

November 8, 2024



Freedom Holding Corp. Reports Second Quarter Fiscal Year 2025 Financial Results

A Record Quarter for the Company with \$581 Million in Revenue Reported

ALMATY, Kazakhstan--(BUSINESS WIRE)-- Freedom Holding Corp. (the "Company") (NASDAQ: FRHC), a multinational diversified financial services holding company with a presence through its subsidiaries in 22 countries, today announced the financial results for their second quarter and first six months of fiscal 2025. Highlights include the following:

- *\$581 million in revenue for the quarter*
- *Net income of \$115 million, or \$1.89 earnings per share, diluted, and \$1.93 earnings per share, basic*
- *Operating expenses of \$452 million*
- *\$8.8 billion in assets at the end of the quarter*
- *Insurance underwriting segment lead revenue growth with a 121% Y.O.Y. increase*
- *Expansion to 189 offices worldwide with over 7,100 full-time employees*

Second Quarter Financial Highlights:

The Company recognized revenue of approximately \$581 million for the second quarter of fiscal 2025, compared to \$436 million in the second quarter of fiscal 2024, a 33% increase. The Company's operating expense was approximately \$452 million in the second quarter of fiscal 2025 as compared to \$301 million for the same period last year, an increase of approximately 50%.

Net income was approximately \$114.5 million for the second quarter of fiscal 2025 as compared to \$115.5 million for the similar period in the previous fiscal year, providing for basic and diluted earnings per share of \$1.93 and \$1.89, respectively. This compares to \$1.97 and \$1.95 per share, respectively, for the same period last year. Weighted average common shares outstanding used to compute diluted earnings per share for the three-month periods ended September 30, 2024, and 2023 were 60.5 million and 59.3 million, respectively.

6 Months Year to Date Financial Highlights:

For the six months ending September 30, 2024, the Company's revenue totaled approximately \$1.0 billion compared to approximately \$752 million for the prior year period, an increase of 37%. The Company's operating expense was \$862 million for the period as compared to \$533 million in the prior year period, an increase of 62%.

Net income was approximately \$149 million for the first six months of fiscal 2025, compared to \$183 million for the same period in fiscal 2024, providing for basic and diluted earnings per share of \$2.51 and \$2.46, respectively. This compares to \$3.13 and \$3.09 per share,

respectively, for the same period of the last fiscal year. Weighted average common shares outstanding used to compute diluted earnings per share for the six-month periods ended September 30, 2024, and 2023 were 60.4 million and 59.3 million, respectively.

Balance Sheet Highlights:

Total assets were \$8.8 billion on September 30, 2024, as compared to \$8.3 billion on March 31, 2024, fiscal year-end. Net working capital increased to \$758 million on September 30, 2024, up from \$675 million on March 31, 2024.

"We experienced an expansion of retail client activity across all key business segments ..."

Commenting on the results of the quarter, Timur Turlov, the Company's founder and chief executive officer, stated, "Overall we are pleased with the company's financial performance during the reporting period. It was a record revenue quarter for Freedom where we achieved a 33% increase in revenues as compared to the same quarter last year, and a 29% increase over our first quarter of fiscal 2025. Insurance underwriting was the primary revenue growth driver for the period, which was in line with our expectations as we continued to penetrate the Kazakhstan and other central Asian markets with innovative products and services, and continued the roll out of our Freedom SuperApp. We experienced an expansion of retail client activity across all key business segments and continued to garner market share in each area of operations. This was highlighted by a 33% and 58% customer-base increase in our banking and insurance segments, respectively," Turlov added.

"Of the \$115 million in net income for the quarter, our brokerage and banking segments were the top contributors, coming in at \$86 million and \$46 million respectively, partially offset by a loss of \$32 million in our Other business segment, which was also in keeping with our expectations as we continue to invest in these wholly owned subsidiaries" Turlov stated, and "the significant increase in our insurance customer base during the quarter, accounted for \$15 million of this net income. New insurance products and services such as pension annuity and accident insurance, coupled with an overall expansion of our insurance operations, were significant contributors to the financial results during the reporting period," Turlov continued. "Our insurance customer base increased by 58% as compared to your fiscal 2024 year-end indicating to us that we continue to be on the right path of service offerings and value-add products for our clients." said the CEO.

"Staying ahead of the game..."

Commenting further, Turlov stated, "A key differentiator for Freedom Holding Corp. is in our ability to look ahead and identify low-competition, high-margin niches that others are unaware of, a task which is often easier said than done. Staying ahead of the game requires us to leverage the foundation of our digital ecosystem: an ecosystem that we have been building and improving over the course of the past 5 years. Millions of dollars and thousands of hours have been dedicated to this endeavor and the fruit of these investments and labors can be seen in the continued delivery of our positive financial results. One can't overestimate the power of the Freedom SuperApp, which allows us to accumulate massive amounts of data about our consumers' behavior and their preferences. This kind of Big Data is a significant competitive advantage as the more we know about our clients, the more rapidly we can create products and services that meet their specific needs. Trending data

gives us foresight and we have been nimble and efficient enough to take advantage of this. Freedom Holding Corp. currently controls the largest ecosystem of financial services in Kazakhstan, including a bank, two brokerage companies, an insurance business and a payment service. All of these services can be accessed through the Freedom SuperApp. I expect that over the course of the next few years, we will be unmatched by our competitors in this regard," the CEO concluded.

Additional second quarter fiscal 2025 highlights:

Insurance underwriting income for the quarter was \$160.3 million, an increase of \$102.4 million or 177%, compared to the three months ended September 30, 2023, and there was a net gain on trading securities of \$68.3 million during the quarter as compared to a net gain on trading securities of \$50.8 million for the three months ended September 30, 2023.

Fee and commission income for the three months ended September 30, 2024 was \$121.1 million, an increase of \$9.3 million, or 8%, compared to the three months ended September 30, 2023, and there was a net gain on derivatives for the three months ended September 30, 2024 in the amount of \$6.3 million, an increase of \$4.9 million, or 358%, compared to the three months ended September 30, 2023.

The Company reported approximately 555,000 total retail brokerage customers as of September 30, 2024, as compared to approximately 530,000 as of March 31, 2024. Banking customer count totaled approximately 1,202,000 at the Company's subsidiary, Freedom Bank KZ, as of September 30, 2024, as compared to approximately 904,000 as of March 31, 2024.

About Freedom Holding Corp.

Freedom Holding Corp., a Nevada corporation, is a diversified financial services holding company conducting retail securities brokerage, investment research, investment counseling, securities trading, investment banking and underwriting services, mortgages, insurance, and consumer banking through its subsidiaries, operating under the name Freedom Finance in Europe and Central Asia, and Freedom Capital Markets in the United States. Through its subsidiaries, Freedom Holding Corp. employs more than 7,600 people and is a professional participant in the Kazakhstan Stock Exchange, the Astana International Exchange, the Republican Stock Exchange of Tashkent, and the Uzbek Republican Currency Exchange and is a member of the New York Stock Exchange and the Nasdaq Stock Exchange.

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. The Company has its main market of operations in Kazakhstan and has operations through its subsidiaries in 22 countries.

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 Freedom Holding Corp.'s (the "Company") potential for future growth and success. 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.

Website Disclosure

Freedom Holding Corp. intends to use its website, <https://ir.freedomholdingcorp.com>, as a means for disclosing material non-public information and for complying with U.S. Securities and Exchange Commission Regulation FD and other disclosure obligations.

Financial Tables to Follow

FREEDOM HOLDING CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(All amounts in thousands of United States dollars, unless otherwise stated)

September 30, 2024 March 31, 2024

ASSETS

| | | | | |
|--|----|-----------|----|-----------|
| Cash and cash equivalents (including \$1,915 and \$203 from related parties) | \$ | 569,179 | \$ | 545,084 |
| Restricted cash (including \$6,669 and \$— with related parties) | | 895,651 | | 462,637 |
| Trading securities (including \$1,231 and \$1,326 with related parties) | | 3,601,118 | | 3,688,620 |
| Available-for-sale securities, at fair value | | 284,580 | | 216,621 |
| Margin lending, brokerage and other receivables, net (including \$162,066 and \$22,039 due from related parties) | | 1,623,962 | | 1,660,275 |
| Loans issued (including \$141,290 and \$147,440 to related parties) | | 1,368,656 | | 1,381,715 |
| Fixed assets, net | | 142,446 | | 83,002 |
| Intangible assets, net | | 46,112 | | 47,668 |
| Goodwill | | 53,166 | | 52,648 |
| Right-of-use asset | | 37,028 | | 36,324 |

| | | |
|---|---------------------|---------------------|
| Insurance contract assets | 24,982 | 24,922 |
| Other assets, net (including \$14,914 and \$5,257 with related parties) | 169,375 | 102,414 |
| TOTAL ASSETS | \$ 8,816,255 | \$ 8,301,930 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | |
|--|---------------------|---------------------|
| Securities repurchase agreement obligations | \$ 2,584,131 | \$ 2,756,596 |
| Customer liabilities (including \$191,607 and \$44,127 to related parties) | 3,329,133 | 2,273,830 |
| Margin lending and trade payables | 303,411 | 867,880 |
| Liabilities from insurance activity | 364,156 | 297,180 |
| Current income tax liability | 27,844 | 32,996 |
| Debt securities issued | 267,341 | 267,251 |
| Lease liability | 37,664 | 35,794 |
| Liability arising from continuing involvement | 506,091 | 521,885 |
| Other liabilities (including \$729 and \$9,854 to related parties) | 133,248 | 81,560 |
| TOTAL LIABILITIES | \$ 7,553,019 | \$ 7,134,972 |

| | | |
|---|----------|----------|
| Commitments and Contingent Liabilities (Note 23) | — | — |
|---|----------|----------|

SHAREHOLDERS' EQUITY

| | | |
|---|---------------------|---------------------|
| Preferred stock - \$0.001 par value; 20,000,000 shares authorized, no shares issued or outstanding | — | — |
| Common stock - \$0.001 par value; 500,000,000 shares authorized; 60,557,801 shares issued and outstanding as of September 30, 2024, and 60,321,813 shares issued and outstanding as of March 31, 2024, respectively | 61 | 60 |
| Additional paid in capital | 209,249 | 183,788 |
| Retained earnings | 1,147,798 | 998,740 |
| Accumulated other comprehensive loss | (96,869) | (18,938) |
| TOTAL FRHC SHAREHOLDERS' EQUITY | \$ 1,260,239 | \$ 1,163,650 |

| | | |
|-----------------------------------|---------------------|---------------------|
| Non-controlling interest | 2,997 | 3,308 |
| TOTAL SHAREHOLDERS' EQUITY | \$ 1,263,236 | \$ 1,166,958 |

| | | |
|---|---------------------|---------------------|
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 8,816,255 | \$ 8,301,930 |
|---|---------------------|---------------------|

FREEDOM HOLDING CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND STATEMENTS OF OTHER COMPREHENSIVE INCOME (Unaudited)

(All amounts in thousands of United States dollars, unless otherwise stated)

| | Three Months Ended September 30, | | Six Months Ended September 30 | |
|---|----------------------------------|-------------------|-------------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue: | | | | |
| Fee and commission income (including for the three months ended \$837 and \$20,022, for the six months ended \$1,703 and \$35,917 from related parties) | \$ 121,051 | \$ 111,703 | \$ 236,540 | \$ 210,406 |
| Net gain on trading securities | 68,317 | 50,771 | 16,215 | 82,587 |
| Interest income (including for the three months ended \$375 and \$9,731, for the six months ended \$644 and \$15,084 from related parties) | 210,324 | 213,063 | 436,328 | 362,412 |
| Insurance underwriting income | 160,344 | 57,976 | 289,752 | 102,865 |
| Net gain/(loss) on foreign exchange operations | 6,479 | (3,696) | 14,568 | 15,605 |
| Net gain/(loss) on derivative | 6,308 | 1,378 | 18,802 | (29,227) |
| Other income | 8,077 | 4,386 | 19,410 | 7,143 |
| TOTAL REVENUE, NET | \$ 580,900 | \$ 435,581 | \$ 1,031,615 | \$ 751,791 |
| Expense: | | | | |
| Fee and commission expense | \$ 90,837 | \$ 31,614 | \$ 170,984 | \$ 60,298 |
| Interest expense | 124,665 | 139,381 | 270,383 | 234,427 |

| | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Insurance claims incurred, net of reinsurance | 66,684 | 33,988 | 113,993 | 55,502 |
| Payroll and bonuses | 66,210 | 39,998 | 123,734 | 71,628 |
| Professional services | 8,245 | 11,951 | 15,513 | 18,576 |
| Stock compensation expense | 12,056 | 1,031 | 22,671 | 2,264 |
| Advertising expense | 20,049 | 8,639 | 37,250 | 16,739 |
| General and administrative expense (including for the three months ended \$6,247 and \$5,229, for the six months ended \$8,971 and \$7,561 from related parties) | 53,240 | 29,630 | 98,345 | 54,105 |
| Provision for allowance for expected credit losses | 10,427 | 4,662 | 8,657 | 18,988 |
| TOTAL EXPENSE | \$ 452,413 | \$ 300,894 | \$ 861,530 | \$ 532,527 |
| INCOME BEFORE INCOME TAX | 128,487 | 134,687 | 170,085 | 219,264 |
| Income tax expense | (13,999) | (19,208) | (21,338) | (35,864) |
| NET INCOME | \$ 114,488 | \$ 115,479 | \$ 148,747 | \$ 183,400 |
| Less: Net loss attributable to non-controlling interest in subsidiary | (170) | (368) | (311) | (549) |
| NET INCOME ATTRIBUTABLE TO COMMON | \$ 114,658 | \$ 115,847 | \$ 149,058 | \$ 183,949 |

**OTHER
COMPREHENSIVE
INCOME**Change in
unrealized gain on
investments
available-for-sale,
net of tax effect

4,306 2,168 7,680 4,407

Reclassification
adjustment for net
realized (gain)/loss
on available-for-
sale investments
disposed of in the
period, net of tax
effect

185 (306) 167 (1,264)

Foreign currency
translation
adjustments

(19,967) (29,933) (85,778) (31,693)

**OTHER
COMPREHENSIVE
LOSS****(15,476) (28,071) (77,931) (28,550)****COMPREHENSIVE
INCOME BEFORE
NON-
CONTROLLING
INTERESTS****\$ 99,012 \$ 87,408 \$ 70,816 \$ 154,850**Less:
Comprehensive
loss attributable to
non-controlling
interest in
subsidiary

(170) (368) (311) (549)

**COMPREHENSIVE
INCOME/(LOSS)
ATTRIBUTABLE
TO COMMON
SHAREHOLDERS****\$ 99,182 \$ 87,776 \$ 71,127 \$ 155,399***EARNINGS PER
COMMON SHARE
(In U.S. dollars):*

| | | | | |
|--|------------|------------|------------|------------|
| Earnings per common share - basic | 1.93 | 1.97 | 2.51 | 3.13 |
| Earnings per common share - diluted | 1.89 | 1.95 | 2.46 | 3.09 |
| Weighted average number of shares (basic) | 59,363,122 | 58,581,332 | 59,310,891 | 58,546,963 |
| Weighted average number of shares (diluted) | 60,460,173 | 59,291,832 | 60,358,442 | 59,292,757 |

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