



# Flow Traders N.V.

Proposed Update to the Corporate Holding Structure

21 October 2022

**F L O W** ■ **T R A D E R S**

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# Background & introduction

Proposed update to the corporate holding structure announced on 21 October 2022 with expected completion by early 2023

## Background

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- Culmination of detailed and thorough Group legal structure review
- Natural extension of the broader strategic review conducted in Q1 2022
- Holding structure fully aligned with strategic objectives and ambitions as outlined at the Capital Markets Update in July 2022
  - Encompasses both organic and inorganic growth plans
- Cognizant of need to ensure regulatory level playing field with respect to international peers



## Proposed updated corporate holding structure

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- Leads to different regulatory and capital regime with expected capital optimization with IFR/IFD no longer being applicable at the consolidated Group level
- Remain listed on Euronext Amsterdam and retain Group tax residency in The Netherlands
- Move to a one-tier board structure – shareholder rights remain substantially unchanged<sup>1</sup>
- No change to existing senior management – corporate decision-making remains unchanged
- Updated holding structure is subject to regulatory and shareholder approvals
- Bermuda selected as location for Flow Traders’ top holding company as it is a well-established and respected legal jurisdiction and provides Flow Traders with the ability to execute its growth plans and continue all major elements of its current governance

1. For a full comparison, see “Governance comparison table” which can be found at <https://www.flowtraders.com/investors/corporate-governance/agm>

# Strategic rationale

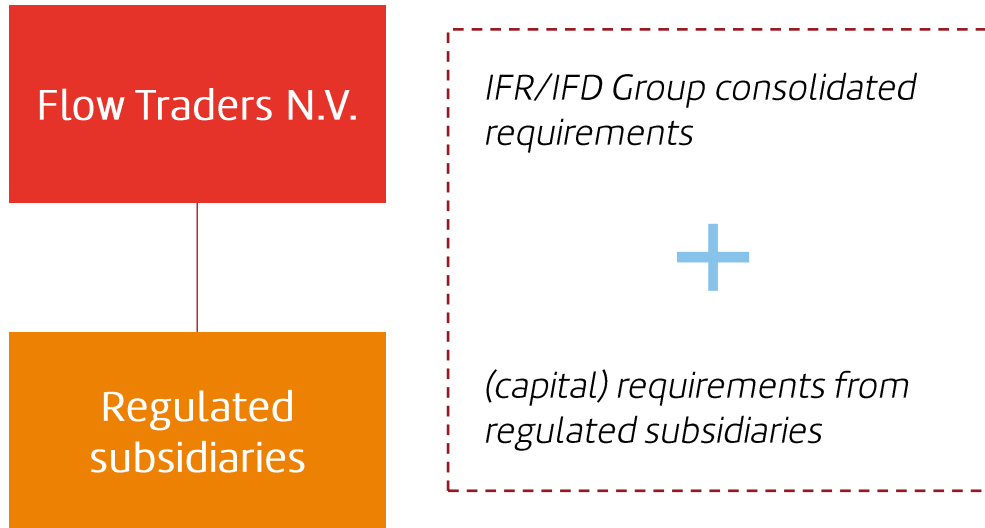
Proposed update of the holding structure is fully aligned strategically and unanimously supported by both the Supervisory and Management Boards



# Change in regulatory treatment

Capital treatment according to existing IFR/IFD regulation will no longer be applicable at Flow Traders' consolidated Group level

## Current regulatory (capital) treatment



## End state regulatory (capital) treatment

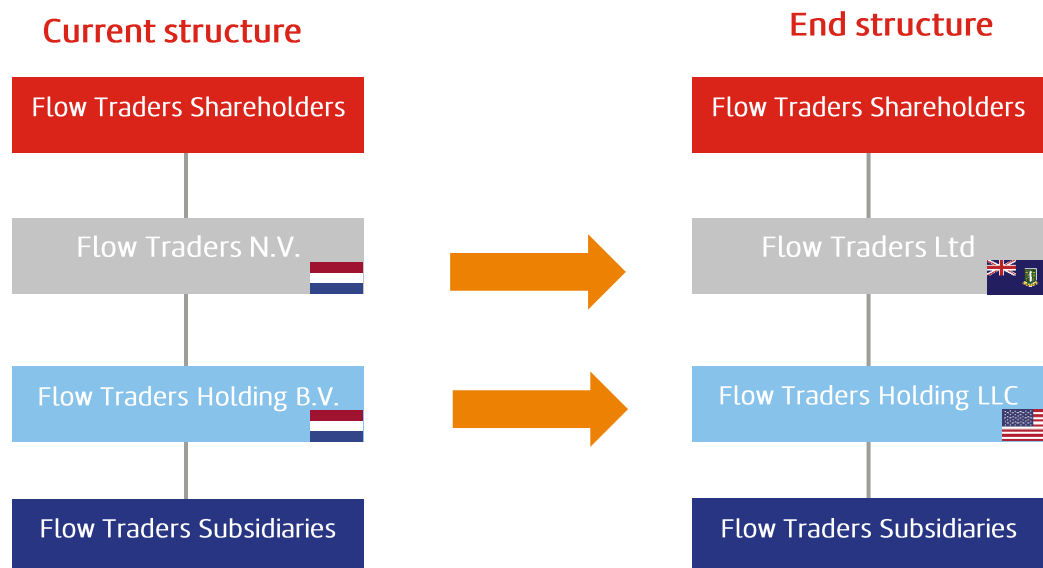


- Different regulatory regime expected to result in enhanced capital position with higher degree of flexibility to deploy it
- In case of inorganic growth, capital impact from any acquisition will be segregated from the operating business

# Process to achieve end state Group legal structure

Update of the holding structure is subject to shareholder approval and satisfaction of regulatory conditions

## Updated corporate holding structure



## Principal process steps

- 1 Flow Traders Holding B.V. is converted to a LuxCo (Luxembourg entity) and subsequently to a US LLC through a cross-border conversion. From a legal and economic perspective this is seen as a continuation
- 2 Change of Flow Traders N.V. into Flow Traders Ltd (Bermudan entity) will require the following steps
  - New direct Luxembourg subsidiary of Flow Traders N.V. has been incorporated (Flow Traders S.A.)
  - Flow Traders N.V. will merge into Flow Traders S.A.
  - Immediately after the merger Flow Traders S.A. will convert to Flow Traders Ltd (requires the adoption of Bye-Laws, which will govern Flow Traders Ltd)
  - Update is expected to take place over one weekend. In that case, a Friday will be the last day of trading in Flow Traders N.V. shares and trading then resumes on the following Monday in Flow Traders Ltd shares

## Indicative high-level timetable

Timetable driven by requirement for relevant regulatory and shareholder approvals

Date	Key event
21 October 2022	Announcement
21 October 2022	Publication of convening notice for the Extraordinary General Meeting
25 November 2022	Extraordinary General Meeting voting deadline
Early December	Expected receipt of regulatory approvals
2 December 2022	Extraordinary General Meeting
January 2023	Effective date for updated corporate holding structure

*Thank you!*