

FLOW TRADERS REPORTS STRONG SECOND QUARTER 2016 RESULTS IN SLOWER MARKET CONDITIONS

Amsterdam, the Netherlands, 12 August 2016 - Flow Traders N.V. ("Flow Traders" or "the Company") (Euronext: FLOW) today announced its 2Q16 results, with the results showing a quarter-on-quarter improvement in a slower market. The continued risk-off sentiment in the capital markets translated into declining volumes in equities and increased volumes in the fixed income space. Macro-economic developments, such as Brexit, the FED rate decision as well as the Japan elections impacted investor trading appetite in 2Q16 across the globe. However, the total global ETP Assets under Management continued to grow, especially in Fixed Income, reaching a new high of € 2.9tn overall at the end of 1H16.

For 2Q16, Flow Traders saw a quarter-on-quarter improvement in Net Trading Income and Net Income. Flow Traders improved its overall Revenue Capture to 4.8 basis points from 4.3 basis points in 1Q16. As expected, 24 June, the day of the Brexit referendum outcome, led to a particularly strong day for the Company from a trading perspective. All of Flow Traders' trading and risk management systems performed as expected on the day, demonstrating their resilience in exceptionally high volume circumstances. The RFQ platforms for off-exchange trading also prove to be a very efficient medium to provide institutional counterparties with additional liquidity.

Following on from our consistent performance and in line with our dividend policy, the Company plans to pay an interim dividend of € 0.55 per share, which confirms our sound financial position and our focus on continuing to create value for our shareholders.

Flow Traders 2Q16 Key Highlights

- Net Trading Income reached € 67.9m (+5% versus 1Q16), with a strong performance on 24 June
- Global Reported ETP Market Values Traded decreased to € 3.54tn (-18% versus 1Q16) and Global Total Market Value Traded decreased to € 5.05tn (-17% versus 1Q16) while Flow Traders' ETP Value Traded reached € 141.9bn (-6% versus 1Q16)
- EBITDA margin remained strong at 48.5% for 2Q16 (50% in 1Q16)
- Net Income for 2Q16 reached € 28.7m, or EPS € 0.62 (+23% versus 1Q16). This includes an one-off tax benefit of € 4.5m in relation to the IPO costs
- Revenue Capture reached 4.8 bps in 2Q16 (+0.5 bps versus 1Q16)
- Flow Traders to pay an interim cash dividend of € 0.55 per share, in line with our policy of paying out at least 50% of our net earnings to our shareholders.

Flow Traders 1H16 Key Highlights

- Global Market ETP Assets under Management grew to € 2.9tn (US\$ 3.2tn), the highest level on record
- Global Total Market ETP Value Traded grew to € 11.1tn, an 11% increase versus 1H15
- Flow Traders' ETP Value Traded reached € 293bn in 1H16, down 5.3% versus 1H15, as investors continued to prefer highly liquid products given the current macro-economic situation
- Net Trading Income (NTI) was € 132.5m in 1H16, down 10% versus 1H15
- Revenue Capture was 4.5 bps in 1H16 versus 4.8 bps in 1H15
- Trading activity continued to show similar pattern as in 1Q16 until Brexit. Flow centralized around highly liquid, mainstream products in times of heightened uncertainty
- EBITDA Margin for 1H16 came in at 49% versus 52% in 1H15 as expenses increased, driven by an increase in data connection costs since 2H15
- Net Profit was € 51.9m in 1H16, versus Adjusted Net Profit of € 60.7m in 1H15 (Unadjusted Net Profit 1H15 € 30.7m)
- EPS 1H16 is € 1.12, taking into account one-off write downs in 1Q16 and including an one-off tax benefit in 2Q16 in relation to the 2015 IPO costs
- FINRA membership enables roll-out of institutional trading in the US later this year

Dennis Dijkstra, co-CEO of Flow Traders commented:

“Flow Traders delivered a strong performance in 2Q16. We continue to roll out our growth strategy across the globe with particularly pleasing results coming from the EMEA and the Americas regions, despite a relatively weak market environment. In EMEA, we continued to have a high market share, with a strong participation during Brexit. In the Americas, we continued to execute our strategy further and we look forward to implement the new broker dealer on the back of the granted FINRA membership to be able to trade off-exchange with US institutional counterparties. Whilst the Asian markets remained slow, impacting our business as well, we continued to build on our presence here and expect to see the results of that in the near future.

As a result of our performance in 1H16, Flow Traders will pay out EUR 0.55 as an interim dividend which is 50% of net earnings and reflecting our highly cash flow generative business model.”

Sjoerd Rietberg, co-CEO of Flow Traders commented:

“Flow Traders realized a Net Trading Income of € 67.9m, up 5% versus last quarter. Our business continued to perform very well in the second quarter of 2016, which was characterized by a rather low trading activity and low volatility for most of the quarter, before the referendum on Brexit. The typical trend we saw in 1Q16 and the quarters before, with trading concentrated in more liquid products, plain vanilla ETPs with typically tighter spreads, continued, but we saw a change of direction following the Brexit referendum outcome. After the 24th of June, a strong peak in volatility and volumes triggered a lot of trading activity, something we were well prepared for.

Flow Traders continued to grow in 1H16, in FTEs and number of products traded. Our trading infrastructure operated as expected and the trading team also benefitted from increasing exposure to special events resulting in increased market activity. Overall, we are pleased with the 1H16 results, especially taking into consideration market circumstances, and we look forward to executing on our organic growth strategy, where we expect developments like the FINRA membership in the US and the infrastructural improvements in Asia will help us achieve our goals.”

Consolidated quarterly and half year results Flow Traders

€million, unless otherwise stated	2Q16	1Q16	Change	1H16	1H15	Change
ETP Value Traded (€bn)	142	151	-6%	293	310	-5%
Net Trading Income	68	65	+5%	133	147	-10%
Adjusted EBITDA	33	32	+2%	65	77	-15%
Adjusted EBITDA Margin	48%	50%		49%	52%	
Adjusted Net Profit	29	23	+23%	52	61	-14%
EPS	0.62	0.50	+23%	1.12	1.30	-14%

In 2Q16 our ETP Value Traded outperformed the market quarter-on-quarter, reaching €142 bn, mainly driven by EMEA and the Americas. Operational expenses developed in line with our expectations, resulting in an EBITDA Margin of 48% in 2Q16 versus 50% in 1Q16. Net Profit was € 28.7m in 2Q16 versus € 23.2m in 1Q16. Net Profit 2Q16 contained a one-off tax benefit of € 4.5m, or € 0.10 EPS, leading to a 1H16 EPS of € 1.12. Overall headcount increased from 249 FTE in July 2015 to 306 FTE at the end 2Q16, to support our global leading role as an electronic ETP-focused liquidity provider.

EMEA (Europe)

€million, unless otherwise stated	2Q16	1Q16	Change
Net Trading Income	44	40	+9%
ETP Value Traded (€bn)	94	97	-3%

In EMEA, the On- and Off-Exchange ETP Market Value Traded was €241 billion in 2Q16 versus €266 billion in 1Q16 (-10%), as investors remained on the side-lines ahead of the Brexit referendum at the end of 2Q16. Net Trading Income rose to € 43.6m from € 39.9m in 1Q16, an increase of 9%, triggered by a higher Revenue Capture. Flow Traders' on-exchange market share remained steady around the 20%.

Americas

€million, unless otherwise stated	2Q16	1Q16	Change
Net Trading Income	20	16	+24%
ETP Value Traded (€bn)	40	46	-11%

In the Americas, the On- and Off-Exchange ETP Market Value Traded came in at € 4,333bn in 2Q16, versus € 5,258bn in 1Q16 (-18%). ETP Value Traded by Flow Traders reached € 40bn in 2Q16, from € 46bn in 1Q16 (-11%), with Revenue Capture reaching 4.9 bps in 2Q16 from 3.5 bps in 1Q16, as Flow Traders continued to trade efficiently in the current product mix, especially around the Brexit referendum. This resulted in a Net Trading Income of € 19.9m, a 24% improvement quarter-on-quarter. Market share in the US increased marginally, remaining close to 1.5%. Going forward, we expect to expand our product and asset class coverage further and start with institutional trading in the US, as we have received the membership from FINRA.

APAC (Asia)

€million, unless otherwise stated	2Q16	1Q16	Change
Net Trading Income	4	9	-49%
ETP Value Traded (€bn)	8	9	-17%

In APAC, the On- and Off-Exchange ETP Market Value Traded reached € 479bn versus € 541bn in 1Q16 (-11%). ETP Value Traded by Flow Traders came in at € 8bn in 2Q16, from € 9bn in 1Q16 (-17%), following the deterioration of the overall trading activity, impacting Flow Traders' business as well. Revenue Capture came in at 5.9 bps in 2Q16, a decrease versus 1Q16, reflecting the deteriorating trading activity and the ongoing concentration of flow in highly liquid products. Market share in APAC remained under pressure, but stabilized towards the end of the quarter around 3%. Organizational and technological improvements are ongoing and are expected to improve Flow Traders' performance in APAC in the foreseeable future.

Current Trading and Outlook

Since our listing, the ETP market has grown as expected in global Assets under Management, reaching a new top of € 2.9tn at the end of 2Q16, and in number of ETPs listed. The shift of assets from active management funds towards the passive industry is ongoing, which has had (and, we believe, will have going forward) a strong impact on ETP growth across all asset classes. Independent market sources reiterate the growth potential of the ETP market towards 2020, making clear once more that we are following the right strategy and giving us ample room for further growth in the near future. We will continue to focus on organic growth by increasing our coverage of the ETP space and by optimizing our Net Trading Income, whilst continuing to aim to grow at a faster pace than the growth of the ETP Assets under Management.

Extraordinary General Meeting for the appointment of Marcel Jongmans

Following approval from our regulator, the Dutch Central Bank, Marcel Jongmans is envisaged to join Flow Traders on 1 October 2016 as our CFO. An Extraordinary General Meeting will be held for his appointment on 26 September 2016 at 16:00 hrs (Amsterdam time) at the INIT Building in Amsterdam, Jacob Bontiusplaats 9, 1018 LL Amsterdam, the Netherlands. Please refer to www.flowtraders.com for details and the convening notice.

Financial Calendar 2016

31 August	Ex dividend - Interim Dividend FY16
01 September	Record date dividend - Interim Dividend FY16
07 September	Payment date - Interim Dividend FY16
26 September	Extraordinary General Meeting for the appointment of Marcel Jongmans
01 October	Envisaged start of new Management Board member Marcel Jongmans as our CFO
19 October	Start Silent Period
09 November	3Q16 results

Analyst Conference Call and Webcast

The analyst conference call on the results will be held at 10:00 am CET on Friday 12 August 2016. The presentation will also be accessible via www.flowtraders.com, 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 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.

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