

News Release

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FREEDOM HOLDING CORP. **KAZAKHSTAN MANUFACTURING PMI[®]**

Record rise in manufacturing production at end of 2024

PMI hits fresh peak amid record rises in output and orders

Purchasing activity and employment increase

Currency weakness adds to cost pressures

The Kazakh manufacturing sector ended 2024 on a positive note, seeing growth accelerate further and business conditions improve to the greatest extent since the survey began almost six years ago.

Demand improvements resulted in record increases in both new orders and manufacturing production, with firms responding by raising purchasing activity and employment. Meanwhile, cost inflation quickened again but output prices increased at a slightly slower pace than in November, and one that was weaker than the series average.

The Freedom Holding Corp. Kazakhstan Manufacturing PMI[®] (Purchasing Managers' Index[™]) hit a fresh survey record for the second month running in December, rising to 53.9 from 53.5 in November. Business conditions have now strengthened in ten consecutive months.

The latest record improvement in the health of the manufacturing sector was the result of rapid expansions in both new orders and output in December.

The rate of growth in new orders quickened for the second month running to a fresh record high on the back of widespread reports of improving customer demand.

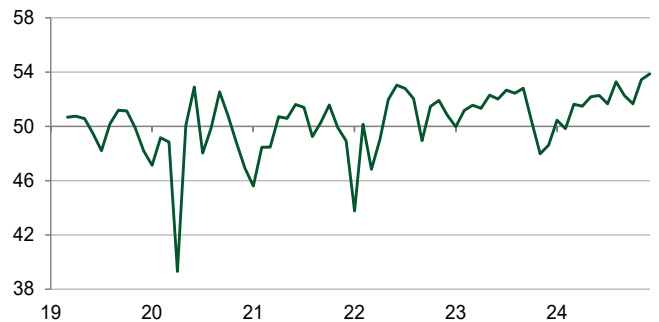
In turn, manufacturers ramped up production. Output increased for the tenth consecutive month, and at the fastest pace in the series history, with the rate of growth surpassing the previous record set in June 2020.

Sharply rising production meant that firms were able to deplete backlogs of work again despite a rapid influx of new orders.

Capacity was boosted by sustained increases in both purchasing activity and employment in December.

Staffing levels increased modestly, but sustained job creation has been recorded since March, with firms often highlighting the securing of workers on a full-time basis at the end of the year.

Freedom Holding Corp. Kazakhstan Manufacturing PMI Index, sa, >50 = improvement m/m



Data compiled 05-16 December 2024.

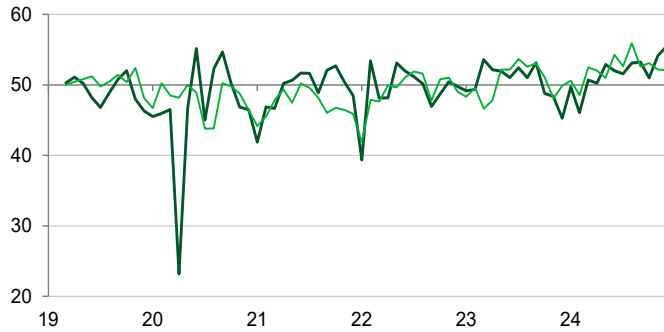
Source: S&P Global PMI. ©2025 S&P Global.

Comment

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

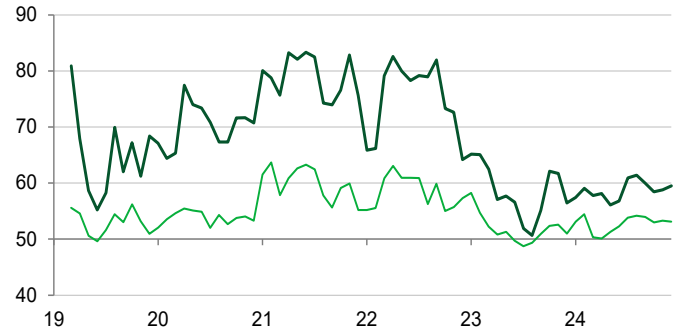
"Kazakhstan's manufacturing industry is ending the year at a historic high, achieving record growth in production volumes and new orders. The price factor remains relevant: the acceleration of cost inflation has led to an increase in selling prices. However, the fact that the growth rate in both cases remained below the historical average adds a sense of optimism. Despite rising raw material costs and ongoing logistics challenges, manufacturers have maintained their purchasing activity and hiring efforts. Finished goods stocks have rebounded for the first time in seven months, concluding a prolonged period of depletion. Industry representatives remain optimistic about 2025, planning to expand production in anticipation of further demand growth."

■ PMI Output ■ PMI Employment
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2025 S&P Global.

■ PMI Input Prices ■ PMI Output Prices
Index, sa, >50 = inflation m/m



Source: S&P Global PMI. ©2025 S&P Global.

Meanwhile, purchasing activity was up sharply again, with the pace of expansion broadly in line with that seen in November.

The marked rise in input buying pushed stocks of purchases nearer to stabilisation, but pre-production inventories still ticked down in December, and for the sixth month in a row. Inputs were often used to support growth of production.

Stocks of finished goods did rise, despite the widespread use of inventories to help meet sales requirements. Post-production inventories were up for the first time in seven months, albeit marginally. Firms reported that products were being held in stock prior to shipping.

Suppliers' delivery times lengthened again in December, often due to logistics issues, but the rate of deterioration in vendor performance was the least pronounced since April.

Input prices increased sharply, with the pace of inflation quickening to a three-month high. Respondents generally linked higher input costs to a depreciation of the tenge against the US dollar, but there were also reports of higher raw material prices.

In turn, firms increased their own selling prices at a solid pace, albeit one that was slower than in November and weaker than the series average.

Expectations that demand will improve further in 2025 and plans to expand production supported continued optimism in the year-ahead outlook for output. That said, sentiment dipped for the second month running.

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Methodology

The Freedom Holding Corp. Kazakhstan Manufacturing PMI[®] is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. 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 Purchasing Managers' Index[™] (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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.

PMI by S&P Global

Purchasing Managers' Index[™] (PMI[®]) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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Freedom Holding Corp.

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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, Azerbaijan 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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