

FLOW CAPITAL (TSXV:FW)

Annual General Meeting

Friday, July 5, 2019

Forward Looking Information

TSXV:FW

THIS CORPORATE PRESENTATION CERTAIN "FORWARD-LOOKING INFORMATION" WITHIN THE MEANING OF APPLICABLE CANADIAN SECURITIES LEGISLATION AND MAY ALSO CONTAIN STATEMENTS THAT MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE SAFE HARBOR PROVISIONS OF THE U.S. PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH FORWARD-LOOKING INFORMATION AND FORWARD-LOOKING STATEMENTS ARE NOT REPRESENTATIVE OF HISTORICAL FACTS OR INFORMATION OR CURRENT CONDITION, BUT INSTEAD REPRESENT ONLY THE COMPANY'S BELIEFS REGARDING FUTURE EVENTS, PLANS OR OBJECTIVES, MANY OF WHICH, BY THEIR NATURE, ARE INHERENTLY UNCERTAIN AND OUTSIDE OF THE COMPANY'S CONTROL. GENERALLY, SUCH FORWARD-LOOKING INFORMATION OR FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "PLANS", "EXPECTS" OR "DOES NOT EXPECT", "IS EXPECTED", "BUDGET", "SCHEDULED", "ESTIMATES", "FORECASTS", "INTENDS", "ANTICIPATES" OR "DOES NOT ANTICIPATE", OR "BELIEVES", OR VARIATIONS OF SUCH WORDS AND PHRASES OR MAY CONTAIN STATEMENTS THAT CERTAIN ACTIONS, EVENTS OR RESULTS "MAY", "COULD", "WOULD", "MIGHT" OR "WILL BE TAKEN", "WILL CONTINUE", "WILL OCCUR" OR "WILL BE ACHIEVED". THE FORWARD-LOOKING INFORMATION CONTAINED HEREIN MAY INCLUDE, BUT IS NOT LIMITED TO, INFORMATION WITH RESPECT TO: PROSPECTIVE FINANCIAL PERFORMANCE; INCLUDING THE COMPANY'S OPINION REGARDING THE CURRENT AND FUTURE PERFORMANCE OF ITS PORTFOLIO, EXPENSES AND OPERATIONS; ANTICIPATED CASH NEEDS AND NEED FOR ADDITIONAL FINANCING; ANTICIPATED FUNDING SOURCES; FUTURE GROWTH PLANS; ROYALTY ACQUISITION TARGETS AND PROPOSED OR COMPLETED ROYALTY TRANSACTIONS; ESTIMATED OPERATING COSTS; ESTIMATED MARKET DRIVERS AND DEMAND; BUSINESS PROSPECTS AND STRATEGY; ANTICIPATED TRENDS AND CHALLENGES IN THE COMPANY'S BUSINESS AND THE MARKETS IN WHICH IT OPERATES; THE COMPANY'S ABILITY TO PAY DIVIDENDS IN THE FUTURE AND THE AMOUNT AND TIMING OF THOSE DIVIDENDS; THE COMPANY'S ABILITY TO SUCCESSFULLY MANAGE ITS JOINT VENTURE RELATIONSHIPS; AND THE COMPANY'S FINANCIAL POSITION. BY IDENTIFYING SUCH INFORMATION AND STATEMENTS IN THIS MANNER, THE COMPANY IS ALERTING THE READER THAT SUCH INFORMATION AND STATEMENTS ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE THE ACTUAL RESULTS, LEVEL OF ACTIVITY, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY TO BE MATERIALLY DIFFERENT FROM THOSE EXPRESSED OR IMPLIED BY SUCH INFORMATION AND STATEMENTS.

AN INVESTMENT IN SECURITIES OF THE COMPANY IS SPECULATIVE AND SUBJECT TO A NUMBER OF RISKS INCLUDING, WITHOUT LIMITATION, RISKS RELATING TO: THE NEED FOR ADDITIONAL FINANCING; THE COMPANY'S ABILITY TO PAY DIVIDENDS IN THE FUTURE AND THE TIMING AND AMOUNT OF THOSE DIVIDENDS; THE RELATIVE SPECULATIVE AND ILLIQUID NATURE OF AN INVESTMENT IN THE COMPANY; THE VOLATILITY OF THE COMPANY'S SHARE PRICE; THE COMPANY'S LIMITED OPERATING HISTORY; THE COMPANY'S ABILITY TO GENERATE SUFFICIENT REVENUES; THE COMPANY'S ABILITY TO MANAGE FUTURE GROWTH; THE LIMITED DIVERSIFICATION IN THE COMPANY'S EXISTING INVESTMENTS AND THE CONCENTRATION OF A SIGNIFICANT AMOUNT OF THE COMPANY'S INVESTED CAPITAL IN A SMALL NUMBER OF INVESTMENTS; THE COMPANY'S ABILITY TO NEGOTIATE ADDITIONAL ROYALTY PURCHASES FROM NEW INVESTEE COMPANIES; THE COMPANY'S DEPENDENCE ON THE OPERATIONS, ASSETS AND FINANCIAL HEALTH OF ITS INVESTEE COMPANIES; THE COMPANY'S LIMITED ABILITY TO EXERCISE CONTROL OR DIRECTION OVER INVESTEE COMPANIES; POTENTIAL DEFAULTS BY INVESTEE COMPANIES AND THE UNSECURED NATURE OF THE COMPANY'S INVESTMENTS; THE COMPANY'S ABILITY TO ENFORCE ON ANY DEFAULT BY AN INVESTEE COMPANY; COMPETITION WITH OTHER INVESTMENT ENTITIES; TAX MATTERS, INCLUDING THE POTENTIAL IMPACT OF THE FOREIGN ACCOUNT TAX COMPLIANCE ACT ON THE COMPANY; THE POTENTIAL IMPACT OF THE COMPANY BEING CLASSIFIED AS A PASSIVE FOREIGN INVESTMENT COMPANY ("PFIC"); RELIANCE ON KEY PERSONNEL, PARTICULARLY THE COMPANY'S FOUNDERS; DILUTION OF SHAREHOLDERS' INTEREST THROUGH FUTURE FINANCINGS; CHANGES TO THE COMPANY'S ACCOUNTING POLICIES AND METHODS; AND GENERAL ECONOMIC AND POLITICAL CONDITIONS; AS WELL AS THE RISKS DISCUSSED UNDER THE HEADING "RISK FACTORS" ON PAGES 23 TO 25 OF THE ANNUAL INFORMATION FORM OF THE COMPANY DATED FEBRUARY 15, 2015 AND THE RISKS DISCUSSED HEREIN. ALTHOUGH THE COMPANY HAS ATTEMPTED TO IDENTIFY IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTAINED IN THE FORWARD-LOOKING INFORMATION AND FORWARD-LOOKING STATEMENTS, THERE MAY BE OTHER FACTORS THAT CAUSE RESULTS NOT TO BE AS ANTICIPATED, ESTIMATED OR INTENDED.

KEY ASSUMPTIONS INCLUDE, BUT ARE NOT LIMITED TO: ASSUMPTIONS THAT THE CANADIAN AND U.S. ECONOMIES RELEVANT TO THE COMPANY'S INVESTMENT FOCUS WILL REMAIN RELATIVELY STABLE OVER THE NEXT 12 TO 24 MONTHS; THAT INTEREST RATES WILL NOT INCREASE DRAMATICALLY OVER THE NEXT 12 TO 24 MONTHS; THAT THE COMPANY'S EXISTING INVESTEE COMPANIES WILL CONTINUE TO MAKE ROYALTY PAYMENTS TO THE COMPANY AS AND WHEN REQUIRED; THAT THE BUSINESSES OF THE COMPANY'S INVESTEE COMPANIES WILL NOT EXPERIENCE MATERIAL NEGATIVE RESULTS; THAT THE COMPANY WILL CONTINUE TO GROW ITS PORTFOLIO IN A MANNER SIMILAR TO WHAT HAS ALREADY BEEN ESTABLISHED; THAT TAX RATES AND TAX LAWS WILL NOT CHANGE SIGNIFICANTLY IN CANADA AND THE U.S.; THAT MORE SMALL TO MEDIUM PRIVATE AND PUBLIC COMPANIES WILL CONTINUE TO REQUIRE ACCESS TO ALTERNATIVE SOURCES OF CAPITAL; AND THAT THE COMPANY WILL HAVE THE ABILITY TO RAISE REQUIRED EQUITY AND/OR DEBT FINANCING ON ACCEPTABLE TERMS. THE COMPANY HAS ALSO ASSUMED THAT ACCESS TO THE CAPITAL MARKETS WILL REMAIN RELATIVELY STABLE, THAT THE CAPITAL MARKETS WILL PERFORM WITH NORMAL LEVELS OF VOLATILITY AND THAT THE CANADIAN DOLLAR WILL NOT HAVE A HIGH AMOUNT OF VOLATILITY RELATIVE TO THE U.S. DOLLAR. IN DETERMINING EXPECTATIONS FOR ECONOMIC GROWTH, THE COMPANY PRIMARILY CONSIDERS HISTORICAL ECONOMIC DATA PROVIDED BY THE CANADIAN AND U.S. GOVERNMENTS AND THEIR AGENCIES. ALTHOUGH THE COMPANY BELIEVES THAT THE ASSUMPTIONS AND FACTORS USED IN PREPARING, AND THE EXPECTATIONS CONTAINED IN, THE FORWARD-LOOKING INFORMATION AND STATEMENTS ARE REASONABLE, UNDUE RELIANCE SHOULD NOT BE PLACED ON SUCH INFORMATION AND STATEMENTS, AND NO ASSURANCE OR GUARANTEE CAN BE GIVEN THAT SUCH FORWARD-LOOKING INFORMATION AND STATEMENTS WILL PROVE TO BE ACCURATE, AS ACTUAL RESULTS AND FUTURE EVENTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN SUCH INFORMATION AND STATEMENTS.

THE FORWARD-LOOKING INFORMATION AND FORWARD-LOOKING STATEMENTS CONTAINED IN THIS CORPORATE PRESENTATION ARE MADE AS OF THE DATE OF THIS CORPORATE PRESENTATION, AND THE COMPANY DOES NOT UNDERTAKE TO UPDATE ANY FORWARD-LOOKING INFORMATION AND/OR FORWARD-LOOKING STATEMENTS THAT ARE CONTAINED OR REFERENCED HEREIN, EXCEPT IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS. ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING INFORMATION AND STATEMENTS ATTRIBUTABLE TO THE COMPANY OR PERSONS ACTING ON ITS BEHALF IS EXPRESSLY QUALIFIED IN ITS ENTIRETY BY THIS NOTICE.

NON-IFRS MEASURES

THIS CORPORATE PRESENTATION REFERS TO CERTAIN KEY PERFORMANCE INDICATORS, INCLUDING EBITDA, ADJUSTED EBITDA, FREE CASH FLOW, WEIGHTED AVERAGE ROYALTY RATE AND CASH RETURNED FROM ROYALTY PAYMENTS AND ROYALTY BUYOUTS TO ASSIST IN ASSESSING THE COMPANY'S FINANCIAL PERFORMANCE. EBITDA, ADJUSTED EBITDA, WEIGHTED AVERAGE ROYALTY RATE AND CASH RETURNED FROM ROYALTY PAYMENTS AND ROYALTY BUYOUTS (THE "NON-IFRS MEASURES") ARE FINANCIAL MEASURES USED IN THIS PRESENTATION THAT ARE NOT STANDARD MEASURES UNDER IFRS. THE COMPANY'S METHOD OF CALCULATING THE NON-IFRS MEASURES MAY DIFFER FROM THE METHODS USED BY OTHER ISSUERS. THEREFORE, THE COMPANY'S NON-IFRS MEASURES MAY NOT BE COMPARABLE TO SIMILAR MEASURES PRESENTED BY OTHER ISSUERS. SEE SECTION "DEFINITION OF NON-IFRS MEASURES" FOR AN EXPLANATION ON HOW THEY ARE CALCULATED. THESE NON-IFRS MEASURES SHOULD ONLY BE INTERPRETED IN CONJUNCTION WITH THE MOST RECENTLY AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018, AND THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2019, WHICH ARE AVAILABLE ON SEDAR AT WWW.SEDAR.COM.

Flow Capital

ESTABLISHED PUBLICLY TRADED INVESTMENT COMPANY (TSXV:FW)

Flow Capital provides **growth capital** for emerging companies in **high-growth, tech-enabled industries**.

Flow offers a **superior alternative** to conventional debt and equity for emerging-growth companies with \$1M to \$20M in revenue.

\$80M

HAS INVESTED \$80M IN 44 INVESTMENTS
SINCE INCEPTION IN 2014

Emerging &
High Growth

Annual revenues or ARR of greater than \$1 million; operating in high-growth markets; 75% of portfolio is tech-based companies

Small to
mid-size

Small to medium-sized businesses in North America or the UK

2+ years

Operating history greater than 2 years

Who Do We Invest In?

Revenue-Based Financing and Venture Debt

	REVENUE-BASED FINANCING	VENTURE DEBT
Term	Perpetual	12 to 36 months
Yield	20-25%	15-17%
Buyout Premium	2X	N/A
Target Investment IRR	Mid-to-high 20's	High Teens
Portfolio Target IRR	High Teens	High Teens
Warrant Coverage	Light, 5-20%	Light, 5-15%

Why Do Companies Take a Royalty Investment?

An excellent fit for high-growth companies in industries such as technology, SaaS, regulated cannabis, etc.

DEFER

To defer dilutive equity issuance using the royalty investment as a bridge or as growth capital.

COST

Businesses are typically growing equity at a faster rate than cost of the Royalty.

MINIMAL DILUTION

Royalty investments typically have modest warrant coverage.

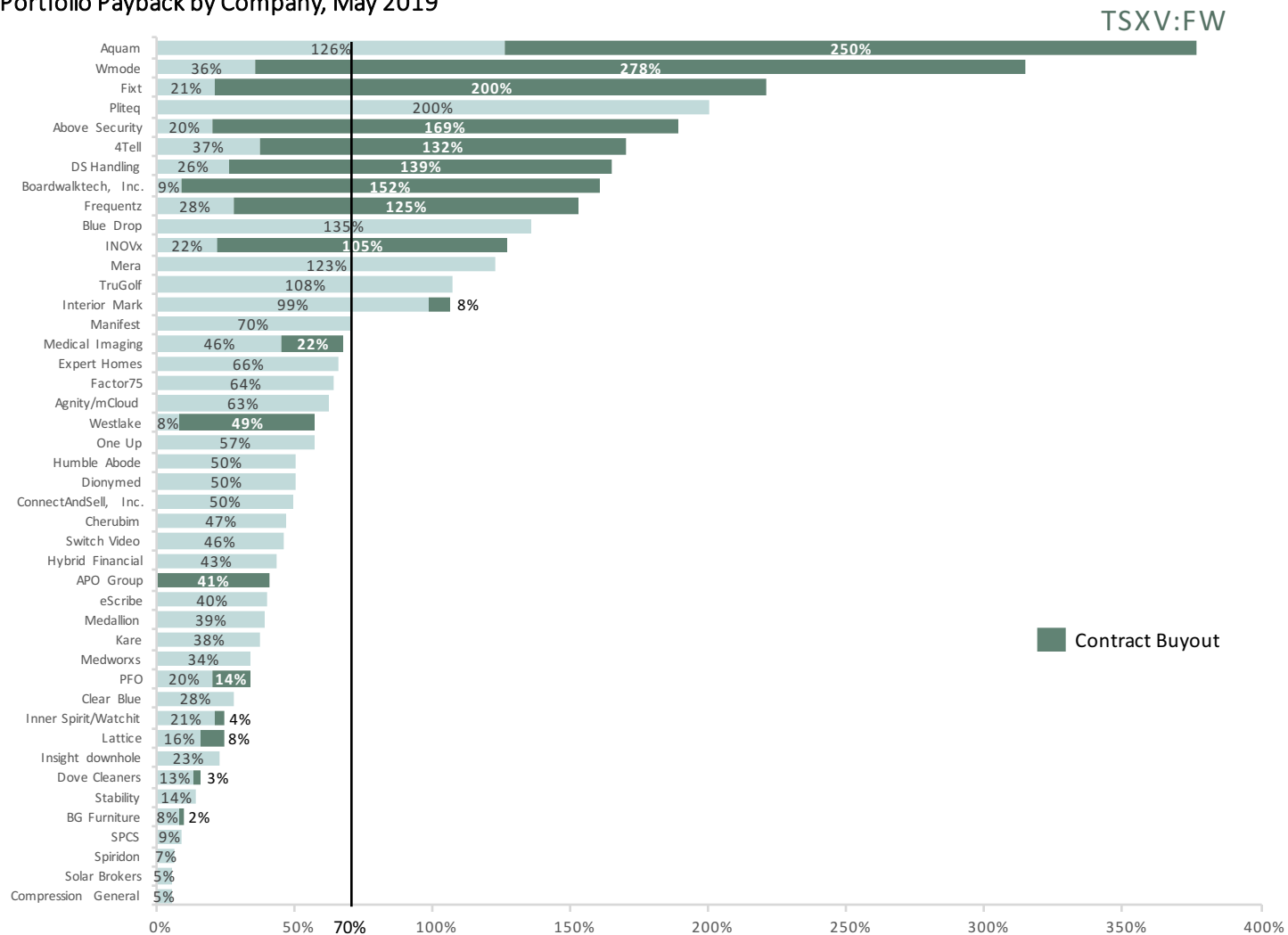
BUY OUT OPTION

Companies have the option to buy out the investment on their schedule.

How Have We Done?

AGM Meeting | July 5, 2019

Portfolio Payback by Company, May 2019

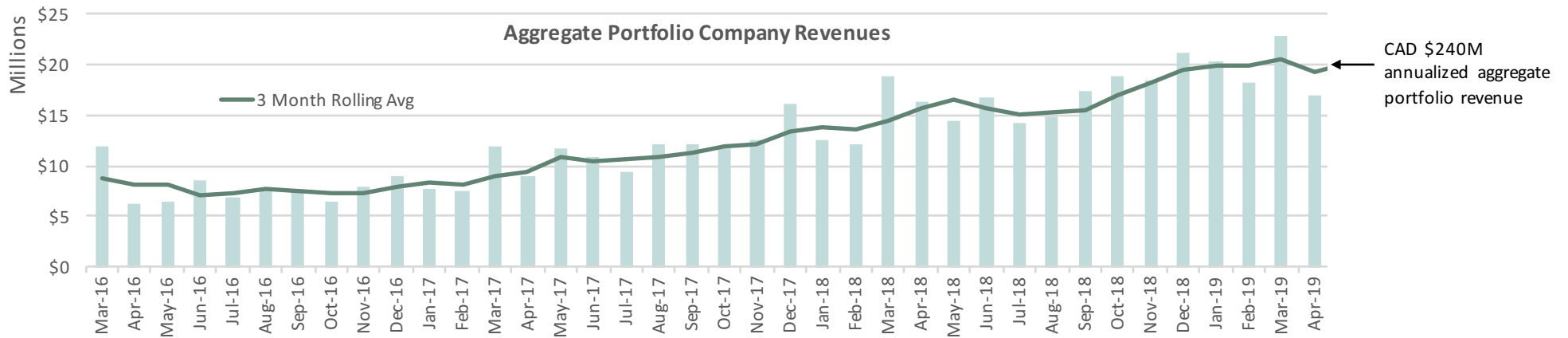


How Do We Grow?

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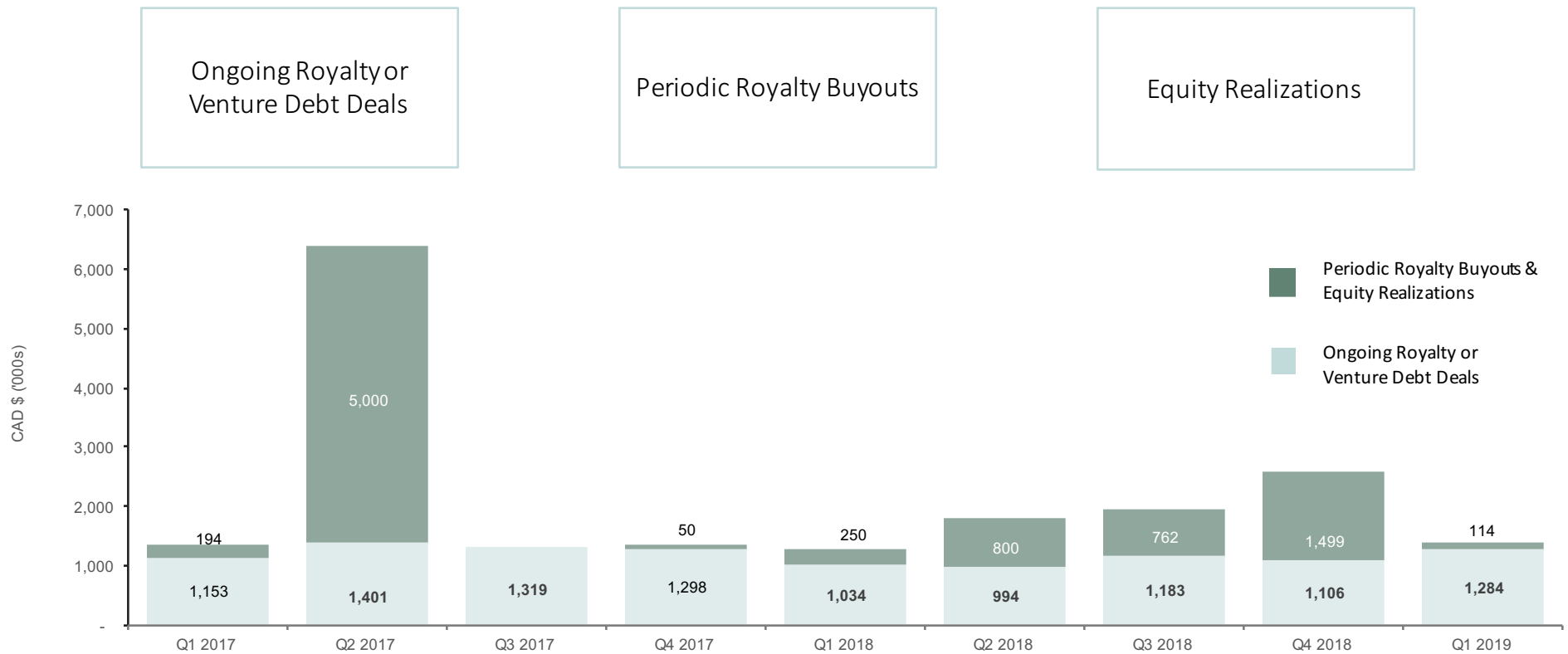
Recurring revenues will continue to grow:

- Making investments in new portfolio companies
- Increasing the average initial investment size
- Making follow-on investments in existing portfolio companies
- Increasing revenue growth of portfolio companies
- Minimizing distressed situations



What Drives Our Returns on Investment?

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Strongly Supporting Our Own Stock (Normal Course Issuer Bid)

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	FW Common Share	FW.DB.A	FW.DB.B
Limit	4,666,666	1,720,100	521,000
Purchased (units)	3,341,000	279,000	91,000
Available to Buy (units)	1,325,666	1,441,100	430,000
% Complete	71.6% (51.1% in Q4)	16.2% (10.6% in Q4)	17.5%
Purchased (\$)	\$418,445	\$257,880	\$68,250
Average Price	\$0.1252	\$92.43	\$75.00

As of the end of Q1 2019:

- \$101,000 spent in the quarter
- Total of \$744,575 spent to date
- Expires August 1, 2019

Sale closed in April 2019 for total consideration of \$12.375M

Objective of the sale was to strengthen our balance sheet and provide capital to invest in emerging growth companies.

- Consideration made up of cash of \$1.375M and two 10% interest bearing notes totaling \$11M.
- The notes generate \$1.1M income.
- Repayment of first \$9.5M note can be exercised any time after August 1, 2019.
- Purchase price is subject to an adjustment of +/- \$1.5M if the 2019 increase or decrease by more than 5%.

OUTLOOK

↑ Increase Scale

↑ Increase Efficiency

↑ Increase Quality

→ INCREASE BOOK VALUE



Term loan closed beginning of July.

- Social media platform for publishers that builds artificial intelligence to distribute content efficiently.

**TO BE
ANNOUNCED**

Closed beginning of July.

- Uses artificial intelligence to better match candidates to jobs through a mobile, chat, and video-based employment marketplace.

**Spiridon
Technologies**

Closed in May, follow-on option through August 1.

- A privately-held consolidator of IoT and related technology providers.

*Pipeline opportunities continue to improve.

Key Objective: Improve Pipeline Size, Throughput, and Quality

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Initiatives Include:

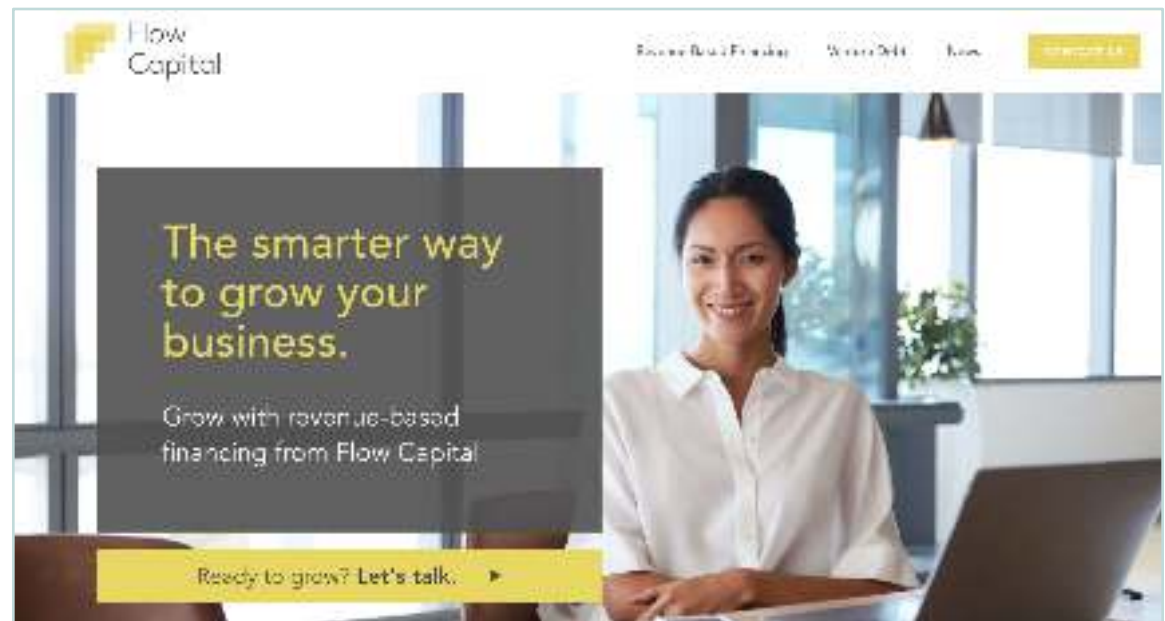
- Hiring a new origination principal
- Separation of origination and due diligence functions
- Aggressive marketing initiatives
- Digitization and operational improvements

Objectives:

- Focus on increasing number of deals in the top of the pipeline funnel
- Increase quality of deals that make it to the bottom of the pipeline
- Deploy more capital into high quality deals

Website Redesign

- Redesigned website was launched in the beginning of June to boost branding, credibility, and optimize for SEO.
- Adding a knowledge center and blog to enhance content creation and SEO efforts.
- Will be using A/B testing and Google Analytics to enhance aspects of the new website that can help generate digital leads.



Marketing

- Hired a Marketing Specialist in the beginning of June who has previous experience in the industry and is a digital native.
- Initiatives
 - Ads - Will be launching video ads on LinkedIn and Facebook in July to generate leads.
 - Content - Currently working on long-form and short-form content to build industry and “tech” credibility.
 - Events – Reaching out to events across North America for sponsorship and speaker opportunities.
- Goals
 - Brand Development
 - Increase lead flow & social channel exposure
 - Create high-quality, targeted content
 - Increase exposure at conferences



Focusing on improving systems to keep pace with competitive trends in the marketplace.

Improving operational throughput and efficiencies.

Proactive instead of reactive management.

Scale

- Digital onboarding
- Digital marketing
- Digital closing process
- Future: New product opportunities

Monitoring

- Automated risk assessment
- Automate dashboard
- Early warning of potential problems
- Portfolio performance monitoring

Speed of Due Diligence

- Improve financial modeling
- Improve standardization and cross-company comparisons

Quality

1

Cleaning up distressed deal backlog

2

Focusing on maximization of return from distress

3

Improving decision making and support processes

- Improving risk assessment
- Reacting more quickly to signs of trouble
- Focusing on avoiding challenging situations vs. fixing them

Flow Capital creates shareholder value in five distinct ways:

1. Stable, recurring revenues from a diverse portfolio of royalty and venture debt investments in North American, emerging-growth companies.
2. Royalty buyouts or buy downs.
3. Returns from realizations of equity and warrant positions in portfolio companies.
4. Supporting and buying our own stock when it represents particularly high return.
5. Opportunistically grow the business through acquisitions.

Contact Us

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