

For immediate release

FLOW TRADERS REPORTS STRONG RESULTS IN FIRST HALF YEAR 2015 AND INTERIM DIVIDEND OF €0.50 PER SHARE.

AMSTERDAM, the Netherlands – 19 August 2015. Flow Traders N.V. (“the Company” or “Flow Traders”) (Euronext: FLOW), a leading global technology-enabled liquidity provider that specializes in exchange traded products (“ETPs”), today announced its results for the first half year and second quarter ended 30 June 2015.

1H 2015 Key Highlights

- Successfully priced our IPO, comprising a secondary offering of €599 million. Flow Traders shares started trading on Euronext Amsterdam on 10 July 2015
- Majority of IPO-related costs already taken, including one-off IPO expenses of €0.8 million and one-off SARs¹ expenses of €33.0 million. Given the non-recurring nature of these expenses, we focus on adjusted numbers with regards to our results²
- Net trading income³ increased 140% to €147.4 million (1H14: €61.4 million) as a result of strong ETP inflows, significantly higher revenue capture and higher trading volumes
- ETP value traded increased 48% to €330 billion (1H14: €223 billion)
- Adjusted EBITDA⁴ increased 191% to €77.0 million (1H14: €26.5 million) with Adjusted EBITDA margin⁵ improving further to 52% (1H14: 43%) due to relatively low and stable fixed operating expenses
- Adjusted net profit increased 197% to €60.7 million (1H14: €20.5 million) on an adjusted net margin of 41%; net profit increased 50% to €30.7 million
- Adjusted earnings per share of €1.30 and earnings per share of €0.66
- Interim cash dividend of €0.50 per share payable 2 September 2015 reflecting a payout ratio of 38% of adjusted 1H 2015 net profit

In 2Q15, we saw slightly lower levels of market volatility compared to 1Q15. Market ETP trading volumes were also down slightly. Consequently our net trading income was slightly lower, albeit still strong. Year-on-year, we show notable growth both in terms of net trading income and in net profits.

2Q 2015 Key Highlights

- Continued strong net trading income of €70.5 million, down 8% compared to the first quarter (€ 76.9 million)
- ETP value traded decreased 17% to €150 billion (1Q15: € 180 billion)
- Adjusted EBITDA down 8% at €36.7 million (1Q15: €40.3 million)
- Adjusted net profit decreased by 5% to €29.3 million (1Q15: €31.4 million)
- Notable year-on-year growth both in terms of net trading income (+184%) and adjusted net profit (+302%)

Dennis Dijkstra, co-CEO of Flow Traders commented: “The ETP market continued to see large inflows in all asset classes including, equities, commodities, currencies and particularly in fixed income. ETP assets reached the US\$ 3 trillion mark in May 2015. The Wall Street Journal reported recently that ETP assets under management surpassed global hedge fund assets for the first time

¹ Share Appreciation Rights, which were cancelled and settled in connection with the IPO resulting in a one-off expense of €33.0m in 1H15.

² Adjusted figures (including adjusted EBITDA, adjusted EBITDA margin, adjusted net profit and adjusted earnings per share) exclude IPO related costs: one-off SARs expenses of €33.0 million and one-off IPO expenses of €0.8 million, in 1H15, before tax.

³ Net Trading Income (NTI) is gross trading income minus direct trading-related expenses such as trading fees, clearing fees, short stock fees, and interest expenses directly related to the financing of positions, etc.

⁴ EBITDA is operating result before depreciation of property and equipment, amortization of intangible assets, write offs on tangible and intangible assets and non-trading financial income and expenses.

⁵ EBITDA measured as a percentage of net trading income.

ever. On the back of this secular shift of assets towards passive investing, we saw strong results in both the first and second quarters, resulting in a very solid half year ended 30 June.”

Sjoerd Rietberg co-CEO of Flow Traders commented: “In both quarters of 2015, we experienced high trading volumes, in part due to the various situations on global financial markets. Our revenue capture increased in both the first and second quarters. With the resulting 140% growth of net trading income year on year, we were able to outpace the 38% growth of global ETP assets under management year on year⁶. Our adjusted EBITDA saw an even stronger growth of 191% due to our relatively stable operational expenses and our relatively low fixed costs base. We have set our first interim dividend as a listed company at €0.50 per share, reflecting a pay-out ratio of 38% of adjusted net profit.”

Half Year Results

€ mln, unless otherwise stated	1H15	1H14	Δ
Net trading income	147.4	61.4	+140%
ETP value traded (€ bln)	330	223	+48%
Adjusted EBITDA	77.0	26.5	+191%
Adjusted EBITDA margin	52%	43%	+9pps
Adjusted net profit	60.7	20.5	+197%
Adjusted EPS*	€1.30	€0.44	+197%

* Pro forma, calculated on the basis of post-IPO Flow Traders N.V. share capital of 46,534,500 shares.

The secular trend of funds flowing into ETPs continued in both 1Q15 and 2Q15, with inflows across the entire spectrum of asset classes including equities, commodities, currencies and fixed income ETPs. Global ETP trading volumes were 51% higher in 1H15 than in 1H14, in part due to the various geopolitical and financial market events and situations we observed this half year.

Being diversified across all regions and asset classes, we are able to benefit from increases in trading volumes from the various market events globally. During the first half year of 2015 there were some notable events that sparked these increases in value traded, for example the Chinese market events and movements in commodity prices and currencies.

Our ETP value traded increased 48% compared to 1H14, in line with market volumes. Our net trading income increased 140% year-on-year to €147.4 million, reflecting an average increase in revenue capture of 1.7 basis points, to 4.5 basis points.

Adjusted EBITDA margin increased to 52% (1H14: 43%) due to our operating leverage from our relatively low and predictable fixed cost base.

Fixed personnel expenses increased to €10.1 million in 1H15 from €9.2 million in 1H14 due to the continued expansion of our trading and technology teams across our various offices. As at June 30, 2015, we employed 239 full-time equivalents (YE14: 211). Technology-related expenses were €12.3 million in 1H15 (1H14: €10.1 million) and include some one-time double costs related to enhancements to our platform.

Adjusted EBITDA and adjusted net profit increased by 191% to €77.0 million and 197% to €60.7 million, respectively, from 1H14 to 1H15.

⁶ This percentage reflects ETP AuM as measured in €.

Reconciliation to Adjusted EBITDA

€ mln, unless otherwise stated	<u>1H15</u>	<u>1H14</u>	<u>Δ</u>
Net trading income	147.4	61.4	+140%
Operational expenses (incl. SARs & IPO costs)	(107.4)	(37.5)	+186%
Operational result	40.1	23.9	+68%
Add back: Depreciation and amortization	3.1	2.6	+21%
EBITDA	43.2	26.5	+63%
Add back: SARs	33.0	0.1	NA
Add back: IPO costs	0.8	-	NA
Adjusted EBITDA	77.0	26.5	+191%

Operating Segment Review
Europe

€ mln, unless otherwise stated	<u>1H15</u>	<u>1H14</u>	<u>Δ</u>
Net trading income	96.7	40.2	+141%
ETP value traded (€ bln)	195.8	122.2	+60%

In Europe, ETP assets under management increased 26%, to €467 billion in 1H15 from €372 billion in 1H14. Our ETP value traded increased by approximately 60%, in line with the market. Our average revenue capture increased by 1.6 basis points in 1H15 compared to 1H14, resulting in a net trading income increase of 141% to €96.7 million in 1H15.

We increased the number of institutional counterparties we trade with and experienced an increase in our off-exchange ETP trading volumes. We maintained our market leading position with stable market shares and top ranks on the major European exchanges.

Americas

€ mln, unless otherwise stated	<u>1H15</u>	<u>1H14</u>	<u>Δ</u>
Net trading income	21.0	14.4	+45%
ETP value traded (€ bln)	106.7	83.2	+28%

In the Americas, ETP assets under management increased 39% to almost €2 trillion in 1H15 from approximately €1.4 trillion in 1H14. The market's ETP value traded increased by 38% to €5.6 trillion from 1H14 to 1H15. Our ETP value traded increased by 28%, and we increased our average revenue capture to 2 basis points in 1H15 from 1.7 basis points in 1H14. As a result, our net trading income in the region increased by 45% to €21.0 million from €14.4 million.

Asia

€ mln, unless otherwise stated	<u>1H15</u>	<u>1H14</u>	<u>Δ</u>
Net trading income	29.7	6.8	+338%
ETP value traded (€ bln)	27.7	17.7	+57%

In Asia, ETP assets under management increased by 54% to some €208 billion in 1H15 from approximately €135 billion in 1H14. The market's ETP value traded increased by 251% to €839 billion in 1H15 from €239 billion in 1H14. While each of our offices benefited from an increase in trading volumes in ETPs related to China, this effect was most pronounced in our Asia operations. Improvements made following investments in our team and infrastructure enabled us to capitalize on these beneficial market conditions.

Our ETP value traded increased by 57%, and we increased our average revenue capture to 10.7 basis points in 1H15 from 3.8 basis points in 1H14. Our net trading income in Asia increased 338%, to €29.7 million in 1H15, from €6.8 million in 1H14.

Second Quarter Results

€ mln, unless otherwise stated	<u>2Q15</u>	<u>1Q15</u>	<u>Δ</u>
Net trading income	70.5	76.9	-8%
ETP value traded (€ bln)	150	180	-17%
Adjusted EBITDA	36.7	40.3	-8%
Adjusted EBITDA margin (%)	52%	52%	+0pps
Adjusted net profit	29.3	30.7	-5%

1H15 consisted of two fairly comparable and strong quarters. In 2Q15, we saw slightly lower levels of market volatility compared to 1Q15. ETP trading volumes were also down slightly. Consequently, our net trading income was slightly lower, albeit still strong.

Financial Condition

€ mln, unless otherwise stated	<u>HYE-15</u>	<u>YE-14</u>	<u>Δ</u>
Total trading capital	280.3	204.3	+37%
Regulatory capital	217.1	180.5	+20%
Required regulatory capital	123.5	84.3	+47%

We have a strong global capital base that is significantly in excess of the requirements of both our prime brokers and our regulators. Due to the nature of our liquidity provision activities and due to the models used by our regulators and prime brokers, our required capital can fluctuate significantly on a daily and intraday basis. We manage and monitor our capital requirements continuously, adhering to a basic principle of staying well in excess of requirements under varying market circumstances.

Interim Dividend

Our business is highly cash-generative. This allows us to retain capital to fund the further growth of our business and pay dividends to our shareholders. Flow Traders will pay its first semi-annual interim cash dividend as a listed company of €0.50 per share on 2 September 2015, reflecting a pay-out ratio of 38% of adjusted net profit. The ex-dividend date will be 26 August 2015 and the record date will be 27 August 2015.

This interim dividend is consistent with Flow Traders' dividend policy for which it plans to pay dividends annually in two instalments, with a target aggregate dividend pay-out ratio of at least 50% of net profits realized during the financial year.

Management Agenda

Flow Traders will continue to execute its strategy with a focus on:

- Maintaining our leading position as a global ETP liquidity provider
- Increasing our access to ETP trading volumes, both on-exchange and off-exchange
- Continuously improving our platform to further enhance the competitiveness of our pricing

Initial Public Offering

On 9 July 2015, Flow Traders priced its IPO, followed by the commencement of trading in shares of Flow Traders on Euronext Amsterdam the next day. Following the full exercise of the Over-allotment Option on 15 July 2015, the Offering comprised 18,730,136 shares, representing approximately 40.25% of the total share capital of Flow Traders. The Offering size amounted to €599 million.

ENDS**Analyst Conference Call and Webcast**

Dennis Dijkstra (co-CEO) and Sjoerd Rietberg (co-CEO) of Flow Traders will host an analyst conference call today at 10.00 am CET to discuss the results for the first half year 2015 ended 30 June and the second quarter. To access the audio webcast, please visit www.flowtraders.com. A replay of the webcast will remain available on the corporate website for at least 90 days.

Important Dates

Ex-dividend date (interim dividend)	26 August 2015
Record date (interim dividend)	27 August 2015
Payment date (interim dividend)	2 September 2015
Third quarter trading update	13 November 2015

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

About Flow Traders

Flow Traders is a leading global technology-enabled liquidity provider that specializes in ETPs. We provide liquidity in ETP markets 24 hours a day while seeking to stay market neutral at all times and without having directional opinions. While we do not have any clients, we enable investors to buy and sell ETPs efficiently by quoting bid and ask prices. We seek to earn small amounts of money on large numbers of individual transactions based on the differences between our ETP prices and the prices of the underlying or related instruments. Investors benefit from our activities due to increased liquidity, higher execution quality and lower overall trading costs. As such, we contribute to more efficient and transparent securities markets. We provide liquidity in over 4,000 ETP listings across the globe, tracking all underlying asset classes, including equities, fixed income, commodities and currencies with access to over 90 exchanges in more than 30 countries. Flow Traders is headquartered in Amsterdam, the Netherlands, with trading offices in Asia and the US, covering all time zones. Flow Traders' shares are listed on Euronext Amsterdam (symbol: FLOW). For more information, please visit www.flowtraders.com.

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Efficiencies are net, before tax and on a run-rate basis, i.e. taking into account the full-year impact of any measure to be undertaken before the end of the period mentioned. The expected operating efficiencies and cost savings were prepared on the basis of a number of assumptions, projections and estimates, many of which depend on factors that are beyond Flow Traders' control. These assumptions, projections and estimates are inherently subject to significant uncertainties and actual results may differ, perhaps materially, from those projected. Flow Traders cannot provide any assurance that these assumptions are correct and that these projections and estimates will reflect Flow Traders' actual results of operations.

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