



## **WATER WAYS REPORTS Q2 2022 FINANCIAL RESULTS SALES OF CAD\$9.5M AND NET PROFIT OF CAD\$3.9M**

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August 26, 2022 – Toronto, Canada – Water Ways Technologies Inc. (TSXV: WWT) (FRA: WWT) ("**Water Ways**" or the "**Company**"), a global provider of Israeli-based agriculture technology, providing water irrigation solutions to agricultural producers, announces the filing of its Interim Financial Statements (the "**Statements**") and Managements Discussion and Analysis (the "**MD&A**") for the three and six months periods ended June 30, 2022. A comprehensive discussion of Water Ways' financial position and results of operations is provided in the MD&A, filed on SEDAR ([www.sedar.com](http://www.sedar.com))

Ohad Haber, President, CEO and Chairman of the Board of Water Ways states: "***We are continuing to build and grow Water Ways Technologies. We started the year with a record backlog of \$13M. Our Canadian business is growing rapidly. The War in the Ukraine and the lockdown in China delayed some of our business in Asia and proved challenging***".

On Thursday, September 1, 2022, at 9 am Eastern Time, the Company will host a live webinar with a corporate update, earnings discussion and a discussion on the Hidrotop acquisition. An Investor question-and-answer session will follow.

**Register: Water Ways Technologies: Q2 Earnings Call an Hidrotop Acquisition**

### **Highlights – First Half 2022 (the following information should be read in conjunction with, and is qualified by, the Statements and the MD&A)**

- Sales for the six months period ended June 30, 2022, totaling CAD\$9.5M compared to CAD\$12.1M for the six months period ended June 30, 2021. Decrease in sales was mainly due to a delay in the commencement of the Uzbekistan projects and the Lockdown in China.
- Company's product sales to South and Central America increased significantly to CAD\$3.2M for the six month period ended June 30, 2022 compared to CAD\$1.8M for the six month period ended June 30, 2021.
- Net profit for the six months period ended June 30, 2022 amounted to CAD\$3.9M compared with CAD\$0.2M for the six months period ended June 30, 2021.
- Record sales of Heartnut Grove WWT Inc., the Company's wholly owned Canadian subsidiary, increased substantially and reached CAD\$4.9M for the six months period ended June 30, 2022, compared to CAD\$3.8M for six months period ended June 30, 2021.
- Working capital remains flat as of June 31, 2022 totaled CAD\$4.6M compared to CAD\$4.5M as of December 31, 2021.
- During the six months period ended June 30, 2022, The Company signed a Letter of Intent to acquire the Chilean irrigation company Hidrotop, preformed and completed its Due Diligence and on August 23, the Company announced that its board of directors has approved the execution of a definitive agreement for the acquisition of 51% of the Shares of Hidrotop, all subject to final approval by the TSXV.
- During the three months period ended March 31, 2022, the Company received the largest contracts in its history in Uzbekistan, resulting in orders of over CAD\$9.4M. The war in Ukraine impacts the Company and causes delays in 2022 projects in Uzbekistan and other regional territories which conduct business with Russia. The unstable events in the region had forced the Company to be

conservative and not recognize revenue from Uzbekistan projects (*including the projects announced on press releases dated January 31, 2022 and February 10, 2022*) during the six months period ended June 30, 2022.

- **Derivative Liability – Warrants** relates to a classification under IFRS of outstanding warrants issued as part of the 2021 Private Placement as a non-cash liability that arises due to the difference in operational currency and functional currency. This liability is revalued each period by an independent third party. The revaluation is at fair value through profit and loss.

### **Water Ways Technologies Financial Results Summary (CAD\$ in thousands)**

The following tables set forth the highlights of the consolidated financial information of the Company and should be read in conjunction with the Statements and the notes thereto.

<i>(CAD in thousands)</i>	<b>As of June 30, 2022</b>	<b>As of December 31, 2021</b>	<b>Change %</b>
<b>Balance Sheet Items:</b>			
Cash and Cash Equivalents	2,361	3,295	-28.4%
Total Current Assets	14,610	12,279	19.0%
Total Assets	17,709	15,321	15.6%
Total Current Liabilities	9,952	7,706	29.1%
Total Non-Current Liabilities	4,171	8,589	-51.4%

<i>(CAD in thousands)</i>	<b>For the three months period ended June 30,</b>		<b>Change %</b>
	<b>2022</b>	<b>2021</b>	
<b>Revenues:</b>			
Services Projects	1,598	3,181	-49.8%
Products	3,173	3,461	-8.3%
<b>Total Revenues</b>	<b>4,748</b>	<b>6,643</b>	-28.5%
Cost of Sales	3,938	5,493	-28.3%
<b>Gross Profit</b>	<b>810</b>	<b>1,150</b>	-29.6%
<i>Gross Profit Margin %</i>	<i>17.1%</i>	<i>17.3%</i>	
Operating Expenses	936	950	
Revaluation of derivatives - income	(3,545)	-	
Financial expense (income), net	26	217	
Taxes on Income (recovery)	48	33	
<b>Profit for the period</b>	<b>3,344</b>	<b>(50)</b>	6618.3%

### ***About Water Ways Technologies Inc.***

WWT through its subsidiaries, is a global provider of Israeli-based agriculture technology, providing water irrigation solutions to agricultural producers. WWT 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, WWT's main revenue streams are derived from the following business units: (i) Projects Business Unit; and (ii) Component and Equipment Sales Unit. WWT 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. WWT's irrigation projects include vineyards, Cotton fields, Apple and Orange orchards, Blueberry, Medical Cannabis growers, fresh produce cooling rooms and more, in over fifteen countries.

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### **Forward-Looking Statements**

*Certain statements contained in this press release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to Water Ways. All statements other than statements of historical fact may be forward-looking information. Such statements reflect Water Ways' current views and intentions with respect to future events, and current information available to Water Ways, and are subject to certain risks, uncertainties and assumptions. Material factors or assumptions were applied in providing forward-looking information. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. Should any factor affect Water Ways in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, Water Ways does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and Water Ways undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law. Water Ways' results and forward-looking information and calculations may be affected by fluctuations in exchange rates and its own share prices. All figures are in Canadian dollars unless otherwise indicated.*