

- FFJ obtained and translated the 2019 audited income statements for five of Freedom Holding's subsidiaries — in Russia, Kazakhstan and Ukraine. (There are no U.S. operations currently and Germany's revenue are minimal; similarly the firm's Uzbekistan operations are modest. Due to Cyprus' rules, we were unable to obtain those filings.) **Please explain the differential between what Freedom Holding reports in its SEC filings and what the company's five active subsidiaries reported to their local regulators. What was the 2018 and 2019 net income for the two Cyprus-based subsidiaries? Given Cyprus' problematic reputation, why persist in routing trades through there?**
- The most recent quarterly report states that Freedom Holding's dealings with Timur Turlov were over 73 percent of commission revenues, and 57 percent of total revenues. **Please explain what securities Turlov is trading and what commission per share he is being charged. As a matter of corporate strategy, why is trading with your CEO is consistently the firm's most important source of revenue? Are any steps being taken to reduce exposure to these related party revenues?**
- Timur Turlov owns FFIN Brokerage Services Inc. in Belize and per S&P's rating note, it is a key Freedom Holding counter party. It is also the vehicle the company uses for attracting clients to invest in U.S. exchange listed initial public offerings. **What does this structure accomplish? Why is this relationship not disclosed to investors? What are the Belize subsidiary's revenue and income amounts for the past several years? How exactly does the Belize relationship benefit Freedom Holding's minority investors? Why not obtain the necessary U.S. licenses and simply open a regulated U.S. office?**

- According to financial disclosures, for the past two years Lek Securities executed over 90 percent of the Cyprus subsidiary's trades. In that time frame, however, [Lek Securities](#) has been in a great deal of regulatory trouble for its actions with respect to Russian and Ukrainian clients, and its founder was barred from the securities industry. **Who made the decision to have Lek handle almost all of your trade execution? Is Freedom Holding still using LEK as its primary trade execution provider? If so, why?**
- **Why does Freedom Holdings use WSRP as its auditor? Why not use a larger, more established international auditor with a Kazakhstan presence?**