

Flow Capital Announces Q1 2024 Financial Results

Recurring revenue up 16.4% year over year.

TORONTO, May 22, 2024 – Flow Capital Corp. (TSXV:FW) (“Flow Capital” and “Company”), a leading provider of venture debt to high growth companies, announces its unaudited financial and operating results for the three-months ended March 31, 2024 (“Q1 2024”). Financial references are in Canadian dollars unless otherwise specified.

Q1 2024 Performance Highlights

- A record \$1.8 million in recurring loan interest income¹ up 6.7% from Q4 2023 and 16.4% from Q1 2023.
- A 16% cash yield on our current loan book of \$43.7 million.
- \$1.23 book value per share up 2.9% over the prior quarter and up 49% over the past two years.
- \$0.4 million in recurring free cash flow² in Q1 2024; and \$1.1 million over the past 4 quarters.
- \$65.4 million in total assets up 2.9% from Q4 2023 and 10.6% over Q1 2023.
- \$28.1 million in new capital deployments over the past 12 months, a new record for the Company.

“We are pleased with our results this quarter. Book value per share continued to grow and recurring revenues hit \$1.8 million this quarter, a record for us. The recurring revenue represents a 16% annual cash return on our current loan book of \$43.7 million.” said Alex Baluta, CEO of Flow Capital. “As we continue to accelerate the deployment of capital into new loans, we expect to maintain this cash-on-cash return while also achieving a higher long-term IRR based on the contributions of our equity positions, similar to what we have seen over the last 6 years.”

¹ Recurring Loan Interest Income is an internally defined, non-IFRS measure calculated as Loan Interest Income less Loan Amortization Income and one-time payments (e.g. prepayment fees). Reconciliations of non-IFRS measures to the nearest IFRS measure can be found in this press release under “Reconciliation of Non-IFRS Measures”.

² Recurring Free Cash Flow is an internally defined, non-IFRS measure calculated as Recurring Loan Interest Income less Salaries, Professional fees, Office and general administrative and Financing expenses. Reconciliations of non-IFRS measures to the nearest IFRS measure can be found in this press release under “Reconciliation of Non-IFRS Measures”.

Flow's business development program continues to surface excellent investment opportunities. In Q1 we closed a \$5.25 million financing into UK based CrowdProperty, a digital "platform as a service" marketplace, \$2.15 million into a Canadian based fintech SaaS company, and after the end of the quarter, an additional \$2.7 million into existing portfolio company Miniluxe, and \$5.4 into GetTattle Inc. a global Customer Experience Improvement SaaS platform. We continue to see strong pipeline growth and expect that portfolio growth should only be tempered by our access to supporting capital.

In order to build our capital base, we continue to offer our redeemable floating rate debentures to institutional and accredited investors. The debenture pays a floating rate of interest, currently set at 10.5%.

In addition to supporting our growth the debenture also serves our investors and shareholders well, allowing us to bifurcate investor returns between capital gains-oriented investors in our common shares and income-oriented investors in our debentures.

Said Mr. Baluta, "The goal here at Flow is to serve all our stakeholders well. Borrowers with capital that supports their growth, book value per share growth for our common shareholders, and significant income from an attractive interest rate for our debenture holders."

Detailed Financial results are available on our website at www.flowcap.com or on www.sedar.com.

RESULTS OF OPERATIONS

	Three-months ended March 31, 2024	Three-months ended March 31, 2023
Recurring Loan Interest Income ⁽¹⁾	\$ 1,757,553	\$ 1,509,437
Total Loan Interest Income	2,005,586	1,691,481
Total Revenues per IFRS	1,914,445	1,747,126
Net income/(loss)	720,237	345,450
Adjusted Recurring Free Cash Flow ⁽²⁾	415,851	298,756
Basic Earnings per share	0.0229	0.0111
Diluted Earnings per share	0.0228	0.0105
Book Value per outstanding share ⁽³⁾	1.226	1.2335
Weighted basic average number of shares outstanding	31,442,753	31,204,227
Weighted diluted average number of shares outstanding	31,540,741	32,766,042

- (1) Recurring Loan Interest Income is an internally defined, non-IFRS measure calculated as Loan Interest Income, less Loan Amortization Income and one-time payments (e.g. prepayment fees). See the section "Use of Non-IFRS Financial Measures".
- (2) Recurring Free Cash Flow is an internally defined, non-IFRS measure calculated as Recurring Loan Interest Income, less Salaries, Professional fees, Office and general administrative and Financing expenses. See the section "Use of Non-IFRS Financial Measures".
- (3) Calculated by taking Total Shareholders' Equity as reported on the Statements of Financial Position over the number of outstanding shares. See the section "Use of Non-IFRS Financial Measures".

Conference Call Details

Flow Capital will host a conference call to discuss these results at 9:00 a.m. Eastern Time, on Thursday, May 23, 2024. Participants should call +1 800-717-1738 or +1 289-514-5100 and ask an operator for the Flow Capital earnings call, Conference ID 70834. Please dial in 10 minutes prior to the call to secure a line. A replay will be available shortly after the call. To access the replay, please dial +1 888-660-6264 or +1 289-819-1325 and enter passcode 70834#. The replay recording will be available until 11:59 p.m. Eastern Time, June 06, 2024.

An audio recording of the conference call will be also available on the investors' page of Flow Capital's website at www.flowcap.com/financials.

About Flow Capital

Flow Capital Corp. is a Canadian based, publicly listed venture debt lender. Since 2018 we have financed high growth companies in the US, the UK, and Canada. We help companies speed their growth without the dilutive effect of an equity issue or the difficulties associated with traditional lenders, such as banks. We specialize in revenue generating VC sponsored and founder owned businesses seeking \$3 to \$7 million in capital to fund continued growth. To learn more about us, visit www.flowcap.com.

For further information, please contact:

Flow Capital Corp.

Alex Baluta

Chief Executive Officer

alex@flowcap.com

47 Colborne St, Suite 303,
Toronto, Ontario M5E 1P8

Non-IFRS Financial Measures

This press release includes references to certain non-IFRS financial measures such as recurring Loan Interest income and recurring free cash flow. These financial measures are employed by the Company to measure its operating and economic performance and to assist in business decision-making, as well as providing key performance information to senior management. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors and analysts use this information to evaluate the Company's operating and financial performance. These financial measures are not defined under IFRS nor do they replace or supersede any standardized measure under IFRS. Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures. Reconciliations of non-IFRS measures to the nearest IFRS measure can be found in this press release under "Reconciliation of Non-IFRS Measures".

Reconciliation of Non-IFRS Measures

The tables below reconcile Loan Interest Income to Recurring Loan Interest Income and recurring free cash flow for the periods indicated.

Recurring Loan Interest Income is an internally defined, non-IFRS measure calculated as Loan Interest Income, less Loan Amortization Income and one-time payments (e.g. prepayment fees).

	Three-months ended March 31, 2024	Three-months ended December 31, 2023	Three-months ended September 30, 2023	Three-months ended June 30, 2023	Three-months ended March 31, 2023
Loan Interest Income	\$ 2,005,586	\$ 1,882,908	\$ 1,697,147	\$ 1,843,406	\$ 1,691,481
Less: Loan Amortization Income	(248,033)	(236,251)	\$ (195,054)	\$ (235,357)	\$ (182,044)
Less: One-time payments	-	-	\$ -	\$ (161,844)	\$ -
Total Adjustments	(248,033)	(236,251)	\$ (195,054)	\$ (397,201)	\$ (182,044)
Recurring Loan Interest Income	\$ 1,757,553	\$ 1,646,657	\$ 1,502,093	\$ 1,446,205	\$ 1,509,437

Recurring Free Cash Flow is an internally defined, non-IFRS measure calculated as Recurring Loan Interest Income less Salaries, Professional fees, Office and general administrative and Financing expense.

	Three-months ended March 31, 2024	Three-months ended December 31, 2023	Three-months ended September 30, 2023	Three-months ended June 30, 2023	Three-months ended March 31, 2023
Recurring Loan Interest Income	\$ 1,757,553	\$ 1,646,657	\$ 1,502,093	\$ 1,446,205	\$ 1,509,437
Less: Salaries	427,280	463,971	426,714	411,828	376,606
Less: Professional fees	99,100	18,167	132,767	276,601	213,652
Less: One-time non-cash expense	-	538,640	-	-	-
Less: Office and general administrative	171,202	(336,873)	180,284	187,408	175,211
Less: Financing Expense	644,120	624,869	525,387	443,472	445,212
Total Adjustments	1,341,702	1,308,774	1,265,152	1,319,309	1,210,681
Recurring Free Cash Flow	\$ 415,851	\$ 337,883	\$ 236,941	\$ 126,896	\$ 298,756

Forward-Looking Information and Statements

Certain statements herein may be “forward-looking” statements that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Flow or the industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward-looking statements. These forward-looking statements reflect current assumptions and expectations regarding future events and operating performance and are made as of the date hereof and Flow assumes no obligation, except as required by law, to update any forward-looking statements to reflect new events or circumstances.