



WATER WAYS TECHNOLOGIES ANNOUNCES THE EXECUTION OF A DEFINITIVE AGREEMENT FOR THE ACQUISITION OF A MAJORITY INTEREST IN HIDROTOP, A CHILEAN SMART IRRIGATION SOLUTION PROVIDER

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August 23, 2022 – Toronto, Ontario – 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, is pleased to announce, further to its recent announcement dated June 9, 2022, that its board of directors has today approved the execution of a definitive agreement (the "**SPA**") for the acquisition (the "**Acquisition**") of 51% of the shares (the "**Shares**") of the Chilean smart irrigation provider, Desarrollo de Sistemas Hidraulicos S.A. ("**Hidrotop**"). The SPA provides that closing of the Acquisition is subject to the completion of certain customary conditions precedent as are customary for transactions of this nature including the approval of the TSX Venture Exchange.

In consideration for the Shares, Water Ways will pay an aggregate acquisition price of USD\$3,500,000, upon closing of the Acquisition (the "**Closing**") consisting of: (i) a one-time cash payment equal to USD\$2,000,000; and (ii) the issuance of 5,686,364 common shares in the capital of Water Ways (the "**Subject Shares**") at a deemed price per Subject Share of CDN\$0.33, subject to a standard four month and one day hold period from Closing (the "**Hold Period**"). In addition to the Hold Period the Subject Shares will be subject to an escrow agreement governing their release in accordance with the following timeline: 25% of the Subject Shares (the "**Release Amount**") will be released at the end of the Hold Period and further releases, each of a Release Amount, to be released upon the dates which are 6, 9 and 12 months, respectively, from the Closing.

"We are very pleased to complete this Acquisition and welcome everyone at Hidrotop to the Water Ways family", said Mr. Ohad Haber, Chairman and CEO of Water Ways Technologies. "We have worked with Hidrotop for 15 years as our largest client in Chile. The addition of Hidrotop expands the scope and reach of our smart irrigation projects business to South America and is in-line with the strategic direction we've communicated. We believe there is material upside potential for revenue and profitability through capacity expansion, supply chain improvements and cost synergies."

"We believe partnering with water Ways Technologies is a win-win scenario for our valued employees and customers", said Mr. Patricio Bambach, the CEO and major shareholder of Hidrotop. "It is a very strong strategic fit and we see the same path to much larger and more profitable operations leveraging greater access to capital. This in turn, will enable us to grow our smart irrigation projects business in Chile and reach out to other countries in South America to supply the growing demand for more efficient use of water."

Hidrotop is a Hydraulic engineering company with a regional presence in the agricultural and mining industries in Chile and Argentina. Since 1997, Hidrotop has been efficient and innovative in the area of irrigation, which is demonstrated in more than 30,000 hectares installed. Hidrotop has professional teams with extensive experience in automation and remote systems administration. Their main objectives are to optimize water usage, implement irrigation in rainfed areas whilst adapting to climate changes and

implement high-end technologies. CEO of Hidrotop, Mr. Patricio Bambach, has vast experience and knowledge in the South American irrigation market as well as developing special techniques using water technologies in the mining industry.

The following Key Financial Highlights of Hidrotop, as presented by Hidrotop, have been audited using Chilean GAAP (amounts are in thousands of USD\$):

	For the year ended December 31		
	2021	2020	2019
Revenues	7,888	6,256	6,582
Cost of Sales	5,545	4,456	4,792
Gross Profit	2,343	1,800	1,790
<i>Gross Profit Margin %</i>	30%	29%	27%
Operating Expenses	1,559	1,316	1,404
EBITDA	785	484	386
Depreciation	36	30	29
EBIT	748	454	357
Other expenses	97	24	40
Corporate income tax	177	118	87
Profit for the period	474	312	231

	As of December 31, 2021	As of December 31, 2020
Balance Sheet Items:		
Cash and Cash Equivalents	193	516
Total Current Assets	3,215	3,443
Total Assets	3,853	4,150
Total Current Liabilities	662	972
Total Non-Current Liabilities	501	759

- Hidrotop generated revenue of approximately USD\$7.8 million and EBITDA of approximately USD\$0.78 million in the calendar year ended December 2021.
- Hidrotop generated revenue of approximately USD\$6.3 million and EBITDA of approximately USD\$0.48 million in the calendar year ended December 2020.
- Hidrotop had a positive working capital of USD\$2.5 million in the calendar year ended December 2021.
- Hidrotop's Shareholders equity was USD\$2.69 million for the year ended December 2021.
- Hidrotop's gross margin for the year ended December 2021 was 30%.
- The Company has performed a satisfactory due diligence on Hidrotop regarding its Financial Statements, Tax matters and Human Resources.

Key Strategic Highlights:

- The current management team operating Hidrotop will be joining the Water Ways' team as Mr. Bambach will remain in his position as CEO of Hidrotop for a period of 6 years post-closing.
- Hidrotop's engineers and planning department will contribute its know-how and experience to the Water Ways group.
- Hidrotop staff of engineers will strengthen Water Ways ability to plan, deliver and install smart irrigation projects.
- Strategic access to the Chilean broader and Latin American smart and drip irrigation markets which according to research from Market Data Forecast¹ being worth USD\$0.64 billion and is expected to have a CAGR of 17% and reach USD\$1.43 billion in 2026.
- Water Ways is expected to supply Hidrotop with smart irrigation solutions based on Israeli Technology, which is expected to result in material positive financial synergies.
- Hidrotop to become Water Ways' logistic center in South America for exiting customers , especially in Peru reducing costs and delivery schedules.



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

¹ <https://www.marketdataforecast.com/market-reports/latin-america-micro-irrigation-systems-market>

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 orchards, Blueberries, Medical Cannabis, fresh produce cooling rooms and more, in over 15 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. All figures are in Canadian dollars unless otherwise indicated.