

August 22, 2017



The Alkaline Water Company Reports First Quarter 2018 Financial Results

Record sales for Q1 up 76% over prior year

Company reiterates guidance for fiscal 2018

SCOTTSDALE, AZ -- (Marketwired) -- 08/22/17 -- *The Alkaline Water Company Inc.* (OTCQB: WTER) announced Q1 financial results for the three months ending June 30, 2017. The Company, the creator of an innovative, state-of-the-art, proprietary electrolysis beverage process, packages and sells its alkaline water in 1-gallon, 3-liter, 1-liter, 700ml and 500ml sizes to over 31,000 retail locations in all 50 states and is in the process of expanding into select international markets.

First Quarter Financial Results and Highlights

The Company had revenue from sales of our product for the three months ended June 30, 2017, of \$5,180,194, as compared to \$2,946,749 for the three months ended June 30, 2016, an increase of 76% generated by sales of our alkaline water. The increase in sales is due to the expanded distribution of our products to additional retailers throughout the country. As of June 30, 2017, the product is now available in all 50 states at an estimated 31,000 retail locations. As of June 30, 2016, the product was available in all 50 states at an estimated 25,000 retail locations. This increase has occurred primarily through the addition of four of the top national grocery retailers as customers during the three months ended June 30, 2017.

Cost of goods sold is comprised of production costs, and shipping and handling costs. For the three months ended June 30, 2017, we had cost of goods sold of \$2,951,944, or 57% of revenue, as compared to cost of goods sold of \$1,790,713, or 60.8% of revenue, for the three months ended June 30, 2016. The 3.8% increase in gross profit rate is a result of reduced raw material cost through greater volume purchases from our suppliers.

For the three months ended June 30, 2017, our total operating expenses were \$3,856,688, as compared to \$2,016,212 for the three months ended June 30, 2016. For the three months ended June 30, 2017, the total included \$1,670,017 of sales and marketing expenses and \$2,090,392 of general and administrative expenses, consisting primarily of approximately \$1,339,502 of stock and stock option compensation expense and \$299,347 of professional fees. Our stock and stock option compensation expense was incurred as a part of our issuance of certain stock options and stock grants to employees and key consultants to develop our business. Although a noncash expense, the value of such issuances had a material impact on our general and administrative expenses for the three months ended June 30, 2017.

For the three months ended June 30, 2016, the total included \$1,085,999 of sales and

marketing expenses and \$840,774 of general and administrative expenses, consisting primarily of approximately \$142,625 of stock option compensation expense and \$279,763 of professional fees. Company stock and stock option compensation expense was incurred as a part of our issuance of certain stock options and stock grants to employees and key consultants to develop our business. Although a noncash expense, the value of such issuances had a material impact on our general and administrative expenses for the three months ended June 30, 2016.

Net loss for the quarter ended June 30, 2017, was \$(1,771,754), as compared to a loss of \$(1,013,641) for the same period ended June 30, 2016.

Recent Company Highlights

- National rollout of new single-serving-size labels.
 - The new single-serving-size labels have brought brand continuity with the larger bottles and assisted in boosting sales and landing new national accounts.
- Opening and expansion of East Coast co-packing facilities in Virginia and Georgia.
- Addition of numerous national retail chains across the U.S. in recent months.
 - In the quarter ended June 30, 2017, the company secured placement for Alkaline88[®] with Brookshire Brothers, Valu Merchandisers Company (VMC) and Harris Teeter. Prior retail additions include Festival Foods, 7-Eleven stores (in Southern California), Fresh Thyme Farmers Market, Food Depot Supermarkets, Hornbacher's, Super One Foods, Food Lion, Winn-Dixie, BI-LO, Dierbergs Markets, Sendik's Food Market and Ingles Markets.
- Newly installed executive sales team added multiple national accounts in five short months with the company. As a result of its efforts, Alkaline88[®] is now available at Valu Merchandising Company, Harris Teeter, Festival Foods, Raley's and Shaw's as a direct result of increased sales effort. We expect to see many more additions of national accounts throughout FY 2018.

Management Comment

"Sale momentum continues, as our first quarter results show an astounding 76% growth over last year's first quarter results and 35% over our last year's fourth quarter sales. It is encouraging to note that much of this increase stems from customers that we've had for more than a year. I believe the full results of our recent expansion to the East Coast will be seen more fully over the next three quarters," stated Mr. Richard Wright, Chief Executive Officer and President of The Alkaline Water Company.

Based on these factors, the Company has reiterated the following guidance:

- We expect revenue in excess of \$24,000,000 for the fiscal year ending March 31, 2018.
- We expect to be selling in over 40,000 stores nationwide by the end of fiscal year 2018.

Additional details of the Company's business, finances, appointments and agreements can be found as part of the Company's continuous public disclosure as a reporting issuer with the Securities and Exchange Commission ("SEC"), available at www.sec.gov. For more

information, visit our website at www.thealkalinewaterco.com.

The Alkaline Water Company, Inc. (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 water beverage products. Visit us at www.thealkalinewaterco.com.

About Alkaline Water Products

Alkaline88's premier alkaline water is an 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 500ml, 700ml, 1-liter, 3-liter and 1-gallon sizes. The Alkaline Water Company Inc. is currently in the midst of a national mass-market expansion program, and 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.

Notice Regarding Forward-Looking Statements

This news release contains "forward-looking statements." Statements in this press 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 target of The Alkaline Water Company Inc. (the "Company") of over 40,000 stores or locations by the end of FY 2018; the Company's expectation to see many more additions of national accounts throughout FY 2018; the Company's projected sales revenue of \$24 million for fiscal year 2018; the statement that the Company is on target for more than doubling its sales into 2017; and that the Company is ready to meet that demand with little or no shortfall in product supply; The material assumptions supporting these forward-looking statements include, among other things, that the demand for the Company's products will continue to significantly grow, the Company will be able to continue to expand into new retailers and the Company will be able to obtain additional capital to meet its growing demand and purchase new pieces of equipment. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with developing new products and operating as a development-stage company, changes in customer demand, the extent to which we are successful in gaining new long-term relationships with retailers or retaining existing ones, our ability to raise the additional funding we will need to continue to pursue our business and product development plans, competition in the industry in which we operate and market conditions. These forward-looking statements are made as of the date of this news release, and we assume 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. Although we believe that any beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. Investors 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 we file with the SEC, available at www.sec.gov.

The Alkaline Water Company Inc.

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Source: The Alkaline Water Company Inc.