

Section 1: General background and key questions

1. Why is Flow Traders updating its holding structure?

- The update of the holding structure enables Flow Traders to become more competitive as a global, next generation liquidity provider, particularly in relation to regulatory capital management.
- It is also the result of a thorough legal and capital structure review and fully aligned with the strategic ambition outlined at the Capital Markets Update held in July 2022.
- Different capital requirements will apply following the update of the holding structure which are expected to expand Flow Traders' strategic growth options.
- Furthermore, it will create a more level playing field with global peers with respect to the regulatory capital framework.
- To emphasize, following the update of the holding structure, Flow Traders will retain its existing global footprint with no change to day-to-day operations. This includes a substantial presence in the Netherlands as well as maintaining a listing on Euronext Amsterdam. It also does not change our tax residence in the Netherlands.

2. Who will be on the one-tier Board?

- All Management and Supervisory Board members at the time of closing will be part of the one-tier Board.

3. Is the update of the holding structure subject to regulatory approval?

- Certain legal steps needed to execute the update of the holding structure indeed require regulatory approval.
- Flow Traders has obtained an unconditional declaration of no objection from the Dutch Central Bank (DNB) in connection with the update of the corporate holding structure.
- Notifications, approvals, or other types of consent by certain regulators outside the Netherlands, such as the UK regulator, the SFC in Hong Kong and FINRA in the United States, have been filed and will also be obtained.

4. Is the update of the holding structure subject to shareholder approval?

- Yes, the update of the holding structure is subject to shareholder approval.
- To obtain this, an EGM will take place on Friday 2 December 2022.

5. Why Bermuda?

- As a top holding company domicile, Bermuda has been selected by Flow Traders and by numerous other financial services companies as it offers a well-established and respected legal jurisdiction, while offering Flow Traders the ability to execute its growth plans and continue all major elements of its current governance.

- Based on our thorough analysis, the United States, for example would not allow Flow Traders to exclusively maintain Dutch tax residency.

6. Will the main business be moved?

- Amsterdam will remain Flow Traders' principal office and our core operations and management stay in the Netherlands.

7. Will the update to the holding structure impact your employees?

- We are confident that our updated holding structure is in the best interest of our stakeholders, including our employees.
- There will be a positive impact on our workforce as we believe our updated holding structure will bring Flow Traders into an optimized position to capture future growth opportunities.

Section 2: Timetable

8. When will the EGM take place?

- The EGM will take place on Friday 2 December 2022.

9. What is the timeline to obtain approval?

- We expect all required regulatory approvals will be obtained by the beginning of December 2022.

Section 3: Listing, regulation, tax and remuneration

10. Will you still be listed on Euronext Amsterdam?

- Following the effective date of the updated holding structure, the top holding company will remain listed on Euronext Amsterdam.

11. How does the updated holding structure impact shares?

- From a technical standpoint, shareholders will receive Flow Traders Ltd shares in exchange for their Flow Traders NV shares.
- However, from a trading perspective, Flow Traders' top holding will remain listed on Euronext Amsterdam and the Flow Traders Ltd Shares will trade as of the first trading day after closing of the update of the holding structure.

12. Will Flow Traders be required to change its disclosure?

- Flow Traders will continue to report under EU-IFRS.

- Furthermore, Flow Traders will continue to be subject to disclosure requirements under the Dutch Financial Supervision Act and the EU Market Abuse Regulation based on its continued Euronext Amsterdam listing.

13. Where will Flow Traders be regulated?

- The top holding company will be subject to Bermuda company law.
- Flow Traders will continue to be regulated in the same jurisdictions as is currently the case, with regulation being triggered at the level of the operating companies. The combined business / various operating companies will be subject to regulatory supervision and as applicable, capital requirements, in the US, UK, Europe, and Asia:
 - US: SEC, FINRA, NFA, Exchanges, MSRB, States [CFTC]
 - UK: FCA
 - Europe : AFM, DNB, FCA, Exchanges
 - Asia : SFC, Japanese FSA, Exchanges

14. Where will Flow Traders pay tax?

- We remain a tax resident of the Netherlands and our Dutch tax rate does not change.
- Flow Traders continues to pay its taxes where it generates profit.

15. Will this impact your Management Board remuneration policy?

- Our Board remuneration shareholder approval requirements stay the same and we will uphold the requirement to obtain 75% of shareholder approval for our Board remuneration policy. Furthermore, a new remuneration policy will be submitted to the annual general meeting in April 2023.

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