

**FLOW TRADERS Q321 TRADING UPDATE**

Amsterdam, the Netherlands – Flow Traders N.V. (Euronext: FLOW) announces its unaudited Q321 trading update.

**Highlights**

- Market ETP Value Traded increased 11% quarter-on-quarter and fell 5% YTD 9m21 vs YTD 9m20
- Flow Traders ETP Value Traded increased 3% quarter-on-quarter and fell 1% YTD 9m21 vs YTD 9m20
- Flow Traders NTI decreased to €67.1m in Q321 reflecting an overall lower volatility environment. This compares to NTI of €94.4m in Q221 and €78.3m in Q320. YTD 9m21 NTI was €303.7m vs €803.2m in YTD 9m20
- Total operating expenses of €52.2m incurred in Q321, which included €0.6m of COVID-related one-off expenses. Employee expenses included €11.0m combined impact of prior year's variable remuneration and the adjustment to variable remuneration composition to reflect this year's financial performance
- 603 FTEs as at 30 September 2021 compared to 577 as at 30 June 2021 as new graduate intake classes joined on 1 September 2021 for both trading and technology
- Q321 Normalized EBITDA reached €24.6m with a margin of 37% contributing to YTD 9m21 Normalized EBITDA of €142.8m with a margin of 47%. Reported Q321 EBITDA reached €14.9m with a margin of 22% contributing to YTD 9m21 EBITDA of €134.5m with a margin of 44% reflecting the IFRS treatment of the share-based variable remuneration plans
- Q321 Net Profit amounted to €8.7m with Basic EPS of €0.20. YTD 9m21 Net Profit amounted to €98.9m with Basic EPS of €2.25
- Regulatory Own Funds Requirement (OFR) as at 30 September 2021 was €337m, resulting in excess capital of €135m as at 30 September 2021. Trading capital stood at €597m at the end of the third quarter

**Financial Overview**

€million	Q321	Q221	YTD 9m21	YTD 9m20
<b>Net trading income</b>	<b>67.1</b>	<b>94.4</b>	<b>303.7</b>	<b>803.1</b>
EMEA (Europe)	42.7	61.9	186.0	458.5
Americas	10.0	17.5	66.3	261.8
APAC	14.4	15.0	51.4	82.8
<b>Net trading income</b>	<b>67.1</b>	<b>94.4</b>	<b>303.7</b>	<b>803.1</b>
Employee expenses <sup>1</sup>	35.0	37.3	119.2	254.1
Technology expenses	12.4	12.3	36.5	34.2
Other expenses	4.3	3.9	11.6	10.7
One-off expenses	0.6	0.6	1.9	8.0
<b>Total operating expenses</b>	<b>52.2</b>	<b>54.1</b>	<b>169.3</b>	<b>307.0</b>
<b>EBITDA</b>	<b>14.9</b>	<b>40.3</b>	<b>134.5</b>	<b>496.1</b>
<b>Normalized EBITDA<sup>2</sup></b>	<b>24.6</b>	<b>43.2</b>	<b>142.8</b>	<b>469.0</b>
Depreciation / amortisation	3.8	3.8	11.4	10.5
Write off of (in) tangible assets	-	-	-	0.1
Results of equity-accounted investments	-	-	(0.1)	(0.1)
<b>Profit before tax</b>	<b>11.1</b>	<b>36.5</b>	<b>123.2</b>	<b>485.6</b>
Tax	2.4	7.9	24.2	87.3
<b>Net profit</b>	<b>8.7</b>	<b>28.7</b>	<b>98.9</b>	<b>398.3</b>
Basic EPS <sup>3</sup> (€)	0.20	0.66	2.25	8.78
Fully diluted EPS <sup>4</sup> (€)	0.19	0.64	2.18	8.78
EBITDA margin	22%	43%	44%	62%
Normalized EBITDA margin <sup>2</sup>	37%	46%	47%	58%

**Value Traded Overview**

€billion	Q321	Q221	Change	YTD 9m21	YTD 9m20	Change
<b>Flow Traders ETP Value Traded</b>	<b>362.6</b>	<b>353.5</b>	<b>3%</b>	<b>1,130.5</b>	<b>1,144.6</b>	<b>(1%)</b>
EMEA (Europe)	155.5	167.0	(7%)	521.8	585.0	(11%)
Americas	182.1	166.6	9%	538.3	501.4	7%
APAC ex China	25.0	19.9	26%	70.4	58.3	21%
<b>Flow Traders' non-ETP Value Traded</b>	<b>1,110</b>	<b>952</b>	<b>17%</b>	<b>2,978</b>	<b>2,930</b>	<b>2%</b>
<b>Market ETP Value Traded<sup>F</sup></b>	<b>8,853</b>	<b>8,002</b>	<b>11%</b>	<b>26,169</b>	<b>27,516</b>	<b>(5%)</b>
EMEA (Europe)	443	471	(6%)	1,503	1,550	(3%)
Americas	7,421	6,753	10%	21,954	23,461	(6%)
APAC	990	778	27%	2,712	2,506	8%
APAC ex China	330	288	15%	1,033	1,300	(21%)

**Regional Highlights****EMEA:**

- Maintained position as the leading liquidity provider in ETPs, both on- and off-exchange - #1 position in fixed income, equity and commodity ETFs
- By leveraging the infrastructure of Flow Traders' leading fixed income ETP trading footprint, a multi-year investment has enabled an expansion into single bond market making. Flow Traders is supporting and advancing electronification, transparency and cost efficiency across the fixed income markets. Now continuously quoting in excess of 9000 ISINs across USD and Euro corporate credit and emerging market sovereign bonds and providing pricing on all major platforms including Bloomberg, TradeWeb and MarketAxess. Work to connect to Neptune and LedgerEdge is currently underway
- Continued to participate in the development of the digital asset and decentralized finance space through joining the Pyth network and supporting the launch of Reactive Markets' Switchboard. Crypto ETP listings in EMEA have grown 10% quarter-on-quarter and Flow Traders is a liquidity provider across all 120 listings with a c. 45% market share
- In line with Flow Traders' strategic ecosystem approach, completed an investment in shape Q, a fintech start-up which has developed an RfQ marketplace for physical energy, green energy and environmental commodities. This investment aligns with Flow Traders' longstanding support for increasing transparency and electronification in the financial markets

**AMERICAS:**

- Trading results in US markets were below expectations partially due to aggressive pricing necessary to build out the fixed income business, while at the same time volatility remained subdued. A high priority remains the ongoing improvement of the position management and execution framework in US domestic equity markets
- Further expansion of Lead Market Maker activities including working with State Street for the first time and increasing fixed income ETF product coverage into Municipals and Mortgages by supporting the launch of PIMCO's MINO and FMNY ETFs
- Working in tandem with EMEA, launched corporate credit fixed income dealer capabilities in the Americas and established connectivity with major platforms including TradeWeb, MarketAxess, Bloomberg, ICE and MTS. Substantial progress made in converting existing counterparties to transact in corporate credit across all these various platforms
- Strategic ecosystem approach highlights included Flow Traders joining the LedgerEdge working group and also crystallizing value from Flow Traders' investment in ErisX, the crypto trading platform, given its recently announced acquisition

**APAC:**

- Solid performance in the quarter as elevated volumes and volatility persisted, driven by Chinese regulatory developments
- Alongside the QFII registration process, Flow Traders continued to progress accessing the on-shore China market with the appointment of a business development professional
- Renewed MSCI futures market making contract with HKEx for another year, continuing and deepening the already successful partnership
- Admitted as Stock Options Exchange Participant on the Stock Exchange of Hong Kong by HKEx as Flow Traders further broadens its trading activities in the region

**Management Board Comments**

**Dennis Dijkstra, CEO, stated:**

*“Despite the backdrop of a slower third quarter, we have continued to focus on implementing our strategic growth agenda particularly with the expansion of our fixed income market making business. Our liquidity provision in corporate credit and emerging markets sovereign bonds has been positively received by the buy-side and we were delighted to be the lead sponsor at the recent Fixed Income Leadership Summit in London. We have also demonstrated a more consistent and dedicated strategic ecosystem approach as we seek to leverage the technological shifts in the financial markets. Flow Traders’ investment in shape Q, connecting to the Pyth network and joining the LedgerEdge working group are proof points of this renewed approach.*”

*“It is also pleasing to note that as part of growing our business, we are able to attract and recruit the best talent and we welcomed a large intake of new graduates on 1 September. While most of our offices have fully reopened, we are still cautiously monitoring the evolution of the pandemic and our business continuity plan remains active.”*

**Folkert Joling, Chief Trading Officer, added:**

*“Further market normalisation combined with some seasonal impacts resulted in lower trading results in the third quarter versus previous quarters in 2021. This was evident in the fixed income index side of the business where reduced volatility affected overall trading performance, particularly in the US. From a trading perspective, the launch of our single bond market making capabilities in Europe and the Americas is a significant milestone as we seek to broaden our trading activities across different products and asset classes. In crypto, we have maintained our leading market share in ETPs and continue to provide liquidity in new and existing listings. Naturally, work continues on building out these capabilities even further.”*

**Mike Kuehnel, Chief Financial Officer, added:**

*“In my first months at Flow Traders, my enthusiasm at the prospects ahead for the business has only grown. At the core of it, our ETP business has still significant tactical and strategic opportunities globally as assets under management now approach the \$10 trillion mark and will grow even further. In order to identify additional areas of growth in and around our core and to systematically accelerate the execution of our strategic agenda, we are conducting a detailed and thorough review of our capital structure. While exploring a variety of different attractive growth options, we will continue to focus on leveraging our core capabilities and competencies and, from a financial perspective, maintain our commitment to firm cost control irrespective of our multi-year growth agenda.”*

### **Preliminary Financial Calendar**

13 January 2022	Start Silent Period ahead of Q421 / FY21 results
10 February 2022	Release Q421 / FY21 results (incl. analyst conference call)
4 March 2022	Release 2021 Annual Report
31 March 2022	Start Silent Period ahead of Q122 trading update
26 April 2022	Release Q122 trading update (no analyst conference call)
29 April 2022	AGM

### **Contact Details**

#### **Flow Traders N.V.**

##### *Investors*

Jonathan Berger

Phone: +31 20 7996799

Email: [investor.relations@flowtraders.com](mailto:investor.relations@flowtraders.com)

##### *Media*

Laura Peijs

Phone: +31 20 7996799

Email: [press@flowtraders.com](mailto:press@flowtraders.com)

### **About Flow Traders**

Flow Traders is a leading global financial technology-enabled liquidity provider in financial products, historically specialized in Exchange Traded Products (ETPs), now expanding into other asset classes. Flow Traders ensures the provision of liquidity to support the uninterrupted functioning of financial markets. This allows investors to continue to buy or sell ETPs or other financial instruments under all market circumstances. We continuously grow our organization, ensuring that our trading desks in Europe, the Americas and Asia can provide liquidity across all major exchanges, globally, 24 hours a day. Founded in 2004, we continue to cultivate the entrepreneurial, innovative and team-oriented culture that has been with us since the beginning. Please visit [www.flowtraders.com](http://www.flowtraders.com) for more information.

**Notes**

1. Fixed employee expenses: Q321 – €14.1m; Q221 – €13.1m; YTD 9m21 – €40.2m; YTD 9m20 – €34.5m
2. Normalized EBITDA and margin is based on the standard 35% profit share of operating result across the various financial periods without any IFRS 2 adjustments for share-based payments. A reconciliation to reported EBITDA is presented below:

€million	Q321	Q221	YTD 9m21	YTD 9m20
<b>Normalized EBITDA</b>	<b>24.6</b>	<b>43.2</b>	<b>142.8</b>	<b>469.0</b>
Prior year share plans	7.9	6.3	18.7	2.2
Current year share plan deferral	(1.3)	(3.3)	(10.4)	(29.3)
Variable remuneration composition	3.1	-	-	-
<b>Reported EBITDA</b>	<b>14.9</b>	<b>40.3</b>	<b>134.5</b>	<b>496.1</b>

3. Weighted average shares outstanding: Q321 – 43,570,015; Q221 – 43,715,537; YTD 9m21 – 43,875,028; YTD 9m20 – 45,362,072. 43,549,631 shares outstanding at 30 September 2021
4. Determined by adjusting the basic EPS for the effects of all dilutive share-based payments to employees
5. Source – Flow Traders analysis

### **Important Legal Information**

This press release is prepared by Flow Traders N.V. and is for information purposes only. It is not a recommendation to engage in investment activities and you must not rely on the content of this document when making any investment decisions. The information in this document does not constitute legal, tax, or investment advice and is not to be regarded as investor marketing or marketing of any security or financial instrument, or as an offer to buy or sell, or as a solicitation of any offer to buy or sell, securities or financial instruments.

The information and materials contained in this press release are provided ‘as is’ and Flow Traders N.V. or any of its affiliates (“Flow Traders”) do not warrant the accuracy, adequacy or completeness of the information and materials and expressly disclaim liability for any errors or omissions. This press release is not intended to be, and shall not constitute in any way a binding or legal agreement, or impose any legal obligation on Flow Traders. All intellectual property rights, including trademarks, are those of their respective owners. All rights reserved. All proprietary rights and interest in or connected with this publication shall vest in Flow Traders. No part of it may be redistributed or reproduced without the prior written permission of Flow Traders.

This press release may include forward-looking statements, which are based on Flow Traders’ current expectations and projections about future events, and are not guarantees of future performance. Forward looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Words such as “may”, “will”, “would”, “should”, “expect”, “intend”, “estimate”, “anticipate”, “project”, “believe”, “could”, “hope”, “seek”, “plan”, “foresee”, “aim”, “objective”, “potential”, “goal” “strategy”, “target”, “continue” and similar expressions or their negatives are used to identify these forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of Flow Traders. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no undue reliance should be placed on any forward-looking statements. Forward-looking statements speak only as at the date at which they are made. Flow Traders expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this press release to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

Financial objectives are internal objectives of Flow Traders to measure its operational performance and should not be read as indicating that Flow Traders is targeting such metrics for any particular fiscal year. Flow Traders’ ability to achieve these financial objectives is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond Flow Traders’ control, and upon assumptions with respect to future business decisions that are subject to change. As a result, Flow Traders’ actual results may vary from these financial objectives, and those variations may be material.

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.

By accepting this document you agree to the terms set out above. If you do not agree with the terms set out above please notify [legal.amsterdam@nl.flowtraders.com](mailto:legal.amsterdam@nl.flowtraders.com) immediately and delete or destroy this document.

### **Market Abuse Regulation**

This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation.