



Ryan Fishoff
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To The Shareholders of American Premium Water Corporation;

Looking back on this past year, its been a whirlwind with everything that was accomplished. The Company that began 2018 and the one that now enters 2019 has completed transformed over these past 12 months. But the work is nowhere near finished and I will continue to work relentlessly until the Company is exactly where I want it to be. 2019 will be focused on bringing the Company to the next level. To quote the poet John Ashbery, "the first year was like icing. then the cake started to show through"; this year the Company will be striving to make the 'cake' not only tastes good but has the proper structure to ensure that the Company is well positioned for future growth.

Highlights of 2018

The year started in earnest at the end of January in Minneapolis, where we unveiled our CBD infused prototype which would become LALPINA CBD. The product had been in development for over a year; getting a viable prototype was key to the future of the Company. The energy around the Superbowl festivities was off the charts, even though temperatures remained below zero during the entire week there. The feedback the product received was tremendous. It was fitting that Super Bowl week would set the tone for the rest of the year ahead.

That week in Minnesota came full circle at the end of August, when LALPINA CBD was officially launched. The initial response was overwhelmingly positive. I knew bringing the product to market was a watershed moment for the Company, even though there were a few bumps along the way (more on that later). For me personally it was fulfilling to facilitate the product through its entire lifecycle; from development to market. To quote Sam Hinkie "in most endeavors, it's fine to be content to woodshed until you get something near perfect...you want that to be you...grit matters".

In addition to launching LALPINA CBD, the Company's acquisition of the hydro-nano CBD formulation, was another huge achievement for the Company, one that positions it for success in and beyond 2019. This acquisition of proprietary technology allows the Company to dictate its own path. The launch of LALPINA CBD was delayed primarily by the fact the Company was relying on third-parties for technology and manufacturing. Owning the formulations allows the Company to have 'manifest destiny' over production, allowing us to dictate the manufacturing process.

The agreement with Growpacker that was announced last month is the vital manufacturing 'shoe' that needed to drop for the Company to succeed. This partnership is essential to maximize the distribution of our proprietary technology and provides the Company with the capacity to meet the growing demand for CBD infused products that has only increased with the passage of the 2018 Farm Bill. Growpacker also has the technological capability to produce infused beverages using the THC hydro-nano formulation



technology we acquired. Their location in California will allow the Company to take advantage of the largest cannabis market in the country (more on this later on)

The acquisition of the hydro-nano formulations were not the only major partnerships or acquisitions that the Company completed in the past year. We acquired Canyon Create, which has two great brands (Vanexxe and Prickly Pear) and technology in the cosmetics category, a sector just starting to embrace CBD infused products. These brands are premium products that fit alongside our other brands under the Company's umbrella. They will provide the Company more opportunities to cross promote all brands during promotional events, social media, and other marketing initiatives. With Canyon's existing relationships with HSN and other direct to consumer channels, and the Company's existing relationships with high-end department stores and retailers, there is opportunity to expand into new channels and leverage existing ones, diversifying revenue streams. Aside from Canyon Create, our partnership with Canna Nano was significant as well, allowing for access to a multi-state distribution network and the utilization of logistical support that helped streamline our ecommerce applications.

Shortcomings in 2018

While the Company accomplished a lot in 2018, there were a number of initiatives that were not well executed. They were also a number of objectives that I had laid throughout the year that were not completed. Whether it was the case of outsized ambition, or forces beyond the Company's control, reflecting on 2018's shortcomings will help the Company avoid repeating the same mistakes and improve in 2019. To quote Richard Branson, "You don't learn to walk by following rules. you learn by doing, and by falling over."

The launch of the LALPINA CBD was categorically botched. Glitches on the website, payment processing issues, delivery delays, were some of the numerous issues we had. The launch was not executed well, and certainly not befit of a company that presents itself on being an innovator in marketing and branding. In the rush to bring the product to market, some shortcuts were taken. This was a lesson I learned and certainly will not repeat; if a few days delay would have allowed for a smoother launch, I would have pushed it back, even if it meant causing some short term pain. The demands of the public markets don't always reward the long term mindset, but the Company and I are long term players, and will act as such going forward.

There were a few other initiatives that the Company failed to achieve in 2018. The Company did not complete its Form 10 by the end of the year, a step towards being fully reporting. The Company also did not retire common shares that were previously identified for retirement. The Company did not get it's products listed to be sold on Amazon. These were all initiatives that failed to be completed in 2018, for a variety of reasons, none of which was a lack of effort. To quote Bill Bradley, "Ambition is the path to success. Persistence is the vehicle you arrive in.". Going into 2019, these objectives will be high priorities to be completed.

2019 Outlook

Since the passage of the 2018 Farm Bill, the retail landscape has changed. CBD no longer has to be disguised as "Hemp". More importantly, the last remaining barriers have been removed for large retailers to begin selling CBD. From conversations that I've had, CBD products are going to be in high demand in 2019. It will be a race to get distribution that the Company is well positioned to lead. We have setup our



four core geographic areas; New York, Los Angeles, Miami, and Las Vegas. Using this as a base, the Company is poised to grab market shares and add doors with a multi-pronged sales strategy. Sales growth will be one of the underlying themes of this year. We will continue to explore strategic partnerships with traditional beverage companies which could also expand distribution and brand recognition. It's an exciting time, my shoes are tied and laced, in the blocks, ready to run.

Beyond CBD, the Company is also positioning itself to enter the burgeoning cannabis market. The Company's partnership with Growpacker gives the Company the ability to manufacture its THC technology. Growpacker also has an extensive distribution network of dispensaries. The fundamental issue we need to address this year is how can the formulations be exported outside of California to other states where recreational and medical marijuana are legal, as current regulations do not allow any product containing THC manufactured in California to leave the state. Perfecting the procedure for export and in-state infusion will be essential for the Company to capture large share of the still very nascent THC-infused beverage market. This will open up distribution into Canada and other states, including New York, which is set to become legal for recreational use in as quick as 4 months.

Aside from our beverage business, the Company will continue to explore CBD, hemp, and cannabis related technology acquisitions in 2019. Canyon Create has a number of unbranded compounds in its portfolio that the Company will explore ways to develop and launch into finished products. The Company has identified other CBD and cannabis related technology that could be used in consumer products, and has had exploratory discussions about potentially licensing or acquiring them. The Company has also engaged in discussions about licensing some of this technology to third parties in a royalty structure. Acquiring technology gives the Company optionality with how to generate revenue, and the Company will continue pursuing these opportunities in 2019 as we look to become one of the leading players in the still nascent 'bio-hemp' sector, a space that we are aiming to take the lead in this year focusing on consumer products.

While strategy and acquisition initiatives are important to the Company's growth, it's also important that the Company take care of the proverbial 'cake' that was baked last year and improve internal processes. Submitting a Form 10 and becoming fully reporting are essential for the Company's growth. These are high priority items that I hope to accomplish as quickly as possible in 2019. These milestones will also be the resolution to some of the sales and balance sheet reporting issues we experienced in 2018. Rectifying these processes are essential for the Company's growth, and I cannot emphasize how important it is that we get it right, especially in light of the this increasingly tight regulatory environment.

Ensuring the 'cake's foundation is sound, the Company will also continue to focus on strengthening its balance sheet. The Company will look to retire remaining convertible debt and reduce total liabilities in 2019. Additionally the Company is in advanced negotiations to add instruments that will amplify the Company's balance sheet. And in the scope of overall capital structure, the Company is still committed to retiring outstanding common shares which will be a priority to be accomplished in the beginning of 2019.

In addition to taking measures to reduce liabilities and add assets; the Company will focus on maximizing existing assets. Gents is a tremendous asset that generates revenue and has great retail partners. It has gotten lost in the shuffle this past year as the Company focused on the CBD sector. Gents can still offer the Company many benefits; its marketing and creative abilities are a strategic asset that we will look to leverage to promote LALPINA and the Company's other brands. The Company also has FashionCoinX



and THRD Coin, which have been completely ignored over the past 6 months. While the market's appetite for blockchain and other crypto currencies has significantly waned, I do believe in the utility of THRD Coin, and coupled with the FashionCoinX exchange, it does have the potential to disrupt the fashion business. The question remains how does the Company best derive value while not diverting resources from its primary business? Over the course of the year, we will be looking to answer that question so we can extract the most value for the Company and shareholders.

The Company is striving to be fully reporting in 2019, and coupled with achieving the other goals we have set out for 2019, I believe the Company will be well positioned to be uplisted to the NASDAQ in 2020. Getting to the NASDAQ has been a goal of mine since I assumed this position in 2017. Being on the NASDAQ will elevate the Company to a different stratosphere and complete the transformation that I began when I took over. I am confident that we can get there in 2020 if we execute in 2019. Attitude is Altitude.

This past year has brought tremendous success and growth to the Company. It has been a pleasure serving the shareholders this year and I look forward to continuing this success into 2019. This upcoming year will certainly have many highs and probably some lows. To quote John Taffer, "if I hit a home run 80 percent of the time, and miss the other 20 times, I am ok with that." I appreciate all the support and look forward to being in touch with you throughout the year. Keep Trusting the Process!

Sincerely,

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

Ryan Fishoff