

AMERICAN PREMIUM WATER CORPORATION

Company Closes Q4 Deal; Affirms Our Price Target and Investment Thesis

Rob Goldman
rob@goldmanresearch.com

February 20, 2020

AMERICAN PREMIUM WATER CORPORATION (OTC – HIPH - \$0.0032)

Industry: Consumer Products

Price Target: \$0.0125

COMPANY SNAPSHOT

American Premium Water Corporation is a diversified consumer products company. The Company's portfolio includes: LALPINA Hydro and LALPINA CBD brands of products, Gents, Vanexxe and plant + body essentials. American Premium Water strives in providing only the highest quality CBD sources for its products.

KEY STATISTICS

Price as of 2/19/20	\$0.0032
52 Week High – Low	\$0.0629 - \$0.002
Est. Shares Outstanding	625.9M
Market Capitalization	\$1.7M
Average Volume	7,112,552
Exchange	OTCPK

COMPANY INFORMATION

American Premium Water Corporation

12777 Jefferson Blvd
 Building D
 Third Floor
 Playa Vista CA 90066

Web: www.AmericanPremiumWater.com

Email: info@americanpremiumwater.com

Phone : 888.983.0054

INVESTMENT HIGHLIGHTS

HIPH Closed Major Deal with Q4 Sports. This transaction includes the acquisition of domestic distribution rights and a key, one-year exclusive licensing agreement. The combined effect of this deal could result in \$1 million in revenue in 2020.

Key Highlights of Q4 Agreement. HIPH acquired domestic distribution rights for key Q4 Sports products for one year that includes right of extension the Company and Q4. Additionally, the Company awarded Q4 with a one-year worldwide exclusive license rights for its Gents division, which could generate meaningful sales this year.

Agreement Serves as Major Milestone and Catalytic Event. In our view, this news serves as a transformational event for HIPH. First, it will foster cross-selling opportunities for HIPH that leverages the Q4 platform which could evolve into new, additional distribution. Second, HIPH can now reach a diverse and new demographics for its CBD offerings---that has heretofore not been widely targeted by HIPH's peers.

New Markets Offer Upside. The entrance into the apparel market via its Q4 partnership could generate add market influencers that drive interest, then joint, cross-promotion, and ultimately revenue in urban consumer markets, for HIPH.

Stock up HIPH 28% Since Initiation Last Week and Could Rise 5x From Here. If HIPH's quarterly revenue run-rate reaches our \$2M in annual sales target this year it could reach the \$0.0125 level, which is a valuation similar to other CBD-infused product-centric companies, and some apparel firms. This target may double in a year's time as sales in 2021 could reach \$5-7M with 20% EBITDA margins.



SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

DISCLAIMER

This *Opportunity Research* report was prepared for informational purposes only.

Goldman Small Cap Research, (a division of Two Triangle Consulting Group, LLC) produces research via two formats: *Goldman Select Research* and *Goldman Opportunity Research*. The *Select* format reflects the Firm's internally generated stock ideas along with economic and stock market outlooks. *Opportunity Research* reports, updates and Microcap Hot Topics articles reflect sponsored (paid) research but can also include non-sponsored micro-cap research ideas that typically carry greater risks than those stocks covered in the *Select Research* category. It is important to note that while we may track performance separately, we utilize many of the same coverage criteria in determining coverage of all stocks in both research formats. Research reports on profiled stocks in the *Opportunity Research* format typically have a higher risk profile and may offer greater upside. *Goldman Small Cap Research* was compensated by a third party in the amount of \$3250 for a research subscription service. All information contained in this report was provided by the Company via filings, press releases or its website, or through our own due diligence. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence. Analysts are compensated on a per report basis and not on the basis of his/her recommendations.

Goldman Small Cap Research is not affiliated in any way with Goldman Sachs & Co.

Separate from the factual content of our articles about the Company, we may from time to time include our own opinions about the Company, its business, markets and opportunities. Any opinions we may offer about the Company are solely our own and are made in reliance upon our rights under the First Amendment to the U.S. Constitution, and are provided solely for the general opinionated discussion of our readers. Our opinions should not be considered to be complete, precise, accurate, or current investment advice. Such information and the opinions expressed are subject to change without notice.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, or other firms. *Goldman Small Cap Research* relied solely upon information provided by the Company through its filings, press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research*



report or note is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed. This report does not take into account the investment objectives, financial situation, or particular needs of any particular person. This report does not provide all information material to an investor's decision about whether or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with FINRA, the U.S. Securities and Exchange Commission or with any state securities regulatory authority.

ALL INFORMATION IN THIS REPORT IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.

For more information, visit our Disclaimer: www.goldmanresearch.com