

LUDLOW RESEARCH

Market Research Report

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AMERICAN PREMIUM WATER (OTC:HIPH)

Ludlow Research Adjusts Opinion of American Premium Water (HIPH) Based on New International Sales Contract, and FDA Outlook

(NEW YORK)—June 24, 2019--Ludlow Research updated its opinion on **American Premium Water Corporation** (OTC: [HIPH](#)) , adjusted its short-term 'speculative' target of \$03 to \$0.05 per share, based on large International contract, and prospect for FDA framework for CBD infused product sales.

Closes Large Contract

HIPH announced it had secured a contract for its LALPINA CBD water, through its UK subsidiary, for \$833,000, which puts the Company on a firm track to exceed its previously issued 2019 revenue guidance of \$1 million.

To get idea how big this could be for HIPH is to look at **Kona Gold Solutions** (OTC:KGKG), which reported total sales in quarter ending March 31, 2019 of roughly around \$272,000, but still trades at a \$74 million market cap.

HIPH recent contract of \$833,000 is nearly 3.5x greater than KGKG entire sales for March's quarter, but with HIPH having a much lower market cap value around \$0.01 per share.

FDA and International Sales

Another key aspect to take into account is that their contract came from overseas, and thus avoids the issue with FDA and states regulating CBD sales.

While the US is still hashing out a regulatory framework and rules on which CBD infused products can be sold HIPH can continue to grow by aiming their distribution efforts overseas to build revenue growth and sales.

FDA Outlook

Although CBD may have been legalized in the recent Farm Bill the aspect of adding CBD to food or beverages falls under FDA oversight, which recently stated without more studies they weren't ready to approve sales of CBD infused products for the over the counter market.

But the problem is there are already tons of CBD infused products out in market being sold online and in local mom & pop shops today. So, the key is, even if FDA wanted to take these products off the market they just can't as they just don't have the man power to enforce it.

In addition, the pressure on FDA is growing each day to come out with framework as CBD sales reflect real business income, and thus real tax revenues for local, state, and federal agencies.

So while there remains risk with FDA oversight on CBD infused products the pressure from both Republican and Democratic leaders could force the FDA to "fast track" an initial framework this fall, which could send the entire CBD sector rallying. For this reason now may be time to buy into the fear as premiums reflect real value with some plays down nearly 70% from their highs, and HIPH may be one of them.

For this reason, Ludlow Research is maintaining its opinion on HIPH, but adjusting its short-term 'speculative' target to \$03 to \$0.05 per share, based on large International contract, and prospect for FDA framework for CBD infused products for the fall of 2019.

Distribution Deal with Walmart

The Company announced that Canyon Create's varicose vein cosmetic treatment, Vanexxe, was now available for sale online at Walmart.com, with plans for store distribution later in year.

Although not CBD related, the mere fact HIPH was able to get a distribution deal with Walmart is a major feat based on Walmart strong vetting process for vendors within their distribution chain. This may open the door for HIPH to sell their CBD products through this major chain if and when CBD sales are approved at Walmart as a current vendor already in their system.

To view their Vanevve product on Walmart visit

<https://www.walmart.com/ip/Vanexxe-Varicose-Vein-Support-Gel/867729968>

California to Legalize CBD Infusion

The California State Assembly on Wednesday passed a bill that would authorize the retail sale of hemp-derived cannabidiol (CBD) in food, beverages, and cosmetics.

The bill, AB 228, clarifies food, drinks and cosmetics that contain hemp-derived CBD are legal for sale in California. The bill, the U.S. Hemp Roundtable wrote in a recent update, "would expressly permit the retail sale of hemp-derived CBD in foods and supplements, and also in topical applications." If passed, this new law would allow major retail chains to start selling CBD beverages, foods and cosmetics, which could be a major catalyst to the overall CBD industry.

Joint Venture for Pet CBD Product with LRSV

Link Reservation (LRSV) announced the development of new CBD pet beverage, LYNKS CBD Pet Water, in a joint venture with American Premium Water Corporation (HIPH). LYNKS CBD Pet Water is a CBD infused water that combines LinkResPet's extensive CBD pet solutions and quality with American

Premium's hydrogen technology delivery; allowing the CBD nutrients to immediately penetrate into the cells, maximizing delivery and absorption rate and giving the body an immediate effect. LYNKS CBD Pet Water is expected to be available for retail in early Q3 2019.

People's love for their pets is undeniable. One thing statistics show is that people will go out of their way, even with their own personal consumption, to care for their pets. The growing use of CBD in pet care could position HIPH and LRSV in the right place if they can deliver their water product right in the heart of the summer heatwave season.

CBD Infused Beer

In May 2019, the Company announced the successful development of a CBD infused beer with the Company's proprietary Hydro Nano formulation, in partnership with Hanlons Brewery www.hanlonsbrewery.com

The beer will go to market derived from Hanlon's Citra IPA flavor and will initially be sold in bottle form to wholesalers before a wider rollout to pubs and restaurants. Rollout is expected by the end of Q3 2019.

Returns 30 Million Common Shares to Inventory

In early June, the Company announced it was returning 30 million common shares back to treasury, with expected plans to retire additional common shares in the future.

Retains Auditor for NASDAQ Listing Goal

This share reduction may have been a signal for the most recent news where the company announced they had retained Weinberg & Company to become the Company's auditor of record.

This auditing firm may sound familiar to some as they were the auditors that assisted Verb Technology Company, Inc, formally nFusz, to successfully uplist from the OTC to the NASDAQ earlier in 2019.

Order Demand Outpacing Supply

The Company is already selling their Lalpina CBD Water online, and so far demand has been so strong that the company is playing catch up to keep up with supply.

For any business having too many sales is what you call a 'good' problem to have. The Company may not have predicted the demand for the product as they are now showing back orders of SingleSeed (OTC:SING) platform, where they were one of the top selling items in recent weeks.

Consumers can currently purchase Lalpina CBD Water online by visiting <https://lalpinahydrocbd.com/product/lalpina-cbd-3mg/>

On the SingleSeed platform consumers can currently purchase Lalpina CBD Water – 12 pack product in backorders as demand has been growing for this product by the week.

<https://www.singleseed.com/product/lalpina-cbd-water-12-pack/>

For these reasons Ludlow Research has issued an opinion that CBD stocks may offer a good entry point at these levels for longer-term investors based on a multi-month correction within the sector, reduction of excess premiums in these stocks, and prospects of more states legalizing CBD infusion into food, beverages, and cosmetics.

Short-Term: HIPH has potential to trade up to the \$0.03 to \$0.05 range as market awaits updates on FDA framework, and possible new International distribution deals.

To receive alerts on Ludlow Research opinion updates on HIPH register at

<https://ludlowresearch.com/investors>

About American Premium Water Corp.

American Premium Water (OTC: HIPH) is a diversified luxury consumer products company focused on businesses in the health and beauty and biotech sectors. The company is focused on harnessing the powers of hydrogen and Nano technologies paired with cannabidiol (CBD) to treat health disorders and enhance quality of life. This business model aims to market emerging fashion brands by leveraging classic retail partners and incorporating disruptive blockchain technologies to expand the retail footprint. The company's portfolio includes the LALPINA Hydro and LALPINA Hydro CBD brands (www.LalpinaInc.com), Gents, Worthy, and blockchain platform FashionCoinX (www.FashionCoinX.com)

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