FREEDOM HOLDING CORP.

PMI® by S&P Global

News Release
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FREEDOM HOLDING CORP. KAZAKHSTAN SERVICES PMI®

Kazakh business activity rebounds in September following dip in August

Renewed rise in new business drives activity and employment growth

Price pressures ease

Business confidence remains buoyant, despite waning

The latest PMI® data by Freedom Holding Corp. and S&P Global, highlighted a fresh rise in service sector activity in September as underlying demand trends brightened after faltering in August.

Renewed improvements in underlying demand trends meant that Kazakh service firms recorded a fresh rise in new business inflows in September. The upturn fed through to an increase in business activity, which also recovered following a decline in the month prior. Moreover, growing business requirements supported the first expansion in services employment since May.

Additionally, price pressures cooled on the month. In fact, the rate of cost inflation was only marginal, which in turn meant that businesses were able to raise their charges at a weaker pace.

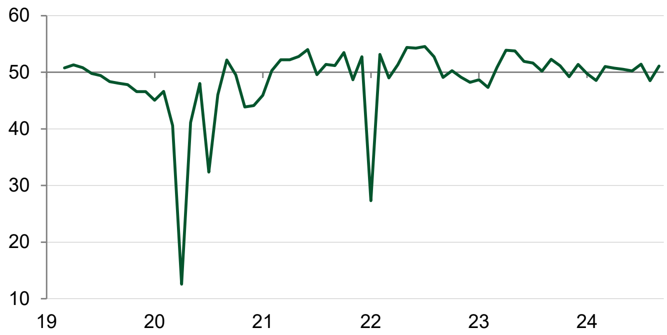
The headline figure is the Business Activity Index. This is calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The index varies between 0 and 100, with a reading above 50 indicating an increase and below 50 a decrease. The index is adjusted for seasonal variation.

Kazakh service sector activity recovered in September after experiencing its first decline in six months in August. The respective seasonally adjusted index rose to 51.1, up from 48.5 in August, indicating modest growth.

Central to the upturn in service sector output was a fresh and solid influx of new business. Respondents noted that improved underlying demand trends, effective marketing and new client wins helped new orders return to growth, bouncing back from a marginal fall seen in August. New orders have now risen in six of the past seven months.

More positively, higher business requirements led service providers based in Kazakhstan to raise their employment. Growth was observed for the first time in four months, with

Freedom Holding Corp. Kazakhstan Services PMI Business Activity
Index, sa, >50 = growth m/m



Data compiled 12-25 September 2024.
Sources: Freedom Holding Corp. S&P Global PMI. ©2024 S&P Global.

Comment

Yerlan Abdikarimov, Director of Financial Analysis Department at Freedom Finance Global PLC (100% subsidiary of the Freedom Holding Corp.):

"Positive expectations of service providers for September were met, allowing business activity to shift into expansion territory after the unfavourable downturn observed in August. The services sector revived in response to recovering demand and continued easing of inflationary pressures. The inflow of new orders is once again showing growth. The rate of employment increase has reached its highest level this year. Service providers continue to feel less pricing pressure compared to manufacturers. However, the degree of optimism regarding expectations over a one-year horizon has fallen to one of the lowest values this year, but is still at a fairly high level."

the latest round of job creation the strongest since January.

Despite demand trends improving and payroll numbers increasing, price pressures cooled on the month. Input prices rose at the slowest rate since the current inflation trend began in August 2020. In fact, cost inflation nearly stalled, as only around 3% of panellists recorded an increase. Where input costs did rise, higher prices for utilities were highlighted.

As a result of a slower rise in input costs, the rate of charge inflation also eased, as the vast majority of respondents (95%) kept their service charges unchanged since August.

Looking ahead, although confidence dipped to a three-month low, panellists on balance were notably more optimistic than pessimistic. Firms were hopeful that demand trends will continue to improve in the coming 12 months, supporting further expansions in activity. Additionally, some businesses also plan to enhance their marketing efforts and introduce new products.

FREEDOM HOLDING CORP. KAZAKHSTAN COMPOSITE PMI

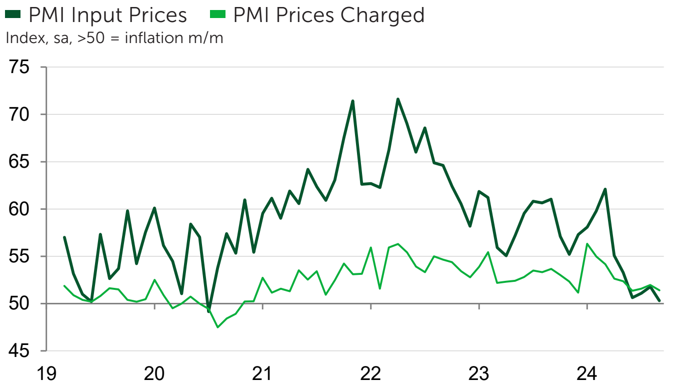
Renewed growth in Kazakh private sector activity

After pausing in August, private sector activity growth resumed in September as the Kazakhstan Composite PMI Output Index ticked up to 51.8 from 50.0. The upturn was the most marked for a year, as renewed expansion in services activity accompanied sustained and solid growth seen at manufacturers.
Growth in activity was supported by a solid rise in new businesses received at Kazakh service providers. The seventh successive monthly rise in new business was also the strongest for 12 months.

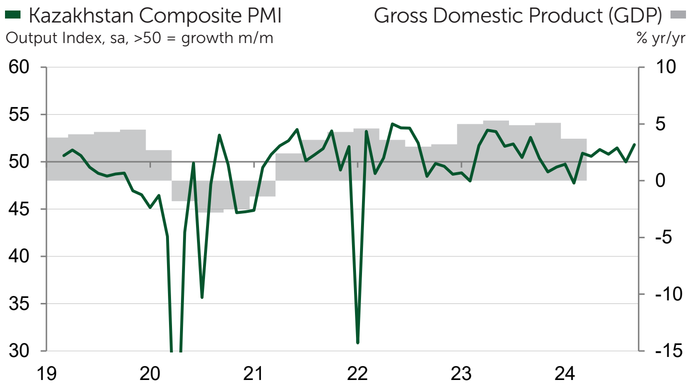
In turn, firms took on additional staff, with expansions now noted for a fifth straight month. The rate of job creation was broadly in line with August's two-year high.

Turning to prices, inflationary pressures cooled on the month with both underlying sectors recording an easing of inflation. That said, cost pressures continued to stem largely from manufacturers.

Looking ahead, while firms expect private sector activity to expand in the coming 12 months, the degree of confidence eased to a three-month low as growth projections were lowered across both sectors.



Sources: Freedom Holding Corp., S&P Global PMI. ©2024 S&P Global.



Sources: Freedom Holding Corp., S&P Global PMI. ©2024 S&P Global.

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Methodology

The Freedom Holding Corp. Kazakhstan Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 250 service sector companies.

The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in March 2019.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series..

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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The Holding, including subsidiaries, employs more than 6.8 thousand people.

The headquarter of Freedom Holding Corp. is in Almaty (Kazakhstan) with supporting administrative offices and subsidiaries locations in 22 countries including Kazakhstan, the United States of America, Cyprus, Poland, Spain, Uzbekistan, Azerbaidjan and others.

Freedom Holding Corp.'s common stocks are registered with the U.S. Securities and Exchange Commission and trades under the ticker symbol FRHC on the Nasdaq Capital Market.

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