



WATER WAYS REPORTS Q1 2022 FINANCIAL RESULTS SALES OF CAD\$4.6M AND NET PROFIT OF CAD\$0.56M

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May 27, 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 months period ended March 31, 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)

Ohad Haber, President, CEO and Chairman of the Board of Water Ways states: "*The first quarter of 2022 was a challenging quarter for Water Ways Technologies. We started the year with a record backlog of orders exceeding CAD\$13M, however, the war in the Ukraine and the lockdown in China delayed some of our business. I am very pleased with our Canadian business achieving record quarterly sales and I anticipate finalizing our important acquisition in Chile in the coming weeks*".

On Tuesday, May 31, 2022, at 9 am Eastern Time, Water Ways' management including CEO, Mr. Ohad Haber, CFO, Mr. Dor Sneh and Mr. Ronnie Jaegermann, Director, will host a live webinar with a corporate update, earnings discussion and outlook for 2022 and beyond. An Investor question-and-answer session will follow.

[Register: Water Ways Technologies Inc. - Q1 2022 Earnings Call and Financial Statements](#)

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

- Sales for the three months period ended March 31, 2022, totaling CAD\$4.6M compared to CAD\$5.4M for the three months period ended March 31, 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\$1.5M for the three month period ended March 31, 2022 compared to CAD\$0.46M for the three month period ended March 31, 2021.
- Net profit for the three months period ended March 31, 2022 amounted to CAD\$0.56M compared with CAD\$0.22 for the three months period ended March 31, 2021.
- Record sales of Heartnut Grove WWT Inc., the Company's wholly owned Canadian subsidiary, increased substantially and reached CAD\$2.62M for the three months period ended March 31, 2022, compared to CAD\$1.68M for three months period ended March 31, 2021.
- Working capital remains flat as of March 31, 2022 totaled CAD\$4.5M compared to CAD\$4.5M as of December 31, 2021.
- The Company signed a Letter of Intent to acquire a Chilean irrigation company. As of March 31, 2022, the Company has completed its Due Diligence and currently negotiating final terms of the agreement.
- 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 three months period ended March 31, 2022.

- IAT Shanghai, the Company's Chinese subsidiary, did not contribute to the revenues as a result of the zero-COVID policy of the Chinese government and the frequent quarantines which delays the Company's ability to finalize existing projects and negotiating new projects.
- Derivative Liability – Warrants relates to a classification under IFRS of outstanding warrants issued as part of the 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.

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>	As of December 31, 2021	As of December 31, 2021	Change %
Balance Sheet Items:			
Cash and Cash Equivalents	1,311	3,295	-60.2%
Total Current Assets	14,727	12,279	19.9%
Total Assets	17,758	15,321	15.9%
Total Current Liabilities	10,343	7,706	34.2%
Total Non-Current Liabilities	7,768	8,589	-9.6%

<i>(CAD in thousands)</i>	For the three months period ended March 31,		Change %
	2022	2021	
Revenues:			
Services Projects	904	3,217	-71.9%
Products	3,704	2,233	65.9%
Total Revenues	4,599	5,450	-15.6%
Cost of Sales	3,794	4,219	-10.1%
Gross Profit	805	1,231	-34.6%
<i>Gross Profit Margin %</i>	<i>17.5%</i>	<i>22.6%</i>	
Operating Expenses	974	737	
Revaluation of derivatives - income	(595)	-	
Financial expense (income), net	(134)	228	
Taxes on Income (recovery)	(3)	46	
Profit for the period	563	220	155.8%

In 2020, The Company registered Share Issuance Liability to the CEO of the Company's Chinese subsidiary, IRRI-AL TAL (Shanghai) in the amount of US\$700,000. The Company has agreed, subject to TSX Venture Exchange approval, to issue up to 3,594,360 common shares (the "**Shares**") in lieu of payments owing to the Chinese CEO at a per share price of CAD\$0.25. The Shares will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation

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.