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1. **NEWS RELEASE**

### March 29, 2024

# FSI ANNOUNCES FULL YEAR, 2023 FINANCIAL RESULTS

# A Conference call is scheduled for Wednesday April 3rd, 2024, 11:00am Eastern Time

See dial in number below

**VICTORIA, BRITISH COLUMBIA, March 29, 2024 – FLEXIBLE SOLUTIONS INTERNATIONAL, INC. (NYSE Amex: FSI),** isthe developer and manufacturer of biodegradable polymers for oil extraction, detergent ingredients and water treatment as well as crop nutrient availability chemistry. Flexible Solutions also manufactures biodegradable and environmentally safe water and energy conservation technologies. Today the Company announces financial results for full year ended December 31, 2023.

Mr. Daniel B. O’Brien, CEO, states, “2023 was a difficult year to navigate. Residual inventory at high base and shipping costs collided with our ability to set prices to customers. Given these circumstances, the results were reasonable though not what we hoped for.” Mr. O’Brien continues, “There will be some residual effects of the 2023 conditions present in Q1 2024 but, we hope the rest of the year will see a return to growth, some expansion in margins and increased food division sales.”

* Sales for the Full Year were $38,324,806, down approximately 16% when compared to sales of $45,840,469 in the corresponding period a year ago.
* Full Year, 2023 net income was $2,775,864, or $0.22 per share, compared to a net income of $7,021,604, or $0.57 per share, in Full Year, 2022.
* Basic weighted average shares used in computing earnings per share amounts were 12,434,886 and 12,379,316 for full year, 2023 and full year, 2022 respectively.
* 2023 Non-GAAP operating cash flow: The Company shows 12 months operating cash flow of $4,598,698, or $0.37 per share. This compares with operating cash flow of $8,442,735, or $0.68 per share, in the corresponding 12 months of 2022 (see the table that follows for details of these calculations).

The NanoChem division and ENP subsidiary continue to be the dominant sources of revenue and cash flow for the Company. New opportunities continue to unfold in detergent, water treatment, oil field extraction, turf, ornamental and agricultural use to further increase sales in these divisions.

**Conference call**

Due to business travel obligations a **conference call** has been scheduled for 11:00 am Eastern Time, 8:00 am Pacific Time, on **Wednesday April 3rd, 2024.**  CEO, Dan O’Brien will be presenting and answering questions on the conference call. To participate in this call please dial 1-800-445-7795 (or 1-785-424-1699) just prior to the scheduled call time. To join the call participants will be requested to give their name and company affiliation**.** The **conference ID: SOLUTIONS** and/or call title **Flexible Solutions International ‑ Full Year 2023 Financials** may be requested

The above information and following table contain supplemental information regarding income and cash flow from operations for the period ended December 31, 2023. Adjustments to exclude depreciation, stock option expenses and one time charges are given. This financial information is a Non-GAAP financial measure as defined by SEC regulation G. The GAAP financial measure most directly comparable is net income.

The reconciliation of each Non-GAAP financial measure is as follows:

**FLEXIBLE SOLUTIONS INTERNATIONAL, INC.**

**Consolidated Statement of Operations**

**For Full Year Ended December 31 (12 Months Operating Cash Flow)**

**(Unaudited)**

|  |  |  |
| --- | --- | --- |
|  | **12 months** ended December 31 | |
|  | **2023** | **2022** |
| Revenue | $ 38,324,806 | **$** 45,840,469 |
| Income (loss) before income tax – **GAAP** | $ 3,623,250 | **$** 7,859,085 |
| Provision for Income tax – net - **GAAP** | $ 132,735 | **$** (145,856) |
| Net income (loss) - **GAAP** | $ 2,775,864 | $ 7,021,604 |
| Net income (loss) per common share – basic. – **GAAP** | $ 0.22 | $ 0.57 |
| 12 month weighted average shares used in computing per share amounts – basic.- **GAAP** | 12,434,886 | 12,379,316 |
|  | **12 month** Operating Cash Flow  Ended December 31 | |
| Operating Cash Flow (12 months). **NON-GAAP** | $ 4,598,698a,b,c | $ 8,442,735a,b,c |
| Operating Cash Flow per share excluding non-operating items and items not related to current operations (12months) – basic. -**NON-GAAP** | $ 0.37a,b,c | $ 0.68a,b,c |
| Non-cash Adjustments (12 month) -**GAAP** | $ 2,081,399 d | $ 1,676,579 d |
| Shares (12 month basic weighted average) used in computing per share amounts – basic -**GAAP** | 12,484,336 | 12,379,316 |

**Notes:** certainitems not related to “operations” of the Company’s net income are listed below.

**a)** Non-GAAP – Flexible Solutions International owns 65% of ENP and 80% of 317 Mendota. Therefore Operating Cash Flow is adjusted by the pre tax Net income or loss of the non-controlling interest(minority interest) in both entities. The 2022 number given in the financials is after tax figure. A pretax minority interest number now appears in the financials for full year 2023 and future years.

**b)** Non-GAAP – amounts exclude certain cash and non-cash items: Depreciation and Stock compensation expense (2023 = $2,081,399, 2022 = $1,676,579), Interest expense (2023 = $498,666, 2022 = $292,949), Interest income (2023 = $113,809, 2022 = $132,233), Gain on investment (2023 = 506,098, 2022 = $341,424), gain on sale of asset (2023 = 4,589, 2022 = N/A), Gain on previously held equity interest - acquisition of ENP Peru (2023 = N/A, 2022 = $335,051), Deferred income tax recovery (expense) (2023 = $250,917, 2022 = $71,295), Income tax (2023 = 118,182, 2022 = 217,151), and pretax Net income attributable to non-controlling interests (2023 = $980,121, 2022 = $995,144). Also, the legal and accounting costs associated with the attempted merger of FSI and Lygos (2023 = N/A, 2022 = $417,974(see news releases)) are removed to arrive at Operating Cash Flow. Although included in operating expenses these onetime expenditures were not related to operations of FSI. \*See the financial statements for all adjustments.

**c)** The revenue and gain from the 50% investment in the private Florida LLC announced in January 2019 are not treated as revenue or profit from operations by Flexible Solutions given the Company only purchased 50% of the LLC. The profit is treated as investment income and therefore occurs below Operating income in the Statement of Operations. As a result, the gains from all investments (2023 = $506,098, 2022 = $341,424), including those from the Florida LLC, are removed from the calculation to arrive at Operating Cash Flow.

**d)** Non-GAAP – amounts represent depreciation and stock compensation expense.

**Safe Harbor Provision**

The Private Securities Litigation Reform Act of 1995 provides a "Safe Harbor" for forward-looking statements.  Certain of the statements contained herein, which are not historical facts, are forward looking statement with respect to events, the occurrence of which involve risks and uncertainties.  These forward-looking statements may be impacted, either positively or negatively, by various factors.  Information concerning potential factors that could affect the company is detailed from time to time in the company's reports filed with the Securities and Exchange Commission.

**Flexible Solutions International**

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