

FLOW TRADERS REPORTS RESILIENT PERFORMANCE IN SLOW MARKET CONDITIONS

Amsterdam, the Netherlands, 17 May 2017 - Flow Traders N.V. (Euronext: FLOW) today released its unaudited 1Q 2017 trading update. Key highlights include:

- 1Q17 Flow Traders' ETP Value Traded reached € 174.8bn, with growing momentum in the US;
- 1Q17 Flow Traders' ETP Value Traded slightly outperformed the market in 1Q17 and showed strong growth Year-on-Year (+14%) versus a declining market Year-on-Year (-19%);
- 1Q17 Net Trading Income (NTI) of € 48.3m reflects a resilient performance in slow market conditions;
- Investor activity slowed down substantially, pushing market volatility (VIX) to its lowest point in over a decade and negatively impacting spreads;
- 1Q17 EBITDA margin at 38% reflects expense development in line with expectations;
- Underlying growth drivers of the ETP market remained intact, as ETP Assets under Management (AuM) reached a new record once again of € 3,610bn¹;
- Continued strong cash flows resulted in further growth of Flow Traders' Regulatory Capital;
- Flow Traders had zero loss days in 1Q17, making it over 34 months without a trading loss day;
- Number of ETP listings Flow Traders is registered market maker in approaching 5,000.

Overview Consolidated Quarterly and Full Year Results Flow Traders

<i>€million, unless otherwise stated</i>	1Q17	4Q16	Q-o-Q Change	1Q16	Y-o-Y Change
Net Trading Income	48.3	68.7	-30%	64.6	-25%
<i>EMEA (Europe)</i>	30.6	44.4	-31%	39.9	-23%
<i>Americas</i>	13.1	16.9	-23%	16.0	-18%
<i>APAC (Asia)</i>	4.6	7.3	-37%	8.7	-47%
EBITDA	18.2	33.1	-45%	32.2	-44%
Net Profit	13.6	25.0	-45%	23.2	-41%
EBITDA Margin	38%	48%	-10%	50%	-12%
EPS (EUR)	0.29	0.54	-45%	0.50	-41%
Flow Traders ETP Value Traded (€bn)	174.8	189.4	-8%	153.4	+14%
<i>EMEA (Europe)</i>	106.2	127.9	-17%	96.5	+10%
<i>Americas</i>	63.2	54.5	+16%	46.7	+35%
<i>APAC (Asia)</i>	5.4	7.0	-22%	10.2	-47%
Market ETP Value Traded (€bn)	4,900	5,464	-10%	6,061	-19%
<i>EMEA (Europe)</i>	233	250	-7%	266	-12%
<i>Americas</i>	4,255	4,606	-8%	5,257	-19%
<i>APAC (Asia)</i>	411	609	-32%	538	-24%

¹ Source: BlackRock iShares

Management Board Statement

Co-CEO Dennis Dijkstra stated: “The first quarter of 2017 witnessed sluggish market conditions with trading activity at its lowest point in over a decade, while the underlying ETP market continued to grow. Despite this challenging environment, Flow Traders delivered a robust performance and continued to perform in line with our expectations on the factors within our control. We have continued to drive operational efficiency with improvements in the performance of our technology platform, improved the connectivity to (new) trading venues and expanded the number of products we trade. We also made progress in setting up our FX infrastructure, which is on track to be operational by the end of 2017.”

Co-CEO Sjoerd Rietberg added: “Regionally, we saw the growth of our ETP Value Traded continue in the US and expect to maintain this trend through 2017, with the first contributions from our US Institutional Trading Desk expected in 2H17. Our market share continued to grow in the US whilst, in Europe, market sentiment had a clear impact on spreads and the product mix traded. The focus on more liquid products increased as there was a reduction in overall trading activity in the market. This was reflected in our market share in Europe, which was somewhat lower versus 4Q16, but still well above our average market share in 2016. As part of our ongoing development, we continue to anticipate on the expected impact of further regulations, like MiFID II, and grew the number of liquidity providerships and institutional counterparties substantially. In Asia, we moved ahead with further improvements in connectivity and the broader technological setup. Pleasingly, these initiatives are already showing a positive impact on our performance in the region as our market share improved marginally and we have also taken the first steps in setting up the Hong Kong office. Overall, we remain committed to our organic growth strategy for the foreseeable future as the underlying ETP market continues to grow as well, and believe we are well positioned to benefit from the eventual upturn in market activity.”

CFO Marcel Jongmans concluded: “In the first quarter of 2017, costs developed as planned. As the underlying growth drivers in the ETP market remain intact, it is important that Flow Traders keeps investing in its technology and its people to warrant future growth and position itself further for future upturns in the market. Fixed employee expenses grew in 1Q17 as headcount continued to increase and recruitment activities expanded whilst variable employee compensations came down, further highlighting the benefits of our flexible business model. Technology expenses remained flat during the quarter, resulting in a Net Profit of € 13.6m. Our balance sheet and capital position developed as expected, with the Regulatory Capital Required returning to normal levels after the incidental peak at the end of 2016. Overall, our capital positions remained comfortably above all regulatory required levels. We are confident that Flow Traders will keep growing in line with the long-term growth trend, while maintaining its cost discipline and cementing its role as a leading global ETP liquidity provider”.

Current Trading and Outlook

As anticipated in the presentation of the FY16 results, the ETP market continued to grow in global Assets under Management in 1Q17. This is a trend that is expected to continue in 2017, also in light of further regulation such as MiFID II. The shift in assets from active management funds towards the passive industry is ongoing and strongly drives ETP growth across all asset classes. Relative slow quarters like 1Q17 show the importance of scale and expansion. We will continue to grow organically by increasing our coverage of the ETP space, whilst pursuing our goal to maximize the growth of our NTI.

Preliminary Financial Calendar 2017

24 May	AGM
26 May	Ex-Dividend date Final Dividend FY16 (pending approval AGM)
29 May	Record date dividend - Final Dividend FY16 (pending approval AGM)
31 May	Payment date - Final Dividend FY16 (pending approval AGM)
28 June	Analyst Day
29 June	Start Silent Period ahead of 1H17 results
28 July	1H17 Results
04 August	Proposed Ex-Dividend date Interim Dividend FY17
07 August	Proposed Record-date Interim Dividend FY17
09 August	Proposed Payment date Interim Dividend FY17
03 October	Start Silent Period ahead of 3Q17 results (updated)
24 October	3Q17 Trading Update (updated)

Analyst Conference Call and Webcast

The analyst conference call on the results will be held at 10:00 am CEST on Wednesday 17 May 2017. 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.

Contact Details

Flow Traders N.V.
Serge Enneman / Manager Investor Relations
Phone: +31 20 7996799
Email: Investor.relations@flowtraders.com

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 1Q17 (simplified)

<i>Consolidated (in €m)</i>	1Q17	4Q16	Q-o-Q Change	1Q16	Y-o-Y Change
Net Trading Income	48.3	68.7	-30%	64.6	-25%
Employee expenses (fixed)	7.7	6.5	+22%	5.9	+31%
Employee expenses (var)	9.3	16.0	-42%	15.4	-40%
Technology expenses	9.2	9.4	-1%	8.4	+10%
Other expenses	3.8	3.7	+3%	2.6	+46%
Operating Expenses	30.1	35.5	-15%	32.4	-7%
EBITDA	18.2	33.1	-45%	32.2	-44%
Depreciation/Amortisation	1.7	1.6		1.7	
Write offs, tangible assets	0.0	0.1		2.1	
Results subsidiaries	0.0	0.2		0.0	
Profit Before Tax	16.5	31.2	-47%	28.5	-42%
Tax	2.9	6.2		5.2	
Net Profit	13.6	25.0	-45%	23.2	-41%
EPS (in €)	0.29	0.54		0.50	
EBITDA margins (%)	38%	48%		50%	

Development of Regulatory Capital until end 1Q17

	31 Mar 2017	31 Dec 2016	30 Jun 2016	31 Dec 2015	30 Jun 2015	31 Dec 2014
Total Trading Capital	299.0	343.0	298.9	338.8	280.3	204.3
Regulatory Capital	276.1	270.1	252.2	246.6	202.2	142.8
Regulatory Required Capital	128.9	168.2	136.7	94.0	123.5	84.3

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 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.