



March 2nd, 2021

To the Shareholders of American Premium Water Corporation:

2020 was a year that many of wish that we could forget but was unforgettable for all. No one could have anticipated or prepared for what 2020 unleashed in ways that made the worst science fiction appear to be possible. Unfortunately, it was a reality that still seems surreal. The makeshift morgues in the streets and the field hospital set up in Central Park are two images that I will never forget. Despite the unprecedented stress , business and life had to continue, which is as cliché as it sounds. There is already a high degree of difficulty running a small-cap company under normal circumstances; being in a once-in-a lifetime pandemic raised that bar exponentially. The irony is that after all the challenges that were endured in 2020, the Company is in a much stronger position heading into 2021, than it was at the beginning of 2020. I don't want to go on ad nauseum about the struggle that the pandemic has caused. Everyone has been personally affected by the virus and its fallout. There were many casualties; fortunately the Company was not one of them.

This is my third annual letter to the shareholders of American Premium Water Corporation. This year's letter will differ from years' past. It is not so much a review of 2020, but a look forward to the Company's plans and objectives for 2021. I will reflect on 2020 in the different sections as I outline the Company's objectives and business plan for 2021, providing background information on how 2020 shaped these directives. I am truly excited for the year ahead. I feel that the Company is finally at the precipice of taking the next step. I know I have shared similar sentiments in my previous letters, but this year is different, and I will spend the rest of the letter outlining why:

Never Let a Crisis Go To Waste

Winston Churchill's famous quote during England's bleakest days of World War II never seemed as reticent at end of March. In New York, the ever increasing pitch of wailing ambulance sirens would interrupt the eerie silence of a normally bustling midtown Manhattan. With an uncertain future up in the air, I was left with two choices; to give in and let the uncertainty paralyze the Company, or block out the proverbial noise and forge through, searching for whatever opportunity this once-in-a lifetime occurrence presented. It was an easy decision. In the days and weeks after our world was inexplicitly changed, I began to strategize how the Company could adapt to this new reality by utilizing our assets to navigate the currents. The Company immediately began exploring opportunities related to application of our nanotechnology, which I will expound upon later in this letter. Many of these leads quickly fizzled and did not materialize. However, many key relationships were established, some of which endured the pandemic and have become critical components of the Company's 2021 business plan, including the introduction to our new COO. David Howell has become a critical asset to the Company, leading



business development and overseeing operations. In the most ironic way possible, I am grateful for the pandemic bringing us together. Many other doors were opened for us in 2020, ones that I did not believe would have been opened even in normal circumstances. How this global pandemic played a significant part in spurring the growth of the Company is a unique dichotomy that will never be lost on me, and one that will always be morose to me.

Cali Bear

Along with our partnership with Alset, the recently announced Cali Bear joint venture are the most critical strategic relationships for 2021. The joint venture with Cali Bear brings many distribution opportunities, both domestically and internationally, that could have a significant positive impact to topline. The Company is currently engaged with distributors and retailers looking to carry Cali Bear products, who are drawn to the brand due to the global team of internationally accomplished athletes that are part its influencer team. This is crucial in the CBD space, as it allows these athletes to intimately share their experiences with CBD and demonstrate how it has contributed to their success to the masses that maybe unaware of all its benefits. The Cali Bear brand is unique as it has paired athletic performance with the celebrated California lifestyle, a staple of CBD culture. No other brand encapsulates "performance lifestyle" like Cali Bear, which I believe will allow it to distinguish itself in the marketplace. Cali Bear comes with the built in opportunity to expand our product offerings to gummies and other edible products, categories that are in high demand. Having a performance lifestyle brand like Cali Bear allows the Company to easily expand into these categories without stretching the limits of the brand. These edible products also allows the Company to demonstrate the power of its nanotechnology, which can be easily integrated into the edible category, amplifying the consumer's CBD experience. Cali Bear is also well positioned to launch a nano THC infused water, as the brand would resonate very well within the dispensary distribution channel, an area the Company has been looking to break into for a few years.

Cali Bear's price points are more democratized, which opens more potential channels for the company. LALPINA has always been an upscale brand. It has been a challenge over the past two years reconciling this hard truth with the distribution opportunities that have presented itself, which predominantly have come from the convenience stores and independent grocers. These channels does not necessary align with the LALPINA brand, as the big box stores have hesitated committing to CBD ingestible products due to lack of guidance by the FDA. The brand disconnect for LALPINA was very apparent when we did a test run in 7-Elven at the end of 2019. The brand did not align well with the channel, and the Company risked long term damage to the brand without the risk of damaging LALPINA's brand equity, creating a portfolio of brands that can exploit different corners of the market, maximizing potential shareholder return.

BioHealth Water



The partnership that the Company announced with BioHealth Water in July of 2020 was the Company's most significant during my tenure, and I believe in its entire history. I have really enjoyed working with Mr. Fai Chan and his team as we collectively work to develop impact products using the Company's nanotechnology. We have already begun production on two of these products as previously announced and look forward to expanding distribution around the world. The Company is also exploring the development of some CBD-infused nano products for distribution in BioHealth's direct channels when CBD becomes more readily accepted in foreign markets. CBD will be a category that will continue to be a significant growth sector for the Company. Mr. Chan and his team have also contributed resources to the Company to assist with restructuring the balance sheet and corporate structure to prepare it for a PCAOB audit and eventual uplist. This a goal that is shared by both of us and I am thrilled that we share the same long term vision for the Company in what is a true strategic partnership.

Future Nanotech Development

As I previously alluded to, the Company pursued opportunities around a modified variation of our water that could sanitize the virus. Our proprietary formulation has silver nanoparticles in it, one of the components that makes our technology effective in creating bioavailability. Silver has also shown to have many antimicrobial properties; the Company rapidly moved to bring to market our nano sanitizing prototype which we launched in April. The prototype device used existing off-the shelf equipment that delivered the sanitizing fog from the proprietary nano formulation. We lined up a trial and did an on-site demonstration with one of the country's largest luxury department stores. While we were finalizing the rollout it became evident that the Company lacked the field and laboratory testing which was standard for that industry. This type of testing was an expensive proposition, as the Company was not equipped to devote the hundreds of thousands of dollars that traditional biotech companies spend to perform these kinds of tests. It was extremely frustrating for us as a Company as we knew from preliminary analysis that this product was effective, but we did not have the infrastructure in place to make up the 'regulatory gap' in a short duration. I reached out to hospitals and academic institutions seeking to partner to try to bridge this proverbial gap, but we were at a huge disadvantage. Meeting a supplement standard is entirely different than a medical/biotech standard; I had an eye opening education about the research and development process for medical/environmental grade products; even the amount of data and controls that are required to begin a medical trial.

In 2021, the Company will focus on forging partnerships that will assist with the research and development into the power of our nanotechnology, expanding our level of institutional knowledge about the capabilities the technology, and how its applications can be maximized in the scope of monetization, without diverting resources from the primary initiatives of the Company. This will be a challenge but one I am quite confident we will achieve. I believe our nanotechnology has so much potential, and is the Company's most undervalued asset; it is worth this effort and challenge. While we



explore advanced research, the following are applications that the Company will seek to apply its nanotechnology in 2021;

Liquor

A category that the Company has already started experimenting with. The technology amplifies the effect of liquor, which creates a power experience for the user. This is still in the preliminary stages of testing. It is something that we will continue to experiment with throughout the year. I hope to have a prototype developed by the end of 2021. I think with the amount of research and development needed, commercialization probably wouldn't start until 2022.

Psychedelics

This is another category that has come to the forefront in 2020, as many municipalities have legalized the recreational use of psychedelics. Many more cities and states are expected to legalize in 2021. It's an emerging space that is similar to the early stages of the cannabis industry. Our nanotechnology can be applied to psychedelics in theory; we have not tested it yet. As the rest of our business becomes solidified with our core products, we will begin to experiment with psychedelics and seek commercialization opportunities where it makes sense.

Insulin

This is an application that has a longer horizon, and might not start development in 2021. This veers into the biomedical space that I previously referenced. I do believe that the opportunity is large enough to warrant research our nanotech could be used as an ingestible alternative to insulin shots for diabetes patients. I don't know if it would be an effective alternative, or if it would even work at all. I do know the market opportunity is very large, and based on the theoretical implementation of our technology, I believe it's worth the effort to explore. This is an example where the Company would need to seek an academic or private partner already in this field to be able to execute on this application.

The Company will also seek to formerly brand its nanotech in a uniform manner so consumers will be able to recognize a name synonymous with cutting edge technology in the marketplace. I anticipate that this branding work will be completed in the 1st half of 2021. Aside from our functional beverages, there are other categories that the Company will be focusing on in 2021.

Smokeables

This is another product category that is on the Company's radar in 2021. There is great demand from our retail and distribution partners for products in this category. Smokeables have always been at the forefront of the cannabis industry, but two developments in 2020 have made it more compelling. Pure smokeable hemp has become more widely accepted, especially as a healthier alternative to cigarette smoking. There is



tremendous demand from retailers as demand for tobacco cigarettes decreases, shelf space is opening up. No brand has captured a significant segment of the market, which is a huge opportunity for the Company to pursue. Delta 8 is another segment of this category that's under consideration. This has been a high growth segment in 2020, and there has been significant demand for the product from discussions with distributors. The Company can produce Delta 8 at an economically conducive price by utilizing its equipment used in the production of its nano formulations. Our partners in the Cali Bear JV have expressed interest in a line of Delta 8 smokeables using the brand, and I think this would be extremely successful as there isn't a main stream performance lifestyle brand in the Delta 8 space.

plant+body essentials

The Company will put more emphasis on this brand in the coming year. Currently we are focused on selling off existing inventory from the initial launch production. Concurrently, there are a number of new products under the plant + body brand under development that I believe will expand its reach, focusing on underserved niches of the marketplace. I anticipate these new product categories will be geared toward the female demographic in the CBD and non-CBD space, both through e-commerce and retail channels.

Content Monetization

The pandemic has accelerated the creation and distribution of content. Over the past 12 months, four major streaming services have launched, existing streaming platforms have been locked in an arms race to acquire high profile content, and others have switched to a free, ad-supported model. Consumers have accelerated their shift to over-the-top consumption of content, further disrupting legacy media companies. With so much content and portals, I believe there is a tremendous opportunity to harness this content into a marketing vehicle for products. This is certainly much easier said than done, and it is much more complex proposition than product placement in the content. The Company did have placement in this summer's sleeper hit *The Swing of Things*, starring Chord Overstreet and Luke Wilson. There was some great screen time for our water, but that visibility alone doesn't drive sales. To fully reap the benefits of product placement, a call to action in unison with the content and streaming platform is needed to maximize conversions. The Company is working with some technology that can connect the dots on this selling proposition, which I see huge potential for in 2021, as streaming content continues to become the preferred viewing medium.

Manufacturing

Through relationships established during the pandemic, we were able to develop strong partnerships with manufacturers that will be able to meet the Company's needs; from prototyping to high-capacity output, these relationships that we developed in 2020 have been a strategic asset for the Company. From my experience, having good relationships with manufacturers is crucial to successful distribution. This has been one of the



challenges the Company has faced in the past, not having the same goals in alignment with its manufacturers. These facilities are FDA and GMAP certified, which is becoming ever important in retail; GMAP is becoming a requisite to be carried by retailers, so this keeps the Company in lock step with our competition as we look to increase our distribution footprint in 2021.

Corporate Governance

To achieve all the Company's objectives in 2021, we need to strengthen our corporate governance. I have been working BioHealth and our new COO to develop and implement corporate policies and procedures that will be requisite for a Company that I anticipate we will become. I want to expand the board to include outside, independent directors, to contribute towards the Company's strategic objectives. Conducting a PCAOB audit is a priority for the Company in 2021, which is required to uplist and become SEC reporting. Since I came on in 2017, uplisting to the NASDAQ has been a goal of mine. I set a target to accomplish this by 2020, and it was not accomplished. Getting to the NASDAQ will continue to be one of the Company's long term goals, and every decision will be made with that goal in mind. Mr. Fai Chan and the BioHealth team share this goal as well, and I look forward to working with them to achieve it. While we work on expanding distribution and growing revenue, the Company will be exploring ways to strengthen its balance sheet in 2021. This will be a long term benefit for the Company, with an eye towards uplisting, and the eventual goal of being traded on the NASDAQ.

Walk Softly, Carry a Big Stick

One of my directives in last year's letter was to ensure that the Company controlled news in a much more disciplined manner. It's one of the objectives from 2020 that we were very successful with, and one that I anticipate will continue in 2021. The Company had a credibility issue from prior years, partially due to many different partnerships that were made in an attempt to generate revenue. It would lack extreme self-awareness if I was not partially responsible for this, but it's something that I have not lost sight of. Whether attributable to naïve exuberance or lack of execution, I will never apologize for being ambitious. I continue to evolve and learn as CEO of this Company. The past will shape our future; I continue to strive to generate sustained revenue growth for the Company, and I will continue to do whatever it takes to get there. Fool me once shame on you, fool me twice, shame on me. This past year has been one of intense personal and professional growth. Coincidentally or not, the pandemic forced me to grow as an executive and open to the door to properly build the Company from the inside. We are growing our executive team as well as our corporate governance. We are taking the right steps to build a foundation that has been sorely lacking during my tenure to support all the growth initiatives for 2021. The lack of a proper foundation was a mitigating factor in getting the Company moving in the right direction. That dynamic has changed. The past few years I have tried running before I even learned to walk. After proverbially using a walker, the Company is ready to gallop in 2021. I thank you shareholders for your patience and



support over this past challenging year, and I look forward to many milestones and achievements in 2021!

Trust the Process

A handwritten signature in blue ink, appearing to be "Ryan Fishoff", written over a horizontal line.

Ryan Fishoff
CEO
American Premium Water Corporation