



**ZAGREBAČKI
HOLDING**

LEI: 74780090ND4TXRKKO752

Home member state: CROATIA

ISIN: HRZGHOO237A3

Symbol: 3ZGH

ZSE, official market

Zagreb, October 7th, 2022

CROATIAN FINANCIAL SERVICES

SUPERVISORY AGENCY

Official register of prescribed information

ZAGREB STOCK EXCHANGE INC.

NOTICE OF PRESCRIBED INFORMATION

Standard & Poor's raised the credit rating of Zagreb Holding from B- to B with a stable outlook

On Wednesday, October 5th 2022, the international credit rating agency Standard & Poor's Global raised the rating of Zagreb Holding from B- to B with a stable outlook.

This is the second increase in Zagrebački holding's credit rating in the past few months and, among other things, reflects the agency's expectations that Zagrebački holding, with the implementation of the initiated organizational, operational and financial restructuring measures, will reach the planned goals by the end of this year despite the challenging macroeconomic and energy environment. S&P also estimates that the City of Zagreb will continue to support the Zagreb Holding in the implementation of operational restructuring activities and that the Holding will refinance its bonds before they mature in July 2023.

As stated in the explanation of the credit rating, the stable outlook of Zagreb Holding is a consequence of the improved liquidity achieved through the refinancing of debt and the fact that the results of the first half of the year show that operational efficiency is improving as expected by the Agency. The half-yearly report shows that the Holding reached 51% of the annual planned EBITDA of HRK 504 million, as a result of significant cost optimization, which includes the reduction of the number of employees and the successful reorganization of business segments.

The strategic role of the Zagreb Holding in the execution of communal services and in the implementation of city policy, supported by strong financial and institutional ties, is a pledge of the Agency's expectation that the City of Zagreb will, in case of need, provide timely support to the company.

The Agency believes that joining the Eurozone will improve access to financing, which will have a positive impact on the operations of the Zagreb Holding in terms of resistance to the growth of energy prices on the market.

The agency also expects Zagreb Holding's operating costs to remain at the same levels and spending to grow below the level of inflation.

Zagreb Holding Ltd.