

FLOW TRADERS Q221 RESULTS

Amsterdam, the Netherlands – Flow Traders N.V. (Euronext: FLOW) announces its unaudited Q221 results and 2021 Half Year report.

Highlights

- Market ETP Value Traded decreased 14% quarter-on-quarter and decreased 14% H121 vs H120
- Flow Traders ETP Value Traded decreased 15% quarter-on-quarter and decreased 6% H121 vs H120
- Flow Traders recorded NTI of €94.4m in Q221 reflecting a more normalised market environment. This compares to NTI of €142.2m in Q121 and €229.9m in Q220. H121 NTI was €236.6m vs €724.8m in H120
- Total operating expenses of €54.1m incurred in Q221 which includes €0.6m of one-off COVID-19 and business continuity plan-related expenses
- 577 FTEs as at 30 June 2021 compared to 566 FTEs as at 31 March 2021
- Q221 EBITDA reached €40.3m with a margin of 43% contributing to H121 EBITDA of €119.6m with a margin of 51%
- Q221 Net Profit amounted to €28.7m with basic EPS of €0.66. H121 Net Profit amounted to €90.2m with basic EPS of €2.05
- IFR/IFD came into force on 26 June 2021 with the initial impact being broadly neutral. Regulatory Own Funds Requirement (OFR) as at 30 June 2021 was €271m with excess capital of €178m. Trading capital stood at €619m at the end of the second quarter
- Completed €20m share buyback announced in April 2021. Announce additional repurchase of shares of up to €20m commencing on 23 July 2021 over a period of 12 months in connection with employee incentive plans
- Interim FY21 dividend set at €1 per share and the ex-dividend date is 17 August 2021

Financial Overview

€million	Q221	Q121	H121	H120
Net trading income	94.4	142.2	236.6	724.8
EMEA (Europe)	61.9	81.4	143.3	414.2
Americas	17.5	38.8	56.3	245.7
APAC	15.0	22.1	37.0	64.9
Net trading income	94.4	142.2	236.6	724.8
Employee expenses*	37.3	47.0	84.2	228.7
Technology expenses	12.3	11.9	24.1	22.9
Other expenses	3.9	3.4	7.4	7.4
One-off expenses	0.6	0.7	1.3	1.5
Total operating expenses	54.1	63.0	117.1	260.5
EBITDA	40.3	79.3	119.6	464.3
Depreciation / amortisation	3.8	3.7	7.5	7.2
Write off of (in) tangible assets	-	-	-	-
Results of equity-accounted investments	-	-	(0.1)	(0.1)
Profit before tax	36.5	75.5	112.1	457.2
Tax	7.9	14.0	21.8	81.9
Net profit	28.7	61.6	90.2	375.3
Basic EPS** (€)	0.66	1.39	2.05	8.25
Fully diluted EPS*** (€)	0.64	1.35	1.99	8.25
EBITDA margin	43%	56%	51%	64%

* Fixed employee expenses were: Q221 – €13.1m; Q121 – €13.0m; H121 – €26.1m; H120 – €22.9m

** Weighted average shares outstanding: Q221 – 43,715,537; Q121 – 44,348,083; H121 – 44,030,063; H120 – 45,492,824. 43,674,035 shares outstanding at 30/06/21

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

Value Traded Overview

€billion	Q221	Q121	Change	H121	H120	Change
Flow Traders ETP Value Traded	353.5	414.4	(15%)	767.9	820.2	(6%)
EMEA (Europe)	167.0	199.4	(16%)	366.3	421.7	(13%)
Americas	166.6	189.6	(12%)	356.2	360.6	(1%)
APAC ex China	19.9	25.5	(22%)	45.4	37.8	20%
Flow Traders' non-ETP Value Traded	952	915	4%	1,868	2,204	(15%)
Market ETP Value Traded¹	8,002	9,313	(14%)	17,316	20,143	(14%)
EMEA (Europe)	471	590	(20%)	1,061	1,159	(8%)
Americas	6,753	7,780	(13%)	14,533	17,314	(16%)
APAC	778	944	(18%)	1,722	1,669	3%
APAC ex China	288	415	(30%)	703	963	(27%)

1. Source - Flow Traders analysis

Regional Highlights

EMEA:

- Maintained position as the leading liquidity provider in ETPs, both on- and off-exchange – #1 position off-exchange in Fixed Income, Equity, Fixed Income and Commodity ETFs
- Robust trading performance in EMEA with contributions from cryptocurrency market making activities
- Successfully completed connectivity migration for FX to further increase counterparty reach
- Following the opening of the London and Milan branch offices, a new office in Paris was opened in May, providing a physical presence in one of EMEA's key markets and further increasing proximity to institutional counterparties
- Partnered with TP ICAP to be one of the initial liquidity providers on the launch of their innovative wholesale trading platform for cryptocurrency

AMERICAS:

- Continued to expand Lead Market Maker activity with issuers – worked closely with iShares around the launch of two sustainable ETFs; BlackRock U.S. Carbon Transition Readiness ETF (LCTU) and BlackRock World ex U.S. Carbon Transition Readiness ETF (LCTD)
- Sustained OTC momentum in Q2 as Flow Traders' Single Dealer Platform (SDP) went live and more flow was traded with additional, newly connected counterparties
- Commenced coverage of Grayscale products in the US and crypto ETPs in Canada as Flow Traders seeks to be the liquidity provider of choice

APAC:

- Active in equity exposure trading for OTC counterparties in APAC across all major US ETFs 24/5
- Market maker in the newly launched cash-settled Mini USD/CNH (US dollar/Offshore Renminbi) Futures on HKEX
- Finalised preparations for the Qualified Foreign Institutional Investor (QFII) registration in China with the filing submitted in early Q3

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 23 July 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:

"We once again retained a strong focus on implementing our strategic growth agenda during the second quarter which saw further confirmation of our structural growth. ETP assets under management continue to grow apace and surpassed the \$7 trillion mark for the first time alongside record ESG and crypto inflows. Accordingly, we continued to enlarge our global ETP footprint by expanding our counterparty base to nearly 2,000 institutions globally as well as aligning with growth areas such as crypto ETPs, ESG switching, accessing the Chinese market and working with an ever-increasing number of issuers in the US as a Lead Market Maker.

"From an operational standpoint, we maintained our strong cost control as well as a conservative capital position, which has meant we are able to pay an interim dividend of €1 per share to shareholders. The new IFR/IFD prudential regime finally came into force on 26 June 2021. The initial impact has been broadly neutral as lower capital requirements have been partially offset by growth business activities which are more capital intensive. We remain in ongoing discussions with the DNB as to the precise implementation of these new requirements. Lastly, we are cautiously monitoring the evolution of the pandemic and our business continuity plan remains active with the health and well-being of colleagues being of the utmost importance."

Chief Trading Officer Folkert Joling added:

"The second quarter saw more normalised market conditions with lower levels of activity compared to Q1. Nonetheless, we delivered a resilient trading performance in Q2. We remain more convinced than ever of the significant trading opportunities ahead for the business. With this in mind, we were extremely active in enhancing our coverage of fixed income, commodity, crypto and FX markets. This was evidenced by collaborating with TP ICAP on the launch of their cryptocurrency trading platform as well as connecting to Bloomberg's FX platform. We expect even greater contributions going forward from our growth business areas."

Preliminary Financial Calendar

17 August 2021	2021 interim dividend ex-dividend date
18 August 2021	2021 interim dividend record date
20 August 2021	2021 interim dividend payment date
30 September 2021	Silent period starts ahead of Q321 trading update
28 October 2021	Q321 trading update (no analyst conference call)

Analyst Conference Call and Webcast

The Q221 results analyst conference call will be held at 10:00 am CEST on Friday 23 July 2021. The presentation will also be accessible via www.flowtraders.com/investors/results-centre, 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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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. Please visit www.flowtraders.com for more information.

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