

THE ZAGREB STOCK EXCHANGE IN THE FIRST HALF OF 2022



STATEMENT OF THE MANAGEMENT BOARD

With 2022, we entered the third year of the pandemic, with the largest global wave of COVID-19 cases since the emergence of the new virus, all driven by the omicron variant as dominant.

However, lower mortality, fewer hospitalizations and the fact that 60% of the world's population received at least one dose of the vaccine in that period awakened optimism and hope for the imminent end of the pandemic.

In addition, the world economy seemed to have found a way to revive activity, and it seemed that the world had somewhat adapted to the new reality and that, although slowly, started moving forward.

And then in February, the shocking scenario from February 2020 was repeated, only this time it was not a pandemic but a war disaster caused by Russian aggression against Ukraine.

It remains to be seen whether the continuation of this year will bring the beginning of the end of these two global threats.

In such circumstances, in March, the Zagreb Stock Exchange marked 30 years since the first transaction, while the Academy of the Zagreb Stock Exchange joined the celebration of the Global Money Week for the ninth year in a row, in which more than 53 million children and young people worldwide have participated so far.

So far, more than 1,000 students from all over Croatia and abroad have participated in the Academy's activities on the occasion of Money Week.

In May, the Academy marked 12 years since its founding - more than 10,000 participants have gone through the Academy's education, the Academy has developed a total of over 90 different programs and organized a series of free lectures for young people, which were attended by more than 5,000 individuals.

The Zagreb Stock Exchange was once again among more than 100 world stock exchanges where the symbolic ringing of the bell signaled the start of trading on the occasion of International Women's Day. Key messages were sent regarding the position of women, especially the role that the business and financial sector can play in empowering women as an important global goal of sustainable development.

At the very end of March, the first share this year was listed, that of Mon Perin Inc.

In the first half of the year a new edition of the three-part video format of the Zagreb Stock Exchange called "ZSE Stock Talk", launched last year, was published, where public can hear what prominent names from the world of finance, economics, capital markets, etc. have to say about current topics in these areas.

The Zagreb and Ljubljana Stock Exchanges held another online edition of their two-day investment conference called "CEE Investment Opportunities". Participants had the opportunity to listen to the presentations of 8 Croatian, 7 Slovenian and 2 Macedonian companies, as well as presentations on the

THE ZAGREB STOCK EXCHANGE IN THE FIRST HALF OF 2022



Slovenian, Croatian and Macedonian capital markets. The event was followed by about 200 analysts and investors from the region, as well as from Austria, the Czech Republic, Estonia, Germany, Poland, Spain, Turkey, Great Britain, the United States and Japan.

In June, the Croatian Financial Services Supervisory Agency, the Central Clearing Depository Company and the Zagreb Stock Exchange held the 13th annual training for companies whose securities are listed on the regulated market of the Zagreb Stock Exchange, which was attended by more than 110 issuers' representatives.

At the end of the half-year, the Zagreb Stock Exchange acquired an additional stake in the Macedonian Stock Exchange, becoming the second largest shareholder in that regionally important stock exchange with a 17.05% stake.

In addition, the Securities Commission of the Republic of North Macedonia approved the additional acquisition of shares up to the threshold of 30 percent.

The two stock exchanges have been cooperating very successfully in various fields for many years, exchanging knowledge, experience and best practices with the aim of increasing the visibility of the regional market on the global investment map.

TRADING IN H1 2022

The year began with excellent trade statistics and positive market sentiment, but February and the start of the war in Ukraine brought intense trading, with corrections of indices and market capitalization. Nevertheless, the continuation of the half-year brought mostly positive sentiment.

Ultimately, share turnover was +12% better, and total turnover +14% compared to the previous half-year. The number of share transactions was +16.4% higher, and ETFs even by +110.4%.

At the same time, the turnover of ETFs increased by +226%, and the market capitalization by almost +4%. Unfortunately, the market capitalization of shares fell by -1.5%, although shares in the Regular market segment strengthened by +2.5% measured by market capitalization.

Indices were mostly corrected, but mostly in single digits, which is an excellent result considering the corrections that hit most European and global markets. CROBEXtr, which also calculates the dividend yield, fell the least (-1.12%) and indicates that our market largely "keeps" the return on investment. Some indexes achieved solid growth (CROBEXplus +5.42%; CROBEXtransport +32.20%).

Looking at the same period last year, i.e. the first half of 2021, the result is even more favorable in some segments: share turnover is +30.3% better, and the total turnover is +23.5%, while the market capitalization of shares has strengthened +5%. The indices are certainly doing better than at the end of last year's first half: for example, CROBEXtr has gained more than +5%.