

FLOW TRADERS REPORTS NTI 24% GROWTH IN 4Q17

PROPOSES FINAL FY17 DIVIDEND OF €0.35

STRONG START TO 2018

Amsterdam, the Netherlands - Flow Traders N.V. (Euronext: FLOW) today announced its 4Q17 results (unaudited), stating that:

- 4Q17 ETP Value Traded rose to € 164bn (+1% Q-o-Q), which led to an increase in our ETP Value Traded by 7% Y-o-Y in 2017, whereas the market ETP Value Traded declined 13% Y-o-Y
 - 4Q17 Net Trading Income (NTI) was € 39.3m (+24% Q-o-Q)
 - 4Q17 EBITDA margin was 34%, leading to an EPS of € 0.17 (+43% Q-o-Q)
 - Flow Traders proposes final FY17 dividend of € 0.35. This implies a total dividend for FY17 of € 0.65, which is a 76% dividend pay-out ratio
 - FTEs grew 16% to 394 end 2017
 - Flow Traders incurred a small loss day in 4Q17
 - Flow Traders expects to comply with CRR capital requirements under the standardized method as of 31 March 2018
 - MiFID II implementation went according to plan for Flow Traders
 - FY18 cost growth guidance reiterated at a maximum of 15% annually
 - Key growth initiatives are on schedule and confirm our longer-term growth strategy
 - Flow Traders launched the Flow Traders Employee Cash Incentive Plan (FCIP) end 2017
- Year-to-date NTI is already more than considerably above the record quarter level of 3Q15 of € 92.8m, driven by a strong start of the year in combination with exceptional market circumstances

Overview consolidated Quarterly and Full Year results Flow Traders

€million, unless otherwise stated	4Q17	3Q17	Change	FY17	FY16	Change
Net Trading Income	39.3	31.7	24%	166.0	250.0	(34%)
<i>EMEA (Europe)</i>	27.6	21.4	29%	114.7	157.5	(27%)
Americas	5.8	6.9	(16%)	34.1	67.5	(50%)
APAC (Asia)	5.9	3.4	74%	17.2	25.0	(31%)
EBITDA	13.2	7.6	74%	56.0	118.7	(53%)
Net Profit	7.9	5.6	43%	39.6	91.9	(57%)
EBITDA Margin	34%	24%		34%	47%	
EPS (EUR)	0.17	0.12	43%	0.85	1.98	(57%)
Flow Traders ETP Value Traded (€bn)	164.0	162.3	1%	685.8	640.1	7%
<i>EMEA (Europe)</i>	103.5	96.1	8%	418.3	417.6	0.2%
Americas	54.6	60.3	(10%)	244.6	190.2	29%
APAC (Asia)	5.9	5.8	2%	23.0	32.3	(29%)
Market ETP Value Traded (€bn)	4,625	4,154	11%	18,519	21,287	(13%)
<i>EMEA (Europe)</i>	198	194	2%	851	973	(12%)
Americas	3,807	3,527	8%	15,727	18,298	(14%)
APAC (Asia)	620	433	43%	1,941	2,016	(4%)
APAC (ex China)	226	170	33%	766	915	(16%)

Current Trading and Outlook

The strong growth trend that was witnessed in the ETP industry in 2017, is expected to continue in 2018 and beyond. The shift in assets from actively managed funds towards the passive industry drives ETP growth across all asset classes. Regulation, such as MiFID II is expected to support further transparency and a level playing field, which already is starting to be beneficial to the ETP market.

On top of an already strong start of the year, the recent significant uptick in market activity contributes to an exceptional trading result for Flow Traders. This drives our NTI year-to-date already more than considerably above the record quarter level of 3Q15. This also shows the strength of our business model as well as Flow Traders' ability to provide liquidity whilst managing appropriately the associated risks in all market circumstances.

Management Board Statements

Co-CEO Dennis Dijkstra stated: "The underlying growth drivers were strong in the ETP market in 2017, resulting in further growth in ETP AuM. Trading volumes however showed a decline, resulting in lower velocity which as such reflected a decrease in investor activity. In these market circumstances, Flow Traders managed to grow its traded volumes, as our growth initiatives developed as expected. Looking at the regulatory developments in 2017, CRR and MiFID II were the main focus points. The implementation of MiFID II went as planned. The preliminary MiFID II impact on the ETP market seems beneficial for us, as we see an increase in volumes traded on MTFs that we are connected to. Flow Traders also launched its employee incentive plan in 4Q17, to further align the interests of our employees with all stakeholders, in line with the philosophy of Flow Traders. So all in all, 2017 was a challenging trading year, in which Flow Traders was able to maintain and expand its position as the global liquidity provider in ETPs. The return on the investments made in 2017 is already visible."

Co-CEO Sjoerd Rietberg added: "When looking a bit closer at our performance, Flow Traders' NTI had a strong recovery in 4Q17. Regionally, Europe stood out in 4Q17, with higher market share, improved revenue capture and internally we saw the first benefits from the FX setup. In the US, Flow Traders focused on improving its trading quality. This had a temporary impact on volumes traded and on profitability, which have already improved this year-to-date. US OTC trading grew in 2017, something that we expect to continue in 2018. In Asia, the increase in market activity was not immediately visible in the volumes we traded, but was very visible in our trading margins as we realised a strong increase in NTI. The Hong Kong office is officially established now and as a result we expanded our senior management team in APAC. Going forward we will have two offices in the region, working closely together. Looking back, 2017 was a year where many growth initiatives and improvements started to show impact towards the end of the year, which is testament to the contributions delivered by our employees. Flow Traders remained committed to its organic growth strategy and was able to implement improvements that already began to contribute to our performance in 2017. So far, 2018 has started off well, and we have also benefitted from some exceptional market circumstances. We expect to report strong results in 1Q18 based on those recent developments."

CFO Marcel Jongmans commented: "2017 was a year where we struck the right balance between growing our firm and controlling our costs. Further internal optimization led to a growth in cost by 16%, which is at the bottom end of the guided 15-20% range for cost growth. We reiterate the cost growth guidance of maximum 15% annually going forward, without limiting our growth efforts. Flow Traders was faced with several important financial developments in 4Q17, which were CRR, the US tax reform and the incentive plan. As stated in the press release issued on 5 February 2018 we expect to comply with CRR capital requirements. Flow Traders proposes a total dividend over 2017 of €0.65, which is a 76% dividend pay-out ratio. The opportunity for Flow Traders employees to buy shares under the employee incentive plan will start this open period and will have no dilutive impact on our shareholders. Regarding the US tax reform, we incurred a relatively small additional tax charge in 4Q17, but going forward our EPS growth will be supported by a lower overall expected tax rate of 18% from previously 20%. We are convinced that Flow Traders will continue to optimize its NTI and returns for its shareholders in 2018 and beyond."

Financial Calendar 2018

09 February 2018	Release FY17 results
02 March 2018	Release 2017 Annual Report
03 April 2018	Start Silent Period ahead of 1Q18 trading update
24 April 2018	Release 1Q18 trading update
26 April 2018	AGM Flow Traders
30 April 2018	Proposed Ex-dividend date final dividend FY17
02 May 2018	Proposed Record date final dividend FY17
04 May 2018	Proposed Payment date final dividend FY17
29 June 2018	Start Silent Period ahead of 1H18 results
27 July 2018	Release 1H18 Results
08 August 2018	Ex-dividend date interim dividend FY18 (if any)
09 August 2018	Record date interim dividend FY18 (if any)
13 August 2018	Payment date interim dividend FY18 (if any)
27 September 2018	Start Silent Period ahead of 3Q18 trading update
18 October 2018	Release 3Q18 trading update

As of 2018, Flow Traders moves to interim reporting. This means that Flow Traders will release a trading statement only in the first and third quarters of each financial year going forward. Half Year and Full Year reports continue to take place as usual. Flow Traders remains committed to the highest level of disclosure and engagement with its stakeholders.

Analyst Conference Call and Webcast

The analyst conference call on the results will be held at 10:00 am Amsterdam Time on Friday 9 February 2018. The presentation will also be accessible via www.flowtraders.com/investors, 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/investors for more information and for the full version of the press release / full year report, including all financial tables, explanatory notes and the responsibility statement by the executive board as compulsory under the EU Transparency Directive.

Consolidated P&L, simplified

Consolidated (in €m)	4Q17	3Q17	Change	FY17	FY16	Change
Net Trading Income	39.3	31.7	24%	166.0	250.0	(34%)
Employee expenses (fixed)	8.8	8.1	9%	32.2	25.9	24%
Technology expenses	9.3	9.2	1%	37.3	34.8	7%
Other expenses	3.9	3.6	11%	15.2	12.2	25%
Fixed Operating Expenses	22.0	20.8	6%	84.7	72.8	16%
Employee expenses (var)	4.0	3.3	22%	25.2	58.4	(57%)
Total operational expenses	26.1	24.1	8%	109.9	131.3	(16%)
EBITDA	13.2	7.6	74%	56.0	118.7	(53%)
Depreciation/Amortisation	2.0	1.8		7.2	6.3	
Write offs, tangible assets	0.5	0.0		0.5	2.8	
Results subsidiaries	(0.1)	0.0		(0.1)	0.2	
Profit Before Tax	10.8	5.8	85%	48.4	109.4	(56%)
Tax	2.9	0.3		8.8	17.5	
Net Profit	7.9	5.6	43%	39.6	91.9	(57%)
EPS (in €)	0.17	0.12		0.85	1.98	
EBITDA margins (%)	34%	24%		34%	47%	

Development of Regulatory Capital until end 2017 (reflecting old situation)

	31 Dec 2017	30 Jun 2017	31 Dec 2016	30 Jun 2016	31 Dec 2015
Total Trading Capital	272.0	273.0	343.0	298.9	338.8
Regulatory Capital	254.2	258.0	270.1	252.2	246.6
Regulatory Required Capital	126.9	157.8	168.2	136.7	94.0

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