

FLOW TRADERS Q121 TRADING UPDATE

Amsterdam, the Netherlands - Flow Traders N.V. (Euronext: FLOW) announces its unaudited Q121 trading update**Highlights**

- Market ETP Value Traded increased by 26% quarter-on-quarter and decreased 15% vs Q120
- Flow Traders ETP Value Traded increased 12% quarter-on-quarter and decreased 6% vs Q120
- Flow Traders recorded NTI of €142.2m in Q121 reflecting strong trading performance across the board. This compares to NTI of €130.3m in Q420 and €495.0m in Q120
- Total operating expenses of €63.0m incurred in Q121 which includes €0.7m of one-off COVID-19 and business continuity plan-related expenses
- 566 FTEs as at 31 March 2021 compared to 554 FTEs as at 31 December 2020
- Q121 EBITDA reached €79.3m with a margin of 56%
- Q121 Net Profit amounted to €61.6m with basic EPS of €1.39
- Regulatory Own Funds Requirement (OFR) as at 31 March 2021 was €226m resulting in excess capital of €190m as at 31 March 2021. Trading capital stood at €755m at the end of the first quarter
- Completed €25m share buyback announced in February 2021. Announces additional repurchase of shares of up to €20m commencing on 20 April 2021 over a period of 12 months in connection with employee incentive plans

Financial Overview

€million	Q121	Q420	Q121	Q120
Net Trading Income	142.2	130.3	142.2	495.0
<i>EMEA (Europe)</i>	81.4	93.9	81.4	304.9
<i>Americas</i>	38.8	22.0	38.8	149.0
<i>APAC</i>	22.1	14.3	22.1	41.0
Net Trading Income	142.2	130.3	142.2	495.0
<i>Employee expenses*</i>	47.0	20.4	47.0	154.9
<i>Technology expenses</i>	11.9	12.0	11.9	11.4
<i>Other expenses</i>	3.4	4.0	3.4	4.1
<i>One-off expenses</i>	0.7	3.4	0.7	0.9
Total Operating Expenses	63.0	39.8	63.0	171.2
EBITDA	79.3	90.5	79.3	323.7
<i>Depreciation/Amortisation</i>	3.7	3.7	3.7	3.6
<i>Write offs, tangible assets</i>	-	-	-	-
<i>Results subsidiaries</i>	-	0.4	-	-
Profit Before Tax	75.5	86.3	75.5	320.1
<i>Tax</i>	14.0	20.1	14.0	57.8
Net Profit	61.6	66.2	61.6	262.3
<i>Basic EPS** (€)</i>	1.39	1.47	1.39	5.71
<i>Fully diluted EPS*** (€)</i>	1.35	1.41	1.35	5.71
<i>EBITDA margin</i>	56%	69%	56%	65%

* Q121 employee expenses not directly comparable with Q420 due to the accounting treatment of the new share plan which was implemented in Q420. Fixed employee expenses were: Q121 - €13.0m; Q420 - €11.9m; Q120 - €11.8m

** Weighted average shares outstanding: Q121 - 44,348,083; Q420 - 45,022,415; Q120 - 45,913,486. 44,306,638 shares outstanding as at 31 March 2021

*** Determined by adjusting the basic EPS for the effects of all dilutive share-based payments to employees

Value Traded Overview

€billion	Q121	Q420	Change	Q121	Q120	Change
Flow Traders ETP Value Traded	414.4	370.8	12%	414.4	441.6	(6%)
<i>EMEA (Europe)</i>	199.4	182.4	9%	199.4	232.7	(14%)
<i>Americas</i>	189.6	170.5	11%	189.6	188.9	0%
<i>APAC ex China</i>	25.5	17.9	42%	25.5	20.0	(27%)
Flow Traders' non-ETP Value Traded	915	765	20%	915	1,215	(25%)
Market ETP Value Traded¹	9,313	7,403	26%	9,313	10,948	(15%)
<i>EMEA (Europe)</i>	590	489	21%	590	679	(13%)
<i>Americas</i>	7,780	6,081	28%	7,780	9,421	(17%)
<i>APAC</i>	944	833	13%	944	849	11%
<i>APAC ex China</i>	415	380	9%	415	476	(13%)

1. Source - Flow Traders analysis

Q121 Regional Highlights
EMEA:

- Reinforced position as the leading liquidity provider in ETPs, both on- and off-exchange. Retained #1 position off-exchange in Fixed Income, Equity, Fixed Income and Commodity ETFs
- Resilient trading performance in the core ETP business alongside positive NTI contributions from non-ETP market making activities
- Successfully registered with the Dutch Central Bank (DNB) in line with recent regulations relating to cryptocurrency to fiat currency trading

AMERICAS:

- Robust trading performance, particularly in equity-related ETPs
- Continued to support new issues as Lead Market Maker - acted as Lead Market Maker for the VanEck Vectors Social Sentiment ETF (BUZZ) which saw the third highest volume ever traded for a new ETF launch
- Further expansion of the counterparty base in Q1 including several large asset managers

APAC:

- Consistent strong performance across asset classes throughout the region
- Awarded *Best ETF Market Maker* by the Tokyo Stock Exchange and received the *Top Market Maker - ETP Coverage* award from the HKEX for Flow Traders' contribution to the ETF market in 2020
- Flow Traders has been a participating market maker from launch on 1 February on JPX's ETF RFQ Connector platform

Repurchase of Shares

- Flow Traders announces that it will repurchase shares for a total aggregate consideration of up to €20m in connection with its employee incentive plans and to minimise shareholder dilution. The share repurchases will commence on 20 April 2021 for a period of 12 months. As before, any shares repurchased will be held in treasury until such time as they are distributed

Management Board Comments

CEO Dennis Dijkstra stated:

“Once again our robust business continuity plan has ensured that we have functioned as normal throughout the first quarter. The disciplined execution of our strategic growth agenda meant that investments we have made are continuing to yield meaningful returns. This discipline is reflected in our strong cost control and conservative capital position. It was pleasing to successfully complete our registration with the DNB in line with recent regulations relating to cryptocurrency to fiat currency trading. This is in line with our longstanding advocacy of increased regulation and transparency for the markets we operate in. In order to drive forward our strategy we need to attract and recruit the best and brightest talent and our success in this regard has continued in 2021. Looking ahead to the end of the second quarter, we will finally see the new IFR/IFD prudential regime apply to Flow Traders. Our assessment of the impact remains the same in that our capital requirements should be markedly lower. It is still envisaged that this capital relief will be partially offset by growth business activities.”

Chief Trading Officer Folkert Joling added:

“We saw a strong trading performance across the board with all desks and regions contributing to our second strongest ever Q1. ETP flows during the quarter were dominated by sector rotations and the continued shift towards ESG investing. We continued to expand and deepen our ETP trading footprint during the quarter and are thoroughly executing our growth strategy of improving pricing and access to fixed income, commodity, crypto and FX markets and this is reflected in this quarter’s performance.”

Preliminary Financial Calendar

23 April 2021	AGM
27 April 2021	FY20 final dividend proposed ex-dividend date
28 April 2021	FY20 final dividend proposed record date
30 April 2021	FY20 final dividend proposed payment date
30 June 2021	Start Silent Period ahead of H121 results
23 July 2021	H121 results release (incl. analyst conference call)
17 August 2021	Proposed 2021 interim dividend ex-dividend date
18 August 2021	Proposed 2021 interim dividend record date
20 August 2021	Proposed 2021 interim dividend payment date

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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.

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