

Flow Capital Corp.

Interim Condensed Consolidated Financial Statements

For the three and nine-month period ended September 30, 2025

(Unaudited)

Flow Capital Corp.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Flow Capital Corp.

Interim Condensed Consolidated Statements of Financial Position

(Canadian dollars - Unaudited)

	Note	September 30, 2025	December 31, 2024
Assets			
Current Assets			
Cash		\$ 1,387,164	\$ 2,365,287
Accounts receivable and accrued income		123,420	146,883
Prepaid expenses and other receivables	8	513,789	430,345
Financial assets held at fair value through Profit and loss - Royalty		1,206,426	1,219,599
Investment in Loan receivables	9	1,585,846	10,076,306
Total Current Assets		4,816,645	14,238,420
Non-Current Assets			
Property and equipment		-	547
Transaction cost		277,603	399,439
Deferred tax asset		8,580,210	8,537,463
Financial assets held at fair value through profit and loss:			
Equities and warrants	9	5,869,876	5,164,046
Royalty	9	823,911	859,697
Investment in Loan receivables	9	65,668,713	42,824,088
Total Non-Current Assets		81,220,313	57,785,280
Total Assets		\$ 86,036,958	\$ 72,023,700
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities	10	\$ 1,168,967	\$ 1,922,966
Preferred shares		366,667	366,667
Income tax liability		13,603	13,603
Total Current Liabilities		1,549,237	2,303,236
Non-Current Liabilities			
Preferred shares	14	733,334	733,334
Revolving credit facility		15,034,680	4,316,700
Debentures	12	32,012,929	27,773,954
Total Non-Current Liabilities		47,780,943	32,823,988
Total Liabilities		\$ 49,330,180	\$ 35,127,224
Shareholders' Equity (Note 14)			
Common shares		\$ 51,510,704	\$ 52,069,055
Contributed surplus		1,126,601	962,787
Accumulated deficit		(15,930,527)	(16,135,366)
Total Shareholders' Equity		36,706,778	36,896,476
Total Liabilities and Shareholders' Equity		\$ 86,036,958	\$ 72,023,700

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors on November 13, 2025:

"Vernon Lobo"

 Vernon Lobo, Director

"Alan Torrie"

 Alan Torrie, Director

Flow Capital Corp.
Interim Condensed Consolidated Statements of Comprehensive Income
(Canadian dollars - Unaudited)

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue					
Income from financial assets					
Loan interest income		\$ 3,283,609	\$ 2,346,633	\$ 9,107,007	\$ 6,165,620
Royalty income		142,661	137,477	467,637	436,961
Total Revenue		3,426,270	2,484,110	9,574,644	6,602,581
Operating Expenses					
Salaries, benefits and staffing costs	16	\$ 602,109	\$ 510,126	\$ 1,934,172	\$ 1,447,639
Expected credit losses (recovery)		25,156	694,282	700,070	703,292
Share-based compensation	17	60,921	34,934	163,814	391,001
Professional fees		170,199	132,015	433,372	419,566
Office and general administrative		269,662	146,462	724,974	511,430
Financing expense	18	1,166,335	811,800	2,890,407	2,138,963
Total Operating Expenses		2,294,382	2,329,619	6,846,809	5,611,891
Operating Income		\$ 1,131,888	\$ 154,491	\$ 2,727,835	\$ 990,690
Gains/losses and Other Income					
Other interest, fee income and gains		143,043	115,778	598,063	356,893
Gains (losses) from changes in the value of financial assets		(136,457)	(657,201)	(2,154,458)	(1,206,221)
Gain (loss) on loan modification		-	-	32,779	(51,691)
Foreign exchange gains and (losses)	15	565,817	(475,480)	(1,042,127)	347,623
Total other income		572,403	(1,016,903)	(2,565,743)	(553,396)
Income (loss) before income taxes		1,704,291	(862,412)	162,092	437,294
Current income tax (expense)recovery		-	139,910	-	74,481
Deferred income tax (expense) recovery	11	(460,793)	(29,619)	42,747	(354,048)
Total income tax (expense)recovery		\$ (460,793)	\$ 110,291	\$ 42,747	\$ (279,207)
Net Income (Loss)		\$ 1,243,498	\$ (752,121)	\$ 204,839	\$ 158,087
Other comprehensive income that may be subsequently reclassified to profit or loss					
Foreign currency translation		-	2,007	-	18,006
Comprehensive Income		\$ 1,243,498	\$ (750,114)	\$ 204,839	\$ 176,093
Earnings per share (Note 19)					
<i>Earnings per share</i>					
Basic earnings per share		\$ 0.0413	\$ (0.0246)	\$ 0.0067	\$ 0.0051
Diluted earnings per share		\$ 0.0405	\$ (0.0246)	\$ 0.0066	\$ 0.0051

See accompanying notes to the consolidated financial statements.

Flow Capital Corp.
Interim Condensed Consolidated Statements of Changes in Shareholders Equity
(Canadian dollars- Unaudited)

	Note	Number of shares	Share capital	Accumulated other comprehensive loss	Contributed surplus	Accumulated deficit	Total
Balance, January 1, 2024		31,618,363	\$ 52,567,360	\$ (250,069)	\$ 620,369	\$ (15,282,829)	\$ 37,654,831
Treasury shares cancelled	14	(1,045,500)	(534,909)	-	-	-	(534,909)
Share cancellation cost		-	(5,228)	-	-	-	(5,228)
Share-based compensation	17	-	-	-	391,001	-	391,001
Issued – Options exercised		189,500	87,631	-	(83,131)	-	4,500
Foreign currency translation		-	-	18,006	-	-	18,006
Net income (loss) for the period		-	-	-	-	158,087	158,087
Balance, September 30, 2024		30,762,363	\$ 52,114,854	\$ (232,063)	\$928,238	\$ (15,124,742)	\$ 37,686,288
Balance, January 1, 2025		30,700,363	\$ 52,069,055	\$ -	\$ 962,787	\$ (16,135,366)	\$ 36,896,476
Treasury shares cancelled	14	(719,500)	(551,538)	-	-	-	(551,538)
Share cancellation cost		-	(6,813)	-	-	-	(6,813)
Share-based compensation	17	-	-	-	163,814	-	163,814
Net income (loss) for the period		-	-	-	-	204,839	204,839
Balance, September 30, 2025		29,980,863	\$ 51,510,704	\$ -	\$ 1,126,601	\$ (15,930,527)	\$ 36,706,778

See accompanying notes to the consolidated financial statements.

Flow Capital Corp.
Interim Condensed Consolidated Statements of Cash Flows

(Canadian dollars- Unaudited)

	Note	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash flows from operating activities					
Income (loss) before income taxes		\$1,704,291	\$ (862,412)	\$ 162,092	\$ 437,294
Adjustments for non-cash items					
Share-based compensation		60,921	34,934	163,814	391,001
Loan amortization income		(519,137)	(246,358)	(1,236,294)	(749,082)
Amortization transaction cost		36,324	-	110,514	-
Unrealized foreign exchange loss (gain)		(116,272)	493,933	859,324	(192,045)
Adjustments to fair value		136,458	657,201	2,154,458	1,108,867
Adjustments to expected credit losses		25,156	694,282	700,070	703,292
(Gain)/loss on loan modification		-	-	(32,779)	51,691
Depreciation		95	167	547	502
Adjustments relating to investments at carrying value					
Realized loss on loan buyout		-	-	-	97,354
Payment towards new loans		(3,822,347)	(9,840,717)	(21,208,244)	(23,807,812)
Payment towards new equity investments		(137,653)	(443,972)	(2,264,765)	(1,687,621)
Loan and royalty interest earned in excess of cash received		(498,714)	(92,746)	(572,841)	(202,412)
Proceeds received on loan repayments		2,671,800	24,716	6,220,800	14,197,387
Other Adjustments					
Financing expense		1,166,335	811,800	2,890,407	2,138,963
Income tax paid		-	(134,353)	-	(140,025)
Dividend received		-	-	19,291	-
Changes in working capital items	21	(1,937,269)	(626,152)	(841,167)	(1,100,328)
Net Cash Flows from (used in) Operating Activities		(1,230,012)	(9,529,677)	(12,874,773)	(8,752,974)
Cash flows from financing activities					
Common shares repurchased for treasury		\$ (285,792)	\$ (33,436)	\$ (558,351)	\$ (540,137)
Interest and dividends paid		(1,127,293)	(771,597)	(2,886,682)	(2,085,255)
Payment towards the redemption of debentures		(2,504,512)	(3,675,455)	(3,817,912)	(6,563,455)
Drawdown from revolving credit facility		4,107,000	3,772,219	13,800,600	3,772,219
Repayment towards the revolving credit facility		(3,163,721)	-	(3,163,721)	-
Common Shares issued		-	4,500	-	4,500
Debentures issued		1,971,929	6,859,929	8,544,125	11,151,755
Net Cash Flows from (used in) Financing Activities		(1,002,389)	6,156,160	11,918,059	5,739,627
Foreign exchange impact on cash		14,351	(44,551)	(21,409)	96,435
Net increase in cash during the period		(2,218,050)	(3,418,067)	(978,123)	(2,916,912)
Cash, beginning		3,605,214	5,723,984	2,365,287	5,222,829
Cash, ending		\$ 1,387,164	\$ 2,305,917	\$ 1,387,164	\$ 2,305,917

See accompanying notes to the consolidated financial statements.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

1. Corporate information and reporting entity

Flow Capital Corp. ("Flow Capital", or "the Company") was incorporated on June 27, 2018 under the jurisdiction of the laws of the Province of British Columbia, Canada. The common shares of the Company are traded on the TSX Venture Exchange ("TSXV") under the symbol "FW". The registered office of the Company is at Three Bentall Centre, Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, and the operating head office of the Company is located at 47 Colborne Street, Suite 303, Toronto, Ontario, M5E 1P8.

Flow Capital is a venture debt lender. Venture debt is a form of capital provided to high-growth companies that enables them to finance their growth and avoid the dilutive effect of an equity issue or the personal guarantees, restrictive covenants, and need for amortization payments usually associated with traditional lenders, such as banks. Generally, companies that use venture debt are private and have venture capital backers. They may be profitable or near profitable but choose to delay substantial near-term profitability in order maximize growth and thus long-term profitability.

On September 30, 2024, Flow Capital wound up several inactive subsidiaries consisting of Flow Investment Holdings Corp, LogiQ Capital 2016, Tuscarora Capital Inc, Flow Capital Partnership Holding Corp, and Flow Priority Return Fund II LP. The US subsidiary was wound up on October 31, 2024.

2. Basis of presentation

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items which are stated at fair value: financial assets and liabilities that are classified as designated at fair value through profit or loss and fair value through other comprehensive income.

Functional and presentation currency

The presentation currency for these consolidated financial statements is the Canadian dollar, which is also the functional currency of the Company, Flow Investment Services Corp., Flow Investment Holdings Corp., LogiQ Capital 2016, Tuscarora Capital Inc., Flow Capital Partnership Holdings Corp., and Flow Priority Return Fund II. The functional currency of the Company's subsidiary Flow Capital US Corp. is the United States dollar, and the financial statements of the subsidiary are translated from its functional currency to Canadian dollars. Amounts are stated in and recorded to the nearest Canadian dollar except where otherwise indicated.

Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared based on the principles of IFRS Accounting Standards and International Accounting Standard 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"), and follow the same accounting policies and methods of application as the Company's most recent annual financial statements. The unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's 2024 audited annual consolidated financial statements and accompanying notes.

The financial statements were approved and authorized by the Board of Directors on November 13, 2025.

Previous year classifications

Reclassifications were made in current and past periods to provide greater clarity and transparency in line items reported. In the consolidated statement of financial position the investments line item has been broken out to distinguish between investments in equities and warrants, investments in royalty contracts and investments in loans receivable. Furthermore, in the consolidated statement of comprehensive income, the revenues section includes only income amounts related to loan interest income and royalty income, whereas the expected credit losses are now presented under total operating expenses and under the subheading of "gains/losses and other income" includes other income and fee income, gains/losses on changes in investments at FVTPL and foreign exchange gains/losses. No amounts were restated, only reclassifications were made to enhance the presentation and transparency of the Company's results.

3. Significant accounting judgements, estimates, and assumptions

Investments acquired and measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values for financial assets and liabilities. The Company has established a control framework with respect to the measurement of fair values. This includes that all significant fair value measurements have been reviewed and approved by the Investment Committee of the Company. The Investment Committee reviews on a quarterly basis, significant unobservable inputs and valuation adjustments used in the fair value measurement of royalty agreements and equity securities. Fair values are categorized into different levels of a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Further information about the assumptions made in measuring fair values for financial instruments is included in Note 6.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

Royalty agreements

The terms of the royalty agreements entered into by the Company provide that, payments made by investee companies are fixed or determinable. In addition, each of the Company's royalty agreements contains one or more of the following terms: (i) a right in favour of the investee company to buydown or buyout part or all of the Company's royalty obligation in exchange for a principal payment that, when combined with royalty payments made to the date of the buydown or buyout, exceed the value of the Company's initial investment; and (ii) the payment of a minimum monthly royalty payment by the investee company, which provides the Company with certainty of payment over time.

For the royalty agreements, the term of the agreement is generally perpetual, and the royalty amount received can be dependent on the revenues of the underlying investee company. The term of the royalty agreement can also be affected by the termination of the royalty agreement after a contract buyout event. As a result, uncertainties exist as to how long the agreements will exist and the certainty that royalty income will continue to be received. The Company uses historical revenue information to estimate expected cash flows from an investee company. Royalty agreements that contain a provision requiring a minimum monthly royalty payment provide the Company with a strong indicator of expected cash flows under the royalty agreement over time. In addition to historical revenues of investee companies, the Company also considers other factors, such as external market factors, future performance, and industry performance, in estimating expected cash flows from an investee company under a royalty contract.

Fair value of equity instruments

The fair value of equity instruments that are not traded in an active market is estimated using valuation models or techniques, which may include Black Scholes. The Company uses its judgment to make assumptions based on prioritizing recent market transactions and relevant financial information of the underlying companies, as well as relevant market comparables. For details of the key assumptions used and the impact of changes to these assumptions, see note 6.

Fair value of stock options, warrants and PSUs

Determining the fair value of stock options and warrants requires judgment related to the choice of an acceptable option pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments.

Determining the fair value of PSUs requires judgment related to the choice of model to estimate the value of the market-based condition, the estimation of the expected period to meet performance targets, the estimation of stock price volatility, and the expected forfeiture rate.

Assessing credit risk in loan investments

The Company applies concepts under IFRS 9, to estimate expected credit losses on loans and related commitments. At initial recognition, a 12-month expected credit loss is recognized. If credit risk increases significantly, the allowance is adjusted to reflect lifetime expected credit losses.

Expected credit losses are calculated as the present value of all cash shortfalls over the expected life of the instrument, using a probability-weighted approach and discounting at the effective interest rate. The calculation incorporates historical data, current conditions, and forward-looking macroeconomic forecasts relevant to the venture debt market.

The Company monitors indicators of a significant increase in credit risk, including covenant breaches, deterioration in borrower liquidity, and adverse changes in the borrower's financial condition, performance and collateral. Loans assessed as credit-impaired are measured on a lifetime ECL basis.

Assumptions for PD, LGD, and EAD are reviewed quarterly and updated for changes in economic outlook and borrower-specific factors.

Deferred income taxes

Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled and the value of tax losses carried forward. The deferred tax asset is supported by the expected future utilization of tax attributes based upon future cashflows derived from the Company's updated forecasts. The recognition of deferred tax assets is based on significant assumptions and estimations regarding future revenues and expenses and the probability that the deductible temporary differences will reverse in the foreseeable future, and the accumulated tax losses will be utilized. The key assumptions developed by management used to determine the recoverability of the deferred tax assets included expected rates of capital deployment and funds raised, the spreads between the pricing of capital deployed and the cost of funds raised, operating expenses, and corporate general and administrative expenses. Changes in the tax rates or assumptions and estimates used in the recognition of deferred taxes may result in material adjustment to the amount recognized. Refer to note 13 for additional information relating to this estimate.

4. Accounting Standard Changes

IAS 1, Presentation of Financial Statements

The IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically for the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. This amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

-Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;

- Clarifying how lending conditions affect classification; and

- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity investments.

The amendment is effective for annual periods beginning on or after January 1, 2024. There was no impact to the financial statements as a result of this amendment.

5. Standards issued but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments, and interpretations to existing IFRS Accounting Standards have been published but are not yet effective and have not been adopted early by the Company.

IFRS 18, Presentation and Disclosure in Financial Statements

On 9 April 2024, the IASB issued a new standard – IFRS 18, 'Presentation and Disclosure in Financial Statements' – in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The changes in presentation and disclosure required by IFRS 18 will require system and process changes for Flow and we will start preparing now to be ready for adoption.

6. Fair values

The Company uses valuation models, methods and techniques with the objective of determining a fair value measurement that reflects the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value policies are described in note 3.

The fair value of the royalty agreements held by the Company are determined using discounted cash flow models with fair value estimated by applying a discount rate based on a weighted average cost of capital using variables from the industry in which each investee company operates as well as company-specific variables. Future cash flows are weighted by the Company using a combination of a probability approach and a terminal value approach, as applicable, and the fair value for each investment is individually calculated. Some or all the inputs used in the cash flow model may not be observable in the market and are generally derived from published sources that are commonly used by market participants.

The fair value of equity securities in investee companies that are classified as Level 1 in the fair value hierarchy are determined using the closing share price on the last business day of the reporting period provided that such securities have actively been traded.

As a result of the significant use of unobservable inputs, a high degree of management judgement and estimation is required. Management judgement is required for the determination of the expected future cash flows on the financial instrument being measured, determination of the probability of the outcomes, adjustments to the discount rate for liquidity risk, model uncertainties and investee-specific risk factors. The extent of the adjustments to the discount rate is based on management's assessment that a third-party market participant would take them into account in pricing the transaction.

a) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique: Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

Financial assets measured at fair value and recorded at fair value through profit and loss include royalty agreements, and equity securities in investee companies, which include both equity investments and warrants. The classification of these financial assets based on the fair value hierarchy are shown in the table below.

	Level 1	Level 2	Level 3	Total
September 30, 2025				
Royalty agreements	-	-	2,030,337	2,030,337
Common and Preference shares in investee companies	465,764	-	134,916	600,680
Warrants in investee companies	-	-	5,269,196	5,269,196
	\$ 4,65,764	\$ -	\$ 7,434,449	\$ 9,287,377
December 31, 2024				
Royalty agreements	-	-	2,079,296	2,079,296
Common and Preference shares in investee companies	787,040	-	536,135	1,323,175
Warrants in investee companies	-	-	3,840,871	3,840,871
	\$ 787,040	\$ -	\$ 6,456,302	\$ 7,243,342

The following table shows a reconciliation between the opening balances to the closing balances for fair value measurements for financial assets measured at fair value through profit and loss in Level 3 of the fair value hierarchy.

	Balance at December 31, 2024	Total gains and (losses) recognized in profit or loss	Investments	Buyouts and Redemptions	Balance at September 30, 2025
Royalty agreements	\$ 2,079,296	\$ (50,609)	\$ 1,650	\$ -	\$ 2,030,337
Warrants in investee companies	3,840,870	(554,499)	1,982,824	-	5,269,196
Level 3 equity securities in investee companies	536,135	(683,160)	281,941	-	134,916
Total	\$ 6,456,302	\$ (1,288,268)	\$ 2,266,415	\$ -	\$ 7,434,449

The valuation technique used to determine the fair value of royalty agreements is a discounted cash flow model. The most significant unobservable inputs used in the valuation are the discount rate (range is between 15.0%-24.3%), growth rate of the revenues of the investee (range is between no growth and 3%). The low and high input values represent the actual highest and lowest level of values used over the portfolio and represent the range on an individual investment basis. The input ranges will therefore vary from period to period based on the characteristic of the underlying investment at each statement of financial position date.

For fair value measurements of royalty agreements in Level 3, changing the most significant unobservable inputs by 1% would have the following impact on the fair value of the royalty agreements as at September 30, 2025 as follows:

September 30, 2025		September 30, 2025	
Revenue growth rate	Revenue growth rate	Discount rate	Discount rate
-1%	+1%	-1%	+1%
\$ (71,568)	\$ 28,347	\$ 66,482	\$(99,199)

The listed equity instruments included in equity securities in investee companies are included in Level 1. The valuation technique used for listed equity instruments is the last quoted price on an actively traded market.

The unlisted equity instruments included in equity securities in investee companies are included in Level 3. The valuation technique used for unlisted equity instruments in general is the market approach ("Market Approach"). The Market Approach uses transaction prices paid for an identical or similar instrument of the investee or comparable company valuation multiples. The unobservable inputs used are prices used in recent transactions involving the investee and company valuation multiples using such measures as EBITDA, revenues, enterprise value and multiples taken from information available on similar types of companies.

For September 30, 2025, a 10% variance in the market price per share for listed equity securities and the unobservable inputs for unlisted equity securities would have the following impact on the unlisted equity securities in Level 3.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

September 30, 2025		September 30, 2025	
Share price 10% lower	Share price 10% higher	Volatility 10% lower	Volatility 10% higher
\$ (392,349)	\$ 401,707	\$ (3,461)	\$ 274,093

a) Loans receivable measured at amortized cost

Promissory notes and loans receivable are recorded at amortized cost net of expected credit losses. The following table summarizes loans receivable assessed at each stage of impairment (refer note 7) and the expected credit loss allowance, at September 30, 2025.

September 30, 2025	Stage 1	Stage 2	Stage 3	Total
Loans receivable at amortized cost	\$ 67,205,133	\$ -	\$ 4,935,498	\$ 72,140,631
Allowance for expected credit losses	(694,042)	-	(4,192,030)	(4,886,072)
	\$ 66,511,091	\$ -	\$ 743,468	\$ 67,254,559

b) Financial liabilities not measured at fair value

The below noted financial liabilities are measured at amortized cost. The table below is a comparison of the carrying amount and the fair value of the financial liabilities that are recognized in the statements of financial position:

	Carrying Amount September 30, 2025	Fair Value September 30, 2025	Carrying Amount December 31, 2024	Fair Value December 31, 2024
Financial liabilities				
Accounts payable and accrued liabilities	\$ 1,168,967	\$ 1,168,967	\$ 1,922,966	\$ 1,922,966
Revolving credit facility	15,034,680	15,034,680	4,316,700	4,316,700
Debentures	32,012,929	32,012,929	27,773,954	27,773,954
Series I Preferred Shares	1,100,001	1,100,001	1,100,001	1,100,001
Total	\$ 49,316,577	\$ 49,316,577	\$ 35,113,621	\$ 35,113,621

Accounts payable and accrued liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The carrying value of the Debentures and Series I Preferred Shares approximate fair value, as they pay a dividend rate at the market rates of interest.

7. Financial risk management objectives and policies

The Company's primary risk management objective is to protect the Company's assets and cash flow. The Company is exposed to risks that arise through its use of financial instruments. Those risks include credit risk, liquidity risk and market risk including interest rate, equity price risk, credit, and currency risks. The Company's management team oversees the management of these risks.

The Board of Directors reviews and agrees to policies for managing each of these risks, which are summarized below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise several types of risk: interest rate risk, currency risk, commodity price risk, and other price risk, such as equity price risk. The Company is not directly subject to commodity price risk and has exposure to equity price risk on the equity securities held in investee companies.

Interest rate risk

The Company invests surplus cash in bank deposits, which, due to their short-term nature, do not expose the Company to any material interest rate risks. For royalty agreements acquired, the income can vary on a monthly basis and is not a function of an underlying interest rate. Majority of the Company's loans receivable earn interest at fixed rates, and a small portion of the loan portfolio earn interest at variable rates. Debentures incur interest at variable rates. The revolving credit facility is exposed to interest rate risk due to its variability based on the secured overnight financing rate plus a commercially reasonable credit spread.

Other price risk or equity price risk

In certain circumstances, the Company may exchange the loan and royalty investments for equity instruments in the investee company. The Company will also usually acquire share purchase warrants in investee companies when it advances loans. The Company held significant equity security interests in twenty eight investees, of which three are actively traded as the securities are listed on a recognized exchange. The fair value of the listed equity securities, similar to any other Level 1 asset, were measured using the quoted price of the shares by the numbers of shares held. The common shares and the warrants held in private companies are not actively traded and were classified as Level 3 assets. For two of its investments, the Company is also entitled to success fees of 2% and 5% of the value of a change of control or

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

business sale transaction. These Level 3 investments were measured using commonly used valuation models. The equity price risk exposure at September 30, 2025 was \$5,869,876 (December 31, 2024: \$5,164,046). Refer to Note 6 for sensitivity analysis on equity price risk exposure at September 30, 2025.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency exposures to cash, receivables and payables in United States dollars. The Company continually monitors its transaction and translation exposure and its related impact on reported results. The Canadian Dollar equivalent amount of the foreign exchange exposure to US Dollar denominated net assets at September 30, 2025 was \$35,719,969 (December 31, 2024: \$26,274,850) and a 1% movement in the exchange rate has an impact of \$357,200 (December 31, 2024: \$262,749) on the Company's results.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, which may result in a financial loss to the Company. The Company enters into royalty arrangements with investees in which a purchase price is advanced in return for participation in the investees' revenue stream and loan agreements where the return is in the form of interest and principal payments. The Company's cash, accounts receivable and accrued income, and loans receivable are subject to credit risk.

The maximum exposure at September 30, 2025 was \$70,886,240 (December 31, 2024 was \$57,652,246). The cash is held by a Canadian bank which is rated A+ and the cash is invested in short term liquid investments.

The Company has adopted the 'three-stage' model for testing its loan investments for impairment based on changes in credit quality since initial recognition, as outlined under IFRS 9. This is summarized below:

A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Company. In monitoring credit risk, the Company considers industry, sales volume and aging trends, maturity, and other relevant factors. The Company performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary.

If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired. An investment moved to 'Stage 2' if one or more of the following criteria are evidenced, and there is no reasonable explanation from the investee company:

- The investee is more than 30 days but less than 90 days in arrears on its contractual payment obligations;
- Company management believes the cash resources available to the investee may not be sufficient to meet ongoing needs; or
- The investee has significantly underperformed the previously provided business plans / investment thesis.

A financial instrument is considered credit-impaired and is then moved to 'Stage 3' if:

- The investee is 90 days past due on contractual payments;
- The investee is in material breach of financial covenants.
- The investee is in long term forbearance; or
- The investee's assets and / or estimated equity value (subject to the Company's security position) is insufficient to cover the investment or if the investee is insolvent

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The Company assigns each loan in the portfolio to a credit quality stage (Stage 1, Stage 2 or Stage 3). This credit quality staging is then used to calculate the lifetime ECL as the maximum loss in default adjusted for the probability of loss. The ECL is reviewed for each loan at each reporting period, to incorporate changes in macroeconomic and industry factors, and company specific information. The ECL is recorded as an allowance through the statement of comprehensive income and reported on the statement of financial position as a net amount of loans receivable.

The loans receivable are typically secured with a senior charge on the assets of the borrower, trademarks and any other intellectual property, and in some cases, with a pledge of the promoters shareholding in the venture. Currently, two of the loan investments are assessed as having a significant increase in credit risk and a further loan is credit-impaired. As of September 30, 2025, the Company has booked an allowance of \$4,886,072 (December 31, 2024: \$4,186,002).

Concentration risk

Concentration risk is the risk that a small number of investments represent a disproportionate share of the total investment portfolio, and the impairment of one or more investment with a higher weightage would present a disproportionately higher risk. The Company's approach to managing concentration risk is to ensure, as far possible, that capital allocation is balanced across investments and sectors such that no single investment / sector represents over 20% of the investment portfolio.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis and by continuously reviewing both actual and forecasted cash flows to ensure that the Company has appropriate capital capacity and liquidity.

The following table summarizes the maturity of all financial liabilities as at September 30, 2025, and December 31, 2024 respectively:

Contractual obligations at September 30, 2025	< 1 year	1-2 years	3-6 years	Expected more than 6 years	Total
Accounts payable and accrued liabilities	\$ 1,168,967	\$ -	\$ -	\$ -	\$ 1,168,967
Redeemable debenture and interest	2,923,754	5,847,509	8,771,264	67,828,922	85,371,449
Revolving credit facility and interest	1,492,602	16,402,899	-	-	17,895,501
Series I Preferred Shares and interest	467,868	175,852	733,334	-	1,377,054
Total	\$ 6,053,191	\$22,426,260	\$ 9,504,598	\$ 67,828,922	\$105,812,971

Contractual obligations at December 31, 2024	< 1 year	1-2 years	3-6 years	Expected more than 6 year	Total
Accounts payable and accrued liabilities	\$ 1,922,966	\$ -	\$ -	\$ -	\$ 1,922,966
Redeemable Debentures and interest	2,678,700	5,357,401	8,036,101	38,488,756	54,560,958
Revolving credit facility and interest	449,640	5,215,980	-	-	5,665,620
Series I Preferred Shares and interest	467,867	134,933	782,686	-	1,436,229
Total	\$5,519,173	\$10,708,314	\$ 8,869,530	\$ 38,488,756	\$ 63,585,773

Capital management

The Company's primary capital management objective is to make long-term investments that generate recurring cash flow and long-term profitability, while safeguarding the capital invested and providing sufficient working capital to sustain day-to-day operations, to deliver long-term shareholder equity growth.

The Company's share capital is not subject to external restrictions. The capital of the Company comprises shareholders' equity, Debentures, and the Series I Class A Preferred Shares. Loan interest and royalty revenue, realized gains on equity securities and fee income will continue to be an important source of capital for the Company.

The Company will continually assess the adequacy of its capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and the risk characteristics of the business. There have been no changes to the Company's approach to capital management during the year.

Disclosure of Externally Imposed Covenants

The Company is subject to externally imposed capital requirements under its revolving credit facility with TBK. These requirements are designed to ensure that the Company maintains an adequate level of capital to meet its obligations and manage risk effectively.

These requirements include maintaining a minimum interest coverage ratio of 1.25:1 and a minimum tangible net worth of C\$50,000,000. These metrics are measured on a quarterly basis and must be met to avoid defaults or restrictions under the terms of the credit facility.

The Company manages its capital requirements by monitoring and adjusting its financial structure to ensure compliance with the externally imposed capital requirements. This includes:

- Maintaining an optimal mix of debt and equity: Ensuring that the Company's financing structure aligns with the capital ratios required by the lenders.
- Managing liquidity and cash flows: Monitoring cash flows to ensure sufficient funds are available to meet obligations and debt service requirements.
- Regularly reviewing forecasts and financial projections: Ensuring that the Company stays within the required financial metrics throughout the year.

Meeting the Objective of Managing Capital:

The Company's primary objective for managing capital is to ensure that it can continue as a going concern while maximizing shareholder value. This is achieved by:

- Maintaining a solid capital base to support its ongoing operations and strategic initiatives.
- Balancing risk and return by adjusting the capital structure to ensure compliance with covenants and maintain financial stability.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

- Prioritizing long-term sustainability: The Company is committed to ensuring that its capital structure is sustainable in the long term, minimizing risks related to excessive debt and maintaining sufficient liquidity.

The Company has complied with all externally imposed capital requirements during the reporting period and has not experienced any breaches of the financial covenants.

8. Prepaid expenses and other receivables

	September 30, 2025	December 31, 2024
Prepaid expenses	\$ 349,531	\$ 270,123
Staff loans receivable	164,258	160,222
	\$ 513,789	\$ 430,345

9. Investments

a) Carrying value of investments

Royalty agreements (at FVTPL)	September 30, 2025	December 31, 2024
Expected within 1 year	\$ 1,206,426	\$ 1,219,599
Expected after more than 1 year	823,911	859,697
Total	\$ 2,030,337	\$ 2,079,296

The term of the typical royalty agreement is normally perpetual where the investee has a buyout and buydown option.

Loans receivable (at Amortized Cost)	September 30, 2025	December 31, 2024
Due within 1 year	\$ 1,585,846	\$ 10,076,306
Due after more than 1 year	65,668,713	42,824,088
Total	\$ 67,254,559	\$ 52,900,394

At September 30, 2025, the portfolio of loans receivable have interest rates of 15% to 22% (2024: 15% to 22%) and mature in 1 to 3 years. The Company also holds a note payable, acquired through an RTO transaction in 2018, which has a 8-year term left, and earns an interest of 10%.

Equity securities in investee companies (at FVTPL)	September 30, 2025	December 31, 2024
Expected exit within 1 year	\$ -	\$ -
Expected exit after more than 1 year	5,869,876	5,164,046
Total	\$ 5,869,876	\$ 5,164,046
Total carrying amount of investments	\$ 75,154,772	\$ 60,143,736

For particular investments, the Company has in place a charge on the assets of the investees under General Security Agreements. The carrying value of these investments with such security in place was as follows:

	September 30, 2025	December 31, 2024
Promissory notes receivable	66,042,424	52,314,320
	\$ 66,042,424	\$ 52,314,320

b) Equity securities in investee companies

	Fair Value Hierarchy	Cost September 30, 2025	Carrying amount September 30, 2025	Cost December 31, 2024	Carrying amount December 31, 2024
Common shares (publicly traded)	Level 1	\$ 1,933,723	\$ 465,764	\$ 1,933,723	\$ 787,040
Common shares (not publicly traded)	Level 3	973,497	134,916	688,655	536,135
Warrants (not publicly traded)	Level 3	7,402,800	5,269,196	4,709,430	3,840,871
Total		\$ 10,310,020	\$ 5,869,876	\$ 7,331,808	\$ 5,164,046

c) Movement during the period

The changes in the carrying amount in investments at fair value during the reporting period were:

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

	Nine-months ended September 30, 2025					
	Royalty agreements acquired	Level 1 equity securities in investee companies	Level 3 equity securities in investee companies	Warrants in investee companies	Loans receivable	Total
Balance as at December 31, 2024	\$ 2,079,296	\$ 787,040	\$ 536,135	\$ 3,840,870	\$ 52,900,394	\$60,143,737
Proceeds from exits	-	-	-	-	(6,220,800)	(6,220,800)
Gain recognized on exits	-	-	-	-	-	0
Losses from investments written off	-	-	-	-	-	0
Gain/(loss) on Loan modification	-	-	-	710,546	(677,768)	32,779
New loan advances	-	-	-	-	21,208,244	21,208,244
New investment in equity	-	-	281,941	1,982,824	-	2,264,765
Royalty earned and payments received- net	1,650	-	-	-	644,687	646,337.3
Foreign exchange impact on the investment portfolio	(42,836)	-	(29,251)	(93,546)	(1,136,422)	(1,302,055)
Loan amortization income	-	-	-	-	1,236,294	1,236,294
Adjustment to fair value / expected credit losses	(7,774)	(321,276)	(653,909)	(1,171,499)	(700,070)	(2,854,528)
Balance as at September 30, 2025	2,030,337	465,764	134,916	5,269,196	67,254,559	75,154,772

10. Accounts payable and accrued liabilities

	September 30, 2025	December 31, 2024
Accounts payable	\$ 140,529	\$ 453,436
Accrued expenditures	624,332	1,177,066
Financing cost payable to holders of the Debentures	246,501	224,961
Financing cost payable to holders of the Preferred Shares	25,508	25,508
Financing cost payable to revolving credit line	132,097	41,995
Total	\$ 1,168,967	\$ 1,922,966

11. Income taxes

Income tax expense for the period comprises:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Current income tax expense/(recovery)	-	(139,910)	-	(74,841)
Deferred Income tax expense/(recovery)	460,793	29,619	(42,747)	354,048
Total income tax expense/ (recovery)	\$ 460,793	\$ (110,291)	\$ (42,747)	\$ 279,207

The current income tax expense is accrued on income from investments held by Flow Capital US Corp. As the Company is consolidating all its investments into Flow Capital Corp. and has wound up Flow Capital US Corp. on October 31, 2024, there should be no material income tax expense at Flow Capital US Corp., going forward.

The deferred income tax expense is accrued on investments held by Flow Capital Corp. and is offset by a corresponding reduction in the deferred tax asset.

12. Redeemable debt

The redeemable debt of the Company comprises two components:

Debentures

Pursuant to the terms of a debenture indenture dated August 1, 2023 (the "Indenture"), the Company will issue debentures (the "Debentures") in multiple series in Canadian or U.S. dollars bearing interest at varying floating rates.

The Series A CDN Debentures shall bear interest from the date of issue at a rate per annum equal to the Bank of Canada Overnight Rate in effect from time to time plus 4.5%, subject to a minimum interest rate of 7% and a maximum interest rate of 11%, payable in Canadian dollars.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

The Series A+ CDN Debentures shall bear interest from the date of issue at a rate per annum equal to the Bank of Canada Overnight Rate in effect from time to time plus 5%, subject to a minimum interest rate of 7.5% and a maximum interest rate of 11.5%, payable in Canadian dollars.

The Series F CDN Debentures shall bear interest from the date of issue at a rate per annum equal to the Bank of Canada Overnight Rate in effect from time to time plus 5.5%, subject to a minimum interest rate of 8% and a maximum interest rate of 12%, payable in Canadian dollars.

The Series F+ CDN Debentures shall bear interest from the date of issue at a rate per annum equal to the Bank of Canada Overnight Rate in effect from time to time plus 6%, subject to a minimum interest rate of 8.5% and a maximum interest rate of 12.5%, payable in Canadian dollars.

The Series UA USD Debentures shall bear interest from the date of issue at a rate per annum equal to the U.S. Federal Funds Rate in effect from time to time plus 4.5%, subject to a minimum interest rate of 7% and a maximum interest rate of 11%, payable in United States dollars.

The Series UA+ USD Debentures shall bear interest from the date of issue at a rate per annum equal to the U.S. Federal Funds Rate in effect from time to time plus 5%, subject to a minimum interest rate of 7.5% and a maximum interest rate of 11.5%, payable in United States dollars.

The Series UF USD Debentures shall bear interest from the date of issue at a rate per annum equal to the U.S. Federal Funds Rate in effect from time to time plus 5.5%, subject to a minimum interest rate of 8% and a maximum interest rate of 12%, payable in United States dollars.

The Series UF+ USD Debentures shall bear interest from the date of issue at a rate per annum equal to the U.S. Federal Funds Rate in effect from time to time plus 6%, subject to a minimum interest rate of 8.5% and a maximum interest rate of 12.5%, payable in United States dollars.

The Debentures will mature on August 1, 2043, subject to earlier redemption by the Company or retraction by the Debenture holders. The Debentures may be retracted by Debenture holders subject to a 90-day notice period and the Company maintaining the discretion to limit the monthly retraction amounts to 1% of the value of the Debentures then outstanding. The Indenture also provides the Company with the ability to defer the retraction date by 12 months if repayment of the retraction price would impair, or reasonably be expected to impair, the business, operations, financial condition, financial performance, profitability, debt or equity funding prospects, or investment capabilities of the Company. The Debentures are unsecured, non-convertible, non-voting and carry no right to participate in the earnings of the company. No portion of the principal or interest outstanding under the Debentures may be repaid in securities of the Company.

	Class F		Class F Plus		Class UF		Class UF Plus		Class A		Total
	Number of units	Amount	Number of units	Amount	Number of units	Amount	Number of units	Amount	Number of units	Amount	Amount
Balance as at December 31, 2024	4,697	4,696,640	8,762	8,762,164	7,504	10,797,661	2,358	3,392,489	125	125,000	27,773,955
Issued	1,582	1,582,000	3,931	3,931,000	1,050	1,462,960	2,134	2,982,545	-	-	9,948,505
Redeemed	(635)	(635,000)	(2,380)	(2,380,000)	(65)	(89,512)	(1,634)	(2,253,145)	-	-	(5,357,657)
Drip	20	19,847	74	73,865	18	24,523	12	17,131	-	-	135,366
FX impact	-	-	-	-	-	(343,495)	-	(143,745)	-	-	(487,240)
Balance as at September 30, 2025	5,663	5,663,487	10,387	10,387,029	8,506.67	11,842,137	2,870	3,995,276	125	125,000	32,012,929

For the nine months ended September 30, 2025, \$2,147,809 was recorded as interest (2024 - \$2,019,083).

Series I Class A preferred shares

On June 28, 2022 the Company issued 406,667 Series I Class A preferred shares priced at \$3 per share to raise \$1,220,001. One of the investors redeemed their investments for \$120,000 on October 10, 2023. For the three and nine-months period ended September 30, 2025, \$25,508 and \$75,692 was recorded as dividend (2024 - \$25,508 and \$75,969) (also refer Note 14).

13. Revolving Credit Facility

On August 22, 2024 the Company entered into a loan agreement, for a revolving committed credit facility in the principal amount of up to US \$15,000,000. The Company can request an increase in the principal loan amount, the increase may not be less than \$5,000,000, subject to the lender credit approvals.

The credit facility has a term of 36 months, with monthly interest payments to be made on the outstanding balance of the loan, calculated monthly in arrears, based on Secured overnight financing rate ("SOFR") plus a commercially reasonable credit spread. The loan is secured against all present and after-acquired property of the Company. The loan agreement contains standard financial and negative covenants typical for a revolving credit facility.

The Company at any time on or after the closing date, upon not less than thirty (30) days and not more than sixty (60) days prior written notice, repay in full the loan together with unpaid interest accrued thereon in connection with the termination of the financing under this agreement subject to an early termination fees which is 2.00% of the maximum loan amount in the event the termination date occurs after the closing date and on or prior to the first anniversary of the closing date and (ii) 1.00% of the maximum loan amount in the event the termination date occurs after the first anniversary of the closing date and on or prior to the second anniversary of the closing date (the "early termination fee"). No early termination fee will be payable if the termination date occurs for any reason after the second anniversary of the closing date.

The borrowing base is determined by the eligibility criteria which is (a) 75% of the aggregate receivable balance of eligible loan receivables which constitute SaaS loan receivables; plus (b) 55% of the aggregate receivable balance of eligible loan receivables which constitute cash flow loan receivables; minus (c) Reserves, royalty investments shall not form part of the borrowing base.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

Disclosure of Externally Imposed Covenants

As of June 30, 2025, the Company is subject to certain financial covenants under its revolving credit facility agreement, including the requirement to maintain a minimum interest coverage ratio of 1.25:1 and a minimum tangible net worth of \$50,000,000. These covenants will be tested at the end of each quarter. The Company has complied with these covenants as of the reporting date.

14. Share capital and other components of equity

The authorized share capital of the Company consists of an unlimited number of voting common shares without par value, and 1,811,666 Series I Class A preferred shares with a face value of \$3 per share.

Series I Class A preferred shares

On December 12, 2021, the Company received approval from the TSXV to create a new class of Series I Class A preferred shares, pursuant to the shareholder approval obtained at a meeting of the shareholders held on May 26, 2020. Subsequently, pursuant to the board approvals for amendments obtained via consent resolutions dated November 16, 2021 and June 3, 2022, on June 28, 2022, the Company issued a first tranche of 406,667 Series I Class A preferred shares priced at \$3 per share to raise \$1,220,001.

From the date of issuance, the Series 1 Class A Preferred Shares shall accrue dividends at the rate of 9.2%, payable quarterly when declared by the board. The preferred shares have a mandatory redemption at the end of a maximum term of 6 years from initial issuance. On each of the third, fourth and fifth anniversaries, respectively, of the initial issuance, a holder may request that the Company redeem up to one-third (1/3rd) of the Series I Class A Preferred Shares originally acquired by the holder. At any time or times after the 1-year anniversary of the initial issuance, the Company shall be entitled, at its option, to repurchase all or any portion of the Series 1 Class A Preferred Shares. The Company may exercise such repurchase pro rata in respect of all or any lesser number (as determined by the Company in its sole discretion) of the Series 1 Class A Preferred Shares held by each holder of Series 1 Class A Preferred Shares. Upon exercise of the repurchase, each Holder shall have the option to receive either: (i) validly issued, fully paid and non-assessable Common Shares in exchange for such Holder's Series 1 Class A Preferred Shares at the Exchange Rate; or (ii) a cash payment in an amount per Series I Class A Preferred Share equal to the Redemption Price, at the choice of the holder.

The issued and outstanding preferred shares at September 30, 2025 were 366,667 (December 31, 2024 – 366,667). The Series I Class A preferred shares are redeemable and accrue a cumulative interest and are classified as a financial liability. For the three and nine-month periods ended September 30, 2025, \$25,508 and \$75,692 was recorded as dividend (2024 - \$25,508 and \$75,969).

Common shares

The issued and outstanding common shares at September 30, 2025 were 29,980,863 (December 31, 2024 – 30,700,363).

A Normal Course Issuer Bid ("NCIB") initiated by the Company on November 23, 2023 terminated on November 22, 2024 and on November 21, 2024, the Company initiated another NCIB which will terminate upon the earliest of (i) the Company purchasing 2,289,547 common shares, (ii) the Company providing notice of termination of the NCIB, and (iii) November 22, 2025. The NCIB will be made through the facilities of the TSXV and the purchase and payment for the common shares will be made from the Company's existing working capital at the market price of the applicable securities at the time of acquisition, plus brokerage fees, if any, charged by the Broker. All common shares purchased by the Company under the NCIB will be cancelled. In the nine-month period ended September 30, 2025, 719,500 shares were purchased under the NCIB at a weighted-average price per share of \$0.7666 for a total cost of \$551,538 (2024 – 1,045,500 common shares repurchased at a weighted-average price per share of \$0.5116 for a total cost of \$534,909), and subsequently returned to treasury for cancellation.

Share based payments

On December 7, 2023, the shareholders approved the Corporation's omnibus equity incentive plan (the "Omnibus Plan") that gives the Board flexibility in the types of incentive awards that can be granted to directors, officers, employees and consultants of the Corporation and its subsidiaries. Pursuant to the terms of the Omnibus Plan, the Company has awarded Stock Options and Performance Stock Units ("PSUs").

Stock options

The Company maintains a 10% "rolling" stock option plan to develop the interest of and provide an incentive to eligible employees, directors and consultants of the corporation and its affiliates. The Plan provides for the issuance of a maximum of 10% of the issued and outstanding common shares. Options granted may vest over certain time periods within the option period, which will limit the number of options that may be exercised. Each stock option is exercisable into one common share of the Company at the price specified in the terms of the option.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

The following options were outstanding under the plan, on September 30, 2025:

Original Issue Date	Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Remaining contractual life (years)
May 27, 2020	100,000	100,000	\$0.36	May 26, 2027	1.65
January 10, 2023	50,000	27,500	\$0.60	Jan 9, 2030	4.28
June 13, 2023	1,672,759	1,672,759	\$0.58	June 12, 2028	2.70
October 25, 2023	560,000	224,000	\$0.54	October 24, 2028	3.07
May 2, 2024	50,000	15,000	\$0.50	May 1, 2034	8.59
January 9, 2025	100,000	15,000	\$0.83	January 8, 2035	9.28
February 7, 2025	85,000	12,750	\$0.80	February 6, 2035	9.36
April 22, 202	80,000	8,000	\$0.77	April 21, 2035	9.56
Total	2,697,759	2,075,009			
Weighted average exercise price	\$0.5786	\$0.5672		Weighted average remaining contractual life	3.53

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of any options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

Performance Stock Units (“PSUs”)

The Company did not award any PSUs in the three-month period ended September 30, 2025 (2024: Nil). All PSUs are subject to the following performance vesting criteria established by the Board:

Metric: Share Price		Metric: Recurring Free Cash Flow	
Vesting Portion	Threshold	Vesting Portion	Threshold
1/6 th	\$1.00	1/6 th (Vested in 2022)	\$2,000,000
1/6 th	\$2.00	1/6 th	\$5,000,000
1/6 th	\$3.00	1/6 th	\$8,000,000

The fair value of the performance stock units awarded is determined as follows:

For the share price-based components of the PSUs, the ‘market condition’ (share price) thresholds were incorporated into the estimate of the fair value, using a Monte Carlo simulation, and was estimated to have a nominal value. The fair value of this component is expensed over the vesting period and not adjusted for performance.

For the performance condition (recurring free cash flow) based components of the PSUs, the fair value per share equals the stock price on grant date. The fair value expensed over the vesting period is adjusted based on the number of shares that vest.

A total of \$21,382 and \$57,371 was expensed towards share-based compensation on account of PSUs, in the three and nine-month periods ended September 30, 2025 (2024 - \$15,999 and \$49,212). A total of 1,325,834 PSUs are outstanding as on September 30, 2025.

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

15. Foreign exchange gains (losses)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Foreign exchange gains (losses)				
Unrealized foreign exchange gain (loss)	\$ 565,817	\$ (475,480)	\$ 1,190,377	\$ 174,973
Realized foreign exchange gain (loss)	-	-	(148,250)	172,650
Total	\$ 565,817	\$(475,480)	\$ (1,042,127)	\$ 347,623

16. Employee benefit expense

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Wages and salaries	\$ 537,464	\$ 453,218	\$ 1,666,953	\$ 1,238,389
Other benefits	38,455	26,842	114,408	99,879
Employer related costs for insurance, health tax	26,190	30,066	152,811	109,371
Salaries, benefits and other staffing costs	602,109	510,126	1,934,172	1,447,639
Share-based compensation (Note 17)	60,921	34,934	163,814	391,001
Total	\$ 663,030	\$ 545,060	\$ 2,097,986	\$ 1,838,640

17. Share-based compensation

The amounts recognized for share-based compensation in the statement of comprehensive income were made up as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Expense recognized based on vesting conditions of stock options	\$ 39,539	\$ 18,935	\$ 106,443	\$ 341,789
Expense recognized based on vesting conditions of PSUs	21,382	15,999	57,371	49,212
Total	\$ 60,921	\$ 34,934	\$ 163,814	\$ 391,001

18. Financing expense

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revolving Credit Interest	\$ 378,149	\$ 43,911	\$ 666,906	\$ 43,911
Series I Class A preferred shares dividend	25,508	25,508	75,692	75,969
Debenture Interest	762,678	742,381	2,147,809	2,019,083
Total	\$ 1,166,335	\$ 811,800	\$ 2,890,407	\$ 2,138,963

19. Earnings per share

The following reflects the profit, loss and unit data used in the basic and diluted earnings per share computations:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Profit (loss) attributable to ordinary equity holders for basic earnings / per share	\$ 1,243,498	\$ (591,120)	\$ 204,839	\$ 319,088
Basic weighted average number of shares outstanding	30,077,814	30,606,053	30,396,651	30,965,712
Dilutive effect of options and warrants	652,356	-	729,076	28,767

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

Diluted weighted average number of shares outstanding	30,730,170	30,606,053	31,125,727	30,994,478
Basic earnings per share	\$ 0.0413	\$ (0.0246)	\$ 0.0067	\$ 0.00511
Diluted earnings per share	\$ 0.0405	\$ (0.0246)	\$ 0.0066	\$ 0.00510

20. Operating segment information

Flow Capital operates as an investment firm providing growth capital to emerging growth businesses comprising one operating segment. All of the Company's reported revenue is from external customers. The breakdown of the recognized revenue by country was:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Canada	\$ 318,247	\$ 99,131	\$ 648,101	\$ 327,865
United States	2,517,651	1,730,138	7,165,190	4,540,304
United Kingdom	590,373	654,841	1,761,354	1,734,412
Total	\$ 3,426,271	\$ 2,484,110	\$ 9,574,644	\$ 6,602,581

For the nine-month ended September 30, 2025, the loan and royalty payment income and the interest income on promissory notes received for 2 (2024: 3) investees was over 10% of the total loan and royalty payment income, at 11.13% and 11.17% of the total, respectively.

21. Changes in working capital items

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Prepaid expenses and other receivables	(260,051)	(117,022)	(83,444)	(18,317)
Accounts payable and accrued liabilities	(1,677,28)	(509,141)	(757,723)	(1,082,011)
Total	\$ (1,937,269)	\$ (626,163)	\$ 841,167	\$ (1,100,328)

22. Related party disclosures

Key management personnel

The number of key management personnel as at June 30, 2025 was 7 (December 31, 2024: 6) and are identified as the members of the board of directors and the officers of the Company.

i) Compensation

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Short term employee benefits	\$ 215,437	\$ 208,329	\$ 681,942	\$ 416,558
Share-based compensation	29,835	155,112	92,110	345,684
Total	\$ 245,272	\$ 363,441	\$ 774,052	\$ 762,242

ii) Other transactions

On June 28, 2022, Company issued the first tranche of its Series I Class A preferred shares. At September 30, 2025, 166,667 preferred shares with a face value of \$500,001 (2024, 2024: \$500,001) were held by a director's family, and dividend of \$11,595 and \$34,406 was accrued and expensed on these preferred shares during the three and nine-month periods ended September 30, 2025 (2024: \$11,595 and \$34,406).

On August 31, 2022, the Company advanced loans to two Directors in the total amount of \$26,559. On June 28, 2023, the Company advanced an additional \$120,758 as loans to the two Directors. These loans in the total amount of \$162,960 remain outstanding on September 30, 2025 (December 31, 2024: \$160,222). For the three and nine-month period ended September 30, 2025, the Company earned interest income on these loans in the amount of \$1,114 and \$4,036 (2024 - \$1,857 and \$6,264) at the CRA prescribed rate.

On August 1, 2023, the Company issued the first tranche of its Debentures of multiple series. As at September 30, 2025, \$4,549,09 (December 31, 2024- \$4,452,256) of the debentures was held by key management personnel and a company with common directors, and

Flow Capital Corp.
(Unaudited) Notes to the Unaudited Interim Condensed Consolidated Financial Statements
In Canadian dollars, for the three and nine months ended September 30, 2025

interest of \$161,552 and \$347,444 was accrued and expensed on the debentures held by related parties, during the three and nine-month periods ended September 30, 2025 (2024 - \$153,760 and \$256,457).

23. Subsequent Events

Between October 1, 2025, and November 13, 2025, the Company purchased 453,500 shares at an average price of \$0.7344 per share. All common shares purchased by the Company under the NCIB are returned to treasury and cancelled.