Flow Traders Ltd.

Consolidated Half-Year Report 2024

FLOW TRADERS

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2024 HY figures

Global ETP Market Value Traded (€ bn)

22,993

First six months 2023: 21,221

Flow Traders ETP Value Traded (€ bn)

756

First six months 2023: 755

Flow Traders Total Value Traded (€ bn)

3,034

First six months 2023: 2,802

Basic EPS (€)

1.36

First six months 2023: 0.54

Total Income (€ m)

205.8

First six months 2023: 161.9

EBITDA (€ m)

82.4

First six months 2023: 43.4

Net Profit (€ m)

59.0

First six months 2023: 23.5

2024 HY regional perspective

Region	Revenue by region (€ m)	H1 2023	Number FTE at half-year	H1 2023	ETP Value Traded (€ bn)	H1 2023
Americas	54.9	42.1	105	119	406	370
EMEA	116.7	91.6	443	450	300	340
APAC	34.3	28.2	87	85	50	45

2024 HY financial performance overview (in thousands of euro)

Financial Overview	2024	2023
	For the six months ended 30 June	
Net trading income	**206,619**	**159,965**
Other income or expenses	(831)	1,893
Total Income	**205,787**	**161,858**
Fixed employee expenses	41,052	39,207
Technology expenses	32,574	33,280
Other expenses	14,812	17,879
Fixed Operating Expenses	88,438	90,366
Variable employee expenses	34,989	28,093
Depreciation of property and equipment	8,336	9,366
Amortization of intangible assets	380	265
Write off of (in) tangible assets	—	26
Operating Result	**73,644**	**33,742**
add back: Depreciation of property and equipment	8,336	9,366
add back: Amortization of intangible assets	380	265
EBITDA	**82,360**	**43,399**
EBITDA Margin	**39.9%**	**27.1%**

	For the six months ended 30 June	
	2024	2023
Profit before tax	**73,025**	**29,109**
Tax expense	14,046	5,625
Profit for the period attributable to the owners of the Company	**58,979**	**23,484**

Reconciliation to Revenue by Region	For the six months ended 30 June 2024			
	Europe	Americas	Asia	Total
Net Trading Income	148,112	39,536	18,970	206,618
Other Income	(831)	–	–	(831)
Inter-segment Revenue related to Trading Activities	–	15,316	15,290	30,606
Inter-segment Expense related to Trading Activities	(30,606)	–	–	(30,606)
Revenue by Region	**116,675**	**54,852**	**34,260**	**205,787**

Reconciliation to Revenue by Region	For the six months ended 30 June 2023			
	Europe	Americas	Asia	Total
Net Trading Income	105,649	34,643	19,673	159,965
Other Income	1,915	(22)	–	1,893
Inter-segment Revenue related to Trading Activities	–	7,462	8,534	15,996
Inter-segment Expense related to Trading Activities	(15,996)	–	–	(15,996)
Revenue by Region	**91,568**	**42,083**	**28,207**	**161,858**

Our Company

Flow Traders Ltd. is a leading trading firm operating in global financial markets. Its mission is to bring transparency and efficiency to the financial ecosystem by trading across a variety of asset classes and through external investments, thereby enabling and driving innovation and trading diversification in financial markets. Founded in 2004, Flow Traders is a specialist in Exchange Traded Products (ETPs) and has leveraged its equity expertise to expand into fixed income, commodities, digital assets and foreign exchange. Flow Traders' role in financial markets is to provide liquidity and enable investors to buy and sell financial instruments under all market circumstances, thereby ensuring markets remain resilient and continue to function in an orderly manner in all environments.

Flow Traders combines a unique set of capabilities across traditional and digital asset markets to serve the evolving needs of market participants. In addition to its trading activities, Flow Traders established an investment unit focused on fostering market innovation, which is fully aligned with our mission to bring greater transparency and efficiency to the global financial ecosystem.

With two decades of experience, we have built a team of over 600 talented professionals, located in ten locations across the globe, contributing to the firm's entrepreneurial culture and committed to delivering the Company's mission.

Market and trends

Markets and trends

Our business

In the first half of 2024, we had access to more than 180 trading venues in 40 countries around the world. We provided liquidity in over 6,600 unique ETPs on- and off-exchange.

Off-exchange, we provided liquidity in ETPs on a request-for-quote basis to over 2,500 institutional counterparties globally, including banks, asset managers, pension funds, insurance companies, family offices, hedge funds and others.

In addition to ETPs, we provide liquidity in similar instruments whose value is correspondingly affected by a change in the value of underlying or related assets, such as futures or bonds. We also provide liquidity as a market maker in FX, fixed income, commodities and cryptocurrencies.

Irrespective of what we trade, as a liquidity provider we generally do not have a directional opinion on the market. In other words, our results do not depend on the direction of market prices. Our Net Trading Income (NTI) is mainly generated through the small price differences that are realized between buying and selling related or correlated assets.

We are not a bank, broker or investment manager and do not have Assets under Management (AuM). Furthermore, we do not develop or offer products nor provide any services and do not have clients. Our main counterparties comprise, among others, of institutional investment managers, broker-dealers, prime brokers and exchanges.

The ETP market

In recent years, the ETP ecosystem has continued to mature and experience significant growth in both AuM and number of products. Global ETP AuM increased from €10,813 billion at the end of 2023 to €12,203 billion at the end of June 2024 as per ETFGI's "Global ETFs industry insights report", hereafter referred to as ETFGI. This is a reflection of the continued rise of the overall market combined with the growth of the ETP industry. We believe there are a number of reasons for this trend, one being that investors are attracted to the transparent nature of ETPs, which enables them to follow clearly how the underlying securities are performing. Another reason is that ETPs are liquid and available at low-cost and can be bought and sold easily during market hours. A third reason is that ETPs can be composed of financial instruments from almost any asset class, sector or location, providing investors access to markets that would normally be difficult to reach.

Market environment

Global ETP AuM made a recovery in the first half of 2024, driven predominantly by a rebound in the underlying asset prices combined with continued asset inflows. Global inflows of ETP AuM were €686 billion in the first half of 2024, compared to €346 billion in the same period last year, according to ETFGI.

The ETP market environment during the first half of 2024 was characterized by mixed market activity compared to the first half of 2023. Trading volumes across most regions and asset classes increased slightly year-over-year. However, volatility, as measured by the VIX index, in the first half of 2024 (14, on average) was lower than seen in the first half of 2023 (19, on average), reaching lows in June (13, on average) not seen since before COVID.

According to 3rd party market data and Flow Traders' analysis, the Americas remains the largest ETP market globally, where total ETP Market Value Traded was €19.1 trillion in the first half of 2024 (vs. €17.7 trillion in H1 2023). Flow Traders ETP Value Traded in the Americas was €406 billion in the first half of 2024 (vs. €370 billion in H1 2023). Trending in-line with the market, our operations in the Americas continued to expand as exemplified by our increased counterparty network in the region as well as our role as lead market maker in key ETF listings, such as the spot Bitcoin ETFs in the U.S.

In EMEA, total ETP Market Value Traded was €1.2 trillion in the first half of 2024 (vs.€1.0 trillion in H1 2023). Flow Traders ETP Value Traded in EMEA was €300 billion in the first half of 2024 (vs. €340 billion in H1 2023). We remained a top liquidity provider in ETPs in the EMEA region and managed to further grow our on- and off-exchange presence.

In APAC, the ETP market remained fragmented, with large differences in trading volumes, trading costs, regulation and maturity across different countries. Total ETP Market Value Traded was €2.8 trillion in the first half of 2024 (vs. €2.5 trillion in H1 2023). Flow Traders ETP Value Traded in APAC was €50 billion in the first half of 2024 (vs. €45 billion in H1 2023). We continued to expand our ETP trading footprint in

APAC through developing partnerships and growing our presence across regional exchanges.

Financial overview

Flow Traders recorded Net Trading Income of €206.6 million in the first half of 2024 (vs. €159.9 million in H1 2023), reflective of the overall market and trading environment. Other income or expenses of negative €0.8 million was derived from the strategic investment portfolio (vs. positive €1.9 million in H1 2023). EMEA contributed the most to our NTI, which reflects the region's high level of pricing visibility, counterparty and product coverage. Moreover, the disciplined execution of our long-term strategic growth agenda meant that investments we have made over the past few years are yielding meaningful returns.

On the cost side, Fixed Operating Expenses decreased to €88.4 million in the period (vs. €90.4 million in H1 2023). The main drivers for this were a decrease in strategic advisory costs and fewer Technology initiatives compared to the same period last year. FTEs were also lower in the first half of 2024, ending at 635 as of 30 June (vs 654 at the end of June 2023). However, Fixed Employee Expenses increased due to factors which include inflation pressure on employees' salaries. Variable employee expenses increased to €35.0 million (vs. €28.1 million in H1 2023) which reflects the improved financial performance of the business during the period.

Given these income and cost dynamics, Flow Traders continued to demonstrate solid operational leverage with an EBITDA margin of 39.9% in the first half of 2024 (vs. 27.1% in H1 2023), with EBITDA of €82.4 million (vs. €43.4 million in H1 2023). Profit for the half year was €59.0 million (vs. €23.5 million in H1 2023), with Basic EPS of €1.36 (vs. €0.54 in H1 2023) and Diluted EPS of €1.33 (vs.€0.52 in H1 2023)

Non-IFRS performance

Non-IFRS financial measures are disclosed in addition to the statement of comprehensive income, in order to provide relevant information to better understand underlying business performance of the Company.

Flow Traders decided to simplify its use of Non-IFRS measures and discontinued the use of Normalized alternative performance measures to reduce complexity in financial reporting and to adhere to accounting best practices.

Flow Traders has the following Non-IFRS financial measures:

- **EBITDA**: Calculated as the operating result, before depreciation, amortization, and write-offs on intangible assets.
- **EBITDA margin**: EBITDA as a percentage of the Net Trading Income.
- **Revenue by region:** consists of Net Trading Income, Other Income, Inter-segment Revenue related to Trading Activities less Inter-segment Expense related to Trading Activities.

Dividend policy

Flow Traders may or may not distribute out of the Company's net profits realized during the financial year to shareholders. The Company's Board may decide, in accordance with the Company's Bye-Laws and Board rules, that the profits realized during a financial year will fully or partially be appropriated to increase and/or form reserves. A distribution of dividends is subject to applicable rules and regulations, the Company's Bye-Laws and the Board rules.

If applicable, dividends will be declared and paid following the publication of our results. There can be no assurance that in any given year a dividend will be proposed or declared.

The payment of dividends, if any, and the amounts and timing thereof, will depend on a number of factors, including future profits, financial conditions, general economic and business conditions, and future prospects and other factors the Board may deem relevant, as well as other legal and regulatory requirements. Our intentions in relation to dividends are subject to numerous assumptions, risks and uncertainties, many of which may be beyond our control.

Reserves for the first half of 2024

In accordance with the stated Dividend policy, which was slightly amended in conjunction with the Company’s new multi-layered trading Capital Expansion Plan announced at our second quarter financial results, the Board decided not to distribute an interim dividend regarding the profit from the first half of 2024.

Environmental, Social, Governance

Our material ESG sustainability topics

In 2023, we completed an enhanced double materiality assessment (DMA) using guidance from the European Sustainability Reporting Standards (ESRS). This was undertaken as critical input to identify Flow Traders' ESG strategic priorities.

In 2024, Flow Traders performed a re-assessment of the 2023 DMA following the rollout of the Corporate Sustainability Reporting Directive (CSRD) and updated European Sustainability Reporting Standards (ESRS) guidance.

Based on the guidance from ESRS and the DMA performed, we concluded that: (1) Flow Traders' most significant ESG impact is in relation to our people and environment; and (2) The most significant sustainability-related risks and opportunities relate to our operations and value chain. We therefore looked at our impact at various levels, i.e. from our impact on the broader society to the impact on our own business operations.

As a result of this re-assessment, we have consolidated the material issues and our impact areas to five sustainability themes categorized by the environmental, social and governance (ESG) aspects of our Group and operations.

In the 2024 Annual Report (to be published early 2025) and subsequent reporting cycles, the ESRS standards and those topical standards resulting from our material topics will be the basis for disclosure in the Annual Report in accordance with Corporate Sustainability Reporting Directive (CSRD).

Our ESG strategic themes

Environment

We want to continue to expand our trading footprint and capabilities to ensure that sustainable investment products can be traded easily and efficiently, with minimal energy use and emissions. That is why we focus on energy efficiency and climate action to reduce our environmental footprint from our business operations.

Social

Our proprietary cutting-edge technology for seamless execution of trading, would not operate without our talented team of over 600 employees. We prioritize sustainable employment, by creating an attractive workplace for all, leveraging an experienced talent pool that forms an open, diverse, and entrepreneurial team.

Furthermore, we want to promote fair and transparent financial markets and fuel innovation across our ecosystem, we do this by collaborating with the financial and investment community. We aim to pursue a responsible supply chain, with robust human rights practices and positive environmental contribution, to benefit all our stakeholders and position Flow Traders as a valued partner.

Governance

Good governance is critical to participate in global financial markets. We aim to always operate with high ethical standards in compliance with laws and regulations.

We believe that Flow Traders has an important role to play in the global financial ecosystem, we serve the real economy by allowing investors, including institutional and retail investors, to manage their risks by being able to always trade. Moreover, market makers like Flow Traders have contributed to making it more cost efficient to trade, which benefits all market participants.

In this role, Flow Traders has a responsibility to contribute to the financial stability and the sustainable agenda in the countries in which we operate. We also support the acceleration of the sustainable green transition towards a sustainable climate neutral economy in order to sustain growth, notably by providing liquidity in the ever-growing suite of ESG ETPs.

ESG Strategic Theme	ESG material topic	SDGs
Environment		
Environmental footprint	▪ GHG emissions – scope 2 (electricity) ▪ GHG emissions – reduction mechanism	13 CLIMATE ACTION
Social		
Sustainable employment	▪ Diversity and inclusion ▪ Employee engagement ▪ Human capital development ▪ Human rights (incl. equal treatment) ▪ Labor practices ▪ Health and safety ▪ Privacy and data protection	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Responsible supply chain	▪ (ESG) Due diligence ▪ Procurement practice	
Governance		
Good governance	▪ Business conduct ▪ Public affairs ▪ Tax ▪ Cyber security	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Sustainable green transition	▪ Innovation management ▪ Social impact	

Culture and values

We are constantly evolving and enhancing our culture to make Flow Traders the best place to work, and provide a fair and ethical environment for all of our stakeholders.

We are driven

We are one team

We are entrepreneurial

We are responsible

Our culture is underpinned with a strong values that we live by across our firm

We are one team: We have shared incentives and values. Our dialogues are honest and open.

We are entrepreneurial: We thrive on a challenge and are critical thinkers. We pursue new ideas and innovations to strengthen and grow Flow Traders.

We are driven: We are driven to excel and continuously improve. We are confident and rely on our strengths.

We are responsible: We operate as a responsible market participant by adhering to the highest standard of governance principles and contribute positively to market integrity.

We find it very important to regularly monitor our culture and identify where and how we can improve. We have a clear mission explaining “the reason for our existence.” From our mission and vision we have developed a a multi- year strategy.

Maintaining and nurturing our culture

Our culture is a key success factor and is extremely important to everyone across the organization, core elements for our success are;

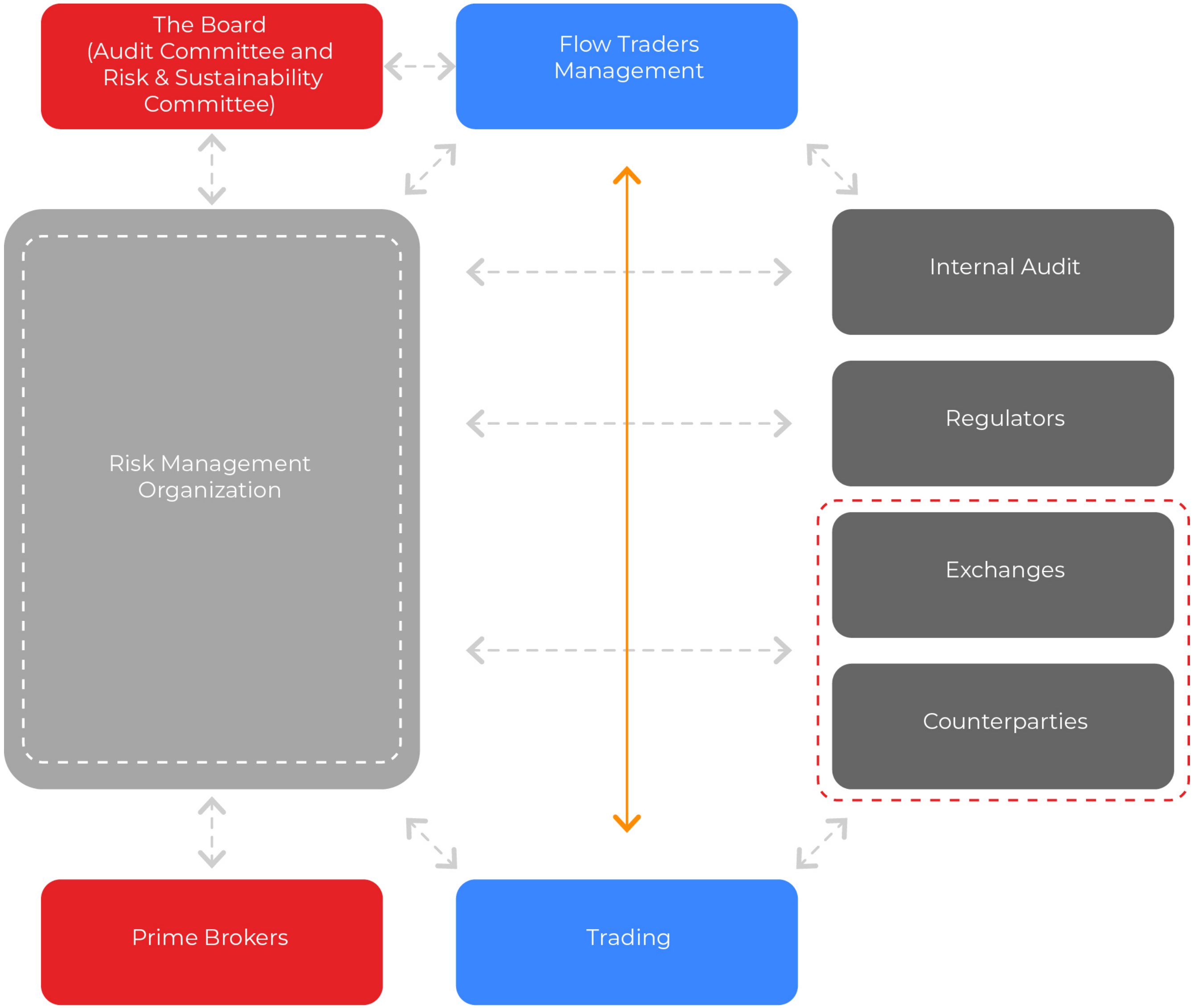
- **Flow Traders Leadership** - through the organization of firm-wide events and regular all-staff updates. In addition, feedback received from the annual engagement survey is reviewed in detail by leaders and action plans are derived.
- **Business Departments** - through providing specific trainings or learning sessions to actively stimulate our workforce with their personal and career development.
- **Colleagues** - colleagues organize their own events, competitions, and charitable endeavours to actively drive engagement.
- **Societal commitments and charities** - through supporting multiple charities via our dedicated Flow Traders Foundation.

Our risk management

Flow Traders’ Enterprise Risk Management Framework (ERMF) forms the foundation of our approach to managing risks. The ERMF is documented in Flow Traders’ Enterprise Risk Management Policy and is reviewed on an annual basis.

Where possible, we identify, assess, monitor, quantify and document potential risks which are inherent to trading and automated market-making. In this dynamic environment, we designed our ERMF in such a way that it is robust, efficient and transparent. In the figure on the right, we present the stakeholders that have an interest and place value in how our framework operates.

Our ERMF helps us to ensure that we have adequate systems and controls including the management of our liquidity and capital. This is delivered through a consistent, continuous and careful method for addressing, managing and prioritizing our key risks in the context of our strategic goals.



Enterprise Risk Management (ERM)

We aim for a good balance between our business activities, return on capital and related risks taken. Flow Traders' ERM approach ensures that our risk appetite and profile are integrated into our day-to-day operations and strategic decision-making. Annually, the Board determines the strategic goals and subsequent business targets. Based on these targets, the Company formulates its risk appetite. These targets and risk appetite parameters provide direction to our various departments and are used to determine our strategic risks.

Policies and control standards are maintained, developed and updated within the ERM Framework. The policies are based on our risk taxonomy and aligned with our control setting. To ensure that our daily activities remain in line with our risk appetite and residual risk we perform yearly Risk Control Self-Assessments (RCSA) to evaluate current risks and identify new risks. We also conduct an annual Risk Management Control Cycle to define and test our key controls that mitigate our critical, high and medium inherent risks in all of our business processes to accepted residual risk levels.

Risk categories

Our risk taxonomy is split into five broad risk categories - Financial, Business and Strategic, Compliance and Ethical, Operational and Technology - each with their own specific sub-risks:

Risk Taxonomy Domain	Level 1 Risk Category	Description of the risk
Financial risk	Capital risk	Capital risk (cost of doing business) refers to the situation where potential loss of investment value happens due to factors such as market volatility, regulatory and prime broker requirements, economic downturns, or poor financial performance of a company. It is the risk of failing to meet compulsory capital requirements invested in an asset or investment which are needed to maintain a firm's trading licenses and normal business activities and relationships with prime brokers.
	Liquidity risk	Liquidity risk refers to the inability to replenish capital to the required level. This can happen when: 1) not being able to obtain additional funding in a timely manner at a reasonable cost and 2) an inefficient internal management on liquidity. This is the risk of not being able to quickly convert an investment into cash without experiencing a significant loss in value, due to a lack of buyers or sellers in the market, restrictions on trading, or the illiquid nature of the asset itself that lead to an inability to easily buy or sell an asset without incurring significant costs. It can also happen because of a lack of access to alternative sources of funding such as short-term loans, trading credit from certain platforms, etc. in a timely manner. This is the risk of internal management deficiency which can lead to liquidity constraints.
	Market risk	Market risk is the risk to an institution resulting from movements in market prices; in particular, changes in interest rates, foreign exchange rates, and equity- and commodity prices.
	Credit risk	Credit risk is the risk of a counterparty and/or issuing institution involved in trading in or issuing a financial instrument defaulting on an obligation.

Risk Taxonomy Domain	Level 1 Risk Category	Description of the Risk
Business & Strategic risk	Strategy risk	Risk that may arise from the pursuit of the Company's business plan, from strategic changes in the business environment, and/or from adverse strategic business decisions. Market activity risk is part of this risk as our NTI and profitability are primarily a function of the level of trading activity, or trading volumes, in the financial instruments in which we trade.
	Concentration risk	Probability of loss arising from heavily lopsided exposure to a particular group of counterparties or products. Concentration risk also includes supplier dependency risks.
	Project Delivery & Management risk	The risk of inaccurate project management leading to inadequate realization of project objectives.
	Sustainability & Environment risk	The risk that an environment, social or governance (related) issue or event will impact the entity financial, non-financial and/or in the realization of strategic objectives of the entity.
Compliance & Ethical risk	Financial crime risk	The risk of money laundering, sanctions violations, bribery and corruption, and Know Your Customer (KYC) failure.
	Regulatory compliance risk	Failure to comply with any legal or regulatory obligations that are not captured through other risks.
	Reputation risk	The reputation risk is the risk of loss resulting from negative exposure to stakeholders.
	Fraud risk	Acts intended to defraud, misappropriate assets, deceive or circumvent regulations or the law, attempted or perpetrated against the entity.
	Conduct risk	Failure to act in accordance with internal and external stakeholders' and society's best interests, fair market practices, and codes of conduct.
Operational risk	Business continuity risk	The risk of failure to provide and maintain appropriate business continuity management (BCM), including inadequate business continuity plans.
	Trading execution risk	The risk of losses due to errors in the execution.
	Legal risk	Legal risk refers to the potential exposure and negative consequences that an individual or organization may face as a result of non-compliance with applicable laws, regulations, and legal obligations.
	People risk	The risk that the entity is not able to develop, retain and attract the necessary skills and diverse capabilities in our workforce to realize strategic objectives.
	Model risk	Model risk for a trading firm refers to the potential for adverse consequences resulting from errors or limitations in the financial models and algorithms used for trading and risk management. This risk arises from the reliance on mathematical models and computer algorithms to make trading decisions, value financial instruments, and manage risk. Model risk can stem from inaccuracies in the models, inappropriate assumptions, data errors, or the failure to account for all relevant market factors.
	Reporting risk	The risk of not being able to report adequately to stakeholders (e.g., annual financial report, regulatory reporting).
	Taxation risk	The risk of unexpected tax charges, including interest and penalties including tax related events resulting in for example a damaged reputation with the tax authorities, investors, employees and the public at large.

Risk Taxonomy Domain	Level 1 Risk Category	Description of the Risk
Operational risk	Third-party risk	The risk of failing to manage third-party relationships and related risks appropriately.
	Trade settlement risk	The risk of ineffective trading leading to financial performance variability and non-compliance with internal and external regulation.
	Physical security risk	The risk of damage to the organization's physical assets or harming of employees at the workplace.
	Financial reporting risk	The risk of incorrectly reporting financial information (balance sheet, income statement, cash flow statement, statement of changes inequity) to various stakeholders, such as shareholders, investors, creditors, and government regulatory bodies.
Technology risk	Technology systems risk	Risks in technology surrounding malfunctions, algorithmic risk, natural disasters, software bugs, and hardware failures resulting in service interruptions, availability of data, financial losses and reputational damage.
	Cyber Security risk	The risk of not protecting computer systems, networks, data from digital attacks, unauthorized access and therefore posing damage or disruption to the firm.
	Data Management risk	The risk of failing to appropriately manage and maintain data, including all types of data, for example, counterparty data, employee data, and the organization’s proprietary data.
	Technology Strategy risk	The risk that the IT strategy is not described, unclear or incomplete and thereby not sufficient to contribute to IT and business objectives. This includes the risk of the strategy not being properly executed.

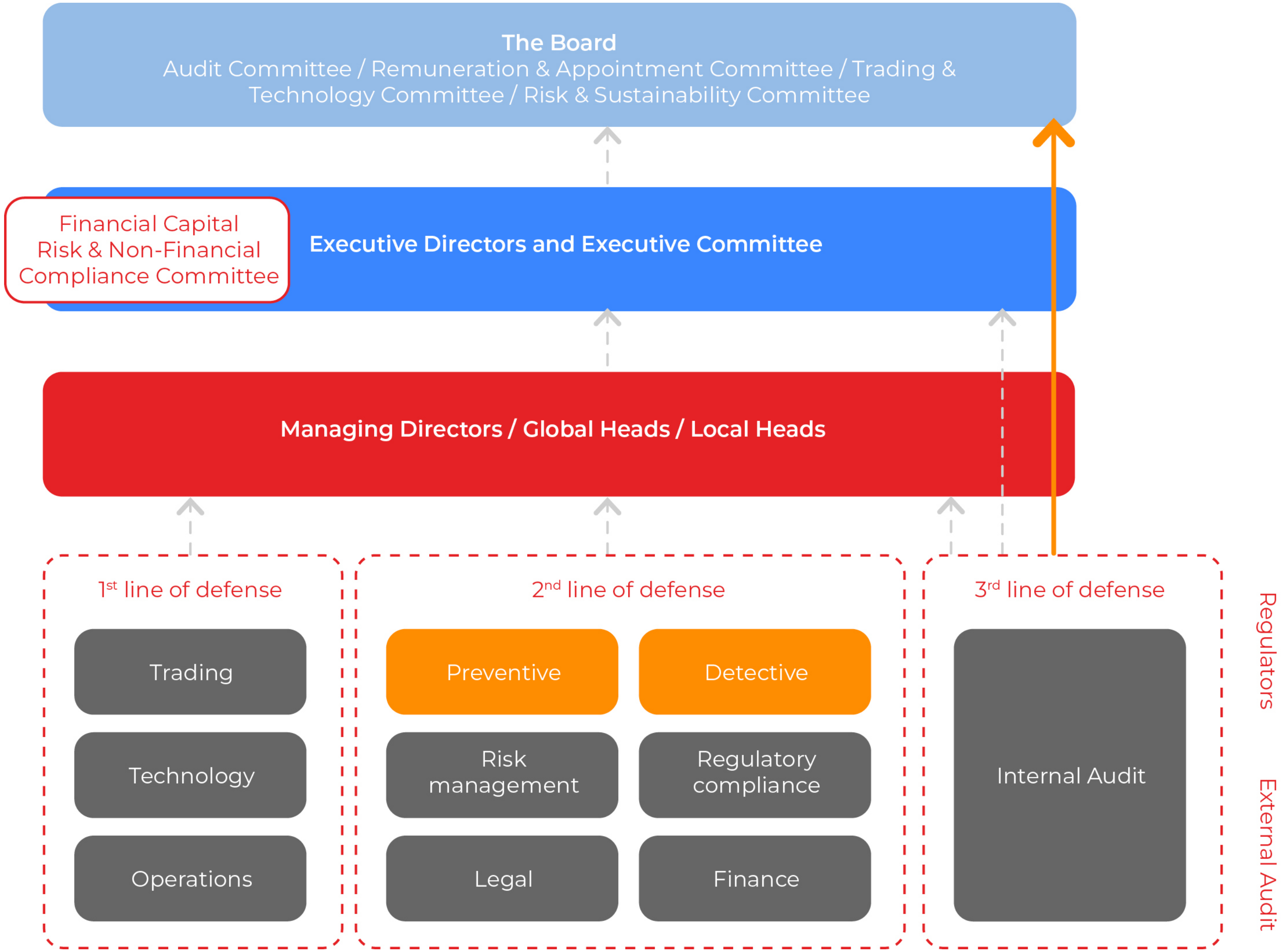
Risk management governance

The effectiveness of risk management is linked to commitment and integrity. It is crucial that the Board, the global and local department heads, as well as all employees are aware of the risks that our Company faces and their responsibilities in managing these efficiently.

Our risk management is organized along three lines of defence.The first line of defence is comprised of Trading, Technology and Operations. These departments are critical for managing the core processes within Flow Traders and are responsible for incorporating preventive and detective controls into the day-to-day trading and IT processes as well as for the continuous monitoring of Flow Traders' systems and trading controls.

The second line of defence is responsible for oversight and monitoring of risks, rules and requirements. Risk, Compliance and Finance manage risks through a combination of preventive and detective controls. Together they are responsible for the continuous risk management of Flow Traders. On the second line we have the Financial Capital Risk Committee and the Non-Financial Compliance Committee. The Financial Capital Risk Committee includes oversight reporting and planning in relation to market, credit and treasury risk within the firm. Whereas, the Non-Financial Compliance Committee reviews a wide range of risks that are not directly related to financial matters, such as operational risks, reputational risks, strategic risks, legal and regulatory risks, technology risks and ESG risks.

The third line of defence is formed by Flow Traders' Internal Audit function (IA). They provide independent and objective assurance and advice on the adequacy and effectiveness of governance, risk management and control systems. This achieves the competent application of systematic and disciplined processes, expertise, and insight. They report their findings to management and the governing body to promote and facilitate continuous improvement. The IA carries out its audit work in accordance with the approved and implemented Group Internal Audit Charter.



Enterprise risk management roles and responsibilities

The role of the Risk & Sustainability Committee of the Board is to:

Supervise the Executive Directors and Executive Committee with respect to:

- Identifying and analysing the risks associated with the strategy and activities of the Company and its affiliated enterprise;
- Establishing the risk appetite, and putting in place the measures in order to counter the risks being taken;
- Designing, implementing and maintaining adequate internal risk management and control systems;
- Monitoring the operation of the internal risk management and control systems and carrying out a systematic assessment of their design and effectiveness at least once a year. Where necessary, improvements should be made to internal risk management and control systems;
- Accounting for the effectiveness of the design and the operation of the internal risk management and control systems together with the Audit Committee.

Advise, and where applicable supervise, the Executive Directors and Executive Committee with respect to:

- The Company's overall risk appetite, tolerance and strategy;
- The current risk exposures and future risk strategy;
- Review, in relation to the Company's internal risk management and control systems:
- The Company's overall risk assessment processes that inform the Executive Director's and Executive Committee's decision making, ensuring both qualitative and quantitative metrics are used;
- On an annual basis, the parameters used for these processes and the methodology adopted;
- The accurate and timely monitoring of certain risk types of high importance;
- The Company's capability to identify and manage new risk types;
- Reports on any material breaches of risk limits and the adequacy of proposed action.

Monitor the manner in which the Company's risk management function is provided with adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Risk & Sustainability Committee shall also keep under review that the function has the adequate independence and is free from management and other restrictions.

The Risk & Sustainability Committee shall also keep under review that the function has the adequate independence and is free from management and other restrictions.

Prepare reports, recommendations and deliberations on its findings regarding the Company's internal risk management for purposes of the meetings of the Board.

Review, and where applicable monitor the Executive Directors' responsiveness to the reports, findings and recommendations of the Global Head of Risk.

The Executive Directors and Executive Committee are responsible for:

- Setting Company-wide objectives;
- Setting boundaries for risk taking by following and communicating our risk appetite;
- Successfully promoting, sponsoring and coordinating the development of a risk management culture throughout the Company;
- Guiding the inclusion of risk management practices in all strategic and operational decision making;
- Maintaining and monitoring the effectiveness of the framework to manage, monitor and report risk;
- Identifying and evaluating the significant risks related to Flow Traders' strategy;
- Discussing current risk developments with the standing risk committees of the Executive Directors and the Executive Committee. The Executive Directors and the Executive Committee invites stakeholders within the firm to report on new and existing risk exposures;
- Reporting on the outcomes of the risk management activities to the Risk & Sustainability Committee of the Board.
- Providing advice and follow-up on risk mitigating measures;
- Inviting stakeholders within the firm to report on new and existing risk exposures.

Flow Traders' Global/Local Heads are responsible for:

- Setting global/local department targets and objectives in line with Company-wide objectives;
- Performing annual risk self-assessments to identify assess and document existing and new risks and their impact on proposed plans;
- The adoption of risk management practices;
- Awareness and training on risk management;
- The results of risk management activities, relevant to their area of responsibility;
- Reporting on risks and risk & compliance management towards the Executive Directors and Executive Committee in monthly Financial

Capital Risk committee and Non-Financial Compliance Risk committee.

Flow Traders' Risk Department is responsible for:

- Monitoring, improving and developing the ERMF;
- Triggering and monitoring risk self-assessments for all departments;
- Gathering the necessary information and creating risk reports for internal stakeholders and the Board, the Risk & Sustainability Committee, the Executives Directors and the Executive Committee.

Flow Traders' Internal Audit Function is responsible for:

- Evaluating risk exposure relating to achievement of the organization's strategic objectives;
- Monitoring and evaluating the effectiveness of Flow Traders Group's risk management processes.

Flow Traders' employees are responsible for:

- Giving input to annual risk self-assessments to identify, asses and document existing and new risks and their impact on proposed plans;
- Identifying areas where risk management practices should be adopted and advising their supervisors accordingly.

The below figure shows the ERM cycle of Flow Traders:

The annual Risk Management Cycle follows the below Risk Management Framework

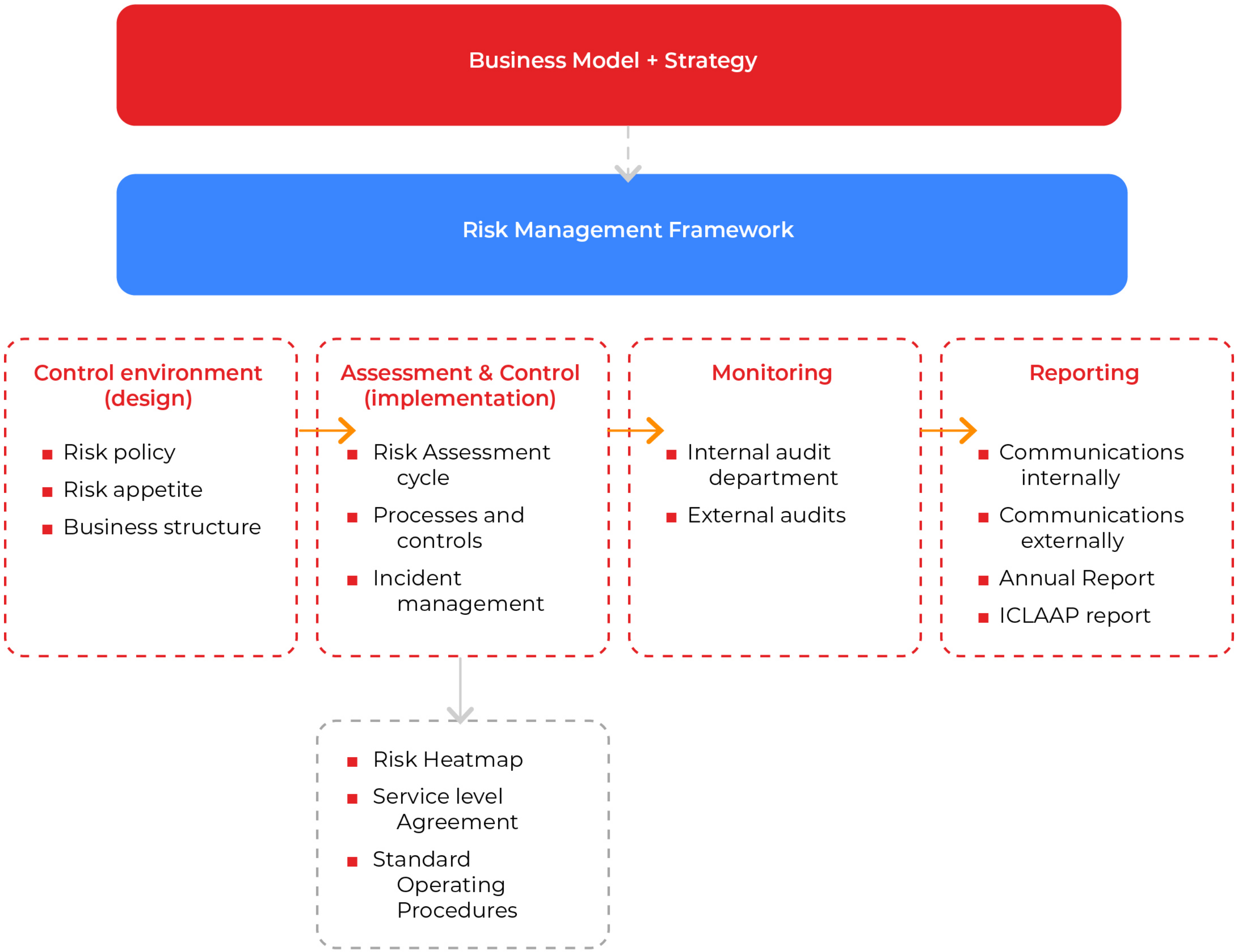
Every year the Executive Directors and Executive Committee sets its business targets following the strategic goals. The strategic goals are generally formulated in November/December. The Board approves the strategic goals and business targets.

Additionally, the Board is involved in the strategy setting exercise. Based on these long-term goals, short-term targets are determined. These targets are then translated into annual Company-wide, departmental and individual goals and discussed in an annual meeting with the Executive Directors, the Executive Committee and all relevant Managing Directors.

Based on the targets and objectives, the Executive Directors and Executive Committee formulates the risk appetite of the Company. The targets, objectives and risk appetite give direction to the various departments within Flow Traders and are used to derive the Company's strategic risks.

Flow Traders' Risk Management cycle is used to identify, manage and mitigate our financial, non-financial and compliance risk. The risk cycle consists of four recurring activities; risk identification & assessment, risk control, risk monitoring and risk reporting. The cycle is designed and implemented to determine & assess our risk, take mitigating actions to control our risk, monitor the effectiveness and developments of the taken measures and report findings and effectiveness of all measurements and actions taken. The risk cycle will ensure that our residual risk profile will remain in line with our annual set risk appetite and that emerging risks, changed risk levels or non-effective controls are identified, assessed and analysed in a timely manner.

The annual Risk Management Cycle follows the below Risk Management Framework:



Risk reporting

Flow Traders has several standing Risk Committees that continuously assess the risks we face in our business, and are comprised of our Global Head of Risk, the Executive Directors and certain members of the Executive Committee.

Aside from regular ongoing communication, there are formal monthly Financial Capital and Non-Financial committee reporting in which we discuss all risk assessments and risk proposals related to position limits, strategies, procedures, liquidity and capital requirements, regulatory compliance, AML, incidents and market developments. Any material change to our risk profile, systems, strategies and limits must subsequently be approved by the Executive Directors and Executive Committee.

In addition to these standing Risk Committees, we have a Risk & Sustainability Committee of the Board, all members of the Board are members of this Committee. The Global Head of Risk informs the Risk & Sustainability Committee about the effectiveness of the internal risk management and control systems. This includes the reasonable assurance that the aforementioned systems do not contain any material inaccuracies.

The tasks of the Risk & Sustainability Committee includes supervision and monitoring, as well as advising the Executive Directors and the Executive Committee on the operation of the Company's internal risk management and control systems. As well as providing advice on the Company's development, performance, and sustainability of its trading strategies, as well as reviewing the risk of the Company.

It also maintains regular contact with the Company's Trading and Risk, Compliance and Operations departments.

Key risks

Market risk

Market risk is the risk of loss resulting from unfavourable market movements in various drivers of a security's price, foreign exchange and interest rates that may result in a financial loss for its holder, or have negatively impact on its capital and liquidity position.

For illustration, the value of a financial instrument may fluctuate because of changes in factors such as equity prices, currency rates, future dividend expectations, interest rates and volatilities in the market.

Our hedging strategies (typically implemented by a combination of underlying securities and vanilla derivatives) along with our continuous monitoring of our positions aim to minimise this risk.

Our trading philosophy is that we hedge our positions as effectively as possible to minimise our market risk exposures.

Market activity risk (business risk)

Our NTI and profitability are primarily a function of the level of trading activity, or trading volumes, in the financial instruments in which we trade, and the bid-ask spreads (which largely determine the profit on the trade, or margins, we capture).

Trading volumes in securities, derivatives, currencies, commodities, cryptocurrencies and other financial instruments on exchanges and in other trading venues are directly affected by factors beyond our control, including economic and political conditions, broad trends in business and finance, regulatory requirements, actions by central banks, and changes in the markets in which such transactions occur.

To cope with periods of low market activity, we have diversified our trading into different products and markets. This is to safeguard that we are not overly dependent on market activity in one particular asset class or product type.

Operational risk

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people, systems or external events. Operational risk management is an integral part of Flow Traders' risk and control systems. Our operational risk is dominated by technology-related events at our exchanges and clearing members. Therefore, the level of our investment in technology is important to mitigate those associated risks as well as having resilient and robust internal systems and controls.

We operate an integrated, in-house developed, high-performance and customized technology platform with frequent and controlled deployments of new hardware and software.

Our infrastructure has a modular design which allows us to rapidly test and implement improvements in both hardware and software on an ongoing basis. Controlled releases of hardware and software enhancements provide for minimal disruption to our business.

The environment in which our trading software (or updates of our trading software) is being developed is strictly separated from the environment in which such trading software operates in production. Access to the source code is strictly controlled and limited.

Prior to any releases relating to our trading software, or an update into our production environment, any element of our trading software is subjected to a review of its code, testing in a development environment that is separate from our production environment, validation in limited production (processing a strictly limited number of trades) on one trading desk in respect of trading a single financial instrument, followed by more extensive testing across multiple desks and/or trading multiple financial instruments. Each step must be completed before the next and also appropriately documented.

We have a monitoring system in place to control undisrupted trading activities in real time. Multi-layer monitoring is employed to avoid errors. When an error does occur, the relevant teams are immediately notified via multiple different channels. We rely on multiple third party service providers for business and market data, which is a key part of what is monitored.

Our risk management system is fully integrated with our proprietary technology platform, analysing real-time pricing data, and is designed to ensure that our order activity is conducted within strict pre-determined trading and position limits.

For example, our pre-trade [risk] controls are designed to prevent the trading engines from sending quotes that deviate from our pre-defined risk parameters. These include price and volume limits, which are independently set and monitored by our Risk function. This keeps our ordering, trading and positions well within our preset tolerance levels. Our post-trade monitoring tools include trade-level reconciliation of prices and positions against those of our exchanges and prime brokers.

Our IT systems are regularly subjected to penetration tests by external experts. We have a comprehensive IT security system that is designed to protect us from attacks both from internally and externally.

Where we have a technical interface with institutions such as our prime brokers and exchanges, the integrity of the connection between the systems and the data that is being exchanged is subject to prior conformance testing and continuous monitoring.

Unexpected deviations are flagged and investigated. We also have a disaster recovery plan in place which, we continuously review to ensure it adequately captures relevant scenarios.

We use risk-based onboarding procedures before we start trading on any new platforms, including platforms designated for trading digital assets. While many of these platforms remain unregulated, many have strongly improved their own onboarding procedures and counterparty identification procedures. While we believe our own procedures are strong, the unregulated status of these platforms and their location in emerging economies makes them inherently less institutionalized and supervised than regulated platforms in developed economies. We therefore subject these platforms to increased monitoring and due diligence.

Regulatory risk

We only trade with institutional counterparties and do not provide investment services or ancillary services to third parties, our markets and nearly all aspects of our business are highly regulated. Where applicable, entities forming part of our Company have obtained the regulatory licenses and approvals needed to operate their regulated businesses.

Flow Traders' trading operations are established in three international jurisdictions, Amsterdam, New York and Hong Kong/Singapore with branch offices established in London, Milan, Paris, Chicago, Shanghai and Korea. As a Company, we currently trade on more than approx. 180 venues worldwide as well as operating on numerous other venues through our brokers. Our regulatory landscape is broad as we have to comply not only with our local regulations, but also the trading rules of all venues on which we trade.

Legislators and regulators worldwide continue to closely supervise the financial markets in which we operate. This places significant demand on Flow Traders to maintain a professional, well-structured and compliant organization.

The Compliance, Risk and Operations departments have implemented controls, internal rules and processes that have been systematically developed following applicable regulatory requirements, guidelines from market authorities, and industry best practices.

Actual or alleged non-compliance with applicable laws or regulatory requirements could adversely affect our reputation and in turn our long-term profitability and future business prospects. This may also be the case to a lesser degree for differences in interpretation or lack of timely or complete implementation of regulatory requirements.

Sanctions could include fines, penalties, disgorgement and censures, suspension or expulsion from trading venues or the revocation or limitation of licenses.

We aim to minimise such risks by focusing considerable management attention to choose the most appropriate strategic approach, employing highly-qualified compliance and risk professionals to allow the deployment of staff training; to efficiently update of our monitoring and reporting systems; and to be able to continuously evaluate the impact of current and upcoming regulations on our operations to find the optimal path to evolve our processes.

Notwithstanding such efforts and given the highly regulated nature of our business, we remain subject to routine (and more targeted) inquiries and audits from our global regulators and our trading venues.

In the course of 2023, Flow Traders B.V. received an information request by the AFM to investigate compliance with the Dutch Financial Supervision Act (Wft). Flow Traders duly provided all required documentation and complied in full with the request. In early 2024, the AFM notified Flow Traders that no formal proceedings would take place pursuant to this request. In parallel, the AFM and DNB requested further information at the end of 2023 in order to investigate compliance with the Dutch Money Laundering and Terrorist Financing (Prevention) Act ("Wwft"). This information was delivered in full in the first half year of 2024.

External risk

Given the highly interconnected nature of the financial markets ecosystem we are a part of, we recognize that should any of the risks referenced within this section materialize, there could be a negative impact on various external third parties.

Specifically, market and operational risk events could negatively impact key parties within our value chain; namely our counterparties and our prime brokers. This could limit our counterparties' ability to trade with us or to do settlement trades effectively on a timely basis. Moreover, the various prime brokers we work closely with could also be exposed to similar risks.

Compliance and transparency

Flow Traders continues to be a strong driver of effective, efficient and equal regulation and we contribute to the regulatory dialogue in our key jurisdictions to campaign for markets to be fair, transparent and functioning in an orderly fashion.

Focus on anti-bribery, anti-corruption and anti-money laundering

We commit to complying with all relevant laws and regulations that apply to us, wherever we operate. Especially important are the rules around anti-corruption, anti-bribery and anti-money laundering.

Integrity and transparency is central to the way we run our business regardless of seniority or role. The Company encourages everyone, from our Board to all our employees, to speak up and participate in our open culture. This inclusive culture supports our employees in complying with the applicable laws, regulations and our internal policies.

We believe that each employee has an individual as well as collective responsibility for ensuring an honest and ethical business conduct within Flow Traders. Therefore, our Code of Conduct, forms part of our employment documentation.

Ensuring adherence with our Code of Conduct is the responsibility of the Executive Directors and the senior management team. Any reported potential breaches are investigated fully by members of our senior management team in accordance with existing clearly laid out procedures and policies. Our Code of Conduct can be found on our website www.flowtraders.com.

We also have anti-bribery, anti-corruption and anti-money laundering policies in place that apply to all our employees. We expect our counterparties, business partners, intermediaries, contractors and subcontractors to adhere to the same standards. We believe that the risk of bribery or corruption is very limited as we do not hold or manage client money or assets. We trade financial instruments for our own account and own risk only. We do not maintain production facilities or source raw materials.

Nevertheless, our employees receive regular training in anti-bribery, anti-corruption and anti-money laundering practices, as the Board would like to reinforce the importance of these policies.

Key to our anti-bribery and anti-corruption policies is that officials or counterparties that we work with may never be placed in an uncomfortable position.

Therefore, no gifts nor favours that may lead (or have the appearance to lead) to obligations or embarrass any recipient, and no gifts nor favours of any substantial value may be given to any authorities or counterparties that we interact with. Any form of facilitation payments are strictly not permitted under any circumstances. We provide clear and recurring guidance on a regular basis in that respect.

We have zero tolerance approach towards bribery and corruption and we actively ensure that no such behaviour occurs. No cases of bribery or corruption were reported in the first half of 2024.

Whistleblowers

In addition to our culture of openness, transparency and participation, we also have detailed Whistleblower Policy in place for all employees and relevant contractors, approved by the Executive Directors of the Board.

Employees are free to raise issues and have the responsibility to report misconduct and incidents, or any reasonable suspicions.

All employees are required to participate in an online course on the Whistleblower Policy, to create awareness and guidance on how to deal with misconducts and incidents our Whistleblower Policy.

Circumstances may arise that cause an employee to feel insecure or unsafe to the extent that they may not want to use their usual reporting lines. We also provide employees with a safe way of reporting any suspected misconduct within our organization and offers robust protection to them.

The Whistleblower Policy has wide applications, including in respect of topics such as fraud, market abuse, corruption, anti-money laundering, theft, bribery, dishonouring the organisation, Global Tax Policy and any other structural misconduct that threatens the integrity and proper business conduct.

The Whistleblower Policy also provides any whistleblower with anonymity, confidentiality, and the Company will not impose sanctions on disclosure (or affect an employee's legal position) when the employee reports a suspected misconduct in good faith, unless the employee is involved in the issue that is being reported. We respect a non-retaliation approach when a suspected misconduct is reported.

Our Whistleblower Policy can be found on our website www.flowtraders.com.

Internal audit

The Internal Audit (IA) Function seeks to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. An effective IA contributes to strong internal controls and to a robust governance structure, which can address key structural risks.

The scope of IA's work includes the examination and evaluation of the adequacy and effectiveness of our risk management, control and governance processes. It also includes quality assurance work reviewing our performance in carrying out assigned responsibilities to achieve our stated goals and objectives.

Our Group IA Charter defines the IA's purpose, authority, responsibility and position within the organization. This charter is aligned with the Corporate Governance Code and with guidance provided by the Institute of Internal Auditors.

The IA function is an integral part of our reporting cycle. The IA Function reports to the Audit Committee and to the CEO. It aligns its efforts with our external auditor and reports its audit results to the Board, the Audit Committee and informs the external auditor.

The Board assesses the way in which the IA function fulfils its responsibility annually and takes the opinion of the Audit Committee into account.

Flow Traders IA Function conforms to the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors (IIA) and was externally certified in 2022.

Statement by the Executive Directors of the Board

As required by section 5:25d of the Dutch Financial Supervision Act (Wet op het financieel toezicht) we state that according to the best of our knowledge:

- the interim financial statements present a true and fair view of the assets, the liabilities, the financial position and profit or loss of Flow Traders Ltd. and the companies included in the consolidation; and
- the interim financial statements provide a true and fair view of the information required pursuant to article 5:25d paragraph 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht)

Regards,

Mike Kuehnel
Hermien Smeets-Flier
Owain Lloyd

2024 Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(In thousands of euro)*	Note	At 30 June 2024	At 31 December 2023
Assets			
Cash and cash equivalents	12	6,785	5,708
Financial assets held for trading	13	6,301,435	5,496,795
Trading receivables	14	9,745,008	8,101,646
Other assets held for trading	15	346,818	169,821
Other receivables	16	25,662	20,675
Investments measured at fair value through OCI	17	28,912	20,083
Investments measured at fair value through PL	18	12,589	6,485
Equity-accounted investees	19	8,804	4,807
Property and equipment		72,889	72,434
Intangible assets		2,425	2,678
Current tax assets		4,188	6,073
Deferred tax assets	11	5,960	9,945
Total assets		**16,561,475**	**13,917,150**
Liabilities			
Financial liabilities held for trading	20	3,392,921	3,067,053
Trading payables	21	11,891,691	9,879,497
Other liabilities held for trading	22	491,495	243,765
Other liabilities	23	60,748	77,719
Loans and borrowings	24	24,853	—
Lease liabilities		53,077	53,042
Provisions	26	—	4,111
Current tax liabilities		6,932	3,616
Deferred tax liabilities	11	2,150	2,509
Total liabilities		**15,923,867**	**13,331,312**
Equity			
Share capital	25	159,851	162,871
Share premium	25	(17,510)	556
Treasury shares	25	(55,877)	(88,008)
Share-based payments reserve	25	19,047	40,740
Retained earnings	25	501,834	449,336

Currency translation reserve	25	24,552	18,072
Fair value reserve	25	5,711	2,271
Total equity		**637,608**	**585,838**
Total equity and liabilities		**16,561,475**	**13,917,150**

The supplementary notes to the condensed consolidated financial statements are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In thousands of euro)

		For the six months ended 30 June	
	Note	**2024**	**2023**
Gross trading income		365,616	301,510
Fees related to the trading activities		53,812	53,992
Net financial expenses related to the trading activities		105,186	87,553
Net trading income	**7**	**206,618**	**159,965**
Other income or expenses	**8**	(831)	1,893
Total income		**205,787**	**161,858**
Employee expenses	**9**	76,041	67,300
Depreciation of property and equipment		8,336	9,366
Amortization of intangible assets		380	265
Write off of (in)tangible assets		—	26
Other expenses	**10**	47,386	51,159
Operating expenses		**132,143**	**128,116**
Operating result		**73,644**	**33,742**
Result/ (Loss) of equity-accounted investees	**19**	(619)	(188)
Impairment of equity-accounted investees	**19**	—	(4,445)
Profit before tax		**73,025**	**29,109**
Tax expense	**11**	14,046	5,625
Profit for the period attributable to the owners of the Company		**58,979**	**23,484**
Other comprehensive income (loss)			
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences - foreign operations		6,480	(4,281)
Items not reclassified to profit or loss			
Changes in fair value through other comprehensive income		3,440	1,186
Other comprehensive income for the period (net of tax)		**9,920**	**(3,095)**
Net other comprehensive income for the period attributable to the owners of the Company		**68,899**	**20,389**
Earnings per share			
Basic earnings per share	**6**	1.36	0.54
Diluted earnings per share	**6**	1.33	0.52

The supplementary notes to the condensed consolidated financial statements are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(In thousands of euro)*

30 June 2024

	Note	Share capital	Share premium	Treasury shares	Share-based payments reserve	Currency translation reserve	Fair value reserve	Retained earnings	Total
Balance at 1 January 2024		**162,871**	**556**	**(88,008)**	**40,740**	**18,072**	**2,271**	**449,336**	**585,838**
Profit		–	–	–	–	–	–	58,979	58,979
Total other comprehensive income	25	–	–	–	–	6,480	3,440	–	9,920
Total comprehensive income for the period		**—**	**—**	**—**	**—**	**6,480**	**3,440**	**58,979**	**68,899**
Transactions with owners of the Company									
Dividends	25	–	–	–	–	–	–	(6,480)	(6,480)
Cancellation of shares	25	(3,020)	(16,981)	20,001	–	–	–	–	–
Repurchase of shares	25	–	–	(9,576)	–	–	–	–	(9,576)
Share-based payments	25	–	(1,085)	21,706	(21,693)	–	–	–	(1,071)
Total transactions with owners of the Company		**(3,020)**	**(18,066)**	**32,131**	**(21,693)**	**—**	**—**	**(6,480)**	**(17,127)**
Balance at 30 June 2024		**159,851**	**(17,510)**	**(55,877)**	**19,047**	**24,552**	**5,711**	**501,834**	**637,608**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(In thousands of euro)*

30 June 2023

	Note	Share capital	Share premium	Treasury shares	Share-based payments reserve	Currency translation reserve	Fair value reserve	Retained earnings	Total
Balance at 1 January 2023		**162,871**	**2,372**	**(103,536)**	**56,865**	**24,899**	**2,040**	**460,804**	**606,315**
Profit		–	–	–	–	–	–	23,483	23,483
Total other comprehensive income	25	–	–	–	–	(4,281)	1,186	–	(3,095)
Total comprehensive income for the period		**–**	**–**	**–**	**–**	**(4,281)**	**1,186**	**23,483**	**20,388**
Transactions with owners of the Company									
Dividends	25	–	–	–	–	–	–	(34,630)	(34,630)
Repurchase of shares	25	–	–	(5,564)	–	–	–	–	(5,564)
Share-based payments	25	–	(1,795)	24,064	(22,792)	–	–	–	(523)
Total transactions with owners of the Company		**–**	**(1,795)**	**18,500**	**(22,792)**	**–**	**–**	**(34,630)**	**(40,717)**
Balance at 30 June 2023		**162,871**	**577**	**(85,036)**	**34,073**	**20,618**	**3,226**	**449,656**	**585,985**

The supplementary notes to the condensed consolidated financial statements are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(In thousands of euro)*		For the six months ended 30 June	
	Note	2024	2023
Cash flows from operating activities			
Profit for the period		58,979	23,483
Adjusted for:			
Depreciation of property and equipment		8,336	9,366
Amortization of intangible assets		380	265
Write off of (in) tangible assets		—	26
Result/(impairment) of equity-accounted investees (net of tax)		619	4,634
Result of investments FVPL		831	(1,875)
Changes in investments at fair value through other comprehensive income		9,920	—
Share-based payment transactions	9	1,571	9,942
Tax expense	11	14,046	5,625
Interest on lease liabilities		924	—
Changes in working capital			
▪ (increase)/decrease financial assets held for trading	13	(804,640)	(731,167)
▪ (increase)/decrease trading receivables	14	(1,643,362)	(2,129,990)
▪ (increase)/decrease other assets held for trading	15	(176,997)	(30,824)
▪ (increase)/decrease other receivables	16	(4,987)	4,339
▪ increase/(decrease) financial liabilities held for trading	20	325,868	(32,341)
▪ increase/(decrease) trading payables	21	2,012,194	2,931,825
▪ increase/(decrease) other liabilities held for trading	22	247,730	65,848
▪ increase/(decrease) other liabilities	23	(19,615)	(63,818)
▪ Corporate income tax paid		(5,219)	(18,578)
▪ Changes in provisions		(4,111)	—
Cash flows from operating activities		**22,467**	**46,760**
Cash flows from investing activities			
Investments and acquisitions of financial assets held at FVOCI	17	(8,829)	(183)
Investments and acquisitions of financial assets held at FVPL	18	(6,935)	(835)
Investments and acquisitions of equity-accounted investees	19	(4,616)	—
Acquisition of property and equipment		(4,585)	(4,900)
Acquisition of intangible assets		(127)	(48)
Cash flows from investing activities		**(25,092)**	**(5,966)**

Cash flows from financing activities			
Dividend paid		(6,480)	(34,630)
Payments of lease liabilities		(5,095)	(3,637)
Proceeds from Loans and borrowings	24	24,853	—
(Repurchases)/issue of shares		(9,576)	(5,564)
Cash flows from financing activities		**3,702**	**(43,831)**
Effect of movements in exchange rates on cash and cash equivalents		—	(147)
Change in cash and cash equivalents		**1,077**	**(3,184)**
Change in cash and cash equivalents			
Cash and cash equivalents at opening	12	5,708	8,612
Cash and cash equivalents at close	12	6,785	5,428
Change in cash and cash equivalents		**1,077**	**(3,184)**

For the period ended 30 June 2024 the interest paid amounted to €127.2 million (2023: €123.6 million), which includes €126.7 million (2023: €123.4 million) related to trading income and €0.4 million (2023: €0.1 million) to others. The Interest received as of 30 June 2024 is €40.3 million (2023: €35.8m), all trading related

The supplementary notes to the condensed consolidated financial statements is an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

All amounts in thousands of euro, unless stated otherwise.

1. Reporting entity

Flow Traders Ltd. (referred to as the "Company") is an exempted company limited by shares registered under the Companies Act 1981 of Bermuda, as amended (the "Companies Act"). Flow Traders Ltd. was incorporated on 13 January 2023 with its registered office at Canon's Court, 22 Victoria Street, PO Box HM 179 , Hamilton HM 12 Bermuda. The Company's principal place of business is located at Jacob Bontiusplaats 9, 1018 LL Amsterdam, The Netherlands. Flow Traders Ltd. is registered with the Dutch Trade Register of the Chamber of Commerce under number 88926257 as a company formally registered abroad ("formeel buitenlandse kapitaalvennootschap") as this term is referred to in the Dutch Companies Formally Registered Abroad Act ("Wet op de formeel buitenlandse vennootschappen"), which means the Company is deemed a Dutch resident company for corporate reporting purposes in accordance with applicable Dutch laws.

These condensed consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a leading technology-enabled global multi-asset class liquidity provider with its core business in Exchange Traded Products (ETP) actively expanding in fixed income, FX, commodities and digital assets, while systemically increasing its presence in the global ecosystem through strategic partnerships and investments.

2. Basis of preparation

a) Statement of compliance

The Group applies International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and title 9 book 2 of Dutch Civil Code. IFRS-EU provides several options in accounting principles. The Group's accounting principles IFRS-EU and its decisions regarding the options available are set out in the section 'material accounting policies' below.

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting as adopted by the European Union. They do not include all the information required for a complete set of International Financial Reporting Standards (IFRS) financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2023.

b) Material Accounting Policies

The same accounting policies and methods of computation that were applied in the most recent annual Group's consolidated financial statements for the year ended 31 December 2023 have been applied consistently to the interim condensed financial statements for the six-month period ended 30 June 2024. No changes in accounting policies have occurred during the interim period.

3. New standards and interpretations

The Group has assessed all new amendments and interpretations that are relevant to its operations and effective for annual periods beginning on or after 1 January 2024. These standards do not have a material impact on the interim condensed consolidated financial statements of the Group.

Additionally, the new accounting standards issued but not yet effective for the 30 June 2024 include:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18, which replaces IAS 1 Presentation of Financial Statements, introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, the Group is required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working on identifying all impacts the amendments will have on the primary financial statements and notes to the financial statements.

Lack of exchangeability – Amendments to IAS 21 & Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
The amendments are not expected to have a material impact on the Group's Consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

4. Operating segments

a) Reportable segments

The Executive Directors of the Board examine the Group performance from a regional perspective and have identified three reportable segments of its global trading business: Europe, the Americas and Asia.

Europe consists of activities in The Netherlands with institutional trading activities in France, UK, Italy, trading activities in Jersey and IT activities in Romania. Americas consists of the subsidiaries in the USA. Asia contains our subsidiaries in Hong Kong and Singapore and a Chinese representative office in Shanghai. The Executive Directors of the Board consider this segmentation to be relevant to understand the Group financial performance because it allows investors to understand the primary method used by management to evaluate the operating performance and decision making about allocation of resources and trading capital.

b) Basis of presentation

The Group measures results on an IFRS basis and reconciles the total segment results on net trading income, profit before tax and net profit. Significant transactions and balances between geographic regions occur primarily as result of Group operating companies incurring the operating expenses such as employee compensation, communication, software development and data processing and overhead costs for the purpose of providing services to affiliated operating companies (line items intercompany recharge income and expenses).

The Group's trading assets and liabilities attributable to each segment are reported to management on the basis of net trading capital. Consequently, the reported total assets in each segment are net of the segment's financial liabilities held for trading, trading payables and other liabilities held for trading.

c) Restatement of prior period disclosure

On review of intercompany recharges, it was concluded that certain arrangements were accounted for incorrectly in 2023. As a result, the Group evaluated the presentation of its inter-company recharge arrangements in the Segment Report tables and have restated the disclosure as of 30 June 2023 to enhance the understanding of the users of the financial statements of reported segmental results. The resulting differences between the restated presentation and the previously disclosed presentation are disclosed below.

The aforementioned changes had no impact on the overall financial position or net earnings of the Group.

SEGMENT REPORTING

	For the six months ended 30 June 2024			
	Europe	**Americas**	**Asia**	**Total**
Gross trading income	253,151	80,040	32,425	365,616
Fees related to trading activities	33,332	15,385	5,095	53,812
Net financial expenses related to the trading activities	71,707	25,119	8,360	105,186
Net trading income	**148,112**	**39,536**	**18,970**	**206,618**
Other income or expenses	(831)	–	–	(831)
Total Income	**147,281**	**39,536**	**18,970**	**205,787**
Inter-segment Revenue related to trading services	–	15,316	15,290	30,606
Inter-segment Revenue related to other intercompany transactions	23,342	–	–	23,342
Total revenues	**170,623**	**54,852**	**34,260**	**259,735**
Employee expenses	49,112	16,906	10,023	76,041
Inter-segment Expense related to trading services	30,606	–	–	30,606
Inter-segment Expense related to other intercompany transactions	–	13,179	10,163	23,342
Other expenses	36,904	10,038	444	47,386
Total operating expenses	**116,622**	**40,123**	**20,630**	**177,375**
Depreciation of property and equipment	4,015	2,327	1,994	8,336
Amortization of intangible assets	369	11	–	380
Write off of (in) tangible assets	–	–	–	–
Operating result	**49,617**	**12,391**	**11,636**	**73,644**
Result/(impairment) of equity-accounted investees	(456)	(163)	–	(619)
Profit before tax	**49,161**	**12,228**	**11,636**	**73,025**
Tax expense	11,256	2,277	512	14,046
Profit for the period	**37,905**	**9,951**	**11,124**	**58,979**

SEGMENT REPORTING

	For the six months ended 30 June 2024			
	Europe	**Americas**	**Asia**	**Total**
FTE	**443**	**105**	**87**	**635**
Assets	**11,014,494**	**4,530,137**	**1,016,843**	**16,561,475**
Liabilities	**10,692,264**	**4,296,108**	**935,495**	**15,923,867**
Capital Expenditure	**4,277**	**1,199**	**1,230**	**6,706**

SEGMENT REPORTING

For the six months ended 30 June 2023 (restated)

	Europe	Americas	Asia	Total
Gross trading income (a)	181,687	86,739	33,084	301,510
Fees related to trading activities	30,130	19,812	4,050	53,992
Net financial expenses related to the trading activities	45,908	32,284	9,361	87,553
Net trading income	**105,649**	**34,643**	**19,673**	**159,965**
Other income or expenses	1,915	(23)	–	1,893
Total Income	**107,564**	**34,620**	**19,673**	**161,858**
Inter-segment Revenue related to trading services (b)	–	7,462	8,534	15,996
Inter-segment Revenue related to other intercompany transactions (c)	12,188	–	–	12,188
Total revenues	**119,752**	**42,082**	**28,207**	**190,042**
Employee expenses	41,660	16,588	9,052	67,300
Inter-segment Expense related to trading services (b)	15,996	–	–	15,996
Inter-segment Expense related to other intercompany transactions (c)	–	5,445	6,743	12,188
Other expenses	35,405	11,401	4,353	51,159
Total operating expenses	**93,061**	**33,434**	**20,148**	**146,643**
Depreciation of property and equipment	5,072	2,481	1,813	9,366
Amortization of intangible assets	243	21	1	265
Write off of (in) tangible assets	–	26	–	26
Operating result	**21,376**	**6,120**	**6,245**	**33,742**
Result/(impairment) of equity-accounted investees	(341)	(4,293)	–	(4,634)
Profit before tax	**21,035**	**1,827**	**6,245**	**29,108**
Tax expense	5,607	(39)	57	5,625
Profit for the period	**15,428**	**1,866**	**6,188**	**23,483**

SEGMENT REPORTING

For the six months ended 30 June 2023 (restated)

	Europe	Americas	Asia	Total
FTE	**450**	**119**	**85**	**653**
Assets (d)	**8,401,135**	**5,024,197**	**561,710**	**13,987,042**
Liabilities (d)	**8,046,105**	**4,863,137**	**491,815**	**13,401,057**
Capital Expenditure	**3,501**	**951**	**448**	**4,900**

(a) Gross trading income for each region was restated to reflect the results made by regions trading as principal.

(b) The inter-segment revenue and expense related to Trading Services represents inter-segmental transactions from trading income earned by regions trading in agency capacity from other regions, with a corresponding inter-segmental expense. These lines have previously been disclosed in NTI.

(c) The inter-segment revenue and expense related to other intercompany transactions represents an accumulation of all intercompany transactions not already covered under note a) resulting in inter-segmental revenues and corresponding expenses. This line was previously entitled 'Intercompany recharge'.

(d) Assets for each region have been previously presented net of Financial Liabilities Held for Trading, Trading Payables and Other Liabilities Held for Trading. Liabilities for each region have previously not included Financial Liabilities Held for Trading, Trading Payables and Other Liabilities Held for Trading.

5. *Fair values of financial instruments and other assets and liabilities held for trading*

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values are disclosed in the notes specific to that asset or liability.

Valuation models

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between independent market participants at the measurement date.

The Group measures fair values using the following fair value hierarchy, depending on the inputs used for making the measurements.

- Level 1: fair value of financial instruments based upon inputs that are quoted, unadjusted, market prices in active markets for identical instruments;
- Level 2: inputs other than quoted prices included within Level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data;
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes unobservable inputs that have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments, for example unlisted equity securities.

The fair values of financial assets and financial liabilities that are traded in active markets are based on prices obtained directly from an exchange on which the instruments are traded or obtained from a broker that provides an unadjusted quoted price from an active market for identical instruments. For all other financial instruments, the Group determines fair values using other valuation techniques.

When the Group measures portfolios of financial assets and financial liabilities on the basis of net exposures to market risks, it applies judgement in determining appropriate portfolio-level adjustments such as bid-ask spreads. Such adjustments are derived from observable bid-ask spreads for similar instruments and adjusted for factors specific to the portfolio.

Similarly, when the Group measures portfolios of financial assets and financial liabilities on the basis of net exposure to the credit risk of a particular counterparty, it takes into account any existing arrangements that mitigate the credit risk exposure (e.g. master netting agreements with the counterparty).

Type	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair value measurement
Investments measured at Fair value through Profit or Loss	Market approach	Illiquidity discount (65%-75%)	The estimated fair value would increase (decrease) if: Management concluded the discount for liquidity were (higher) or lower
Investments measured at Fair value through Other Comprehensive Income	Market approach	Illiquidity discount (65%-80%)	The estimated fair value would increase (decrease) if: Management concluded the discount for liquidity were (higher) or lower
Other liabilities held for trading	Market approach	Implied Volatility (80%-120%)	If implied volatility were to increase, the fair value would increase

A reasonably possible alternative assumption to the illiquidity discount is an increase or decrease of the percentage by 5 percent. For investments measured at FVPL, this would increase/decrease the total fair value by €1.1million and for investments measured at FVOCI, this would increase/decrease the total fair value by a €493k.

A reasonably possible alternative assumption for applying the range of implied volatility would be to apply a 120 percent implied volatility for all other liabilities held for trading measured using a significant unobservable input of implied volatility. This would result in an increase in total fair value other liabilities held for trading by €0.7million. If those instruments were to all have an 80 percent implied volatility, the impact would be a decrease in total fair value of other liabilities held for trading of €0.9million. Assuming an increase of FV of a liability is making it less negative, and a decrease in FV of a liability making it more negative.

a. Financial assets and liabilities held for trading

The valuation of trading positions, both long and short positions, is determined by reference to last traded prices from identical instruments from the exchanges at the reporting date. Such financial assets and liabilities are classified as Level 1.

A substantial part of the financial assets and liabilities held for trading which are carried at fair value are based on theoretical prices which can differ from quoted market prices. The theoretical prices reflect price adjustments primarily caused by the fact that the Group continuously prices its financial assets and liabilities based on all available information. This includes prices for identical and near-identical positions, as well as the prices for securities underlying the Group's positions, on other exchanges that are open after the exchange on which the financial asset or liability is primarily traded closes. The Group's Risk and Operations departments checks the theoretical price independently. As part of their review, they monitor whether all price adjustments can be substantiated with market inputs. Consequently, such financial assets and liabilities are classified as Level 2.

For offsetting (delta neutral) positions, the Group uses mid-market prices to determine fair value.

b. Trading receivables and payables

Trading receivables and payables are measured on a fair value basis and designated at fair value though profit and loss. In accordance with the Group Accounting Policy of trade-date accounting for regular-way sale and purchase transactions, sales/purchase transactions awaiting settlement represent amounts receivable/payable for securities sold/purchased but not yet settled as at the reporting date. Receivables from and payables to broker-dealers, including cash balances held at the Group's clearing firms and the net amount receivable or payable for securities transactions pending settlement are included in this category. The Group maintains portfolio financing facilities with its prime brokers to facilitate its trading activities to finance the purchase and settlement of financial instruments. These financial liabilities are included at amortized cost. Gains, and losses, including on derecognition, interest expense and foreign exchange gains and losses are recognized in profit or loss.

c. Investments measured at fair value through other comprehensive income ('OCI')

The fair value of investments measured at fair value through other comprehensive income are non-derivative equity investments that the Group considers long-term strategic investments. The fair value is determined by reference to their quoted closing bid price at the reporting date, or if unquoted, determined using a valuation technique and are classified as Level 2 or level 3, conditional upon the regular availability of quoted closing bid prices.

Remeasurements of the investments are recorded as a line item under Investments measured at fair value through other comprehensive income on the balance sheet, while the remeasurement gain/(loss) are recognized as a separate line item under changes in fair value through other comprehensive income on the condensed consolidated statement of profit or loss and other comprehensive income.

d. Investments measured at fair value through profit and loss

The fair value of investments measured at fair value through profit and loss is s are non-derivative equity investments that the Group holds for long term trading purposes. The fair value is determined by reference to their quoted closing bid price at the reporting date, or if unquoted, determined using a valuation technique and are classified as Level 3.

Remeasurements of the investments are recorded as a line item under Investments at fair value through profit and loss on the balance sheet, while the remeasurement gain/(loss) are recognized as a separate line item under Other income or expenses on the consolidated statement of profit or loss and other comprehensive income.

e. Other assets held for trading

Other assets held for trading comprises the amount of digital assets that the Group holds as a broker-dealer. The Group applies IAS 2 for its digital assets and these are measured at fair value through profit and loss. As the Company uses its own fair value models based on quoted prices or observable inputs for the valuation of the digital assets, these assets are classified as Level 2.

f. Other liabilities held for trading

From time to time, the Company borrows digital assets as part of its trading strategy. The borrowed digital assets payables are measured at fair value through profit or losses as the Company uses its own fair value models based on quoted prices, observable inputs or unobservable inputs for the valuation of the borrowed digital assets, these liabilities are classified as level 2 and level 3.

g. Fair value hierarchy

The following table shows the carrying amounts and fair values of financial assets and liabilities according to their fair value hierarchy.

	At 30 June 2024			
	Level 1	Level 2	Level 3	Total
Long positions in equity securities - trading	38,438	5,907,793		5,946,231
Long positions in debt securities - trading	5	354,745		354,750
Mark to market derivatives assets	10	444	–	454
Financial assets held for trading	**38,453**	**6,262,982**	**–**	**6,301,435**
Other assets held for trading	–	346,818		346,818
Investments measured at fair value through PL			12,589	12,589
Investments measured at fair value through OCI		1,230	27,682	28,912
Total long positions	**38,453**	**6,611,030**	**40,271**	**6,689,754**
Short positions in equity securities - trading	220,854	2,854,374	–	3,075,228
Short positions in debt securities - trading	–	317,454	–	317,454
Mark to market derivatives liabilities	2	237	–	239
Financial liabilities held for trading	**220,856**	**3,172,065**	**–**	**3,392,921**
Other liabilities held for trading	624	344,331	146,540	491,495
Total short positions	**221,480**	**3,516,396**	**146,540**	**3,884,416**

				At 31 December 2023
	Level 1	Level 2	Level 3	Total
Long positions in equity securities - trading	28,166	5,189,803	–	5,217,969
Long positions in debt securities - trading	–	277,814	–	277,814
Mark to market derivatives assets	17	995	–	1,013
Financial assets held for trading	**28,183**	**5,468,612**	**–**	**5,496,795**
Other assets held for trading	–	169,821	–	169,821
Investments measured at fair value through PL	–	–	6,485	6,485
Investments measured at fair value through OCI	–	1,196	18,887	20,083
Total long positions	**28,183**	**5,639,629**	**25,372**	**5,693,184**
Short positions in equity securities - trading	44,850	2,598,156	–	2,643,006
Short positions in debt securities - trading	–	423,394	–	423,394
Mark to market derivatives liabilities	3	650	–	653
Financial liabilities held for trading	**44,853**	**3,022,200**	**–**	**3,067,053**
Other liabilities held for trading	5,081	169,212	69,472	243,765
Total short positions	**49,934**	**3,191,412**	**69,472**	**3,310,818**

Due to the short holding period between acquisition and sale, there are no transfers between Level 1 and Level 2 during the reporting period.

In 2024, no transfers in or out of level 3 took place (2023: nil). The following table shows the movement in level 3 assets, please also refer to note 17 & 18. The fair value of the level 3 investments is determined based on the latest transaction price. The fair value is reassessed based on internal reviews of the investments' milestone performance and runway. Changes in the unobservable inputs used to determine fair value may result in an increase or decrease in fair value.

g. Fair value hierarchy (continued)

Level 3 Investments			At 30 June 2024
	FVPL	FVOCI	Total
Carrying amount 1 January	6,485	18,886	25,371
Additions	6,705	4,687	11,392
Disposals	–	–	–
Unrealized gain/(loss)	(831)	3,537	2,706
Effect of movement in foreign exchange differences	230	572	802
Carrying amount at period end	**12,589**	**27,682**	**40,271**

The unrealized loss of €0.8 million (2023: €1.9 million) on Investments held at FVPL is included in other income or expenses in the Condensed consolidated statement of profit or loss and other comprehensive income.

The unrealized gain of €3.5 million (2023: €1.9 million) on Investments held at FVOCI is included in changes in fair value through other comprehensive income in the Condensed consolidated statement of profit or loss and other comprehensive income.

Included in the amount of FVOCI additions noted above, the most material addition was for €3.8 million, this addition is an equity instrument.

Included in the amount of FVPL additions noted above, the most material addition was for €4.7 million, this addition is an equity instrument.

Level 3 Investments

	At 30 June 2023		
	FVPL	FVOCI	Total
Carrying amount 1 January	1,928	18,459	20,387
Additions	835	183	1,018
Disposals	—	—	—
Unrealized gain/(loss)	1,875	1,931	3,806
Effect of movement in foreign exchange differences	16	(251)	(235)
Carrying amount at period end	**4,654**	**20,322**	**24,976**

Level 3
Other Liabilities held for trading

	At 30 June 2024
Carrying amount 1 January	69,472
Additions	72,525
Disposals	(29,681)
Unrealized loss	34,224
Carrying amount at period end	**146,540**

The unrealized loss of €34.2 million (2023: €5.5 million) on other liabilities held for trading is included in gross trading income on the Condensed consolidated statement of profit or loss and other comprehensive income.

Level 3
Other Liabilities held for trading

	At 30 June 2023
Carrying amount 1 January	12,226
Additions	15,283
Disposals	(2,436)
Unrealized loss	5,505
Carrying amount at period end	**30,578**

Hedge of net investments in foreign operations

Included in financial liabilities held for trading at 30 June 2024 was a borrowing of USD 2.7 million (2023: USD 19.3 million) which has been designated as a hedge of the net investment in the United States and Singapore subsidiaries, which have their functional currency in USD. This borrowing is being used to hedge the Group's exposure to the USD foreign exchange risk on this investment. Gains or losses on the retranslation of this borrowing are transferred to other comprehensive income to offset any gains or losses on translation of the net investments in the subsidiaries.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the USD borrowing. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise when the amount of the investment in the foreign subsidiary becomes lower than the amount of the borrowing. The hedging gain recognized in other comprehensive income before tax is equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognized in profit or loss. The impact of the hedging instrument recorded in financial liabilities held for trading on the statement of financial position is as follows:

Foreign currency denominated credit facilities

		For the six months ended 30 June 2024
Notional amount (US$000)	Carrying amount (€000)	Change in fair value used for measuring ineffectiveness for the period(€000)
2,700	**2,519**	**(364)**

Foreign currency denominated credit facilities

		For the year ended 31 December 2023
Notional amount (US$000)	Carrying amount (€000)	Change in fair value used for measuring ineffectiveness for the period(€000)
19,300	**17,472**	**695**

Net investment in foreign subsidiaries

		For the six months ended 30 June 2024
	Change in fair value used for measuring ineffectiveness (€000)	Foreign currency translation reserve (€000)
Investment in foreign subsidiaries	**(364)**	**(364)**

Net investment in foreign subsidiaries

		For the year ended 31 December 2023
	Change in fair value used for measuring ineffectiveness (€000)	Foreign currency translation reserve (€000)
Investment in foreign subsidiaries	**(695)**	**(695)**

6. *Earnings per share*

The calculation of the basic earnings per share is based on profit for the period attributable to ordinary shareholders and the number of ordinary shares outstanding.

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

Diluted earnings per share is determined by adjusting the basic earnings per share for the effects of all dilutive share-based payments to employees.

	For the six months ended 30 June	
	2024	2023
Profit for the period	58,979	23,483
Profit attributable to ordinary shareholders	**58,979**	**23,483**
Weighted average number of ordinary shares	43,392,837	43,216,284
Dilutive effect of share-based payments	850,373	1,575,973
Weighted average number of ordinary shares for diluted net profit	**44,243,210**	**44,792,257**
Basic earnings per share	**1.36**	**0.54**
Diluted earnings per share	**1.33**	**0.52**

7. *Net trading income*

Gross trading income comprises the realized and unrealized income on financial instruments, digital assets and certain fees which the Group receives as a liquidity provider from exchanges and as the issuers of products.

Fees related to the trading activities consist of expenses such as exchange fees, clearing fees and other trading-related costs. Net financial expenses related to trading activities primarily include interest expense on the credit facilities with prime brokers, calculated on the drawn amount during the period.

8. Other income or expenses

Other income or expenses includes gains and losses from investments measured at fair value through profit and loss. For further details please refer to note 18.

9. Employee expenses

	For the six months ended 30 June	
	2024	2023
Wages and salaries	32,348	30,602
Social security charges	3,698	3,489
Recruitment and other employment costs	5,006	5,116
Fixed employee expenses	**41,052**	**39,207**
Variable compensation paid in cash	27,717	18,151
Variable compensation paid in shares	7,272	9,942
Variable employee expenses	**34,989**	**28,093**
Total	**76,041**	**67,300**

The wages and salaries of the Group increased, while FTE remained relatively stable, decreasing from 654 as per 30 June 2023 to 635 as per 30 June 2024. The amount of variable compensation payable is based on the operational profit of the Company. Variable compensation costs are based on existing variable compensation obligations as well as expected variable compensation for the period.

Share-based payments

The Company awards its employees with shares as part of their variable compensation. Share awards as part of the variable compensation are gross, meaning that the employee's income tax obligations are to be paid out of these awards for which the Company is liable. Shares awarded under the loyalty and sign-on package share plans are awarded based on a net basis, meaning that the Company is liable for the employee income tax due for these plans.

In either case, the Group is responsible for withholding wage taxes upon vesting in the Netherlands and in most other countries of operations. The estimated amount of wage taxes can be up to 56%, for which future cash outflows maybe covered by the sale of treasury shares.

Following the update to the Group's corporate structure at 13 January 2023 the change in the issuer of the shares from Flow Traders N.V. to Flow Traders Ltd. including the name of the Company, legal seat and ISIN constitutes a modification to share-based payments. The Group measured the fair value of the outstanding share options based on the closing share price at 13 January 2023 and concluded that this change was a non-beneficial modification and continued to measure the fair value at original grant date. No incremental expenses related to the fair value of the share options was included in profit or loss.

Share-based payments per plan	For the six months ended 30 June	
	2024	2023
Variable remuneration share plans	6,832	9,594
Company loyalty and sign-on package share plans	441	348
Total expenses arising from equity settled share-based payments	**7,273**	**9,942**
Expenses arising from cash settled share-based payments	2,643	875
Total expenses arising from cash settled share-based payments	**2,643**	**875**
Total expenses arising from share-based payments	**9,916**	**10,817**

Total share awards outstanding per plan	At 30 June 2024	At 31 December 2023
Variable remuneration share plans	686,046	1,902,516
Company loyalty and sign-on package share plans	76,215	111,590
Outstanding at period end	**762,261**	**2,014,106**

a) Variable remuneration share plans - equity settled

Under the variable remuneration share plans, shares are granted to employees as part of their variable compensation. The shares vest in four equal instalments during the first quarter of the subsequent year over a period of four years subject to the condition that the employee remains employed on the vesting date.

At year end employees are granted shares based on a fixed monetary value. The number of shares are estimated based on the monetary value divided by the fair value of the share price at grant date. The final number of shares granted are determined based on the volume weighted average price (VWAP) of the first open period of the following year, resulting in an updated calculation of the shares awarded, as is shown in the tables below.

Prior year variable remuneration plans have been adjusted as follows:

Variable remuneration share plan year	2023	2022	2021
Fixed monetary value	2,252	27,432	20,943
Fair value share price at grant date	€17.42	€23.26	€33.10
VWAP share price of first open period	€16.56	€26.64	€28.91

The following table illustrates the number of shares and movements in share awards during the period.

Number of shares	At 30 June 2024	At 31 December 2023
Outstanding at 1 January	**1,902,516**	**2,935,616**
Granted during the period	287,184	184,693
Changes due to dividend reinvestment	7,421	91,405
Vested during the period	(1,123,052)	(1,054,589)
Forfeited during the period	(110,860)	(261,567)
Changes in shares recalculated based on final VWAP	12,475	6,958
Outstanding at period end	**975,684**	**1,902,516**

b) Company loyalty and sign-on package share plans - equity settled

Under the Company loyalty and sign-on package share plans, shares are granted as a part of variable compensation to certain employees. The shares vest over a period of one to five years, depending on the share plan and agreement with the employee, subject to the condition that the employee remains employed on the vesting date.

The fair value of the share options is estimated at the grant date.The weighted average fair value of shares granted during the period ended 30 June 2024 was of €17.53 (2023: €23.97). The exercise price of the share option is equal to the market price of the underlying shares on the date of grant. The expense recognized during the period was €0.4 million (2023: €0.3 million).

Number of shares	At 30 June 2024	At 31 December 2023
Outstanding at 1 January	**111,590**	**163,418**
Granted during the period	10,841	60,064
Changes due to dividend reinvestment	389	2,695
Vested during the period	(47,905)	(90,252)
Forfeited during the period	1,300	(24,335)
Outstanding at period end	**76,215**	**111,590**

c) Share appreciation rights - cash settled

Certain employees are awarded share appreciation rights (SARs) as part of their variable compensation, settled in cash. The SARs vest in equal instalments over a period of four to five years subject to the condition that the employee remains employed on the vesting date. The liability for the SARs is measured, initially and at the end of each reporting period until settled, at the fair value of the SARs. The carrying amount of the liability relating to the SARs at 30 June 2024 was €6.6 million (31 December 2023: €8.6 million). The expense recognized during the period was €1.4 million (30 June 2023: €0.9 million).

10. *Other expenses*

	For the six months ended 30 June	
	2024	2023
Technology	32,574	33,280
Housing	2,631	2,594
Advisors and assurance	2,611	2,444
Strategic advisory costs	—	3,342
Regulatory costs	1,305	1,315
Fixed exchange costs	3,409	3,929
Travel expenses	1,033	1,253
Various expenses	3,823	3,002
Other expenses	**47,386**	**51,159**

11. *Taxation*

	For the six months ended 30 June	
	2024	2023
Tax recognised in profit or loss	**14,046**	**5,625**
Current tax expense	10,665	5,282
Movement in deferred tax asset	3,985	567
Movement in deferred tax liability	(359)	(23)
Adjustment for prior years	(245)	(201)
Tax expense excluding share of tax of equity-accounted investees	**14,046**	**5,624**

Reconciliation of the weighted average statutory income rate to the Group's effective income tax rate is as follows:

	For the six months ended 30 June	
	2024	2023
Profit before tax	73,025	29,108
Dutch standard tax rate	25.8%	25.8%
Income tax expected	18,840	7,510
Actual income tax charge	14,046	5,625
In percentage	19.2%	19.3%
Difference in tax expense	**(6.6)%**	**(6.5)%**

	For the six months ended 30 June			
	2024 (€)	2024	2023 (€)	2023
Dutch standard tax rate	18,840	25.8%	7,510	25.8%
Different weighted average statutory rate of Group	(1,537)	(2.1%)	(948)	(3.3%)
Income (partly) exempted	(4,240)	(5.9%)	(2,209)	(7.6%)
Other non deductible costs	984	1.3%	1,272	4.4%
Subtotal	**(4,794)**	**(6.6%)**	**(1,885)**	**(6.5%)**
Effective tax rate	**14,046**	**19.2%**	**5,625**	**19.3%**

The effective tax rate differs from the (nominal) statutory tax rate. This difference is mainly caused by applying the participation exemption and Dutch innovation box regime. In addition the effective tax rate is impacted by non-deductible share plan costs that occur in each region.

Effective tax rate per region

An overview of the effective tax rate per region is presented in the table below.

	For the six months ended 30 June 2024	
	Statutory tax rate	Effective tax rate
Europe	25.8%	20.0%
Americas	21.0%	22.6%
Asia	16.5%	7.9%
Group	25.8%	19.2%

	For the six months ended 30 June 2023	
	Statutory tax rate	Effective tax rate
Europe	25.8%	22.6%
Americas	21.0%	22.6%
Asia	16.5%	2.9%
Group	25.8%	19.3%

12. Cash and cash equivalents

	At 30 June 2024	At 31 December 2023
Europe	3,203	1,946
Americas	587	309
Asia	2,995	3,453
Total cash and cash equivalents	**6,785**	**5,708**

The Cash and cash equivalents are available on demand.

13. Financial assets held for trading

	At 30 June 2024	At 31 December 2023
Long position in equity securities - trading	5,946,231	5,217,969
Long position in debt securities-trading	354,750	277,814
Mark to market derivatives assets	454	1,012
Total financial assets held for trading	**6,301,435**	**5,496,795**

Financial assets held for trading relate to settled positions and are closely related to financial liabilities held for trading, trading receivables, trading payables, other assets held for trading and other liabilities held for trading. The sum of these positions is our net trading capital position at our prime brokers and together with cash used in the management report as trading capital. The Group enters into derivative contracts such as futures, forwards, swaps and options for trading and economic hedge purposes. Futures contracts are transacted at standardized amounts on regulated exchanges and are subject to cash margin requirements. The table above shows the fair values of derivative financial instruments recorded as assets. Forwards are customised contracts transacted in the over–the–counter market. Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index. The Group's derivative assets and financial liabilities are generally not offset in the statement of financial position unless the IFRS netting criteria are met. The Group's trading capital exposures, including derivative contracts, are monitored on a daily basis as part of its overall risk management framework.

14. *Trading receivables*

	At 30 June 2024	At 31 December 2023
Receivables for securities sold	8,788,501	7,831,027
Due from brokers and exchanges	953,718	268,340
Unsettled mark to market derivatives assets	2,789	2,279
Total trading receivables	**9,745,008**	**8,101,646**

In accordance with the Group's policy of trade date accounting for regular way sale and purchase transactions, receivables for securities sold represent amounts of receivables for securities that are sold, but not yet settled as at the reporting date and amounts due from brokers and exchanges. Trading receivables are measured at fair value.

15. *Other assets held for trading*

	At 30 June 2024	At 31 December 2023
Other assets held for trading	346,818	169,821
Total other assets held for trading	**346,818**	**169,821**

These amounts include digital assets traded on centralized and decentralized exchanges.

16. *Other receivables*

	At 30 June 2024	At 31 December 2023
Prepayments	11,954	7,361
Dividend withholding tax	2,037	1,688
Security deposits	3,102	3,146
Receivable from employees	—	256
Other receivables	8,569	8,224
Total other receivables	**25,662**	**20,675**

17. *Investments measured at fair value through other comprehensive income*

	At 30 June 2024	At 31 December 2023
Investments measured at fair value through OCI	28,912	20,083
Carrying amount investments measured at fair value through OCI	**28,912**	**20,083**

18. *Investments measured at fair value through profit and loss*

	At 30 June 2024	At 31 December 2023
Investments measured at fair value through PL	12,589	6,485
Carrying amount investments measured at fair value through PL	**12,589**	**6,485**

19. *Equity-accounted investees*

a) Individually immaterial equity accounted investees

	At 30 June 2024	At 31 December 2023
Carrying amount as at 1 January	614	4,958
Investments	471	—
Cash distribution	(66)	(78)
Impairment	—	(4,445)
Result from equity-accounted investees	(163)	(43)
Effect of movement in foreign exchange differences	20	222
Carrying amount investments in individually immaterial equity-accounted investees	**876**	**614**

During the period ended 30 June 2024, the resulting losses from our individually immaterial equity accounted investees was €0.2 million.

During the prior period, the Group recognized an impairment of €4.4 million in its investment in an associate, LedgerEdge Inc. As of 31 December 2023, the estimated recoverable amount of LedgerEdge Inc. is nil and there is no expectation of reversal in future periods as the company and its subsidiary are in the process of liquidation.

b) Joint Venture

The Group has invested in a joint venture in which it has joint control and a 35.5% ownership interest through voting preferred shares as of March 2024. The Group, along with the other investors identified in the Shareholder Agreement as Major Investors, must each approve (with unanimous consent) the matters relating to the relevant activities of the joint venture. This results in collective control of the arrangement.

The Group does not consider the assessment of control a significant judgement under IAS 1, given the nature of the contractual terms and the activities that require agreement from each major investor. According to the shareholders' agreement, the Group is considered a major investor.

The investee is developing a trading technology platform in the Asian-Pacific region. In accordance with acquisition agreement, the Group may make an additional investment dependent on future events.

The following table summarizes the joint venture's financial statements for the period ending 30 June 2024. The Group uses the 31 May 2024 financial statements due to operational constraints of the investee.

	At 30 June 2024	At 31 December 2023
Percentage ownership interest	**35.50 %**	**21.60 %**
Non-current assets	4,053	2,690
Current assets	5,919	5,760
Current financial liabilities	(806)	(28)
Non-current financial liabilities	—	—
Net assets	9,166	8,423
Gain / (loss) on foreign exchange translation	(97)	—
Group's share of net assets (ownership %)	3,254	1,819
Goodwill	4,771	2,373
Carrying amount of interest joint venture	7,928	4,193
Loss from continuing operations	(1,285)	(145)
Total comprehensive income (ownership %)	**(456)**	**(31)**

20. Financial liabilities held for trading

	At 30 June 2024	At 31 December 2023
Short positions in equity securities-trading	3,075,228	2,643,006
Short positions in debt securities-trading	317,454	423,394
Mark to market derivatives liabilities	239	653
Total financial liabilities held for trading	**3,392,921**	**3,067,053**

Please also refer to note 13, 14 and 21.

21. Trading payables

	At 30 June 2024	At 31 December 2023
Payables for cash market products	9,183,114	7,906,239
Credit facilities	2,707,804	1,970,248
Unsettled mark to market derivatives liabilities	773	3,010
Total trading payables	**11,891,691**	**9,879,497**

Please also refer to note 13, 14 and 20.

Payables for securities bought

In accordance with the Group's policy of trade date accounting for regular way sale and purchase transactions, payables for securities bought represent amounts payables for securities that were purchased, but not yet settled as at the reporting date. The amount payable is based on the net unsettled amount per clearing institution.

Credit facilities

The Group maintains portfolio financing facilities with its prime brokers to facilitate the trading activities (i.e. to finance the purchase and settlement of financial instruments). The drawn amounts on these facilities continuously fluctuate based on our trading positions at any given moment.

The Group entered into interest-bearing credit facilities with ABN AMRO Clearing Bank N.V. (AACB), totalling €3,650 million per period end, comprising of a EUR denominated facility of €3,150 million and a USD denominated facility of $540 million. In addition, the Group has interest-bearing credit facilities for portfolio margin financing with Bank of America (BofA), Goldman Sachs and Barclays Bank. These facilities can be modified or terminated at any time. The facilities are exclusively for the financing of positions of the financial instruments traded in the ordinary course of the trading activities using the various prime brokers.

Our prime brokers require the Group to post cash to cover the haircut or margin requirements (representing a minor portion of our portfolio's size, which is variable and calculated on a daily basis depending on portfolio size and composition) in cash or securities as security for our positions held with the relevant prime broker. The positions are subject to pledge and collateral arrangements.

Covenants

Pursuant to the main covenants included in our facilities, the Group is required to comply with a net trading capital balance that exceeds the haircut calculated by the prime broker. Both the net trading capital balance and haircut are variable and calculated on a daily basis, depending on portfolio size and composition. The main covenants prescribe certain maximum portfolio-to loan size (variable and calculated on a daily basis, depending on portfolio composition). In addition, it require us to maintain a solvency ratio of at least 4%, calculated by shareholders equity divided by credit limit.

The main covenants also require the Group to supply our prime brokers with financial statements and other information, including information on our trading activities and trading counterparties, and permission to inspect our books and records. Furthermore, they require us to maintain all relevant authorizations and memberships required in order to conduct our business, and comply with all applicable laws, rules and regulations and place restrictions on mergers and disposition of our assets outside the ordinary course of our business.

At the reporting date one of the covenants in the credit facility agreement of one of the Group's prime brokers based on the subsidiary's end-of-period balance sheet disclosures could temporarily not be met. This was largely due to a sub-optimal structuring of inter-company loans between two subsidiaries. During this period, the prime broker relied on an existing guarantee and the commitment to restructure the inter-company loans. The inter-company loans were subsequently restructured and resulted in compliance with the covenants of the prime broker within the agreed period. At the publication date the Group complied with all covenants.

The covenants relating to the Barclays term loan mainly include ratios in respect of shareholders' equity for the Group and Flow Traders B.V., as well as a minimum regulatory capital ratio for Flow Traders B.V. A covenant breach may lead to an event of default, which could trigger the guarantee provided by Flow Traders Holdings LLC.

22. Other liabilities held for trading

	At 30 June 2024	At 31 December 2023
Other liabilities held for trading	491,495	243,765
Total other liabilities held for trading	**491,495**	**243,765**

Per period end the Group had other liabilities held for trading with a total value of €491.5 million (at 31 December 2023: €243.8 million) comprising of loans denominated in digital currencies or held with digital asset brokers.

23. Other liabilities

	At 30 June 2024	At 31 December 2023
Long-term variable compensation payable	17,374	13,328
Subtotal non-current liabilities	**17,374**	**13,328**
Wages and variable compensation payable	21,332	46,267
Wages tax payable	1,257	969
Creditors and accruals	20,785	17,155
Subtotal current liabilities	**43,374**	**64,391**
Total other liabilities	**60,748**	**77,719**

The long-term and current variable compensation payables relate to payables to the Group's employees in respect of the variable cash remuneration and the payables for the recognized shares appreciation rights ('SARs') cash settled (see note 9 and note 27). The variable cash compensation and the SARs programs are deferred in multiple instalments. If the Group faces operational losses these variable compensation elements are reduced or forfeited entirely to cover for such loss.

24. Loans and Borrowings

In the second quarter the Group entered into a EUR dominated interest-bearing 12 month term loan with Barclays Bank PLC for an amount of €25 million. The amount of the loan has been fully drawn as of 30 June 2024. The corresponding nominal interest rate is 3,2% plus 6 months EURIBOR.

25. Equity

Share capital and share premium

All ordinary shares rank equally with regard to the Company's residual assets. There are no preferred shareholders.

	At 30 June 2024	At 31 December 2023
In issue 1 January	45,671,645	46,534,500
Treasury shares	(2,469,585)	(3,422,732)
Outstanding at period end	**43,202,060**	**43,111,768**

Ordinary shares

Holders of the Company's ordinary shares are entitled to dividends and are entitled to one vote per share at general meetings of the Company.

In the first half of 2024, the issued capital was reduced by the cancellation of 862.855 shares at an average value of €23.18 per share.

Treasury shares

As at 30 June 2024 Flow Traders Ltd. and its subsidiaries hold 2,469,585 (at 31 December 2023: 3,422,732) of ordinary shares (treasury shares).

Treasury shares held by the Group are not cancelled and are recognized at cost and deducted from equity. No gain or loss is recognized in the P&L on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any differences between the carrying amount and the consideration, if reissued, is recognized in equity. The purchases of treasury shares on the market are intended for hedging of our employee share plan obligations or for capital management purposes.

Share-based payments reserve

The share-based payments reserve is used to recognize the grant date fair value of shares issued to employees, the grant date fair value of deferred shares granted to employees but not yet vested as well as the reinvested dividends for the unvested shares for employees. At the delivery of the shares to the employees the shares will be reclassified reducing the share-based payments reserve and increasing the share premium account. Please also refer to note 10.

Currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. This also includes the hedge results.

Fair value reserve

The fair value reserve comprises the fair value movements on all investments measured at fair value through other comprehensive income of the Group.

26. Provisions

The Company did not recognize provisions as of 30 June 2024 (2023: €4.1 million, related to regulatory claims). In 2023 the Group received communications from a trading regulatory body resulting in a provision for an amount of €4.1 million. In 2024 it imposed a fine for violations of trading regulations of €2.2 million and €2.3 million for the confiscation of assets. The total amount of 4.5 million was paid in full during June 2024. The €0.4 million in excess of the provision is recognized in Other Expenses in the Statement of Profit or Loss.

	Legal	Total
As at 1 January 2024	**4,111**	**4,111**
Provisions made during the period	—	—
Provisions used during the period	(4,111)	(4,111)
Provisions reversed during the period	—	—
Unwind of discount	—	—
As at 30 June 2024	**—**	**—**

	Legal	Total
As at 1 January 2023	**—**	**—**
Provisions made during the period	4,111	4,111
Provisions used during the period	—	—
Provisions reversed during the period	—	—
Unwind of discount	—	—
As at 31 December 2023	**4,111**	**4,111**

27. Contingent liabilities

Claims

The Group is not involved in any significant and material legal other procedures and/or claims.

Fiscal unity

The parent Company formed part of the Group fiscal unity for corporate income tax purposes until January 2023. All companies in the fiscal unity are jointly and severally liable for the tax obligations of the fiscal unity. The parent Company's tax assets or liabilities face the tax authorities on behalf of the fiscal unity. The parent Company is no longer part of the Group's fiscal unity after January 2023.

Cash incentive provided to employees

Up until and including 2019, employees had the possibility to participate in an employee incentive plan and are eligible to a cash incentive depending on their share position in the Group. One of the conditions for this cash incentive is that the employee needs to be employed at the Group at time of the payment of the cash incentive. Payments will be made in the first, second, third, fourth and fifth year of the plan. Based on IAS 19, costs related to the cash incentive may not be recognized until the employee fulfils the service obligation. Therefore these costs will be recognized in future years in profit and loss. In the period ended 30 June 2024 the Company recognized no costs relating to this plan (30 June 2023: €0.2 million).

As from 2020 certain employees receive part of their variable compensation in share appreciation rights (SARs). The SARs vest in equal instalments over a period of four to five years subject to the condition that the employee remains employed on the vesting date. SARs are cash settled and recognized in the statement of profit or loss in line with IFRS 2 (see note 9). The Group has not granted SARs in 2023.

The contingent liability from these plans are as follows:

	2025	2026	Total
SARs 2020	44		44
SARs 2021	124	200	324
SARs 2022	204	316	520
Total	**372**	**516**	**888**

Guarantees

Flow Traders B.V., Flow Traders US Holding LLC, Flow Traders US LLC and Flow Traders US Institutional Trading LLC (collectively “Guarantors”) have provided several guarantees for the obligations of Flow Traders US Institutional Trading LLC, Flow Traders Hong Kong Ltd and Flow Traders US LLC (collectively “Beneficiaries”) to external counterparties in relation to trading relationships.

Obligations under the guarantees require Guarantors to fulfil claims of the Beneficiaries once it has not fulfilled one of its obligations directly related to the trading relationships. These guarantees are in effect for periods ranging from 1 year to an indefinite term as of the signing date of the agreement, which can be withdrawn with 1 week notice.

Flow Traders Holding LLC has provided a parental guarantee for the obligations of Flow Traders B.V. related to the credit facility provided to Flow Traders B.V. by one of its prime brokers. If and as long as the solvency ratio of Flow Traders B.V. falls below 4% of the maximum credit limit agreed with this prime broker, Flow Traders Holding LLC has committed to provide such additional security for Flow Traders B.V. in the form of this parental guarantee. The maximum obligation under this guarantee for Flow Traders Holding LLC will be 4% of the maximum credit limit for Flow Traders B.V. as agreed with the prime broker. The parental guarantee shall be in full force and effect until terminated. Flow Traders Holding LLC may terminate this guarantee at any time upon 15 days’ prior written notice to the prime broker, or at any time upon the written consent of the prime broker.

Flow Traders Holding LLC has provided a guarantee for the obligations of Flow Traders B.V. in connection to the EUR 25 million term loan from Barclays Bank PLC, which was entered into during the second quarter of 2024. This guarantee has the same duration as the loan facility, which is a period of twelve months.

On 30 September 2024, Flow Traders Holdings LLC entered into a deed of guarantee and indemnity for the liabilities and obligations of its subsidiary Flow Traders Asia Pte. Ltd., in favour of Barclays Bank PLC up to a maximum cumulative amount of USD 50 million. This guarantee and indemnity will be in effect until the termination of all agreements between Barclays Bank PLC and Flow Traders Asia Pte.

Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which its subsidiaries operate. Please refer to the Capital Management section of this report for more information.

28. Offsetting financial assets and financial liabilities

The disclosures set out in this paragraph include financial assets and financial liabilities that:

- are offset in the Group’s statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

The similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, securities borrowing and securities lending agreements. Financial instruments, such as loans and deposits, are not disclosed in this paragraph unless they are offset in the statement of financial position.

The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right to offset recognized amounts for the parties to the agreement that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties or following other predetermined events.

In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The Group has outsourced collateral management to its prime brokers. It can receive and grant collateral in the form of cash and marketable securities in respect of the following transactions:

- derivatives;
- sale and repurchase, and reverse sale and repurchase agreements; and
- securities lending and borrowing.

The Group receives and grants collateral in the form of cash and marketable securities as set out in notes 12 and 21 in respect of derivatives (including swaps). Such collateral is subject to standard industry terms including, where appropriate, an ISDA Credit Support Annex. This means that securities received/granted as collateral can be pledged or sold during the term of the transaction, but have to be returned on maturity of the transaction. The terms also give each party the right to terminate the related transactions on the counterparty's failure to post collateral.

Offsetting
The Group has various netting agreements in place with counterparties to manage the associated credit risks. Such arrangements primarily include: securities borrowing and lending arrangements, and over-the-counter and exchange traded derivatives. These netting agreements and similar arrangements generally enable the counterparties to set-off liabilities against available assets received in the ordinary course of business and/or in the event of the counterparty's default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it, thus, reducing credit exposure. However, the offsetting criteria in IFRS 9 are not met in all cases.

Offsetting table

								At 30 June 2024
	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet		Assets not subject to netting arrangements		Maximum exposure to risk
	Gross assets/ liabilities before offset	offsetting with gross liabilities (IAS 32)	Net positions recognized on the statement of financial position	Netting Potential	Positions after consideration of netting potential	Positions not subject to netting arrangements	Positions recognized in the statement of financial position	After consideration of netting potential
Financial assets								
Long positions, cash market products and amounts receivable from clearing agent	17,620,876	(1,574,432)	16,046,444	(15,284,613)	761,831		16,046,444	761,831
Other assets held for trading						346,818	346,818	346,818
Total financial assets	**17,620,876**	**(1,574,432)**	**16,046,444**	**(15,284,613)**	**761,831**	**346,818**	**16,393,262**	**1,108,649**
Financial liabilities								
Short positions, cash market products amounts payable to clearing agents, and credit facilities	16,859,045	(1,574,432)	15,284,613	(15,284,613)		—	15,284,613	—
Other liabilities held for trading						491,595	491,595	491,594
Total financial liabilities	**16,859,045**	**(1,574,432)**	**15,284,613**	**(15,284,613)**		**491,595**	**15,776,208**	**491,594**

Offsetting table (continued)

	At 31 December 2023							
	Offsetting recognized on the balance sheet			Netting potential not recognized on the balance sheet		Assets not subject to netting arrangements		Maximum exposure to risk
	Gross assets/ liabilities before offset	offsetting with gross liabilities (IAS 32)	Net positions recognized on the statement of financial position	Netting Potential	Positions after consideration of netting potential	Positions not subject to netting arrangements	Positions recognized in the statement of financial position	After consideration of netting potential
Financial assets								
Long positions, cash market products and amounts receivable from clearing agent	14,703,658	(1,105,444)	13,598,214	(12,946,549)	651,891	—	13,598,440	651,891
Other assets held for trading						169,820	169,820	169,820
Total financial assets	**14,703,658**	**(1,105,444)**	**13,598,214**	**(12,946,549)**	**651,891**	**169,820**	**13,768,260**	**821,711**
Financial liabilities								
Short positions, cash market products amounts payable to clearing agents, and credit facilities	14,051,994	(1,105,444)	12,946,549	(12,946,549)	—	—	12,946,549	—
Other liabilities held for trading						243,765	243,765	243,765
Total financial liabilities	**14,051,994**	**(1,105,444)**	**12,946,549**	**(12,946,549)**	**—**	**243,765**	**13,190,314**	**243,765**

29. Related parties

General

The Executive and Non-Executive Directors of the Group are considered the persons responsible for managing, controlling and supervising the Group. During the period March 2024 to May 2024, the Group engaged with Roger Hodenius, a former Non-Executive Director of the Board (cessation of appointment in April 2023) as an advisor by contracting with Mr. Hodenius's firm, Avalon Holding B.V. The Group incurred costs for an amount of €60,000 for these services.

Flow Traders Foundation

As some of Flow Traders' Board members sit on the Board of the Flow Traders Foundation ("Foundation"), the foundation is considered a related party.

In 2020 Flow Traders established the Flow Traders Foundation, a Charity or Foundation ("Stichting") to better structure its historic engagement in giving to others in society who need (financial) help. During 2020 Flow Traders has put in place the funding to make sure that a significant financial basis has been laid so that the Foundation has the financial means to make not only an annual but also a structural impact and meets its purpose.

During the period ended 30 June 2024 Flow Traders contributed a total value of €0.2 million (2023: €0.5 million) out of the variable remuneration pool.

As part of donation agreements between some of the Board members with the Foundation, the Foundation is obligated to invest the donations received from these members into shares of the Group. In the period ended 30 June 2024 the Foundation used previously received donations of €0.5 million from certain (former) Flow Traders Board members from the Foundation, which it used to purchase 30,232 shares in Flow Traders Ltd. against a share price of €16,56.

Associates and Joint Ventures

The Group has entered into transactions with Associates and Joint Ventures, reference is made to note 19.

30. Group companies

SUBSIDIARIES

	Country of incorporation	Ownership interest	
		At 30 June 2024	At 31 December 2023
Flow Traders B.V.	Netherlands	100%	100%
Flow Traders Technologies B.V.	Netherlands	100%	100%
INIT Capital B.V.	Netherlands	100 %	100%
Flow Traders Investments B.V.	Netherlands	100%	100%
Flow Traders Holding LLC	USA	100%	100%
Flow Traders U.S. Holding LLC	USA	100%	100%
Flow Traders U.S. LLC	USA	100%	100%
Flow Traders U.S. Institutional Trading LLC	USA	100%	100%
Flow Traders Asia Pte. Ltd.	Singapore	100%	100%
Flow Traders Hong Kong Ltd.	Hong Kong	100%	100%
Flow Traders Hong Kong Services Ltd.	Hong Kong	100%	100%
Flow Traders UK Services Ltd.	United Kingdom	100%	100%
Flow Traders London Ltd.	United Kingdom	100%	100%
Flow Traders Technologies SRL	Romania	100%	100%
Flow Traders Investments Limited	Jersey	100%	100%
FTTNY LLC	USA	100%	100%

Other branches

The Group has the following branches:

Branch	Country	Trading Name
Paris	France	Flow Traders B.V. (Paris Branch)
Milan	Italy	Flow Traders B.V. (Milan Branch)
Shanghai	China	Flow Traders Hong Kong Ltd. (Shanghai)
Korea	Korea	Flow Traders Asia Pte. Ltd. (Korea Branch)
Hong Kong	China	INIT Capital B.V. (Hong Kong Branch)
Chicago	America	Flow Traders U.S. LLC (Chicago Branch)
Amsterdam	Netherlands	Flow Traders U.S. LLC (Amsterdam Branch)

Capital management

Regulatory capital requirements

As a result of the corporate restructuring per 13 January 2023 the Group is not subject to consolidated capital requirements under the EU Directive Investment Firm Regulation (IFR) and Investment Firm Directive (IFD). Regulated Flow Traders subsidiaries do comply with the local capital requirement regulations as monitored by their respective National Competency Authority (NCA).

Trading Capital

The Board monitors the return on capital while complying with prime broker and regulatory capital requirements. Reference is made to note 21 - Covenants. The available capital in the trading companies is monitored on a daily basis to ensure that requirements are met at all times and sufficient capital is available to support the Group's strategy. Trading capital as at 30 June 2024 was €623.9 million (31 December 2023 €583.7 million).

31. Non-Financial Risks

The disclosure of non-financial risks, including information requests by the AFM and DNB to investigate compliance with Dutch Money Laundering and Terrorist Financing (Prevention) Act ("Wwft"), has been included on page 22.

32. Subsequent events

None noted to date.

33. Authorization of condensed consolidated financial statements

Amsterdam, 14 October 2024

Executive Directors

- Mike Kuehnel (Chief Executive Officer)
- Hermien Smeets-Flier (Chief Financial Officer)
- Owain Lloyd (Chief Technology Officer)

Non-Executive Directors

- Rudolf Ferscha (Chairman)
- Jan van Kuijk
- Delfin Rueda
- Paul Hilgers
- Linda Hovius
- Karen Frank

Independent auditor's report

Our conclusion

We have reviewed the accompanying condensed consolidated interim financial statements of Flow Traders Ltd. based in Amsterdam, with its legal set in Bermuda, for the period from 1 January 2024 to 30 June 2024.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of Flow Traders Ltd. for the period from 1 January 2024 to 30 June 2024, is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed consolidated interim financial statements comprises:

- The condensed consolidated interim statement of financial position as at 30 June 2024
- The following consolidated interim statements for the period from 1 January 2024 to 30 June 2024: the statements of profit or loss and other comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and selected explanatory information

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed consolidated interim financial information section of our report.

We are independent of Flow Traders Ltd. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the board for the condensed consolidated interim financial statements

The board is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, the board is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that is free from material misstatement, whether due to fraud or error.

The Audit Committee undertakes preparatory work for the board's decision-making regarding the supervision of the integrity and quality of the company's financial reporting. Working within the board, the Audit Committee is charged in particular with the supervision with respect to the provision of financial information by Flow Traders Ltd.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410. Our review included among others:

- Updating our understanding of the company and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of interim financial information

- Making inquiries of management, the board and others within the company
- Applying analytical procedures with respect to information included in the condensed consolidated interim financial information
- Obtaining assurance evidence that the condensed consolidated interim financial statements agrees with, or reconciles to, the company's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether the board has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements
- Considering whether the condensed consolidated interim financial statements has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Amsterdam, 14 October 2024

EY Accountants B.V.

A. Snaak

Glossary

AACB	ABN AMRO Clearing Bank N.V.
AFM	Autoriteit Financiële Markten
AML	Anti-Money Laundering
APAC	Asia-Pacific
AuM	Asset under Management
AuM CAGR	Asset Under Management Compound Annual Growth Rate
BoFA	Bank of America
CEO	Chief Executive Officer
CFO	Chief Finance Officer
DNB	De Nederlandsche Bank
CSDR	Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories
CTO	Chief Technology Officer
CTrO	Chief Trading Officer
DMA	double materiality assessment
DNB	Dutch Central Bank
EBITDA	Earnings before interest tax deprecation & amortization
EMEA	Europe, Middle East, and Africa
EPS	Earnings per share
ERM	Enterprise Risk Management
ERMF	Enterprise Risk Management Framework
ESG	Environmental, Social and Governance
ESRS	European Sustainability Reporting Standards
ETF	Exchange-Traded Funds
ETP	Exchange-Traded product
ETFGI	ETFs Global Industry insights
EY	EY Accountants B.V. the Company's external auditor (previously, Ernst & Young Accountants LLP, due to legal change)
FIA PTG	FIA Principal Traders Group
FTE	Full-Time Equivalent
FV	Fair Value
FVPL	Fair Value Through Profit or Loss
FVOCI	Fair Value Through Other Comprehensive Income
FX	Forex (Currency trading)
General Meeting	Annual General Meeting of Shareholders
HY	Half-Year
IA	Internal Audit function
IAS	International Accounting Standards
IFD	Investment Firm Directive - Directive (EU) 2019/2034 on the prudential supervision of investment firms
IFR	Investment Firm Regulation - Regulation (EU) 2019/2033 on the prudential requirements of investment firms
IFRS	International Financial Reporting Standards
IFRS-EU	International Financial Reporting Standards as adopted by the European Union
IIA	Institute of Internal Auditors
IPPF	International Professional Practice Framework
NTI	Net Trading Income
NTI CAGR	Net Trading Income Compound Annual Growth Rate
OTC	Over the counter
RCSA	Risk and Control Self-Assessment
RMF	Risk Management Framework
SAR	share appreciation rights
SDG	Sustainable Development Goals
UN	United Nations
VIX	Volatility Index
VWAP	Volume weighted average price

Colophon

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This document contains "forward-looking statements" that relate to without limitation, our plans, objectives, strategies, anticipated developments in the industry in which we operate, and future operational performance. These forward-looking statements are often identified by terms such as "anticipate," "estimate," "believe," "intend," "plan," "predict," "may," "will," "would," "should," "continue," "expect," and similar expressions, though not exclusively. Such forward-looking statements are to involve known and unknown risks, uncertainties, and other important factors that could cause circumstances or actual outcomes, results, performance, or achievements to differ materially from any future circumstances, results, performance or achievements expressed or implied. Key factors that may affect these forward-looking statements include, but are not limited to: reduced levels of overall trading volumes and lower margins; dependence on prime brokers, ETP issuers, trading counterparties, central counterparties (CCPs), and custodians; potential loss of access to important exchange or other trading venues; occurrence of systemic market events; incurrence of trading losses; disruptions or failures of our trading platform or third-party technical infrastructure; operational risks and challenges inherent to our business and trading activities; ineffective risk management systems processes and strategies; intense industry competition; reliance on continuous access to liquidity sources; capacity constraints in computer and communication systems; dependence on third-party software, infrastructure, or software availability; damage to our reputation and the reputation of our industry; loss of key staff or failure to attract and loss of key personnel or challenges in attracting and retaining skilled professionals; changes to applicable regulatory requirements; compliance with applicable laws and regulations specific to our industry; and enhanced media and regulatory scrutiny affecting public perception among other risks. These forward-looking statements are based on assumptions, beliefs, and expectations derived from our industry experience, as well as our perceptions of historical trends, current conditions, expected future developments, and other factors we deem appropriate. Furthermore, any sustainability-related statements—pertaining to environmental, social, and governance (ESG) considerations—are based on the best evidence and information available to us at the time of this report. These statements, including those regarding future opportunities or risks, are inherently uncertain and subject to change as our understanding of ESG factors evolves. From a quantitative perspective, some of our sustainability metrics, such as emissions calculations, rely on estimates and external sources, including conversion factors. These estimates are based on current methodologies and sources, which may vary, leading to potential adjustments in reported figures over time. As such, the figures presented in this report should be understood as estimates that could change depending on the data sources or methods employed. While we believe the expectations reflected in the forward-looking and sustainability statements are reasonable as of the date they are made, we cannot guarantee their accuracy. Therefore, you are cautioned not to place undue reliance on these statements. Except as required by applicable law or stock exchange regulations, we do not undertake any obligation to update or revise any forward-looking statements or sustainability metrics, whether as a result of new information, future events, or otherwise. Any forward-looking statements should not be interpreted as guarantees of future performance or outcomes. If the risks or uncertainties materialize, or if the assumptions underlying our forward -looking statements prove inaccurate, our actual operational results, financial condition or sustainability outcomes could differ significantly from those anticipated, believed, estimated or expected. Statements regarding the market, industry trends, including the FX market, developments in ETP Assets under Management in specific markets, ETP value traded in certain markets and Flow Traders' competitive position, are based on external data and sources. As these sources and methodologies evolve, so too may the information we present.

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