



ZAGREBAČKA BURZA
Zagreb Stock Exchange



LJUBLJANSKA BORZA
LJUBLJANA Stock Exchange

Zagreb Stock Exchange Group

Consolidated unaudited financial results for
01/01/2020 – 31/12/2020

24 February 2021

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1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 01/01/2020 AND 31/12/2020

1.1 Significant business events of the Group in the period between 01/01/2020 and 31/12/2020

In 2020, the Zagreb Stock Exchange Group (hereinafter: the Group) 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 AGROMEDIMURJE 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 Zagreb and Ljubljana Stock Exchange has been operating out of the office. The offices of the exchanges are closed until further notice, and business is regularly carried out at secondary locations and employees work from home. The objective of the Management Boards of both exchanges 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 began to take place again at the primary location on June 1, 2020. Due to the worsening of epidemiological conditions, the Zagreb Stock Exchange returned to work in teams at the beginning of July 2020, and full-time work from home started on October 26, 2020. The Ljubljana Stock Exchange started working in teams on September 21, and on October 19, 2020, moved to full-time work from home.

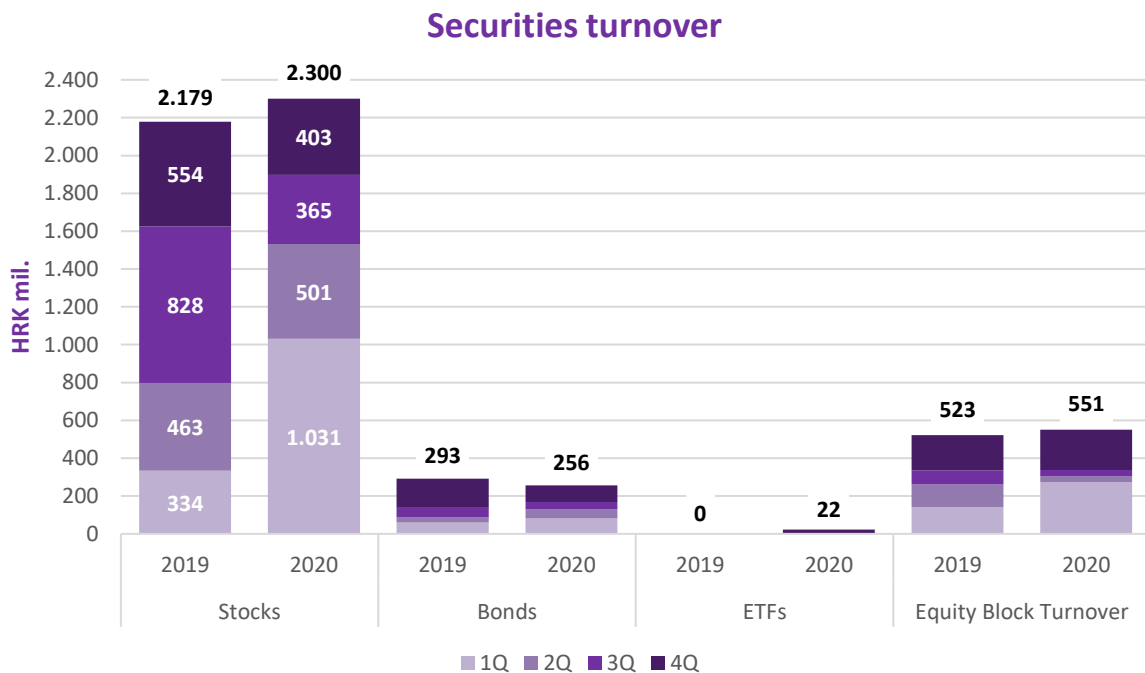
- On March 20, 2020, following the opinion of the Market Protection Measures Committee, the level of severity and effects of breaches of the Exchange Rules on investors and the proper functioning of the market, the Company made a decision on the termination of the listing of ELEKTROPROMET d.d.
- On March 23, 2020, the Ljubljana Stock Exchange hosted a webcast called Presenting Slovenian Listed Companies Online.
- 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 Zagreb Stock Exchange, and the issuer SavaRe from the Ljubljana Stock Exchange, were included in the EBRD analysis program aimed at increasing the public availability of analytical materials for small and medium enterprises listed on regional stock exchanges.
- On May 28, 2020, the Ljubljana Stock Exchange held a webcast entitled "Where to make money in times of crisis."
- 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 24 August 2020, the General Assembly of the Ljubljana 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 2, 2020, the Ljubljana Stock Exchange held a webcast entitled "Presentation of Slovenian listed companies".
- On September 29, 2020, the Zagreb and Ljubljana 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.
- At the end of October 2020, in accordance with all epidemiological measures, a traditional joint conference of the Zagreb Stock Exchange and UMFO was held, with 250 participants, and the introductory speech was given by the Minister of Finance, Governor, President of the Hanfa , family and social policy.
- In November 2020, the "PRIME Plus" investor conference was held, in which, in addition to issuers from the PRIME market of the Zagreb Stock Exchange, issuers from the Macedonian Stock Exchange also participated for the first time.
- The last quarter of 2020 was very active in the area of listing and delisting, so:
 - on October 1, shares of Modra špilja d.d. and Vis d.d. were listed on the Regular Market of the Exchange,
 - on October 14, HT transited to the Prime Market, and became the sixth share in the highest segment of the Zagreb Stock Exchange,
 - on October 22, shares of Terra Medirerrane d.d. were delisted,
 - on November 13, two ETFs, 7CRO and 7SLO, were listed on the Regular Market of the Zagreb Stock Exchange and are also the first ETFs listed in the history of the Zagreb Stock Exchange,
 - on December 11, bonds of Atlantic Grupa d.d. were listed on the Official Market,
 - on December 16, shares of Hoteli Vodice d.d. were delisted,

- on December 17, bonds of Atlantic Grupa d.d. were delisted,
 - on December 21, bonds of the Jadran-galenski Laboratory were delisted,
 - on December 22, shares of DTR d.d. were delisted,
 - on December 28, bonds of Samoborka d.d. were listed on the Regular Market,
 - on December 30, shares of Hotel Maestral d.d. were delisted,
 - on December 31, shares of Istra d.d. were delisted.
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- In December 2020, the traditional awards ceremony of the Zagreb Stock Exchange was held, as well as the investor conference of the Ljubljana Stock Exchange together with the award ceremony - for epidemiological reasons in an online format.

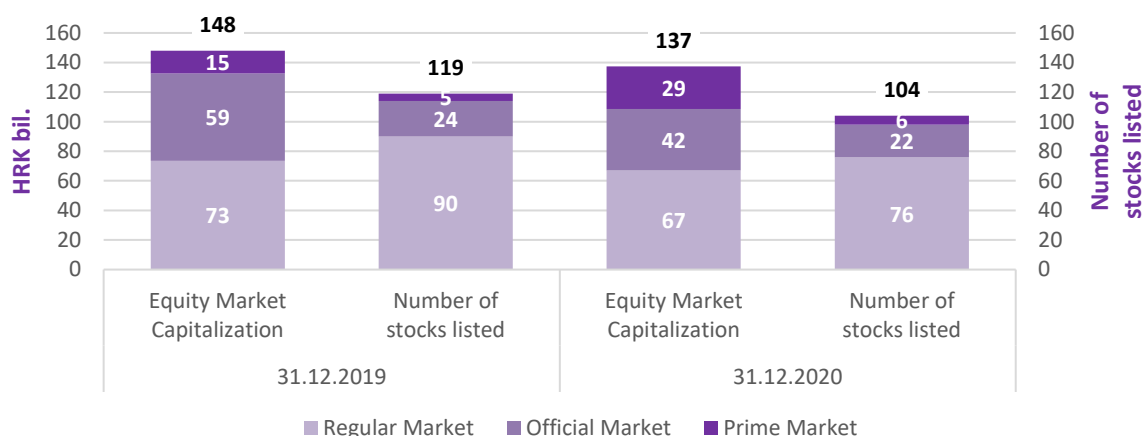
1.2 Zagreb and Ljubljana Stock Exchange Trading overview

The largest securities turnover in 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 which caused large oscillations in prices and turnovers on the Stock Exchange. For this reason, in the first quarter, the securities turnover was by far the largest compared to the other three quarters of 2020, i.e. even three times higher turnover compared to the first quarter of 2019 (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 the year before, while in the third quarter there was twice as fewer 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. In the fourth quarter of 2020, there was a slight increase in securities turnover compared to the previous quarter, and ETFs, which began trading in mid-November, attracted substantial investor interest. They achieved an excellent turnover of almost HRK 22 million in merely a few trading weeks ending the year in the "green".



Looking only at the fourth quarter of 2020, the total orderbook turnover amounted to HRK 513 million (-27.65% less compared to the fourth quarter of 2019). Orderbook stock turnover amounted to HRK 403 million or -27.32% less than in the fourth quarter of 2019. Overall, the orderbook turnover in 2020 amounted to HRK 2.58 billion or +4.3% more than in 2019, of which the stock turnover accounted for HRK 2.3 billion, which is +5.56% more than in 2019.

Equity Market Capitalization and number of stocks listed



Compared to the last day of 2019, the market value measured by market capitalization on December 31, 2020, is higher by a total of +7.1 billion HRK or +2.7%, while the equity market capitalization is lower by HRK -10.6 billion or -7.18%. 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 31 December 2020, a total of 15 shares were listed less than on the same day in 2019, 14 shares less on the Regular, and two shares less on the Official Market, of which one has transited to a higher quotation, Prime Market.

Trading overview

	2019	2020	change
Securities turnover (HRK)			
Orderbook turnover	2.471.654.732	2.577.834.414	4,30%
Stocks	2.179.124.772	2.300.273.793	5,56%
Bonds	292.529.960	255.649.429	-12,61%
ETFs	0	21.911.192	
Equity Block Turnover	522.597.696	551.112.599	5,46%
Debt Block Turnover	0	0	
TOTAL	2.994.252.428	3.128.947.013	4,50%
Equity Market Capitalization (HRK)			
Prime market	15.395.492.904	28.716.090.400	86,52%
Official market	59.131.758.922	41.567.941.436	-29,70%
Regular market	73.456.186.221	67.075.063.881	-8,69%
TOTAL	147.983.438.047	137.359.095.717	-7,18%
Number of securities listed			
Stocks	119	104	-12,61%
Prime market	5	6	20,00%
Official market	24	22	-8,33%
Regular market	90	76	-15,56%
Bonds	26	26	0,00%
ETFs	0	2	
TOTAL	145	130	-10,34%

With the exception of CROBEXkonstrukt, which increased by a significant +61.74%, CROBEXindustrija (+9.19%), and CROBEXturst (+0.61%), all other stock indices ended 2020 with a lower value compared to December 31, 2019. The largest decline was recorded by CROBEX (-13.79%), followed by CROBEXtr (-12.5%), CROBEXprime (-9.97%), CROBEXnutris (-9.53%), CROBEX10 (-9.34%), CROBEXplus (-0.4%). The regional index ADRIAprime decreased by -3.28% since December 31, 2019. Debt indices also recorded a slight decline compared to the same day the previous year: CROBIS (-2.8%), CROBIStr (-0.16%). In May 2020, the Stock Exchange introduced a new stock index, CROBEX10tr, while the calculation of the CROBEXtransport index ceased after October 2019 due to too few potential components of this index. The above data are visible in the following table.

Indices – value and turnover (2019 vs. 2020)

Index	31.12.2019	31.12.2020	Change	Turnover (HRK) 2019	Turnover (HRK) 2020	Change
CROBEX	2.017,43	1.739,29	-13,79%	1.350.953.901	1.885.108.067	39,54%
CROBEXtr	1.348,37	1.179,89	-12,50%	1.350.953.901	1.885.108.067	39,54%
CROBEX10	1.199,89	1.087,81	-9,34%	1.105.200.099	1.579.203.982	42,89%
CROBEX10tr	\	1.087,33	\	\	484.036.133	\
CROBEXprime	1.164,17	1.048,11	-9,97%	460.385.377	771.279.606	67,53%
CROBEXplus	1.108,73	1.104,30	-0,40%	1.746.444.397	1.866.174.136	6,86%
CROBEXindustrija	870,48	950,45	9,19%	187.629.843	324.532.518	72,96%
CROBEXkonstrukt	432,14	698,94	61,74%	17.588.508	96.873.815	450,78%
CROBEXnutris	689,01	623,36	-9,53%	663.015.538	286.638.338	-56,77%
CROBEXturst	3.456,83	3.477,97	0,61%	345.681.037	434.896.393	25,81%
CROBIS	115,59	112,36	-2,80%	9.656.303.872	25.040.891.148	159,32%
CROBIStr	187,18	186,89	-0,16%	9.656.442.652	25.040.891.148	159,32%
ADRIAprime	1.109,27	1.072,87	-3,28%	\	\	\

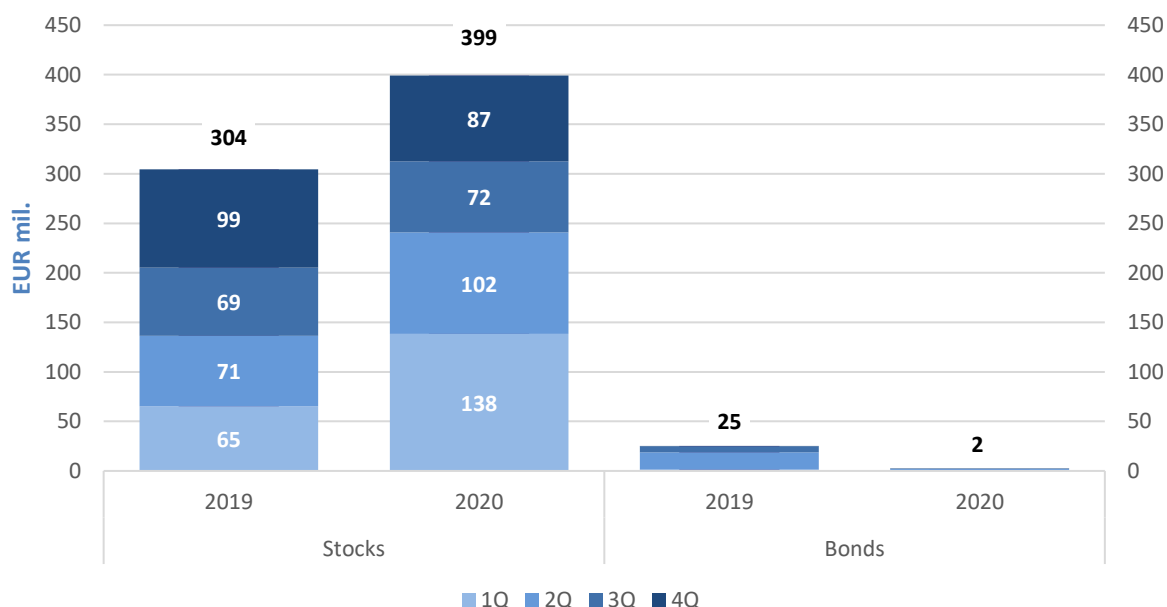
However, the comparison of the data for the fourth quarter with the data for the first quarter of 2020, shows a stable and positive trend. Namely, after a sharp decline in the indices value since the end of February 2020 due to a significant increase in securities turnover, the values of the indices 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 (+129.7%), CROBEXindustrija (+53.02%), CROBEXturst (+36.9%) CROBEXplus (+35.15%), and CROBEXprime (+25.49%), followed by CROBEXtr (+19.06%), CROBEX10 (+18.59%), CROBEX (+17.48%), and CROBEXnutris (+9.62%). The regional index ADRIAprime increased by +28.2%, and the dept indices by +3.08% (CROBIStr), and +1.12% (CROBIS).

Indices – value and turnover (1Q 2020 vs. 4Q 2020)

Index	31.3.2020	31.12.2020	Change	Turnover (HRK) 1Q 2019	Turnover (HRK) 4Q 2019	Change
CROBEX	1.480,51	1.739,29	17,48%	833.729.502	336.922.050	-59,59%
CROBEXtr	990,99	1.179,89	19,06%	833.729.502	336.922.050	-59,59%
CROBEX10	917,27	1.087,81	18,59%	726.698.762	279.501.265	-61,54%
CROBEX10tr	\	1.087,33	\	\	279.501.265	\
CROBEXprime	835,20	1.048,11	25,49%	319.143.034	154.875.313	-51,47%
CROBEXplus	817,11	1.104,30	35,15%	806.419.202	301.771.814	-62,58%
CROBEXindustrija	621,12	950,45	53,02%	135.462.693	65.331.015	-51,77%
CROBEXkonstrukt	304,28	698,94	129,70%	5.455.560	21.696.511	297,70%
CROBEXnutris	568,63	623,36	9,62%	121.086.165	58.995.416	-51,28%
CROBEXturist	2.540,45	3.477,97	36,90%	202.364.961	58.478.758	-71,10%
CROBIS	111,11	112,36	1,12%	7.889.119.416	954.125.363	-87,91%
CROBIStr	181,30	186,89	3,08%	7.889.119.416	954.125.363	-87,91%
ADRISprime	836,85	1072,87	28,20%	\	\	\

Total turnover on the Ljubljana Stock Exchange in the 2020 increased by +21.68% compared to 2019. As in Croatia, the increase in turnover is influenced by the appearance of Covid-19 in Slovenia, with equity turnover reaching almost EUR 400 million in 2020 (+31.12% increase over previous year when equity turnover reached just over EUR 300 million), while bond turnover amounted to EUR 2 million (a decrease of -92,64% compared to 2019 when it amounted to EUR 25 million).

Ljubljana Stock Exchange Turnover



Compared to December 31, 2019, the Equity Market Capitalization fell by -2.1% and as of December 31, 2020, amounted to EUR 6.92 billion. From the last value on December 31, 2019, the SBI TOP index fell by -2.78%.

LJSE Trading overview

	2019	2020	change
Total Turnover (EUR)	329.506.363	400.941.645	21,68%
Stocks	304.372.015	399.091.846	31,12%
Bonds	25.131.378	1.849.800	-92,64%
Commercial Papers	2.970	0	-100,00%
Equity Market Capitalization on 31 December (EUR)	7.067.579.297	6.919.359.198	-2,10%
Index value on 31 December	926	900	-2,78%

1.3 Expected future development of the Group

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

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

1.4 Research & Development activities

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

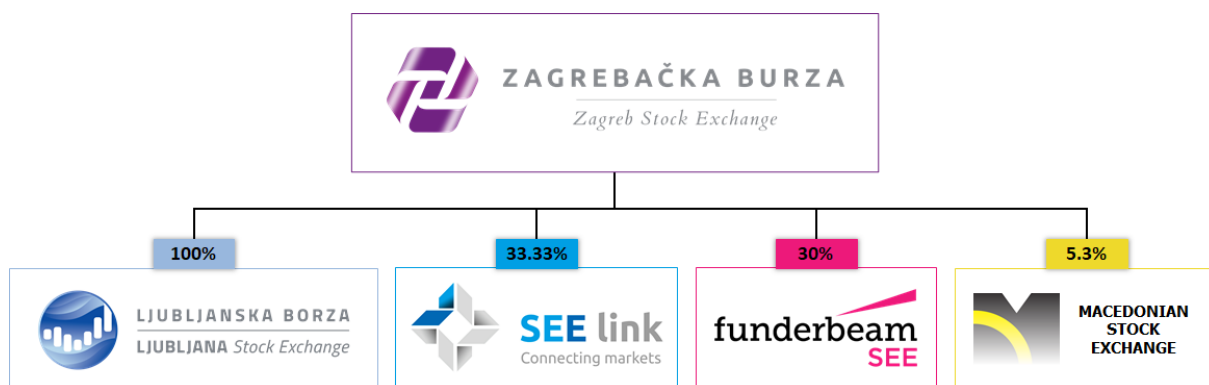
During the second half of 2019, the Zagreb Stock Exchange began migrating the Ljubljana Stock Exchange's downstream system to the Zagreb Stock Exchange's internally developed data warehouse system. Work on the full implementation of this system has also been carried over to the first part of 2020.

1.5 Information on repurchase of own shares

As of December 31, 2020, the companies in the Group held no own shares.

The companies in the Group did not acquire own shares between 1 January 2020 and 31 December 2020.

1.6 Zagreb Stock Exchange Group



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

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

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

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

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

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

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

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

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

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

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

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

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

The Group confirms that in 2020 there were no transactions within the Group and between the Group and its shareholders in excess of EUR 100,000.

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

The emergence and spread of Covid-19 virus in the Republic of Croatia and the Republic of Slovenia and the measures taken to stop the spread and suppression of the virus will certainly have negative effects on the entire economy. To mitigate these effects, the Governments of both countries have introduced a series of measures to support the economy. The Group companies did not qualify for any of the above measures.

With its infrastructure and working procedures, the Group 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 Group

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 – 31/12/2020

In 2020, the Group generated a total of HRK 26,311 thousand operating revenues, which is HRK +1,322 thousand or +5.29% more than in 2019 when operating revenues amounted to HRK 24,989 thousand. Compared to the previous year, in 2020 sales revenues increased from HRK 15,476 to HRK 18,642 thousand, i.e. by a significant HRK +3,166 thousand, with the largest increase within sales revenues recorded by commissions and membership fees, which increased from HRK 7,455 to HRK 8,876 thousand (HRK +1,421 thousand or +19.06%), which was greatly influenced by the already mentioned increased trading volume from the end of February to the end of April 2020. However, looking only at the fourth quarter of 2020, commissions and membership fees are lower by HRK -174 thousand or -8.17% compared to the fourth quarter of the previous year (down from HRK 2,130 to HRK 1,956 thousand), which is a reflection of the decline in securities turnover since mid-2020. Within sales revenues, revenues from listing maintenance fees also increased (increase from HRK 6,506 to HRK 7,705 thousand, i.e. HRK +1,198 thousand or +18.42%), revenues from quotation maintenance, continuing on a larger number of newly listed securities than in the year before, increased from HRK 1,118 to HRK 1,692 thousand, or by HRK +574 thousand or +51.28%), while revenue from assigning and administering LEIs fell from HRK 396 to HRK 370 thousand (HRK -26 thousand or -6.6%). Compared to 2019, in 2020, other operating revenues fell by a total of HRK -1,845 thousand (decrease from HRK 9,513 to HRK 7,668 thousand; HRK -1,845 thousand or -19.39%), within which revenues from the supply of information decreased from HRK 6,002 to HRK 5,878 thousand (HRK -124 thousand or -2.06%), and other revenues from HRK 3,511 to HRK 1,790 thousand (HRK -1,721 thousand or -49.02%). A significantly lower amount of other revenues in 2020 compared to the year before, mostly due to fewer educations, which is why, in one part, revenues from seminars were missing (in 2019 consolidated seminar revenues amounted to HRK 1,688 thousand). However, despite the COVID-19 crisis, the Zagreb Stock Exchange organized education through online platforms and in 2020 generated a small but significant income from seminars in the amount of HRK 643 thousand, while the Ljubljana Stock Exchange in the same period generated revenue on the same basis in the amount of HRK 132 thousand. In addition to the income from seminars, a significant decrease within the item other income was recorded in collected corrected receivables (2019: HRK 533 thousand; 2020: HRK 163 thousand), while income from the sale of fixed assets was completely absent (2019: HRK 364 thousand).

The Group's total operating expenses in 2020 amounted to HRK 24,147 thousand, which is a decrease of HRK -1,255 thousand or -4.94% compared to 2019 when operating expenses amounted to HRK 25,402 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, and practically absence of maintenance live promotional activities. The decrease in operating expenses was mostly due to the decrease in material costs (HRK -1,084 thousand or -13.8%; from HRK 7,854 to HRK 6,770 thousand) and other costs (HRK -869 thousand or -21.45%, i.e. from HRK 4,053 to HRK 3,184 thousand) for whose decline is most responsible the reduction of costs of translation, legal, notary and consulting services, royalties related to education, representation, business trips and PR. Compared to 2019, in 2020, other operating expenses also decreased (HRK -424 thousand or -68.92%; from HRK 615 to HRK 191

thousand), as well as the value adjustment of fixed and current assets (HRK -80 thousand or -20.51%; from HRK 388 to HRK 308 thousand), while staff costs increased by HRK +1,102 thousand or +10.38% (from HRK 10,619 to HRK 11,721 thousand), which is within the planned, and depreciation for HRK +100 thousand or +5.34% (from HRK 1,873 to HRK 1,973 thousand).

The Group's key business indicators

HRK 000	2019	2020	change	4Q 2019	4Q 2020	change
Capital and reserves	40.262	42.669	5,98%	40.262	42.669	5,98%
Total assets	47.797	51.173	7,06%	47.797	51.173	7,06%
Operating income	24.989	26.311	5,29%	7.504	6.788	-9,54%
<i>sales revenue</i>	15.476	18.642	20,46%	4.278	4.542	6,19%
<i>other operating income</i>	9.513	7.668	-19,39%	3.226	2.245	-30,40%
Operating expenses	25.402	24.147	-4,94%	7.363	6.727	-8,64%
<i>material costs</i>	7.854	6.770	-13,80%	2.150	1.984	-7,70%
<i>staff costs</i>	10.619	11.721	10,38%	2.879	2.872	-0,25%
<i>depreciation and amortization</i>	1.873	1.973	5,34%	477	504	5,58%
<i>other costs</i>	5.056	3.683	-27,15%	1.856	1.367	-26,38%
EBIT	-413	2.164	-623,69%	141	61	-56,78%
EBITDA	1.460	4.137	183,36%	619	565	-8,66%
Financial income	1.464	501	-65,78%	53	263	400,40%
Financial expenses	90	303	236,91%	32	13	-60,21%
Share in profit/ loss of associates and subsidiaries	75	-25	-133,58%	45	-56	-223,44%
Pre-tax profit or loss	1.036	2.336	125,53%	207	256	23,77%
Income tax	95	184	94,20%	69	-25	-136,15%
Profit or loss for the period	941	2.152	128,68%	138	281	103,74%
Other comprehensive income	95	239	152,85%	140	-20	-114,18%
Total comprehensive income	1.036	2.391	130,89%	278	261	-5,81%

The Group's operating profit in 2020 amounts to HRK 2,164 thousand, while in 2019 the operating loss amounted to HRK -413 thousand. At the level of the fourth quarter of 2020, the Group generated operating profit in the amount of HRK 61 thousand, while operating profit in the same period the previous year amounted to HRK 141 thousand. Financial revenues in 2020 amounted to HRK 501 thousand (a decrease of HRK 963 thousand or -65.78% compared to 2019), and most of that amount (HRK 384 thousand) was realized only in the second half which indicates significantly reduced or even negative returns of bond funds in which the Group invested free funds in the first half of 2020. In the middle of 2020, the income from the sale of financial assets obtained by the Zagreb Stock Exchange in the process of pre-bankruptcy settlement of one issuer was realized. In 2020, financial expenses amounted to HRK 303 thousand, HRK +213 thousand compared to the year before.

Taking into account all the above and income tax in the amount of HRK 184 thousand, the Group's net profit in 2020 amounted to HRK 2,152 thousand, which is HRK +1,211 thousand (+128.68%) more than in 2019 when the Group's net profit amounted to HRK 941 thousand. In the fourth quarter of 2020,

income tax amounted to HRK 25 thousand and the Group's net profit amounted to HRK 281 thousand, which is HRK +143 thousand (+103.74%) more than HRK 138 thousand net profit for the same period of 2019. Adding other comprehensive income to the net profit, in 2020 the total comprehensive income amounted to HRK 2,391 thousand (an increase of HRK +1,356 thousand or +130.89% compared to HRK 1,036 thousand in 2019), and in the fourth quarter of 2020 alone it amounted to HRK 261 thousand (a decrease of HRK -17 thousand or -5.81% compared to HRK 278 thousand in the same period of 2019).

Operating profit before interest, taxes, depreciation, and amortization is positive and for 2020 amounts to HRK 4,137 thousand, or HRK +2,677 thousand more than in 2019, while in the fourth quarter of 2020 alone, it amounts to HRK 565 thousand, i.e. HRK -54 thousand less than in the same period of 2019.

2 Declaration of responsibility for the preparation of financial statements

Financial statements of the Group prepared for the period between 01/01/2020 and 31/12/2020 give a fair and true account of facts in accordance with the International Standards of Financial Reporting and the Croatian Accounting Act.

Consolidated financial statements for the period between 01/01/2020 and 31/12/2020 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Group.

The management report for 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 Group is exposed.

Consolidated financial statements for 2020 have not been audited.

Ivana Gažić
President of the Management Board



ZAGREBAČKA BURZA d.d.
Zagreb

Tomislav Gračan
Member of the Management Board



Contact

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E-mail: ir@zse.hr

Consolidated unaudited financial statements of the Group
for 01/01/2020 – 31/12/2020

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	1.1.2020	to	31.12.2020
Year:	2020		
Quarter:	4		

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): 36

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

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

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Ljubljanska borza vrednostnih papirjev d.d. | Ljubljana, Slovenija | 5316081

Bookkeeping firm: Yes (Yes/No)

Sigma Tax Consulting d.o.o.

(name of the bookkeeping firm)

Contact person: Martina Butković

(only name and surname of the contact person)

Telephone: 01/4699-555

E-mail address: martina.butkovic@sigmabc.eu

Audit firm: (name of the audit firm)

Certified auditor: (name and surname)

BALANCE SHEET			
balance as at 31.12.2020			
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	14.982.290	15.620.230
I INTANGIBLE ASSETS	2	2.950.730	2.789.166
II TANGIBLE ASSETS 004+...+008	3	9.882.399	9.253.391
1 Land and buildings	4	7.208.909	6.953.709
2 Computer equipment	5	160.729	674.695
3 Other tangible assets	6	1.115.814	1.004.413
4 Leasehold improvements	7	1.396.947	620.574
5 Assets under construction	8	0	0
III FIXED FINANCIAL ASSETS 010+011	9	1.886.546	3.391.957
1 Investments in associates, subsidiaries and joint ventures	10	117.119	115.150
2 Financial assets at amortised cost	11	1.769.427	3.276.807
DEFERRED TAX ASSETS	12	262.615	185.716
B CURRENT ASSETS 014+020+024	13	32.425.983	34.060.357
I RECEIVABLES 015+...+019	14	3.758.157	2.951.824
1 Trade receivables	15	3.009.814	2.278.383
2 Receivables from employees and members of the undertaking	16	390	622
3 Receivables from government and other institutions	17	169.253	112.673
4 Receivables from connected undertakings	18	0	0
5 Other receivables	19	578.700	560.146
III SHORT-TERM FINANCIAL ASSETS 021+...+023	20	21.074.626	21.784.766
1 Financial assets at amortised cost	21	1.491.567	4.010.501
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	17.774.265
III CASH AND CASH EQUIVALENTS	24	7.593.200	9.323.767
C PREPAID EXPENSES AND ACCRUED INCOME	25	1.296.633	1.413.477
D TOTAL ASSETS 001+013+025	26	48.704.906	51.094.064
E OFF-BALANCE SHEET ITEMS	27	0	0
LIABILITIES			
A CAPITAL AND RESERVES 029+030+031+036+037+038	28	40.539.321	42.930.679
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	681.243	920.350
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	540.243	779.350
IV RETAINED PROFIT OR LOSS BROUGHT FORWARD	36	-21.300.251	-20.359.103
V PROFIT OR LOSS FOR THE YEAR	37	941.148	2.152.251
VI MINORITY INTEREST	38	0	0
B PROVISIONS	39	103.028	118.209
C SHORT-TERM LIABILITIES 041+...046	40	2.857.784	2.363.333
1 Liabilities for advance payments	41	17.007	266.720
2 Trade payables	42	950.881	662.173
3 Liabilities to employees	43	683.834	726.747
4 Taxes, contributions and similar liabilities	44	438.106	429.996
5 Liabilities to connected undertakings	45	0	5.276
6 Other short-term liabilities	46	767.956	272.421
D LONG-TERM LIABILITIES	47	567.952	275.174
E DEFERRED TAX LIABILITY	48	188.394	189.395
F ACCRUALS AND DEFERRED INCOME	49	4.448.427	5.217.274
G TOTAL LIABILITIES 028+039+040+047+048+049	50	48.704.906	51.094.064
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	40.539.321	42.930.679
1 Attributable to owners of the parent	53	40.539.321	42.930.679
2 Attributable to non-controlling interest	54	0	0

STATEMENT OF PROFIT OR LOSS

For the period 01.01.2020. to 31.12.2020

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	24.988.503	7.503.900	26.310.513	6.787.854
I Sales revenue 003+...+008	2	15.475.525	4.277.808	18.642.358	4.542.490
1 Commissions and membership fees	3	7.454.638	2.129.798	8.875.770	1.955.758
2 Listing maintenance fees	4	6.506.452	1.927.697	7.704.733	2.051.150
3 Income from quotation maintenance	5	1.118.504	125.834	1.692.039	443.194
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	395.931	94.479	369.816	92.388
II Other operating income 010+...+012	9	9.512.978	3.226.092	7.668.155	2.245.364
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	6.002.141	1.745.331	5.878.313	1.509.564
3 Other income	12	3.510.837	1.480.761	1.789.842	735.800
B OPERATING EXPENSES 014+017+021+022+023+026+027	13	25.401.641	7.362.656	24.146.947	6.726.814
I Material costs 015+016	14	7.853.759	2.149.730	6.769.706	1.984.150
1 Costs of raw materials	15	598.183	170.148	625.896	146.836
2 Other external costs	16	7.255.576	1.979.582	6.143.810	1.837.314
II Staff costs 018+...+020	17	10.619.048	2.879.075	11.721.138	2.871.995
1 Net salaries and wages	18	7.028.163	1.955.420	8.030.001	1.932.541
2 Tax and contributions from salary costs	19	2.684.289	695.298	2.801.567	732.887
3 Payroll contributions	20	906.596	228.357	889.570	206.567
III Depreciation	21	1.872.957	477.360	1.972.940	504.011
IV Other costs	22	4.053.077	1.416.639	3.183.648	1.030.412
V Value adjustment 024+025	23	388.053	218.703	308.456	175.679
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	388.053	218.703	308.456	175.679
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	614.747	221.149	191.059	160.567
C FINANCIAL INCOME 029+...+034	28	1.463.583	52.634	500.820	263.380
1 Interest, exchange rate differences, dividends and similar	29	19.604	19.467	1.080	379
2 Interest, exchange rate differences, dividends and similar	30	229.365	68.823	123.946	16.703
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	1.204.354	-43.469	265.810	243.981
5 Profit from reversal of provisions for impairment for expected	33	0	0	0	0
6 Other financial income	34	10.260	7.813	109.984	2.317
D FINANCIAL EXPENSES 036+...+040	35	89.862	31.860	302.754	12.678
1 Interest, exchange rate differences and other expenditures with	36	11.115	9.935	8.520	2.967
2 Interest, exchange rate differences and other expenditure from	37	78.747	21.925	62.085	9.707
3 Unrealised losses (expenses) from financial assets	38	0	0	0	0
4 Loss on impairment for expected credit losses	39	0	0	0	0
5 Other financial expenses	40	0	0	232.149	4
E TOTAL INCOME 001+028	41	26.452.086	7.556.534	26.811.333	7.051.234
F TOTAL EXPENDITURE 013+035	42	25.491.503	7.394.516	24.449.701	6.739.492
G Share in profit/loss of associates and subsidiaries	43	75.352	44.990	-25.304	-55.536
H PRE-TAX PROFIT OR LOSS 041-042+043	44	1.035.935	207.008	2.336.328	256.206
I INCOME TAX	45	94.787	69.009	184.077	-24.947
J PROFIT OR LOSS FOR THE PERIOD 044-045	46	941.148	137.999	2.152.251	281.153
1 Change in revaluation reserves (property, plant,	47	0	0	0	0
2 Actuarial gains/losses on defined benefit pension plans	48	0	0	-7.277	-7.277
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	94.563	139.507	246.384	-12.503
6 Income tax on other comprehensive income	52	0	0	0	0
K OTHER COMPREHENSIVE INCOME 047+...+052	53	94.563	139.507	239.107	-19.780
TOTAL COMPREHENSIVE INCOME 046+053	54	1.035.711	277.506	2.391.358	261.373
M RECLASSIFICATION ADJUSTMENTS	55	0	0	0	0
Appendix **					
Attributable to owners of the parent	56	1.035.711	277.506	2.391.358	261.373
Attributable to non-controlling interest	57	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method

for the period 01.01.2020. to 31.12.2020

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	1.035.934	2.336.328
2 Depreciation	2	1.872.961	1.972.940
3 Increase in short-term liabilities	3	64.581	1.041
4 Decrease in short-term receivables	4	0	646.801
5 Decrease in inventories	5	0	273
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	0	708.552
I Total cash flow increase from operating activities 001+...+007	8	2.973.476	5.665.935
1 Decrease in short-term liabilities	9	0	0
2 Increase in short-term receivables	10	853.400	0
3 Increase in inventories	11	239	0
4 Profit from reversal of provisions for impairment for expected	12	0	0
5 Other cash flow decrease	13	627.686	136.429
II Total cash flow decrease from operating activities 009+...+013	14	1.481.325	136.429
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sale of fixed tangible and intangible assets	15	3.366.691	0
2 Cash receipts the from sale of equity instruments and debt	16	0	0
3 Interest received	17	212.000	58.500
4 Dividends received	18	0	54.130
5 Other cash receipts from investment activities	19	4.927.477	2.342.455
III Total cash receipts from investment activities 015+...+019	20	8.506.168	2.455.085
1 Cash payments for the purchase of fixed tangible and intangible	21	923.991	948.132
2 Cash payments for the acquisition of equity financial	22	0	-82.302
3 Other cash payments from investment activities	23	3.105.924	3.000.000
IV Total cash payments from investment activities 021+...+023	24	4.029.915	3.865.830
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	25.269	34.333
4 Cash payments for the redemption of treasury shares	32	0	0
5 Other cash payments from financing activities	33	791.109	2.353.861
VI Total cash payments from operating activities 029+...+033	34	816.378	2.388.194
VII Cash and cash equivalents at the beginning of period	35	2.441.174	7.593.200
VIII Increase of cash and cash equivalents	36	5.152.026	1.730.567
IX Decrease of cash and cash equivalents	37	0	0
X Cash and cash equivalents at the end of period	38	7.593.200	9.323.767

STATEMENT OF CHANGES IN EQUITY										
Item	ADP	for the period from 1.1.2020 to 31.12.2020							Attributable to non-controlling interests	Total capital and reserves
		Attributable to owners of the parent								
		Subscribed capital	Capital reserves	Profit reserves	Profit or loss for the year (period)	Retained profit or loss brought forward	Fair value reserves	Other revaluation reserves		
1	2	3	4	5	6	7	8	9	10	11
Balance on the first day of the previous business year	1	46.357.000	13.860.181	141.000	189.554	-21.639.001	0	594.876	0	39.503.610
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	189.554	-21.639.001	0	594.876	0	39.503.610
Profit or loss for the period	5	0	0	0	941.148	0	0	0	0	941.148
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	94.563	0	94.563
Total directly recognized income and expenses of the previous year (previous year periods)	8	0	0	0	941.148	0	0	94.563	0	1.035.711
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	-189.554	338.750	0	-149.196	0	0
Balance on the last day of the previous business year reporting period	13	46.357.000	13.860.181	141.000	941.148	-21.300.251	0	540.243	0	40.539.321
Balance on the first day of the current business year	14	46.357.000	13.860.181	141.000	941.148	-21.300.251	0	540.243	0	40.539.321
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	941.148	-21.300.251	0	540.243	0	40.539.321
Profit or loss for the period	18	0	0	0	2.152.251	0	0	0	0	2.152.251
Unrealised gains or losses on financial assets at fair value through other comprehensive income	19	0	0	0	0	0	0	0	0	0
Other changes in equity unrelated to owners	20	0	0	0	0	0	0	239.107	0	239.107
Total directly recognised income and expenses of the current year (current period)	21	0	0	0	2.152.251	0	0	239.107	0	2.391.358
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	-941.148	941.148	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	2.152.251	-20.359.103	0	779.350	0	42.930.679

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 - 31.12.2020

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 amortised costs

The balance sheet position AOP 11 “2 Financial assets at amortised cost” as of 31 December 2020 in total amount of HRK the amount of HRK 3.276.807 (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 amortised cost in the amount of HRK 1.974.542 (31 December 2019: HRK 467.161), and
- 2) Financial assets at fair value through other comprehensive income in the amount of HRK 1.302.265 (31 December 2019: HRK 1.302.265)