



ZAGREBAČKA BURZA
Zagreb Stock Exchange



LJUBLJANSKA BORZA
LJUBLJANA Stock Exchange

Zagreb Stock Exchange Group

Consolidated unaudited financial results for
1/1/2022 – 31/12/2022

23 February 2023

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1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 1/1/2022 AND 31/12/2022

1.1 Significant business events of the Group in the period between 1/1/2022 and 31/12/2022

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

- On March 8, 2022, the Exchange marked International Women's Day by sounding the trade opening bell to emphasize the need to include more women in the world of work and help 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, Zagreb and Ljubljana Stock Exchanges co-organized the "CEE Investment Opportunities" investor conference. The event has been taking place yearly since 2014. The goal of the event since its inception is to present Slovenian and Croatian companies to regional and international investors, and thus support their visibility and increase their 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 hosted on the Zoom Webinar platform, and was attended by 200 analysts and investors from the region, as well as from Austria, the Czech Republic, Estonia, Germany, Poland, Spain, Türkiye, 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. Taking place since 2011, the online education was once more attended by over a hundred representatives of companies listed on the Zagreb Stock Exchange.
- On June 14, 2022, 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 of 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 46,357,000.00 to HRK 23,178,500.00¹.

- On June 15, 2022, the Zagreb Stock Exchange hosted an investor presentation for the company FRIENDLY FIRE, during its fundraising campaign via the Funderbeam SEE platform.
- 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, a new version of the Xetra T7 10.1 trading system was released into production on Zagreb and Ljubljana Stock Exchanges. The migration was carried out without difficulty.
- On July 8, 2022, Zagreb Stock Exchange acquired an additional 138 shares of the Macedonian Stock Exchange, and increased its share in that stock exchange to 21.99%.
- On July 18, 2022, Zagreb Stock Exchange acquired an additional 77 shares of the Macedonian Stock Exchange, and increased its share in that stock exchange to 24.75%.
- On July 19, 2022, the Zagreb Stock Exchange hosted an investor presentation for the company MOBILITY ONE, during its second fundraising campaign via the Funderbeam SEE platform.
- On August 18, 2022, Zagreb Stock Exchange acquired an additional 146 shares of the Macedonian Stock Exchange, and increased its share in that stock exchange to 29.98%.
- On August 31, 2022, the Ljubljana Stock Exchange, in cooperation with the company Interkapital vrijednosni papiri, held a webcast entitled "Slovenian Listed Companies Online", where six companies from the Prime Market of the Ljubljana Stock Exchange were presented to investors.
- On September 7, 2022, the "Prime plus" of the Zagreb Stock Exchange was held at which investors were introduced to all issuers listed on the Prime Market, with Zagreb Stock Exchange presenting itself as an issuer of the Official Market.
- On September 27, 2022, in accordance with the Capital Market Act, the Exchange Rules and the Resolution of the General Assembly of the Exchange dated June 14, 2022, by which the Exchange Management Board is authorized to acquire own shares during a period of 5 years from the date of the adoption of that Resolution, the Zagreb Stock Exchange informed the investment public about the launch of the Own Shares Buy-Back Program starting as of October 3, 2022, and lasting until October 2, 2023, at the latest.
- On September 27, 2022, the Ljubljana Stock Exchange held an event called "Alternative sources of financing".

¹ Additional information available in the "Notes" section of the Financial Report, Item 10

- On October 3, 2022, the Exchange initiated the Own Shares Buy-Back Programme.
- On October 3, 2022 the Ljubljana Stock Exchange organized an event titled “Ring the bell for financial literacy” which opened the International investors week.
- From October 12 to 14, 2022, the Conference “Challenge of Change” was held in Dubrovnik, organized by the Zagreb Stock Exchange and the Association of Pension Fund Management Companies and Pension Insurance Companies.
- On October 26, 2022 the Ljubljana Stock Exchange hosted an online event "Trade on the Stock Exchange – Vol 2”.
- On November 30, 2022, the Zagreb and Ljubljana Stock Exchanges' Investor Day was held. The event is co-organized with the goal of connecting investors and analysts with renowned companies listed on both exchanges since its inception in 2014.
- On November 30, 2022, the Ljubljana Stock Exchange Awards were presented.
- On December 12, 2022, the Zagreb Stock Exchange Awards were presented.
- In 2022, the Regulated market of Zagreb Stock Exchange listed shares of the companies Mon Perin d.d., Quattro logistika d.d. and STANOVI JADRAN d.d., corporate bonds of the companies Agro Invest Grupa d.o.o. and Meritus ulaganja d.d., and three bonds and two treasury bills of the Ministry of finance of the Republic of Croatia. The following securities were delisted: shares of the companies Petrokemija d.d., OT-OPTIMA TELEKOM d.d., TANKERSKA NEXT GENERATION d.d., KOKA d.d., KOTEKS d.d., ŽITNJAK d.d., BRIONKA d.d. and ZAIF Proprius d.d. u likvidaciji, bonds of companies OT-OPTIMA TELEKOM d.d., ERSTE&STEIERMARKISCHE BANK d.d., two bonds of the company SAMOBORKA d.d. and three bonds and two treasury bills of the Ministry of finance of the Republic of Croatia.
- By the end of 2022, the Exchange completed all preparatory activities for the successful introduction and transition to the euro on January 1, 2023.

1.2 Zagreb and Ljubljana Stock Exchange overview

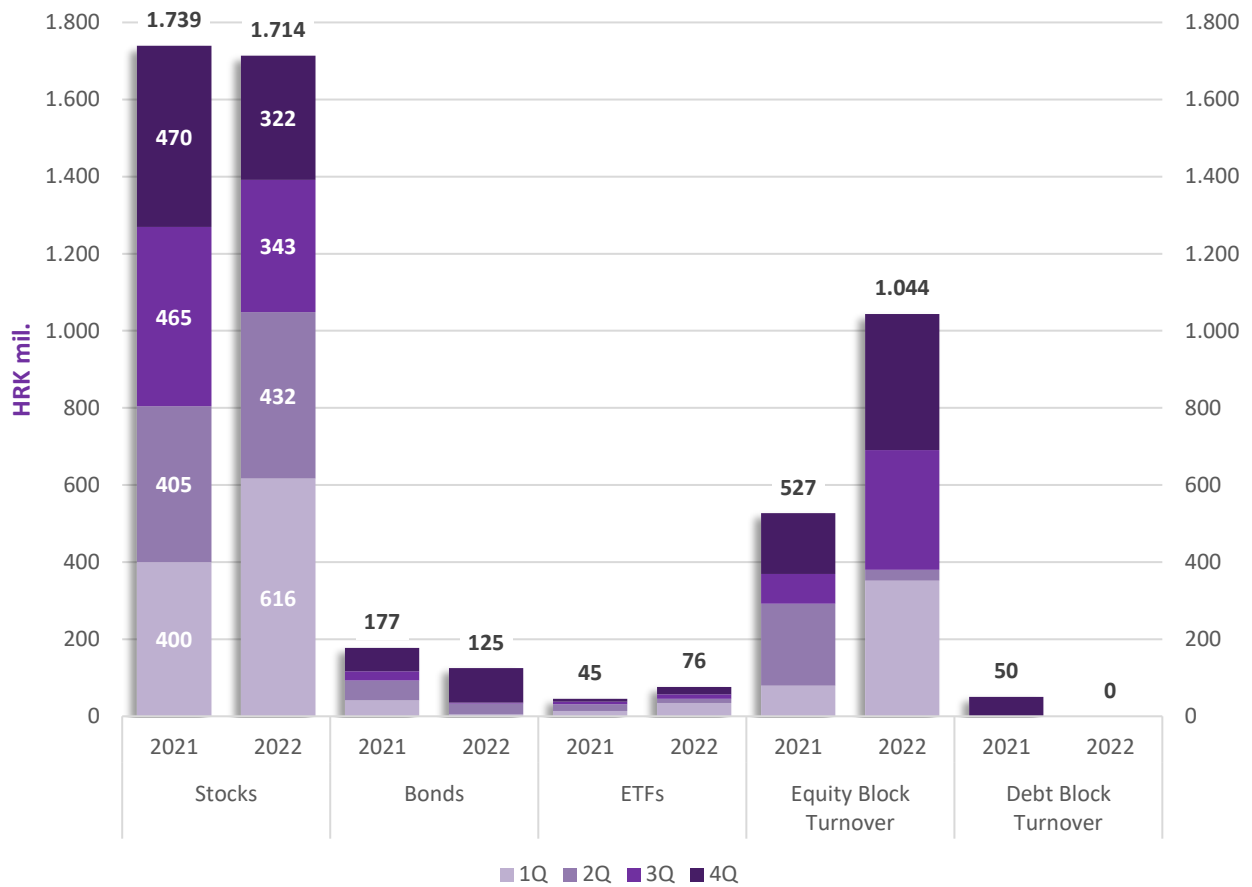
In 4Q 2022 the orderbook turnover amounted to HRK 785 million, a +5.1% increase than the same period in 2021, while the total turnover in 2022 amounts to HRK 2,959 million, a +16.5% increase compared to 2021.

Securities Turnover

	HRK	4Q 2021	4Q 2022	change	2021	2022	change
TOTAL TURNOVER		746.598.406	784.673.908	5.10%	2.539.706.451	2.959.101.182	16.51%
Orderbook turnover		538.229.393	431.470.693	-19.84%	1.962.099.986	1.915.146.797	-2.39%
Stocks		470.269.573	322.476.990	-31.43%	1.739.474.734	1.713.748.702	-1.48%
Bonds		60.606.619	89.667.027	47.95%	177.273.296	125.003.073	-29.49%
ETFs		7.353.201	19.326.677	162.83%	45.351.955	76.395.022	68.45%
Block turnover		208.369.013	353.203.215	69.51%	577.606.465	1.043.954.385	80.74%
Equity Block Turnover		158.024.113	353.203.215	123.51%	527.261.565	1.043.954.385	98.00%
Debt Block Turnover		50.344.901	0	-100.00%	50.344.901	0	-100.00%

The most significant increase in the daily turnover amount was noted in late February, following the beginning of the war in Ukraine. The following weeks were marked by high volatility on the market, and the initial shock did not subside until late March. The remainder of the year brought mostly positive trading sentiment, but in the fourth quarter. The orderbook turnover decreased by 19.8% compared to the fourth quarter of 2021, amounting to a total of HRK 431 million (4Q 2021: HRK 538 million). Of this amount, HRK 322 million relates to stock turnover (4Q 2021: HRK 470 million), HRK 90 million refers to bond turnover (4Q 2021: HRK 61 million), while ETFs marked a turnover of HRK 19 million (4Q 2021: HRK 7 million). The equity block turnover increased by more than +123% and is slightly higher than HRK 353 million (4Q 2021: HRK 158 million), while the debt block turnover was absent (4Q 2021: HRK 50 million). From the start of 2022 total turnover reached HRK 2.959 million, which is +16.5% more than the previous year (2021: HRK 2.540 million). Orderbook turnover in 2022 totals HRK 1.915 million and marks a decrease by -2.4% (2021: HRK 1.962 million), bond turnover amounts to HRK 125 million, marking a decrease of almost -30% (2021: HRK 177 million), while ETF turnover increased by +68% and reached HRK 76 million (2021: HRK 45 million). The largest equity block turnovers were achieved in the first and fourth quarter, which during the entire year reached a significant amount of HRK 1.044 million, marking a staggering increase of +98% when compared to 2021 (2021: HRK 527 million).

Securities turnover

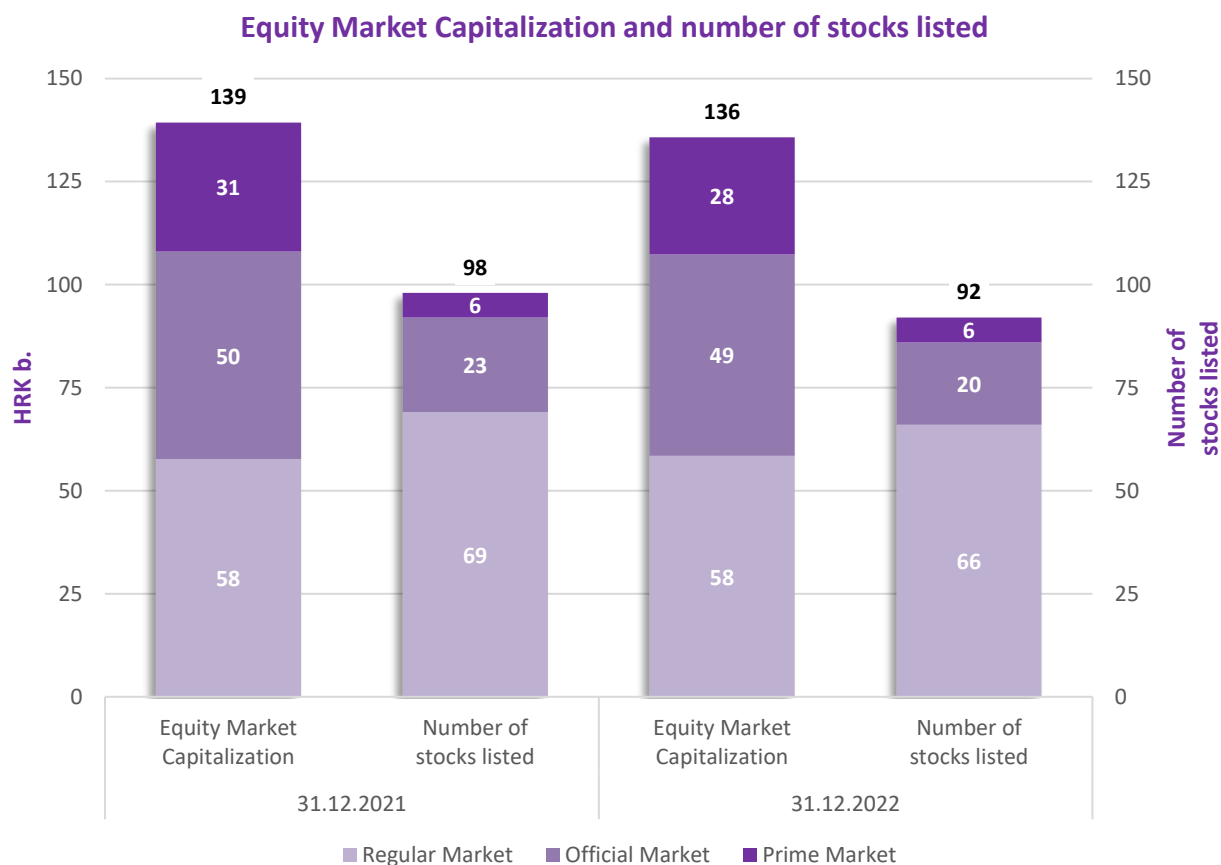


Market value measured by market capitalization as of December 31, 2022 was lower by a total of almost HRK 15 billion compared to the last day of 2021. The equity market capitalization is lower by HRK -3.6 billion, or -2.6%, with the market capitalization of the Prime Market reducing by -9.2%, Official Market reducing by -3%, and Regular Market increasing by +1.4%. The debt market capitalization is lower by -8.6%, while the value of ETFs decreased by -10.9%.

Equity Market Capitalization and number of stocks listed

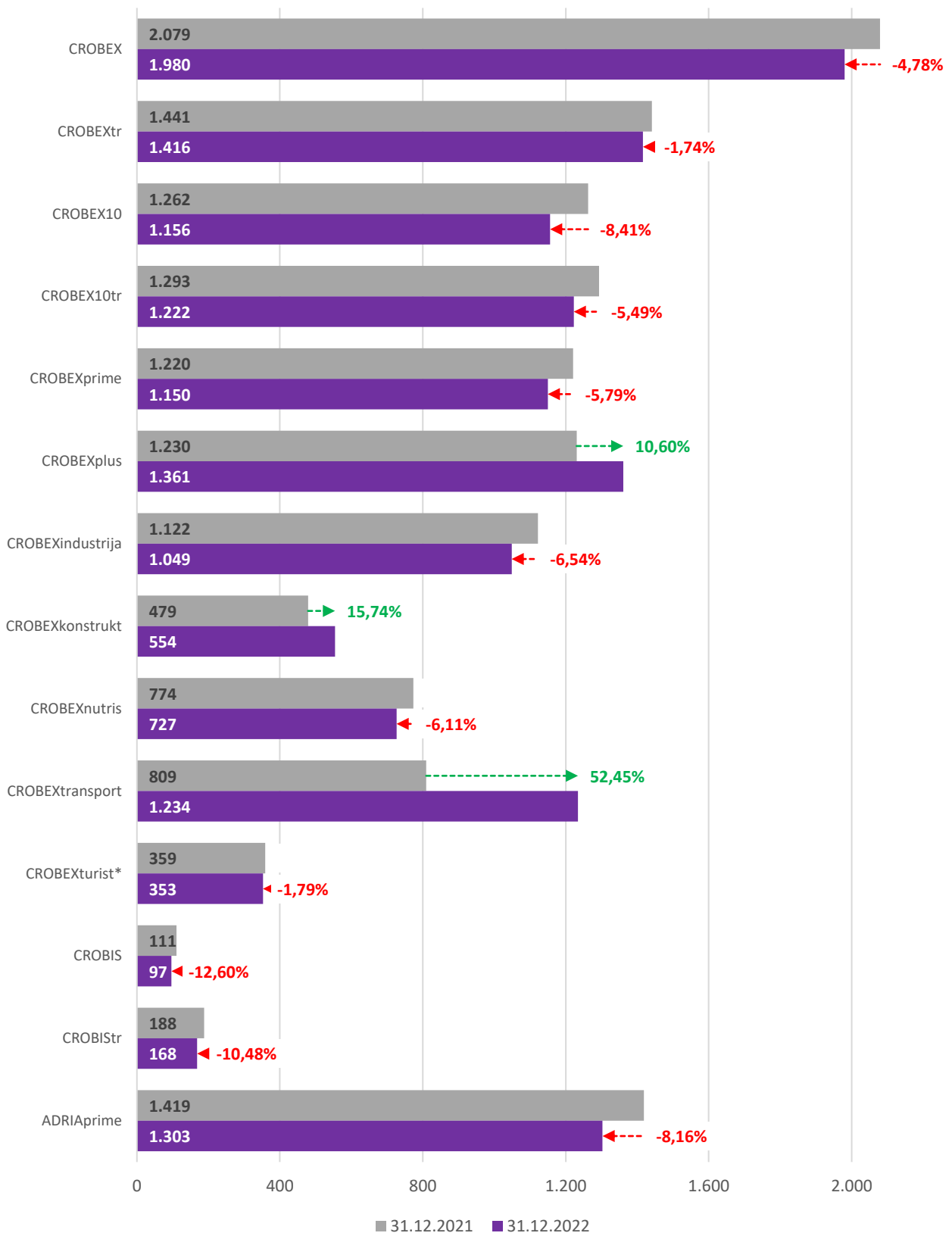
	Market capitalization (HRK)			Number of stocks listed		
	31.12.2021	31.12.2022	change	31.12.2021	31.12.2022	change
TOTAL	273.964.842.999	258.867.687.055	-5.51%	132	124	-6.06%
Shares	139.352.326.167	135.773.934.068	-2.57%	98	92	-6.12%
Prime Market	31.342.835.154	28.456.038.856	-9.21%	6	6	0.00%
Official Market	50.325.878.835	48.827.067.652	-2.98%	23	20	-13.04%
Regular Market	57.683.612.178	58.490.827.560	1.40%	69	66	-4.35%
Bonds	134.549.299.989	123.037.418.589	-8.56%	32	30	-6.25%
ETFs	63.216.843	56.334.398	-10.89%	2	2	0.00%

Compared to the end of 2021, as of December 31, 2022 a total of three shares less were listed on the Regular and Official Markets, while the number of stocks listed on the Prime Market remained unchanged. In the period from January 1 to December 31, 2022, the Official market listed shares of the company Mon Perin, and delisted shares by the companies Petrokemija, Optima telekom and Tankerska Next Generation. In the same period the Regular market listed shares by the companies Stanovi Jadran and Quatro Logistika, and delisted shares by the companies Koka, Koteks, Žitnjak, Brionka and ZAIFF Proprius.



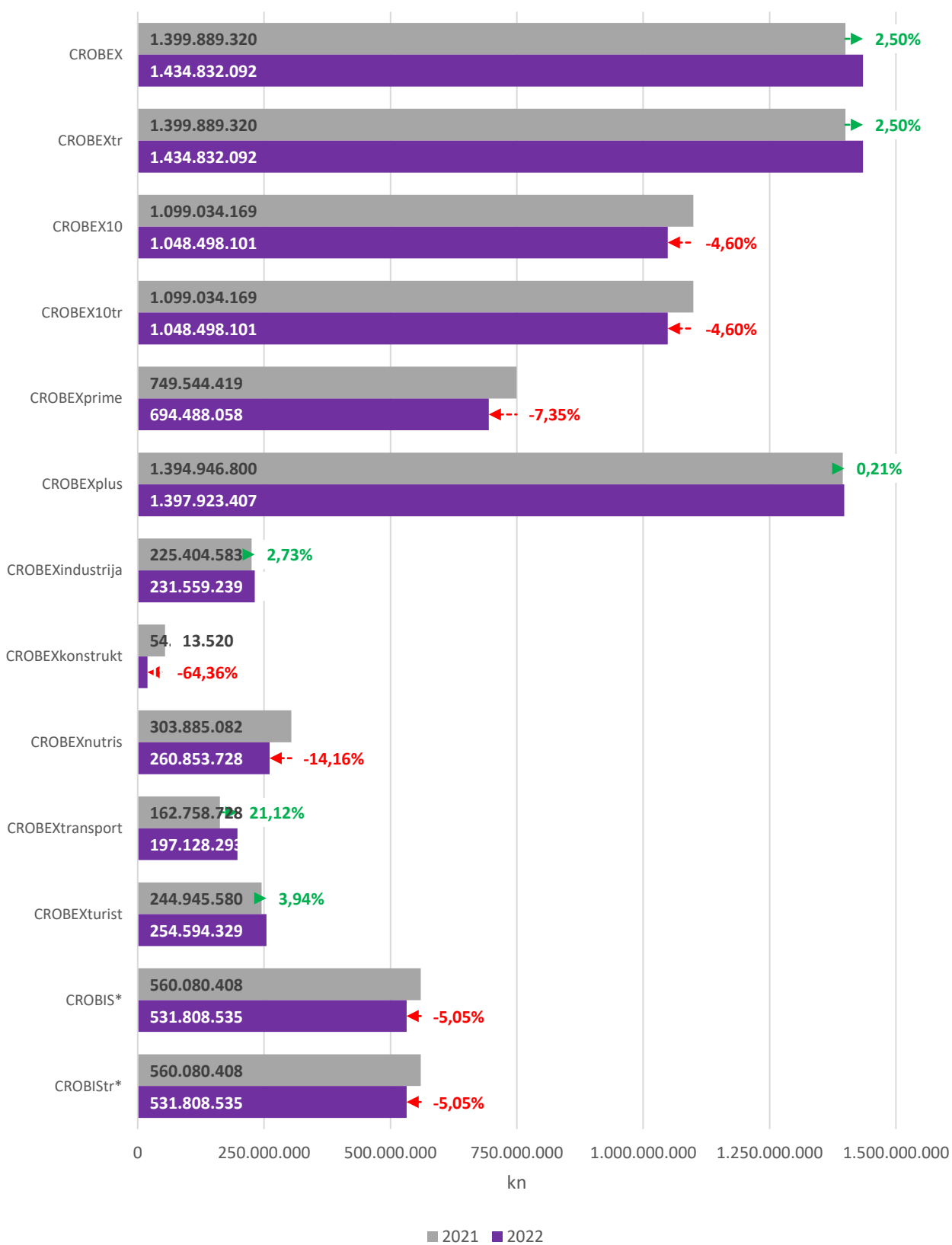
With the exception of growing indices CROBEXplus (+10.6%), CROBEXkonstrukt (+15.7%) and CROBEXtransport (+52.4%), all other stock indices declined in comparison to their closing value on December 31, 2021. The sharpest decline was noted by CROBEX10 (-8.4%), followed by CROBEXindustrija (-6.5%) and CROBEXnutris (-6.1%). The regional index ADRIAprime fell by -8.2%, while the bond indices fell by -12.6% (CROBIS), and -10.5% (CROBIStr).

Indices - value (31.12.2021 vs. 31.12.2022)



* (=x/10)

Indices - turnover (2021 vs. 2022)



* (=x/10)

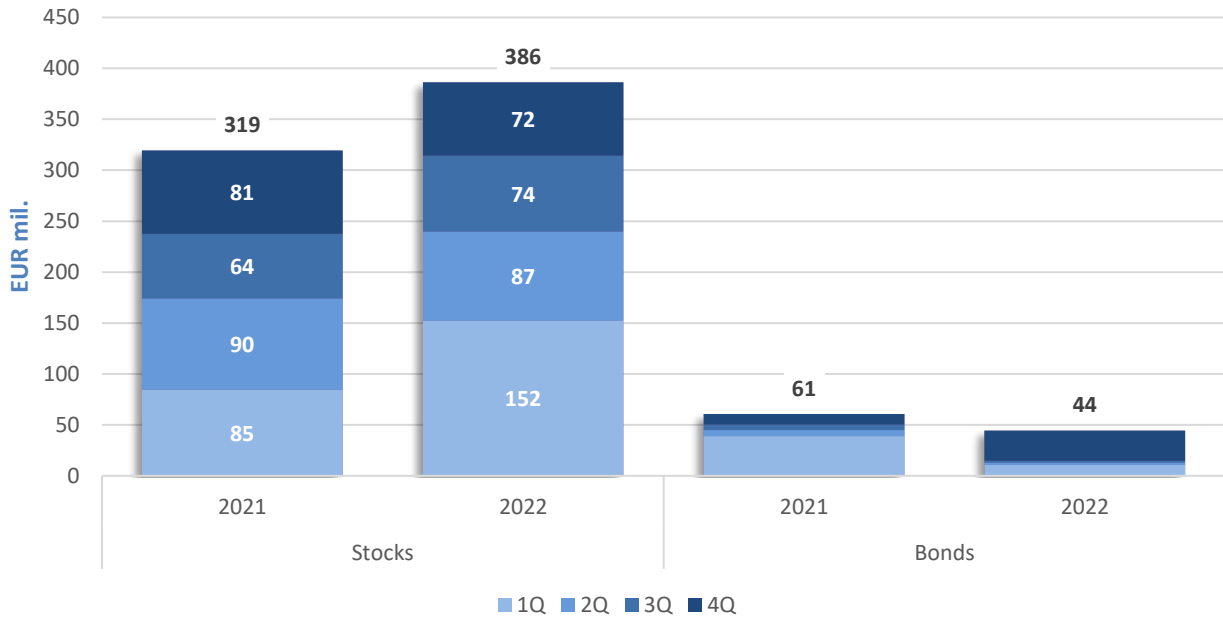
The total turnover at the Ljubljana Stock Exchange in the fourth quarter of 2022 amounted to EUR 102 million, which is an increase of +11% compared to the fourth quarter of 2021, while the total turnover in 2022 amounted to EUR 431 million which is an increase of +13.4% compared to the same period the previous year.

LJSE overview

EUR	4Q 2021	4Q 2022	change	2021	2022	change
TOTAL TURNOVER	91.615.127	101.707.903	11,02%	379.961.674	430.930.296	13,41%
Orderbook turnover	81.425.306	72.042.990	-11,52%	319.334.697	386.606.417	21,07%
Stocks	81.404.762	71.937.489	-11,63%	319.162.108	386.110.298	20,98%
Bonds	20.069	93.499	365,89%	159.825	110.801	-30,67%
Structured products	475	12.003	2.426,91%	12.765	385.318	2.918,67%
Block turnover	10.189.821	29.664.913	191,12%	60.626.977	44.323.879	-26,89%
Equity block	10.189.821	29.664.913	191,12%	60.626.977	44.323.879	-26,89%
Debt block	0	0		0	0	
	31.12.2021	31.12.2022	change			
Equity Market Capitalization (EUR)	9.513.501.318	7.631.969.389	-19,78%			
SBITOP	1.291	1.046	-18,95%			
SBITR	1.516	1.319	-13,00%			

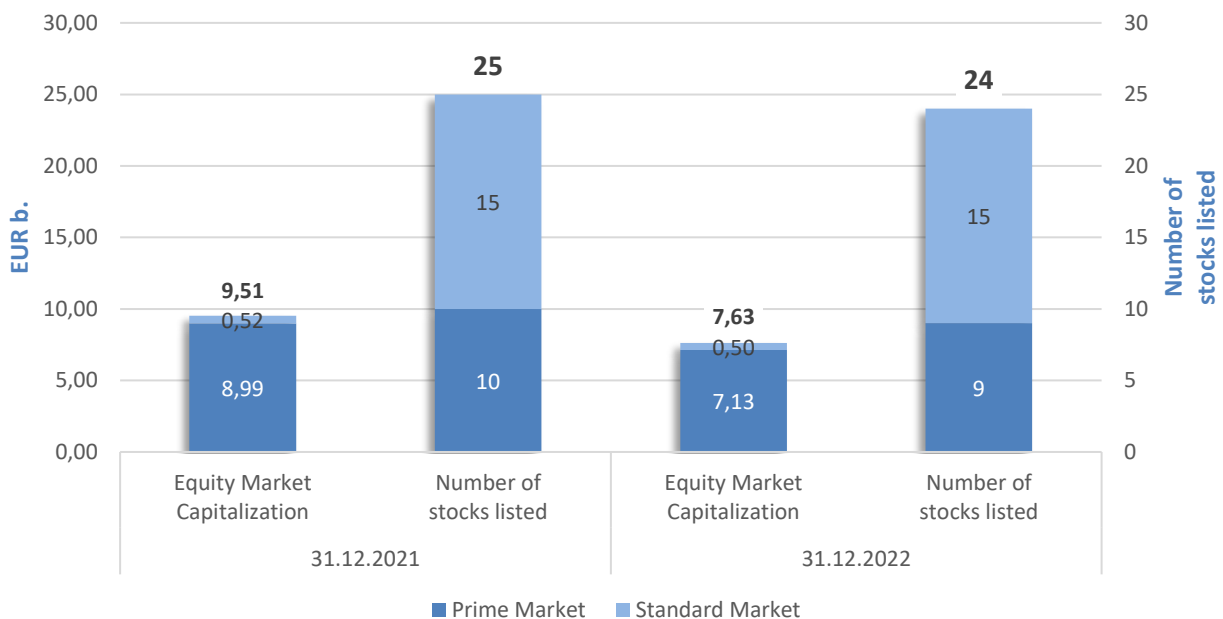
Within the orderbook, the stocks turnover in the fourth quarter of 2022 reached the amount of EUR 72 million, which is a decrease of -11.5% compared to the same period last year when it amounted to EUR 81 million. The share of bonds and structured products turnover is far lower than the stocks turnover share in the total securities turnover of the Ljubljana Stock Exchange. In the fourth quarter of 2022, the bonds turnover amounted to only EUR 93,5 thousand (4Q 2021: EUR 20 thousand), while at the same time the turnover of the structured products amounted to EUR 12 thousand. In the fourth quarter of 2022, the equity block turnover amounted to EUR 29.6 million (an increase of EUR +19.5 million compared to the fourth quarter of 2021), while the debt turnover was absent as at the same time last year. At the twelve months level, the stock turnover within the orderbook is higher by +21% and in 2022 amounts to EUR 386 million. At the same time, bonds turnover reached the amount of only EUR 111 thousand (2021: EUR 159.8 thousand), and the turnover of the structured products was EUR 383.3 thousand (2021: EUR 12.7 thousand). The equity block turnover in 2022 is EUR 44.3 million, which is a decrease of -27% compared 2021 (2021: EUR 60.6 million), while the debt block turnover is not recorded, the same as last year.

Stocks turnover at the Ljubljana Stock Exchange



Compared to December 31, 2021, the equity market capitalization decreased by -19.8% and on the last day of 2022 amounted to just over EUR 7.6 billion. From the last value on December 31, 2021, the SBITOP index decreased by -19% and amounts to 1.046, while the SBITR index decreased by -13%, ending December this year at a value of 1,319.

Equity Market Capitalization and number of stocks listed



1.3 Expected future development of the Group

In 2023, 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 is planning to include Romanian issuers to joined investor conferences. 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).

Additionally, the Group plans to research means to which new technologies can be used to further develop the capital market, e.g. the use of artificial intelligence in business analysis of listed companies and the field of digital assets.

1.4 Research & Development activities

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

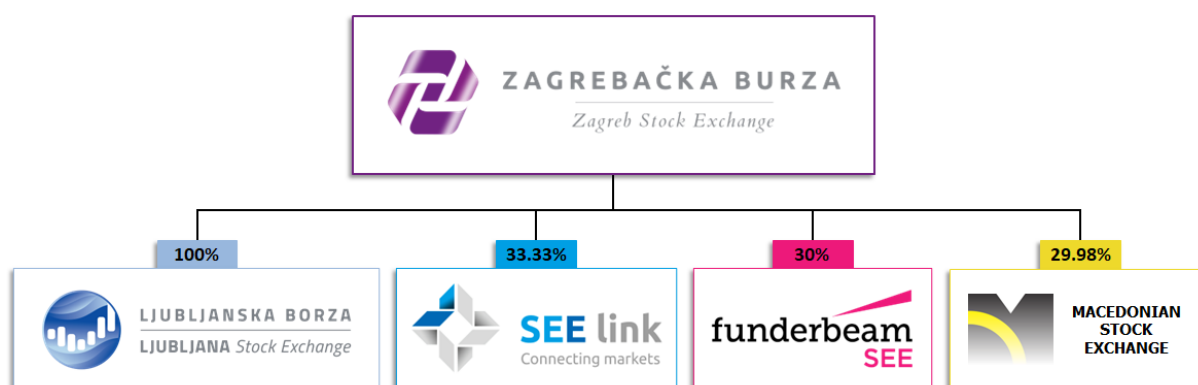
Zagreb Stock Exchange also participated in the CCP implementation project for the Republic of Croatia, and successfully implemented new trading system releases and other infrastructure optimization activities.

In 2022, Zagreb Stock Exchange intensively carried out activities and preparations 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

Zagreb Stock Exchange acquired 32 of its own shares during the corporate action to reduce the share capital by merging the Company's shares. In the Own Shares Buy-Back Programme which initiated on October 3, 2022, by the end of 2022, Zagreb Stock Exchange acquired 5,500 of its own shares. On December 31, 2022, Zagreb Stock Exchange holds a total of 5,532 of its own shares, representing 0.2387% of the Company's issued share capital.

1.6 Zagreb Stock Exchange Group



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

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

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

On December 31, 2022, the Zagreb Stock Exchange, Inc. holds a total of 837 shares, i.e., 29.98% of the share capital of Macedonian Stock Exchange, Inc.

1.7 Financial instruments used by the Group

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

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

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

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

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

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

The companies in the Group, Zagreb and Ljubljana Stock Exchange, invest 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.

As with other companies in Croatia and Slovenia, the Group is operating in an environment burdened by increasing inflation. The increase in business expenses is notably caused by software agreements contracted with price indexation. It is expected that this trend will continue in 2023, although on a smaller scale. The Group is currently not in a position to be able to adjust its service prices so it can not fully compensate for the increase in business expenses.

In accordance with the Capital Market Act, the Zagreb Stock Exchange Rules, and the Resolution of the General Assembly of the Zagreb Stock Exchange dated June 14, 2022, by which the Zagreb Stock Exchange Management Board is authorized to acquire own shares during a period of 5 years from the date of the adoption of that Resolution, the Zagreb Stock Exchange launched the Own Shares Buy-Back

Program starting as of October 3, 2022, and lasting until October 2, 2023, at the latest. From the launch of the Program to the date of publication of these financial statements, the company Privredna banka Zagreb, in the name and on behalf of the Zagreb Stock Exchange, made several acquisitions of Zagreb Stock Exchange shares (own shares) on the Regulated Market, about which the Zagreb Stock Exchange timely informs the investment public.

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 – 31/12/2022

In 2022, the Group generated a total of HRK 28.218 thousand of operating revenues, which is HRK +2,379 thousand or +9.21% more than in the same period last year when they amounted to HRK 25,839 thousand. Compared 2021, sales revenue increased from HRK 17,142 to HRK 18,997 thousand, i.e., by HRK +1,855 thousand or +10.8%. 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 8,791 thousand by the end of 2022; HRK +1,028 thousand or +13.2% more compared to 2021, when they amounted to HRK 7,736 thousand. In 2022, income from listing maintenance fees amounts to HRK 8,138 thousand, which is an increase of HRK +290 thousand or +3.7% (2021: HRK 7,848 thousand). Due to a slightly higher number of new listings than in the same period last year, in 2022, income from quotation maintenance increased by HRK +48 thousand or +3.1% and amounted to HRK 1,580 thousand (2021: HRK 1,532 thousand). Revenues from the issuance and maintenance of LEI, which have in previous reports been projected under "other operating revenues" are projected under a separate item within sales revenues starting from 4Q 2022. The aforementioned change also contributes to a significant increase in sales revenues. Compared to 2021, other operating income increased by HRK +524 thousand or +6%, i.e., from HRK 8,697 to HRK 9,221 thousand. The stated increase in other operating income is a consequence of the increase in other income by HRK +499 thousand or +20.3% which amounts to HRK 2,959 thousand and also includes income from education (2021: HRK 2,461 thousand). Income from the supply of information increased by HRK +25 thousand or +0.4% and amount to HRK 6,261 thousand (2021: HRK 6,236 thousand).

Observing only at the fourth quarter of 2022, the Group's total operating income amounts to HRK 7,083 thousand, which is a decrease of HRK -112 thousand (-1.6%) compared to the fourth quarter of last year, when operating income amounted to HRK 7,196 thousand. Sales revenues increased from HRK 4,405 thousand in the fourth quarter of 2021 to HRK 4,597 thousand in the same period of the 2022. The increase in income is contributed by an increase in commissions and membership fees from HRK 2,059 to HRK 2,168 thousand (HRK +108 thousand or +5.3%). Comparing the fourth quarter of 2022 to the same period last year, income from listing maintenance fees decreased from HRK 2,052 thousand to HRK 1,925 thousand (HRK -128 thousand or -6.2%), and because of a fewer number of new listings in the fourth quarter of 2022 when compared to the fourth quarter of 2021, income from quotation fees fell from HRK 293 thousand to HRK 16 thousand (HRK -277 thousand, or -94.4%). The

aforementioned change in projecting revenues from the issuance and maintenance of LEI also contributes to a significant increase in sales revenues and decrease in other operating revenues. Other operating income fell from HRK 2,791 thousand to HRK 2,486 thousand (HRK -305 thousand, or -10.9%) which was caused by a decrease in the income from the supply of information from HRK 1,849 thousand to HRK 1,829 thousand (HRK -20 thousand or -1%) and other revenue, which in the previous periods included revenues from the issuance and maintenance of LEI, fell from HRK 942 thousand to HRK 657 thousand (HRK -285 thousand, or -30%).

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 +1,778 thousand (+7.1%) higher than in 2021 and amounted to HRK 26,787 thousand (2021: HRK 25,009 thousand). Apart from the value adjustment, which fell by HRK -80 thousand and amounts to HRK 11 thousand and amortization which fell by HRK -123 thousand and amounts to HRK 1.913 thousand, all items of operating expenses are higher in 2022 compared to the same period last year:

- material costs amount to HRK 7,860 thousand, which is an increase of HRK +417 thousand or +5.6% (2021: HRK 7,443 thousand),
- staff costs amount to HRK 13,096 thousand, which is an increase of HRK +1,132 thousand or +9.5% (2021: HRK 11,964 thousand), and was caused by necessary wage corrections due to labor market circumstances, and were implemented in January 2022
- other costs amount to HRK 3,864 thousand, which is an increase of HRK +426 thousand or +12.4% (2021: HRK 3,438 thousand).

In the fourth quarter of 2022 alone, operating expenses amount to HRK 6,571 thousand, which is a decrease of HRK -355 thousand or -5.1% compared to the same period last year (2021: HRK 6,926 thousand). The decrease benefitted from the fall in material costs from HRK 2,059 thousand to HRK 1,798 thousand (HRK -261 thousand or -12.7%), amortization from HRK 534 thousand to HRK 318 thousand (HRK -216 thousand, or -40.4%), other costs from HRK 29 thousand to HRK 2 thousand (HRK -27 thousand, or -92.7%), while the value adjustment amount to HRK 9 thousand (4Q 2021: HRK 49 thousand). In the fourth quarter of 2021, other costs amounted to HRK 1,161 thousand, and in the same period in 2022 amount to HRK 1,282 thousand (HRK +121 thousand or +10.4%), and staff costs which increased from HRK 3,093 thousand to HRK 3,179 thousand (HRK +87 thousand, or 2.8%).

The Group's key business indicators

000 HRK	2021	2022	change	4Q 2021	4Q 2022	change
Capital and reserves	43.227	44.114	2,05%	43.227	44.114	2,05%
Total assets	53.608	54.242	1,18%	53.608	54.242	1,18%
Operating income	25.839	28.218	9,21%	7.196	7.083	-1,56%
<i>sales revenue</i>	17.142	18.997	10,82%	4.405	4.597	4,36%
<i>other operating income</i>	8.697	9.221	6,03%	2.791	2.486	-10,92%
Operating expenses	25.009	26.787	7,11%	6.926	6.571	-5,13%
<i>material costs</i>	7.443	7.860	5,60%	2.059	1.798	-12,68%
<i>staff costs</i>	11.964	13.096	9,46%	3.093	3.179	2,80%
<i>depreciation and amortization</i>	2.036	1.913	-6,05%	534	318	-40,43%
<i>other costs</i>	3.566	3.917	9,87%	1.240	1.275	2,85%
EBIT	831	1.431	72,32%	270	512	89,90%
EBITDA	2.867	3.344	16,66%	804	830	3,32%
Financial income	133	178	33,84%	89	10	-89,07%
Financial expenses	526	904	71,69%	142	45	-67,87%
Share in profit/loss of associates and subsidiaries	30	-59	-294,56%	21	-19	-191,22%
Pre-tax profit or loss	468	646	38,19%	239	457	91,59%
Income tax	104	2	-98,49%	14	-131	-1.007,86%
Profit or loss for the period	364	644	77,27%	224	589	162,63%
Other comprehensive income	-67	382		-128	-199	54,82%
Total comprehensive income	296	1.026	246,63%	96	390	307,31%
Number of employees	39	39	0,00%	39	39	0,00%

The Group's operating profit in the 2022 amounted to HRK 1,431 thousand, while in the same period last year it amounted to HRK 831 thousand (HRK -600 thousand or -72.3%). At the level of the fourth quarter, the Group reports an operating profit in the amount of HRK 512 thousand, while in the same period in 2021 it amounted to HRK 270 thousand (HRK +242 thousand, or +89.9%). Financial income and financial expenses both recorded growth on the year level, and fell in on the fourth-quarter level. In 2022, financial income amounted to HRK 178 thousand (HRK +55 thousand or +33.8%), while financial income in the fourth quarter alone accounted for HRK 10 thousand (HRK -79 thousand or -89%). Financial expenses in 2022 amount to HRK 904 thousand (HRK +378 thousand or +71.7%), while in the fourth quarter alone they are lower by HRK -97 thousand and amount to HRK 45 thousand (4Q 2021: HRK 142 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/loss of the associates and subsidiaries in the amount of HRK -59 thousand and income tax in the amount of HRK 2 thousand, the Group's net profit in 2022 amounts to HRK 644 thousand which is HRK +280 thousand (+77%) more than in 2021 when the Group's net profit amounted to HRK 364 thousand. Adding other comprehensive income in the amount of HRK 382 thousand to the net profit, the Group's other comprehensive income in 2022 amounts to HRK 1,026 thousand (an increase of HRK +730

thousand compared to HRK 296 thousand in 2021). The high total comprehensive income (HRK 382 thousand) which made the total comprehensive income of the Group significantly higher than net profit, is caused by the difference in fair value of shares of Macedonia Stock Exchange. Namely, in 2019 and 2021, the Zagreb Stock Exchange acquired shares of the Macedonian Stock Exchange at lower prices per share than in 2022, which led to the recording of the difference in fair value for previously acquired shares. The share in the profit of the associates and subsidiaries in the fourth quarter of 2022 is HRK -19 thousand, and the income tax is a positive HRK 131 thousand, therefore the Group in the fourth quarter of 2022 reports gain in the amount of HRK 589 thousand and a total comprehensive profit in the amount of HRK 390 thousand.

Operating profit before interest, taxes, depreciation and amortization is also positive in 2022, and amounts to HRK 3,344 thousand, or HRK +477 thousand more than in 2021 (2021: HRK 2.867 thousand) while in the fourth quarter of 2022 it amounts to HRK 830 thousand, i.e., HRK +26 thousand more 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 31/12/2022 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 31/12/2022 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Group.

The management report for 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 2022 have not been audited.

Ivana Gažić
President of the Management Board



Tomislav Gračan
Member of the Management Board



Contact

Zagreb Stock Exchange, Inc.
Ivana Lučića 2a/22
10000 Zagreb
Croatia

Phone number: +385/ 1 4686 806

E-mail: ir@zse.hr

Consolidated unaudited financial statements of the Group for
1/1/2022 – 31/12/2022

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2022

to

31.12.2022

Year:

2022

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

39

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 31.12.2022			
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
ASSETS			
FIXED ASSETS 002+003+009+012	1	17.038.930	25.661.825
I INTANGIBLE ASSETS	2	2.803.702	3.733.302
II TANGIBLE ASSETS 004+...+008	3	11.762.570	11.663.141
1 Land and buildings	4	9.428.635	8.508.812
2 Computer equipment	5	742.389	1.300.110
3 Other tangible assets	6	941.859	1.173.595
4 Leasehold improvements	7	649.687	680.624
5 Assets under construction	8	0	0
III FIXED FINANCIAL ASSETS 010+011	9	2.293.745	9.987.768
1 Investments in associates, subsidiaries and joint ventures	10	145.796	9.323.149
2 Financial assets at amortised cost	11	2.147.949	664.619
DEFERRED TAX ASSETS	12	178.913	277.614
B CURRENT ASSETS 014+020+024	13	35.959.157	27.897.178
I RECEIVABLES 015+...+019	14	3.857.348	3.618.083
1 Trade receivables	15	3.075.430	2.871.042
2 Receivables from employees and members of the undertaking	16	524	262
3 Receivables from government and other institutions	17	179.089	128.553
4 Receivables from connected undertakings	18	0	0
5 Other receivables	19	602.305	618.226
III SHORT-TERM FINANCIAL ASSETS 021+...+023	20	20.492.049	10.547.674
1 Financial assets at amortised cost	21	6.012.762	1.571.083
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	8.976.591
III CASH AND CASH EQUIVALENTS	24	11.609.760	13.731.421
C PREPAID EXPENSES AND ACCRUED INCOME	25	609.973	682.720
D TOTAL ASSETS 001+013+025	26	53.608.060	54.241.723
E OFF-BALANCE SHEET ITEMS	27	0	0
LIABILITIES			
A CAPITAL AND RESERVES 029+030+031+036+037+038	28	43.226.778	44.113.821
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	7.243.324
1 Legal reserves	32	141.000	141.000
2 Reserves for treasury shares	33	0	-138.703
3 Fair value reserves	34	0	528.686
4 Other reserves	35	711.898	6.712.341
IV RETAINED PROFIT OR LOSS BROUGHT FORWARD	36	-18.206.852	-812.651
V PROFIT OR LOSS FOR THE YEAR	37	363.551	644.467
VI MINORITY INTEREST	38	0	0
B PROVISIONS	39	192.109	273.563
C SHORT-TERM LIABILITIES 041+...+046	40	3.286.093	3.075.150
1 Liabilities for advance payments	41	126.864	12.644
2 Trade payables	42	1.154.241	868.630
3 Liabilities to employees	43	745.001	792.099
4 Taxes, contributions and similar liabilities	44	278.324	381.548
5 Liabilities to connected undertakings	45	0	1.978
6 Other short-term liabilities	46	981.663	1.018.251
D LONG-TERM LIABILITIES	47	2.414.550	1.894.185
E DEFERRED TAX LIABILITY	48	188.771	144.580
F ACCRUALS AND DEFERRED INCOME	49	4.299.759	4.740.424
G TOTAL LIABILITIES 028+039+040+047+048+049	50	53.608.060	54.241.723
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	43.226.778	44.113.821
1 Attributable to owners of the parent	53	43.226.778	44.113.821
2 Attributable to non-controlling interest	54	0	0

STATEMENT OF PROFIT OR LOSS

For the period 1.1.2022 to 31.12.2022

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
A OPERATING INCOME 002+009	1	25.839.244	7.195.849	28.218.115	7.083.380
I Sales revenue 003+...+008	2	17.142.209	4.405.235	18.997.008	4.597.409
1 Commissions and membership fees	3	7.762.906	2.052.719	8.791.126	1.925.077
2 Listing maintenance fees	4	7.847.580	2.059.374	8.137.791	2.167.748
3 Income from quotation maintenance	5	1.531.723	293.142	1.579.938	16.431
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	488.153	488.153
II Other operating income 010+...+012	9	8.697.035	2.790.614	9.221.107	2.485.971
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	6.236.312	1.848.821	6.261.570	1.828.995
3 Other income	12	2.460.723	941.793	2.959.537	656.976
B OPERATING EXPENSES 014+017+021+022+023+026+027	13	25.008.700	6.926.100	26.786.897	6.571.132
I Material costs 015+016	14	7.443.145	2.059.434	7.860.250	1.798.246
1 Costs of raw materials	15	554.552	147.158	195.151	-257.961
2 Other external costs	16	6.888.593	1.912.276	7.665.099	2.056.207
II Staff costs 018+...+020	17	11.963.887	3.092.818	13.096.266	3.179.485
1 Net salaries and wages	18	8.284.206	2.190.695	9.132.461	2.148.952
2 Tax and contributions from salary costs	19	2.750.918	667.073	2.962.566	784.624
3 Payroll contributions	20	928.763	235.050	1.001.239	245.909
III Depreciation	21	2.036.155	533.840	1.913.023	318.013
IV Other costs	22	3.438.383	1.161.385	3.864.274	1.282.441
V Value adjustment 024+025	23	91.053	49.180	10.793	-9.207
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	91.053	49.180	10.793	-9.207
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	36.077	29.443	42.291	2.154
C FINANCIAL INCOME 029+...+034	28	133.001	89.077	178.012	9.738
1 Interest, exchange rate differences, dividends and similar	29	1.472	76	101.799	71
2 Interest, exchange rate differences, dividends and similar	30	113.415	79.461	73.440	9.512
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	0	0	0	0
5 Profit from reversal of provisions for impairment for expected	33	0	0	0	0
6 Other financial income	34	18.114	9.540	2.773	155
D FINANCIAL EXPENSES 036+...+040	35	526.487	141.565	903.947	45.489
1 Interest, exchange rate differences and other expenditures with	36	7.661	2.355	7.101	2.708
2 Interest, exchange rate differences and other expenditure from	37	107.068	29.022	178.311	33.190
3 Unrealised losses (expenses) from financial assets	38	411.758	110.188	718.535	9.591
4 Loss on impairment for expected credit losses	39	0	0	0	0
5 Other financial expenses	40	0	0	0	0
E TOTAL INCOME 001+028	41	25.972.245	7.284.926	28.396.127	7.093.118
F TOTAL EXPENDITURE 013+035	42	25.535.187	7.067.665	27.690.844	6.616.621
G Share in profit/loss of associates and subsidiaries	43	30.450	21.303	-59.243	-19.433
H PRE-TAX PROFIT OR LOSS 041-042+043	44	467.508	238.564	646.040	457.064
I INCOME TAX	45	103.957	14.480	1.573	-131.458
J PROFIT OR LOSS FOR THE PERIOD 044-045	46	363.551	224.084	644.467	588.522
1 Change in revaluation reserves (property, plant,	47	0	0	-226.479	-226.479
2 Actuarial gains/losses on defined benefit pension plans	48	-8.656	-8.656	-16.602	-16.602
3 Unrealised gains/losses on financial assets at fair value through other comprehensive income	49	0	0	528.686	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	-60.309	-121.255	51.683	-307
6 Income tax on other comprehensive income	52	-1.513	-1.513	-44.608	-44.608
K OTHER COMPREHENSIVE INCOME 047+...+052	53	-67.452	-128.398	381.896	-198.780
TOTAL COMPREHENSIVE INCOME 046+053	54	296.099	95.686	1.026.363	389.742
M RECLASSIFICATION ADJUSTMENTS	55	0	0	0	0
Appendix **					
Attributable to owners of the parent	56	296.099	95.686	1.026.363	389.742
Attributable to non-controlling interest	57	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method			
for the period 1.1.2022 to 31.12.2022			
			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	467.508	646.040
2 Depreciation	2	2.036.155	1.913.023
3 Increase in short-term liabilities	3	0	0
4 Decrease in short-term receivables	4	483.427	251.983
5 Decrease in inventories	5	312	6.208
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	437.619	1.313.615
I Total cash flow increase from operating activities 001+...+007	8	3.425.021	4.130.869
1 Decrease in short-term liabilities	9	126.650	213.918
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	643.622	100.439
II Total cash flow decrease from operating activities 009+...+013	14	770.272	314.357
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sale of fixed tangible and intangible assets	15	0	0
2 Cash receipts the from sale of equity instruments and debt	16	7.598	0
3 Interest received	17	0	0
4 Dividends received	18	53.811	0
5 Other cash receipts from investment activities	19	5.229.681	10.064.590
III Total cash receipts from investment activities 015+...+019	20	5.291.090	10.064.590
1 Cash payments for the purchase of fixed tangible and intangible	21	1.155.227	2.739.005
2 Cash payments for the acquisition of equity financial	22	378.522	7.356.049
3 Other cash payments from investment activities	23	3.255.899	908.231
IV Total cash payments from investment activities 021+...+023	24	4.789.648	11.003.285
CASH FLOW FROM FINANCING ACTIVITIES			
1 Cash receipts from the issue of equity financial instruments and debt financial instruments	25	0	0
2 Cash receipts from credit principals, debentures, loans and other borrowings	26	0	0
3 Other cash receipts from financing activities	27	0	0
V Total cash receipts from financing activities 025+...+027	28	0	0
1 Cash payments for credit principals and bonds	29	0	0
2 Cash payments for dividends	30	0	0
3 Cash payments for finance lease	31	0	0
4 Cash payments for the redemption of treasury shares	32	0	0
5 Other cash payments from financing activities	33	870.198	756.156
VI Total cash payments from operating activities 029+...+033	34	870.198	756.156
VII Cash and cash equivalents at the beginning of period	35	9.323.767	11.609.760
VIII Increase of cash and cash equivalents	36	2.285.993	2.121.661
IX Decrease of cash and cash equivalents	37	0	0
X Cash and cash equivalents at the end of period	38	11.609.760	13.731.421

STATEMENT OF CHANGES IN EQUITY										
		for the period from 1.1.2022 to 31.12.2022							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
Balance on the first day of the previous business year	1	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
Balance on the first day of the previous business year (restated)	4	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
Total directly recognized income and expenses of the previous year (previous year periods)	8	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
Balance on the last day of the previous business year reporting period	13	46.357.000	13.860.181	141.000	363.551	-18.206.852	0	711.898	0	43.226.778
Balance on the first day of the current business year	14	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
Balance on the first day of the current business year (restated)	17	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	644.467	0	0	0	0	644.467
Unrealised gains or losses on financial assets at fair value through other comprehensive income	19	0	0	0	0	0	528.686	0	0	528.686
Other changes in equity unrelated to owners	20	0	0	0	0	0	0	-146.790	0	-146.790
Total directly recognised income and expenses of the current year (current period)	21	0	0	0	644.467	0	528.686	-146.790	0	1.026.363
Increase/decrease in subscribed capital	22	-23.178.500	0	6.147.850	0	17.030.650	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	-139.320	-363.551	363.551	0	0	0	-139.320
Balance on the last day of the current business year reporting period	26	23.178.500	13.860.181	6.149.530	644.467	-812.651	528.686	565.108	0	44.113.821

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 - 31.12.2022

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 for 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 (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.

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 31.12.2022 (further: Consolidated Result for fourth quarter) as published on the internet page www.zse.hr.

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

The Group does not have financial commitments, guarantees or contingencies that are not included in the consolidated balance sheet as of 31 December 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 4th quarter (www.zse.hr).

Besides the above-mentioned notes, we are describing the differences in classification between incomes and expenditures as presented in the audited consolidated financial statements and Notes to the consolidated financial statements 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 488 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 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 39.

7. Capitalized costs of salaries during the reporting period

The Group did not capitalize 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	31.12.2022
	kn'000	kn'000	kn'000	kn'000
Deferred tax assets	179	-	99	278
Deferred tax liabilities	(189)	-	44	(145)
	(10)	-	123	133

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 the controlled companies, joint ventures and holdings of a participating interest as at 31 December 2021 are presented in the Notes 13 and 14 to consolidated financial statements presented in the Annual Report of the Company for 2021.

In the balance sheet as of December 31, 2021, under the position "Financial assets at fair value through other comprehensive income" (FI: "Financial assets carried at amortized cost"), the Company had investments in shares of Macedonian Stock Exchange d.d. in the amount of HRK 1,484 thousand, which represented 0.7% of the share in the capital of that company. During 2022, the Company acquired additional shares of the aforementioned company, and as of December 31, 2022, it holds a 30% stake in that company. As of December 31, 2022, investments in shares of the Macedonian Stock Exchange are reported under the position "Investments in associates and joint ventures" (FS: "Investments in associated companies, subsidiaries and joint ventures") in the total amount of HRK 9,229 thousand.

Investments in subsidiaries and associated companies and joint ventures are presented below.

Entity	Relation	Country	Shares	Equity and reserves	Current year result
			%	000'HRK	000'HRK
31.12.2022					
Ljubljanska burza d.d.	Subsidiary	Slovenia	100,0%	18.525	514
SEE Link d.o.o.	Joint venture	North Macedonia	43,32%	442	14
Funderbeam SEE d.o.o.	Associate	Croatia	30,0%	-1.068	31
Makedonska burza d.d.	Associate	North Macedonia	30,0%	22.763	1.577
31.12.2021					
Ljubljanska burza d.d.	Subsidiary	Slovenia	100,0%	18.356	316
SEE Link d.o.o.	Joint venture	North Macedonia	33,3%	429	90
Funderbeam SEE d.o.o.	Associate	Croatia	30,0%	-1.099	-115

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.

Based on the Decision of the General Assembly of the Zagreb Stock Exchange from June 14, 2022, which authorized the Stock Exchange Management to acquire its own shares during a period of 5 years from the date of adoption of that Decision, the Company acquired 5,500 own shares by December 31, 2022, and together with 32 own shares that were acquired in the process of reducing the share capital, as of December 31, 2022, it holds 5,532 own shares.

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.

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.

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 4th quarter of 2022 as published on the internet page 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:

P&L item (IFRS)	Amount HRK'000	P&L item (GFI)	Amount HRK'000
Staff costs	13.965	Staff costs	13.096
		Reclassification from other costs	869
Other operating costs	10.908	Costs of raw materials	195
		Other external costs	7.665
		Value adjustment	11
		Other costs	3.864
		Other operating expenses	42
		Reclassification to staff costs	(869)
Balance sheet item (IFRS)	Amount HRK'000	Balance sheet item (GFI)	Amount HRK'000
Property and equipment	8.980	Land and buildings	8.509
Assets with right of use	2.683	Computer equipment	1.300
		Other tangible assets	1.174
		Leasehold improvements	681
		Rounding	(1)
Financial assets at fair value through other comprehensive income	197	Financial assets at amortised cost (long term)	665
Long term deposits	250		
Guarantee deposits	218		
Loans receivable from associate			
Contract assets	582	Prepaid expenses and accrued income	683
Prepaid expenses	103	Rounding	2
Other reserves*	6.148	Other reserves from profit	6.712
Revaluation reserves	764	Rounding	4
Actuarial gains / losses	(29)		
Translation reserves	(167)		
*Reserves from decrease of the subscribed share equity			
Trade and other payables (short term)	3.239	Liabilities for advance payments	13
Short term financial liabilities	730	Trade payables	869
		Liabilities to employees	792
		Taxes, contributions and similar liabilities	382
		Liabilities to connected undertakings	2
		Other short-term liabilities	1.018
		Reclassification from "Accrued expenses and deferred income"	892
		Rounding	1
Contractual liabilities	3.848	Accruals and deferred income	4.740
		Reclassified to "Trade and other payables"	(892)