

Freedom Holding Corp. announced the financial performance for the third quarter of fiscal year of 2019.

Almaty, Kazakhstan / February 15, 2019 / Freedom Holding Corp. (KASE: US_FRHC).

Freedom Holding Corp. (hereinafter referred to as the Holding), a leading retail broker and investment bank in Central Asia, reports the financial performance for the third quarter of the fiscal year of 2019, which ended on December 31, 2018.

Key figures for the third quarter of fiscal year of 2019:

- revenue in the amount of \$ 26.4 million for the third quarter of 2019 increased by 51% QoQ
- commission income in the amount of \$ 12.3 million increased 5 times compared to the same quarter of the last year and decreased by 4% compared with the previous quarter
- net profit of \$ 8.9 million increased by \$ 22.4 million compared with a net loss of \$ 13.5 million and increased 5.2 times QoQ
- earnings per share of \$ 0.15, calculated on the basis of a weighted average number of shares of 58 million pieces, during the accounting period changed by \$ 0.45 compared to a loss per share (\$ 0.30) calculated on the basis of a weighted average number of shares of 45 million pieces during the third quarter of 2018
- *other comprehensive income of \$ 3.3 million for the third quarter of 2019 changed by \$ 13.8 million compared with other comprehensive loss of (\$ 10.5) million for the same period of the last year.

Key figures for the nine months ended on December 31, 2018:

- revenue in the amount of \$ 51.8 million for the nine months ended on December 31, 2018 increased by 7% compared with the nine months ended on December 31, 2017
- commission income in the amount of \$ 31 million for the nine months ended on December 31, 2018, increased 3.2 times compared with the nine months ended on December 31, 2017
- net profit of \$ 4.3 million for the nine months ended on December 31, 2018 decreased by 81% compared with the nine months ended on December 31, 2017

- earnings per share of \$ 0.07, calculated on the basis of a weighted average number of shares of 58 million pieces, for the nine months ended on December 31, 2018, decreased by \$ 0.76 compared to earnings per share of \$ 0.83, calculated on the basis of a weighted average number of shares of 26 million pieces for the nine months ended on December 31, 2017
- *other comprehensive loss of (\$ 13.5 million) for the nine months ended on December on 31, 2018, changed by \$ 32.1 million compared to other comprehensive income of \$ 18.6 million for the nine months ended on December 31, 2017.

Key figures and key events:

- Customers
110,000 customer accounts as of December 31, 2018 show an increase by 10% compared with the number of customer accounts as of September 30, 2018. The volume of the customer operations exceeded \$ 39 billion for the nine months ended on December 31, 2018.
- Changes in the composition of the Board of Directors
Arkadiy Rakhilkin was relieved of his post as a member of the Board of Directors.
On February 4, 2019, the Board of Directors appointed Mr. Boris Cherdabayev as an independent director. Mr. Cherdabayev has long track record in the Board of Directors of a public company in the United States. He will serve in the Audit Committee and Compensation Committee.

Timur Turlov, CEO, Freedom Holding Corp.:

“We are pleased with the results of the third quarter of the fiscal year of 2019 and, in particular, the dynamics of our key source of income, which is the commission on our customer’s operations. It is confirmed by the organic growth of accounts, assets and customer confidence and allows us to depend on maintaining a favorable behavior in the future. I am sure that over the past periods we were able to lay a very important foundation for the further development of the holding”.

Reference:

- * Loss on the reporting currency conversion reserve

The other comprehensive loss of the Holding includes losses on the conversion of the reporting currency reserve arising from the conversion of the financial statements indicators expressed in the functional currencies of subsidiaries into the currency of the Holding during consolidation. When calculating the reserve, assets and liabilities items are converted at the exchange rate as of the reporting date, and income and expense items are converted at the average exchange rate for the reporting period. A negative change in the reserve arises as a result of the weakening of the functional currencies of subsidiaries against the currency in which the holding reports. A significant part of the Holding is the subsidiaries, whose functional currencies are the Russian ruble and Kazakhstan

tenge. As a result of weakening of the ruble and tenge exchange rates by 6% against the US dollar in the third quarter of fiscal year of 2019, the Holding reflected changes in the reserve for the conversion of reporting currency in the amount of \$ 5.6 million. Also as a result of the weakening of the ruble and tenge exchange rates by 21% against the US dollar during the nine months ended on December 31, 2018, the Holding reflected a change in the reserve for the conversion of the reporting currency in the amount of \$ 17.8 million.

- For the Holding, the third quarter of the fiscal year of 2019 ended on December 31, 2018. The fiscal year of 2019 will end on March 31, 2019.
- Freedom Holding Corp. is a financial services holding company conducting retail financial brokerage, investment counseling, securities trading, investment banking and underwriting services through its subsidiaries under the name of Freedom Finance in the Commonwealth of Independent States (CIS). Subsidiaries of the Holding are the members of the Kazakhstan Stock Exchange (KASE), Moscow Exchange (MOEX), the Saint-Petersburg Exchange (SPB) the Republican Stock Exchange of Tashkent (UZSE) and the Ukrainian Exchange. The Company is headquartered in Almaty, Kazakhstan, with executive office locations in Russia and the United States. The Holding has branch offices in Kazakhstan, Russia, Kyrgyzstan, Ukraine, Uzbekistan and Cyprus.
- The Holding's common shares are traded in the United States on the OTCQX Best Market operated by OTC Markets Group Inc., the world's largest electronic marketplace for broker-dealers to trade unlisted stocks. Investors are able to view Real Time Level II stock quotes for the Company at: <http://www.otcmarkets.com>.

Cautionary Note Regarding Forward-Looking Statements

This release contains "forward-looking" statements. All forward-looking statements are subject to uncertainty and changes in circumstances. Forward-looking statements are not guarantees of future results or performance and involve risks, assumptions and uncertainties that could cause actual events or results to differ materially from the events or results described in, or anticipated by, the forward-looking statements. Factors that could materially affect such forward-looking statements include certain economic, business and regulatory risks and factors identified in the Company's periodic reports filed with the Securities and Exchange Commission. All forward-looking statements are made only as of the date of this release and the Company assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances. Readers should not place undue reliance on these forward-looking statements.

The OTC Markets Group, Inc. has not approved nor disapproved of the contents of this press release.

SOURCE: Freedom Holding Corp.

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