

A Single Fintech Ecosystem

An Interview with Timur Turlov, Founder, Chairman, and Chief Executive Officer, Freedom Holding Corp.

EDITORS' NOTE Timur Turlov graduated from the K.E. Tsiolkovsky Russian State Technological University in 2009 with a BS degree in economics and management. He has served as the Chief Executive Officer and Chairman of the Board of Directors of Freedom Holding Corp. since November 2015, and holds a management certificate in stock exchange operations and securities broker and dealer management granted by the Russian National Securities Market Association. He has over a decade of experience in various areas in the international securities industry. Additionally, he served as the Chairman of the Board of Directors of JSC Nomad Finance, where he oversaw the business setup and acquisition of large clients and was also responsible for the strategic management, public and investor relations events, investment and sales strategy, and government relations of the organization. In 2017, Turlov became Chairman of the Board of Directors of Freedom Finance JSC (Almaty, Kazakhstan) and currently he is a member of Young Presidents Organization (YPO) Kazakhstan, which unites young businessmen and top managers from all over the world. Turlov is also the President of the Kazakhstan Chess Federation, President of the Kazakhstan Football Federation, and a participant of the IQanat educational project. He also serves on the board of directors as chairman or board member of several insurance companies, an Eastern European retail bank, and a cellular telco organization. In total, the Freedom enterprise of companies that he oversees serves millions of people in 16 countries.



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the Nasdaq Stock Exchange. Freedom Holding Corp. is headquartered in Almaty, Kazakhstan, and has a presence through its subsidiaries in 16 countries, including Kazakhstan, Cyprus, Uzbekistan, Azerbaijan, and the United States, among others.

What was your vision for founding Freedom Holding Corp. and how do you define its mission?

When we were establishing the new company, we didn't really think that it would evolve into a diversified international financial services organization. Back then, we wanted to run a relatively small business focused on rendering services to a limited circle of clients and providing them with access to the American market. Fifteen years later, Freedom Holding Corp. has now grown to a substantial operation with a variety of financial subsidiaries and divisions, and a team of thousands of talented professionals.

Two years ago, we decided to explore businesses outside of finance and expanded our presence in the insurance and consumer services segments. We are going to continue developing a robust and deeply integrated fintech ecosystem that combines various banking and telecommunications products and is effectively controlled with the help of big data. Currently, we are focusing on scaling the company up, which helps us to gain synergy and significantly increases our client base. Our goal is to create conditions where every client will be able to obtain any service in a one-stop shop environment, saving money and time. In addition, Freedom is expanding geographically with significant growth primarily in Europe. I am

confident that our expertise and products can be deployed and expanded in many other countries.

Will you provide an overview of Freedom Holding Corp.'s business?

Freedom runs businesses in different economic segments in 16 countries all over the world. The company's core business is the Freedom fintech ecosystem in Kazakhstan, which includes a bank (Freedom Bank), two insurance companies (Freedom Life and Freedom Insurance), two brokerage companies (Freedom Finance Global and Freedom Broker), online ticket services (Ticketon, Aviata, and Choco Travel), a payment system (Freedom Pay), and a telecommunication operator (Freedom Telecom), the newest element within the ecosystem. Ninety percent of the company's revenue is generated in the company's home market of Kazakhstan, a very digitally forward nation with a young, tech-enabled population.

In the U.S., the company runs Freedom Capital Markets, a fully licensed investment bank that provides a full array of capital markets advisory and capital formation services, and in Europe we have Freedom Finance Europe, a brokerage company registered in Cyprus which renders services to customers all over the European Union. We also run branch offices in Uzbekistan, Kyrgyzstan, and Armenia and we expect to enter different markets across the Middle East and Central Asia in the not too distant future.

The unique feature of all subsidiaries of the company is the high level of digitalization and the ability to understand our customers thanks to the analysis of big data. As a result, our costs associated with attracting new clients and supporting existing customers have dropped significantly. Currently, our suite of Freedom fintech ecosystem services are consumed by approximately 7 million customers.

COMPANY BRIEF Freedom Holding Corp. (freedomholdingcorp.com), a Nevada corporation, is a financial services holding company conducting retail securities brokerage, investment research, investment counseling, securities trading, investment banking and underwriting services, mortgages, insurance, and consumer banking through its subsidiaries, operating under the name Freedom Finance in Europe and Central Asia. Through its subsidiaries, Freedom Holding Corp. employs more than 2,900 people and is a professional participant in the Kazakhstan Stock Exchange, the Astana International Exchange, the Republican Stock Exchange of Tashkent, and the Uzbek Republican Currency Exchange, and is a member of the New York Stock Exchange and

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What have been the keys to the company’s growth and how do you describe the Freedom Holding Corp. difference?

I would say that it is a combination of the following factors: a team of talented professionals, developed infrastructure, and unique products. Our hallmark is the 100 percent digitalization of our products in Kazakhstan. As an example, Freedom Bank was the first bank in Kazakhstan – and potentially in the entire world – to offer its customers the opportunity to apply for and obtain mortgage and car loans online with no need to visit the Bank’s offices in person. Additionally, we managed to cut the average mortgage loan cost-to-consumer to \$220 – a highly remarkable achievement when compared to average mortgage loan consumer costs of \$10,600 in the U.S. – almost 50 times more than is spent in Kazakhstan for mortgage loan application and funding fees. This year we also introduced the same principle in the segment of online business loans.

Our property and casualty insurance group, Freedom Insurance, has recently launched the DTP.kz website that allows customers to obtain insurance compensation benefits for road accidents online. Thanks to this service, the waiting period for benefits payments has been reduced from 90 business days to 5. To achieve this, our insurance business actively cooperates with state databases and, as a result, the speed of interactions with a client is astonishing.

Our Freedom Broker group is the biggest stock brokerage company in Kazakhstan rendering services to more than 220,000 retail investors. In addition, Freedom is considered a key consultant for corporate clients facilitating the offering of their bonds and stocks in the local stock exchange market.

Since 2020, we have also been developing our international brokerage, Freedom Finance Global. More than 120,000 clients of the company are engaged in trading on the world’s largest stock exchanges such as the NYSE, Nasdaq, and the LSE, and these clients can also take part in IPOs in the American market.

Both our brokerages and partners rely on our unique trading platform, Tradernet, in their day-to-day work. This is a highly sophisticated trading hub that can implement very complicated tasks and is constantly improving. Tradernet combines 15 brokerage offices and more than 600,000 customers.

In December 2023, we launched our new investment product: a five-year bond with a yield rate of 12 percent per annum (in USD) within the first two years of circulation and coupon payment each month. The minimum threshold is \$1,000. A unique feature of the issuing is that Freedom Holding Corp. provides guarantees for the principal debt and interest paid.

In addition, we are providing our customers with direct access to the U.S. market, including the most promising IPOs. We do so via our wholly owned U.S. broker subsidiary, Prime Executions, a member of NYSE, Nasdaq, FINRA, and SIPC. All of the above represent our technology-based solutions. We know how to scale them up and expand in new markets.

Freedom Capital Markets, our subsidiary in the U.S., is actively engaged in organizing IPOs and secondary offerings. Over the past 18 months, we have placed shares of Intensity Therapeutics (INTS) and VolitionRx Limited (VNRX), bio-tech startups; Beam Global (BEEM), a clean technology provider; Contango ORE (CTGO), a mining company; and DayDayCook (DDC), a food company. These companies have raised several tens of millions of dollars combined, and while not a significant sum when discussing U.S. markets, its thanks to these offerings that our investment bank has been able to garner a foothold in this market, providing us and our clients a stepping stone for bigger offerings in the future.

Will you discuss the strength of the Freedom Holding Corp. team and how important it has been to continue to build the team?

Despite the high level of automatization, people are still the core element of our business. More than half of our employees are client advisors who work directly with customers. Our team is our main asset. Even more important perhaps than our capital and technology resources, because, at the end of the day, the success of our advanced technologies and our fundraising activities relies on the interpersonal engagement of our team with each other and with our customers.

Did you always know that you had an entrepreneurial spirit and desire to build your own business?

When I was a kid, my dream was simple: I wanted to make money. I never thought about being super rich. I just wanted to make a good living and take care of my family. With that said, I learned quickly that any successful entrepreneur must be ready to take risks. Those who

demonstrate a low appetite for risk lose good opportunities. Evaluating the risk/reward equation is always a challenge, but when approached thoughtfully and logically, it is worth the effort. If all you want to do is remain in a comfort zone, you’ll never reach success in business. Freedom is a perfect example of the fruit of some of the challenging risk decisions we needed to make in order to succeed.

What do you see as the keys to effective leadership and how do you describe your management style?

If someone wants to be an effective leader, they must establish and foster continued trust among their team members, empowering them to pursue a certain level of freedom within the organization. This is very important for us. Alternatively, there won’t be the support required to take risk and generate sustainable growth of a company. Removing barriers to advancement and working together in a true spirit of collaboration is the only way to keep a company operating highly effectively.

You give your time and resources to support many causes. Where did your interest in philanthropy develop and how do you decide where to focus your efforts?

For us, it’s always been about supporting the advancement of our fellow countrymen. Kazakhstan reports a high birthrate and the average age of the population has been decreasing over the past years. Young people, full of energy, are becoming the key resource of our nation and that is why it is so important to facilitate ongoing positive interactions within our society. As a leading corporate citizen in our country, we understand the need to keep social elevators working to help younger generations to realize their potential, which in turn helps our country establish its place as a contributing global citizen for the good of all mankind. The expense of this type of strategy is always justified and we have a crystal clear understanding that what we invest towards sustainable development and economic prosperity today is the right choice for a better future – not only in Kazakhstan, but around the world.

What advice do you offer to young people beginning their careers?

Stay curious and invest in yourself. Pursue new knowledge, seek more information and answers to all the questions you have and pay attention to this process from the very bottom of your heart. The goal of success isn’t as hard these days as it was 15 years ago, but things are advancing rapidly and you have to constantly improve yourself and stay tuned.

With all that Freedom Holding Corp. has accomplished, are you able to enjoy the process and take moments to celebrate the wins?

I like what I do. This is the world where I want to be and I relish working to improve myself all the time – trying to be “better.” Over the past several years, Freedom Holding Corp. has become a healthy and stronger company, which gives me great pleasure. Having said this, we constantly deal with unique challenges and while there is no universal formula for solving all problems, each time we do we become stronger, more transparent, and integrated within our single fintech ecosystem. We become “better,” and I really enjoy that. ●