

For immediate release

## FLOW TRADERS REPORTS RECORD RESULTS IN THIRD QUARTER 2015

AMSTERDAM, the Netherlands – 13 November 2015. Flow Traders N.V. (“the Company” or “Flow Traders”) (Euronext: FLOW), a leading global technology-enabled liquidity provider specializing in exchange traded products (“ETPs”), today announced its results for the third quarter, ending 30 September 2015.

### Q3 2015 Key Highlights

- Net Trading Income increased 32% to €92.8 million (2Q15: €70.5 million) as a result of strong growth in the underlying market resulting in higher revenue capture and trading volumes, boosted by periods of higher volatility in some financial markets
- YTD NTI was €240.2 million compared to €99.5 million for the same period last year
- ETPs traded value increased 20% to €180 billion (2Q15: €150 billion), revenue capture increased by 0.4 basis point to 5.1 basis points
- Adjusted EBITDA<sup>1</sup> increased 32% to €48.4 million (2Q15: €36.7 million) with an adjusted EBITDA margin remaining stable at 52% (2Q15: 52%) resulting from relatively low and stable fixed operating expenses. YTD adjusted EBITDA was €125.4 million compared to €44.0 million last year
- Adjusted net profit increased 29% to €37.9 million (2Q14: €29.4 million) with an adjusted net margin of 40.8%; net profit increased to €36.9 million in 3Q15
- Adjusted earnings per share were €0.81 and earnings per share were €0.79
- Interim dividend paid out was €0.50 per share

**Dennis Dijkstra, co-CEO of Flow Traders commented:** “In the third quarter, the ETP market continued to see inflows<sup>2</sup> in all asset classes including, equities, commodities, currencies and fixed income. This favourable environment, coupled with the strong performance of our teams globally, is reflected in our record results. We have leveraged our diversified regions and asset classes to benefit from increases in trading volumes in line with the growth of the markets.”

**Sjoerd Rietberg co-CEO of Flow Traders commented:** “Global ETP trading volumes were 20% higher in 3Q15 than in 2Q15. This was predominantly a result of various financial market events in the US during the period and the continuing underlying trend of strong inflows to the ETP market. Our ETP value traded increased 20% compared to 2Q15, in line with market volumes. Our net trading income increased 32% compared to 2Q15 and 141% YTD15 compared to YTD14 as a result of improvements in our pricing and infrastructure, the strong growth in the underlying market, and was further boosted by certain periods of high volatility in the markets.”

### Quarterly Results

€ mln, unless otherwise stated	<b>3Q15</b>	<b>2Q15</b>	<b>Δ</b>	<b>YTD15</b>	<b>YTD14</b>	<b>Δ</b>
Net trading income	<b>92.8</b>	70.5	+32%	<b>240.2</b>	99.5	+141%
ETP value traded (€ bln)	<b>180.5</b>	150.2	+20%	<b>510.7</b>	341.4	+50%
Adjusted EBITDA	<b>48.4</b>	36.7	+32%	<b>125.4</b>	44.0	+185%
Adjusted EBITDA margin	<b>52%</b>	52%	-	<b>52%</b>	44%	+8%
Adjusted net profit	<b>37.9</b>	29.4	+29%	<b>98.5</b>	34.2	+188%
Adjusted EPS*	<b>€0.81</b>	€0.63		<b>2.12</b>	0.74	

\* Pro forma, calculated on the basis of post-IPO Flow Traders N.V. share capital of 46,534,500 shares.

During 3Q15, there were notable events that contributed to increases in value traded, such as the Chinese market events at the beginning of July and movements in commodity prices, currencies and equities on the 24<sup>th</sup> of August.

<sup>1</sup> 2015 Adjustments relates to extra ordinary expenses in relation with the IPO. YTD Adjustments relating to SARs expenses amounted €33.2 million (Q3 €0.2 million), IPO expenses €1.8 million (Q3 €1.0 million) and tax effect €0.0 million (Q3 €0.2 million).

<sup>2</sup> Source for AuM: Blackrock ETP Landscape.

The Company's ETP value traded increased 20% compared to 2Q15 in line with market volumes. Its net trading income increased 32% compared to 2Q15 to €92.8 million, reflecting an average increase in revenue capture of 0.4 basis points, to 5.1 basis points. Flow Traders' net trading income YTD15 increased with 141% to €240.2 million compared to YTD14, outperforming both the growth in Assets under Management and the growth in market ETP value traded.

Adjusted EBITDA margin remained stable at 52% given operating leverage from the efficient and predictable fixed cost base.

Fixed personnel expenses remained stable at a level of €5.0 million in 3Q15. As at September 30, 2015, Flow Traders employed 252 full-time equivalents (June 30, 2015: 239).

## Operating Segment Review

### Europe

€ mln, unless otherwise stated	<u>3Q15</u>	<u>2Q15</u>	<u>Δ</u>	<u>YTD15</u>	<u>YTD14</u>	<u>Δ</u>
Net trading income	<b>52.3</b>	45.6	+15%	<b>149.1</b>	68.2	+118%
ETP value traded (€ bln)	<b>113.2</b>	94.4	+20%	<b>309.0</b>	186.2	+66%

In Europe, ETP assets under management<sup>2</sup> decreased 3%, to €453 billion at September 30, 2015 from €467 billion at June 30, 2015. This decrease was mainly driven by adverse market conditions as there was an inflow recorded in Europe of €54 billion<sup>2</sup> YTD15. The Company's ETP value traded increased by approximately 20%, resulting in a net trading income increase of 15% to €52.3 million in 3Q15 and 118% YTD15 compared to previous year.

Flow Traders further increased the number of institutional counterparties the company trades with and experienced growth in the off-exchange ETP trading volumes, and maintained its market leading positions with stable market shares and top ranks on the major European exchanges.

### Americas

€ mln, unless otherwise stated	<u>3Q15</u>	<u>2Q15</u>	<u>Δ</u>	<u>YTD15</u>	<u>YTD14</u>	<u>Δ</u>
Net trading income	<b>17.4</b>	8.1	+115%	<b>38.4</b>	20.6	+87%
ETP value traded (€ bln)	<b>47.3</b>	41.8	+13%	<b>154.0</b>	131.7	+17%

In the Americas, ETP assets under management<sup>2</sup> decreased 6% to €1.8 trillion in 3Q15 from approximately €1.9 trillion in 2Q15. However, due to certain periods of high volatility, the market ETP value traded increased by 28% to €3.3 trillion from 2Q15 to 3Q15. Flow Traders' ETP value traded increased by 13.2%. However, due to further improvements in pricing and quality of execution the Company increased its average revenue capture to 3.7 basis points in 3Q15 from 1.9 basis points in 2Q15. As a result, the net trading income in the region YTD15 increased by 87% to €38.4 million compared to YTD14.

On the back of this quarter's results, the Company expects to add additional liquidity venues over the next six months in addition to the start of off-screen block trading.

**Asia**

€ mln, unless otherwise stated	<u>3Q15</u>	<u>2Q15</u>	<u>Δ</u>	<u>YTD15</u>	<u>YTD14</u>	<u>Δ</u>
Net trading income	<b>23.0</b>	16.8	+37%	<b>52.7</b>	10.7	+390%
ETP value traded (€ bln)	<b>20.0</b>	14.1	+42%	<b>47.8</b>	23.6	+103%

In Asia, ETP assets under management decreased 4% to approximately €199 billion in 3Q15 from approximately €208 billion in 2Q15. The market ETP value traded decreased by 17% to €422 billion from 2Q15 to 3Q15 mainly driven by developments in the Chinese markets. Despite this, the company was able to increase its ETP value traded<sup>2</sup> by 103% YTD15 to €48bn compared to €24bn YTD14. There was a slight decrease in the average revenue capture to 11.5 basis points in 3Q15 from 11.9 basis points in 2Q15. However due to certain periods of high volatility, the net trading income in the region increased by 37% to €23 million from €16.8 million. YTD15 this growth is 390% compared to the same period in 2014.

YTD15 consisted of three comparable and strong quarters; specifically, 3Q15 experienced some periods of high volatility resulting in increased trading volumes in combination with increasing revenue capture and a positive contribution to the net trading income.

**Financial Condition**

€ mln, unless otherwise stated	<u>As of Sept</u> <u>2015</u>	<u>As of Jun</u> <u>2015</u>	<u>As of Dec</u> <u>31, 2014</u>	<u>Δ</u>
Total trading capital	<b>294.3</b>	280.3	204.3	+44%
Regulatory capital	<b>221.4</b>	217.1	180.5	+23%
Required regulatory capital	<b>110.8</b>	123.5	84.3	+31%

Flow Traders' robust global capital base is significantly in excess of the requirements of both its prime brokers and the relevant regulators. Given the nature of the Company's liquidity provision activities and the models used by the respective prime brokers and regulators, the required capital can fluctuate significantly on a daily and intraday basis. We manage and monitor our capital requirements continuously, adhering to the basic principle of staying well in excess of requirements under varying market circumstances.

**Other**

The Company has entered into a so-called 'horizontaal toezicht' agreement (covenant) with the Dutch tax authorities as of 14 September 2015. Based on the principles of trust, transparency and corporate responsibility, the Dutch tax authorities grant companies that have met certain conditions to enter in such an agreement which in turn offers several benefits. In particular, the covenant will allow us to more transparently communicate our tax positions and better anticipate and streamline our corporate tax returns. This should result in less retroactive audits and questionnaires, i.e. a smooth and reliable taxation process.

During the fourth quarter Flow Traders expects to complete the sale of part of our infrastructure. No material financial impact is expected.

**Appendix**

Consolidated (in €m)	Adj. Q3	Adj. Q2	Q3	Q2	Adj. Q3	Adj. YTD	YTD	YTD	Adj. YTD-15
	2015	2015	2015	2015	vs adj. Q2	Sep 15	Sep 15	Sep 14	vs YTD-14
<b>Net trading income</b>	<b>92.8</b>	<b>70.5</b>	<b>92.8</b>	<b>70.5</b>	<b>32%</b>	<b>240.2</b>	<b>240.2</b>	<b>99.5</b>	<b>141%</b>
Personnel expenses (fixed)	(5.0)	(4.9)	(5.0)	(4.9)		(15.1)	(15.1)	(13.3)	
Personnel expenses (variable)	(29.7)	(19.7)	(29.9)	(52.3)		(72.2)	(105.4)	(22.0)	
IT costs licensing expenses	(7.2)	(6.4)	(7.2)	(6.4)		(19.5)	(19.5)	(15.4)	
Other expenses	(2.5)	(2.8)	(3.5)	(3.4)		(7.9)	(9.8)	(4.8)	
<b>Operational Expenses</b>	<b>(44.3)</b>	<b>(33.8)</b>	<b>(45.6)</b>	<b>(67.1)</b>	<b>31%</b>	<b>(114.8)</b>	<b>(149.8)</b>	<b>(55.5)</b>	<b>107%</b>
<b>EBITDA</b>	<b>48.4</b>	<b>36.7</b>	<b>47.2</b>	<b>3.5</b>	<b>32%</b>	<b>125.4</b>	<b>90.4</b>	<b>44.0</b>	<b>185%</b>
Depreciation / Amortisation	(1.8)	(1.8)	(1.8)	(1.8)		(5.0)	(5.0)	(3.8)	
<b>Profit before tax</b>	<b>46.6</b>	<b>34.8</b>	<b>45.4</b>	<b>1.6</b>	<b>34%</b>	<b>120.5</b>	<b>85.4</b>	<b>40.2</b>	<b>200%</b>
Tax	(8.7)	(5.5)	(8.5)	(1.7)		(21.9)	(17.9)	(6.0)	
<b>Net profit</b>	<b>37.9</b>	<b>29.4</b>	<b>36.9</b>	<b>(0.1)</b>	<b>29%</b>	<b>98.5</b>	<b>67.5</b>	<b>34.2</b>	<b>188%</b>
EPS (in €)	0.81	0.63	0.79	(0.00)		2.12	1.45	0.74	
EBITDA margin (in %)	52%	52%	51%	5%		52%	38%	44%	

**Condensed Balance Sheet**

In €m	Δ 30 Sept 15			
	30 Sep 15	30 Jun 15	31 Dec 14	vs. 30 Jun 15
<b>Assets</b>				
Trading capital	294	280	204	14
Property, Equipment and Intangible Assets	25	26	22	(1)
Other Assets	12	11	6	1
<b>Total Assets</b>	<b>331</b>	<b>317</b>	<b>232</b>	<b>14</b>
<b>Equity &amp; Liabilities</b>				
Other Liabilities	104	107	83	(3)
Tax Liabilities	14	8	7	5
<b>Total Liabilities</b>	<b>117</b>	<b>115</b>	<b>90</b>	<b>2</b>
<b>Equity</b>				
Member capital accounts	-	155	65	(155)
Share Capital	5	-	-	5
Share Premium	151	-	-	151
Legal reserves	14	16	10	(2)
Other reserves	(23)	-	-	(23)
Profit for the year	68	31	68	37
<b>Total Equity</b>	<b>214</b>	<b>202</b>	<b>143</b>	<b>12</b>

**ENDS**

**Analyst Conference Call and Webcast**

Dennis Dijkstra (co-CEO) and Sjoerd Rietberg (co-CEO) of Flow Traders will host an analyst conference call today at 10.00 am CET to discuss the results for the third quarter 2015 ended 30 September. To access the audio webcast, please visit [www.flowtraders.com](http://www.flowtraders.com). A replay of the webcast will remain available on the corporate website for at least 90 days.

**Important Dates**

Full year 2015 results	24 February 2016
Annual report	18 March 2016
Results over the first quarter 2016	4 May 2016
Annual General Meeting	19 May 2016

**NOTES TO EDITORS**

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**About Flow Traders**

Flow Traders is a leading global technology-enabled liquidity provider that specializes in ETPs. We provide liquidity in ETP markets 24 hours a day while seeking to stay market neutral at all times and without having directional opinions. While we do not have any clients, we enable investors to buy and sell ETPs efficiently by quoting bid and ask prices. We seek to earn small amounts of money on large numbers of individual transactions based on the differences between our ETP prices and the prices of the underlying or related instruments. Investors benefit from our activities due to increased liquidity, higher execution quality and lower overall trading costs. As such, we contribute to more efficient and transparent securities markets. We provide liquidity in over 4,000 ETP listings across the globe, tracking all underlying asset classes, including equities, fixed income, commodities and currencies with access to over 90 trading venues in more than 30 countries. Flow Traders is headquartered in Amsterdam, the Netherlands, with trading offices in Asia and the US, covering all time zones. Flow Traders' shares are listed on Euronext Amsterdam (symbol: FLOW). For more information, please visit [www.flowtraders.com](http://www.flowtraders.com).

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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.

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