

# Flow Capital Corp.

Financing Growth Companies at the Leading Edge of Technology

Providing flexible, minimally-dilutive capital to high-growth software and tech-enabled companies. Allowing them to scale without compromising control.

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# Excellent Returns from High-Growth Technology Companies

22.5% portfolio-level IRR over the past seven years<sup>1</sup>

- Historically only accessible through venture capital funds
- Lower-risk, more liquid structures
- Primarily venture debt generating equity-like returns through senior secured loans
- Diverse exposure: AI, machine learning, fintech, SaaS, cleantech, edge computing
- Open to all investors – no accreditation or multi-year commitment required

<sup>1</sup> March 31, 2018, to June 30, 2025

# Strong Risk-adjusted Returns in a Superior Asset Class

Total capital deployed<sup>1</sup>

**\$105.7M**

Across 27 investments (2018-2025)

Current Weighted Avg. Borrower LTV

**18.5%**

As of June 30, 2025

Annualized portfolio yield<sup>2</sup>

**20.9%**

For the quarter ended June 30, 2025

IRR<sup>1</sup>

**22.5%**

Over the past 7 years

Loss ratio<sup>1 3</sup>

**2.6%**

Cumulative since March 2018

Equity Capital<sup>4</sup>

**\$36.8M**

As of June 30, 2025

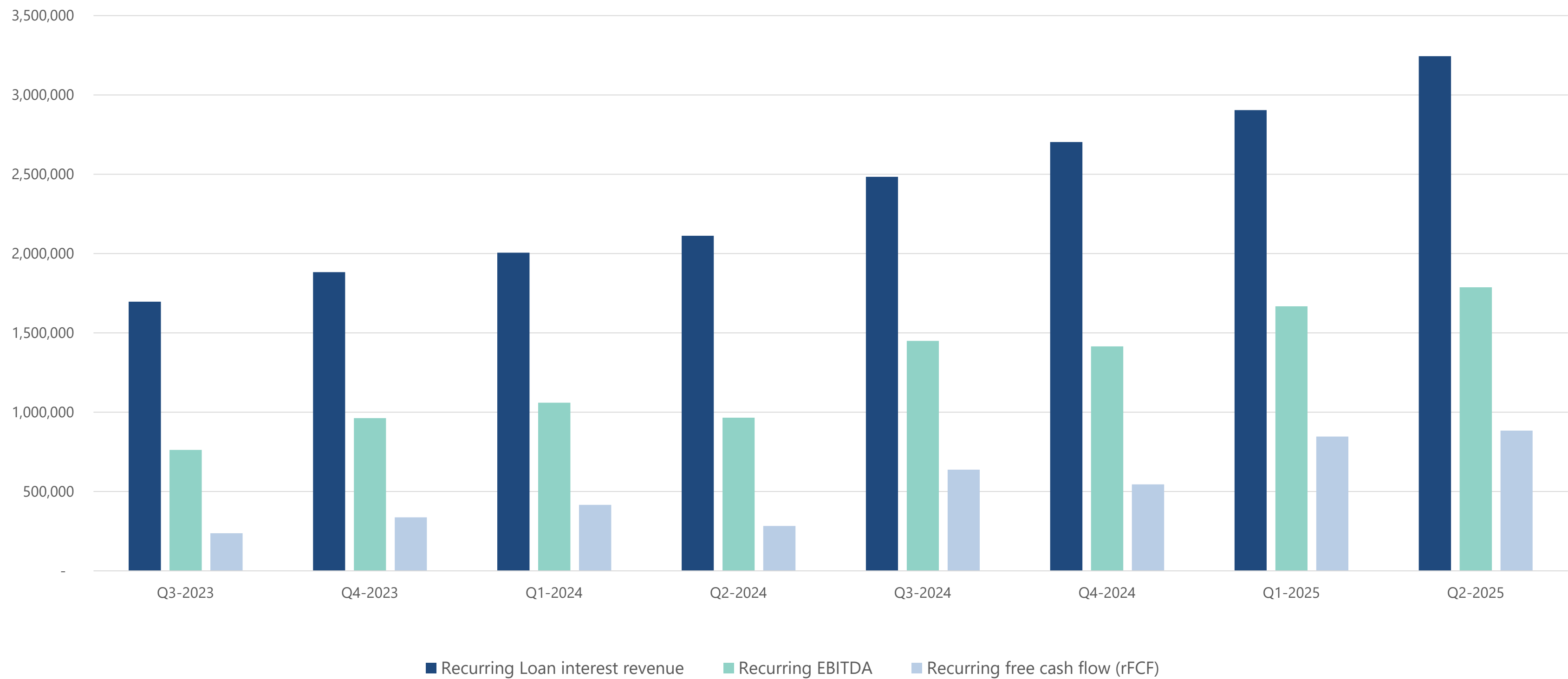
<sup>1</sup> March 31, 2018, to June 30, 2025.

<sup>2</sup> Loan interest and royalty income for the most recently reported quarter divided by average of FMV of loans receivable, net of expected credit losses, plus fair market value of royalty agreements, annualized.

<sup>3</sup> Realized and Unrealized losses (\$2.8M) as a percentage of total capital deployed (\$105.7M) since March 2018.

<sup>4</sup> Sum of common and preferred equity.

# Increasing Recurring Free Cash Flow



# Why do Investors Choose Flow Capital?



## Differentiated and high performing asset class

Growth venture debt has a demonstrated history of consistent high returns over economic cycles.



## Positive and growing cash flow

Loan portfolio generates recurring cash interest revenue, maintaining a positive free cashflow.



## Treasure chest of equity with potential upside

Growing portfolio of warrant and equity positions in high-growth companies.



## Aligned and Experienced Management

Management and directors own 25% of the company and have demonstrated domain expertise.

<sup>1</sup> Q2 2025 PitchBook-NVCA Venture Monitor



## Structured for Capital Protection

Access to this high return asset class via a diversified portfolio which provides reduced risk.



## Rigorous underwriting discipline

Proven ability to pick winners with equity level due diligence. Adherence to low LTVs. Target zero zeros as shown by a loss ratio over the past seven years of 2.6%.



## Strong financial performance

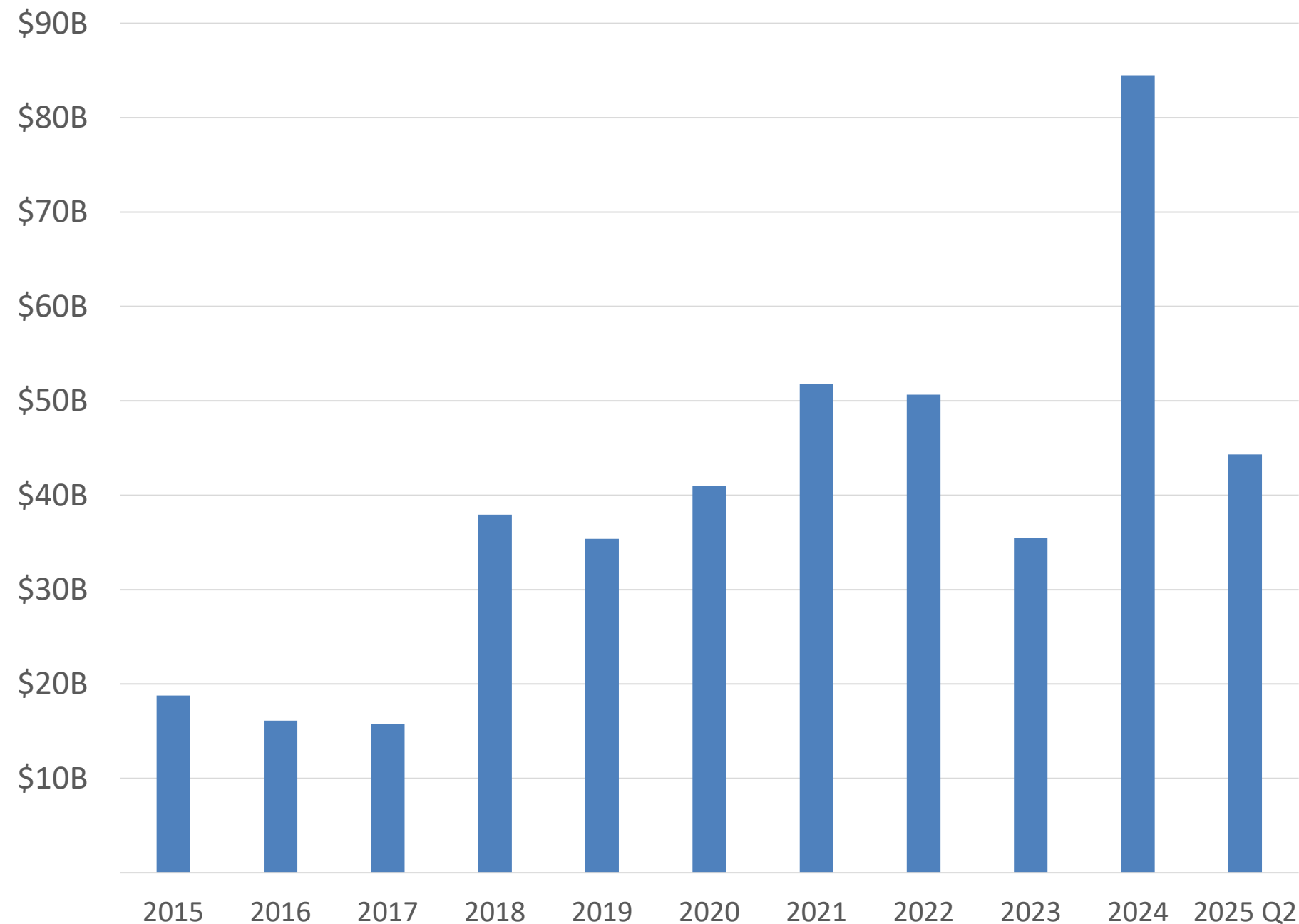
22.5% 7-Year portfolio level IRR. 29% Book Value per share growth for the past two years.



## Large growing market with barriers to entry<sup>1</sup>

\$84.5B in annual North American originations not available to mainstream lenders.

# We are Just Getting Started in a Very Large Market



Over the last 5 years, **Flow Capital** has grown its assets from **\$32.2 to \$85.5 million**, a CAGR of 21.6%

Venture debt was a **\$84.5 billion market in the U.S.** in 2024, Flow's primary market..

This market is inaccessible to traditional lenders due to the need for specialized expertise in underwriting and monitoring and, in some cases, regulatory restrictions—creating a significant barrier to entry.

Source: [Q2 2025 Pitchbook-NVCA Venture Monitor Report](#)

# Hundreds of Deals Reviewed Each Year, < 1% Selected

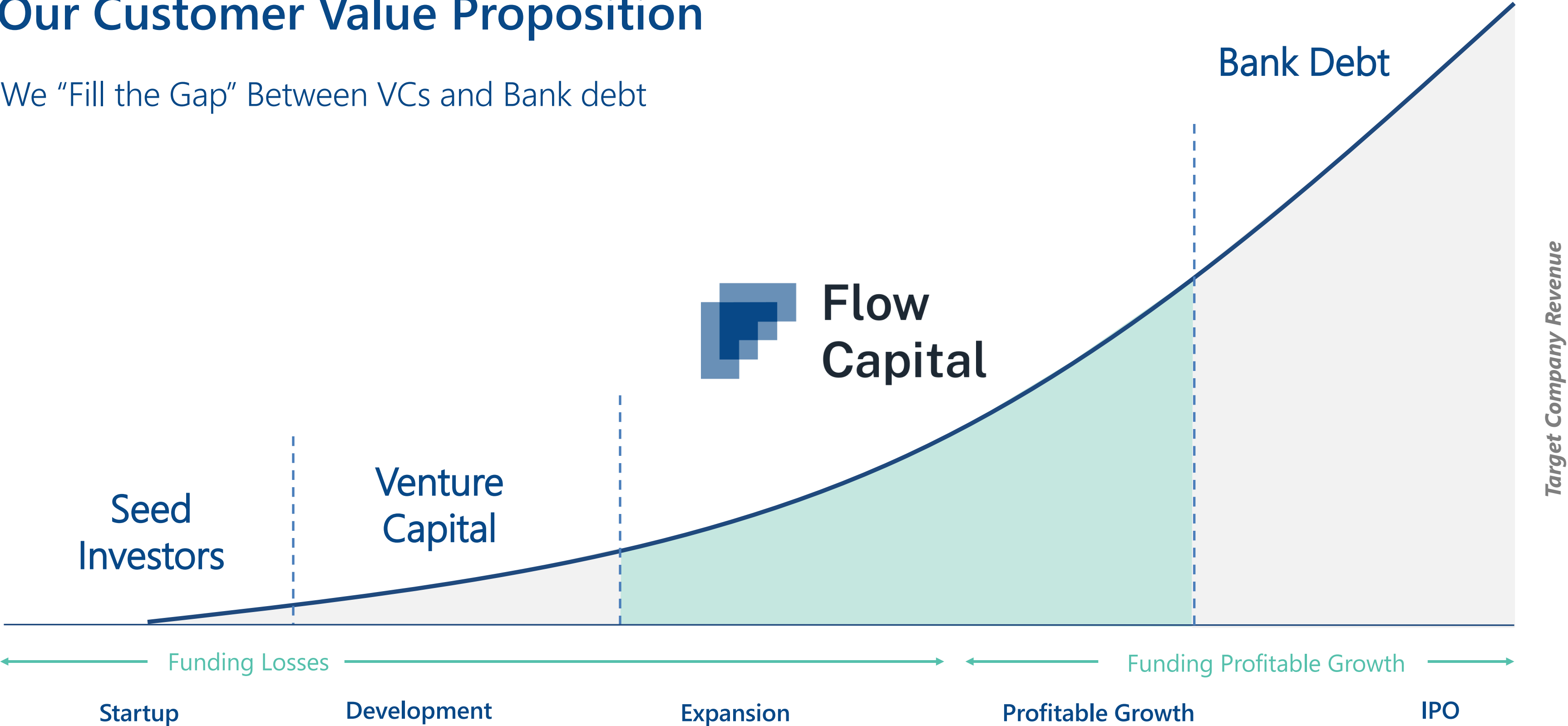
PIPELINE STAGE	2023	2024	2025 H1
Lead	862	940	592
Marketing Qualified Lead	318	400	273
Sales Accepted Lead	231	216	149
Sales Qualified Lead	63	53	65
Investment Committee Meeting	42	32	14
Investment Made Upon Completion of Successful Due Diligence and Investment Committee Approval	4 New / 2 Follow-on	5 New / 4 Follow-on	2 New / 3 Follow-on

We originate deals from a **variety of sources**: VCs, banks, advisors, brokers and direct approaches.



# Our Customer Value Proposition

We “Fill the Gap” Between VCs and Bank debt



# Case Study – Software for Publisher Audience Management

Repeatedly Backing Successful Growth



# 22.5% Portfolio Level IRR Over 7 years

Not based on a few winners. Most investments in the 20%-35% band

	Years Invested	Capital Invested C\$M	Total Cash Received C\$M	Equity Value Held C\$M	Total C\$M Return	% Total Return	IRR%
<b>Exited Investments</b>							
Company 6721	4.6	\$7.84	\$10.68	\$0.70	\$11.39	145.2%	18.4%
Company 3823	5.4	\$1.15	\$0.68	\$0.13	\$0.81	70.3%	-37.3%
Company 9387	3.5	\$5.81	\$9.09	\$0.02	\$9.10	156.6%	19.3%
Company 1936	1.5	\$4.33	\$6.18	\$0.00	\$6.18	142.9%	37.9%
Company 2974	0.9	\$3.64	\$4.74	\$0.00	\$4.74	130.0%	124.1%
Company 1988	1.5	\$1.87	\$2.73	\$0.00	\$2.73	146.1%	36.2%
Company 6253	2.9	\$2.42	\$2.16	\$0.00	\$2.16	89.3%	-4.0%
Company 1972	1.5	\$3.40	\$4.78	\$0.00	\$4.78	140.6%	35.8%
Company 9475	2.0	\$1.70	\$2.31	\$0.06	\$2.37	139.3%	21.0%
<b>Active Portfolio</b>							
Company 5386	4.4	\$8.26	\$2.82	\$0.16	\$2.98	36.1%	18.2%
Company 4289	4.0	\$6.31	\$4.03	\$0.70	\$4.73	74.8%	22.8%
Company 8957	3.9	\$3.14	\$1.78	\$0.06	\$1.83	58.5%	-10.4%
Company 9261	2.2	\$4.25	\$1.53	\$0.70	\$2.23	52.5%	26.4%
Company 2254	1.8	\$2.75	\$0.79	\$0.18	\$0.97	35.4%	21.7%
Company 7432	1.6	\$5.25	\$1.25	\$0.05	\$1.30	24.8%	21.2%
Company 8446	1.5	\$3.40	\$0.62	\$0.36	\$0.98	28.8%	21.9%
Company 9188	1.3	\$7.52	\$1.10	\$0.74	\$1.84	24.5%	34.8%
Company 2938	1.2	\$4.11	\$0.68	\$0.26	\$0.94	22.8%	23.6%
Company 9342	1.1	\$8.13	\$1.12	\$0.04	\$1.16	14.3%	20.1%
Company 5649	0.3	\$6.74	\$0.16	\$0.05	\$0.21	3.2%	n/a
Company 7532	0.2	\$6.85	\$0.09	\$0.72	\$0.81	11.9%	n/a

# A Team with Long Term Domain Expertise



**Alex Baluta**

Chief Executive Officer

Alex Baluta has over 30 years of professional experience in Canada and the U.S., spanning investment banking, equity research, mergers and acquisitions, operations, consulting, and entrepreneurship. In the early 2000s, Alex was a top-ranked equity research analyst in Canada, specializing on the software sector. Throughout his career, his primary focus has been advising, analyzing, operating, and investing in small and medium-sized enterprises, primarily in high-growth technology sectors. He currently serves as Chief Executive Officer and Board Member at Flow Capital.



**Michael Denny**

Chief Financial Officer

Michael Denny has over 25 years of experience as a senior investment banker to growth companies, advising them on equity and debt placements and strategic acquisitions and divestitures. Prior to joining Flow Capital, he was a Managing Director with private equity manager Lynx Equity Limited, where he managed the Lynx Equity Income Trust.



**Vernon Lobo**

Executive Chair

Vernon Lobo was the Founder and Managing Director of Mosaic Venture Partners, an early-stage venture capital fund. Over 26 years in the investment industry, he helped build several companies from startup to acquisition or public listing, eight of which achieved valuations exceeding \$100 million. Earlier in his career, Vernon worked as a consultant with McKinsey & Company and as a software engineer at Nortel Networks. He holds a BSc in Engineering from the University of Waterloo and an MBA from Harvard Business School, where he was a Baker Scholar.



**Josh Axler**

Managing Director, Originations

Prior to joining Flow Capital, Josh Axler deployed over \$200 million in credit facilities as an Investment Manager at Crown Capital Partners and as a Commercial Banking Associate at CIBC. He also held business development roles at Hay Group and Xerox. Josh has a Bachelor of Arts, an Honours Business Administration (HBA) degree, and a Master of Business Administration (MBA) from the Ivey Business School at Western University. He is also a Chartered Financial Analyst (CFA) charterholder.



**Matthew Gan**

Managing Director, Credit and Due Diligence

Matthew Gan joined Flow in 2021 and has since led the deployment of \$50M in capital. Prior to Flow, he spent 10 years in capital markets and corporate financial advisory including investment banking and equity research. Matthew holds a Bachelor of Arts in Honours Business Administration (HBA) degree from Ivey Business School at Western University and is a Chartered Financial Analyst (CFA) charterholder.

**Board and Management have over \$10M invested  
in the company's equity and debenture.**

# Overseen by Independent Directors



**Catherine McLeod-Seltzer**

Director

Catherine is a serial company builder and currently the Chairman of Bear Creek Mining. She is a recognized leader in the materials industry, known for creating growth-focused companies that deliver strong shareholder returns. Over the past 20 years, she has partnered with numerous geological teams, with successes including Arequipa Resources, Francisco Gold, Miramar Mining, Stornoway Diamonds, and Peru Copper. Catherine has raised over \$600 million in working capital for exploration and been directly involved in more than \$4 billion in corporate transactions. Her leadership, financial expertise, and access to capital have made her a key driver of shareholder value. Her accolades include “Mining Man of the Year” (The Northern Miner), the “Award for Performance” (Association of Women in Finance), and Canada’s Most Powerful Women Top 100 Award. She currently serves on the boards of Kinross Gold Corporation and Major Drilling Group International.



**Michael Zych**

Director

Michael Zych is the former Global Head of Fixed Income, Global Banking, and Markets for Scotiabank, where he had overall responsibility for the strategy and execution of the fixed income business. At Scotiabank, his oversight included trading, sales, and origination of fixed income products globally as well as credit and interest rate derivatives. Mr. Zych has built, led, and managed teams in eleven countries across North America, Latin America, Europe, and Asia. He was a member of both the Global Banking and Markets’ Strategy Committee and Human Investment Committee. Mr. Zych retired from Scotiabank in 2015 and has since been actively engaged with the startup ecosystem as a successful advisor and angel investor. Mr. Zych holds a Bachelor of Commerce degree from McMaster University and a Masters degree in Business Administration from the University of Toronto. He is a member in good standing with the CFA Institute.



**Alan Torrie**

Director

Alan Torrie brings extensive executive, financial, and director experience to the Flow Capital Board. He has held several senior executive roles, including as the former President and Chief Executive Officer of Morneau Shepell and MDS Diagnostics. He currently serves as a Chair of the Board of Extendicare and is a Director and member of the Audit Committees and Governance Committee of Green Shield Canada. He previously served as a Director of Trillium Health Partners, Cynapsus Therapeutics, and Appleby College.



**Brian Beattie**

Director

Brian Beattie is the Chief Operating Officer and Chief Financial Officer of Volaris Group. At Volaris, he has helped lead the expansion of our high-growth organization into new verticals and countries. Brian helps coach and guide Volaris leaders in reaching their organic growth, operational efficiency, and capital deployment goals. He joined Constellation Software in 2005, initially as the CFO of sister operating group Perseus, before joining Volaris.

# Rigorous Underwriting and Monitoring

## Mitigate

*Preventative measures against unnecessary risks*

<b>Rigorous Due Diligence</b>	Highly selective process that uncovers potential risks via extensive testing of end markets, operations, and controls
<b>Conservative Structure</b>	Comprehensive senior security, surgical covenants, dominion over borrower cash and bank accounts
<b>Substantial Coverage</b>	Robust asset coverage requirements with meaningful built-in risk buffers
<b>Deep Diversification</b>	Strict concentration limits on a portfolio diversified by geography, end-markets, equity sponsors, etc.

## Monitor

*Oversight of portfolio to detect problems early*

<b>Timely Reporting</b>	Read-only accounting and banking access along with monthly, quarterly, and annual reporting requirements
<b>Tight Monitoring</b>	Close monitoring of borrower performance and liquidity against budgets, forecasts, and covenants
<b>Frequent Comms.</b>	Constant check-ins with borrowers to ensure up-to-the-minute insights and detect early signs of distress
<b>Layered Oversight</b>	Monthly review of portfolio performance by multiple departments overseen by senior leadership

## Recover

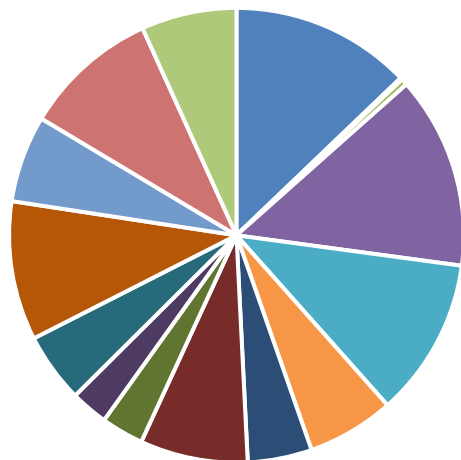
*Proactive response to protect & recover capital*

<b>Planning &amp; Policy</b>	Ready-made playbook with clear escalation protocols and remedial measures for various risk scenarios
<b>Proactive Engagement</b>	Engage with borrower stakeholders including management, board, and investors to implement remedies
<b>Legal Strategies</b>	When necessary, expediently utilize strong legal frameworks to active enforcement mechanisms
<b>Ongoing Assessment</b>	Complete thorough root-cause analyses to incorporate feedback into future risk and recovery frameworks

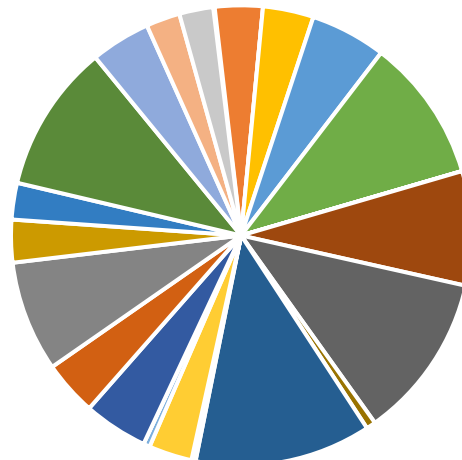


# A Well Diversified Loan and Equity Portfolios

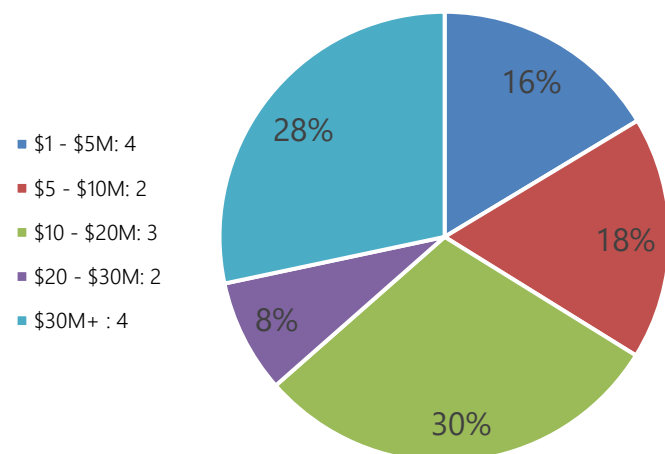
Loan Portfolio Diversified Across 15 Loans



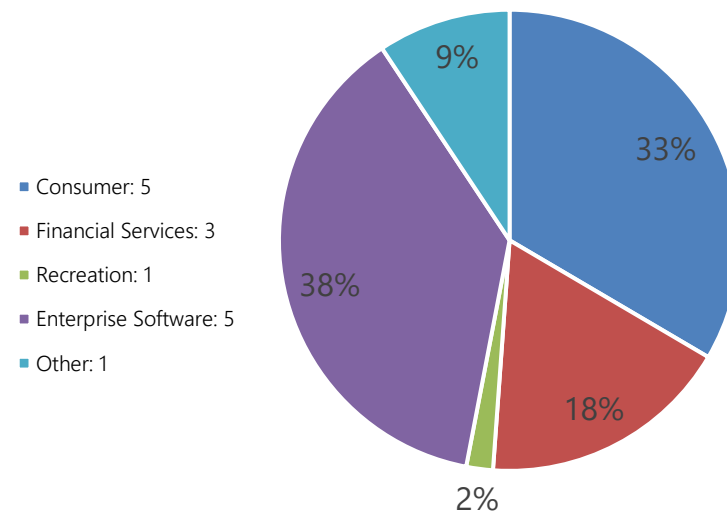
Equity Portfolio Diversified Across 20+ Positions



Loan Portfolio Diversified Across Small and Large Companies



Loan Portfolio Diversified Across 5 Industries



## Current portfolio at origination

Average operating history <sup>1</sup>	11.1 years
Average enterprise value <sup>1</sup>	\$67.1M
Average revenue <sup>1</sup>	\$26.7M
Average LVT <sup>1</sup>	18%
Loan structure <sup>1</sup>	100% Senior Secured

## Cumulative since March 2018

Total capital deployed	\$105.7M
Average investment size	\$4.6M
Number of investments made	27
Number of realized investments <sup>2</sup>	11 repaid 16 active

<sup>1</sup> Weighted average on funded at origination for current investment portfolio as of June 30, 2025.

<sup>2</sup> Four investments fully exited, and six exited investments with equity remaining.

# Equity Positions in 25 High-Growth Companies

Flow has a treasure chest of warrants, equity, and success fees.

Company Name	Revenue Run Rate \$ Millions	Fully Diluted Ownership %	Book Value as at June 30, 2025 - \$
<b>Warrants</b>			
Company 6721	\$3.46	1.3%	\$180,623
Company 3823	\$5.11	0.4%	\$420
Company 9387	\$8.27	1.9%	\$52,930
Company 1936	\$5.74	1.2%	\$46,075
Company 2974	\$6.48	1.6%	\$704,468
Company 1988	\$8.04	1.9%	\$343
Company 6253	\$4.11	2.9%	\$358,228
Company 1972	\$10.83	1.6%	\$64
Company 9475	\$29.89	1.9%	\$164,185
Company 5386	\$28.72	0.4%	\$256,592
Company 4289	\$12.53	2.4%	\$16,956
Company 8957	\$47.81	2.7%	\$178,596
Company 9261	\$10.61	2.6%	\$44,336
Company 2254	\$27.30	2.2%	\$704,764
<b>Success Fees</b>			
Company 7432	\$0.96	5.0%	\$0
Company 8446	\$11.89	2.0%	\$58,945
Company 9188	\$14.46	3.2%	\$695,578
Company 2938	\$5.12	6.5%	\$744,549
<b>Equity</b>			
Company 9342	\$108.12	0.2%	\$720,912
Company 5649	\$4.20	6.2%	\$432,940
Company 7532	\$13.04	0.2%	\$129,833
Company 2874	\$3.65	0.2%	\$46,407
Company 1188	\$0.24	0.6%	\$37,812
Company 2897	\$3.12	1.0%	\$12,031
Company 2744	\$18.32	4.0%	\$194,683
<b>Total Equity Portfolio Value</b>			<b>\$5,782,267</b>

Flow earns warrant positions in all of the companies it lends money to.

Flow also selectively makes smaller strategic equity investments in high-growth companies whose size is below our lending threshold. Some of these will eventually become borrowers.

We expect this diversified early-stage equity portfolio will positively contribute to our returns over the medium and longer term.



# Clear Value in Flow's Common Shares



# Flow Capital Debentures For Income Focused Investors

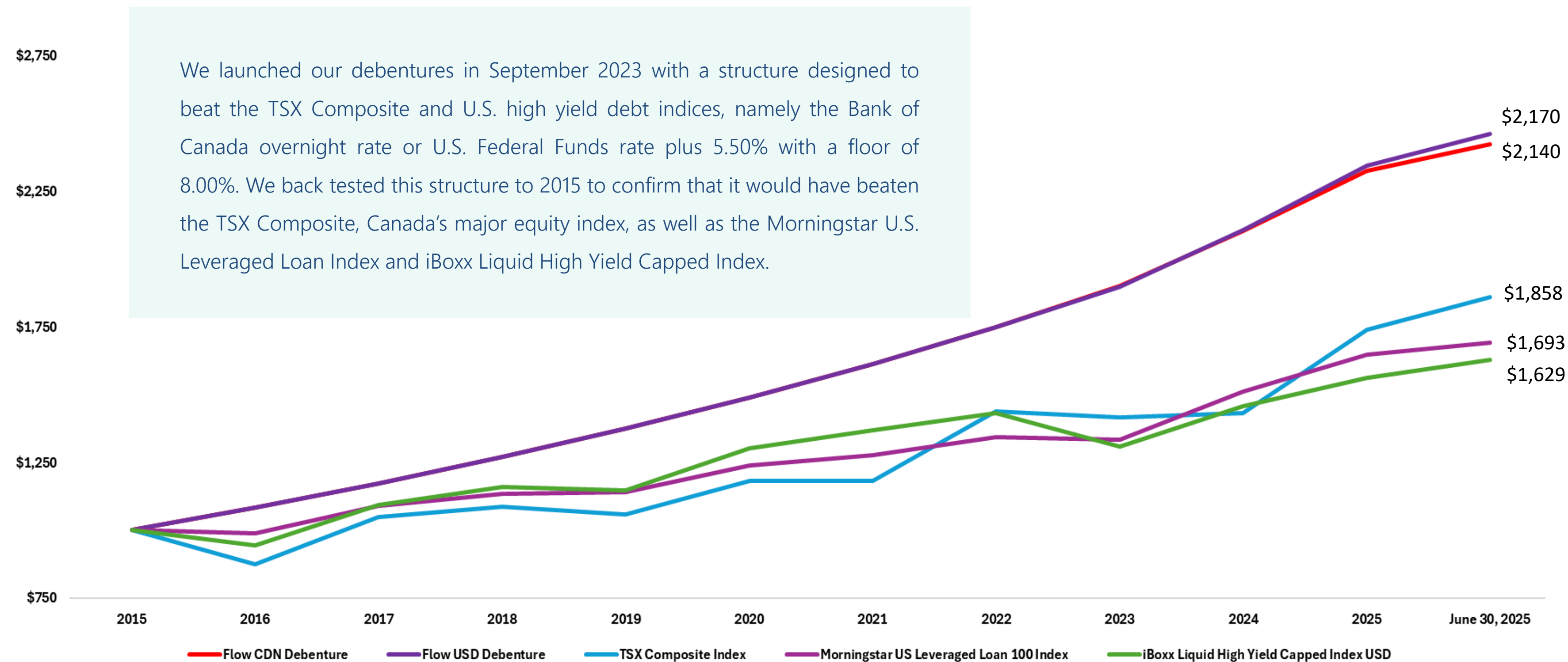
Offering	Floating Rate Retractable Debentures
Security	Senior to \$36.8 million in Flow common and preferred equity.
Trustee / ISIN / CUSIP	Olympia Trust/ CA343449AC84 / 343449AC8/ Series F CAD
Interest rate	<p>Bank of Canada Rate or US Federal Reserve Overnight Rate + 5.50%. (+50 bps for accounts &gt; \$1 million)</p> <p>Currently:</p> <ul style="list-style-type: none"> <li>■ <b>8.25%</b><sup>1</sup> CAD (<b>8.75%</b> for accounts &gt; \$1 million)</li> <li>■ <b>9.83%</b><sup>1</sup> USD (<b>10.33%</b> for accounts &gt; \$1 million)</li> <li>■ Floor 8.00%   Cap 12.00%<sup>1</sup></li> </ul>
Interest payment	<p>Paid monthly</p> <p>DRIP available</p>
Minimum purchase	<p>\$20,000.</p> <p>Waived for TFSA top ups.</p>
Retractions	<p>At purchase price, subject to 90-day notice (target 30 days).</p> <p>Short-term trading fee of 5% of principal for purchases held less than one year</p>
Registered plan status	Eligible for all registered plans. RRSP, TFSA, LIRA, RRIP, RESP, RDSP.

<sup>1</sup> For Commission-based accounts a Series A is available which pays: the Bank of Canada Rate or US Federal Reserve Overnight Rate + 5.50%, with a floor of 7% and a cap of 11.5%

<sup>2</sup> As of September 30, 2024, the interest coverage ratio is calculated from Flow's quarterly financial statements. The formula is (Royalty and loan interest income less cash operating expenses) divided by Debenture Interest Expense.

<sup>3</sup> As of September 30, 2024, Flow Capital had \$38.8 million in common and preferred shareholder equity and \$26.8 million in debenture debt. The formula is (Equity + Debt) divided by 38.8M in shareholders equity.

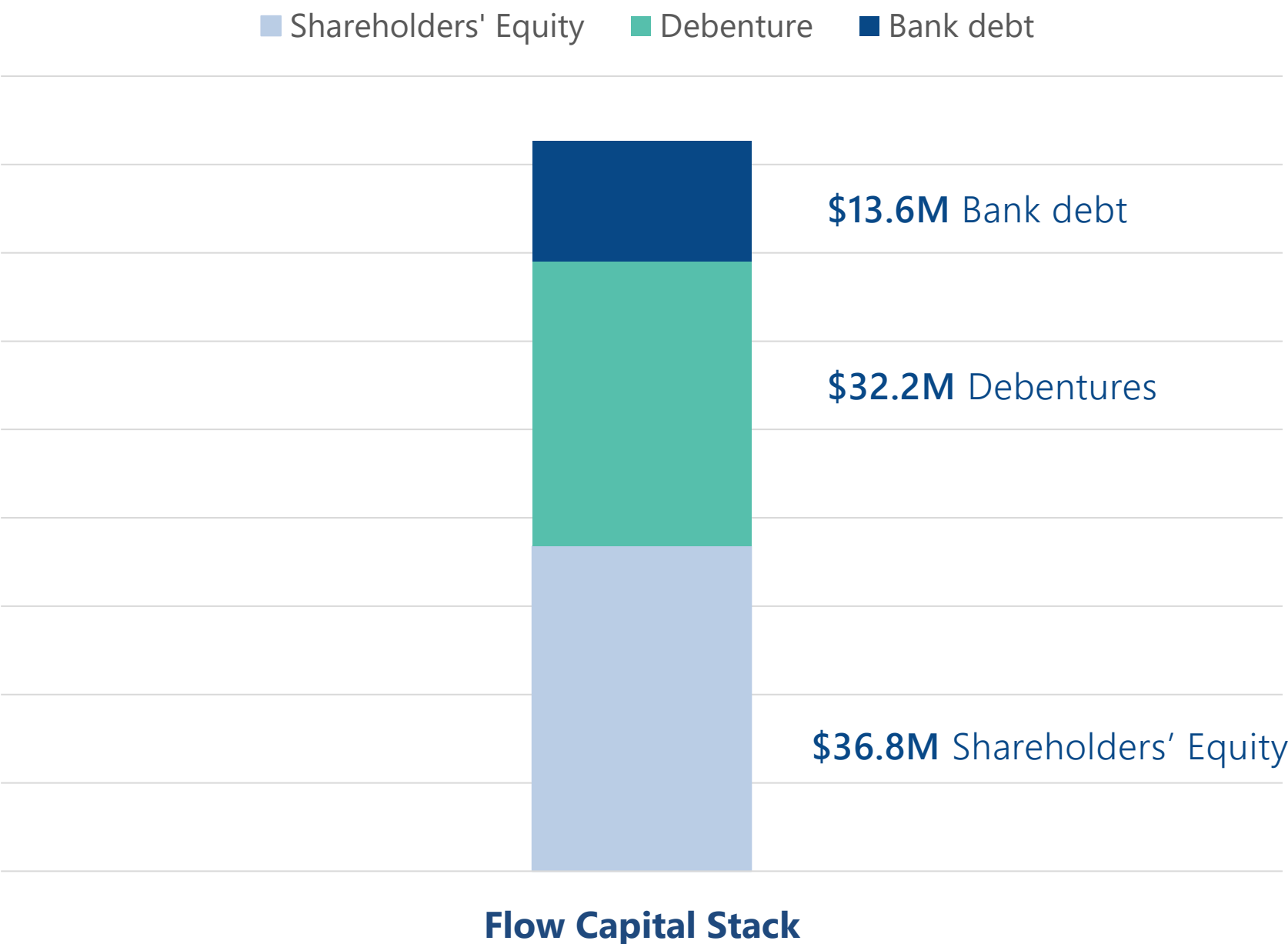
# Flow's Debentures Beat the Indices



# Debenture Principal Well Protected By Our Assets and Equity

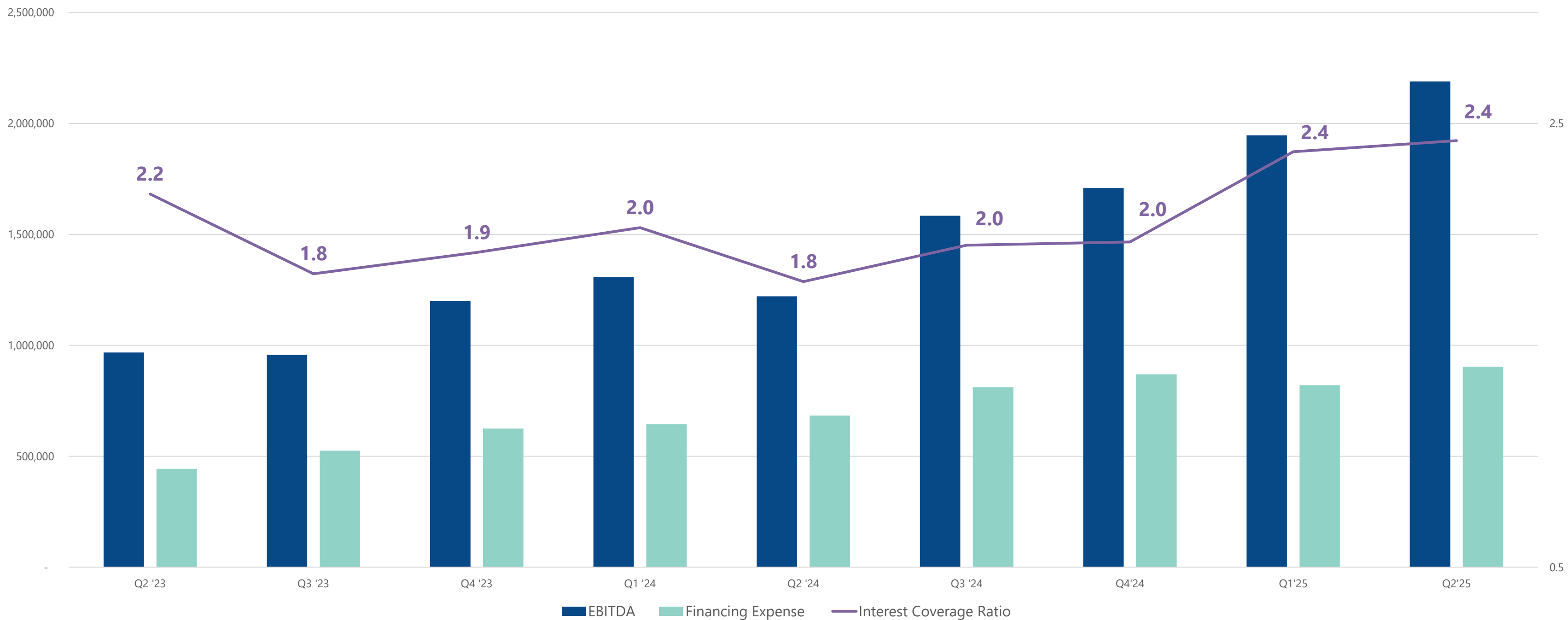
## \$37M of First Loss Capital Protection

Debenture holders sit senior to almost \$37M of Equity. This subordinated shareholder equity acts as first-loss protection, meaning our portfolio needs to incur \$37M in losses before debenture holders are impacted.



# Debenture Interest Well Protected by our Cash Flow

Strong downside protection with **ample cashflow** and **2.4x interest coverage ratio**





# Flow Capital

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