



Flow Traders Investor Presentation 3Q 2016 results

F L O W ■ **T R A D E R S**

Amsterdam ■ Cluj ■ New York ■ Singapore

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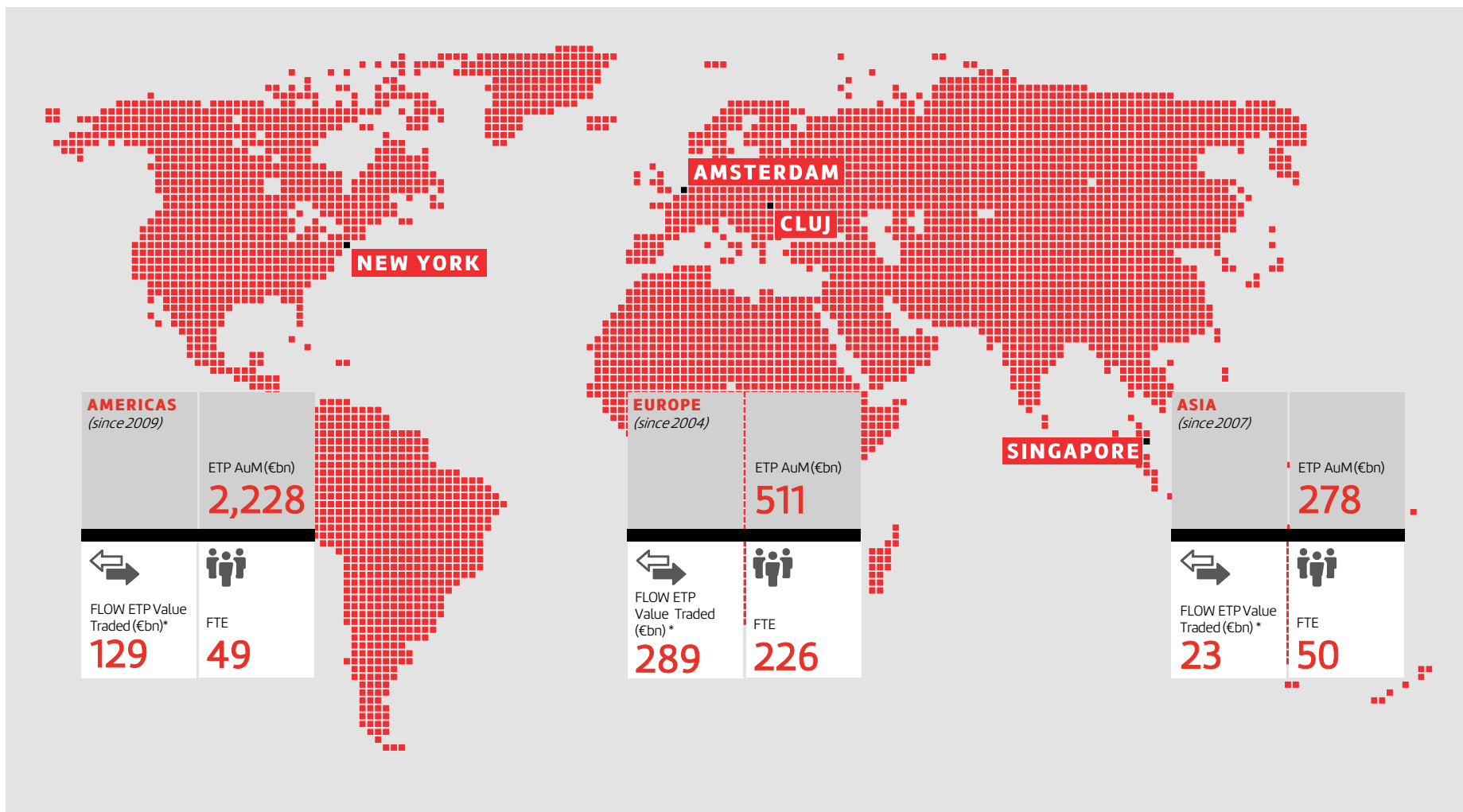
An introduction

- Founded in January 2004 with offices in Amsterdam, New York and Singapore
- Flow Traders trades in all time zones
- Our core business is providing liquidity for ETPs¹
- Around 100 traders providing continuous ETP liquidity on 97 trading venues worldwide
- We are listed on Euronext in Amsterdam since 10th of July 2015 (Ticker FLOW NA)
- Flow Traders is independent and not linked to any issuer or bank

*A leading global
technology-
enabled liquidity
provider specialized
in ETPs*

¹ ETPs (Exchange Traded Products) include ETFs (Exchange Traded Funds), ETCs (Exchange Traded Commodities) and ETNs (Exchange Traded Notes)

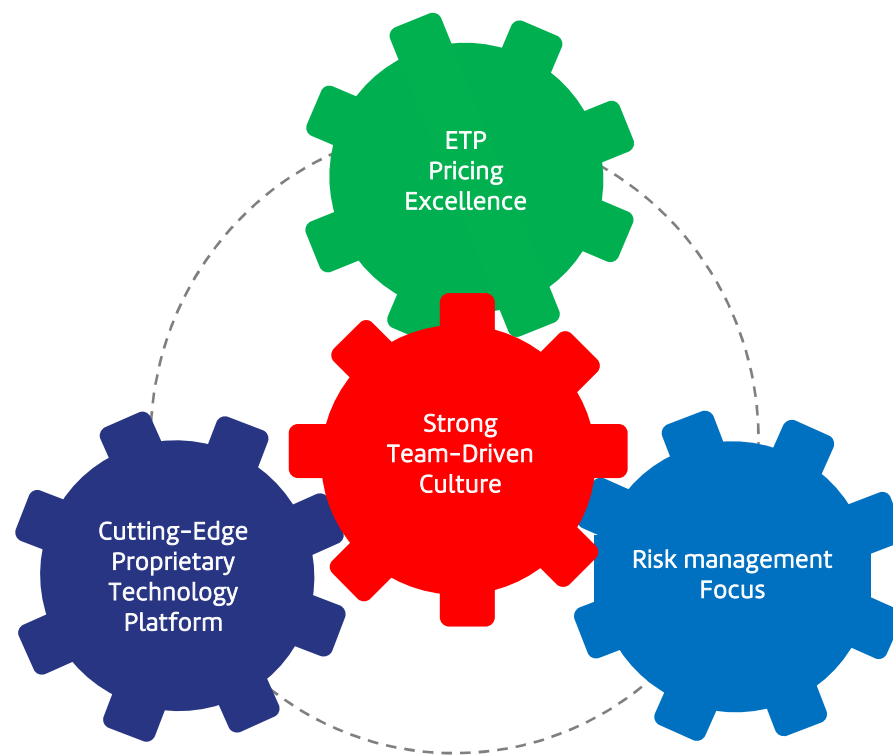
Flow Traders at a glance



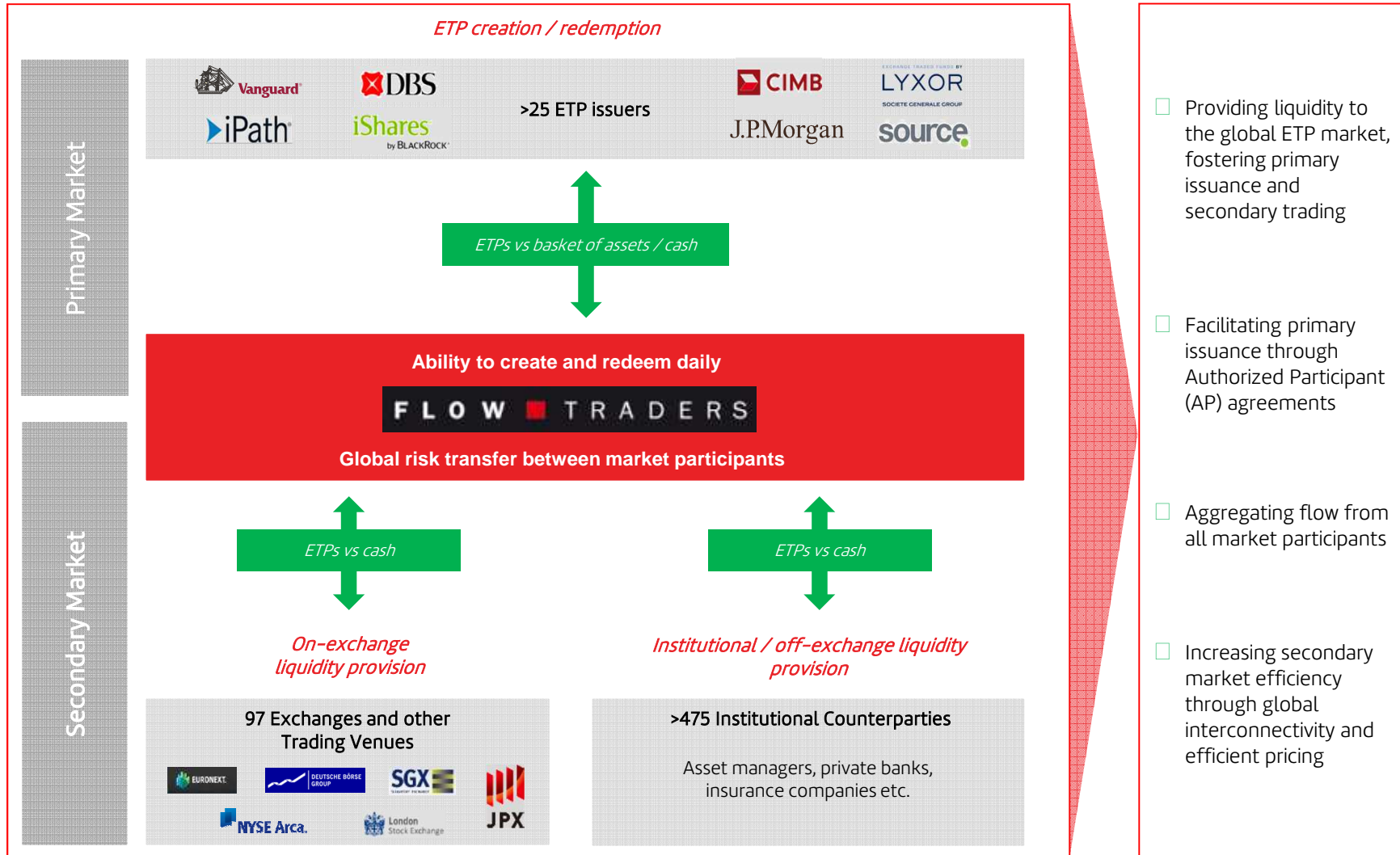
ETP AUM as at 30 September 2016, ETP Value Traded for the nine months period ended 30 September 2016 and FTE for the quarter ended 30 September 2016

Our corporate culture supports our leading market position

- ✓ High-growth underlying market driven by secular shifts in the asset management industry
- ✓ Critical component of the ETP Ecosystem
- ✓ Leading global technology-enabled ETP-focused liquidity provider
- ✓ Highly collaborative, integrated and resilient business model with strong barriers to entry
- ✓ Strong growth, high margins and attractive dividend pay-out ratio



Critical component of the ETP Ecosystem



3Q results overview

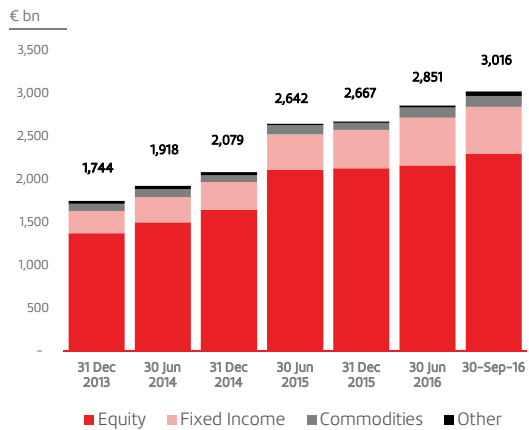


Executive summary 3Q performance

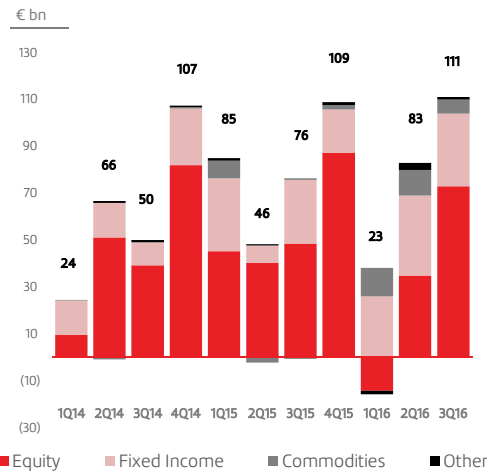
- We have increased our market share in the third quarter as we grew in ETP Value Traded, confirming our position as leading global ETP liquidity provider
- Slow market trading activity, with VIX close to all time lows, impacted our Net Trading Income (NTI) and Revenue Capture
- We still see a lot of growth opportunities in the US and Asia
- We continue to invest in our people and technology to benefit from future growth and facilitate our growing presence
- We are on track to deliver the second best year since inception

ETP market continued to grow in 3Q16

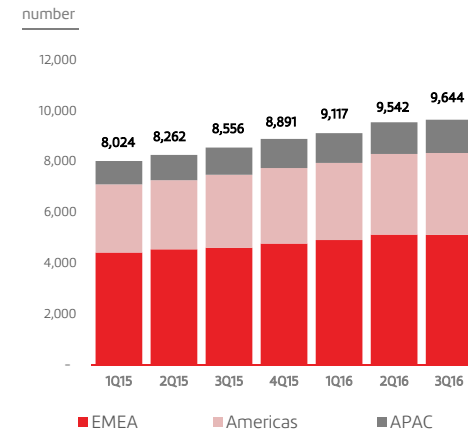
ETP Assets under Management grew by 5.8% quarter-on-quarter



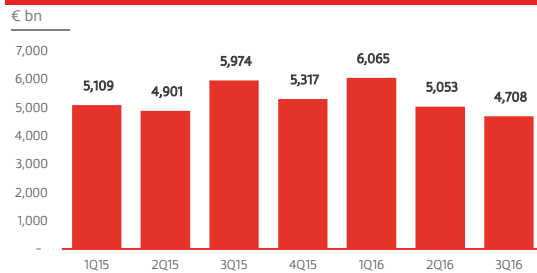
Net inflows trend remains skewed towards Fixed Income & Equity products



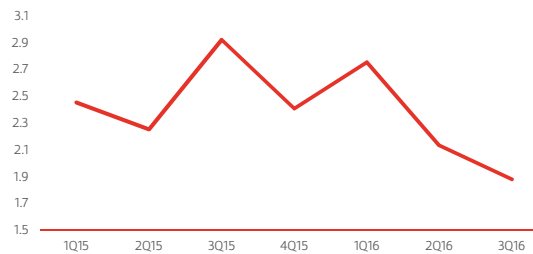
Quarterly increase in ETP listings driven by the Americas and APAC regions



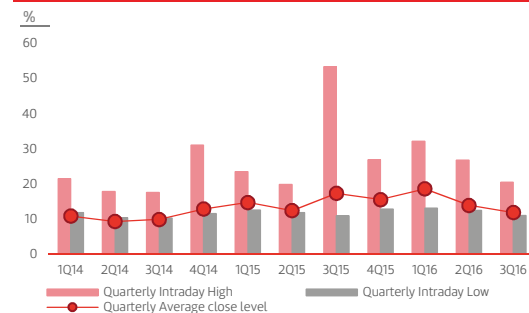
Second consecutive quarter of decreasing on-exchange ETP Value Traded



Drop in Market Velocity demonstrates the continuing slowdown through 2016



Combined with lower VIX this impacts margins, despite short term Brexit event



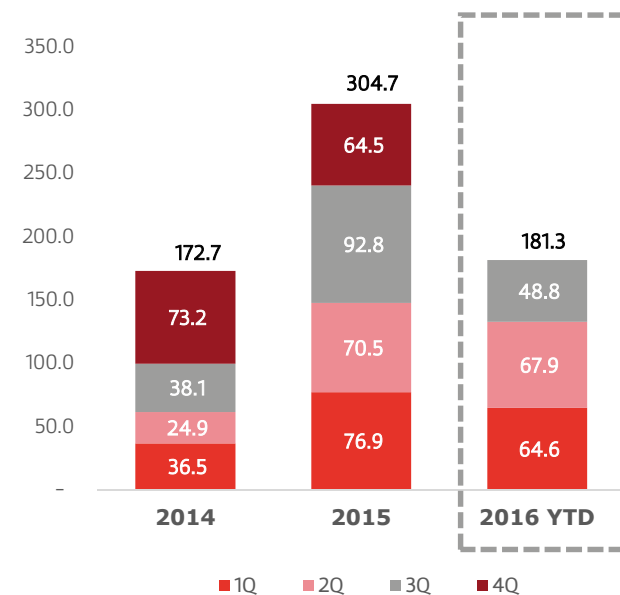
* Source: Blackrock, Flow Traders, Bloomberg
Market Velocity is the Market ETP Value Traded divided by the Market ETP Assets under Management

Resilient performance in a challenging environment

KPIs Flow Traders

<i>In €bn unless otherwise stated</i>	3Q16	2Q16	Δ	YTD		Δ
				Sept16	Sept15	
Market ETP Value Traded	4,708	5,053	(7%)	15,826	15,984	(1%)
Europe	216	241	(10%)	723	735	(2%)
Americas	4,103	4,333	(5%)	13,693	13,280	3%
APAC	390	479	(19%)	1,410	1,969	(28%)
Flow Traders ETP Value Traded	149	141	5%	441	462	(5%)
Europe	98	94	4%	289	292	(1%)
Americas	45	39	13%	129	125	3%
APAC	6	8	(19%)	23	45	(50%)
Flow Traders NTI (€m)	48.8	67.9	(28%)	181.3	240.2	(25%)
Europe	29.6	43.6	(32%)	113.1	149.1	(24%)
Americas	14.6	19.9	(26%)	50.5	38.4	32%
APAC	4.6	4.4	3%	17.7	52.7	(66%)
Flow Traders RevCap (bps)	3.3	4.8	(1.5)	4.1	5.2	(1.1)
Europe	3.0	4.6	(1.6)	3.9	5.1	(1.2)
Americas	3.3	5.0	(1.8)	3.9	3.1	0.9
APAC	7.5	5.9	1.6	7.8	11.7	(3.9)

Flow Traders NTI (in €m)



External Developments

- 3Q16 was dominated by the Brexit aftermath, Central Bank decisions across the globe and the upcoming US elections and Italian referendum
- Market circumstances kept investors side-lined as volatility declined further to levels last seen in summer 2014
- Product mix traded in the market remains skewed towards highly liquid products, as flagged in previous quarters

Flow Traders' Performance

- ETP Value Traded improved 5% compared to the previous quarter whilst the market ETP Value Traded declined 7% over the same comparative period
- NTI declined 28% q-o-q due to tightening market spreads, following lower market volumes as investors were assessing impact Brexit and the upcoming US elections and Italian referendum
- Revenue Capture reached 3.3 bps as lower volatility affected market spreads and product mix, especially in Europe

Note 1: Market Value Traded is restated based on Flow Traders Market reference data.

Note 2: Flow Traders Value Traded is restated to correct for creations and redemptions, NTI is not impacted. Refer to appendix for more details.

Maintaining cost discipline to preserve operating margins

Impact of decline in Net Trading Income compensated by reduction in variable component of operating expenses

	3Q 2016	2Q 2016	3Q16 vs 2Q16	YTD Sep 16	YTD Adj. Sep 15	YTD Sep 15	YTD16 vs adj. YTD-15
Consolidated (in €m)							
Net Trading Income	48.8	67.9	(28%)	181.3	240.2	240.2	(25%)
Employee expenses (fixed)	(6.8)	(6.6)		(19.4)	(15.1)	(15.1)	29%
Employee expenses (variable)	(9.8)	(17.3)		(42.4)	(72.2)	(105.4)	(41%)
Technology expenses	(8.3)	(8.6)		(25.4)	(19.5)	(19.5)	30%
Other expenses	(3.5)	(2.4)		(8.5)	(7.9)	(9.8)	7%
Operational Expenses	(28.4)	(35.0)	(19%)	(95.7)	(114.8)	(149.8)	(17%)
EBITDA	20.5	32.9	(38%)	85.6	125.4	90.4	(32%)
Depreciation / Amortisation	(1.5)	(1.5)		(4.7)	(5.0)	(5.0)	
Write offs tangible assets	(0.1)	(0.5)		(2.7)	(0.0)	(0.0)	
Result subsidiaries	(0.0)	0.0		0.0	-	-	
Profit Before Tax	18.9	30.9	(39%)	78.2	120.5	85.4	(35%)
Tax	(3.8)	(2.2)		(11.3)	(21.9)	(17.9)	
Net Profit	15.0	28.7	(48%)	66.9	98.5	67.5	(32%)
EPS (in €)	0.32	0.62		1.44	2.12	1.45	
EBITDA margin (in %)	42%	48%		47%	52%	38%	

Flow Traders EBITDA

- Increase in fixed employee expenses in line with expectation and driven by recruitment in September, increase in headcount
- Technological developments continued to improve performance, with a special focus on the US and Asian offices
- Technology expenses declined marginally versus 2Q due to mainly lower connectivity costs
- Variable employee expenses reduced on the back of profit for the quarter
- Other expenses grew, containing cost items like housing, fixed exchange costs. Housing showed a peak following increase in headcount in September
- Flow Traders is on track to realize second best year to date

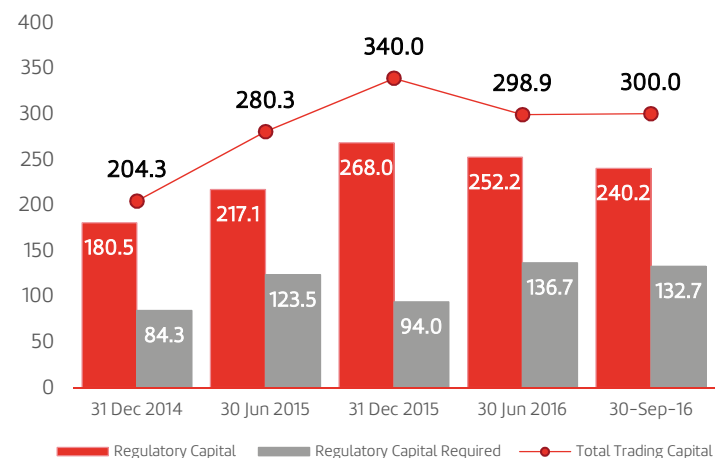
Preserved balance sheet strength

Capital management resulted in stable trading capital, despite payment of interim dividend

Condensed consolidated Financial Position

Condensed Balance Sheet (In €m)	Δ 30 Sept 16		
Assets	30 Sep 16	31 Dec 15	vs. 31 Dec 15
Trading Capital	300	340	(40)
Property, Equipment and Intangible Assets	22	24	(2)
Other Assets	24	19	5
Total Assets	346	383	(37)
Equity & Liabilities			
Other Liabilities	98	122	(23)
Tax Liabilities	7	14	(7)
Total Liabilities	105	136	(31)
Total Equity	240	247	(6)

Development of regulatory capital



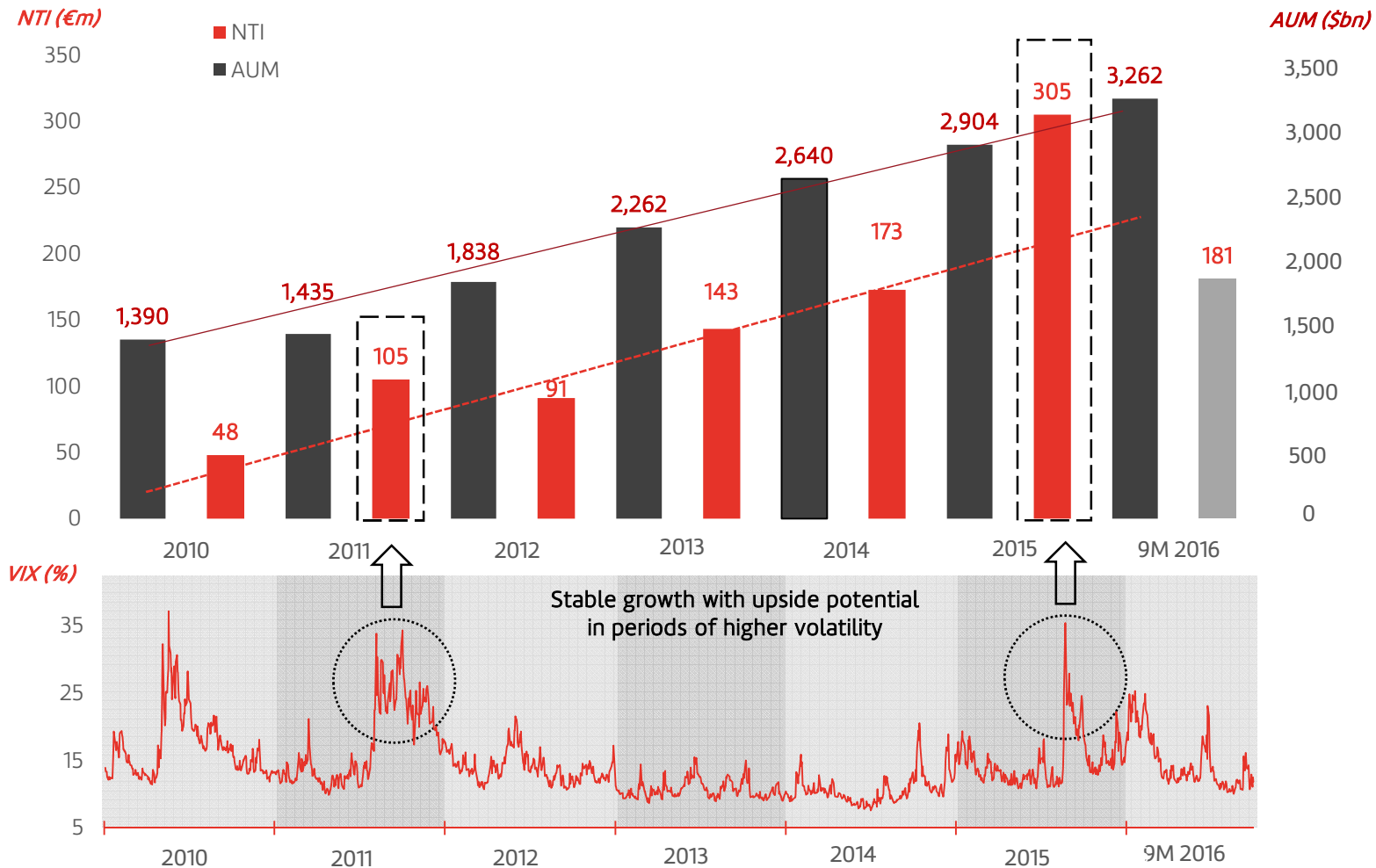
Trading Capital & Dividend

- Trading capital at the end of 3Q was €300m, reflecting a stable position versus the previous quarter
- Interim dividend payment of € 0.55 per share in September 2016
- Regulatory Required Capital remained stable at € 132.7m from € 136.7m end 2Q16
- Our list of Prime Brokers continued to grow in 3Q
- Focus continues to be on maximizing profitability and returns to shareholders and remaining committed to paying at least 50% of our Net Profit in dividends

Long term historic growth trend continuous

Despite varying levels of volatility through the years, Flow Traders NTI growth trend has consistently outperformed the market AUM growth trend

Flow Traders' NTI (in €m), Market's AUM (\$Bn) and VIX annual average (%) since 2010



Recognition of our expertise and market leading position

Nine consecutive years running
ETF MARKET MAKER Europe

2007 | 2008 | 2009 | 2010 |
2011 | 2012 | 2013 | 2014 |
2015



Four times winner
ETF MARKET MAKER Asia-Pacific

2011 | 2012 | 2013 | 2015



Four consecutive years running
ETF EXPRESS Award Winner

2013 | 2014 | 2015 | 2016



Three times winner
ETF RISK Best Trading House

2013 | 2014 | 2015

