Flow Beverage Corp. Closes $4.1 Million Secured Term Loan

TORONTO--(BUSINESS WIRE)--November 4, 2024--**Flow Beverage Corp.** (TSX:FLOW; OTCQX:FLWBF) ("Flow" or the "Company") today announced that it has obtained a secured term loan of CAD$4.1 million (the "Loan") from RI Flow LLC ("RI Flow"). RI Flow is affiliated with NFS Leasing Canada Ltd. ("NFS Canada"), an existing lender to Flow, and its founder Clifford L. Rucker.

The Loan matures six months from closing, bears interest at 15% annually and is secured against the Company's assets. Pursuant to the Loan, the Company will pay RI Flow an amount equal to $0.01 per product pack manufactured by the Company for the period commencing on the closing date and continuing until satisfaction of all Flow's obligations under the Loan. Flow intends to use the proceeds from the Loan to invest in the growth of the Flow brand, working capital and for general corporate purposes.

"The Loan, as well as the closing of the convertible debentures with BeatBox last week, helps strengthen our financial position, minimize dilution and accelerate the achievement of our profitability goals. We would like to thank NFS and Cliff for their financial support as we work to scale our co-pack business, launch Flow sparkling mineral spring water and seek a return to growth of the Flow brand in Q1 2025," said Nicholas Reichenbach, founder and Chief Executive Officer of Flow.

RI Flow, NFS Canada and Clifford L. Rucker collectively own, or have control or direction over, more than 10% of the voting rights attached to all of the Company's outstanding voting securities. Accordingly, the Loan by RI Flow to the Company constitutes a "related party transaction" under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Flow is relying on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 available under Sections 5.5(e) and 5.7(1)(f) respectively, as the Loan is supported by Nicholas Reichenbach, a control person of Flow who, in the circumstances of the Loan, is not an interested party and is at arm's length of Clifford L. Rucker, and the Loan is not convertible into equity securities of the Company or repayable (whether principal or interest) with equity securities of the Company and its terms are not less advantageous than if the Loan had been consummated with an arm's length party. A material change report including details with respect to the related party transaction could not be filed less than 21 days prior to the closing of the Loan as the Company did not receive prior confirmation of such financing and the Company deemed it reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and complete the Loan in an expeditious manner.

Being a transaction with an affiliate of a reporting insider of the Company, the Loan was notified to the Toronto Stock Exchange and remains subject to its final approval.

About Flow

Flow is one of the fastest-growing premium water companies in North America. Founded in 2014, Flow's mission since day one has been to reduce environmental impacts by providing sustainably sourced natural mineral spring water in the most sustainable product formats. Today, the brand is B-Corp Certified with a best-in-class score of 126.5, offering a diversified line of health and wellness-oriented beverage products: original mineral spring water, award-winning organic flavours and sparkling mineral spring water in sizes ranging from 300-ml to 1-litre. All products contain naturally occurring electrolytes and essential minerals and support Flow's overarching purpose to "bring wellness to the world through the positive power of water." Flow beverage products are available at retailers in Canada and the United States, and online at flowhydration.com.

For more information on Flow, please visit Flow's investor relations site at: investors.flowhydration.com.

Forward-Looking Statements

This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities laws ("Forward-Looking Statements"). The Forward-Looking Statements contained in this press release relate to future events or Flow's future plans, operations, strategy, performance or financial position and are based on Flow's current expectations, estimates, projections, beliefs and assumptions. Such Forward-Looking Statements have been made by Flow in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be forward-looking statements. Such Forward-Looking Statements are often, but not always, identified by the use of words such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", "continue", "expect", "believe", "anticipate", "estimate", "will", "potential", "proposed" and other similar words and expressions.

Forward-Looking Statements are based on certain expectations and assumptions and are subject to known and unknown risks and uncertainties and other factors, many of which are beyond Flow's control, that could cause actual events, results, performance and achievements to differ materially from those anticipated in these Forward-Looking Statements. Forward-Looking Statements are provided for the purposes of assisting the reader in understanding Flow 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 should not be read as guarantees of future performance or results. Readers are cautioned not to place undue reliance on these Forward-Looking Statements, which speak only as of the date of this press release. Unless otherwise noted or the context otherwise indicates, the Forward-Looking Statements contained herein are provided as of the date hereof, and the Company disclaims any intention or obligation, except to the extent required by law, to update or revise any Forward-Looking Statements as a result of new information or future events, or for any other reason.

The following press release should be read in conjunction with the management's discussion and analysis and consolidated financial statements and notes thereto as at and for the three and nine months ended July 31, 2024. Additional information about Flow is available on the Company's profile on SEDAR+ at www.sedar.com, including the Company's Annual Information Form for the year ended October 31, 2023 dated January 29, 2024.

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