



January 14th, 2020

Shareholders of American Premium Water Corporation:

As I write my annual year-end letter and review, I am not going to beat around the bush. It was a challenging year. I certainly understand the feelings of shareholders and have the self-awareness to understand some of your misgivings. I understand that words can only go so far to allay concerns, but I want to convey to ALL of you, that despite some of the headwinds the Company has faced, we are working hard to execute our long term plan, which I believe will make this past year look like a small bump in the road that will not inhibit the Company from achieving successful long term growth. My outlook remains extremely positive for all the Company and its shareholders. Before I get to 2020's outlook and what is on the immediate horizon for American Premium Water Corporation, I'll address what went wrong and what we are doing to ensure there isn't a repeat. Here are my thoughts;

Murphy's Law

Murphy's Law, the old adage that "Anything that can go wrong, will go wrong", well summarizes 2019. A confluence of events, many of which were completely out of the Company's control, led to a perfect storm of circumstances that factored to negatively affect the Company's 2019 performance. I could write a short novel about each of these contributing factors, but it would be a waste of time. Ultimately, I am the CEO, I am the one responsible for navigating the Company through these circumstances. I'm not here to list off excuses for why the Company didn't achieve its lofty goals. The buck stops here; I'm the one who has to take responsibility and I am not shirking from it. To say this year was a learning experience would be an understatement. I feel that I have aged significantly over these past nine months. It was not easy; many instances it was painful. Many sleepless nights. I can say all this until I am blue in the face; its performance and results of the Company that ultimately dictates our success as a Company. I have evolved as a leader and businessperson; there is one mistake that I certainly will not make again and that is going for the big kill.

Slow and Steady

Being in the spotlight of a public company, it's the double edge sword, one that giveths and takeths. The promise that led to our high stature quickly turned south when we staggered to convert it into revenue. It's the nature of the beast, and its one that I have much better understanding taming. In certain instances, while attempting to meet these lofty expectations, I eschewed foundation building that would yield incremental growth for the Company, while chasing "kill shots", which had lower probability of success, but higher yields. I missed those shots, and I am quite confident that the failure to convert those shots was one of the driving factors that led to the Company's underperformance. I will never apologize for being ambitious, but I have seen the limitations of blind ambition. Mark my words I will not be seduced by high risk, high reward opportunities that occupy resources and divert the Company from its long term goals. To quote TLC, I will "stick to the rivers and lakes that I'm used too."

Technology

So where does the Company go from here? Despite the negativity and unflattering narrative, the Company is still standing. An unintended byproduct of the turbulence in the latter part of the year was that I spent significant time working with management focusing on the business and how best to grow it. Not being consumed with the day-to-day hype machine allowed for a clear evaluation of the business was refreshing. A famous quote that was introduced to me in college, “the anticipation of death is worse than death itself” came to fruition. But like Notorious B.I.G said , there is “Life After Death”. What the investor community has lost sight of, and what we need to do a better job of emphasizing, is the Company’s proprietary technology. In April of this past year, we released independent test results affirming the efficacy of our Hydro Nano technology. The results were extraordinary; our hydro nano delivers CBD molecules less than one nanometer in size. Other companies claim to have superior nano-tech, but not one of them have delivered the scientific data like we have to back up their claims. I challenge our competitors to put their products through similar testing to prove comparable efficacy. I will make it a point to emphasize our technological advantage, in both our products and in comparison to our peers. I’ll re-affirm what I said previously – our valuation doesn’t properly account for our technology which I will make a case to emphasize this year.

2020 Outlook

2019 is over. I have a comprehension of what went wrong and will ensure the same mistakes are not repeated. It’s now time to focus on the next growth phase of the Company. Before outlining a number of promising initiatives and opportunities in the pipeline, I know the daunting task of earning back credibility. Both the Company’s and my own. A primary focus of mine this year will be to ensure that the Company delivers on what it promises, and in a timely manner. Certain things got away from us that I wish would have gone differently, but its my responsibility as CEO to lead, and I will hold myself to a higher standard this year.

I am really excited for what the year 2020 holds in store. The Company’s pipeline is full of opportunities. There are a lot of opportunities that we are pursuing, some of which we have forged agreements, some which I look forward to sharing in the near future. It doesn’t have to be said, but one of the Company’s primary goals for 2020 is to generate substantial revenue and increase shareholder value. I am quite confident that shareholders will begin to see progress in the near future. I am excited about all the work the different business divisions have been doing to grow revenue and increase distribution. I am going to highlight what I am most excited for each unit in the upcoming year;

Q4 Sports

The Company announced that we had come to terms on an LOI to acquire distribution rights for the brand at the end of December. We anticipate officially closing this transaction shortly. This agreement will help the Company in a variety of ways. Most importantly, I expect this agreement to generate about \$1 million in topline revenue for the Company. Q4 is a growing brand that has solidified itself in the athletic sneaker market. It’s quite an accomplishment that they have already achieved in such a competitive industry. I believe they have only scratched the surface of their potential; with some joint marketing efforts, I believe we will be able to help them achieve higher growth.

The other aspect of this transaction that I believe will be attractive to shareholders is their footprint in the urban and international markets. The urban market presents a tremendous opportunity for the Company. This partnership gives us entry into this market unlike anything our competitors have. It positions our brands as lifestyle products, not just “CBD” products, which eschews about 90% of the total potential overall market. Q4 Sports is building a sophisticated platform to empower influencers and celebrities to better reach their customers. I am confident our partnership with them will be an extension of this ethos; giving us a tremendous tool to connect with customers that other companies in the cannabis and CBD space are neglecting. Additionally, Q4 has a number of relationships in different international markets, which aligns with the Company’s strategy to focus on international growth. Japan is one of these markets; CBD recently became legal

in the country. We are really excited about the cross promotion potential to reach customers in this location, and with the Olympics approaching this summer, presents the Company with an opportunity to promote our brands and products internationally.

LALPINA CBD

As I alluded to earlier, there were various circumstances which led to delays ramping up distribution of our core CBD infused beverage. Our strategy to target big box retailers was hampered by their hesitance to sell CBD ingestibles due to lack of guidelines from the FDA. While we were trying to secure that “big” order to get the machine rolling, we heard feedback from potential customers on other products they were interested in. The result was the development of new LALPINA branded products that utilize our first class Hydro Nano technology. These new products will begin to roll out in the first half of 2020 with retail buy-in. We are working to develop channels that are progressive towards CBD ingestible consumption.

One big-box channel that the Company was successful in on-boarding in 2019 was the 7-Eleven chain. The first 7-Eleven store that we launched in had positive results. We are currently in discussions with that franchisee about adding more stores to sell our product. The Company has had additional discussions with other franchisees and distributors that service 7-Elevens in the southern California area. The national potential for 7-Eleven is quite significant, and they have shown to be progressive with new products. We are looking to replicate this model to target other large franchise brands that service convenience stores and independently outlets that operate under larger corporate banners. I am hoping this becomes a template for expanded distribution efforts in 2020 which would open many more stores to the Company’s products.

plant + body essentials

The Company launched the plant + body e-commerce site in November, which was a milestone in getting the brand up and running. It’s a premium brand that we are focused on getting retail distribution. Big-box retailers have expressed more openness in selling topical CBD products, with chains like CVS and Walgreens leading the way. We are in discussion with a few chains about selling these products. Getting distribution in one will be a domino effect that will create demand in other places. plant+body is a great brand that I am excited to have in our portfolio; it’s a premium product that compliments our other products well. I look forward to providing an update on the status of some of these distribution deals within the next few weeks

Vanexxe

This upcoming year will be an exciting one for Vanexxe. The Company has continued to invest in Vanexxe’s parent company Canyon Create. Vanexxe’s ground breaking varicose vein cosmetic treatment launched last year online, on Amazon, and on Walmart.com. The product has tested well above expectations and we are wrapping up discussions with retailers to begin brick and mortar distribution this year. We are also working on the launch of a CBD infused version of the product later this year which has also received tremendous interest from retailers. Canyon Create’s other product, Prickly Pear, is also expected to be launched later this year, which will introduce a game changing CBD and CBG acne treatment to market. Prickly Pear is expected to be sold both online and in stores, as retailers have expressed an interest in carrying this product as well.

International Distribution

The Company focused many resources on international distribution and expansion in 2019, and will continue to do so in 2020, as we continue to seek expansion of our global footprint. I anticipate the investments made last year will begin to pay off. After production and manufacturing delays, I expect the initial order received in the UK to be shipped and recorded. We anticipate expanding our presence in the United Kingdom (UK) with marketing initiatives and product expansion. We are wrapping up long-term testing with Hanlons Brewery, and

look to have a launch date for CBD infused beer. The Company will look to use the UK as a base to expand into other European markets. On this side of the Atlantic, the Company has been engaged in discussions with distributors in Mexico, Columbia, and Canada on distribution of all our products. I am confident we will see distribution in Canada, as we are working on a specialized product for this market that hasn't been released yet. Mexico and Columbia also represent huge potential markets. We are working with local distributors on the best course of action to launch our products in the Latin America markets. I would expect to have concrete progress in those markets by mid-2020.

Looking towards the Pacific Rim, we announced at the end of last year we have a deal to sell topicals with a distributor in Thailand. I expect the Company will be sending out the first shipment in the next couple of months. While it will be topicals to start, we expect to add CBD infused beverages to the mix later this year as the regulatory environment shifts. We will also be selling products there under the American Premium brand, which we launched last July. We are going to be focusing on the American Premium brand for a lot of our international distribution, as CBD remains a very nascent product in these markets. The association with America is one that will be an asset for the brand to leverage. Aside from Thailand, the Company is in discussions with partners in the Pacific Rim that could result in distribution in Singapore, Hong Kong, Japan, and South Korea. Additionally, the Company has been in advanced discussions on various distribution agreements with groups in Australia. As CBD becomes more popular internationally, the Company will continue to stay at the forefront of the market, and look to establish a worldwide presence, with the goal to become the worldwide leader in premium CBD products.

Other Projects

The Company has been active in launching partnerships and products. In our attempts to stay ahead of the market we have done good work, but in some cases we have spread ourselves a bit thin. One of our main focuses this year will be to ensure that whatever project or partnership start, we have the proper resources both intellectually and financially behind it to ensure successful launch. Lynks CBD Pet Water is a perfect example. There has been tremendous interest for the product; I had a meeting in October with Chewy.com about selling on their site. The landscape for pet products is much different than human consumption. There are a number of opportunities in the space that we haven't been able to chase properly. I'll be putting more pressure on LinkRes Pets to assist with distribution and management as well as look for dedicated product managers so we can be successful with this product that is effectively creating its own niche in the market. The Company will also look to begin production of an infused THC beverage to be sold in licensed dispensaries. This is another example where the Company doesn't have the proper bandwidth to manage all of its assets. The Company will continue to seek partnerships that leverage its technology effectively with other companies, both domestically and internationally. The key will be to insure that it fits within our short and long-term objectives that don't create a resource drain, distracting us from our core focus of expanding distribution and revenue in 2020.

Company Initiatives

In addition to the many sales and distribution goals the Company has for 2020, our goal continues to be to position the Company to be fully reporting and uplisted in 2020. We retained Weinberg to be the Company's PCAOB auditor. Management will be making a concerted effort to push this across the finish line in the first half of the year. Once complete, we will look to immediately uplist, while eventually seeking to get on the NASDAQ. I am confident that if the Company achieves the milestones in its business plan, than it will have the requisite revenue required for uplisting . This goal is something that we will continue to strive and push for. I want to ensure the Company is successful in achieving the agenda that I have outlined. If we are to be successful in achieving these goals, we need to bring in more outside voices who can counsel management on its growth. During the first part of 2020, we will be looking to fill two independent director seats on our board, to further demonstrate to shareholders our desire for accountability and growth.

2019 was an extremely challenging year. It was certainly a learning experience for me, one that I do not wish to repeat. I am a competitor at heart and the anguish from 'losing' has been unbearable. I hate losing more than I like winning. Success drives me to fight through the dark times that we have had. Even during some of the darker moments of the year, I appreciated the support I received from our shareholders. And those that were not supportive, I understand the sentiment. I'm not in this to disprove naysayers or haters. I want to be successful. That's what motivates me. If disproving the naysayers is my main motivation, then I am doing the wrong thing. I come from a private equity background. The OTC is not the final goal for me, it is just the beginning of the journey. I will not be satisfied or content until the Company is playing with the big boys, and I will work continuously to get us there.

I am really excited about what this year holds for American Premium Water Corporation. I feel that the Company is about to turn a corner that will put it on a trajectory towards the growth that we have all been expecting. It is always darkest before dawn, and I believe we are seeing the first rays of a beautiful sunrise about to hit the Company. I expect 2020 to be a transformative year, and I look forward to sharing updates on the Company's progress in the coming weeks and months. Rome wasn't built overnight. Like I always have said, "Trust the Process"!

Happy and Healthy New Year,

A handwritten signature in blue ink, appearing to read "Ryan Fishoff", with a long horizontal flourish extending to the right.

American Premium Water, Inc
Ryan Fishoff, CEO