



# Water Ways

technologies

## **WATER WAYS TECHNOLOGIES INC.**

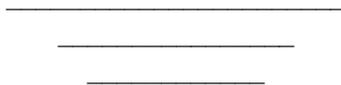
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS PERIOD ENDED SEPTEMBER 30,**  
**2024**

**(UNAUDITED)**

**WATER WAYS TECHNOLOGIES INC.**

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## **NOTICE TO SHAREHOLDERS**

The accompanying unaudited condensed consolidated interim financial statements of WATER WAYS TECHNOLOGIES INC. for the nine months ended September 30, 2024, have been prepared by management in accordance with International Financial Reporting Standards applicable to consolidated interim financial statements (Note 2). Recognizing that the Company is responsible for both the integrity and objectivity of the unaudited condensed consolidated interim financial statements, management is satisfied that these unaudited condensed consolidated interim financial statements have been fairly presented.

Under National Instrument 51-102, part 4, sub-section 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**WATER WAYS TECHNOLOGIES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(US Dollar in thousands)

	<u>Note</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
		<u>(unaudited)</u>	<u>(audited)</u>
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents		5	199
Restricted Cash		14	14
Trade accounts receivable, net		842	1,288
Other accounts receivable		247	455
Advance payments for projects		-	83
Inventory		751	1,661
<b>Total current assets</b>		<b>1,859</b>	<b>3,700</b>
<b>NON-CURRENT ASSETS:</b>			
Other accounts receivable		108	110
Intangible assets, net		135	175
Goodwill		129	129
Property, plant and equipment, net		131	333
<b>Total non-current assets</b>		<b>503</b>	<b>747</b>
<b>TOTAL ASSETS</b>		<b>2,362</b>	<b>4,447</b>
<b>CURRENT LIABILITIES:</b>			
Short term loans, current portion of long-term loans and line of credit		1,098	1,860
Lease liabilities		23	33
Trade accounts payable		2,064	2,201
Other accounts payable		334	456
<b>Total current liabilities</b>		<b>3,519</b>	<b>4,550</b>
<b>NON-CURRENT LIABILITIES:</b>			
Long-term loans		837	102
Contingent liability		365	365
Share issuance liability		700	700
Lease liabilities		17	36
Convertible debenture	3	117	310
Derivative - warrants	3	1	9
<b>Total non-current liabilities</b>		<b>2,037</b>	<b>1,522</b>
<b>SHAREHOLDERS' DEFICIT:</b>			
Share capital	3	*	*
Additional paid in capital		7,540	7,540
Reserves		156	187
Retained deficit		(10,555)	(9,022)
<b>Water Ways Technologies Inc shareholders' deficit</b>		<b>(2,859)</b>	<b>(1,295)</b>
Non-controlling interest		(335)	(330)
<b>Total shareholders' equity</b>		<b>(3,194)</b>	<b>(1,625)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		<b>2,362</b>	<b>4,447</b>

\* Represent an amount lower than 1 thousand.

**The accompanying notes are an integral part of the condensed interim consolidated financial statements**

November 27, 2024

Date of approval

Ohad Haber  
CEO & Executive Director

Asi Levi  
CFO

**WATER WAYS TECHNOLOGIES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(US Dollars in thousands, except for share and per share amounts)

	Note	For the three months period ended September 30		For the nine months period ended September 30	
		2024	2023	2024	2023
		Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenues:</b>	6				
Services		227	87	468	1,223
Products		299	1,143	2,680	4,768
<b>Total revenues</b>		<b>526</b>	<b>1,230</b>	<b>3,148</b>	<b>5,991</b>
<b>Cost of revenues:</b>					
Services		158	30	327	922
Products		807	1,032	2,773	4,079
<b>Total cost of revenues</b>		<b>965</b>	<b>1,062</b>	<b>3,100</b>	<b>5,001</b>
<b>Gross profit (loss)</b>		<b>(439)</b>	<b>168</b>	<b>48</b>	<b>990</b>
Sales and marketing expenses		133	124	390	629
Expected credit loss		450	-	450	-
General and administrative expenses		168	364	760	1,143
<b>Operating loss</b>		<b>(1,190)</b>	<b>(320)</b>	<b>(1,552)</b>	<b>(782)</b>
Finance expenses		(96)	(22)	(189)	(155)
Finance income		-	-	-	5
Revaluation of derivatives		75	436	211	1,045
<b>Profit (loss) before taxes on income</b>		<b>(1,211)</b>	<b>94</b>	<b>(1,530)</b>	<b>113</b>
Tax on income (recovery)		-	(8)	8	(14)
<b>Profit (loss) for the period</b>		<b>(1,211)</b>	<b>102</b>	<b>(1,538)</b>	<b>127</b>
<b>Other comprehensive expense:</b>					
Item that will not be reclassified to profit or loss:					
Foreign currency translation differences		8	(66)	(31)	(16)
<b>Total other comprehensive loss</b>		<b>8</b>	<b>(66)</b>	<b>(31)</b>	<b>(16)</b>
<b>Net comprehensive income (loss)</b>		<b>(1,203)</b>	<b>36</b>	<b>(1,569)</b>	<b>111</b>
<b>Profit for the period attributed to:</b>					
Non-controlling interests		-	2	(5)	17
Water Ways Technologies Inc Shareholders'		(1,211)	34	(1,533)	110
<b>Profit (loss) for the period</b>		<b>(1,211)</b>	<b>36</b>	<b>(1,538)</b>	<b>127</b>
<b>Total Comprehensive income (loss) for the period attributed to:</b>					
Non-controlling interests		-	2	(5)	17
Water Ways Technologies Inc Shareholders'		(1,203)	34	(1,564)	94
<b>Net comprehensive income (loss)</b>		<b>(1,203)</b>	<b>36</b>	<b>(1,569)</b>	<b>111</b>
Basic profit (loss) per share attributable to shareholders:		(0.0081)	0.0007	(0.0103)	0.0009
Weighted average number of common shares outstanding:		148,785,345	148,748,388	148,785,345	148,035,785
Diluted profit (loss) per share attributable to shareholders:		(0.0081)	0.0005	(0.0103)	0.0006
Weighted average number of common shares outstanding:		148,785,345	148,748,388	148,785,345	197,724,078

**The accompanying notes are an integral part of the condensed interim consolidated financial statements**

**WATER WAYS TECHNOLOGIES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited, US Dollars in thousands, except for share and per share amounts)

**For the nine months period ended September 30, 2024:**

	Number of Shares	Share capital	Additional paid-in capital	Retained deficit	Capital reserve for share-based payment	Currency translation adjustment	Total	Non- controlling interests	Total Shareholders' deficit
<b>Balance at January 1, 2024</b>	<b>148,785,345</b>	*	<b>7,540</b>	<b>(9,022)</b>	<b>203</b>	<b>(16)</b>	<b>(1,295)</b>	<b>(330)</b>	<b>(1,625)</b>
Net income	-	-	-	(1,533)	-	-	(1,533)	(5)	(1,538)
<i>Other comprehensive income (loss):</i>									
Exchange differences on translating foreign operation	-	-	-	-	-	(31)	(31)	-	(31)
<b>Balance at September 30, 2024</b>	<b>148,785,345</b>	*	<b>7,540</b>	<b>(10,555)</b>	<b>203</b>	<b>(47)</b>	<b>(2,859)</b>	<b>(335)</b>	<b>(3,194)</b>

\*Represent an amount lower than 1 thousand

**The accompanying notes are an integral part of the condensed interim consolidated financial statements**

**WATER WAYS TECHNOLOGIES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited, US Dollar in thousands)

**For the nine months period ended September 30, 2023:**

	Number of Shares	Share capital	Additional paid-in capital	Retained deficit	Capital reserve for share-based payment	Currency translation adjustment	Total	Non- controlling interests	Total Shareholders' equity
<b>Balance at January 1, 2023</b>	<u>145,970,345</u>	*	<u>7,307</u>	<u>(5,796)</u>	<u>203</u>	<u>(3)</u>	<u>1,711</u>	<u>67</u>	<u>1,778</u>
Net income				110			110	17	127
<i>Other comprehensive income (loss):</i>									
Exchange differences on translating foreign operation						(16)	(16)	-	(16)
<b>Total comprehensive income</b>	-	-	-	<b>110</b>	-	<b>(16)</b>	<b>94</b>	<b>17</b>	<b>111</b>
Exercise of Options to employees and directors	400,000	-	26	-	(7)		19	-	19
Private placement, net	2,415,000	*	196	-	-	-	196	-	196
<b>Balance at September 30, 2023</b>	<u>148,785,345</u>	*	<u>7,529</u>	<u>(5,686)</u>	<u>196</u>	<u>(19)</u>	<u>2,020</u>	<u>84</u>	<u>2,104</u>

\*Represent an amount lower than 1 thousand

**The accompanying notes are an integral part of the condensed interim consolidated financial statements**

**WATER WAYS TECHNOLOGIES INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited, US Dollars in thousands)

	<b>For the nine months period ended September 30, 2024</b>	<b>For the nine months period ended September 30, 2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss) for the period	(1,538)	127
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	105	188
Financial expenses (income)	34	39
Change in trade accounts receivable, net	446	(403)
Change in other accounts receivable	210	141
Loss from sale of fixed assets	12	6
Decrease in project advance payments	83	269
Change in inventory	910	(325)
Change in trade accounts payable	(137)	75
Change in other accounts payable	(122)	103
Change in fair value of derivative	(201)	(1,046)
Change in deferred revenues	-	(29)
Change increase in deferred taxes	-	(17)
<b>Net cash used in operating activities</b>	<b>(198)</b>	<b>(872)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment, net	-	(8)
Sale of property, plant and equipment, net	102	40
Change in restricted cash	-	1
<b>Net cash generated from investing activities</b>	<b>102</b>	<b>33</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of bank loans	(1,157)	(1,147)
Receipt of bank loans	1,265	1,018
Line of credit	(159)	67
Lease payments	(29)	(12)
Convertible debenture proceeds, net	-	62
Private placement proceeds, net	-	214
Exercise of options	-	19
<b>Net cash provided by (used in) financing activities</b>	<b>(80)</b>	<b>221</b>
<b>Effect of foreign exchange rate on cash</b>	<b>(18)</b>	<b>(189)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(194)</b>	<b>(807)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>199</b>	<b>1,064</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5</b>	<b>257</b>

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

**WATER WAYS TECHNOLOGIES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS - APPENDICES**  
**(US Dollar in thousands)**

**APPENDIX A - AMOUNT PAID DURING THE PERIOD FOR:**

	<b>For the nine months period ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Loan Interest	75	60
Convertible debenture interest	30	33

**The accompanying notes are an integral part of the condensed interim consolidated financial statements**

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollars in thousands)**

**NOTE 1 – GENERAL:**

A. Water Ways Technologies Inc. ("Water Ways", "WWT" or the "Company") was incorporated under the Business Corporations Act (Ontario) on April 20, 2007 and was classified as a Capital Pool Corporation as defined by TSX Venture Exchange ("TSX-V" or "Exchange") Policy 2.4. Water Ways Technologies Inc. is the parent company of Irri-Al-Tal Ltd. ("Irri-Al-Tal" or "IAT"), Heartnut Grove WWT Inc. ("HGWWT"), Zoryan Trade S.A. ("Zoryan") and Maravey Corporation S.A. ("Maravey"), and indirectly through Irri-Al-Tal of H.D.P Irrigation Ltd. ("H.D.P") and IRRI-AL TAL (Shanghai) Agriculture Technology Company Ltd. ("IRRI-AL TAL (Shanghai)" or "IAT Shanghai"). The Company's registered address is 77 King Street West, Suite 2905, Toronto, Ontario, M5K 1H1.

On October 1, 2024, the Company announced that that it is focusing on the Canadian market in an effort to streamline operations by reducing fixed and variable costs, and that it has filed an application to cease the operations of the Israel subsidiary Irri-Al-Tal Ltd. with the local Israeli courts (the "Application"). The filing of the Application has been approved by the directors of the Company.

B. The accompanying condensed interim consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has incurred recurring operating losses and negative cash flows from operating activities in the three and nine months period ended September 30, 2024, and in the prior two fiscal years 2023 and 2022, such that as of September 30, 2024, the Company had accumulated losses of \$10,555 and a net loss in the amount of \$1,538 for the nine months ended September 30, 2024. As a result of the forementioned above, the Company depends on fundraising from new and existing investors to finance its activities.

C. The Company's manufacturing facility and offices are located in Israel. On October 7, 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel declared war against Hamas and the Israeli military began to call-up reservists for active duty. At the same time, and because of the declaration of war against Hamas, the clash between Israel and Hezbollah in Lebanon has escalated and there is a possibility that it will turn into a greater regional conflict in the future. As of the date of these Financial Statements, these events have had no material impact on the Company's operations.

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 1 – GENERAL: (CONT.)**

These Condensed Interim Consolidated financial statements were authorized for issue by the Board of Directors on November 27, 2024.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:**

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financials were prepared based on the same accounting policy as the annual financials. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ending December 31, 2023. Certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS are not included in these condensed consolidated interim financial statements as signed on November 27, 2024.

**Basis of consolidation**

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. *De-facto* control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether *de-facto* control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights.
- Substantive potential voting rights held by the Company and by other parties.
- Other contractual arrangements.
- Historic patterns in voting attendance.

The consolidated financial statements present the results of WWT and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollars in thousands)**

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONT.):**

**Business Combination**

The condensed interim consolidated financial statements of the Company include the accounts of the Company and the following subsidiaries:

<u>Entity Name</u>	<u>Jurisdiction of Incorporation</u>	<u>Percentage of WWT Ownership (Direct and Indirect)</u>
Water Ways Technologies Inc.	Canada	Parent Company
Irri-Al-Tal Ltd. (" <b>Irri-Al-Tal</b> " or " <b>IAT</b> ")	Israel	100%
Heartnut Grove WWT Inc. (" <b>HGWWT</b> ")	Canada	100%
H.D.P Irrigation Ltd.	Israel	73%
IRRI-AL TAL (Shanghai) Agriculture Technology Company Ltd. (" <b>IRRI-AL TAL (Shanghai)</b> " or " <b>IAT Shanghai</b> ")	People's Republic of China	73%
Maravey Corporation S.A. (" <b>Maravey</b> ") (*)	Oriental Republic of Uruguay	52%
Zoryan Trade S.A. (" <b>Zoryan</b> ") (*)	Oriental Republic of Uruguay	52%

(\*) Inactive company

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 3 – SHAREHOLDERS' DEFICIT:**

**A. Common shares**

Common Shares confer upon their holders the right to receive notice, to participate and vote in general meetings of the Company and the right to receive dividends, if and when declared.

No shares were issued during the three and nine months ended September 30, 2024.

**Shares, Warrants, Finder Warrants, Options and Convertible Debentures Outstanding as of September 30, 2024:**

<u>Security</u>	<u>Number</u> <u>Outstanding</u>	<u>Exercise Price in CAD\$</u>	<u>Expiry Date</u>
Ordinary shares	148,785,345	-	
Options for directors and employees	800,000	0.06	14/5/2025
Participant Options	1,410,000	0.195	29/8/2026
Convertible Debentures	2,131,429	0.35	20/6/2025
CD Warrant	2,131,429	0.45	20/6/2025
Warrant - Series B	1,207,500	0.20	3/3/26
Finder Warrant - Series B	193,200	0.13	3/3/26
Convertible Debentures - Series B	382,500	0.24	3/3/25
CD Warrant - Series B	191,250	0.30	3/3/25
CD Finder Warrant - Series B	30,600	0.24	3/3/25
<b>Total securities</b>	<b>157,263,253</b>		

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 3 – SHAREHOLDERS' DEFICIT(CONT.):**

**B. Convertible Debentures**

- The convertible debentures, as well as the warrants (all issued in prior periods) were classified as a derivative financial liability and its fair value measurement was applied using a binomial model, based on the Cox, Ross Rubinstein (1979) method, is based on significant unobservable inputs and thus represents a level 3 measurement within the fair value hierarchy (see Note 2 in the Audited Annual Financial Statements).
- The following table reflects the fair value composition of the Convertible Debenture:

<b>Balance – December 31, 2023</b>	<b>\$</b>	<b>310</b>
Receipts of Convertible Debenture securities		-
Fair value revaluation		(193)
<b>Balance – September 30, 2024</b>	<b>\$</b>	<b>117</b>

- The aggregate principal amount and interest owing to the convertible debenture holders as of September 30, 2024 and December 31, 2023 is \$688 and \$612, respectively.
- On June 19, 2024, the Company announced that it has extended the Maturity Date of certain outstanding convertible debentures in the aggregate outstanding amount of CAD\$746,000 from June 20, 2024, to June 20, 2025. The Company will pay the holders of the convertible debentures a one-time payment in the amount of 10 percent of their convertible debenture (total added payment will be CAD\$74,600, expected to be made before December 31, 2024).

**C. Warrants, Compensation Warrants and Stock Options**

**1. Options and shares granted to employees, directors and service providers:**

A summary of the status of the Company's option plan granted to employees and directors as of September 30, 2024, and changes during the relevant period ended on that date is presented below:

	<b>For the nine months period ended September 30, 2024</b>		<b>Year ended December 31, 2023</b>	
	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Number of options</b>	<b>Weighted average exercise price</b>
Outstanding at beginning of year	5,583,527	CAD\$0.11	5,983,527	CAD\$0.12
Granted	-	-	-	-
Exercised	-	-	(400,000)	CAD\$0.06
Forfeited and cancelled	(3,373,527)	CAD\$0.25	-	-
Outstanding at end of the period	<b>2,210,000</b>	<b>CAD\$0.15</b>	<b>5,583,527</b>	<b>CAD\$0.11</b>
Exercisable options	<b>2,210,000</b>	<b>CAD\$0.15</b>	<b>5,583,527</b>	<b>CAD\$0.11</b>

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 3 – SHAREHOLDERS' DEFICIT (CONT.):**

**C. Warrants, Compensation Warrants and Stock Options (cont.)**

**1. Options and shares granted to employees, directors and service providers (cont.):**

The options to employees and directors outstanding as of September 30, 2024, are comprised, as follows:

<u>Exercise price</u>	<u>Outstanding as of September 30, 2024</u>	<u>Weighted average remaining contractual term (years)</u>	<u>Exercisable as of September 30, 2024</u>	<u>Weighted average remaining contractual term (years)</u>
CAD\$0.06	800,000	0.12	800,000	0.12
CAD\$0.195	1,410,000	1.41	1,410,000	1.41
	<u>2,210,000</u>		<u>2,210,000</u>	

**2. Derivative liability - Warrants:**

In accordance with IAS 32, since the exercise prices of previously issued warrants and convertible debentures (all collectively, the "Derivative Liability Warrants") issued are not a fixed amount as they are denominated in a currency (Canadian dollar) other than the Company's functional currency (U.S. dollar), the Derivative Liability Warrants are accounted for as a derivative financial liability. Each warrant liability is initially measured at fair value and subsequent changes in fair value are recorded through the Net and Comprehensive Profit for the period. The fair value of the Derivative Liability Warrants was determined initially using a comparable warrant quoted in an active market, adjusted for differences in the terms of the warrant.

The Derivative Liability Warrants were categorized as level 3 (see Note 2 to the Audited Financial Statements - Fair value measurement).

As of September 30, 2024, the Derivative Liability Warrants fair value measurement was \$1.

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(US Dollar in thousands)

**NOTE 3 – SHAREHOLDERS' DEFICIT (CONT.):**

**C. Warrants, Compensation Warrants and Stock Options (cont.)**

**2. Derivative liability – Warrants (cont.):**

The following table reflects the continuity of the Derivative Liability Warrants for the periods presented:

Warrant activity	Exercisable as of September 30, 2024	Weighted average exercise price in CAD\$
<b>Balance – Beginning of Period</b>	<b>41,745,098</b>	0.19
Issued during the period	-	-
Expired during the period	(37,991,119)	0.18
<b>Balance – End of Period</b>	<b>3,753,979</b>	<b>0.32</b>

Warrant activity	Exercisable on December 31, 2023	Weighted average exercise price in CAD\$
<b>Balance – Beginning of Period</b>	<b>40,122,548</b>	
Exercised during the period (Finder Warrant)	-	-
Issued during the period (Series B Warrant)	1,207,500	0.20
Issued during the period (Series B Finder Warrant)	193,200	0.13
Issued during the period (Series B CD Warrant)	191,250	0.30
Issued during the period (Series B CD Finder Warrant)	30,600	0.24
<b>Balance – End of Period</b>	<b>41,745,098</b>	

The following table reflects the fair value composition of Derivative Liability Warrants:

<b>Balance – December 31, 2023</b>	<b>\$</b>	<b>9</b>
Issuance of Series B Warrants		-
Issuance of Series B Broker Warrants		-
Issuance of Series B CD Warrants		-
Issuance of Series B CD Broker Warrants		-
Fair value revaluation		(8)
<b>Balance – September 30, 2024</b>	<b>\$</b>	<b>1</b>

\* Represent an amount lower than 1 thousand.

The warrants were classified as a derivative financial liability and its fair value measurement was applied using a binomial model, based on the Cox, Ross Rubinstein (1979) method, is based on significant unobservable inputs and thus represents a level 3 measurement within the fair value hierarchy (see Note 2 in the Audited Financial Statements).

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 4 – SEGMENT REPORTING:**

The Company identifies Mr. Haber, who is the Company's CEO and principal shareholder, as its Chief Operating Decision Maker ("CODM"). As the Company's CODM, Mr. Haber receives information on a segregated basis (for review on a regular basis) of each business unit, i.e., projects (services) and products (components) as well as information segregated for geographical areas. The financial statements present within statements of comprehensive income the revenues from each segment on a standalone basis as well as gross profit of each segment. The information presented in the consolidated financial statements is essentially the same information provided to the CODM and the same information regarding decisions about allocating resources. The Company accounts for its segment information in accordance with IFRS 8 "*Segment Reporting*" which establishes annual and interim reporting standards for operating segments of a company based on the Company's internal accounting methods. Operating segments are based upon its internal organization structure, the way the Company's operations are managed and the availability of separate financial information. Summarized financial information by segment, based on the Company's internal financial reporting system utilized by the Company's CODM, as follows:

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(US Dollars in thousands)

**NOTE 4 – SEGMENT REPORTING (CONT.):**

For the three months period ended September 30, 2024:

		HGWWT	IAT	IAT	HGWWT	IAT Shanghai	Water Ways	Company Total
		Products		Project Services				
<i>Revenues</i>								
	External	299	-	-	227	-		526
	Inter-segment	-	-	-				-
<i>Total</i>		299	-	-	227	-		526
<i>Segment gross profit</i>		(58)	(450)	-	69	-		(439)
<u>Non-allocated:</u>								
Expenses								(751)
Finance expenses, net								(21)
<b>Loss before tax on income</b>								<b>(1,211)</b>

For the nine months period ended September 30, 2024:

		HGWWT	IAT	IAT	HGWWT	IAT Shanghai	Water Ways	Company Total
		Products		Project Services				
<i>Revenues</i>								
	External	2,466	214	-	468	-	-	3,148
	Inter-segment	-	195	-	-	-	-	195
<i>Total</i>		2,466	409	-	468	-	-	2,817
<i>Segment gross profit</i>		348	(441)	-	141	-	-	48
<u>Non-allocated:</u>								
Expenses								(1,600)
Finance income, net								22
<b>Loss before tax on income</b>								<b>(1,530)</b>

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(US Dollar in thousands)

**NOTE 4 – SEGMENT REPORTING (CONT.):**

For the three months period ended September 30, 2023:

		HGWWT	IAT	IAT	HGWWT	IAT Shanghai	Water Ways	Company Total
		Products		Project Services				
<i>Revenues</i>	External	632	511	43	-	44		1,230
	Inter-segment	-	-	-				-
<i>Total</i>		632	511	43	-	44		1,230
<i>Segment gross profit</i>		243	(129)	43	-	11		168
<u>Non-allocated:</u>								
	Expenses							(488)
	Finance income, net							414
	<b>Loss before tax on income</b>							<b>94</b>

For the nine months period ended September 30, 2023:

		HGWWT	IAT	IAT	HGWWT	IAT Shanghai	Water Ways	Company Total
		Products		Project Services				
<i>Revenues</i>	External	3,233	1,535	497	111	615	-	5,991
	Inter-segment	-	195	-	-	-	-	195
<i>Total</i>		3,233	1,730	497	111	615	-	6,186
<i>Segment gross profit</i>		651	41	112	33	153	-	990
<u>Non-allocated:</u>								
	Expenses							(1,772)
	Finance income, net							895
	<b>Profit before tax on income</b>							<b>113</b>

**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollar in thousands)**

**NOTE 4 – SEGMENT REPORTING (CONT.):**

Non-current assets as of September 30, 2024:

	<b>HGWWT</b>	<b>IAT</b>	<b>IAT Shanghai</b>	<b>Water Ways</b>	<b>Company Total</b>
Other accounts receivable	-	108	-	-	108
Intangible assets	18	117	-	-	135
Goodwill	129	-	-	-	129
Property, plant and equipment, net (including ROU asset)	46	85	-	-	131

Non-current assets as of September 30, 2023:

	<b>HGWWT</b>	<b>IAT</b>	<b>IAT Shanghai</b>	<b>Water Ways</b>	<b>Company Total</b>
Deferred tax asset	-	87	-	-	87
Other accounts receivable	-	105	-	-	105
Intangible assets	53	143	510	-	706
Goodwill	130	-	786	-	916
Property, plant and equipment, net (including ROU asset)	93	211	1	-	305



**WATER WAYS TECHNOLOGIES INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(US Dollars in thousands)**

**NOTE 5 – REVENUES:**

**1. Geographic Areas Information:**

The following present total revenues for the nine months period ended September 30, 2024 and 2023:

	<b>For the nine months period ended September 30</b>	
	<b>2024</b>	<b>2023</b>
North America	2,934	3,332
Asia	-	899
South and Central America	144	1,212
Africa	47	263
Europe	22	86
Israel	1	179
Other	-	20
<b>Total revenues</b>	<b>3,148</b>	<b>5,991</b>

**2. Principal Customers:**

Major customers of the Company's revenues:

	<b>For the nine months period ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Customer A	19%	11%
Customer B	13%	5%
Customer C	3%	4%