

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

RG One Corp. (the “**Company**”)
25 Adelaide Street East, Suite 1900
Toronto, M5C 3A1

Item 2: Date of Material Change

April 30, 2021.

Item 3: News Release

A news release was issued by the Company and filed on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

The Company announced that they have entered into a business combination agreement dated April 7, 2021 with Flow Water Inc. (“**Flow**”) (the “**Business Combination Agreement**”), which supersedes the prior binding letter of intent between the Company and Flow, to complete a going-public transaction in Canada for Flow (the “**Proposed Transaction**”).

The Company anticipates that the closing of the Proposed Transaction will occur in mid-June 2021 subject to the receipt of applicable regulatory approvals and satisfaction of certain conditions, including, without limitation, the approval of the Toronto Stock Exchange.

A copy of the management information circular and the Business Combination Agreement is available on SEDAR at www.sedar.com under the Company’s profile.

Item 5.1: Full Description of Material Change

Annual and Special Meeting

The Company reminded shareholders that the deadline to vote their common shares (“**Common Shares**”) in advance of the upcoming annual and special meeting on May 7, 2021, (the “**Meeting**”), where certain matters related to the Proposed Transaction will be approved, is on May 5, 2021.

At the Meeting, the Company will seek approval for, among other things, (i) the consolidation of the Company’s common shares on the basis of 404.84:1 (the “**Consolidation**”); (ii) continuation of RG One into the federal jurisdiction of Canada (the “**Continuance**”); (iii) the amendment of the Company’s articles (the “**Articles Amendment**”) to create classes of subordinate voting shares (“**Subordinate Voting Shares**”) and multiple voting shares (“**Multiple Voting Shares**”); and (iv) the changing of the name of RG One to “Flow Beverage Corp.”, or such other name jointly agreed to by RG One and Flow (the “**Name Change**”).

The Proposed Transaction

Pursuant to the Business Combination Agreement, the Company (upon completion of the Proposed Transaction, the “**Resulting Issuer**”) will acquire all of the issued and outstanding Class A Shares of Flow

(the “**Class A Shares**”) and Class B Shares of Flow (the “**Class B Shares**”) by way of a three-cornered amalgamation between the Company, RG One Subco Inc. (“**Subco**”) and Flow whereby Flow and Subco will amalgamate to form amalco (“**Amalco**”), with Amalco becoming a wholly-owned subsidiary of the Company. Assuming the Proposed Transaction becomes effective, Flow shareholders will receive: (i) one Multiple Voting Share (each a “**Resulting Issuer Multiple Voting Share**”) for each one Class A Share held; and (ii) one Subordinate Voting Share (each a “**Resulting Issuer Subordinate Voting Share**”) for each one Class B Share held.

In accordance with the Business Combination Agreement, at the effective time of the Proposed Transaction (“**Effective Time**”):

- a) Amalco will operate under the name “Flow Water Inc.” or such similar name as may be accepted by the relevant regulatory authorities and approved by the board of directors and shareholders;
- b) each outstanding Class A Share (except for Class A Shares held by holders that have validly exercised their dissent rights) shall be exchanged for one fully paid and non-assessable Resulting Issuer Multiple Voting Share;
- c) each outstanding Class B Share (except for Class B Shares held by holders that have validly exercised their dissent rights) shall be exchanged for one fully paid and non-assessable Resulting Issuer Subordinate Voting Share;
- d) In accordance with Flow’s existing stock option plan, each outstanding stock option of Flow (each a “**Flow Option**”) will entitle the holder of such Flow Option to receive upon exercise of a Flow Option that number of Resulting Issuer Subordinate Voting Shares that such Flow Option holder would be entitled to had the holder of the Flow Option exercised the Flow Option immediately prior to the Effective Time;
- e) Each restricted share unit outstanding prior to the Effective Time shall be, and shall be deemed to be, disposed of in exchange for a Company restricted share unit issued by the Company to purchase Resulting Issuer Subordinate Voting Shares;
- f) each common share purchase warrant of Flow outstanding immediately prior to the Effective Time shall be, and shall be deemed to be, disposed of in exchange for a Company common share purchase warrant issued by the Resulting Issuer to purchase Resulting Issuer Subordinate Voting Shares;
- g) each compensation option of Flow issued in connection with the Flow subscription receipts outstanding immediately prior to the Effective Time shall be, and shall be deemed to be, disposed of in exchange for a Resulting Issuer compensation option to purchase Resulting Issuer Subordinate Voting Shares; and
- h) each outstanding share of Subco shall be exchanged for one fully paid and non-assessable share of Amalco.

The Proposed Transaction is subject to certain conditions precedent including; receiving all regulatory and third party approvals, authorizations and consents as required in connection with the Proposed Transaction, including the approval of the Toronto Stock Exchange and any other applicable regulatory authorities, the absence of any Material Adverse Changes (as defined in the Business Combination Agreement), shareholder approval of all matters set out in the management information circular, including the Consolidation, Continuance, the Articles Amendment and Name Change in accordance with applicable

law, the completion of the consolidation of Flow Shares on a 5:1 basis, the absence of any legal or regulatory proceedings which could have a material adverse effect on the Company, the absence of any prohibition against the completion of the Proposed Transaction and the delivery of letters of resignation and release from the directors and officers of the Company.

The Consolidation

The Consolidation ratio has been determined to be 404.84:1, based on arm's length negotiations between the Company and Flow to attribute an aggregate value to the Common Shares of \$1,000,000 based on the number of issued and outstanding shares of the Company as at the Effective Time as well as to equalize the per-share price of the Common Shares and the per-share price of Flow's common shares, so that the latter may be exchanged for the former on a 1:1 basis. The Company currently has 39,350,001 Common Shares issued and outstanding and an additional 9,721,430 Common Shares will be issued immediately prior to the Effective Time, resulting in an aggregate of 49,071,431 Common Shares outstanding as at the Effective Time. The 9,721,430 are being issued pursuant to the terms of the Business Combination Agreement to eligible arm's length finders in connection with their assistance on facilitating the Proposed Transaction.

Flow recently completed a brokered private placement of subscription receipts in the amount of \$60,000,000 at a price of \$1.65 per share (or \$8.25 per share after the consolidation of the Flow shares on a 5:1 basis which will occur prior to the Effective Time), each subscription to be exchanged for one Resulting Issuer Subordinate Voting Share at the Effective Time. Given that the Company will have 49,071,431 Common Shares issued and outstanding as at the Effective Time and the value attributed to the Common Shares is \$1,000,000, existing Shareholders of the Company will comprise a total of 121,212 of the Common Shares upon completion of the Proposed Transaction.

Upon completion of the Proposed Transaction (and assuming no exercise of any convertible securities of Flow to shares of Flow from the date of the Business Combination Agreement), the Company will have an aggregate of 6,214,569 Multiple Voting Shares and 34,111,375 Subordinate Voting Shares outstanding on a non-diluted basis. The existing Shareholders of the Company would hold 121,212 Resulting Issuer Subordinate Voting Shares of the 40,325,944 total issued and outstanding Resulting Issuer shares upon completion of the Proposed Transaction which would represent approximately 0.3% of all of the Resulting Issuer shares (and approximately 0.1% of the voting entitlement).

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102 (Confidentiality)

Not applicable.

Item 7: Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8: Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Isaac Maresky,

President & Chief Executive Officer,
imaresky@gcapital.ca

Item 9: Date of Report

April 30, 2021

