



ZAGREBAČKA  
BURZA

*Zagreb Stock Exchange*

# Zagreb Stock Exchange, Inc.

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Unconsolidated unaudited financial results for

1/1/2023 – 31/12/2023

27 February 2024



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## **1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 1/1/2023 AND 30/9/2023**

### **1.1 Significant business events of the Zagreb Stock Exchange, Inc. in the period between 1/1/2023 and 30/9/2023**

In 2023, the Zagreb Stock Exchange, Inc. (hereinafter: the Company or the Exchange) recorded the following significant business events:

- On January 2, the first trading day of 2023, the Exchange opened trading in euro as the new official currency of the Republic of Croatia.
- On March 8, 2023, following significant public interest, Zagreb Stock Exchange signed an agreement on the listing of state bonds on the Official Market.
- On March 8, 2023, the Exchange organized the event "Ring for Gender Equality" to mark International Women's Day by opening 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 10, 2023 the Croatian financial services agency approved the Amendments to the Price list of Zagreb Stock Exchange, which represent a correction of prices for the services of trade report publications and trading data use and dissemination. The Amendments to the Price list entered into force on April 1, 2023.
- On May 10, 2023, the Commercial Court in Zagreb registered the incorporation of company Adria Digital Exchange seated in Zagreb, in whose share capital the Exchange holds a minority share of 24%. The company was founded with the intent to research and develop potential for trading and management of virtual assets.
- On May 10, 2023, the Zagreb Stock Exchange Academy celebrated its 13<sup>th</sup> anniversary. Since it was founded in 2010, the Academy organized over 600 educational events and seminars, attended by over 11,000 participants.
- On May 22, 2023, the new version of the Xetra T7 11.1 trading system was put into production on the Zagreb Stock Exchange. The migration was carried out without difficulty.
- On May 26, 2023, the InterCapital BET-TR UCITS Exchange Traded Fund was listed on the Zagreb Stock Exchange, based on the Romanian BET-TR index.
- On June 1 and 2, 2023, the investment conference of the Zagreb and Ljubljana stock exchanges "CEE Investment Opportunities" was held. The event has been taking place annually since 2014, with the aim to facilitate access of regional and international investors to Slovenian and Croatian companies, thereby strengthening their visibility and supporting market liquidity. For the third consecutive year, Slovenian and Croatian companies were joined by companies listed on the Macedonian Stock Exchange, and for the first time the event hosted companies listed

on the Bucharest Stock Exchange. The event took place in Zagreb, counting over 60 investors and 250 meetings with listed companies.

- On June 13, 2023, the annual education for issuers was held in the co-organization of the Croatian Financial Services Supervisory Agency, the Central Depository & Clearing Company and the Zagreb Stock Exchange, which has been taking place since 2011. The education brought together more than a hundred representatives of companies listed on the Zagreb Stock Exchange and was held online. The representatives of the European bank for reconstruction and development announced upcoming seminars on corporate governance, as a follow-up on the project of renewal of the Code of Corporate Governance written by the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange, which is supported by EBRD.
- On September 7, 2023, Zagreb Stock Exchange was granted the Premium Green Certificate, which is awarded to companies for positive contribution to the environment and the community. The certificate is awarded by the largest private information intermediary, the company Elektronički računi, and brings together companies for whom environmental and community care, as well as digitalization, are integral parts of their business identity.
- On September 12, 2023, Zagreb Stock Exchange initiated activities of publishing profiles of listed tourism companies on its official website, with the goal of profiling the Croatian capital market as the leading place in Southeastern Europe for financing tourist companies.
- On September 12, 2023, Zagreb Stock Exchange published a notification on the incorporation of company EuroCTP B.V., which was established by European exchanges with the goal of providing consolidated trading data in the European union. Zagreb Stock Exchange joined the initiative in order to participate in the tender for selection of a consolidated tape provider in the European union.
- On September 15, 2023, Zagreb Stock Exchange held the Prime Plus investment webcast, which was attended by around 60 domestic and foreign analysts and investors. Companies included in the Prime Market, joined by several companies listed on other ZSE market segments presented their business results.
- On September 26, 2023, Zagreb Stock Exchange became a partner in the Interreg MESTRI-CE project, along with ten partners from six countries (Austria, Slovenia, Italy, Poland, Germany and Croatia) with the aim at testing a new financing model for more climate-sustainable buildings.
- From October 18 – 20, 2023, the traditional regional financial conference 'Challenge of Change', organized by the Croatian Association of Pension Fund Management and Pension Insurance Companies (UMFO) and the Zagreb Stock Exchange, gathered almost 550 participants from the domestic and international financial community.

- On November 3, 2023, the Croatian Financial Services Agency has issued the decision approving the amendments to the ZSE Price List, which came into force on November 11, 2023.
- On November 15, 2023, the last module of the education program “Governance and ESG Development” was held, which was organized by the Zagreb Stock Exchange, European Bank for Reconstruction and Development and Morrow Sodali. The program gathered more than 180 participants, which on this occasion, got an insight into the best Croatian and international corporate management practices, practical aspects of management and supervisory board activities, and the ways in which all company stakeholders create prerequisites for acting in accordance with the highest ethical and good corporate governance standards.
- On December 5, 2023, the “CEE Investments Opportunities” Conference was held in Ljubljana. The main goal of the event is to facilitate the accessibility of Slovenian, Croatian, and other regional companies to both domestic and international investors, thereby increasing their visibility. It is worth noting that this year marked the second consecutive participation of companies from the Macedonian Stock Exchange, and for the first time, the event hosted two companies from the Bulgarian Stock Exchange.
- On December 15, the annual Zagreb Stock Exchange Awards were presented.
- From the start of 2023, the Regulated market of Zagreb Stock Exchange listed a total of sixteen treasury bills and two state bonds of the Ministry of finance of the Republic of Croatia, issuers VIS D.D., MODRA ŠPILJA D.D., PROFESSIO ENERGIA D.D., PRIMO REAL ESTATE D.D., ATLANTSKA PLOVIDBA D.D. and VILLA DUBROVNIK D.D. listed additional shares on the Regular market segment. Issuer ČAKOVEČKI MLINOVI D.D. moved onto the Official Market segment, while issuer MON PERIN D.D. moved onto the Regular from the Official Market segment. During 2023, new listings include bonds of the issuers ERSTE & STEIERMÄRKISCHE BANK D.D., ZAGREBAČKI HOLDING D.D. and the InterCapital BET-TRN UCITS ETF.
- From the start of 2023, the Regulated Market of Zagreb Stock Exchange delisted twenty treasury bills of the Ministry of finance of the Republic of Croatia, bonds of issuers ZAGREBAČKI HOLDING D.D., Ministry of finance of the Republic of Croatia, and ERSTE & STEIERMÄRKISCHE BANK D.D., and shares of issuers TURISTHOTEL D.D., JELSA D.D., KOESTLIN D.D., BRODOMERKUR D.D. and FTB TURIZAM D.D.

## 1.2 Zagreb Stock Exchange overview

In the fourth quarter of 2023, the total turnover amounted to EUR 111 million, which is 6.9% more than in the same period of 2022, while the total turnover since the beginning of the year amounts to EUR 371 million (-5.3% compared to the total turnover of 2022) which was primarily caused by a decrease in equity block turnover, while the orderbook turnover increased.

### Securities turnover - 4Q 2022/4Q 2023

	HRK 4Q 2022	EUR 4Q 2022	EUR 4Q 2023	change
<b>TOTAL TURNOVER</b>	<b>784,673,908</b>	<b>104,144,125</b>	<b>111,422,597</b>	<b>6.99%</b>
<b>Orderbook turnover</b>	<b>431,470,693</b>	<b>57,266,002</b>	<b>86,609,391</b>	<b>51.24%</b>
Shares	322,476,990	42,800,052	64,270,378	50.16%
Bonds	89,667,027	11,900,860	16,299,795	36.96%
ETFs	19,326,677	2,565,091	6,039,218	135.44%
<b>Block turnover</b>	<b>353,203,215</b>	<b>46,878,123</b>	<b>24,813,207</b>	<b>-47.07%</b>
Equity block turnover	353,203,215	46,878,123	13,035,782	-72.19%
Debt block turnover	0	0	11,777,425	

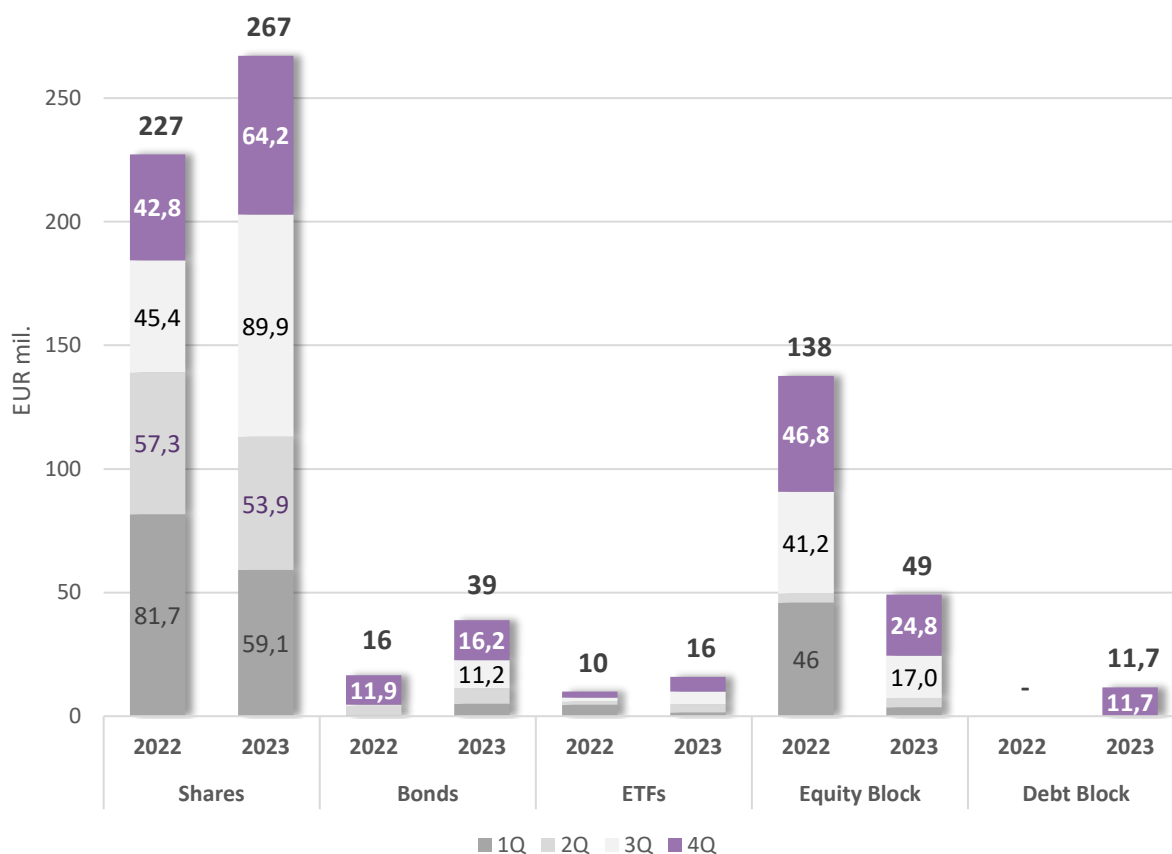
### Securities turnover – 1-4Q 2022/1-4Q 2023

	HRK 1-4Q 2022	EUR 1-4Q 2022	EUR 1-4Q 2023	change
<b>TOTAL TURNOVER</b>	<b>2,959,101,182</b>	<b>392,740,219</b>	<b>371,787,359</b>	<b>-5.34%</b>
<b>Orderbook turnover</b>	<b>1,915,146,797</b>	<b>254,183,661</b>	<b>322,392,362</b>	<b>26.83%</b>
Shares	1,713,748,702	227,453,541	267,231,559	17.49%
Bonds	125,003,073	16,590,759	39,102,749	135.69%
ETFs	76,395,022	10,139,362	16,058,055	58.37%
<b>Block turnover</b>	<b>1,043,954,385</b>	<b>138,556,558</b>	<b>49,394,997</b>	<b>-64.35%</b>
Equity block turnover	1,043,954,385	138,556,558	37,617,572	-72.85%
Debt block turnover	0	0	11,777,425	0

Despite smaller turnovers compared to 2022, positive sentiment is apparent on the quarter-level. The fourth quarter of 2023 recorded increased turnovers in all listed securities, while the only decrease is recorded in the equity block turnovers. The orderbook turnover amounted to EUR 86.6 million, 51.2% more than in the fourth quarter of 2022. Of this amount, EUR 64.2 million refers to equity turnover (4Q 2022: EUR 42.8 million), EUR 16.2 million to bond turnover (4Q 2022: EUR 11.9 million), while ETFs achieved a turnover of EUR 6 million (4Q 2022: EUR 2.5 million). The equity block turnover amounted to EUR 24.8 million (4Q 2022: EUR 46.8 million), while the debt block turnover amounted to EUR 11.7 million, and was not recorded in the same period last year. Since the beginning of 2023, the total turnover has reached EUR 371 million, which is -5.3% less than last year (1-4Q 2022: EUR 392 million). Within the orderbook in 2023, the equity turnover amounted to EUR 267 million and is higher by +17.5% (1-4Q 2022: EUR 227 million), the bond turnover was EUR 39 million and is higher by +135.7% (1-4Q 2022: EUR 16.5 million), while ETF turnover increased by +58.4% and amounts to EUR 16 million (1-4Q 2022: EUR 10 million). Equity block turnover amounts to EUR 49 million, which is a decrease of -72.8% compared to 2022 (1-4Q 2022: EUR 138.5 million).



## Securities turnover



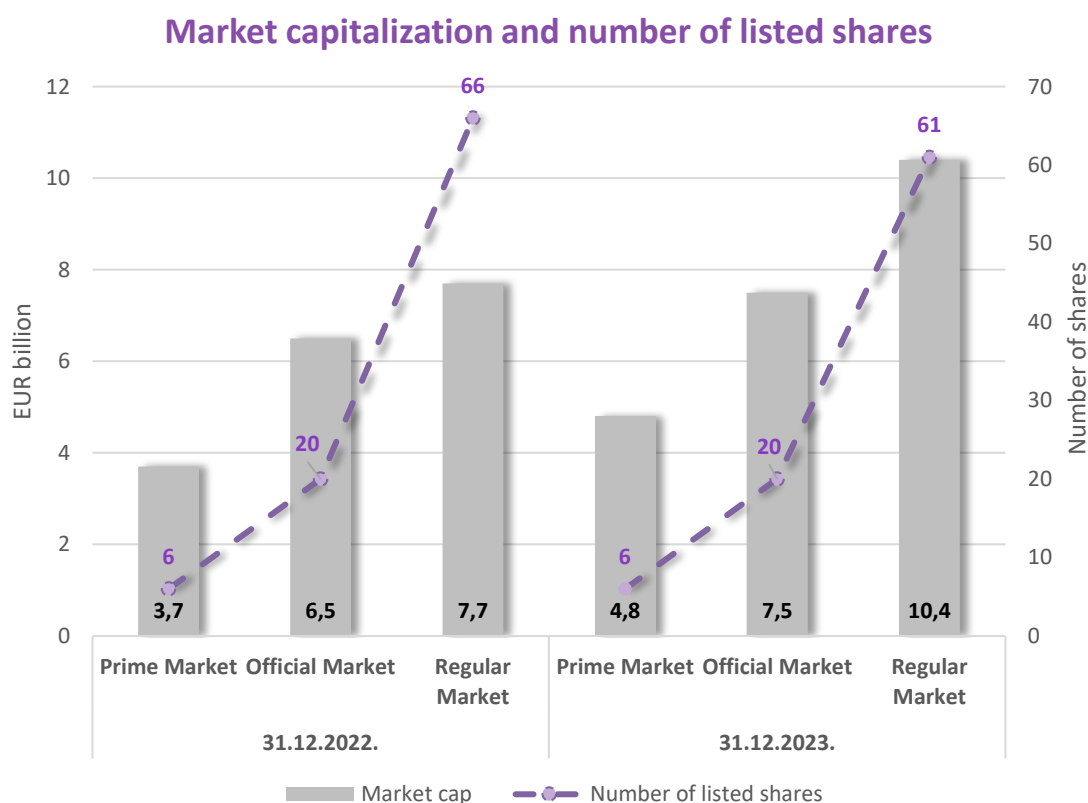
The market value measured by market capitalization as of 31 December 2023 was higher by a total of EUR 6.4 billion compared to the end of 2022. The equity market capitalization is higher by EUR +4.9 billion or +27.2%, with the market capitalization of the Prime Market increased by +29%, the Official Market increased by +16.6%, and the Regular Market by +35.1%. The debt market capitalization is higher by +9.5% while the value of ETFs increased by a significant +215.4%.

### Market capitalization

	Market Capitalization			
	31.12.2022. HRK	31.12.2022. EUR	31.12.2023. EUR	change
<b>TOTAL</b>	<b>254,812,705,495</b>	<b>34,357,646,434</b>	<b>40,825,071,246</b>	<b>18.82%</b>
Shares	134,061,609,928	18,020,297,839	22,921,642,696	27.20%
Prime Market	28,232,910,355	3,776,765,393	4,872,990,193	29.03%
Official Market	49,198,981,213	6,480,465,545	7,560,463,836	16.67%
Regular Market	56,629,718,360	7,763,066,900	10,488,188,667	35.10%
Bonds	120,698,032,426	16,329,871,735	17,879,846,903	9.49%
ETFs	53,063,142	7,476,860	23,581,647	215.40%

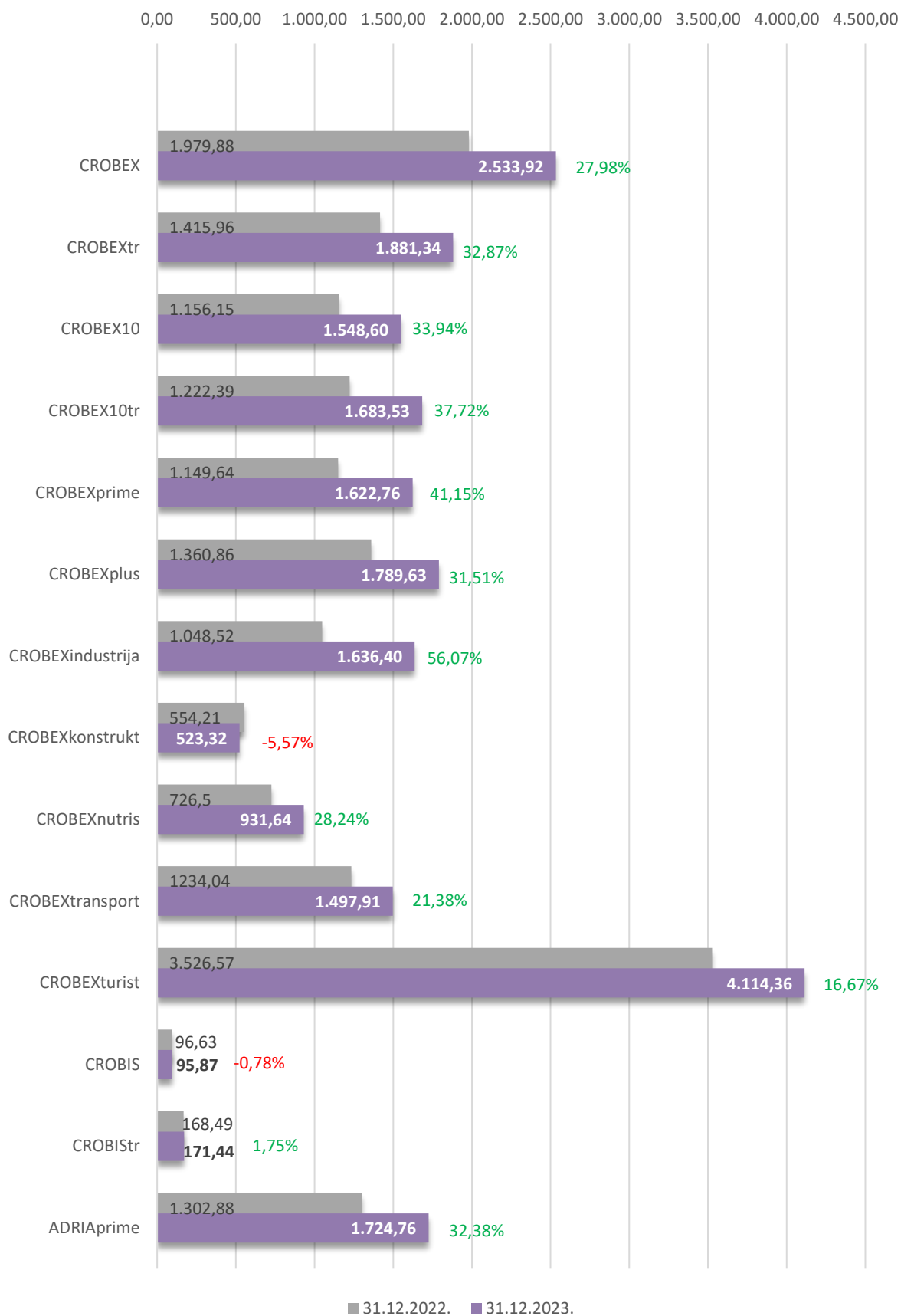
Compared to the end of 2022, as of 31 December 2023, The Regular Market segment counted five less listed shares, while the number of shares listed on the Prime Market and the Official Market segment remained unchanged.

Number of listed securities			
	31.12.2022.	31.12.2023.	change
<b>TOTAL</b>	<b>136</b>	<b>129</b>	<b>-5.15%</b>
Shares	92	87	-5.43%
Prime Market	6	6	0.00%
Official Market	20	20	0.00%
Regular Market	66	61	-7.58%
Bonds	30	31	3.33%
ETFs	2	4	100.00%
Money Market Instruments	12	7	-41.67%

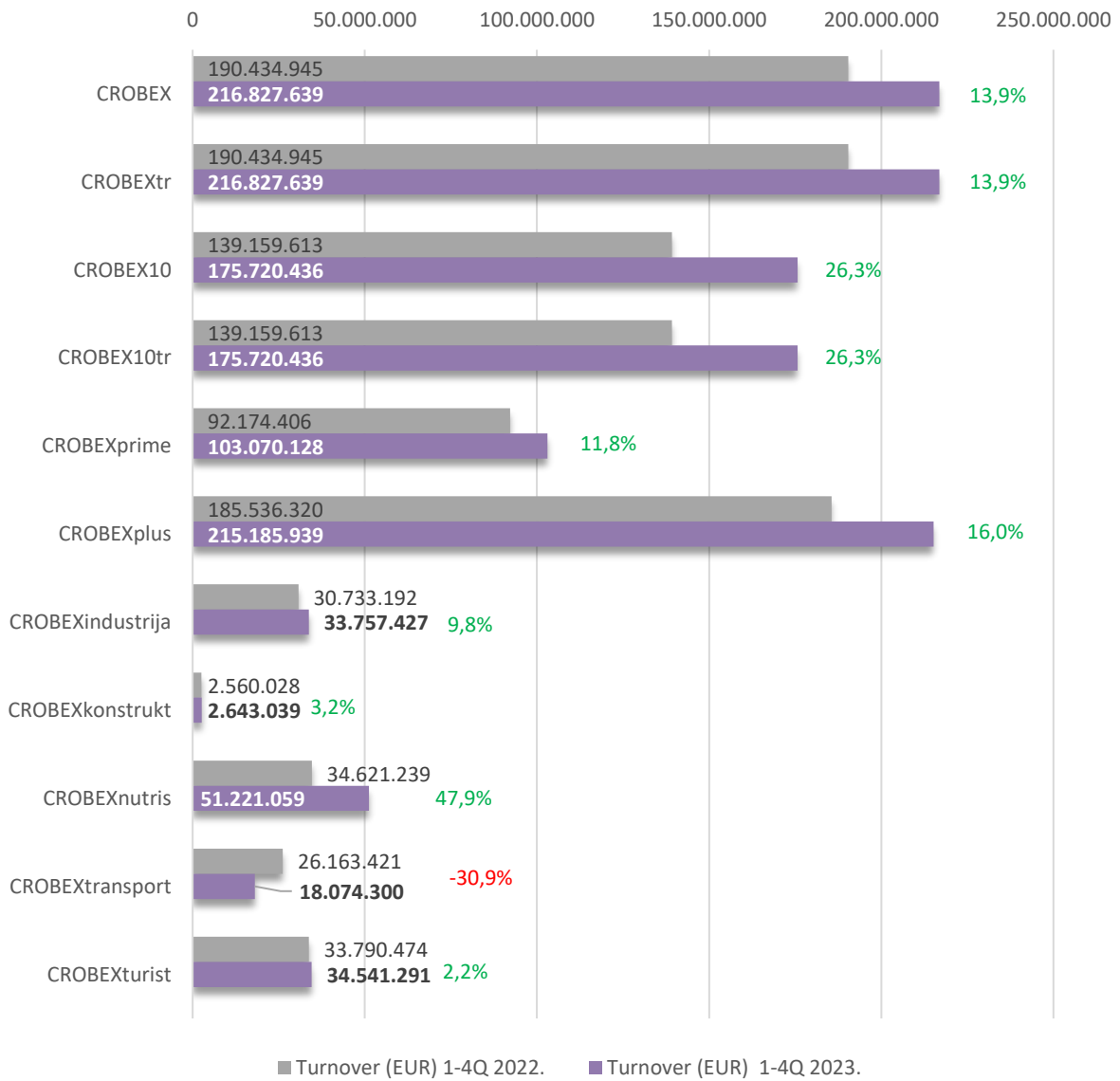


The fourth quarter of 2023 continues a stable trend among indices as well. Along with higher turnovers, all equity indices recorded substantial growth in the fourth quarter of 2023. The most significant increase was that of CROBEXindustrija (+56%), CROBEXprime (+41.2%) and CROBEXplus (+31.5%) The regional index ADRIAprime recorded an increase of +32.4%, while bond index CROBIStr increased by +1.8 and CROBIS fell by -0.8%.

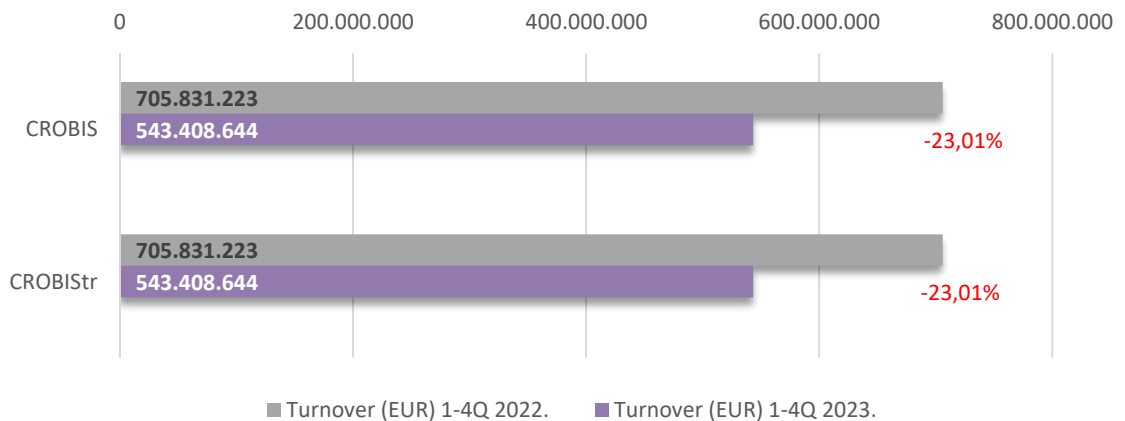
## Indices - values (31.12.2022. vs. 31.12.2023.)



### Equity indices - turnovers (1-4Q 2022 vs. 1-4Q 2023)



### Bond indices - turnovers (1-4Q 2022 vs. 1-4Q 2023)



### **1.3 Expected future development of the Company**

In the future, the Company will continue to focus on raising Corporate Governance and reporting standards on the regulated market. The Company will also focus on greater promotion of existing issuers, with a focus on the Prime Market. During September 2023, the Company initiated activities related to promotion of the issuers in the tourism sector, with the goal of profiling the Croatian capital market as the leading place for financing tourism companies in South-East Europe, and increasing their visibility via the Company's website and associated communication channels.

The Company will continue to develop internal IT services that will be used by the Zagreb and Ljubljana Stock Exchanges, and thus further reduce the need for external suppliers.

The Company will press on with previously initiated projects, placing the greatest emphasis on the projects related to the implementation of new technologies to market activities, regional SME capital market development (Progress), and education of market participants regarding green bond listings within the framework of the MESTRI CE project which is financed by the European union.

The Company will continue efforts in promoting ESG listings and issuer activities.

### **1.4 Research & Development activities**

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

The beginning of 2023 marked the successful transition to euro as the official currency of the Republic of Croatia, and Zagreb Stock Exchange continued the activities on adjusting its services, publications and procedures according to the new currency.

In the second quarter of 2023, the Company successfully completed an initiated migration of legacy services used by Ljubljana Stock Exchange and provided by Vienna Stock Exchange. Zagreb Stock Exchange thus further strengthened its position as the leading trading service provider for the entire Zagreb Stock Exchange Group, actively reducing costs and dependence on external service providers.

On May 15, 2023, Zagreb Stock Exchange, Inc. successfully completed the seventh annual accreditation process as a Local Operating Unit authorized to issue LEI codes, issued by the Global Legal Entity Identifier Foundation (GLEIF).

In the upcoming period the Exchange will continue working on previously initiated projects, as well as the implementation of new trading system releases and other infrastructure optimization activities.

### **1.5 Information on repurchase of own shares**

On December 31, 2023, the Exchange owns a total of 8,396 of own shares, which make up for 0.3611% of the Exchange's total issued share capital.

## 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 / EUR 32,384.37 and the share of the Zagreb Stock Exchange, Inc. in the share capital is 30%.

Macedonian Stock Exchange, Inc., a company seated in Skopje. The issued share capital of Macedonian Stock Exchange amounts to EUR 1,695,029.03, in which the Zagreb Stock Exchange, Inc. holds a total of 837 shares, i.e., 29.98% of the issued share capital.

Adria Digital Exchange d.o.o., a company seated in Zagreb. The share capital of the company is EUR 5,000, in which the Zagreb Stock Exchange, Inc. participates with 24%.

Central Depository & Clearing Company, Inc., seated in Zagreb. The issued share capital of the company amounts to EUR 12,545,620, in which the Zagreb Stock Exchange, Inc. holds a total of 1,259 shares, i.e., 1.27 % of the issued share capital.

EuroCPT B.V., a company seated in Amsterdam. The share capital of the company is EUR 99.53, in which the Zagreb Stock Exchange, Inc. participates with 0.05%.

## **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.

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 invests free funds in open-end money market and bond investment funds, as well as bank deposits. 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.

The Company is exposed to inflationary risks, considering that a significant part of its expenses is indexed. The Company also has a limited ability to mitigate the influence of inflation on its expenses by increasing prices, considering that the Company's Price list has to be approved by the Regulator.

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

The Company confirms that in the four quarters of 2023 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 ongoing war in Ukraine and sanctions against the Russian Federation are affecting economies in Europe and the world. The Company has no exposure in Ukraine, Russia and Belarus. However, the effect on the general economic situation may require a revision of certain assumptions and estimates,

which may lead to significant adjustments in the carrying amount of certain assets and liabilities over the next financial year. At this stage, management cannot reliably assess the impact as new developments take place day by day.

The Company, like all other business entities in Croatia, is prone to risks related to the increase of prices of goods and services, and as such is aware of the increased risks caused by inflation which continues in the future period.

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 importance to the Company's operations that it would require disclosure in the management report.

### **1.12 Business results for 1/1/2023 – 31/12/2023**

In the four quarters of 2023, the Company generated a total of EUR 2,017 thousand of operating revenues, which is EUR -18 thousand or -0.9% less than in the same period last year when they amounted to EUR 2,035 thousand. Compared to the four quarters of 2022, sales revenue decreased from EUR 1,363 to EUR 1,299 thousand, i.e., by EUR -63 thousand or -4.7%. The decrease in sales revenue is primarily the result of a decrease in income from quotation maintenance fees, which, following fewer new listings compared to the same period last year, reached the amount of EUR 122 thousand by the end of the fourth quarter of this year; EUR -34 thousand or -22.2% less compared to the four quarters of 2022, when they amounted to EUR 157 thousand. The income from listing maintenance fees in the four quarters of 2023 amount to EUR 677 thousand, which is a decrease of EUR -7.5 thousand or -1.1% (1-4Q 2022: EUR 685 thousand). Income from commissions and membership fees also recorded a decrease at the end of the fourth quarter of 2023, and amount to EUR 499 thousand (EUR -21 thousand or -4.1 %) compared to the same period last year when they amounted to EUR 520 thousand. Compared to the four quarters of 2022, other operating income increased by EUR +45 thousand or +6.8%, i.e., from EUR 672 to EUR 718 thousand. The increase in other operating income is a consequence of the increase in other income by EUR +18 thousand or +6.8% which amounted to EUR 363 thousand and includes income from education and income from issuing and maintaining LEI (1-4Q 2022: EUR 344 thousand). Income from the supply of information increased by EUR +27 thousand or +8.3% and amounted to EUR 355 thousand (1-4Q 2022: EUR 327 thousand).

Observing only the fourth quarter of 2023, the Company's total operating income amounts to EUR 579 thousand, which is an increase of EUR +22 thousand (+4.1%) compared to the fourth quarter of last year, when operating income amounted to EUR 556 thousand. Sales revenues recorded a slight decrease from EUR 334 thousand in the fourth quarter of 2022 to EUR 327 thousand in the same period of the current year. The fourth quarter of 2023 recorded higher income from commissions and membership fees from EUR 121.9 to EUR 130 thousand (EUR +8 thousand or +6.8%). Following the lower number of newly listed securities compared to the same period last year, income from quotation maintenance fees reduced from EUR 36 to EUR 27 thousand (-25%). Other operating income increased from EUR 222 to EUR 251 thousand (EUR +29 thousand or +13.3%). Within other operating income, income from the supply of information increased from EUR 89 to EUR 114 thousand (EUR +25 thousand



or +28.3%), and other income also increased from EUR 132.9 to EUR 137 thousand (EUR +4 thousand or +3.3%).

In the four quarters of 2023, the Company's total operating expenses were higher by EUR +70 thousand (+3.6%) compared to the same period last year and amounted to EUR +2,051 thousand (1-4Q 2022: EUR 1.980 thousand). The Company continued with efforts to control the increased costs caused by inflation and indexed contracts:

- material costs amount to EUR 592 thousand, which is an increase of EUR +36 thousand or +6.6% (1-4Q 2022: EUR 555 thousand),
- staff costs amount to EUR 951 thousand, which is a decrease of EUR -14 thousand or -1.5% (1-4Q 2022: EUR 965 thousand),
- other costs amount to EUR 286 thousand, which is an increase of EUR +13 thousand or +4.8% (1-4Q 2022: EUR 273 thousand),
- depreciation amounts to EUR 207 thousand, which is an increase of EUR +27 thousand or +15.1% (1-4Q 2022: EUR 180 thousand),
- other operating expenses amount to EUR 13 thousand, which is an increase of EUR +7.9 thousand (1-4Q 2022: EUR 5.3 thousand).

In the fourth quarter of 2023 alone, operating expenses amount to EUR 564 thousand, which is an increase of EUR +41 thousand or +7.9% compared to the same period last year (4Q 2022: EUR 522 thousand). The biggest increase was recorded in other external costs, which amounted to EUR 135 thousand in the fourth quarter of 2022, and EUR 158 thousand in the same period of the current year (EUR +22 thousand or +17%). Staff costs recorded a slight increase in the fourth quarter of 2023 (EUR +623 or +0.3%, i.e., from EUR 234 to EUR 235 thousand). Other costs increased by -9.6%, i.e., from EUR 89 thousand in 4Q 2022 to EUR 97 thousand in 4Q 2023.

### The Company's key business indicators

	EUR	1-4Q 2022	1-4Q 2023	change	4Q 2022	4Q 2023	change
Number of shares		2,317,850	2,317,850	0.0%	2,317,850	2,317,850	0.0%
Share capital		3,076,316	3,076,315	0.0%	3,076,316	3,076,315	0.0%
Capital and reserves		5,819,123	6,027,947	3.6%	5,819,123	6,027,947	3.6%
Total assets		6,830,377	6,942,647	1.6%	6,830,377	6,942,647	1.6%
<b>Operating income</b>		2,035,862	2,017,744	-0.9%	556,405	579,067	4.1%
<i>sales revenue</i>		1,363,284	1,299,319	-4.7%	334,374	327,504	-2.1%
<i>other operating income</i>		672,578	718,425	6.8%	222,031	251,563	13.3%
<b>Operating expenses</b>		1,980,574	2,051,464	3.6%	522,846	564,062	7.9%
<i>material costs</i>		555,668	592,332	6.6%	150,902	174,918	15.9%
<i>staff costs</i>		965,495	951,287	-1.5%	234,645	235,268	0.3%
<i>depreciation</i>		180,410	207,741	15.1%	50,829	54,439	7.1%
<i>other costs</i>		273,667	286,798	4.8%	89,120	97,702	9.6%
<b>EBIT</b>		55,288	-33,720	-161.0%	33,559	15,005	-55.3%
<b>EBITDA</b>		235,698	174,021	-26.2%	84,388	69,444	-17.7%
Financial income		65,345	182,233	178.9%	1,146	16,939	1378.1%
Financial expenses		119,197	10,481	-91.2%	5,717	2,447	-57.2%

<b>Pre-tax profit or loss</b>	1,436	138,032	9512.3%	28,988	29,497	1.8%
Income tax	-15,464	1,830	111.8%	0	0	0.0%
<b>Profit or loss for the period</b>	16,900	136,202	705.9%	44,452	27,667	-37.8%
Number of employees	25	23	-8.0%	25	23	-8.0%

The Company's operating profit in the four quarters of 2023 amounted to EUR 138 thousand, while in the same period last year the Company reported profit amounting to EUR 1.4 thousand (EUR +136 thousand). At the level of the fourth quarter, the Company achieved an operating profit in the amount of EUR 29 thousand, while the operating profit in the same period last year amounted to EUR 28 thousand. Financial income recorded a significant increase in the four quarters of the year compared to the same period last year, and include dividend payments from Ljubljana and the Macedonian stock exchanges in the second quarter of 2023. In the four quarters of 2023, financial income amounted to EUR 182 thousand (EUR +116 thousand or +178.9%), while financial income in the fourth quarter accounted for EUR 16 thousand (EUR +15 thousand). In the four quarters of this year, financial expenses amount to EUR 10 thousand (EUR -108 thousand or -91.2%), while in the fourth quarter alone they are lower by EUR -3 thousand and amount to EUR 2 thousand.

The Company's net profit in the four quarters of 2023 amounted to EUR 136 thousand, which is EUR +119 thousand (+705%) more than in the same period last year when the Company reported net profit amounting to EUR 16 thousand. In the fourth quarter of 2023, the Company's net profit amounts to EUR 27 thousand, which is EUR -16 thousand less than the EUR 44 thousand of net profit of the same period last year.

Operating profit before interest, taxes, depreciation and amortization in the four quarters of 2023 is positive and amounts to EUR 174 thousand, i.e., EUR -61 thousand less than in the four quarters of 2022, while in the fourth quarter of 2023 it amounts to EUR 69 thousand, i.e., EUR -14 thousand less than in the same period last year when it amounted to EUR 84 thousand.

## 2 DECLARATION OF RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

Financial statements of the Zagreb Stock Exchange, Inc. prepared for the period between 1/1/2023 and 31/12/2023 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 1/1/2023 and 31/12/2023 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Company.

The management report for the four quarters of 2023 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 four quarters of 2023 have not been audited.

 Ivana Gažić President of the Management Board	 ZAGREBAČKA BURZA d.d. Zagreb 1	 Tomislav Gračan Member of the Management Board
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### **Contact**

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Croatia

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E-mail: [ir@zse.hr](mailto:ir@zse.hr)

Unconsolidated unaudited financial statements of the  
Company for 1/1/2023 – 31/12/2023

**Annex 1**

**ISSUER'S GENERAL DATA**

Reporting period:  to

Year:

Quarter:

**Quarterly financial statements**

Registration number (MB):  Issuer's home Member State code:

Entity's registration number (MBS):

Personal identification number (OIB):  LEI:

Institution code:

Name of the issuer:

Postcode and town:

Street and house number:

E-mail address:

Web address:

Number of employees (end of the reporting):

Consolidated report:  (KN-not consolidated/KD-consolidated)

Audited:  (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS): Registered office: MB:

Names of subsidiaries (according to IFRS):	Registered office:	MB:

Bookkeeping firm:  (Yes/No)   
(name of the bookkeeping firm)

Contact person:   
(only name and surname of the contact person)

Telephone:

E-mail address:

Audit firm:   
(name of the audit firm)

Certified auditor:   
(name and surname)

<b>BALANCE SHEET</b>			
balance as at 31.12.2023			
in EUR			
Submitter: Zagreb Stock Exchange Inc.			
Item	ADP code	Last day of the preceding	At the reporting date of the
1	2	3	4
<b>ASSETS</b>			
<b>FIXED ASSETS 002+003+009+013</b>	<b>1</b>	<b>4.666.224</b>	<b>4.617.666</b>
<b>I INTANGIBLE ASSETS</b>	<b>2</b>	<b>219.864</b>	<b>197.756</b>
<b>II TANGIBLE ASSETS 004+...+008</b>	<b>3</b>	<b>542.912</b>	<b>398.838</b>
1 Land and buildings	4	289.487	202.351
2 Computer equipment	5	172.554	128.543
3 Other tangible assets	6	57.178	51.058
4 Leasehold improvements	7	23.693	16.886
5 Assets under construction	8	0	0
<b>III FIXED FINANCIAL ASSETS 010+011+012</b>	<b>9</b>	<b>3.887.990</b>	<b>4.007.444</b>
1 Investments in associates, subsidiaries and joint ventures	10	3.799.780	3.800.981
2 Financial assets at amortised cost	11	62.047	60.547
3 Financial assets at fair value through other comprehensive income	12	26.163	145.916
<b>DEFERRED TAX ASSETS</b>	<b>13</b>	<b>15.458</b>	<b>13.628</b>
<b>B CURRENT ASSETS 015+021+025</b>	<b>14</b>	<b>2137414</b>	<b>2299673</b>
<b>I RECEIVABLES 016+...+020</b>	<b>15</b>	<b>269.985</b>	<b>322.757</b>
1 Customer receivables	16	184.957	218.857
2 Receivables from employees and members of the undertaking	17	35	212
3 Receivables from government and other institutions	18	2.959	16.210
4 Receivables from connected undertakings	19	3.635	3.735
5 Other receivables	20	78.399	83.743
<b>III SHORT-TERM FINANCIAL ASSETS 022+...+024</b>	<b>21</b>	<b>1.199.534</b>	<b>1.862.667</b>
1 Financial assets at amortised cost	22	8.136	1.126.162
2 Financial assets at fair value through other comprehensive income	23	0	0
3 Financial assets at fair value through statement of profit or loss	24	1.191.398	736.505
<b>III CASH AND CASH EQUIVALENTS</b>	<b>25</b>	<b>667.895</b>	<b>114.249</b>
<b>C PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>26</b>	<b>26.739</b>	<b>25.308</b>
<b>D TOTAL ASSETS 001+014+026</b>	<b>27</b>	<b>6.830.377</b>	<b>6.942.647</b>
<b>E OFF-BALANCE SHEET ITEMS</b>	<b>28</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A CAPITAL AND RESERVES 030+031+032+037+...+041</b>	<b>29</b>	<b>5.819.123</b>	<b>6.027.947</b>
<b>I INITIAL CAPITAL</b>	<b>30</b>	<b>3.076.316</b>	<b>3.076.315</b>
<b>II CAPITAL RESERVES</b>	<b>31</b>	<b>1.839.562</b>	<b>1.840.833</b>
<b>III PROFIT RESERVES 033+...+036</b>	<b>32</b>	<b>886.352</b>	<b>966.150</b>
1 Legal reserves	33	18.714	18.714
2 Reserves for treasury shares	34	-18.409	-30.483
3 Fair value reserves	35	70.169	162.041
4 Other reserves	36	815.878	815.878
<b>IV REVALUATION RESERVES</b>	<b>37</b>	<b>0</b>	<b>0</b>
<b>V RESERVES FROM EXCHANGE RATE DIFFERENCES FROM THE TRANSLATION OF FOREIGN OPERATIONS</b>	<b>38</b>	<b>0</b>	<b>0</b>
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD</b>	<b>39</b>	<b>-7</b>	<b>8.447</b>
<b>VII PROFIT OR LOSS FOR THE YEAR</b>	<b>40</b>	<b>16.900</b>	<b>136.202</b>
<b>VIII MINORITY INTEREST</b>	<b>41</b>	<b>0</b>	<b>0</b>
<b>B PROVISIONS</b>	<b>42</b>	<b>0</b>	<b>0</b>
<b>C SHORT-TERM LIABILITIES 044+...049</b>	<b>43</b>	<b>293.447</b>	<b>294.829</b>
1 Liabilities for advance payments	44	499	7.795
2 Liabilities to suppliers	45	74.100	72.174
3 Liabilities to employees	46	43.959	43.758
4 Taxes, contributions and similar liabilities	47	43.442	39.659
5 Liabilities to connected undertakings	48	263	591
6 Other short-term liabilities	49	131.184	130.852
<b>D LONG-TERM LIABILITIES</b>	<b>50</b>	<b>230.548</b>	<b>134.348</b>
<b>E DEFERRED TAX LIABILITY</b>	<b>51</b>	<b>0</b>	<b>20.168</b>
<b>F ACCRUALS AND DEFERRED INCOME</b>	<b>52</b>	<b>487.259</b>	<b>465.355</b>
<b>G TOTAL LIABILITIES 029+042+043+050+051+052</b>	<b>53</b>	<b>6.830.377</b>	<b>6.942.647</b>
<b>H OFF-BALANCE SHEET ITEMS</b>	<b>54</b>	<b>0</b>	<b>0</b>
<b>Appendix to the balance sheet (position for consolidated financial statements)</b>			
<b>I Capital and reserves 056+057</b>	<b>55</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	56	0	0
2 Attributable to non-controlling interest	57	0	0

## STATEMENT OF PROFIT OR LOSS

For the period 1.1.2023 to 31.12.2023

in EUR

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
<b>A OPERATING INCOME 002+008</b>	<b>1</b>	<b>2.035.862</b>	<b>556.405</b>	<b>2.017.744</b>	<b>579.067</b>
I Sales revenue 003+...+007	2	1.363.284	334.374	1.299.319	327.504
1 Commissions and membership fees	3	520.924	121.953	499.422	130.222
2 Listing maintenance fees	4	685.216	175.613	677.682	169.672
3 Quotation fees	5	157.144	36.808	122.215	27.610
4 Income from auctions	6	0	0	0	0
5 Income from memberships	7	0	0	0	0
II Other operating income 009+...+011	8	672.578	222.031	718.425	251.563
1 Income from application programming interface (API) services	9	0	0	0	0
2 Income from the supply of information	10	327.834	89.070	355.160	114.255
3 Other income	11	344.744	132.961	363.265	137.308
<b>B OPERATING EXPENSES 013+016+020+021+022+025+026</b>	<b>12</b>	<b>1.980.574</b>	<b>522.846</b>	<b>2.051.464</b>	<b>564.062</b>
I Material costs 014+015	13	555.668	150.902	592.332	174.918
1 Costs of raw materials	14	60.066	15.641	65.956	16.685
2 Other external costs	15	495.602	135.261	526.376	158.233
II Staff costs 017+...+019	16	965.495	234.645	951.287	235.268
1 Net salaries and wages	17	553.974	135.048	543.802	135.703
2 Tax and contributions from salary costs	18	278.582	66.946	275.607	67.297
3 Payroll contributions	19	132.939	32.651	131.878	32.268
III Depreciation	20	180.410	50.829	207.741	54.439
IV Other costs	21	273.667	89.120	286.798	97.702
V Value adjustment 023+024	22	0	-2.655	0	0
1 fixed assets (other than financial assets)	23	0	0	0	0
2 current assets (other than financial assets)	24	0	-2.655	0	0
VI Provisions	25	0	0	0	0
VII Other operating expenses	26	5.334	5	13.306	1.735
<b>C FINANCIAL INCOME 028+...+033</b>	<b>27</b>	<b>65.345</b>	<b>1.146</b>	<b>182.233</b>	<b>16.939</b>
1 Interest, exchange rate differences, dividends and similar income from relations with connected undertakings	28	55.861	10	106.091	0
2 Interest, exchange rate differences, dividends and similar income from relations with non-connected undertakings and other persons	29	9.116	1.116	49.465	7.350
3 Income share from associates and participating interests	30	0	0	0	0
4 Unrealised gains (income) from financial assets	31	0	0	12.089	509
5 Profit from reversal of provisions for impairment for expected credit losses	32	0	0	0	0
6 Other financial income	33	368	20	14.588	9.080
<b>D FINANCIAL EXPENSES 035+...+039</b>	<b>34</b>	<b>119.197</b>	<b>5.717</b>	<b>10.481</b>	<b>2.447</b>
1 Interest, exchange rate differences and other expenditures with connected undertakings	35	89	6	0	0
2 Interest, exchange rate differences and other expenditure from relations with non-connected undertakings and other persons	36	23.705	4.437	10.481	2.447
3 Unrealised losses (expenses) from financial assets	37	95.403	1.274	0	0
4 Loss allowance for expected credit losses	38	0	0	0	0
5 Other financial expenses	39	0	0	0	0
<b>E TOTAL INCOME 001+027</b>	<b>40</b>	<b>2.101.207</b>	<b>557.551</b>	<b>2.199.977</b>	<b>596.006</b>
<b>F TOTAL EXPENDITURE 012+034</b>	<b>41</b>	<b>2.099.771</b>	<b>528.563</b>	<b>2.061.945</b>	<b>566.509</b>
<b>G Share in profit/loss of associates and subsidiaries</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>H PRE-TAX PROFIT OR LOSS 040-041+042</b>	<b>43</b>	<b>1.436</b>	<b>28.988</b>	<b>138.032</b>	<b>29.497</b>
<b>I INCOME TAX</b>	<b>44</b>	<b>-15.464</b>	<b>-15.464</b>	<b>1.830</b>	<b>1.830</b>
<b>J PROFIT OR LOSS FOR THE PERIOD 043-044</b>	<b>45</b>	<b>16.900</b>	<b>44.452</b>	<b>136.202</b>	<b>27.667</b>
1 Change in revaluation reserves (property, plant, equipment and intangible assets)	46	0	0	0	0
2 Actuarial gains/losses on defined benefit pension plans	47	0	0	0	0
3 Unrealised gains/losses on financial assets at fair value through other comprehensive income	48	70.196	0	112.040	112.040
4 Gains/losses on hedging instruments in a cash flow hedge	49	0	0	0	0
5 Gains/losses arising from translation of financial statements relating to foreign operations	50	-34	-15	0	0
6 Income tax on other comprehensive income	51	0	0	20.168	20.168
<b>K OTHER COMPREHENSIVE INCOME 046+...+051</b>	<b>52</b>	<b>70.162</b>	<b>-15</b>	<b>91.872</b>	<b>91.872</b>
<b>TOTAL COMPREHENSIVE INCOME 045+052</b>	<b>53</b>	<b>87.062</b>	<b>44.437</b>	<b>228.074</b>	<b>119.539</b>
<b>M RECLASSIFICATION ADJUSTMENTS</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Appendix **</b>					
Attributable to owners of the parent	55	0	0	0	0
Attributable to non-controlling interest	56	0	0	0	0

<b>STATEMENT OF CASH FLOWS - indirect method</b>			
for the period 1.1.2023 to 31.12.2023			
			in EUR
Submitter: Zagreb Stock Exchange Inc.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1 Pre-tax profit	1	1.436	138.032
2 Depreciation	2	180.410	207.741
3 Increase in short-term liabilities	3	0	0
4 Decrease in short-term receivables	4	25.067	0
5 Decrease in inventories	5	0	0
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	120.636	0
<b>I Total cash flow increase from operating activities 001+...+007</b>	<b>8</b>	<b>327.549</b>	<b>345.773</b>
1 Decrease in short-term liabilities	9	9.613	1.761
2 Increase in short-term receivables	10	0	52.772
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	71.670	201.910
<b>II Total cash flow decrease from operating activities 009+...+013</b>	<b>14</b>	<b>81.283</b>	<b>256.443</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
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	887	0
4 Dividends received	18	55.819	138.622
5 Other cash receipts from investment activities	19	1.333.676	482.926
<b>III Total cash receipts from investment activities 015+...+019</b>	<b>20</b>	<b>1.390.382</b>	<b>621.548</b>
1 Cash payments for the purchase of fixed tangible and intangible	21	231.883	41.559
2 Cash payments for the acquisition of equity financial	22	1.076.845	28.164
3 Other cash payments from investment activities	23	8.397	1.101.744
<b>IV Total cash payments from investment activities 021+...+023</b>	<b>24</b>	<b>1.317.125</b>	<b>1.171.467</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
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
<b>V Total cash receipts from financing activities 025+...+027</b>	<b>28</b>	<b>0</b>	<b>0</b>
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	97.982	93.057
<b>VI Total cash payments from financing activities 029+...+033</b>	<b>34</b>	<b>97.982</b>	<b>93.057</b>
<b>VII Cash and cash equivalents at the beginning of period</b>	<b>35</b>	<b>446.354</b>	<b>667.895</b>
<b>VIII Increase of cash and cash equivalents</b>	<b>36</b>	<b>221.541</b>	<b>0</b>
<b>IX Decrease of cash and cash equivalents</b>	<b>37</b>	<b>0</b>	<b>553.646</b>
<b>X Cash and cash equivalents at the end of period</b>	<b>38</b>	<b>667.895</b>	<b>114.249</b>



STATEMENT OF CHANGES IN EQUITY													
for the period from 1.1.2023 to 31.12.2023 in EUR													
Item	ADP	Attributable to owners of the parent										Attributable to non-controlling interests	Total capital and reserves
		Subscribed capital	Capital reserves	Legal reserves and reserves for treasury shares	Fair value reserves	Other reserves	Revaluation reserves	Reserves from exchange rate differences from the translation of foreign operations	Retained profit or loss brought forward	Profit or loss for the year			
1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>Balance as at 1 January of the</b>	<b>1</b>	6.164.128	1.843.000	18.749	0	0	0	0	-2.380.697	116.118	0	5.761.298	
Change in accounting policies	2	0	0	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	0	0	
<b>As at 1 January of the previous year (restated)</b>	<b>4</b>	6.164.128	1.843.000	18.749	0	0	0	0	-2.380.697	116.118	0	5.761.298	
Profit or loss for the period	5	0	0	0	0	0	0	0	0	16.900	0	16.900	
Unrealised gains or losses on financial assets at fair value through other comprehensive income	6	0	0	0	70.196	0	0	0	0	0	0	70.196	
Other changes in equity unrelated to	7	0	0	0	0	0	0	0	0	0	0	0	
<b>Total directly recognised income and expenses of the previous year (previous year periods)</b>	<b>8</b>	0	0	0	70.196	0	0	0	0	16.900	0	87.096	
Increase/decrease in subscribed	9	-3.077.506	0	0	0	815.960	0	0	2.261.545	0	0	-1	
Other contributions by owners	10	0	0	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	0	0	
Other distribution to owners	12	0	0	-18.409	0	-82	0	-34	115.901	-115.901	0	-18.525	
<b>Balance on the last day of the</b>	<b>13</b>	3.086.622	1.843.000	340	70.196	815.878	0	-34	-3.251	17.117	0	5.829.868	
<b>As at 1 January of the current year</b>	<b>14</b>	3.086.622	1.843.000	340	70.196	815.878	0	-34	-3.251	17.117	0	5.829.868	
Change in accounting policies	15	-10.306	-3.438	-35	-27	0	0	34	3.244	-217	0	-10.745	
Correction of errors from prior periods	16	0	0	0	0	0	0	0	0	0	0	0	
<b>As at 1 January</b>	<b>17</b>	3.076.316	1.839.562	305	70.169	815.878	0	0	-7	16.900	0	5.819.123	
Profit or loss for the period	18	0	0	0	0	0	0	0	0	136.202	0	136.202	
Unrealised gains or losses on financial assets at fair value through other comprehensive income	19	0	0	0	91.872	0	0	0	0	0	0	91.872	
Other changes in equity unrelated to	20	0	0	0	0	0	0	0	16.900	-16.900	0	0	
<b>Total directly recognised income</b>	<b>21</b>	0	0	0	91.872	0	0	0	16.900	119.302	0	228.074	
Increase/decrease in subscribed	22	-1	1	0	0	0	0	0	0	0	0	0	
Other contributions by owners	23	0	0	0	0	0	0	0	0	0	0	0	
Payment of share in profit/dividend	24	0	1.270	5.182	0	0	0	0	-8.446	0	0	-1.994	
Other distribution to owners	25	0	0	-17.256	0	0	0	0	0	0	0	-17.256	
<b>Balance on the last day of the</b>	<b>26</b>	3.076.315	1.840.833	-11.769	162.041	815.878	0	0	8.447	136.202	0	6.027.947	

## NOTES TO FINANCIAL STATEMENTS – TFI

(drawn up for quarterly reporting periods)

Name of issuer: Zagrebačka burza d.d.

Personal identification number (OIB): 84368186611

Reporting period: 1.1.2023-31.12.2023

Type of report: Separate

### 1. Reporting entity

Zagreb Stock Exchange Inc. ("the Company") is a joint stock 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*

Separate quarterly financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). Separate financial statements are prepared on a historical cost basis, except for financial assets at fair value through profit or loss and financial assets through other comprehensive income which are measured at fair value.

Detailed information on the basis of preparation of the financial statements are provided in Note 2 to the separate financial statements presented in the Annual Report on Company Status and Business Activities in 2022 available on the internet page [www.zse.hr](http://www.zse.hr) (further: the Company's Annual Report).

#### *Significant accounting policies*

Financial statements for the reporting period are prepared applying the same accounting policies presented in the separate financial statements for 2022 available on the internet page [www.zse.hr](http://www.zse.hr).

#### *Disclosure of additional information required by IFRSs that are not presented in the separate statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity*

Additional information required by IFRSs that are not presented in the separate statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity are disclosed in Unconsolidated unaudited financial result for the period from 1 January to 31 December 2023, as published on the internet page [www.zse.hr](http://www.zse.hr).

#### **Change of functional currency**

Based on the Decision of the Government of the Republic of Croatia regarding the announcement of the introduction of the euro as the official currency in the Republic of Croatia (Official Gazette 85/22), the euro becomes the official monetary unit and legal tender in the Republic of Croatia on 1 January 2023. The fixed conversion rate is set at HRK 7.53450 for one euro.

The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency that is calculated prospectively.

Accounting treatment of a change in functional currency is prescribed by IAS 21 § 37, stating that all items, as of the date of the change (1 January 2023), shall be translated to the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non monetary items are treated as new historical cost.

#### *Impact of change in functional currency on comparative data*

A change in functional currency on comparative data represents a change in accounting policy. Accordingly, comparative data in kuna are converted into euro using historical exchange rates for the euro. The balance sheet positions are converted into euro using the final, fixed conversion rate of HRK 7.5345 per 1 euro, while the positions of the statement of comprehensive income, cash flow and capital movements are converted using the middle exchange rate of the Croatian National Bank for 1 euro for the year 2022 which represents an approximation of the historical exchange rates of the euro in 2022, which amounts to HRK 7.53159 for 1 euro.

IAS 21 does not prescribe how capital positions shall be converted into the new functional currency. The company has chosen to apply a fixed conversion rate. As a result, in other comprehensive income for 2022 the amount of EUR 11 thousand is reported as a result of adjusting the movement of capital positions according to the exchange rate on the date of the transaction and the fixed conversion rate according to which the capital positions are converted from HRK to EUR on 1 January 2023.

**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 Company does not have financial commitments, guarantees or contingencies that are not included in the balance sheet as of 31 December 2023, nor has issued securities.

**4. Amount of advance payments and loans granted to the members of administrative, management and supervisory bodies**

The Company did not give advances or approved loans to members of administrative, management and supervisory bodies during 2023.

**5. 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 Unconsolidated result for the quarter ([www.zse.hr](http://www.zse.hr)).

**6. Liabilities falling due after more than five years, as well as debts covered by valuable security provided by the Group**

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

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

**7. Average number of employees during the reporting period**

The average number of the employees during the reporting period of 2023 is 24.

**8. Capitalized costs of salaries during the reporting period**

The Company did not capitalize the cost of salaries during the reporting period.

**9. Deferred taxes**

Provisions for deferred taxes, balance of deferred taxes at the beginning and the end of the reporting period, as well as movement of those positions during the reporting period:

	1.1.2023	Increase	Decrease	31.12.2023
	eur'000	eur'000	eur'000	eur'000
Deferred tax assets	15	-	(2)	13
Deferred tax liabilities	-	(20)	-	(20)

15	-	(2)	7
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**10. 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, showing the amount of capital held, the amount of total capital and reserves, and profit or loss**

Information on investments in companies in which the Company holds a participating share in the capital are presented in the Notes "Investments in subsidiaries" and "Investments in associates and joint ventures" (GFI: "Investments in associates, subsidiaries and joint ventures"). In April 2023 the Company acquired 24% of the share of new established company Adria Digital Exchange d.o.o., Croatia at nominal value of 1,200.00 EUR. There were no other changes in participating interests during the reporting period.

**11. Number and nominal value of shares subscribed during the reporting period within the limits of the authorised capital**

By the Decision of the General Assembly dated 12 June 2023, 2,317,850 ordinary registered shares, each with a par value of HRK 10.00 and a total par value of HRK 23,178,500.00 are exchanged for shares with no par value for the purpose of aligning the share capital with the provisions of Article 21 of the Act of Amending the Companies Act (Official Gazette NN No 114/22). The existing rights attached to the status of the Company's shareholders under the Act and Company's Statute remain unchanged.

**12. Existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they give**

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

**13. Name, registered office and legal form of each of the companies in which the issuer has unlimited liability**

The Company has no shares in companies having unlimited liability.

**14. Name and registered office of the company which draws up consolidated financial statements for the reporting period 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 a controlled member of any group.

The Company prepares consolidated financial statements that are available for use on the internet page [www.zse.hr](http://www.zse.hr).

**15. Name and registered office of the company which draws up consolidated financial statements for the reporting period 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 a controlled member of any group.

**16. Place where copies of the consolidated financial statements referred to in points 14 and 15 may be obtained**

The Company prepares consolidated financial statements that are available for use on the internet page [www.zse.hr](http://www.zse.hr).

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

There were no events after the balance sheet date that would affect the financial statements for the reporting period.

**Recapitulation of the comparison of the TFI-POD balance sheet and the balance sheet prepared according to IFRS for the fourth quarter of 2023**

Balance sheet item (IFRS)	Amount (EUR)	Balance sheet item (GFI)	AOP	Amount (EUR)
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**ASSETS**

<b>Non-current assets</b>	<b>4.617.666</b>	<b>A. FIXED ASSETS</b>	<b>1</b>	<b>4.617.666</b>
	<b>197.756</b>	<b>I Intangible assets</b>	<b>2</b>	<b>197.756</b>
Intangible assets	197.756	I INTANGIBLE ASSETS	2	197.756
	<b>197.756</b>			<b>197.756</b>
	<b>398.838</b>	<b>II Tangible assets</b>	<b>3</b>	<b>398.838</b>
Property and equipment	166.323	1 Land and buildings	4	202.351
Right-of-use assets	232.515	2 Computer equipment	5	128.543
		3 Other tangible assets	6	51.058
		4 Leasehold improvements	7	16.886
	<b>4.007.444</b>	<b>III Long term financial assets</b>		<b>4.007.444</b>
Investment in subsidiary	2.538.382	1 Investments in associates, subsidiaries and joint ventures	10	3.800.981
Investment in associate and joint venture	1.262.599			
	<i>3.800.981</i>			<i>3.800.981</i>
Financial assets at fair value through other comprehensive income	<b>60.547</b>	<b>2 Financial assets at amortised cost</b>	<b>11</b>	<b>60.547</b>
Long term deposits	33.166			
Loans receivable from associate	27.381			
Financial assets at fair value through other comprehensive income	<b>145.916</b>	<b>3 Financial assets at fair value through other comprehensive income</b>	<b>12</b>	<b>145.916</b>
Deffered tax assets	<b>13.628</b>	<b>Deffered tax assets</b>	<b>13</b>	<b>13.628</b>

<b>CURRENT ASSETS</b>	<b>2.311.353</b>	<b>B CURRENT ASSETS</b>	<b>14</b>	<b>2.299.673</b>
	<b>334.437</b>	<b>I RECEIVABLES</b>	<b>15</b>	<b>322.757</b>
Trade receivables and other assets	334.437	1 Trade receivables	16	218.857
		2 Receivables from employees and members of the undertaking	17	212
		3 Receivables from government and other institutions	18	16.210

		4 Receivables from connected undertakings	19	3.735
		5 Other receivables	20	83.743
	<b>334.437</b>			<b>322.757</b>
	<b>1.862.667</b>	<b>II SHORT-TERM FINANCIAL ASSETS</b>	21	<b>1.862.667</b>
Short-term deposits	1.126.162	1 Financial assets at amortised cost	22	1.126.162
Financial assets at fair value through other comprehensive income	736.505	3 Financial assets at fair value through statement of profit or loss	24	736.505
	<b>1.862.667</b>			<b>1.862.667</b>
Cash and cash equivalents	<b>114.249</b>	<b>III. CASH AND CASH EQUIVALENTS</b>	25	<b>114.249</b>
	<b>13.629</b>	<b>C PREPAID EXPENSES AND ACCRUED INCOME</b>	26	<b>25.308</b>
Prepaid expenses	13.629	C PREPAID EXPENSES AND ACCRUED INCOME	26	25.308
	<b>13.629</b>			<b>25.308</b>
<b>TOTAL ASSETS</b>	<b>6.942.648</b>	<b>D TOTAL ASSETS</b>	<b>27</b>	<b>6.942.647</b>
<b>CAPITAL AND LIABILITIES</b>				
<b>Capital and reserves</b>	<b>6.027.947</b>	<b>A CAPITAL AND RESERVES</b>	29	<b>6.027.947</b>
Issued share capital	3.076.315	I INITIAL CAPITAL	30	3.076.315
Share premium	1.840.833	II CAPITAL RESERVES	31	1.840.833
	<b>966.150</b>	III PROFIT RESERVES	32	<b>966.150</b>
Legal reserves	18.714	1 Legal reserves	33	18.714
Own shares	(30.483)	2 Reserves for own shares	34	(30.483)
Fer value reserves	162.041	3 Fair value reserves	35	162.041
Other reserves	815.878	4 Other reserves	36	815.878
		IV REVALUATION RESERVES	37	-
		V RESERVES FROM EXCHANGE RATE DIFFERENCES FROM THE TRANSLATION OF FOREIGN OPERATIONS	38	-
Accumulated profit (loss)	144.649	IV Retained profit of loss brought forward	39	8.447
		V Profit or loss for the year	40	136.202
	<b>144.649</b>			<b>144.649</b>

	6.027.947			6.027.947
<b>Long term liabilities</b>	<b>154.516</b>	<b>Long term liabilities and provisions</b>	50	<b>154.516</b>
Long term lease liabilities	134.348	B Provisions	42	-
		D Long term liabilities	50	134.348
Deferred tax liabilities	20.168	E Deferred tax liabilities	51	20.168
	<b>154.516</b>			<b>154.516</b>
<b>Short term liabilities</b>	<b>294.830</b>	<b>C SHORT TERM LIABILITIES</b>	<b>43</b>	<b>294.829</b>
Trade and other payables	198.630	1 Advance payments received	44	7.795
Short term lease liabilities	96.200	2 Trade payables	45	72.174
		3 Liabilities to employees	46	43.758
		4 Taxes, contributions and similar liabilities	47	39.659
		5 Obligations to related parties	48	591
		6 Other short-term liabilities	49	130.852
	<b>294.830</b>			<b>294.829</b>
	<b>465.355</b>	<b>F Accruals and deferred income</b>		<b>465.355</b>
Contract liabilities	465.355			
Accrued expenses	-			
	<b>465.355</b>			<b>465.355</b>
<b>Total equity and liabilities</b>	<b>6.942.648</b>	<b>Total equity and liabilities</b>		<b>6.942.647</b>

**Recapitulation of the comparison of the TFI-POD profit and loss accounts with the statement of comprehensive income prepared according to IFRS for the fourth quarter of 2023**

P&L item (IFRS)	Amount (EUR)	P&L item (GFI)	AOP	Amount (EUR)
<b>Operating revenues</b>	<b>2.017.744</b>	<b>A OPERATING INCOME</b>	1	<b>2.017.744</b>
Sales revenue	1.299.319	I Sales revenue	2	1.299.319
Other operating income	718.425	II Other operating income	8	718.425
	<b>2.017.744</b>			<b>2.017.744</b>
<b>Operating expenses</b>	<b>2.051.464</b>	<b>B OPERATING EXPENSES</b>	12	<b>2.051.464</b>

Staff costs	<b>1.002.235</b>	<b>II Staff costs</b>	17	<b>951.287</b>
Other employee costs (GFI AOP 22)	(50.948)			
	<b>951.287</b>			<b>951.287</b>
	<b>841.488</b>			<b>892.436</b>
Other operating expenses	841.488	I Material costs	13	592.332
Expenses reported under Staff costs	50.948	IV Other costs	21	286.798
		V Value adjustment 024+025	23	-
		VII Other operating expenses	26	13.306
	<b>892.436</b>			<b>892.436</b>
Depreciation and amortization	<b>207.741</b>	III Depreciation	20	<b>207.741</b>
<b>Net finance income</b>	<b>171.752</b>	Net finance income		<b>171.752</b>
Financial income	155.601	C FINANCIAL INCOME	27	182.233
Dividend income	(10.260)	D FINANCIAL EXPENSES	34	(10.481)
Financial expenses	26.533			
Net loss from foreign exchange differences	(122)			
<b>Profit before tax</b>	<b>138.032</b>	<b>H PRE-TAX PROFIT OR LOSS</b>	43	<b>138.032</b>
<b>Income tax</b>	<b>1.830</b>	<b>I INCOME TAX</b>	44	<b>1.830</b>
<b>Profit for the period</b>	<b>136.202</b>	<b>J PROFIT OR LOSS FOR THE PERIOD</b>	45	<b>136.202</b>
<b>Other comprehensive income</b>				
Changes in fair value of equity investments through other comprehensive income	112.040	Unrealised gains/losses on financial assets at fair value through other comprehensive income	48	112.040
Income tax on other comprehensive income on items that cannot be reclassified to profit or loss	(20.168)	Income tax on other comprehensive income on items that cannot be reclassified to profit or loss	51	20.168
<b>Other comprehensive income</b>	<b>91.872</b>	<b>K OTHER COMPREHENSIVE INCOME</b>	52	<b>91.872</b>
<b>Total comprehensive income for the year</b>	<b>228.074</b>	<b>L TOTAL COMPREHENSIVE INCOME</b>	53	<b>228.074</b>