

February 23, 2021



# Alkaline88® Products to be Distributed by Hensley Beverage Company (DSD) Across Arizona

SCOTTSDALE, Ariz.--(BUSINESS WIRE)-- The Alkaline Water Company Inc. (NASDAQ and CSE: WTER) (the "Company"), is a producer of premium bottled alkaline water and flavor-infused waters products sold under the brand names Alkaline88® and A88 Infused™, respectively. Today, the Company announced that it is partnering with Hensley Beverage Company, a local Direct Store Delivery (DSD), to distribute its beverage brands across Arizona.

"We are pleased to announce we have entered into an agreement with Hensley Beverage Company, an Anheuser-Busch InBev distributor. Hensley is one of the largest and most respected family-owned beverage distributors in the nation. They service all of Arizona, and its customer base includes over 9,000 retail locations. Under this agreement, Hensley will carry the full line of our smooth tasting Alkaline88 water portfolio and our A88 Infused flavored waters," stated Ricky Wright, President and CEO of The Alkaline Water Company.

"This will be the first time in a major market that the Company has adopted a direct store distribution (DSD) model for its entire Alkaline88 line. It's long been established in the beverage industry that growing brands can increase sales by a factor 2-3 times their current baseline by partnering with premier DSD providers. With our brands now available in over 70,000 retail locations and a robust portfolio of beverages, we believe our timing is perfect for taking this next step in expanding our sales efforts. As we pursue our growth strategies in 2021, adding other premier beverage distributors in other key U.S. markets will allow us to continue to be one of the fastest-growing beverage companies in the U.S."

"Hensley is excited to partner with The Alkaline Water Company to distribute the Alkaline88 portfolio across the state of Arizona. Alkaline88 has a great presence in the marketplace, and we look forward to working together to drive the brand's growth across all retail channels. As an Arizona-based company, we look forward to collaborating with another Arizona-based organization," stated Nate Dworkin, Vice President Brand Management of Hensley Beverage Company.

## **Hensley Beverage**

Hensley Beverage Company is a multi-generational, family-owned, local Arizona beverage wholesaler that distributes a diverse and first-rate portfolio of beverages, including Anheuser-Busch InBev beers, top selling local and regional craft beers, premium non-alcohol beverages, water, soda, tea, wine, and spirits. Hensley maintains a proprietary service fleet of more than 800 vehicles and has the support of over 1,100 employees, servicing a customer base of more than 9,000 retail accounts throughout Arizona from multiple state-wide branches. With corporate headquarters located in Phoenix, Hensley also has fully operational controlled environment warehouse space in five different locations

across Arizona, including Tucson, Flagstaff, Prescott Valley, Chandler, and Show Low. As a result of its focus on core competencies of service, integrity, and quality products, Hensley has been recognized locally and nationally as a leader in the community and the beverage industry.

### **At-The-Market Equity Offering**

The Company also announces, subject to regulatory approval, that it has filed a prospectus supplement with the Securities and Exchange Commission (“**SEC**”), pursuant to which it may offer and sell shares of its common stock (the “**Shares**”) having an aggregate offering price of up to \$20,000,000 from time to time through an “at-the-market” equity offering program (the “**ATM Program**”). The Company currently intends to use the net proceeds from any sales of the Shares under the ATM Program for general corporate purposes which may include repayment of indebtedness, increasing our working capital or capital expenditures. The timing of any sales will depend on a variety of factors.

The Shares will be offered through Roth Capital Partners as the sole sales agent. Roth may sell Shares by any method permitted by law deemed to be an “at-the-market offering” as defined in Rule 415 of the Securities Act of 1933, as amended, by means of ordinary brokers’ transactions on the Nasdaq Stock Market and such other sales as agreed upon by the Company and Roth. Sales may be made at market prices prevailing at the time of the sale, at prices related to prevailing market prices or at negotiated prices and, as a result, sales prices may vary. No sales of Shares will be made in Canada, to anyone known by Roth Capital Partners to be a resident of Canada or over or through the facilities of the Canadian Securities Exchange. Under the terms of the sales agreement entered into between the Company and Roth Capital Partners, Roth will be entitled to a commission at a fixed rate of 3.0% of the gross proceeds from each sale of Shares under the agreement.

### **The Alkaline Water Company**

Founded in 2012, The Alkaline Water Company (NASDAQ and CSE: WTER) is headquartered in Scottsdale, Arizona. Its flagship product, Alkaline88®, is a leading premier alkaline water brand available in bulk and single-serve sizes along with eco-friendly aluminum packaging options. With its innovative, state-of-the-art proprietary electrolysis process, Alkaline88® delivers perfect 8.8 pH balanced alkaline drinking water with trace minerals and electrolytes and boasts our trademarked label ‘Clean Beverage.’ Quickly being recognized as a growing lifestyle brand, Alkaline88® launched A88 Infused™ in 2019 to meet consumer demand for flavor-infused products. A88 Infused™ flavored water is available in six unique all-natural flavors, with new flavors coming soon. Additionally, in 2020, the Company launched A88 Infused Beverage Division Inc., which includes the Company’s flavor-infused water.

To learn more about The Alkaline Water Company, please visit [www.thealkalinewaterco.com](http://www.thealkalinewaterco.com) or connect with us on Facebook, Twitter, Instagram, or LinkedIn.

### **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 can increase its sales by a factor 2-3 times its current baseline by partnering with a premier DSD provider like the Hensley Beverage Company and that by the Company adding other premier beverage distributors in other key U.S. markets, it will allow the Company to continue to be one of the fastest-growing beverage companies in the U.S.

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 be an expansion into new e-commerce, home delivery, convenience, and healthy food channels; 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 or any other products; additional competitors selling alkaline water and enhanced water products 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; the 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 and the fact that consumers may not embrace enhanced water products as expected or at all; 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; and 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).

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20210223005404/en/>

The Alkaline Water Company Inc.

Richard A. Wright  
President and CEO, or

Sajid Daudi  
Director of Investor Relations & Corporate Communications  
800-923-1910  
[investors@thealkalinewaterco.com](mailto:investors@thealkalinewaterco.com)

Media

Jessica Starman  
888-461-2233  
[jessica@elev8newmedia.com](mailto:jessica@elev8newmedia.com)

Source: The Alkaline Water Company