UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to _________

Commission File Number **001-33034**

FREEDOM HOLDING CORP.

(Exact name of registrant as specified in its charter)

Nevada	**30-0233726**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
40 Wall Street , 58th Floor New York , NY	**10005**
(Address of principal executive offices)	(Zip Code)

(212) 980 4400
(Registrant's telephone number, including area code)

"Esentai Tower" BC, Floor 7, 77/7 Al Farabi Ave., Almaty, Kazakhstan
(Former address, if changed since last report)

Securities registered under Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	**FRHC**	**The Nasdaq Capital Market**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
		Emerging growth company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)
Yes ☐ No x

As of November 7, 2024, the registrant had 60,612,417 shares of common stock, par value $0.001, issued and outstanding.

FREEDOM HOLDING CORP.
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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**

The accompanying notes are an integral part of these condensed consolidated financial statements

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 SHAREHOLDERS	**$ 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**

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)

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

The accompanying notes are an integral part of these condensed consolidated financial statements.

FREEDOM HOLDING CORP

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(All amounts in thousands of United States dollars, unless otherwise stated)

	For the Six Months Ended September 30,	
	2024	2023
Cash Flows From Operating Activities		
Net income	**$ 148,747**	**$ 183,400**
Adjustments to reconcile net income used in operating activities:		
Depreciation and amortization	8,065	6,611
Amortization of deferred acquisition costs	107,266	12,161
Noncash lease expense	6,196	4,023
Change in deferred taxes	(3,623)	3,312
Stock compensation expense	22,671	2,264
Unrealized gain on trading securities	(974)	(30,664)
Unrealized gain on derivatives	(4,053)	(434)
Net realized loss/(gain) on available-for-sale securities	167	(1,264)
Net change in accrued interest	12,558	(68,173)
Revaluation of purchase price of previously held interest in Arbuz	—	(1,040)
Gain from sale of ITS tech	(4,201)	—
Change in insurance reserves	93,241	38,032
Revaluation of investments in associates	(1,960)	—
Change in unused vacation reserves	474	1,800
Provision for allowance for expected credit losses	8,657	18,988
Changes in operating assets and liabilities:		
Trading securities	(187,941)	(1,264,940)
Margin lending, brokerage and other receivables (including $(140,027) and $ 294,985 changes from related parties)	3,584	(656,755)
Insurance contract assets	(6,085)	3,412
Other assets	(160,073)	(30,959)
Brokerage customer liabilities (including $(147,480) and $(130,210) changes from related parties)	916,550	354,720
Current income tax liability	(5,152)	17,947
Margin lending and trade payables (including $(485) and $(3,239) changes from related parties)	(549,368)	39,701
Lease liabilities	(5,227)	(4,728)
Liabilities from insurance activity	2,608	(262)
Other liabilities	13,945	21,159
Net cash flows from/(used in) operating activities	**416,072**	**(1,351,689)**
Cash Flows Used In Investing Activities		
Purchase of fixed assets	(33,641)	(19,446)
Net change in loans issued to customers	(95,076)	(443,901)
Purchase of available-for-sale securities, at fair value	(144,767)	(134,002)
Proceeds from sale of available-for-sale securities, at fair value	69,849	174,277
Consideration paid for Arbuz	—	(13,281)
Consideration paid for Internet Tourism	—	(31)
Consideration paid for Aviata	—	(690)
Consideration paid for Ticketon	—	(3,003)
Cash, cash equivalents and restricted cash disposed as a result of deconsolidation of Freedom UA	—	(1,987)
Cash, cash equivalents and restricted cash received from acquisitions	—	2,461
Cash received from sale of ITS Tech	2,000	—
Capital contribution to investment in associate	(2,479)	—
Cash, cash equivalents disposed from sale of ITS Tech	(542)	—

FREEDOM HOLDING CORP

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(All amounts in thousands of United States dollars, unless otherwise stated)

Consideration paid to SilkNetCom	(11,183)	—
Cash received at acquisition of SilkNetCom	54	—
Prepayment on acquisitions	(7,652)	(10,550)
Net cash flows used in investing activities	**(223,437)**	**(450,153)**
Cash Flows From Financing Activities		
Net proceeds from securities repurchase agreement obligations	30,269	1,367,948
Proceeds from issuance of debt securities	—	5,801
Repurchase of mortgage loans under the State Program	(26,771)	(19,526)
Funds received under state program for financing of mortgage loans	40,793	53,400
Net change in bank customer deposits	308,669	279,939
Purchase of non-controlling interest in Arbuz	—	(3,228)
Net proceeds from loans received	17,355	410
Net cash flows from financing activities	**370,315**	**1,684,744**
Effect of changes in foreign exchange rates on cash and cash equivalents	(106,027)	(59,098)
Effect of expected credit losses on cash and cash equivalents and restricted cash	186	—
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**457,109**	**(176,196)**
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD	**1,007,721**	**1,026,945**
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	**$ 1,464,830**	**$ 850,749**

	For The Six Months Ended September 30,	
	2024	**2023**
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 252,860	$ 220,299
Income tax paid	$ 30,312	$ 13,484
Supplemental non-cash disclosures:		
Operating lease right-of-use assets obtained/disposed of in exchange for operating lease obligations during the period, net	$ (218)	$ 3,771

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Condensed Consolidated Statements of Cash Flows:

	September 30, 2024	September 30, 2023
Cash and cash equivalents	$ 569,179	$ 463,875
Restricted cash	895,651	386,874
Total cash, cash equivalents and restricted cash shown as in the statement of cash flows	**$ 1,464,830**	**$ 850,749**

FREEDOM HOLDING CORP

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(All amounts in thousands of United States dollars, unless otherwise stated)

The accompanying notes are an integral part of these condensed consolidated financial statements.

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FREEDOM HOLDING CORP.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS’ EQUITY (Unaudited)
(All amounts in thousands of United States dollars, except share data, unless otherwise stated)

	Common Stock		Additional paid in capital	Retained earnings	Accumulated other comprehensive loss	Total equity attributable to the shareholders'	Non-controlling interest	Total
	Shares	Amount						
At June 30, 2024	**60,721,010**	**$ 60**	**$ 197,205**	**$ 1,033,140**	**$ (81,393)**	**$ 1,149,012**	**$ 3,167**	**$ 1,152,179**
Delivered stock based compensation from previous quarter	3,648	—	290	—	—	290	—	290
Forfeited stock based compensation	(310,700)	—	—	—	—	—	—	—
Undelivered stock based compensation	(12,816)	—	(302)	—	—	(302)	—	(302)
Stock based compensation	156,659	1	12,056	—	—	12,057	—	12,057
Foreign currency translation adjustments, net of tax effect	—	—	—	—	(19,967)	(19,967)	—	(19,967)
Other comprehensive income	—	—	—	—	4,491	4,491	—	4,491
Net income/(loss)	—	—	—	114,658	—	114,658	(170)	114,488
At September 30, 2024	**60,557,801**	**$ 61**	**209,249**	**$ 1,147,798**	**(96,869)** 0	**$ 1,260,239** 0	**2,997** 0	**$ 1,263,236**
At March 31, 2024	**60,321,813**	**$ 60**	**$ 183,788**	**$ 998,740**	**$ (18,938)**	**$ 1,163,650**	**$ 3,308**	**$ 1,166,958**
Delivered stock based compensation from previous year	215,878	—	3,092	—	—	3,092	—	3,092
Forfeited stock based compensation	(310,700)	—	—	—	—	—	—	—
Undelivered stock based compensation	(12,816)	—	(302)	—	—	(302)	—	(302)
Stock based compensation	343,626	1	22,671	—	—	22,672	—	22,672
Foreign currency translation adjustments, net of tax effect	—	—	—	—	(85,778)	(85,778)	—	(85,778)
Other comprehensive income	—	—	—	—	7,847	7,847	—	7,847
Net income/(loss)	—	—	—	149,058	—	149,058	(311)	148,747
At September 30, 2024	**60,557,801**	**$ 61**	**$ 209,249**	**$ 1,147,798**	**$ (96,869)**	**$ 1,260,239**	**$ 2,997**	**$ 1,263,236**

The accompanying notes are an integral part of these condensed consolidated financial statements.

FREEDOM HOLDING CORP.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)
(All amounts in thousands of United States dollars, except share data, unless otherwise stated)

	Common Stock		Additional paid in capital	Retained earnings	Accumulated other comprehensive loss	Total equity attributable to the shareholders'	Non-controlling interest	Total
	Shares	Amount						
At June 30, 2023	**59,659,191**	**$ 59**	**$ 165,395**	**$ 691,302**	**$ (34,479)**	**$ 822,277**	**$ 3,459**	**$ 825,736**
Stock based compensation	—	—	1,031	—	—	1,031	—	1,031
Purchase of ReKassa shares	—	—	—	—	—	—	256	256
Foreign currency translation adjustments, net of tax effect	—	—	—	—	(29,933)	(29,933)	—	(29,933)
Other comprehensive income	—	—	—	—	1,862	1,862	—	1,862
Net income/(loss)	—	—	—	115,847	—	115,847	(368)	115,479
At September 30, 2023	**59,659,191**	**$ 59**	**$ 166,426**	**$ 807,149**	**$ (62,550)** 0	**$ 911,084** 0	**$ 3,347** 0	**$ 914,431**
At March 31, 2023	**59,659,191**	**$ 59**	**$ 164,162**	**$ 647,064**	**$ (34,000)**	**$ 777,285**	**$ (6,549)**	**$ 770,736**
Cumulative adjustment from adoption of ASC 326	—	—	—	(22,772)	—	(22,772)	—	(22,772)
Stock based compensation	—	—	2,264	—	—	2,264	—	2,264
Disposal of FF Ukraine	—	—	—	(6,549)	—	(6,549)	6,549	—
Purchase of Arbuz shares	—	—	—	5,457	—	5,457	3,640	9,097
Purchase of ReKassa shares	—	—	—	—	—	—	256	256
Foreign currency translation adjustments, net of tax effect	—	—	—	—	(31,693)	(31,693)	—	(31,693)
Other comprehensive income	—	—	—	—	3,143	3,143	—	3,143
Net income/(loss)	—	—	—	183,949	—	183,949	(549)	183,400
At September 30, 2023	**59,659,191**	**$ 59**	**$ 166,426**	**$ 807,149**	**$ (62,550)**	**$ 911,084**	**$ 3,347**	**$ 914,431**

NOTE 1 – DESCRIPTION OF BUSINESS

Overview

Freedom Holding Corp. (the "Company" or "FRHC" and, together with its subsidiaries, the "Group") is a corporation organized in the United States under the laws of the State of Nevada that through its operating subsidiaries provides securities brokerage, securities dealing for customers and for its own account, market making activities, investment research, investment counseling, investment banking services, retail and commercial banking, insurance products, payment services, and information processing services. The Company also owns several ancillary businesses which complement its core financial services businesses, including telecommunications and media businesses in Kazakhstan that are in a developmental stage. The Company is the holding company of subsidiaries incorporated in Kazakhstan, Cyprus, the United States, the United Kingdom, Armenia, the United Arab Emirates, Uzbekistan, Kyrgyzstan, Tajikistan, Azerbaijan, and Turkey, and the Group also has a presence in Austria, Belgium, Bulgaria, France, Germany, Greece, Italy, Lithuania, The Netherlands, Poland and Spain. The Company's subsidiaries in the United States include a broker-dealer that is registered with the United States Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"). The Company's common stock trades on the Nasdaq Capital Market, the Kazakhstan Stock Exchange ("KASE"), and the Astana International Exchange ("AIX").

As of September 30, 2024, the Company owned, directly or indirectly, the following companies:

FREEDOM HOLDING CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(All amounts in thousands of United States dollars, except share data, unless otherwise stated)

Name of subsidiary	Jurisdiction of Incorporation	Number of subsidiaries	Business Area
Brokerage Segment			
Freedom Finance JSC ("Freedom KZ")	Kazakhstan	3	Securities broker-dealer
Freedom Finance Global PLC ("Freedom Global")	Kazakhstan	—	Securities broker-dealer
Freedom Finance Europe Limited ("Freedom EU")	Cyprus	2	Securities broker-dealer
Freedom Finance Armenia LLC ("Freedom AR")	Armenia	—	Securities broker-dealer
Prime Executions, Inc. ("PrimeEx")	USA	—	Securities broker-dealer
Foreign Enterprise LLC Freedom Finance	Uzbekistan	—	Securities broker-dealer
Freedom Broker LLC	Kyrgyzstan	—	Securities broker-dealer
Banking Segment			
Freedom Bank Kazakhstan JSC ("Freedom Bank KZ")	Kazakhstan	2	Commercial bank
Insurance Segment			
Freedom Finance Life JSC ("Freedom Life")	Kazakhstan	—	Life/health insurance
Freedom Finance Insurance JSC ("Freedom Insurance")	Kazakhstan	—	General insurance
Other Segment			
Ticketon Events LLP ("Ticketon")	Kazakhstan	3	Online ticket sales
Freedom Finance Special Purpose Company LTD ("Freedom SPC")	Kazakhstan	—	Issuance of debt securities
Freedom Finance Commercial LLP	Kazakhstan	—	Sales consulting
Freedom Technologies LLP ("Paybox")	Kazakhstan	5	Payment services
Aviata LLP ("Aviata")	Kazakhstan	—	Online travel ticket aggregator
Internet-Tourism LLP ("Internet Tourism")	Kazakhstan	—	Online travel ticket aggregator
Arbuz Group LLP ("Arbuz")	Kazakhstan	4	Online retail trade and e-commerce
Comrun LLP ("ReKassa")	Kazakhstan	—	Mobile and web application
Freedom Telecom Holding Limited ("Freedom Telecom")	Kazakhstan	4	Telecommunications
Freedom Kazakhstan PC Ltd	Kazakhstan	8	Holding company
Freedom Advertising Ltd	Kazakhstan	—	Advertising
Freedom Shapagat Corporate Fund	Kazakhstan	—	Non-profit
FRHC Fractional SPC LTD	Kazakhstan	—	Issuance of debt securities
Freedom Holding Operations LLP	Kazakhstan	—	Human resources
Freedom Horizons LLP	Kazakhstan	—	Business consulting and services
Freedom Finance Azerbaijan LLC	Azerbaijan	—	Financial educational center
Freedom Finance FZE.	UAE	—	Consulting
Freedom Management Ltd.	UAE	—	Consulting
Freedom Finance Turkey LLC	Turkey	—	Financial consulting
Freedom Finance Technologies Ltd	Cyprus	—	IT development
Freedom Prime UK Limited ("Prime UK")	UK	—	Management consulting
Freedom Structured Products PLC	Cyprus	—	Financial services
FFIN Securities, Inc.	USA	—	Dormant
Freedom U.S. Market LLC	USA	2	Management company
LD Micro ("LD Micro")	USA	—	Event platform
Freedom US Technologies LLC	USA	—	Technology services

Through its subsidiaries, the Company offers a diverse range of financial services, including banking, brokerage, and insurance, as well as lifestyle services such as online payments, travel, ticketing, e-commerce, and telecommunications and media businesses in Kazakhstan that are in a developmental stage. It operates as a professional participant in the financial markets, holding banking and insurance licenses, as well as licenses to provide various services across multiple stock exchanges, including the Kazakhstan Stock Exchange (KASE), the Astana International Exchange (AIX), the Republican Stock Exchange of Tashkent (UZSE), and the Uzbek Republican Currency Exchange (UZCE). Additionally, it is a member of the New York Stock Exchange (NYSE) and the Nasdaq Stock Exchange (Nasdaq). Freedom EU enhances the Company's offerings by providing clients with operational support and access to investment opportunities in the United States and European securities markets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting principles

The Group's accounting policies and accompanying consolidated financial statements conform to accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of presentation and principles of consolidation

The consolidated financial statements present the consolidated accounts of FRHC and its consolidated subsidiaries. All inter-company balances and transactions have been eliminated from the consolidated financial statements.

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements, and related notes thereto, included in the Company’s 2024 Annual Report on Form 10-K. Note 2 to the consolidated financial statements in Company’s 2024 Annual Report on Form 10-K contains a summary of all of the Company’s significant accounting policies, except for the following amendments:

Non-Consolidation of Freedom Securities Trading Inc.

Freedom Securities Trading Inc. (formerly known as FFIN Brokerage Services, Inc.) ("FST Belize") is a company that is outside of the Group which has been solely owned by Mr. Turlov since July 2014. The Company does not consolidate FST Belize under either of the primary consolidation methods - the variable interest entity (“VIE”) accounting method and the voting interest method ("VOE") because (i) FST Belize is not a VIE due to the fact it has sufficient equity at risk to finance its activities without additional financial support and the control over its significant activities is held by its sole shareholder, Mr. Turlov, and (ii) Mr. Turlov has a controlling interest in FST Belize such that under the VOE model FRHC is not required to consolidate FST Belize. Other than Mr. Turlov, there are no other shareholders of FST Belize or parties with participating rights or the ability to remove Mr. Turlov from his ownership position in or to make all decisions in respect of FST Belize. While prior to the end of the Company's fiscal year ended March 31, 2024 we had an omnibus brokerage relationship with FST Belize, such relationship had been terminated as of March 31, 2024.

Deconsolidation of Freedom Finance Ukraine LLC

As at September 30, 2024, the Company owned a 9 % interest in Freedom Finance Ukraine LLC ("Freedom UA"), a Kyiv, Ukraine-based broker-dealer. The remaining 91 % interest in Freedom UA is controlled by Askar Tashtitov, the Company's president. The Company entered into a series of contractual arrangements with Freedom UA and Mr. Tashtitov, including a consulting services agreement, an operating agreement and an option agreement. Through March 31, 2023, the Company had consolidated Freedom UA into the financial statements of the Company. On October 19, 2022, Freedom UA was added to the Ukrainian government's sanctioned entities list, resulting in suspension of its brokerage license. Given the ongoing uncertainty surrounding the situation in Ukraine and based on the Company's management's belief that the Company does not maintain effective control over Freedom UA, the Company has accounted for the deconsolidation of Freedom UA since April 1, 2023 (the date of loss of control).

Concentrations of Revenue

Revenues from one customer of the Group’s Brokerage segment represented the following amount of the Group’s consolidated revenues:

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	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023
Single non-related party	$ 79,011	$ 69,882	$ 163,284	$ 104,956

Impairment of Goodwill

Goodwill is allocated to reporting units, which are identified as the operating segments or one level below operating segments that generate separate financial information, which is regularly reviewed by management. The assignment of goodwill to reporting units allows for the assessment of potential impairment at the appropriate level within the organization.

The Company has identified its reporting units based on its organizational and operational structure, as well as the level at which internal financial information is reviewed by management to make strategic decisions. In line with this, four major reporting units have been established: brokerage, banking. insurance and other. The management team responsible for each business reviews financial information related to this reporting unit, including revenue, expenses, and market trends.

Goodwill has been allocated to each reporting unit based on its relative fair value at the time of acquisition or significant triggering events. The fair value allocation of goodwill to reporting units is periodically reassessed to ensure alignment with the Group's evolving organizational structure and operational dynamics.

Further details regarding the measurement of goodwill impairment and the results of impairment tests for each reporting unit are provided below.

The Company discloses information about its reporting units, the carrying amounts of goodwill allocated to each reporting unit, and the impairment losses recognized. The allocation of goodwill to reporting units ensures a focused evaluation of each unit's financial performance and facilitates the identification of potential impairment, enhancing the transparency and reliability of the Company's financial reporting.

As of September 30, 2024 and March 31, 2024, goodwill recorded in the Company's Condensed Consolidated Balance Sheets totaled $ 53,166 and $ 52,648 respectively. The Company performs an impairment review at least annually unless indicators of impairment exist in interim periods. The entity compares the fair value of a reporting unit with its carrying amount. The goodwill impairment charge is recognized for the amount by which the reporting unit's carrying amount exceeds its fair value, limited to the total amount of goodwill allocated to that reporting unit. If fair value exceeds the carrying amount, no impairment is recorded.

The amount of goodwill at September 30, 2024 increased compared to March 31, 2024, as a result of the acquisition of 100 % SilkNetCom LLP by Freedom Telecom Holding, which occurred after March 31, 2024. See Note 22 *Acquisitions of subsidiaries* to the condensed consolidated financial statements included in this quarterly report on Form 10-Q.

The changes in the carrying amount of goodwill for three months ended September 30, 2024 and 2023, were as follows:

	Brokerage	Bank	Insurance	Other	Total
Goodwill, gross					
Balance as of March 31, 2023	**$ 2,677**	**$ 2,652**	**$ 980**	**$ 8,715**	**$ 15,024**
Write-off due to deconsolidation of Freedom UA	—	—	—	(832)	(832)
Foreign currency translation difference	(50)	93	—	—	43
Acquired	—	—	—	37,320	37,320
Balance as of September 30, 2023	**$ 2,627**	**$ 2,745**	**$ 980**	**$ 45,203**	**$ 51,555**

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

Balance as of March 31, 2024	**$**	**2,688**	**$**	**2,746**	**$**	**1,040**	**$**	**46,174**	**$**	**52,648**
Forex		(75)		(6)		(75)		(2,703)		(2,859)
Acquired		—		—		—		3,377		3,377
Balance as of September 30, 2024	**$**	**2,613**	**$**	**2,740**	**$**	**965**	**$**	**46,848**	**$**	**53,166**
Accumulated impairment										
Balance as of March 31, 2023	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**832**	**$**	**832**
Impairment expense		—		—		—		—		—
Write-off due to deconsolidation of Freedom UA		—		—		—		(832)		(832)
Balance as of September 30, 2023	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**—**
Balance as of March 31, 2024	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**—**
Impairment expense		—		—		—		—		—
Balance as of September 30, 2024	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**—**	**$**	**—**
Goodwill, net of impairment										
Balance as of September 30, 2023	**$**	**2,627**	**$**	**2,745**	**$**	**980**	**$**	**45,203**	**$**	**51,555**
Balance as of March 31, 2024	**$**	**2,688**	**$**	**2,746**	**$**	**1,040**	**$**	**46,174**	**$**	**52,648**
Balance as of September 30, 2024	**$**	**2,613**	**$**	**2,740**	**$**	**965**	**$**	**46,848**	**$**	**53,166**

Recent accounting pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-12, Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts, as clarified and amended by (i) ASU 2019-09, Financial Services - Insurance (Topic 944): Effective Date, and (ii) ASU 2020-11, Financial Services - Insurance (Topic 944): Effective Date and Early Application (collectively referred to herein as ASU 2018-12). ASU 2018-12 changed existing recognition, measurement, presentation, and disclosure requirements for long-duration contracts. ASU 2018-12 includes: (1) a requirement to review and, if there is a change, update cash flow assumptions used to measure the liability for future policy benefits (LFPB) at least annually, and to update the discount rate assumption quarterly, (2) a requirement to account for market risk benefits (MRBs) at fair value, (3) simplified amortization for deferred policy acquisition costs (DAC), and (4) enhanced financial statement presentation and disclosures. For the Company, the Update is effective for fiscal years beginning after December 15, 2024, or interim periods after December 15, 2025. The Company will adopt ASU 2018-12 effective April 1, 2025 using the modified retrospective transition method where permitted. ASU 2018-12 will impact the accounting and disclosure requirements for all long-duration contracts issued by the Company. The Company expects the standard to have an immaterial financial impact on its consolidated financial statements and related disclosures.

In March 2023, the FASB issued ASU 2023-02, “Investments-Equity method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method.” These amendments allow reporting entities to elect to account for qualifying tax equity investments using the proportional amortization method, regardless of the program giving rise to the related income tax credits. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years and early adoption is permitted. The Company is currently evaluating the impact that ASU 2023-02 will have on its consolidated financial statements and related disclosures.

In August 2023, the Financial Accounting Standards Board issued ASU 2023-05, Business Combinations - Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement, which clarifies the business combination accounting for joint venture formations. The amendments in ASU 2023-25 seek to reduce diversity in practice that has resulted from a lack of authoritative guidance regarding the accounting for the formation of joint ventures in separate financial statements. The amendments also seek to clarify the initial measurement of joint venture net assets, including businesses contributed to a joint venture. The guidance is applicable to all entities involved in the formation of a joint venture. The amendments are effective for all joint venture formations with a formation date on or after January 1, 2025. Early adoption and retrospective application of the amendments are permitted. The Company is currently evaluating the impact ASU 2023-05 will have on its consolidated financial statements and related disclosures.

In October 2023, the FASB issued Accounting Standards Update No. 2023-06 ("ASU 2023-06"), Disclosure Improvements - Codification Amendment in Response to the SEC's Disclosure Update and Simplification Initiative. ASU 2023-06 modified the disclosure and presentation requirements of a variety of codification topics by aligning them with the SEC's regulations. The amendments to the various topics should be applied prospectively, and the effective date will be determined for each individual disclosure based on the effective date of the SEC's removal of the related disclosure. If the SEC has not removed the applicable requirements from Regulation S-X or Regulation S-K by June 30, 2027, then ASU 2023-06 will not become effective. Early adoption is prohibited. While the Company is currently evaluating the effect that implementation of this update will have on its consolidated financial statements, no material impact is anticipated.

In November 2023, the FASB issued Accounting Standards Update 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which enhances reporting requirements under Topic 280. The enhanced disclosure requirements include title and position of the Chief Operating Decision Maker (CODM), significant segment expenses provided to the CODM, extending certain annual disclosures to interim periods, clarifying single reportable segment entities must apply ASC 280 in its entirety, and permitting more than one measure of segment profit or loss to be reported under certain circumstances. This change is effective for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024. This change will apply retrospectively to all periods presented. The Company is currently evaluating the impact ASU No 2023-07 will have on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No. 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets. The amendments in ASU No. 2023-08 are intended to improve the accounting for certain crypto assets by requiring an entity to measure those crypto assets at fair value each reporting period with changes in fair value recognized in net income. The amendments also improve the information provided to investors about an entity's crypto asset holdings by requiring disclosure about significant holdings, contractual sale restrictions, and changes during the reporting period. The amendments are effective for all entities for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued (or made available for issuance). If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. ASU No. 2023-08 requires a cumulative-effect adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets) as of the beginning of the annual reporting period in which an entity adopts the amendments. The Company is currently evaluating the impact ASU No 2023-08 will have on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which would require additional transparency for income tax disclosures, including the income tax rate reconciliation table and cash taxes paid both in the United States and foreign jurisdictions. This standard is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact ASU No 2023-09 will have on its consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU 2024-01, Compensation - Stock Compensation (Topic 718), Scope Application of Profits Interest and Similar Awards. This standard provides clarity regarding whether profits interest and similar awards are within the scope of Topic 718 of the Accounting Standards Codification. This standard is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact ASU No 2024-01 will have on its consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU No. 2024-02, "Codification Improvements - Amendments to Remove References to the Concepts Statements." ASU 2024-02 removes references to various FASB Concepts Statements within the Codification. The guidance in ASU No. 2024-02 is effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years, and can be applied either prospectively to all new transactions recognized on or after the date that the entity first applies the amendments or retrospectively to the beginning of the earliest comparative period presented in which the amendments were first applied. Early adoption is permitted. The Company is currently evaluating the impact ASU No 2024-02 will have on its consolidated financial statements and related disclosures.

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NOTE 3 – CASH AND CASH EQUIVALENTS

As of September 30, 2024, and March 31, 2024, cash and cash equivalents consisted of the following:

	September 30, 2024	March 31, 2024
Short term deposits in National Bank (Kazakhstan)	$ 185,925	$ 196,942
Short term deposits in commercial banks	166,829	127,051
Securities purchased under reverse repurchase agreements	121,493	134,961
Petty cash in bank vault and on hand	43,375	22,613
Overnight deposits	28,295	3,557
Short term deposits on brokerage accounts	9,459	2,917
Cash in transit	8,574	9,633
Short term deposits in stock exchanges	5,071	47,830
Short term deposits in the Central Depository (Kazakhstan)	451	42
Allowance for Cash and cash equivalents	(293)	(462)
Total cash and cash equivalents	**$ 569,179**	**$ 545,084**

As of September 30, 2024, and March 31, 2024, total cash and cash equivalents included short-term collateralized securities received under reverse repurchase agreements which the Group concludes mainly on KASE. KASE, in turn, guarantees payments to the counterparty. The terms of the short-term collateralized securities received under reverse repurchase agreements as of September 30, 2024, and March 31, 2024 are presented below:

	September 30, 2024		
	Interest rates and remaining contractual maturity of the agreements		
	Average interest rate	Up to 30 days	Total
Securities purchased under reverse repurchase agreements			
Corporate equity	12.96 %	73,001	73,001
Corporate debt	11.28 %	26,473	26,473
Non-US sovereign debt	5.86 %	12,801	$ 12,801
US sovereign debt	8.88 %	9,218	9,218
Total		**$ 121,493**	**$ 121,493**

	March 31, 2024		
	Interest rates and remaining contractual maturity of the agreements		
	Average interest rate	Up to 30 days	Total
Securities purchased under reverse repurchase agreements			
Corporate equity	14.57 %	$ 96,647	$ 96,647
US sovereign debt	4.77 %	16,885	16,885
Non-US sovereign debt	4.45 %	12,468	12,468
Corporate debt	5.31 %	8,961	8,961
Total		**$ 134,961**	**$ 134,961**

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

The securities received by the Group as collateral under reverse repurchase agreements are liquid trading securities with market quotes and significant trading volume. The fair value of collateral received by the Group under reverse repurchase agreements as of September 30, 2024 and March 31, 2024, was $ 122,375 and $ 133,380 , respectively.

As of September 30, 2024 and March 31, 2024 , securities purchased under reverse repurchase agreements included accrued interest in the amount of $ 88 and $ 106 , with a weighted average maturity of 4 days and 3 days, respectively. All securities reverse repurchase agreements transactions were executed on KASE.

NOTE 4 – RESTRICTED CASH

As of September 30, 2024, and March 31, 2024, restricted cash consisted of the following:

	September 30, 2024	March 31, 2024
Brokerage customers' cash	$ 804,567	$ 366,260
Guaranty deposits	91,744	97,052
Restricted bank accounts	8,380	8,079
Due from banks	6,071	6,374
Deferred distribution payment	23	23
Allowance for restricted cash	(15,134)	(15,151)
Total restricted cash	**$ 895,651**	**$ 462,637**

As of September 30, 2024, and March 31, 2024, part of the Group's restricted cash was segregated in a special custody account for the exclusive benefit of the relevant brokerage customers.

NOTE 5 – TRADING AND AVAILABLE-FOR-SALE SECURITIES AT FAIR VALUE

As of September 30, 2024, and March 31, 2024, trading and available-for-sale securities consisted of the following:

	September 30, 2024	March 31, 2024
Non-U.S. sovereign debt	$ 2,353,084	$ 2,409,126
Corporate debt	1,071,502	1,108,870
Corporate equity	128,434	126,103
U.S. sovereign debt	41,442	43,173
Exchange traded notes	6,656	1,348
Total trading securities	**$ 3,601,118**	**$ 3,688,620**

	September 30, 2024	March 31, 2024
Corporate debt	$ 184,556	$ 173,568
Non-U.S. sovereign debt	78,446	27,016
U.S. sovereign debt	21,578	16,037
Total available-for-sale securities, at fair value	**$ 284,580**	**$ 216,621**

The following tables present maturity analysis for available-for-sale securities as of September 30, 2024, and March 31, 2024:

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	September 30, 2024				
	Remaining contractual maturity of the agreements				
	Up to 1 year	1-5 years	5-10 years	More than 10 years	Total
Corporate debt	29,395	98,466	52,424	4,271	184,556
Non-US sovereign debt	17,764	17,675	36,100	6,907	78,446
US sovereign debt	—	11,946	8,357	1,275	21,578
Total available-for-sale securities, at fair value	**$ 47,159**	**$ 128,087**	**$ 96,881**	**$ 12,453**	**$ 284,580**

	March 31, 2024				
	Remaining contractual maturity of the agreements				
	Up to 1 year	1-5 years	5-10 years	More than 10 years	Total
Corporate debt	65,415	44,374	59,553	4,226	173,568
Non-US sovereign debt	7,839	7,310	5,797	6,070	27,016
US sovereign debt	—	5,059	9,753	1,225	16,037
Total available-for-sale securities, at fair value	**$ 73,254**	**$ 56,743**	**$ 75,103**	**$ 11,521**	**$ 216,621**

As of September 30, 2024, the Group held debt securities of two issuers each of which individually exceeded 10 % of the Group's total trading and available-for-sale securities – the Ministry of Finance of the Republic of Kazakhstan (Fitch: BBB credit rating) in the amount of $ 2,416,606 and the Kazakhstan Sustainability Fund JSC (Fitch: BBB credit rating) in the amount of $ 714,467 . As of March 31, 2024, the Group held debt securities of two issuers each of which individually exceeded 10 % of the Group's total trading securities and available-for-sale securities - the Ministry of Finance of the Republic of Kazakhstan (Fitch: BBB credit rating) in the amount of $ 2,420,855 and the Kazakhstan Sustainability Fund JSC (Fitch: BBB credit rating) in the amount of $ 727,440 . The debt securities issued by the Ministry of Finance of the Republic of Kazakhstan and the Kazakhstan Sustainability Fund JSC are categorized as non-US sovereign debt and corporate debt, respectively.

As of the September 30, 2024 and March 31, 2024, the Gr oup had $ 361 and $ 413 that was recognized as other-than-temporary impairment in accumulated other comprehensive loss.

The fair value of securities is determined using observable market data based on recent trading activity. Where observable market data is unavailable due to a lack of trading activity, the Group utilizes internally developed models to estimate fair value and independent third parties to validate assumptions, when appropriate. Estimating fair value requires significant management judgment, including benchmarking to similar instruments with observable market data and applying appropriate discounts that reflect differences between the securities that the Group is valuing and the selected benchmark. Depending on the type of securities owned by the Group, other valuation methodologies may be required.

Measurement of fair value is classified within a hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Classification within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The valuation hierarchy contains three levels:

- Level 1 - Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.

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- Level 2 - Valuation inputs are quoted market prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets, and other observable inputs directly or indirectly related to the asset or liability being measured.
- Level 3 - Valuation inputs are unobservable and significant to the fair value measurement.

The following tables present securities assets in the Condensed Consolidated Balance Sheets or disclosed in the Notes to the condensed consolidated financial statements at fair value on a recurring basis as of September 30, 2024, and March 31, 2024:

			Fair Value Measurements as of September 30, 2024 using		
	Weighted Average Interest Rate	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Units (Level 3)
Non-U.S. sovereign debt	12.05 %	$ 2,353,084	$ 2,090,214	$ 262,870	$ —
Corporate debt	13.96 %	1,071,502	336,376	734,754	372
Corporate equity		128,434	106,526	3,513	18,395
U.S. sovereign debt	3.62 %	41,442	41,442	—	—
Exchange traded notes		6,656	6,132	524	—
Total trading securities		**$ 3,601,118**	**$ 2,580,690**	**$ 1,001,661**	**$ 18,767**
Corporate debt	14.23 %	$ 184,556	$ 56,457	$ 128,099	$ —
Non-US sovereign debt	11.31 %	78,446	56,694	21,752	—
US sovereign debt	2.68 %	21,578	21,578	—	—
Total available-for-sale securities, at fair value		**$ 284,580**	**$ 134,729**	**$ 149,851**	**$ —**

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

			Fair Value Measurements as of March 31, 2024 using		
	Weighted Average Interest Rate	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Units (Level 3)
Non-U.S. sovereign debt	11.61 %	$ 2,409,126	$ 1,592,380	$ 816,746	$ —
Corporate debt	14.83 %	1,108,870	171,218	937,360	292
Corporate equity		126,103	102,134	3,819	20,150
U.S. sovereign debt	4.98 %	43,173	43,173	—	—
Exchange traded notes		1,348	1,045	303	—
Total trading securities		**$ 3,688,620**	**$ 1,909,950**	**$ 1,758,228**	**$ 20,442**
Corporate debt	15.53 %	$ 173,568	$ 47,135	$ 126,433	$ —
Non-U.S. sovereign debt	10.48 %	27,016	12,378	14,638	—
U.S. sovereign debt	3.54 %	16,037	16,037	—	—
Total available-for-sale securities, at fair value		**$ 216,621**	**$ 75,550**	**$ 141,071**	**$ —**

The tables below present the valuation techniques and significant Level 3 inputs used in the valuation as of September 30, 2024, and March 31, 2024. The tables are not intended to be all inclusive, but instead capture the significant unobservable inputs relevant to determination of fair value.

Type	Valuation Technique	FV as of September 30, 2024	Significant Unobservable Inputs	%
Corporate debt	DCF	372	Discount rate	74.0 %
			Estimated number of years	3 months
Corporate equity	DCF	18,262	Discount rate	13.0 %
			Estimated number of years	4 years, 3 months
			Termination multiplier	26.8 x
Corporate equity	DCF	133	Discount rate	58.8 %
			Estimated number of years	9 years
Total		**$ 18,767**		

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

Type	Valuation Technique	FV as of March 31, 2024	Significant Unobservable Inputs	%
Corporate debt	DCF	$ 292	Discount rate	74.0 %
			Estimated number of years	3 months
Corporate equity	DCF	20,007	Discount rate	13.0 %
			Estimated number of years	4 years, 6 months
			Termination multiplier	27 x
Corporate equity	DCF	143	Discount rate	58.8 %
			Estimated number of years	9 years
Total		**$ 20,442**		

The following table provides a reconciliation of the beginning and ending balances for investments that use Level 3 inputs for the six months ended September 30, 2024, and the year ended March 31, 2024:

	Trading securities
Balance as of March 31, 2023	**$ 5,138**
Reclassification to Level 2	$ (32)
Deconsolidation of Freedom UA securities	(3,927)
Sale of investments that use Level 3 inputs	(15,856)
Purchase of investments that use Level 3 inputs	35,807
Revaluation of investments that use Level 3 inputs	(132)
Reclassification to investment in associate	(556)
Balance as of March 31, 2024	**$ 20,442**
Reclassification to Level 3	—
Sale of investments that use Level 3 inputs	—
Purchase of investments that use Level 3 inputs	—
Revaluation of investments that use Level 3 inputs	(1,675)
Balance as of September 30, 2024	**$ 18,767**

The table below presents the amortized cost, unrealized gains and losses accumulated in other comprehensive income, and fair value of available-for-sale securities as of September 30, 2024, and March 31, 2024:

	September 30, 2024				
	Assets measured at amortized cost	Accumulated impairment loss	Unrealized loss accumulated in other comprehensive income/(loss)	Assets measured at fair value	Maturity Date
Corporate debt	$ 182,778	$ (47)	$ 1,825	$ 184,556	2024-2039
Non-US sovereign debt	78,083	(314)	677	78,446	2025-indefinite
U.S. sovereign debt	21,813	—	(235)	21,578	2027-2044
Total available-for-sale securities, at fair value	**$ 282,674**	**$ (361)**	**2,267**	**$ 284,580**	

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	March 31, 2024				
	Assets measured at amortized cost	Accumulated impairment loss	Unrealized loss accumulated in other comprehensive income/(loss)	Assets measured at fair value	Maturity Date
Corporate debt	$ 172,689	$ (61)	$ 940	$ 173,568	2024-2039
Non-U.S. sovereign debt	29,121	(352)	(1,753)	27,016	2024-indefinite
U.S. sovereign debt	16,767	—	(730)	16,037	2027-2044
Total available-for-sale securities, at fair value	**$ 218,577**	**$ (413)**	**$ (1,543)**	**$ 216,621**	

NOTE 6 – MARGIN LENDING, BROKERAGE AND OTHER RECEIVABLES, NET

Margin lending, brokerage and other receivables as of September 30, 2024, and March 31, 2024, consisted of:

	September 30, 2024	March 31, 2024
Margin lending receivables	$ 1,587,112	$ 1,635,377
Bank commissions receivable	11,891	11,574
Bond coupon receivable and dividends accrued	11,199	5,429
Receivables from payment processing services	4,631	5,351
Receivables from brokerage clients	2,748	2,603
Other receivables	20,450	11,931
Allowance for receivables	(14,069)	(11,990)
Total margin lending, brokerage and other receivables, net	**$ 1,623,962**	**$ 1,660,275**

Margin lending receivables are amounts owed to the Group from customers as a result of borrowings by such customers against the value of qualifying securities, primarily for the purpose of purchasing additional securities. Amounts may fluctuate from date to date as overall client balances change as a result of market levels, client positioning and leverage. Credit exposures arising from margin lending activities are generally mitigated by their short-term nature, the value of collateral held and the Group's right to call for margin when collateral values decline.

The fair value of collateral held by the Group under margin loans as of September 30, 2024, and March 31, 2024 was $ 5,845,654 and $ 7,579,057 , respectively. As of September 30, 2024, and March 31, 2024, collateral from single counterparty comprised $ 2,934,515 and $ 2,516,108 , 50 % and 33 % of the total collateral value, respectively. At the same time margin lending receivable from single counterparty comprised $ 680,078 and $ 399,196 , respectively.

For both individual and institutional brokerage clients, the Group may enter into arrangements for securities financing transactions in respect of financial instruments held by the Group on behalf of the client or may use such financial instruments for the Group's own account or the account of another client. The Group maintains omnibus brokerage accounts for certain institutional brokerage clients, in which transactions of the underlying clients of such institutional clients are combined in a single account with us. As noted above, the Group may use the assets within the omnibus accounts to finance, lend, provide credit or provide debt financing or otherwise use and direct the order or manner of assets for financing of other clients of the Group.

As of September 30, 2024, and March 31, 2024, using historical and statistical data, the Group had allowances for brokerage receivables in the amounts of $ 14,069 and $ 11,990 , respectively.

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

NOTE 7 – LOANS ISSUED

Loans issued as of September 30, 2024, consisted of the following:

	Amount Outstanding	Due Dates	Average Interest Rate	Fair Value of Collateral	Loan Currency
Mortgage loans	$ 766,949	October 2024 - September 2049	10.5 %	$ 766,949	KZT
Car loans	201,429	October 2024 - April 2032	24.1 %	198,418	KZT
Uncollateralized bank customer loans	231,863	October 2024 - September 2044	27.6 %	—	KZT
Right of claim for purchased retail loans	138,092	October 2024 - February 2030	15.0 %	138,092	KZT
Collateralized bank customer loans	71,106	October 2024 - July 2043	16.9 %	66,603	KZT
Subordinated loan	6,163	December 2025	3.0 %	—	USD
Other	1,744	October 2024 - September 2029	18.1 %/ 4.5 %	26	KZT/EUR
Allowance for loans issued	(48,690)				
Total loans issued	**$ 1,368,656**				

The Group provides mortgage loans to borrowers on behalf of the JSC Kazakhstan Sustainability Fund (the "Program Operator") related to the state mortgage program "7-20-25" and transfers the rights to claim on the mortgage loans to the Program Operator. The proceeds received from these transfers are presented within funds received under state program for financing of mortgage loans in the Condensed Consolidated Statements of Cash Flows. Under this program, borrowers can receive a mortgage at an interest rate of 7 % for 20 years, and the interest payments received by the Group are recognized as interest income in the Company's Consolidated Statements of Operations and Statements of Other Comprehensive Income. In accordance with the program and trust management agreement for the program, the Group services the transferred loans and remits all repayments of principal it receives plus 4 % of the 7 % interest received to the Program Operator. The interest paid to the Program Operator is recognized as interest expense in the Condensed Consolidated Statements of Operations and Statements of Other Comprehensive Income. The remaining 3 % of the 7 % interest is retained by Group. Under the program and trust management agreement, the Group is required to repurchase the rights to make claims on the transferred loans when either loan principal repayments or interest payments are overdue 90 days or more. The repurchase of overdue loans is performed at the loans' nominal value and is presented within repurchase of mortgage loans under the State Program in the Condensed Consolidated Statements of Cash Flows.

Since the Group transfers the rights to make claims on the loans with recourse for loans that are more than 90 days past due, retains part of the interest received on the loans and agrees to service the loans after the sale of the loans to the Program Operator, the Company has determined that the Group retains control over the loans transferred and continues recognizing the loans, which are accounted for as secured borrowings of the Group in accordance with ASC 860, Transfers and Servicing. As the Company continues to recognize the loans as assets, it also recognizes the associated liability equal to the proceeds received from the Program Operator, which is presented separately as liability arising from continuing involvement in the Condensed Consolidated Balance Sheets. This liability accrues 4 % interest annually as described above. As of September 30, 2024 and March 31, 2024, the corresponding liability amounted to $ 506,091 and $ 521,885 , respectively.

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

As of September 30, 2024 and March 31, 2024, mortgage loans include loans under the state mortgage program "7-20-25" with an aggregate principal amount of $ 519,763 and $ 532,389 , respectively, were presented within loans issued in the Condensed Consolidated Balance Sheets.

The Group has an agreement with FFIN Credit, a company established and controlled by FRHC's controlling shareholder, chairman and chief executive officer, Timur Turlov, to purchase uncollateralized retail loans from FFIN Credit. FFIN Credit is a non-bank credit institution that issues loans in Kazakhstan under simplified lending procedures. FFIN Credit was created as a pilot project to test and improve the scoring models used for qualifying and issuing loans. The principal operation of FFIN Credit is to provide loans to customers online using biometric identification and its proprietary scoring process. After completion of the pilot project, it is anticipated that FFIN Credit will be sold by Mr. Turlov to the Company. Freedom Bank KZ has legal ownership over the loans purchased from FFIN Credit. However, in accordance with U.S. GAAP requirements, the Group does not recognize those loans, since effective control over the transferred loans are maintained by FFIN Credit. Instead, the Group recognizes the loans receivable from FFIN Credit as right of claim for purchased retail loans on the Consolidated Balance Sheets within loans issued. As of September 30, 2024 and March 31, 2024, right of claims for purchased retail loans amounted to $ 138,092 and $ 146,152 , respectively.

The total accrued interest for loans issued amounted to $ 8,789 as of September 30, 2024 and $ 8,327 as of March 31, 2024.

Loans issued as of March 31, 2024, consisted of the following:

	Amount Outstanding	Due Dates	Average Interest Rate	Fair Value of Collateral	Loan Currency
Mortgage loans	$ 741,312	April, 2024 - March, 2049	10.3 %	$ 740,462	KZT
Car loans	262,708	April, 2024 - March, 2031	23.9 %	259,755	KZT
Uncollateralized bank customer loans	245,188	April, 2024 - March, 2044	27.4 %	—	KZT
Right of claim for purchased retail loans	146,152	April, 2024 - March, 2029	15.0 %	146,152	KZT
Collateralized bank customer loans	22,299	June, 2024 - July, 2043	19.1 %	22,270	KZT
Subordinated loan	5,037	December, 2025	3.0 %	—	USD
Other	2,638	April, 2024 - January, 2029	18.6 %/ 15.0 %/ 2.5 %	18	KZT/USD/EUR
Allowance for loans issued	(43,619)				
Total loans issued	**$ 1,381,715**				

Credit quality indicators

Freedom Bank KZ uses a loan portfolio quality classification system that indicates signs of a significant increase in credit risk and contractual impairment, depending on the analysis of reasonable and supportable information available at the reporting date. The loan portfolio is classified into “not credit impaired”, “with significant increase in credit risk” and “credit impaired” agreements.

Loans “not credit impaired” under the agreement are serviced as usual, there are no primary signs of an increase in credit risk. Agreements classified as “with significant increase in credit risk” represent loans for which there is an increase in the credit risk expected over the life of the agreement compared to the initial risk at the date of recognition of the loan. In practice, the presence of overdue debt on principal and interest for a period of more than 30 days or the absolute probability of default threshold PD exceeds 20%. Agreements classified as “credit impaired” represent loans for which at the reporting date there are signs of impairment, the borrower has been in default for 90 or more days for individuals and 60 or more days for legal entities, the borrower for the last 6 months for individuals and 12 months for legal entities restructured the contract due to the deterioration of the financial condition, the borrower is recognized as credit impaired, the presence of a sign of default, a sign of bankruptcy, the deterioration of the financial performance of the borrower, the presence of other information indicating the presence of a high credit risk.

The table below presents the Group's loan portfolio by credit quality classification and origination year as of September 30, 2024. Current vintage disclosure is the requirement due to first adoption of ASC 326.

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	Term Loans by Origination Fiscal Year							
	2025	**2024**	**2023**	**2022**	**2021**	**Prior**	**Revolving loans**	**Total**
Mortgage loans	**$ 112,527**	**$ 211,478**	**$ 407,953**	**$ 34,991**	**$ —**	**$ —**	**$ —**	**$ 766,949**
that are not credit impaired	112,527	209,358	404,368	34,418	—	—	—	760,671
with significant increase in credit risk	—	1,394	2,121	427	—	—	—	3,942
that are credit impaired	—	726	1,464	146	—	—	—	2,336
Car loans	**1,772**	**150,666**	**48,991**	**—**	**—**	**—**	**—**	**201,429**
that are not credit impaired	1,772	145,830	37,587	—	—	—	—	185,189
with significant increase in credit risk	—	1,574	1,422	—	—	—	—	2,996
that are credit impaired	—	3,262	9,982	—	—	—	—	13,244
Uncollateralized bank customer loans	**39,831**	**164,352**	**27,673**	**7**	**—**	**—**	**—**	**231,863**
that are not credit impaired	39,417	143,278	21,715	—	—	—	—	204,410
with significant increase in credit risk	290	6,168	1,115	—	—	—	—	7,573
that are credit impaired	124	14,906	4,843	7	—	—	—	19,880
Right of claim for purchased retail loans	**73,288**	**59,489**	**5,264**	**51**	**—**	**—**	**—**	**138,092**
that are not credit impaired	73,288	59,489	5,264	51				138,092
with significant increase in credit risk	—	—	—	—	—	—	—	—
that are credit impaired	—	—	—	—	—	—	—	—
Collateralized bank customer loans	**55,810**	**15,105**	**191**	**—**	**—**	**—**	**—**	**71,106**
that are not credit impaired	55,810	14,978	191	—	—	—	—	70,979
with significant increase in credit risk	—	32	—	—	—	—	—	32
that are credit impaired	—	95	—	—	—	—	—	95
Subordinated loan	**—**	**—**	**6,163**	**—**	**—**	**—**	**—**	**6,163**
that are not credit impaired	—	—	6,163	—	—	—	—	6,163
with significant increase in credit risk	—	—	—	—	—	—	—	—
that are credit impaired	—	—	—	—	—	—	—	—
Other	**225**	**1,309**	**150**	**60**	**—**	**—**	**—**	**1,744**
that are not credit impaired	225	1,301	150	60	—	—	—	1,736
with significant increase in credit risk	—	—	—	—	—	—	—	—
that are credit impaired	—	8	—	—	—	—	—	8
Total	**$ 283,453**	**$ 602,399**	**$ 496,385**	**$ 35,109**	**$ —**	**$ —**	**$ —**	**$ 1,417,346**

FREEDOM HOLDING CORP.

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

The table below presents the Group's loan portfolio by credit quality classification as of March 31, 2024.

	Term Loans by Origination Fiscal Year							
	2024	2023	2022	2021	2020	Prior	Revolving loans	Total
Mortgage loans	**$ 241,848**	**$ 458,401**	**$ 41,063**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 741,312**
that are not credit impaired	240,974	454,933	40,784	—	—	—	—	736,691
with significant increase in credit risk	676	2,415	111	—	—	—	—	3,202
that are credit impaired	198	1,053	168	—	—	—	—	1,419
Car loans	**196,305**	**66,403**	**—**	**—**	**—**	**—**	**—**	**262,708**
that are not credit impaired	193,302	55,427	—	—	—	—	—	248,729
with significant increase in credit risk	1,590	2,232	—	—	—	—	—	3,822
that are credit impaired	1,413	8,744	—	—	—	—	—	10,157
Uncollateralized bank customer loans	**210,612**	**34,568**	**8**	**—**	**—**	**—**	**—**	**245,188**
that are not credit impaired	200,211	30,337	—	—	—	—	—	230,548
with significant increase in credit risk	4,715	1,072	—	—	—	—	—	5,787
that are credit impaired	5,686	3,159	8	—	—	—	—	8,853
Right of claim for purchased retail loans	**130,291**	**15,694**	**167**	**—**	**—**	**—**	**—**	**146,152**
that are not credit impaired	130,291	15,694	167	—	—	—	—	146,152
with significant increase in credit risk	—	—	—	—	—	—	—	—
that are credit impaired	—	—	—	—	—	—	—	—
Collateralized bank customer loans	**21,972**	**327**	**—**	**—**	**—**	**—**	**—**	**22,299**
that are not credit impaired	21,796	327	—	—	—	—	—	22,123
with significant increase in credit risk	89	—	—	—	—	—	—	89
that are credit impaired	87	—	—	—	—	—	—	87
Subordinated loan	**—**	**5,037**	**—**	**—**	**—**	**—**	**—**	**5,037**
that are not credit impaired	—	5,037	—	—	—	—	—	5,037
with significant increase in credit risk	—	—	—	—	—	—	—	—
that are credit impaired	—	—	—	—	—	—	—	—
Other	**2,404**	**165**	**69**	**—**	**—**	**—**	**—**	**2,638**
that are not credit impaired	2,395	165	69	—	—	—	—	2,629
with significant increase in credit risk	—	—	—	—	—	—	—	—
that are credit impaired	9	—	—	—	—	—	—	9
Total	**$ 803,432**	**$ 580,595**	**$ 41,307**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 1,425,334**

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

Aging analysis of past due loans as of September 30, 2024 and March 31, 2024, is as follows:

	September 30, 2024				
	Loans 30-59 Days past due	Loans 60-89 days past due	Loans 90 days or more past due and still accruing	Current loans	Total
Mortgage loans	$ 2,602	$ 1,340	$ 2,336	$ 760,671	$ 766,949
Car loans	2,088	908	13,244	185,189	201,429
Uncollateralized bank customer loans	4,397	3,176	19,880	204,410	231,863
Right of claim for purchased retail loans	—	—	—	138,092	138,092
Collateralized bank customer loans	—	32	95	70,979	71,106
Subordinated loan	—	—	—	6,163	6,163
Other	—	—	8	1,736	1,744
Total	**$ 9,087**	**$ 5,456**	**$ 35,563**	**$ 1,367,240**	**$ 1,417,346**

	March 31, 2024				
	Loans 30-59 Days past due	Loans 60-89 days past due	Loans 90 days or more past due and still accruing	Current loans	Total
Mortgage loans	$ 2,133	$ 1,069	$ 1,419	$ 736,691	$ 741,312
Car loans	2,167	1,655	10,157	248,729	262,708
Uncollateralized bank customer loans	3,576	2,211	8,853	230,548	245,188
Right of claim for purchased retail loans	—	—	—	146,152	146,152
Collateralized bank customer loans	—	89	87	22,123	22,299
Subordinated loan	—	—	—	5,037	5,037
Other	—	—	9	2,629	2,638
Total	**$ 7,876**	**$ 5,024**	**$ 20,525**	**$ 1,391,909**	**$ 1,425,334**

The activity in the allowance for credit losses for the three months ended September 30, 2024 and 2023 is summarized in the following tables.

FREEDOM HOLDING CORP.

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	Allowance for credit losses						
	Mortgage loan	Uncollateralized bank customer loans	Collateralized bank customer loans	Car loans	Right of claim for purchased retail loans	Other	Total
March 31, 2024	**$ (3,033)**	**$ (19,636)**	**$ (80)**	**$ (14,262)**	**$ (6,577)**	**$ (31)**	**$ (43,619)**
Charges	(1,927)	(14,416)	(383)	(2,699)	(4,387)	(27)	(23,839)
Recoveries	775	4,653	28	5,278	4,610	—	15,344
Write off	—	42	4	258	—	30	334
Forex	252	1,635	14	844	345	—	3,090
September 30, 2024	**$ (3,933)**	**$ (27,722)**	**$ (417)**	**$ (10,581)**	**$ (6,009)**	**$ (28)**	**$ (48,690)**

	Allowance for credit losses						
	Mortgage loan	Uncollateralized bank customer loans	Collateralized bank customer loans	Car loans	Right of claim for purchased retail loans	Other	Total
March 31, 2023	**$ (554)**	**$ (233)**	**$ —**	**$ (758)**	**$ (1,247)**	**$ —**	**$ (2,792)**
Adjustment to allowance for adoption of ASU 2016-13	(2,216)	(7,436)	(35)	(6,462)	(9,046)	—	(25,195)
Charges	(665)	(13,482)	(71)	(8,851)	(11,073)	(3,283)	(37,425)
Recoveries	1,599	6,384	36	2,558	7,746	—	18,323
Forex	91	739	4	637	657	—	2,128
September 30, 2023	**$ (1,745)**	**$ (14,028)**	**$ (66)**	**$ (12,876)**	**$ (12,963)**	**$ (3,283)**	**$ (44,961)**

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

NOTE 8 – PROVISION FOR INCOME TAXES

The Group is subject to taxation in Kazakhstan, Kyrgyzstan, Cyprus, Uzbekistan, Germany and the United States of America.

The tax rates used for deferred tax assets and liabilities as of September 30, 2024, and March 31, 2024, were 21 % for the United States, 20 % for Kazakhstan and Azerbaijan, 10 % for Kyrgyzstan, 15 % for Germany, 12.5 % for Cyprus, 25 % for United Kingdom, 18 % for Armenia and 15 % for Uzbekistan.

During the six months ended September 30, 2024, and 2023, the effective tax rate was equal to 12.5 % and 16.4 %, respectively.

NOTE 9 – SECURITIES REPURCHASE AGREEMENT OBLIGATIONS

As of September 30, 2024, and March 31, 2024, trading securities included collateralized securities subject to repurchase agreements as described in the following table:

	September 30, 2024			
	Interest rates and remaining contractual maturity of the agreements			
	Average interest rate	Up to 30 days	30-90 days	Total
Securities sold under repurchase agreements				
Non-US sovereign debt	13.41 %	$ 1,711,209	$ 83,726	$ 1,794,935
Corporate debt	13.38 %	730,278	56,496	786,774
US sovereign debt	3.00 %	2,400	—	2,400
Corporate equity	1.00 %	22	—	22
Total securities sold under repurchase agreements		**$ 2,443,909**	**$ 140,222**	**$ 2,584,131**

	March 31, 2024			
	Interest rate and remaining contractual maturity of the agreements			
	Average interest rate	Up to 30 days	30-90 days	Total
Securities sold under repurchase agreements				
Non-US sovereign debt	13.78 %	$ 1,545,080	$ 259,948	$ 1,805,028
Corporate debt	13.84 %	923,752	14,644	938,396
US sovereign debt	3.06 %	13,172	—	13,172
Total securities sold under repurchase agreements		**$ 2,482,004**	**$ 274,592**	**$ 2,756,596**

The fair value of collateral pledged under repurchase agreements as of September 30, 2024, and March 31, 2024, was $ 2,613,957 and $ 2,753,601 , respectively.

Securities pledged as collateral by the Group under repurchase agreements are liquid trading securities with market quotes and significant trading volume.

As of September 30, 2024 and March 31, 2024, securities repurchase agreement obligations included accrued interest in the amount of $ 6,187 and $ 11,684 , with a weighted average maturity of 10 days and 12 days, respectively. All securities repurchase agreements transactions were executed through the KASE.

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

NOTE 10 – CUSTOMER LIABILITIES

The Group recognizes customer liabilities associated with deposit funds of its brokerage and bank customers. As of September 30, 2024, and March 31, 2024, customer liabilities consisted of:

	September 30, 2024		March 31, 2024	
	Amount	**Interest**	**Amount**	**Interest**
Interest bearing deposits:				
Term deposits	$ 1,363,492	0.05 % - 17.7 %	$ 1,221,072	0.04 % - 17.3 %
Total Interest bearing deposits	**$ 1,363,492**		**$ 1,221,072**	
Non-interest-bearing deposits:				
Brokerage customers	$ 1,617,887		$ 742,902	
Current customer accounts	347,754		309,856	
Total non-interest-bearing accounts	**$ 1,965,641**		**$ 1,052,758**	
Total customer liabilities	**$ 3,329,133**		**$ 2,273,830**	

In accordance with Kazakhstan law requirements, commercial banks conclude agreements with JSC Kazakhstan Deposit Insurance Fund ("KDIF"), under which banks are required to pay commissions to KDIF on a recurring basis, the amount of which depends on the term deposits and demand deposits received by banks from their customers. Under the agreement, KDIF insures the term deposits and demand deposits up to $ 42 for each customer. As at September 30, 2024, and March 31, 2024, respectively, the Group had total amounts in excess of insured bank term deposits of $ 614,918 and $ 600,972 for all customers.

NOTE 11 – MARGIN LENDING AND TRADE PAYABLES

As of September 30, 2024, and March 31, 2024, margin lending and trade payables of the Group were comprised of the following:

	September 30, 2024	March 31, 2024
Margin lending payables	$ 253,974	$ 839,454
Payables to suppliers of goods and services	12,927	10,525
Payables to merchants	5,544	13,475
Trade payable for securities purchased	457	485
Other	30,509	3,941
Total margin lending and trade payables	**$ 303,411**	**$ 867,880**

The fair value of collateral held by the Group under margin loans as of September 30, 2024, and March 31, 2024 was $ 1,290,534 and $ 2,400,361 , respectively.

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

NOTE 12 – DEBT SECURITIES ISSUED

As of September 30, 2024, and March 31, 2024, outstanding debt securities issued by the Group included the following:

Debt securities issued by:	September 30, 2024	March 31, 2024	Interest rate	Issue date	Maturity date
Freedom SPC bonds due 2028	$ 200,346	$ 200,386	1 - 2 years: 12 % 3 - 5 years: EFFR + 6.5 %	December, 2023	December, 2028
Freedom SPC bonds due 2026	64,674	64,546	5.5 %	October, 2021	October, 2026
Accrued interest	2,321	2,319			
Total debt securities issued	**$ 267,341**	**$ 267,251**			

As of September 30, 2024 the carrying value of the Group's debt securities issued was $ 64,674 of Freedom SPC bonds due 2026 and $ 200,346 of Freedom SPC bonds due 2028. The Freedom SPC bonds are denominated in U.S. dollars and were issued under Astana International Financial Centre ("AIFC") law and trade on the AIX. The Company is a guarantor of the Freedom SPC bonds.

The Freedom SPC bonds due 2026 bear interest at an annual rate of 5.5 % and mature in October 2026. Interest is paid semi-annually in April and October. The proceeds from the issuance of such bonds were loaned to the Company pursuant to a loan agreement dated November 22, 2021. The loan has the same interest rate and maturity date as the bonds.

For the first two years of Freedom SPC bonds due 2028, the annual interest rate is 12 % and for subsequent years the interest rate will be fixed and set as the sum of Effective Federal Funds Rate (EFFR) as of December 10, 2025 and a margin of 6.5 %. Interest is paid on a monthly basis. The bondholders have a right of early redemption after two years at nominal value plus accrued interest. After two years , the issuer has the option to redeem the bonds in full or in part at nominal value plus accrued interest.

Debt securities issued are initially recognized at the fair value of the consideration received, less directly attributable transaction costs.

The Group has no covenants to comply with in its debt securities.

NOTE 13 – INSURANCE CONTRACTS ASSETS AND LIABILITIES FROM INSURANCE ACTIVITIES

As of September 30, 2024, and March 31, 2024, assets from insurance activity of the Group were comprised the following:

	September 30, 2024	March 31, 2024
Assets:		
Amounts due from policyholders	$ 14,783	$ 10,260
Amounts due from reinsured	4,080	2,274
Claims receivable from reinsurance	2,004	1,400
Advances received from agent	710	3,231
Allowance for estimated uncollectible reinsurance	(755)	(1,045)
Insurance and reinsurance receivables	**20,822**	**16,120**
Unearned premium reserve, reinsurers' share	1,993	4,770
Reserves for claims and claims' adjustment expenses, reinsurers' share	2,167	4,032
Total assets from insurance activity	**$ 24,982**	**$ 24,922**

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

As of September 30, 2024, and March 31, 2024, liabilities from insurance activity of the Group were comprised the following:

	September 30, 2024	March 31, 2024
Liabilities:		
Amounts payable to agents and brokers	$ 9,875	$ 6,334
Amounts payable to insurers	3,935	4,294
Amounts payable to reinsured	1,140	2,771
Insurance and reinsurance payables:	**14,950**	**13,399**
Unearned premium reserve	74,063	60,088
Reserves for claims and claims' adjustment expenses	275,143	223,693
Total liabilities from insurance activity	**$ 364,156**	**$ 297,180**

As of September 30, 2024, and March 31, 2024, liabilities from insurance activity increased mainly due to the increase of reserves for claims and claim's adjustment expenses, unearned premium reserve as a result of the expansion of operations.

NOTE 14 – FEE AND COMMISSION INCOME

Fee and commission income is recognized when, or as, the Group satisfies its performance obligations by transferring the promised services to the customers. A service is transferred to a customer when, or as, the customer obtains control of that service. A performance obligation may be satisfied at a point in time or over time. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time that the Group determines the customer obtains control over the promised service. Revenue from a performance obligation satisfied over time is recognized by measuring the Group's progress in satisfying the performance obligation in a manner that depicts the transfer of the services to the customer. The amount of revenue recognized reflects the consideration the Group expects to receive in exchange for those promised services (i.e., the "transaction price"). In determining the transaction price, the Group considers multiple factors, including the effects of variable consideration, if any.

The Group's revenues from contracts with customers are recognized when the Group's performance obligations are satisfied at an amount that reflects the consideration expected to be received in exchange for such services. The majority of the Group's performance obligations are satisfied at a point in time and are typically collected from customers by debiting their brokerage account with the Group.

Brokerage Services

The Group earns commission revenue by executing, settling and clearing transactions with clients primarily in exchange-traded and over-the-counter financial instruments related to corporate equity and debt securities, money market instruments and exchange-traded options and futures contracts. Trade execution and clearing services, when provided together, represent a single performance obligation, as the services are not separately identifiable in the context of the contract. Commission revenue associated with combined trade execution and clearing services, as well as trade execution services on a standalone basis, are recognized at a point in time on trade date when the performance obligation is satisfied.

Banking Services

The Group earns revenue from two primary streams related to commissions from bank services:

- The Group earns banking commissions by executing client orders for money transfer, purchase and sale of foreign currency, and other banking services. A substantial portion of the Group's revenue is derived from commissions from private clients through accounts with transaction-based pricing. Commission revenue is collected and recognized by the Company at a point in time at the execution of the order.
- Interchange — The Group acts as an agent between customers and international payment systems, such as VISA and MasterCard. When using third-party payment platforms or networks, the Group is an agent for the payment processing services to retail customers and, therefore, revenue is recognized on a net basis, as the Group is not primarily responsible for fulfilling the payment processing on third parties' payment platforms/networks and has no discretion in establishing the selling price of the payment processing service to the retail customer on third party payment platforms/networks. Fees from customers using third-party payment platform are earned for processing debit card transactions.

Payment Processing

The Group earns revenue from two primary streams related to payment processing:

- Commissions from payment processing services, which include activities such as authorization, clearing, and settlement of electronic payments. The Company recognizes revenue at the time when the payment card transaction is completed. Commission rates are based on the amounts of transactions. Fees are typically billed and paid monthly.

- Provision of IT infrastructure to merchants to facilitate payments. The Company recognizes revenue at the time when the performance obligation is satisfied which is as soon as payments are facilitated. These services are typically provided under a commission rate from amounts of facilitated payments. Fees are typically billed and paid monthly.

Underwriting and Market-Making Services

The Group earns underwriting revenues by providing capital raising solutions for corporate clients through initial public offerings, follow-on offerings, equity-linked offerings, private investments in public entities, and private placements. Underwriting revenues are recognized at a point in time on the relevant placement date, as the client obtains the control and benefit of the capital markets offering at that point. These revenues are generally received within 90 days after the placement date. Transaction-related expenses, primarily consisting of legal, travel and other costs directly associated with the transaction, are included in underwriting revenues. These costs are deferred and recognized in the same period as the related investment banking transaction revenue. However, if the transaction is abandoned and does not close, the accounting treatment for the transaction-related costs may differ. In such cases, the accounting principles typically require the immediate recognition of the transaction-related expenses as an expense in the period in which the decision to abandon the transaction is made. This ensures that the costs associated with the abandoned transaction are recognized and reflected accurately in the financial statements of the entity.

Receivables and Contract Balances

Receivables arise when the Group has an unconditional right to receive payment under a contract with a customer and are derecognized when the payment is received. Margin lending, brokerage and other receivables are disclosed in Note 6 in the notes to condensed consolidated financial statements.

Contract assets arise when the revenue associated with the contract is recognized before the Group’s unconditional right to receive payment under a contract with a customer (i.e., unbilled receivable) and are derecognized when either it becomes a receivable or the cash is received. As of September 30, 2024 and March 31, 2024, the Group's contract asset balances were not material.

Contract liabilities arise when customers remit contractual cash payments in advance of the Group satisfying its performance obligations under the contract and are derecognized when the revenue associated with the contract is recognized either when a milestone is met triggering the contractual right to bill the customer or when the performance obligation is satisfied. As of September 30, 2024 and March 31, 2024, contract liability balances were not material.

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

During the three months and the six months ended September 30, 2024, and September 30, 2023, fee and commission income comprised:

	Three months ended September 30, 2024				
	Brokerage	Banking	Insurance	Other	Total
Brokerage services	$ 107,378	$ —	$ —	$ —	$ 107,378
Commission income from payment processing	—	—	—	5,970	5,970
Bank services	—	1,872	—	—	1,872
Underwriting and market-making services	1,214	—	—	—	1,214
Other fee and commission income	48	326	32	4,211	4,617
Total fee and commission income	**$ 108,640**	**$ 2,198**	**$ 32**	**$ 10,181**	**$ 121,051**

	Three months ended September 30, 2023				
	Brokerage	Banking	Insurance	Other	Total
Brokerage service	$ 84,713	$ —	$ —	$ —	$ 84,713
Commission income from payment processing	—	—	—	10,299	10,299
Bank services	—	9,308	—	—	9,308
Underwriting and market-making services	2,910	—	—	—	2,910
Other fee and commission income	51	218	2	4,202	4,473
Total fee and commission income	**$ 87,674**	**$ 9,526**	**$ 2**	**$ 14,501**	**$ 111,703**

	Six months ended September 30, 2024				
	Brokerage	Banking	Insurance	Other	Total
Brokerage services	$ 200,545	$ —	$ —	$ —	$ 200,545
Commission income from payment processing	—	—	—	14,533	14,533
Underwriting and market-making services	5,916	—	—	—	5,916
Bank services	—	4,388	—	—	4,388
Other fee and commission income	122	606	147	10,283	11,158
Total fee and commission income	**$ 206,583**	**$ 4,994**	**$ 147**	**$ 24,816**	**$ 236,540**

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

	Six months ended September 30, 2023				
	Brokerage	Banking	Insurance	Other	Total
Brokerage services	$ 139,795	$ —	$ —	$ —	$ 139,795
Commission income from payment processing	—	—	—	28,341	28,341
Bank services	—	22,149	—	—	22,149
Underwriting and market-making services	11,741	—	—	—	11,741
Other fee and commission income	110	543	44	7,683	8,380
Total fee and commission income	**$ 151,646**	**$ 22,692**	**$ 44**	**$ 36,024**	**$ 210,406**

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

NOTE 15 – NET GAIN ON TRADING SECURITIES

During the three months and the six months ended September 30, 2024, and September 30, 2023, net gain on trading securities was comprised of:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
Net unrealized gain recognized during the reporting period on trading securities still held at the reporting date	$ 65,917	$ 9,713
Net gain recognized during the period on trading securities sold during the period	2,400	41,058
Net gain recognized during the period on trading securities	**$ 68,317**	**$ 50,771**

	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023
Net unrealized gain recognized during the reporting period on trading securities still held at the reporting date	$ 974	$ 30,664
Net gain recognized during the period on trading securities sold during the period	$ 15,241	$ 51,923
Net gain recognized during the period on trading securities	**$ 16,215**	**$ 82,587**

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

NOTE 16 - NET INTEREST INCOME/EXPENSE

Net interest income/expense for the three months ended September 30, 2024, and September 30, 2023 included the following:

	Three months ended September 30, 2024	Three months ended September 30, 2023
Interest income:		
Interest income on trading securities	104,992	$ 114,039
Interest income on loans to customers	49,393	42,868
Interest income on margin loans to customers	40,917	42,573
Interest income on securities available-for-sale	9,003	9,653
Interest income on reverse repurchase agreements and amounts due from banks	6,019	3,930
Total interest income	**$ 210,324**	**$ 213,063**
Interest expense:		
Interest expense on securities repurchase agreement obligations	$ 86,116	$ 117,009
Interest expense on customer accounts and deposits	23,696	17,864
Interest expense on margin lending payable	7,416	3,467
Interest expense on debt securities issued	6,969	961
Interest expense on loans received	468	26
Other interest expense	—	54
Total interest expense	**$ 124,665**	**$ 139,381**
Net interest income	**$ 85,659**	**$ 73,682**

Net interest income/expense for the six months ended September 30, 2024, and September 30, 2023 includes:

	Six months ended September 30, 2024	Six months ended September 30, 2023
Interest income:		
Interest income on trading securities	$ 212,120	$ 200,880
Interest income on loans to customers	101,760	74,201
Interest income on margin loans to customers	91,984	59,753
Interest income on securities available-for-sale	17,403	17,997
Interest income on reverse repurchase agreements and amounts due from banks	13,061	6,987
Other interest income	—	2,594
Total interest income	**$ 436,328**	**$ 362,412**
Interest expense:		
Interest expense on securities repurchase agreement obligations	$ 178,523	$ 192,464
Interest expense on customer accounts and deposits	46,823	33,467
Interest expense on margin lending payable	30,539	6,460
Interest expense on debt securities issued	13,938	1,896
Interest expense on loans received	512	53
Other interest expense	48	87
Total interest expense	**$ 270,383**	**$ 234,427**
Net interest income	**$ 165,945**	**$ 127,985**

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

NOTE 17 - NET GAIN/(LOSS) ON DERIVATIVES

	Three months ended September 30, 2024	Three months ended September 30, 2023
Net realized gain/(loss) on derivatives	$ 10,405	$ (2,168)
Net unrealized (loss)/gain on derivatives	(4,097)	3,546
Total net gain on derivatives	**$ 6,308**	**$ 1,378**

	Six months ended September 30, 2024	Six months ended September 30, 2023
Net realized gain/(loss) on derivatives	$ 14,749	$ (29,661)
Net unrealized gain on derivatives	4,053	434
Total net gain/(loss) on derivatives	**$ 18,802**	**$ (29,227)**

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

NOTE 18 – RELATED PARTY TRANSACTIONS

	September 30, 2024		March 31, 2024	
	Related party balances	*Total category as per financial statements captions*	*Related party balances*	*Total category as per financial statements captions*
ASSETS				
Cash and cash equivalents	**$ 1,915**	**$ 569,179**	**$ 203**	**$ 545,084**
Companies controlled by management	1,915		203	
Restricted cash	**$ 6,669**	**$ 895,651**	**$ —**	**$ 462,637**
Management	1,404		—	
Companies controlled by management	5,085		—	
Other	180		—	
Trading securities	**$ 1,231**	**$ 3,601,118**	**$ 1,326**	**$ 3,688,620**
Companies controlled by management	1,231		1,326	
Margin lending, brokerage and other receivables, net	**$ 162,066**	**$ 1,623,962**	**$ 22,039**	**$ 1,660,275**
Management	9,378		8,849	
Companies controlled by management	152,688		13,190	
Loans issued	**$ 141,290**	**$ 1,368,656**	**$ 147,440**	**$ 1,381,715**
Management	604		117	
Companies controlled by management	140,686		147,323	
Other assets, net	**$ 14,914**	**$ 169,375**	**$ 5,257**	**$ 102,414**
Companies controlled by management	14,914		5,257	
LIABILITIES				
Customer liabilities	**$ 191,607**	**$ 3,329,133**	**$ 44,127**	**$ 2,273,830**
Management	9,918		12,604	
Companies controlled by management	180,557		31,253	
Other	1,132		270	
Other liabilities	**$ 729**	**$ 133,248**	**$ 9,854**	**$ 81,560**
Management	284		7,947	
Companies controlled by management	445		1,907	

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

	Three Months Ended September 30, 2024		Three Months Ended September 30, 2023	
	Related party amounts	*Total category as per financial statements captions*	*Related party amounts*	*Total category as per financial statements captions*
Revenue:				
Fee and commission income	**$ 837**	**$ 121,051**	**$ 20,022**	**$ 111,703**
Management	290		183	
Companies controlled by management	543		19,839	
Other	4		—	
Interest income	**$ 375**	**$ 210,324**	**$ 9,731**	**$ 213,063**
Management	215		232	
Companies controlled by management	160		9,499	
Expense:				
General and administrative expenses	**$ 6,247**	**$ 53,240**	**$ 5,229**	**$ 29,630**
Management	44		8	
Companies controlled by management	6,203		5,219	
Other	—		2	

	Six Months Ended September 30, 2024		Six Months Ended September 30, 2023	
	Related party amounts	*Total category as per financial statements captions*	*Related party amounts*	*Total category as per financial statements captions*
Revenue:				
Fee and commission income	**1,703**	**236,540**	**35,917**	**210,406**
Management	509		465	
Companies controlled by management	1,188		35,451	
Other	6		1	
Interest income	**644**	**436,328**	**15,084**	**362,412**
Management	419		305	
Companies controlled by management	225		14,779	
Expense:				
General and administrative expenses	**8,971**	**98,345**	**7,561**	**54,105**
Management	277		171	
Companies controlled by management	8,694		7,388	
Other	—		2	

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

During the three and six months ended September 30, 2023, the Group engaged in various related party transactions, a substantial amount of which were conducted with FST Belize, a Belize company which is wholly owned personally by the Company's chief executive officer, chairman and majority shareholder, Timur Turlov, and is not part of the Group. During such periods FST Belize had its own brokerage customers, which included individuals and a market-maker institution and conducted business with the Group through a client omnibus account at Freedom EU. The Group terminated these arrangements with FST Belize before the end of fiscal 2024, leading to a decrease in related party transactions during three and six months ended September 30, 2024 as compared to the corresponding periods in 2023.

As of September 30, 2024 and March 31, 2024, the Group's margin lending receivables from Fresh Start Trading Ltd amounted to $ 151,592 and $ 12,890 . Fresh Start Trading Ltd is a Cyprus-based company that is controlled by a single individual who is a member of Freedom EU's management. Fresh Start Trading Ltd is mainly involved in foreign currency trading activity. Margin lending receivables from Fresh Start Trading Ltd are mainly denominated in Euros, and they are fully collateralized by cash denominated in U.S. dollars.

During the three and six months ended September 30, 2024, the Group incurred general and administrative expenses from Kazakhstan Chess Federation in the amount of $ 4,308 and $ 6,353 respectively. Kazakhstan Chess Federation is a Kazakhstan-based company in which Timur Turlov holds a management position. The Group continues to support the development of chess as a sport in Kazakhstan. During the three and six months ended September 30, 2024, the Group has made financial contributions to the Kazakhstan Chess Federation to support the preparation and holding of championships, tournaments, training camps and other events.

As of September 30, 2024 and March 31, 2024, 76 % and 24 %, respectively, of the Group's customer liabilities were deposits from Fresh Start Trading Ltd held by Freedom EU related to brokerage services provided by Freedom EU to Fresh Start Trading Ltd.

As of September 30, 2024, and March 31, 2024 the Group had loans issued which included uncollateralized bank customer loans purchased from FFIN Credit, a company outside of the Group which is controlled by Timur Turlov.

NOTE 19 – STOCKHOLDERS' EQUITY

During the three months ended September 30, 2024 the Company awarded stock grants totaling 156,659 shares, 22,798 of which were vested on the date of the award.

The table below presents Stock Incentive Plan awards granted on the dates indicated.

Stock awards granted on:	Units
July 1, 2024	34,250
July 1, 2024 immediate stock awards	4,300
July 12, 2024	12,816
August 5, 2024	10,000
August 5, 2024 immediate stock awards	5,000
August 13, 2024	76,795
August 13, 2024 immediate stock awards	13,498

NOTE 20 – STOCK BASED COMPENSATION

The compensation expense related to restricted and non-restricted stock grants was $ 12,056 during the three months ended September 30, 2024, and $ 1,031 during the three months ended September 30, 2023. As of September 30, 2024 there was $ 49,271 of total unrecognized compensation cost related to non-vested shares of common stock granted. The cost is expected to be recognized over a weighted average period of 4.32 years. The compensation expense related to stock awards, which vested on the date of the award was $ 1,887 and $ 0 during the three months ended September 30, 2024 and September 30, 2023.

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

The Company has determined the fair value of shares awarded during the three months ended September 30, 2024, using the Monte Carlo valuation model based on the following key assumptions:

Stock awards granted	Term (years)	Volatility	Risk-free rate
July 1, 2024	4.57	36.98 %	4.47 %
July 12, 2024	1.54	37.30 %	4.64 %
August 5, 2024	4.48	37.51 %	3.64 %
August 13, 2024	4.45	37.69 %	3.70 %

The table below summarizes the activity for the Company's stock awards during the six months ended September 30, 2024:

	Shares	Weighted Average Fair Value
Outstanding, at March 31, 2024	983,205	57,598
Granted	343,626	25,039
Vested	(191,595)	(9,934)
Forfeited/cancelled/expired	—	—
Outstanding, at September 30, 2024	**1,135,236**	**72,703**

NOTE 21 – LEASES

At September 30, 2024, the Group was obligated under a number of noncancellable leases, predominantly operating leases of office space, which expire at various dates through 2033. The Group's primary involvement with leases is in the capacity as a lessee where a Group company leases premises to support the Group's business.

The Group determines whether a contract is or contains a lease at inception of the contract and whether that lease meets the classification criteria of a finance or operating lease. Operating lease liabilities and right-of-use (ROU) assets are recognized at the lease commencement date based on the present value of the future minimum lease payments over the lease term. The future lease payments are discounted at a rate that estimates the Company’s collateralized borrowing rate for financing instruments of a similar term and are included in accounts payable and other liabilities. The operating lease ROU asset, included in premises and equipment, also includes any lease prepayments made, plus initial direct costs incurred, less any lease incentives received. The Company recognizes fixed lease costs on a straight-line basis throughout the lease term in the Consolidated Statement of Income. Certain of these leases also have extension or termination options, and the Company assess the likelihood of exercising such options. If it is reasonably certain that the Group will exercise the options to extend, then we include the impact in the measurement of our ROU assets and lease liabilities.

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

When readily determinable, the Company uses the rate implicit in the lease to discount lease payments to present value; however, the rate implicit on most of the Group's leases are not readily determinable. Therefore, the Company must discount lease payments based on an estimate of its incremental borrowing rate.

The table below presents the lease related assets and liabilities recorded on the Company's Condensed Consolidated Balance Sheets as of September 30, 2024:

	Classification on Balance Sheet	September 30, 2024	March 31, 2024
Assets			
Operating lease assets	Right-of-use asset	$ 37,028	$ 36,324
Total lease assets		**$ 37,028**	**$ 36,324**
Liabilities			
Operating lease liability	Lease liability	$ 37,664	$ 35,794
Total lease liability		**$ 37,664**	**$ 35,794**

The following table presents as of September 30, 2024, the maturities of the lease liabilities:

Leases maturing during the period ending March 31,	
2025	$ 5,971
2026	12,089
2027	12,474
2028	8,307
2029	4,189
Thereafter	3,290
Total payments	46,320
Less: amounts representing interest	(8,656)
Lease liability, net	**$ 37,664**
Weighted average remaining lease term (in months)	31
Weighted average discount rate	14 %

Lease commitments for short-term operating leases as of September 30, 2024 and September 30, 2023 was approximately $ 1,368 and $ 222 , respectively. The Group's rent expense for office space was $ 2,339 and $ 4,493 for the three and six months ended September 30, 2024 and $ 759 and $ 1,619 for the three and six months ended September 30, 2023, respectively.

The Group has leases that involve variable payments tied to an index, which are considered in the measurement of operating lease ROU assets and operating lease liabilities.

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

NOTE 22 – ACQUISITIONS OF SUBSIDIARIES

Acquisition of SilkNetCom

SilkNetCom LLP specializes in the field of provider services, IT and construction of telecommunications networks in private and public sectors.

On September 17, 2024, the Company completed the acquisition of SilkNetCom by purchasing 100 % of its outstanding shares. The purpose and reason for the acquisition of SilkNetCom was to use the acquired assets and licenses to develop its telecommunications business.

At the reporting date, September 30, 2024, final valuation of SilkNetCom was not completed. According to the preliminary results, as of September 17, 2024, the date of the acquisition of SilkNetCom, the fair value of net assets of SilkNetCom was $ 20,552 . The total purchase price was allocated as follows:

	As of September 17, 2024
ASSETS	
Cash and cash equivalents	54
Margin lending, brokerage and other receivables, net	44
Fixed assets, net	37,878
Other assets, net	7,634
TOTAL ASSETS	**45,610**
LIABILITIES	
Margin lending and trade payables	219
Current income tax liability	5
Other liabilities	24,834
TOTAL LIABILITIES	**25,058**
Net assets acquired	**20,552**
Goodwill	3,328
Total purchase price	**23,880**

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

NOTE 23 – COMMITMENTS AND CONTINGENCIES

Legal, regulatory and governmental matters

The Group is involved in various claims and legal proceedings that arise in the normal course of business. The Company recognizes a liability when a loss is considered probable and the amount can be reasonably estimated. If a material loss contingency is reasonably possible but not probable, the Company does not record a liability but discloses the nature and amount of the claim, as well as an estimate of the potential loss, if such an estimate can be determined. Legal fees are recorded as expenses when incurred. While the Company does not anticipate that the resolution of any current claims or proceedings (except for the specific matters if detailed below, if resolved unfavorably) will significantly impact its financial position, an adverse outcome in some or all of these cases could materially affect the Company's results of operations or cash flows for specific periods. This assessment is based on the Company's current understanding of relevant facts and circumstances, and the Company's perspective on these matters may evolve with future developments.

The Company accounts for potential losses related to litigation in accordance with FASB ASC Topic 450, “Contingencies.” As of September 30, 2024 and March 31, 2024, accruals for potential losses related to legal, regulatory and governmental actions and proceedings were not material.

Off-balance sheet financial instruments

Freedom Bank KZ is a party to certain off-balance sheet financial instruments. These financial instruments include guarantees and unused commitments under existing lines of credit. These commitments expose the Company to varying degrees of credit and market risk which are essentially the same as those involved in extending loans to customers, and are subject to the same credit policies used in underwriting loans. Collateral may be obtained based on Freedom Bank KZ's credit evaluation of the counterparty. The Company's maximum exposure to credit loss is represented by the contractual amount of these commitments.

Unused commitments under lines of credit

Unused commitments under lines of credit include commercial, commercial real estate, home equity and consumer lines of credit to existing customers. These commitments may mature without being fully funded.

Unused commitments under guarantees

Unused commitments under guarantees are conditional commitments issued by Freedom Bank KZ to provide bank guarantees to customers. These commitments may mature without being fully funded.

Bank guarantees

Bank guarantees are conditional commitments issued by Freedom Bank KZ to guarantee the performance of a customer to a third party. These guarantees are primarily issued to support trade transactions or guarantee arrangements. The credit risk involved in issuing guarantees is essentially the same as that involved in extending loan facilities to customers. A significant portion of the issued guarantees are collateralized. Total lending related commitments outstanding as of September 30, 2024, and March 31, 2024, were as follows:

	As of September 30, 2024	As of March 31, 2024
Unused commitments under lines of credits and guarantees	$ 108,058	$ 207,519
Bank guarantees	11,524	9,012
Total	**$ 119,582**	**$ 216,531**

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

NOTE 24 – SEGMENT REPORTING

The following tables summarize the Company's Statement of Operations by its reportable segments for the periods presented. There are no revenues from transactions between the segments and intercompany balances have been eliminated in disclosures.

	Three months ended September 30, 2024				
STATEMENT OF OPERATIONS	**Brokerage**	**Banking**	**Insurance**	**Other**	**Total**
Fee and commission income	$ 108,640	$ 2,198	$ 32	$ 10,181	$ 121,051
Net gain on trading securities	10,095	52,850	3,595	1,777	68,317
Interest income	52,848	141,986	14,265	1,225	210,324
Insurance underwriting income	—	—	160,344	—	160,344
Net gain/(loss) on foreign exchange operations	2,386	(1,566)	275	5,384	6,479
Net gain on derivative	455	5,853	—	—	6,308
Other income/(expense), net	373	188	(336)	7,852	8,077
TOTAL REVENUE, NET	**174,797**	**201,509**	**178,175**	**26,419**	**580,900**
Fee and commission expense	7,964	3,325	74,161	5,387	90,837
Interest expense	18,672	96,454	1,950	7,589	124,665
Insurance claims incurred, net of reinsurance	—	—	66,684	—	66,684
Payroll and bonuses	15,915	23,724	7,755	18,816	66,210
Professional services	1,867	68	430	5,880	8,245
Stock compensation expense	6,282	2,175	1,929	1,670	12,056
Advertising expense	14,702	829	114	4,404	20,049
General and administrative expense	8,695	12,479	7,581	24,485	53,240
Provision for allowance/(recovery of) expected credit losses	422	10,142	72	(209)	10,427
TOTAL EXPENSE	**74,519**	**149,196**	**160,676**	**68,022**	**452,413**
INCOME BEFORE INCOME TAX	**$ 100,278**	**$ 52,313**	**$ 17,499**	**$ (41,603)**	**$ 128,487**
Income tax (expense)/benefit	(14,631)	(6,643)	(2,709)	9,984	(13,999)
NET INCOME	**$ 85,647**	**$ 45,670**	**$ 14,790**	**$ (31,619)**	**$ 114,488**

FREEDOM HOLDING CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(All amounts in thousands of United States dollars, except share data, unless otherwise stated)

	Six months ended September 30, 2024				
STATEMENT OF OPERATIONS	**Brokerage**	**Banking**	**Insurance**	**Other**	**Total**
Fee and commission income	$ 206,583	$ 4,994	$ 147	$ 24,816	$ 236,540
Net gain/(loss) on trading securities	10,969	2,843	3,734	(1,331)	16,215
Interest income	115,637	288,049	29,964	2,678	436,328
Insurance underwriting income	—	—	289,752	—	289,752
Net gain/(loss) on foreign exchange operations	12,343	(21,261)	1,395	22,091	14,568
Net gain on derivative	1,331	17,471	—	—	18,802
Other income, net	2,850	615	446	15,499	19,410
TOTAL REVENUE, NET	**349,713**	**292,711**	**325,438**	**63,753**	**1,031,615**
Fee and commission expense	13,641	5,851	139,048	12,444	170,984
Interest expense	53,293	196,341	5,833	14,916	270,383
Insurance claims incurred, net of reinsurance	—	—	113,993	—	113,993
Payroll and bonuses	41,166	29,841	14,616	38,111	123,734
Professional services	4,256	164	707	10,386	15,513
Stock compensation expense	11,597	4,131	2,804	4,139	22,671
Advertising expense	26,646	1,893	464	8,247	37,250
General and administrative expense	18,908	24,864	12,799	41,774	98,345
Provision for allowance/(recovery of) expected credit losses	93	9,021	397	(854)	8,657
TOTAL EXPENSE	**169,600**	**272,106**	**290,661**	**129,163**	**861,530**
INCOME BEFORE INCOME TAX	**$ 180,113**	**$ 20,605**	**$ 34,777**	**$ (65,410)**	**$ 170,085**
Income tax (expense)/benefit	(24,835)	(3,418)	(6,184)	13,099	(21,338)
NET INCOME	**$ 155,278**	**$ 17,187**	**$ 28,593**	**$ (52,311)**	**$ 148,747**

FREEDOM HOLDING CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(All amounts in thousands of United States dollars, except share data, unless otherwise stated)

	Three months ended September 30, 2023				
STATEMENTS OF OPERATIONS	**Brokerage**	**Banking**	**Insurance**	**Other**	**Total**
Fee and commission income	$ 87,674	$ 9,526	$ 2	$ 14,501	$ 111,703
Net gain/(loss) on trading securities	17,110	30,470	3,713	(522)	50,771
Interest income	59,906	133,300	18,691	1,166	213,063
Insurance underwriting income	—	—	57,976	—	57,976
Net gain/(loss) on foreign exchange operations	5,009	(7,390)	(239)	(1,076)	(3,696)
Net gain on derivative	302	679	—	397	1,378
Other income, net	1,248	164	452	2,522	4,386
TOTAL REVENUE, NET	**171,249**	**166,749**	**80,595**	**16,988**	**435,581**
Fee and commission expense	6,442	5,138	18,430	1,604	31,614
Interest expense	28,315	99,711	10,042	1,313	139,381
Insurance claims incurred, net of reinsurance	—	—	33,988	—	33,988
Payroll and bonuses	13,691	13,003	3,569	9,735	39,998
Professional services	1,625	210	48	10,068	11,951
Stock compensation expense	659	52	31	289	1,031
Advertising expense	6,068	720	236	1,615	8,639
General and administrative expense	13,269	6,775	1,323	8,263	29,630
(Recovery of)/provision for allowance for expected credit losses	(872)	5,469	90	(25)	4,662
TOTAL EXPENSE	**69,197**	**131,078**	**67,757**	**32,862**	**300,894**
INCOME BEFORE INCOME TAX	**$ 102,052**	**$ 35,671**	**$ 12,838**	**$ (15,874)**	**$ 134,687**
Income tax expense	(7,792)	—	(7)	(11,409)	(19,208)
NET INCOME	**$ 94,260**	**$ 35,671**	**$ 12,831**	**$ (27,283)**	**$ 115,479**

FREEDOM HOLDING CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(All amounts in thousands of United States dollars, except share data, unless otherwise stated)

	Six months ended September 30, 2023				
STATEMENTS OF OPERATIONS	**Brokerage**	**Banking**	**Insurance**	**Other**	**Total**
Fee and commission income	$ 151,646	$ 22,692	$ 44	$ 36,024	$ 210,406
Net gain/(loss) on trading securities	26,277	44,990	12,817	(1,497)	82,587
Interest income	92,115	232,394	34,699	3,204	362,412
Insurance underwriting income	—	—	102,865	—	102,865
Net gain/(loss) on foreign exchange operations	5,120	12,450	(668)	(1,297)	15,605
Net gain/(loss) on derivative	297	(30,095)	—	571	(29,227)
Other income/(expense), net	1,864	(28)	1,215	4,092	7,143
TOTAL REVENUE, NET	**277,319**	**282,403**	**150,972**	**41,097**	**751,791**
Fee and commission expense	12,300	9,121	35,854	3,023	60,298
Interest expense	49,553	162,410	18,461	4,003	234,427
Insurance claims incurred, net of reinsurance	—	—	55,502	—	55,502
Payroll and bonuses	26,190	22,515	6,895	16,028	71,628
Professional services	3,952	290	174	14,160	18,576
Stock compensation expense	1,448	114	68	634	2,264
Advertising expense	10,856	2,756	381	2,746	16,739
General and administrative expense	21,726	13,173	2,572	16,634	54,105
(Recovery of)/provision for allowance for expected credit losses	(632)	16,753	1,312	1,555	18,988
TOTAL EXPENSE	**125,393**	**227,132**	**121,219**	**58,783**	**532,527**
INCOME BEFORE INCOME TAX	**$ 151,926**	**$ 55,271**	**$ 29,753**	**$ (17,686)**	**$ 219,264**
Income tax (expense)/benefit	(10,471)	—	30	(25,423)	(35,864)
NET INCOME	**$ 141,455**	**$ 55,271**	**$ 29,783**	**$ (43,109)**	**$ 183,400**

The following tables summarize the Company's total assets and total liabilities by its business segments as of the dates presented. Intercompany balances have been eliminated for separate disclosure.

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

	September 30, 2024				
	Brokerage	Banking	Insurance	Other	Total
Total assets	$ 2,934,402	$ 4,961,573	$ 564,499	$ 355,781	$ 8,816,255
Total liabilities	2,248,040	4,519,951	405,239	379,789	7,553,019
Net assets	**$ 686,362**	**$ 441,622**	**$ 159,260**	**$ (24,008)**	**$ 1,263,236**

	March 31, 2024				
	Brokerage	Banking	Insurance	Other	Total
Total assets	$ 2,586,803	$ 4,939,626	$ 529,517	$ 245,984	$ 8,301,930
Total liabilities	1,973,887	4,389,745	402,865	368,475	7,134,972
Net assets	**$ 612,916**	**$ 549,881**	**$ 126,652**	**$ (122,491)**	**$ 1,166,958**

FRHC's chief operating decision maker (CODM) are Chief Executive Officer, Chief Financial Officer and President, collectively acting manages the Company, including allocating resources and measuring performance. Company's CODM uses both GAAP total revenue and net income in assessing each segment's performance and determining how to allocate resources among segments.

Brokerage

Companies in the Brokerage segment offer securities brokerage, securities dealing for customers and for the Group's own account, market making activities, investment research, investment counseling, underwriting and market-making services to a global client base of retail investors, corporations, financial institutions, merchants and government and municipal entities. Companies in the Brokerage segment also conduct proprietary securities trading.

The Group's services in this segment include providing clients with access to the world's largest stock exchanges and a gateway to global investment opportunities. Additionally, the Group's offerings in this segment include professional securities analytics, empowering clients with valuable insights and market intelligence to make informed investment decisions. To ensure a seamless experience, the Group provides user-friendly trading applications that offer convenience and flexibility.

Banking

Companies in the Banking segment generate banking service fees and interest income by providing services that include lending, deposit services, payment card services, money transfers, correspondent accounts, supporting both individual and corporate clients with innovative digital financial solutions. To ensure a seamless experience, the Banking segment it provides user-friendly trading applications that offer convenience and flexibility. Companies in the Banking segment also conduct proprietary securities trading activities.

Insurance

Companies in the Insurance segment offer products including life insurance, obligatory insurance, tourist medical health insurance and auto insurance. These insurance products are designed to offer comprehensive coverage and tailored solutions to protect individuals, property, auto and businesses in the event of unforeseen events or risks. Companies in the Insurance segment also conduct proprietary securities trading activities.

Other

Activities of companies in the Other segment include provision of payment processing services, financial educational center services, financial intermediary center services, financial consulting services, administrative management services, telecommunication services information processing services, entertainment ticketing sales, online air and railway ticket purchase aggregation and an online retail trade and e-commerce application. The Other segment also includes transactions conducted by the Company in connection with repurchase agreements.

NOTE 25 - STATUTORY CAPITAL REQUIREMENTS

The Company has two insurance subsidiaries operating in Kazakhstan: Freedom Life (a regulated life insurer) and Freedom Insurance (a regulated property and casualty insurance entity). The Law of the Republic of Kazakhstan No. 126-II "On Insurance Activities" (the "Insurance Law") is the main law regulating the insurance sector in Kazakhstan. It establishes a framework for insurance activities, registration and licensing of insurance companies and regulation of insurance activities by the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (“ARDFM”).

Freedom Life and Freedom Insurance are required to notify and coordinate with the ARDFM any proposals to declare or pay a dividend on their share capital. The amount of dividends these subsidiaries are permitted to declare is limited to the relevant subsidiary’s realized retained earnings and dividends can only be paid to the extent they will not cause a breach to the minimum solvency and capital requirements of the relevant subsidiary. As of September 30, 2024 and March 31, 2024, Freedom Life and Freedom Insurance were in compliance with the ARDFM dividend, minimum solvency and minimum capital requirements. Freedom KZ in its capacity of an insurance holding is also limited in declaration and payment of dividends if such payment leads to breach of capital ratios applicable to insurance companies Freedom Life and Freedom Insurance.

There are no significant differences between the statutory accounting practices and statements prepared in accordance with U.S. GAAP for the insurance subsidiaries.

In addition, the Company's subsidiaries operate under various securities brokerage, banking and financial services regulations and must maintain such licenses in order to conduct their operations. As of September 30, 2024 and March 31, 2024, the Company, through its subsidiaries, held: (a) brokerage licenses (i) in Kazakhstan issued by ARDFM and the Astana Financial Services Authority (the "AFSA"), (ii) in Cyprus issued by the Cyprus Securities and Exchange Commission ("CySEC"), (iii) in the United States issued by FINRA, (iv) in Armenia issued by the Central Bank of Armenia, and (v) in Uzbekistan issued by the Ministry of Finance of the Republic of Uzbekistan; (b) a banking license for foreign currency operations license in Kazakhstan issued by the ARDFM; (c) a banking license for corporate and retail banking services in Kazakhstan issued by the ARDFM (including for currency exchange operations); and (d) special registration as a payment service provider in Kazakhstan with the National Bank of the Republic of Kazakhstan, and licenses in Uzbekistan and Kyrgyzstan for payments services from the National Bank of the Kyrgyz Republic and the Central Bank of Uzbekistan, respectively.

The table below presents net capital/eligible equity, required minimum capital, excess regulatory capital and retained earnings as of September 30, 2024 for each of the regulated entities that is material for our condensed consolidated financial statements.

(amounts in thousands)	Regulated activities	Net Capital/Eligible Equity	Required Minimum capital/solvency	Excess regulatory capital	Retained earnings
Freedom Bank KZ	Banking	$ 328,142	$ 174,887	$ 153,255	$ 235,976
Freedom EU	Brokerage	269,027	10,971	258,056	367,702
Freedom KZ	Brokerage	103,039	384	102,655	138,805
Freedom Global	Brokerage	67,277	22,325	44,952	143,695
Freedom Life	Life Insurance	44,614	11,509	33,105	75,193
Freedom Insurance	Property and Casual Insurance	44,451	11,509	32,942	39,278
Freedom Armenia ("Freedom AR")	Brokerage	22,927	781	22,146	22,015
Other regulated operating subsidiaries	Other	11,034	159	10,875	(18,426)
		$ 890,511	**$ 232,525**	**$ 657,986**	**$ 1,004,238**

According to the requirements of National Bank of the Republic of Kazakhstan, the regulator of Freedom KZ and Freedom Life, capital is adjusted through subtraction of non-liquid assets. Consequently, it may result that net capital for regulatory purposes may be lower than retained earnings balances. As per capital requirements applicable to Freedom EU regulated by The Cyprus Securities and Exchange Commission and Freedom Global regulated by Astana Financial Services Authority, current year profit is not included within net capital for regulatory purposes, as profits can only be included in net capital after a statutory audit is completed.

The table below presents net capital/eligible equity, required minimum capital, excess regulatory capital and retained earnings as of March 31, 2024 for each of the regulated entities that is material for our condensed consolidated financial statements.

(amounts in thousands)	**Regulated activities**	**Net Capital/Eligible Equity**	**Required Minimum capital/solvency**	**Excess regulatory capital**	**Retained earnings**
Freedom Bank KZ	Banking	$ 329,738	$ 196,594	$ 133,144	$ 193,376
Freedom EU	Brokerage	269,424	10,868	258,556	319,484
Freedom KZ	Brokerage	107,064	413	106,651	122,416
Freedom Life	Life Insurance	50,757	12,395	38,362	57,085
Freedom Insurance	Property and Casual Insurance	30,011	12,395	17,616	19,773
Freedom Global	Brokerage	16,428	12,352	4,076	117,468
Freedom Armenia ("Freedom AR")	Brokerage	7,317	763	6,554	6,447
Other regulated operating subsidiaries	Other	8,533	155	8,378	(11,665)
		$ 819,272	**$ 245,935**	**$ 573,337**	**$ 824,384**

NOTE 26 – SUBSEQUENT EVENTS

The Company has performed an evaluation of subsequent events through the time of filing this quarterly report on Form 10-Q with the SEC. Other than as disclosed below, during this period the Company did not have any additional material recognizable subsequent events.

On November 4, 2024, Freedom SPC placed $ 110,000 in bonds maturing on September 16, 2026, with an annual interest rate of 10 % and quarterly interest payments.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis presents management’s perspective on the financial condition and results of operations of Freedom Holding Corp. ("FRHC") and its consolidated subsidiaries. Except where the context otherwise requires or where otherwise indicated, references herein to the "Company," "Freedom," "we," "our," and "us" mean Freedom Holding Corp. together with its consolidated subsidiaries. References to a "fiscal year(s)" mean the 12-month periods ended March 31 for the referenced year. The following discussion and analysis is intended to highlight and supplement data and information presented elsewhere in this quarterly report on Form 10-Q, and it should be read in conjunction with our unaudited condensed consolidated financial statements and the accompanying notes included in this quarterly report on Form 10-Q and the discussion under the heading “Management's Discussion and Analysis of Financial Condition and Results of Operations” included in our annual report on Form 10-K for the fiscal year ended March 31, 2024, filed with the Securities Exchange Commission ("SEC") on June 14, 2024 (the “2024 Form 10-K”).

Special Note About Forward-Looking Information

All statements other than statements of historical fact included herein and in the documents incorporated by reference in this quarterly report on Form 10-Q, if any, including without limitation, statements regarding our future financial position, business strategy, potential acquisitions or divestitures, budgets, projected costs, and plans and objectives of management for future operations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by terminology such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “intend,” “likely,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “should,” “strategy,” “will,” “ would,” and other similar expressions and their negatives.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks and uncertainties, many of which may be beyond our control. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof, and actual results could differ materially as a result of various factors. The following include some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- economic and political conditions in the regions where we operate or in which we have customers;
- current and future conditions in the global financial markets, including fluctuations in interest rates and foreign currency exchange rates;
- the direct and indirect effects on our business stemming from Russia's large-scale military action against Ukraine;
- economic sanctions and countersanctions that limit movement of funds, restrict access to capital markets or curtail our ability to service existing or potential new customers;
- the impact of legal and regulatory actions, investigations and disputes;
- the policies and actions of regulatory authorities in the jurisdictions in which we have operations, as well as the degree and pace of regulatory changes and new government initiatives generally;
- our ability to manage our growth effectively;
- our ability to complete planned acquisitions or successfully integrate businesses we acquire;
- our ability to successfully execute our strategy for entry into new business areas, including among others the telecommunications and media sectors in Kazakhstan;
- the availability of funds, or funds at reasonable rates, for use in our businesses, including for executing our growth strategy;
- the impact of competition, including downward pressures on fees and commissions;
- our ability to meet regulatory capital adequacy or liquidity requirements, or prudential norms;
- our ability to protect or enforce our intellectual property rights in our brands or proprietary technology;
- our ability to retain key executives and recruit and retain personnel;
- the impact of rapid technological change;
- information technology, trading platform and other system failures, cybersecurity threats and other disruptions;
- market risks affecting the value of our proprietary investments;
- risks of non-performance by third parties with whom we have business relationships;
- the creditworthiness of our trading counterparties, and banking and brokerage customers;
- the impact of tax laws and regulations, and their changes, in any of the jurisdictions in which we operate;
- compliance with laws and regulations in each of the jurisdictions in which we operate, particularly those relating to the brokerage, banking and insurance industries;

- the impact of armed conflict in Israel and Gaza and any possible escalation of such conflict or contagion to neighboring countries or regions;
- unforeseen or catastrophic events, including the emergence of pandemics, terrorist attacks, extreme weather events or other natural disasters, political discord or armed conflict; and
- other factors discussed in this quarterly report, as well as in the 2024 Form 10-K, including those listed under Part I, Item 1A. “Risk Factors” of the 2024 Form 10-K.

Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not place undue reliance on forward-looking statements. Forward-looking statements are based on the beliefs of management as well as assumptions made by and information currently available to management and apply only as of the date of this quarterly report or the respective dates of the documents from which they incorporate by reference. Neither we nor any other person assumes any responsibility for the accuracy or completeness of forward-looking statements. Further, except to the extent required by law, we undertake no obligations to update or revise any forward-looking statements, whether as a result of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise. We may also make additional forward-looking statements from time to time. All such subsequent forward-looking statements, whether written or oral, made by us or on our behalf, are also expressly qualified by these cautionary statements.

OVERVIEW

Our Business

Freedom Holding Corp. ("FRHC") is organized under the laws of the State of Nevada and acts as a holding company for all of our operating subsidiaries. Our subsidiaries engage in a broad range of activities including securities brokerage, securities dealing for customers and for our own account, market making activities, investment research, investment counseling, investment banking services, retail and commercial banking, insurance products, payment services, and information processing services. We also own several ancillary businesses which complement our core financial services businesses, including telecommunications and media businesses in Kazakhstan that are in a developmental stage.

Our business was founded in order to provide access to the international capital markets for retail brokerage clients. Our business has grown rapidly in recent years. We are pursuing a strategy to become a leader in the financial services industry, serving individuals and institutions desiring enhanced market access to international capital markets using state of the art technology platforms for their brokerage and banking needs. We are committed to further developing our digital fintech ecosystem by integrating our core financial services businesses with our ancillary business offerings. Our strategic objective is to provide customers with a comprehensive and user-centric digital experience, offering them convenient access to a wide array of products and services through a single platform. By leveraging cutting-edge technology and fostering continuous innovation, we strive to enhance our digital offering and meet the evolving needs of our diverse customer base.

The main market of our operations is Kazakhstan. Our operating subsidiaries are located in Kazakhstan, Cyprus, the United States, the United Kingdom, Armenia, the United Arab Emirates, Uzbekistan, Kyrgyzstan, Tajikistan, Azerbaijan, and Turkey and we also have a presence in Austria, Belgium, Bulgaria, France, Germany, Greece, Italy, Lithuania, The Netherlands, Poland and Spain. We divested our Russian subsidiaries in February 2023. Our subsidiaries in the United States include an SEC- and FINRA-registered broker dealer. As of September 30, 2024, we had 7,146 employees and 189 offices (of which 42 offered brokerage services, 56 offered insurance services, 26 offered banking services and 65 offered other financial and non-financial services).

Products and Services

Our business is organized into four segments: Brokerage, Banking, Insurance, and Other. Additional information regarding our segments can be found in the narrative and tabular descriptions of segments and operating results under this Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations of this quarterly report; and Note 24 "*Segment Reporting*" of the notes to our condensed consolidated financial statements included in Item 1 of this quarterly report.

Our Brokerage segment primarily focuses on retail brokerage and investment banking. Our Banking segment encompasses lending, deposit services, payment card services, money transfers, and correspondent accounts, supporting both individual and corporate clients with innovative digital financial solutions. Our Insurance segment offers life and general insurance services. Our Other segment includes payment processing services, online ticket sales, and new business areas including telecommunications and media services. We also engage in proprietary securities trading activities through each of our four segments.

The expansion of our retail clients' activity has been a major driver of our growth, particularly in Kazakhstan, Europe and other Central Asian jurisdictions. Over recent years, we have observed a significant increase in retail clients' activity across these key markets, which has been instrumental in scaling our business. Below is the table with number of our customer for our key segments:

	Number of clients as of September 30, 2024	Number of clients as of March 31, 2024
Banking	1,202,000	904,000
Insurance	846,000	534,000
Brokerage	555,000	530,000
Other	449,000	320,000

Brokerage Segment

As of September 30, 2024, in our Brokerage business segment we had 42 offices that provided brokerage and financial services, investment consulting and education, including offices in Kazakhstan, Cyprus, Armenia, United States, Uzbekistan and Kyrgyzstan and representative offices in a number of other European countries. We provide a comprehensive range of securities brokerage services to individuals, businesses and financial institutions. Depending on the region, our brokerage services may include securities trading and margin lending. Our investment banking business consists of investment banking professionals in Kazakhstan, Uzbekistan and the United States who provide strategic advisory services and capital markets products.

Freedom KZ and Freedom Global are professional participants on the KASE and the AIX. Foreign Enterprise LLC Freedom Finance ("Freedom UZ") is a professional participant on the Republican Stock Exchange of Tashkent ("UZSE") and the Uzbek Republican Currency Exchange ("UZCE").

Freedom EU oversees our European region operations (including Austria, Belgium, Bulgaria, Cyprus, France, Germany, Greece, Italy, Netherlands, Poland, Lithuania, Spain and the United Kingdom). In Cyprus, it is licensed to receive, transmit and execute customer orders, establish custodial accounts, engage in foreign currency exchange services and margin lending, and trade our own investment portfolio. Freedom EU serves as a hub for the Group's brokerage operations, providing transaction processing and intermediary services to our regional customers and to institutional customers that may seek access to the securities markets in the United States and Europe.

PrimeEx is a New York corporation that is a registered agency-only execution broker-dealer on the floor of the New York Stock Exchange ("NYSE"). PrimeEx is a member of the NYSE, Nasdaq, FINRA and the Securities Investor Protection Corp ("SIPC"). PrimeEx conducts investment banking and equity capital markets business under the name Freedom Capital Markets ("FCM").

As of September 30, 2024, we had 1,658 employees in our Brokerage segment, including 1,378 full-time employees and 280 part-time employees.

Banking Segment

Our Banking segment consists of the operations of Freedom Bank KZ, which is a pioneer in digital retail and commercial banking services in Kazakhstan, offering a large variety of deposit, debit and credit cards allowing its customers to make purchases around the world in multiple different currencies, pay in installments or on credit, save their funds, manage their investment accounts, or get an increased cashback that is transferred to the International Fund for the Salvation of the Aral Sea. Freedom Bank KZ provides digital mortgages, digital car loans, digital business loans, and payment acquiring services for individual entrepreneurs. On October 15, 2024 we obtained a banking license in Tajikistan.

As of September 30, 2024, Freedom Bank KZ's assets increased by 1%, its loan portfolio decreased by 1%, its deposit portfolio increased by 12% and its trading portfolio decreased by 2%, in each case in comparison with March 31, 2024. During the three months ended September 30, 2024, the banking segment continued to exhibit growth. In particular, interest income increased in comparison to the three months ended September 30, 2023.

We have 26 office locations in Kazakhstan that provide banking services to our customers. As of September 30, 2024, we had 2,571 employees in our Banking segment, all of which were full-time employees.

Insurance Segment

We have two insurance companies in Kazakhstan, a life insurance company, Freedom Life, and a direct insurance carrier, excluding life, health and medical, Freedom Insurance.

Freedom Life provides a range of health and life insurance products to individuals and businesses, including life insurance, health insurance, annuity insurance, accident insurance, obligatory worker emergency insurance, travel insurance and reinsurance. As of September 30, 2024, Freedom Life had 1,072,794 active contracts, as compared to 616,301 active contracts as of March 31, 2024. As of September 30, 2024, Freedom Life had total assets of approximately $407.5 million and total liabilities of approximately $311.5 million, as compared to total assets of approximately $371.5 million and total liabilities of approximately $290.0 million as of March 31, 2024.

Freedom Insurance operates in the "general insurance" industry and is the leader in online insurance in Kazakhstan and offers various general insurance products in property (including automobile), casualty, civil liability, personal insurance and reinsurance. As of September 30, 2024, Freedom Insurance had 408,807 active contracts, as compared to 190,872 active contracts as of March 31, 2024. As of September 30, 2024, Freedom Insurance had total assets of approximately $157.0 million and total liabilities of approximately $93.7 million, as compared to total assets of approximately $158.0 million and total liabilities of approximately $112.8 million as of March 31, 2024.

As of September 30, 2024, we had 56 offices and 959 employees, including 924 full-time employees and 35 part-time employees, providing consumer life and general insurance services in Kazakhstan.

Other Segment

As of September 30, 2024, in our Other segment we had 65 offices and 2,396 employees , including 2,273 full-time employees and 123 part-time employees, providing a range of services including payment processing, entertainment ticketing sales, online air and railway ticket purchase aggregation and an online retail trade and e-commerce services. In addition, we have recently established subsidiaries in Kazakhstan to operate a telecommunications business and a media business, respectively, each of which is in the developmental stage. The revenue of this segment is currently mainly derived from provision of payment processing services, retail online ticket sales and online aggregation of purchasing air and railway tickets.

Digital Fintech Ecosystem and Product Expansion

Operating under the "Freedom" brand, our comprehensive suite of digital products and services enables our customers to engage in electronic trading and to monitor their accounts. Our flagship online trading platform Tradernet is designed for a wide range of investors featuring a comprehensive and user-friendly interface and secure infrastructure. The platform allows users to trade a diverse array of financial instruments, including stocks, options, and ETFs from major global exchanges such as KASE, AIX, NYSE, Nasdaq, ATHEX, the London Stock Exchange, the Chicago Mercantile Exchange, the Hong Kong Stock Exchange and Deutsche Börse.

In addition to trading capabilities, we have expanded our digital solutions to include mortgages, auto loans, and insurance products. We also operate Ticketon Events LLP ("Ticketon"), the largest online ticket sales company in Kazakhstan and Paybox platform, the digital payment aggregator which enables our customers to accept payments from buyers using a wide range of payment methods, including bank cards, online banking, electronic money, and more.

In April 2024, Freedom Bank KZ launched its mobile application, SuperApp, marking a significant milestone in the Kazakhstan financial technology sector. This innovative app consolidates all essential financial services into one platform, offering clients a seamless and convenient way to manage their finances. With SuperApp, clients can easily check their account balances, review transaction histories, make transfers and payments, open and manage deposits, and obtain and repay loans. The app also provides real-time portfolio monitoring, along with access to analytical reports and recommendations, empowering users to make well-informed investment decisions. SuperApp's payment services enable users to pay utility and internet bills, mobile phone charges, and other expenses effortlessly. SuperApp not only enhances the user experience but also aligns with our strategic goals. Customer satisfaction is improved through easy access to all banking and investment services in a single app, coupled with an intuitive interface and personalized recommendations.

Going forward, we are prioritizing the further development of our digital fintech ecosystem by integrating our online and mobile brokerage services, banking offerings, insurance products, payment processing systems, and online commercial ticketing services. Our strategic objective is to provide customers with a comprehensive and user-centric digital experience, offering them convenient access to a wide array of financial products and services through a single platform. When achieving our strategic objectives, we rely heavily on information technology and its continuous development and innovation to offer our users a seamless customer interaction, meet their diverse needs, and ensure stringent adherence to regulatory requirements and information security standards.

In alignment with our digital fintech ecosystem strategy, we are expanding our business by entering the telecommunications market in Kazakhstan and regional media industry in Central Asia. We are seeking to establish a new independent telecommunications operator in Kazakhstan to provide a diverse range of telecommunications and telecommunications-related services to customers which may include, among others, high-quality internet connectivity, mobile virtual network operator (MVNO) services, WiFi access, over-the-top (OTT) streaming, internet protocol television (IPTV), traffic transit for operators and cloud solutions, subject to obtaining applicable licenses, acquisitions of telecom assets or entering into partnerships where required. Our new telecommunications business is operated by Freedom Telecom, a wholly-owned subsidiary of Freedom Holding Corp. incorporated under the laws of the AIFC. Pursuing further development of our telecom business, on September 17, 2024 we completed the acquisition of a 100% interest in SilkNetCom LLP for a purchase price of approximately $23.9 million. SilkNetCom LLP is a company specializing in provider services, IT and construction of telecommunications networks in private and public sectors. See Note 22 *Acquisitions of subsidiaries* to the condensed consolidated financial statements included in this quarterly report on Form 10-Q. Our strategy and budget for Freedom Telecom are currently being reassessed and are subject to revisions, which may be material. During fiscal 2024, we established Freedom Media LLP ("Freedom Media") as a subsidiary of Freedom Telecom that is intended to become a national media platform in Kazakhstan offering tailored streaming services to the Kazakhstan and broader Central Asia markets. This platform is expected to provide unlimited access to a diverse collection of TV shows, movies, documentaries, and exclusive content across multiple genres.

Credit Ratings

On June 28, 2024, S&P Global Ratings affirmed the long-term credit rating of Freedom Holding Corp. at the "B-" level and long-term and short-term credit ratings of Freedom KZ, Freedom EU, Freedom Global and Freedom Bank KZ at the "B/B" level. The ratings of Freedom KZ and Freedom Bank KZ on the national scale were increased from "kzBB+" to "kzBBB-", and S&P Global Ratings revised the outlook on Freedom Holding Corp. from negative to stable and the outlook on its core subsidiaries from negative to positive. The positive outlooks on the Freedom Holding Corp.'s subsidiaries reflect S&P's view that easing financial system risk in Kazakhstan and a further strengthening of the Group's risk management and capitalization could support its franchise over the next 12 months. The stable outlook on Freedom Holding Corp. reflects S&P's expectation that an upgrade on the holding company is unlikely even if it views the Group's creditworthiness overall as having strengthened.

On July 2, 2024, S&P Global Ratings revised its ratings outlook on Freedom Life to stable from negative. At the same time, S&P Global Ratings affirmed their 'BB' long-term issuer credit and financial strength ratings on Freedom Life. S&P Global Ratings also raised the Kazakhstan national scale rating on Freedom Life to 'kzAA-' from 'kzA+'. S&P Global Ratings consider that Freedom Life remains a strategically important subsidiary of the Group. This is based on Freedom Life's increasing importance to the Group's operations and track record of collaboration with other Group members. S&P Global Ratings continue to view Freedom Life as an insulated entity due to strong regulatory oversight and its operational independence from the parent.

Key Factors Affecting Our Results of Operations

Our operations have been, and may continue to be, affected by certain key factors as well as certain historical events. For additional information on these factors and other risks that may affect our financial condition and results of operations, see *“Management's Discussion and Analysis of Financial Condition and Results of Operations”* in Part II Item 7 of the 2024 Form 10-K and “ *Risk Factors*” in Part I, Item 1A, of the 2024 Form 10-K.

FINANCIAL HIGHLIGHTS

The highlights of our consolidated results for the three months ended September 30, 2024 are as follows:

We had total revenues, net of $580.9 million for the three months ended September 30, 2024, as compared to $435.6 million for the three months ended September 30, 2023. The increase between the two quarters was primarily attributable to the following:

- Our insurance underwriting income for the three months ended September 30, 2024 was $160.3 million, an increase of $102.4 million or 177%, compared to the three months ended September 30, 2023. The increase was driven by the expansion of our insurance operations such as in the pension annuity and accident insurance between the two quarters.

- We had a net gain on trading securities of $68.3 million for the three months ended September 30, 2024, as compared to a net gain on trading securities of $50.8 million for the three months ended September 30, 2023. The majority of the net gain for the three months ended September 30, 2024 was attributable to the increase in the market prices of Kazakhstan sovereign bonds held in our proprietary portfolio during the quarter.

- Our 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. The increase was mainly attributable to an increase in fee and commission income from brokerage services, which increase was offset in part by decreases in fee and commission income from bank services, payment processing, underwriting and market-making services and other fee and commission income.

- We had 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 gain for the three months ended June 30, 2024 was due to revaluation of currency swaps.

The foregoing increases in revenues were offset in part by a decrease in our interest income to $210.3 million for the three months ended September 30, 2024, from $213.1 million for the three months ended September 30, 2023. The decrease was primarily attributable to decrease in interest income on trading securities.

We had total expense of $452.4 million, for the three months ended September 30,2024, as compared to $300.9 million for the three months ended September 30,2023. The increase was mainly attributable to increases in fee and commission expense, insurance claims incurred (net of reinsurance), payroll and bonuses, general and administrative expense and advertising expense.

We had net income of $114.7 million for the three months ended September 30, 2024, as compared to $115.8 million for the three months ended September 30, 2023. Our Brokerage, Banking, Insurance and Other segments contributed $85.6 million, $45.7 million, $14.8 million of net income and a net loss of $31.6 million, respectively, to our total net income for the three months ended September 30, 2024.

Our total assets increased to $8.8 billion as of September 30, 2024 from $8.3 billion as of March 31, 2024.

We had approximately 555,000 total retail brokerage customers as of September 30, 2024 as compared to approximately 530,000 as of March 31, 2024. We had approximately 1,202,000 banking customers at our Freedom Bank KZ subsidiary as of September 30, 2024 as compared to approximately 904,000 as of March 31, 2024.

The operating results for any period are not necessarily indicative of the results that may be expected for any future period.

RESULTS OF OPERATIONS

Comparison of the Three-month Periods Ended September 30, 2024 and 2023

The following comparison of our financial results for the three-month periods ended September 30, 2024 and 2023 is not necessarily indicative of future results.

Revenue

The following table sets out information on our total revenue, net for the periods presented.

	Three months ended September 30, 2024		Three months ended September 30, 2023		Change	
(amounts in thousands)	Amount	%*	Amount	%*	Amount	%
Fee and commission income	$ 121,051	20.8 %	$ 111,703	25.6 %	$ 9,348	8 %
Net gain on trading securities	68,317	11.8 %	50,771	11.7 %	17,546	35 %
Interest income	210,324	36.2 %	213,063	48.9 %	(2,739)	(1)%
Insurance underwriting income	160,344	27.6 %	57,976	13.3 %	102,368	177 %
Net gain/(loss) on foreign exchange operations	6,479	1.1 %	(3,696)	(0.8)%	10,175	(275)%
Net gain on derivatives	6,308	1.1 %	1,378	0.3 %	4,930	358 %
Other income	8,077	1.4 %	4,386	1.0 %	3,691	84 %
Total revenue, net	**$ 580,900**	**100 %**	**$ 435,581**	**100 %**	**$ 145,319**	**33 %**

* Percentage of total revenue, net.

Fee and commission income

The following table sets forth information regarding our fee and commission income for the periods presented.

	Three months ended September 30,			
(amounts in thousands)	2024	2023	Amount Change	% Change
Brokerage services	$ 107,378	$ 84,713	$ 22,665	27 %
Commission income from payment processing	5,970	10,299	(4,329)	(42) %
Banking services	1,872	9,308	(7,436)	(80) %
Underwriting and market-making services	1,214	2,910	(1,696)	(58) %
Other fee and commission income	4,617	4,473	144	3 %
Total fee and commission income	**$ 121,051**	**$ 111,703**	**$ 9,348**	8 %

The following table sets out the components of our fee and commission income as a percentage of total fee and commission income, net for the periods presented.

	Three months ended September 30,	
	2024	2023
	(as a % of total fee and commission income)	
Brokerage services	89 %	76 %
Commission income from payment processing	5 %	9 %
Banking services	2 %	8 %
Underwriting and market-making services	1 %	3 %
Other fee and commission income	3 %	4 %
Total fee and commission income	**100 %**	**100 %**

For the three months ended September 30,2024, total fee and commission income was $121.1 million, an increase of $9.3 million, or 8%, as compared to fee and commission income of $111.7 million for the three months ended September 30, 2023.

Fee and commission income from brokerage services for the three months ended September 30, 2024 was $107.4 million, representing a 27% increase as compared to $84.7 million for the three months ended September 30, 2023. This increase was primarily due to an increase in the number of retail brokerage customers from 434,000 as of September 30, 2023 to 555,000 as of September 30, 2024. The increase in the number of customers was attributable in part to the migration of customers from our affiliate FST Belize to brokerage companies within our Group between the two quarters. The increase was offset in part by a decrease in fee and commission income from brokerage services generated from FST Belize between the two quarters, as our omnibus brokerage account arrangement with FST Belize was wound down and customers of FST Belize closed their accounts at FST Belize and opened accounts with brokerage companies within our Group. During the three months ended September 30, 2024, we earned fee and commission income from a market maker customer at our Freedom Global subsidiary in an amount of $71.4 million, representing 59% of our total fee and commission income for that quarter.

Fee and commission income from payment processing decreased to $6.0 million for the three months ended September 30, 2024 from $10.3 million for the three months ended September 30, 2023. The $4.3 million decrease is attributable to a decrease in transaction volumes between the two quarters, which was in turn due to the cessation of operations of one of our counterparties, which previously contributed a substantial transaction volume.

Fee and commission income from banking services decreased to $1.9 million in the three months ended September 30, 2024 from $9.3 million in the three months ended September 30, 2023, a decrease of $7.4 million or 80%. The decrease in fee and commission income from banking services was primarily due to a $5.4 million decrease in commissions generated on transfer and payment processing, which was a result of a decrease in the volume of transfer and payment processing transactions between the two quarters.

Fee and commission income from underwriting and market-making activities decreased by 58% to $1.2 million for the three months ended September 30, 2024 from $2.9 million for the three months ended September 30, 2023, driven by a lower volume of underwriting transactions for the three months ended September 30, 2024 as compared to the three months ended September 30, 2023.

Other fee and commission income decreased by 3% to $4.6 million for the three months ended September 30, 2024 from $4.5 million for the three months ended September 30, 2023, due to a decrease in agency fees generated by our online travel ticket aggregator subsidiary.

Net gain on trading securities

We had a net gain on trading securities of $68.3 million for the three months ended September 30, 2024, an increase of $17.5 million as compared to a net gain of $50.8 million or the three months ended September 30, 2023. The following table sets forth information regarding our net gains on trading activities during the three months ended September 30,2024 and 2023:

(amounts in thousands)	Realized Net Gain	Unrealized Net Gain	Net Gain
Three months ended September 30, 2024	$ 2,400	$ 65,917	$ 68,317
Three months ended September 30, 2023	$ 41,058	$ 9,713	$ 50,771

During the three months ended September 30,2024, we had a realized gain on trading securities of $2.4 million, which is attributable to Kazakhstan sovereign bonds sold during the three months ended September 30,2024. Also, we recognized an unrealized net gain of $65.9 million during the same period due to an increase in the value of securities positions we held as of September 30, 2024. The majority of the unrealized net gain is attributable to Kazakhstan sovereign bonds.

During the three months ended September 30,2023, we had a realized gain on trading securities of $41.1 million, which is attributable to Kazakhstan sovereign bonds sold during three months ended September 30, 2023. We had an unrealized net gain in the three months ended September 30, 2023, due to securities positions we continued to hold at September 30, 2023, having appreciated by $9.7 million. The majority of the unrealized net gain comes from the appreciated shares of KazMunayGaz and Kazakhstan sovereign bonds. During the three months ended September 30, 2023, KazMunayGas shares increased in value due to an increase in oil prices during such quarter. The sharp decline in the

National Bank of the Republic of Kazakhstan's base interest rate was the key factor causing the appreciation of the Kazakhstan sovereign bonds during the three months ended September 30, 2023.

Interest income

The following tables set forth information regarding our revenue from interest income for the periods presented.

	Three months ended September 30,			
(amounts in thousands)	**2024**	**2023**	**Amount Change**	**% Change**
Interest income on trading securities	$ 104,992	$ 114,039	$ (9,047)	(8) %
Interest income on loans to customers	49,393	42,868	6,525	15 %
Interest income on margin loans to customers	40,917	42,573	(1,656)	(4) %
Interest income on securities available-for-sale	9,003	9,653	(650)	(7) %
Interest income on reverse repurchase agreements and amounts due from banks	6,019	3,930	2,089	53 %
Total interest income	**$ 210,324**	**$ 213,063**	**$ (2,739)**	**(1) %**

	Three months ended September 30,	
	2024	**2023**
	(as a % of total interest income)	
Interest income on trading securities	50 %	54 %
Interest income on loans to customers	23 %	20 %
Interest income on margin loans to customers	19 %	20 %
Interest income on securities available-for-sale	4 %	4 %
Interest income on reverse repurchase agreements and amounts due from banks	3 %	2 %
Total interest income	**100 %**	**100 %**

For the three months ended September 30, 2024, we had interest income of $210.3 million, representing a decrease of $2.7 million, or 1%, compared to the three months ended September 30, 2023. The decrease in interest income was primarily attributable to decrease in interest income on trading securities. Interest income on trading securities decreased by $9.0 million, or 8%, as a result of a decrease in the total size of our trading portfolio and an decrease in the amount of bonds we held as a percentage of our total trading portfolio between the two periods. Interest income on loans to customers increased by $6.5 million, or 15%, compared to the three months ending September 30, 2023 due to the growth of Freedom Bank KZ's customer loan portfolio between the two quarters. Interest income on margin loans to customers decreased by $1.7 million, or 4%, compared to the three months ended September 30, 2023, due to a decrease in the usage of margin loans for trades by our clients between the two quarters. For the three months ended September 30, 2024, we earned interest income from margin lending from a market maker customer at our Freedom Global subsidiary in an amount of approximately $7.6 million, representing 4% of our total interest income from margin lending for that quarter.

The following table provides a summary of the monthly average balances and average interest rates for the major categories of our interest-earning assets for the three months ended September 30, 2024 and 2023.

	Three months ended September 30,	
	2024	2023
(amounts in thousands)	Average balance	
Interest-earning assets		
Trading securities	$ 3,293,124	$ 2,559,061
Loans issued	1,328,651	1,188,888
Margin lending, brokerage and other receivables, net	1,598,152	1,024,350
Available for sale securities, at fair value	285,749	226,405
	Average yields	
Trading securities	13.4 %	19.1 %
Loans issued	15.7 %	15.2 %
Margin lending, brokerage and other receivables, net	8.7 %	8.2 %
Available- for- sale securities, at fair value	13.2 %	18.2 %
	Interest income	
Interest income on trading securities	$ 104,992	$ 114,039
Interest income on loans to customers	49,393	42,868
Interest income on margin loans to customers	33,867	20,503
Interest income on available- for- sale securities	9,003	9,653
Other interest income	6,019	3,930
Total interest income	**$ 203,274**	**$ 190,993**

Interest income on margin loans to customers includes income accrued on off-balance sheet arrangements, the monthly average balance of which is not included in the table above. These off-balance sheet arrangements mainly included repurchase agreements of our brokerage clients. As of September 30, 2024 and 2023, the monthly average balance of off-balance sheet arrangements were $507.2 million and $788.2 million, respectively, and the weighted average interest rate was 5.7%, and 11.7%, respectively.

The following table sets forth the effects of changing rates and volumes on interest income. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate), The net column represents the sum of the prior columns. Changes attributable to changes in both rate and volume that cannot be segregated have been allocated proportionally based on changes due to rate and the changes due to volume.

	Three months ended September 30, 2024 vs 2023		
	Increase/ (decrease) due to change in		
(amounts in thousands)	Rate	Volume	Net
Interest income			
Interest income on trading securities	$ (242,885)	$ 233,838	$ (9,047)
Interest income on loans to customers	1,421	5,104	6,525
Interest income on margin loans to customers	1,304	12,059	13,364
Interest income on available-for-sale securities	(16,038)	15,388	(650)
Other interest income	—	—	2,089
Total interest income	**$ (256,198)**	**$ 266,390**	**$ 12,281**

Net gain on foreign exchange operations

For the three months ended September 30,2024, we realized a net gain on foreign exchange operations of $6.5 million compared to a net loss of $3.7 million for the three months ended September 30,2023. The net gain for the three months ended September 30, 2024 is mainly attributable to a $16.9 million gain on sale and purchases of foreign currency for the three months ended September 30, 2024, which was partially offset by a translation loss of $10.4 million for that quarter. This increase between the two quarters is not only due to there having been more trading gain transactions than loss transactions during the three months ended September 30, 2024 but also due to a 78% increase in Freedom Bank's overall transaction volume with foreign currency between the two quarters.

Net gain on derivatives

For the three months ended September 30,2024, we had net gain on derivatives of $6.3 million compared to a net gain of $1.4 million for the three months ended September 30,2023. The increase in the amount of net gain was primarily attributable to our subsidiary, Freedom Bank KZ, which had a realized net gain of $9.9 million for the three months ended September 30,2024, as compared to an unrealized net gain of $3.1 million for the three months ended September 30,2023 due to a positive revaluation of currency swaps. Freedom Bank KZ engages in currency swaps to diversify its funding sources.

Insurance underwriting income

For the three months ended September 30, 2024, we had insurance underwriting income of $160.3 million, an increase of $102.4 million, or 177%, as compared to the three months ended September 30, 2023. The increase was primarily attributable to a $109.8 million, or 183%, increase in insurance underwriting income from written insurance premiums for the three months ended September 30, 2024, as compared to the three months ended September 30, 2023, due to the expansion of our insurance operations such as in the pension annuity and accident insurance between the two quarters. This increase in income from written insurance premiums was partially offset by a $1.2 million increase in reinsurance premiums ceded for the three months ended September 30, 2024, as compared to the three months ended September 30, 2023. The following table sets out information on our insurance underwriting income for the periods presented.

	Three months ended September 30,			
(amounts in thousands)	2024	2023	Amount Change	% Change
Written insurance premiums	$ 169,893	$ 60,110	$ 109,783	183 %
Reinsurance premiums ceded	(1,690)	(452)	(1,238)	274 %
Change in unearned premium reserve, net	(7,859)	(1,682)	(6,177)	367 %
Insurance underwriting income	**$ 160,344**	**$ 57,976**	**$ 102,368**	**177 %**

Expense

The following table sets out information on our total expense for the periods presented.

	Three months ended September 30, 2024		Three months ended September 30, 2023		Change	
(amounts in thousands)	Amount	%*	Amount		Amount	%
Fee and commission expense	$ 90,837	20 %	$ 31,614	11 %	$ 59,223	187 %
Interest expense	124,665	28 %	139,381	46 %	(14,716)	(11)%
Insurance claims incurred, net of reinsurance	66,684	15 %	33,988	11 %	32,696	96 %
Payroll and bonuses	66,210	15 %	39,998	13 %	26,212	66 %
Professional services	8,245	2 %	11,951	4 %	(3,706)	(31)%
Stock compensation expense	12,056	3 %	1,031	— %	11,025	1069 %
Advertising expense	20,049	4 %	8,639	3 %	11,410	132 %
General and administrative expense	53,240	12 %	29,630	10 %	23,610	80 %
Provision for allowance for expected credit losses	10,427	2 %	4,662	2 %	5,765	124 %
Total expense	**$ 452,413**	**100 %**	**$ 300,894**	**100 %**	**$ 151,519**	**50 %**

* Percentage of total expense.

Fee and commission expense

The following table sets forth information regarding our fee and commission expense for the periods presented.

	Three months ended September 30,			
(amounts in thousands)	2024	2023	Amount Change	% Change
Agency fees expense	$ 74,030	$ 20,144	$ 53,886	268 %
Brokerage services	6,198	4,384	1,814	41 %
Banking services	4,480	4,932	(452)	(9) %
Exchange services	466	897	(431)	(48) %
Central depository services	135	118	17	14 %
Other commission expenses	5,528	1,139	4,389	385 %
Total fee and commission expense	**$ 90,837**	**$ 31,614**	**$ 59,223**	**187 %**

The following table sets out the components of our fee and commission expense as a percentage of total fee and commission expense, net for the periods presented.

	Three months ended September 30,	
	2024	2023
	(as a % of total fee and commission expense)	
Agency fees expense	81 %	64 %
Brokerage services	7 %	14 %
Banking services	5 %	15 %
Exchange services	1 %	3 %
Central depository services	— %	— %
Other commission expenses	6 %	4 %
Total fee and commission expense	**100 %**	**100 %**

Fee and commission expense increased by $59.2 million or 187% in the three months ended September 30, 2024, as compared to the three months ended September 30, 2023. The increase is mainly attributable to an increase of agency fees expense of $53.9 million or 268% compared to the three months ended September 30, 2023. The increase in agency fees expenses was due to an increase in insurance products sales by Freedom Life, which are outsourced to outside agents.

Interest expense

During the three months ended September 30,2024, we had a $14.7 million, or 11%, decrease in interest expense as compared to the three months ended September 30,2023. The decrease in interest expense was primarily attributable to a $30.9 million, or 26%, decrease in interest expense on short-term financing through securities repurchase agreements due to a decrease in the volume of such financing. This was partially offset by 6.0 million increase in interest expense on debt securities issued and $5.8 million increase in interest expense on customer deposits. Compared to the three months ended September 30,2023, we decreased our volume of short-term financing through securities repurchase agreements primarily in order to fund our investment portfolio. The increase in interest on customer deposits was a result of growth of our banking client base due to the expansion of the operations of Freedom Bank KZ between the two periods.

The following table provides a summary of the monthly average balances and average interest rates for the major categories of interest-bearing liabilities for the three months ended September 30,2024 and 2023.

	Three months ended September 30,	
	2024	2023
(amounts in thousands)	Average balance	
Interest-bearing liabilities		
Securities repurchase agreement obligations	$ 2,587,058	$ 2,821,371
Customer liabilities [(1)]	1,062,703	1,018,213
Debt securities issued	178,623	64,396
	Average rates	
Securities repurchase agreement obligations	14.0 %	17.6 %
Customer liabilities [(1)]	9.2 %	7.2 %
Debt securities issued	16.5 %	6.1 %
	Interest expense	
Interest expense on securities repurchase agreement obligations	$ 86,116	$ 117,009
Interest expense on customer accounts and deposits	23,696	17,864
Interest expense on debt securities issued	6,969	961
Other interest expense	7,884	3,547
Total interest expense	**$ 124,665**	**$ 139,381**

[(1)] Average balance, average rates, and interest expense relates to interest-bearing deposits.

The following table sets forth the effects of changing rates and volumes on interest. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The net column represents the sum of the prior columns. Changes attributable to changes in both rate and volume that cannot be segregated have been allocated proportionally based on changes due to rate and the changes due to volume.

	Three months ended September 30, 2024 vs 2023		
	(Decrease)/increase due to change in		
(amounts in thousands)	Rate	Volume	Net
Interest expense			
Interest expense on securities repurchase agreement obligations	$ (22,050)	$ (8,843)	$ (30,893)
Interest expense on customer accounts and deposits	5,045	787	5,832
Interest expense on debt securities issued	2,949	3,059	6,008
Other interest expense	—	—	4,337
Total	**$ (14,057)**	**$ (4,996)**	**$ (14,716)**

Insurance claims incurred, net of reinsurance

For the three months ended September 30, 2024, we had a $32.7 million, or 96%, increase in insurance claims incurred, net of reinsurance, as compared to the three months ended September 30, 2023. The increase was primarily attributable to the general expansion of our insurance operations between the two quarters.

Payroll and bonuses

For the three months ended September 30, 2024, we had payroll and bonuses expense of $66.2 million, representing an increase of $26.2 million or 66% compared to payroll and bonuses expense of $40.0 million for the three months ended September 30, 2023. The increase in payroll and bonus expenses is primarily attributable to increased salary and bonus amounts between the two quarters. The increase was also due to the expansion of our workforce through acquisitions, establishment of new subsidiaries and hiring.

Professional services

For the three months ended September 30, 2024, our professional services expense was $8.2 million, representing a decrease by $3.7 million or 31% compared to $12.0 million for the three months ended September 30, 2023. The decrease was primarily attributable to a decrease in expenses for auditing services rendered by our external auditors due to timing differences in the provision of such services. The decrease was partially offset by increases in certain professional services expenses, including consulting and legal fees, attributable to the overall growth of our company organically and through acquisitions between the two periods.

Stock compensation expense

For the three months ended September 30, 2024, our stock compensation expense was $12.1 million, representing an increase of $11.0 million or 1069% compared to stock compensation expense of $1.0 million for the three months ended September 30, 2023. The increase is attributable to new stock grants the majority of which vested on the date of issuance during the three months ended September 30, 2024 and the partial amortization of stock grants which were granted in March, April and June 2024.

Advertising expense

Advertising expense for the three months ended September 30, 2024, was $20.0 million, representing an increase of $11.4 million or 132% compared to $8.6 million for the three months ended September 30, 2023. The increase is primarily attributable to an increase in advertising expenses by Freedom Europe of $9.0 million attributable to marketing campaigns that were initiated during fiscal 2024 and continued in the three months ended September 30, 2024. This increase consisted of an increase of approximately $4.6 million on advertising and an increase of $3.3 million on influencer and affiliates advertising. There was also an increase of $1.3 million attributable to Freedom Advertising, an advertising company, out of which $1.0 million was paid to advertising contractors and the remainder paid to Yandex Kazakhstan for advertisement placement. There was also an increase of $1.2 million of advertising expenses attributable to FRHC due to its focus on brand visibility and enhanced marketing efforts.

General and administrative expense

General and administrative expense for the three months ended September 30, 2024, was $53.2 million, representing an increase of $23.6 million or 80% compared to general and administrative expense of $29.6 million for the three months ended September 30, 2023. The increase is attributable to the general expansion and development of our business between the two quarters. The main factors contributing to the increase were increases in charity and sponsorship, other operating expenses, rent expenses, lease depreciation and software support. Our charity and sponsorship expense increased by $13.8 million due to several charitable contributions through our subsidiaries during the three months ended September 30, 2024. The most significant contributions were made to the Kazakhstan Chess Federation, Sport Programming Federation and construction work in Konayev city. Other operating expenses increased by $2.8 million mainly due to an increase of other operating expenses at Freedom Bank KZ from banking and other overhead costs. The increase of $1.6 million in rent expense was driven by the addition of new subsidiaries between the two quarters and the overall growth of our operations. Lease depreciation expenses increased by $1.2 million, attributable to our overall growth and the need for more office space. The expansion of our workforce and the establishment of new offices required additional leasing, leading to higher depreciation costs. Software support expenses increased by $0.9 million mainly due to the support of licensed software fee and other software systems.

Provision for allowance for expected credit losses

We recognized provision for allowance for credit losses in the amount of $10.4 million for the three months ended September 30, 2024, as compared to provision for allowance for credit losses of $4.7 million for the three months ended September 30, 2023. As of September 30, 2024, the allowance for credit losses was $48.7 million, compared to $43.6 million as of March 31, 2024. The increase between the two periods is attributable to provisions for uncollateralized bank customer loans. The increase in provisions is primarily attributable to the deterioration of the quality of the portfolio for the digital loans for individual entrepreneurs. The effect of the increase in provisions is partially offset by the revision of the approach to calculating reserve rates for collective loans.

Income tax expense

We had income before income tax of $128.5 million and $134.7 million for the three months ended September 30,2024, and September 30, 2023, respectively. Income tax expense for the three months ended September 30,2024, and September 30, 2023 was $14.0 million and $19.2 million, respectively. The decrease was primarily due to a decrease in our income before income tax between the two quarters. In addition, our effective tax rate during the three months ended September 30,2024, decreased to 10.9%, from 14.3% during the three months ended September 30,2023, as a result of changes in the composition of the revenues we realized from our operating activities, the tax treatment of those revenues in the various jurisdictions where our subsidiaries operate, and the incremental U.S. GILTI tax.

Net income

As a result of the foregoing factors, for the three months ended September 30, 2024, we had net income of $114.5 million compared to $115.5 million for the three months ended September 30, 2023, a decrease of 1%. Our Brokerage, Banking, Insurance and Other segments contributed $85.6 million, $45.7 million, $14.8 million net income and $31.6 million net loss, respectively, to our total net income for the three months ended September 30, 2024.

Non-controlling interest

As of September 30, 2024, FRHC held a 94.84% ownership interest in Arbuz and a 90.0% ownership interest in ReKassa. The remaining 5.19% of the ownership interest in Arbuz and 10.0% of the ownership interest in ReKassa are recognized as non-controlling interests in our Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations and Statements of Other Comprehensive Income, Condensed Consolidated Statements of Shareholders' Equity and Condensed Consolidated Statements of Cash Flows.

Net loss attributable to non-controlling interest was $0.2 million and $0.4 million for the three months ended September 30, 2024 and September 30, 2023, respectively.

Foreign currency translation adjustments, net of tax

Due to a 2.1% depreciation of the Kazakhstan tenge against the U.S. dollar during the three months ended September 30,2024, we realized a foreign currency translation loss of $20.0 million for the three months ended September 30, 2024 since most of our companies use the Kazakhstan tenge as their functional currency, as compared to a foreign currency translation loss of $29.9 million for the three months ended September 30, 2023.

Comparison of the Six-month Periods Ended September 30, 2024 and 2023

Revenue

The following table sets out information or our total revenue, net for the periods presented.

	Six months ended September 30, 2024		Six months ended September 30, 2023		Change	
(amounts in thousands)	Amount	%*	Amount	%*	Amount	%
Fee and commission income	$ 236,540	23 %	$ 210,406	28 %	$ 26,134	12 %
Net gain on trading securities	16,215	2 %	82,587	11 %	(66,372)	(80)%
Interest income	436,328	42 %	362,412	48 %	73,916	20 %
Insurance underwriting income	289,752	28 %	102,865	14 %	186,887	182 %
Net gain on foreign exchange operations	14,568	1 %	15,605	2 %	(1,037)	(7)%
Net gain/(loss) on derivatives	18,802	2 %	(29,227)	(4)%	48,029	(164)%
Other income	19,410	2 %	7,143	1 %	12,267	172 %
Total revenue, net	**$ 1,031,615**	**100 %**	**$ 751,791**	**100 %**	**$ 279,824**	**37 %**

* Percentage of total revenue, net.

Fee and commission income

The following table sets forth information regarding our fee and commission income for the periods presented.

	Six months ended September 30,			
(amounts in thousands)	2024	2023	Amount Change	% Change
Brokerage services	$ 200,545	$ 139,795	$ 60,750	43 %
Commission income from payment processing	14,533	28,341	(13,808)	(49) %
Underwriting and market-making services	5,916	11,741	(5,825)	(50) %
Banking services	4,388	22,149	(17,761)	(80) %
Other fee and commission income	11,158	8,380	2,778	33 %
Total fee and commission income	**$ 236,540**	**$ 210,406**	**$ 26,134**	**12 %**

The following table sets out the components of our fee and commission income as a percentage of total fee and commission income, net for the periods presented.

	Six months ended September 30,	
	2024	2023
	(as a % of total fee and commission income)	
Brokerage services	85 %	66 %
Commission income from payment processing	6 %	13 %
Banking services	2 %	11 %
Underwriting and market-making services	2 %	6 %
Other fee and commission income	5 %	4 %
Total fee and commission income	**100 %**	**100 %**

For the six months ended September 30, 2024, total fee and commission income was $236.5 million, an increase of $26.1 million, or 12%, as compared to fee and commission income of $210.4 million for the six months ended September 30, 2023.

Fee and commission income from brokerage services for the six months ended September 30, 2024 was $200.5 million, representing a 43% increase as compared to $139.8 million for the six months ended September 30, 2023. This increase was primarily due to an increase in the number of retail brokerage customers from 434,000 as of September 30, 2023 to 555,000 as of September 30, 2024. The increase in the number of customers was attributable in part to the migration of customers from FST Belize to brokerage companies within our Group between the two periods. The increase was offset in part by a decrease in fee and commission income from brokerage services generated from FST Belize between the two periods, as our omnibus brokerage arrangement with FST Belize was wound down and customers of FST Belize closed their accounts at FST Belize and opened accounts with brokerage companies within our Group. During the six months ended September 30, 2024, we earned fee and commission income from a market maker customer at our Freedom Global subsidiary in an amount of $136.3 million, representing 58% of our total fee and commission income for that period.

Fee and commission income from payment processing decreased to $14.5 million for the six months ended September 30, 2024 from $28.3 million for the six months ended September 30, 2023. The $13.8 million decrease is attributable to a significant reduction in transaction volumes between the two periods, which was in turn due to the cessation of operations of one of our counterparties, which previously contributed a substantial transaction volume.

Fee and commission income from banking services decreased by $17.8 million or 80% to $4.4 million in the six months ended September 30, 2024. The decrease in fee and commission income from banking services was primarily due to a $15 million decrease in commissions generated on transfer and payment processing, which was a result of a lower volume of transfer and payment processing transactions between the two periods.

Fee and commission income from underwriting and market-making activities decreased by $5.8 million in the six months ended September 30, 2023 or 50% to $5.9 million, driven by a lower volume of underwriting transactions for the six months ended September 30, 2024 as compared to the six months ended September 30, 2023.

Other fee and commission income increased by 33% to $11.2 million for the six months ended September 30, 2024 as compared to $8.4 million for the six months ended September 30, 2023, due to an increase in agency fees generated by our online travel ticket aggregator subsidiary between the two periods, which was in turn due to an increase in usage and demand of such services.

Net gain on trading securities

We had a net gain on trading securities of $16.2 million for the six months ended September 30, 2024, a decrease of $66.4 million as compared to a net gain of $82.6 million or the six months ended September 30, 2023. The following table sets forth information regarding our net gains and losses on trading activities during the six months ended September 30,2024 and 2023:

(amounts in thousands)	**Realized Net Gain**	**Unrealized Net Gain**	**Net Gain**
Six months ended September 30, 2024	$ 15,241	$ 974	$ 16,215
Six months ended September 30, 2023	$ 51,923	$ 30,664	$ 82,587

During the six months ended September 30, 2024, we had a realized gain on trading securities of $15.2 million, which is attributable to Kazakhstan sovereign bonds sold during the six months ended September 30, 2024. Also, we recognized an unrealized net gain of $1.0 million during the same period due to the increase in the value of securities positions we held as of September 30, 2024. The majority of the unrealized net gain is attributable to Kazakhstan sovereign bonds, as a consequence of market price increase.

During the six months ended September 30, 2023, we had a realized gain on trading securities of $51.9 million, which is attributable to debt securities of the Ministry of Finance of the Republic of Kazakhstan sold during the six months ended September 30, 2023. We had an unrealized net gain in the six months ended September 30, 2023, due to securities positions we continued to hold at September 30, 2023, having appreciated by $30.7 million. The majority of the unrealized net gain was attributable to appreciated debt securities of the Ministry of Finance of the Republic of Kazakhstan, which appreciation was primarily due to a decline in the National Bank of the Republic of Kazakhstan's base interest rate during the six months ended September 30, 2023.

Interest income

The following tables set forth information regarding our revenue from interest income for the periods presented.

	Six months ended September 30,			
(amounts in thousands)	**2024**	**2023**	**Amount Change**	**% Change**
Interest income on trading securities	$ 212,120	$ 200,880	$ 11,240	6 %
Interest income on loans to customers	101,760	74,201	27,559	37 %
Interest income on margin loans to customers	91,984	59,753	32,231	54 %
Interest income on securities available-for-sale	17,403	17,997	(594)	(3) %
Interest income on reverse repurchase agreements and amounts due from banks	13,061	6,987	6,074	87 %
Total interest income	**$ 436,328**	**$ 362,412**	**$ 73,916**	**20 %**

	Six months ended September 30,	
	2024	**2023**
	(as a % of total interest income)	
Interest income on trading securities	49 %	55 %
Interest income on loans to customers	23 %	20 %
Interest income on margin loans to customers	21 %	16 %
Interest income on securities available-for-sale	4 %	4 %
Interest income on reverse repurchase agreements and amounts due from banks	3 %	2 %
Total interest income	**100 %**	**100 %**

For the six months ended September 30, 2024, we had interest income of $436.3 million, representing an increase of $73.9 million, or 20%, compared to the six months ended September 30, 2023. The increase in interest income was primarily attributable to increases in interest income on margin loans to customers, loans to customers and trading securities. Interest income on trading securities increased by $11.2 million, or 6%, as a result of an increase in the total size of our trading portfolio and a increase in the amount of bonds we held as a percentage of our total trading portfolio between the two periods. Interest income on loans to customers increased by $27.6 million, or 37%, compared to the six months ending September 30, 2023 due to the growth of Freedom Bank KZ's customer loan portfolio between the two periods. Interest income on margin loans to customers increased by $32.2 million, or 54%, compared to the six months ended September 30, 2023, due to an increase in the usage of margin loans for trades by our clients between the two periods. For the six months ended September 30, 2024, we earned interest income from margin lending from a market maker customer at our Freedom Global subsidiary in an amount of approximately $27.0 million, representing 6% of our total interest income from margin lending for that period.

The following table provides a summary of the monthly average balances and average interest rates for the major categories of our interest-earning assets for the six months ended September 30, 2024 and 2023.

	Six months ended September 30,	
	2024	2023
(amounts in thousands)	Average balance	
Interest-earning assets		
Trading securities	$ 3,298,981	$ 2,659,517
Loans issued	1,359,448	1,083,102
Margin lending, brokerage and other receivables, net	1,542,131	728,282
Available for sale securities, at fair value	268,713	228,926
	Average yields	
Trading securities	13.3 %	15.7 %
Loans issued	15.5 %	14.2 %
Margin lending, brokerage and other receivables, net	8.8 %	7.6 %
Available- for- sale securities, at fair value	13.4 %	16.3 %
	Interest income	
Interest income on trading securities	$ 212,120	$ 200,880
Interest income on loans to customers	101,760	74,201
Interest income on margin loans to customers	66,087	27,319
Interest income on available- for- sale securities	17,403	17,997
Other interest income	13,061	9,581
Total interest income	**$ 410,431**	**$ 329,978**

Interest income on margin loans to customers includes income accrued on off-balance sheet arrangements, the monthly average balance of which is not included in the table above. These off-balance sheet arrangements mainly included repurchase agreements of our brokerage clients. As of September 30, 2024 and 2023, the monthly average balance of off-balance sheet arrangements were $688.8 million and $569.0 million, respectively, and the weighted average interest rate was 8%, and 12%, respectively.

The following table sets forth the effects of changing rates and volumes on interest income. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate), The net column represents the sum of the prior columns. Changes attributable to changes in both rate and volume that cannot be segregated have been allocated proportionally based on changes due to rate and the changes due to volume.

	Six months ended September 30, 2024 vs 2023		
	(Decrease)/increase due to change in		
(amounts in thousands)	Rate	Volume	Net
Interest income			
Interest income on trading securities	(19,786)	31,026	11,240
Interest income on loans to customers	7,534	20,025	27,559
Interest income on margin loans to customers	4,464	34,304	38,767
Interest income on available-for-sale securities	(13,704)	13,110	(594)
Other interest income	—	—	3,480
Total interest income	**$ (21,493)**	**$ 98,465**	**$ 80,452**

Net gain on foreign exchange operations

For the six months ended September 30, 2024 , we realized a net gain on foreign exchange operations of $14.6 million compared to a net gain of $15.6 million for the six months ended September 30, 2023. The increase in net gain can be attributed to a gain of $29.6 million on purchases and sale of foreign currency that was partially offset by a translation loss of $15.0 million, mainly due to the 95% increase of Freedom Bank's volume of currency transactions compared to the six months ended September 30, 2023.

Net gain on derivatives

For the six months ended September 30, 2024, we had net gain on derivatives of $18.8 million compared to a net loss of $29.2 million for the six months ended September 30, 2024. The change was primarily attributable to our subsidiary, Freedom Bank KZ, which had an unrealized net gain of $4.0 million for the six months ended September 30, 2024 due to a positive revaluation of currency swaps, as compared to a realized net loss of $30.1 million for the six months ended September 30, 2023 due to a negative revaluation of currency swaps. Freedom Bank KZ engages in currency swaps to diversify its funding sources.

Insurance underwriting income

For the six months ended September 30, 2024, we had insurance underwriting income of $289.8 million, an increase of $186.9 million, or 182%, as compared to the six months ended September 30, 2023. The increase was primarily attributable to a $203.6 million, or 179%, increase in insurance underwriting income from written insurance premiums for the six months ended September 30, 2024, as compared to the six months ended September 30, 2023, due to the expansion of our insurance operations such as pension annuity and accident insurance classes between the two periods. This increase in income from written insurance premiums was partially offset by a $2.3 million increase in reinsurance premiums ceded for the six months ended September 30, 2024, as compared to the six months ended September 30, 2023. The following table sets out information on our insurance underwriting income for the periods presented.

	Six months ended September 30,			
(amounts in thousands)	2024	2023	Amount Change	% Change
Written insurance premiums	317,337	113,758	203,579	179 %
Reinsurance premiums ceded	(5,870)	(3,607)	(2,263)	63 %
Change in unearned premium reserve, net	(21,715)	(7,286)	(14,429)	198 %
Insurance underwriting income	**$ 289,752**	**$ 102,865**	**$ 186,887**	**182 %**

Expense

The following table sets out information on our total expense for the periods presented.

(amounts in thousands)	Six months ended September 30, 2024 Amount	%*	Six months ended September 30, 2023 Amount	%	Change Amount	%
Fee and commission expense	$ 170,984	20 %	$ 60,298	11 %	$ 110,686	184 %
Interest expense	270,383	31 %	234,427	44 %	35,956	15 %
Insurance claims incurred, net of reinsurance	113,993	13 %	55,502	10 %	58,491	105 %
Payroll and bonuses	123,734	14 %	71,628	13 %	52,106	73 %
Professional services	15,513	2 %	18,576	3 %	(3,063)	(16)%
Stock compensation expense	22,671	3 %	2,264	— %	20,407	901 %
Advertising expense	37,250	4 %	16,739	3 %	20,511	123 %
General and administrative expense	98,345	11 %	54,105	10 %	44,240	82 %
Provision for allowance for expected credit losses	8,657	1 %	18,988	4 %	(10,331)	(54)%
Total expense	**$ 861,530**	**100 %**	**$ 532,527**	**100 %**	**$ 329,003**	**62 %**

* Percentage of total expense.

Fee and commission expense

The following table sets forth information regarding our fee and commission expense for the periods presented.

(amounts in thousands)	Six months ended September 30, 2024	2023	Amount Change	% Change
Agency fees expense	$ 138,846	$ 38,533	100,313	260 %
Brokerage services	9,502	8,394	1,108	13 %
Bank services	8,123	9,681	(1,558)	(16)%
Exchange services	1,007	1,781	(774)	(43)%
Central Depository services	343	220	123	56 %
Other commission expenses	13,163	1,689	11,474	679 %
Total fee and commission expense	**$ 170,984**	**$ 60,298**	**$ 110,686**	**184 %**

The following table sets out the components of our fee and commission expense as a percentage of total fee and commission expense, net for the periods presented.

	Six months ended September 30, 2024 (as a % of total fee and commission expense)	2023
Agency fees expense	81 %	64 %
Brokerage services	6 %	14 %
Bank services	4 %	16 %
Exchange services	1 %	3 %
Central Depository services	— %	— %
Other commission expenses	8 %	3 %
Total fee and commission expense	**100 %**	**100 %**

Fee and commission expense increased by $110.7 million or 184% in the six months ended September 30, 2024, as compared to the six months ended September 30, 2023. The increase is mainly attributable to an increase of agency fees expense of $100.3 million or 260% compared to the six months ended September 30, 2023 and other commission expenses of $11.5 million, compared to the six months ended September 30, 2023. The increase in agency fees expenses was due to an increase in insurance products sales by Freedom Life, which are outsourced to outside agents. The increase in other commission expenses is attributable to increased commissions paid associated with Paybox consistent with the growth of its business activities between the two periods, following our acquisition of it in the fourth periods of fiscal 2023.

Interest expense

During the six months ended September 30, 2024, we had a $36.0 million, or 15%, increase in interest expense as compared to the six months ended September 30, 2023. The increase in interest expense was primarily attributable to a $24.1 million, or 373%, increase in interest expense on margin lending payable due to an increase in the volume of such financing, and a $13.4 million, or 40%, increase in interest expense on customer deposits. Compared to the six months ended September 30, 2023. The increase in interest on customer deposits was a result of growth of our banking client base due to the expansion of the operations of Freedom Bank KZ between the two periods.

The following table provides a summary of the monthly average balances and average interest rates for the major categories of interest-bearing liabilities for the six months ended September 30, 2024 and 2023.

	Six months ended September 30,	
	2024	**2023**
(amounts in thousands)	**Average balance**	
Interest-bearing liabilities		
Securities repurchase agreement obligations	$ 2,601,581	$ 2,460,962
Customer liabilities [1]	875,660	974,429
Debt securities issued	177,592	64,004
	Average rates	
Securities repurchase agreement obligations	30.4 %	35.1 %
Customer liabilities [1]	23.2 %	14.5 %
Debt securities issued	35.3 %	12.4 %
	Interest expense	
Interest expense on securities repurchase agreement obligations	$ 178,523	$ 192,464
Interest expense on customer accounts and deposits	46,823	33,467
Interest expense on debt securities issued	13,938	1,896
Other interest expense	31,099	6,600
Total interest expense	**$ 270,383**	**$ 234,427**

[1] Average balance, average rates, and interest expense relates to interest-bearing deposits.

The following table sets forth the effects of changing rates and volumes on interest. The rate column shows the effects attributable to changes in rate (changes in rate multiplied by prior volume). The volume column shows the effects attributable to changes in volume (changes in volume multiplied by prior rate). The net column represents the sum of the prior columns. Changes attributable to changes in both rate and volume that cannot be segregated have been allocated proportionally based on changes due to rate and the changes due to volume.

	Six months ended September 30, 2024 vs 2023		
	(Decrease)/increase due to change in		
(amounts in thousands)	Rate	Volume	Net
Interest expense			
Interest expense on securities repurchase agreement obligations	$ (24,181)	$ 10,240	$ (13,941)
Interest expense on customer accounts and deposits	16,061	(2,705)	13,356
Interest expense on debt securities issued	6,144	5,898	12,042
Other interest expense	—	—	24,499
Total	**$ (1,976)**	**$ 13,433**	**$ 35,956**

Insurance claims incurred, net of reinsurance

For the six months ended September 30, 2024, we had a $58.5 million, or 105%, increase in insurance claims incurred, net of reinsurance, as compared to the six months ended September 30, 2023. The increase was primarily attributable to the general expansion of our insurance operations between the two periods.

Payroll and bonuses

For the six months ended September 30, 2024, we had payroll and bonuses expense of $123.7 million, representing an increase of $52.1 million or 73% compared to payroll and bonuses expense of $71.6 million for the six months ended September 30, 2023. The increase in payroll and bonus expenses is primarily attributable to increased salary and bonus amounts between the two periods. The increase was also due to the expansion of our workforce through acquisitions, establishment of new subsidiaries and hiring.

Professional services

For the six months ended September 30, 2024, our professional services expense was $15.5 million , representing a decrease by $3.1 million or 16% compared to $18.6 million for the six months ended September 30, 2023. The decrease was primarily attributable to a decrease in expenses for auditing services rendered by our external auditors due to timing differences in the provision of such services. The decrease was partially offset by increases in certain professional services expenses, including consulting and legal fees, attributable to the overall growth of our company organically and through acquisitions between the two periods.

Stock compensation expense

For the six months ended September 30, 2024, our stock compensation expense $22.7 million, representing a increase of $20.4 million or 901% compared to stock compensation expense of $2.3 million for the six months ended September 30, 2023. The increase is attributable to new stock grants the majority of which vested on the date of issuance during the six months ended September 30, 2024 and the partial amortization of stock grants which were granted in March., April and June 2024.

Advertising expense

Advertising expense for the six months ended September 30, 2024, was $37.3 million, representing an increase of $20.5 million or 123% compared to $16.7 million for the six months ended September 30, 2023. The increase is primarily attributable to an increase in advertising expenses by Freedom Europe of $15.4 million attributable to marketing campaigns that were initiated during fiscal 2024 and continued in the six months ended September 30, 2024. This increase consisted of an increase of advertising expense, influencer and affiliates advertising expense, marketing and sponsorship expense. There was also an increase of $2.3 million attributable to Freedom Advertising, an advertising company, due to marketing expenditures to third party contractors. There was also an increase of $1.7 million from FRHC due to the company's focus on the brand visibility and enhanced marketing efforts.

General and administrative expense

General and administrative expense for the six months ended September 30, 2024, was $98.6 million, representing an increase of $44.5 million or 42% compared to general and administrative expense of $54.1 million for the six months ended September 30, 2023. This increase is attributable to the general expansion and development of our business between the two periods. The main factors contributing to the increase were increases in other operating expenses, charity and sponsorship, software support, depreciation and amortization expense and lease depreciation. Other operating expenses increased by $8.1 million mainly due to an increase of other operating expenses at Freedom Bank KZ from banking and other overhead costs. Our charity and sponsorship expense increased by $18.1 million due to several charitable contributions through our subsidiaries during the six months ended September 30, 2024. The most significant contributions were made to the Kazakhstan Chess Federation, Sport Programming Federation and construction work in Konayev city. Taxes, other than income tax, increased by $1.5 million mainly due to the general growth of the Group, including the addition of new subsidiaries. The expansion of our business operations resulted in higher tax liabilities, reflecting our broader market presence and increased operational scale. Software support expenses increased by $3.5 million mainly due to the support of licensed software fee and other software systems. The increases of $1.4 million in depreciation and amortization expense and $2.9 million in rent expense were driven by the addition of new subsidiaries between the two periods and the overall growth of our operations. The integration of new subsidiaries required substantial investments in new technology and infrastructure, leading to higher depreciation and amortization costs. Lease depreciation expenses increased by $2.2 million, attributable to our overall growth and the need for more office space.

Provision for allowance for expected credit losses

We recognized allowance for credit losses in the amount of $8.7 million for the six months ended September 30, 2024, as compared to allowance for credit losses of $19.0 million for the six months ended September 30, 2023. The decrease is attributable to provisions for car loans. The decrease in provisions for car loans is primarily attributable to a change in estimates related to input data obtained from the National Bank of the Republic of Kazakhstan.

Income tax expense

We had income before income tax of $170.1 million and $219.3 million for the six months ended September 30, 2024, and September 30, 2023, respectively. Income tax expense for the six months ended September 30, 2024, and September 30, 2023 was $21.3 million and $35.9 million, respectively. The decrease was primarily due to a decrease in our income before income tax between the two periods. In addition, our effective tax rate during the six months ended September 30, 2024, decreased to 13%, from 16% during the six months September 30, 2023, as a result of changes in the composition of the revenues we realized from our operating activities, the tax treatment of those revenues in the various jurisdictions where our subsidiaries operate, and the incremental U.S. GILTI tax.

Net income

As a result of the foregoing factors, for the six months ended September 30, 2024, we had net income of $148.7 million compared to $183.4 million for the six months ended September 30, 2023, a decrease of 19%. Our Brokerage, Banking, Insurance and Other segments contributed $155.3 million, $17.2 million, $28.6 million net income and $52.3 million net loss, respectively, to our total net income for the six months ended September 30, 2024.

Non-controlling interest

As of September 30, 2024, FRHC held a 94.84% ownership interest in Arbuz and a 90.0% ownership interest in ReKassa. The remaining 5.19% of the ownership interest in Arbuz and 10.0% of the ownership interest in ReKassa are recognized as non-controlling interests in our Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations and Statements of Other Comprehensive Income, Condensed Consolidated Statements of Shareholders' Equity and Condensed Consolidated Statements of Cash Flows.

Net loss attributable to non-controlling interest was $0.3 million and $0.5 million for the six months ended September 30, 2024 and September 30, 2023, respectively.

Foreign currency translation adjustments, net of tax

Due to a 8% depreciation of the Kazakhstan tenge against the U.S. dollar during the six months ended September 30, 2024, we realized a foreign currency translation loss of $85.8 million for the six months ended September 30, 2024 since most of our Group's companies use the Kazakhstan tenge as their functional currency, as compared to a foreign currency translation loss of $31.7 million for the six months ended September 30, 2023.

Segment Results of Operations

Business Segment Operations

We report our results of operations through the following four business segments: Brokerage, Banking, Insurance, and Other. These operating segments are based on how our CODM makes decisions about allocating resources and assessing performance.

Comparison of the Three-month Periods Ended September 30, 2024 and 2023

Total revenue, net associated with our segments is summarized in the following table:

	Three months ended September 30,			
(amounts in thousands)	**2024**	**2023**	**Amount Change**	**% Change**
Brokerage	$ 174,797	$ 171,249	$ 3,548	2 %
Banking	201,509	166,749	34,760	21 %
Insurance	178,175	80,595	97,580	121 %
Other	26,419	16,988	9,431	56 %
Total revenue, net	**$ 580,900**	**$ 435,581**	**$ 145,319**	**33 %**

For the three months ended September 30, 2024, total revenue, net increased in the Brokerage, Insurance and Other segments but decreased in the Banking segment, in each case compared to the three months ended September 30, 2023.

Brokerage Segment

In the three months ended September 30, 2024, in our Brokerage segment we had an increase in total revenue, net, primarily driven by an increase in fee and commission income. Fee and commission income in this segment increased, primarily due to a general increase in brokerage activity between the two quarters. The revenue increase were partially offset by a decrease in net gain on trading securities, interest income and net gain on foreign currency exchange.

Banking Segment

In the three months ended September 30, 2024, total revenue, net in the Banking segment increased as compared to the three months ended September 30, 2023, mainly attributable to net gain on trading securities, net gain on derivatives and decrease in net loss on foreign exchange operations in this segment in the three months ended September 30, 2024. These increases were partially offset by the decrease of fee and commission income in this segment in the three months ended September 30, 2024.

Insurance Segment

In the three months ended September 30, 2024, total revenue, net in the Insurance segment increased mainly due to an increase in insurance underwriting income, reflecting the overall growth of our insurance operations between the two quarters.

Other Segment

In the three months ended September 30, 2024, total revenue, net in the Other segment increased mostly due to an increase of $8.6 million in net gain on foreign exchange operations mainly from FRHC, which was attributable to an appreciation of the U.S. dollar against the Kazakhstan tenge between the two quarters. There was also an increase in the other income of $5.1 million, as well as an increase in $2.3 million from net gain on trading securities. The overall increase was offset by a decrease of $6.5 million in fee and commission income.

Total expenses associated with our segments are summarized in the following table:

(amounts in thousands)	Three months ended September 30, 2024	2023	Amount Change	% Change
Brokerage	$ 74,519	$ 69,197	$ 5,322	8 %
Banking	149,196	131,078	18,118	14 %
Insurance	160,676	67,757	92,919	137 %
Other	68,022	32,862	35,160	107 %
Total expense, net	**$ 452,413**	**$ 300,894**	**$ 151,519**	**50 %**

For the three months ended September 30, 2024, total expenses, net increased across each of our business segments compared to the three months ended September 30, 2023.

Brokerage Segment

In the three months ended September 30, 2024, total expenses, net in our Brokerage segment increased due to an increase in fee and commission expense, which was in turn mainly due to brokerage services expense. Additionally, there was an increase in payroll and bonuses, reflecting our efforts to attract and retain top talent. Advertising expenses in this segment also increased as we intensified our marketing efforts to expand our client base. Furthermore, stock compensation expenses increased, attributable to new stock grants and partial amortization of old stock grants. These increases were partially offset by decreases in interest expense on securities repurchase agreement obligations and a decrease in general and administrative expenses.

Banking Segment

In the three months ended September 30, 2024, total expenses, net in our Banking segment increased primarily due to a $10.7 million increase in payroll and bonuses expense and a $5.7 million increase in general and administrative expenses, reflecting the general growth of Freedom Bank KZ's operations between the two quarters.

Insurance Segment

In the three months ended September 30, 2024, total expenses, net in our insurance segment increased mainly due to an increase in fee and commission expense from agency fees and insurance claims incurred, net of reinsurance, attributable to the overall growth of our insurance operations between the two quarters.

Other Segment

In the three months ended September 30, 2024, total expenses, net in our Other segment increase was driven by increases of $16.2 million in general and administrative expense, mainly due to the charity and sponsorship expense by Freedom Shapagat, a non-profit corporate fund. There was also an increase of $9.1 million in payroll and bonuses, due to the overall growth of the company. There was also an increase of $6.3 million in interest expense from Freedom SPC debt securities issued. We have also seen an increase of $3.7 million in fee and commission expense mainly from Paybox and its payment processing activity. There was also an increase of $2.8 million, mostly from the activity of Freedom Advertising and FRHC. The overall increase was offset by a $4.2 million decrease in professional services.

Comparison of the Six-month Periods Ended September 30, 2024 and 2023

The following table presents total revenue, net by segment for the six month periods presented:

(amounts in thousands)	Six months ended September 30, 2024	2023	Amount Change	% Change
Brokerage	$ 349,713	$ 277,319	$ 72,394	26 %
Banking	292,711	282,403	10,308	4 %
Insurance	325,438	150,972	174,466	116 %
Other	63,753	41,097	22,656	55 %
Total revenue, net	**$ 1,031,615**	**$ 751,791**	**$ 279,824**	**37 %**

For the six months ended September 30, 2024, total revenue, net increased in the Brokerage, Insurance, Banking and Other segments compared to the six months ended September 30, 2023.

Brokerage Segment

In the six months ended September 30, 2024, in our Brokerage segment we had a significant increase in total revenue, net, primarily driven by an increase in interest income. This was largely due to increases in interest accrued on securities held in our trading portfolio and in interest accrued on margin loans to customers within this segment. Fee and commission income in this segment also increased, primarily due to a general increase in brokerage activity between the two periods. Additionally, there was an increase in net gain on foreign exchange operations and other income. These revenue increases were partially offset by a decrease in net gain on trading securities.

Banking Segment

In the six months ended September 30, 2024, total revenue, net in the Banking segment increased as compared to the six months ended September 30, 2023, mainly attributable to increase in interest income and net gain on derivatives in this segment in the six months ended September 30, 2024. These increases were partially offset by the effects of net loss on foreign exchange operations, and net gain on trading securities in this segment in the six months ended September 30, 2024.

Insurance Segment

In the six months ended September 30, 2024, total revenue, net in the Insurance segment increased mainly due to an increase in insurance underwriting income, reflecting the overall growth of our insurance operations between the two periods. However, these increases were partially offset by the effects of decrease of net gain on trading securities and interest income.

Other Segment

In the six months ended September 30, 2024, total revenue, net in the Other segment increased mostly due to an increase of $25.6 million in net gain on foreign exchange operations mainly from FRHC, which was attributable to an appreciation of the U.S. dollar against the Kazakhstan tenge between the two periods. There was also an increase of $11.2 million due to the increase in other income. These increases were partially offset by a $13.4 million decrease in fee and commission income attributable to a decrease in Paybox's transaction volumes due to the cessation of operation of a counterparty that contributed significantly to its transaction volume. There was also a decrease in interest income of $0.5 million and a net loss on derivative of $0.5 million.

Total expenses associated with our segments are summarized in the following table:

	Six months ended September 30,			
(amounts in thousands)	**2024**	**2023**	**Amount Change**	**% Change**
Brokerage	$ 169,600	$ 125,393	$ 44,207	35 %
Banking	272,106	227,132	44,974	20 %
Insurance	290,661	121,219	169,442	140 %
Other	129,163	58,783	70,380	120 %
Total expense, net	**$ 861,530**	**$ 532,527**	**$ 329,003**	**62 %**

For the six months ended September 30, 2024, total expenses, net increased across each of our business segments compared to the six months ended September 30, 2023.

Brokerage Segment

In the six months ended September 30, 2024, total expenses, net in our Brokerage segment increased primarily due to an increase in interest expense, which was in turn due to interest paid on securities repurchase agreements and fee and commission expense, which was in turn mainly due to agency fees expense. Additionally, there was an increase in payroll and bonuses, reflecting our efforts to attract and retain top talent. Advertising expenses in this segment also increased as we intensified our marketing efforts to expand our client base. Furthermore, stock compensation expenses increased, attributable to new stock grants and partial amortization of old stock grants. These increases were partially offset by a decrease in general and administrative expenses.

Banking Segment

In the six months ended September 30, 2024, total expenses, net in our Banking segment increased primarily due to increase in interest expense on securities repurchase agreements within this segment, increase in general and administrative expense, increase in payroll and bonuses expense and stock compensation expense, reflecting the general growth of Freedom Bank KZ's operations between the two periods. These increases were partially offset by decrease in fee and commission expense and allowance for credit losses.

Insurance Segment

In the six months ended September 30, 2024, total expenses, net in our Insurance segment increased mainly due to increase in fee and commission expense from agency fees, insurance claims incurred, net of reinsurance, general and administrative expense, payroll and bonuses and stock compensation expense. These increases are attributable to the overall growth of our insurance operations between the two periods. However, these increases were partially offset by the effects of decrease in interest expense.

Other Segment

In the six months ended September 30, 2024, total expenses, net in our Other segment increase was driven by increases in payroll and bonuses, general and administrative expenses, interest expense and fee and commission expense. There was a $22.1 million increase in payroll and bonuses in the Other segment which is mostly attributable to the overall growth of our operations as well as the addition of new subsidiaries. The increase of $25.1 million in general and administrative expense in the Other segment was also mainly attributable to our overall growth and the addition of new subsidiaries. In particular, $12.3 million was attributable to our Shapagat subsidiary due to it charity and sponsorship expenses. Interest expense in the Other segment increased by $10.9 million, mainly attributable to an increase in interest expense on loans received by FRHC. There was an increase of $9.4 million in fee and commission expense in the Other segment, which is mostly attributable to increased bank commission expense for payment services due to an increase of payment processing operations at certain Paybox subsidiaries There was also an increase of $5.5 million from advertising expense, mainly from the activity of Freedom Advertising and FRHC. The increase was partially offset by a decrease of $3.8 million in professional services from FRHC.

Liquidity and Capital Resources

Liquidity is a measurement of our ability to meet our potential cash requirements for general business purposes. During the periods covered in this quarterly report our operations were primarily funded through a combination of existing cash on hand, cash generated from operations, returns generated from our proprietary trading and proceeds from the sale of bonds and other borrowings.

We regularly monitor and manage our leverage and liquidity risk through various committees and processes we have established to maintain compliance with net capital and capital adequacy requirements imposed on securities brokerages and banks in jurisdictions where we do business. We assess our leverage and liquidity risk based on considerations and assumptions of market factors, as well as other factors, including the amount of available liquid capital (i.e., the amount of cash and cash equivalents not invested in our operating business). While we are confident in the risk management monitoring and processes we have in place, a significant portion of our trading securities and cash and cash equivalents are subject to collateralization agreements. This significantly enhances our risk of loss in the event financial markets move against our positions. When this occurs our liquidity, capitalization and business can be negatively impacted. Certain market conditions can impact the liquidity of our assets, potentially requiring us to hold positions longer than anticipated. Our liquidity, capitalization, projected return on investment and results of operations can be significantly impacted by market events over which we have no control, and which can result in disruptions to our investment strategy for our assets.

We maintain a majority of our tangible assets in cash and securities that are readily convertible to cash, including governmental and quasi-governmental debt and highly liquid corporate equities and debt. Our financial instruments and other asset positions are stated at fair value and should generally be readily marketable in most market conditions. The following table sets out certain information regarding our assets as of the dates presented:

	September 30, 2024	March 31, 2024
(amounts in thousands)		
Cash and cash equivalents[1]	$ 569,179	$ 545,084
Restricted cash[2]	$ 895,651	$ 462,637
Trading securities	$ 3,601,118	$ 3,688,620
Total assets	$ 8,816,255	$ 8,301,930
Net liquid assets[3]	$ 3,210,128	$ 3,137,383

(1) Of the $569.2 million in cash and cash equivalents we held at September 30, 2024, $121.5 million, or approximately 21%, was subject to reverse repurchase agreements. By comparison, at March 31, 2024, we had cash and cash equivalents of $545.1 million, of which $135.0 million, or approximately 25%, was subject to reverse repurchase agreements. The amount of cash and cash equivalents we hold is subject to minimum levels set by regulatory bodies to comply with required rules and regulations, including adequate capital and liquidity levels for each entity.

(2) Principally consists of cash of our brokerage customers which are segregated in a special custody accounts for the exclusive benefit of our brokerage customers.

(3) Consists of cash and cash equivalents, trading securities, and margin lending, brokerage and other receivables, net of securities repurchase agreement obligations. It includes liquid assets possessed after deducting securities repurchase agreement obligations.

As of September 30, 2024, and March 31, 2024, we had total liabilities of $7.6 billion and $7.1 billion, respectively, including customer liabilities of $3.3 billion and $2.3 billion, respectively.

We finance our assets primarily from revenue-generating activities and short-term and long-term financing arrangements.

CASH FLOWS

The following table presents information from our statement of cash flows for the periods indicated. Our cash and cash equivalents include restricted cash, which principally consists of cash of our brokerage customers which are segregated in a special custody accounts for the exclusive benefit of our brokerage customers.

(amounts in thousands)	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023
Net cash flows from/(used in) operating activities	$ 416,072	$ (1,351,689)
Net cash flows used in investing activities	(223,437)	(450,153)
Net cash flows from financing activities	370,315	1,684,744
Effect of changes in foreign exchange rates on cash and cash equivalents	(106,027)	(59,098)
Effect of expected credit losses on cash and cash equivalents and restricted cash	186	—
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	**$ 457,109**	**$ (176,196)**

Net Cash Flows From Operating Activities

Net cash flow from operating activities during the six months ended September 30, 2024, was comprised of net change in operating assets and liabilities and net income adjusted for non-cash movements (changes in deferred taxes, unrealized gain on trading securities, net change in accrued interest, change in insurance reserves, and allowance for receivables). Net cash from operating activities resulted primarily from changes in operating assets and liabilities. Such changes included those set out in the following table.

(amounts in thousands)	Six Months Ended September 30, 2024	Six Months Ended September 30, 2023
Increases in trading securities [(1)]	$ (187,941)	$ (1,264,940)
Increases in brokerage customer liabilities [(2)]	$ 916,550	$ 354,720
Decrease/(increases) in margin lending, brokerage and other receivables	$ 3,584 [(3)]	$ (656,755)
(Decrease)/increases in margin lending and trade payables [(4)]	$ (549,368)	$ 39,701

(1) Resulted from increased purchases of securities held in our proprietary account.
(2) Resulted from increased funds in brokerage accounts from new and existing customers.
(3) Resulted primarily from decreased volume of margin lending receivables.
(4) Resulted primarily from decreased volume of margin lending payables.

Net cash flows from operating activities in the six months ended September 30, 2024, were primarily attributable to net cash inflows attributable increase in customer liabilities over that period, which resulted from the increase of customer accounts in our Freedom Global subsidiary and decrease in margin lending, brokerage and other receivables, which changes were offset in part by an decrease in margin lending and trade payables and increases in trading securities.

Net Cash Flows Used In Investing Activities

During the six months ended September 30, 2024, net cash used in investing activities was $223.4 million compared to net cash used in investing activities of $450.2 million during the six months ended September 30, 2023. During the six months ended September 30, 2024, cash used in investing activities was used for the issuance of loans, net of repayment by customers, in the amount of $95.1 million, the purchase of fixed assets in the amount of $33.6 million, and purchase of available-for-sale securities, net of proceeds, in the amount of $74.9 million. During the six months ended September 30, 2024 cash used for the issuance of loans, net of repayment decreased by $348.8 million compared to the six months September 30, 2023, due to the decline in the volume of loans issued during the six months ended September 30, 2024, compared to the six months ended September 30, 2023. This shift is attributed to substantial growth in the Freedom Bank KZ's loan portfolio over the six months ended September 30, 2023, driven by new banking products, partnership agreements, and effective advertising campaigns.

Net Cash Flows From Financing Activities

Net cash flows from financing activities for the six months ended September 30, 2024 was $370.3 million compared to net cash flow from financing activities in amount of $1.7 billion during the six months ended September 30, 2023. Cash Flow from financing activities during the six months ended September 30, 2024 consisted principally of bank customer deposits received in the amount of $308.7 million, net proceeds from obligations under securities repurchase agreements in amount of $30.3 million, net proceeds from loans received in amount of $17.4 million and mortgage loans sold to JSC Kazakhstan Sustainability Fund as the Program Operator, net of repurchase, under the state mortgage program "7-20-25" in the amount of $14.0 million. During the six months ended September 30, 2024 cash flow from financing activities decreased by $1.3 billion compared to the six months ended September 30, 2023. This decrease was primarily attributable to a $1.3 billion change in net proceeds from securities repurchase agreement obligations due to significant growth of the Company's trading portfolio during the six months ended September 30, 2023, which is mainly financed through the securities repurchase agreements.

CAPITAL EXPENDITURES

On May 10, 2023, our subsidiary Freedom EU signed a contract for the construction of Elysium Tower, a building in Limassol, Cyprus. The building is planned to be a new office building for our Freedom EU subsidiary. The contract implies approximate capital expenditures in the amount of $7.5 million, of which approximately $1.7 million was incurred in fiscal 2024 and of which approximately $2.8 million was incurred in the first six months of fiscal 2025. The remaining $3.4 million is planned to be incurred in during the 2025 calendar year. We are financing this construction project primarily using our own funds.

On November 27, 2023, our Board of Directors approved a strategic plan to expand our business by entering the telecommunications market in Kazakhstan through our Freedom Telecom subsidiary. Execution of the new plan is expected to require significant capital expenditure, the specific amount of which is currently uncertain. Total capital expenditures for the development of this business area are currently expected to be required for, among other things, construction of network infrastructure, including a backbone network, obtaining frequency licenses or other rights to provide services where required and acquisitions of smaller companies in the sector. Our strategy and budget for Freedom Telecom are currently being reassessed and are subject to revisions, which may be material. We currently plan to finance our capital expenditures for this business area with a combination of own funds and borrowings, including vendor financing and utilizing the proceeds of a $200 million U.S. dollar domestic bond placement on the AIX that we completed on December 19, 2023. For further information, see "Indebtedness – Long-term" below.

As a further step in implementing our strategy to build a digital fintech ecosystem, on January 25, 2024, Freedom Telecom established a subsidiary, Freedom Media, in Kazakhstan for the purposes of providing media content to customers in Kazakhstan and Central Asia. Total capital expenditures required in connection with Freedom Media over the next five years are currently estimated to be approximately $54 million. We will finance our capital expenditures related to Freedom Media primarily using our own funds.

DIVIDENDS

Any payment of cash dividends on our common stock in the future will be at the discretion of our Board of Directors and will depend upon our results of operations, earnings, capital requirements, financial condition, future prospects, contractual and legal restrictions and other factors deemed relevant by our Board of Directors. We currently intend to retain any future earnings to fund the operation, development and expansion of our business, and therefore we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

We did not declare or pay a cash dividend on our common stock during the three months ended September 30, 2024. Any payment of cash dividends on stock in the future will be at the discretion of our Board of Directors and will depend upon our results of operations, earnings, capital requirements, financial condition, future prospects, contractual and legal restrictions and other factors deemed relevant by our Board of Directors. We currently intend to retain any future earnings to fund the operation, development and expansion of our business, and therefore we do not anticipate paying any cash dividends on common stock in the foreseeable future.

INDEBTEDNESS

Short-term

Our short-term financing is primarily obtained through securities repurchase arrangements conducted through stock exchanges. We use repurchase arrangements, among other things, to finance our liquidity positions. As of September 30, 2024, $2.6 billion, or 73% of the trading securities held in our proprietary trading account were subject to securities repurchase obligations compared to $2.8 billion, or 75% as of March 31, 2024. The securities we pledge as collateral under repurchase agreements are liquid trading securities with market quotes and significant trading volume. For additional information regarding our securities repurchase agreement obligations see Note 9 *Securities Repurchase Agreement Obligations* to the condensed consolidated financial statements included in this quarterly report on Form 10-Q.

Long-term

On October 21, 2021, our subsidiary Freedom SPC issued U.S. dollar-denominated bonds due 2026, in an aggregate principal amount up to $66 million, which are listed on the AIX. The annual interest rate for such bonds is 5.5%. The bonds are guaranteed by FRHC. As of September 30, 2024, there was $64.7 million of such bonds outstanding.

In December 2023, Freedom SPC established a $1,000,000,000 bond program. Bonds, following issuance under the program, are listed on the AIX and guaranteed by FRHC. On December 19, 2023, Freedom SPC issued U.S. dollar-denominated bonds due 2028 under the program in an aggregate principal amount of $200 million. For the first and second years, the annual interest rate for such bonds is 12%, and for subsequent years the interest rate will be fixed and set as the sum of the effective federal funds rate as of December 10, 2025 and a margin of 6.5%. On September 16, 2024, Freedom SPC issued a series of $200 million bonds due 16 September 2026 under the program, with a 10.5% annual interest rate payable quarterly, of which $100 million bonds were placed on November 4, 2024.

The aggregate accrued interest as of September 30, 2024 on the Freedom SPC bonds due 2026 and the Freedom SPC bonds due 2028 combined was $2.3 million.

NET CAPITAL AND CAPITAL ADEQUACY

A number of our subsidiaries are required to satisfy minimum net capital and capital adequacy requirements to conduct their brokerage, banking and insurance operations in the jurisdictions in which they operate. This is partially maintained by retaining cash and cash equivalent investments in those subsidiaries or jurisdictions. As a result, such subsidiaries may be restricted in their ability to transfer cash between different jurisdictions and to FRHC. Additionally, transfers of cash between international jurisdictions may have adverse tax consequences that could discourage such transfers.

At September 30, 2024, these minimum net capital and capital adequacy requirements ranged from appro ximately $0.2 million to $174.9 million and fluctuate depending on various factors. At September 30, 2024, the aggregate net capital and capital adequacy requirements of our subsidiaries was approximately $232.5 million. Each of our subsidiaries that are subject to net capital or capital adequacy requirements exceeded the minimum required amount at September 30, 2024.

Although we operate with levels of net capital and capital adequacy substantially greater than the minimum established thresholds, in the event we fail to maintain minimum net capital or capital adequacy, we may be subject to fines and penalties, suspension of operations, revocation of licensure and disqualification of our management from working in the industry. Our subsidiaries are also subject to various other rules and regulations, including liquidity and capital adequacy ratios. Our operations that require the intensive use of capital are limited to the extent necessary to meet our regulatory requirements.

Over the past several years, we have pursued an aggressive growth strategy both through acquisitions and organic growth efforts. While our active growth strategy has led to revenue growth it also results in increased expenses and greater need for capital resources. Additional growth and expansion may require greater capital resources than we currently possess, which could require us to pursue additional equity or debt financing from outside sources. We cannot assure that such financing will be available to us on acceptable terms, or at all, at the time it is needed.

We believe that our current cash and cash equivalents, cash expected to be generated from operating activities, and forecasted returns from our proprietary trading, combined with our ability to raise additional capital will be sufficient to meet our present and anticipated financing needs.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The following are the accounting policies that reflect our more significant estimates, judgments and assumptions and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results.

Allowance for credit losses

The Company has recently adopted a new accounting standard, ASC 326 - Current Expected Credit Losses (CECL), effective April 1, 2023. This standard has introduced significant changes to how we estimate and recognize credit losses for our financial assets. Management estimates and recognizes the CECL as an allowance for lifetime expected credit losses for loans issued. This is different compared to the previous practice of recognizing allowances based on probable incurred losses.

Under CECL, the allowance for credit losses (ACL) primarily consists of two components:

Collective CECL Component: This component is used for estimating expected credit losses for pools of loans that share common risk characteristics.

Individual CECL Component: This component is applied to loans that do not share common risk characteristics and require individual assessment.

The ACL is a valuation account that is subtracted from the amortized cost of total loans and available-for-sale securities to reflect the net amount expected to be collected. Our methodology for establishing the allowance for loan losses is based on a comprehensive assessment that considers relevant and available information from internal and external sources. This assessment takes into account past events, including historical trends in loan delinquencies and charge-offs, current economic conditions, and reasonable and supportable forecasts.

Goodwill

We have accounted for our acquisitions using the acquisition method of accounting. The acquisition method requires us to make significant estimates and assumptions, especially at the acquisition date as we allocate the purchase price to the estimated fair values of acquired tangible and intangible assets and the liabilities assumed. We also use our best estimates to determine the useful lives of the tangible and definite-lived intangible assets, which impact the periods over which depreciation and amortization of those assets are recognized. These best estimates and assumptions are inherently uncertain as they pertain to forward looking views of our businesses, customer behavior, and market conditions. In our acquisitions, we have also recognized goodwill at the amount by which the purchase price paid exceeds the fair value of the net assets acquired.

Our ongoing accounting for goodwill and the tangible and intangible assets acquired requires us to make significant estimates and assumptions as we exercise judgement to evaluate these assets for impairment. Our processes and accounting policies for evaluating impairments are further described in *Note 2 Summary of Significant Accounting Policies* to the condensed consolidated financial statements included in this quarterly report on Form 10-Q . As of September 30, 2024, we had goodwill of $53.2 million.

Income taxes

We are subject to income taxes in both the United States and numerous foreign jurisdictions. These tax laws are complex and subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain. As a result, actual future tax consequences relating to uncertain tax positions may be materially different than our determinations or estimates.

We recognize deferred tax liabilities and assets based on the difference between the Condensed Consolidated Balance Sheet and tax basis of assets and liabilities using the enacted tax rates in effect for the year in which the differences are expected to reverse. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

Income taxes are determined in accordance with the laws of the relevant taxing authorities. As part of the process of preparing financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. We account for income taxes using the asset and liability approach. Under this method, deferred income taxes are recognized for tax consequences in future years based on differences between the tax bases of assets and liabilities and their reported amounts in the financial statements at each year-end and tax loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates applicable to the differences that are expected to affect taxable income.

We periodically evaluate and establish the likelihood of tax assessments based on current and prior years' examinations, and unrecognized tax benefits related to potential losses that may arise from tax audits in accordance with the relevant accounting guidance. Once established, unrecognized tax benefits are adjusted when there is more information available or when an event occurs requiring a change.

Legal contingencies

We review outstanding legal matters at each reporting date, in order to assess the need for provisions and disclosures in our financial statements. Among the factors considered in making decisions on provisions are the nature of the matter, the legal process and potential legal exposure in the relevant jurisdiction, the progress of the matter (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of our legal advisers, experiences on similar cases and any decision of our management as to how we will respond to the matter.

Non-consolidation of FST Belize

Based on our assessment, we do not consolidate our affiliate FST Belize. See " *Non-Consolidation of Freedom Securities Trading Inc.* " in Note 2 "*Summary of Significant Accounting Policies* " in the notes to our condensed consolidated financial statements included in this quarterly report on Form 10-Q.

RECENT ACCOUNTING PRONOUNCEMENTS

For details of applicable new accounting standards, see " *Recent accounting pronouncements*" in *Note 2* "*Summary of Significant Accounting Policies*" in the notes to our condensed consolidated financial statements included in this quarterly report on Form 10-Q.

Item 3. Qualitative and Quantitative Disclosures about Market Risk

Market Risk

The following information, together with information included in " *Overview*" *in* "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in Part I Item 2, describes our primary market risk exposures. Market risk is the risk of economic loss arising from the adverse impact of market changes to the market value of our trading and investment positions. We are exposed to a variety of market risks, including interest rate risk, foreign currency exchange risk and equity price risk.

Interest Rate Risk

Our exposure to changes in interest rates relates primarily to our investment portfolio and outstanding debt. While we are exposed to global interest rate fluctuations, we are most sensitive to fluctuations in Kazakhstan interest rates. Changes in Kazakhstan interest rates may have significant effect on the fair value of our securities.

Our investment policies and strategies are focused on preservation of capital and supporting our liquidity requirements. We typically invest in highly rated securities, with the primary objective of minimizing the potential risk of principal loss. Our investment policies generally require securities to be investment grade and limit the amount of credit exposure to any one issuer (other than government and quasi-government securities). To provide a meaningful assessment of the interest rate risk associated with our investment portfolio, we performed a sensitivity analysis to determine the impact a change in interest rates would have on the value of the investment portfolio assuming a 100 basis point parallel shift in the yield curve. Based on investment positions as of September 30, 2024, and March 31, 2024 (not including assets held for sale), a hypothetical 100 basis point increase in interest rates across all maturities would have resulted in $131.9 million and $128.9 million incremental decline in the fair market value of the portfolio, respectively. Such losses would only be realized if we sold the investments prior to maturity. A hypothetical 100 basis point decrease in interest rates across all maturities would have resulted in a $141.6 million and $138.3 million incremental rise in the fair market value of the portfolio (not including assets held for sale), respectively.

Foreign Currency Exchange Risk

We have a presence in Armenia, Austria, Azerbaijan, Belgium, Bulgaria, Cyprus, France, Germany, Greece, Italy, Kazakhstan, Kyrgyzstan, Lithuania, Netherlands, Poland, Spain, Tajikistan, Turkey, the United Arab Emirates, the United Kingdom, the United States and Uzbekistan. The activities and accumulated earnings in our non-U.S. subsidiaries are exposed to fluctuations in foreign exchange rate between our functional currencies and our reporting currency, which is the U.S. dollar.

In accordance with our risk management policies, we manage foreign currency exchange risk on financial assets by holding or creating financial liabilities in the same currency, maturity and interest rate profile. This foreign exchange risk is calculated on a net foreign exchange basis for individual currencies. We may also enter into foreign currency forward, swap and option contracts with financial institutions to mitigate foreign currency exposures associated with certain existing assets and liabilities, firmly committed transactions and forecasted future cash flows.

The main market of our operations is Kazakhstan. Because Kazakhstan's economy is highly dependent on oil exports, any significant decrease in oil prices lead to a devaluation of local currency, which can lose up to 17% quarterly (during COVID-19 outbreak) of its value relative to the U.S. dollar.

An analysis of our September 30, 2024, and March 31, 2024 (not including assets held for sale), balance sheets estimates the net impact of a 10% adverse change in the value of the U.S. dollar relative to all other currencies, would have resulted in a decrease of income before income tax in the amount of $5.7 million and $121.5 million, respectively.

Equity Price Risk

Our equity investments are susceptible to market price risk arising from uncertainties about future values of such investment securities. Equity price risk results from fluctuations in price and level of the equity securities or instruments we hold. We also have equity investments in entities where the investment is denominated in a foreign currency, or where the investment is denominated in U.S. dollars but the investee primarily makes investments in foreign currencies. The fair values of these investments are subject to change at the spot foreign exchange rate between these currencies and our functional currency fluctuates. We attempt to manage the risk of loss inherent in our equity securities portfolio through diversification and by placing limits on individual and total equity instruments we hold. Reports on our equity portfolio are submitted to our management on a regular basis.

As of September 30, 2024, and March 31, 2024, our exposure to equity investments at fair value was $128.4 million and $126.1 million, respectively. Based on an analysis of the September 30, 2024, and March 31, 2024 (not including assets held for sale), balance sheets, we estimate that a decrease of 10% in the equity price would have reduced the value of the equity securities or instruments we held by approximately $12.8 million and $12.6 million, respectively.

Credit Risk

Credit risk refers to the risk of loss arising when a borrower or counterparty does not meet its financial obligations to us. We are primarily exposed to credit risk from institutions and individuals through the brokerage and banking services we offer. We incur credit risk in a number of areas, including margin lending and loans issued.

Margin lending receivables risk

We extend margin loans to our customers. Margin lending is subject to various regulatory requirements of MiFID and of the AFSA and the National Bank of the Republic of Kazakhstan. Margin loans are collateralized by cash and securities in the customers' accounts. The risks associated with margin lending increase during periods of fast market movements, or in cases where collateral is concentrated and market movements occur. During such times, customers who utilize margin loans and who have collateralized their obligations with securities may find that the securities have a rapidly depreciating value and may not be sufficient to cover their obligations in the event of a liquidation. We are also exposed to credit risk when our customers execute transactions, such as short sales of options and equities that can expose them to risk beyond their invested capital.

We expect this kind of exposure to increase with the growth of our overall business. Because we indemnify and hold harmless our clearing houses and counterparties from certain liabilities or claims, the use of margin loans and short sales may expose us to significant off-balance-sheet risk in the event that collateral requirements are not sufficient to fully cover losses that customers may incur and those customers fail to satisfy their obligations. As of September 30, 2024, we had $1.6 billion in margin lending receivables from our customers, $680.1 million of which was attributable to a single counterparty. The amount of risk to which we are exposed from the margin lending we extend to our customers and from short sale transactions by our customers is unlimited and not quantifiable as the risk is dependent upon analysis of a potential significant and undeterminable rise or fall in stock prices. As a matter of practice, we enforce real-time margin compliance monitoring and liquidate customers' positions if their equity falls below required margin requirements.

We have a comprehensive policy implemented in accordance with regulatory standards to assess and monitor the suitability of investors to engage in various trading activities. To mitigate our risk, we also continuously monitor customer accounts to detect excessive concentration, large orders or positions, patterns of day trading and other activities that indicate increased risk to us.

Our credit exposure is to a great extent mitigated by our policy of automatically evaluating each account throughout the trading day and closing out positions automatically for accounts that are found to be under-margined. While this methodology is effective in most situations, it may not be effective in situations where no liquid market exists for the relevant securities or commodities or where, for any reason, automatic liquidation for certain accounts has been disabled. We continually monitor and evaluate our risk management policies, including the implementation of policies and procedures to enhance the detection and prevention of potential events to mitigate margin loan losses.

Risk related to banking loans recoverability

Our loan portfolio may be impacted by global, regional and local macroeconomic and market dynamics, including prolonged weakness in GDP, reductions in consumer spending, decreases in property values or market corrections, growing levels of consumer debt, rising or high unemployment rates, changes in foreign exchange or interest rates, widespread health crises or pandemics, severe weather conditions, and the effects of climate change. Economic or market stresses generally have negative effect on the business landscape and financial markets. Decreases in property values or market adjustments may increase the likelihood of borrowers or counterparties failing to meet their obligations to us, potentially leading to an increase in credit losses.

The main share of our customer loan portfolio is represented by digital mortgage loans issued within the framework of state support programs, funded from the funds of quasi state organizations. We participate in the government mortgage program in which the Kazakhstan government provides funding in the amount of approved mortgages and buys out the mortgages after disbursement with a recourse to the bank in case of default by a borrower. We mitigate our credit risk exposure in this case by our security interest in the financed real estate property. As such, significant rate of mortgage defaults in Kazakhstan could adversely affect our banking operations and the ultimate success of our digital mortgage product.

We reserve for potential credit losses in the future by recording a provision for credit losses through our earnings. This includes the allowance for credit losses based on management’s estimates of current expected credit losses over the life of the respective credit exposures. These estimates are based on a review of past events, current conditions, and reasonable forecasts of future economic situations that might influence the recoverability of our loans. Our approach to determining these allowances involves both quantitative methods and a qualitative framework. Within this framework, management uses its judgment to evaluate internal and external risk factors. However, such judgments are inherently subject to the risk of misjudging these factors or misestimating their effects. We cannot guarantee that charge-offs related to our credit exposures will not happen in the future. Market and economic changes could lead to higher default and delinquency rates, adversely affecting our loan portfolio's quality and potentially resulting in higher charge-offs. While our estimates account for current conditions and anticipated changes during the portfolio's lifetime, actual outcomes could be worse than expected, significantly impacting our financial results, condition and cash flows.

For description of credit quality of the loans and other details please see "Note 7 - Loans Issued" in the notes to the condensed consolidated financial statements.

Operational Risk

Operational risk generally refers to the risk of loss, or damage to our reputation, resulting from inadequate or failed operations or external events, including, but not limited to, business disruptions, improper or unauthorized execution and processing of transactions, deficiencies in our technology or financial operating systems and inadequacies or breaches in our control processes including cyber security incidents.

For a description of related risks, see the information under the heading " *Risks Related to Information Technology and Cybersecurity* " in "*Risk Factors*" in Part I Item 1A of the 2024 Form 10-K.

To mitigate and control operational risk, we have developed and continue to enhance policies and procedures that are designed to identify and manage operational risk at appropriate levels throughout the organization and within such departments. We also have business continuity plans in place that we believe will cover critical processes on a company-wide basis, and redundancies are built into our systems as we have deemed appropriate. These control mechanisms attempt to ensure that operational policies and procedures are being followed and that our various businesses are operating within established corporate policies and limits.

Legal and Compliance Risk

We operate in a number of jurisdictions, each with its own legal and regulatory structure that is unique and different from the other. Legal and regulatory risk includes the risk of non-compliance with applicable legal and regulatory requirements and damage to our reputation as a result of failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to our business activities. Such non-compliance could result in the imposition of legal or regulatory sanctions, material financial loss, including fines, penalties, judgments, damages and/or settlements, or loss to reputation that we may suffer as a result of compliance failures. These risks include contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. It also includes compliance with AML, terrorist financing, anti-corruption and sanctions rules and regulations.

We have established and continue to enhance procedures designed to ensure compliance with applicable statutory and regulatory requirements, such as public company reporting obligations, regulatory net capital and capital adequacy requirements, sales and trading practices, potential conflicts of interest, anti-money laundering, privacy, sanctions and recordkeeping. The legal and regulatory focus on the financial services industry presents a continuing business challenge for us.

Our business also subjects us to the complex income tax laws of the jurisdictions in which we operate, and these tax laws may be subject to different interpretations by the taxpayer and the relevant governmental taxing authorities. We must make judgments and interpretations about the application of these inherently complex tax laws when determining the provision for income taxes.

Geopolitical Risk

The Russia-Ukraine conflict has led to disruptions in financial markets that has negatively impacted the global economy and created significant uncertainty. The Russia-Ukraine conflict has resulted in the imposition by many countries of economic sanctions and export controls against certain Russian industries, companies and individuals. In response, Russia has implemented its own countermeasures against countries, businesses and investors deemed "unfriendly." Partly as a result of the effects of the Russia-Ukraine conflict, businesses worldwide have experienced shortages in materials and increased costs for transportation, energy and raw materials. The continuation or escalation of the Russia-Ukraine conflict or other hostilities presents heightened risks relating to cyberattacks, supply chain disruptions, higher interest rates and greater frequency and volume of failures to settle securities transactions, as well as increase financial market volatility. The extent and duration of the war, sanctions and resulting market disruptions, as well as the potential adverse consequences for our business, liquidity and results of operations, are difficult to predict.

Effects of Inflation

Because our assets are primarily short-term and liquid in nature, they are generally not significantly impacted by inflation. The rate of inflation does, however, affect our expenses, including employee compensation, communications and information processing and office leasing costs, which may not be readily recoverable from our customers. To the extent inflation results in rising interest rates and has adverse impacts upon securities markets, it may adversely affect our results of operations and financial condition.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this quarterly report on Form 10-Q, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures. Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) are designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission’s rules and forms and that such information is accumulated and communicated to the company’s management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2024 our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

During the three months ended on September 30, 2024, there was no change in internal control over financial reporting (as defined in Rule 13a-15(f) or Rule 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The information required to be set forth under this heading is incorporated by reference from Note 23, Commitments and Contingencies, to the interim Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

As of September 30, 2024, there have been no material changes from the risk factors previously disclosed in response to Item 1A to Part I of our 2024 Form 10-K.

Item 5. Other Information

During the period covered by this quarterly report, none of the Company's directors or executive officers has adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (each as defined in Item 408 of Regulation S-K under the Securities Exchange Act of 1934).

Item 6. Exhibits

The following exhibits are filed or furnished, as applicable:

Exhibit No.	Exhibit Description
4.01	Freedom Finance SPC Ltd. US$1,000,000,000 Bond Program Prospectus*†
4.02	Offer Terms of the US$200,000,000 Bonds (1st tranche) Due December 19, 2028 issued by Freedom Finance SPC Ltd. under the US$1,000,000,000 Program*
4.03	Guarantee Agreement dated December 19, 2023, between Freedom Holding Corp. and Freedom Finance SPC Ltd. in relation to U.S.$200,000,000 Bonds (1st tranche) of Freedom Finance SPC Ltd.*†
4.04	Offer Terms of the US$200,000,000 Bonds (2nd tranche) Due September 16, 2026 issued by Freedom Finance SPC Ltd. under the US$1,000,000,000 Program*
4.05	Guarantee Agreement dated September 12, 2024, between Freedom Holding Corp. and Freedom Finance SPC Ltd. in relation to U.S.$200,000,000 Bonds (2nd tranche) of Freedom Finance SPC Ltd.*†
10.01	Restricted Stock Award Agreement dated July 12, 2024 between Freedom Holding Corp. and Askar Tashtitov*
10.02	Restricted Stock Award Agreement dated July 12, 2024 between Freedom Holding Corp. and Evgeny Ler*
10.03	Supplementary Agreement No. 1 dated October 16, 2024 to an Employment Agreement No. 1 dated January 5, 2024 between Freedom Telecom Operations Limited Liability Partnership and Kairat Akhmetov*
31.01	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.02	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.01	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101	The following Freedom Holding Corp. financial information for the periods ended September 30, 2024, formatted in inline XBRL (eXtensive Business Reporting Language): (i) the Cover Page; (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statements of Operations and Statements of Other Comprehensive Income, (iv) the Condensed Consolidated Statements of Stockholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to the Condensed Consolidated Financial Statements.*
104	Cover page formatted in inline XBRL (included in Exhibit 101). *

* Filed herewith.

† Certain portions of these documents have been redacted or omitted in accordance with Item 601(a)(5) and Item 601(a)(6) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FREEDOM HOLDING CORP.

Date: November 8, 2024	/s/ Timur Turlov
	Timur Turlov Chief Executive Officer
Date: November 8, 2024	/s/ Evgeniy Ler
	Evgeniy Ler Chief Financial Officer

EXHIBIT 4.01

Schedule 3 (Audited Financial Statements) to this exhibit has been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby agrees to provide a copy of the omitted schedule to the SEC upon request

Freedom Finance SPC Ltd.

(Incorporated as a special purpose company under the legislation of the Astana International Financial Centre)

U.S.$1,000,000,000 Bond Programme

Freedom Finance SPC Ltd. (the "Company" or the "Issuer" or "FFSPC") has established U.S.$1,000,000,000 bond programme (the "Programme") valid until 31 December 2033, pursuant to which the Issuer may from time-to-time issue bonds (the "Securities" or the "Bonds", and each a "Bond") in accordance with the Acting Law of the Astana International Financial Centre (the "AIFC"). Each series of Bonds issued under the Programme is hereinafter referred to as "Tranche". The Programme may be comprised of one or more Tranches. This document constitutes the prospectus of the Programme (the "Prospectus") described herein and has been prepared by the Issuer pursuant to Section 1.3 of the AIFC Market Rules (AIFC Rules No. FR0003 of 2017). The Prospectus determines terms that are general to each Tranche. Terms of the Bonds not pointed out in this Prospectus will be specified in the relevant offer terms (the "Offer Terms"). Full information on the Issuer and the offer of the Bonds is only available based on this Prospectus and relevant Offer Terms. This Prospectus has been published on the website of the Astana International Exchange Ltd. (the "AIX") at https://www.aix.kz via the AIX Regulatory Announcement Services and on the website of the Issuer at https://ffin.kz/freedombonds. The Offer Terms of each Tranche will be published on the AIX and the Issuer's websites accordingly.

Application has been made for the Bonds issued under the Programme to be admitted to the Official List of the AIX and to be admitted to trading on the AIX. In order for Bonds to be admitted to the Official List of the AIX and to be admitted to trading by the AIX this Prospectus and the Offer Terms under each such Tranche will be delivered to the AIX for approval before the date of admission to the Official List of the Bonds of such Tranche.

AIX does not guarantee that the Bonds will be admitted to the Official List of the AIX. The AIX reserves the right to grant admission of the Bonds to the Official List of the AIX only where it is satisfied that such admission is in accordance with the Acting Law of the AIFC, including AIX Business Rules. The Issuer did not seek independent legal advice with respect to listing the Bonds on the AIX in accordance with this Prospectus.

AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Prospectus including the accuracy or completeness of any information or statements included in it. Liability for the Prospectus lies with the issuer of the Prospectus and other persons such as Experts whose opinions are included in the Prospectus with their consent. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which the Prospectus relates for any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Securities are suitable for your individual investment objectives and circumstances, you should consult an authorized financial advisor.

No representation or warranty, expressed or implied, is made by the Lead Manager as to the accuracy or completeness of the information set forth in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as a promise or representation, whether as to the past or the future. The Lead Manager does not assume any responsibility for the accuracy or completeness of the information contained in this Prospectus.
Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction outside AIFC or under any circumstances in which such offer, solicitation or sale is not authorized or would be unlawful. Recipients of this Prospectus who intend to subscribe for or purchase the Bonds are reminded that any subscription or purchase may only be made on the basis of the information contained in the Prospectus.

These Bonds constitute debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on a regular basis as indicated in the relevant Offer Terms for each Tranche and to reimburse the principal within 15 (fifteen) calendar days

starting from the Maturity Date. In case of bankruptcy or default by the Issuer, investors may not recover the amounts they are entitled to and risk losing all or part of their investment. The Bonds are intended for investors who are capable of evaluating interest rates in light of their knowledge and financial experience. An investment decision must solely be based on the information contained in the present Prospectus. Before making any investment decision, investors must read the Prospectus in its entirety (and, in particular, Clause "Risk factors" in the Prospectus). Each potential class of investor must investigate carefully whether it is appropriate for them to invest in the Bonds, taking into account his or her knowledge and experience and must, if needed, obtain professional advice before making an investment in the Bonds.

SINCE THE BONDS ARE RECOGNISED AS BONDS OF FREEDOM HOLDING CORP. IN ACCORDANCE WITH THE U.S. TAX LAWS, IT IS IMPORTANT FOR THE U.S. AND NON-U.S. BONDHOLDERS TO READ THE FOLLOWING INFORMATION.

Under the U.S. tax laws, coupon interest payments on the Bonds will be deemed to be payable from a source in the United States. Coupon interest payments made to the non-U.S. Bondholder generally will be subject to U.S. withholding tax at the rate of 30% unless the non-U.S. Bondholder provides FFSPC on the Record Date of each coupon period (in accordance with clause 3.6. "Notices" of the Securities Notes section) with a properly executed IRS Form W-8BEN (for individuals) or W-8BEN-E (for legal entities which are not flow through entities for tax purposes) or other relevant IRS Form, establishing an exemption from, or reduction of the withholding tax. Prospective investors should carefully read clause 3.7 "Taxation" of the Securities Notes section. Each prospective investor should consult their own tax advisors regarding any reporting obligations they may have as a result of their acquisition, ownership or disposition of the Bonds.

Lead Manager

Freedom Finance Global PLC

The date of this Prospectus is 15 December 2023

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PROSPECTUS SUMMARY

1. Introduction

The Prospectus Summary should be read as an introduction to Prospectus. Any decision to invest in Securities should be based on a consideration of the Prospectus as a whole by an investor. These Securities (Bonds) constitute debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest and to reimburse the principal within 15 (fifteen) calendar days of the Maturity Date. In case of bankruptcy or default by the Issuer, investors may not recover the amounts they are entitled to and risk losing all or part of their investment. Civil liability attaches only to those Persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Securities.

Issuer	Freedom Finance SPC Ltd., identification number 210540900127. Address: 16, Dostyk Street, Talan Towers offices, floor 26, Astana, Kazakhstan. Telephone: +7 701 958 01 27. E-mail: ffspc@ffin.kz.
Programme	U.S.$1,000,000,000 Programme valid until 31 December 2033.
Prospectus	This Prospectus was approved by the AIX on 15 December 2023. The Prospectus and Offer Terms of the first Tranche issued under the Programme were approved by the Special Resolution of the Issuer on 27 November 2023. The contact details of the AIX are: Address: 55/19 Mangilik El str., Block C 3.4, Astana, Kazakhstan, Z05T3C4 Telephone: +7 (717) 223 53 66.

2. Key Information on the Issuer

2.1. The Issuer of the Bonds

Issuer	Freedom Finance SPC Ltd., incorporated as a special purpose company of the Astana International Financial Centre under the identification number 210540900127.
Principal activities	The Issuer is a subsidiary of Freedom Holding Corp. ("FRHC"). The main activity of the FFSPC is raising funds through issuing and placing bonds for the sole purpose of financing loans in favor of the parent company Freedom Holding Corp. FRHC is a public company incorporated under the laws of Nevada, USA. It conducts financial activities, retail brokerage, investment consulting, securities trading, investment banking, underwriting, commercial banking and insurance services through its subsidiaries.
Major shareholders	FRHC. Ultimate beneficiary owner is Timur Turlov (70.96%).
Director of FFSPC	Olga Baskakova acts as a Director and a Secretary of the FFSPC.
Board of Directors	1. Yevgeniy Ler – Chairman of the Board. 2. Sergey Lukyanov – Member of the Board. 3. Madina Mantayeva – Member of the Board, Independent Director.
Auditors	Deloitte LLP. Address: 36 Al-Farabi ave., Almaty, Kazakhstan, 050000. Telephone: + 7 7272 58 13 40, e-mail: info@deloitte.kz

2.2. Key financial information on the Issuer

The main activity of the FFSPC is raising funds through issuing and placing bonds for the sole purpose of financing loans in favor of the parent company Freedom Holding Corp. The independent auditor of the FFSPC, Deloitte LLP, issued unqualified independent auditor's reports in respect of the FFSPC's consolidated financial statements as at and for the year ended 31 March 2023 and a period from 21 May 2021 (inception date) to 31 March 2022.

Balance sheet, USD thousands	31 March 2022	31 March 2023	30 September 2023
Total Assets	13,235	57,413	63,213

Total Liabilities	13,521	60,113	66,023
Total Equity	(286)	(2,700)	(2,810)
Income statement, USD thousands	**Period from 21 May 2021 (inception date) to 31 March 2022**	**Year ended on 31 March 2023**	**Six months ended on 30 September 2023**
Revenue	259	2,011	2,013
Profit (loss) for the year	(468)	(1,576)	(180)
Cashflow statement, USD thousands	**Period from 21 May 2021 (inception date) to 31 March 2022**	**Year ended on 31 March 2023**	**Six months ended on 30 September 2023**
Net cash flow from operating activities	(13,262)	(45,181)	(6,107)
Net cash flow from investing activities	-	-	-
Net cash flow from financial activities	13,382	45,365	5,870

2.3. Key risks that are specific to the Issuer/FRHC

The Issuer is a newly organized subsidiary of FRHC. The main activity of the FFSPC is raising funds through issuing and placing bonds for the sole purpose of financing loans in favor of the parent company FRHC. The risks and uncertainties described in the risk factors below relate to the activities of the FRHC. For more details, please see clause "Risk factors" of the Registration Document section of the Prospectus.

1. Risks related to the Russia-Ukraine conflict.
2. Risks related to legal and regulatory matters.
3. Risk related to business and operations.
4. Risks related to information technology and cyber security.
5. Risks related to operations in emerging markets.
6. Taxation risks related to international operations.
7. Risks related to corporate structure and internal operations.

3. Key Information on the Securities

3.1. Terms and conditions of the Securities

The Issue	U.S.$1,000,000,000 Programme valid until 31 December 2033. When counting the aggregate principal amount of the Programme, Bond issued in currencies other than U.S.$ will be included at the official exchange rate of the National Bank of the Republic of Kazakhstan as at the date of admission of the relevant Tranche to trading on the AIX.
Currency	Currency of each Tranche shall be specified in the relevant Offer Terms.
Number and Nominal Value of the Bonds	Number of Bonds and Nominal Value of each Tranche shall be specified in the relevant Offer Terms.

Rights attached to the Securities	The Bondholders have the right to: • Receive coupon interest payments in the time and amount stipulated by the Prospectus and relevant Offer Terms of each Tranche. • Receive Nominal Value upon redemption in the time and amount stipulated by the Prospectus and relevant Offer Terms of each Tranche. • Freely transfer the Bonds. • Receive information concerning the Issuer's operations. • Attend, participate in and vote at meetings of the Bondholders in accordance with the terms and conditions of the Bond specified in the Securities Note section of the Prospectus. • Require that the Bonds shall immediately become due and repayable at their Nominal Value together with accrued coupon interest if any of the events mentioned in clause 3.3 of Securities Notes occurs and continues for more than 30 (thirty) calendar days.
Ranking	The Issuer shall ensure that at all times the claims of the Bondholders against it under the Bonds rank at least *pari passu* with the claims of all its other unsecured creditors, save those whose claims are preferred by any bankruptcy, insolvency, liquidation or similar laws of general application, as well as per applicable AIFC rules and regulations.
Restrictions on the free transferability	The Bonds are freely transferable and, once admitted to the Official List of the AIX, shall be transferable only in whole in accordance with the applicable rules and regulations of the AIX amended from time to time.
Guarantees attached to the Securities	If applicable, the terms of guarantees attached to each Tranche will be specified in the relevant Offer Terms.

3.2. Information on trading of the Securities

Trading information on each Tranche will be specified in the relevant Offer Terms.

3.3. Key risks specific to the Securities

1. The Bonds are subject to modification, waivers and substitution.
2. Delisting of the Bonds from the Official List of the AIX may subject gains and coupon interest payments on the Bonds to tax in the Republic of Kazakhstan.
3. The market price of the Bonds may be volatile.
4. If any Tranche issued under the Programme is guaranteed the guarantor might default on any payments related to the Bonds.

4. Key information on the admission to trading

4.1. Conditions and timetable for investing in the Securities

Admission to trading	Each Tranche issued under the Programme is expected to be admitted to trading on AIX. Details for admission of each Tranche will be provided in the relevant Offer Terms. AIX is expected to be the main stock exchange for the Bonds issued under the Programme. The Issuer, at its own discretion, may apply for listing of the Bonds on any other stock exchange subject to applicable rules and regulations of such other stock exchange and Offer Terms of the Bonds.
Plan for distribution	Subject to applicable laws and regulations the Bonds will be offered in or from AIFC to a wide range of investors.
Offering method	The offering of the Bonds will be made through the trading system of the AIX in accordance with the AIFC Market Rules, AIX Business Rules, AIX Central Securities Depository Business Rules and relevant AIX market notices. Trading methods will be specified in the Offer Terms for each Tranche.

Offer period	The offer period including opening and closing dates shall be specified in the relevant Offer Terms of each Tranche.
Selling restrictions	The offering and sale of the Bonds is subject to applicable laws and regulations and the Bonds may not be sold to public in other jurisdictions outside AIFC, including without limitation the United Kingdom, the European Economic Area, other than in compliance with applicable laws and regulations. The Bonds have not and will not be registered under the U.S. Securities Act of 1933 or the securities laws of any state of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.
Notification process for investors	Prior to the start of the trading, AIX will publish a market notice specifying the first day of trading on its website: https://aix.kz/news-announcements/aix-market-notices/ All other significant announcements will be made by the Issuer via the AIX Regulatory Announcement Service: https://aix.kz/listings/continuous-disclosure-obligations/company-disclosures-2/
Estimated expenses	Shall be specified in the relevant Offer Terms.

4.2. The purpose of the Prospectus

This Prospectus has been produced in connection with the application for the Bonds to be admitted to the Official List of the AIX and trading on the AIX.

Reasons for the issuance/Use of proceeds	The proceeds received by the Issuer from the issue of the Bonds shall be transferred in the form of loans to the parent company Freedom Holding Corp., which intends to use the net proceeds from the sale of the Bonds for repayment or refinancing of debt, business expansion and general corporate purposes.
Estimated net amount of proceeds	Shall be specified in the relevant Offer Terms.
Lead Manager	Freedom Finance Global PLC, Astana, Esil district, Dostyk street, building 16, non-residential facility No.2, 010016, the Republic of Kazakhstan.
Conflict of interest	No person involved in the offering of the Bonds has any interest in the offering, which is material to the offering.

REGISTRATION DOCUMENT

1. Information about the Issuer

1.1. General information

The full legal name of the Issuer	Freedom Finance SPC Ltd.
Legal form of the Issuer	Special purpose company.
The country of incorporation of the Issuer	• The Company was incorporated on 24 May 2021 as a special purpose company of the Astana International Financial Centre under the business identification number 210540900127 in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), as amended from time to time. • The contact details of the Issuer are: Address: 16, Dostyk Street, Talan Towers offices, floor 26, Astana, Kazakhstan. Telephone: +7 701 958 01 27. E-mail: ffspc@ffin.kz.

1.2. Investments

The main activity of the FFSPC is raising funds through issuing and placing bonds for the sole purpose of financing loans in favour of the parent company FRHC. FFSPC does not have investment activities, the investments described below relate to the activities of the FRHC in Kazakhstan, Uzbekistan, Kyrgyzstan, Cyprus, Germany, the United Kingdom, United States, Greece, Spain, France, Poland, Armenia, Azerbaijan, Turkey and United Arab Emirates.

Investments made in the period ended 30 September 2023

Total investments exceeded U.S.$153.4 mln, mainly consisting of investments in fixed assets – U.S.$19.4 mln and purchase of available-for-sale securities, at fair value of U.S.$134 mln.

Investments made in the financial year ended 31 March 2023

Total investments exceeded U.S.$368.6 mln, mainly consisting of investments in fixed assets – U.S.$38.5 mln and purchase of available-for-sale securities, at fair value of U.S.$330.0 mln.

Investments made in the financial year ended 31 March 2022

Total investments exceeded U.S.$254.3 mln, mainly consisting of investments in fixed assets – U.S.$5.6 mln and purchase of available-for-sale securities, at fair value of U.S.$248.7 mln.

Investments made in the financial year ended 31 March 2021

Total investments exceeded U.S.$275.3 mln, mainly consisting of investments in fixed assets – U.S.$1.5 mln and purchase of available-for-sale securities, at fair value of U.S.$273.8 mln.

2. Operational and financial overview

2.1. Actual and proposed business activities:

The Issuer is a newly organized subsidiary of FRHC. The main activity of the FFSPC is raising funds through issuing and placing bonds for the sole purpose of financing loans in favor of the parent company FRHC. Described below is the actual and proposed business activities, including corporate history, description of business lines, revenue breakdown and information regarding the competition of FRHC.

For purposes of the Registration Document part of the Prospectus, references herein to the “we”. “our”, “us”, “our company”, “our business” and “Freedom” mean Freedom Holding Corp. together with its subsidiaries.

FRHC is a corporation organized in the United States under the laws of the State of Nevada that through its operating subsidiaries provides financial services including retail securities brokerage, research, investment counseling, securities trading, market making, retail banking, corporate investment banking, underwriting services, commercial banking, insurance products, a payment platform, a conference platform, and an online ticket sale platform. FRHC is headquartered in Almaty, Kazakhstan, with supporting administrative office locations in Cyprus and the United States. FRHC has a presence in Kazakhstan, Uzbekistan, Kyrgyzstan, Cyprus, Germany, the United Kingdom, United States, Greece, Spain, France, Poland, Armenia, Azerbaijan, Turkey and United Arab Emirates. FRHC also has subsidiaries in the United States which include a broker-dealer that is registered with the United States Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"). FRHC's common stock trades on the Nasdaq Capital Market and the Kazakhstan Stock Exchange (KASE).

Through its subsidiaries, FRHC is a professional participant, with a license to provide one or more types of services, on a number of stock exchanges, including the Kazakhstan Stock Exchange (KASE), the Astana International Stock Exchange (AIX), the Republican Stock Exchange of Tashkent (UZSE) and the Uzbek Republican Currency Exchange (UZCE) and is a member of the New York Stock Exchange (NYSE) and the Nasdaq Stock Exchange (Nasdaq). FRHC also owns a 24.3% interest in the Ukrainian Exchange (UX). Freedom Finance Europe Limited provides FRHC's clients with operational support and access to investment opportunities in the United States and European securities markets.

Corporate history of FRHC

Reverse Acquisition Transaction

FRHC was originally incorporated in the State of Utah in July 1981. In December 2004 FRHC redomiciled to the State of Nevada. In November 2015, FRHC entered into a reverse acquisition agreement with Timur Turlov changing the entity's name from BMB Munai, Inc. to Freedom Holding Corp. and to acquire from him 100% ownership interests in FFIN Securities, Inc. (now a dormant company), Freedom Finance Europe Limited, and LLC Investment Company Freedom Finance and its wholly owned subsidiary, Freedom Finance JSC. These acquisitions closed in several stages from November 2015 to November 2017 as required audits and regulatory approvals were received.

Legacy Operations

FRHC's legacy brokerage operations were acquired and developed by Timur Turlov. He acquired Beliy Gorod Ltd. in Moscow, Russia, in 2010 and renamed it LLC Investment Company Freedom Finance in 2011. In 2013 LLC Investment Company Freedom Finance acquired Freedom Finance JSC from unrelated third parties. In 2014, Freedom Finance JSC rolled out a branch office network of 14 offices across Kazakhstan and opened 20,000 customer brokerage accounts. Freedom Finance Europe Limited was organized in August 2013 and completed its regulatory licensing in May 2015.

In July 2014, Timur Turlov established Freedom Securities Trading Inc. (formerly FFIN Brokerage Services, Inc.) ("FST Belize"), a corporation registered in and licensed as a broker dealer in Belize, to provide brokerage services to customers seeking to purchase or trade securities in the international securities markets. FST Belize is 100% owned by Timur Turlov and is not part of FRHC's group of companies.

Significant Recent Milestones

- On 26 September 2019 FRHC's shares were approved for listing on Nasdaq and the shares began trading on Nasdaq on 15 October 2019.
- In December 2020 FRHC completed the acquisition of JSC Kassa Nova Bank, a Kazakhstan consumer bank with 10 branch offices across Kazakhstan, which were subsequently renamed Bank Freedom Finance Kazakhstan JSC.
- In December 2020 FRHC completed the acquisition of Freedom Capital Markets, a registered agency-only execution broker-dealer on the floor of the New York Stock Exchange, which represented our initial entry into the U.S. market.
- On 17 May 2022 FRHC completed the acquisition of two insurance companies, Freedom Finance Life JSC and Freedom Finance Insurance JSC. These two companies were 100% controlled by FRHC's chief executive officer, chairman and majority shareholder, Timur Turlov.

- In February 2023 FRHC completed the divestiture of its Russian subsidiaries.

Business lines of FRHC

Securities Brokerage Services

We provide a comprehensive range of securities brokerage services to individuals, businesses and financial institutions seeking to diversify their investment portfolios to manage economic risks associated with political, regulatory, currency and banking uncertainties. Depending on the region, our brokerage services may include securities trading, margin lending, investment research, and investor education. Customers are provided online tools and retail locations to establish accounts and conduct securities trading on transaction-based pricing. We market our services through a number of channels, including telemarketing, training seminars and investment conferences, print and online advertising using social media, mobile app and search engine optimization activities.

Our securities brokerages also conduct proprietary investment activities, and facilitate repurchase and reverse repurchase agreements, both to support the funding of our proprietary investments and to act as an intermediary between third party purchasers and sellers.

Retail Brokerage

We offer full-service retail brokerage services covering a broad array of investment alternatives including exchange-traded and over-the-counter corporate equity and debt securities, money market instruments, exchange traded options and futures contracts, government bonds, and mutual funds. A substantial portion of our revenue is derived from commissions from customers through accounts with transaction-based pricing. Brokerage commissions are charged on investment products in accordance with a schedule we have formulated that aligns with local practices. We provide our brokerage customers with access to the U.S. stock markets, and a significant amount of our brokerage business relates to trading in U.S.-exchange listed and OTC securities by our brokerage customers. We use the services of third-party U.S.-registered securities broker dealer and clearing firms to execute substantially all of our trades in the U.S. market.

As of 31 March 2023, 31 March 2022, 31 March 2021 and 30 September 2023, respectively, we had approximately 370,000, 250,000, 170,000 and 433,947 total brokerage customer accounts, of which more than 56%, 58%, 71% and 57% had positive cash or asset account balances. As of 31 March 2023, we had approximately 52,000 active accounts, as compared to 53,000 and 32,000 active accounts as of 31 March 2022 and 2021, respectively. For six months ended September 30, 2023, we had approximately 67,158 active accounts. We define “active accounts” as those from which at least one transaction occurred in the quarter prior to the date of calculation.

Proprietary Trading and Investment Activities

In the normal course of our business, we take securities positions as a market maker and/or principal to facilitate customer transactions and for investment purposes. In market making activities and when trading for our own account, we expose our own capital to the risk of fluctuations in market value. Investment decisions are determined in accordance with internal policies and recommendations of our internal investment committees. The size of our securities positions varies substantially based upon economic and market conditions, allocations of capital, underwriting commitments and trading volume of an individual issuer’s securities. Also, the aggregate value of inventories of securities which we may carry is limited by the net capital and capital adequacy rules in effect in the jurisdictions where we conduct business.

Capital Markets/ Investment Banking Services

Our capital markets/investment banking business consists of investment banking professionals in Kazakhstan, Uzbekistan and the United States who provide strategic advisory services and capital markets products. Our investment banking team focuses on multiple sectors including consumer and business services, energy, financial institutions, real estate, technology, media and communications. Our investment banking activities are concentrated in Kazakhstan and Uzbekistan where commercial banks are currently focusing their financing activities on large enterprises or state-owned enterprises. In these countries, commercial lending sources also impose loan structures and debt covenants that preclude many companies from participating. This has created growing interest in and demand for our services. Our United States investment banking team has recently expanded its services to include the full array of capital markets and investment banking services. To date our underwriting activities have included, among others, underwriting of debt and equity offerings on both a “best effort” and a firm commitment basis.

In the equity capital markets area, we provide capital raising solutions for corporate customers through initial public offerings and follow-on offerings, including listings of companies on stock exchanges. We focus on companies in growth industries and participate as market makers in our underwritten securities offerings after the initial placements of shares.

In the debt capital markets area, we offer a range of debt capital markets solutions for emerging growth and small market companies. We focus on structuring and distributing private and public debt for various purposes including buyouts, acquisitions, growth capital financings, and recapitalizations. In addition, we participate in bond financings for both sovereign and corporate issuers in the emerging markets.

Commercial Banking

We offer commercial banking services in Kazakhstan through our Bank Freedom Finance Kazakhstan JSC subsidiary. Prior to the divestment of our Russian subsidiaries, we also offered commercial banking services through a Russian banking subsidiary. We generate banking service fees by providing services that include lending operations, deposit services, money transfers, opening and maintaining correspondent accounts, renting safe deposit boxes, e-commerce money transfer services for legal entities, tender guarantees, and payment card services.

Freedom Box

Freedom Box is a package of payment acquiring services for individual entrepreneurs whereby the entrepreneurs do not need to bring documents to the bank in order obtain the package of services. The package includes an installment plan for clients purchasing the acquiring services, a free POS terminal, an overdraft facility and an entrepreneur’s card.

Insurance

On 17 May 2022, we acquired two insurance companies in Kazakhstan, a life insurance company Freedom Finance Life JSC, and a direct insurance carrier, excluding life, health and medical, Freedom Finance Insurance JSC. Prior to our acquiring these companies, each was wholly owned by our controlling shareholder, chairman and chief executive officer, Timur Turlov. We acquired these companies from him at the historical cost paid by him plus amounts he has contributed as additional paid in capital since his purchase. These companies were not initially acquired directly by us because at the time they were put on the market for sale by their prior owner they did not have audit reports conforming to U.S. GAAP standards and had not demonstrated sustained profitability. We do not consider the acquisition of these insurance companies to be material in the context of our group as a whole. The purchase price for Freedom Finance Insurance JSC was U.S.$12.4 million and the purchase price for Freedom Finance Life JSC was U.S.$12.1 million.

We believe incorporating the offerings of these insurance companies with our existing brokerage and banking product and service lines, along with our developing fintech ecosystem in Kazakhstan, will allow us to create a significant sustainable competitive advantage in Kazakhstan as an integrated, efficient and convenient single source for financial services.

Freedom Finance Life JSC

Freedom Finance Life JSC was established in 2014 and was acquired by Timur Turlov in 2019. Freedom Finance Life JSC provides a range of health and life insurance products to individuals and businesses, including life insurance, health insurance, annuity insurance, accident insurance, obligatory worker emergency insurance, travel insurance and reinsurance.

As of 31 March 2023, Freedom Finance Life JSC had 360,744 active contracts. As of 31 March 2023, Freedom Finance Life JSC had total assets of approximately U.S.$272 million and total liabilities of approximately U.S.$217 million. During the fiscal year ended 31 March 2023, Freedom Finance Life JSC experienced a 70% increase in gross insurance premiums written and recognized a net profit of approximately U.S.$25 million. As of 31 March 2023, Freedom Finance Life JSC’s market share in the Kazakhstan life insurance market was 8% based on gross written premiums for life insurance, and it held an approximately 46% market share in the Kazakhstan voluntary life-related accident insurance market, in each case according to the National Bank of Kazakhstan.

Freedom Finance Insurance JSC

Freedom Finance Insurance JSC operates in the "general insurance" industry, was established in 2009 and was acquired by Timur Turlov in 2019. Freedom Finance Insurance JSC is the leader in online insurance in Kazakhstan and offers various general insurance products in property (including automobile), casualty, civil liability, personal insurance and reinsurance. In 2021 Freedom Finance Insurance JSC was recognized by online and print magazine Global Banking & Finance Review as the Best Online Insurance Company Kazakhstan, Best General Insurance Company Kazakhstan and Best Auto Insurance Company Kazakhstan.

Freedom Finance Insurance JSC distributes its products and services through different channels such as the internet, payment terminals and a call center. By utilizing its digital solutions, Freedom Finance Insurance JSC's customers can purchase Freedom Finance Insurance JSC products within five minutes and have a personal account for managing policies.

On 31 March 2023, Freedom Finance Insurance JSC had 320,923 active contracts. As of 31 March 2023, Freedom Finance Insurance JSC had total assets of approximately U.S.$195 million and total liabilities of approximately U.S.$162 million. During the fiscal year ended 31 March 2023, Freedom Finance Insurance JSC experienced a 131% increase in written insurance premiums as compared to fiscal year ended 31 March 2022 and recognized net profit of approximately U.S.$7 million. On 31 March 2023, Freedom Finance Insurance JSC had a 7% share of the total Kazakhstan general insurance market based on total assets, according to the National Bank of Kazakhstan. It also held an approximately 3% market share of the Kazakhstan car owner's liability insurance market.

On 27 August 2022, we acquired 100% of JSC Insurance Company "London-Almaty", a Kazakhstan insurance company, and on 19 December 2022, this company was merged into Freedom Finance Insurance JSC.

Information Technology

FRHC's business model places heavy reliance on information technology to offer customers a seamless digital experience, meet their diverse needs, and ensure stringent adherence to regulatory requirements and information security standards. To support sustainable growth of the Freedom ecosystem, our information technology is focused on continuous development that empowers business users with technology that accelerates the time-to-market for digital products while enhancing predictability. We seek to harmonize technology governance approaches across all of our companies and centralize key IT processes. Our IT strategy is designed to leverage technology as a key driver of success within our group. We are continuously adapting to the rapidly evolving digital landscape and aligning our technological capabilities with the changing needs of our customers and stakeholders. By fostering innovation, enhancing collaboration, and prioritizing business continuity and growth, we aim to establish a strong technological foundation that supports our strategic objectives.

Digital Ecosystem and Product Expansion

We have implemented a Technology Development and Ecosystem Growth strategy centered on building a robust technological infrastructure, fostering innovation, and enhancing user experiences. Under this strategy, our flagship technology product is our proprietary Tradernet software platform, complemented by other online technologies, enabling seamless access to multiple markets worldwide. Tradernet provides our customers with trading capabilities and access to monitoring multiple stock markets around the world simultaneously, including KASE, AIX, UX, MOEX, the SPB Exchange, NYSE, Nasdaq, ATHEX, ITX, the London Stock Exchange, the Chicago Mercantile Exchange, the Hong Kong Stock Exchange and Deutsche Börse and to execute trades electronically in these markets in multiple products from a single trading account. Additionally, Tradernet allows us to monitor and manage all aspects of our customers' personal accounts, including non-trading orders, and to participate in our customer social network. We also use Tradernet for customer margin risk evaluation and for middle-office security transfer requests.

Operating under the "Freedom" brand, our comprehensive suite of digital products and services enables our customers to engage in electronic trading and to monitor their accounts. In addition to trading capabilities, we have expanded our digital solutions to include mortgages, auto loans, and insurance products. Through our online platform, customers can conveniently apply for and manage mortgages, track auto loans, and access a range of insurance options. We prioritize delivering a seamless and integrated digital experience across all our products, ensuring user-friendly interfaces, robust security measures, and efficient workflows.

We have recently expanded our digital product portfolio with the acquisition of Ticketon Events LLP ("Ticketon"), the largest online ticket sales company in Kazakhstan, actively working to create an e-commerce infrastructure in the field of culture and sports. The acquisition of Ticketon, with 67% share in the Kazakhstan's market of online ticket sales for cultural events, gave us greater access to key middle class that could join our clientele. Ticketon's service focuses on promoting the cultural life of Kazakhstan and introducing modern promotion technologies. Ticketon offers convenient ways to buy tickets, expands sales channels for organizers and venues, and provides effective ticket promotion and distribution services. This acquisition further strengthens our digital offerings and enhances our ability to serve customers in the entertainment industry.

One of our key digital products is the Paybox payment platform, which we acquired as part of our acquisition of Paybox Technologies LLP (now called Freedom Pay LLP) and its subsidiaries in February 2023. The Paybox platform is a dynamic payment system services aggregation field project. By connecting to the Paybox platform digital payment aggregator, customers can accept payments from buyers using a wide range of payment methods, including bank cards, online banking, electronic money, and more. Freedom Pay LLP also develops customized solutions for banks, catering to their specific needs and expanding our network of partners. According to Global data (https://www.globaldata.com/) for calendar 2022, Freedom Pay's share of electronic payments in the Kazakhstan market is 30%. This acquisition allowed our bank to become the largest acquiring bank in Kazakhstan enhances our product offering and expands our geographic footprint.

We are committed to further expanding our digital ecosystem going forward by integrating our online and mobile brokerage services, banking offerings, insurance products, payment processing systems, and online commercial ticketing services. Our strategic objective is to provide customers with a comprehensive and user-centric digital experience, offering them convenient access to a wide array of financial products and services through a single platform. By leveraging cutting-edge technology and fostering continuous innovation, we strive to enhance our digital offerings and meet the evolving needs of our diverse customer base.

Revenue breakdown by types and geographic markets

	Six months ended September 30, 2023				
STATEMENTS OF OPERATION (USD thousands)	**Central Asia and Eastern Europe**	**Europe, excluding Eastern Europe**	**The United States**	**Middle East/Caucasus**	**Total**
Fee and commission income	157,612	43,413	8,268	1,113	210,406
Net gain/(loss) on trading securities	82,672	435	(701)	181	82,587
Interest income	336,046	16,465	1,851	8,050	362,412
Insurance underwriting income	102,865	—	—	—	102,865
Net gain/(loss) on FX operations	15,931	307	(772)	139	15,605
Net gain/(loss) on derivative	(29,797)	570	—	—	(29,227)
Other income/(expense	4,648	1,705	815	(25)	7,143
TOTAL REVENUE, NET	**669,977**	**62,895**	**9,461**	**9,458**	**751,791**

	Year ended 31 March 2023				
STATEMENTS OF OPERATION (USD thousands)	**Central Asia and Eastern Europe**	**Europe, excluding Eastern Europe**	**The United States**	**Middle East/Caucasus**	**Total**
Fee and commission income	106,982	215,408	4,825	—	327,215
Net gain/(loss) on trading securities	92,330	(22,693)	1,447	—	71,084
Interest income	257,285	26,090	11,289	31	294,695
Insurance underwriting income	115,371	—	—	—	115,371
Net gain/(loss) on FX operation	58,908	(2,287)	(4,479)	12	52,154
Net gain/(loss) on derivative	(64,826)	—	—	—	(64,826)
TOTAL REVENUE, NE	**566,050**	**216,518**	**13,082**	**43**	**795,693**

	Year ended 31 March 2022				
STATEMENTS OF OPERATION (USD thousands)	**Central Asia and Eastern Europe**	**Europe, excluding Eastern Europe**	**The United States**	**Middle East/Caucasus**	**Total**
Fee and commission income	23,652	307,014	4,545	—	335,211
Net gain/(loss) on trading securities	10,511	142,195	2,546	—	155,252
Interest income	107,075	14,051	483	—	121,609
Insurance underwriting income	72,981	—	—	—	72,981
Net gain/(loss) on FX operations	7,824	(5,598)	1,565	—	3,791
Net gain/(loss) on derivative	946	—	—	—	946
TOTAL REVENUE, NET	**222,989**	**457,662**	**9,139**	—	**689,790**

Regulatory oversight

We operate in highly regulated industries across several legal jurisdictions. The securities, banking, payment services and insurance business activities of our subsidiaries are subject to extensive regulation and oversight by the stock exchanges, central/national banks, governmental and self-regulatory authorities in the foreign jurisdictions where we conduct business activities. We expect that the regulatory environment will continue to raise standards and impose new regulations with which we will be required to comply in a timely manner.

We operate under various securities, banking and insurance licenses and must maintain our licenses in order to conduct our operations. As of 31 March 2023, we, through our subsidiaries, held: brokerage licenses in Kazakhstan issued by the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (the “ARDFM”) and the Astana Financial Services Authority (the “AFSA”), in Cyprus issued by the Cyprus Securities and Exchange Commission (“CySEC”), in the United States issued by FINRA, in Armenia issued by the Central Bank of Armenia, and in Uzbekistan issued by the Ministry of Finance of the Republic of Uzbekistan; a foreign currency operations license in Kazakhstan issued by the ARDFM; a banking license in Kazakhstan issued by the ARDFM; insurance licenses (general and life) in Kazakhstan issued by the ARDFM; and payment services licenses in Kazakhstan, Uzbekistan and Kyrgyzstan.

We spend considerable resources in our general efforts to comply with the various regulations to which we are subject, and we expect this burden to continue in the future.

Competition

We face intense competition in each of the markets where we offer our services. We compete with international, regional and local brokerage, banking, and financial services firms that offer an array of financial products and services. The brokerage and financial service firms which we currently regard as our principal competitors include: Halyk Finance, BCC Invest and First Heartland Securities in Kazakhstan; and eToro and Interactive Brokers in Europe. We consider Bank Freedom Finance Kazakhstan JSC's principal banking competitors to be Halyk Bank, Kaspi Bank and Bank CenterCredit. In the United States, we expect to compete with, among others, Needham & Company, Craig-Hallum Capital Group and Oppenheimer & Co.

Many of the firms with which we compete are larger, provide additional and more diversified services and products, provide access to more international markets, and have greater technical, and financial resources. We leverage competitive advantages we have developed, including our extensive experience in providing investors in our core markets with access to the U.S. and European securities markets, our ability to deliver high quality analytical information and our focus on providing convenient, high tech user-friendly access to our services and the markets. We have also been an active participant in various privatization programs, which has allowed us to develop expertise and a prominent reputation in the public placement of securities of local issuers in the regions where we operate.

2.2. Risk factors

The Issuer is a newly organized subsidiary of FRHC. The main activity of the FFSPC is raising funds through issuing and placing bonds for the sole purpose of financing loans in favor of the parent company FRHC. The risks and uncertainties described in the risk factors below relate to the activities of the FRHC.

Risks Related to the Russia-Ukraine Conflict

Our business and operations may be materially adversely affected by the ongoing Russia-Ukraine conflict.

We have historically had significant operations in Russia. In view of the critical challenges for our business and operations resulting from the ongoing Russia-Ukraine conflict, and the responses of governments and multinational businesses to it, shortly after the onset of the Russia-Ukraine conflict we decided to divest our two Russian subsidiaries. On 19 October 2022, we announced that we had entered into an agreement to divest our Russian subsidiaries, and the divestiture of these subsidiaries was approved by the Central Bank of the Russian Federation on 10 February 2023, and was completed on 27 February 2023. Notwithstanding that we have completed the divestiture of our Russian subsidiaries, there can be no assurance that such divestiture will achieve its intended effects. In particular, we expect that the divestiture of our Russian subsidiaries will reduce our exposure to the current challenging geopolitical circumstances and will enable us to accelerate growth in other markets. However, these matters are subject to uncertainty and changes in circumstances. A failure by us to achieve the intended effects of the divestiture of our Russian subsidiaries could have a material adverse effect on our results of operations in future periods. In addition, we continue to provide brokerage services to Russian persons, including a number of former clients of our Russian subsidiaries, through their accounts at non-Russian companies within our group and indirectly through accounts held with our affiliate FST Belize. As a result, we continue to have significant exposure to Russia, which poses continuing challenges for our business and operations. These challenges, including the specific risks outlined below, may materially adversely affect our business, financial condition, results of operations and stock price.

Our business may be materially adversely impacted by negative macroeconomic and geopolitical developments in Russia and in other countries in which we operate or in which our clients are located.

Historically, a large portion of our brokerage business has been attributable to securities trading by individuals and qualifying institutions in Russia, through accounts held at our Russian subsidiaries, through accounts held at our non-Russian subsidiaries and indirectly through accounts held with FST Belize. Although we have divested our Russian subsidiaries, we continue to generate a significant amount of fee and commission income from trading activity engaged in by Russian persons (including former clients of our former Russian subsidiaries) who are not subject to any sanctions or other legal restrictions through their accounts at our non-Russian subsidiaries, including indirectly through their accounts at FST Belize.

The Russia-Ukraine conflict and responses to it have materially and adversely impacted the macroeconomic climate in Russia and the surrounding region, resulting in significant currency rate volatility, the imposition of currency controls, capital flight, materially increased interest rates and inflation, and the withdrawal of or reduction of business by a number of Western businesses from the Russian market, any of which may lead to reduced investment confidence and investment spending by affected Russian persons. Should there be a large scale expansion of Russia-related sanctions to make them applicable to private sector financial institutions in Russia or to Russia's banking system generally, this could negatively affect the Russian economy and investment climate and cause deterioration of the Russian financial markets. In addition, there is a risk that new international sanctions and new countersanctions measures may curtail the ability of our Russian brokerage customers to trade through non-Russian accounts or in non-Russian securities, or our ability to facilitate any trading through our non-Russian subsidiaries or FST Belize. For example, given Kazakhstan's extensive historical business ties with Russia, we are exposed to the risk that secondary sanctions could be imposed on the financial sector in Kazakhstan. If investment spending by Russian persons through non-Russian trading accounts declines for any reason, this could result in a material reduction in our revenues.

The Russia-Ukraine conflict has also had, and may continue to have, adverse effects on our results of operations related to proprietary trading. For example, during year ended 31 March 2023 we sold 7,500,000 shares in the SPB Exchange that we owned and realized a loss from such sale in the amount of U.S.$73.4 million. We attribute this loss to a combination of factors, including heightened market uncertainty and increased volatility caused by the Russia-Ukraine conflict and its geopolitical consequences. Although neither FRHC nor any of its group companies is the subject of any sanctions imposed by the United States, the European Union or the United Kingdom, and we have divested our Russian subsidiaries, sanctions related to Russia could adversely impact our business. For example, we continue to provide brokerage services to a significant number of Russian persons through their non-Russian accounts with us or indirectly through accounts held with FST Belize, and sanctions could restrict our ability to continue to provide brokerage services to such Russian persons. Sanctions could also limit our ability to, or make it difficult for us to, enter into agreements with counterparties, who may refuse to work with us due to our significant Russian customer base.

Should there be an expansion of Russia-related sanctions, this could significantly increase the foregoing risks to our business. The impact of any such expansion would depend on the nature of such sanctions. Examples of additional sanctions measures that could affect our business include:

- expanding the scope of sanctioned activities or transactions;
- designating parties with whom we have or may have significant business relationships as "specially designated nationals" or "blocked" parties, meaning that all dealings with them by the U.S., EU and/or UK persons, or persons from other countries which impose economic sanctions, or involving items or technologies from these jurisdictions would be prohibited;
- expanding sanctions to cover entities that are less than 50% owned or controlled by a sanctioned party; or
- adopting corporate policies that prohibit or restrict business activities with us because we conduct business with Russian persons who are not subject to any sanctions.

Sanctions imposed on our founder and our Ukrainian subsidiary by Ukraine could have a material adverse effect on us.

On 19 October 2022, Timur Turlov, our Ukrainian subsidiary and our two Russian subsidiaries (which Russian subsidiaries have since been divested) were included on the National Security and Defense Council of Ukraine sanctions list, which included more than 2,500 companies and individuals. In connection with these sanctions, the operations of our Ukrainian subsidiary were suspended. We believe that the inclusion of Mr. Turlov and these subsidiaries on the list was due to perceived connections with Russia. While we believe the inclusion of Mr. Turlov and our Ukrainian subsidiary on the list is not justified and we have been actively appealing the decision, there can be no assurance as to when they will be removed from the list, if at all. While our Ukrainian subsidiary is not material in the context of our overall group, the inclusion of Mr. Turlov and our Ukrainian subsidiary on this list could materially adversely affect our relationships with counterparties and regulators in other jurisdictions and as a result could restrict our ability to conduct our business and carry out our business strategy. In addition, because we have a significant number of Ukrainian brokerage customers that are served by our non-Ukrainian subsidiaries, the existing sanctions imposed by Ukraine, or any expansion of such sanctions could adversely affect our brokerage business.

Non-compliance with U.S., EU, UK, Russian or other sanctions programs could adversely impact our company.

We are committed to compliance with all applicable economic sanctions, including those related to the Russia-Ukraine conflict. U.S. economic sanctions include prohibitions ("primary" sanctions) that are generally administered and enforced by OFAC. With the exception of OFAC's Iran and Cuba sanctions programs these prohibitions apply to U.S. persons, including companies organized under the laws of the United States and their overseas branches, but do not apply to non-U.S. subsidiaries of U.S. persons. U.S. economic sanctions also include "secondary" sanctions that make certain activities of non-U.S. companies sanctionable under U.S. statutes such as the Countering America's Adversaries Through Sanctions Act (CAATSA). These sanctions are administered by OFAC and/or the U.S. Department of State. We require all of our group companies to fully comply with all U.S. primary sanctions that are applicable to them and/or to transactions in which they are involved and to refrain from participation in any conduct that is sanctionable under U.S. secondary sanctions.

Because FRHC is a U.S.-domiciled holding company that operates through its subsidiaries, we are obliged to comply with Ukraine-Russia conflict-related sanctions imposed by the United States, but those sanctions do not apply to the fully independent activities of our non-U.S. subsidiaries where there is no U.S. nexus. If, however, it was determined that FRHC facilitated activities of its subsidiaries that are prohibited under U.S. sanctions, FRHC could be subject to civil or criminal penalties under OFAC regulations. In addition, non-U.S. companies that cause U.S. companies to violate OFAC regulations may be subject to enforcement action and thereby the imposition of civil or criminal penalties. This could occur, for example, if one of our non-U.S. subsidiaries were to process a U.S. dollar transaction involving sanctioned securities through the U.S. financial system. The risk of noncompliance may arise in connection with international transactions conducted in U.S. dollars, transfers to or from U.S. bank accounts, or dealings with U.S. broker-dealers.

We maintain omnibus brokerage accounts for several institutional clients, including FST Belize and certain Russian institutions. The order flow from these accounts represents transactions of customers of the relevant institutions, which are executed by the relevant institutions through their omnibus accounts with us. While we have agreements with such customers in which they have agreed to comply with sanctions laws, and to grant us access to its customer records for purposes of compliance monitoring upon our request, we do not have direct access to such institutional customers' own customer check systems and as a result we cannot provide assurance that the beneficial owners who are the beneficiaries of trades being carried out through such omnibus accounts are not sanctioned persons.

In the event that we believe or have reason to believe that our employees, agents or independent contractors have or may have caused us or any of our subsidiaries to violate applicable economic sanctions laws, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which could be costly and require significant time and attention from senior management. Non-compliance with these laws may result in criminal or civil penalties, which could disrupt our business and result in a material adverse effect on our financial condition, results of operations, and cash flows and cause significant brand or reputational damage.

Sanctions are subject to rapid change, and it is also possible that new direct or indirect secondary sanctions could be imposed by the U.S. or other jurisdictions without warning in relation to the Russia-Ukraine conflict. The extent of current sanctions measures, not all of which are fully aligned across jurisdictions, further increases operational complexity for our business and increases the risk of making errors in managing day-to-day business activities within the rapidly evolving sanctions environment. In addition, certain transactions that may be prohibited by economic sanctions regulations of OFAC if undertaken by us or in the United States may be permissible if undertaken independently by a non-U.S. subsidiary where there is no U.S. nexus.

We are monitoring closely the developing sanctions environment, including Russian countersanctions, and utilizing dedicated corporate governance structures and in-house and outside advisors as and when required to ensure our continued compliance. However, we cannot assure that we can remain in compliance with all sanctions and countersanctions.

During year ended 31 March 2023 our subsidiaries Bank Freedom Finance Kazakhstan JSC and Freedom Finance Global PLC provided brokerage services to certain individuals and entities who are subject to sanctions imposed by OFAC, the European Union or the United Kingdom. These transactions did not involve any nexus with the United States, the European Union or the United Kingdom, as applicable. As of 31 March 2023, our customer liabilities relating to these individuals and entities in aggregate were U.S.$17.8 million, representing approximately 0.92% of our total customer liabilities as of such date.

For year ended 31 March 2023, the aggregate fee and commission income relating to transactions with these individuals and entities in aggregate was approximately U.S.$34,000, representing approximately 0.01% of our total fee and commission income for such fiscal year.

Risks Related to Legal and Regulatory Matters

We are subject to extensive regulation, and the failure to comply with laws and regulations could subject us to monetary penalties or sanctions.

Our business is subject to extensive government regulation, licensing and oversight in multiple jurisdictions. Laws, regulations and rules or other obligations to which we are subject include but are not limited to those concerning securities brokerage, commercial banking, insurance services, payment services, securities trading, investment banking, granting of credit, deposit taking, margin lending, foreign currency exchange, data protection and privacy, cross-border and domestic money transmission, cyber security, fraud detection, antitrust and competition, consumer protection, U.S. and non-U.S. sanctions regimes, anti-money laundering and counter-terrorist financing. Our Freedom Capital Markets subsidiary is a broker-dealer and investment adviser registered with the SEC and is primarily regulated by FINRA.

As we introduce new products and services and expand existing product and service offerings, we may become subject to additional regulations, restrictions, licensing requirements and related regulatory oversight.

Compliance with many of the regulations applicable to us involves a number of risks, particularly in areas where applicable regulations may be subject to varying interpretation. Many of the requirements imposed by these regulations are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with us. New regulations may result in enhanced standards of duty on broker-dealers in their dealings with their clients. Consequently, these regulations often serve to limit our activities, including through net capital, customer protection and market conduct requirements, including those relating to principal trading.

We have implemented policies and procedures designed to ensure compliance with applicable laws and regulations. Notwithstanding these measures, it is possible that our employees, contractors, and agents could nevertheless breach such laws and regulations. We may be subject to legal claims from our customers and counterparties, as well as regulatory actions brought against us by the regulators, self-regulatory agencies and supervisory authorities that oversee and regulate the industries in which we operate.

From time to time, we have been, and in the future may be, subject to investigations, audits, inspections and subpoenas, as well as regulatory proceedings and fines and penalties brought by regulators. We are subject to regulation from numerous regulators, which include, but are not limited to, the AFSA, the ARDFM, CySEC and the SEC. We have received various inquiries and formal requests for information on various matters from certain regulators, with which we have cooperated and will continue to do so. If we are found to have violated any applicable laws, rules or regulations, formal administrative or judicial proceedings may be initiated against us that may result in censure, fine, civil or criminal penalties. For example, on November 25, 2022, our subsidiary Freedom Finance Global PLC, incorporated in the AIFC, entered into a settlement agreement with the AFSA which was the result of an on-site inspection by the AFSA of Freedom Finance Global PLC conducted between October and December 2021. Following such inspection, the AFSA communicated to Freedom Finance Global PLC a number of substantial findings and regulatory concerns related to matters of prudential, conduct-of-business, anti-money laundering and combatting financing of terrorism. In connection with the settlement agreement, Freedom Finance Global PLC was required to pay monetary penalties and carry out a remediation plan. In addition, on February 13, 2023, following an elective audit of Bank Freedom Finance Kazakhstan JSC commenced by the ARDFM in June 2022, the ARDFM issued an order providing that Bank Freedom Finance Kazakhstan JSC violated a number of banking laws and regulations. In connection with such order, Bank Freedom Finance Kazakhstan JSC was required to carry out a remediation plan. We could also experience negative publicity and reputational damage as a result of future lawsuits, claims or regulatory actions. Any of the foregoing could, individually or in the aggregate, adversely affect our business, results of operations, financial condition and cash flows.

Financial services firms have been subject to increased regulatory scrutiny, increasing the risk of financial liability and reputational harm resulting from adverse regulatory actions.

Firms in the financial services industry have been operating in an onerous regulatory environment. The industry has experienced increased scrutiny from a variety of regulators, including the SEC and FINRA in the United States, U.S. state regulators and regulators in non-U.S. jurisdictions. Penalties and fines sought by regulatory authorities have increased substantially. We may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities. Each of the regulatory bodies with jurisdiction over us has regulatory powers dealing with many different aspects of financial services, including, but not limited to, the authority to fine us and to grant, cancel, restrict or otherwise impose conditions on the right to continue operating particular businesses. Increasingly, regulators have instituted a practice of "regulation by enforcement" where new interpretations of existing regulations are introduced by bringing enforcement actions against securities firms for activities that occurred in the past but were not then thought to be problematic. We also may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations (e.g., FINRA) that supervise the financial markets. Substantial legal liability or significant regulatory action taken against us could have a material adverse effect on our business prospects, including our cash position.

As a U.S. public company listed on Nasdaq, we have substantial regulatory reporting obligations.

We are subject to extensive corporate governance, reporting and accounting disclosure requirements under U.S. securities laws and regulations of the SEC. These laws, as well as the listing standards of Nasdaq, impose certain compliance requirements, costs and obligations on listed companies. This requires a significant commitment of resources and management oversight. The expenses associated with being a public company include auditing, accounting and legal fees and expenses, investor relations expenses, increased directors' fees, registrar and transfer agent fees and listing fees, as well as other expenses.

Failure to comply with the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") or the Dodd-Frank Wall Street Reform and Consumer Protection Act could potentially subject us to sanctions or investigations by the SEC or other regulatory, exchange or market authorities, and related penalties, fines and litigation.

We are subject to risks related to anti-corruption laws in effect in the United States and the non-U.S. jurisdictions where we conduct business.

We are subject to the U.S. Foreign Corrupt Practices Act ("FCPA") and similar non-U.S. anti-corruption laws that generally prohibit companies and their intermediaries from making improper payments or providing anything of value to influence foreign government officials for the purpose of obtaining or retaining business or obtaining an unfair advantage.

Recent years have seen a substantial increase in the global enforcement of anti-corruption laws, with more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings, resulting in record fines and penalties, increased enforcement activity, and increases in criminal and civil proceedings brought against companies and individuals.

We operate through subsidiaries in Kazakhstan, Uzbekistan, Kyrgyzstan, Cyprus, Germany, the United Kingdom, United States, Greece, Spain, France, Poland, Armenia, Azerbaijan, Turkey and United Arab Emirates. Enforcement officials generally interpret anti-corruption laws to prohibit, among other things, improper payments to government officials such as those of the ARDFM, CySEC, FINRA, the Federal Financial Supervisory Authority of Germany ("BaFIN"), the Center for Coordination and Development of Securities Market of the Republic of Uzbekistan, which are the principal regulatory bodies that control and monitor our operations in the respective countries in which we operate. Our internal policies and those of our subsidiaries provide for training and compliance with all applicable anti-corruption laws and regulations. Despite our training and compliance programs, it is possible that our employees, agents or independent contractors may cause us or a subsidiary to violate applicable laws. In the event that we believe or have reason to believe that our employees, agents or independent contractors have or may have caused us or a subsidiary to violate applicable anti-corruption laws, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances, which can be costly and require significant time and attention from senior management. Non-compliance with these laws may result in criminal or civil penalties, which could result in a material adverse effect on our business, financial condition, result of operations and cash flows.

A failure by our subsidiaries to meet capital adequacy and liquidity requirements could affect our operations and financial condition.

As a condition to maintaining our licenses to conduct brokerage and banking activities, some of our subsidiaries must meet ongoing capital and liquidity standards, which are subject to evolving rules and qualitative judgments by government regulators regarding the adequacy of their capital and internal assessment of their capital needs. These net capital rules may limit the ability of each subsidiary to transfer capital to us. New regulatory capital, liquidity, and stress testing requirements may limit or otherwise restrict how each subsidiary utilizes its capital and may require us to increase our capital and/or liquidity or to limit our growth. Failure by our subsidiaries to meet minimum capital requirements could result in certain mandatory and additional discretionary actions by regulators that, if undertaken, could adversely affect the licenses of our subsidiaries, as well as our business, financial condition, results of operations, and cash flows.

The countries in which we operate have changing regulatory regimes, regulatory policies, and interpretations.

The countries in which we operate have differing, and sometimes conflicting, regulatory regimes governing the delivery of financial services in each country, the transfer of funds to and from such countries, and other aspects of the broker-dealer, finance, investment, banking, and insurance industries. In some jurisdictions where we operate, these provisions were promulgated during changing political circumstances, are continuing to change and may be relatively untested, particularly insofar as they apply to foreign investments by residents of various countries.

Therefore, there may exist little or no administrative or enforcement history or established practice that can aid us in evaluating how the regulatory regimes may impact our operations or our customers. It is possible that governmental policies will change or that new laws and regulations, administrative practices or policies, or interpretations of existing laws and regulations including those governing capital, liquidity, leverage, long-term debt, margin requirements, restrictions on leveraged lending or other business practices, reporting requirements and tax burdens will materially and adversely affect our activities in one or more of the countries where we operate. Further, since the history and practice of industry regulation is limited in a number of jurisdictions where we operate, our activities may be particularly vulnerable to the decisions and positions of individuals, who may change, be subject to external pressures, or administer policies inconsistently. Internal bureaucratic politics may have unpredictable and negative consequences. If we fail to develop and maintain good working relationships with local regulators, or a local regulator determines that we have violated local laws in a particular market it could negatively impact our businesses in that market and our reputation generally.

Our revenue and profitability could be affected by changes to rules and regulations that impact the business and financial sectors generally, including changes to the laws governing foreign ownership, electronic commerce, customer privacy and security of customer data. In addition, changes to laws, rules and regulations or changes in the enforcement of existing laws, rules or regulations, could:

- limit the lines of business we conduct;
- require us to reduce our ownership stake in a subsidiary;
- compel us to terminate certain lines of business in affected jurisdictions;
- require us to reduce our investment position in a particular instrument;
- result in material cost increases including our cost of capital;
- otherwise adversely affect our ability to compete effectively with other institutions that are not similarly impacted;
- require us to modify existing business practices;
- force us to relocate operations or personnel;
- require us to invest significant management attention and resources and legal costs to evaluate and make necessary changes to our compliance, risk management, treasury and operations functions;
- make it uneconomical for us to provide certain services in particular countries; and
- influence how we manage our capital and liquidity.

Our measures to prevent money laundering and terrorist financing violations may not be completely effective.

Notwithstanding the anti-money-laundering (“AML”) regulations that are in place in Kazakhstan, the EU, the U.S. and other jurisdictions in which we operate, we are subject to the risk that our subsidiaries that are financial institutions could be used as vehicles for money laundering.

Minimum standards and duties according to the anti-money laundering legislation in Kazakhstan, Cyprus, the EU, the U.S. and other jurisdictions where we operate include customer identification, analysis of the customer’s economic profile, record keeping, suspicious activity reporting, employee training, an audit function and designation of a compliance officer. Suspicious transactions must be reported on a daily basis to the relevant authorities. We comply with applicable anti-money-laundering and anti-terrorist financing laws and regulations. Our anti-money-laundering measures are based on relevant legislation. For example, Kazakhstan is a member of the Eurasian Group (an Associate Member of the FATF) and has enacted laws and regulations to combat money laundering, terrorist financing and other financial crimes. We have procedures and documents aimed at preventing money laundering and financing of terrorist activities, including a general anti-money-laundering policy, employee training, the designation of a compliance officer, internal control procedures that include a refusal policy whereby we may refuse to conduct business with suspicious entities or individuals and rules on counteracting money laundering and financing of individuals and legal entities engaged in terrorist activities. In the case of suspicious transactions, internal suspicion reports (ISRs) are submitted to the local compliance departments for initial internal investigation. In the case of confirmed suspicious transactions, such transactions are reported immediately to the relevant local financial intelligence unit (FIU).

Due to our omnibus brokerage arrangement with FST Belize, penalties and other enforcement actions could be brought against us under relevant AML/CTF laws due to breaches by FST Belize of those laws and regulation and similar laws despite the fact that we have indirect control over the activities and policies of FST Belize. Our subsidiary Freedom Finance Europe Limited has a Cross Border Correspondent Relationship Agreement with FST Belize wherein FST Belize has agreed to comply with AML/CTF controls that are applicable to brokers in the U.S. and EU, and to grant us access to its customer records for purposes of compliance monitoring upon our request. We do not have direct access to FST Belize’s customer check systems. In accordance with the Cross-Border Correspondent Relationship Agreement, Freedom Finance Europe Limited conducts random checks on a regular basis of trades received from FST Belize whereby it is able to obtain information on, and conduct customer checks on, the beneficial owners who are the beneficiaries of the relevant trades. FST Belize utilizes a third party provider platform to onboard and confirm liveness, face match and AML/sanctions screening on an ongoing basis.

In addition, we maintain omnibus brokerage accounts for certain other institutional brokerage clients, including certain Russian institutions. The order flow from these accounts represents transactions of underlying customers of the relevant institutions, which are executed by the relevant institutions through their omnibus accounts with us. While we have agreements with such institutional clients in which they have agreed to comply with AML/CTF controls that are applicable to brokers in the U.S. and EU, and we tested their frameworks and systems by regular risk-based sampling and have access to their underlying customer records for purposes of compliance monitoring, we do not have direct access to such institutional clients’ underlying customers or screening systems and as a result we cannot provide assurance that the beneficial owners who are the beneficiaries of trades being carried out through such omnibus accounts are conducting trades in compliance with applicable AML/CTF laws.

We believe that we fully comply with the reporting requirements under applicable legislation related to money laundering or terrorist financing. However, there can be no assurance that third parties will not attempt to use us as a conduit for money laundering or terrorist financing without our knowledge, nor that the measures described above will be completely effective. Any technical or other breaches of the anti-money laundering laws and regulations by us could have a material adverse effect on our business, results of operations, financial condition and cash flows.

If we violate securities laws or are involved in litigation in connection with a violation, our reputation and results of operations may be adversely affected.

Many aspects of our business involve substantial risks of liability. In our underwriting business, we are exposed to substantial liability under U.S. federal, state and non-U.S. securities laws, other U.S. federal and state and non-U.S. laws, and court decisions, including decisions with respect to underwriters’ liability and limitations on indemnification of underwriters by issuers. For example, a firm that acts as an underwriter may be held liable for material misstatements or omissions of fact in a prospectus used in connection with the securities being offered or for statements made by its securities analysts or other personnel. Our underwriting activities will usually involve offerings of the securities of smaller companies, which often involve a higher degree of risk and are more volatile than the securities of more established companies. In comparison with more established companies, smaller companies are also more likely to be the subject of securities class actions, to carry directors' and officers' liability insurance policies with lower limits or not at all, and to become insolvent. In addition, in market downturns, claims tend to increase. Each of these factors increases the likelihood that an underwriter may be required to contribute to an adverse judgment or settlement of a securities lawsuit.

We are subject to risks related to potential litigation.

We may be subject to legal claims from our customers and counterparties, employment-related claims and other claims. We could experience negative publicity and reputational damage as a result of lawsuits or claims, in addition to potentially significant costs incurred to defend ourselves or settle claims and judgments. Any of the foregoing could have a material adverse impact on our business, financial condition, results of operations and cash flow.

Risk Related to our Business and Operations

Our relatively limited operational history has coincided with sustained market growth which may not be predictive of future operating results.

Our legacy brokerage operations were merged into our holding company, which is a Nevada-incorporated company, in several stages between November 2015 and 2017, and we have grown rapidly over the last several years. For example, our total revenue, net (after presenting our Russian subsidiaries as discontinued operations) was U.S.$114.5 million for fiscal year ended 31 March 2020, U.S.$346.9 million for the fiscal year ended 31 March 2021, U.S.$689.8 million for the fiscal year ended 31 March 2022 and U.S.$795.7 million for the fiscal year ended 31 March 2023. Although this growth has been sustained over several years, our operational life has been relatively limited compared to longer term market and macroeconomic cycles. Our operating history has coincided with a period of general growth in the U.S. equity markets, as well as growth in the financial services and technology industries in which we operate. We therefore have not experienced any prolonged downturn or slowdown in macroeconomic or industry growth or any significant downturn in U.S. equity markets and cannot assure that we will be able to respond effectively to any such downturn or slowdown in the future. As such, our recent growth should not be considered indicative of our future performance. Further, as a result of the limited operating history of the Company in its current form, and our rapid growth during sustained favorable market and economic conditions, we have limited financial data that can be used to evaluate our future prospects, which subjects us to a number of uncertainties, including our ability to plan for, model and manage future growth and risks.

We may not be able to manage our growth effectively.

We have experienced recent rapid growth in our business over a short period. Our number of total brokerage customer accounts increased from approximately 170,000 as of 31 March 2021 to approximately 370,000 as of 31 March 2023. Our total number of employees increased from 2,546 employees as of 31 March 2021 to 3,689 employees as of 31 March 2023. Our total assets increased by 119% to U.S.$5.1 billion as of 31 March 2023 from U.S.$2.3 billion as of 31 March 2021. In addition, we have made a number of recent significant acquisitions, including the acquisitions of Bank Freedom Finance Kazakhstan JSC and Freedom Capital Markets in December 2020, and Freedom Finance Life JSC and Freedom Finance Insurance JSC in May 2022. We also expect to make other significant acquisitions in the future.

There is no guarantee that we will be able to achieve a positive return on the investment we make in the general expansion of our business. Moreover, our overall growth has required and will continue to require significant allocation of capital and management resources, further development of our financial, internal controls and information technology systems, continued upgrading and streamlining of our risk management systems and additional training and recruitment of management and other key personnel. At the same time, we must maintain a consistent level of client services and current operations to avoid loss of business or damage to our reputation. If we fail to adequately manage growth, such failure may have a material adverse effect on our business, results of operations, financial condition and cash flows.

We anticipate that acquisitions will continue to play a key role in our growth strategy, but we may be unable to identify, acquire, complete or integrate acquisition targets successfully.

Acquisitions have been, and continue to be, a significant component of our growth strategy. However, there can be no assurance that we will be able to continue to grow our business through acquisitions as we have done historically, that businesses acquired will perform in accordance with our expectations or that business judgments concerning the value, strengths and weaknesses of businesses acquired will prove to be correct.

We will continue to analyze and evaluate the acquisition of strategic businesses or product lines with the potential to strengthen our industry position, expand our customer base or enhance our existing service offerings. There is no assurance that we will identify or successfully complete transactions with suitable acquisition candidates in the future, nor is there assurance that completed acquisitions will be successful.

In addition, there are substantial risks associated with acquisitions and expansion into new business areas, including risks that (i) our unfamiliarity with new lines of business may adversely affect the success of such acquisitions, (ii) revenue from such activities might not be sufficient to offset the development, regulatory and other implementation costs, (iii) competing products and services and shifting market preferences might affect the profitability of such activities, and (iv) our internal controls might be inadequate to manage the risks associated with new activities. There is also substantial cost and time expended to complete post-closing integration of acquisitions, including human resource training, data and technology systems and operational processes. We may also incur potential dilution of our brand, assumption of known and unknown liabilities, indemnities and potential disputes with the sellers. Any such difficulties could disrupt our ongoing business, distract our management and employees, increase our expenses and adversely affect our results of operations. Furthermore, we cannot provide any assurance that we will realize the anticipated benefits and/or synergies of any such acquisition or investment.

We rely on our relationship with FST Belize for a significant percentage of our revenue, which exposes us to several risks.

Timur Turlov established FST Belize in July 2014. FST Belize was established to provide investors in Russia and Kazakhstan with easier access to the U.S. securities markets than a Russian or Kazakhstan company could provide, due to applicable regulations in Russia and Kazakhstan at the time, which imposed restrictions on foreign currency accounts, required mandatory securities custody in-country, and limited access to foreign securities, unless listed on local exchanges. When our legacy brokerage operations were merged into the Company beginning in November 2015, FST Belize remained outside of the Company’s group. We have conducted, and continue to conduct, a significant amount of business with FST Belize through its omnibus accounts with our Freedom Finance Europe Limited subsidiary and though omnibus accounts that Freedom Finance Europe Limited holds with FST Belize. In year ended 31 March 2023, approximately 61% of our fee and commission income was derived from transactions with FST Belize. The majority of the order flow from FST Belize to Freedom Finance Europe Limited represents transactions of customers of FST Belize, which are executed by FST Belize through its omnibus accounts with Freedom Finance Europe Limited.

The significant amount of business we conduct with FST Belize subjects us to certain risks. In particular, related party transactions are generally regarded as increasing the risk of misstatements or omissions in financial reporting, the risk of transactions being done on other than arm’s length terms due to the close ties between the parties involved and the risk of regulatory non-compliance. In particular, this arrangement subjects us to the risk of penalties and other enforcement actions under relevant AML/CTF laws that could result from breaches by FST Belize of those laws and regulations, economic sanctions and similar laws despite the fact that we have no direct control over the activities or policies of FST Belize. We estimate that, as of 31 March 2023, approximately 40% of the brokerage customers of FST Belize were Russian persons. In addition, the large extent of our related party transactions with FST Belize could have an adverse effect on our relationships with applicable regulators.

While we intend to reduce the amount of transactions conducted under our omnibus brokerage arrangement with FST Belize over time and to ultimately eliminate such arrangement, and our fee and commission income from transactions with FST Belize has decreased in each of the past four financial quarters including the quarter ended 31 March 2023, there can be no assurance as to the extent or timing of our reducing or eliminating such transactions going forward. A failure by us to reduce the level of our related party transactions with FST Belize could have an adverse effect on our business, financial condition, results of operations, prospects and cash flows.

Competition in the markets in which we operate may result in a decrease in our market share and/or profitability.

We face intense competition in each of the markets where we offer our services. We compete with international, regional and local brokerage, banking, and financial services firms that offer an array of financial products and services. Many of the firms with which we compete are larger, provide additional and more diversified services and products, provide access to more international markets, and have greater technical and financial resources. If we fail to compete effectively with other retail brokerage and financial services firms, or potential new entrants to the market, this could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We could suffer significant losses from credit exposure.

We are exposed to credit risk, primarily from institutions and individuals through the brokerage services we offer. We incur credit risk in a number of areas, including margin lending. We extend margin loans to our customers. As of 31 March 2023, we had margin lending receivables in the amount of U.S.$376.3 million. When we purchase securities on margin, enter into securities repurchase agreements or trade options or futures, we are subject to the risk that we, or our customers, may default on those obligations when the value of the securities and cash in our own proprietary or in the customers' accounts falls below the amount of the indebtedness. Abrupt changes in securities valuations and the failure to meet margin calls could result in substantial financial losses. Margin loans are collateralized by cash and securities in the customers' accounts. The risks associated with margin credit increase during periods of fast market movements, or in cases where collateral is concentrated, and market movements occur. During such times, customers who utilize margin loans and who have collateralized their obligations with securities may find that the securities have a rapidly depreciating value and may not be sufficient to cover their obligations in the event of a liquidation. We are also exposed to credit risk when our customers execute transactions, such as short sales of options and equities that can expose them to risk beyond their invested capital. Because we indemnify and hold harmless our clearing houses and counterparties from certain liabilities or claims, the use of margin loans and short sales may expose us to significant off-balance-sheet risk in the event that collateral requirements are not sufficient to fully cover losses that customers may incur and those customers fail to satisfy their obligations. The amount of risk to which we are exposed from the margin lending we extend to our customers and from short sale transactions by our customers is potentially unlimited and not quantifiable as the risk is dependent upon analysis of a potential significant and undeterminable rise or fall in stock prices. As a matter of practice, we enforce real-time margin compliance monitoring and liquidate customers' positions if their equity falls below established margin requirements.

In addition, we have exposure to credit risk from our digital mortgage program in Kazakhstan. Although we take part in a government mortgage program whereby the Kazakhstan government funds the amount of approved mortgages, we service the mortgages and remain liable for mortgage in the event of default, but we are protected by our security interest in the real property. As such, significant mortgage defaults in Kazakhstan could adversely affect our banking operations and the ultimate success of our digital mortgage product.

We also have exposure to credit risk associated with our proprietary investments. We rely on the use of credit arrangements as a significant component of our trading strategy. Our investments are subject to price fluctuations as a result of changes in the financial markets' assessment of credit quality. Loss in securities value can negatively affect our financial performance and earnings if our management determines that such securities are other-than-temporarily-impaired ("OTTI"). The evaluation of whether OTTI exists is a matter of judgment, which includes the assessment of several factors. If our management determines that a security is OTTI, the cost basis of the security may be adjusted, and a corresponding loss may be recognized in current earnings. Deterioration in the value of securities held in our proprietary portfolio could result in the recognition of future impairment charges. Even if a security is not considered OTTI, if we were forced to sell the security sooner than intended, we may have to recognize an unrealized loss at that time.

While we have policies and procedures designed to manage credit risk, the policies and procedures may not be fully effective to protect us against the risk of loss.

Our ability to meet our obligations, and the cost of funds to do so, depend on our ability to access identified sources of liquidity at a reasonable cost.

Liquidity risk is the risk that we will not be able to meet our obligations, including financial commitments, as they come due. This risk is inherent in our operations and can be heightened by a number of factors, including an over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. We fund ourselves principally by issuing long-term debt instruments, from deposits at our bank subsidiary, by issuing hybrid financial instruments and from cash flow from operations.

The proportion of our funding represented by customer deposits has been increasing, and we intend to for this proportion to continue to increase going forward as part of our funding strategy. We obtain deposits directly from retail and commercial customers and through brokerage firms that offer our deposit products to their customers. However, customer deposits are subject to fluctuation due to certain factors outside our control, such as increasing competitive pressures for retail or corporate customer deposits, changes in interest rates and returns on other investment classes, or a loss of confidence by customers in us or in the banking sector generally, any of which could result in a significant outflow of deposits within a short period of time. To the extent there is heightened competition among Kazakhstan banks for retail customer deposits, this competition may increase the cost of procuring new deposits and/or retaining existing deposits, and otherwise negatively affect our ability to grow our deposit base. An inability to grow, or any material decrease in, our deposits could have a material adverse effect on our ability to satisfy our liquidity needs.

Maintaining a diverse and appropriate funding strategy for our assets consistent with our wider strategic risk appetite and plan remains challenging, and any tightening of credit markets could have a material adverse impact on us. In particular, there is a risk that corporate and financial institution counterparties may seek to reduce their credit exposures to banks and other financial institutions, which may cause funding from these sources to no longer be available. Under these circumstances, we may need to seek funds from alternative sources, potentially at higher costs than has previously been the case or may be required to consider disposals of other assets not previously identified for disposal, to reduce our funding commitments. Widening credit spreads, as well as significant declines in the availability of credit, have in the past adversely affected our ability to borrow on a secured and unsecured basis and may do so in the future. If our available funding is limited or we are forced to fund our operations at a higher cost, these conditions may require us to curtail our business activities and increase our cost of funding, either of which could reduce our profitability, particularly in our businesses that involve investing, lending and market making.

We may need to raise additional capital, and we cannot be sure that additional financing will be available or available on attractive terms.

To satisfy or refinance existing obligations, support the development of our business, adapt to changing business conditions or carry out our growth strategy through acquisitions, we may require additional cash resources. If our existing resources are insufficient to satisfy our cash requirements, we may seek to sell additional equity or debt securities or obtain other borrowings, and we cannot be certain that such additional financing would be available on terms acceptable to us or at all. The sale of additional equity securities could result in dilution to our stockholders, and additional indebtedness would result in increased debt service costs and obligations and could impose operating and financial covenants that would further restrict our operations.

Reductions in our credit ratings or an increase in our credit spreads could adversely affect our business, liquidity and cost of funding.

On October 31, 2023, S&P Global Ratings affirmed the long-term credit rating of Freedom Holding Corp. at the “B-“ level and long-term and short-term credit ratings of Freedom Finance JSC, Freedom Finance Europe Limited, Freedom Finance Global PLC and Bank Freedom Finance Kazakhstan JSC at the “B/B” level. The ratings of Freedom Finance JSC and Bank Freedom Finance Kazakhstan JSC on the national scale were confirmed at the level of “kzBB+”. S&P Global Ratings revised the outlook on Freedom Holding Corp. and its core subsidiaries to negative.

On August 24, 2023, S&P Global Ratings placed the ratings of FRHC, Freedom Finance JSC, Freedom Finance Europe Limited, Freedom Finance Global PLC and Bank Freedom Finance Kazakhstan JSC on CreditWatch with negative implications. Reasons provided by S&P Global Ratings for the CreditWatch designation included the risk that certain disclosures in the FRHC’s annual report and recently published allegations by a third party could lead to a loss of critical counterparties and potentially weaken the FRHC’s franchise. On October 31, 2023, S&P Global Ratings removed the ratings of FRHC and its core subsidiaries from CreditWatch on the basis that the immediate fallout from the allegations published by a third party was relatively contained.

Freedom Finance Life JSC has a long-term issuer credit and financial strength rating of of “BB-” (stable outlook) and a rating on the Kazakhstan national scale of “kzA-” with a stable outlook, and Freedom Finance Insurance JSC has a “B+” rating (stable outlook) and “kzBBB” Kazakhstan national scale rating with stable outlook, in each case from Standard & Poor’s. These ratings were affirmed by Standard & Poor’s on August 24, 2023.

Reductions in our credit ratings may adversely affect both our ability to obtain long-term funding and our credit spreads and resulting cost of such funding. Our cost of obtaining long-term unsecured funding is directly related to our credit spreads (the amount in excess of the interest rate of benchmark securities that we need to pay). Increases in our credit spreads can significantly increase our cost of this funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. In addition, decreases in the credit rating of Freedom Finance JSC, or FRHC as its owner, may affect Freedom Finance JSC’s brokerage license and impose certain requirements on FRHC as its owner with respect to Freedom Finance JSC’s investment portfolio management capacity. Decreases in the credit rating of Bank Freedom Finance Kazakhstan JSC may also impose certain requirements on FRHC as its owner with regard to its regulatory status as a bank holding company in Kazakhstan.

Our investments expose us to a significant risk of capital loss.

We use a significant portion of our capital to engage in a variety of investment activities for our own account, as well as in our exchange-based market making activities. As of 31 March 2023, our assets included U.S.$2.4 billion of trading securities, approximately 52.6% of which consisted of corporate debt securities and approximately 42.7% of which consisted of non-U.S. sovereign debt securities. We have relied on leverage, including by entering into reverse repurchase agreements, repurchase agreements, securities borrowed and securities loaned transactions, to increase the size of our proprietary securities portfolio. As a result, we may face risks of illiquidity, loss of principal and revaluation of assets. The companies in which we invest may concentrate on markets which are or may be disproportionately impacted by pressures in the sectors on which they focus, and their existing business operations or investment strategies may not perform as projected. As a result, we may suffer losses from our investment activities. Our proprietary portfolio is concentrated in the sovereign debt instruments of a few non-U.S. countries and debt and equities of a number of companies. A consequence of this investment strategy is that our investment returns could be materially and adversely affected if these investments do not perform as anticipated or if the market performs differently than we forecast. Moreover, because we rely on leverage in our portfolio, when an investment does not perform within the time horizon we project, we face the risk of either having to close the position at a time when the market price or liquidity might be unfavorable or extending financing arrangements beyond the time frame initially anticipated, which can result in paying higher financing costs than projected. If a significant investment such as this fails to perform as anticipated our return on investment, liquidity, cash flow, financial condition and results of operations could be materially negatively affected, and the magnitude of the loss could be significant.

Substantially all of our investing and market-making positions are marked-to-market on a daily basis and declines in asset values directly and immediately impact our earnings. Although we may take measures to manage market risk, such as employing position limits, hedging and using quantitative risk measures, we may incur significant losses from our trading activities due to leverage, market fluctuations, currency fluctuations and volatility. To the extent that we own assets, i.e., have long positions, a downturn in the value of those assets or markets could result in losses. Conversely, to the extent we have sold assets we do not own, i.e., have short positions, an upturn in those markets could expose us to potentially large losses as we attempt to cover our short positions by acquiring assets in a rising market. We cannot give assurance that our investing and market-making strategies will be effective in all situations or that those activities will always be profitable. For example, an increase in interest rates, a general decline in debt or equity markets, an inability to properly and cost effectively hedge, economic slowdowns, delays in timing of anticipated events, an inability to identify and engage suitable counterparties, or other market conditions adverse to entities or investments of the type in which we invest or for which we make markets, or other world events, such as wars, including the Russia-Ukraine conflict, natural disasters or the outbreak of a pandemic such as Covid-19, could result in a decline in the value of our investments. Additionally, changes in existing laws, rules or regulations, or judicial or administrative interpretations thereof, or new laws, rules or regulations could have an adverse impact on our investments.

We are dependent upon our relationships with third-party U.S.-registered securities broker-dealer and clearing firms to receive and transmit securities and funds internationally.

We provide our brokerage customers with access to the U.S. stock markets, and a significant amount of our brokerage business relates to trading in U.S.-listed securities by our brokerage customers. Our Freedom Capital Markets subsidiary is not a licensed clearing firm. We rely on the services of a limited number of third-party U.S.-registered securities broker dealer and clearing firms to execute these trades. In executing purchase transactions, we transmit the funds invested by our customers to the relevant U.S.-registered securities broker-dealer and clearing firms, which execute the purchases of the securities. In executing sales, funds from the sale of securities are transmitted from such U.S.-registered securities broker dealer and clearing firms back to us through international banking electronic transfers. We also routinely evaluate opportunities to establish relationships with other U.S.-registered securities broker-dealer and clearing firms. While part of our strategy is to consider acquiring an ownership interest in a self-clearing company in the United States in the future on an opportunistic basis in order to provide us additional access to the U.S. stock markets, there can be no assurance that we will ultimately do so. Damage to or the loss of our relationships with the U.S. registered securities broker-dealer and clearing firm on which we currently rely could impair our ability to continue to provide our customers access to the U.S. markets at the volumes and in the manner they are accustomed to and could result in higher transaction costs for us or our customers, any of which could have a material adverse impact on our business, results of operations, and financial condition.

We may suffer significant loss from changes in the KASE's requirements related to the discount coefficients on the securities in securities repurchase transactions.

As part of our investment activities, both as an intermediary between borrowers and lenders and on a proprietary basis, we raise funds through repurchase transactions on the KASE. Our short-term financing is primarily obtained through securities repurchase arrangements. The securities we pledge as collateral under repurchase agreements are liquid trading securities with market quotes and significant trading volume. Depending on the reliability of the instrument used to secure the repurchase transaction, the KASE has established the size of the discount for securities. The discount is a decreasing coefficient that sets the maximum borrowing amount for repurchase transactions in relation to each individual instrument. In the event of unexpected changes in the terms of the discount, we may incur financial losses associated with the need to sell securities to cover liquidity at a cost disadvantageous to us, or due to the need to borrow necessary funds at higher rates.

Our modeling and assumptions used in assessing risks in our insurance business may differ materially from actual results.

We use modeling and forecasts to estimate exposures, loss trends and other risks, and to assist us in decision-making related to underwriting, pricing, capital allocation, and other issues associated with our insurance businesses. Our models and forecasts are subject to various unverifiable assumptions, uncertainties, model design errors, complexities and inherent limitations, including those arising from the use of historical internal, industry, and unverified, third party-provided data and assumptions. If, based upon these models, forecasts or other factors, we misprice our products or fail to correctly estimate the associated risks, our business, results of operations, financial condition and cash flows may be materially adversely affected.

We also establish and monitor underwriting guidelines and an approval process for assessing and addressing risks and their limits; however, we cannot assure that the assumptions our guidelines and limits are based on, or the analysis of those assumptions, are correct or will accurately reflect future results. As a result, we cannot be assured that these guidelines and approval process will be effective in mitigating our underwriting risks.

In our insurance business, we may not be able to obtain reinsurance at required levels or prices, or otherwise collect on reinsurance, which could increase our exposure or limit our ability to write new policies.

The availability and cost of reinsurance are dependent on market conditions beyond our control. As a result, reinsurance may not be continuously available to us to the extent and on the terms, we require to write new business. If we cannot obtain reinsurance or purchase reinsurance at acceptable prices, we would have to either accept an increase in our exposure or reduce our insurance exposure by limiting writing new policies that we think necessitate reinsurance protections, either of which could have a materially adverse effect on our insurance businesses.

Further, our reinsurance programs have counterparty risk that may result in uncollectible claims. Collectability from reinsurers is subject to factors such as whether reinsurers have the financial capacity to make payments, whether insured losses meet the conditions of the reinsurance contract, and whether the reinsurer otherwise disputes coverage. Our inability to recover from reinsurers, for any reason, could have a material effect on our results of operations, financial condition and business prospects.

We are dependent on our executive management team, particularly Timur Turlov, and our ability to hire and retain skilled personnel.

We depend on the efforts, skills, reputations and business contacts of our executive management team, in particular Timur Turlov, and the management teams of our subsidiaries. These individuals have made significant contributions to our success, and we believe our success moving forward depends, to a significant extent, on the experience of these individuals, whose continued service is not guaranteed. If certain individuals leave or are otherwise no longer available to us for any reason, we may not be able to replace them with comparable capable personnel. Due to Mr. Turlov's importance to our company, we would be materially adversely affected if Mr. Turlov ceased to actively participate in the management of our business or left the company entirely. We do not hold "key man" life insurance on Mr. Turlov or any of our other officers or directors.

In addition to the importance of Mr. Turlov and other executive management in our continued growth and success, we are dependent, in part, on our continued ability to hire, adequately train and retain skilled employees. The pool of experienced and qualified employee candidates is limited in some of the geographical areas where we conduct business, and competition for skilled employees can be significant. Additionally, we rely on experienced managerial, marketing and support personnel to effectively manage and operate our business. If we fail in engaging and retaining skilled employees and other personnel or if we experience a loss of such personnel, we may be unable to meet our objectives and, as a result, our business may suffer.

Extraordinary events beyond our control could negatively impact our business.

Our business and operations could be seriously disrupted, and our reputation could be harmed by events or contributing factors that are wholly or partially beyond our control. The occurrence of such extraordinary events, including the emergence of pandemics or other widespread health emergency (or concerns over the possibility of such an emergency); persistent or recurring endemics; political discord and civil unrest; terrorist attacks; cyber-attacks; war and armed conflict (including but not limited to the Russia-Ukraine conflict); extreme weather events or other natural disasters; failure of, or loss of access to, technology or operational systems, including any resulting loss of critical data; power, telecommunications or internet outages; or shutdowns of mass transit, could create, and in the cases of Covid-19, civil unrest in Kazakhstan in January 2022, and the Russia-Ukraine conflict, have created, and may continue to create, economic, governmental and financial disruptions, and could lead to operational difficulties (including shutdowns of our offices, quarantine, shelter in place and travel limitations) that could impair our ability to operate our business.

Risks Related to Information Technology and Cyber Security

Our brokerage, financial services, and banking operations are highly dependent on the continued and proper functioning of our information technology systems.

Our brokerage, financial services and banking businesses are highly dependent on processing, daily, a large number of communications and increasingly complex transactions across diverse markets, in various languages. These communications and transactions are accomplished primarily through electronic information technology systems ("IT") that are comprised of a wide array of computer systems, software, server and network hardware, internet connectivity and underlying infrastructure that enable them to function. The financial, accounting, or other data processing systems we or the firms that clear transactions on behalf of our customers use may fail to operate properly, become disabled, or otherwise become unavailable, as a result of events that are wholly or partially beyond our control.

Events causing failures of our systems may include a disruption of electrical, communications, internet or other infrastructure, or related services, or our inability to access or use one or more of our facilities, as a result of any number of occurrences, including, but not limited to, the outbreak of a pandemic such as Covid-19, social unrest such as occurred in Kazakhstan in January 2022, or armed conflict such as the Russia-Ukraine conflict. For example, during the transition to the new calendar year 2023, Bank Freedom Finance Kazakhstan Bank JSC experienced a technical failure in processing transactions on its Multi Invest cards, because of which it incurred losses of approximately U.S.$3 million. After the error was identified, measures were taken to rectify the issue and provide for timely synchronization of the balances going forward.

If any of these systems do not operate properly or are disabled or otherwise unavailable, or if there are other shortcomings or failures in our internal processes, personnel, or systems related to the electronic communications and functionality our operations depend on, we could suffer impairment to our liquidity, financial loss, a disruption of business, liability to customers, regulatory intervention, or reputational damage. The inability of our systems to accommodate an increasing volume of transactions could also constrain our ability to expand our business operations.

Our "Tradernet" electronic trading platform is proprietary technology that plays a key role in both our customers' use of our services and for other important aspects of our business. Errors, failures, delays, interruptions, disruptions, vulnerabilities, bugs, incompatibility, obsolescence, or similar issues with Tradernet, or the software or systems upon which Tradernet relies for its functionality, however caused, could result in business disruptions, financial loss, reputational damage, and other adverse impacts on our business.

We interact with large volumes of sensitive data that exposes us to IT breaches and other data security risks and liabilities.

Our operations rely on the secure processing, storage, and transmission of confidential, personal, financial, and other information in our computer systems and networks. Our ability to operate our business, and specifically our electronic trading platform, Tradernet, depends on our ability to protect the computer systems, networks and databases that we operate and use from unauthorized intrusions of third parties, including cyber-attacks. Our computer systems, software, and networks may be vulnerable to unauthorized access, computer viruses, spyware or other malicious code, and other evolving cyber security threats.

The occurrence of one or more of these events could: (a) jeopardize confidential and other information processed by, stored in, and transmitted through our computer systems and networks or the computer systems and networks of our customers or other third parties with whom we conduct business; or (b) otherwise cause interruptions or malfunctions in our operations or the operations of our customers or third parties with whom we conduct business. In addition, new and expanding data privacy laws and regulations are, or soon will be, in effect in many of the jurisdictions where we conduct business. These pose increasingly complex compliance challenges, which may increase compliance costs, and compliance failures could result in significant fines, penalties and liability.

We have previously experienced cyber security incidents which breached our information systems, but these were contained by our response teams and generated negligible impacts. There is also a possibility that we are not currently aware of certain undisclosed vulnerabilities in our IT systems and other assets. There is an increased likelihood that escalation of tensions from the Russia-Ukraine conflict could result in cyber-attacks that could either directly or indirectly impact our operations. Although our subsidiaries have implemented cyber security strategies for mitigating these risks, we cannot be sure that our network and information technology systems will not be subject to such issues, or, if they are, that we will be able to maintain the integrity of our customers' and employees' data or that malware or other technical or operational issues will not disrupt our network or systems and cause significant harm to our operations. If our services are affected by attacks or malware and this degrades our services, our products and services may be perceived as being vulnerable to cyber risk and the integrity of our data protection systems may be questioned. As a result, users and customers may curtail or stop using our products and services, and we might incur reputational damage, litigation exposure, regulatory fines, penalties, reimbursement, or other compensatory costs.

As of the date of this report, most of our employees have returned to working on site rather than remotely, which we believe lessens the overall IT risks associated with widespread remote work. However, possible outbreaks or other events occur in the future, we may again be required to move a significant portion of our workforce to working remotely. We continue to use risk management and contingency plans and other precautions designed to address the heightened risk of cyber security breaches resulting from a significant remote work force. However, we cannot assure that such measures will continue to adequately protect our business in the event of future transitions of our workforce to remote working, as remote working environments may be less secure and more susceptible to cyber security threats.

We do not maintain insurance policies to mitigate these risks because such insurance may not be available or may be more expensive than the perceived benefit. Any insurance that we may purchase to mitigate certain risks may not cover all losses.

The infrastructure on which our IT systems depend is subject to events that could interrupt our ability to operate.

The infrastructure upon which our operations and IT systems depend, including electrical communications and internet, and transportation and other services, are vulnerable to damage or disruptions from events outside our control, including natural disasters, military conflicts, power, telecommunications and internet unavailability or outages, terrorist acts, riots, government shutdown orders, changes in government regulation, equipment or system failures or an inability to access or operate such equipment or systems, human error or intentional wrongdoings, cyber-attacks or any other types of information technology security threats.

In addition, as we operate in emerging markets which may have an increased threat of terrorism, military conflict, social unrest or governmental interference with infrastructure, which could result in property damage, business interruption and damage to our brand or reputation. The local authorities may order our subsidiaries to temporarily shut down their entire networks or part or all of our networks may be shut down due to actions relating to military conflicts, social unrest or a nationwide strike. For example, during the social unrest in Kazakhstan that occurred in January 2022, the Kazakhstan government temporarily shut down access to the internet in the country, which resulted in severance of internal communications within our Kazakhstan subsidiaries.

Because we have employees in several locations in Kazakhstan, Uzbekistan, Kyrgyzstan, Azerbaijan, Germany, Spain, Greece, France, the UAE, the UK, the U.S. and Cyprus, all of whom need to work and communicate as an integrated team, the functionality of the infrastructure affects our ability to conduct business. If a disruption occurs in one location and our employees in that location are unable to communicate with or travel to other locations, our ability to serve and interact with our customers may suffer. While we have contingency plans in place to address such issues, these plans may not always be deployed successfully or be adequate to fully offset the impacts of such disruptions. We do not maintain insurance policies to mitigate these risks because such insurance may not be available or may be more expensive than the perceived benefit. Further, any insurance that we may purchase to mitigate certain risks may not cover all losses.

In addition, the computers and data centers that process our trades and payments are in the same locale. If a catastrophic event were to occur at such a locale it may result in permanent data loss. More generally, substantial property and equipment loss, and disruption in operations as well as any defects in our systems or those of third parties or other difficulties could expose us to liability and materially adversely impact our business, financial condition and results of operations. In addition, any outage or disruptive efforts could adversely impact our reputation and other aspects of our business.

Failure of third-party systems and operations on which we rely could adversely affect our business.

We rely on certain third-party computer systems or third-party service providers, including clearing systems, other broker-dealers, exchange systems, banking systems, internet service, co-location facilities, communications facilities, and other facilities. Any interruption in these third-party services, or deterioration in their performance, could be disruptive to our business. If our arrangement with any third-party is terminated, we may not be able to find an alternative source of systems support on a timely basis or on commercially reasonable terms. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Funds invested by our customers in securities of U.S. companies are transmitted by us to U.S. registered securities broker-dealer and clearing firms. Funds from the sale of securities are transmitted from such U.S. registered securities broker-dealer and clearing firms back to us through international banking electronic transfers, which can experience clerical and administrative mistakes, be subject to technical interruption, be delayed, or otherwise fail to work as planned. We do not have any control over these funds' transfers. Failures or substantial delays in funds transfers could impair our customer relationships. Damage to or the loss of our relationships with these U.S. registered securities broker-dealer and clearing firms could also impair our ability to continue to offer such services to our customers which could have a material adverse impact on our business, results of operations, financial condition, and cash flows.

Our success also depends on the continued availability, development, and maintenance of the internet infrastructure globally and particularly in the countries in which we operate. This includes maintenance of a reliable network backbone with the necessary speed, data capacity and security for providing reliable internet services. Any disruption in network access provided by third parties or any failure by them to handle current or higher future volumes of use may significantly harm our business. We have experienced and expect to continue to experience interruptions and delays in service from time to time. Furthermore, we depend on hardware and software suppliers for prompt delivery, installation and service of servers and other equipment to deliver our services.

In connection with the Russia-Ukraine conflict, the Russian authorities have placed increased restrictions on access to the internet, including limiting global internet connections for Russian users, restricting access to certain internet sites and imposing regulations governing various information technology service providers. These restrictions increase the risks that we will not be able to adequately or timely communicate with customers who are Russian person to provide our services and could result in the loss of such business.

To remain competitive, we must keep pace with rapid technological change.

The global securities industry is characterized by rapidly changing technology, shifting industry standards and evolving trading systems, practices and techniques. Our customers' needs and demands fluctuate with these changes. We are focused on anticipating and developing technologies to meet the constantly changing demands of the market through ongoing enhancement of our products, services and platforms. If our platforms and systems do not operate properly, are slow to market, provide customers with a poor user experience, or are non-competitive with the offering of our competitors, we could experience a loss in business that could reduce our earnings or cause a loss of revenue.

Our "Tradernet" electronic trading platform is proprietary technology that has taken substantial resources and time to build and requires continued development to remain competitive with other trading platforms. Adoption or development of superior platforms or technologies by our competitors may require us to devote substantial resources to the further development of Tradernet, or other platforms, to remain competitive. Our future success will depend in part on our ability to develop, adapt or acquire up-to-date technology that meets ever evolving industry standards. We may not always be correct or timely in our assessment of how technological changes may impact our business. If we are unable to develop, adapt to, access or acquire technology that meets or exceeds industry standards on a timely and cost-effective basis, which could materially and adversely impact our business, financial condition and results of operations.

For example, in Kazakhstan we have developed an online-based platform that integrates Kazakhstan government databases with our services, making our service offerings faster and more convenient than services without such integration. We do not control the relevant government databases and cannot guarantee that we will always have access to such databases or proper functionality with such databases. For us to expand this type of integrated product outside of Kazakhstan, we would be reliant on similar databases being available and able to integrate with our systems in the jurisdictions to which we expand, the availability of which will likely vary greatly among jurisdictions.

Furthermore, many of our competitors are larger, more experienced and have greater resources to devote to the development of new technologies and services. If we are unable to keep pace with their development efforts our customers may find our platforms and services less compelling, which could lead to customer losses or a reduction in the revenue we generate from our product and service offerings.

Risks Related to Our Operations in Emerging Markets

Emerging markets, such as many of the markets in which we operate, are subject to greater risks than more mature markets, including significant political, economic and legal risks.

Generally, investments in emerging markets are only suitable for sophisticated investors who fully appreciate the significance of the risks involved. Investors in emerging markets should be aware that these markets are subject to greater risk than more mature markets, including in some cases significant political, economic and legal risks, including:

- difficulties in enforcing legal rights;

- corruption in certain countries;
- economic volatility and sustained economic down turns;
- restrictive changes in securities brokerage, financial services and banking laws;
- differing and sometimes conflicting legal and regulatory regimes;
- unpredictable, uncertain and potentially adverse changes to tax regimes;
- difficulties in developing, staffing, and simultaneously managing a number of international operations;
- risks related to government regulation;
- uncertain protection and enforcement of our intellectual property rights;
- uncertain and changing judicial and regulatory environments and requirements;
- currency exchange rate fluctuations and currency exchange controls;
- procuring adequate insurance; and
- political or social unrest, including domestic protests such as occurred in Kazakhstan in January 2022 and international conflicts, such as the Russia-Ukraine conflict.

Emerging market governments and judiciaries often exercise broad, unchecked discretion and are susceptible to abuse and corruption. Investors should also note that emerging economies such as Kazakhstan are subject to rapid change and that the information set out herein may become outdated relatively quickly. Moreover, financial, political or social turmoil in any emerging market country can disrupt the local securities markets.

We are exposed to foreign currency fluctuation risks.

Because our business is conducted in multiple countries, we face exposure to movements in foreign currency exchange rates. This exposure may change over time as business practices evolve and can have a material impact on our financial statements. Our functional currency is the U.S. dollar. The functional currencies of our subsidiaries include the Kazakhstan tenge, the euro, the Ukrainian hryvnia, the Uzbekistan som, the Kyrgyzstan som, the Azerbaijan manat, the Armenian dram, the British pound sterling and the United Arab Emirates dirham. For financial reporting purposes, those currencies are translated into U.S. dollars as the reporting currency. Assets and liabilities are translated at the exchange rate in effect at the balance sheet dates. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. As the value of the functional currencies of our subsidiaries weakens against the U.S. dollar, we may realize losses arising as a result of translating such foreign currencies to U.S. dollars. Conversely, as the value of the U.S. dollar weakens against the functional currencies of our subsidiaries, we may realize gains arising as a result of currency translation.

Fluctuations in currency exchange rates have had, and will continue to have, an impact on our results of operations. For example, the countrywide unrest in Kazakhstan in January 2022 and again following the onset of the Russia-Ukraine conflict the government of Kazakhstan imposed rules that included strict restrictions on currency operations between residents and non-residents. Such rules may be imposed when the applicable regulator believes there exists a serious threat to the stability of payment balances, the foreign currency market or economic security and can have a significant impact on currency rate fluctuation.

In February and March 2022, the Kazakhstan tenge and Russian ruble depreciated significantly against major foreign currencies amid the geopolitical situation related to Russia-Ukraine conflict. However, Kazakhstan and Russia have since been able to strengthen the tenge and Russian ruble, respectively, with capital controls and higher interest rates, bringing them closer to pre-conflict levels. These fluctuations in our operating currencies resulted in losses on foreign exchange operations during the fourth quarter of fiscal year ended 31 March 2022 and subsequent improvement in the first quarter of year ended 31 March 2023 as those currencies recovered. We cannot assure you that such currency exchange rate fluctuations will not adversely impact our operating results, cash flows and financial condition in the future. While we may employ strategies to hedge against currency fluctuations, the use of such strategies can also result in the loss of potential benefits that might result from favorable exchange rate fluctuations.

We face interest rate change risks.

Fluctuations in interest rates can impact our earnings. Declines in interest rates can have a detrimental effect on the interest we earn. A rise in interest rates could negatively impact us if we hold securities that have an inverse relationship with interest rates or where market conditions or the competitive environment induces us to raise our interest rates or replace deposits with higher cost funding sources without offsetting increases in yields on interest-earning assets.

To reduce the negative impact of sanctions and other actions related to the Russia-Ukraine conflict on the Kazakhstan economy, the NBK raised the base rate from 10.25% to 16.75% per annum. The base rate was increased to produce a rise in deposit rates to levels needed to compensate for increased depreciation and inflation risks. This was needed to support financial and price stability and protect the savings of Kazakhstan citizens from depreciation. Russia similarly raised interest rates during this period. The rate increases contributed to a significant net loss on our trading securities, largely due to the revaluation of our bond positions. Further interest rate hikes in the future could have similar negative effects.

The economies of Kazakhstan and other countries in which we operate are vulnerable to external shocks and fluctuations in the global economy.

Shocks and fluctuations to the global economy may adversely impact Kazakhstan and the other countries in which we operate. For example, a substantial amount of our operations is conducted in Kazakhstan. We estimate that, for year ended 31 March 2023, approximately 68% of our total revenue and approximately 79% of our total net income was attributable to our operations in Kazakhstan, and as of 31 March 2023, approximately 84% of our total assets were attributable to our operations in Kazakhstan. Kazakhstan's economy and finances have been adversely affected by global financial developments and political changes. Real GDP growth decreased from 4.2% in 2014 to 1.2% in 2015 and 1.1% in 2016 before increasing to 4.1% in 2017, 4.1% in 2018, and 4.5% in 2019. GDP then contracted by 2.5% in 2020 due to the direct and indirect impact of the Covid-19 pandemic, including the sharp decline in oil prices following the outbreak of the pandemic. In 2021, GDP growth was 4.3%. In 2022, GDP growth decreased to 3.2% in part due to the decreased oil production and supply-chain disruptions caused by the Russia-Ukraine conflict, The decrease in the GDP growth rate from 2014 to 2016 was principally attributable to a decrease in global demand for oil and gas and the resulting decrease in oil production and a fall in oil prices. While in recent years Kazakhstan has sought to diversify its economy and, in particular, to increase exports of manufacturing products, Kazakhstan continues to remain heavily reliant on the oil and gas industry and on hydrocarbon exports.

Changes in both the global and domestic environment have resulted in, among other things, lower liquidity levels across the banking sector, tighter credit conditions for Kazakhstan companies generally and fluctuating global demand for, and instability in, the price of crude oil and other commodities and downward pressure on the tenge. For example, the tenge depreciated significantly relative to the U.S. dollar in 2018 mainly due to significant deterioration of external factors, such as depreciation of the Russian ruble and the decrease in crude oil prices (starting from October 2018) due to increased oil reserves and oil production by principal exporters. The tenge depreciated relative to the U.S. dollar by 10.4% in 2020 primarily due to a sharp fall in oil prices caused by the Covid-19 pandemic. As a result of the onset of the Russia-Ukraine conflict, the tenge depreciated by 8.0% relative to the U.S. dollar during the quarter ended 31 March 2022. However, during year ended 31 March 2023 the value of the tenge largely stabilized and appreciated by 3.1% against the U.S. dollar.

Kazakhstan and other countries remain vulnerable to external shocks and the economic performance of their trading partners. A significant decline in economic growth in the EU or in any of a country's other major trading partners, including Russia (whether or not resulting from international sanctions), could have a material adverse effect on such country's balance of trade and adversely affect its economic growth. Weaknesses in the global economy, or a future external economic crisis, may have a negative effect on economies or investors' confidence in the markets where we operate. Such developments could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Kazakhstan's economy is vulnerable to internal political and social unrest.

The countrywide unrest in Kazakhstan that occurred in January 2022 resulted in major interruptions to Kazakhstan's financial market. As a result of shutdowns (or restrictions on access to) the internet and the state of emergency declared by the president of Kazakhstan, our Kazakhstan subsidiaries, along with other financial institutions in Kazakhstan, were unable to conduct operations or operated with limited functionality during the unrest. We are currently exploring the possibility of obtaining alternative ways to access the internet in the case of such emergency situations and to eliminate or mitigate the consequences of losing access to the internet. This event also resulted in significant changes to the Kazakhstan government and reshuffling of government officials, which could in turn result in future impacts to the financial markets in Kazakhstan, including possible amendments to legislation that may limit or make it more difficult or expensive to conduct our operations or make our services less attractive to our customers.

Economic and political instability in Russia could have an adverse effect on our business.

Although we have completed the divestiture of our Russian subsidiaries, we continue to do business with Russian persons, both directly and indirectly through our transactions with FST Belize. As a result, our business and results of operations may be significantly impacted by economic and political conditions in Russia. Over the last two decades, the Russian economy has experienced and may continue to experience at various times:

- significant volatility in its GDP;
- the impact of international sanctions;
- high levels of inflation;
- increases in, or high, interest rates;
- sudden price declines in oil and other natural resources;
- instability in the local currency market;
- lack of reform in the banking sector and a weak banking system providing limited liquidity to Russian enterprises;
- budget deficits;
- the continued operation of loss-making enterprises due to the lack of effective bankruptcy proceedings;
- capital flight; and
- significant increases in poverty rates, unemployment and underemployment.

Beyond the risks associated with these economic conditions and the Russia-Ukraine conflict risks discussed in "Risks Related to the Russia-Ukraine Conflict", other notable risks related to the Russian political regime and our doing business with Russian persons include the risks of implementation of government policies targeted at specific individuals or companies, laws restricting foreign investment, Russian anti-money laundering legislation adversely impacting our transaction volumes and mandatory U.S. and EU sanctions screening being inhibited by Russian data privacy laws and constraints.

Taxation Risks Related to Our International Operations

Global anti-of shore measures could adversely impact our business.

In 2013, the Organization for Economic Co-operation and Development ("OECD") and G20 countries accepted that existing international tax rules create opportunities for base erosion and profit shifting. Pursuing solutions to this problem, the OECD and G20 countries adopted a 15-point Action Plan to Base Erosion and Profit Shifting ("BEPS"). The BEPS package of measures represents a substantial revision of international tax rules. In light of the new measures, it is expected that profits will be reported where the economic activities that generate them are carried out and where value is created.

The Convention on Mutual Administrative Assistance in Tax Matters developed by the Council of Europe and the OECD in 1988 and amended by Protocol in 2010 has now been signed by 141 jurisdictions (including Kazakhstan, Cyprus and Russia). This convention requires competent authorities of jurisdictions-signatories to participate in the exchange of information that is foreseeably relevant for the administration or enforcement of their domestic laws concerning taxes. In 2016 Russia (and in 2018 Kazakhstan) joined the Standard for Automatic Exchange of Financial Account Information (Common Reporting Standard) (the "CRS"). The CRS calls on jurisdictions to obtain information from their financial institutions and automatically exchange that information with other jurisdictions on an annual basis.

The foregoing developments regarding global information exchange could complicate our tax planning as well as related business decisions and could possibly expose us to significant fines and penalties and to enforcement measures, despite our best efforts at compliance, and could result in a greater than expected tax burden.

On November 24, 2016, the OECD published the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (the "MLI") which introduces new provisions to existing double tax treaties limiting the use of tax benefits provided thereby. As a minimum standard, the MLI implements a principal purposes test, under which treaty benefits are disallowed if one of the principal purposes of the transaction or the structure was to obtain a tax benefit. The MLI was ratified by Cyprus on 20 January 2020 and by Kazakhstan on 20 February 2020. Application of the MLI could potentially limit tax benefits granted under the double tax treaties of Cyprus and Kazakhstan.

Tax law changes in regions where we conduct operations could adversely affect our business and the value of investments.

We are subject to a broad range of taxes and other compulsory payments, including, but not limited to, income tax, VAT and social contributions. Tax laws have been in force for a short period relative to tax laws in more developed market economies, and the implementation of these tax laws is still unclear or inconsistent. The tax laws and regulations in our regions outside the U.S. are subject to frequent changes, varying and contradicting interpretations, and inconsistent and selective enforcement.

The Transfer Pricing Law of the Republic of Kazakhstan, dated July 5, 2008, provides for three-level transfer pricing documentation, including a country-by-country report (CbCR). Under the mandatory filing requirements or CbCR in Kazakhstan, if we reach the reporting threshold established for the group's consolidated revenue (e. g. EUR 750 million) we may be required to submit relevant CbCR reports. It continues to be unclear how the above measures will be applied by the tax authorities and courts. Notably, there is uncertainty about the types of income that should be included in the group's consolidated revenue for CbCR purposes. Similar requirements are imposed by other jurisdictions in which we do business, including but not limited to Cyprus, and Uzbekistan.

Kazakhstan transfer pricing legislation may require pricing adjustments and impose additional tax liabilities.

Under Kazakhstan transfer pricing legislation, the burden of proving market prices, as well as keeping specific documentation, lies with the taxpayers. In certain circumstances, the local tax authorities may apply the transfer pricing rules and methods in cases where the rules are formally not applicable, claiming additional tax charges calculated using the transfer rules but based on other tax concepts (e.g., anti-avoidance rules, lack of economic justification of expenses, etc.). Our subsidiaries in Kazakhstan could become subject to transfer pricing tax audits by the Kazakhstan tax authorities in the foreseeable future. As a result of such audits, the tax authorities could challenge the level of prices applied by us under "controlled" transactions (including certain intercompany transactions) or challenge the methods used to prove prices applied by us, and as a result we may accrue additional tax liabilities. If additional taxes are assessed with respect to these matters, they could have a material adverse effect on our business, financial condition, cash flows, and results of operations.

Uncertainties and ongoing changes in Kazakhstan's tax regime may have an adverse impact on our business.

Kazakhstan's tax regime is subject to ongoing changes, resulting in uncertainties in the interpretation and application of its tax laws. For example, the Kazakhstan government has taken steps to promote investment in its financial markets, including providing a preferential tax regime within the AIFC established by the Constitutional Law of the Republic of Kazakhstan dated December 7, 2015 "On the Astana International Financial Center". Among other tax benefits, there is an exemption from corporate income tax on commission income earned by an AIFC-registered member from rendering defined financial services in the AIFC. It is currently unclear whether an AIFC-registered member is eligible for the tax benefits if, for example, it renders services online through employees working outside the AIFC. As a result of these uncertainties, the availability of these new tax exemptions to us is currently unclear.

Another tax risk we face is associated with "corporate tax residency" in Kazakhstan. Notably, when an entity is recognized as a Kazakhstan tax resident it is obligated to register with the Kazakhstan tax authorities, calculate and pay Kazakhstan income tax on its worldwide income and comply with other tax-related rules established for Kazakhstan entities. There is uncertainty as to how these residency criteria will be treated and applied by the Kazakhstan tax authorities to FRHC.

There is also uncertainty regarding determination of the "beneficial owner" of income under Kazakhstan tax law, for purposes of double-tax treaties. In particular, to date, there are still no officially approved requirements for the documentation to be obtained from the recipient of income claiming beneficial owner status. In case one of our non-Kazakhstan subsidiaries is not able to provide evidence that it is a beneficial owner of the income which it receives from one of our Kazakhstan subsidiaries, benefits under a double tax treaty will not be applicable, as a result of which the Kazakhstan subsidiary would be required to withhold taxes from such payment at the rate provided by the Tax Code of Kazakhstan without any reductions or exemptions from taxation in Kazakhstan. This could lead to additional tax liabilities for our companies.

More generally, Kazakhstan tax legislation is subject to frequent changes, varying and potentially contradicting interpretations and inconsistencies. There can be no assurance that Kazakhstan tax legislation will be amended in the future in a manner that makes our tax planning more predictable. Further, the introduction of new taxes, amendments to current taxation rules, or new interpretations of existing tax law may have a substantial impact on the overall amount of our tax liabilities. As a result, there is no assurance that we will not be required to make substantially larger tax payments in the future, which may adversely affect our business, financial condition and results of operations.

Changes in regulations related to taxes on stock transfers and other financial transactions could reduce the volume of market transactions and impact our business.

Changes to laws or regulations, such as tax laws, could also have a disproportionate impact on our business or profitability, based on the way those laws or regulations are applied to us due to our corporate structure. For example, the current U.S. presidential administration has proposed tax policy ideas that if enacted would, among other things, increase the corporate tax rate and the U.S. tax rate on Global Intangible Low Taxed Income ("GILTI").

Because of certain tax advantages we realize in certain jurisdictions where we operate, the proposed changes in the GILTI tax rate by the current U.S. administration, which have not yet been adopted and may change significantly before being implemented, if at all, could result in significantly higher tax burdens on us in the U.S., which could offset some of the favorable tax advantages we realize in some of the jurisdictions where we conduct business.

Risks Related to Our Corporate Structure and Internal Operations

As a diversified holding company with few operations of its own, FRHC is reliant on the operations of our subsidiaries to fund its holding company operations.

Our operations are conducted primarily through the subsidiaries of FRHC, and FRHC's ability to generate cash to fund its operations and expenses, to pay dividends or to meet debt service obligations is highly dependent on the earnings and the receipt of funds from our subsidiaries through dividends or intercompany loans. Deterioration in the financial condition, earnings or cash flow of our subsidiaries for any reason, including the risks discussed herein as applicable or the occurrence of such events to any such subsidiary, could limit or impair their ability to pay such distributions to FRHC Additionally, to the extent our subsidiaries are restricted from making such distributions under applicable laws or regulations or under the terms of financing arrangements or are otherwise unable to provide funds to the extent of FRHC's needs, there could be a material adverse effect on our business, financial condition, cash flows and results of operations.

As a "controlled company" under Nasdaq rules, we qualify for exemptions from certain corporate governance requirements.

Timur Turlov controls a majority of the voting power of our outstanding common stock. Accordingly, we qualify as a "controlled company" within the meaning of Nasdaq corporate governance standards. Under Nasdaq rules, a company of which more than 50% of the voting power is held by one individual is a "controlled company" and may elect not to comply with certain corporate governance standards, including the requirements that:

- a majority of its board of directors consist of independent directors;
- its nominating and corporate governance committee and compensation committee be composed entirely of independent directors;
- each committee have a written charter addressing such committee's purpose and responsibilities; and
- an annual evaluation of the nominating and corporate governance committee and compensation committee be performed.

We currently utilize an exemption to allow Timur Turlov to sit on our nominating and corporate governance committee. The charters for each of our board committees provides for annual performance evaluations. Currently we have a majority of independent directors on our board of directors.

The interests of our controlling shareholder may conflict with those of other shareholders.

Timur Turlov, our chief executive officer and chairman of our board, beneficially owns 71.1% of our outstanding common stock. He currently has voting control of FRHC and can control the outcome of matters submitted to stockholders for approval. In addition, Mr. Turlov has the ability to control our management and affairs as a result of his position as our chief executive officer, chairman of our board and his ability to control the election of our directors. Mr. Turlov also has interests in other companies, certain of which, in particular FST Belize, conduct significant amounts of business with our company. Such related party transactions give rise to a risk of the conclusion of transactions on terms less favorable than could be obtained in arm's-length transactions. The interests of Mr. Turlov could conflict with those of the stockholders. Any such conflict could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Mr. Turlov is prohibited from membership on the audit committee of our board under the terms of such committee's charter. As majority shareholder, Mr. Turlov owes fiduciary duties to minority shareholders under Nevada law. Mr. Turlov also owes fiduciary duties to the Company as a board member and officer. However, Nevada corporate law can be viewed as more protective of officers and directors than the corporate laws of other U.S. state jurisdictions, and it therefore may not provide the same level of redress as other U.S. state corporate laws.

Civil liability may be difficult or impossible to enforce against us.

Certain of our directors, substantially all of our officers, and our controlling shareholder reside outside the U.S., and a substantial portion of our assets are located outside the U.S. in jurisdictions that are not parties to treaties or other agreements with the U.S. for the mutual enforcement of U.S. court judgments. As a result, it may be difficult or impossible for investors to enforce against us or such person's judgments of U.S. courts.

For example, the Civil Procedure Code of Kazakhstan, which became effective on January 1, 2016, provides that Kazakhstan courts should recognize and enforce foreign court judgments only if provided for by Kazakhstan law or an international treaty to which Kazakhstan is a party (based on reciprocity). Kazakhstan is not a party to any multilateral or bilateral treaties with the U.S. or the UK (or most other western jurisdictions) for the mutual enforcement of court judgments, and, accordingly, there is a risk that a judgment obtained from a court in New York or England would not be enforceable in Kazakhstan courts. Each of Kazakhstan, the U.S. and the UK are, however, parties to the 1958 New York Convention on Recognition and Enforcement of Arbitral Awards (the "Convention"), and, accordingly, an arbitral award under the Convention should generally be recognized and enforceable in Kazakhstan provided the conditions to enforcement set out in the Convention and applicable Kazakhstan laws are met. The Civil Procedure Code of Kazakhstan establishes the procedure for the enforcement of foreign arbitral awards.

We have identified material weaknesses in our internal control over financial reporting and may identify material weaknesses in the future or otherwise fail to establish and maintain effective internal control over financial reporting, which could have a material adverse effect on our business and stock price.

We are required to comply with the SEC's rules implementing Section 302 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), which requires management to certify financial and other information in our quarterly and annual reports and to comply with the SEC's rules implementing Section 404 of the Sarbanes-Oxley Act. Section 404 of the Sarbanes-Oxley Act requires management to provide an annual management report on the effectiveness of internal control over financial reporting. Additionally, we are required to have our independent registered public accounting firm provide an attestation report on the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm needs to issue an adverse report if there is a material weakness in our internal control over financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. When evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate prior to the date of our annual management report. During the year ended 31 March 2023, the Audit Committee of our Board of Directors, after discussion with management, concluded that certain reports previously filed with the SEC included material misstatements. These reports have already been amended and filed with the SEC.

In connection with such errors, we concluded that there is a material weakness due to deficiency in one of the principles associated with the Control Environment component of the COSO framework, specifically relating to a lack of a sufficient complement of qualified technical accounting and financial reporting personnel to perform control activities in support of preparing the financial statements in accordance with U.S. GAAP. The Control Environment material weakness contributed to other material weaknesses, either individually or in the aggregate, related to the design of our controls over: (i) the application of U.S.GAAP to complex transactions, (ii) the classification of certain loans and deposits from banking institutions within the Consolidated Statements of Cash Flows, (iii) the classification of certain interest income from margin lending within the Consolidated Statements of Operations and Other Comprehensive Income, (iv) the classification of funds received under the Kazakhstan state program for financing of mortgage loans “7-20-25” within the Consolidated Statements of Cash Flows and (v) the review and timely identification of misstatements in the notes to the Consolidation Financial Statements.

We have commenced measures in response to the material weaknesses identified above. Management, with the oversight of the Audit Committee of the Board of Directors, has evaluated the material weaknesses described above and designed a remediation plan to enhance our internal control environment. To remediate the material weaknesses, we plan to (a) provide training on U.S.GAAP to employees responsible for preparing the Consolidated Financial Statements; (b) hire qualified accounting professionals with the appropriate level of expertise in U.S. GAAP and ability to design, maintain and improve procedures and controls focused on the application of U.S. GAAP to complex transactions and preventing and detecting material misstatements in the presentation and disclosures of the Consolidated Financial Statement and (c) engage an external consulting firm to assist the Company in maintaining compliance with its U.S. GAAP reporting requirements.

Until the material weaknesses are remediated, we will continue to perform additional analysis and other post-closing procedures to ensure that our consolidated financial statements are prepared in accordance with U.S. GAAP. The material weaknesses cannot be considered remediated until the newly designed control activities operate for a sufficient period of time and management has concluded, through testing, that the controls are operating effectively. We can give no assurance that the measures we are taking and plan to take in the future will remediate the material weaknesses identified, or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our internal controls over financial reporting, in the future those controls may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our consolidated financial statements.

Any failure to maintain effective internal control over financial reporting could adversely impact our ability to report our financial position and results of operations on a timely and accurate basis. If our financial statements are inaccurate, investors may not have a complete understanding of our operations and we could face the risk of stockholder litigation. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC or other regulatory authorities.

2.3. Production and sales trends

The FFSPC is a new company with the aim of issuing and placing bonds with the sole purpose of financing loans to the parent company FRHC. The key operating data of the FHRC is summarized in the table below.

	2021 FY*	**2022 FY***	**2023 FY***	**2Q 2024FY***
Net revenue (USD in thousands)	346,883	689,790	795,693	751,791
Net income (USD in thousands)	150,281	227,494	205,586	183,400
Total client accounts (thousands)	171	251	374	433

**FRHC’s fiscal year (FY) ends on 31 March*

In the retail brokerage business, our key clients are mainly from Kazakhstan and Russia. We estimate that, as of September 30, 2023, we had approximately 170,282 retail brokerage customers who were Kazakhstan persons, or approximately 40% of our total number of customers, and we had approximately 50,106 retail brokerage customers who were Russian persons, or approximately 12% of our total number of customers. In addition, we serve

Kazakhstan and Russian customers indirectly through their accounts with our affiliate FST Belize. The Kazakhstan and Russia markets have grown rapidly in recent years. The number of our total customer accounts increased from approximately 250,000 as of 31 March 2022, to approximately 370,000 as of 31 March 2023, to approximately 433,947 as of September 30, 2023. Internally, we designate “active accounts” as those in which at least one transaction occurs per quarter. For the three months ended September 30, 2023, we had approximately 67,158 active accounts. For more detailed financial information about the Issuer please see Schedule 3 of this Prospectus.
There has been no material adverse change to FRHC’s operations since 30 September 2023.

3. Articles of Association and organizational structure

3.1. Articles of Association

Issuer’s objectives and purpose set forth in the Articles of Association

The Issuer’s objectives and purpose are based on its status as a special purpose company. According to the Issuer’s Articles of Association the Company is to conduct:

A. (a) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, receivables and shares) in connection with and for the purpose of a transaction between FFSPC and FRHC;

(b) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into any type of hedging arrangements, in connection with and for the purpose of a transaction between FFSPC and FRHC;

(c) the financing of FRHC or another special purpose company;

(d) the acting as trustee or agent for any participant in the transaction between FFSPC and FRHC;

(e) any other activity approved in writing by the AIX Registrar;

(f) any activity ancillary to an activity mentioned in paragraphs (a) to (e).

B. any other lawful activity for which companies may be incorporated under the AIFC Companies Regulations.

General description of rights, preferences and restrictions attached to each class of the existing shares of the Issuer

Subject to the provisions of the AIFC Companies Regulations (AIFC Regulations No. 2 of 2017) and without affecting any rights, entitlements or restrictions attached to existing shares, a share may be issued with the rights, embitterment, or restrictions that the Company may decide by its Ordinary Resolution.

Subject to the AIFC Companies Regulations, the Company may issue, or convert existing non- redeemable shares, whether allotted or not, into redeemable shares at the discretion of the Board of Directors. The Company must not recognize a Person as holding its share on trust and, except as otherwise provided by Articles or the AIFC Companies Regulations, the Company is not bound by, and must not recognize, any interest in a share except an absolute right of ownership. The Company may, by special resolution passed by at least 75% of the votes of the FFSPC shareholders (“Special Resolution”):

- increase its share capital by creating new shares of an existing class with the same nominal value, or a new class of shares of the nominal value it considers appropriate; or
- consolidate and divide its share capital (whether allotted or not) into shares representing a larger nominal value than their existing nominal value; or
- subdivide its shares, or any of them, into shares representing a smaller nominal value than their existing nominal value, if the proportion between the amount paid and the amount unpaid (if any) on each subdivided share is the same as it was for the share from which the sub-divided share was derived.

Any fractions of shares resulting from a consolidation of shares may be sold by the Directors of the Company on behalf of the shareholders and the net proceeds distributed proportionately among the shareholders. The Company may, in accordance with the AIFC Companies Regulations, reduce its share capital in any way and in the terms that it may decide. Subject to the provisions of the AIFC Companies Regulations, the Company may purchase its own shares.

Change of rights of holders of the shares

If a shareholder dies, the shareholder's personal representative, or, if the shareholder was a joint holder, the survivor or survivors, are the only Persons who may be recognized by the Company as having title to the shareholder's shares.

If a Person becomes entitled to a share as a result of the death or bankruptcy of a shareholder and gives notice to the Company of the entitlement, the Person must be registered as a shareholder in relation to the share. On registration, the Person has the same rights as other shareholders of the same class of shares.

General meetings of the Issuer's shareholders

Subject to the AIFC Companies Regulations, if the Company is a public Company, a General Meeting of the Company (other than an annual General Meeting or adjourned annual General Meeting) must be called by at least 14 (fourteen) days written notice to all the shareholders, the Directors and the auditor.

If the Company is a public Company, an annual General Meeting, or adjourned annual General Meeting, of the Company must be called by at least 21 (twenty one) days written notice to all the shareholders, the Directors and the auditor.

Subject to the AIFC Companies Regulations, a notice of a General Meeting must specify the time and place of the meeting, the general nature of any matters to be considered, and any proposed resolutions of which notice has been duly given.

A notice of an annual General Meeting must state that the meeting is an annual General Meeting to the Company or to be proposed by the Company and whether any of them is to be proposed as a Special Resolution.

The proceedings of a General Meeting are not invalid solely because of the inadvertent failure to give notice of the meeting to, or the failure to receive notice of the meeting by, any Person entitled to receive the notice.

Proceedings at General Meetings

No General Meeting of the Company may take place unless there is a quorum. Unless the Company has only a single shareholder, 2 shareholders personally present or represented by proxy are a quorum.

If a quorum is not present at a General Meeting within half an hour after the time specified in the notice calling the meeting (the meeting start time), the meeting must be adjourned to a place and time decided by the Directors of the Company. If during the meeting a quorum ceases to be present, the meeting must be adjourned to a place and time decided by the Directors.

The Chair of the board of Directors of the Company chairs the meeting. However, if the Chair of the board of Directors is not present or willing to act within 15 minutes after the meeting start time, another Director elected by the Directors present must chair the meeting. If no Directors are present or willing to chair the meeting, the shareholders present must elect a shareholder present to chair the meeting.

Every Director of the Company is entitled to attend and speak at any General Meeting and at any separate meeting of the shareholders of any class of shares in the Company, whether or not the Director is a shareholder or a shareholder of that class of shares. The Person chairing the meeting (the meeting chair) may adjourn the meeting with the consent of the majority of the votes at the meeting. A matter must not иe considered at the adjourned meeting if the matter could not have been considered at the meeting had the adjournment not taken place. It is not necessary for notice to be given of the adjourned meeting unless the meeting was adjourned for 14 (fourteen) days or longer. If the meeting was adjourned for 14 (fourteen) days or longer, at least 7 (seven) days' notice of the meeting must be given. The notice must specify the time and place of the adjourned meeting, the general nature of any matters to be considered, and any proposed resolutions of which notice has been duly given.

Unless a poll is demanded, a resolution put to the vote must be decided on a show of hands. A poll may be demanded, before or on the declaration of the result of a vote by show of hands:

- By the meeting chair; or
- By at least 2 shareholders having the right to vote at the meeting; or
- By a shareholder representing not less than 5% of the total voting rights of all the shareholders having the right to vote at the meetings.

Unless a poll is demanded, the meeting chair may declare that a resolution has been carried out or lost by a particular majority. The entry in the minutes of the meeting of that declaration is conclusive evidence of the result of the resolution.

The meeting chair may consent to the withdrawal of a demand for a poll. A poll must be taken in the way the meeting chair directs and the result is the resolution of the meeting at which the poll was demanded.

A poll demanded on the election of the Person who is to chair the meeting or on an adjournment must be taken immediately. A poll demanded on any other question must be taken as the meeting chair directs, but not more than 30 (thirty) days after the day the poll is demanded. The demand for a poll does not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll is demanded.

If a poll demanded at a meeting is not taken at the meeting, at least 7 (seven) days written notice must be given of the time and place at which the poll is to be taken, unless the time and place is announced at the meeting.

If the Company is a private Company, resolution in writing may be passed in accordance with the AIFC Companies Regulations.

Change of control

Not applicable.

Disclosure requirements on the change in ownership/thresholds

Not applicable.

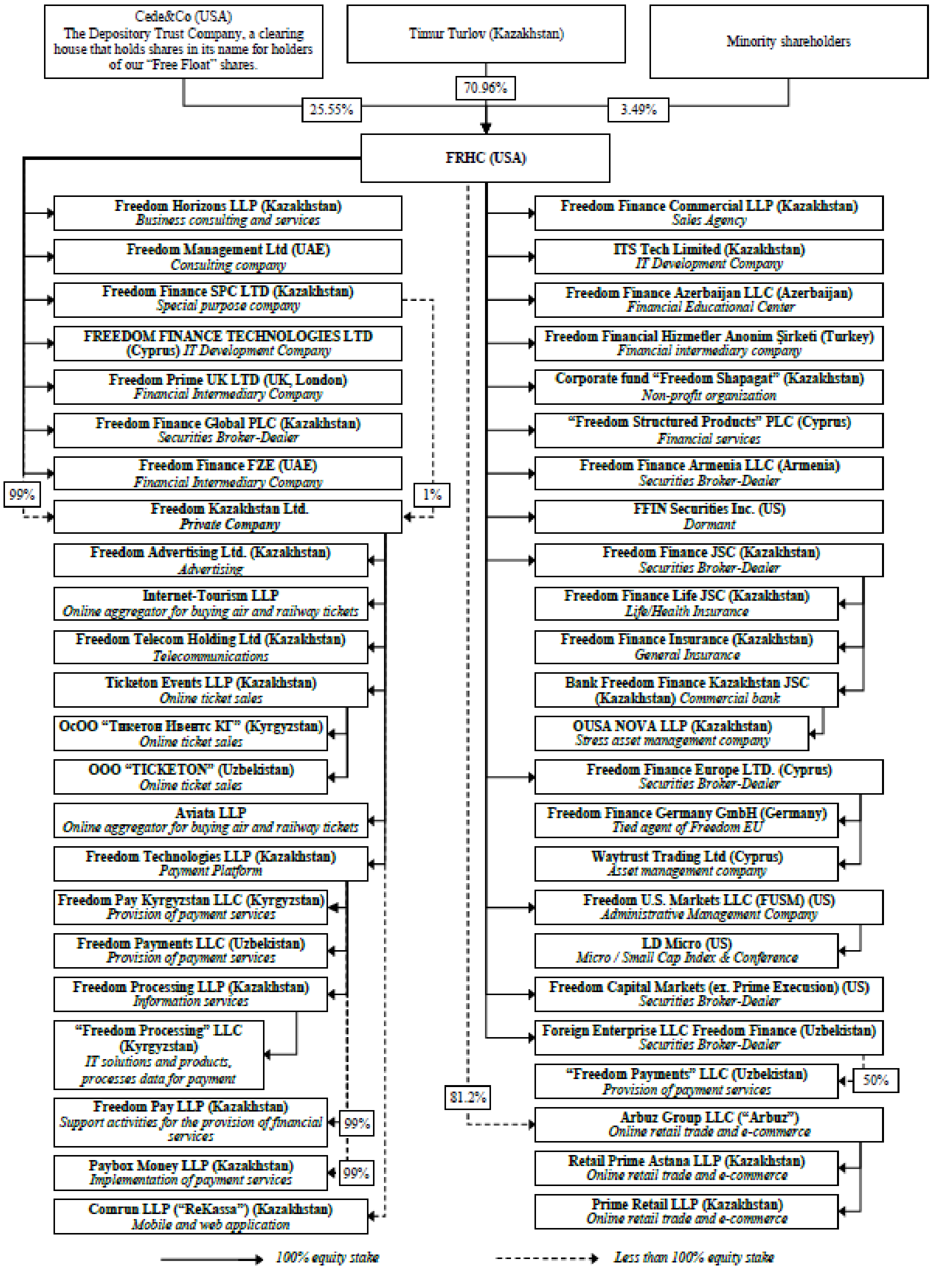
Changes in the capital

The Company may, by Special Resolution:

- increase its share capital by creating new shares of an existing class with the same nominal value, or a new class of shares of the nominal value it considers appropriate; or
- consolidate and divide its share capital (whether allotted or not) into shares representing a larger nominal value than their existing nominal value; or
- subdivide its shares, or any of them, into shares representing a smaller nominal value than their existing nominal value, if the proportion between the amount paid and the amount unpaid (if any) on each subdivided share is the same as it was for the share from which the sub-divided share was derived.

Any fractions of shares resulting from a consolidation of shares may be sold by the Directors of the Company on behalf of the shareholders and the net proceeds distributed proportionately among the shareholders. The Company may, in accordance with the AIFC Companies Regulations, reduce its share capital in any way and in the terms that it may decide.

3.2. Group structure



4. Assets

4.1. Material contracts

The Issuer's material contracts include the loan agreement between Freedom Finance SPC Ltd. (as Lender) and FRHC (as Borrower) for bond programme of U.S.$ 200,000,000 valid until 1 November 2027, established by Freedom Finance SPC Ltd. and unconditionally and irrevocably guaranteed by FRHC.

Based on the loan agreement concluded between the Lender and the Borrower, the Lender issued U.S.$200,000,000 bond programme and U.S.$66,000,000 first tranche under this programme, which is unconditionally and irrevocably guaranteed by FRHC pursuant to a guarantee agreement dated 10 August 2021. The Lender has agreed to make available to the Borrower a loan of the amount received from the placement of the first tranche for the purpose of financing the Borrower's current activities.

According to the terms of loan agreement loan amount (the amount of proceeds received by the Lender from the issue of the first tranche) shall be made available to the Borrower at an interest rate of 5,5 (five point five) per cent per annum to be calculated on the basis of the actual number of days elapsed from the drawdown date (the date on which the loan amount is actually paid to the Borrower). The payment of the interest by the Borrower shall be equal and fully cover the Lender's obligations to the holders of the bonds issued under the first tranche. The Borrower shall make interest payments not later than 21 April and 21 October in each year, commencing on 21 April 2022.

5. Capital

5.1. Share capital

The authorized share capital of the Company is U.S.$580,000 represented by 58 000 shares, with a nominal value of U.S.$10.

6. Management of the Issuer

6.1. Details relating to the Board of Directors and senior managers ("Key Persons")

The Directors of the Issuer

Yevgeniy Ler (Functions and principal activities – Company management, Chairman of the Board of Directors)

Evgeniy Ler has served as the Chief Financial Officer of FRHC since November 2015. Prior to that time, he served as chief financial officer of BMB Munai, Inc., the predecessor of the Company from April 2009 to November 2015. Mr. Ler joined BMB Munai in 2006 and served in several capacities including finance manager and reporting manager before being appointed chief financial officer. From September 2011 to December 2012, Mr. Ler also served as a Deputy Director for Emir Oil, LLP, a wholly owned subsidiary of BMB Munai. Before joining BMB Munai, from 2002 to 2006, Mr. Ler was employed by Deloitte & Touche where he held the position of senior auditor in the Financial Services & Industries Group, Audit. In that position, he led large engagements for banks, financial institutions, and oil and gas companies. In 2003, Mr. Ler was awarded a bachelor's degree in financial management from the Kazakh American University located in Almaty, Kazakhstan. In 2008, Mr. Ler passed the AICPA Uniform CPA Examination and was awarded licensure as a CPA in November 2013. Mr. Ler has also completed training in London on financial reporting in accordance with IFRS and US GAAP and internal Deloitte training on audit, financial reporting, and due diligence.

Sergey Lukyanov (Functions and principal activities – Company management, Member of the Board of Directors)

For over 25 years has worked on different positions in Russian broker companies. Member of the Board of Directors in the National Association of the stock market participants and a member of the Board on Financial markets of the Russian union of industrialists and entrepreneurs. Responsible for development of the holding in Kazakhstan and supervises business in Uzbekistan and Kyrgyzstan.
Madina Mantayeva (Functions and principal activities – Company management, Independent Director)

Madina Mantayeva is a member of the Board of Directors - Independent Director of Bank Freedom Finance Kazakhstan JSC and Freedom Finance JSC since December 2020 and August 2013 respectively. Prior to that time, she served as Independent Director of Eurasian Capital JSC from June 2013 to December 2015. From August 2012 to May 2013, Mrs. Mantayeva was employed by "Insurance Company "Amanat Insurance" JSC where she held the position of Head of the Financial Department. In 2003, Mrs. Mantayeva graduated from the Kazakh State Academy of Management located in Almaty with a degree in marketing and commerce. In 2008, Mrs Mantayeva was awarded Master of Business Administration degree in Strategic Management and Entrepreneurship from University of International Business in Almaty and Moscow International Higher Business School MIRBIS (Institute) in Moscow.

Olga Baskakova (Functions and principal activities – Company management, Director)

Olga Baskakova graduated from Kazakh State University of International Relations and Foreign Languages Ablay Khan in 2004 with a degree in international economics, Higher Law School Adalat in 2006 with a degree in international jurisprudence, Erickson Coaching International University in 2014 with a degree in coaching and Moscow Institute of Psychoanalysis in 2016 with a degree in psychoanalysis. She has vast experience as a senior legal counsel for more than 20 years, with management positions in Alina Group of Companies, DHL Logistics, Qazaq Air and other notable companies. From 2020 Olga is the Chief legal officer of Freedom Finance JSC and Freedom Finance Global PLC.
The business address for all Board members of FFSPC is 77/7 Al-Farabi Ave., 7th floor, Almaty, Kazakhstan.

The Directors of FRHC

Timur Turlov (Functions and principal activities – Company management, Founder, Chairman and CEO)

Timur Turlov graduated from the Russian State Technological University named after K.E. Tsiolkovsky in 2009 with a Bachelor of Science degree in Economics and Management.

Mr. Turlov has more than 10 years of experience in various areas of the international securities industry. From May 2012 through January 2013, Mr. Turlov served as the Chairman of the Board of Directors of JSC Nomad Finance, where he oversaw the business setup and acquisition of large clients. From July 2013 to July 2017, Mr. Turlov served as the Advisor to the Chairman of the Board of Freedom Finance JSC. In that capacity, Mr. Turlov was primarily responsible for strategic management, public and investor relations events, investment and sales strategy, and government relations.

In July 2017, Mr. Turlov became Chairman of the Board of Directors of Freedom Finance JSC (Almaty, Kazakhstan). Since July 2014, Mr. Turlov has served as a President at Freedom Securities Trading Inc. (Belize), where he carries out the general management of the company, elaborates the development strategy, and controls the cash flow within the company.

Currently, Mr. Turlov is a Member of YPO Kazakhstan (Young Presidents Organisation), which unites young businessmen and top managers from all over the world. Also, he is President of the Kazakhstan Chess Federation, President of the Kazakhstan Football Federation and a participant of the IQanat educational project. Today Timur Turlov is a Member and a Chairman of the Board of Directors in Life Insurance Company "Freedom Finance Insurance" JSC, Insurance Company "Freedom Finance Life" JSC, "Bank Freedom Finance Kazakhstan" JSC.
Business address: 77/7 Al-Farabi Ave., Esentai Tower Business Cen ter, 7th floor, Almaty, Kazakhstan.

Askar Tashtitov (Functions and principal activities – Company management, President, Director since 2008)

Askar Tashtitov has served as a director of FRHC since May 2008 and was employed with BMB Munai, Inc., the predecessor of FRHC, from 2004 through 2015, serving as the president from May 2006 to November 2015. Mr. Tashtitov earned a Bachelor of Arts degree from Yale University majoring in Economics and History in 2002. Mr. Tashtitov passed the AICPA Uniform CPA Examination in 2006.

Cherdabayev Boris (Functions and principal activities – Company management, Independent Director since 2019)

Mr. Cherdabayev is currently employed as Counsellor to Chairman of the management board of Weatherford-CER, a privately owned joint venture company between Weatherford International and Caspian Energy Research LLP.

Mr. Cherdabayev served as the Chairman of the board of BMB Munai Inc., the predecessor of FRHC, from November 2003 to November 2015 and also as Chief Executive Officer from November 2003 through August 2007. From May 2000 to May 2003, Mr. Cherdabayev served as Director at TengizChevroil LLP multi-national oil and gas company owned by Chevron, ExxonMobil, KazMunayGas and LukOil. From 1998 to May 2000, Mr. Cherdabayev served as a member of the Board of Directors, Vice-President of Exploration and Production and Executive Director on Services Projects Development for NOC “Kazakhoil”, an oil and gas exploration and production company. From 1983 to 1988 and from 1994 to 1998 he served as a people’s representative at Novouzen City Council (Kazakhstan); he served as a people’s representative at Mangistau Oblast Maslikhat (regional level legislative structure) and a Chairman of the Committee on Law and Order. For his achievements Mr. Cherdabayev has been awarded with a national “Kurmet” order.

Mr. Cherdabayev earned an engineering degree from the Ufa Oil & Gas Institute, with a specialization in “machinery and equipment of oil and gas fields” in 1976. Mr. Cherdabayev also earned an engineering degree from Kazakh Polytechnic Institute, with a specialization in “mining engineer on oil and gas fields’ development.” During his career he also completed an English language program in the United States, the CHAMP Program (Chevron Advanced Management Program) at Chevron Corporation offices in San Francisco, California, and the Columbia Senior Executive Program at Columbia University.

Amber Williams (Functions and principal activities – Company management, Independent Director since 2020)

Since 2012, Ms. Williams has provided accounting and CFO consulting services to companies. Ms. Williams is a Certified Public Accountant, having earned licensure in 2010. From 2018 to 2019, she was employed as a Manager with Brixey & Meyer, an Ohio based CPA firm. In that position she managed a team of accountants assisting companies to complete monthly, quarterly and yearly financial statements and improving clients’ internal controls. From 2004 to 2012, Ms. Williams was employed in various accounting and finance positions with Grant Thornton, Basic Research, Goldman Sachs and PricewaterhouseCoopers, where her responsibilities included: planning and managing audit functions, including audit planning, fieldwork and internal control testing; assisting with product launch; serving as a member of a management team in conjunction with the sale of a business unit; and co-managing an initiative to improve processes surrounding tracking, monitoring and reporting internal/external errors that helped enhance reporting, improved transparency and decrease errors. Ms. Williams earned a Bachelor of Science degree in accounting from the University of Utah in 2004, and a Master of Accounting degree from the University of Utah in 2005.

Jason Kerr (Functions and principal activities – Company management, Independent Director since 2008)

Doctorate in 1998 from the University of Utah, where he was named the William H. Leary Scholar. In 2011, Mr. Kerr founded the law firm Price, Parkinson & Kerr, where he practices commercial litigation. From 2006 to 2011, Mr. Kerr was the associate general counsel of Basic Research, LLC, concentrating in intellectual property litigation. Before joining Basic Research, Mr. Kerr was a partner with the law firm of Plant, Christensen & Kanell in Salt Lake City, Utah. Mr. Kerr was employed with Plant, Christensen & Kanell from 1996 through 2001 and from 2004 to 2006. From 2001 through 2004, Mr. Kerr was employed as a commercial litigator with the Las Vegas office of Lewis and Roca. Mr. Kerr became our director in May 2008.

Len Stillman (Functions and principal activities – Company management, Independent Director since 2006)

Mr. Stillman earned his Bachelor of Science degree in mathematics from Brigham Young University and Master of Business Administration from the University of Utah. He began his career in 1963 with Sperry UNIVAC as a programmer developing trajectory analysis software for the Sergeant Missile system. Mr. Stillman spent many years as a designer and teacher of computer language classes at Brigham Young University, where he developed applications for the Administrative Department including the school’s first automated teacher evaluation system. During that time, he was also a vice-president of Research and Development for Automated Industrial Data Systems, Inc. and the Owner of World Data Systems Company, which provided computerized payroll services for companies such as Boise Cascade.

Mr. Stillman has over 45 years of extensive business expertise, including strategic planning, venture capital financing, budgeting, manufacturing planning, cost controls, personnel management, quality planning and management, and the development of standards, policies, and procedures. He has extensive skills in the design and development of computer software systems and computer evaluation. Mr. Stillman helped found Stillman George, Inc. in 1993 and founded Business Plan Tools, LLC in 2004. He was employed with Stillman George, Inc. until 2010, where his primary responsibilities included managing information, technical development, and financial analysis projects and development, as well as general company management and consulting activities. He is currently employed by Business Plan Tools, LLC, which provides cloud-based SaaS business planning software and consolidates a broad variety of skills from a growing group of business professionals to provide needed support in finance, marketing, management, sales, planning, product development, and more to businesses worldwide.

The business address for all Board members of FRHC except Timur Turlov is 40 Wall Street, Suite 1704, New York, NY 10005.

Conflict of interest

There is no conflict of interest between the personal interests of any Key Person mentioned above and that of the duties of such persons owed to the Issuer or the interests of the Issuer.

6.2. Other information relating to Key Persons

The Issuer does not have an audit committee, nomination committee or remuneration committee, as the Issuer is not required to form committees in accordance with the AIFC Law. The Issuer has a Corporate Governance Code in place to comply with relevant AIFC and AIX rules and regulations.

7. Financial information about the Issuer

7.1. Historical financial information about the Issuer

Statement of financial position, USD thousands	**31 March 2022**	**31 March 2023**	**30 September 2023**
Cash and cash equivalents	92	276	39
Loans issued	13,143	57,137	63,174
TOTAL ASSETS	**13,235**	**57,413**	**63,213**
Debt securities issued	13,521	60,025	66,002
Trade payables	-	88	21
TOTAL LIABILITIES	**13,521**	**60,113**	**66,023**
Share capital	182	282	352
Accumulated deficit	(468)	(2,982)	(3,162)
TOTAL DEFICIT OF EQUITY	**(286)**	**(2,700)**	**(2,810)**
TOTAL LIABILITIES AND DEFICIT OF EQUITY	**13,235**	**57,413**	**63,213**

Cashflow statement, USD thousands	**For the period from 21 May 2021 (inception date) to 31 March 2022**	**Year ended 31 March 2023**	**Six months ended 30 September 2023**
Net loss	(468)	(1,576)	(180)
Adjustments for:			
Credit loss expense	378	1,376	249

Net change in accrued interest	62	351	(370)
Net change in accrued commissions	-	88	(88)
Net cash inflows/ (outflows) from operating activities before changes in operating assets and liabilities	**(28)**	**239**	**(389)**
Changes in operating assets and liabilities			
Increase in operating assets:			
Loans issued	(13,262)	(45,420)	(5.739)
Other liabilities			21
Net cash outflows used in operating activities	**(13,262)**	**(45,181)**	**(6,107)**
Proceeds from issuance of debt securities	13,200	45,265	5,800
Proceeds from contribution to share capital	182	100	70
Net cash flows from financing activities	**13,382**	**45,365**	**5,870**
Net increase in cash and cash equivalents	92	184	(237)
CASH AND CASH EQUIVALENTS, beginning of the period	**-**	**92**	**276**
CASH AND CASH EQUIVALENTS, end of the period	**92**	**276**	**39**

***Statement of changes in equity*, USD thousands**	**Share capital**	**Currency translation reserve**	**Retained earnings**
21 May 2021 (inception date)	**-**	**-**	**-**
Contribution to share capital	182	**-**	182
Total comprehensive loss	**-**	(468)	(468)
31 March 2022 *(Audited)*	**182**	**(468)**	**(286)**
Contribution to share capital	100	**-**	100
Distribution	**-**	(938)	(938)
Total comprehensive loss	**-**	(1,576)	(1,576)
31 March 2023 *(Audited)*	**282**	**(2,982)**	**(2,700)**
Contribution to share capital	70	**-**	70
Total comprehensive loss	**-**	(180)	(180)
30 September 2023	**352**	**(3,162)**	**2,180**

Consolidated Statement of Profit or Loss, USD thousands	For the period from 21 May 2021 (inception date) to 31 March 2022	Year ended 31 March 2023	Six months ended on 30 September 2023
Interest income	259	2,011	2,013
Interest expense	(259)	(2,011)	(1,896)
NET INTEREST INCOME	**-**	**-**	**117**
Net (loss)/ gain on foreign exchange operations	2	(3)	(1)
Fee and commission expense	(90)	(180)	(24)
Credit loss expense	(378)	(1,376)	(249)
Operating expenses	(2)	(37)	(23)
Other income	-	20	-
LOSS BEFORE INCOME TAX	**(468)**	**(1,576)**	**(180)**
Income tax expenses	**-**	**-**	**-**
NET LOSS FOR THE PERIOD	**(468)**	**(1,576)**	**(180)**

Since 31 March 2023 FFSPC issued U.S.$5.8 mln of debt securities and increased the share capital by U.S.$50,000.

8. Other information relating to the Issuer

8.1. Information about auditors

The independent auditor of the Issuer's financials for the period from 21 May 2021 (inception date) to 31 March 2022 and the year ended 31 March 2023 is Deloitte Limited Liability Partnership (36 al Farabi Avenue, Almaty, Kazakhstan, 050059) .

Deloitte LLP is authorized and regulated by the Ministry of Finance of Kazakhstan under the state license No. 0000015, type MFU-2, dated 13 September 2006.

8.2. Connected Persons

A body corporate of the Issuer is Freedom Holding Corp., a legal entity duly organized under the law of Nevada, USA, with registered address at c/o CT Corporation System 701 S Carson Street, Suite 200 Carson City, Nevada 89701, USA.

Beneficial owner of the Freedom Holding Corp., its direct shareholder and the only holder of more than 10% of the FRHC's issued and outstanding common shares is Timur Turlov, who is the major controlling shareholder of the Issuer. There are currently measures in place to ensure that control over the Issuer is not abused as provided for by Kazakhstan law and the Articles of the Issuer. Such measures include, among others, presence of the Board of Directors. There are no arrangements known to the Issuer which may at a subsequent date result in a change of control over the Issuer.

8.3. Legal and other proceedings against the Issuer

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and which the Company is aware of) which may have or have had a significant impact on the Company's financial position and profitability during the last 12 months prior to the date of this Prospectus.

9. Responsibility for the Content of the Prospectus

9.1. Responsibility Statement

The Responsibility Statement is included in Schedule 1 of this Prospectus.

9.2. Expert opinions included in the Prospectus

There are no expert opinions included in this Prospectus.

10. Documents on display

Copies of the following documents may be inspected at, and are available from, the office of the Issuer at 16, Dostyk Street, Talan Towers offices, floor 26, Astana, Kazakhstan during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), so long as the Bonds are listed on the AIX:

- This Prospectus, the Articles of Association, and the Conflict of interest policy of the Issuer
- The audited Financial Statements for the years ended 31 March 2023 and for the period from 21 May 2021 (inception date) to 31 March 2022, including in each case the auditor's report conducted in accordance with International Standards on Auditing relating to such financial statements.

SECURITIES NOTES

1. Key information

1.1. Risk factors material to the Securities

The Bonds are subject to modification, waivers and substitution.

This Prospectus contains provisions for calling meetings of the Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all the Bondholders.

Delisting of the Bonds from the Official List of the AIX may subject gains and coupon interest payments on the Bonds to tax in the Republic of Kazakhstan.

In order for coupon interest payments due on the Bonds and gains realized by the Bondholders in relation to disposal, sale, exchange or transfer of the Bonds to be exempt from Kazakhstan withholding tax, it will be necessary for the Bonds to be admitted to the Official List of the AIX as at the Coupon Payment Date or the date of such disposal, sale, exchange or transfer of the Bonds. No assurance can be given that the Bonds will remain admitted to the Official List of the AIX as at each Coupon Payment Date or during the term of the Bonds, or that there will be no material change in tax and securities laws in Kazakhstan.

The market price of the Bonds may be volatile.

The market price of the Bonds could be subject to fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by analysts and the actual or expected sale of a large number of Bonds.

If any Tranche issued under the Programme is guaranteed the guarantor might default on any payments related to the Bonds.

Where the Tranches issued under this Programme are guaranteed, the guarantor might default and not be able to pay any interest on any Bond or redeem any Bond when due.

1.2. Reasons for the offer

Estimated net amount of proceedings	Shall be specified in the relevant Offer Terms.
Use of proceeds	The proceeds received by the Issuer from the issue of the Bonds shall be transferred in the form of loans to the parent company Freedom Holding Corp., which intends to use the net proceeds from the sale of the Bonds for repayment or refinancing of debt, business expansion through mergers and acquisitions and general corporate purposes.

1.3. Creditworthiness of the Issuer

Earnings coverage ratio

According to the Issuer's audited financial statements, the Earnings coverage ratio for the year ended on 31 March 2023 is -1.78 (minus one point seventy eight hundredths).

Relevant credit ratings

The Issuer does not have any credit ratings. If applicable, credit ratings attached to each Tranche will be specified in the relevant Offer Terms.

Risk factors that may affect the Issuer's ability to fulfil its obligations under the Securities to investors

All relevant risk factors are described in the “Risk factors” section of the Registration Document of this Prospectus.

Guarantees

If applicable, the terms of guarantees attached to each Tranche will be specified in the relevant Offer Terms.

2. Information relating to the Securities offered/admitted to trading

2.1. General information relating to the Securities

Form of the Bonds	The Bonds will be issued in fully registered and dematerialised form under the Acting Law of AIFC, including AIFC Markets Rules and AIX Markets Business Rules.
Issuance	The Bonds under the Programme are to be issued in Tranches. The Programme may be comprised of one or more Tranches issued on the same or different dates. Each Tranche will be subject to the relevant Offer Terms which, for the purposes of that Tranche only, completes this Prospectus and which must be read in conjunction with this Prospectus. For the avoidance of doubt, the terms and conditions set out in this Prospectus shall be applicable to each Tranche issued under the Programme and will be completed by the relevant Offer Terms.
Aggregate Principal Amount of the Programme	U.S.$1,000,000,000 (one billion). When counting the aggregate principal amount of the Programme, Bond issued in currencies other than U.S.$ will be included at the exchange rate of the National Bank of the Republic of Kazakhstan as at the date of admission of the relevant Tranche to trading on the AIX.
Issue currency	Shall be specified in the relevant Offer Terms.
Trading currency	Shall be specified in the relevant Offer Terms.
Number and Nominal Value of the Bonds	Shall be specified in the relevant Offer Terms.
Admission to listing and trading	This Prospectus has been produced in connection with the application for the Bonds to be admitted to the Official List of the AIX and trading on the AIX. Each Tranche issued under the Programme is expected to be admitted to trading on AIX. Details for admission of each Tranche will be provided in the relevant Offer Terms.
Registrar	AIX Registrar.
Depository	AIX CSD.
Legislation	The Bonds and any non-contractual obligations arising out of, or in connection with, the Bonds shall be governed by, and construed in accordance with, the laws of the AIFC. The Issuer has agreed herein the conditions in favor of the Bondholders that any claim, dispute or discrepancy of any nature arising out of, or in connection with, the Bonds (including claims, disputes or discrepancies regarding the existence, termination thereof, or any non-contractual obligations arising out of, or in connection with, the Bonds) shall be brought to, and finally resolved by, the Court of the AIFC in accordance with the rules thereof, currently in effect, such rules shall be deemed incorporated herein.
Ranking	The Bonds shall constitute direct, general and unconditional obligations of the Issuer which will rank pari passu among themselves and rank pari passu, in terms of payment rights, with all other current or future unsubordinated obligations of the Issuer, except for liabilities mandatorily preferred by law.
Redemption	Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favor of each Bondholder that the Bonds will be redeemed at their Nominal Value concurrently with the final coupon interest payment no later than 15 (fifteen) calendar days starting from the Maturity Date.

Open market purchases	Unless otherwise specified in the relevant Offer Terms the Issuer may by tender at any time purchase the Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all the Bondholders. Any such purchased Bonds will not be considered as redeemed and may be further resold by the Issuer.
Coupon Interest Rate	The Coupon Interest Rate of each Tranche shall be specified in the relevant Offer Terms. Coupon interest amount per one Bond shall be calculated using the following formula: *Nominal Value* × *Coupon Interest Rate*× *Day count fraction for the relevant Coupon Period.*
Coupon Payment Dates	Shall be specified in the relevant Offer Terms.
Coupon period	Each period beginning on (and including) the Issue Date or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date.
Day count fraction	30/360; coupon interest payments on the Bonds shall be calculated on the basis of a year of 360 (three hundred and sixty) days consisting of 12 (twelve) months of 30 (thirty) days each.
Rights attached to the Bonds	The Bondholders have the right to: • Receive coupon interest payments according to the terms of the Prospectus and the relevant Offer Terms. • Receive the Nominal Value upon redemption according to the terms of the Prospectus and the relevant Offer Terms. • Freely transfer the Bonds. • Request and receive information about the Issuer's operations. • Attend, participate in and vote in meetings of the Bondholders in accordance with the terms of the Prospectus. • Require that the Bonds shall immediately become due and repayable at their Nominal Value together with accrued coupon interest if any of the events mentioned in clause 3.3 of Securities Notes occurs and continues for more than 30 (thirty) calendar days.
Issue restrictions	No amendment shall be made by the Issuer to the Prospectus or relevant Offer Terms unless the Issuer has secured prior written consent(s) of the Bondholders of at least three-fourth in principal amount of the Bonds then outstanding.
Selling restrictions	The offering and sale of the Bonds is subject to applicable laws and regulations and the Bonds may not be sold in other jurisdictions outside the AIFC, including without limitation the United Kingdom, the European Economic Area, other than in compliance with applicable laws and regulations. The Bonds have not and will not be registered under the U.S. Securities Act of 1933 or the securities laws of any state of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.
Restrictions on the free transferability	The Bonds are freely transferable and, once admitted to the Official List of the AIX, shall be transferable only in whole in accordance with the rules and regulations of the AIX.
Miscellaneous	For purposes of any calculation specified herein, a value shall be accurate to two decimal places.

3. Terms and conditions of the Offer

Number of Bonds offered	Shall be specified in the relevant Offer Terms.
Categories of potential investors	Subject to applicable laws and regulations the Bonds will be offered to a wide range of investors.
Conflict of interest	No person involved in the offering of the Bonds has any interest in the offering, which is material to the offering.
Offering method	Shall be specified in the relevant Offer Terms.

Offer period	Shall be specified in the relevant Offer Terms.
Allotment of the Bonds	Shall be specified in the relevant Offer Terms.
Lead Manager	Freedom Finance Global PLC.
Authorizations	The Prospectus and Offer Terms of the first Tranche issued under the Programme were approved by the Special Resolution on 27 November 2023.
Clearing and settlement	The payment and settlement will be made through the settlement system of the AIX CSD in accordance with the rules and regulations of the AIX CSD (the "AIX CSD Rules"), in particular delivery of the Bonds through the system of the AIX CSD. In order to participate in the offering of the Bonds, take delivery of the Bonds and trade the Bonds on the AIX, investors are required to have an account opened with a brokerage company admitted as an AIX Trading Member and an AIX CSD Participant. The Bonds will be held on behalf of investors in the relevant AIX Trading Member's account at the AIX CSD.
Notification process for investors	Prior to the start of trading, AIX will publish a market notice specifying the first day of trading on its website: https://aix.kz/news-announcements/aix-market-notices/ All other significant announcements will be made by the Issuer via the AIX Regulatory Announcement Service: https://aix.kz/listings/continuous-disclosure-obligations/company-disclosures-2/
Paying agent	The Issuer did not appoint a paying agent for the Bonds.

3.1. Payments

Coupon interest payments on the Bonds shall be paid to the Person shown in the Bond Registry at 23:59:59 (Astana time) on the last day of a period for which coupon interest payment is due for (the "Record Date").

Coupon interest payments on Bonds shall be paid no later than 15 (fifteen) calendar days starting from the relevant Coupon Payment Date by money transfer to current bank accounts of the Bondholders specified in the Bond Registry as at the Record Date. Coupon interest payment will be carried out by transferring money to the participant's settlement account at AIX CSD of the Bondholders, who have the right to receive the specified payment and have been registered as the Bondholders by AIX Registrar and AIX CSD at 23:59:59 (Astana time) on the relevant Record Date.

In case of nominee holding interest and principal debt could be paid only to the account provided by the Bondholder's broker or custodian acting as a nominal holder of securities (other than participant settlement account with AIX CSD). The final coupon interest payment shall be made by Issuer concurrently with payment of the principal of the Bonds no later than 15 (fifteen) calendar days starting from the Maturity Date. All payments in respect of the Bonds shall be made in the currency of the relevant Tranche specified in the relevant Offer Terms.
If any date for payment in respect of the Bonds is not a Business Day, the Bondholder shall not be entitled to payment until the next following Business Day nor to any coupon interest or other sum in respect of such postponed payment.

3.2. Penalty

The Issuer shall pay a penalty to the Bondholders for each day, on which any amount payable under the Bonds remains due and unpaid (the "Unpaid Amount"), at the rate equal to the Coupon Interest Rate specified in the relevant Offer Terms. The amount of penalty payable per any Unpaid Amount in respect of any Bonds shall be equal to the product of the coupon interest specified in the relevant Offer Terms, the Unpaid Amount and the number of calendar days on which any such Unpaid Amount remains due and unpaid divided by 360 (three hundred and sixty), rounding the resultant figure to the nearest cent, half of any such cent being rounded upwards.

3.3. Events of Default

The Bonds shall become immediately due and repayable at their Nominal Value, together with any accrued coupon interest, if any of the following events (the “Events of Default”) occurs and continues for more than 30 (thirty) calendar days:

- the Issuer shall fail to pay any interest on any Bond when due; or
- the Issuer shall fail to redeem any Bonds when due; or;
- the Issuer is in default in the performance, or is otherwise in breach, of any of the following obligations:
    - the Issuer shall not amend the Prospectus unless agreed upon in writing with the Bondholders of at least three-fourth in principal amount of the Bonds outstanding;
    - the Issuer shall maintain the listing of the Bonds on the Official List of AIX;
    - the Issuer shall not amend or substitute any entity in place of the Issuer as the principal debtor in respect of the Bonds, without prior written consent of the Bondholders of at least three-fourth in principal amount of the Bonds then outstanding;
    - the Issuer shall pay any penalty due to any Bondholder in accordance with section 3.2 of this Securities Notes.

3.4. Early redemption

Redemption at the Option of the Bondholders

If at any time while any of the Bonds remains outstanding an Event of Default occurs and continues for more than 30 (thirty) calendar days, the Issuer shall, at the option of the Bondholder, upon the Bondholder giving not less than 30 (thirty) days nor more than 45 (forty five) days’ notice from the occurrence of any Event of Default to the Issuer, redeem such Bonds on the day specified in such notice at 100% of its Nominal Value together with coupon interest accrued to (but excluding) the date specified for redemption.

Following the occurrence of any Event of Default in clause 3.3 of the Securities Notes the Issuer may arrange negotiations with the Bondholders in respect of the early redemption at the option of the Bondholders.

Redemption at the Option of the Issuer

Unless otherwise specified in the relevant Offer Terms the Bonds may be redeemed in whole or in part at Nominal Value before their stated maturity at the option of the Issuer only if the Issuer has secured prior written consent(s) of the Bondholders of at least three-fourth in nominal amount of the Bonds then outstanding. Redemption at the Option of the Issuer shall be made in accordance with Clause 3.1 (“Payments”) above.

3.5. Meetings of the Bondholders

- The Issuer may from time to time call meetings of the Bondholders for the purpose of consultation with the Bondholders or for the purpose of obtaining the consent of the Bondholders on matters which in terms of this Prospectus require the approval of the Bondholders’ meeting.
- A meeting of the Bondholders shall be called by the Issuer by publication of a relevant notice according to clause 3.6 (“Notices”) of the Securities Notes not less than 14 (fourteen) days before a day of the meeting. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of the Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this clause at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- The amendment or waiver of any of the provisions of and (or) conditions contained in this Securities Notes, or in any other part of the Prospectus, may only be made with the approval of the Issuer and of the Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- A meeting of the Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two Bondholders present, in person, via absentee voting or by proxy, representing not less than 50% (fifty percent) in Nominal Value of the

Bonds then outstanding, shall constitute a quorum. If a quorum is not present within 30 (thirty) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Issuer to the Bondholders present at that meeting. The Issuer shall within 2 (two) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than 7 (seven) days, and not later than 15 (fifteen) days, following the original meeting. At an adjourned meeting: the number of the Bondholders present, in person, via absentee voting or by proxy, representing not less than 30% (thirty) in Nominal Value of the Bonds then outstanding, shall constitute a quorum, and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

- Any person who in accordance with the Articles of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of the Bondholders.
- Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Issuer or its representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time for the Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- The voting process shall be managed by the secretary elected at the meeting.
- The proposal placed before a meeting of the Bondholders shall only be considered approved if at least 75% (seventy five percent) in Nominal Value of the Bondholders present at the meeting at the time when the vote is being taken, in person, via absentee voting or by proxy, shall have voted in favor of the proposal.
- Save for the above, the rules generally applicable to proceedings at general meetings of the Issuer’s shareholders shall apply to meetings of the Bondholders.

3.6. Notices

To the Bondholders

All notices to the Bondholders shall be deemed to have been duly given if, so long as the Bonds are listed on the AIX and so long as the rules of the AIX so require, by publication (i) on the internet website of the AIX at www.aix.kz via AIX RAS or (ii) otherwise in accordance with the regulations of the AIX.

To the Issuer

Notices to the Issuer will be deemed to be validly given if delivered to the Issuer at 16, Dostyk Street, Talan Towers offices, floor 26, Astana, Kazakhstan, or by email (ffspc@ffin.kz) and will be deemed to have been validly given when delivered.

3.7. Taxation

Under the Constitutional Law on “Astana International Financial Centre” any interest or capital gain on the securities listed on the AIX are exempt from taxes until 1 January 2066. Accordingly, following the admission of the Bonds to the Official List of the AIX, any income derived from holding or selling the Bonds will be exempt from taxes as long as the Bonds are listed on the AIX Official List. No stamp, registration or other taxes arising out of the transfer of the Bonds exist in the Republic of Kazakhstan.

Important U.S. tax considerations for the non-U.S. Bondholders are detailed in the subsequent section titled “Non-U.S. Bondholders” and investors should read carefully this section for information on U.S. tax implications.

Non-U.S. Bondholders

Under the U.S. tax law, coupon interest payments on the Bonds will be deemed to be payable from a source in the United States. Coupon interest payments made to a non-U.S. Bondholder generally will be subject to U.S.

withholding tax at the rate of 30%. The following is a summary of certain U.S. federal income tax considerations for the non-U.S. Bondholder. For purposes of this summary, the term “non-U.S. Bondholder” means a beneficial owner of the Bond who is, for U.S. federal income tax purposes:

- a non-resident alien individual;
- a foreign corporation.

Coupon interest payments

The coupon interest paid on the Bond by the Issuer to the non-U.S. Bondholder will be exempt from U.S. income and withholding tax under the “portfolio debt exemption” provided that:

(1) the non-U.S. Bondholder does not, directly or indirectly, own 10% or more of the total combined voting shares of FRHC,

(2) the non-U.S. Bondholder is not a controlled foreign corporation related to the FRHC, directly or indirectly, through the equity ownership,

(3) the non-U.S. Bondholder is not a bank that acquired the Bonds in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business and

(4) either

(a) the non-U.S. Bondholder provides to FF SPC an applicable properly completed IRS Form W-8BEN or W-8BEN-E (or applicable successor form) and any applicable attachments, signed under penalties of perjury, that includes its name and address and that certifies that it is not a U.S. person or in the case of an individual, that the person is neither a citizen or a resident (for U.S. federal income tax purposes) of the United States, in compliance with applicable law and regulations, or

(b) a securities clearing organization, bank or other financial institution that holds the Bonds in the ordinary course of its trade or business on behalf of the non-U.S. Bondholder provides a statement to FFSPC under penalties of perjury in which it certifies that a properly completed applicable IRS Form W-8BEN or W-8BEN-E (or applicable successor form) has been received by it from the non-U.S. Bondholder or

(c) the non-U.S. Bondholder holds the Bonds through a “qualified intermediary” and the qualified intermediary furnishes to FFSPC a copy of a properly executed IRS Form W-8IMY (or applicable successor form) and any applicable attachments on behalf of itself (which may, in some circumstances, include a withholding statement and applicable underlying IRS forms sufficient to establish that the non-U.S. Bondholder is not a U.S. Bondholder).

If a non-U.S. Bondholder cannot satisfy the requirements of the portfolio interest exemption described above, coupon interest payments made to such non-U.S. Bondholder generally will be subject to U.S. withholding tax at the rate of 30%, unless the non-U.S. Bondholder provides FFSPC with a properly executed IRS Form W-8BEN or W-8BEN-E (or applicable successor form) establishing an exemption from, or reduction of the withholding tax under the benefit of an applicable tax treaty.

The amount of interest on the Bond paid to a non-U.S. Bondholder and the amount of tax, if any, withheld from such payment generally must be reported annually to the non-U.S. Bondholder and to the IRS. The IRS may make this information available under the provisions of an applicable income tax treaty to the tax authorities in the country in which the non-U.S. Bondholder is a resident.

Provided that a non-U.S. Bondholder has complied with certain reporting procedures (usually satisfied by providing an applicable properly completed IRS Form W-8BEN or IRS Form W-8BEN-E) or otherwise establishes an exemption, the non-U.S. Bondholder generally will not be subject to U.S. withholding tax with respect to coupon interest payments on, and the proceeds from a disposition of, a bond, unless FFSPC knows or have reason to know that the Bondholder is a U.S. person or otherwise is ineligible for the portfolio debt exception.

U.S. Bondholders

Bondholders who are U.S. persons for tax purposes (“U.S. residents) are required to provide Form W-9 to FFSPC.

If a Bondholder is a U.S resident and fails to provide a valid Form W-9, or it is provided incorrectly or late, they may face backup withholding tax on their interest payments and on their gross proceeds upon subsequent disposition of the bonds. All payments (and tax withheld where applicable) will be reported to both the IRS and the U.S. resident on the appropriate Form 1099 series form.

Important information

This tax summary is intended for general information purposes only and does not constitute tax advice. For specific advice related to a Bondholder’s tax situation, Bondholders are encouraged to consult with a tax advisor. This will ensure compliance with the complex and evolving U.S. tax laws and regulations.

4. Other information

4.1. Audit and source of information including use of expert reports

Audited financials for a period from 21 May 2021 (inception date) to 31 March 2022 and for year ended on 31 March 2023 prepared by the Company’s auditors Deloitte LLP – are included in Schedule 3 of this Prospectus.

5. Admission to listing and trading

Dates of admission to listing and trading on AIX and estimate of the total expenses related to the admission to trading will be specified in respective Offer Terms of each Tranche.

GLOSSARY

“AIFC”	Astana International Financial Centre
“Acting Law of the AIFC”	Regulatory acts specified in article 4 of the Constitutional statute of the Republic of Kazakhstan №438-V of 7 December 2015 “On the Astana International Financial Centre”
“AIX”	Astana International Exchange Limited
“AIX CSD”	Astana International Exchange Central Securities Depository Limited, a private company incorporated under the Acting law of the AIFC responsible for daily cash and securities settlement and depositary activities.
“AIX RAS”	AIX Regulatory Announcement Service, a service providing issuers with a method of declaring information and any other continuous and/or periodic disclosures that must be released to the market either under the ongoing reporting requirements or as required otherwise
“AIX Registrar”	Astana International Exchange Registrar Limited, a company incorporated in AIFC under company identification number 180840900010 with its registered office at 55/19, Mangilik El Avenue, Astana, Kazakhstan.
“Articles”	Articles of Association of the Issuer.
“bln”	Billion.
“Bond Registry”	The register of the Bondholders that is maintained by AIX Registrar on behalf of that Issuer.
“Bonds”	Bonds issued by the Issuer under the Programme (same as “Securities”).
“Bondholder”	A legal owner of the Bond which is recorded in the register of the holders of the Bonds maintained by AIX Registrar.
“Business Day”	A day on which banks and exchange markets are open for business in the Republic of Kazakhstan.
“Company”	Freedom Finance SPC Ltd. (same as “Issuer” and “FFSPC”).
“Coupon Interest Rate”	The annual interest rate paid on the Bonds and expressed as a percentage of the Nominal Value.
“Coupon Payment Dates”	The first day of the coupon interest payment period.
“Earnings coverage ratio”	Equals to consolidated net income applicable to common shareholders plus income taxes, interest on long-term and short-term debt, divided by interest on long-term and short-term debt.
“Events of Default”	A partial or complete failure to fulfil the Issuer’s obligations with respect to the Bonds as described in the Prospectus and the relevant Offer Terms.
“FFSPC”	Freedom Finance SPC Ltd. (same as “Issuer” and “Company”).
“FRHC”	Freedom Holding Corp.
“General Meeting”	A meeting of the Company’s shareholders.
“IRS”	Internal Revenue Service, the revenue service for the United States federal government, which is responsible for collecting U.S. federal taxes.
“Issue Date”	The issue date of the relevant Tranche from which the Bondholder is entitled to receive coupon interest.
“Issuer”	Freedom Finance SPC Ltd. (same as “Company” and “FFSPC”).
“KZT”	The lawful currency of the Republic of Kazakhstan.
“Lead Manager”	Freedom Finance Global PLC.
“Maturity Date”	The day following the last day of the Bond circulation period (the first day of the Bonds’ redemption period).
“mln”	Million.
“Nominal Value”	Redemption price of the Bonds as per relevant Offer Terms.

"Official List"	The list of securities, units or derivatives and a right or interest in the relevant security, unit or derivative maintained by AIX.
"Offer Terms"	Offer terms of each Tranche issued under the Programme.
"Ordinary Resolution"	A resolution passed by a simple majority of the votes of the Issuer's shareholders who (being entitled to do so) vote in person or, if proxies are allowed, by proxy, at a General Meeting for which notice specifying the intention to propose the resolution was duly given, and includes an Ordinary Resolution in writing passed under section 100 (Resolution in writing of Private Companies) of the AIFC Companies Regulations.
"Person"	Any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other legal entity, whether or not having separate legal personality.
"Programme"	U.S.$1,000,000,000 bond Programme established by the Issuer.
"Prospectus"	This document, which has been prepared in accordance with the MAR Rules regarding to the Programme and the Bonds
"Record Date"	The last day of a period for which coupon interest payment is due.
"Securities"	Bonds issued by the Issuer under the Programme (same as "Bonds").
"Special Resolution"	A resolution passed by at least 75% of the votes of the Issuer's shareholders (or the shareholders of the relevant class of the Issuer's shares) who (being entitled to do so) vote in person or, if proxies are allowed, by proxy, at a General Meeting for which notice specifying the intention to propose the resolution was duly given, and includes a Special Resolution in writing passed under section 100 (Resolutions in writing of Private Companies) of the AIFC Companies Regulations.
"Tranche"	Each series of the Bonds issued under the Programme.
"**U.S. Dollars**" and "**U.S.$**"	The lawful currency of the United States.

SCHEDULE 1. RESPONSIBILITY STATEMENT

a) The Issuer, having made all the reasonable enquiries, accept responsibility for this Prospectus and confirms that this Prospectus complies with the requirements set out in Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules.

Most of the information reflected in this Prospectus has been received by the Issuer from the Auditor's reports, constituent documents, public data placed on the website of the authorized state bodies. The Issuer confirms that such information has been accurately reproduced and is able to ascertain from information published by such third parties that no facts have been omitted which would render the reproduced information inaccurate or misleading.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances create any implications that there has been no adverse change, or any event reasonably likely to involve an adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

On behalf of the Issuer, the General Director of the Issuer confirms that this Prospectus complies with the requirements set out in Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules and contains all information which is material in the context of the issue and offering of the Bonds, that the information contained in this Prospectus is correct to the best of his knowledge and that no material facts or circumstances have been omitted.

b) The Issuer's Board of Directors is responsible for the information contained in the Prospectus, which to any extent relates to the Issuer's financial activity and financial statements.

c) The persons responsible for the content of this Prospectus are those responsible for the content of this Prospectus in accordance with clauses (a) and (b) of this Schedule and MAR 1.9.1.

Freedom Finance SPC Ltd.,
as the Issuer

Olga Baskakova, Director

(Name, title)

/s/ Olga Baskakova (seal)

(Signature, stamp)

15 December 2023

Date

16, Dostyk Street, Talan Towers offices, floor 26, Astana, Kazakhstan

(Address)

SCHEDULE 2: Form of Offer Terms template

Freedom Finance SPC Ltd.

(Incorporated as a special purpose company under the legislation of the Astana International Financial Centre)

OFFER TERMS

OF THE [*currency, amount of the Tranche***] BONDS DUE** [*date*] ____**(ISIN:_______)**

ISSUED UNDER U.S.$1,000,000,000 BOND PROGRAMME

The Bonds will be constituted by and have the benefit of a U.S.$1,000,000,000 Programme established by Freedom Finance SPC Ltd. valid until 31 December 2033. This document is the Offer Terms of the [*number of the Tranche*] Tranche issued under the Programme. The Bonds of this Tranche have been issued under the Programme and in accordance with the Acting Law of the Astana International Financial Centre**.** Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Prospectus dated 15 December 2023**.** This document constitutes the Offer Terms of the Bonds described herein. This document is prepared for the purposes of the AIFC rules and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Offer Terms and the Prospectus. The Offer Terms and the Prospectus have been published on the website of the Astana International Exchange at https://www.aix.kz and on the website of the Issuer at https://ffin.kz/freedombonds.

AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of the information included in this document including the accuracy or completeness of any information or statements included in it. Liability for this document lies with the issuer of this document and other persons such as Experts whose opinions are included in this document with their consent. Nor has the AIX, its directors, officers or employees assessed the suitability of the securities to which this document relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

In the case of bankruptcy or default by the Issuer the investors may not recover the amounts they are entitled to and risk losing all or part of their investment, and the investors' liability might not be limited to the amount of the investment. Civil liability attaches only to those Persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

Terms defined in the Prospectus have the same meanings in these Offer Terms unless they are expressly defined herein.

Type of Securities	
Issue and trading currency	
Aggregate principal amount	
Nominal Value	
Number of Bonds offered	
ISIN	
Guarantee	
Issue Date	
Maturity Date	
Admission to listing and trading	

Coupon Payment Dates	
Coupon Interest Rate	
Offering method	
Offer period opening and closing date	
Allotment of the Bonds	
Early redemption at the Option of the Bondholders – Put Option	
Early redemption at the Option of the Issuer – Call Option	
Estimated expenses	
Estimated net amount of proceeds	

____

(Name, position)

____

(Stamp and Signature)

____

Date

SCHEDULE 3. AUDITED FINANCIAL STATEMENTS

EXHIBIT 4.02

Freedom Finance SPC Ltd.

(Incorporated as a Special Purpose Company under the legislation of the Astana International Financial Centre)

OFFER TERMS
OF THE U.S.$200,000,000 BONDS DUE 19 DECEMBER 2028 (ISIN: KZX000001862)
ISSUED UNDER THE U.S.$1,000,000,000 PROGRAMME

The Bonds will be constituted by and have the benefit of a U.S.$1,000,000,000 Programme established by Freedom Finance SPC Ltd. valid until 31 December 2033. This document is the Offer Terms of the first Tranche issued under the Programme. The Bonds of this Tranche have been issued under the Programme and in accordance with the Acting Law of the Astana International Financial Centre. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Prospectus dated 15 December 2023. This document constitutes the Offer Terms of the Bonds described herein. This document is prepared for the purposes of the AIFC rules and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Offer Terms and the Prospectus. The Offer Terms and the Prospectus have been published on the website of the Astana International Exchange at https://www.aix.kz via the AIX Regulatory Announcement Services and on the website of the Issuer at https://ffin.kz/freedombonds.

The AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of the information included in this document including the accuracy or completeness of any information or statements included in it. Liability for this document lies with the issuer of this document and other persons such as Experts whose opinions are included in this document with their consent. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which this document relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorized financial advisor.

In the case of bankruptcy or default by the Issuer the investors may not recover the amounts they are entitled to and risk losing all or part of their investment, and the investors' liability might not be limited to the amount of the investment. Civil liability attaches only to those Persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

Terms defined in the Prospectus have the same meanings in these Offer Terms unless they are expressly defined herein.

Lead Manager
Freedom Finance Global PLC

Type of Securities	Guaranteed Coupon Bonds.
Issue and trading currency	U.S. Dollar.
Aggregate principal amount	U.S.$200,000,000.
Nominal Value	U.S.$100 per Bond.
Number of Bonds offered	2,000,000 Bonds.
ISIN	KZX000001862.
Guarantee	The payment of all amounts including interest and (or) principal and (or) penalty (as defined in the Prospectus) owing by the Issuer in respect of this Tranche will be unconditionally and irrevocably guaranteed by FRHC in accordance with the guarantee agreement dated 15 December 2023 (included in Schedule 1 of this document). Under the terms of the guarantee agreement, FRHC shall be jointly liable to the Bondholders for the Issuer's performance of the obligations to pay off the principal amount of the Bonds, the amount of accrued interest, fees, forfeits, penalties, fines, debt recovery-related litigation fees, caused by the Issuer's non-performance and (or) improper performance of obligations under the Bonds placed in accordance with the Offer Terms of the first Tranche and the Prospectus. For detailed information about FRHC please see the Prospectus, 10-K annual reports and 10-Q quarterly reports of FRHC published on the AIX web site and the United States Securities and Exchange Commission.
Issue Date	19 December 2023
Maturity Date	19 December 2028
Admission to listing and trading	Applications have been made for the Bonds to be admitted to the Official List of the AIX on 19 December 2023 and to trading on the AIX on 20 December 2023
Coupon Payment Dates	Nineteenth day of every month in each year of circulation, commencing 19 January 2024.
Coupon Interest Rate	Coupon interest is payable monthly in arrears within 15 (fifteen) calendar days starting from the relevant Coupon Payment Dates. For the first and second years of circulation of the Bonds the Coupon Interest Rate is fixed at 12% per annum. For the third, fourth and fifth years of circulation of the Bonds the Coupon Interest Rate will be fixed and set as the sum of the Effective federal funds rate as of 10 December 2025 and a margin of 6.5% (six and a half percent), and applied to the third, fourth and fifth years of circulation of the Bonds. For purposes of this clause the Effective federal funds rate means the Federal funds (effective) rate published on the official web site of the United States of America's Federal Reserve (https://www.federalreserve.gov/releases/h15/). At least three Business Days prior to the commencement of the third year of circulation of the Bonds the Issuer notifies AIX (at listings@aix.kz and MktOps@aix.kz) and announces via AIX Regulatory Announcement Services the relevant information regarding the Coupon Interest Rate applicable to the third, fourth and fifth years of circulation of the Bonds.
Offering method	Offering of the Bonds will be made through the trading system of the AIX in accordance with the AIFC Market Rules, AIX Business Rules, AIX CSD Rules, and relevant AIX market notices.
Offer period opening and closing date	The Bonds can be offered during the entire period of circulation starting from the Issue Date until the Maturity Date through the trading system of the AIX in accordance with the AIFC Market Rules, AIX Business Rules, AIX CSD Rules and relevant AIX market notices.
Allotment of the Bonds	There is no book-building. The settlement of the Bond's transactions executed on the AIX during the entire period of circulation period is T+2 in accordance with AIX CSD Rules.

Early redemption at the Option of the Bondholders – Put Option	Within 15 (fifteen) calendar days starting from 19 December 2025 the Issuer shall, at the option of the Bondholder, upon the Bondholders giving a relevant notice to the Issuer within 30 (thirty) calendar days starting from 19 October 2025, repurchase such Bonds at 100% of their Nominal Value together with the interest accrued on the date of actual repurchase. AIX CSD Participant shall give a notice in accordance with AIX CSD Rules and Procedures on the behalf of Bondholder and contact ptd@aix.kz to provide any additional documentation that may be needed for redemption process execution. The relevant notice of the Bondholder on partial or full repurchase of the Bonds received by the Issuer shall include the following information: – for a legal entity: legal name of the Bondholder; business identification number (or a similar number confirming the registration as a legal entity); legal address and actual location; contact phone and email; bank account details; number of the Bonds which are subject to repurchase; – for an individual: surname, first name, patronymic; individual identification number (or a similar registration number); number, date and authority issued the Bondholder's identity document; place of residence; contact phone and email; bank account details; number of the Bonds which are subject to repurchase. For detailed information on notices to the Issuer please see clause 3.6 “Notices” of the Securities Notes section of the Prospectus.
Early redemption at the Option of the Issuer – Call Option	Within 15 (fifteen) calendar days starting from 19 December 2025, 19 December 2026 and 19 December 2027 the Issuer may, at its option, upon the Issuer giving a relevant notice to the Bondholders within 30 (thirty) calendar days starting from 19 October 2025, 19 October 2026 and 19 October 2027, and subject to relevant corporate approvals, redeem the Bonds in whole or in part at 100% of their Nominal Value together with the interest accrued on the date of actual redemption. For detailed information on notices to the Bondholders see clause 3.6 “Notices” of the Securities Notes section of the Prospectus.
Estimated expenses	Estimated expenses associated with the preparation and offering of the Bonds, including listing fees, are expected to be U.S.$30,000.
Estimated net amount of proceeds	The net proceeds from the issuance are expected to amount to approximately U.S.$199,970,000 after deduction of fees and expenses related to the issuance of the Bonds.

Olga Baskakova, Director

(Name, position)

/signed/ (seal)

(Stamp and Signature)

15.12.2023

Date

COUPON CALENDAR

Number	Coupon period commencement date	Coupon period expiry date and Record Date (23:59:59 Astana time)	Coupon Payment Dates (the first day of the coupon interest payment period)	The last day of the coupon interest payment period	Coupon Interest Rate (per annum)
1	19-Dec-23	18-Jan-24	19-Jan-24	2-Feb-24	12.00%
2	19-Jan-24	18-Feb-24	19-Feb-24	4-Mar-24	12.00%
3	19-Feb-24	18-Mar-24	19-Mar-24	2-Apr-24	12.00%
4	19-Mar-24	18-Apr-24	19-Apr-24	3-May-24	12.00%
5	19-Apr-24	18-May-24	19-May-24	2-Jun-24	12.00%
6	19-May-24	18-Jun-24	19-Jun-24	3-Jul-24	12.00%
7	19-Jun-24	18-Jul-24	19-Jul-24	2-Aug-24	12.00%
8	19-Jul-24	18-Aug-24	19-Aug-24	2-Sep-24	12.00%
9	19-Aug-24	18-Sep-24	19-Sep-24	3-Oct-24	12.00%
10	19-Sep-24	18-Oct-24	19-Oct-24	2-Nov-24	12.00%
11	19-Oct-24	18-Nov-24	19-Nov-24	3-Dec-24	12.00%
12	19-Nov-24	18-Dec-24	19-Dec-24	2-Jan-25	12.00%
13	19-Dec-24	18-Jan-25	19-Jan-25	2-Feb-25	12.00%
14	19-Jan-25	18-Feb-25	19-Feb-25	5-Mar-25	12.00%
15	19-Feb-25	18-Mar-25	19-Mar-25	2-Apr-25	12.00%
16	19-Mar-25	18-Apr-25	19-Apr-25	3-May-25	12.00%
17	19-Apr-25	18-May-25	19-May-25	2-Jun-25	12.00%
18	19-May-25	18-Jun-25	19-Jun-25	3-Jul-25	12.00%
19	19-Jun-25	18-Jul-25	19-Jul-25	2-Aug-25	12.00%
20	19-Jul-25	18-Aug-25	19-Aug-25	2-Sep-25	12.00%
21	19-Aug-25	18-Sep-25	19-Sep-25	3-Oct-25	12.00%
22	19-Sep-25	18-Oct-25	19-Oct-25	2-Nov-25	12.00%
23	19-Oct-25	18-Nov-25	19-Nov-25	3-Dec-25	12.00%
24	19-Nov-25	18-Dec-25	19-Dec-25	2-Jan-26	12.00%
25	19-Dec-25	18-Jan-26	19-Jan-26	2-Feb-26	TBD[1]
26	19-Jan-26	18-Feb-26	19-Feb-26	5-Mar-26	TBD
27	19-Feb-26	18-Mar-26	19-Mar-26	2-Apr-26	TBD
28	19-Mar-26	18-Apr-26	19-Apr-26	3-May-26	TBD
29	19-Apr-26	18-May-26	19-May-26	2-Jun-26	TBD
30	19-May-26	18-Jun-26	19-Jun-26	3-Jul-26	TBD
31	19-Jun-26	18-Jul-26	19-Jul-26	2-Aug-26	TBD
32	19-Jul-26	18-Aug-26	19-Aug-26	2-Sep-26	TBD
33	19-Aug-26	18-Sep-26	19-Sep-26	3-Oct-26	TBD
34	19-Sep-26	18-Oct-26	19-Oct-26	2-Nov-26	TBD
35	19-Oct-26	18-Nov-26	19-Nov-26	3-Dec-26	TBD
36	19-Nov-26	18-Dec-26	19-Dec-26	2-Jan-27	TBD
37	19-Dec-26	18-Jan-27	19-Jan-27	2-Feb-27	TBD
38	19-Jan-27	18-Feb-27	19-Feb-27	5-Mar-27	TBD
39	19-Feb-27	18-Mar-27	19-Mar-27	2-Apr-27	TBD

40	19-Mar-27	18-Apr-27	19-Apr-27	3-May-27	TBD
41	19-Apr-27	18-May-27	19-May-27	2-Jun-27	TBD
42	19-May-27	18-Jun-27	19-Jun-27	3-Jul-27	TBD
43	19-Jun-27	18-Jul-27	19-Jul-27	2-Aug-27	TBD
44	19-Jul-27	18-Aug-27	19-Aug-27	2-Sep-27	TBD
45	19-Aug-27	18-Sep-27	19-Sep-27	3-Oct-27	TBD
46	19-Sep-27	18-Oct-27	19-Oct-27	2-Nov-27	TBD
47	19-Oct-27	18-Nov-27	19-Nov-27	3-Dec-27	TBD
48	19-Nov-27	18-Dec-27	19-Dec-27	2-Jan-28	TBD
49	19-Dec-27	18-Jan-28	19-Jan-28	2-Feb-28	TBD
50	19-Jan-28	18-Feb-28	19-Feb-28	4-Mar-28	TBD
51	19-Feb-28	18-Mar-28	19-Mar-28	2-Apr-28	TBD
52	19-Mar-28	18-Apr-28	19-Apr-28	3-May-28	TBD
53	19-Apr-28	18-May-28	19-May-28	2-Jun-28	TBD
54	19-May-28	18-Jun-28	19-Jun-28	3-Jul-28	TBD
55	19-Jun-28	18-Jul-28	19-Jul-28	2-Aug-28	TBD
56	19-Jul-28	18-Aug-28	19-Aug-28	2-Sep-28	TBD
57	19-Aug-28	18-Sep-28	19-Sep-28	3-Oct-28	TBD
58	19-Sep-28	18-Oct-28	19-Oct-28	2-Nov-28	TBD
59	19-Oct-28	18-Nov-28	19-Nov-28	3-Dec-28	TBD
60	19-Nov-28	18-Dec-28	19-Dec-28	2-Jan-29	TBD

[1] The Coupon Interest Rate for the third, fourth and fifth years of circulation of the Bonds is calculated in accordance with the method described in the "Coupon Interest Rate" clause of this Offer Terms.

If any date for payment in respect of the Bonds is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any coupon interest or other sum in respect of such postponed payment.

For detailed information please see clause 3.1. "Payments" of the Securities Notes section of the Prospectus.

Olga Baskakova, Director

(Name, position)

/signed/ (seal)

(Stamp and Signature)

15.12.2023

Date

EXHIBIT 4.03

Certain portions of this exhibit (indicated by “[***]”) have been omitted pursuant to Item 601(a)(6) of Regulation S-K

GUARANTEE AGREEMENT No.

Astana December 15, 2023

Freedom Holding Corp., a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada, represented by Chief Financial Officer Yevgeniy.Ler, acting on the basis of By-Laws, hereinafter referred to as the "Guarantor", as the first party, and

Freedom Finance SPC Ltd., a special purpose company incorporated in accordance with the legislation of the Astana International Financial Centre (“AIFC”), represented by Director Olga Baskakova, acting under the Standard Articles, hereinafter referred to as the “Issuer” as the second party, hereinafter jointly referred to as the Parties, and separately as specified above or a Party, in favor of the Bondholder(s) of the Issuer have entered into this Guarantee Agreement (the “Agreement”) as follows.

Chapter 1. Terms and Definitions

1. The following definitions are used in this Agreement:

1) Astana International Exchange or AIX – the Astana International Exchange managed by Astana International Exchange Ltd;

2) Bonds – the bonds of the Issuer which being issued under U.S.$1,000,000,000 (one billion) Bond Programme and the first tranche under the Programme in the amount of U.S.$200,000,000 (two hundred million), ISIN- KZX000001862, unconditionally and irrevocably guaranteed by Freedom Holding Corp. and being placed on the AIX;

3) Lead Manager – the financial consultant Freedom Finance Global PLC that provides financial advisory services to the Issuer in connection with the placement of the Bonds by the latter;

4) Offer Documents of the Bonds – the document under the terms and conditions of which the Issuer places the Bonds on the AIX (the Offer Document of the Programme and the Offer Terms of the Bonds for the tranches);

5) Third Party – an investor or the owner of the Bonds that are issued by the Issuer, and whose title to the Bonds is confirmed by an extract from the register maintained by AIX Registrar;

6) Guarantor – Freedom Holding Corp.;

7) Guarantee – the Guarantor's obligation to the Third Party on the performance of the Issuer's obligations to pay off the principal amount and the entire coupon interest on the Bonds arising from this Agreement, to the extent of the Guarantee amount;

8) Issuer – the legal entity that signs the Offer Documents of the Bonds (the Offer Document of the Programme and the Offer Terms of the Bonds), that has issued and placed the Bonds, and assumes the obligations to pay off the Bonds placed and pay the specified interest and other payments on the Bonds.

Chapter 2. Subject of the Agreement

2. Under the terms of this Agreement, the Guarantor shall be jointly liable to the Third Party for the Issuer’s performance of the obligations to pay off the principal amount of the Bonds, the amount of accrued interest, fees, forfeits, penalties, fines, debt recovery-related litigation fees, caused by the Issuer’s non-performance and (or) improper performance of obligations under the Bonds placed in accordance with the Offer Documents of the Bonds.

3. The Guarantor's liability to the Third Party under this Agreement shall be limited in the amount of the value of the placed bonds under the Offer Documents of the Bonds and the coupon interest (the Interest) accumulated on them as of the date the Third Party submits a claim to the Guarantor.

4. The amount of the Guarantor's obligations under the Guarantee shall be reduced by the amount of the claim satisfied by the Guarantor.

5. The Guarantee shall be enforced only in the event of the Issuer’s non-performance and (or) improper performance of obligations to pay off the principal amount and pay the Interest on the Bonds. The procedures for the filing a claim and performance of the Guarantee shall be established by this Agreement.
Non-performance and (or) improper performance implies the occurrence of an event of default and violation of the Issuer’s obligations established by the Offer Documents of the Bonds.

Chapter 3. Rights and Obligations of the Parties

6. The Guarantor is obliged to:
1) within 10 (ten) business days from the date of receipt of the claim(s) of the Third Party pay under the Guarantee to the Third Party under the terms of this Agreement.

The Guarantor has taken all necessary action and obtained all required or desirable resolutions and (or) approvals and (or) consents and (or) authorizations to enable it to perform its obligation under this Agreement and to make this Guarantee admissible in evidence in its jurisdiction of incorporation. Any such resolutions and (or) approvals and (or) consents and (or) authorizations are in force and effect.

7. The Guarantor has the right to:
1) require the Issuer to perform the obligations established by this Agreement;

2) require the Issuer, within 5 (five) business days from the date of receipt of the Guarantor's request, to provide information on the Issuer’s performance of the obligations under the Bonds, including any committed violations of the Offer Documents of the Bonds;

3) require the Issuer (in the event of performance by the Guarantor of its obligations under the Guarantee) to reimburse the Guarantor in full the amount of payments made under the Guarantee, and other losses incurred in connection with the liability for the Issuer;

4) have the rights under this Agreement.

8. The Issuer is obliged to:
1) use the funds received from the placement of the Bonds in accordance with its intended purpose established in the Offer Documents of the Bonds;

2) upon request of the Lead Manager and (or) the Guarantor, provide their representatives with the opportunity to verify the intended use of the funds received from the placement of the Bonds, the Issuer's financial and operating activities on the conditions (deadline, scope) required by the Lead Manager and (or) the Guarantor;

3) within 5 (five) business days following the day of a violation of the Offer Documents of the Bonds, notify the Guarantor in writing of all such violations committed by the Issuer, including the delay in payment (return) of the principal amount and (or) interest on the Bonds, as well as of all circumstances that affect or are likely to affect the Issuer’s performance of the obligations under the Bonds;

4) in the event the Third Party files claims to perform the obligations under the Bonds, take all reasonable and available measures under the current circumstances to properly perform its obligations;

5) in the event the Guarantor performs its obligations under the Guarantee, reimburse the Guarantor in full the amount of payments made by the Guarantor under the Guarantee, and (upon a relevant claim of the Guarantor) pay an interest accrued on the amount of Issuer's debt to the Guarantor from the date the Guarantor transfers the amount under the Guarantee to the Third Party, up to the date the Issuer actually returns the money to the Guarantor in the amount paid to the Third Party under the Guarantee, at the rate specified in the Offer Documents of the Bonds, as

well as to reimburse for other losses incurred by the Guarantor in connection with the liability for the Issuer, in accordance with the procedure and within the deadlines specified in the Guarantor's claim. The date of the Issuer's actual return of the money to the Guarantor shall be the date when the money is credited to the Guarantor's bank account specified herein;

6) upon receipt of a written request from the Guarantor to provide information on the performance of obligations under the Bonds, including committed violations of the Offer Documents of the Bonds, within 5 (five) business days from the date of receipt thereof, provide, in writing, the Guarantor with the information specified in the request;

7) upon any changes of the bank details and (or) location, within 3 (three) business days notify the Lead Manager, the Third Party, and the Guarantor in writing and by making public disclosure to the market in accordance with the AIX Business Rules;

8) upon any changes of the bank details and (or) location, contact details of the Guarantor as soon as practicable make public disclosure to the market in accordance with the AIX Business Rules;

9) be liable to the Guarantor with all its property, in the event of non-performance and (or) improper performance of its obligations hereunder.

9. The parties hereby expressly agree that provisions of the AIFC Contract Regulations apply to this agreement, and that the Third Party is a beneficiary of the rights pursuant to Part 10 of AIFC Contracts Regulations and shall be entitled to enforce rights under this Agreement.
The Guarantor undertakes to be jointly and severally liable with the Issuer for the full performance of the Issuer's obligations for the bonds to the Third Parties.

Chapter 4. Guarantee Performance Procedure

10. Upon expiration of 15 (fifteen) calendar days from the relevant date of the Issuer's non-performance of the obligations to pay off the principal amount and (or) pay the interest on the Bonds, the Issuer has not performed and (or) has improperly performed the obligations to pay off the principal amount and (or) interest on the Bonds, the Third Party shall have the right to file a claim to the Guarantor.

11. The following shall be specified in the claim:
1) the Guarantee Agreement details;
2) the Issuer's name;
3) the calculation of the amount payable by the Guarantor under the Guarantee;
4) the Third Party bank details, to which money is to be credited.

12. The amount specified in the claim shall comply with the terms and conditions hereof and may not exceed the maximum Guarantee amount established herein.

13. The claim shall be sent by the Third Party to the Guarantor by registered mail or by personal delivery at the Guarantor's address specified in Chapter 10 of this Agreement.

14. A claim may be filed to the Guarantor before 6 p.m. (Astana time) of a current business day. A claim filed after 6 p.m. (Astana time) shall be deemed to have been submitted on the next business day.

15. After receipt of the claim(s) of the Third Party, the Guarantor shall notify the Issuer in writing of such claim(s) of the Third Party by sending a notice by registered mail at the Issuer's address specified in this Agreement or by personal delivery upon the Issuer's signature. When sending a notice by registered mail, the notice shall be deemed to have been received on the 3rd (third) day after the date indicated in the document issued by the post office.

16. The Guarantor shall, within 10 (ten) business days from the date of receipt of claim(s) of the Third Party, pay the Third Party the amount(s) specified in the claim(s) in accordance with the register of the Third Party provided by the Issuer. In this case, the register of the Third Party shall be maintained by Astana International Exchange Registrar Limited.

Chapter 5. Guarantee Term

17. The Guarantee shall be in effect until the Issuer's obligations under the Bonds are fully performed.

18. The Guarantee shall terminate upon the occurrence of any of the following events:

1) full repayment of the principal amount and the entire coupon interest on the Bonds secured by the Guarantee;
2) expiration of the Guarantee term specified herein;
3) on the grounds stipulated by this Agreement.

Chapter 6. Responsibilities of the Parties

19. In event of late payment by the Guarantor to the Third Party of the amount specified in the claim, the Guarantor shall pay the Third Party a forfeit (penalty) of 0.01% (zero point one hundredth percent) of the overdue amount for each day of delay, but not more than 10% of the overdue amount.

20. In the event the Issuer is in violation of the obligations established by sub-clauses 3), 5), 6), 7) of clause 8 hereof, the Issuer shall pay the Guarantor a forfeit (penalty) in the amount of a single monthly calculation index established by the Law on the Republican Budget for the relevant fiscal year, for each day of delay.

21. The requirement to pay a forfeit is the right of a Party whose rights have been violated by a responsible Party. The filing of a written claim to pay the forfeit shall be deemed as the exercise by a Party of the right to claim payment of the forfeit. The payment of the forfeit shall not exempt a responsible Party from the proper performance of the terms and conditions of this Agreement.

Chapter 7. Force Majeure

22. Force majeure shall mean the circumstances whereby the Parties are unable to perform their obligations hereunder in full or in part (including, but not limited to, floods, earthquakes, explosions, storms, epidemics, epizootics, fires, strikes, war, rebellions, official acts of state authorities).

23. The Parties shall be exempt from the liability for non-performance or improper performance of their obligations hereunder, if the inability to perform obligations was the result of force majeure circumstances.

24. Upon the occurrence of force majeure circumstances, the Party, which is unable to perform obligations hereunder, shall in a timely manner, within 10 (ten) business days from the occurrence of force majeure circumstances, notify the other Parties thereof.

25. In the absence of a timely notice, the Party shall be obliged to reimburse the other Party for the damage caused by failure to notify or a late notice.

26. The onset of force majeure results in the extension of the Agreement term for the period while force majeure is in effect.
27. If such force majeure circumstances continue for more than 2 (two) months, the Parties shall be exempt from the liability for the improper performance of their contractual obligations.

Chapter 8. Dispute Resolution

28. The Parties shall resolve all disputes and disagreements related to the amendment, termination and execution of this Agreement through negotiations and discussions; if the Parties fail to reach an agreement as a result of negotiations, then such a dispute shall be considered through legal proceedings stipulated by the laws of the Astana International Financial Centre in Astana, Kazakhstan.

Chapter 9. Final Provisions

29. All amendments and supplements to the Agreement shall be made in writing, duly signed by the authorized representatives of the Parties and stamped by the Parties. All amendments and supplements hereto shall be valid (1) only after prior written consent(s) of the holders of at least three-fourth in principal amount of the Bonds then outstanding has(ve) been obtained, and (2) only if they have been signed and stamped by an authorized representative of the Lead Manager, and (3) if the Issuer has timely disclosed such amendments and supplements in accordance with the AIX Business Rules.

30. The text of this Agreement and the Agreement itself do not constitute a trade secret and may be published on an Internet website available to the unlimited number of users, as part of the publication of information on the issuance of the Bonds or may be attached to the Offer Documents of the Bonds.

31. This Agreement has been made in 2 (two) identical copies in English with 1 (one) copy in English for each of the Parties, each having equal legal force.

32. This Agreement and its enforcement (including non-contractual disputes or claims) shall be governed by and construed in accordance with the Acting Law of the AIFC. The Parties consent to the exclusive jurisdiction of the AIFC Court for the purpose of any action or proceeding hereunder. For the purposes of this paragraph, "Acting Law of the AIFC" has the same meaning as defined in Article 4 of the Constitutional Statute of the Republic of Kazakhstan on the Astana International Financial Centre No. № 438-V ZRK of 7 December 2015.

33. The Offer Documents of the Bonds is an integral part of this Agreement.

Chapter 10. Legal Addresses and Bank Details of the Parties

Guarantor:

Freedom Holding Corp.
Business Address: 1930 Village Ctr. Cir. #3-6972 Las Vegas, Nevada 89134 United States
BIN 171250027366
Registered number: C32081-2004

Bank details:
Beneficiary's account [***]
[***]

Mail address for the Third Party's claims:
77/7, Al-Farabi ave. Esentai Tower BC, floor 3
Almaty, 050040, Republic of Kazakhstan

CFO
Yevgeniy Ler /s/ Yevgeniy Ler
(seal)

Issuer:

Freedom Finance SPC Ltd.
16, Dostyk street, integral non-residential facility No.2
Yessil district, Astana, Republic of Kazakhstan
ffspc@ffin.kz
BIN 210540900127

Bank details:
Beneficiary's account [***]
[***]

Director
Olga Baskakova /s/ Olga Baskakova
(seal)

EXHIBIT 4.04

Freedom Finance SPC Ltd.

(Incorporated as a Special Purpose Company under the legislation of the Astana International Financial Centre)

OFFER TERMS

OF THE U.S.$200,000,000 BONDS DUE 16 SEPTEMBER 2026 (ISIN: KZX000002803)
ISSUED UNDER THE U.S.$1,000,000,000 PROGRAMME

The Bonds will be constituted by and have the benefit of a U.S.$1,000,000,000 Programme established by Freedom Finance SPC Ltd. valid until 31 December 2033. This document is the Offer Terms of the second Tranche issued under the Programme. The Bonds of this Tranche have been issued under the Programme and in accordance with the Acting Law of the Astana International Financial Centre. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Prospectus dated 15 December 2023. This document constitutes the Offer Terms of the Bonds described herein. This document is prepared for the purposes of the AIFC rules and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Offer Terms and the Prospectus. The Offer Terms and the Prospectus have been published on the website of the Astana International Exchange at https://www.aix.kz via the AIX Regulatory Announcement Services and on the website of the Issuer at https://ffin.kz/freedombonds.

The AIX and its related companies and their respective directors, officers and employees do not accept responsibility for the content of the information included in this document including the accuracy or completeness of any information or statements included in it. Liability for this document lies with the issuer of this document and other persons such as Experts whose opinions are included in this document with their consent. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which this document relates for any particular investor or type of investor. If you do not understand the contents of this document or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorized financial advisor.

In the case of bankruptcy or default by the Issuer the investors may not recover the amounts they are entitled to and risk losing all or part of their investment, and the investors' liability might not be limited to the amount of the investment. Civil liability attaches only to those Persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

Terms defined in the Prospectus have the same meanings in these Offer Terms unless they are expressly defined herein.

Lead Manager
Freedom Finance Global PLC

Type of Securities	Guaranteed Coupon Bonds.
Issue and trading currency	U.S. Dollar.
Aggregate principal amount	U.S.$200,000,000.
Nominal Value	U.S.$100 per Bond.
Number of Bonds offered	2,000,000 Bonds.
ISIN	KZX000002803.
Guarantee	The payment of all amounts including interest and (or) principal and (or) penalty (as defined in the Prospectus) owing by the Issuer in respect of this Tranche will be unconditionally and irrevocably guaranteed by FRHC in accordance with the guarantee agreement dated 12 September 2024 (included in Schedule 1 of this document). Under the terms of the guarantee agreement, FRHC shall be jointly liable to the Bondholders for the Issuer's performance of the obligations to pay off the principal amount of the Bonds, the amount of accrued interest, fees, forfeits, penalties, fines, debt recovery-related litigation fees, caused by the Issuer's non-performance and (or) improper performance of obligations under the Bonds placed in accordance with the Offer Terms of the second Tranche and the Prospectus. For detailed information about FRHC please see the Prospectus, 10-K annual reports and 10-Q quarterly reports of FRHC published on the AIX website and the United States Securities and Exchange Commission.
Issue Date	16 September 2024.
Maturity Date	16 September 2026.
Admission to listing and trading	Applications have been made for the Bonds to be admitted to the Official List and to trading on the AIX on 16 September 2024.
Coupon Payment Dates	As stipulated in the coupon calendar below.
Coupon Interest Rate	10,5% per annum, payable quarterly in arrear within 15 (fifteen) calendar days after (and including) each Coupon Payment Date.
Offering method	Offering of the Bonds will be made through the trading system of the AIX in accordance with the AIFC Market Rules, AIX Business Rules, AIX CSD Rules, and relevant AIX market notices.
Offer period opening and closing date	The Bonds can be offered during the entire period of circulation starting from the Issue Date until the Maturity Date through the trading system of the AIX in accordance with the AIFC Market Rules, AIX Business Rules, AIX CSD Rules and relevant AIX market notices.
Allotment of the Bonds	There is no book-building. The settlement of the Bond's transactions executed on the AIX during the entire period of circulation period is T+2 in accordance with AIX CSD Rules.
Early redemption at the Option of the Bondholders – Put Option	N/A.
Early redemption at the Option of the Issuer – Call Option	N/A.
Estimated expenses	Estimated expenses associated with the preparation and offering of the Bonds, including listing fees, are expected to be U.S.$5,000.
Estimated net amount of proceeds	The net proceeds from the issuance are expected to amount to approximately U.S.$199,995,000 after deduction of fees and expenses related to the issuance of the Bonds.

Olga Baskakova, Director

(Name, position)

/signed/ (seal)

(Stamp and Signature)

12.09.2024

Date

COUPON CALENDAR

Number	Coupon period commencement date	Coupon period expiry date and Record Date (23:59:59 Astana time)	Coupon Payment Dates (the first day of the coupon interest payment period)	The last day of the coupon interest payment period	Coupon Interest Rate (per annum)
1	16-Sep-24	15-Dec-24	16-Dec-24	31-Dec-24	10.50%
2	16-Dec-24	15-Mar-25	16-Mar-25	30-Mar-25	10.50%
3	16-Mar-25	15-Jun-25	16-Jun-25	30-Jun-25	10.50%
4	16-Jun-25	15-Sep-25	16-Sep-25	30-Sep-25	10.50%
5	16-Sep-25	15-Dec-25	16-Dec-25	30-Dec-25	10.50%
6	16-Dec-25	15-Mar-26	16-Mar-26	30-Mar-26	10.50%
7	16-Mar-26	15-Jun-26	16-Jun-26	30-Jun-26	10.50%
8	16-Jun-26	15-Sep-26	16-Sep-26	30-Sep-26	10.50%

If any date for payment in respect of the Bonds is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any coupon interest or other sum in respect of such postponed payment.

For detailed information please see clause 3.1. "Payments" of the Securities Notes section of the Prospectus.

Olga Baskakova, Director

(Name, position)

/signed/ (seal)

(Stamp and Signature)

12.09.2024

Date

EXHIBIT 4.05

Certain portions of this exhibit (indicated by "[***]") have been omitted pursuant to Item 601(a)(6) of Regulation S-K

GUARANTEE AGREEMENT No.

Astana 12 September 2024

Freedom Holding Corp., a corporation duly organized under the laws of Nevada and existing under and by virtue of the laws of the State of Nevada, represented by Chief Financial Officer Yevgeniy.Ler, acting on the basis of By-Laws, hereinafter referred to as the "Guarantor", as the first party, and

Freedom Finance SPC Ltd., a special purpose company incorporated in accordance with the legislation of the Astana International Financial Centre ("AIFC"), represented by Director Olga Baskakova, acting under the Standard Articles, hereinafter referred to as the "Issuer" as the second party, hereinafter jointly referred to as the Parties, and separately as specified above or a Party, in favor of the Bondholder(s) of the Issuer have entered into this Guarantee Agreement (the "Agreement") as follows.

Chapter 1. Terms and Definitions

1. The following definitions are used in this Agreement:
1) Astana International Exchange or AIX – the Astana International Exchange managed by Astana International Exchange Ltd;

2) Bonds – the bonds of the Issuer which being issued under U.S.$1,000,000,000 (one billion) Bond Programme and the second tranche under the Programme in the amount of U.S.$200,000,000 (two hundred million), ISIN- KZX000002803, unconditionally and irrevocably guaranteed by Freedom Holding Corp. and being placed on the AIX;

3) Lead Manager – the financial consultant Freedom Finance Global PLC that provides financial advisory services to the Issuer in connection with the placement of the Bonds by the latter;

4) Offer Documents of the Bonds – the document under the terms and conditions of which the Issuer places the Bonds on the AIX (the Offer Document of the Programme and the Offer Terms of the Bonds for the tranches);

5) Third Party – an investor or the owner of the Bonds that are issued by the Issuer, and whose title to the Bonds is confirmed by an extract from the register maintained by AIX Registrar;

6) Guarantor – Freedom Holding Corp.;

7) Guarantee – the Guarantor's obligation to the Third Party on the performance of the Issuer's obligations to pay off the principal amount and the entire coupon interest on the Bonds arising from this Agreement, to the extent of the Guarantee amount;

8) Issuer – the legal entity that signs the Offer Documents of the Bonds (the Offer Document of the Programme and the Offer Terms of the Bonds), that has issued and placed the Bonds, and assumes the obligations to pay off the Bonds placed and pay the specified interest and other payments on the Bonds.

Chapter 2. Subject of the Agreement

2. Under the terms of this Agreement, the Guarantor shall be jointly liable to the Third Party for the Issuer's performance of the obligations to pay off the principal amount of the Bonds, the amount of accrued interest, fees, forfeits, penalties, fines, debt recovery-related litigation fees, caused by the Issuer's non-performance and (or) improper performance of obligations under the Bonds placed in accordance with the Offer Documents of the Bonds.

3. The Guarantor's liability to the Third Party under this Agreement shall be limited in the amount of the value of the placed bonds under the Offer Documents of the Bonds and the coupon interest (the Interest) accumulated on them as of the date the Third Party submits a claim to the Guarantor.

4. The amount of the Guarantor's obligations under the Guarantee shall be reduced by the amount of the claim satisfied by the Guarantor.

5. The Guarantee shall be enforced only in the event of the Issuer’s non-performance and (or) improper performance of obligations to pay off the principal amount and pay the Interest on the Bonds. The procedures for the filing a claim and performance of the Guarantee shall be established by this Agreement.
Non-performance and (or) improper performance implies the occurrence of an event of default and violation of the Issuer’s obligations established by the Offer Documents of the Bonds.

Chapter 3. Rights and Obligations of the Parties

6. The Guarantor is obliged to:
1) within 10 (ten) business days from the date of receipt of the claim(s) of the Third Party pay under the Guarantee to the Third Party under the terms of this Agreement.

The Guarantor has taken all necessary action and obtained all required or desirable resolutions and (or) approvals and (or) consents and (or) authorizations to enable it to perform its obligation under this Agreement and to make this Guarantee admissible in evidence in its jurisdiction of incorporation. Any such resolutions and (or) approvals and (or) consents and (or) authorizations are in force and effect.

7. The Guarantor has the right to:
1) require the Issuer to perform the obligations established by this Agreement;

2) require the Issuer, within 5 (five) business days from the date of receipt of the Guarantor's request, to provide information on the Issuer’s performance of the obligations under the Bonds, including any committed violations of the Offer Documents of the Bonds;

3) require the Issuer (in the event of performance by the Guarantor of its obligations under the Guarantee) to reimburse the Guarantor in full the amount of payments made under the Guarantee, and other losses incurred in connection with the liability for the Issuer;

4) have the rights under this Agreement.

8. The Issuer is obliged to:
1) use the funds received from the placement of the Bonds in accordance with its intended purpose established in the Offer Documents of the Bonds;

2) upon request of the Lead Manager and (or) the Guarantor, provide their representatives with the opportunity to verify the intended use of the funds received from the placement of the Bonds, the Issuer's financial and operating activities on the conditions (deadline, scope) required by the Lead Manager and (or) the Guarantor;

3) within 5 (five) business days following the day of a violation of the Offer Documents of the Bonds, notify the Guarantor in writing of all such violations committed by the Issuer, including the delay in payment (return) of the principal amount and (or) interest on the Bonds, as well as of all circumstances that affect or are likely to affect the Issuer’s performance of the obligations under the Bonds;

4) in the event the Third Party files claims to perform the obligations under the Bonds, take all reasonable and available measures under the current circumstances to properly perform its obligations;

5) in the event the Guarantor performs its obligations under the Guarantee, reimburse the Guarantor in full the amount of payments made by the Guarantor under the Guarantee, and (upon a relevant claim of the Guarantor) pay an interest accrued on the amount of Issuer's debt to the Guarantor from the date the Guarantor transfers the amount under the Guarantee to the Third Party, up to the date the Issuer actually returns the money to the Guarantor in the amount paid to the Third Party under the Guarantee, at the rate specified in the Offer Documents of the Bonds, as

well as to reimburse for other losses incurred by the Guarantor in connection with the liability for the Issuer, in accordance with the procedure and within the deadlines specified in the Guarantor's claim. The date of the Issuer's actual return of the money to the Guarantor shall be the date when the money is credited to the Guarantor's bank account specified herein;

6) upon receipt of a written request from the Guarantor to provide information on the performance of obligations under the Bonds, including committed violations of the Offer Documents of the Bonds, within 5 (five) business days from the date of receipt thereof, provide, in writing, the Guarantor with the information specified in the request;

7) upon any changes of the bank details and (or) location, within 3 (three) business days notify the Lead Manager, the Third Party, and the Guarantor in writing and by making public disclosure to the market in accordance with the AIX Business Rules;

8) upon any changes of the bank details and (or) location, contact details of the Guarantor as soon as practicable make public disclosure to the market in accordance with the AIX Business Rules;

9) be liable to the Guarantor with all its property, in the event of non-performance and (or) improper performance of its obligations hereunder.

9. The parties hereby expressly agree that provisions of the AIFC Contract Regulations apply to this agreement, and that the Third Party is a beneficiary of the rights pursuant to Part 10 of AIFC Contracts Regulations and shall be entitled to enforce rights under this Agreement.
The Guarantor undertakes to be jointly and severally liable with the Issuer for the full performance of the Issuer's obligations for the bonds to the Third Parties.

Chapter 4. Guarantee Performance Procedure

10. Upon expiration of 15 (fifteen) calendar days from the relevant date of the Issuer's non-performance of the obligations to pay off the principal amount and (or) pay the interest on the Bonds, the Issuer has not performed and (or) has improperly performed the obligations to pay off the principal amount and (or) interest on the Bonds, the Third Party shall have the right to file a claim to the Guarantor.

11. The following shall be specified in the claim:
1) the Guarantee Agreement details;
2) the Issuer's name;
3) the calculation of the amount payable by the Guarantor under the Guarantee;
4) the Third Party bank details, to which money is to be credited.

12. The amount specified in the claim shall comply with the terms and conditions hereof and may not exceed the maximum Guarantee amount established herein.

13. The claim shall be sent by the Third Party to the Guarantor by registered mail or by personal delivery at the Guarantor's address specified in Chapter 10 of this Agreement.

14. A claim may be filed to the Guarantor before 6 p.m. (Astana time) of a current business day. A claim filed after 6 p.m. (Astana time) shall be deemed to have been submitted on the next business day.

15. After receipt of the claim(s) of the Third Party, the Guarantor shall notify the Issuer in writing of such claim(s) of the Third Party by sending a notice by registered mail at the Issuer's address specified in this Agreement or by personal delivery upon the Issuer's signature. When sending a notice by registered mail, the notice shall be deemed to have been received on the 3rd (third) day after the date indicated in the document issued by the post office.

16. The Guarantor shall, within 10 (ten) business days from the date of receipt of claim(s) of the Third Party, pay the Third Party the amount(s) specified in the claim(s) in accordance with the register of the Third Party provided by the Issuer. In this case, the register of the Third Party shall be maintained by Astana International Exchange Registrar Limited.

Chapter 5. Guarantee Term

17. The Guarantee shall be in effect until the Issuer's obligations under the Bonds are fully performed.

18. The Guarantee shall terminate upon the occurrence of any of the following events:

1) full repayment of the principal amount and the entire coupon interest on the Bonds secured by the Guarantee;
2) expiration of the Guarantee term specified herein;
3) on the grounds stipulated by this Agreement.

Chapter 6. Responsibilities of the Parties

19. In event of late payment by the Guarantor to the Third Party of the amount specified in the claim, the Guarantor shall pay the Third Party a forfeit (penalty) of 0.01% (zero point one hundredth percent) of the overdue amount for each day of delay, but not more than 10% of the overdue amount.

20. In the event the Issuer is in violation of the obligations established by sub-clauses 3), 5), 6), 7) of clause 8 hereof, the Issuer shall pay the Guarantor a forfeit (penalty) in the amount of a single monthly calculation index established by the Law on the Republican Budget for the relevant fiscal year, for each day of delay.

21. The requirement to pay a forfeit is the right of a Party whose rights have been violated by a responsible Party. The filing of a written claim to pay the forfeit shall be deemed as the exercise by a Party of the right to claim payment of the forfeit. The payment of the forfeit shall not exempt a responsible Party from the proper performance of the terms and conditions of this Agreement.

Chapter 7. Force Majeure

22. Force majeure shall mean the circumstances whereby the Parties are unable to perform their obligations hereunder in full or in part (including, but not limited to, floods, earthquakes, explosions, storms, epidemics, epizootics, fires, strikes, war, rebellions, official acts of state authorities).

23. The Parties shall be exempt from the liability for non-performance or improper performance of their obligations hereunder, if the inability to perform obligations was the result of force majeure circumstances.

24. Upon the occurrence of force majeure circumstances, the Party, which is unable to perform obligations hereunder, shall in a timely manner, within 10 (ten) business days from the occurrence of force majeure circumstances, notify the other Parties thereof.

25. In the absence of a timely notice, the Party shall be obliged to reimburse the other Party for the damage caused by failure to notify or a late notice.

26. The onset of force majeure results in the extension of the Agreement term for the period while force majeure is in effect.
27. If such force majeure circumstances continue for more than 2 (two) months, the Parties shall be exempt from the liability for the improper performance of their contractual obligations.

Chapter 8. Dispute Resolution

28. The Parties shall resolve all disputes and disagreements related to the amendment, termination and execution of this Agreement through negotiations and discussions; if the Parties fail to reach an agreement as a result of negotiations, then such a dispute shall be considered through legal proceedings stipulated by the laws of the Astana International Financial Centre in Astana, Kazakhstan.

Chapter 9. Final Provisions

29. All amendments and supplements to the Agreement shall be made in writing, duly signed by the authorized representatives of the Parties and stamped by the Parties. All amendments and supplements hereto shall be valid (1) only after prior written consent(s) of the holders of at least three-fourth in principal amount of the Bonds then outstanding has(ve) been obtained, and (2) only if they have been signed and stamped by an authorized representative of the Lead Manager, and (3) if the Issuer has timely disclosed such amendments and supplements in accordance with the AIX Business Rules.

30. The text of this Agreement and the Agreement itself do not constitute a trade secret and may be published on an Internet website available to the unlimited number of users, as part of the publication of information on the issuance of the Bonds or may be attached to the Offer Documents of the Bonds.

31. This Agreement has been made in 2 (two) identical copies in English with 1 (one) copy in English for each of the Parties, each having equal legal force.

32. This Agreement and its enforcement (including non-contractual disputes or claims) shall be governed by and construed in accordance with the Acting Law of the AIFC. The Parties consent to the exclusive jurisdiction of the AIFC Court for the purpose of any action or proceeding hereunder. For the purposes of this paragraph, “Acting Law of the AIFC” has the same meaning as defined in Article 4 of the Constitutional Statute of the Republic of Kazakhstan on the Astana International Financial Centre No. № 438-V ZRK of 7 December 2015.

33. The Offer Documents of the Bonds is an integral part of this Agreement.

Chapter 10. Legal Addresses and Bank Details of the Parties

Guarantor:

Freedom Holding Corp.
Business Address: 1930 Village Ctr. Cir. #3-6972 Las Vegas, Nevada 89134 United States
BIN 171250027366
Registered number: C32081-2004

Bank details:
Beneficiary’s account [***]
[***]

Mail address for the Third Party’s claims:
77/7, Al-Farabi ave. Esentai Tower BC, floor 3
Almaty, 050040, Republic of Kazakhstan

CFO
Yevgeniy Ler /s/ Yevgeniy Ler
(seal)

Issuer:

Freedom Finance SPC Ltd.
16, Dostyk street, integral non-residential facility No.2
Yessil district, Astana, Republic of Kazakhstan
ffspc@ffin.kz
BIN 210540900127

Bank details:
Beneficiary’s account **[***]**
[***]

Director
Olga Baskakova /s/ Olga Baskakova
(seal)

EXHIBIT 10.01

Restricted Stock Award Agreement

This Restricted Stock Award Agreement (this " **Agreement**") is made and entered into as of July 12, 2024, (the " **Grant Date**") by and between Freedom Holding Corp., a Nevada corporation (the "**Company**") and Askar Tashtitov (the "**Grantee**").

WHEREAS, the Company has adopted the Freedom Holding Corp. 2019 Equity Incentive Plan (the " **Plan**") pursuant to which awards of Restricted Stock may be granted; and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its shareholders to grant the award of Restricted Stock provided for herein.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. Grant of Restricted Stock. Pursuant to Section 7.2 of the Plan, the Company hereby issues to the Grantee on the Grant Date a Restricted Stock Award consisting of, in the aggregate, **6,408** shares of Common Stock of the Company (the " **Restricted Stock**"), on the terms and conditions and subject to the restrictions set forth in this Agreement and the Plan. Capitalized terms that are used but not defined herein have the meaning ascribed to them in the Plan.

2. Consideration. The grant of the Restricted Stock is made in consideration of the services to be rendered by the Grantee to the Company.

3. Restricted Period; Vesting.

3.1. Except as otherwise provided herein, provided that the Grantee remains in Continuous Service through the applicable vesting date, and further provided that any additional conditions and performance goals set forth in Section 3 have been satisfied, the Restricted Stock will vest in accordance with the following schedule:

Vesting Date	**Shares of Common Stock**
January 25, 2025	50% of the Aggregate Restricted Stock
January 25, 2026	50% of the Aggregate Restricted Stock

The period over which the Restricted Stock vests is referred to as the "**Restricted Period**".

3.2. The foregoing vesting schedule notwithstanding, if the weighted average closing price of Company common shares for the 20 trading days prior to the first vesting date is less than 70% of the closing price of the common shares on the Grant date, and as to any subsequent vesting date, if the weighted average closing price of Company common shares for the 20 trading days prior to the vesting date is less than 70% of the weighted average closing price of the common shares on the immediately prior vesting date, then the common shares scheduled to vest on the vesting date shall not vest but shall be automatically forfeited on the stated vesting date and neither the Company nor any Affiliate shall have any further obligation to the Grantee as to any portion of the Restricted Shares forfeited.

3.3. The foregoing vesting schedule notwithstanding, if the Grantee's Continuous Service terminates for any reason at any time before all of the Grantee's Restricted Stock has vested, the Grantee's unvested Restricted Stock shall be automatically forfeited upon such termination of Continuous Service, and neither the Company nor any Affiliate shall have any further obligations to the Grantee under this Agreement, unless otherwise determined by the Committee.

3.4. Unless otherwise determined by the Committee at the time of a Change in Control, a Change in Control shall have no effect on the Restricted Stock.

4. Restrictions. Subject to any exceptions set forth in this Agreement or the Plan, during the Restricted Period, the Restricted Stock and the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Restricted Stock or the rights relating thereto during the Restricted Period shall be wholly ineffective and, if any such attempt is made, the Restricted Stock will be forfeited by the Grantee and all of the Grantee's rights to such shares shall immediately terminate without any payment or consideration by the Company.

5. Rights as Shareholder; Dividends.

5.1. The Grantee shall be the record owner of the Restricted Stock until the shares of Common Stock are sold or otherwise disposed of, and shall be entitled to all of the rights of a shareholder of the Company including, without limitation, the right to vote such shares and receive all dividends or other distributions paid with respect to such shares. Notwithstanding the foregoing, any dividends or other distributions shall be subject to the same restrictions on transferability as the shares of Restricted Stock with respect to which they were paid.

5.2. The Company may issue stock certificated or evidence the Grantee's interest by using a restricted book entry account with the Company's transfer agent. Physical possession or custody of any stock certificates that are issued shall be retained by the Company until such time as the Restricted Stock vests.

5.3. If the Grantee forfeits any rights the Grantee has under this Agreement in accordance with Section 3, the Grantee shall, on the date of such forfeiture, no longer have any rights as a shareholder with respect to the Restricted Stock forfeited and shall no longer be entitled to vote or receive dividends on such shares.

6. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Grantee any right to be retained in any position, as an Employee, Consultant or Director of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Grantee's Continuous Service at any time, with or without Cause.

7. Adjustments. If any change is made to the outstanding Common Stock or the capital structure of the Company, if required, the shares of Common Stock shall be adjusted or terminated in any manner as contemplated by Section 11 of the Plan.

8. Tax Liability and Withholding.

8.1. The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan, the amount of any required withholding taxes in respect of the Restricted Stock and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. In its discretion, the Committee may permit the Grantee to satisfy any federal, state or local tax withholding obligation by any of the following means, or by a combination of such means:

(a) tendering a cash payment;

(b) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable or deliverable to the Grantee as a result of the vesting of the Restricted Stock; provided, however, that no shares of Common Stock shall be withheld with a value exceeding the maximum amount of tax required to be withheld by law; or

(c) delivering to the Company previously owned and unencumbered shares of Common Stock.

8.2. Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant or vesting of the Restricted Stock or the subsequent sale of any shares; and (b) does not commit to structure the Restricted Stock to reduce or eliminate the Grantee's liability for Tax-Related Items.

9. Section 83(b) Election. The Grantee may make an election under Code Section 83(b) (a "**Section 83(b) Election**") with respect to the Restricted Stock. Any such election must be made within thirty (30) days after the Grant Date. If the Grantee elects to make a Section 83(b) Election, the Grantee shall provide the Company with a copy of an executed version and satisfactory evidence of the filing of the executed Section 83(b) Election with the US Internal Revenue Service. The Grantee agrees to assume full responsibility for ensuring that the Section 83(b) Election is actually and timely filed with the US Internal Revenue Service and for all tax consequences resulting from the Section 83(b) Election.

10. Non-competition and Non-solicitation.

10.1 In consideration of the Restricted Stock, the Grantee agrees and covenants not to:

(a) contribute his or her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, shareholder or in any other similar capacity an entity engaged in the same or similar business as the Company and its Affiliates, including, but not limited to, those engaged in the business of financial services for a period of one year following the Grantee's termination of Continuous Service;

(b) directly or indirectly, solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any current employee of the Company or its Affiliates for two years following the Grantee's termination of Continuous Service; or

(c) directly or indirectly, solicit, contact (including, but not limited to, e-mail, regular mail, express mail, telephone, and instant message), attempt to contact or meet with current, former or prospective customers of the Company or any of its Affiliates for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company or any of its Affiliates for a period of one year following the Grantee's termination of Continuous Service.

10.2 If the Grantee breaches any of the covenants set forth in Section 10.1:

(a) all unvested Restricted Stock shall be immediately forfeited; and

(b) the Grantee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

11. Compliance with Law. The issuance and transfer of shares of Common Stock shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal, state, local and foreign securities laws and with all applicable requirements and rules of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued or transferred unless and until any then applicable requirements of federal, state, local and foreign laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Grantee understands that the Company is under no obligation to register the shares of Common Stock with the Securities and Exchange Commission, any state securities commission, any stock exchange or any foreign securities regulatory authority to effect such compliance.

12. Legends. A legend may be placed on any certificate(s) or other document(s) delivered to the Grantee indicating restrictions on transferability of the shares of Restricted Stock pursuant to this Agreement or any other restrictions that the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange commission, any applicable federal or state securities laws or any stock exchange on which the shares of Common Stock are then listed or quoted.

13. Notices. Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

14. Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of Nevada without regard to conflict of law principles.

15. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Grantee and the Company.

16. Restricted Stock Subject to Plan. This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

17. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the Restricted Stock may be transferred by will or the laws of descent or distribution.

18. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

19. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Restricted Stock in this Agreement does not create any contractual right or other right to receive any Restricted Stock or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee's employment with the Company.

20. Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel the Restricted Stock, prospectively or retroactively; *provided* that no such amendment shall adversely affect the Grantee's material rights under this Agreement without the Grantee's consent.

21. No Impact on Other Benefits. The value of the Grantee's Restricted Stock is not part of his or her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

23. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Restricted Stock subject to all of the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the grant or vesting of the Restricted Stock or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such grant, vesting or disposition.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FREEDOM HOLDING CORP.
By: /s/ Adam R. Cook
Name: Adam R. Cook
Title: Secretary

Grantee Name
By: /s/ Askar Tashtitov
Name: Askar Tashtitov

EXHIBIT 10.02

Restricted Stock Award Agreement

This Restricted Stock Award Agreement (this " **Agreement**") is made and entered into as of July 12, 2024, (the " **Grant Date**") by and between Freedom Holding Corp., a Nevada corporation (the "**Company**") and Evgeny Ler (the "**Grantee**").

WHEREAS, the Company has adopted the Freedom Holding Corp. 2019 Equity Incentive Plan (the " **Plan**") pursuant to which awards of Restricted Stock may be granted; and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its shareholders to grant the award of Restricted Stock provided for herein.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

1. Grant of Restricted Stock. Pursuant to Section 7.2 of the Plan, the Company hereby issues to the Grantee on the Grant Date a Restricted Stock Award consisting of, in the aggregate, **6,408** shares of Common Stock of the Company (the " **Restricted Stock**"), on the terms and conditions and subject to the restrictions set forth in this Agreement and the Plan. Capitalized terms that are used but not defined herein have the meaning ascribed to them in the Plan.

2. Consideration. The grant of the Restricted Stock is made in consideration of the services to be rendered by the Grantee to the Company.

3. Restricted Period; Vesting.

3.1. Except as otherwise provided herein, provided that the Grantee remains in Continuous Service through the applicable vesting date, and further provided that any additional conditions and performance goals set forth in Section 3 have been satisfied, the Restricted Stock will vest in accordance with the following schedule:

Vesting Date	**Shares of Common Stock**
January 25, 2025	50% of the Aggregate Restricted Stock
January 25, 2026	50% of the Aggregate Restricted Stock

The period over which the Restricted Stock vests is referred to as the "**Restricted Period**".

3.2. The foregoing vesting schedule notwithstanding, if the weighted average closing price of Company common shares for the 20 trading days prior to the first vesting date is less than 70% of the closing price of the common shares on the Grant date, and as to any subsequent vesting date, if the weighted average closing price of Company common shares for the 20 trading days prior to the vesting date is less than 70% of the weighted average closing price of the common shares on the immediately prior vesting date, then the common shares scheduled to vest on the vesting date shall not vest but shall be automatically forfeited on the stated vesting date and neither the Company nor any Affiliate shall have any further obligation to the Grantee as to any portion of the Restricted Shares forfeited.

3.3. The foregoing vesting schedule notwithstanding, if the Grantee's Continuous Service terminates for any reason at any time before all of the Grantee's Restricted Stock has vested, the Grantee's unvested Restricted Stock shall be automatically forfeited upon such termination of Continuous Service, and neither the Company nor any Affiliate shall have any further obligations to the Grantee under this Agreement, unless otherwise determined by the Committee.

3.4. Unless otherwise determined by the Committee at the time of a Change in Control, a Change in Control shall have no effect on the Restricted Stock.

4. Restrictions. Subject to any exceptions set forth in this Agreement or the Plan, during the Restricted Period, the Restricted Stock and the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Restricted Stock or the rights relating thereto during the Restricted Period shall be wholly ineffective and, if any such attempt is made, the Restricted Stock will be forfeited by the Grantee and all of the Grantee's rights to such shares shall immediately terminate without any payment or consideration by the Company.

5. Rights as Shareholder; Dividends.

5.1. The Grantee shall be the record owner of the Restricted Stock until the shares of Common Stock are sold or otherwise disposed of, and shall be entitled to all of the rights of a shareholder of the Company including, without limitation, the right to vote such shares and receive all dividends or other distributions paid with respect to such shares. Notwithstanding the foregoing, any dividends or other distributions shall be subject to the same restrictions on transferability as the shares of Restricted Stock with respect to which they were paid.

5.2. The Company may issue stock certificated or evidence the Grantee's interest by using a restricted book entry account with the Company's transfer agent. Physical possession or custody of any stock certificates that are issued shall be retained by the Company until such time as the Restricted Stock vests.

5.3. If the Grantee forfeits any rights the Grantee has under this Agreement in accordance with Section 3, the Grantee shall, on the date of such forfeiture, no longer have any rights as a shareholder with respect to the Restricted Stock forfeited and shall no longer be entitled to vote or receive dividends on such shares.

6. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Grantee any right to be retained in any position, as an Employee, Consultant or Director of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Grantee's Continuous Service at any time, with or without Cause.

7. Adjustments. If any change is made to the outstanding Common Stock or the capital structure of the Company, if required, the shares of Common Stock shall be adjusted or terminated in any manner as contemplated by Section 11 of the Plan.

8. Tax Liability and Withholding.

8.1. The Grantee shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Grantee pursuant to the Plan, the amount of any required withholding taxes in respect of the Restricted Stock and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. In its discretion, the Committee may permit the Grantee to satisfy any federal, state or local tax withholding obligation by any of the following means, or by a combination of such means:

(a) tendering a cash payment;

(b) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable or deliverable to the Grantee as a result of the vesting of the Restricted Stock; provided, however, that no shares of Common Stock shall be withheld with a value exceeding the maximum amount of tax required to be withheld by law; or

(c) delivering to the Company previously owned and unencumbered shares of Common Stock.

8.2. Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Grantee's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant or vesting of the Restricted Stock or the subsequent sale of any shares; and (b) does not commit to structure the Restricted Stock to reduce or eliminate the Grantee's liability for Tax-Related Items.

9. Section 83(b) Election. The Grantee may make an election under Code Section 83(b) (a " **Section 83(b) Election**") with respect to the Restricted Stock. Any such election must be made within thirty (30) days after the Grant Date. If the Grantee elects to make a Section 83(b) Election, the Grantee shall provide the Company with a copy of an executed version and satisfactory evidence of the filing of the executed Section 83(b) Election with the US Internal Revenue Service. The Grantee agrees to assume full responsibility for ensuring that the Section 83(b) Election is actually and timely filed with the US Internal Revenue Service and for all tax consequences resulting from the Section 83(b) Election.

10. Non-competition and Non-solicitation.

10.1 In consideration of the Restricted Stock, the Grantee agrees and covenants not to:

(a) contribute his or her knowledge, directly or indirectly, in whole or in part, as an employee, officer, owner, manager, advisor, consultant, agent, partner, director, shareholder or in any other similar capacity an entity engaged in the same or similar business as the Company and its Affiliates, including, but not limited to, those engaged in the business of financial services for a period of one year following the Grantee's termination of Continuous Service;

(b) directly or indirectly, solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any current employee of the Company or its Affiliates for two years following the Grantee's termination of Continuous Service; or

(c) directly or indirectly, solicit, contact (including, but not limited to, e-mail, regular mail, express mail, telephone, and instant message), attempt to contact or meet with current, former or prospective customers of the Company or any of its Affiliates for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company or any of its Affiliates for a period of one year following the Grantee's termination of Continuous Service.

10.2 If the Grantee breaches any of the covenants set forth in Section 10.1:

(a) all unvested Restricted Stock shall be immediately forfeited; and

(b) the Grantee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

11. Compliance with Law. The issuance and transfer of shares of Common Stock shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal, state, local and foreign securities laws and with all applicable requirements and rules of any stock exchange on which the Company's shares of Common Stock may be listed. No shares of Common Stock shall be issued or transferred unless and until any then applicable requirements of federal, state, local and foreign laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Grantee understands that the Company is under no obligation to register the shares of Common Stock with

the Securities and Exchange Commission, any state securities commission, any stock exchange or any foreign securities regulatory authority to effect such compliance.

12. Legends. A legend may be placed on any certificate(s) or other document(s) delivered to the Grantee indicating restrictions on transferability of the shares of Restricted Stock pursuant to this Agreement or any other restrictions that the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange commission, any applicable federal or state securities laws or any stock exchange on which the shares of Common Stock are then listed or quoted.

13. Notices. Any notice required to be delivered to the Company under this Agreement shall be in writing and addressed to the Secretary of the Company at the Company's principal corporate offices. Any notice required to be delivered to the Grantee under this Agreement shall be in writing and addressed to the Grantee at the Grantee's address as shown in the records of the Company. Either party may designate another address in writing (or by such other method approved by the Company) from time to time.

14. Governing Law. This Agreement will be construed and interpreted in accordance with the laws of the State of Nevada without regard to conflict of law principles.

15. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by the Grantee or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Grantee and the Company.

16. Restricted Stock Subject to Plan. This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

17. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the Restricted Stock may be transferred by will or the laws of descent or distribution.

18. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

19. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Restricted Stock in this Agreement does not create any contractual right or other right to receive any Restricted Stock or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee's employment with the Company.

20. Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel the Restricted Stock, prospectively or retroactively; *provided* that no such amendment shall adversely affect the Grantee's material rights under this Agreement without the Grantee's consent.

21. No Impact on Other Benefits. The value of the Grantee's Restricted Stock is not part of his or her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a

document, will have the same effect as physical delivery of the paper document bearing an original signature.

23. Acceptance. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Restricted Stock subject to all of the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the grant or vesting of the Restricted Stock or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such grant, vesting or disposition.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FREEDOM HOLDING CORP.
By: /s/ Adam R. Cook
Name: Adam R. Cook
Title: Secretary

Grantee Name
By: /s/ Evgeny Ler
Name: Evgeny Ler

EXHIBIT 10.03

This exhibit is an English translation of a foreign language document. The Company hereby agrees to furnish to the SEC, upon request, a copy of the foreign language document.

Supplementary Agreement No. 1
to Employment Agreement No. 1 dated January 05, 2024

City of Astana **October 16, 2024**

Freedom Telecom Operations Limited Liability Partnership, represented by a member of the Board of Directors of Freedom Telecom Holding LTD. Baskakova O.S., acting on the basis of the resolution of the Sole Participant of Freedom Telecom Operations LLP dated October 16, 2024 No. 5, hereinafter referred to as the "**Employer**", on the one hand,

and **a citizen of the Republic of Kazakhstan Kairat Bakibayevich Akhmetov**, hereinafter referred to as the "**Employee**", on the other hand, together referred to as the "**Parties**",

in accordance with the resolution of the Sole Participant of Freedom Telecom Operations LLP dated October 16, 2024 № 5 on elimination of the Management Board by transforming it into a sole executive body - General Director and appointment of K.B. Akhmetov to the position of General Director,

have entered into this Supplementary Agreement No. 1 (hereinafter referred to as the Supplementary Agreement) to Employment Agreement No. 1 dated January 05, 2024 (hereinafter referred to as the Employment Agreement) on the following:

1. The Parties have agreed:

1.1. to amend clause 1.2 of the Employment Agreement to be read as follows:
"*1.2. The Employer grants, and the Employee agrees to perform the employment functions in the position of General Director of Freedom Telecom Operations LLP*".
1.2. to amend clause 2.1 of the Employment Agreement to be read as follows:
"*2.1. The Employment Agreement is concluded for the term from January 05, 2024 to October 16, 2029* ".

2. The terms and conditions of the Employment Agreement not affected by this Supplementary Agreement shall remain unchanged.

3. This Supplementary Agreement shall be an integral part of the Employment Agreement.

4. This Supplementary Agreement shall become effective upon its signing and shall remain in effect during the term of the Employment Agreement.

5. Details and signatures of the Parties:

Employee:	**Employer**: **Freedom Telecom Operations LLP**
	Member of the Board of Directors of Freedom Telecom Holding LTD.
Akhmetov K.B. /s/ Akhmetov K.B.	**Baskakova O.S.** /s/ Baskakova O.S. (seal)

EXHIBIT 31.01

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Timur Turlov, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Freedom Holding Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2024

/s/ Timur Turlov

Timur Turlov
Chief Executive Officer

EXHIBIT 31.02

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Evgeniy Ler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Freedom Holding Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors:

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 8, 2024

/s/ Evgeniy Ler

/s/ Evgeniy Ler
Chief Financial Officer

EXHIBIT 32.01

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this quarterly report of Freedom Holding Corp. (the “Company”) on Form 10-Q for the period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned Timur Turlov, Chief Executive Officer of the Company and Evgeniy Ler, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 8, 2024

/s/ Timur Turlov

Timur Turlov
Chief Executive Officer

Date: November 8, 2024

/s/ Evgeniy Ler

Evgeniy Ler
Chief Financial Officer