019.

Gross profit in service projects decreased to C\$105,000 for the three months period ended June 30, 2020 from C\$255,000 for the three months period ended June 30, 2019. The decrease in gross profit is mainly due to revenue recognition of projects.

Gross profit in the product sales increased to C\$474,000 for the three months period ended June 30, 2020 from C\$351,000 for the three months period ended June 30, 2019. The increase is mainly due to the Company's Canadian subsidiary revenues which bears a high profitability in sales of certain products.

- Selling, general and administrative expenses amounted to C\$757,000 for the three months period ended June 30, 2020 compared to C\$668,000 for the three months period ended June 30, 2019.

The increase in selling, general and administrative expenses was attributed mainly due to the operations of HGWWT, the Company's subsidiary and its related G&A expenses.

- Finance expenses amounted to C\$61,000 for the three month period ended June 30, 2020, compared to C\$72,000 for the period ended June 30, 2019 and were mainly due to bank fees and loan financing expenses.

Finance income amounted to \$nil for the three month period ended June 30, 2020, compared to C\$119,000 for the period ended June 30, 2019.

Financial Highlights for the three months period ended June 30, 2020, compared to the three months period ended June 30, 2019 (cont.):

The following is a summary of key balance sheet items as of June 30, 2020, compared to December 31, 2019:

- Cash and cash equivalents were C\$371,000 as compared to C\$309,000;
- Current assets of C\$8 million as compared to C\$7.2 million;
- Total assets of C\$9.5 million as compared to C\$8.48 million;
- Current liabilities of C\$6.85 million as compared to C\$6.05 million;
- Non-current liabilities of C\$564,000 as compared to C\$254,000.

(CAD in thousands)	Three months period ended June 30		
	<u>2020</u>	<u>2019</u>	<u>Change %</u>
Revenues:			
Services Projects	668	2,183	-69.4%
Products	3,056	1,975	54.8%
Total Revenues	3,724	4,157	-10.4%
Cost of Sales	3,145	3,552	
Gross Profit	579	605	
<i>Gross Profit Margin %</i>	<i>15.6%</i>	<i>14.6%</i>	
Operating Expenses *	757	668	
Other Income (Loss)	(61)	32	
Taxes on Income (recovery)	(52)	59	
Foreign currency translation differences	-	47	
Total Comprehensive Income (Loss)	(187)	75	

About Water Ways Technologies

Water Ways Technologies Inc., through its subsidiaries, is a global provider of Israeli based agriculture technology, providing water irrigation solutions to agricultural producers. Water Ways Technologies competes in the global irrigation water systems market with a focus on developing solutions with commercial applications in the micro and precision irrigation segments of the overall market. At present, Water Ways Technologies' main revenue streams are derived from the following business units: (i) Projects Business Unit; and (ii) Component and Equipment Sales Unit. Water Ways Technologies is capitalizing on the opportunities presented by micro and smart irrigation, while also making a positive mark on society by making these technologies more widely available, especially in developing markets such as Africa and Latin America and developed markets such as China and Canada. Water Ways Technologies irrigation projects include vineyards, Cotton fields, Apple and Orange orchids, Blueberries, Medical Cannabis, fresh produce cooling rooms and more, in over 15 countries.

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