

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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 15, 2023**

FREEDOM HOLDING CORP.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation)

001-33034
Commission
File Number

30-0233726
(IRS Employer
Identification No.)

“Esentai Tower” BC, Floor 7, 77/7 Al Farabi Ave., Almaty, Kazakhstan

(Address of principal executive offices)

050040
(Zip code)

+7 727 311 10 64
(Registrant’s telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicated 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

EXPLANATORY NOTE: Freedom Holding Corp. (the “Company”) is filing this Current Report on Form 8-K/A (the “Form 8-K/A”) in order to amend its Current Report on Form 8-K, as previously filed with the Securities and Exchange Commission on February 16, 2023, in order to (i) correct an error in the description of the share consideration for the transaction described in Item 1.01 and (ii) clarify and supplement the description of the details of the structure of the transaction described in Item 1.01

Item 1.01 Entry into a Material Definitive Agreement.

On February 15, 2023, Freedom Holding Corp. (the “Company”) entered into a Membership Interest Purchase Agreement (the “Purchase Agreement”) with Maxim Partners LLC (“Partners”), MJR Holdings, Inc. (“MJR Corp.” and, together with Partners, the “Sellers”), Wallace LLC and Michael Rabinowitz as the sellers’ representative for the indirect purchase by the Company of interests in Maxim Group LLC, a leading full-service investment bank, securities, and wealth management firm headquartered in New York (“Maxim”) and its registered investment advisory affiliate Maxim Financial Advisors LLC (“MFA”). The transaction is intended to be an “Up-C” structure.

Pursuant to the Purchase Agreement, (a) the Sellers will create a new holding limited liability company (“Newco”) and contribute all of the membership interests in Maxim and MFA to Newco (such that MFA and Maxim are wholly-owned subsidiaries of Newco) in exchange for membership interests in Newco; (b) the Company will purchase a majority and controlling interest in Newco for the Cumulative Cash Consideration (“defined below”); (c) the limited liability company operating agreement of Newco will be amended and restated in the form substantially similar to the one attached to the Purchase Agreement to, among other things, make the Company the managing member and sole voting member of Newco and reflect that, on the closing date, the Sellers’ retained interests in Newco will be exchanged for non-voting Cumulative Exchangeable Units, as defined and described below. In addition, and as described below, Retention Payments will be made to certain employees of MFA and Maxim.

The consideration for the indirect purchase of Maxim and MFA consists of the following:

- a. at the closing of the transaction (the “Closing”), payment of (i) \$168 million in cash (the “Closing Cash Consideration”) and (ii) a number of units exchangeable on a one-to-one basis for the number of shares of the Company’s common stock (“Exchangeable Units”) equal to the quotient of \$112 million divided by the Company’s share price determined as set out in the Purchase Agreement, in each case subject to adjustments as set out in the Purchase Agreement;
- b. guaranteed deferred payments of (i) \$16 million in cash payable in two equal payments of \$8 million at the end of the first and second anniversaries of the Closing (the “Deferred Cash Consideration”), and (ii) \$24 million in Exchangeable Units calculated on the basis described in (a)(ii) above (the “Deferred Exchangeable Units”), payable in two equal components of \$12 million at the end of the first and second anniversaries of the Closing, in each case subject to adjustments as set out in the Purchase Agreement;
- c. contingent earnout payments upon achievement of certain revenue milestones of (i) \$8 million in cash payable in two equal payments of \$4 million at the end of the first and

second anniversaries of the Closing (“Earnout Cash Consideration”, together with the Closing Cash Consideration and the Deferred Cash Consideration, the “Cumulative Cash Consideration”), and (ii) \$12 million in Exchangeable Units calculated on the basis described in (a) (ii) above, (the “Earnout Exchangeable Units”, together with the Exchangeable Units and the Deferred Exchangeable Units, the “Cumulative Exchangeable Units”), payable in two equal components of \$6 million at the end of the first and second anniversaries of the Closing, in each case subject to adjustments as set out in the Purchase Agreement; and

- d. retention payments to certain employees of Maxim and MFA up to an amount comprised of (i) \$32 million in cash and (ii) \$48 million in shares of the Company’s common stock calculated on the basis described in (a)(ii) above, subject to adjustments as set out in the Purchase Agreement (the “Retention Payments”).

The consideration (including contingent earnout payments and Retention Payments) includes Company common stock with a value of \$196 million, which, based on the closing share price on the signing date, would equate to approximately 3,074,028 shares of the Company’s common stock. Such consideration is subject to adjustments, which will not be determined until Closing and are subject to post-Closing price adjustments. Shares of the Company’s common stock issued in connection with the transaction will be subject to a 12-month lock-up from the date of the Closing, deferred payment date or earnout payment date, as the case may be, prohibiting any transfer of such shares (with certain exceptions). The share consideration will issued in a private placement pursuant to an exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”), provided by Section 4(a)(2) of the Securities Act. Simultaneously with the Closing, the Company will enter into a registration rights agreement with the Sellers, providing the Sellers with certain registration rights that will require the Company to file a registration statement in respect of the shares of the Company’s common stock issued pursuant to the transaction.

The Purchase Agreement contains representations and warranties by each of the Company and the Sellers as of the date of the Purchase Agreement and as of the date of the Closing that are customary for similar transactions. The representations and warranties of the Company and the Sellers shall survive the Closing for two years; provided, however, that certain fundamental representations of the parties, including with respect to organization and authority capitalization, subsidiaries and brokers, shall survive for 60 days after the expiration of the applicable statute of limitations. Each covenant and agreement contained in the Purchase Agreement that is required to be performed at or prior to the Closing shall survive the Closing and continue in full force and effect until the date that is two years from the date of the Closing, and each covenant and agreement that requires performance after the Closing shall survive the Closing in accordance with its terms.

Each Seller, up to the amount of its specified percentage, has agreed to provide indemnification after the Closing to the Company and its affiliates for, among other things, (i) any inaccuracies or breach of any representations and warranties of the Sellers in the Purchase Agreement and or in any certificate delivered by or on behalf of the Sellers, (ii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Sellers, (iii) any act

of fraud with respect to the representations of the Sellers contained in the Purchase Agreement or in any certificate or instrument delivered by or on behalf of the Sellers and (iv) any unpaid transaction expenses or indebtedness of Maxim and MFA to the extent not deducted from the Closing payment.

The Company has agreed to provide indemnification after the Closing to the Sellers and their respective affiliates for, among other things, (i) any inaccuracies or breach of any representations and warranties of the Company in the Purchase Agreement and or in any certificate delivered by or on behalf of the Company and (ii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Company.

The parties will not be liable for certain indemnification obligations until aggregate losses exceed a basket of \$100,000, in which event the indemnifying party will be liable for all losses of the indemnified party from the first dollar. In addition, the aggregate amount of losses for which a party is entitled to indemnification is subject to a cap of \$32,000,000.

Each party has agreed in the Purchase Agreement to use its commercially reasonable efforts to effect the Closing. The Purchaser Agreement also contains certain customary covenants by each of the parties during the period between the signing of the Purchase Agreement and the earlier of the Closing or the termination of the Purchase Agreement in accordance with its terms, including (1) the Sellers providing the Company with access to the properties, books and records, contracts and documents and personnel of Maxim and MFA, (2) the operation of the businesses of Maxim and MFA in the ordinary course of business and preserving the business and franchise of Maxim and MFA, (3) notifications of certain breaches, consent requirements or other matters, (4) using reasonable best efforts to consummate the Closing and obtain third party and regulatory approvals, (5) tax matters, (6) further assurances, (7) public announcements and (8) confidentiality.

Each Seller also agreed that for a period of 36 months after the Closing, other than through the Company or its affiliates, it will not directly or indirectly engage in or assist others in engaging in any lines of business in the financial services sector offered by Maxim and MFA as of the date of the Closing, except for certain customary exceptions set forth in the Purchase Agreement.

The completion of the transaction is subject to customary conditions, including, among others: (a) the receipt of required regulatory approvals (including by FINRA and the Securities and Exchange Commission), (b) the absence of any legal order which has the effect of enjoining or otherwise making illegal the consummation of the transaction, (c) subject to certain exceptions, the accuracy of the representations and warranties of the other party and performance by each party in all material respects of its obligations under the Purchase Agreement and (d) the absence of a material adverse effect on Maxim and MFA that is continuing. The transaction is expected to close in the second half of 2023.

The Purchase Agreement may be terminated under certain customary and limited circumstances at any time prior to the Closing, including:

- by the mutual written consent of the Sellers and the Company;
- by either the Sellers or the Company if (i) any law makes consummation of the transactions contemplated by the Purchase Agreement illegal or otherwise prohibited or (ii) any governmental authority shall have issued a final and non-appealable order restraining or enjoining the transactions contemplated by the Purchase Agreement;
- by either the Sellers or the Company if any of the conditions to Closing have not been satisfied or waived by December 31, 2023; and
- by either the Sellers or the Company upon the other party's uncured material breach under the Purchase Agreement, after 20 days' written notice.

The Board and management of the Company have concluded that the interests of the Company's stakeholders are best served by pursuing the acquisition of Maxim and MFA, which will enable the Company and its subsidiaries to expand their presence in the United States consistent with the Company's growth strategy. The Board has approved the transaction.

The Company plans to file the Purchase Agreement as an exhibit to its Annual Report on Form 10-K for the fiscal year ending on March 31, 2023, and intends to seek confidential treatment for the Purchase Agreement. The foregoing description of the Purchase Agreement is qualified in its entirety by reference to the complete text of the Purchase Agreement when filed.

Item 3.02 Unregistered Sale of Equity Securities.

The information contained in Item 1.01 of this Current Report on Form 8-K/A is incorporated by reference into this Item 3.02.

Item 7.01 Regulation FD Disclosure.

On February 16, 2023, the Company issued a press release regarding the Purchase Agreement, a copy of which is furnished as Exhibit 99.1 to this Current Report on Form 8-K/A.

The information contained in this Item 7.01 and in the accompanying Exhibit 99.1 shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information in this Item 7.01 and the accompanying Exhibit 99.1 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K/A contains “forward-looking” statements, including with respect to the Company’s ability to successfully complete the transaction described herein and its ability to expand its operations in the United States. All forward-looking statements are subject to uncertainty and changes in circumstances. In some cases, forward-looking statements can be identified by terminology such as “expect,” “new,” “plan,” “seek,” and “will,” or the negative of such terms or other comparable terminology used in connection with any discussion of future plans, actions and events. Forward-looking statements are not guarantees of future results or performance and involve risks, assumptions and uncertainties that could cause actual events or results to differ materially from the events or results described in, or anticipated by, the forward-looking statements. Factors that could materially affect such forward-looking statements include certain economic, business, and regulatory risks and factors identified in the Company's periodic and current reports filed with the U.S. Securities and Exchange Commission. All forward-looking statements are made only as of the date of this report and the Company assumes no obligation to update forward-looking statements to reflect subsequent events or circumstances. Readers should not place undue reliance on these forward-looking statements.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	News release dated February 16, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

FREEDOM HOLDING CORP.

Date: February 27, 2023

By: /s/ Evgeniy Ler
Evgeniy Ler
Chief Financial Officer

Freedom Holding Corp. Enters into Agreement to Acquire Investment Bank Maxim Group to Expand U.S. Presence

Acquisition will expand capital markets, research, and investment banking capabilities

Almaty, Kazakhstan and New York, NY (February 16, 2023) - Freedom Holding Corp. (Nasdaq: FRHC), a diversified multi-national financial services firm, announced today that it has reached a definitive agreement to acquire Maxim Group LLC and its registered investment advisory affiliate Maxim Financial Advisors LLC (together "Maxim Group"), for a combination of cash and common stock. Including deferred payments and retention bonuses, the total consideration for the acquisition will be approximately \$400 million (USD). Freedom continues its strategy of acquisitions following its 2020 purchase of Prime Executions, Inc., an institutional trading firm with operations on the floor of the New York Stock Exchange which was recently approved to conduct investment banking and equity capital market businesses under Freedom Capital Markets.

Maxim Group is a leading full-service investment bank headquartered in New York, that caters to emerging growth companies globally. Its business lines include investment banking, equity capital markets and institutional sales, equity research, merchant capital, and corporate and wealth management services. Maxim Group's corporate and institutional reach into Asia, Greece, Israel, and most of Western Europe will complement Freedom's brokerage and global distribution network. Together, the combined entity will provide a broad suite of product offerings to meet the needs of its diverse global client base.

Timur Turlov, CEO of Freedom Holding Corp., stated, "We are committed to growing our global footprint, and we recognize that having a significant U.S. presence is an important part of this strategy. Adding Maxim to our group as a trusted partner through this cornerstone transaction will turbocharge our growth as we continue to expand our U.S. operations."

Once the transaction is complete, Robert Wotczak, Chief Executive Officer of Freedom's U.S. operations, will be appointed Executive Chairman of Maxim Group and its subsidiaries, Clifford Teller will be promoted to Chief Executive Officer, and Chris Fiore, one of the Founders of Maxim Group, will remain as President.

"We look forward to building on Maxim's history of success and consistent profitability in varying market conditions," said Robert Wotczak. "Having worked alongside many Maxim team members throughout my career, I have tremendous respect for and confidence in this team's ability to accelerate growth across all business divisions."

"We are looking forward to working with the Freedom team in building a world-class financial services company," said Clifford Teller, President of Maxim Group. "With Freedom's



differentiated distribution network, vast resources, and the synergies among the firms, Maxim will have the ability to expand exponentially in all areas of the investment bank while creating unique U.S. capital market solutions for our clients."

"I am extremely proud of the success Maxim Group has achieved over its twenty-year history. Speaking for our senior management and all of our dedicated employees, we look forward to starting our next chapter and working with an exceptionally strong and talented partner in Freedom," stated Michael Rabinowitz, Chairman of Maxim Group.

Completion of the transaction is subject to certain conditions and the receipt of required regulatory approvals.

About Freedom Holding Corp.

Freedom Holding Corp., a Nevada corporation, is a financial services holding company conducting retail financial securities brokerage, investment research, investment counseling, securities trading, investment banking and underwriting services, mortgages, insurance, and consumer banking through its subsidiaries under the name of 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 Ukrainian Exchange, the Republican Stock Exchange of Tashkent, and the Uzbek Republican Currency Exchange and is a member of the New York Stock Exchange and the Nasdaq Stock Exchange.

Freedom Holding Corp. is headquartered in Almaty, Kazakhstan, and has a presence in 14 countries, including Cyprus, the United States, Uzbekistan, the United Kingdom, and Germany.

Freedom Holding Corp.'s common shares are registered with the United States Securities and Exchange Commission and are traded in the United States on the Nasdaq Capital Market, operated by Nasdaq, Inc.

To learn more about Freedom Holding Corp., visit www.freedomholdingcorp.com.

About Maxim Group LLC

Maxim Group LLC is a full-service investment banking firm headquartered in New York with approximately 240 employees. Maxim Group provides a full array of financial services, including investment banking; private wealth management; and global institutional equity, fixed-income, and derivatives sales and trading, as well as equity research. The investment banking group focuses on middle market and emerging growth companies within the shipping, energy, health care, technology, retail, and business and financial services sectors. The institutional coverage of Maxim Group spans North and South America, Europe, and Asia. Maxim Group LLC is registered as a broker-dealer with the U.S. Securities and Exchange Commission and is a member of the following: Financial Industry Regulatory Authority (FINRA); Municipal Securities Rulemaking Board (MSRB); Securities Insurance Protection Corporation (SIPC); NASDAQ Stock Market and the NYSE Arca, Inc.

To learn more about Maxim Group, visit www.maximgrp.com.

Cautionary Note Regarding Forward-Looking Statements

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Website Disclosure

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

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