

Flow Beverage Corp. Reports Q2 2025 Financial Results

- Consolidated net revenue was \$10.0 million in Q2 2025, a 17% decrease from Q2 2024
- Flow brand net revenue was \$3.6 million in Q2 2025, a 49% decrease from Q2 2024
- Gross margin¹ was 23% in Q2 2025, compared to 28% in Q2 2024
- Adjusted EBITDA² loss was \$3.0 million in Q2 2025, a \$0.5 million improvement compared to an Adjusted EBITDA² loss of \$3.5 million in Q2 2024
- Subsequent to quarter-end, Flow secured funding of \$12.0 million via business purpose loan and secured convertible loan to invest in working capital

TORONTO--(BUSINESS WIRE)--June 17, 2025--**Flow Beverage Corp.** (TSX:FLOW; OTCPK:FLWBF) (“Flow” or the “Company”) today announced its financial results for the fiscal quarter ended April 30, 2025 (“Q2 2025”). All currency amounts are stated in Canadian dollars unless otherwise noted.

Management Commentary

“Flow has secured funding of approximately \$14.3 million so far in fiscal 2025 in order to invest in working capital and return to growth in Flow brand net revenue as demand for our flagship products has never been higher. Our Planet A co-packing business continues to contribute positively to consolidated net revenue and gross profit. Furthermore, our operational transformation has made us a leaner and more focused operation and has resulted in an Adjusted EBITDA improvement as compared to the prior year. Flow continues to see strong demand for our Flow brand products which should also be propelled by a busy summer activation program and the launch of Flow Sparkling Mineral Spring Water in Canada. The near-term commissioning of production line 5 at our Aurora production facility will also provide additional capacity to meet Flow brand demand and volumes from our Planet A co-pack partners. I would like to thank the Flow team for their dedication and to our funding partners for providing the working capital for the Company to execute against its long-term strategy,” said Nicholas Reichenbach, Founder and Chief Executive Officer of Flow.

Financial Results for Q2 2025

Flow brand net revenue was \$3.6 million in Q2 2025, a 49% decrease from \$7.0 million in the fiscal quarter ended April 30, 2024 (“Q2 2024”). Flow brand net revenue decreased due to the exit of commercial partnerships with retail and food service partners to meet the Company’s profitability targets and temporary disruptions to production and fulfillment due to working capital constraints.

Consolidated net revenue was \$10.0 million in Q2 2025, a 17% decrease from \$12.1 million in Q2 2024. Offsetting the decrease in Flow brand net revenue, Planet A co-packing net revenue increased 28% in Q2 2025, which is attributable to recently signed co-pack contracts.

Gross margin¹ was 23% in Q2 2025, as compared to 28% in Q2 2024. The variance in gross margin¹ reflects the lower consolidated net revenue and a \$0.2 million inventory write-off.

Flow reported an EBITDA² loss of \$6.1 million in Q2 2025, as compared to an EBITDA¹ loss of \$4.2 million in Q2 2024. The variance reflects the factors impacting net revenue and gross margin and also includes decreased sales and marketing expense attributable to a one-time marketing rebate, and higher salaries and benefits due to additions to the U.S. sales team. EBITDA² loss also includes a \$3.2 million debt modification expense.

Flow reported an Adjusted EBITDA² loss of \$3.0 million in Q2 2025, as compared to a loss of \$3.5 million in Q2 2024. The Adjusted EBITDA² loss is attributable to the same factors that impact EBITDA² loss, removing stock-based compensation, restructuring charges and the debt modification expense.

	Three months ended April 30	
	2025	2024
In thousands of Canadian dollars, except percentage amounts		
Net revenue	10,040	12,055
Cost of revenue	7,759	8,713
Gross profit	2,282	3,342
Operating expenses	6,545	8,030
Finance expense, net	3,025	2,127
Restructuring and other costs	203	299
Net loss for the period	(10,462)	(7,028)
EBITDA ² loss	(6,140)	(4,226)
Adjusted EBITDA ² loss	(2,975)	(3,500)
Adjusted net loss	(7,100)	(6,301)
Gross margin ¹	23%	28%
	Three months ended April 30	

	2025	2024
In thousands of Canadian dollars, except percentage amounts		
Consolidated net loss:	(10,462)	(7,028)
Finance expense, net	3,025	2,127
Amortization and depreciation	1,297	675
EBITDA² loss	(6,140)	(4,226)
Share-based compensation	(25)	511
Restructuring and other costs	203	299
Foreign exchange loss	(197)	(1)
Gain on option revaluation	(12)	(83)
Loss (gain) on debt modification and other	3,196	-
Adjusted EBITDA² loss	(2,975)	(3,500)

- (1) Gross margin is a supplementary financial measure and is used throughout this press release. See “Non-IFRS and Other Financial Measures” in the MD&A for more information on the supplementary of financial measure and “How We Assess the Performance of Our Business” in the MD&A for an explanation of the composition of such measure.
- (2) This is a non-IFRS financial measure and is used throughout this press release. See “Non-IFRS and Other Financial Measures” in the MD&A for more information on each non-IFRS financial measure and “How We Assess the Performance of Our Business” in the MD&A for an explanation of the composition of such measure.

Subsequent Events

Effective May 23, 2025, the Company entered into a \$2 million secured term note (the “\$2M Note”) with NFS Leasing Canada Ltd. (“NFS”), bearing interest at 15% per annum and maturing May 23, 2028. Pursuant to the \$2M Note, no payments are required for the first three months, followed by equal monthly installments over 33 months.

On June 4, 2025, the Company closed a secured term note with NFS of up to \$4 million (the “\$4M Loan”). The \$4M Loan will mature on a date that is three years from the date of issue and bear interest at a rate of 15% per annum. Pursuant to the \$4M Loan, no payments are required for the first three months, followed by equal monthly installments over 33 months.

On June 4, 2025, the Company closed a secured convertible loan with RI Flow LLC of up to \$ 6 million (the “\$6M Convertible Loan”). The “\$6M Convertible Loan bears interest at 15% per annum, matures in 18 months, and includes a conversion option into subordinate voting shares of the Company (“SVS”) at the conversion price of \$0.065 per SVS after one year from issuance and upon the occurrence of certain prescribed events.

Appointment of Chief Financial Officer

Today, Flow appointed Paul Dowdall as the Company’s Chief Financial Officer.

Mr. Dowdall is a Chartered Professional Accountant bringing nearly twenty-five years of progressive management experience, including nine years in Chief Financial Officer and Chief Operating Officer roles. His career reflects a strong and diverse skill set in accounting, financial management, corporate strategy, operational management and optimization, and technology implementation. Most recently, Mr. Dowdall has operated within the start-up world serving as Chief Operating Officer or Chief Financial Officer with his most recent engagements in the Canadian fintech space. Prior to this, Mr. Dowdall’s focus was in the North American consumer packaged goods sector, with a specific focus on beverages, as CFO of companies such as Ice River Springs, a prominent bottled water manufacturer, and Diamond Estates Wines and Spirits (TSXV:DWS), a national wine producer and distributor. Earlier in his career, Mr. Dowdall gained valuable experience at organizations including Bell Canada, Blackberry, and Apple.

Mr. Dowdall has successfully led the recapitalization and restructuring of several companies, demonstrating a strong capacity for financial stewardship in dynamic environments. He has also overseen the implementation of diverse operational areas, including regulatory compliance, supply chain logistics, customer support, and management information systems, while managing various functions such as sales, IT, legal, and human resources.

Conference Call and Webcast Details

Date:	June 17, 2025
Time:	8:30 a.m. ET
Conference ID:	04309
Dial-in:	(289) 514-5100 or (800) 717-1738
Webcast:	Link

Replay: (289) 819-1325 or (888) 660-6264
Passcode: 04309
Available until July 17, 2025

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 114.6, 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, including, among other things, growth of Flow brand both for existing SKUs in Tetra format and through the Company's launch of sparkling water in aluminum format, the scaling of the Company's co-pack operation with a full year of running four production lines and installation and commissioning of two additional production from lines beginning in the second half of fiscal FY 2025, a higher capacity utilization and gaining production efficiencies at the Aurora production facility, gross margins reflective of profitable channels for Flow brand net revenue, accretive co-pack contracts and improved production performance and Flow's ability to implement its growth strategy with continued discipline in operating expenses.

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.

Although Flow believes that the assumptions underlying Forward-Looking Statements are reasonable, they may prove to be incorrect. 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, those risks including but not being limited to access to the sufficiency of Flow's working capital to meet its obligations as they become due and its ability to raise additional financing required in order to continue operations and develop its business, Flow's ability to obtain and maintain financing or to re-finance existing indebtedness on acceptable terms, as necessary, projected financial position and estimated cash burn rate of the Company, achieving production efficiency targets, delays in obtaining the necessary capacity at the Aurora production facility and counter-party risk in relation to co-pack partners. Forward-Looking Statements are provided for the purpose 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 unaudited condensed consolidated interim financial statements and notes thereto as at and for the three and six months ended April 30, 2025 (the "MD&A"). 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, 2024 dated January 29, 2025.

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