



## 4Q17 / FY17 results Flow Traders N.V.

Analyst Presentation

09 February 2018

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**Serge Enneman – Manager IR Flow Traders:** Good morning all. On behalf of Flow Traders I would like to thank you all for joining us today. This morning we have released our fourth quarter 2017 results.

Our co-CEOs Dennis Dijkstra and Sjoerd Rietberg and our CFO Marcel Jongmans will present prepared remarks, after which the management board will be available to answer your questions.

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Before we begin, let me draw your attention to the disclaimer on page 2. Please be advised that if you continue to listen to this presentation, you are bound to this disclaimer.

Also, please note that the results we will discuss in this presentation are unaudited results.

With these formalities out of the way, I would now like to hand over the call to Dennis for his opening remarks.

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## NTI up 24% in 4Q17 driven by strong performance in EMEA and APAC

Next to strong performance in 4Q17, Flow Traders reports strong start of 2018

### ETP market dynamics

- Underlying ETP market continued to grow with assets under management up 18% Y-o-Y in EURO terms to €3,962bn (+7% Q-o-Q)\*\*
- Strongest absolute growth rate in AUM witnessed in the Americas, strongest relative growth rate in APAC in 2017
- Volatility in 4Q17 declined further quarter-on-quarter, making 2017 one of the slowest years on record\*\*
- Market ETP Value Traded 4Q17 grew 11% Q-o-Q
- MIFID II effective as of 31 January 2018. First signs point to a positive impact on the ETP market as value traded grows and addressable market increases

Market ETP Value Traded 4Q17  
**€ 4,625bn (+11% Q-o-Q)**

Global ETP AUM end 2017  
**€ 3,962bn (+7% Q-o-Q)**

\*\* Source: Bloomberg  
 \*\* Data: Reuters F P Estimates

### Flow Traders

- Flow Traders' 4Q17 ETP Value Traded rose to € 164bn (+1% Q-o-Q), which led to an increase of our ETP Value Traded by 7% Y-o-Y in 2017 while the market ETP Value Traded declined 1% Y-o-Y
- 4Q17 NTI rose to €393m (+24% Q-o-Q)
- 4Q17 EBITD A margin was 34%, leading to an EPS of € 0.17 (+43% Q-o-Q)
- 2017 fixed cost growth came in at the lower end of the targeted 15-20% range (+16%)
- Final PVT dividend proposed is € 0.55, pending AGM approval. Total dividend over 2017 is € 0.65, representing a 76% payout ratio
- Flow Traders incurred a small loss day in 4Q17
- Flow Traders expects to comply with the CRR capital requirements under the standardized method by 31 March 2018
- MIFID II implementation according to plan at Flow Traders with some positive on the ETP sector
- Key growth initiatives (Hong Kong office, diversification in to currencies trading, US OTQ) are on schedule and confirm our longer term growth strategy
- Flow Traders employee incentive plan has become effective and 2017 as announced in 3Q17
- Year-to-date NTI is already more than considerably above our previous record quarter in 2015 of € 92.8m, driven by a strong start of the year in combination with exceptional market circumstances during the last couple of weeks

Flow Traders' ETP Value Traded 4Q17:  
**€ 164.0bn (+1% Q-o-Q)**

Flow Traders' NTI 4Q17:  
**€ 393m (+24% Q-o-Q)**

Total dividend 2017 proposed:  
**€ 0.65**

EPS 4Q17:  
**€ 0.17**

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**Dennis Dijkstra – CEO Flow Traders:** Thank you Serge. Good morning all and thank you for joining this call where we provide more colour to the fourth quarter 2017 results, which we released this morning.

2017 was another record-breaking year in the ETF industry. The ongoing shift from active to passive management resulted in further growth of ETP Assets under Management and an increase in number of ETPs listed. The growth of assets under management was witnessed across all regions, with strongest absolute growth in the Americas and strongest relative growth in APAC.

Looking at the fourth quarter, market activity picked up somewhat towards the end of the quarter, impacting spreads in different regions. VIX levels remained very low during the quarter.

Flow Traders continued to execute on its strategy this quarter, realising EUR 164 billion in ETP value traded, resulting in an NTI of EUR 39.3 million, which is a 24% increase versus the third quarter of 2017.

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Looking at the different regions, our volumes traded grew faster than the market in EMEA and lagged in the Americas and APAC following the product mix traded.

As we highlighted before, tight cost control is essential in these market circumstances. Our fixed cost growth of 6% in the fourth quarter resulted in a cost growth of 16% for 2017. That is at the bottom half of the 15-20% range, as we guided during the presentation of the third quarter results.

Unfortunately Flow Traders also incurred a small loss day in the fourth quarter.

This all lead to an EBITDA margin of 34% in the fourth quarter and a net profit of EUR 7.9 million or EUR 0.17 per share.

On the back of the healthy and unleveraged balance sheet and the strong free cash flow generation, we therefore propose a final dividend of EUR 0.35, which means that our total dividend over 2017 is EUR 0.65 per share, and therefore a 76% dividend pay-out ratio.

When looking at the first observations of the impact by MiFID2 in 2018, we notice a significant pickup in volumes traded on RfQ platforms that are registered as Multilateral Trading Facilities (MTFs). Otherwise, no real changes have been noted so far in traded ETP flows in the market in Europe. The implementation of MiFID II at Flow Traders went according to plan.

Regarding CRR, as we mentioned in the press release earlier this week, Flow Traders expects to comply with the CRR capital requirements under the standardised method by 31 March 2018. We will be able to provide more detail on the impact of those requirements after the first reporting deadline.

Furthermore, our employee incentive plan has become effective and the plan is set up without a dilutive impact for our shareholders. Employees of Flow Traders have been offered the opportunity to buy shares in the current open period, for which Flow Traders will incentivise its employees partially, vesting over 5 years.

The incentive plan supports our corporate philosophy and aligns Flow Traders with future regulations.

Last but not least, Flow Traders reports that its year-to-date NTI for 2018 is already more than considerably above our previous quarter in the third quarter of 2015 of EUR 92.8 million. This is driven by a strong start of the year in combination with exceptional market circumstances during the last couple of weeks.

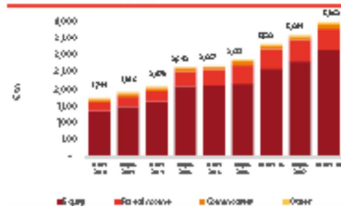
Now let's turn briefly to slide 4 and take a closer look at the ETP market developments in the fourth quarter.



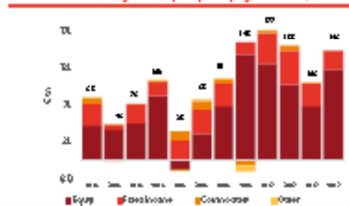
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## Secular ETP market trends intact and volumes slightly up in 4Q17

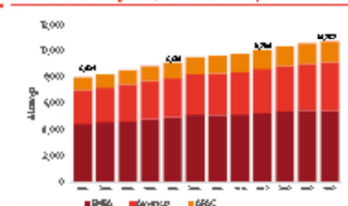
Global ETP Assets Under Management (AuM) grew 15% in 2017 in EUR0 terms (a2016: € 4tn)



Net flows trends show year end pick up in Equity ETPs in 4Q17



Number of ETP listings in 4Q17 consistent with upward secular trend



Market ETP Volumes Traded recovered in 4Q17 by 11% Q-o-Q despite 4th year end trading but remained below 2017 levels



Marginal recovery in market volatility in 4Q17



Volatility remained a challenge in 4Q17



1 Source: Euromoney, PwC, Volatility Forecasting  
 2 Source: Thomson Reuters, PwC, Total Global Equities Assets Under Management

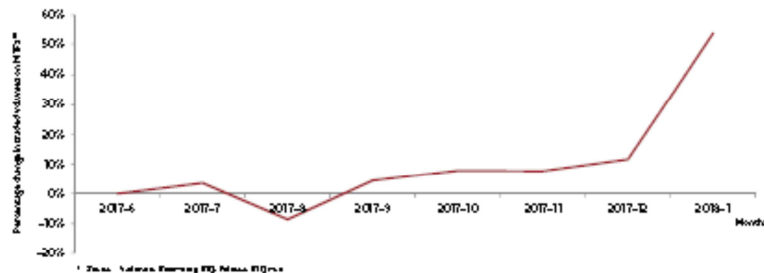
As is shown at the top side of this slide, underlying growth drivers like ETP Assets under Management and total number of listings remained intact in the fourth quarter of 2017, predominantly driven by net inflows in Fixed Income – and Equity ETPs. 2017 has become one of the strongest years for ETP Asset growth ever.

Market ETP volumes traded recovered in 4Q17 by 11% versus the previous quarter. That helped velocity rebound marginally, despite market activity levels remaining close to all-time lows. Trading activity picked up towards the end of the quarter.

Now we will briefly highlight the first observations of the impact of MiFID II.

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## Preliminary Impact MiFID II: Increase in volumes noticed on MTFs, comprehensive data remains pending



### Highlights

- MiFID II implementation went well and as planned at Flow Traders
- Since MiFID II more ETFs are traded on MTFs including RfQ platforms, according to data available so far
- ETF volumes traded on-exchange in Europe seem unchanged so far, but given that transition already started in 2017 it may be hard to compare
- SIs regime impact undetermined at this stage due to lack of data, although ETP flows to other venues suggest a limited role so far
- ESMA consultation regarding the SIs regime, including tick sizes, closed late January 2018 – subject to amendments
- A new SIs regime should further contribute to transparent markets and a level playing field for market participants

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MiFID II went live on 3 January 2018. Flow Traders was well prepared, and the implementation went according to plan. Looking at what MiFID II wants to achieve, we expect MiFID II to:

- 1: create more of a level playing field,
- 2: increase transparency and
- 3: increase the focus on best execution, following the unbundling of execution and research.

In the ETP ecosystem, a significant part of the volumes was traded off-exchange. With the implementation of MiFID 2, more of that volume is expected to move to regulated markets or MTFs like Tradeweb and Bloomberg RfQ. As the buy side is faced with reporting obligations and must evidence best execution, regulated markets and MTFs are expected to benefit from this the most. On top of that, unbundling of research and execution drives trading without commission, thereby increasing the focus on best price, which is expected to be beneficial for independent liquidity providers like Flow Traders.

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A first look on the available data on the impact of MiFID II points at an increase in activity since MiFID II became effective on MTFs. The graph presented here shows the percentage changes in traded volumes on MTFs since June 2017.

There is no conclusive data available on changes in traded ETP volumes on exchanges or with SIs so far.

When looking at the role of SIs – systemic internalisers – the ESMA held a new consultation round regarding the SI regime, including tick sizes, which closed at the end of January 2018 and is subject to amendments. We are confident that the EU and ESMA will take the right actions to encourage transparency in the financial markets and a level playing field in the spirit of MiFID II and repair the level playing field for all market participants. We will continue to track this development and support any necessary changes to make sure MiFID II accomplishes its principles.

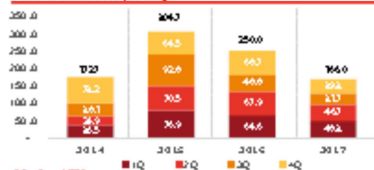
Now we turn to the KPI overview on slide 6.

## Sound rebound in NTI in 4Q17 driven by EMEA and APAC

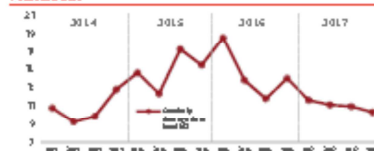
### APAC Flow Traders

In European currencies	4Q17	3Q17	Δ	FY17	FY16	Δ
Flow Traders ETP Value Traded	164.0	162.0	1%	605.8	640.1	-7%
Europe	103.5	96.1	8%	419.0	417.6	0.7%
America	54.6	60.0	(10%)	244.6	190.2	29%
APAC	5.9	5.9	7%	22.0	20.0	(9%)
Flow Traders NTI (€m)	39.0	31.7	23%	166.0	250.0	(34%)
Europe	27.6	21.4	29%	114.7	157.5	(27%)
America	5.9	6.9	(16%)	24.1	67.5	(58%)
APAC	5.5	3.4	74%	17.2	25.0	(31%)
Flow Traders RevCap (bps)	2.4	2.0	0.4	2.4	3.9	(0.5)
Europe	2.7	2.2	0.4	2.7	3.9	(1.0)
America	1.1	1.1	-	1.4	3.5	(0.2)
APAC	3.9	5.9	4.1	7.5	7.7	(0.2)
Market ETP Value Traded	4,625	4,154	11%	18,519	21,297	(13%)
Europe	199	194	7%	851	970	(11%)
America	3,407	3,527	8%	15,727	19,236	(14%)
APAC	67.0	43.0	42%	1,941	2,016	(4%)
APAC excl. China	22.6	17.0	32%	7.66	9.15	(16%)

### Flow Traders NTI (in €m)



### Market ETP



### Highlights

- Strong rebound in NTI in 4Q17, driven by good trading results in EMEA and APAC. Annual NTI development shows a clear link with market trading activity through time.
- Flow Traders' ETP Value Traded grew slightly slower than the market in 4Q17 due to temporary slowdowns in the US and Asian offices
- In Europe, market outperformance and increase in NTI was driven by active diversification of product mix traded in the quarter
- In the Americas, Flow Trader's improved trading quality, leading to temporarily lower volumes. OTC trading continued to grow, representing a greater share of our volumes traded in the US
- In APAC, infrastructural- and efficiency improvements resulted in a robust increase of revenue capture as a result of the changes and investments made in the region in 2017

Flow Traders' ETP Value Traded and Market ETP Value Traded are in million Euros.

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As is shown here, Flow Traders' NTI rose 24% in the fourth quarter of 2017 where our ETP Value Traded was marginally higher overall compared to the previous quarter. Our NTI rose substantially, following a strong performance in EMEA and Asia quarter-on-quarter, as a result of efficiency improvements and product diversification. The impact of sharpening the focus of trading in the US, impacted our performance temporarily there in the fourth quarter. Looking at the graphs on the right-hand side, the relationship between the VIX and subsequent investor activity and our NTI is shown.



Operationally Flow Traders continued to grow and improve. Looking into the different regions, we can highlight that:

- In EMEA, Flow Traders continued to grow its overall presence, despite the still rather slow market circumstances. Market share remained well above 20% on- and off exchange, confirming the strength of our business model and our long-standing leading position in this region. Regarding our growth initiatives, the setup of our FX business has been executed more or less according to plan so far, with the Market Factory cooperation signed and the optimisation of internal FX flows being

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operational. We expect to be able to provide liquidity to external parties in FX in the course of the current quarter

- In the Americas, the general market conditions remained slow despite the increase in volumes traded. Flow Traders re-assessed the profitability of trading in the fourth quarter, as Flow Traders grew strongly in traded volumes in the US in 2017 and added a lot of new products to its trading platform. Flow Traders' market share slipped to just below 2% on-exchange in the fourth quarter because of this, in combination with the slow markets for most of the quarter. This is only a temporary slowdown as we see a good pickup in the market already this quarter.
- In APAC, the volumes we traded remained rather stable quarter on quarter. Market volumes, also excluding China, however grew substantially. The reason for this lies in the product mix traded in the market. Despite this difference, we grew our NTI by 74% following the impact of our technological improvements, which were part of all the changes and investments we have made in the region in 2017. Furthermore, we were granted the relevant license for our Hong Kong entity at the beginning of 2018, which allows Flow Traders Hong Kong to become a member of the Hong Kong Exchanges. This means that Flow Traders Hong Kong is a regulated entity now and that it will become a regulated liquidity provider on the Hong Kong Stock Exchanges soon.

Let's briefly look closer at the regional performances. For this I will hand over to our co-CEO Sjoerd Rietberg

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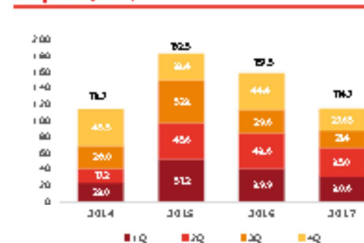
## Wider margins and growing market share in EMEA in 4Q17

### EMEA (Europe)

in € million unless otherwise stated	4Q17	3Q17	Δ	Y17	Y16	Δ
ETP Profit (end of period (**))	660	627	5%	660	541	27%
EMEA ETP Value Traded (**)	198	194	2%	651	373	(1.7%)
Flow Traders ETP Value Traded	100.5	96.1	4%	416.3	417.6	0.7%
Flow Traders NTI (€m)	27.6	21.4	29%	114.7	157.5	(7.7%)
Flow Traders Revenue (€ million)	2.7	2.2	24%	2.7	2.9	(1.4%)
FTEs	279	270	3%	279	240	16%

(\*) Includes Flow Traders Group's contribution to EMEA ETP Profit  
 (\*\*) Flow Traders Value Traded and Revenue Value Traded in EMEA

### Europe NTI (€m)



### Highlights

- Strong NTI performance in Europe in 4Q17, driven by further market share gains, a rebound in trading margins and diversification in trading into currencies
- Velocity in EMEA remained slow in 4Q17
- Improved efficiencies and active product-mix diversification
- FX roll out progressing as planned. We expect to be able to provide FX liquidity to external counterparties in the course of 1Q18
- Market share in EMEA grew further above 20% on- and off-exchange in 4Q17
- FTEs in Europe grew by 2% Q-o-Q, meaning that F17/FTEs grew 16% in our European office

### Velocity EMEA



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**Sjoerd Rietberg – CEO Flow Traders:** Thank you Dennis. First let's take a look at the developments in the EMEA region. As is shown on this slide, Market ETP Value Traded picked up marginally in the fourth quarter, and Flow Traders was able to benefit from that. Flow Traders increased the volumes traded in Europe and realised a higher NTI quarter-on-quarter. This was the result of a good trading performance in different asset classes, helped by efficiency improvements and diversification of trading into currencies. Our FX growth initiative went live internally, optimising our own FX flows. MiFID II implementation went as planned and so far, markets seem to be developing as we expected. In 2018, we will continue to focus on maintaining our leading market position in the region and continue to diversify our trading. We expect to roll out the FX liquidity providing to external counterparties in the course of the current quarter.

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Now we turn to the Americas.



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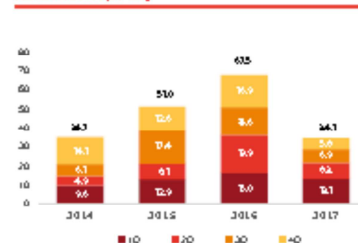
## Substantial market outperformance in the US in FY17; OTC trading growing as planned

### KPIs Americas

	4Q17	3Q17	Δ	FY17	FY16	Δ
in \$bn (unless otherwise stated)						
ETP (full range of periods <sup>1</sup> )	2,949	2,764	7%	2,949	2,498	18%
Americas ETP Value Traded <sup>2</sup>	5,607	5,527	8%	15,727	16,298	(1-4%)
Flow-Traders ETP Value Traded	54.5	60.3	(10%)	244.6	198.7	23%
Flow-Traders HTI (€bn)	5.9	6.9	(16%)	24.1	27.5	(50%)
Flow-Traders Revenue (€ millions)	1.1	1.1	-	1.4	3.5	(72%)
FTEs	60	60	-	60	52	15%

<sup>1</sup> Excludes Flow-Traders' Business Development Finance (BDF)  
<sup>2</sup> Includes Value Traded in cleared and non-cleared venues

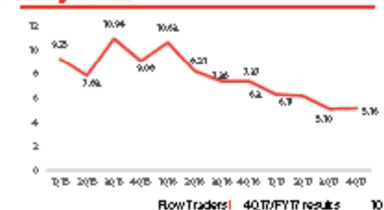
### Americas NTI (€bn)



### Highlights

- Volatility stayed around lowest levels in over 10 quarters, signalling continuing slow markets
- Temporary slow down in Flow Traders ETP value traded in the Americas, triggered by an increased focus on trading quality
- OTC trading continued to grow representing almost 20% of our total volumes traded in 4Q17
- Market share in the Americas dipped to 18% on exchanges, reflecting market conditions and our focus
- FTEs in the US remained flat QoQ, meaning that in FY17 FTEs grew 15% in the US office

### Velocity Americas



In the Americas, Flow Traders had a mixed year in 2017. On the one hand we grew our market share in markets with declining volumes. On the other hand, we had to accept a decline in NTI, also caused by those same market circumstances. The roll-out of OTC liquidity providing went as expected, as we traded already close to 20% of our total value traded in the Americas in OTC at the end of the fourth quarter. Given the strong volume growth we encountered in the US overall in 2017, we further optimised our trading strategies. Flow Traders is in the process of building up its presence in the US and is now in a better position to capture future flow. We also moved to a new office at Bryant Park, which will enable us to facilitate this growth. FTEs in our US office remained stable in the fourth quarter, but grew overall in 2017 by 15%, following all initiatives we deployed. From our market reports it became clear that market conditions remained slow for most of the fourth quarter, as is also shown by the velocity development. The traded flows were a bit more concentrated, which also explains for our slightly lower market share in the fourth quarter. Nevertheless, our FY17 volumes traded substantially outperformed the market trends. Looking ahead, for 2018, we remain optimistic about the potential the US market has, and we focus on growing our position in the US market organically on all platforms and in all asset classes.



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Now let's look at the APAC region on slide 12.

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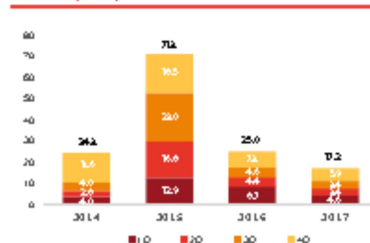
## Strong performance and growth in NTI in 4Q17 in APAC

### KPIs APAC (Asia)

	4Q17	3Q17	Δ	FY17	FY16	Δ
in \$m unless otherwise noted						
ETP Profit (end of period)**	354	327	8%	26.4	26.0	2%
APAC ETP Value Traded***	620	420	43%	1,841	2,016	(-9%)
APAC ETP Value Traded w/ CHINA***	226	170	33%	766	915	(-17%)
Flow Traders ETP Value Traded	6	6	0%	23	22	(-5%)
Flow Traders HTI (€m)	5.9	3.4	74%	17.2	25.0	(-31%)
Flow Traders Revenue Capture (bps)	9.8	5.8	+1	7.5	7.7	(-2%)
FTEs	55	55	-	55	49	+14%

\* Data in Asia Excludes ETP Profit from Taiwan, Japan, Korea  
 \*\* in \$m unless otherwise noted or \$m unless otherwise stated

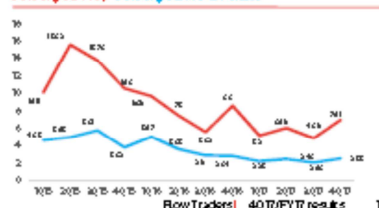
### APAC NTI (in %)



### Highlights

- Significant rebound in 4Q17 NTI, driven by strong growth in revenue capture
- Flow Traders' ETP Value traded in APAC slightly underperformed the market ex. China in 4Q17, but was in line with market trends in FY17
- Velocity in the region remained subdued, due to a lingering impact from the Chinese market
- Revenue Capture 4Q17 came in at 9.9bps (+4.1bps versus 3Q17) following efficiency improvements
- Flow Traders' market share on exchange in APAC slipped below 3% in 4Q17
- Hong Kong office now open, as the license needed to become a member was granted in 1Q18, enabling Flow Traders to act soon as an official market maker in ETFs and futures on the Hong Kong Stock Exchange
- FTEs in Asian offices remained flat QoQ, and grew 14% in FY17

### Velocity APAC / Velocity APAC ex China



In APAC, Flow Traders had to deal with challenging market circumstances in 2017. The slowdown in market activity led to a decline in volumes traded overall. Flow Traders' traded volumes were affected as well and declined in line with the market. The slowdown in volumes and the impact it had on margins, led to a lower NTI in 2017. However, despite the slowdown in the market, we continued to invest and to improve our setup in APAC.

When looking at the fourth quarter, the impact of the product mix traded was higher on our volumes than on the market volumes. Despite that, as organizational and technological improvements started to materialise, we realised a 74% jump in NTI as we managed to improve our revenue capture significantly.

Regarding our office in Hong Kong, we have reported in January 2018 that we were granted the relevant license, which is needed to become a member of the Hong Kong Exchanges. The Hong Kong Stock Exchange is one of the largest market places to trade ETFs in Asia and may grow further when the ETF-link with mainland China becomes reality. Flow Traders appointed three new Managing Directors for the Asian region, so from now on we will have two offices in Asia, one in Hong Kong and one in Singapore, led by a regional management

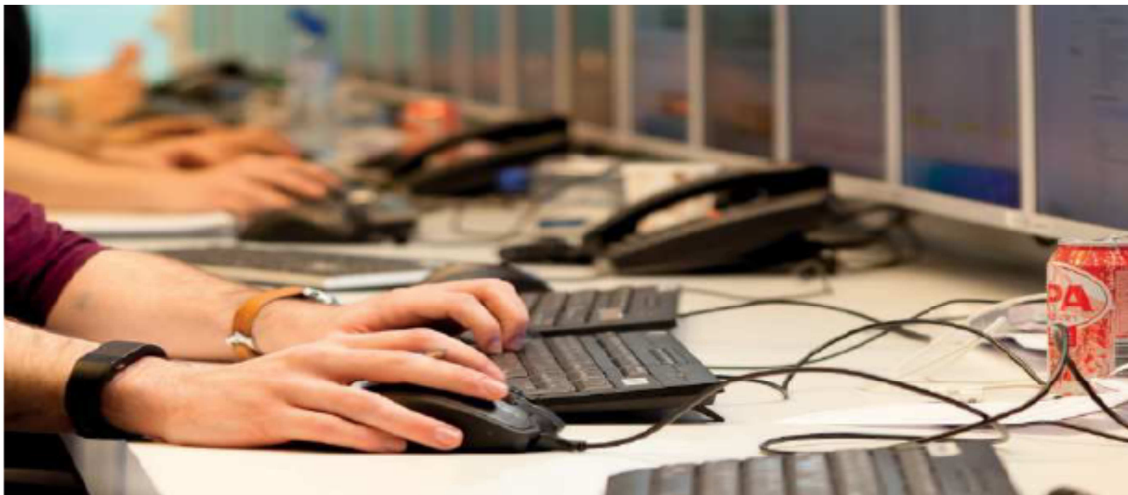
# FLOW ■ TRADERS

team. Given that the two offices will operate closely together, we will report our Asian performance consolidated going forward, so not per office.

FTEs in our Asian offices remained stable in the fourth quarter. Overall our FTEs grew 14% in Asia in 2017.

This completes the regional update. We will now highlight our financial performance in the fourth quarter.

## Financial Review



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For this I will hand over to our CFO Marcel Jongmans.

# FLOW TRADERS

## FY17 fixed cost guidance at lower end of 15–20% range, reiterating FY18 guidance

Condensed (in €m)	4Q17 vs.			FY17 vs.		
	4Q17	3Q17	3Q17	FY17	FY16	FY16
Net trading income	39.3	31.7	24%	166.0	260.0	(34%)
Employee expenses (fixed)	3.3	3.1	3%	52.2	23.9	24%
Technology expenses	9.5	9.2	1%	57.5	54.3	3%
Other expenses	5.9	5.6	11%	13.2	12.2	23%
Fixed operational expenses	22.0	20.9	3%	89.7	72.8	18%
Employee expenses (variable)	4.0	5.5	23%	23.2	33.4	(31%)
Total operational expenses	26.1	26.1	0%	109.9	109.3	(10%)
EBITDA	13.2	7.6	74%	56.0	118.7	(53%)
Depreciation / Amortisation	2.0	1.3	72%	7.2	6.5	11%
Write-offs / Impairment losses	0.3	0.0	0%	0.3	2.3	(87%)
Non-recurring items	(0.1)	0.0	0%	(0.1)	0.2	(100%)
Profit before tax	10.8	5.3	33%	48.4	109.4	(56%)
Tax	(2.9)	(0.5)	83%	(8.3)	(17.3)	(51%)
Net Profit	7.9	5.8	43%	39.6	91.9	(57%)
EPS (€)	0.17	0.12	0.33	1.38	1.38	0%
EBITDA margin (€ = 1€)	54%	24%	54%	41%	41%	0%

### Highlights

- FY17 fixed cost growth at the lower end of the range (-16%), reflecting Flow Traders' strong cost discipline. FY18 fixed cost growth guidance reiterated (maximum 15% annually)
- Variable employee expenses built up to a pool of 34.3% of the operational profit in 2017, as Flow Traders started the share purchase incentive plan for its employees, announced in 3Q17
- With a 5-year vesting period, Flow Traders will partially reimburse employees for Flow Traders shares they personally buy during this open period, if they remain employed and retain the shares
- The individual incentives are capped and paid out of the 2017 bonus pool. Based on IFRS cost, for the incentives need to vest over the coming years
- US tax reform led to a one-off €1m additional tax charge for Flow Traders in 4Q17, leading to an effective tax rate (ETR) of 37.8% in 4Q, but overall still an ETR of 18.5% in FY17
- EPS expected to benefit from the lower tax rate in the US, as Flow Traders forecasts its ETR at approximately 18% going forward, from 20% previously

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**Marcel Jongmans – CFO Flow Traders:** Thank you Sjoerd. As always, we present here our simplified P&L. Given the fact that we have a low cost base, more revenues immediately lead to a substantial higher EBITDA. When looking at the cost development in 2017, fixed employee expenses grew 9%, as our FTEs grew to 394 in the fourth quarter, from 388 in the third quarter.

Technology expenses were practically flat this quarter and other costs grew, tracking the growth in fixed employee expenses.

Looking at the fixed cost growth guidance we gave for 2017 and beyond, we can conclude that the cost developments of 16% in 2017 is as guided at the bottom end of the 15%-20% range. Pending market circumstances, we reiterate the cost guidance for 2018 and beyond of maximum 15% annually. Cost consciousness remains a key competency for Flow Traders.

Regarding the variable employee expenses, it can be noted that the EUR 25.2 million we report over 2017, is 34.3% of the operational profit. That is lower than the fixed 36% we normally report, as the Flow Traders Incentive plan has become effective as announced. Employees are offered the opportunity to buy shares in the current open period. Employees will be incentivised for their investment in the coming five years and that incentive will be lost if they decide to sell in the meantime or leave the company. The individual incentives are

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capped. Based on IFRS the cost for the incentives need to vest over the coming years and therefore, costs are recognised in the corresponding periods, starting in 2018. This explains why the variable compensation of profit sharing is below 36% of the operational profit.

Furthermore, following the US tax reform, Flow Traders incurred an additional tax charge of EUR 1 million on its deferred tax assets. Including this one-off, our total effective tax rate for 2017 came in at 18.5%. Given the lower tax rates in the US going forward, we expect EPS to benefit from this as we forecast the effective tax rate globally now at approximately 18% from previously 20%.

All these developments resulted in a Net Profit of EUR 7.9 million or EUR 0.17 per share for the fourth quarter and almost EUR 40 million profit and EPS of EUR 0.85 for 2017.

Flow Traders continued to execute on its organic growth strategy, as was continuously highlighted during 2017. The growth initiatives are developing as planned and looking at the performances in the different regions, we see that the investments are starting to pay off.

# FLOW TRADERS

## Capital position remains robust; final dividend proposed at € 0.35

### Condensed consolidated Financial Position

Assets	31 Dec 2017	31 Dec 2016	Δ Y-o-Y
Trading Capital	272	242	(17)
Property, Equipment and Intangible Assets	79	73	6
Other Assets	19	25	(6)
<b>Total Assets</b>	<b>370</b>	<b>340</b>	<b>(30)</b>
Equity & Liabilities			
Other Liabilities	65	112	(46)
Pro Liabilities	1	8	(7)
<b>Total Liabilities</b>	<b>66</b>	<b>120</b>	<b>(54)</b>
<b>Total Equity</b>	<b>304</b>	<b>220</b>	<b>(86)</b>

### Development of regulatory solvency ratio

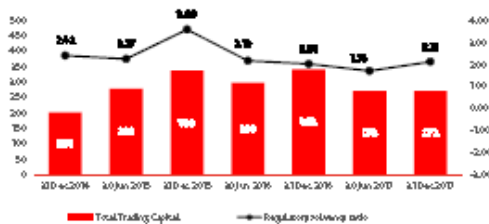


Fig. 1: Total Trading Capital (€ million) vs. Regulatory Solvency Ratio (%)

### Highlights

- Trading Capital as at 31/12/2017 remained broadly flat versus 30/06/17, but regulatory capital required came down due to greater focus on capital efficiency
- Consequently, the regulatory solvency ratio improved Y-o-Y
- Proposed final dividend of €0.35, bringing FY17 total dividend to €0.65 and resulting in a pay-out ratio of 76%, as announced in 3Q17
- Proposed dividend for 2018 reflects Flow Traders' commitment to optimising shareholder returns, with no limitation to Flow Traders' ability to continue executing its growth strategy

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Here we show our Balance Sheet and Regulatory Capital in the format we always use. The format for the development of Regulatory Capital will change in the future, given the CRR requirements.

Looking at the balance sheet, our total trading capital end 2017 was EUR 272 million, which is a flat level compared to end first half year 2017.

On the right-hand side, we show the development of our regulatory solvency ratio and our total trading capital. This graph continues to show how comfortably covered we were in 2017 on the capital requirements we needed to meet with the prime brokers.

Given our conservative and unleveraged balance sheet and our prudent capital management, we propose a final dividend over 2017 of EUR 0.35, pending AGM approval. An interim dividend of EUR 0.30 was already paid out in the third quarter, meaning that our Full Year 17 dividend will be EUR 0.65, indicating a 76 percent dividend pay-out ratio.

This dividend proposal allows Flow Traders to continue with its growth strategy.

# FLOW ■ TRADERS

## Flow Traders expects to comply with CRR capital requirements by 31 March 2018

- In November 2017 the Dutch Central Bank (DNB) revoked the local firm exemption granted to our Dutch trading entity, imposing full CRR capital requirements going forward
- External validation has taken place on our assumptions and implementation of our calculations and capital
- Flow Traders expects to comply with CRR capital requirements by 31 March 2018
- Flow Traders will provide further detail on its buffers after the first reporting date
- Flow Traders dividend policy remains unchanged as Flow Traders aims to pay out at least 50% of its net profit in dividend going forward
- Late December 2017, the European Commission released new draft capital requirements regulation. The draft Investment Firm Regulation and Investment Firm Directive aim to provide more appropriate requirements for investment firms than under current CRR

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Regarding CRR, Flow Traders was informed in November 2017 by the Dutch Central Bank that the so-called local firm exemption for investment firms in the Netherlands would be revoked. This means that Flow Traders has to comply with the CRR capital requirements under the standardised method as of 31 March 2018. Since then, Flow Traders has been very busy to adapt to the new capital requirements.

After extensive interpretation and validation of the CRR capital requirements, according to the standardised method, Flow Traders expects to comply with these requirements after completion of the formalities by the Dutch DNB.

That is why also Flow Traders can reiterate its dividend policy for 2017 where Flow Traders aims to pay out at least 50% of its net profit in dividend going forward.

We expect to be able to inform the market further about our capital buffers under CRR after the first reporting date.

Late December 2017, the European Commission released new draft capital requirements regulation. The draft Investment Firm Regulation and Investment Firm Directive aim to provide more appropriate requirements for investment firms than under current CRR. Flow Traders is following this closely.

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Now we conclude with some closing remarks on our achievements made in 2017 and what our focus will be in 2018.

## Looking Back and Ahead



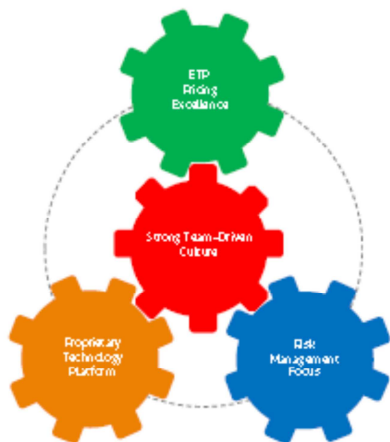
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For this I would like to hand back to Sjoerd.



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## Accomplishments made on our 4 core competencies in 2017



- **In ETP Pricing, Flow Traders:**
  - grew the number of counterparties and products traded in every region
  - further diversified trading in different products and asset classes (Commodities, Fixed Income) and expand OTC trading in the US
  - grew the number of trading venues we are active on to 104
- **In Technology, Flow Traders:**
  - adapted further to the changing regulatory environment (MiFID II)
  - grew the number of trading platforms globally we connect to, to accommodate diversification in products and asset classes
  - rolled out and upgraded the trading infrastructure in different regions
  - moved US office and opened the new Hong Kong office - both went smoothly
- **From a Risk perspective, Flow Traders:**
  - upgraded risk and monitoring systems in light of changing regulation (CRR, EMIR, MiFID II)
  - safeguarded growth initiatives, while maintaining a strict cost discipline
  - further improved procedures and policies to reduce likelihood of errors
- **In Culture, Flow Traders:**
  - grew our headcount in 2017 to support our growth initiatives
  - started Flow Academy to increase knowledge sharing within the firm
  - launched the employee equity incentive plan to increase engagement in line with the philosophy of Flow Traders

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**Sjoerd Rietberg – CEO Flow Traders:** Thank you Marcel.

At the end of 2016 we have set out a number of focus areas for 2017 and beyond in all of our core competencies. Given all that has been discussed in the previous slides, we can say that we are well on track to meet all those focus points on a continuous basis. Looking at the development of the different core competencies in 2017, we can state that:

- In ETP Pricing, Flow Traders continued to grow as planned in number of products, venues and counterparties. We have diversified trading further into different products and asset classes, like currencies and fixed income and are very close to launching liquidity providing in FX to external counterparties.
- From a technology point-of-view Flow Traders responded well to the changing trading environment. We upgraded our infrastructure across the globe, which resulted in an improved performance. We moved in the US to a new office and we opened our Hong Kong office. So, we are on track to enable our future growth ambitions from a technological perspective.

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- In Risk, Flow Traders responded diligently to the changing regulatory environment, such as MiFID II, CRR and EMIR. Flow Traders upgraded their Risk and monitoring systems while at the same time safeguarding the growth initiatives we deployed in 2017. Procedures to control trading improved further.
- In our team-driven culture we saw an increase in hiring employees in our Technology department. We were able to efficiently staff the growth in desks and changes in offices. Besides that, we launched the Flow Academy program to encourage knowledge sharing within the firm and we launched the employee equity participation plan to increase the long-term engagement, in line with the philosophy of Flow Traders.

Given these remarks, it may come as no surprise that Flow Traders will continue on the road we were on in 2017. We now turn to the last slide with an overview of our strategic focus going forward.

## Our strategic focus remains on long term organic growth and maximizing NTI growth

- Flow Traders will continue to focus on growing organically and remain a leading technology-enabled ETP liquidity provider
- Flow Traders will continue to grow its global presence with a strong focus on the Americas and APAC region
- Flow Traders will accelerate the diversification of its trading into new asset classes and related products
- Flow Traders will remain cost disciplined, growing fixed expenses by a maximum of 15% annually from 2018 onwards
- Flow Traders will continue to focus on the growth initiatives as initiated during 2017 (US CFTC, Hong Kong office and FIO)

As said before in this presentation, Flow Traders will continue to focus on its long term organic growth, while keeping a tight cost management. Flow Traders was able to expand its

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market presence in 2017, as we continued to develop Flow Traders' capabilities. Going forward we will continue to focus on:

- growing our overall role as leading ETP liquidity provider
- growing our global presence in the ETP universe, with a greater focus on the Americas and APAC
- diversification of our liquidity providing. This we expect to accelerate in 2018, as we for example start providing liquidity to external counterparties in FX soon
- operating in a cost-conscious way, realising our growth ambitions while keeping a grip on costs. For 2018 and beyond we reiterate the guided cost growth rate of maximum 15% annually
- rolling out the growth initiatives we initiated during 2017, like the US OTC trading, the roll out of the Hong Kong office and the FX initiative

With this, we conclude our prepared remarks and I will now hand back the call to Serge.

**Serge Enneman – Manager IR Flow Traders:** Thanks Sjoerd. This concludes our presentation. We would now like to open up the floor for any questions you may have. Operator?

Questions?

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## QUESTIONS AND ANSWERS

- **Martin Price – Credit Suisse**

Good morning. You indicated that the net trading income is tracking considerably ahead of the record quarter from Q3, 2015. Could you help us understand a little bit more about how significant above that level you are? Is it broad-based across all geographies or is there something specifically driving it?

Secondly, on the regulatory capital requirements. I appreciate your standard processing these up but you had a strong surplus capital position at the end of Q4 and I guess you have been able to deploy that this year to drive the strong top line growth. Just in general terms, would you expect the changes to capital requirements to perhaps significantly erode that

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surplus and therefore somewhat constrain your ability to take advantage of volatility in the future in the same way that you are today?

**Sjoerd Rietberg – co-CEO Flow Traders:** Thank you for your questions. I will take the first one. Your question is on current trading, our current NTI and our statement in the press release that we are more than considerably above the record quarter level of 2015. Of course, this NTI growth is actually driven by the current market circumstances, in which we have seen more volume and more market activity in general in the different markets, especially in the equity markets. So, from our statistics we actually see value traded going up with several dozens of percentage in the equity markets and the volatility, also increasing with almost factor 2 in the last two weeks. As you of course know, the discussions about our business model immediately have a positive impact on our run rate in any quarter. So, we had a very positive start of the year and in that sense a strong start of the year with the normal business operations and on top of that indeed, we have seen some exceptional market circumstances by which we can make this statement in the press release that we are considerably above the record third quarter of 2015.

**Marcel Jongmans – CFO Flow Traders:** Let me answer your second question. You are right that we had quite sufficient capital looking at the so-called 'old' regulatory requirements, looking at the prime broker requirements. We have done an awful lot of work over the last few months to calculate our requirements under the CRR regulation. What we have seen there so far, is that we also have sufficient buffer in our capital to support our trading strategy. We have also made a lot of detailed calculations under CRR and we see that in our trading model and the way we hedge, we have sufficient capital, also in volatile times to cover our trading. So, we feel quite comfortable under the CRR rules as well.

**Martin Price – Credit Suisse:** Great. Thanks, Marcel. Could I just ask a quick follow-up on the capital requirements regulation? Would you expect that to have a significant impact on the way you are able to pay staff? Clearly, this year is off to a very strong start and I imagine quite a lot of that benefit will flow through to your employees this year. It is possible that could change somewhat to 2020 and perhaps enable shareholders to participate in more of the benefit spikes and volatility, such as the one we are seeing at the moment?

**Dennis Dijkstra – co-CEO Flow Traders:** As you said yourself, we do not have to change anything in our remuneration policy and model for this year and the coming year. In addition, we are already in close contact with and talking to the Ministry of Finance here in the Netherlands. Also there, we are confident that we do not need to change our remuneration policy after 2020 as well.

**Martin Price – Credit Suisse:** Great. Thank you very much.

- **Michael Werner – UBS**

I have two quick questions. One, you indicated a small loss in Q4. I was just wondering if you could provide any colour with regards to what happened at that particular day I think that broke a streak of multiple months of no-loss trading days.

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Then again, just to follow up on this week's activity or your recent weeks' activity; I was just curious whether this considerable increase in NTI for Flow Traders is something that Flow Traders is getting its market share that we have seen or is this one where Flow Traders is benefitting from potentially some of the other market makers stepping away from the market as the jump in volatility may have frightened some of those market makers from a risk management perspective. Again, this might point a sweet spot for Flow Traders. You guys constantly make markets and you tend to step in because of your risk management. So, I am just wondering again: are you getting your share, or do you see an increase in share in recent weeks?

**Sjoerd Rietberg – co-CEO Flow Traders:** Let's first give a little bit of colour of the lost-day that we reported. We have of course regretted that we had to report it. During our IPO process and also in discussions with any investors and with analysts we have always indicated that it is impossible to say that we never incur a lost day but that we will always try to minimise the impact and minimise the occurrence of these kinds of lost days. In the past, the lost days we have reported – 46 months ago – usually had to do with the human factor involved and also in this case, that was actually the situation. Of course, based upon this situation, we have further improved our monitoring processes, our controls and also made sure that people are really better educated about how these processes work to ensure that also this human factor impact is reduced as much as possible and to further reduce the likelihood and impact of these kinds of events.

Your second question was about the current market activity in the last few weeks. What we have actually seen is that based on our set-up both in terms of the global presence, in terms of the experience and the knowledge we have and also the fact that we have proper relationships across the financial markets, we are able to provide liquidity in all kinds of market circumstances, so also in the market circumstances we have seen in the past few weeks. This has really helped to drive our NTI to the levels we can report today.

**Michael Werner – UBS:** Thank you.

- **Greg Simpson – Exane BNP Paribas**

Good morning, just three questions. The first would be on Q4. It looked like it was a weaker quarter sequentially from the perspective of the level of VIX, so the level as realised volatility in markets but your revenue capture moved up quite nicely sequentially. So, I am just wondering if you can explain the drivers behind that and if you have confidence of achieving a 2.4 basis points revenue capture if we were to return to a very low VIX environment.

The second question would be on costs. The guidance for 2018 is up to 15%. I am just wondering how linked – if at all – it is to the revenue environment, so if your 2018 revenues turned out to be a good year, would you plan to spend at the top end or are they independent of the NTI and also if there is any impact from the FX initiatives starting in Q1, 2018 or on the cost base.

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**Sjoerd Rietberg – co-CEO Flow Traders:** I will try to answer your first question with regards to Q4. We have seen that Q4, in terms of trading activity, volatility and investor appetite to be active, is still relatively slow. We have seen from our perspective that in q4 some of the internal growth initiatives and improvement initiatives started to pay off, so both in APAC and in the European region we have seen some benefit from the organisational and technological changes we have made. Especially in Europe, we were able to benefit and to reap the first benefits of our FX projects by internalising our FX flow. Marcel?

**Marcel Jongmans – CFO Flow Traders:** Regarding the maximum of 15% cost, that is what you can apply for the next few years regardless the NTI developments. We have a very strong cost control in the firm, so we are really independent from the NTI development and we look after our cost. So, you can take into account the 15% maximum.

Then your other question regarding the FX initiative: it will not have any influence on our cost base.

**Greg Simpson – Exane BNP Paribas:** Thank you.

- **Michael Roeg – Degroof Petercam**

Good morning. I also have a question on your cost guidance, maximum 15% growth. That guidance was born out of necessity last year, because of very difficult market conditions. If you look at the current trading moment would now not be the right moment to actually step up the investment to further their market share?

**Marcel Jongmans – CFO Flow Traders:** I do not think so. This is the operational level in our firm. I think that we have a very low fixed basis and we keep good control on that one and we do not need an additional cost investment above the 15% to increase market share or expand in another things. So, we stick to the 15%. During the last calls we referred a lot to the difficult market circumstances. On the other hand, what we also said, is that cost consciousness has always been in the DNA of the firm and we have a bit tighter cost control introduced last year and we keep on doing that. So, the 15% is really the max.

**Michael Roeg – Degroof Petercam:** Okay. Thank you. That's it.

**Rosine van Velzen – ING**

My first question is about the year-to-date trading. Can you give some more colour on the spreads, compared for example to the 2016 level and also the differences in geography?

The second question is on the US OTC initiative. There is a greater share of volumes traded in OTC and probably with lower margins. there might be a negative product mix on the revenue capture, but could you elaborate a bit more on how much of the volume is in OTC for example?

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**Sjoerd Rietberg – co-CEO Flow Traders:** On your question about year-to-date spreads, I do not have all the details here in front of me. What I know is that during the last year in the different regions we saw different moves between the third quarter and the fourth quarter, in terms of how big the profit pool was in the ETP-space. In the Americas we saw it shrinking a little bit compared to the increasing size of values traded and in Europe it was increasing a bit with the growing market, and in APAC the market grew quite a bit more, also with the profit pool available. In the first six weeks of this year and especially in the last few weeks, we have seen more volatility and spreads increased. If you take a look at when the markets moved, it was said it was across the globe. We have seen moves in the Nikkei index from 7% and in the US of 4%-5%. So, all these moves will have of course a positive impact on the spreads in terms that they will be wider. Especially in combination with the volumes traded, this is of course the thing which brings leverage in our trading operations and all that is mentioned to the outside world is that bigger spreads will buy bigger volumes and there is a positive impact on our NTI.

**Rosine van Velzen – ING:** Maybe just a follow-up: is there a difference in the effect of the OTC and the other markets, the on-exchange in comparison to the uptick in spreads?

**Sjoerd Rietberg – co-CEO Flow Traders:** That is also a bit related to your second question, regarding the US OTC initiative and more about fee trading in general as well. So, in general, we see that in OTC there is of course quite some volume traded, which are usually around the top 10 or top 20 names in the financial markets, which also imply that spreads are relatively tight compared to the overall market. So also what we mentioned before in analyst presentations and analysts calls, is that the spreads in OTC trading are generally a little bit lower, or a bit less actually than the spreads or the revenue capture we see on screen trading. In markets, which we encounter right now, so a more fast-moving markets, if of course makes sense that the spreads and the margins or the revenue capture on OTC-trading is a bit higher as well as it is in screen trading, due to actually difference in the risk reward and due to increased volatility or uncertainty in your hedging processes.

**Rosine van Velzen – ING:** And if I may, a third question. I heard something about additional asset classes. Is it next to the FX or do you refer to the FX initiative? And maybe on the FX initiative, could you elaborate or give a bit more granularity on the roll-out? You have now seen improvements in Europe; what will be the next, America or the US? Any colour on that would be helpful.

**Sjoerd Rietberg – co-CEO Flow Traders:** These are two questions. The first question is on the growth initiatives in terms of different asset classes. As I mentioned, we are indeed expanding into the FX-space, working already quite some time on this and further rolling it out. Of course, we are also further expanding our liquidity providing in the fixed income space. This is also something we are focusing on. We will have a bigger presence in the future. Of course, we have to divide our limited resources over these different initiatives.

Your second question is about the contribution of FX trading already and on where we stand. Already in Q3 and Q4 we have seen several millions of positive impact on our NTI with this FX initiative, just by internally optimising trading itself. So, that is a positive step in our organisation. At the same time, we are not yet where we want to be. Internally, we have been optimising this FX initiative and now it is the next step to go to the outside world and really



provide liquidity to external counter parties. That is something we mentioned in the presentation as well, which is planned to go live in Q1.

**Rosine van Velzen – ING:** Very helpful. Thank you.

- **Adedapo Oguntade – Morgan Stanley**

Good morning. My first question is just in terms of your revenue capture in Asia in the fourth quarter. It seems to be higher, but when you look at the market share you seem to have lost market share as well. Could you give a bit more colour on this?

Secondly, in terms of your guidance and what you provided in terms of year-to-date's trading, you said it is already more than considerably above the record in the past, but is this above the absolute level? You are talking about the one-rate level at this point in time, but at this point are you ready above EUR 92.8 million or are you trying to do just one rate at this time? Could you just confirm that?

Lastly with MiFID 2 coming into play and more volumes moving to MTF: does that have any impact in terms of revenue capture in Europe? Did you see an increase there, given that volumes are moving from OTC to MTF?

**Sjoerd Rietberg – co-CEO Flow Traders:** Thank you very much. First your question about revenue capture in APAC in Q4. Indeed, we are actually seeing a big jump in our revenue capture there. As you might know, it is a bit more volatile as region, also given the relationship between the value we trade. However, indeed we have lost some market share, or we have a lower market share in APAC, but we have been focusing on organisational and technological improvements, which have paid off. That pay-off is partially visible in this increased revenue capture. At the same time, what we also see is that the revenue capture in general in the Asian region has improved together with the growth in the market. So, we have been able to especially by internal developments increase the revenue capture in the Asian region.

As for your second question regarding the statement we make regarding our NTI: year to date we actually do state that our current year-to-date NTI is above or more than considerably above the record quarter level of the third quarter of 2015.

For your third question, I will hand it to Dennis.

**Dennis Dijkstra – co-CEO Flow Traders:** The statements in the day that we see to date about our implementation of MiFID 2, we see a very clear pick-up in ETFs being traded on MTFs. As you are aware, we are a market leader in providing liquidity on MTFs. We favour transparency, so we have seen a significant shift from ETFs being traded OTC in Europe towards more lit trading. The lit market is a regulated market but especially towards MTFs.

**Adedapo Oguntade – Morgan Stanley:** That may lead to maybe an increase in revenue capture in Europe, given the move from OTC to MTF.

**Dennis Dijkstra – co-CEO Flow Traders:** That is of course difficult to say because the revenue capture part is related to the volatility. After just a couple of weeks it is difficult to say

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what difference in spreads on the regulated market and the MTFs or more OTC trading is going to be, especially going forward.

**Adedapo Oguntade – Morgan Stanley:** In terms of the margins OTC is lower than what you have in the regulated market. Am I understanding that right or am I wrong somewhere?

**Sjoerd Rietberg – co-CEO Flow Traders:** The answer to your question is probably that it does not really change that much. It is more that the OTC trading itself will go via different venues. It is not so much that the style of trading will change.

**Adedapo Oguntade – Morgan Stanley:** Thank you.

- **Anil Sharma – Morgan Stanley**

I just have one question. It might be early to tell, but given the volatility that we are seeing and who knows how long it continues, what are you seeing from a competitive landscape? Are some of your smaller players struggling, are there regulatory capital requirements impacting them? I am just trying to think about potential for you to consolidate the industry. Are there some opportunities coming up in the short term, which you did not anticipate but which might be a potential use of capital?

**Dennis Dijkstra – co-CEO Flow Traders:** That is a very important question. We have always stipulated that we want to grow organically. Especially in 2017 we have made a lot of investments in expanding the platform we run, also moving into different asset classes, as Sjoerd mentioned during the prepared notes. We will accelerate all the initiatives we have started the last period, so also going forward we feel that we have a very strong and proprietary platform and a very strong infrastructure. We are one of the best teams from a technology and trading perspective in the world, so we are very confident about what we can do and what we can bring to the markets, in ETPs but also moving into other asset classes. So, we do not foresee any M&A and we have always focused on organic growth. I think we have a very strong culture as well, so that is what we focus on. We want to maintain that.

**Anil Sharma – Morgan Stanley:** That is helpful. Thank you.

- **Syed Anil Akbar – Kempen & Co**

I just have one question on the NTI growth so far. Because of the exceptional circumstances we are seeing a considerably higher NTI growth, as you mentioned in your press release. How much of it is part of the fact that a lot of trading is going on in the MTF and because of MiFID 2? How much of it is part of the fact that you have exceptional circumstances? Just to get it clear if you have a high volatility run rate; what could you expect going forward?

Another question on the FX side: will we see a new line item from the next quarter once you start reporting this one?

**Sjoerd Rietberg – co-CEO Flow Traders:** On the current NTI. As you might understand, it is of course hard to really extract all the different elements you mention and to really pinpoint

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where parts of the NTI are coming from. As we mentioned in Q1, we really took off strongly already and we have seen positive elements and preliminary positive impact of MiFID 2. Indeed, in the last two weeks or so we have seen some more exceptional market circumstances and a lot more market activity. This has definitely contributed greatly to our NTI as well, but it is hard to really pinpoint exactly where it is coming from. I can tell you that in the current quarter we have seen already a strong pick-up in our NTI, besides these exceptional market circumstances.

**Marcel Jongmans – CFO Flow Traders:** Maybe on your second question: we will change a bit the representation of our figures in the next few quarters. We will make a difference between the ETPs and the other asset classes we trade but we are currently designing that presentation. We will inform you in the next few months how we are going to do that.

**Syed Anil Akbar – Kempen & Co:** Thank you very much.

- **Martin Price – Credit Suisse**

Sorry to jump in with another question but I would just like to have a quick clarification on year-to-date trading. Has there been any one-off benefit from high profile invested VIX ETP product redemptions in the last week or so?

**Sjoerd Rietberg – CEO Flow Traders:** We are not going to go into detail about any specifics in terms of how we are trading and our trading strategies or anything. As mentioned, it has been a strong start of the year in general already. The last few weeks have been strong contributors to current year-to-date NTI and combined this has enabled us to send out this statement, where we say that we are more than considerably above the record quarter level of the third quarter of 2015. I hope this is helpful for us.

**Martin Price – Credit Suisse:** It is. Thank you.

**Serge Enneman – Manager IR Flow Traders:** As there are no more questions, thank you all for your questions and remarks. Please note, that we will host our next analyst call after the first half 2018 results on 27<sup>th</sup> July 2018. Please mark this date already in your diaries. We will release a high-level Q1 trading update on 24<sup>th</sup> April 2018, but this will only be a press release.

Furthermore, we will organise an investor day in the course of 2018. Details on that will be shared soon. Please also mark our upcoming AGM on 26<sup>th</sup> April in your agenda.

With this, we would now like to end this call. Thank you all for your attention and have a good day.

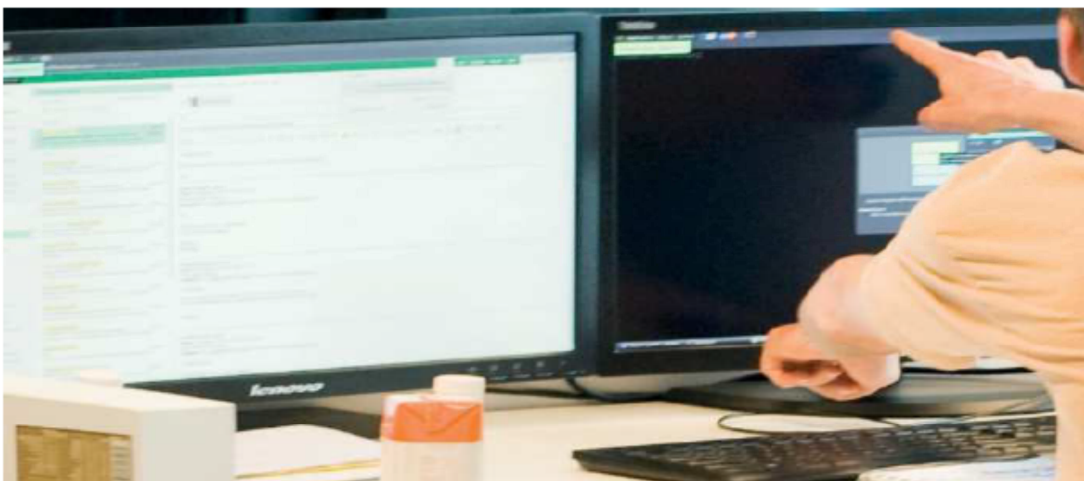
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End of call

Thank **you!**

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## Appendix



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# FLOW TRADERS

## Monthly markets update as published over 2017

### STP Market Update December 2017

	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan
Q+ & QM Exchange Value Traded - Global (€m)	1,656	1,570	1,400	1,344	1,522	1,287	1,768	1,557	1,515	1,818	1,408	1,573
Q+ & QM Exchange Value Traded - F/TA (€m)	65	72	61	65	62	67	71	87	68	84	73	76
Q+ & QM Exchange Value Traded - Americas (€m)	1,360	1,267	1,186	1,137	1,310	1,080	1,525	1,315	1,287	1,650	1,215	1,381
Q+ & QM Exchange Value Traded - APAC (€m)	231	236	154	143	150	140	172	155	159	185	120	165
Q+ & QM Exchange Value Traded - APAC China (€m)	166	141	87	86	82	86	103	82	88	118	68	48
Q+ Exchange Market Maker Value Traded - F/TA (€m)	22	27	23	25	25	28	28	35	26	35	33	29
Q+ Exchange Market Maker Value Traded - Americas (€m)	529	452	448	430	461	383	528	475	465	606	453	538
Assets Under Management - Global (€m)	3,962	3,808	3,883	3,718	3,613	3,588	3,604	3,596	3,622	3,610	3,256	3,383
Assets Under Management - F/TA (€m)	668	652	648	627	608	605	607	604	588	585	574	548
Assets Under Management - Americas (€m)	2,848	2,885	2,881	2,764	2,886	2,674	2,884	2,678	2,710	2,780	2,670	2,521
Assets Under Management - APAC (€m)	354	351	344	327	318	311	313	314	313	315	312	294
# of TTF Flows - Global	10,757	10,733	10,681	10,618	10,466	10,460	10,384	10,280	10,156	10,078	9,887	9,834
# of TTF Flows - F/TA	5,486	5,277	5,273	5,232	5,438	5,455	5,483	5,488	5,351	5,386	5,186	5,168
# of TTF Flows - Americas	3,678	3,634	3,572	3,545	3,513	3,523	3,483	3,448	3,388	3,370	3,344	3,317
# of TTF Flows - APAC	1,582	1,572	1,546	1,542	1,514	1,482	1,458	1,431	1,415	1,483	1,357	1,348
# of new TTF traders - Global	115	145	86	122	76	65	76	112	78	88	62	56
# of new TTF traders - F/TA	50	55	33	32	20	23	18	63	30	16	16	16
# of new TTF traders - Americas	35	68	47	64	17	22	32	31	31	26	32	33
# of new TTF traders - APAC	30	38	16	26	38	28	21	18	17	56	8	7

1. These figures are based on the data provided by the market participants.

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