

FLOW TRADERS 1Q19 TRADING UPDATE

Amsterdam, the Netherlands - Flow Traders N.V. (Euronext: FLOW) releases its unaudited 1Q19 trading update. The highlights for the period are:

- Market ETP Value Traded slowed down 28% quarter-on-quarter and slowed down 7% year-on-year
- Flow Traders ETP Value Traded slowed down 5% quarter-on-quarter, but grew 8% year-on-year
- Flow Traders 1Q19 NTI reached €63.1m, reflecting the quarter-on-quarter slow down in market conditions
- Flow Traders' market presence improved in all regions in 1Q19, especially in EMEA and US
- 1Q19 Fixed operating expenses decreased 3% quarter-on-quarter and grew 8% year-on-year, impacted by IFRS 16
- FTEs grew to 447 at the end of 1Q19, realizing an FTE growth of 2.5% year-to-date
- Own Funds Requirement (OFR) 31 March 2019 was €185m, resulting in an excess capital of €111m
- Flow Traders will optimize trading capacities in APAC region through a centralization of dealing rooms in Hong Kong. Our Singapore office will remain operational to facilitate the growth of OTC trading to support trading in the region
- Coverage of our FX liquidity provider has continued to grow with the onboarding of an additional FX Prime Broker and with further focus on scaling of trading and increase of number of connected counterparties

Financial Overview Flow Traders 1Q19

€million	1Q19	4Q18	Change	YTD 19	YTD 18	Change
Net Trading Income	63.1	74.1	(15%)	63.1	213.2	(70%)
EMEA (Europe)	37.5	44.4	(16%)	37.5	49.5	(24%)
Americas	17.3	13.8	25%	17.3	152.7	(89%)
APAC	8.3	15.8	(47%)	8.3	11.0	(24%)
Net Trading Income	63.1	74.1	(15%)	63.1	213.2	(70%)
Employee expenses (fixed)	10.3	9.6	8%	10.3	8.8	18%
Technology expenses	9.5	8.8	8%	9.5	8.9	7%
Other expenses*	3.5	5.8	(39%)	3.5	4.1	(13%)
Fixed Operating Expenses	23.4	24.2	(3%)	23.4	21.7	8%
Employee expenses (var)	13.0**	16.0	(19%)	13.0	57.5	(77%)
Total operational expenses	36.3	40.3	(10%)	36.3	79.2	(54%)
EBITDA	26.8	33.8	(21%)	26.8	133.9	(80%)
Depreciation/Amortisation*	3.6	2.6		3.6	2.0	
Write offs, tangible assets	-	0.2		-	-	
Results subsidiaries	-	(0.3)		-	-	
Profit Before Tax	23.2	31.4	(26%)	23.2	131.9	(82%)
Tax	4.0	5.5		4.0	22.2	
Net Profit	19.2	25.9	(26%)	19.2	109.7	(83%)
EPS (in €)	0.41	0.56		0.41	2.36	
EBITDA margins (%)	42%	46%		42%	63%	

*: Note: 2019 results reflect IFRS 16 impact of €984k in a shift from "Other expenses" to "Depreciation"

** : Employee expenses (var) comprise the cash variable compensation over 1Q19 of €11.5m and vesting of FCIP payments of previous years of €1.5m

Overview 1Q19 Value Traded

€billion	1Q19	4Q18	Change	YTD 19	YTD 18	Change
Flow Traders ETP Value Traded	258.6	272.8	(5%)	258.6	239.1	8%
<i>EMEA (Europe)</i>	128.7	123.6	4%	128.7	140.4	(8%)
<i>Americas</i>	121.2	139.5	(13%)	121.2	90.1	34%
<i>APAC ex China</i>	8.7	9.7	(10%)	8.7	8.5	2%
Flow Traders' non-ETP Value Traded	738.1	807.0	(9%)	738.1	672.6	10%
Market ETP Value Traded	6,081	8,454	(28%)	6,081	6,540	(7%)
<i>EMEA (Europe)</i>	355	347	2%	355	382	(7%)
<i>Americas</i>	5,277	7,472	(29%)	5,277	5,616	(6%)
<i>APAC ex China</i>	209	291	(28%)	209	303	(31%)

1Q19 regional highlights:

EMEA:

- Flow Traders ETP market share continued to grow, consolidating our number 1 position on-screen as well as OTC in the EMEA market
- Flow Traders ETP Value Traded reached €129bn, 4% higher versus 4Q18, comparing to a 2% increase in market ETP Value Traded versus 4Q18
- Number of counterparties continued to grow, supported by the impact of MiFID 2
- A second FX Prime Broker has now been onboarded, allowing for further growth of value traded in FX as more counterparties got connected and flows grew further through scaling
- Flow Traders is prepared for all Brexit scenarios

AMERICAS:

- Flow Traders ETP market share in 1Q19 was consistently above 2% as trading circumstances improved versus 4Q18
- Flow Traders ETP Value Traded reached €121bn, which is a 13% decline versus 4Q18, comparing to a 29% decline in market ETP Value Traded versus 4Q18
- Number of counterparties continued to grow to above 110, OTC Value Traded in ETPs continued to grow quarter-on-quarter, confirming ongoing momentum in OTC trading in US

APAC:

- Flow Traders ETP market share improved from 4Q18 as our decline in ETP Value Traded was less than market trends showed
- Flow Traders ETP Value Traded, ex China, reached €8.7bn, which is a 10% decline versus 4Q18, comparing to a 28% decline in market ETP Value Traded versus 4Q18
- Flow Traders decided to merge the dealing rooms in APAC and move all trading desks for on-screen liquidity providing to Hong Kong in 2019 to optimize trading in APAC region
- Singapore office remains open in the appropriate setup to facilitate OTC trading in the APAC market and provide other supporting services in the region

Management Board comments

Co-CEO Dennis Dijkstra stated:

“2019 started relatively strong, as Flow Traders was able to outperform the slowdown of the market as a result of diversification of trading and growth in number of counterparties and venues. Fixed cost growth remained well within limits as Flow Traders continued to execute on its long term growth strategy in a disciplined way. Our fixed technology expenses continued to grow as planned, our fixed employee expenses reflected the increase in FTEs and some annual salary adjustments. Other expenses included the impact of IFRS 16 and an administrative fine of €100k imposed by the AFM, the Dutch regulator, related to late-reporting of certain trades in 2017. The cause was identified and reported by us to the AFM proactively and mitigating measures have been taken. In respect of other regulatory matters we understand that the negotiations about the implementation of IFR/IFD are close to finalisation. We are confident that the outcome will lead to a better reflection of the risk of our business model. Flow Traders is furthermore proud to announce the appointment of a Global Head of Risk, Maarten van den Muijsenberg. He has an extensive background in trading as former Head of Trading, having led the dealingroom of our New York office. Maarten will take up the function per 1 May 2019. The responsibilities for finance remain with the CEO until the Management Board and Supervisory Board decide otherwise.”

Chief Trading Officer Folkert Joling added:

“Flow Traders had a relative stronger trading quarter in 1Q19 than in 4Q18, despite the slower volumes overall. NTI showed a stronger performance versus 4Q18 in the Americas, in Europe our NTI was driven by more trading in liquid products. Flow Traders’ trading platform showed an increased relative performance on-screen in all regions, which, together with ongoing good momentum in OTC trading, resulted in a global market share in ETP trading of over 4%. Growth initiatives are developing well; Hong Kong trading presence continued to grow in 1Q19 and Flow Traders decided to optimize its trading capacities in APAC through merging our Asian dealing rooms in Hong Kong. The Singapore office will remain operational to grow OTC trading and for support services, but the on-screen trading in APAC will be done from Hong Kong. Transition will be completed in 2019. FX liquidity providing is now ready for the next step as the underlying infrastructure is maturing in terms of connectivity, pricing and tooling. Now the focus is on controlled growth of counterparties set up and scaling. In the course of 2019 we will start to cover Asian trading hours. In line with our mission to provide liquidity to our institutional counterparties in all financial instruments, we have now added OTC trading in certain crypto asset classes to our offering. Diversification will allow for further optimization of our NTI growth and increase trading income stability. We will further highlight this strategic ambition in the Capital Markets Day which will be held on 18 April 2019 in Amsterdam.”

Preliminary Financial Calendar

18 April 2019	Flow Traders Capital Markets Day
08 May 2019	AGM
10 May 2019	FY18 final dividend ex-dividend date
13 May 2019	FY18 final dividend record date
15 May 2019	FY18 final dividend payment date
28 June 2019	Silent period start ahead of 1H19 results
24 July 2019	1H19 results release

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