



ZAGREBAČKA BURZA
Zagreb Stock Exchange



LJUBLJANSKA BORZA
LJUBLJANA Stock Exchange

Zagreb Stock Exchange Group

Consolidated unaudited financial results for
01/01/2021 – 30/06/2021

26 July 2021

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1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 01/01/2021 AND 30/06/2021

1.1 Significant business events of the Group in the period between 01/01/2021 and 30/06/2021

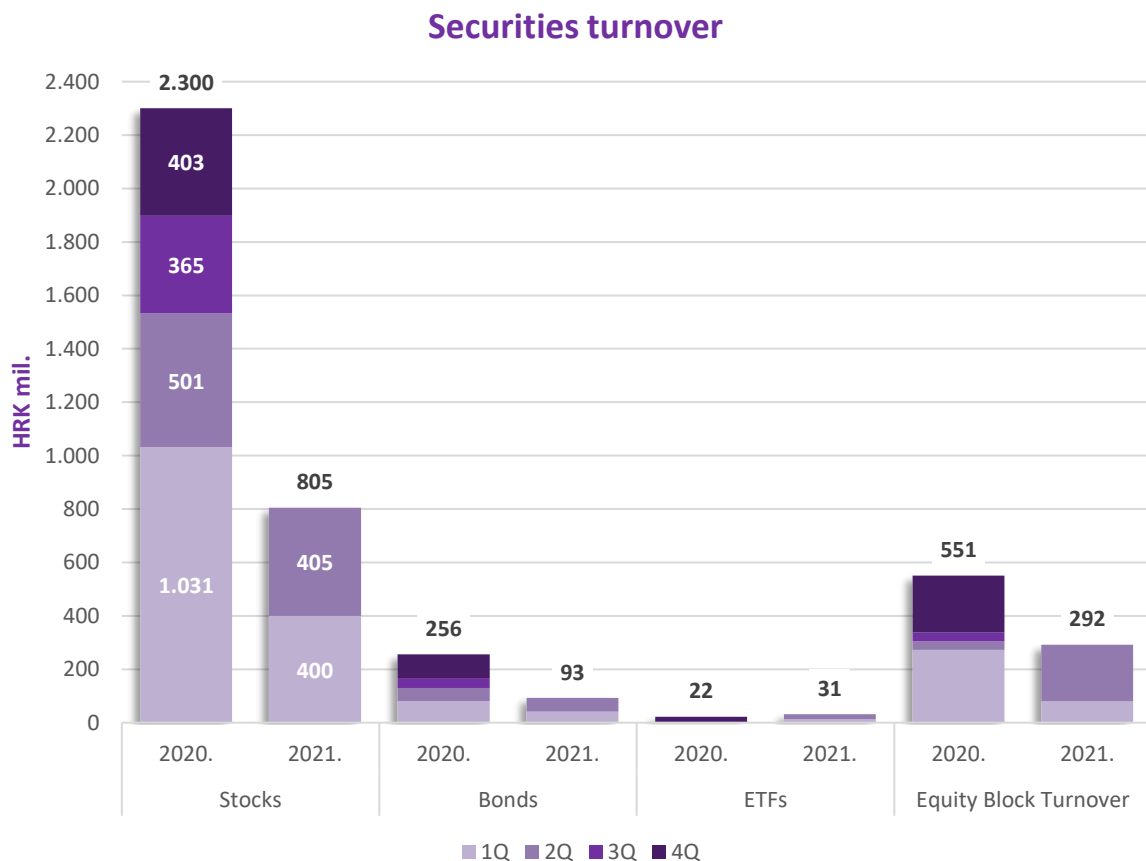
In the first half of 2021, the Zagreb Stock Exchange Group (hereinafter: the Group) recorded the following significant business events:

- On March 2, 2021, the Zagreb Stock Exchange launched a new project on its YouTube channel called "ZSE Stock Talk" conceived as a new communication channel to the general population on economic and financial topics. The first series of videos had the theme of macroeconomic forecasts for 2021.
- On March 8, 2021, in cooperation with the Croatian Employers' Association, the Zagreb Stock Exchange organized the event "Ring for Gender Equality" to mark International Women's Day by opening a trade in symbolic bells to emphasize the need to include more women in the world of work and their advancement in the business world.
- On March 16, 2021, the Zagreb Stock Exchange received from the Securities Commission of the Republic of Northern Macedonia (Komisijata za hartii od vrednost na Republika Severna Makedonija) a decision approving the transfer above the threshold of 10% ownership stake in Makedonska berza AD Skopje, i.e., for the acquisition of shares of the Macedonian Stock Exchange whose total cumulative amount does not exceed 20% of the total issued voting shares.
- On March 24, 2021, the Zagreb Stock Exchange joined the United Nations Sustainable Stock Exchanges (SSE) initiative to promote sustainability and transparency in capital markets. The Zagreb Stock Exchange will engage in peer-to-peer dialogue to explore how exchanges can work together with investors, regulators, and companies, to encourage sustainable investment, while also enhancing corporate transparency and performance in respect to environmental, social and corporate governance issues, in line with the SEE initiative goals.
- On March 24, 2021, the Ljubljana Stock Exchange held a webcast entitled "Slovenian Listed Companies Online".
- In the period from March 22 to 28, 2021, the Ljubljana Stock Exchange held an event called "Open Days to the Financial World" as part of the World Money Week, where trainings on the capital market and financial literacy were held for pupils and students.
- On April 8, 2021, the first ETFs of the issuer Expat Bulgaria SOFIX UCITS ETF were listed on the Ljubljana Stock Exchange.
- On April 15, 2021, the Ljubljana Stock Exchange held a webcast entitled " Overview of Events on the Stock Exchange in Q1".

- In the period from 27 to 28 May 2021, the Croatian and Slovenian Investor Days - CEE Investment Opportunities were held. For the first time, Slovenian and Croatian companies were joined by companies listed on the Macedonian Stock Exchange. The event was conducted through the GoToWebinar platform, and was attended by about thirty panelists and 120 participants, and in addition to presentations by publishers, presentations of the Croatian, Slovenian and Macedonian capital markets were held.
- On June 11, 2021, the 12th annual education for issuers was held, co-organized by HANFA, the CDCC and the Zagreb Stock Exchange. The education gathered more than a hundred representatives of companies listed on the Zagreb Stock Exchange.
- On June 28, 2021, a new version of the Xetra T7 9.1 trading system was released into production.

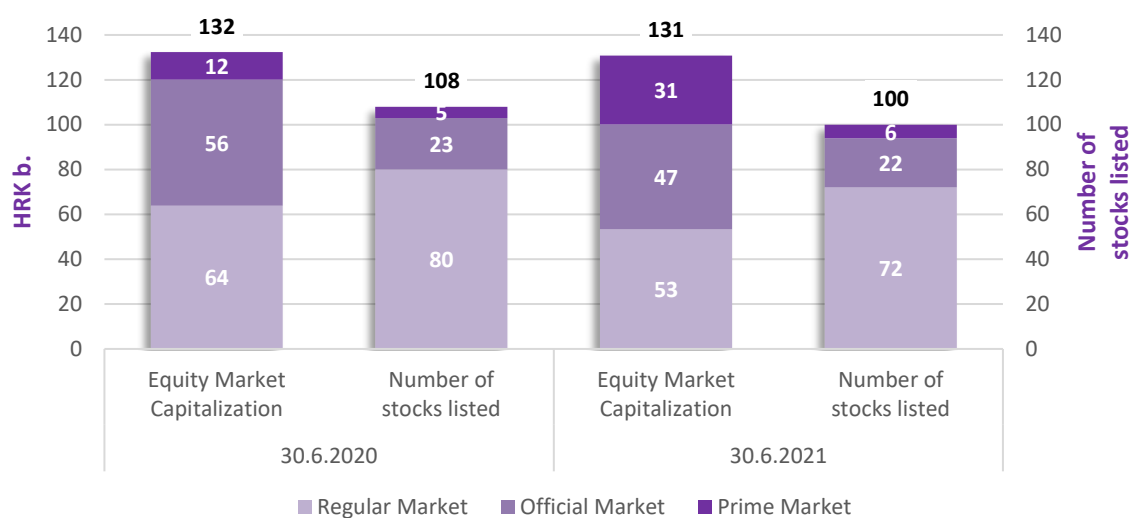
1.2 Zagreb and Ljubljana Stock Exchange overview

In the first half of 2021, the orderbook turnover amounted to HRK 929 million, which is significantly less (-44%) than in the first half of last year, which was marked by increased securities turnover from the end of February until the beginning of May under the influence of the Covid-19 outbreak in the Republic of Croatia. Of this amount of turnover in the first six months of 2021, HRK 805 million relates to shares, HRK 93 million to bonds, while ETFs, which began trading in mid-November last year, in the first half of 2021 generated a turnover of just over HRK 31 million. In the same period, the equity block turnover amounted to almost HRK 292 million (H1 2020: HRK 305 million), while the debt block turnover was absent. If we compare the second with the first quarter of the current year, the orderbook turnover increased by slightly more than HRK +19 million or +4%, while the equity block turnover increased by a significant HRK +132 million or +166%.



Compared to June 30, 2020, the market value measured by market capitalization as of June 30, 2021, is higher by almost HRK +15 billion or +6%, while the equity market capitalization alone is lower by HRK -1.6 billion or -1.2%. These data point to a constant market recovery since May last year when the initial market shock caused by the emergence of the Covid-19 virus, which contributed to a large drop in market capitalization in the first quarter of 2020, began to weaken.

Equity Market Capitalization and number of stocks listed



As of 30 June 2021, a total of eight fewer shares were listed on the Regular Market compared to the same day in 2020, while one share from the Official Market moved to a higher quotation, the Prime Market.

Zagreb Stock Exchange overview

	1H 2020	1H 2021	change
Securities turnover (HRK)			
Orderbook turnover	1.662.698.798	928.501.991	-44,16%
Stocks	1.532.526.868	804.521.266	-47,50%
Bonds	130.171.930	92.556.627	-28,90%
ETFs	0	31.424.099	
Equity Block Turnover	304.975.792	291.699.952	-4,35%
Debt Block Turnover	0	0	
TOTAL	1.967.674.590	1.220.201.943	-37,99%
Market Capitalization (HRK)			
Stocks	132.403.762.303	130.834.615.709	-1,19%
Prime market	12.267.273.260	30.729.538.906	150,50%
Official market	56.245.716.664	46.823.250.251	-16,75%
Regular market	63.890.772.379	53.281.826.552	-16,60%
Bonds	115.792.368.276	132.711.816.473	14,61%
ETFs	0	52.209.004	
TOTAL	248.196.130.579	263.598.641.185	6,21%
Number of securities listed			
Stocks	108	100	-7,41%
Prime market	5	6	20,00%
Official market	23	22	-4,35%
Regular market	80	72	-10,00%
Bonds	27	28	3,70%
ETFs	0	2	
TOTAL	135	130	-3,70%

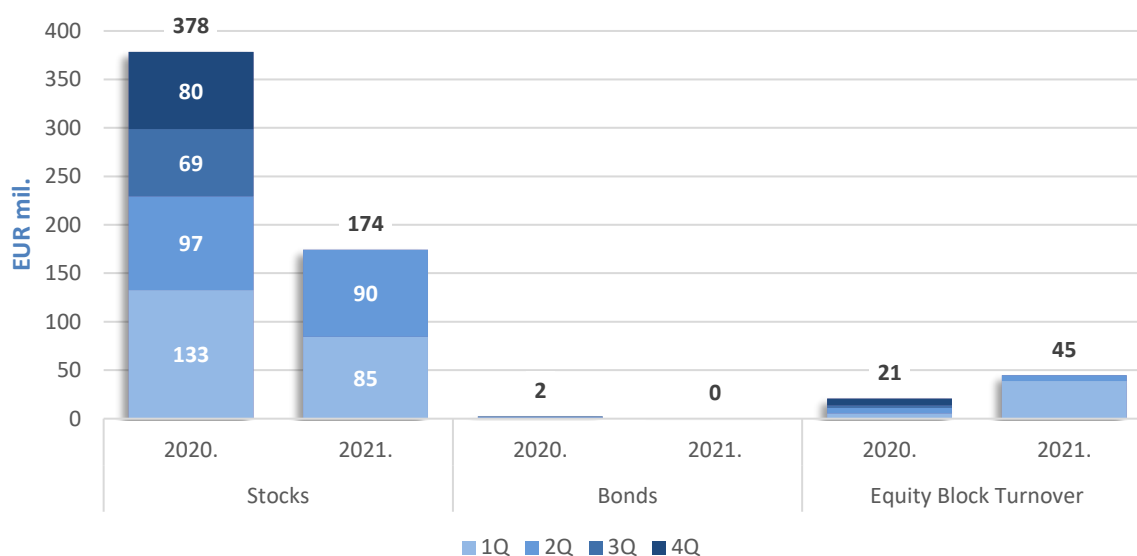
A comparison of the data for the first half of 2021 with the data for the same period last year shows a stable and positive trend among the indices as well. After a sharp decline in the index's values since the end of February 2020, the index's values began to normalize and continued to grow continuously from May last year. With the exception of CROBEXkonstrukt, which weakened -3.82%, equity indices generally rose in double digits compared to the closing value on June 30, 2020: the highest CROBEXindustrija (+44.74%) while other indices rose by more than +20%. The ADRIAprime regional index increased by +33.6%, and the bond indices by +3% (CROBIstr) and +0.5% (CROBIS).

Indices – value and turnover (1H 2020 vs. 1H 2021)

Index	30.6.2020	30.6.2021	Change	Turnover (HRK) 1H 2020	Turnover (HRK) 1H 2021	Change
CROBEX	1.621,55	1.980,49	22,14%	1.247.181.626	1.885.108.067	51,15%
CROBEXtr	1.090,39	1.356,68	24,42%	1.247.181.626	1.885.108.067	51,15%
CROBEX10	1.012,72	1.218,32	20,30%	1.076.935.496	1.579.203.982	46,64%
CROBEX10tr	\	1.234,04	\	\	484.036.133	\
CROBEXprime	944,77	1.170,27	23,87%	516.852.949	771.279.606	49,23%
CROBEXplus	961,80	1.172,54	21,91%	1.246.227.548	1.866.174.136	49,75%
CROBEXindustrija	738,03	1.068,21	44,74%	198.958.873	324.532.518	63,12%
CROBEXkonstrukt	491,68	472,89	-3,82%	33.248.445	96.873.815	191,36%
CROBEXnutris	598,00	723,87	21,05%	174.886.501	286.638.338	63,90%
CROBEXtransport	\	850,25	\	\	53.838.861	\
CROBEXturist	2.924,62	3.624,25	23,92%	330.520.043	434.896.393	31,58%
CROBIS	111,22	111,78	0,50%	22.580.124.877	25.040.891.148	10,90%
CROBIstr	182,72	188,20	3,00%	22.580.124.877	25.040.891.148	10,90%
ADRIAprime	960,48	1.283,20	33,60%	\	\	\

The total securities turnover on the Ljubljana Stock Exchange in the first half of 2021 decreased by -9.7% compared to the same period last year. This is understandable because, as in Croatia, the securities turnover in the first half of 2020 was influenced by the Covid-19 outbreak in Slovenia. However, this decline is not as pronounced as on the Zagreb Stock Exchange because the turnover on the Ljubljana Stock Exchange has remained above average since May 2020, when the turnover on the Zagreb Stock Exchange decreased and returned closer to the usual amounts. The orderbook equity turnover in the first half of 2021 reached EUR 174 million (a decrease of -24% compared to the same period last year when it amounted to almost EUR 229 million), while the debt turnover amounted to only EUR 38 thousand, which is a decrease of -98% compared to the first six months of 2020 when the debt turnover amounted to EUR 1,823 thousand. In the first six months of this year, the equity block turnover amounted to almost EUR 45 million, while the debt block turnover was absent, as on the Zagreb Stock Exchange.

Ljubljana Stock Exchange Turnover



Compared to June 30, 2020, the equity market capitalization increased by almost +30% and on the last day of the first half of 2021 amounted to EUR 8.5 billion. Since the last value on June 30, 2020, the SBITOP index has increased by +32%, and with the listing of the first ETFs on the Ljubljana Stock Exchange in April 2021 started the calculation of the SBITR index, which ended the half-year at 1,268.

Ljubljana Stock Exchange overview

	1H 2020	1H 2021	change
Total Turnover (EUR)	242.481.986	218.960.812	-9,70%
Stocks	229.510.878	174.104.799	-24,14%
Bonds	1.823.474	37.673	-97,93%
Equity block	11.147.634	44.818.339	302,04%
Debt block	0	0	
Equity Market Capitalization on 30 June (EUR)	6.525.290.749	8.464.381.741	29,72%
SBITOP on 30 June	850	1.125	32,33%
SBITR on 30 June	\	1.268	

1.3 Expected future development of the Group

In 2021, the Group will continue to focus on restoring confidence and raising Corporate Governance standards and reporting on a regulated market. The Group will also focus on greater promotion of existing issuers, with a focus on Prime Market. The Group will continue internally to develop IT services that will be used by the Zagreb and Ljubljana Stock Exchanges, and thus further reduce the need for external suppliers.

The Group will press on with previously initiated projects, placing the greatest emphasis on the project of regional SME capital market development (Progress), and further activities related to financing and investing in start-ups (Funderbeam SEE).

1.4 Research & Development activities

The Group invests constant efforts into developing and improving its own service offering and at expanding service provision to the Slovenian market as well.

During the second half of 2019, the Zagreb Stock Exchange began migrating the Ljubljana Stock Exchange's downstream system to the Zagreb Stock Exchange's internally developed data warehouse system. Work on the full implementation of this system has also been carried over to the first part of 2020.

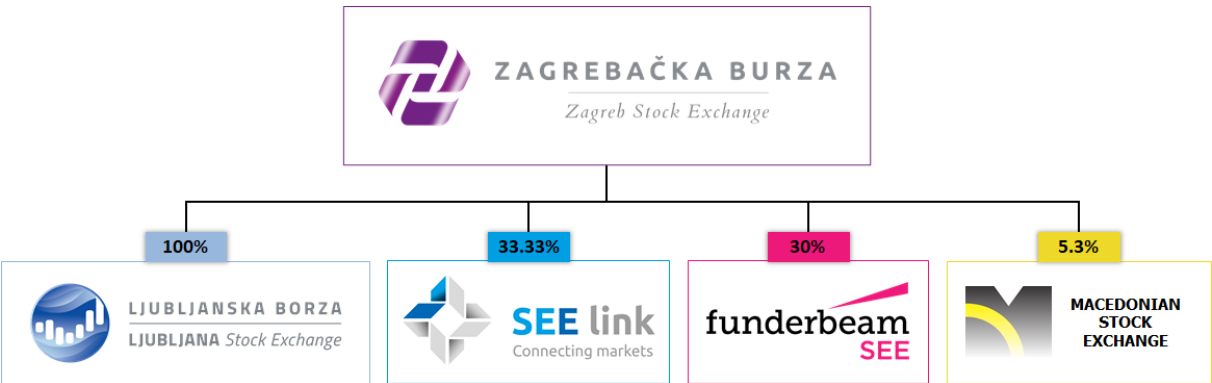
During 2020, the Zagreb Stock Exchange also developed and launched a completely new website of the Zagreb and Ljubljana Stock Exchanges.

1.5 Information on repurchase of own shares

As of June 30, 2021, the companies in the Group held no own shares.

The companies in the Group did not acquire own shares between 1 January 2021 and 30 June 2021.

1.6 Zagreb Stock Exchange Group



The Ljubljana Stock Exchange, Inc., a company domiciled in Ljubljana. The issued share capital of the Ljubljana Stock Exchange is EUR 1,401,000, in which the Zagreb Stock Exchange, Inc. participates with 100 %.

SEE Link d.o.o., a company domiciled in Skopje. The issued share capital of SEE LINK is EUR 80,000, in which the Zagreb Stock Exchange, Inc. participates with 33.33 %.

Funderbeam South East Europe d.o.o., a company domiciled in Zagreb. The issued share capital of Funderbeam South East Europe d.o.o. is HRK 244,000, and the share of the Zagreb Stock Exchange, Inc. in the share capital is 30%.

On December 18, 2019, the Zagreb Stock Exchange acquired 148 shares, or 5.3% of the Macedonian Stock Exchange's share capital.

1.7 Financial instruments used by the Group

The Group is fully funded by its own capital. The financial instruments the companies in the Group invest in are investment funds (money market and bond funds) and deposits (a vista and fixed-term deposits).

1.8 Group's objectives and policies related to financial risk management

All employees of the companies in the Group, including their Management and Supervisory Board, are involved in the implementation of internal control and risk management systems.

The companies in the Group manage risks, including financial risks, particularly through cooperation and coordination of two mutually independent control functions that exist at Zagreb and Ljubljana Stock Exchange: monitoring of compliance with relevant regulations and internal audit function.

These control functions process and monitor the work of all organizational units, Company activities and support services.

1.9 Group's exposure to price risk, credit risk, liquidity risk and cash flow risk

The companies in the Group, Zagreb and Ljubljana Stock Exchange, invests free funds in open-end money market and bond investment funds, as well as bank deposits. Their investments are carried at fair value. Zagreb and Ljubljana Stock Exchange mitigate the price risk by diversifying their portfolio of open-end investment funds by investing in different types of funds managed by different fund management companies, and by investing in low-risk funds.

SEE Link and Funderbeam SEE are not exposed to the risks mentioned in this paragraph.

The companies in the Group have no loans received from external financial institutions, rather their cash and financial assets exceed substantially the liabilities of the companies in the Group, and consequently, their liquidity position is satisfactory.

1.10 Statement of transactions and transfers within the Group and between the Group and its shareholders

The Group confirms that in 2021 there were no transactions within the Group and between the Group and its shareholders in excess of EUR 100,000.

1.11 Statement of events which might have an adverse effect on Group operations

In 2021, uncertainty continued over the prevention measures taken to halt the spread and suppression of the COVID-19 pandemic. It is not possible to estimate the future duration of the pandemic, but the Group is actively monitoring the situation and will take all necessary measures to minimize potential negative impacts in the event of a worsening situation. With its infrastructure and working procedures, the Group is fully trained and ready to ensure business continuity so that trading can run smoothly. Infrastructure and work processes are adapted to work in crisis situations, employees are on standby, and tests related to working in such circumstances have been successfully conducted, thus ensuring continuous trading in securities throughout the trading day, without difficulties even in emergencies.

The long-term effect can also affect the company's operations in terms of difficult operations of our clients - issuers, as well as reducing the volume of trade due to possible uncertainties of investors related to the impact of the crisis on the Croatian and Slovenian economy. Despite the aforementioned, at the date of issue of these financial statements, the Group continues to settle due to liabilities and, consequently, prepares financial statements under the assumption of indefinite operation.

Apart from the above, no other business events or transactions have occurred after the balance sheet date that would have a material impact on the financial statements on or for the period then ended or are of such significance to the Group's operations as to require disclosure in management.

1.12 Business results for 01/01/2021 – 30/06/2021

In the first half of 2021, the Group generated a total of HRK 12,645 thousand of operating revenues, which is HRK -1,168 thousand or -8.45% less than in the same period last year when they amounted to HRK 13,813 thousand. Compared to the first half of 2020, sales revenues fell from HRK 9,808 to HRK 8,792 thousand, i.e., by HRK -1,016 thousand or -10.36%. The significant decline in sales revenue is primarily the result of a decrease in trading commissions and membership fees, which, following the reduction in turnover compared to the significantly increased turnover in securities from the end of February to mid-April 2020, reached HRK 4,025 thousand in the first half of this year (HRK -1,330 thousand or -24.84% less compared to the first half of 2020 when they amounted to HRK 5,355 thousand). Although three bonds and one share were listed on the Zagreb Stock Exchange in the first half of 2021, i.e., two shares less than in the first half of 2020, revenues from listing fees at the Group level increased by HRK +144 thousand or +18.27% due to exceptional dynamism in terms of new listings on the Ljubljana Stock Exchange. Namely, in the first half of 2021, one new share, two bonds, nine

treasury bills, two commercial papers, and for the first time five ETFs were listed (in the first half of 2020, four bonds and one treasury bill were listed). Within sales revenue, listing maintenance fees also increased by HRK +170 thousand or +4.64% compared to the same period last year (increase from HRK 3,663 to HRK 3,833 thousand). Compared to the first half of 2020, other operating income fell by HRK -151 thousand or -3.78%, i.e., from HRK 4,004 to HRK 3,853 thousand. This decrease in other operating income is due to a decrease in other income (including income from education and income from the issuance and maintenance of LEI) which fell by HRK -168 thousand or -16.87% and amounted to HRK 829 thousand, while income from the supply of information increased from HRK 3,007 to HRK 3,024 thousand (HRK +17 thousand or +0.56%).

Looking only at the second quarter of 2021, the Group's total operating revenues amounted to HRK 6,378 thousand, which is HRK +140 thousand (+2.24%) more than in the second quarter of last year when operating revenues amounted to HRK 6,238 thousand. Sales revenues increased from HRK 4,315 thousand in the second quarter of 2020 to HRK 4,365 thousand in the same period of the current year. This increase is due to the increase in income from quotation maintenance from HRK 351 to HRK 420 thousand (HRK +69 thousand or +19.78%) for the reason already mentioned and the increase in listing maintenance fees from HRK 1,881 to HRK 1,917 thousand (HRK + 36 thousand or +1.9%). Although the Zagreb Stock Exchange recorded an increase in securities turnover in the second quarter of 2021 compared to the same period last year, the Ljubljana Stock Exchange generated slightly less turnover in the observed period than in the exceptionally good second quarter of 2020. For this reason, commissions and membership fees at the Group level fell from HRK 2,083 thousand in the second quarter of 2020 to HRK 2,027 thousand in the same period this year (HRK -56 thousand or -2.66%). The increase in operating revenues was also contributed by the increase in other operating revenues from HRK 1,923 to HRK 2,013 thousand (HRK +90 thousand or +4.68%). Within other operating revenues, compared to the second quarter of 2020, income from the supply of information increased from HRK 1,420 to HRK 1,575 thousand (HRK +155 thousand or +10.9%), while other income decreased from HRK 503 to HRK 438 thousand. (HRK -65 thousand or -12.88%).

At the beginning of the coronavirus pandemic, i.e., in the first quarter of 2020, the Group began to record a decline in operating expenses primarily due to a changed working mode (working from home, the lack of business trips, live events, etc.). In the first half of 2021, the Group's total operating expenses amounted to HRK 12,031 thousand which is HRK -56 thousand or -0.46% less than in the same period last year. Items of operating expenses that decreased in the first half of 2021 compared to the same period last year are value adjustments of fixed and current assets amounting to HRK 42 thousand (HRK -110 thousand or -72.45%), staff costs amounting to HRK 6,043 thousand (HRK -31 thousand or -0.52%), other operating expenses amounting to HRK 5 thousand (HRK -24 thousand or -82.82%) and material costs amounting to HRK 3,421 thousand (HRK -13 thousand or -0.37%), while only other costs amounting to HRK 1,533 thousand (HRK +116 thousand or +8.17%) and depreciation amounting to HRK 987 thousand (HRK +7 thousand or +0.7%) increased.

In the second quarter of 2021 alone, the Group's total operating expenses amounted to HRK 6,391 thousand, which is an increase of HRK +241 thousand (+3.91%) compared to the second quarter of last year when operating expenses amounted to HRK 6,150 thousand. As at the half-year level, the value adjustment of fixed and current assets amounts to HRK 42 thousand (a decrease of HRK -57 thousand or -57.57%). Other items of operating expenses are higher in the second quarter of 2021 than the

amount in the same period last year: other operating expenses amounting to HRK 3 thousand (HRK +6 thousand), depreciation amounting to HRK 502 thousand (2Q 2020: HRK 492 thousand; HRK +10 thousand or +2.12%), staff costs amounting to HRK 3,220 thousand (2Q 2020: HRK 3,168 thousand; HRK +52 thousand or +1.64%), material costs amounting to HRK 1,741 HRK thousand (2Q 2020: HRK 1,683 thousand; HRK +58 thousand or +3.45%) and other costs amounting to HRK 882 thousand (2Q 2020: HRK 711 thousand; HRK +171 thousand or + 24.08%).

The Group's key business indicators

	HRK	1H 2020	1H 2021	change	2Q 2020	2Q 2021	change
Capital and reserves		42.020.506	43.261.202	2,95%	42.020.506	43.261.202	2,95%
Total assets		51.007.140	54.771.777	7,38%	51.007.140	54.771.777	7,38%
Operating income		13.812.557	12.644.942	-8,45%	6.238.561	6.378.239	2,24%
<i>sales revenue</i>		9.808.261	8.792.006	-10,36%	4.315.124	4.364.881	1,15%
<i>other operating income</i>		4.004.296	3.852.936	-3,78%	1.923.437	2.013.358	4,68%
Operating expenses		12.087.454	12.031.388	-0,46%	6.150.175	6.390.951	3,91%
<i>material costs</i>		3.433.590	3.420.936	-0,37%	1.683.272	1.741.410	3,45%
<i>staff costs</i>		6.074.566	6.043.185	-0,52%	3.168.461	3.220.430	1,64%
<i>depreciation and amortization</i>		979.901	986.782	0,70%	491.817	502.228	2,12%
<i>other costs</i>		1.599.397	1.580.485	-1,18%	806.625	926.883	14,91%
EBIT		1.725.103	613.554	-64,43%	88.386	-12.712	-114,38%
EBITDA		2.705.004	1.600.336	-40,84%	580.203	489.516	-15,63%
Financial income		116.727	41.846	-64,15%	102.559	-28.288	-127,58%
Financial expenses		528.150	298.915	-43,40%	-202.519	65.123	-132,16%
Share in profit/ loss of associates and subsidiaries		41.402	20.309	-50,95%	-23.407	-52.202	123,02%
Pre-tax profit or loss		1.355.082	376.794	-72,19%	370.057	-158.325	-142,78%
Income tax		171.627	53.064	-69,08%	67.051	6.839	-89,80%
Profit or loss for the period		1.183.455	323.730	-72,65%	303.006	-165.164	-154,51%
Other comprehensive income		297.730	6.793	-97,72%	-140.738	6.793	-104,83%
Total comprehensive income		1.481.185	330.523	-77,69%	162.268	-158.371	-197,60%
Number of employees		38	37	-2,63%	38	37	-2,63%

The Group's operating profit in the first half of 2021 amounted to HRK 614 thousand, while in the same period last year it amounted to HRK 1,725 thousand. At the second-quarter level, the Group reported an operating loss in the amount of HRK -13 thousand, while the operating profit in the same period last year amounted to HRK 88 thousand. Financial income decreased at half-year level as well as at the second-quarter level compared to the same periods last year. In the first half of this year, financial revenues amounted to HRK 103 thousand (HRK -75 thousand or -64.15%), while financial revenues in the second quarter amounted to HRK -28 thousand (HRK -131 thousand or -127.58%). In the first half of this year, financial expenses amounted to HRK 299 thousand (HRK -229 thousand or -43.4%), while in the second quarter alone they were higher by HRK +268 thousand and amounted to HRK 65 thousand (in the second quarter of 2020, financial expenses due to the reduction of unrealized losses on financial assets were in the positive amount of HRK 203 thousand).

If we add up the positive operating profit, negative net financial result, share in the profit/loss of the associates and subsidiaries in the amount of HRK 20 thousand and income tax in the amount of HRK 53 thousand, the Group's net profit for the first six months of 2021 amounts to HRK 324 thousand, which is HRK -860 thousand (-72.65%) less than in the same period of 2020, when the Group's net profit amounted to HRK 1,183 thousand. Adding other comprehensive income in the amount of HRK 7 thousand to the net profit, in the first half of 2021 the Group's total comprehensive income amounts to HRK 330 thousand (a decrease of HRK -1,151 thousand or -77.69% compared to HRK 1,481 thousand in the first half of 2020). The share in the profit/loss of the associates and subsidiaries in the second quarter of 2021 amounts to HRK -52 thousand, and the profit tax amounts to HRK 7 thousand, therefore the Group in the second quarter of 2021 records a loss in the amount of HRK -165 thousand and a total comprehensive loss in the amount of HRK -158 thousand.

Operating profit before interest, taxes, depreciation and amortization is positive and in the first half of 2021 amounts to HRK 1,600 thousand, i.e., HRK -1,105 thousand less than in the first half of 2020, while in the second quarter of 2021 it amounts to HRK 489 thousand, i.e., HRK -91 thousand less than in the same period last year.

2 DECLARATION OF RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

Financial statements of the Group prepared for the period between 01/01/2021 and 30/06/2021 give a fair and true account of facts in accordance with the International Standards of Financial Reporting and the Croatian Accounting Act.

Consolidated financial statements for the period between 01/01/2021 and 30/06/2021 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Group.

The management report for the first half of 2021 contains a true and fair view of the development and results of operations, with a description of the principal risks and uncertainties to which the Group is exposed.

Consolidated financial statements for the first half of 2021 have not been audited.


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Consolidated unaudited financial statements of the Group
for 01/01/2021 – 30/06/2021

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2021

to

30.6.2021

Year:

2021

Quarter:

2

Quarterly financial statements

Registration number (MB):

03749606

Issuer's home

Member State code:

HR

Entity's registration

number (MBS):

080034217

Personal identification

number (OIB):

84368186611

LEI:

7478000050A040C0D041

Institution

code:

4

Name of the issuer: Zagreb Stock Exchange, Inc

Postcode and town:

10000

Zagreb

Street and house number:

Ivana Lučića 2a/22

E-mail address:

sandra.semuga@zse.hr

Web address:

www.zse.hr

Number of employees

(end of the reporting

37

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Ljubljanska borza vrednostnih papirjev d.d.

Ljubljana, Slovenija

5316081

Bookkeeping firm:

Yes

(Yes/No)

Sigma Tax Consulting d.o.o.

(name of the bookkeeping firm)

Contact person:

Martina Butković

(only name and surname of the contact person)

Telephone:

01/4699-555

E-mail address:

martina.butkovic@sigmabc.eu

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET			
balance as at 30.6.2021			
in HRK			
Submitter: Zagreb Stock Exchange, Inc			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
ASSETS			
FIXED ASSETS 002+003+009+012	1	15.619.546	18.416.745
I INTANGIBLE ASSETS	2	2.788.458	2.879.439
II TANGIBLE ASSETS 004+...+008	3	9.253.415	11.957.945
1 Land and buildings	4	7.411.114	9.913.483
2 Computer equipment	5	674.695	674.737
3 Other tangible assets	6	1.004.436	944.976
4 Leasehold improvements	7	163.170	424.749
5 Assets under construction	8	0	0
III FIXED FINANCIAL ASSETS 010+011	9	3.391.957	3.403.504
1 Investments in associates, subsidiaries and joint ventures	10	115.150	135.829
2 Financial assets at amortised cost	11	3.276.807	3.267.675
DEFERRED TAX ASSETS	12	185.716	175.857
B CURRENT ASSETS 014+020+024	13	34.808.639	34.230.737
I RECEIVABLES 015+...+019	14	3.700.106	3.439.215
1 Trade receivables	15	3.026.665	2.407.511
2 Receivables from employees and members of the undertaking	16	622	1.730
3 Receivables from government and other institutions	17	112.673	254.868
4 Receivables from connected undertakings	18	0	0
5 Other receivables	19	560.146	775.106
III SHORT-TERM FINANCIAL ASSETS 021+...+023	20	21.784.766	19.085.105
1 Financial assets at amortised cost	21	4.010.501	3.252.093
2 Financial assets at fair value through other comprehensive	22	0	0
3 Financial assets at fair value through statement of profit or	23	17.774.265	15.833.012
III CASH AND CASH EQUIVALENTS	24	9.323.767	11.706.417
C PREPAID EXPENSES AND ACCRUED INCOME	25	665.873	2.124.295
D TOTAL ASSETS 001+013+025	26	51.094.058	54.771.777
E OFF-BALANCE SHEET ITEMS	27	0	0
LIABILITIES			
A CAPITAL AND RESERVES 029+030+031+036+037+038	28	42.930.679	43.261.202
I INITIAL CAPITAL	29	46.357.000	46.357.000
II CAPITAL RESERVES	30	13.860.181	13.860.181
III PROFIT RESERVES 032+...+035	31	920.350	927.143
1 Legal reserves	32	141.000	141.000
2 Reserves for treasury shares	33	0	0
3 Fair value reserves	34	0	0
4 Other reserves	35	779.350	786.143
IV RETAINED PROFIT OR LOSS BROUGHT FORWARD	36	-20.359.103	-18.206.852
V PROFIT OR LOSS FOR THE YEAR	37	2.152.251	323.730
VI MINORITY INTEREST	38	0	0
B PROVISIONS	39	118.209	167.152
C SHORT-TERM LIABILITIES 041+...+046	40	2.985.598	3.866.566
1 Liabilities for advance payments	41	266.720	133.794
2 Trade payables	42	886.130	1.437.656
3 Liabilities to employees	43	726.747	702.159
4 Taxes, contributions and similar liabilities	44	429.996	551.251
5 Liabilities to connected undertakings	45	5.276	0
6 Other short-term liabilities	46	670.729	1.041.706
D LONG-TERM LIABILITIES	47	247.431	2.788.338
E DEFERRED TAX LIABILITY	48	189.395	188.247
F ACCRUALS AND DEFERRED INCOME	49	4.622.746	4.500.272
G TOTAL LIABILITIES 028+039+040+047+048+049	50	51.094.058	54.771.777
H OFF-BALANCE SHEET ITEMS	51	0	0
Appendix to the balance sheet (position for consolidated financial statements)			
I Capital and reserves 053+054	52	42.930.679	43.261.202
1 Attributable to owners of the parent	53	42.930.679	43.261.202
2 Attributable to non-controlling interest	54	0	0

STATEMENT OF PROFIT OR LOSS

For the period 01.01.2021. to 30.6.2021

in HRK

Submitter: Zagreb Stock Exchange, Inc

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
A OPERATING INCOME 002+009	1	13.812.557	6.238.561	12.644.942	6.378.239
I Sales revenue 003+...+008	2	9.808.261	4.315.124	8.792.006	4.364.881
1 Commissions and membership fees	3	5.355.006	2.082.980	4.024.605	2.027.482
2 Listing maintenance fees	4	3.663.378	1.881.233	3.833.189	1.917.064
3 Income from quotation maintenance	5	789.877	350.911	934.212	420.335
4 Income from auctions	6	0	0	0	0
5 Income from memberships	7	0	0	0	0
6 Revenue from assigning and administering LEIs	8	0	0	0	0
II Other operating income 010+...+012	9	4.004.296	1.923.437	3.852.936	2.013.358
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	3.006.801	1.420.088	3.023.717	1.574.855
3 Other income	12	997.495	503.349	829.219	438.503
B OPERATING EXPENSES 014+017+021+022+023+026+027	13	12.087.454	6.150.175	12.031.388	6.390.951
I Material costs 015+016	14	3.433.590	1.683.272	3.420.936	1.741.410
1 Costs of raw materials	15	336.801	183.651	264.502	127.218
2 Other external costs	16	3.096.789	1.499.621	3.156.434	1.614.192
II Staff costs 018+...+020	17	6.074.566	3.168.461	6.043.185	3.220.430
1 Net salaries and wages	18	4.178.230	2.121.141	4.103.235	2.089.966
2 Tax and contributions from salary costs	19	1.427.695	790.965	1.461.872	858.749
3 Payroll contributions	20	468.641	256.355	478.078	271.715
III Depreciation	21	979.901	491.817	986.782	502.228
IV Other costs	22	1.417.736	710.858	1.533.520	882.014
V Value adjustment 024+025	23	151.981	98.696	41.873	41.873
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	151.981	98.696	41.873	41.873
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	29.680	-2.929	5.092	2.996
C FINANCIAL INCOME 029+...+034	28	116.727	102.559	41.846	-28.288
1 Interest, exchange rate differences, dividends and similar	29	610	38	0	0
2 Interest, exchange rate differences, dividends and similar	30	16.401	10.186	10.953	-56.834
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	0	0	25.609	25.609
5 Profit from reversal of provisions for impairment for expected	33	0	0	0	0
6 Other financial income	34	99.716	92.335	5.284	2.937
D FINANCIAL EXPENSES 036+...+040	35	528.150	-202.519	298.915	65.123
1 Interest, exchange rate differences and other expenditures with	36	4.115	2.096	2.450	402
2 Interest, exchange rate differences and other expenditure from	37	43.051	13.992	22.800	22.800
3 Unrealised losses (expenses) from financial assets	38	267.670	-218.535	273.665	41.921
4 Loss on impairment for expected credit losses	39	0	0	0	0
5 Other financial expenses	40	213.314	-72	0	0
E TOTAL INCOME 001+028	41	13.929.284	6.341.120	12.686.788	6.349.951
F TOTAL EXPENDITURE 013+035	42	12.615.604	5.947.656	12.330.303	6.456.074
G Share in profit/loss of associates and subsidiaries	43	41.402	-23.407	20.309	-52.202
H PRE-TAX PROFIT OR LOSS 041-042+043	44	1.355.082	370.057	376.794	-158.325
I INCOME TAX	45	171.627	67.051	53.064	6.839
J PROFIT OR LOSS FOR THE PERIOD 044-045	46	1.183.455	303.006	323.730	-165.164
1 Change in revaluation reserves (property, plant,	47	0	0	0	0
2 Actuarial gains/losses on defined benefit pension plans	48	0	0	0	0
3 Unrealised gains/losses on financial assets at fair value through other comprehensive income	49	0	0	0	0
4 Gains/losses on hedging instruments in a cash flow hedge	50	0	0	0	0
5 Gains/losses arising from translation of financial	51	297.730	-140.738	6.793	6.793
6 Income tax on other comprehensive income	52	0	0	0	0
K OTHER COMPREHENSIVE INCOME 047+...+052	53	297.730	-140.738	6.793	6.793
TOTAL COMPREHENSIVE INCOME 046+053	54	1.481.185	162.268	330.523	-158.371
M RECLASSIFICATION ADJUSTMENTS	55	0	0	0	0
Appendix **					
Attributable to owners of the parent	56	1.481.185	162.268	330.523	-158.371
Attributable to non-controlling interest	57	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method

for the period 01.01.2021. to 30.6.2021

in HRK

Submitter: Zagreb Stock Exchange, Inc

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1 Pre-tax profit	1	1.355.082	376.794
2 Depreciation	2	979.901	986.782
3 Increase in short-term liabilities	3	0	509.990
4 Decrease in short-term receivables	4	1.093.996	459.083
5 Decrease in inventories	5	273	312
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	0	20.320
I Total cash flow increase from operating activities 001+...+007	8	3.429.252	2.353.281
1 Decrease in short-term liabilities	9	119.354	0
2 Increase in short-term receivables	10	0	0
3 Increase in inventories	11	0	0
4 Profit from reversal of provisions for impairment for expected	12	0	0
5 Other cash flow decrease	13	229.559	1.834.664
II Total cash flow decrease from operating activities 009+...+013	14	348.913	1.834.664
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sale of fixed tangible and intangible assets	15	0	0
2 Cash receipts the from sale of equity instruments and debt	16	0	0
3 Interest received	17	0	43.716
4 Dividends received	18	0	957.313
5 Other cash receipts from investment activities	19	342.455	1.707.982
III Total cash receipts from investment activities 015+...+019	20	342.455	2.709.011
1 Cash payments for the purchase of fixed tangible and intangible	21	635.776	458.548
2 Cash payments for the acquisition of equity financial	22	0	0
3 Other cash payments from investment activities	23	500.000	0
IV Total cash payments from investment activities 021+...+023	24	1.135.776	458.548
CASH FLOW FROM FINANCING ACTIVITIES			
1 Cash receipts from the issue of equity financial instruments and debt financial instruments	25	0	0
2 Cash receipts from credit principals, debentures, loans and other borrowings	26	0	0
3 Other cash receipts from financing activities	27	0	0
V Total cash receipts from financing activities 025+...+027	28	0	0
1 Cash payments for credit principals and bonds	29	0	0
2 Cash payments for dividends	30	0	0
3 Cash payments for finance lease	31	29.284	0
4 Cash payments for the redemption of treasury shares	32	0	0
5 Other cash payments from financing activities	33	1.774.262	386.430
VI Total cash payments from operating activities 029+...+033	34	1.803.546	386.430
VII Cash and cash equivalents at the beginning of period	35	7.593.200	9.323.767
VIII Increase of cash and cash equivalents	36	483.472	2.382.650
IX Decrease of cash and cash equivalents	37	0	0
X Cash and cash equivalents at the end of period	38	8.076.672	11.706.417

STATEMENT OF CHANGES IN EQUITY										
Item	ADP	for the period from 1.1.2021 to 30.6.2021							Attributable to non-controlling interests	Total capital and reserves
		Attributable to owners of the parent								
		Subscribed capital	Capital reserves	Profit reserves	Profit or loss for the year (period)	Retained profit or loss brought forward	Fair value reserves	Other revaluation reserves		
1	2	3	4	5	6	7	8	9	10	11
Balance on the first day of the previous business year	1	46.357.000	13.860.181	141.000	941.148	-21.300.251	0	540.243	0	40.539.321
Change in accounting policies	2	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	3	0	0	0	0	0	0	0	0	0
Balance on the first day of the previous business year (restated)	4	46.357.000	13.860.181	141.000	941.148	-21.300.251	0	540.243	0	40.539.321
Profit or loss for the period	5	0	0	0	2.152.251	0	0	0	0	2.152.251
Unrealised gains or losses on financial assets at fair value through other comprehensive income	6	0	0	0	0	0	0	0	0	0
Other changes in equity unrelated to owners	7	0	0	0	0	0	0	239.107	0	239.107
Total directly recognized income and expenses of the previous year (previous year periods)	8	0	0	0	2.152.251	0	0	239.107	0	2.391.358
Increase/decrease in subscribed capital	9	0	0	0	0	0	0	0	0	0
Other contributions by owners	10	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	11	0	0	0	0	0	0	0	0	0
Other distribution to owners	12	0	0	0	-941.148	941.148	0	0	0	0
Balance on the last day of the previous business year reporting period	13	46.357.000	13.860.181	141.000	2.152.251	-20.359.103	0	779.350	0	42.930.679
Balance on the first day of the current business year	14	46.357.000	13.860.181	141.000	2.152.251	-20.359.103	0	779.350	0	42.930.679
Change in accounting policies	15	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	16	0	0	0	0	0	0	0	0	0
Balance on the first day of the current business year (restated)	17	46.357.000	13.860.181	141.000	2.152.251	-20.359.103	0	779.350	0	42.930.679
Profit or loss for the period	18	0	0	0	323.730	0	0	0	0	323.730
Unrealised gains or losses on financial assets at fair value through other comprehensive income	19	0	0	0	0	0	0	0	0	0
Other changes in equity unrelated to owners	20	0	0	0	0	0	0	6.793	0	6.793
Total directly recognised income and expenses of the current year (current period)	21	0	0	0	323.730	0	0	6.793	0	330.523
Increase/decrease in subscribed capital	22	0	0	0	0	0	0	0	0	0
Other contributions by owners	23	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	24	0	0	0	0	0	0	0	0	0
Other distribution to owners	25	0	0	0	-2.152.251	2.152.251	0	0	0	0
Balance on the last day of the current business year reporting period	26	46.357.000	13.860.181	141.000	323.730	-18.206.852	0	786.143	0	43.261.202

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS – TFI
(drawn up for quarterly reporting periods)**

Name of issuer: Zagrebačka burza d.d.

Personal identification number (OIB): 84368186611

Reporting period: 1.1.2021-30.6.2021

Sort of report: Consolidated

1. Reporting entity

Zagrebačka burza d.d. (“the Company”) is a company domiciled in Republic of Croatia and was registered at the Commercial Court in Zagreb on 5 July 1991 under the number (MBS) 0800034217. The personal identification number of the Company (OIB) is 84368186611. The address of the Company’s registered office is Eurotower, 22nd floor, Ivana Lučića 2a/22, Zagreb, Croatia.

2. Basis of preparation and significant accounting policies

Basis for preparation

Consolidated financial statements are prepared on a historical cost basis, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income which are measured at fair value and buildings and land that are measured at fair value.

Detailed information on the basis of preparation of the financial statements are provided in the Note to the consolidated financial statements No. 2 presented in the Annual Report on Group Status and Business Activities in 2020 available on the internet page www.zse.hr (further: Annual Report for the Group).

Significant accounting policies

The interim financial statements for the second quarter of 2021 are prepared applying the same accounting policies as in the latest annual financial statements presented in the Annual Report on Group Status and Business Activities in 2020 available on the internet page www.zse.hr (further: Annual Report for the Group).

Disclosure of information required by IFRSs that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity

Information required by IFRSs that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity are disclosed in Consolidated unaudited financial result for period 1.1. to 30.6.2021 (further: Consolidated result for the second quarter) as published on the internet page www.zse.hr.

3. Financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided

The Group does not have financial commitments, guarantees or contingencies that are not included in the consolidated balance sheet as at 30 June 2021 nor has issued securities.

4. Amount and nature of individual items of income or expenditure which are of exceptional size or incidence

Details on the income or expenditure which are of exceptional size or incidence are presented in the Notes to the consolidated financial statements in Note 1.12 presented in the Consolidated result for the second quarter (www.zse.hr).

Besides the above-mentioned notes, we are describing the differences in classification between incomes and expenditures as presented in the audited consolidated financial statements and Notes to the consolidated financial statements and incomes and expenditures presented in this TFI form:

- (a) income from assigning and administering LEIs is, in accordance with the Group's accounting policies reported in other income (AOP 12) in the amount of HRK 180 thousand
- (b) other differences between the information presented in the financial statements in TFI form compare to the classification of the information in the audited consolidated financial statements for 2020 are presented in the Attachment to these notes.

5. Liabilities falling due after more than five years, as well as the debts covered by valuable security

At the balance sheet date, the Group does not have liabilities falling due after more than five years.

At the balance sheet date, the Group does not have debts covered by valuable securities.

6. Average number of employees during the financial year

The average amount of employees during second quarter of the financial year is 37.

7. Capitalized costs of the salaries during the financial year

The Group did not capitalized the salaries in the financial year.

8. Deferred taxes

The provision for deferred taxes, amount of the deferred taxes at the beginning and at the end of the reported period and movement through the reported period are as follows:

	1.1.2021	Increase	Decrease	30.6.2021
	HRK'000	HRK'000	HRK'000	HRK'000
Deferred tax assets	186	-	10	176

Deferred tax liabilities	(189)	1	(188)
	(3)	1	10
			(12)

9. Name and registered office of each of the companies in which the issuer, either itself or through a person acting in their own name but on the issuer's behalf, holds a participating interest

The investments joint ventures and holdings of a participating interest are presented in the Notes 13 and 14 to the consolidated financial statements presented in the Annual Report on the Group. During the reporting period there were no significant changes in comparison to the information presented in the Annual Group report.

10. Number and the nominal value shares subscribed during the financial year within the limits of the authorised capital

There were no shares subscribed during the financial year within the limits of the authorised capital.

11. Existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights

The Group has no participation certificates, convertible debentures, warrants, options or similar securities or rights.

12. Name, registered office and legal form of each of the companies of which the issuer is a member having unlimited liability

The Group has no shares in companies having unlimited liability.

13. Name and registered office of the company which draws up the consolidated financial statements of the largest group of companies of which the issuer forms part as a controlled group member

The Company is the final parent company and is not controlled member of any group.

The Company prepares consolidated financial statements for each quarter that are available for use on the internet page www.zse.hr.

14. Name and registered office of the company which draws up the consolidated financial statements of the smallest group of companies of which the issuer forms part as a controlled group member and which is also included in the group of companies referred to in point 13.

The Company is the final parent company and is not controlled member of any group.

15. Place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available

The Company prepares consolidated financial statements for each quarter that are available for use on the internet page www.zse.hr.

16. Nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company of those arrangements

The Group has no arrangement that are not included in the presented consolidated financial statements.

17. Nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet

Material events arising after the balance sheet date are presented in the Note 1.11 to the consolidated financial statements as part of the Consolidated result for the second quarter of 2021 as published on the internet page www.zse.hr.

Attachment: Reconciliation of the classification of the items of the financial statements in TFI form in comparison to the classification used in preparation of the audited financial statements for the year 2020.

P&L item (IFRS)	Amount HRK'000	P&L item (GFI)	Amount HRK'000
Staff costs	6.464	Staff costs Reclassification from other costs	6.043 421
Other operating costs	4.580	Costs of raw materials Other external costs Value adjustment Other costs Other operating expenses Reclassification to staff costs	265 3.156 42 1.533 5 -421
Balance sheet item (IFRS)	Amount HRK'000	Balance sheet item (GFI)	Amount HRK'000
Property and equipment Assets with right of use	8.479 3.479	Land and buildings Computer equipment Other tangible assets Assets under construction	9.913 675 945 425
Financial assets at fair value through other comprehensive income Long term deposits Loans receivable from associate	1.302 1.749 217	Financial assets at amortised cost (long term)	3.268
Trade receivables and other assets Inventories	3.435 6	Receivables (short term) Rounding	3.439 2
Trade and other payables Short term financial assets	3.197 673	Liabilities for advance payments Trade payables Liabilities to employees Taxes, contributions and similar liabilities Liabilities to connected undertakings Other short-term liabilities Rounding	134 1.438 702 551 - 1.042 3
Contractual liabilities	4.499	Accruals and deferred income Rounding	4.500 -1