

FLOW TRADERS REPORTS MARKET SHARE GAINS IN 2Q17 AND ANNOUNCES INTERIM DIVIDEND OF €0.30

Amsterdam, the Netherlands, 28 July 2017 - Flow Traders N.V. (Euronext: FLOW) today announced its 2Q17 results (unaudited), stating that:

- Global ETP Assets under Management (AuM) reached the highest level on record end 2Q17 (in US\$) with continuous inflows
- Products in which Flow Traders is a registered market maker rose to 5,274 (+27% YTD, +6% Q-o-Q)
- Flow Traders 2Q17 ETP Value Traded rose to € 184.7bn (+6% Q-o-Q), outperforming the market in EMEA and the Americas. This led to an increase of our ETP Value Traded by 21% Y-o-Y in 1H17 where the market ETP Value Traded declined 12% Y-o-Y
- Flow Traders 2Q17 Net Trading Income (NTI) reached € 46.7m, reflecting the ongoing slow market conditions and product mix traded
- Flow Traders 2Q17 EBITDA margin came in at 36% with costs developing as expected in 2Q17 as Flow Traders continues to invest in its people, products and technology
- Total Capital position remained solid after final FY16 dividend payment in 2Q17
- Interim dividend for FY17 is set at € 0.30, stock will trade ex-dividend on 4 August
- No loss days so far in 2017, Flow Traders now has 38 consecutive months without a loss day
- FTEs grew 8% YTD to 369

Overview Consolidated Quarterly and Year-to-date Results Flow Traders

€million, unless otherwise stated	2Q17	1Q17	Change	1H17	1H16	Change
Net Trading Income	46.7	48.3	(3%)	95.0	132.5	(28%)
<i>EMEA (Europe)</i>	35.0	30.6	+14%	65.7	83.5	(21%)
<i>Americas</i>	8.3	13.1	(37%)	21.3	35.9	(41%)
<i>APAC (Asia)</i>	3.4	4.6	(27%)	8.0	13.1	(39%)
EBITDA	17.0	18.2	(6%)	35.2	65.1	(46%)
Net Profit	12.5	13.6	(9%)	26.1	51.9	(50%)
EBITDA Margin	36%	38%	(2%)	37%	49%	(12%)
EPS (EUR)	0.27	0.29	(9%)	0.56	1.12	(50%)
Flow Traders ETP Value Traded (€bn)	184.7	174.8	+6%	359.5	298.1	+21%
<i>EMEA (Europe)</i>	112.4	106.2	+6%	218.6	191.0	+14%
<i>Americas</i>	66.5	63.2	+5%	129.7	88.4	+47%
<i>APAC (Asia)</i>	5.8	5.4	+7%	11.3	18.7	(40%)
Market ETP Value Traded (€bn)	4,841	4,899	(1%)	9,740	11,114	(12%)
<i>EMEA (Europe)</i>	226	233	(3%)	460	507	(9%)
<i>Americas</i>	4,137	4,255	(3%)	8,392	9,590	(12%)
<i>APAC (Asia)</i>	477	410	+16%	887	1,017	(13%)

Management Board Statements

Co-CEO Dennis Dijkstra stated: “2017 so far has proven to be a year with two faces; subdued trading activities and a continuous underlying growth trend in the ETP industry. The global ETP market again reached new highs, as the total ETP AuM continued to grow in 1H17, crossing the US\$ 4 trillion level, and the number of ETP listings continued to grow to over 10,250. However, following the continued decline in volatility and velocity in 1H17, we touched the lowest levels of market activity in almost 30 years, impacting the ETP Value Traded in the market and of Flow Traders. Amid such market circumstances, Flow Traders achieved an NTI in 1H17 of € 95.0m while it grew its volumes traded by 21% in 1H17 year-on-year. We generated € 0.56 EPS and have not had a loss day for over 38 months now. Our FTE grew 4% in the second quarter and to continue to stimulate our team driven approach and entrepreneurship and increase alignment with our shareholders we will introduce a new employee equity participation plan in 2017. As a part of this plan we will buy shares in the market up to 1 million euro.

With the markets’ continued focus on developments like MiFID II and further improvements of the trading infrastructure globally, Flow Traders continues to grow its global presence in a cost conscious way to be able to capture further upside when markets return to their historic average activity level”.

Co-CEO Sjoerd Rietberg added: “In 2Q17 Flow Traders’ ETP Value Traded continued to outperform the market, reaching € 185bn, mainly driven by EMEA and the Americas. Our 2Q17 NTI of € 46.7m is a reflection of the product mix traded under the current subdued market circumstances.

Regionally, Europe stood out this quarter, as we gained market share and improved margins there. In the US and Asia, market sentiment remained lacklustre, impacting the product mix traded and market spreads, and as such, our Revenue Capture as well. In Asia, the market developments were influenced by a fluctuation in the volumes traded in the Chinese markets. Filtering out that impact, our performance was more in line with the market in Asia. In the US, we have started to trade with more US counterparties as our institutional trading setup has been tested, improved and is now being rolled out, as was announced at the end of 2016. Markets were rather slow in 2Q17, impacting Revenue Capture substantially. Flow Traders US managed to grow its presence despite these market circumstances, and its market share continued to grow to above 2% on-exchange.

All in all, 1H17 results are a reflection of the market circumstances we are in. In these markets we continued to grow our team and infrastructure, drove initiatives such as the rollout of OTC in the US and the new Hong Kong office in Asia, and we continued to grow our liquidity providerships and the number of products we trade. We keep working to improve our performance every day and we are convinced that the long term growth path we are on will deliver a strongly improved performance when markets become more active again.”

CFO Marcel Jongmans commented: “As we highlighted during the Analyst Day, fixed costs have developed as expected so far in 2017, which is why we reiterate our guidance that the fixed costs will grow in the range of 15-20% in 2017. Net Profit came in at € 12.5m in 2Q17, leading to a Net Profit for 1H17 of € 26.1m which translates to an EPS of € 0.56. We continued to invest in our long term growth strategy during the period and still delivered an EBITDA margin of 37% year-to-date. This allows us to pay an interim dividend of € 0.30 over FY17. We are confident that Flow Traders will keep growing in line with the long term growth trend, while maintaining cost conscious in order to support our ambition of becoming the leading global ETP liquidity provider”.

Current Trading and Outlook

In line with market expectations, the ETP market continued to grow in global Assets under Management, a trend that is expected to continue in 2017 and beyond. The shift in assets from active management funds towards the passive industry is ongoing and strongly drives ETP growth across all asset classes. Regulation, such as MiFID II is expected to bring more transparency, which will benefit the ETP market as such as well. We will continue to grow organically by increasing our coverage within the ETP space, whilst pursuing our goal to grow our NTI structurally and to outperform the growth in the Market ETP Value Traded. As part of our organic growth strategy, we will open a new office in Hong Kong in 2017 and re-locate our office in New York.

Preliminary Financial Calendar 2H 2017 / 1H 2018

04 August	Ex-Dividend date Interim Dividend FY17
07 August	Record date Interim Dividend FY17
09 August	Payment date Interim Dividend FY17
03 October	Start Silent Period ahead of 3Q17 Trading update
24 October	3Q17 Trading update
12 January 2018	Start Silent Period ahead of FY17 Results
09 February 2018	FY17 Results

As of 2018, Flow Traders will move to interim reporting. This means that Flow Traders will release a trading statement only in the first and third quarters of each financial year going forward. Half Year and Full Year reports continue to take place as usual. The company remains committed to the highest level of disclosure and engagement with its stakeholders.

Analyst Conference Call and Webcast

The analyst conference call on the results will be held at 10:00 am Amsterdam Time on Friday 28 July 2017. The presentation will also be accessible via www.flowtraders.com/investors, where the presentation can be downloaded and the conference call can be followed via a listen-only audio webcast. A replay of the conference call will be available on the company website for at least 90 days.

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Please visit www.flowtraders.com/investors for more information and for the full version of the press release / full year report, including all financial tables, explanatory notes and the responsibility statement by the executive board as compulsory under the EU Transparency Directive.

Consolidated P&L, simplified

Consolidated (in €m)	2Q17	1Q17	Change	YTD 2017	YTD 2016	Change
Net Trading Income	46.7	48.3	(3%)	95.0	132.5	(28%)
Employee expenses (fixed)	7.6	7.7	(2%)	15.4	12.4	23%
Employee expenses (var)	8.6	9.3	(8%)	17.9	32.9	(46%)
Technology expenses	9.5	9.2	3%	18.8	17.0	10%
Other expenses	3.9	3.8	4%	7.7	5.0	54%
Operating Expenses	29.7	30.1	(1%)	59.7	67.4	(11%)
EBITDA	17.0	18.2	(6%)	35.2	65.1	(46%)
Depreciation/Amortisation	1.7	1.7		3.4	3.2	
Write offs, tangible assets	0.0	0.0		0.0	2.6	
Results subsidiaries	0.0	0.0		0.0	0.0	
Profit Before Tax	15.3	16.5	(7%)	31.8	59.3	(46%)
Tax	2.8	2.9		5.7	7.4	
Net Profit	12.5	13.6	(9%)	26.1	51.9	(50%)
EPS (in €)	0.27	0.29		0.56	1.12	
EBITDA margins (%)	36%	38%		37%	49%	

Development of Regulatory Capital until end 1H 2017

	30 Jun 2017	31 Dec 2016	30 Jun 2016	31 Dec 2015	30 Jun 2015	31 Dec 2014
Total Trading Capital	273.0	343.0	298.9	338.8	280.3	204.3
Regulatory Capital	258.0	270.1	252.2	246.6	202.2	142.8
Regulatory Required Capital	157.8	168.2	136.7	94.0	123.5	84.3

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