

July 1, 2024



S&P Revises Outlook for Freedom Holding Corp. Subsidiaries to Positive

- ***Ratings affirmed for Freedom Finance JSC; Freedom Finance Europe Ltd.; Freedom Finance Global PLC and Freedom Bank Finance Kazakhstan at “B/B” and for Freedom Holding Corp. at “B-.”***
- ***Outlook for Freedom Holding Corp. subsidiaries revised to positive from negative.***
- ***Outlook for Freedom Holding Corp. revised to stable from negative.***

ALMATY, Kazakhstan--(BUSINESS WIRE)-- Freedom Holding Corp. (the “Company”) (NASDAQ: FRHC), a multi-national diversified financial services holding company with a presence through its subsidiaries in 20 countries, today highlighted an S&P Global Ratings (“S&P”) report published on June 28, 2024.

Among other aspects, the S&P report remarked that the ratings for Freedom Finance JSC, Freedom Finance Europe Ltd., Freedom Finance Global PLC and Freedom Bank Finance Kazakhstan (now known as Freedom Bank Kazakhstan JSC) were affirmed at “B/B” with outlook revised to positive from negative and the rating of Freedom Holding Corp. itself has been kept at “B-” with an outlook revised to stable from negative.

As the rationale for its rating action, S&P noted lower economic risk and improving banking sector supervision in Kazakhstan. S&P stated that it expects the country's GDP to grow by 3.6% on average per year over the next four years.

S&P also noted that it expects that moderating balance-sheet growth coupled with strong earnings will support the Company’s strong capitalization. “We expect Freedom will maintain its strong earnings in 2024-2025, supported by revenue diversification with the buildup of banking and insurance activities in Kazakhstan. Its three-year average (March 2022-March 2024) core earnings to S&P Global Ratings risk-weighted assets were stable at about 3.4%, a high risk-adjusted earnings ratio in an international context. The contribution of banking activities to the group's revenue and assets has significantly increased over the past two years,” S&P said in its press release issued on June 28, 2024, which can be found here: <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3204976>

S&P also pointed out the gradual building of Freedom Holding Corp.’s consolidated risk management framework since 2023. S&P noted that the Company has recently hired a chief risk officer, chief compliance officer, and chief legal officer and has expanded its board of directors from six to seven members, including four being independent directors. They also noted that by March 2024 the Company had terminated its omnibus brokerage relationship with its Belize affiliate and had transferred clients of that affiliate to companies within the Company’s group.

S&P can raise its ratings on the operating subsidiaries over the next 12 months if it concludes that steps to build aggregated risk management and compliance and strengthen risk governance would endure while the Company's capitalization (as measured by S&P's RAC ratio) remains above 10% supported by strong earnings and moderated growth.

About Freedom Holding Corp.

Freedom Holding Corp., a Nevada corporation, is a diversified financial services holding company conducting retail securities brokerage, securities trading, investment research, investment counseling, investment banking and underwriting services, mortgages, insurance, and commercial banking as well as several ancillary businesses which complement its core financial services businesses, all through its subsidiaries, operating under the name Freedom24 in Europe and Central Asia, and Freedom Capital Markets in the United States. Through its subsidiaries, Freedom Holding Corp. employs more than 6,000 people and is a professional participant in the Kazakhstan Stock Exchange, the Astana International Exchange, the Republican Stock Exchange of Tashkent, the Uzbek Republican Currency Exchange, and is a member of the New York Stock Exchange and the Nasdaq Stock Exchange.

Freedom Holding Corp. is headquartered in Almaty, Kazakhstan, and has operations and subsidiaries in 20 countries, including Kazakhstan, the United States, Cyprus, Poland, Spain, Uzbekistan, and Azerbaijan, among others.

Freedom Holding Corp.'s common shares are registered with the United States Securities and Exchange Commission and are traded under the symbol FRHC on the Nasdaq Capital Market, operated by Nasdaq, Inc.

To learn more about Freedom Holding Corp., visit www.freedomholdingcorp.com.

Cautionary Note Regarding Forward-Looking Statements

This release contains "forward-looking" statements, including with respect to the potential of Freedom Holding Corp. and its subsidiaries for improved ratings from rating agencies such as S&P Global Ratings, among others, its capacity to continue to enhance corporate governance, risk management and governance, and compliance and with regard to the Company's future capitalization, earnings and growth. All forward-looking statements are subject to uncertainty and changes in circumstances. In some cases, forward-looking statements can be identified by terminology such as "expect," "new," "plan," "seek," and "will," or the negative of such terms or other comparable terminology used in connection with any discussion of future plans, actions, and events. 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 and current reports filed with the U.S. 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.

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Ramina Fakhrutdinova (KZ)

Public Relations

Freedom Finance JSC

+7 777 377 8868

pr@ffin.kz

Natalia Kharlashina

Public Relations

Freedom Finance Global

+7 701 364 1454

prglobal@ffin.kz

Al Palombo (US)

Global Communications Chief

Freedom US Markets

+1 212-980-4400, Ext. 1013

apalombo@freedomusmkts.com

Source: Freedom Holding Corp.