



**ZAGREBAČKA BURZA**  
*Zagreb Stock Exchange*



**LJUBLJANSKA BORZA**  
*LJUBLJANA Stock Exchange*

# Zagreb Stock Exchange Group

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Consolidated unaudited financial results for  
1/1/2022 – 30/6/2022

29 July 2022



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## **1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 1/1/2022 AND 30/6/2022**

### **1.1 Significant business events of the Group in the period between 1/1/2022 and 30/6/2022**

In the first quarter of 2022, the Zagreb Stock Exchange Group (hereinafter: the Group) recorded the following significant business events:

- On March 8, 2022, the Stock Exchange marked International Women's Day by opening a trade with a symbolic bell ringing to highlight the need to involve more women in the world of work and their advancement in the business world.
- On March 11, 2022, the Ljubljana Stock Exchange marked International Women's Day by opening a trade with a symbolic sound of bells to emphasize the need to include more women in the world of work and their advancement in the business world.
- On March 23, 2022, the Ljubljana Stock Exchange held a webcast entitled "Slovenian listed companies online".
- On March 24, 2022, as part of the World Money Week, the Ljubljana Stock Exchange held a webinar entitled "Let's go to the stock exchange" intended for pupils and students.
- On May 26 and 27, 2022, the investment conference of the Zagreb and Ljubljana stock exchanges "CEE Investment Opportunities" was held. The event was organized for the first time in 2014. The aim of the event is to facilitate the access of regional and international investors to Slovenian and Croatian companies, thereby strengthening their visibility and supporting liquidity. For the second year in a row, Slovenian and Croatian companies were joined by companies listed on the Macedonian Stock Exchange. The event was held via the Zoom webinar platform, and was attended by about 200 analysts and investors from the region, as well as from Austria, the Czech Republic, Estonia, Germany, Poland, Spain, Turkey, Great Britain, the United States of America and Japan.
- On May 31, 2022, to bring the Slovenian capital market closer to the general public, the Ljubljana Stock Exchange organized an event called "Trade on the Stock Exchange", which was visited by more than 550 people.
- On June 8, 2022, 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 held since 2011. The training brought together more than a hundred representatives of companies listed on the Zagreb Stock Exchange and was held online.
- On June 14, the Zagreb Stock Exchange's General Assembly was held where, among others, a decision was made to regularly reduce the share capital by merging shares according to the ratio 2:1, by issuing to each shareholder one new ordinary registered share with a nominal

value of HRK 10 for two shares outstanding. The basic capital of the Zagreb Stock Exchange was thus reduced from HRK 46,357,000 by HRK 23,178,500 to HRK 23,178,500<sup>1</sup>.

- On June 15, 2022, a presentation was held at the Zagreb Stock Exchange for investors of the Funderbeam SEE campaign of the company FRIENDLY FIRE.
- On June 24, 2022, the Zagreb Stock Exchange acquired an additional 199 shares of the Macedonian Stock Exchange and increased its share in that stock exchange to 17.05%.
- On June 27, 2022, the new version of the Xetra T7 10.1 trading system was put into production on the Zagreb and Ljubljana Stock Exchanges. The migration was carried out without difficulty.

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<sup>1</sup> More in the Notes to the financial statements in item 10.

## 1.2 Zagreb and Ljubljana Stock Exchange overview

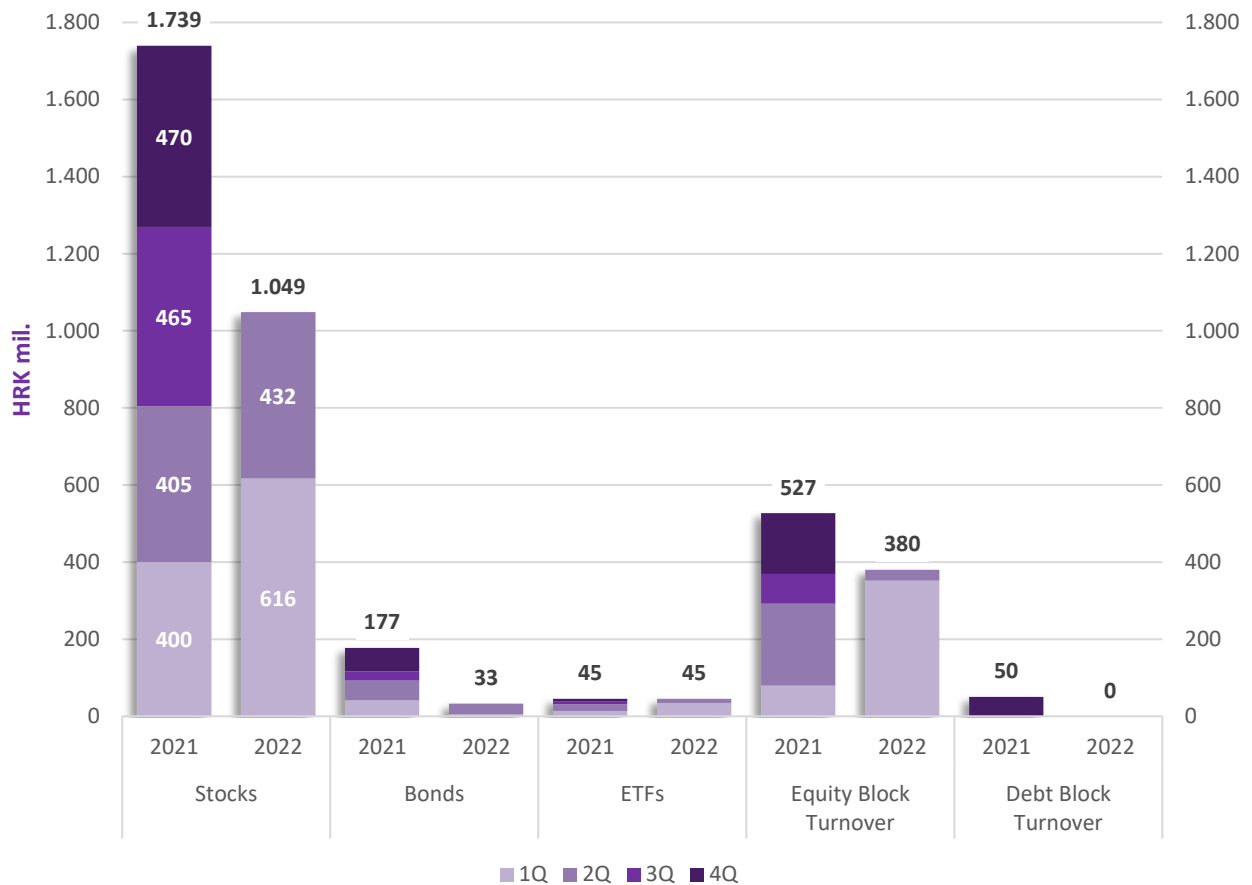
In the second quarter of 2022, the total turnover amounted to HRK 499 million, which is -27% less than in the same period of 2021, while the total turnover since the beginning of the year, i.e., in the first half of 2022, amounts to HRK 1,507 million (+32% compared to the first half of 2021).

### Securities turnover

HRK	2Q 2021	2Q 2022	change	1H 2021	1H 2022	change
<b>TOTAL TURNOVER</b>	685.821.627	499.472.946	-27,17%	1.140.549.730	1.506.902.174	32,12%
<b>Orderbook turnover</b>	<b>473.773.888</b>	<b>471.730.911</b>	<b>-0,43%</b>	<b>928.501.991</b>	<b>1.127.048.795</b>	<b>21,38%</b>
Stocks	404.793.992	432.379.785	6,81%	804.521.266	1.048.684.936	30,35%
Bonds	51.168.022	28.767.474	-43,78%	92.556.627	33.020.421	-64,32%
ETFs	17.811.874	10.583.652	-40,58%	31.424.099	45.343.438	44,30%
<b>Block turnover</b>	<b>212.047.739</b>	<b>27.742.035</b>	<b>-86,92%</b>	<b>212.047.739</b>	<b>379.853.379</b>	<b>79,14%</b>
Equity Block	212.047.739	27.742.035	-86,92%	212.047.739	379.853.379	79,14%
Debt Block	0	0		0	0	

The biggest jump in the amount of daily turnover began to be noticed in late February following the start of the war in Ukraine. The next few weeks were marked by high volatility, and the initial shock did not subside until late March. The continuation of the half-year brought mostly positive sentiment, so in the second quarter of 2022, the orderbook turnover amounted to HRK 471 million, only -0.43% less than in the second quarter of 2021. Of this amount, HRK 432 million refers to stock turnover (2Q 2021: HRK 405 million), HRK 29 million to bonds turnover (2Q 2021: HRK 51 million), while ETFs achieved a turnover of HRK 11 million (2Q 2021: HRK 18 million). The equity block turnover amounted to almost HRK 28 million (2Q 2021: HRK 212 million), while the debt block turnover was absent as in the same period last year. Since the beginning of 2022, the total turnover has reached HRK 1,507 million, which is as much as +32% more than in the first half of last year (1H 2021: HRK 1,141 million). Within the orderbook in the first half of 2022, the stock turnover amounted to HRK 1,049 million and is higher by +30.3% (1H 2021: HRK 805 million), the bond turnover was only HRK 33 million and is lower by -64,3% (1H 2021: HRK 93 million), while ETF turnover increased by +44.3% and amounts to HRK 45 million (1H 2021: HRK 31 million). The largest part of equity block turnover was realized in the first quarter, and at the level of the half-year, it amounts to a significant HRK 380 million, which is an increase of as much as +79% compared to the same period in 2021 (1H 2021: HRK 212 million).

## Securities turnover



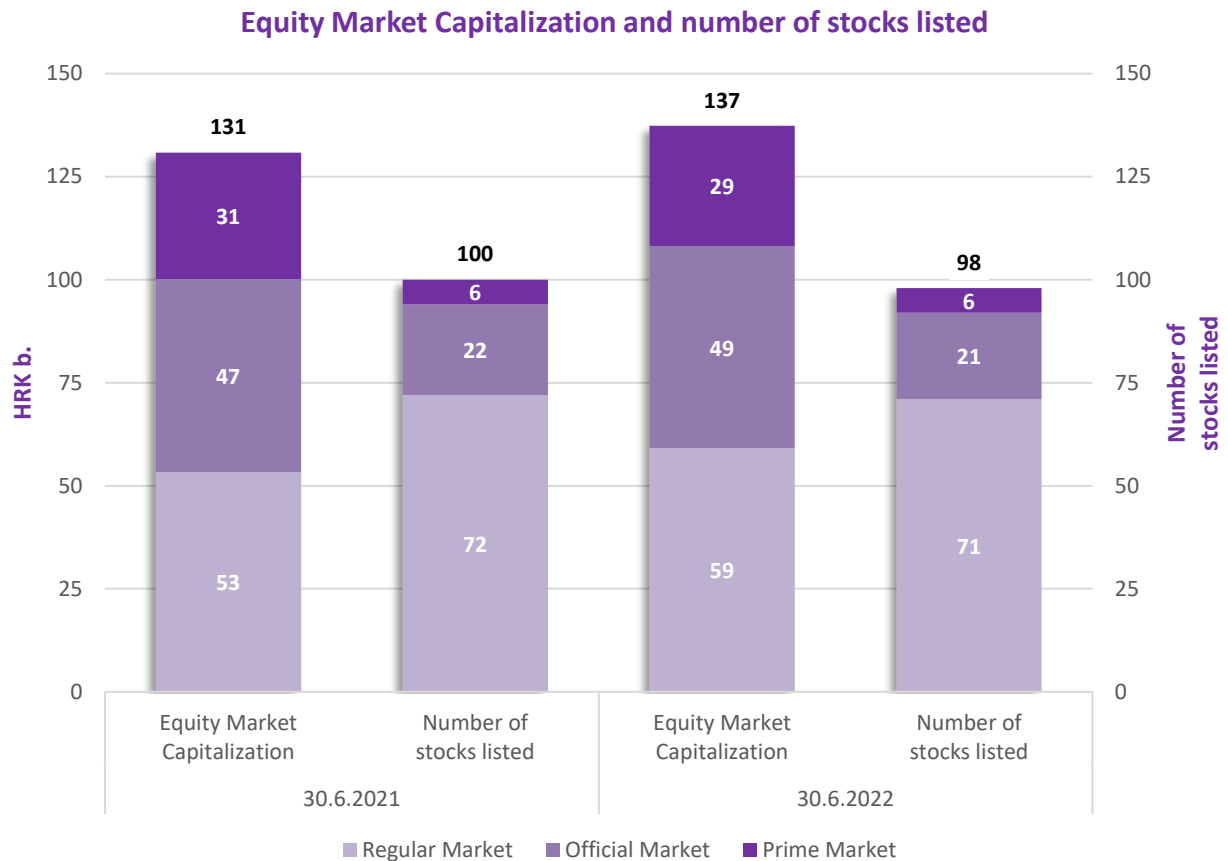
The market value measured by market capitalization as of 30 June 2022 was higher by a total of HRK 335 million compared to the end of the first half of 2021. The equity market capitalization is higher by HRK +6.5 billion or +5%, with the market capitalization of the Prime Market lower by -4.7%, the Official Market higher by +4.4%, and the Regular Market by +11%. The debt market capitalization is lower by -4.6% while the value of ETFs increased by a significant +25.5%.

### Market capitalization and number of listed securities

	Market capitalization (HRK)			Number of listed securities		
	30.6.2021	30.6.2022	change	30.6.2021	30.6.2022	change
<b>TOTAL</b>	<b>263.598.641.185</b>	<b>263.934.200.886</b>	<b>0,13%</b>	<b>130</b>	<b>130</b>	<b>0,00%</b>
Stocks	130.834.615.709	137.319.943.118	4,96%	100	98	-2,00%
Prime Market	30.729.538.906	29.294.947.386	-4,67%	6	6	0,00%
Official Market	46.823.250.251	48.898.906.526	4,43%	22	21	-4,55%
Regular Market	53.281.826.552	59.126.089.206	10,97%	72	71	-1,39%
Bonds	132.711.816.473	126.548.728.789	-4,64%	28	30	7,14%
ETFs	52.209.004	65.528.979	25,51%	2	2	0,00%

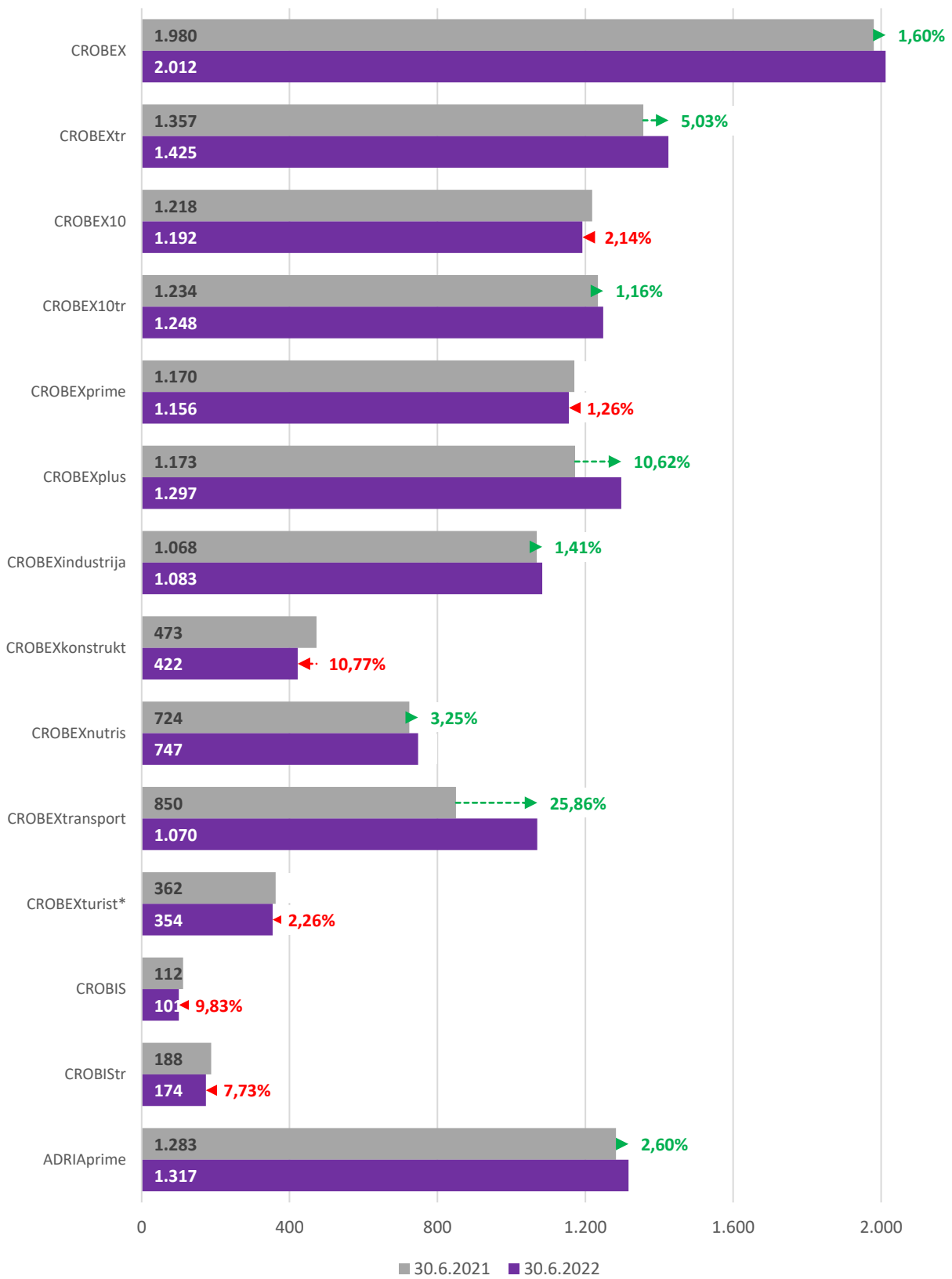


Compared to the end of the first half of 2021, as of 30 June 2022, one less share was listed on the Regular and the Official Market, while the number of stocks listed on the Prime Market remained unchanged.



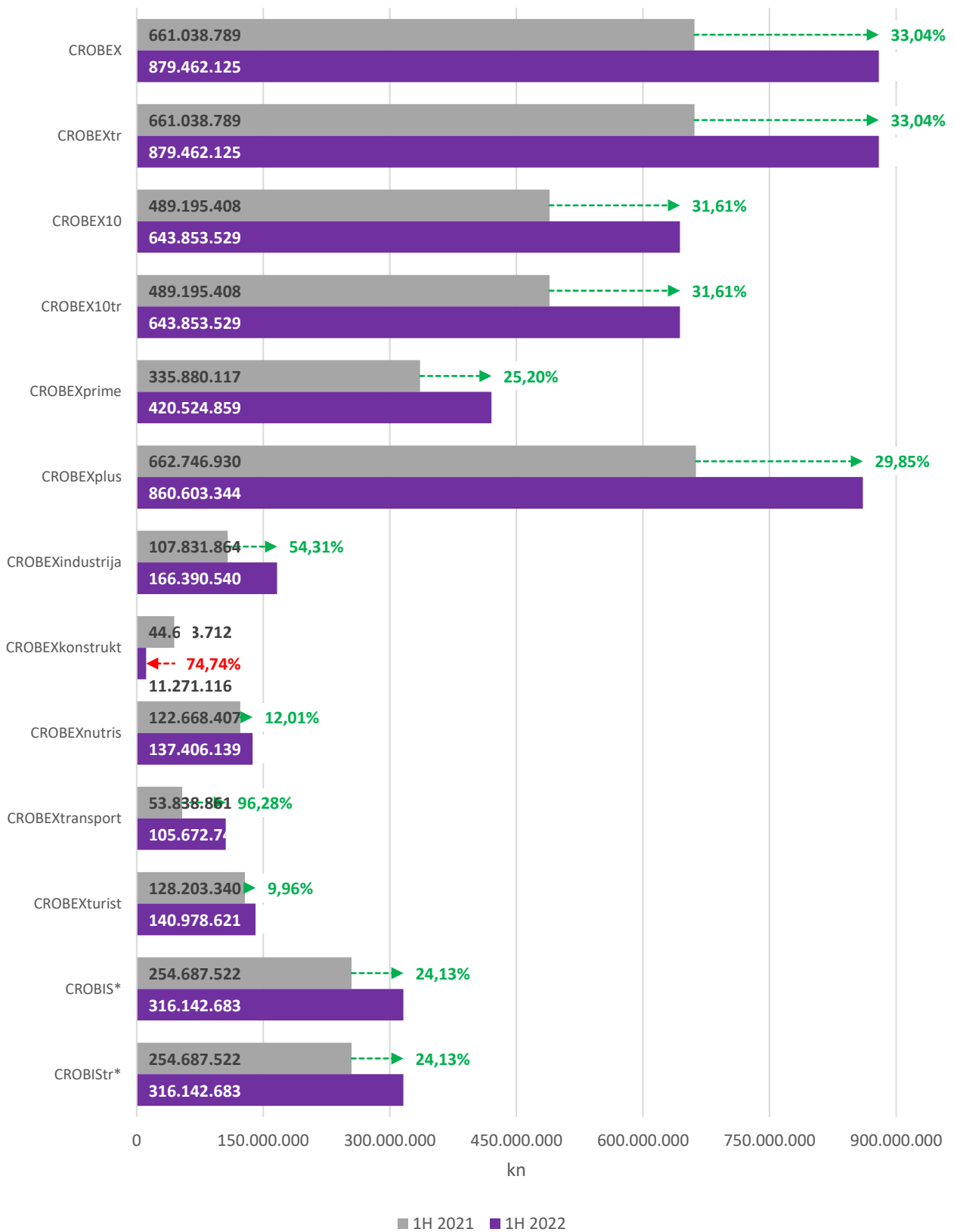
A comparison of data for the first half of 2022 with data from the same period last year shows a stable trend among indices as well. With the exception of CROBEXkonstrukt, which weakened -10.77%, all other stock indices increased or slightly decreased compared to the closing value on June 30, 2021. CROBEXtransport (+26%) increased the most, followed by CROBEXplus (+11%). CROBEXtr, which also calculates the dividend yield, rose by +5%, which is an excellent indicator of the return on investment that investors could achieve. The ADRIprime regional index rose by +2.6%, while bond indices fell by -9.8% (CROBIS) and -7.7% (CROBIStr).

### Indices - value (30.6.2021 vs. 30.6.2022)



\* (=x/10)

### Indices - turnover (1H 2021 vs. 1H 2022)



\* (=x/10)

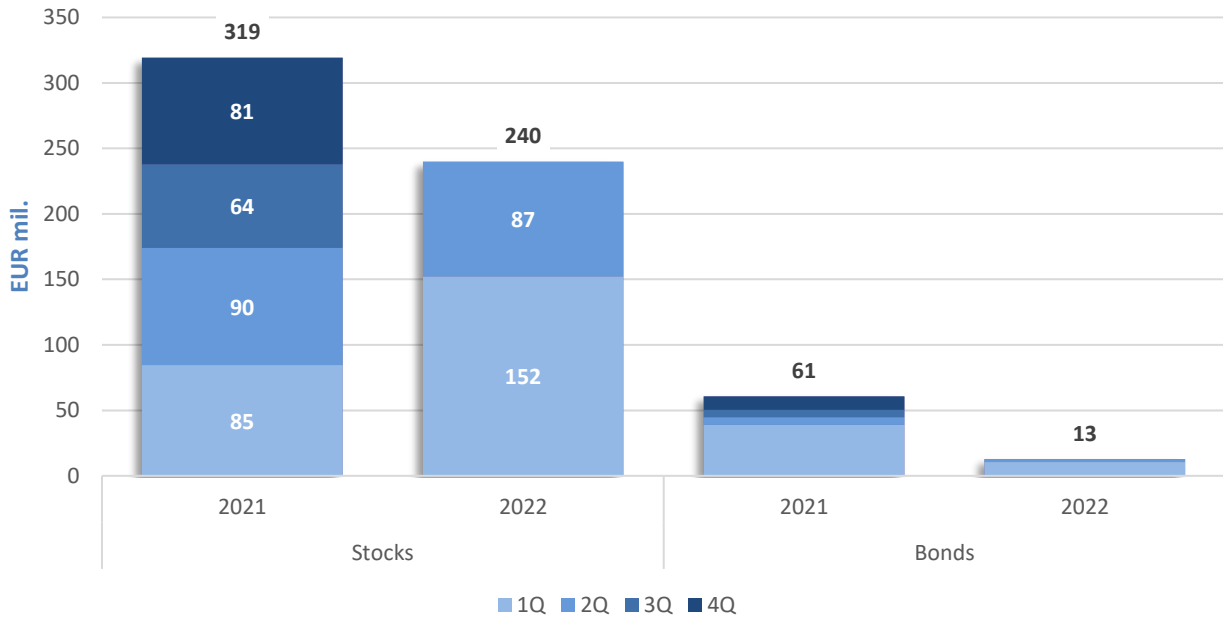
The total turnover at the Ljubljana Stock Exchange in the second quarter of 2022 amounted to EUR 90 million, which is a decrease of -6% compared to the second quarter of last year, while the total turnover since the beginning of the year, i.e., in the first half of 2022, amounted to EUR 253 million which is an increase of +15.5% compared to the first half of 2021.

#### LJSE overview

EUR	2Q 2021	2Q 2022	change	1H 2021	1H 2022	change
<b>TOTAL TURNOVER</b>	<b>95.509.856</b>	<b>89.631.744</b>	<b>-6,15%</b>	<b>218.973.101</b>	<b>252.893.074</b>	<b>15,49%</b>
<b>Orderbook turnover</b>	<b>89.569.285</b>	<b>87.430.752</b>	<b>-2,39%</b>	<b>174.154.762</b>	<b>240.051.771</b>	<b>37,84%</b>
Stocks	89.533.132	87.384.654	-2,40%	174.104.799	239.705.409	37,68%
Bonds	23.864	3.361	-85,91%	37.673	15.706	-58,31%
Structured products	12.290	42.737	247,75%	12.290	330.656	2590,55%
<b>Block turnover</b>	<b>5.940.571</b>	<b>2.200.992</b>	<b>-62,95%</b>	<b>44.818.339</b>	<b>12.841.303</b>	<b>-71,35%</b>
Equity block	5.940.571	2.200.992	-62,95%	44.818.339	12.841.303	-71,35%
Debt block	0	0		0	0	
	<b>30.6.2021</b>	<b>30.6.2022</b>	<b>change</b>			
<b>Equity Market Capitalization (EUR)</b>	8.464.381.741	7.985.270.725	-5,66%			
<b>SBITOP</b>	1.125	1.118	-0,54%			
<b>SBITR</b>	1.268	1.343	5,91%			

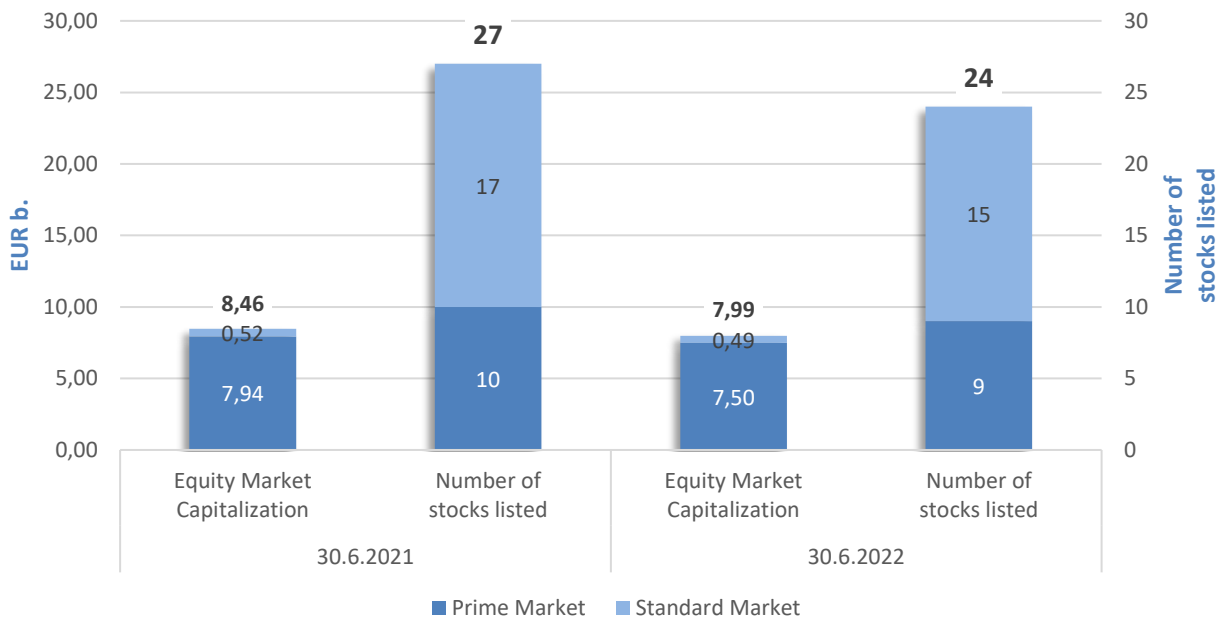
Within the orderbook, the stocks turnover in the second quarter of 2022 reached the amount of EUR 87 million, which is a slight decrease of -2.5% compared to the same period last year when it amounted to EUR 89 million. The share of bonds and structured products turnover is far lower than the stocks turnover share in the total securities turnover of the Ljubljana Stock Exchange. In the second three months of 2022, the bonds turnover amounted to only EUR 3.3 thousand (2Q 2021: EUR 24 thousand), while at the same time the turnover of the structured products amounted to EUR 42.7 thousand. In the second quarter of 2022, the equity block turnover amounted to EUR 2 million (a decrease of EUR - 3.7 million compared to the second quarter of 2021), while the debt turnover was absent as at the same time last year. At the half-yearly level, the stock turnover within the orderbook is higher by +37.7% and in the first half of 2022 amounts to EUR 240 million. At the same time, bonds turnover reached the amount of only EUR 15.7 thousand (1H 2021: EUR 37.7 thousand), and the turnover of the structured products was EUR 330.6 thousand (1H 2021: EUR 12 thousand). The equity block turnover in the first six months of 2022 is EUR 12.8 million, which is a decrease of -71.3% compared to the same period last year (1H 2021: EUR 44.8 million), while the debt block turnover is not recorded as in the same period last year.

### Stocks turnover at the Ljubljana Stock Exchange



Compared to June 30, 2021, the equity market capitalization decreased by -5.7% and on the last day of the first half of 2022 amounted to almost EUR 8 billion. From the last value on June 30, 2021, the SBITOP index slightly decreased by -0.5% and amounts to 1,118, while the SBITR index increased by almost +6%, ending June this year at a value of 1,343.

### Equity Market Capitalization and number of stocks listed



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

In 2022, the Group will continue to focus on restoring confidence and raising Corporate Governance standards and reporting on a regulated market. The Group will also focus on greater promotion of existing issuers, with a focus on Prime Market. The Group will continue internally to develop IT services that will be used by the Zagreb and Ljubljana Stock Exchanges, and thus further reduce the need for external suppliers.

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

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

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

In 2021, the biggest focus was on the development of Exchange's own trading monitoring software, Zeus, as well as on the Exchange's strategy development project for the next five years. The Exchange also participated in the CCP implementation project for the Republic of Croatia and successfully implemented new trading system releases and other infrastructure optimization activities.

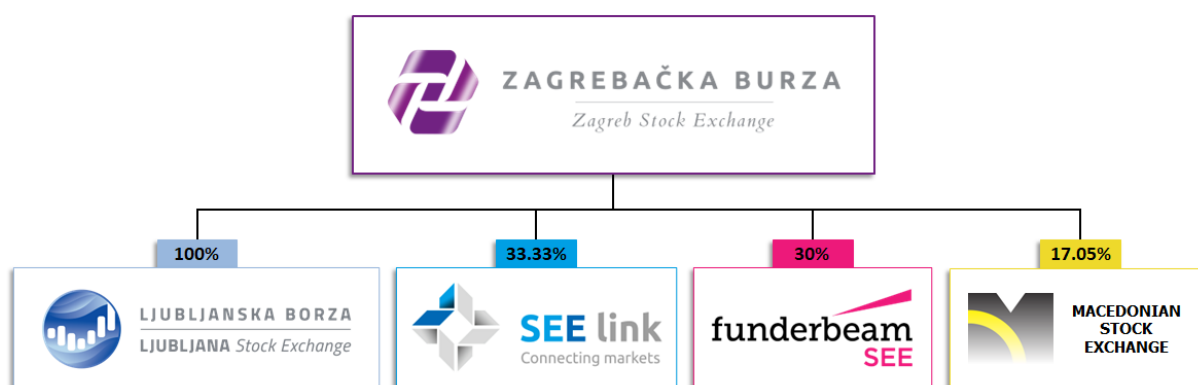
In 2022, the Zagreb Stock Exchange is intensively carrying out activities and preparatory actions for the introduction of the euro as the official currency in the Republic of Croatia from January 1, 2023

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

As of June 30, 2022, the companies in the Group held no own shares.

The companies in the Group did not acquire own shares between 1 January 2022 and 30 June 2022.

## 1.6 Zagreb Stock Exchange Group



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

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

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

On June 30, 2022, the Zagreb Stock Exchange, Inc. holds a total of 476 shares, i.e., 17.05% of the share capital of Macedonian Stock Exchange, Inc.<sup>2</sup>

## 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.

<sup>2</sup> After the balance sheet date, the Zagreb Stock Exchange increased its ownership stake in the Macedonian Stock Exchange to 691 shares or 24.75% in two additional transactions.

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

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

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

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

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

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

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

The Group confirms that in 2022 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 ongoing war in Ukraine and sanctions against the Russian Federation are affecting economies in Europe and the world. The Group has no significant 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.

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 Group's operations that it would require disclosure in the management report.



## 1.12 Business results for 1/1/2022 – 30/6/2022

In the first half of 2022, the Group generated a total of HRK 14,484 thousand of operating revenues, which is HRK +1,839 thousand or +14.5% more than in the same period last year when they amounted to HRK 12,645 thousand. Compared to the first half of 2021, sales revenue increased from HRK 8,792 to HRK 9,975 thousand, i.e., by HRK +1,183 thousand or +13.5%. The increase in sales revenue is primarily the result of an increase in income from commissions and membership fees, which, following the increased securities turnover from the end of February to mid-March this year, reached the amount of HRK 5,062 thousand by the end of the first half of this year; HRK +1,038 thousand or +25.8% more compared to the first half of 2021, when they amounted to HRK 4,025 thousand. In the first six months of 2022, income from listing maintenance fees amounts to HRK 3,917 thousand, which is an increase of HRK +84 thousand or +2.2% (1H 2021: HRK 3,833 thousand). Due to a slightly higher number of new listings than in the same period last year, in the first half of 2022, income from quotation maintenance increased by HRK +61 thousand or +6.5% and amounted to HRK 995 thousand (1H 2021: HRK 934 thousand). Compared to the first half of 2021, other operating income increased by a significant HRK +656 thousand or +17%, i.e., from HRK 3,853 to HRK 4,509 thousand. The stated increase in other operating income is a consequence of the increase in other income by HRK +710 thousand or +85.7% which amounts to HRK 1,540 thousand and includes income from education and income from issuing and maintaining LEI (1H 2021: HRK 829 thousand). Income from the supply of information fell by HRK -54 thousand or -1.8% and amounted to HRK 2,969 thousand (1H 2021: HRK 3,024 thousand).

Observing only at the second quarter of 2022, the Group's total operating income amounts to HRK 6,599 thousand, which is an increase of HRK +174 thousand (+2.7%) compared to the second quarter of last year, when operating income amounted to HRK 6,425 thousand. Sales revenues fell from HRK 4,411 thousand in the second quarter of 2021 to HRK 4,203 thousand in the same period of the current year. The decrease in income from commissions and membership fees from HRK 2,027 to HRK 1,876 thousand (-HRK 151 thousand or -7.5%) contributes to the aforementioned decline. The income from listing maintenance fees remained at almost the same level and amounts to HRK 1,970 thousand (2Q 2021: HRK 1,963 thousand). Income from quotation maintenance fell from HRK 420 to HRK 356 thousand (HRK -65 thousand or -15.4%). Other operating income increased from HRK 2,013 to HRK 2,396 thousand (HRK +383 thousand or +19%). Within other operating income, income from the supply of information fell from HRK 1,575 to HRK 1,475 thousand (HRK -100 thousand or -6.3%), and other income increased from HRK 438 to HRK 921 thousand (HRK +482 thousand or +110%).

Along with the normalization of business operations after two pandemic years, the Group began to record an increase in operating expenses, while the impact of inflation on their amount should also be taken into account. The Group's total operating expenses were thus HRK +1,613 thousand (+13.4%) higher than in the first half of 2021 and amounted to HRK 13,645 thousand (1H 2021: HRK 12,031 thousand). All items of operating expenses are higher in the first half of 2022 compared to the same period last year:

- staff costs amount to HRK 6,820 thousand, which is an increase of HRK +777 thousand or +12.9% (1H 2021: HRK 6,043 thousand),
- material costs amount to HRK 4,010 thousand, which is an increase of HRK +589 thousand or +17.2% (1H 2021: HRK 3,421 thousand),

- other costs amount to HRK 1,676 thousand, which is an increase of HRK +142 thousand or +9.3% (1H 2021: HRK 1,534 thousand),
- depreciation amounts to HRK 1,061 thousand, which is an increase of HRK +74 thousand or +7.5% (1H 2021: HRK 987 thousand),
- other operating expenses amount to HRK 28 thousand, which is an increase of HRK +23 thousand (1H 2021: HRK 5 thousand),
- value adjustment amounts to HRK 50 thousand, which is an increase of HRK +8 thousand or +19.4% (1H 2021: HRK 42 thousand).

In the second quarter of 2022 alone, operating expenses amount to HRK 7,113 thousand, which is an increase of HRK +722 thousand or +11.3% compared to the same period last year (2Q 2021: HRK 6,391 thousand). The biggest increase was recorded in material costs, which amounted to HRK 1,741 thousand in the second quarter of 2021, and HRK 2,227 thousand in the same period of the current year (HRK +485 thousand or +27.9%). In addition to them, staff costs increased from HRK 3,220 to HRK 3,400 thousand (HRK 180 thousand or +5.6%), depreciation increased from HRK 502 to HRK 538 thousand (HRK +36 thousand or +7.1%), value adjustment increased from HRK 42 to HRK 50 thousand (HRK +8 thousand or +19.4%), and other costs from HRK 882 to HRK 898 thousand (HRK +16 thousand or +1.8%). Other operating expenses were almost annulled (HRK -3 thousand or -99%).

#### The Group's key business indicators

	000 HRK	1H 2021	1H 2022	change	2Q 2021	2Q 2022	change
Capital and reserves		43.261	43.751	1,13%	43.261	43.751	1,13%
Total assets		54.772	54.991	0,40%	54.772	54.991	0,40%
<b>Operating income</b>		<b>12.645</b>	<b>14.484</b>	<b>14,54%</b>	<b>6.425</b>	<b>6.599</b>	<b>2,71%</b>
<i>sales revenue</i>		8.792	9.975	13,45%	4.411	4.203	-4,73%
<i>other operating income</i>		3.853	4.509	17,03%	2.013	2.396	19,00%
<b>Operating expenses</b>		<b>12.031</b>	<b>13.645</b>	<b>13,41%</b>	<b>6.391</b>	<b>7.113</b>	<b>11,29%</b>
<i>material costs</i>		3.421	4.010	17,21%	1.741	2.227	27,86%
<i>staff costs</i>		6.043	6.820	12,85%	3.220	3.400	5,58%
<i>depreciation and amortization</i>		987	1.061	7,49%	502	538	7,09%
<i>other costs</i>		1.580	1.754	10,99%	927	948	2,31%
<b>EBIT</b>		<b>614</b>	<b>839</b>	<b>36,74%</b>	<b>34</b>	<b>-514</b>	<b>-1624,63%</b>
<b>EBITDA</b>		<b>1.600</b>	<b>1.900</b>	<b>18,71%</b>	<b>536</b>	<b>24</b>	<b>-95,56%</b>
Financial income		42	55	32,62%	-28	8	
Financial expenses		299	681	127,70%	65	399	512,31%
Share in profit/loss of associates and subsidiaries		20	16	-21,16%	-52	8	
<b>Pre-tax profit or loss</b>		<b>377</b>	<b>230</b>	<b>-39,00%</b>	<b>-112</b>	<b>-897</b>	<b>701,86%</b>
Income tax		53	151	184,38%	7	-7	-203,66%
<b>Profit or loss for the period</b>		<b>324</b>	<b>79</b>	<b>-75,61%</b>	<b>-119</b>	<b>-890</b>	<b>649,71%</b>
Other comprehensive income		7	445	6456,37%	-117	289	
<b>Total comprehensive income</b>		<b>331</b>	<b>524</b>	<b>58,63%</b>	<b>-236</b>	<b>-601</b>	<b>154,90%</b>
Number of employees		37	38	2,70%	37	38	2,70%

The Group's operating profit in the first half of 2022 amounted to HRK 839 thousand, while in the same period last year it amounted to HRK 614 thousand (HRK +225 thousand or +36.7%). At the level of the second quarter, the Group reports an operating loss in the amount of HRK -514 thousand, while the operating profit in the same period last year amounted to HRK 34 thousand. Financial income recorded modest growth in the first half of the year as well as in the second quarter compared to the same periods last year. In the first half of 2022, financial income amounted to HRK 55 thousand (HRK +13 thousand or +36.6%), while financial income in the second quarter accounted for HRK 8 thousand (HRK +36 thousand). In the first half of this year, financial expenses amount to HRK 681 thousand (HRK +382 thousand or +127.7%), while in the second quarter alone they are higher by HRK +334 thousand and amount to HRK 399 thousand. Changes in the movement of financial income and expenses are primarily the result of the negative yield of bond funds in which the Group has invested free funds.

If we add up the positive operating profit, negative net financial result and share in the profit of the associates and subsidiaries in the amount of HRK 16 thousand and income tax in the amount of HRK 151 thousand, the Group's net profit in the first six months of 2022 amounts to HRK 79 thousand which is HRK -245 thousand (-75.6%) less than in the same period of 2021 when the Group's net profit amounted to HRK 324 thousand. Adding other comprehensive income in the amount of HRK 445 thousand to the net profit, the Group's total comprehensive income for the first half of 2022 amounts to HRK 534 thousand (an increase of HRK +194 thousand or +58.6% compared to HRK 331 thousand in the first half of 2021. The share in the profit of the associates and subsidiaries in the second quarter of 2022 is HRK 8 thousand, and the income tax is a positive HRK 7 thousand, therefore the Group in the second quarter of 2022 reports a loss in the amount of HRK -890 thousand and a total comprehensive loss in the amount of HRK -601 thousand.

Operating profit before interest, taxes, depreciation and amortization is positive and in the first half of 2022 amounts to HRK 1,900 thousand, i.e., HRK +300 thousand more than in the first half of 2021, while in the second quarter of 2022 it amounts to HRK 24 thousand, i.e., HRK -512 thousand less than in the same period last year.

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

Financial statements of the Group prepared for the period between 1/1/2022 and 30/6/2022 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 1/1/2022 and 30/6/2022 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Group.

The management report for the first half of 2022 contains a true and fair view of the development and results of operations, with a description of the principal risks and uncertainties to which the Group is exposed.

Consolidated financial statements for the first half of 2022 have not been audited.

Ivana Gažić  
President of the Management Board



Tomislav Gračan  
Member of the Management Board



### **Contact**

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Croatia

Phone number: +385/ 1 4686 806

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Consolidated unaudited financial statements of the Group for  
1/1/2022 – 30/6/2022

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

1.1.2022

to

30.6.2022

Year:

2022

Quarter:

2

## Quarterly financial statements

Registration number (MB):

03749606

Issuer's home  
Member State code:

HR

Entity's registration  
number (MBS):

080034217

Personal identification  
number (OIB):

84368186611

LEI:

7478000050A040C0D041

Institution  
code:

4

Name of the issuer: Zagreb Stock Exchange, Inc

Postcode and town:

10000

Zagreb

Street and house number:

Ivana Lučića 2a/22

E-mail address:

sandra.semuga@zse.hr

Web address:

www.zse.hr

Number of employees  
(end of the reporting

38

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)

<b>BALANCE SHEET</b>			
balance as at 30.6.2022			
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
<b>ASSETS</b>			
<b>FIXED ASSETS 002+003+009+012</b>	<b>1</b>	<b>17.038.930</b>	<b>20.527.862</b>
<b>I INTANGIBLE ASSETS</b>	<b>2</b>	<b>2.803.702</b>	<b>2.799.411</b>
<b>II TANGIBLE ASSETS 004+...+008</b>	<b>3</b>	<b>11.762.570</b>	<b>11.538.614</b>
1 Land and buildings	4	9.428.635	8.937.217
2 Computer equipment	5	742.389	662.921
3 Other tangible assets	6	941.859	1.154.016
4 Leasehold improvements	7	649.687	784.460
5 Assets under construction	8	0	0
<b>III FIXED FINANCIAL ASSETS 010+011</b>	<b>9</b>	<b>2.293.745</b>	<b>6.021.895</b>
1 Investments in associates, subsidiaries and joint ventures	10	145.796	161.706
2 Financial assets at amortised cost	11	2.147.949	5.860.189
<b>DEFERRED TAX ASSETS</b>	<b>12</b>	<b>178.913</b>	<b>167.942</b>
<b>B CURRENT ASSETS 014+020+024</b>	<b>13</b>	<b>35.959.157</b>	<b>31.803.233</b>
<b>I RECEIVABLES 015+...+019</b>	<b>14</b>	<b>3.857.348</b>	<b>3.247.642</b>
1 Trade receivables	15	3.075.430	2.295.158
2 Receivables from employees and members of the undertaking	16	524	7.613
3 Receivables from government and other institutions	17	179.089	341.103
4 Receivables from connected undertakings	18	0	0
5 Other receivables	19	602.305	603.768
<b>III SHORT-TERM FINANCIAL ASSETS 021+...+023</b>	<b>20</b>	<b>20.492.049</b>	<b>16.411.792</b>
1 Financial assets at amortised cost	21	6.012.762	6.008.797
2 Financial assets at fair value through other comprehensive	22	0	0
3 Financial assets at fair value through statement of profit or	23	14.479.287	10.402.995
<b>III CASH AND CASH EQUIVALENTS</b>	<b>24</b>	<b>11.609.760</b>	<b>12.143.799</b>
<b>C PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>25</b>	<b>609.973</b>	<b>2.660.088</b>
<b>D TOTAL ASSETS 001+013+025</b>	<b>26</b>	<b>53.608.060</b>	<b>54.991.183</b>
<b>E OFF-BALANCE SHEET ITEMS</b>	<b>27</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A CAPITAL AND RESERVES 029+030+031+036+037+038</b>	<b>28</b>	<b>43.226.778</b>	<b>43.751.099</b>
I INITIAL CAPITAL	29	46.357.000	23.178.500
II CAPITAL RESERVES	30	13.860.181	13.860.181
III PROFIT RESERVES 032+...+035	31	852.898	7.446.121
1 Legal reserves	32	141.000	141.000
2 Reserves for treasury shares	33	0	0
3 Fair value reserves	34	0	418.691
4 Other reserves	35	711.898	6.886.430
IV RETAINED PROFIT OR LOSS BROUGHT FORWARD	36	-18.206.852	-812.650
V PROFIT OR LOSS FOR THE YEAR	37	363.551	78.947
VI MINORITY INTEREST	38	0	0
<b>B PROVISIONS</b>	<b>39</b>	<b>192.109</b>	<b>238.113</b>
<b>C SHORT-TERM LIABILITIES 041+...+046</b>	<b>40</b>	<b>3.286.093</b>	<b>2.885.574</b>
1 Liabilities for advance payments	41	126.864	9.065
2 Trade payables	42	1.154.241	664.644
3 Liabilities to employees	43	745.001	810.486
4 Taxes, contributions and similar liabilities	44	278.324	707.807
5 Liabilities to connected undertakings	45	0	0
6 Other short-term liabilities	46	981.663	693.572
<b>D LONG-TERM LIABILITIES</b>	<b>47</b>	<b>2.414.550</b>	<b>2.524.894</b>
<b>E DEFERRED TAX LIABILITY</b>	<b>48</b>	<b>188.771</b>	<b>291.877</b>
<b>F ACCRUALS AND DEFERRED INCOME</b>	<b>49</b>	<b>4.299.759</b>	<b>5.299.626</b>
<b>G TOTAL LIABILITIES 028+039+040+047+048+049</b>	<b>50</b>	<b>53.608.060</b>	<b>54.991.183</b>
<b>H OFF-BALANCE SHEET ITEMS</b>	<b>51</b>	<b>0</b>	<b>0</b>
<b>Appendix to the balance sheet (position for consolidated financial statements)</b>			
<b>I Capital and reserves 053+054</b>	<b>52</b>	<b>43.226.778</b>	<b>43.751.099</b>
1 Attributable to owners of the parent	53	43.226.778	43.751.099
2 Attributable to non-controlling interest	54	0	0

## STATEMENT OF PROFIT OR LOSS

For the period 1.1.2022 to 30.6.2022

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
<b>A OPERATING INCOME 002+009</b>	<b>1</b>	<b>12.644.942</b>	<b>6.424.668</b>	<b>14.483.608</b>	<b>6.598.721</b>
I Sales revenue 003+...+008	2	8.792.006	4.411.310	9.974.618	4.202.761
1 Commissions and membership fees	3	4.024.605	2.027.482	5.062.308	1.876.477
2 Listing maintenance fees	4	3.833.189	1.963.493	3.917.128	1.970.486
3 Income from quotation maintenance	5	934.212	420.335	995.182	355.798
4 Income from auctions	6	0	0	0	0
5 Income from memberships	7	0	0	0	0
6 Revenue from assigning and administering LEIs	8	0	0	0	0
II Other operating income 010+...+012	9	3.852.936	2.013.358	4.508.990	2.395.960
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	3.023.717	1.574.855	2.969.341	1.475.178
3 Other income	12	829.219	438.503	1.539.649	920.782
<b>B OPERATING EXPENSES 014+017+021+022+023+026+027</b>	<b>13</b>	<b>12.031.388</b>	<b>6.390.951</b>	<b>13.644.646</b>	<b>7.112.779</b>
I Material costs 015+016	14	3.420.936	1.741.410	4.009.736	2.226.566
1 Costs of raw materials	15	264.502	127.218	156.185	92.766
2 Other external costs	16	3.156.434	1.614.192	3.853.551	2.133.800
II Staff costs 018+...+020	17	6.043.185	3.220.430	6.819.937	3.400.056
1 Net salaries and wages	18	4.103.235	2.089.966	4.819.860	2.323.598
2 Tax and contributions from salary costs	19	1.461.872	858.749	1.487.534	807.888
3 Payroll contributions	20	478.078	271.715	512.543	268.570
III Depreciation	21	986.782	502.228	1.060.723	537.839
IV Other costs	22	1.533.520	882.014	1.675.832	898.282
V Value adjustment 024+025	23	41.873	41.873	50.000	50.000
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	41.873	41.873	50.000	50.000
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	5.092	2.996	28.418	36
<b>C FINANCIAL INCOME 029+...+034</b>	<b>28</b>	<b>41.846</b>	<b>-28.288</b>	<b>55.497</b>	<b>7.910</b>
1 Interest, exchange rate differences, dividends and similar	29	0	0	175	11
2 Interest, exchange rate differences, dividends and similar	30	10.953	-56.834	52.940	6.389
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	25.609	25.609	0	0
5 Profit from reversal of provisions for impairment for expected	33	0	0	0	0
6 Other financial income	34	5.284	2.937	2.382	1.510
<b>D FINANCIAL EXPENSES 036+...+040</b>	<b>35</b>	<b>298.915</b>	<b>65.123</b>	<b>680.623</b>	<b>398.756</b>
1 Interest, exchange rate differences and other expenditures with	36	2.450	402	2.869	1.501
2 Interest, exchange rate differences and other expenditure from	37	22.800	22.800	105.601	69.039
3 Unrealised losses (expenses) from financial assets	38	273.665	41.921	572.153	328.216
4 Loss on impairment for expected credit losses	39	0	0	0	0
5 Other financial expenses	40	0	0	0	0
<b>E TOTAL INCOME 001+028</b>	<b>41</b>	<b>12.686.788</b>	<b>6.396.380</b>	<b>14.539.105</b>	<b>6.606.631</b>
<b>F TOTAL EXPENDITURE 013+035</b>	<b>42</b>	<b>12.330.303</b>	<b>6.456.074</b>	<b>14.325.269</b>	<b>7.511.535</b>
<b>G Share in profit/loss of associates and subsidiaries</b>	<b>43</b>	<b>20.309</b>	<b>-52.202</b>	<b>16.012</b>	<b>7.651</b>
<b>H PRE-TAX PROFIT OR LOSS 041-042+043</b>	<b>44</b>	<b>376.794</b>	<b>-111.896</b>	<b>229.848</b>	<b>-897.253</b>
<b>I INCOME TAX</b>	<b>45</b>	<b>53.064</b>	<b>6.839</b>	<b>150.901</b>	<b>-7.089</b>
<b>J PROFIT OR LOSS FOR THE PERIOD 044-045</b>	<b>46</b>	<b>323.730</b>	<b>-118.735</b>	<b>78.947</b>	<b>-890.164</b>
1 Change in revaluation reserves (property, plant,	47	0	0	0	0
2 Actuarial gains/losses on defined benefit pension plans	48	0	0	0	0
3 Unrealised gains/losses on financial assets at fair value through other comprehensive income	49	0	0	0	0
4 Gains/losses on hedging instruments in a cash flow hedge	50	0	0	521.523	521.523
5 Gains/losses arising from translation of financial	51	6.793	-117.037	26.683	-129.503
6 Income tax on other comprehensive income	52	0	0	102.832	102.832
<b>K OTHER COMPREHENSIVE INCOME 047+...+052</b>	<b>53</b>	<b>6.793</b>	<b>-117.037</b>	<b>445.374</b>	<b>289.188</b>
<b>TOTAL COMPREHENSIVE INCOME 046+053</b>	<b>54</b>	<b>330.523</b>	<b>-235.772</b>	<b>524.321</b>	<b>-600.976</b>
<b>M RECLASSIFICATION ADJUSTMENTS</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Appendix **					
Attributable to owners of the parent	56	330.523	-235.772	524.321	-600.976
Attributable to non-controlling interest	57	0	0	0	0



## STATEMENT OF CASH FLOWS - indirect method

for the period 1.1.2022 to 30.6.2022

in HRK

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	376.794	229.848
2 Depreciation	2	986.782	1.060.723
3 Increase in short-term liabilities	3	509.990	0
4 Decrease in short-term receivables	4	459.083	596.347
5 Decrease in inventories	5	312	0
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	20.320	522.397
<b>I Total cash flow increase from operating activities 001+...+007</b>	<b>8</b>	<b>2.353.281</b>	<b>2.409.315</b>
1 Decrease in short-term liabilities	9	0	120.021
2 Increase in short-term receivables	10	0	0
3 Increase in inventories	11	0	0
4 Profit from reversal of provisions for impairment for expected	12	0	0
5 Other cash flow decrease	13	1.834.664	1.051.211
<b>II Total cash flow decrease from operating activities 009+...+013</b>	<b>14</b>	<b>1.834.664</b>	<b>1.171.232</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	43.716	0
4 Dividends received	18	957.313	0
5 Other cash receipts from investment activities	19	1.707.982	3.523.386
<b>III Total cash receipts from investment activities 015+...+019</b>	<b>20</b>	<b>2.709.011</b>	<b>3.523.386</b>
1 Cash payments for the purchase of fixed tangible and intangible	21	458.548	579.699
2 Cash payments for the acquisition of equity financial	22	0	3.190.716
3 Other cash payments from investment activities	23	0	48.095
<b>IV Total cash payments from investment activities 021+...+023</b>	<b>24</b>	<b>458.548</b>	<b>3.818.510</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	386.430	408.920
<b>VI Total cash payments from operating activities 029+...+033</b>	<b>34</b>	<b>386.430</b>	<b>408.920</b>
<b>VII Cash and cash equivalents at the beginning of period</b>	<b>35</b>	<b>9.323.767</b>	<b>11.609.760</b>
<b>VIII Increase of cash and cash equivalents</b>	<b>36</b>	<b>2.382.650</b>	<b>534.039</b>
<b>IX Decrease of cash and cash equivalents</b>	<b>37</b>	<b>0</b>	<b>0</b>
<b>X Cash and cash equivalents at the end of period</b>	<b>38</b>	<b>11.706.417</b>	<b>12.143.799</b>

**STATEMENT OF CHANGES IN EQUITY**

		for the period from 1.1.2022 to 30.6.2022							in HRK	
Item	ADP	Attributable to owners of the parent							Attributable to non-controlling interests	Total capital and reserves
		Subscribed capital	Capital reserves	Profit reserves	Profit or loss for the year (period)	Retained profit or loss brought forward	Fair value reserves	Other revaluation reserves		
1	2	3	4	5	6	7	8	9	10	11
<b>Balance on the first day of the previous business year</b>	<b>1</b>	46.357.000	13.860.181	141.000	2.152.251	-20.359.103	0	779.350	0	42.930.679
Change in accounting policies	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
<b>Balance on the first day of the previous business year (restated)</b>	<b>4</b>	46.357.000	13.860.181	141.000	2.152.251	-20.359.103	0	779.350	0	42.930.679
Profit or loss for the period	5	0	0	0	363.551	0	0	0	0	363.551
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	-67.452	0	-67.452
<b>Total directly recognized income and expenses of the previous year (previous year periods)</b>	<b>8</b>	0	0	0	363.551	0	0	-67.452	0	296.099
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	-2.152.251	2.152.251	0	0	0	0
<b>Balance on the last day of the previous business year reporting period</b>	<b>13</b>	46.357.000	13.860.181	141.000	363.551	-18.206.852	0	711.898	0	43.226.778
<b>Balance on the first day of the current business year</b>	<b>14</b>	46.357.000	13.860.181	141.000	363.551	-18.206.852	0	711.898	0	43.226.778
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
<b>Balance on the first day of the current business year (restated)</b>	<b>17</b>	46.357.000	13.860.181	141.000	363.551	-18.206.852	0	711.898	0	43.226.778
Profit or loss for the period	18	0	0	0	78.947	0	0	0	0	78.947
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	418.691	26.683	0	445.374
<b>Total directly recognised income and expenses of the current year (current period)</b>	<b>21</b>	0	0	0	78.947	0	418.691	26.683	0	524.321
Increase/decrease in subscribed capital	22	-23.178.500	23.178.500	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	-363.551	363.551	0	0	0	0
<b>Balance on the last day of the current business year reporting period</b>	<b>26</b>	23.178.500	37.038.681	141.000	78.947	-17.843.301	418.691	738.581	0	43.751.099

## NOTES TO THE FINANCIAL STATEMENTS – TFI

(drawn up for quarterly reporting periods)

Name of issuer: Zagrebačka burza d.d.

Personal identification number (OIB): 84368186611

Reporting period: 1.1.2022 - 30.6.2022

Sort of report: Consolidated

### 1. Reporting entity

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

### 2. Basis of preparation and significant accounting policies

#### *Basis for preparation*

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

Detailed information on the basis for preparation of the financial statements are provided in the Note No. 2 to the consolidated financial statements presented in the Annual Report on Group Status and Business Activities in 2021 available on the internet page [www.zse.hr](http://www.zse.hr) (further: Annual Report of the Group).

#### *Significant accounting policies*

The interim financial statements for the reporting period are prepared applying the same accounting policies as in the latest annual consolidated financial statements for 2021, available on the internet page [www.zse.hr](http://www.zse.hr).

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

Information required by IFRSs that are not presented elsewhere in the consolidated statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity are disclosed in the report Consolidated unaudited financial result for period 1.1. to 30.6.2022 (further: Consolidated Result for 2<sup>nd</sup> quarter) as published on the internet page [www.zse.hr](http://www.zse.hr).

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

The Group does not have financial commitments, guarantees or contingencies that are not included in the consolidated balance sheet as of 30 June 2022 nor has issued securities.

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

Details on the income or expenditure which are of exceptional size or incidence are presented in the Note 1.12 of Consolidated Result for 2<sup>nd</sup> quarter ([www.zse.hr](http://www.zse.hr)).

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

(a) income from assigning and administering LEIs is, in accordance with the Groups accounting policies, reported in other income (AOP 12) in the amount of HRK 171 thousand

(b) other differences between the information presented in the consolidated financial statements in TFI form compared to the classification of the information in the audited consolidated financial statements for 2021 are presented in the Attachment to these notes.

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

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

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

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

The average number of employees during the reporting period is 37.

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

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

**8. Deferred taxes**

The provision for deferred taxes, amount of the deferred taxes at the beginning and at the end of the reporting period and movement during the reporting period is as follows:

	1.1.2022	Increase	Decrease	30.6.2022
	kn'000	kn'000	kn'000	kn'000
Deferred tax assets	179	-	(11)	168
Deferred tax liabilities	(189)	(102)	-	(291)
	<b>(10)</b>	<b>(102)</b>	<b>(11)</b>	<b>(123)</b>

**9. Name and registered office of each of the companies in which the issuer, either itself or through a person acting in their own name but on the issuer's behalf, holds a participating interest, showing the amount of capital held, the amount of total capital and reserves, and profit or loss**

The investments in controlled companies, joint ventures and holdings of a participating interest are presented in the Notes 13 and 14 to the consolidated financial statements presented in the Annual Report of the Group for 2021. During the reporting period there were no significant changes in comparison to the information presented in the Annual Report of the Group.

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

There were no shares subscribed during the reporting period within the limits of the authorised capital.

Based on the Decision of the Company's Assembly dated June 14, 2022, the share capital of the Company is reduced in a regular procedure for the purpose of transferring HRK 23,178,500.00 to other reserves of the Company. By undertaking the share capital reduction, the nominal value per share is reduced to the amount which is lower than the minimum nominal amount permitted under Article 163(2) of the Companies Act. Hence, the share capital is reduced in a regular procedure through a consolidation of shares (reverse split), in accordance with Article 342(4) of the Companies Act. The shares are consolidated at a ratio of 2:1 by issuing to each shareholder 1 registered share with a nominal value of HRK 10.00 for 2 shares outstanding.

The company used other reserves to cover losses from previous periods in the amount of HRK 17,030,651.07, after which the amount of HRK 6,147,848.93 remained in the company's other reserves.

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

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

The Group has no shares in companies having unlimited liability.

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

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

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

**14. Name and registered office of the company which draws up the 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.

**15. Place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained**

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

**16. Nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company of those arrangements, provided that the risks or rewards of such arrangements are material and to the extent that disclosure of such risks or rewards is necessary to assess the issuer's financial condition**

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

**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 balance sheet**

Significant events arising after the balance sheet date are presented in the Note 1.11 to the Consolidated Result for 2<sup>nd</sup> quarter of 2022 as published on the internet page [www.zse.hr](http://www.zse.hr)

***Attachment: Reconciliation of the classification of the items of the financial statements in TFI form compared to the classification used in preparation of the audited financial statements for the year 2021:***

<b>P&amp;L item (IFRS)</b>	<b>Amount HRK'000</b>	<b>P&amp;L item (GFI)</b>	<b>Amount HRK'000</b>
Staff costs	7.225	Staff costs Reclassification from other costs	6.820 405
Other operating costs	5.358	Costs of raw materials Other external costs Value adjustment Other costs Other operating expenses Reclassification to staff costs	156 3.854 50 1.676 27 -405
<b>Balance sheet item (IFRS)</b>	<b>Amount HRK'000</b>	<b>Balance sheet item (GFI)</b>	<b>Amount HRK'000</b>
Property and equipment Assets with right of use	8.464 3.075	Land and buildings Computer equipment Other tangible assets Leasehold improvements Rounding	8.937 663 1.154 784 1
Financial assets at fair value through other comprehensive income Long term deposits Guarantee deposits Loans receivable from associate	5.393 - 250 217	Financial assets at amortised cost (long term) Rounding	5.860 -
Trade receivables and other assets Inventories	3.243 6	Receivables (short term) Rounding	3.248 1
Trade and other payables (short term) Short term financial liabilities Liabilities for corporate income tax	- - 2.298	Liabilities for advance payments Trade payables Liabilities to employees Taxes, contributions and similar liabilities Liabilities to connected undertakings Other short-term liabilities Rounding	9 665 810 708 - 694 -588
Contractual liabilities	447	Accruals and deferred income Rounding	5.300 -4.853