



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

Zagreb Stock Exchange, Inc.

Unconsolidated unaudited financial results for

01/01/2020 – 30/09/2020

19 October 2020

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1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 01/01/2020 AND 30/09/2020

1.1 Significant business events of the Zagreb Stock Exchange, Inc. in the period between 01/01/2020 and 30/09/2020

In the first three quarters of 2020, the Zagreb Stock Exchange, Inc. (hereinafter: the Company or the Exchange) recorded the following significant business events:

- On January 7, 2020, the Company made a decision on termination of the listing of the stocks of HOTELI BRELA d.d., HOTEL TUČEPI d.d. and ZLATNI RAT HOTELI d.d. due to merging the said companies with the joint-stock company SUNCE HOTELI d.d., which led to terminating the Issuer and the financial instrument.
- On January 8, 2020, the stock of ALPHA ADRIATIC d.d. has been moved to a lower market segment, from Official to Regular Market.
- On January 10, 2020, the Company made a decision on termination of the listing of the stocks of AGROMEĐIMURJE d.d. following the decision of the General Assembly to withdraw all stocks from listing on the regulated market.
- On January 16, 2020, the Company made a decision on termination of the listing of the stocks of TERMES GRUPA d.d. following the decision of the General Assembly to withdraw all stocks from listing on the regulated market.
- In January 2020, a campaign for the company STEMI was completed on the Funderbeam SEE platform, raising EUR 318,000.
- On March 3, 2020, two new bonds of the Ministry of Finance of the Republic of Croatia were listed on the Official Market of the Exchange.
- On March 6, 2020, the “Ring the bell for gender equality” event was attended by the President of the Republic of Croatia, Mr. Zoran Milanović, and a significant media presence of the event and the Zagreb Stock Exchange was achieved.
- On March 16, 2020, following the opinion of the Market Protection Measures Committee, the level of severity and effects of breaches of the Exchange Rules on investors and the proper functioning of the market, the Company made a decision on the termination of the listing of the following Agrokor d.d. issuer's stocks: BELJE d.d., JAMNICA d.d., LEDO d.d., PIK-VINKOVCI d.d., TISAK d.d., VUPIK d.d. and STAR d.d.
- As of March 16, 2020, the Exchange has been operating out of the office. The offices of the Exchange are closed until further notice, and business is regularly carried out at secondary locations and employees work from home. The objective of the Exchange is to ensure

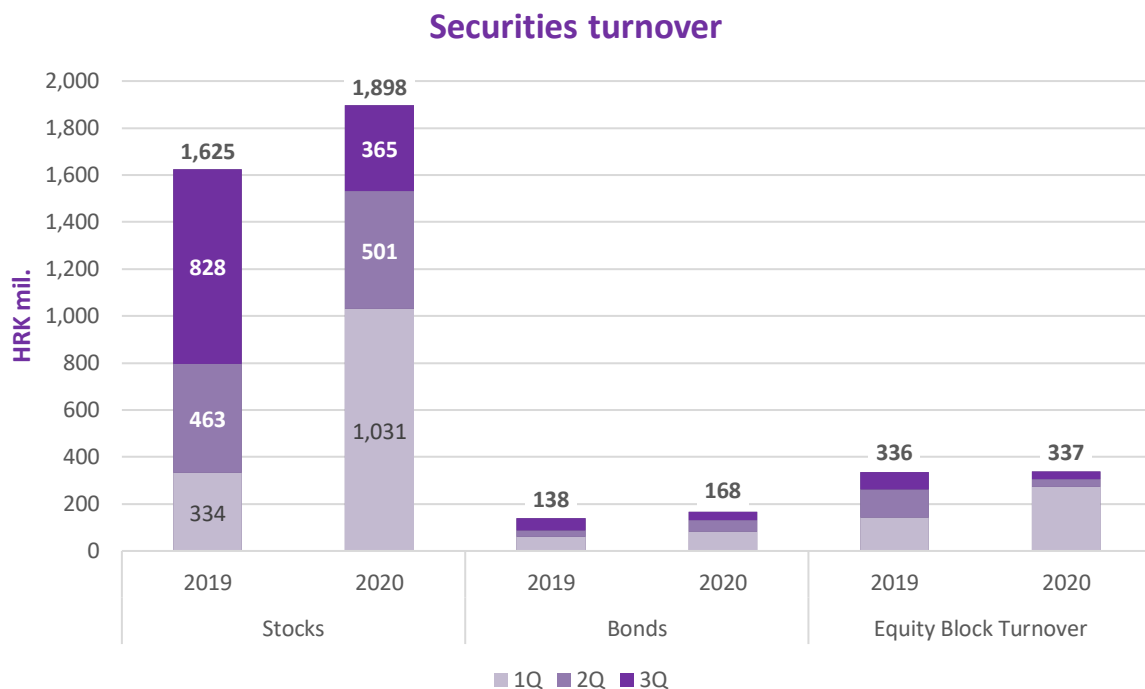
continuous trading throughout the trading day, as long as objective circumstances permit. The decision was made in order to protect the health of employees and clients as well as the long-term sustainability of the business. On May 4, 2020, the Zagreb Stock Exchange started operating in two teams in such a way that the first team works in the offices of the Stock Exchange for one week, and the second team works in secondary locations during that time. The Ljubljana Stock Exchange started operating in two teams on May 11, 2020. In accordance with favorable epidemiological conditions, on May 18, 2020, all employees of the Ljubljana Stock Exchange began working in offices, while the operations of the Zagreb Stock Exchange take place again at the primary location on June 1, 2020.

- On March 20, 2020, following the opinion of the Market Protection Measures Committee, the level of severity and effects of breaches of the Exchange Rules on investors and the proper functioning of the market, the Company made a decision on the termination of the listing of ELEKTROPROMET d.d.
- On April 21, 2020, the Zagreb Stock Exchange successfully completed the annual accreditation process for a local operator LEI (Local Operating Unit (LOU)) by the Global Legal Entity Identifier Foundation (GLEIF), which once again confirmed the quality Exchange services as a local operator of LEI tags.
- On April 30, 2020, the shares of HELIOS FAROS d.d. were listed on the Regular Market of the Exchange.
- On May 6, 2020, a new bond of the Ministry of Finance of the Republic of Croatia was listed on the Official Market of the Stock Exchange.
- On May 20, 2020, issuers from the Zagreb Stock Exchange, namely AD Plastik, Arena Hospitality Group, Ilirija and the Zagreb Stock Exchange, were included in the EBRD research program aimed at increasing the public availability of analytical materials for small and medium enterprises listed on regional stock exchanges.
- On June 9, 2020, the shares of THE GARDEN BREWERY d.d. were listed on the Regular Market of the Exchange.
- On June 10, 2020, the 11th annual training for issuers was held, organized by the Zagreb Stock Exchange, the Croatian Financial Services Supervisory Agency and the Central Depository and Clearing Company, and the educational meeting was held virtually for the first time, with a record 160 representatives.
- On July 6, 2020, the General Assembly of the Zagreb Stock Exchange was held at which the Annual Financial Statements and consolidated financial statements of the Exchange for 2019 were presented, decisions were made on the use of profit generated in 2019, on granting discharge to the members of the Management Board and the Supervisory Board for 2019, and on the appointment of the Stock Exchange auditor for 2020.

- On September 29, 2020, the Zagreb Stock Exchange signed an annex to the main framework agreement with the Vienna Stock Exchange which extends the use and maintenance of the Xetra T7 trading system, index calculation, member connection services with the trading system, etc.

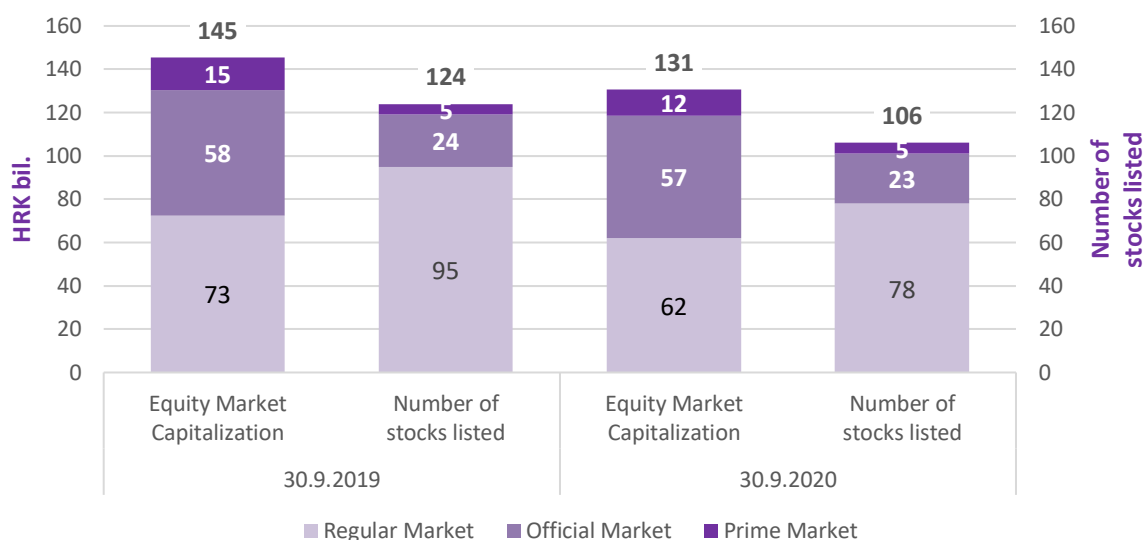
1.2 Zagreb Stock Exchange trading overview

The largest securities turnover in the first three quarters of 2020 was realized in the period from the end of February to the end of April under the influence of the Covid-19 appearance in the Republic of Croatia. For this reason, in the first quarter, the securities turnover was by far the largest compared to the other two quarters of 2020, i.e. even three times higher turnover compared to the first quarter of last year (visible in the graphic below). Securities turnover has been declining since the beginning of May 2020, so that trading days in the third quarter would end with mostly lower turnover than the 2019 daily average. Therefore, the turnover in the second quarter was slightly higher than in the same period last year, while in the third quarter there was twice as less securities turnover as in the third quarter of 2019. It should be taken into account that in September 2019, the focus of trading was on Kraš shares due to the then takeover process, and then only HRK 40 million lower securities turnover was achieved than in the record March 2020, when turnover was affected by the Covid -19 appearance in the Republic of Croatia.



Looking only at the third quarter of 2020, the total orderbook turnover amounted to HRK 403 million (-54.15% less compared to the third quarter of 2019). Orderbook stock turnover amounted to HRK 365 million or -55.9% less than in the third quarter of the last year. Overall, the orderbook turnover in the first three quarters of 2020 amounted to HRK 2.07 billion or +17.13% more than in the first three quarters of the last year, of which the stock turnover accounted for HRK 1.90 billion, which is +16.77% more than in the first nine months of 2019.

Equity Market Capitalization and number of stocks listed



Compared to the last day of the third quarter of 2019, the market value measured by market capitalization on September 30, 2020, is higher by a total of +5 billion HRK or +2.06%, while the equity market capitalization is lower by almost -15 billion or -10.17%. In addition to the already known Covid-19 impact, the reason for the decline in the equity market capitalization is reflected in the fewer number of listed shares (above graph). On 30 September 2020, a total of 18 shares were listed less than on the same day in 2019, 17 shares less on the Regular, and one share less on the Official Market.

Trading overview

	1-3Q 2019	1-3Q 2020	change
Securities turnover (HRK)			
Orderbook turnover	1,763,180,030	2,065,253,161	17.13%
Stocks	1,624,991,993	1,897,517,253	16.77%
Bonds	138,188,037	167,735,908	21.38%
Equity Block Turnover	335,754,754	337,298,535	0.46%
Debt Block Turnover	0	0	
TOTAL	2,098,934,784	2,402,551,696	14.47%
Equity Market Capitalization (HRK)			
Prime market	15,061,296,301	12,148,433,961	-19.34%
Official market	57,917,787,394	56,564,718,242	-2.34%
Regular market	72,518,008,548	61,993,668,313	-14.51%
TOTAL	145,497,092,242	130,706,820,516	-10.17%
Number of securities listed			
Stocks	124	106	-14.52%
Prime market	5	5	0.00%
Official market	24	23	-4.17%
Regular market	95	78	-17.89%
Bonds	25	26	4.00%
TOTAL	149	132	-11.41%

With the exception of CROBEXkonstrukt, which increased by a significant +74.8%, and CROBEXindustrija, which increased slightly by +1.43%, all other stock indices ended the third quarter of 2020 with a lower value compared to September 30 last year. The largest decline was recorded by CROBEXnutris (-18.48%), followed by CROBExturist (-18.21%), CROBEX (-18.08%), CROBEXprime (-17.30%), CROBEXtr (-17.15%), CROBEX10 (-14.1%), CROBEXplus (-6.54%). The regional index ADRIAprime decreased by -6.33% since September 30 last year. Debt indices also recorded a decline compared to the same period last year: CROBIS (-3.96%), CROBIStr (-1.22%). In May 2020, the Stock Exchange introduced a new stock index, CROBEX10tr, while the calculation of the CROBEXtransport index ceased after October 2019. The above data are visible in the following table.

Indices – value and turnover (3Q 2019 vs. 3Q 2020)

Index	30.9.2019	30.9.2020	Change	Turnover (HRK) 3Q 2019	Turnover (HRK) 3Q 2020	Change
CROBEX	1,963,54	1,608,54	-18.08%	336,955,786	301,004,391	-10.67%
CROBEXtr	1,312,35	1,087,33	-17.15%	336,955,786	301,004,391	-10.67%
CROBEX10	1,166,18	1,001,75	-14.10%	263,657,529	222,767,221	-15.51%
CROBEX10tr	\	999,19	\	\	204,534,868	\
CROBEXprime	1,137,26	940,47	-17.30%	132,773,083	99,551,345	-25.02%
CROBEXplus	1,125,42	1,051,78	-6.54%	678,532,240	318,174,774	-53.11%
CROBEXindustrija	864,50	876,88	1.43%	36,988,478	60,242,631	62.87%
CROBEXkonstrukt	421,84	737,36	74.80%	4,935,809	41,928,860	749.48%
CROBEXnutris	771,06	628,54	-18.48%	420,989,766	52,756,421	-87.47%
CROBEXtransport	742,91	\	\	13,852,062	\	\
CROBExturist	3,577,52	2,926,09	-18.21%	75,353,774	45,897,593	-39.09%
CROBIS	116,90	112,27	-3.96%	2,151,050,210	1,506,640,908	-29.96%
CROBIStr	187,86	185,57	-1.22%	2,151,050,210	1,506,640,908	-29.96%
ADRIAprime	1,052,56	985,94	-6.33%	\	\	\

However, the comparison of the data for the third quarter with the data for the first quarter of the current year shows a stable and positive trend. Namely, after a sharp decline in the indices value since the end of February 2020 due to a significant increase in securities turnover, the values of the indices began to normalize and continue to grow continuously from May. The following table shows how all stock indices rose relative to the closing value on March 31, 2020. The largest increase was recorded by CROBEXkonstrukt (+142.33%), CROBEXindustrija (+41.18%), CROBEXplus (+28.72%), CROBExturist (+15.18) and CROBEXprime (+12.6%), while other indices increased slightly less than +10%, CROBEXtr (+9.72%), CROBEX10 (+9.21%) and CROBEX (+8.65%). The regional index ADRIAprime increased by +17.82%, and the debt indices by +2.35% (CROBIStr), and +1.04% (CROBIS).

Indices – value and turnover (1Q 2020 vs. 3Q 2020)

Index	31.1.2020	30.9.2020	Change	Turnover (HRK) 1Q 2019	Turnover (HRK) 3Q 2019	Change
CROBEX	1,480,51	1,608,54	8.65%	833,729,502	301,004,391	-63.90%
CROBEXtr	990,99	1,087,33	9.72%	833,729,502	301,004,391	-63.90%
CROBEX10	917,27	1,001,75	9.21%	726,698,762	222,767,221	-69.35%
CROBEX10tr	\	999,19	\	\	204,534,868	\
CROBEXprime	835,20	940,47	12.60%	319,143,034	99,551,345	-68.81%
CROBEXplus	817,11	1,051,78	28.72%	806,419,202	318,174,774	-60.54%
CROBEXindustrija	621,12	876,88	41.18%	135,462,693	60,242,631	-55.53%
CROBEXkonstrukt	304,28	737,36	142.33%	5,455,560	41,928,860	668.55%
CROBEXnutris	568,63	628,54	10.54%	121,086,165	52,756,421	-56.43%
CROBEXturist	2,540,45	2,926,09	15.18%	202,364,961	45,897,593	-77.32%
CROBIS	111,11	112,27	1.04%	7,889,119,416	1,506,640,908	-80.90%
CROBIStr	181,30	185,57	2.35%	7,889,119,416	1,506,640,908	-80.90%
ADRISprime	836,85	985,94	17.82%	\	\	\

1.3 Expected future development of the Company

In 2020, the Company will continue to focus on restoring confidence and raising Corporate Governance standards and reporting on a regulated market. The Company will also focus on greater promotion of existing issuers, with a focus on Prime Market.

The Company 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).

The Company will continue to edit new websites and develop new and improve existing functionalities to make information even more accessible and understandable to users.

1.4 Research & Development activities

The Company has pressed on with continuous efforts at developing and improving its own service offering and at expending service provision to the Slovenian market as well.

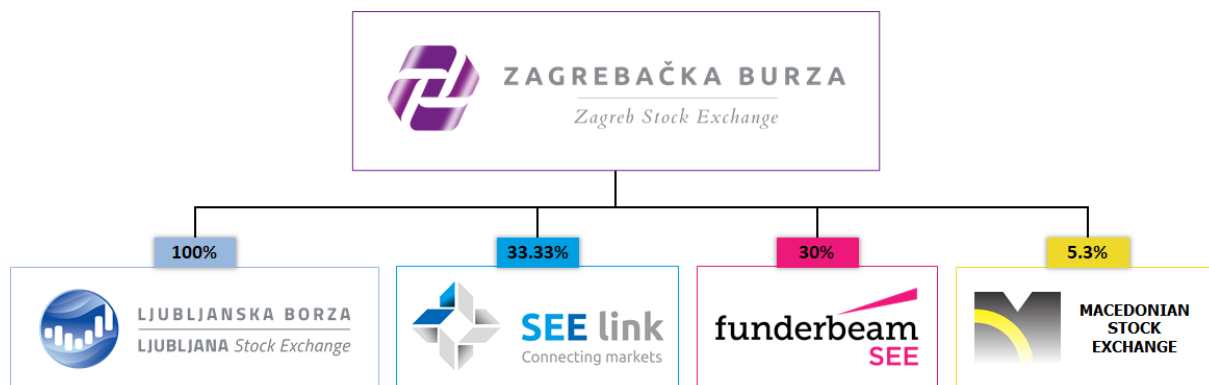
During the second half of 2019, the Company began migrating the Ljubljana Stock Exchange's downstream system to the Company's internally developed data warehouse system. Work on the full implementation of this system has also been carried over to the first part of 2020.

1.5 Information on repurchase of own shares

As of September 30, 2020, the Company held no own shares.

The Company did not acquire own shares between 1 January 2020 and 30 September 2020.

1.6 Subsidiaries of the Company



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 as of July 7, 2020 is 30%¹.

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 Company

The Company is fully funded by its own capital. The financial instruments the Company invests in are investment funds (money market and bond funds) and bank deposits.

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

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

¹ On July 7, 2020, the Zagreb Stock Exchange signed Share purchase and transfer agreement representing 10% of the share capital of Funderbeam SEE d.o.o. Following the acquisition, the share of the Zagreb Stock Exchange in the total share capital of Funderbeam SEE d.o.o. is 30%.

The Company manages risks, including financial risks, particularly through two mutually independent control functions: 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 Company's exposure to price risk, credit risk, liquidity risk and cash flow risk

The Company places its excess cash on deposit and invests in open-end money market and bond investment funds. Its investments are carried at fair value. The Company mitigates the price risk by diversifying its portfolio of open-end investment funds it by investing in different types of funds managed by different fund management companies, and by investing in low-risk funds.

The Company has no loans received, rather its cash and financial assets exceed substantially the liabilities of the Company, and consequently, the Company's liquidity position is satisfactory.

1.10 Statement of transactions and transfers between the Company and its subsidiaries and shareholders

The Company confirms that in the first three quarters of 2020 there were no transactions between the Company and its subsidiaries and shareholders in excess of EUR 100,000.

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

The emergence and spread of Covid-19 virus in the Republic of Croatia and the measures taken to stop the spread and suppression of the virus will certainly have negative effects on the entire Croatian economy. To mitigate these effects, the Government of the Republic of Croatia has introduced a series of measures to support the economy.

However, given the recent developments, the uncertainty over how long prevention measures will be in place, and the fact that measures are being developed to support the economy, it is not currently possible to reliably assess their effects.

With its infrastructure and working procedures, the Company is fully trained and ready to ensure business continuity so that trading can proceed smoothly. Infrastructure and work processes are adapted to work in crisis situations, employees are on standby, additional investments were made to work from home, and tests related to work in such circumstances have been successfully carried out, ensuring that trading and business are carried out without difficulty even in emergency situations. The Company will continue to closely monitor the development of the situation to ensure the orderly functioning of the market, financial stability and protection of investors.

1.12 Business results for 01/01/2020 – 30/09/2020

In the first three quarters of 2020, the Company generated a total of HRK 10,695 thousand of operating revenues, which is HRK +536 thousand or +5.3% more than in the same period last year when operating revenues amounted to HRK 10,159 thousand. Compared to the first three quarters of last year, sales revenue increased from HRK 6,687 to HRK 7,907 thousand, i.e. by a significant HRK +1,220 thousand, within which the largest increase was recorded by revenues from listing maintenance fees (increase from HRK 2,851 to HRK 3,212 thousand, i.e. HRK +711 thousand or +24.9%). The main source of income, commissions and membership fees, increased from HRK 2,859 to HRK 3,212 thousand, i.e. by HRK +353 thousand or +12.3%, which was greatly influenced by the already mentioned increased trading volume from the end of February to the end of April 2020. However, observing only the third quarter of the current year, commissions and membership fees almost halved compared to last year's third quarter (down from HRK 1,222 to HRK 669 thousand, or HRK -553 thousand or -45.2%), which is a reflection of the decline in securities turnover of mid-2020 and the one-time impact of the turnover increase in September 2019 due to trade in the Kraš share. In addition to the higher number of newly listed securities than in the same period last year (three shares and three bonds were listed in the first nine months of 2020, while two shares and one bond were listed in the same period last year), income from quotation maintenance also increased within sales revenues (increase from HRK 676 to HRK 856 thousand, or by HRK +180 thousand or +26.6%), while revenue from assigning and administering LEIs fell from HRK 301 to 277 thousand (HRK -24 thousand or -8%). Compared to the first nine months of 2019, in the first three quarters of 2020, other operating income fell by a total of HRK -683 thousand (a decrease from HRK 3,472 to HRK 2,787 thousand, or HRK -684 thousand or -19.7%), within which income from the supply of information increased from HRK 1,738 to HRK 1,790 thousand (HRK +52 thousand or +3%), and other income decreased from HRK 1,733 to HRK 998 thousand (HRK -736 thousand or -42.4%). The significantly lower amount of other income in the first nine months of 2020 compared to the same period last year, mostly due to fewer educations, which is why last year's higher revenues from seminars were missing (in the first three quarters of 2019 seminar revenues amounted to HRK 705 thousand). However, despite the COVID-19 crisis, the Company organized educations through online platforms and in the first nine months generated smaller but significant income from seminars in the amount of HRK 260 thousand. Within the item other income, an increase was also recorded in revenues from Progress (HRK +67 thousand or +239%), revenues from LJSE (HRK +69 thousand or +168%), and revenues from OTC data disclosure fees (HRK +55 thousand or +15%).

The Company's total operating expenses in the first three quarters of 2020 amounted to HRK 9,622 thousand, which is a decrease of HRK -1,010 thousand or -9.5% compared to the same period last year when operating expenses amounted to HRK 10,632 thousand. This significant decline in operating expenses is directly related to the changed way of working due to the coronavirus pandemic, primarily working from home. The decrease in operating expenses was mostly due to the decrease in other costs (HRK -511 thousand or -31.5%, i.e. from HRK 1,621 to HRK 1,110 thousand), which was due to the decrease in costs of translation, attorney, notary, and consulting services, royalties related to education, representation, business trips, and PR. Compared to the same period last year, in the first nine months of 2020, the decline was recorded in other operating expenses (HRK -363 thousand or -92.3%; from HRK 393 to HRK 30 thousand), material costs (HRK -338 thousand or -12.2%; from HRK 2,759 to HRK 2,421 thousand), and value adjustment of fixed and current assets (HRK -52 thousand or

-36.3%; from HRK 142 to HRK 90 thousand), while staff costs increased by HRK +222 thousand or +4.5% (from HRK 4,902 to HRK 5,125 thousand) which is within the planned, and depreciation by HRK +31 thousand or +3.8% (from HRK 813 to HRK 844 thousand).

The Company's key business indicators

HRK 000	1-3Q 2019	1-3Q 2020	change	3Q 2019	3Q 2020	change
Number of shares (in thousands)	4,636	4,636	0.00%	4,636	4,636	0.00%
Share capital	46,357	46,357	0.00%	46,357	46,357	0.00%
Capital and reserves	40,671	41,933	3.10%	40,671	41,933	3.10%
Total assets	45,972	47,387	3.08%	45,972	47,387	3.08%
Operating income	10,159	10,695	5.27%	3,769	3,240	-14.04%
<i>sales revenue</i>	6,688	7,907	18.24%	2,508	2,358	-5.98%
<i>other operating income</i>	3,472	2,788	-19.70%	1,261	882	-30.08%
Operating expenses	10,632	9,622	-9.50%	3,449	2,980	-13.58%
<i>material costs</i>	2,759	2,421	-12.24%	911	711	-21.98%
<i>staff costs</i>	4,903	5,125	4.54%	1,536	1,609	4.75%
<i>depreciation and amortization</i>	814	845	3.81%	271	279	2.75%
<i>other costs</i>	2,157	1,231	-42.91%	730	382	-47.72%
EBIT	-472	1,073	-327.30%	320	259	-19.04%
EBITDA	341	1,918	461.85%	591	538	-9.05%
Financial income	1,814	565	-68.88%	515	453	-11.96%
Financial expenses	57	285	397.85%	18	-239	
Pre-tax profit or loss	1,285	1,353	5.32%	818	952	16.41%
Income tax	0	0		0	0	
Profit or loss for the period	1,285	1,353	5.32%	818	952	16.41%

The Company's operating profit in the first nine months of 2020 amounts to HRK 1,073 thousand, while in the same period last year the operating loss amounted to HRK -472 thousand. At the level of the third quarter of 2020, the Company generated operating profit in the amount of HRK 259 thousand, while operating profit in the same period last year amounted to HRK 320 thousand. Financial revenues in the first three quarters of 2020 amounted to HRK 565 thousand (a decrease of HRK -1,249 thousand or -68.9% compared to the same period in 2019), and most of this amount (HRK 453 thousand) was realized only in the third quarter, which indicates significantly reduced or even negative returns of bond funds in which the Company invested free funds in the first half of this year. In the middle of this year, the income from the sale of financial assets obtained by the Company in the process of pre-bankruptcy settlement of one issuer was realized. In the first nine months of this year, financial expenses amounted to HRK 285 thousand (HRK +228 thousand or +397.9%), while only in the third quarter, unrealized losses from financial assets decreased, and financial expenses amounted to HRK 239 thousand (HRK -221 thousand).

Given the above mentioned, the Company's net profit in the first three quarters of 2020 amounted to HRK 1,353 thousand, which is HRK +68 thousand (+5.3%) more than in the same period in 2019 when the Company's net profit amounted to HRK 1,285 thousand. In the third quarter of 2020, the

Company's net profit amounted to HRK 952 thousand, which is HRK +134 thousand (+16.4%) more than HRK 818 thousand of net profit for the same period last year.

Operating profit before interest, taxes, depreciation, and amortization is positive and for the period for the first nine months of 2020 amounts to HRK 1,918 thousand, i.e. HRK +1,577 thousand more than in the first three quarters of 2019, while in the third quarter of 2020 alone, it amounts to HRK 538 thousand, i.e. HRK -53 thousand less than in the same period last year.

2 Declaration of responsibility for the preparation of financial statements

Financial statements of the Zagreb Stock Exchange, Inc. prepared for the period between 01/01/2020 and 30/09/2020 give a fair and true account of facts in accordance with the International Standards of Financial Reporting and the Croatian Accounting Act.

Unconsolidated financial statements for the period between 01/01/2020 and 30/09/2020 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Company.

The management report for the first three quarters of 2020 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 Company is exposed.

Unconsolidated financial statements for the first three quarters of 2020 have not been audited.


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Unconsolidated unaudited financial statements of the
Company for 01/01/2020 – 30/09/2020

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	1.1.2020	to	30.9.2020
Year:	2020		
Quarter:	3		

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 period):	24		
Consolidated report:	KN	(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:			
Certified auditor:			
	(name and surname)		

BALANCE SHEET			
balance as at 30.9.2020			
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	23.522.947	23.436.795
I INTANGIBLE ASSETS	2	1.080.165	1.014.806
II TANGIBLE ASSETS 004+...+008	3	1.297.386	1.276.593
1 Land and buildings	4	0	0
2 Computer equipment	5	160.729	640.897
3 Other tangible assets	6	3.282	3.231
4 Leasehold improvements	7	1.133.375	632.465
5 Assets under construction	8	0	0
III FIXED FINANCIAL ASSETS 010+011	9	21.145.396	21.145.396
1 Investments in associates, subsidiaries and joint ventures	10	19.375.969	19.375.969
2 Financial assets at amortised cost	11	1.769.427	1.769.427
DEFERRED TAX ASSETS	12	0	0
B CURRENT ASSETS 014+020+024	13	22.369.360	23.183.513
I RECEIVABLES 015+...+019	14	2.467.873	1.782.901
1 Trade receivables	15	1.703.240	1.133.731
2 Receivables from employees and members of the undertaking	16	390	123
3 Receivables from government and other institutions	17	6.074	15.309
4 Receivables from connected undertakings	18	199.833	27.536
5 Other receivables	19	558.336	606.202
III SHORT-TERM FINANCIAL ASSETS 021+...+023	20	19.583.059	20.030.292
1 Financial assets at amortised cost	21	0	2.500.005
2 Financial assets at fair value through other comprehensive	22	0	0
3 Financial assets at fair value through statement of profit or	23	19.583.059	17.530.287
III CASH AND CASH EQUIVALENTS	24	318.428	1.370.320
C PREPAID EXPENSES AND ACCRUED INCOME	25	725.743	766.593
D TOTAL ASSETS 001+013+025	26	46.618.050	47.386.901
E OFF-BALANCE SHEET ITEMS	27	0	0
LIABILITIES			
A CAPITAL AND RESERVES 029+030+031+036+037+038	28	40.579.874	41.932.716
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	141.000	141.000
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	0	0
IV RETAINED PROFIT OR LOSS BROUGHT FORWARD	36	-20.972.058	-19.778.307
V PROFIT OR LOSS FOR THE YEAR	37	1.193.751	1.352.842
VI MINORITY INTEREST	38	0	0
B PROVISIONS	39	0	0
C SHORT-TERM LIABILITIES 041+...+046	40	1.841.918	1.088.206
1 Liabilities for advance payments	41	11.351	26.493
2 Trade payables	42	488.763	79.228
3 Liabilities to employees	43	310.224	292.224
4 Taxes, contributions and similar liabilities	44	295.767	222.759
5 Liabilities to connected undertakings	45	2.233	0
6 Other short-term liabilities	46	733.580	467.502
D LONG-TERM LIABILITIES	47	301.761	65.589
E DEFERRED TAX LIABILITY	48	0	0
F ACCRUALS AND DEFERRED INCOME	49	3.894.497	4.300.390
G TOTAL LIABILITIES 028+039+040+047+048+049	50	46.618.050	47.386.901
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	0	0
1 Attributable to owners of the parent	53	0	0
2 Attributable to non-controlling interest	54	0	0

STATEMENT OF PROFIT OR LOSS

For the period 01.01.2020. to 30.9.2020

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	10.159.381	3.768.785	10.695.151	3.239.522
I Sales revenue 003+...+008	2	6.687.706	2.507.980	7.907.319	2.358.008
1 Commissions and membership fees	3	2.859.378	1.222.184	3.212.341	669.324
2 Listing maintenance fees	4	2.850.984	979.427	3.561.770	1.269.718
3 Income from quotation maintenance	5	675.892	209.580	855.780	326.427
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	301.452	96.789	277.428	92.539
II Other operating income 010+...+012	9	3.471.675	1.260.805	2.787.832	881.514
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	1.738.402	645.065	1.790.257	607.118
3 Other income	12	1.733.273	615.740	997.575	274.396
B OPERATING EXPENSES 014+017+021+022+023+026+027	13	10.631.581	3.448.613	9.621.861	2.980.315
I Material costs 015+016	14	2.758.853	911.261	2.421.066	711.011
1 Costs of raw materials	15	348.239	119.921	394.061	111.226
2 Other external costs	16	2.410.614	791.340	2.027.005	599.785
II Staff costs 018+...+020	17	4.902.506	1.535.938	5.125.088	1.608.829
1 Net salaries and wages	18	2.681.040	848.125	2.835.038	895.672
2 Tax and contributions from salary costs	19	1.543.227	477.287	1.607.047	498.795
3 Payroll contributions	20	678.239	210.526	683.003	214.362
III Depreciation	21	813.543	271.318	844.534	278.775
IV Other costs	22	1.620.841	398.080	1.110.050	380.888
V Value adjustment 024+025	23	142.240	0	90.631	0
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	142.240	0	90.631	0
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	393.598	332.016	30.492	812
C FINANCIAL INCOME 029+...+034	28	1.813.960	514.988	564.593	453.405
1 Interest, exchange rate differences, dividends and similar	29	420.681	105	357.213	356.602
2 Interest, exchange rate differences, dividends and similar	30	143.009	110.910	77.884	67.023
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	1.247.823	403.973	21.829	21.829
5 Profit from reversal of provisions for impairment for expected	33	0	0	0	0
6 Other financial income	34	2.447	0	107.667	7.951
D FINANCIAL EXPENSES 036+...+040	35	57.254	17.555	285.041	-239.142
1 Interest, exchange rate differences and other expenditures with	36	432	11	518	370
2 Interest, exchange rate differences and other expenditure from	37	56.822	17.544	52.378	9.327
3 Unrealised losses (expenses) from financial assets	38	0	0	0	-267.670
4 Loss on impairment for expected credit losses	39	0	0	0	0
5 Other financial expenses	40	0	0	232.145	18.831
E TOTAL INCOME 001+028	41	11.973.341	4.283.773	11.259.744	3.692.927
F TOTAL EXPENDITURE 013+035	42	10.688.835	3.466.168	9.906.902	2.741.173
G Share in profit/loss of associates and subsidiaries	43	0	0	0	0
H PRE-TAX PROFIT OR LOSS 041-042+043	44	1.284.506	817.605	1.352.842	951.754
I INCOME TAX	45	0	0	0	0
J PROFIT OR LOSS FOR THE PERIOD 044-045	46	1.284.506	817.605	1.352.842	951.754
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	0	0	0	0
6 Income tax on other comprehensive income	52	0	0	0	0
K OTHER COMPREHENSIVE INCOME 047+...+052	53	0	0	0	0
TOTAL COMPREHENSIVE INCOME 046+053	54	1.284.506	817.605	1.352.842	951.754
M RECLASSIFICATION ADJUSTMENTS	55	0	0	0	0
Appendix **					
Attributable to owners of the parent	56	0	0	0	0
Attributable to non-controlling interest	57	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method

for the period 01.01.2020. to 30.9.2020

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	1.284.506	1.352.842
2 Depreciation	2	813.543	844.534
3 Increase in short-term liabilities	3	0	0
4 Decrease in short-term receivables	4	0	594.341
5 Decrease in inventories	5	0	0
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	0	173.036
I Total cash flow increase from operating activities 001+...+007	8	2.098.049	2.964.753
1 Decrease in short-term liabilities	9	346.941	753.713
2 Increase in short-term receivables	10	552.179	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	1.062.056	0
II Total cash flow decrease from operating activities 009+...+013	14	1.961.176	753.713
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	82.302
3 Interest received	17	0	0
4 Dividends received	18	0	410.642
5 Other cash receipts from investment activities	19	320.000	2.342.462
III Total cash receipts from investment activities 015+...+019	20	320.000	2.835.406
1 Cash payments for the purchase of fixed tangible and intangible	21	422.228	758.382
2 Cash payments for the acquisition of equity financial	22	0	0
3 Other cash payments from investment activities	23	1.000.000	3.000.000
IV Total cash payments from investment activities 021+...+023	24	1.422.228	3.758.382
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	0	0
4 Cash payments for the redemption of treasury shares	32	0	0
5 Other cash payments from financing activities	33	563.923	236.172
VI Total cash payments from operating activities 029+...+033	34	563.923	236.172
VII Cash and cash equivalents at the beginning of period	35	2.078.607	318.428
VIII Increase of cash and cash equivalents	36	0	1.051.892
IX Decrease of cash and cash equivalents	37	1.529.278	0
X Cash and cash equivalents at the end of period	38	549.329	1.370.320

STATEMENT OF CHANGES IN EQUITY											
		for the period from 1.1.2020 to 30.9.2020							in HRK		
Item	ADP	Attributable to owners of the parent							Attributable to non-controlling interests	Total capital and reserves	
		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	1.310.533	-22.282.591	0	0	0	39.386.123	
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	1.310.533	-22.282.591	0	0	0	39.386.123	
Profit or loss for the period	5	0	0	0	1.193.751	0	0	0	0	1.193.751	
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	0	0	0	
Total directly recognized income and expenses of the previous year (previous year periods)	8	0	0	0	1.193.751	0	0	0	0	1.193.751	
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	-1.310.533	1.310.533	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	1.193.751	-20.972.058	0	0	0	40.579.874	
Balance on the first day of the current business year	14	46.357.000	13.860.181	141.000	1.193.751	-20.972.058	0	0	0	40.579.874	
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	1.193.751	-20.972.058	0	0	0	40.579.874	
Profit or loss for the period	18	0	0	0	1.352.842	0	0	0	0	1.352.842	
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	0	0	0	
Total directly recognised income and expenses of the current year (current period)	21	0	0	0	1.352.842	0	0	0	0	1.352.842	
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	-1.193.751	1.193.751	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	1.352.842	-19.778.307	0	0	0	41.932.716	

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: Zagreb Stock Exchange, Inc

Personal identification number (OIB): 84368186611

Reporting period: 1.1.2020 - 30.9.2020

Notes to financial statements for quarterly periods include:

- a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the quarterly reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes
- d) a description of the financial performance in the case of the issuer whose business is seasonal.

AOP 11 Financial assets at amortized costs

The balance sheet position AOP 11 "2 Financial assets at amortized cost", as of 30 September 2020 in total amount of HRK the amount of HRK 1.769.427 (31 December 2019: HRK 1.769.427) consists of the long term financial assets other than investments in associates, subsidiaries and joint ventures which are reported at position AOP 10. Financial assets at AOP 11 consists of:

- 1) Given loans and deposits at amortized cost in the amount of HRK 467.161 (31 December 2019: HRK 467.161), and
- 2) Financial assets at fair value through other comprehensive income in the amount of HRK 1.302.266 (31 December 2019: HRK 1.302.266)