

July 6, 2018



# The Alkaline Water Company Inc. Reports Record Fiscal 2018 Financial Results

## Fiscal 2018 Sales Top \$19.8 Million, Up 55 Percent versus Prior Year

SCOTTSDALE, Ariz., July 06, 2018 (GLOBE NEWSWIRE) -- The **Alkaline Water Company Inc.** (TSXV:WTER) (OTCQB:WTER) (the "Company"), with products bottled under the trademark Alkaline88<sup>®</sup>, announced record financial results for the twelve months ended March 31, 2018.



The Alkaline Water Company Inc.

### ***Full Fiscal Year 2018 Operational Highlights***

- Secured product placement for Alkaline88<sup>®</sup> in the two largest grocery retailers in the world: **Walmart** and **Kroger**.
- Made capital improvements of over \$400,000 and tripled East Coast production capacity to \$2.8 million per month in wholesale production (based on the average of the monthly East Coast production during FY 2018).
- Alkaline88<sup>®</sup> was ranked #18 in the Top 20 Still Water Brands in the U.S.
- Alkaline88<sup>®</sup> was ranked one of the fastest growing enhanced water brands in the U.S. with over 55% year over year growth from FY 2017 to FY 2018.
- Increased Alkaline88<sup>®</sup> availability to over 40,000 retail locations nationwide.
- Alkaline88<sup>®</sup> is now available in 47 of the 'Top 75' US Retailers and Wholesalers.
- East Coast sales accounted for over 20 percent of the Company's gross sales for

## FYI 2018

- Entered into an agreement with an East Coast based bottle supplier for the Company's 1-Gallon and 3-liter sizes, which will allow a significant increase in annual wholesale production capacity.
- Alkaline88® is now available in a 1.5-liter size and 1-liter 6-pack at select retailers. The new product sizes have been well received by consumers and already account for 4% of our gross sales for FY 2018
- Alkaline88® continues to perform well in current retailers, with sales volume increases between 20 to 70% from FY 2017 to FY 2018

### ***Full Fiscal Year 2018 Financial Results***

(All amounts are in U.S. dollars)

Revenue for the year ended March 31, 2018 was \$19,812,199, as compared to \$12,763,630 for the same period ended March 31, 2017, an increase of 55 percent. This increase in revenue is due to the continued acceptance of the Company's products by consumers and the successful expansion into additional national retailers, including Walmart, Kroger, and Shopko.

Net loss for the year ended March 31, 2018 was (\$6,727,280), as compared to a net loss of (\$3,454,600) for the same period ended March 31, 2017.

### ***Management Comments***

"Fiscal 2018 has been another year of tremendous growth for the Company. With our new co-packer and suppliers, we now have significantly increased the wholesale production capacity. The recent addition of the 6,500 new stores from multiple national retailers and our continued expansion into additional East Coast retailers sets the tone for more record breaking growth to come in FY 2019. The Company is continuing towards our long-term goal of being the number one alkaline water in the country. We have taken measured steps to achieve that goal and will continue to strategically partner with new retailers, suppliers, and co-packers to make this possible," stated Richard A. Wright, President and CEO of the Alkaline Water Company Inc. "Alkaline88® is already ranked in the top 20 Still water brands, specific to grocery retail stores. We will spend much of FY 2019 expanding into the other retail channels including drug stores, convenience stores, and wholesale club stores. In addition to our continued U.S. expansion, we have received our FDA export approval and believe that we will be selling Alkaline88® in international markets by Q3 of FY 2019. We expect to see record sales throughout FY 2019 as we continue to expand our domestic and international product offering," concluded Mr. Wright.

Additional details of the Company's business, finances, appointments and agreements can be found as part of the Company's continuous public disclosure filed with the Securities and Exchange Commission ("SEC"), available at [www.sec.gov](http://www.sec.gov), and on the SEDAR, available at [www.sedar.com](http://www.sedar.com). For more information, visit our website

at [www.thealkalinewaterco.com](http://www.thealkalinewaterco.com).

**The Alkaline Water Company Inc.** (TSXV and OTCQB: WTER) has developed an innovative, state-of-the-art, proprietary electrolysis process that produces healthy alkaline water for a balanced lifestyle. The Company is focused on the business of distributing and marketing for retail sale of its cost-effectively packaged Alkaline88<sup>®</sup> water beverage products. Visit: [www.thealkalinewaterco.com](http://www.thealkalinewaterco.com).

### **About Alkaline Water Products**

Alkaline88<sup>®</sup> is a premier 8.8 pH balanced bottled alkaline drinking water enhanced with trace minerals and electrolytes. The product offers consumers the unique opportunity to purchase alkaline water in conveniently packaged 500-milliliter, 700-milliliter, 1-liter, 1.5-liter, 3-liter and 1-gallon sizes. The Alkaline Water Company Inc. is currently in the midst of a national mass-market expansion program, where the product is already available for consumer sales at a growing number of major retail locations across many parts of the United States. Learn more about the science behind alkaline water by visiting [www.thealkalinewaterco.com](http://www.thealkalinewaterco.com).

### **Notice Regarding Forward-Looking Statements**

This news release contains "forward-looking statements." Statements in this news release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, among other things, the following: that the Company tripled East Coast production capacity to \$2.8 million per month in wholesale production; that an agreement with an East Coast based bottled supplier will allow a significant increase in annual wholesale production capacity; the recent addition of the 6,500 new stores from multiple national retailers and the Company's continued expansion into additional East Coast retailers sets the tone for more record breaking growth to come in FY 2019; that the Company is continuing towards our long-term goal of being the number one alkaline water in the country; the Company will spend much of FY 2019 expanding into the other retail channels including drug stores, convenience stores, and wholesale club stores; that the Company believes that the Company will be selling Alkaline88<sup>®</sup> in international markets by Q3 of FY 2019; and the Company expects to see record sales throughout FY 2019 as it continues to expand its domestic and international product offering. The material assumptions supporting these forward-looking statements include, among others, that the demand for the Company's products will continue to significantly grow; that the past production capacity of the Company's co-packing facilities can be maintained or increased; that there will be increased production capacity through implementation of new production facilities, new co-packers and new technology; that there will be an increase in number of products available for sale to retailers and consumers; that there will be an expansion in geographical areas by national retailers carrying the Company's products; that there will be an expansion into new national and regional grocery retailers; that there will not be interruptions on production of the Company's products; that there will not be a recall of products due to unintended contamination or other adverse events relating to the Company's products; and that the Company will be able to obtain additional capital to meet the Company's growing demand and satisfy the capital expenditure requirements needed to increase production and support sales activity. Actual results could differ from

those projected in any forward-looking statements due to numerous factors. Such factors include, among others, governmental regulations being implemented regarding the production and sale of alkaline water; additional competitors selling alkaline water in bulk containers reducing the Company's sales; the fact that the Company does not own or operate any of its production facilities and that co-packers may not renew current agreements and/or not satisfy increased production quotas; that fact that the Company has a limited number of suppliers of its unique bulk bottles; the potential for supply chain interruption due to factors beyond the Company's control; the fact that there may be a recall of products due to unintended contamination; the inherent uncertainties associated with operating as an early stage company; changes in customer demand; the extent to which the Company is successful in gaining new long-term relationships with new retailers and retaining existing relationships with retailers; the Company's ability to raise the additional funding that it will need to continue to pursue its business, planned capital expansion and sales activity; competition in the industry in which the Company operates and market conditions. These forward-looking statements are made as of the date of this news release, and the Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by applicable law, including the securities laws of the United States and Canada. Although the Company believes that any beliefs, plans, expectations and intentions contained in this news release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. Readers should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in the reports and other documents the Company files with the SEC, available at [www.sec.gov](http://www.sec.gov), and on the SEDAR, available at [www.sedar.com](http://www.sedar.com).

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A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/9e26d82e-6ebf-45e8-9d6f-8b88ad71f48d>



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