

flow[®]

alkaline spring water



Flow Investor Presentation

September 14, 2023

TSX:FLOW
OTCQX:FLWBF

Disclaimer

Forward-looking information

This presentation contains “forward-looking statements” within the meaning of applicable Canadian securities legislation. Such forward looking statements include, but are not limited to, information with respect to our objectives and the strategies for achieving those objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. Forward-looking statements are typically identified by the use of words such as “may”, “would”, “should”, “could”, “expect”, “intend”, “estimate”, “anticipate”, “plan”, “foresee”, “believe”, or “continue”, although not all forward-looking statements contain these words. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments, and the reader is therefore cautioned that such information may not be appropriate for other purposes. Forward-looking statements are based on assumptions and are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. Those risks and uncertainties are discussed in the Company’s Annual Information Form dated January 30, 2022 under “Part I – Risk Factors”, available on SEDAR at www.sedar.com, and include, but are not limited to, the following: impact and spread of COVID-19; ability to achieve and manage growth; failure to expand sales capabilities; changes in consumer preferences; criticism of packaged water; maintain brand image and product quality; constrained or unavailable spring water sources; inability to package products; increased competition; accurately estimating demand; maintaining relationships with distributors and vendors; changing retail landscape; incorrect product design or development; product information misrepresentation; revenues derived entirely from packaged beverages; increases in costs or shortages of materials; fluctuation of quarterly operating results; no assurance of profitability; fluctuations in foreign currency; changes in government regulation; contamination or recalls of ingredients or end products; loss of intellectual property rights; litigation; future tax rates; catastrophic events; climate change; seasonal business; dependence on key information systems and third-party service providers; ability to securely maintain confidential information; maintaining and upgrading information technology systems; conflict of interest; dual class share structure; potential volatility of share price; no assurance of active market for shares; lack of dividends; global financial condition; future sales of Subordinate Voting Shares; publication of inaccurate or unfavourable research and reports; no guarantee of completion of Amalgamation; operating history; and management and conflict of interests. Certain assumptions were made in preparing the forward-looking statements concerning availability of capital resources, business performance, market conditions and consumer demand. Consequently, all of the forward-looking statements contained herein are qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking statements contained herein are provided as of the date hereof, and we do not undertake to update or amend such forward-looking statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Non-IFRS and Other Financial Measures

This press release makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including “Adjusted EBITDA Loss”, “Adjusted Net Loss”, and “EBITDA Loss”.

The Company uses a supplementary financial measure to disclose a financial measure that is not (a) presented in the financial statements and (b) is, or is intended to be, disclosed periodically to depict the historical or expected future financial performance, financial position or cash flow, that is not a non-IFRS financial measure as detailed above. We use the supplementary financial measure “gross margin”.

These non-IFRS and supplementary financial measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS and supplementary financial measures in the evaluation of issuers. Our management also uses non-IFRS and supplementary financial measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and to determine components of management compensation. For definitions and reconciliations of these non-IFRS measures to the relevant reported measures, please see “How We Assess the Performance of Our Business” and “Selected Consolidated Financial Information” sections of the Company’s Management Discussion & Analysis available on sedar.ca and investors.flowhydration.com.



At a Glance

TSX:FLOW
OTCQX:FLWBF



Our Story

- + Founded in Ontario in 2014 as a sustainable premium water and beverage company
- + Started from a family-owned spring in Ontario
- + Packaged in eco-friendly Tetra Pak®
- + Sourced from and produced in Virginia since 2019
- + Over 59,000 retail locations

Our Water

- + Naturally alkaline, \pm pH 8.1
- + Naturally occurring essential minerals and electrolytes from our artesian springs
- + Abundant supply of spring water
- + Conservation and water stewardship protects our sources for present and future generations

Our Portfolio

- + Flow Naturally Alkaline Spring Water
- + Flow Alkaline Spring Water in six light and refreshing organic flavours, ZERO sugar, ZERO calories
- + Flow Vitamin-Infused Water in three flavours with Vitamin C and zinc

Our Consumer

- + She is 25-45 y/o, mindful, balances work, social life, and exercise
- + She is health-conscious and willing to pay more for eco-friendly products
- + Loyal consumer base with a Net Promoter Score of 79*

* Source: : North America Premium Water Brand Tracking Research Dec 2021.

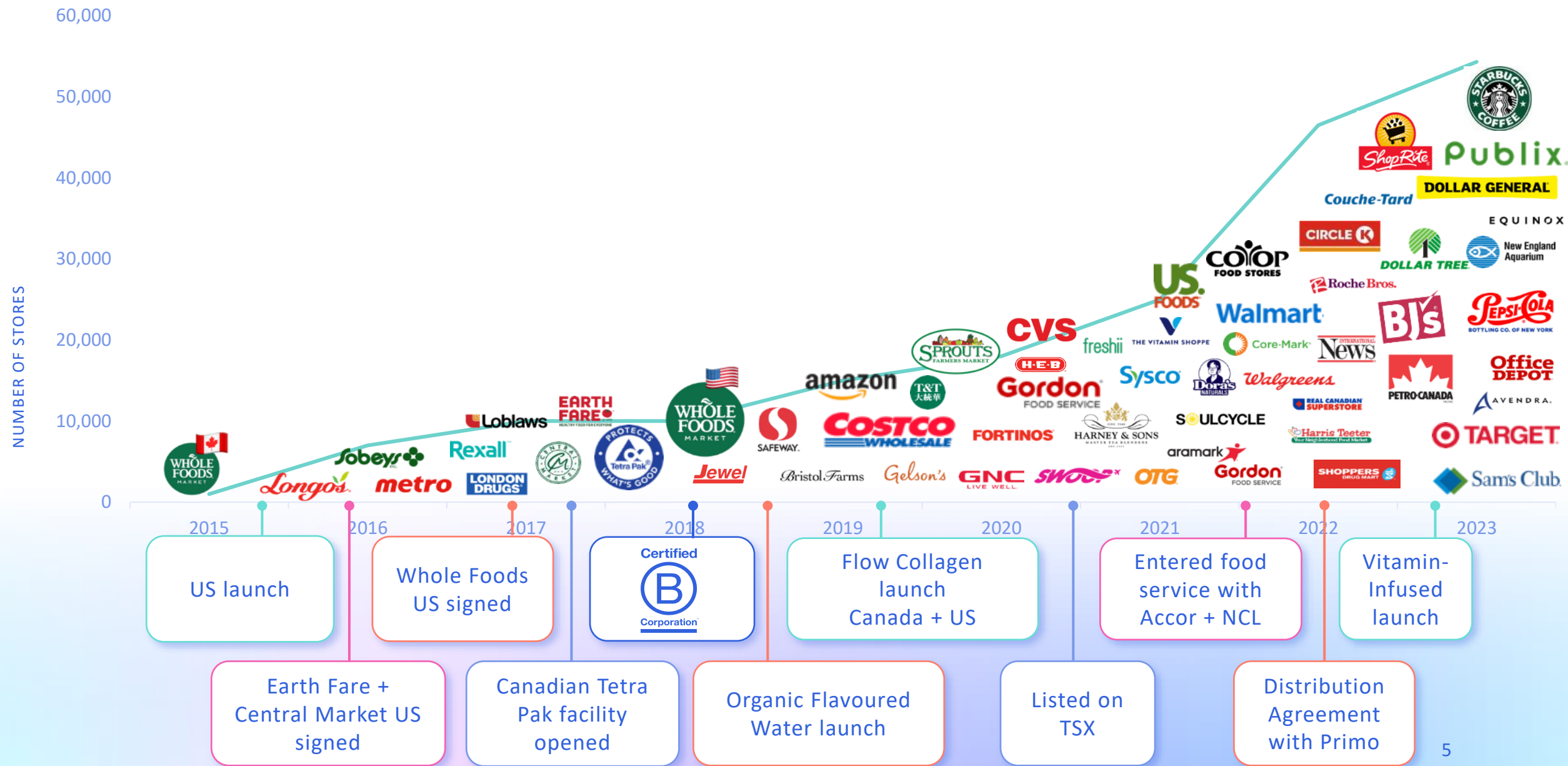
Recent Strategic Initiatives Driving Profitable Growth

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Sale of Verona production facility	Corporate	Recent progress
<ul style="list-style-type: none"> + Proceeds of US \$19.5 million + \$6.3 million in lease assignment + Entered into a co-pack agreement for efficient transition + Maintaining ownership of 144-acre Verona, Virginia spring water source 	<ul style="list-style-type: none"> + Extended \$9.5 million of unsecured debentures to 2026 + Extended \$1.8 million Seawright Mineral Springs loan to 2026 + \$20 million raised through the issuance of senior secured debt + Cross-functional restructuring, eliminating 30% of roles + Stephen A. Smith and Michael Lines appointed to Board of Directors 	<ul style="list-style-type: none"> + <i>Flow</i> brand growth <ul style="list-style-type: none"> + 21% in Q3 2023, 46% for YTD Q3 2023 + Gross margin <ul style="list-style-type: none"> + 21% in Q3 2023, 22% for YTD Q3 2023 + Aurora production facility sale advancing through brokered process + Executing on third-party logistics plan + Cash of \$7.6 million and working capital of \$12.3 million as of Q3 2023

Growth Trajectory: 59,340 Stores

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Flow brand growth of 46% YTD 2023



Flow brand net revenue and Y-Y growth

Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
\$5.2	\$4.8	\$8.6	\$7.9	\$7.3	\$9.5	\$10.5
40% ↑	9% ↓	36% ↑	38% ↑	40% ↑	98% ↑	21% ↑

#1 Market Share in Carton Format



FLOW ALKALINE WATER



JUST WATER

OTHER

Market share	
Q3 2023	Q3 2022
49%	44%
40%	42%
11%	14%

Source: SPINS – MULO, Natural Channel Stores Selling, CA Nielsen FDM, C&G Channel, total store selling, as of December 2022. UNFI, KeHe, WFM, Vendor store data. CA Propel Broker door tracking
Internal retailer authorization scorecard, July 2023

A Positive Impact on the Planet and People

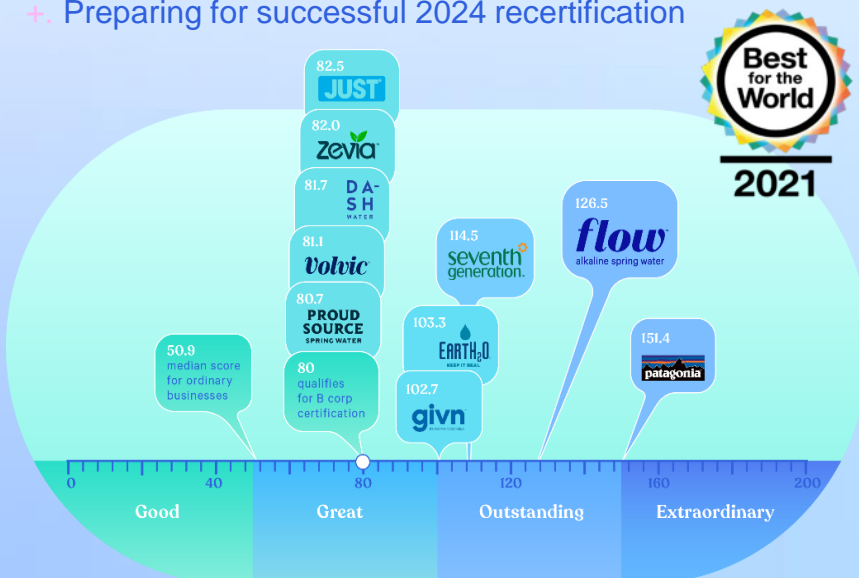
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ESG Reporting

- + Flow published its first Sustainability Accounting Standards Board (SASB) Report on Earth Day 2022 and will publish its next report in October.
- + An annual report is being developed and will be published soon.

B Corp "Best for the World" Honoree

- + Top 5% of all B Corp certified companies
- + B Corp score is 126.5, the highest in the water industry
- + Preparing for successful 2024 recertification



Community Engagement

- + Flow participated in Starbucks Canada to Shoreline Cleanup in Toronto and Edmonton, and is supporting a Starbucks Tree Planting initiative this month.
- + Flow has continued donating water in disaster-stricken areas such as Hawaii, Florida, Flint, and local food banks.



Going beyond the plastic bottle

- + Packaging in ca. 75% plant-based, renewable materials
- + Increased renewable materials packaging coming in 2024
- + Committed to 100% renewable source package by 2030

Carbon neutral

- + Carbon Neutrality across operations
- + Sourcing 100% renewable energy for facilities
- + Amazon Climate Pledge Member
- + Reducing Scope 3 emissions from travel and packaging with Goodwings and Ecocart



Protecting the source

- + Water stewardship
- + Land management
- + Enhancing spring source protection

Greening the supply chain

- + Procurement requires sustainable suppliers
- + Promoting recycling through the Carton Council
- + Packaging designed to be recycled and upcycled

Operational Milestones

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Retail

- + Expanded to over 59,000 stores, a 63% increase
- + Family Dollar, Dollar Tree, Albertsons/Safeway, Save on Foods, Circle K
- + Maintained #1 market share in U.S. carton format water

Food service

- + Entered food service through contracts with Live Nation, Starbucks Canada and Foodbuy
- + Launched in 1,100 Starbucks in January 2023 and Live Nation concerts in June 2023

Innovation

- + Launched Vitamin-Infused Water in three new flavours across North America
- + Now in over 8,000 locations in North America
- + Circle K in Canada, Albertsons/Safeway in the U.S.



Financial Highlights

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Q3 2023

Flow brand net revenue

\$10.5 million in Q3 2023, 21% increase from Q3 2022

\$27.2 million for YTD Q3 2023, 46% increase from YTD Q3 2022

Drivers: food service, new stores, e-commerce, innovation

Consolidated net revenue

\$13.8 million in Q3 2023, 8% increase from Q3 2022

\$37.6 million for YTD Q3 2023, 12% increase from YTD Q3 2022

Drivers: Flow brand growth

Gross margin

21% in Q3 2023, 22% for YTD Q3 2023

Drivers: Change in sales mix, e-commerce fulfillment methodology and service interruption

EBITDA

\$(9.7) million in Q3 2023, as compared to \$(8.9) million in Q3 2022

Drivers: gross profit, stock-based compensation, \$3.8 million related to non-recurring charges



Financial Results — Q3 2023

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In Millions (\$CAD)	Three months ended	
	July 31, 2023	July 31, 2022
Flow brand net revenue	10.5	8.6
Co-pack net revenue	3.3	4.1
Net revenue	13.8	12.7
Gross profit	3.0	3.6
Gross margin ¹	21%	28%
Sales and marketing	1.8	1.9
General and administrative	6.5	4.6
Salaries and benefits	3.0	3.7
Share-based compensation	1.7	1.9
EBITDA Loss ²	(9.7)	(8.9)
Adjusted EBITDA Loss ³	(7.7)	(6.4)

Gross margin

- + Higher food service revenue in sales mix
- + E-commerce: change in fulfillment methodology, service interruptions

Operating expenses

- + Sales and marketing: lower as a % of net revenue
- + General and admin: includes \$3.8 million non-recurring costs
- + Salaries and benefits: partial impact from restructuring, no impact from 3PL
- + ***Restructuring initiatives to become more pronounced in fiscal Q4 2023 and Q1 2024***

(1) This is a supplementary financial measure. See the "Non-IFRS and Other Financial Measures" for more information on the supplementary financial measure. "Gross margin" is defined as gross profit divided by net revenue.

(2) This is a non-IFRS financial measure. See the "Non-IFRS and Other Financial Measures" for more information on the non-IFRS measure. "EBITDA Loss" is defined as consolidated net loss before: (i) income tax expense; (ii) finance expense, net; and (iii) amortization and depreciation of property, plant, and equipment and intangible assets.

(3) This is a non-IFRS financial measure. See the "Non-IFRS and Other Financial Measures" for more information on the non-IFRS measure. "Adjusted EBITDA Loss" is defined as EBITDA Loss before: (i) restructuring and other costs; and (ii) share-based compensation.

Unlocking Shareholder Value

Current valuation

- + *Flow* is trading at 1.0x EV/Revenue
- + Weighted average peer group trading at 5.3x EV/Revenue
- + *Flow* brand is achieving among the highest growth rates (46% YTD 2023, 26% FY 2022)

Value to be unlocked through:

- + Strengthening balance sheet and cash flow position
- + Continued growth of *Flow* brand
- + Executing plan to profitability
- + Investments into IR program

Company	Mcap.	EV	Revenue		Revenue Growth		EV/Revenue		EV/EBITDA	
			2023	2024	2023	2024	2023	2024	2023	2024
Bellring	\$5,350	\$6,259	\$1,654	\$1,854	19%	12%	3.8x	3.4x	19x	19x
Celsius	\$15,500	\$14,887	\$1,251	\$1,724	91%	38%	11.9x	8.6x	61x	61x
Guru	\$70	\$50	\$29	\$35	(1)%	21%	1.7x	1.4x	N/A	N/A
Lassonde	\$1,370	\$1,621	\$2,320	\$2,375	7%	2%	0.7x	0.7x	8x	8x
Monster	\$59,050	\$57,781	\$7,164	\$8,003	12%	12%	8.1x	7.2x	27x	27x
National Beverage	\$4,400	\$4,323	\$1,195	\$1,227	5%	3%	3.6x	3.5x	18x	18x
Oatly	\$663	\$732	\$788	\$893	11%	13%	0.9x	0.8x	N/A	N/A
Primo	\$3,260	\$4,861	\$2,344	\$2,496	5%	6%	2.1x	1.9x	10x	10x
Vita Coco	\$1,610	\$1,591	\$477	\$464	12%	(3)%	3.3x	3.4x	27x	27x
Average					18%	12%	4.0x	3.5x	24x	24x
Weighted average					33%	11%	5.3x	4.8x	20x	20x
Flow	\$26	\$48	\$49	\$60	4%	22%	1.0x	0.8x	N/A	N/A

Source: CapitalIQ, Flow analyst estimates

Path to profitability and unlocking shareholders value

Flow brand growth

- + Retail
- + Food service
- + Innovation

Financial improvements

- + Logistics
- + Shipping
- + Restructuring

Asset-light model

- + Unlock balance sheet value
- + Improve cash position
- + Reinvest in Flow brand

Financial benefits

- + Flow expects **\$22-\$26 million in cost improvement**



Appendix

Management Team

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Nicholas Reichenbach
Chief Executive Officer

- + Founder of Flow
- + Director SimplyProtein (Wellness Natural, Inc.)
- + Managing Partner Evolver Ventures



Trent MacDonald
Chief Financial Officer

- + 25 years of executive leadership
- + Retail and CPG experience with Sobeys, Indigo, Neighbourly Pharmacy and HEXO
- + Award winning entrepreneur focused on growth and value creation

Board of Directors

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OTCQX:FLWBF



Nicholas Reichenbach
Chairman & CEO

Founder of Flow
Director Simply Protein (Wellness Natural Inc.)
Director General Assembly
Managing Partner
Evolver Ventures



Joe Jackman
Director

Founder & CEO
Jackman Reinvents
Director Simply Protein (Wellness Natural Inc.)
Former CMO (Acting) Old Navy
(division of Gap Inc.)
Former CMO (Acting)
Duane Reade
Former EVP Marketing
Loblaw Companies Ltd



**Patrick Bousquet-
Chavanne**
Lead Independent
Director

President & CEO, eShopWorld
Director, Chair Compensation
Committee Brown-Forman
Director, French-American
Foundation United States



Stephen A. Smith
Independent Director

Chair of Flow Audit Committee
Previous co-CEO and CFO of Cara
Operations (now Recipes Unlimited)
Previous EVP Finance and CFO of
Loblaw
Director of Organigram, Freshii, Mav
Beauty Brand and CE Brands



Michael Lines
Independent Director

Chair of Flow's CHR&C Committee
Founder and President of Simply
Protein (Wellness Natural Inc.)
Vice-Chair of Plant Based Foods of
Canada

Corporate Snapshot

Capitalization Summary

Company Symbol

TSX:FLOW

Shares outstanding

56.4M

Options, RSUs, DSUs and warrants

18.7M

Fully-diluted shares outstanding

75.1M

Market capitalization (September 13, 2023)

\$26M

Cash (July 31, 2023)

\$7.6M

And remember
that **Mother
Nature** is our
number 1
shareholder



It's a beautiful day to invest in the future.

Alkaline spring water in a
sustainable package.

