



**ZAGREBAČKA
BURZA**

Zagreb Stock Exchange

ANNUAL REPORT

ON COMPANY STATUS AND BUSINESS ACTIVITIES IN 2023

Zagreb, April 2024

The report in PDF format is an unofficial report, while the official version of the annual report, in accordance with the Capital Market Act, is available in a single electronic reporting format (ESEF – European Single Electronic Format).

This version of the Annual report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version takes precedence over this translation.

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1 MANAGEMENT REPORT

1.1 A word by the Management Board

If we were to look at the year 2023 through the prism of one event that marked the domestic economy and the capital market, it would certainly be the introduction of the euro. January mostly marked the first month of trading in the new currency, and by switching to the euro without difficulties for capital market participants, the Zagreb Stock Exchange made its contribution to the successful accession to the eurozone.

Another important event was the listing of the bonds of the Republic of Croatia primarily intended for small investors in March, when in the premises of the Stock Exchange, the Minister of Finance Marko Primorac and the President of the Management Board of the Zagreb Stock Exchange Ivana Gažić signed the contract on the listing of the bonds in question on the Official Market of the Stock Exchange in the presence of the Prime Minister Andrej Plenković. For the first time, this bond was distributed through the network of banks to citizens throughout Croatia, so the success of subscription was immense - about 44,000 citizens signed up for bonds. Already in the fall, the Ministry of Finance continued with issues intended for citizens, offering for the first time a treasury bill as an investment option, in which more than 36,000 citizens invested. On those two occasions, about 27,000 citizens opened investment accounts for the first time, which proves that there are funds available for investment, but there are still too few investment opportunities in our market.

Later in the year, in May, the trading of a new ETF, which tracks the Romanian index BET-TR, began. Already in the first month of trading, it became clear that this is a very interesting product for retail investors, enabling efficient access to the attractive Romanian market. It was joined in October by another ETF, the first money fund in Croatia that can be traded on the stock exchange, and the fourth in total to be listed on the Zagreb Stock Exchange.

In July, an agreement was signed on the listing of bonds of Zagrebački holding d.o.o. on the Official Market of the Zagreb Stock Exchange, related to the sustainable operations of that company, in the presence of Zagreb Mayor Tomislav Tomašević, other such bonds on our market.

This year, the Zagreb Stock Exchange was once again among more than 100 world stock exchanges where the symbolic ringing of the bell signaled the start of trading on International Women's Day. On that occasion, messages were sent about the role that the business sector can play in empowering women as an important global goal of sustainable development.

In March, the Academy of the Zagreb Stock Exchange marked Global and European Money Week with a series of activities, leading a global event to raise awareness of the importance of financial education and financial inclusion for children and young people, and in May it also marked 13 years since its establishment: so far, about 100 different programs have been developed, The Academy organized over 600 educational events, with more than 12,000 participants. The Academy places great emphasis

on the education of young people, especially students, more than 5,700 of whom have been educated over the years.

More than 1,000 participants gathered at our numerous other events where we strive to connect capital market participants and provide platforms for the exchange of information, knowledge, and experiences throughout the year.

In May, Macedonian Capital Market Days were held in Skopje for the first time, organized by the Macedonian Stock Exchange and co-organized by the Zagreb Stock Exchange. The aim of the event is to familiarize the participants of the Croatian capital market with the Macedonian market to facilitate Croatian investors' access to that market and explore the possibilities of cooperation and exchange of knowledge and experience. More than 50 representatives of Croatian and Macedonian investment companies, pension and investment funds, companies listed on both stock exchanges, regulators, depositories, and other infrastructure organizations of the financial market of both countries gathered in Skopje.

In June and December, the investment conferences of the Zagreb and Ljubljana stock exchanges "CEE Investment Opportunities" were traditionally held, with the aim of enabling immediate contact between companies and investors in one place in a short period of time. In addition to Croatian and Slovenian companies, companies listed on the Macedonian Stock Exchange participated in this year's event, and for the first time several Romanian companies from the Bucharest Stock Exchange, as well as several companies listed on the Bulgarian Stock Exchange. More than 400 meetings were held at both events.

The Croatian Financial Services Supervisory Agency, the Central Clearing Depository Company and the Zagreb Stock Exchange held the 14th annual training for companies whose securities are listed on the regulated market of the Zagreb Stock Exchange. More than 100 representatives of issuers took part, and this year they were also presented with novelties related to the regulation of the capital market and other related topics. In addition, the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency also implemented an educational program on corporate governance called "Governance and ESG Development", implemented with the support of the European Bank for Reconstruction and Development, which gathered around 300 representatives of listed companies in five modules and also other individuals and organizations interested in issues of corporate governance and related topics from Croatia and the region.

This year's "Challenge of Change" conference, the most important financial conference in Croatia and the region, which has been co-organized by the Zagreb Stock Exchange and the Association of Pension Fund Management and Pension Insurance Companies since 2012, gathered a record 550 participants this year.

In May, the Zagreb Stock Exchange founded the associated company Adria Digital Exchange d.o.o., with the intention of researching and developing the potential for trading and management of virtual assets, in which the Stock Exchange has a 24% share.

In the middle of the year, a project led by the CFA Croatia association began, which mobilized a wide range of market participants from all branches of the financial industry with the aim of creating a foundation for a capital market development strategy. Namely, Croatia has clearly expressed its intention to join the OECD, the community of the most developed countries in the world, for which

the process of numerous adjustments and improvements has already begun, one of which will be the adoption of a capital market development strategy by the Government of the Republic of Croatia. The project, of which we are an active participant, aims to propose a series of measures that can result in a more developed market to the benefit of the entire economy and all market participants.

The Zagreb Stock Exchange became a partner in the Interreg MESTRI-CE project aimed at testing a new financing model for more climate-sustainable buildings. Participation in such projects is part of the development strategy of the Stock Exchange, which strengthens the capacities of the capital market and its participants in accordance with the modern goals of the green transition and sustainability of the EU member states.

At the very end of the year, the Zagreb Stock Exchange, Mazars and Poslovna inteligencija signed a contract that marks the beginning of the creation of an advanced solution for the automated valuation of companies based on machine learning: the Artificial Intelligence Research Project (AIR). The project is financed by the EBRD, with the support of the Taiwan Business EBRD Technical Cooperation fund, and the goal of the project in the first phase of development is to produce a solution that will enable the preparation of automated reports on the valuation of shares for listed companies, while the solution in question in the second phase would connect with AI technology.

December is traditionally also the month of the Zagreb Stock Exchange Awards, which the Stock Exchange has been awarding for the twelfth year in a row. The event gathered about a hundred guests, and prizes were awarded in a total of seven categories, considering objective, statistical criteria, as well as the overall contribution to education and the development of the domestic capital market.

Excellent cooperation with the regulator, members, issuers, infrastructural institutions of the capital market and other stakeholders was crucial again this year for the Zagreb Stock Exchange to justify its position as a regional leader and continue to provide a high level of quality of its services.

1.2 ZSE Key Performance Indicators in 2023

In 2023, operating revenues decreased by -0.9% compared to 2022, amounting to EUR 2,018 thousand. The slight decrease in operating revenue was the result of lower income from trading commissions (-4.1%), and fewer number of newly listed securities in 2023 resulted in a decrease in income from listing fees. Other operating income increased by EUR 45.8 thousand, primarily due to increased income from the supply of information (+8.3%), and other income, which includes income from associated companies and income assigning and administering LEIs (+5.4%).

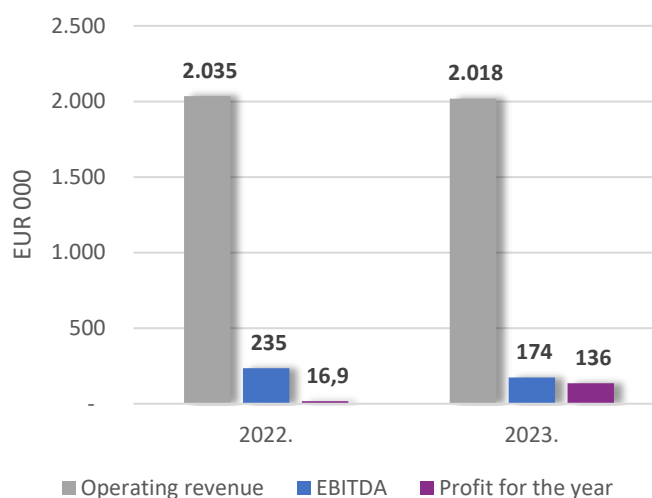


Figure 1: Operating revenue, profit for the year and EBITDA

In 2023, operating expenses increased by +3.6% when compared to 2022. The increase of operating expenses was primarily caused by an increase in costs of software and licensing (+17%). Staff costs decreased by -0.14% compared to 2022. The year 2023 was thus concluded with an operating loss of EUR -33 thousand, an excellent net financial result of EUR +171 thousand and a net profit of EUR 136 thousand. Operating profit before interest, taxes, depreciation and amortization in 2023 amounts to EUR 174 thousand, which is a decrease of -26% compared to 2022.

EUR	2021	2022	change
Share capital	3,076,316	3,076,315	0.00%
Capital and reserves	5,819,123	6,027,948	3.59%
Total assets	6,830,377	6,942,647	1.64%
Operating revenue	2,035,861	2,017,744	-0.89%
<i>Sales revenue</i>	<i>1,363,283</i>	<i>1,299,319</i>	<i>-4.69%</i>
<i>Other operating income</i>	<i>672,578</i>	<i>718,425</i>	<i>6.82%</i>
Operating expenses	1,980,574	2,051,463	3.58%
<i>Staff costs</i>	<i>(1,003,649)</i>	<i>(1,002,235)</i>	<i>-0.14%</i>
<i>Depreciation and amortization</i>	<i>(180,410)</i>	<i>(207,741)</i>	<i>15.15%</i>
<i>Other costs</i>	<i>(796,515)</i>	<i>(841,487)</i>	<i>207.49%</i>
EBIT	55,288	-33,719	-160.99%
EBITDA	235,698	174,022	-26.17%
Net financial result	-53,851	171,752	419.12%
EBT	1,436	138,033	9512.33%
Income tax credit	-15,464	1,830	111.83%
Profit for the year	16,900	136,203	705.93%
Number of shares	2,317,850	2,317,850	0.00%
Number of employees	25	23	-8.00%

Table 1: Main business indicators

1.2.1 Trading and price of ZB-R-A share of the issuer Zagreb Stock Exchange, Inc.

Zagreb Stock Exchange shares were listed on the regulated market (Official market segment) in August 2016. Following the conversion of the Company’s share capital to euro, the share capital amounts to EUR 3,076,315 and is divided to 2,317,850 ordinary shares. As of December 31, 2023, the Company owns a total of 8,396 of own shares, which make up for 0.3611% of its share capital.

From January 1 to December 31 2023, Zagreb Stock Exchange’s share reached a total orderbook turnover of EUR 95,202.98.

Symbol	ZB-R-A
ISIN	HRZB00RA0003
Number of listed shares	2,317,850
Total turnover (HRK)	95,202.98
Total trading volume	29,749
Highest price (HRK)	4.5
Lowest price (HRK)	2.5
Last price (HRK)	2.76
Average daily turnover (HRK)	1,322.26

Table 2: ZB-R-A share in 2023

The ZB-R-A stock price reached its peak on January 3, 2023 in the amount of EUR 4.5, while it fell to its lowest level on December 12, 2023, when it was priced at EUR 2.5.

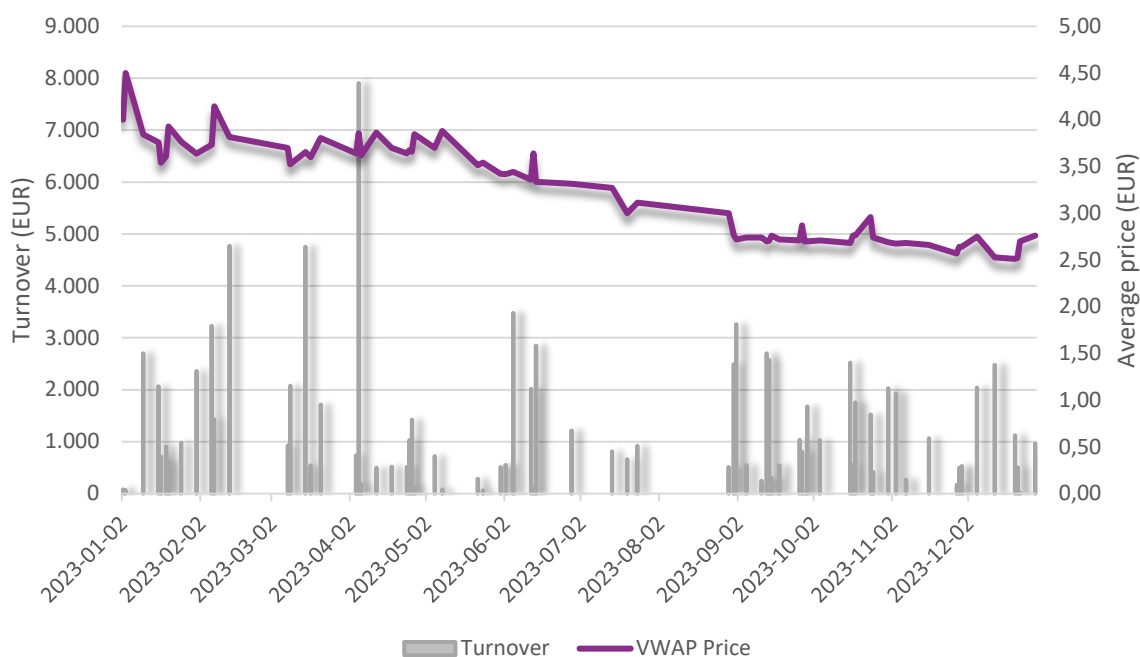


Figure 2: Turnover and average price ZB-R-A stock in 2023

1.2.2 Ownership structure of the issuer Zagreb Stock Exchange

A total of 195 shareholders were noted in the ownership structure of the Zagreb Stock Exchange on 31 December 2023.

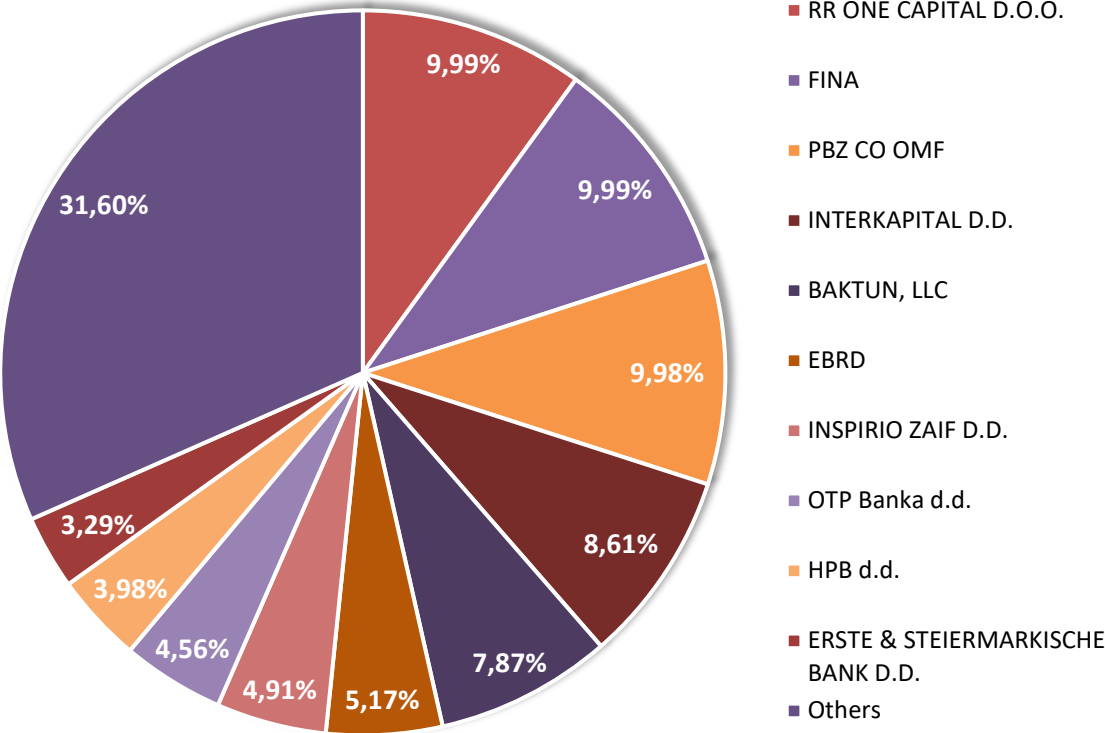


Figure 3: Ownership structure on 30 December 2023

1.3 Financial results and business operations in 2023

In 2023, the Company generated a total of EUR 2,018 thousand of operating revenues, which is EUR -18 thousand or -0.9% less than in the previous year when they amounted to EUR 2,036 thousand. Compared to 2022, sales revenues decreased from EUR 1,363 to EUR 1,299 thousand, i.e., by EUR -63.9 thousand or -4.7%. The decrease in sales revenue is primarily the result of reduced revenues from trading commissions and memberships, which, following a lower turnover in securities compared to 2022, in 2023 reached EUR 499 thousand (EUR -22 thousand or -4.1% more compared to 2022 when they amounted to EUR 521 thousand). Following a lower number of newly listed securities than in the previous year, income from quotation fees in 2023 amounted to EUR 122 thousand, which is EUR -34.9 thousand or -22% less than in 2022. Within sales revenues, income from quotation maintenance decreased to EUR 678 thousand (a decrease of EUR -7.5 thousand or -1% compared to 2022, when they amounted to EUR 685 thousand). Compared to 2022, other operating income increased by EUR +45.8 thousand or +6.8%, i.e., from EUR 673 to EUR 718 thousand. This increase in other operating income is due to the growth of revenue from assigning and administering LEIs, which amounted to EUR 79 thousand (EUR +14 thousand or +22%), income from seminars which amounted to EUR 113 thousand (EUR +4.6 thousand or +4.3%) and income from the supply of information, which marked a significant increase from EUR 327.8 thousand in 2022 to EUR 355 thousand in 2023 (EUR +27 thousand or +8.3%). In 2022, other income increased by EUR +18 thousand, or +5.4% and amount to EUR 363 thousand (2022: EUR 344 thousand).

Influenced by the general increase in prices, in 2023 the Company recorded an increase in total operating expenses. Total operating expenses increased by EUR +70.8 thousand (+3.6%) compared to 2022 and amounted to EUR 2,051 thousand (2022: EUR 1,981 thousand). The increase in operating expenses was mostly due to the increase in costs of software and licensing (EUR +46.9 thousand or +17%). Depreciation and amortization in 2023 increased by +15% and amounts to EUR 207 thousand (2022: EUR 180 thousand) and relates to purchased IT equipment. Other expenses at the end of 2023 amount to EUR 85.9 thousand, representing a decrease by -0.4% compared to 2022 when they amounted to EUR 86.4 thousand. Other operating expenses in 2023 amount to EUR 841 thousand, which is an increase by EUR +44.9 thousand or +5.6% (2022: 796.5 thousand). Staff costs in 2023 decreased by EUR -1.4 thousand or -0.1% (from EUR 1,003 to EUR 1,002 thousand), compared to 2022.

The Company's operating loss in 2022 amounted to EUR -33.7 thousand, while in the previous year the Company reported operating profit amounting to EUR 55 thousand (EUR -89 thousand or -161%). Financial revenues recorded a significant growth in 2023, and include dividend payments from Ljubljana and Macedonian stock exchanges realized in the second quarter of 2023. Financial revenues in 2023 amounted to a significant EUR 155 thousand (EUR +98 thousand or +170.5%) compared to 2022. At the same time, financial expenses also recorded a decrease, so in 2023 they amounted to EUR 10.3 thousand (EUR -2 thousand or -16.7%) compared to the EUR 12.3 thousand of financial expenses realized in 2022.

Considering all the above, the Company's net profit in 2022 amounts to EUR 136 thousand, which is EUR +119 thousand more than in 2022, when the Company's net profit amounted to EUR 16.9

thousand. Operating profit before interest, taxes, depreciation and amortization is positive and in 2023 amounts to EUR 173.9 thousand, i.e., EUR -61.7 thousand less than in 2022.

In 2023, in order to preserve the value of its assets, the Company invested its available cash in bond funds and bank deposits. At the end of 2023, the Company's free assets amounted to EUR 1,977 thousand (units in investment funds and cash in the bank).

1.4 Business analysis

1.4.1 Total operating revenues

Total operating revenues in 2023 amount to EUR 2,018 thousand and are lower by EUR -19 thousand or +0.9% compared to 2022 when they amounted to EUR 2,036 thousand. The largest increase in revenue was recorded in revenue from assigning and administering LEIs (EUR +14 thousand or +22%), and the largest decrease in revenue from quotation fees (EUR -35 thousand or -22%).

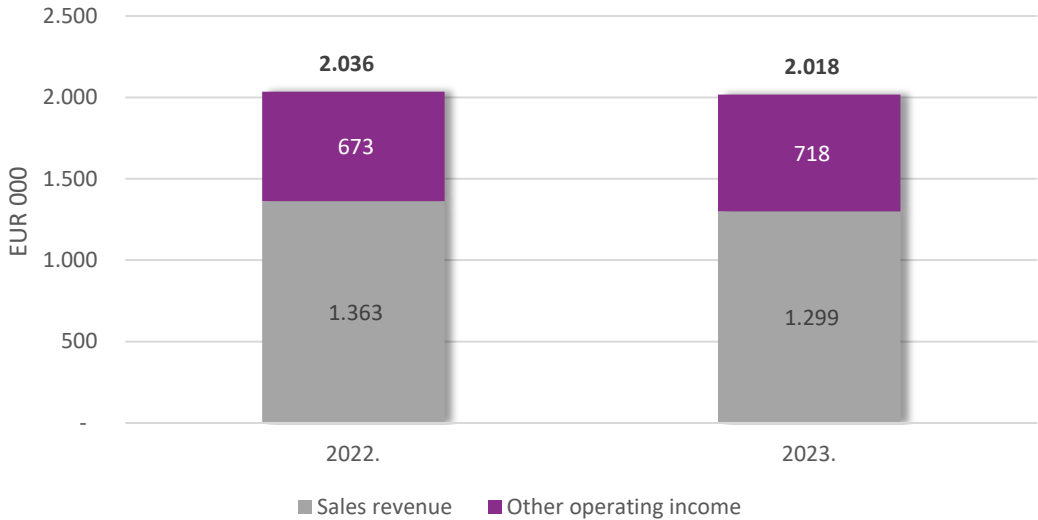


Figure 4: Operating revenue

As in the previous year, in 2023 income from quotation maintenance (34%) had the largest share in operating revenues, followed by revenues from trading commissions and membership fees (25%). In 2023, income from quotation fees claimed a smaller share in operating revenues, while income from the supply of information, income from seminars and other income increased their share in the Company’s operating revenues.

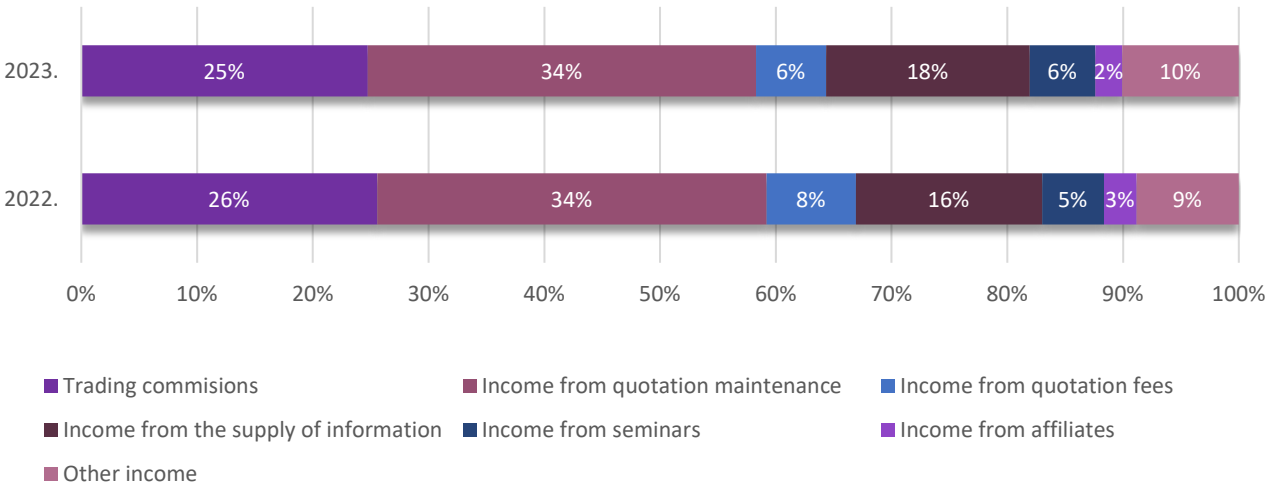


Figure 5: Operating revenue structure

Trading commissions and membership fees

In 2023, EUR 474 thousand was generated on the basis of trading commissions, which is EUR -21 thousand or -4.3% more compared to 2022, when they amounted to EUR 495 thousand. At the end of 2023, the Exchange had a total of 12 members, the same as in 2022, but membership fees revenues are lower by EUR -124 or -0.5% and amount to EUR 25.5 thousand.

Revenue from quotation maintenance

Revenue from quotation maintenance decreased from EUR 685 to EUR 677.7 thousand (EUR -7.5 thousand or -1%). At the end of 2023, 87 stocks (2022: 92), 31 bonds (2022: 30), 7 treasury bills (2022: 14) and 4 ETFs (2022: 2) were listed on the Regulated Market.

Revenue from quotation fees

In 2023, revenue from quotation fees decreased from EUR 157 to EUR 122 thousand (EUR -34 thousand or -22%) compared to the previous year. In 2023, sixteen treasury bills, four bonds and two ETFs were listed, while in 2022, new listings included two shares, five bonds and fourteen treasury bills.

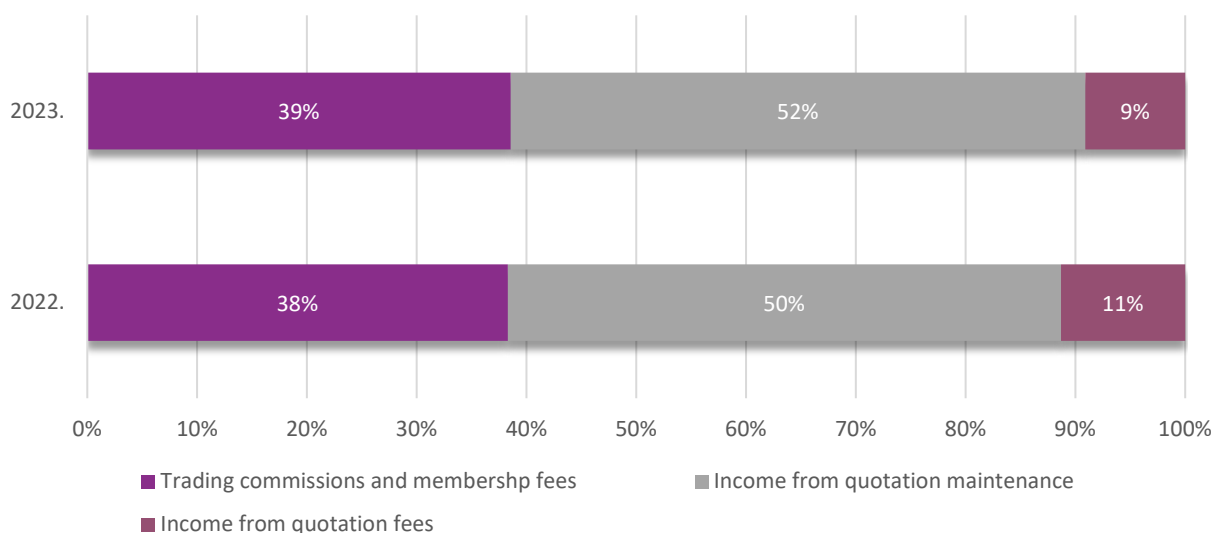


Figure 6: Sales revenue structure

Other operating income

Other operating income increased by EUR +46 thousand or +6.8% compared to 2022 (from EUR 673 to EUR 718 thousand) due to the growth of revenue from the supply of information amounting to EUR 355 thousand (EUR +27 thousand or +8.3%), increase in revenues from assigning and administering LEIs amounting to EUR 79 thousand (EUR +13 thousand or +22%), and revenues from seminars that increased by EUR +4.6 thousand or +4.3% and amounted to EUR 113.3 thousand. Within other operating income, the only decrease is noted in revenues from affiliates (EUR -10 thousand or -18%, i.e., from EUR 57 to EUR 47 thousand). Revenues from the supply of information have the largest share in other operating income (49%), which also includes income from real-time data distribution rights paid by members.

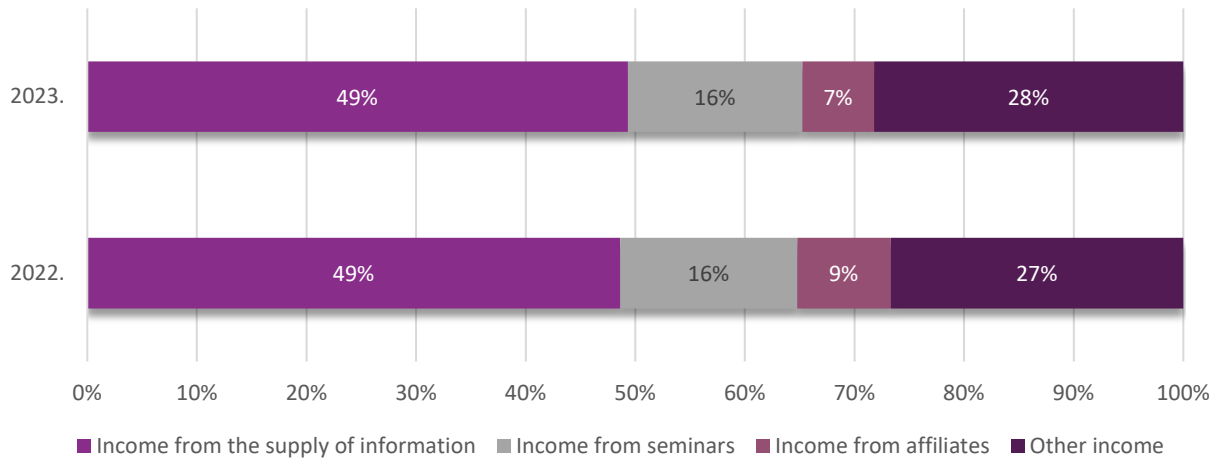


Figure 7: Other operating income structure

1.4.2 Total operating expenses

Total operating expenses in 2023 amounted to EUR 2,051 thousand, which is an increase of EUR +70.8 thousand or +3.6% (in 2022 they amounted to EUR 1,981 thousand).

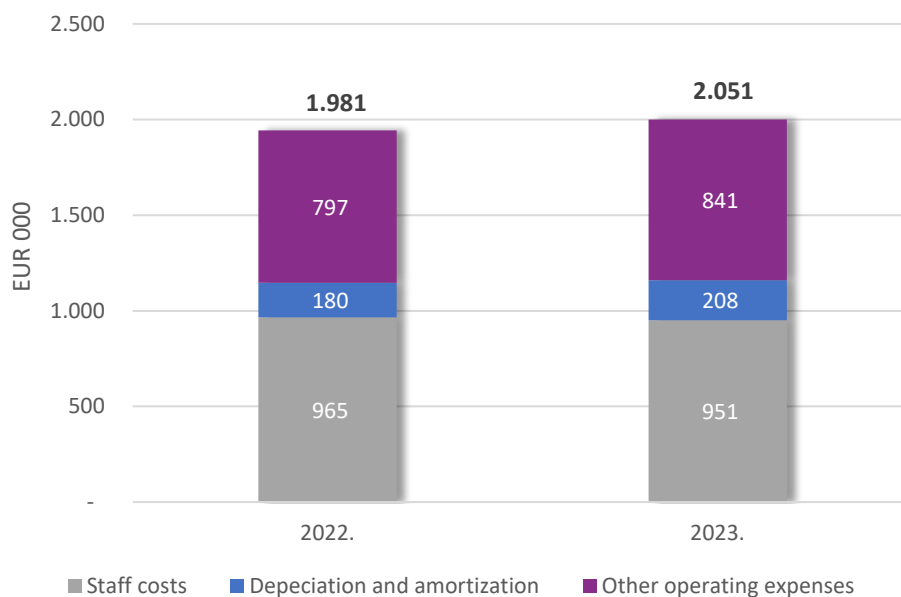


Figure 8: Operating expenses structure

Despite the general increase of prices and rising inflation, the Company maintained continuous efforts to control expenses during 2023. During 2023, the number of employees reduced from 25 to 23, resulting in a decrease in staff costs. Staff costs decreased from EUR 1,004 to EUR 1,002 thousand (EUR

-2 thousand or -0.1%). Depreciation increased by EUR +27 thousand or +15% (from EUR 180 to EUR 208 thousand).

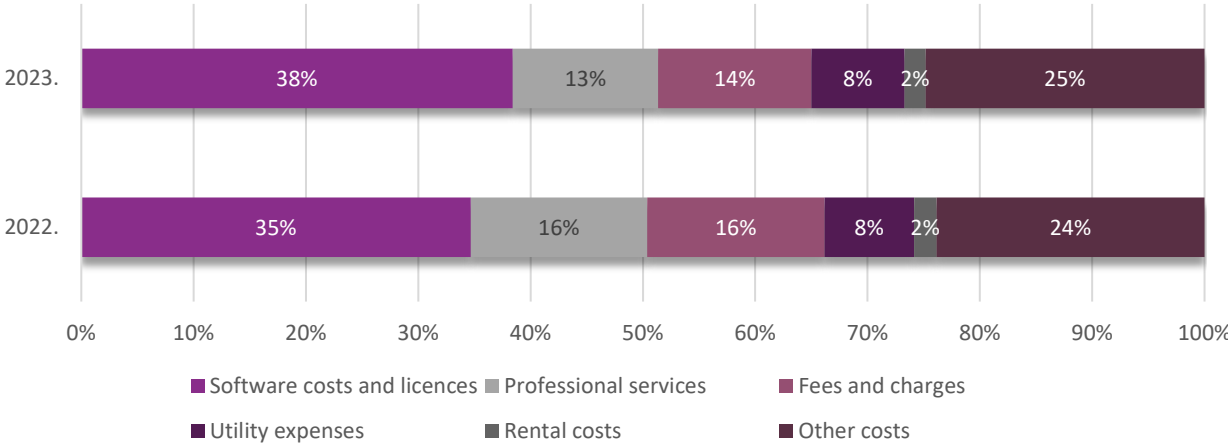


Figure 9: Other operating expenses structure

Other operating expenses at the end of 2023 amounted to EUR 841 thousand, representing an increase of EUR +44.9 thousand or 5.6% (2022: EUR 796 thousand). Among them, the most significant is the increase in the costs of software and licenses from EUR 276 to EUR 323 thousand (EUR +46.9 thousand or +17%) which have the largest share in other operating expenses (38%).

1.4.3 Net profit for the period

In 2023, the net profit for the period amounted to EUR 136 thousand; an increase of EUR +119 thousand or +706% compared to the previous year when net profit amounted to EUR 16.9 thousand. The recorded decrease in operating revenues (-0.9%) was offset by increased other operating (+6.8%) and financial (+178%) revenues. In 2023, the Company increased revenues from other bases, where it is necessary to highlight revenues from assigning and administering LEIs which amounted to EUR 79 thousand, revenues from seminars which amounted to EUR 113.3 and a positive net financial result amounting to EUR +171.7 thousand. Other comprehensive income in 2023 amounted to EUR +91.8 thousand, and increase of EUR +21.7 thousand or +30.9% (2022: EUR 70 thousand). At the end of 2023, total comprehensive income of the Company increased by EUR +141 thousand or +162% and amounted to EUR 228 thousand (2022: EUR 87 thousand).

Operating profit before interest, taxes, depreciation and amortization decreased compared to the previous year (EUR -61.7 thousand) and in 2023 amounted to EUR 174 thousand.

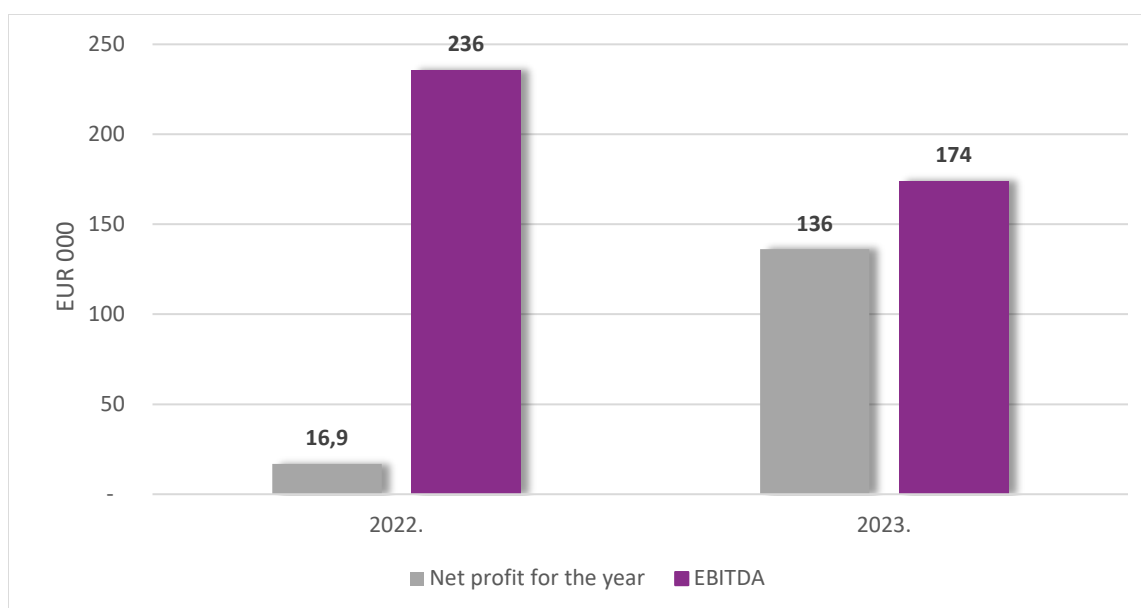


Figure 10: Net profit for the year and EBITDA

1.4.4 The Company's Assets

As of 31 December 2023, the total assets of the Company amounted to EUR 6,929 thousand, which is +1.4 % more than on the last day of 2022.

EUR	2022.	2023.	change
Non-current assets	4,666,225	4,604,038	-1.3%
Current assets	2,164,151	2,324,982	7.4%
<i>Inventories</i>	0	0	0.0%
<i>Trade receivables</i>	269,984	334,437	23.9%
<i>Financial assets</i>	736,505	1,191,398	61.8%
<i>Short-term deposits</i>	8,136	1,126,162	13741.7%
<i>Cash and cash equivalents</i>	667,895	114,249	-82.9%
<i>Prepaid expenses</i>	13,619	13,629	0.1%
Total assets	6,830,376	6,929,020	1.4%
Equity	5,819,123	6,027,948	3.6%
Long term obligations	230,548	140,888	-38.9%
<i>Deferred tax liability</i>	0	6,540	
Current liabilities	780,705	760,184	-2.6%
Total equity and liabilities	6,830,376	6,929,020	1.4%

Table 3: Balance Sheet on 31 December

The structure of the balance sheet has changed slightly compared to 2022. On the assets side, non-current assets decreased their share in the total assets, while on the liabilities side the share of long-term obligations decreased, and the share of short-term liabilities remained unchanged.

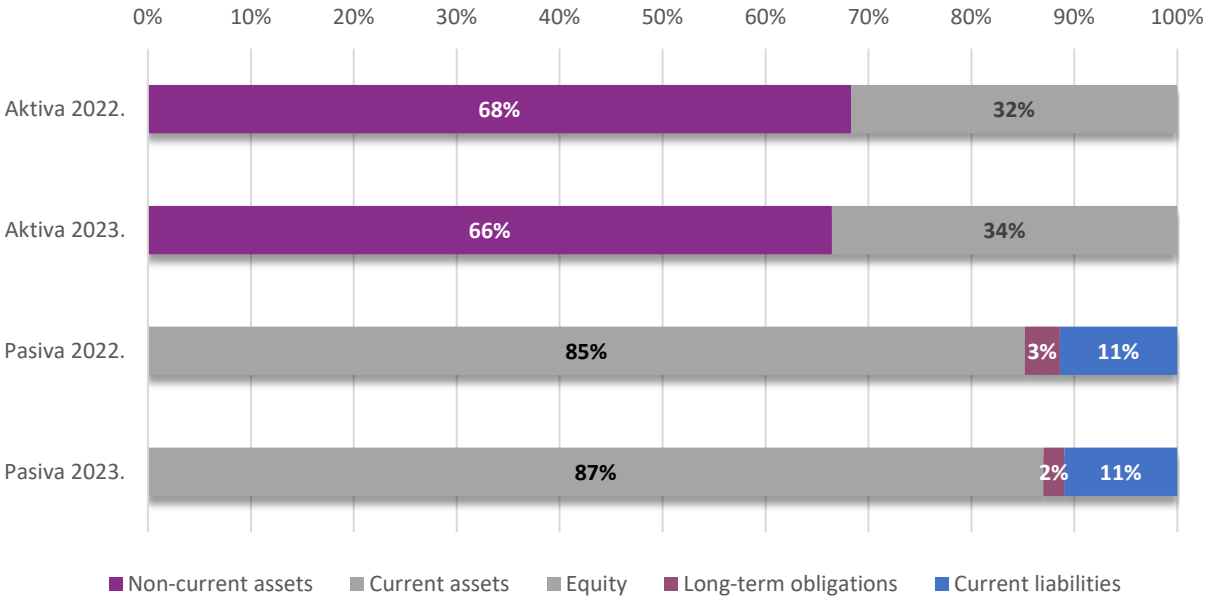


Figure 11: Assets and Liabilities Structure

1.5 Significant events after the end of the financial year

In the first quarter of 2024, the Company continued its successful business operations from the end of the previous year. Due to the financial results achieved in 2023, the successful beginning of 2024, and the projections for the remainder of 2024, the Company’s Management Board believes that the unlimited continuation of business is not threatened.

The war in Ukraine and sanctions against the Russian Federation are affecting economies in Europe and the world. The company 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 adjustments in the carrying amount of certain assets and liabilities during 2024.

The Company, like all other business entities in Croatia, is prone to risks related to the increase of prices of goods and services, and as such is aware of the increased risks caused by inflation which continues in the future period, although current economic indicators and forecasts point to the inflation rate slowing down significantly. The long-term effects may affect business volume, cash flows and profitability.

It is expected that interest rates stabilize in 2024, and even a reduction of the interest rates might affect the Company’s financial results.

Regardless of the aforementioned, on the date of publishing of these financial reports, the Company continues to meet all of its obligations, is highly capitalized and has significant free assets at its disposal, and the Management Board, therefore, applies the principle of indefinite operations as an accounting basis for the preparation of financial statements.

1.6 Expected development of the Company

In 2024, the Company will continue to focus on raising Corporate Governance and reporting standards on the regulated market. The Company will also focus on greater promotion of existing issuers, with a focus on the Prime Market. During September 2023, the Company initiated activities related to promotion of the issuers in the tourism sector, with the goal of profiling the Croatian capital market as the leading place for financing tourism companies in South-East Europe, and increasing their visibility via the Company's website and associated communication channels.

In 2024, The Company will focus on preparing the issuers for non-financial reporting requirements, which will come into force for all listed companies over the period of next three years.

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

In 2024, The Company will press on with previously initiated projects, placing the greatest emphasis on the projects related to the implementation of new technologies to market activities, regional SME capital market development (Progress), and education of market participants regarding green bond listings within the framework of the MESTRI CE project which is financed by the European union. The Company will continue efforts in promoting ESG listings and issuer activities.

During 2024, the Company will also focus on compliance activities for the upcoming Digital Operational Resilience Act (DORA) regulation which will provide detailed cyber security and risk management requirements for entities in the financial sector. DORA will come into effect in January, 2025.

1.7 Research and Development activities

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

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

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

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

By the end of 2023, the Company successfully completed the implementation of two new trading system releases and other infrastructure optimization activities.

1.8 Information on repurchase of own shares

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

1.9 Subsidiaries of the Company



Figure 12: Subsidiaries of the Company

On 30 December 2015, the Zagreb Stock Exchange took over a 100% participation in company Ljubljana Stock Exchange Inc. The issued share capital of Ljubljana Stock Exchange on 31 December 2022 is EUR 1,401,000, and the Zagreb Stock Exchange participates with 100%. Ivana Gažić, President of the Management Board of the Zagreb Stock Exchange, is the President of the Supervisory Board of the Ljubljana Stock Exchange, and the members of the Supervisory Board as of 31 December 2022 are Tomislav Gračan, Member of the Management Board of the Zagreb Stock Exchange, and Matko Maravić, Member of the Supervisory Board of the Zagreb Stock Exchange.

SEE Link LLC., is a company seated in Skopje established by the Bulgarian, Macedonian and Zagreb Stock Exchanges in May 2014 with the aim of setting up the regional infrastructure for trading in securities listed in those three exchanges, holding equal equity participations. The issued share capital of SEE LINK is 80,000 EUR and Zagreb Stock Exchange participates with 33.33%. Manyu Moravenov, Executive Director of the Bulgarian Stock Exchange, is the President of the Supervisory Board of SEE Link. Ivana Gažić, President of the Management Board of the Zagreb Stock Exchange, and Ivan Steriev,

President of the Management Board of the Macedonian Stock Exchange, are members of the Supervisory Board of SEE Link.

Funderbeam South-East Europe d.o.o. is a company that the Zagreb Stock Exchange founded in 2016 together with company Funderbeam Ventures OÜ. The issued share capital of the company is HRK 244,000, and the Exchange participates with 30%.

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

Adria Digital Exchange LLC., a company seated in Zagreb, founded in 2023 with the goal of detailed analysis and development of potential for trading and managing of virtual assets. The share capital of the company is EUR 5,000, in which the Zagreb Stock Exchange, Inc. participates with 24%. Tomislav Gračan, member of the Management Board of Zagreb Stock Exchange, fulfills the role of director at the company.

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

EuroCPT B.V., a company seated in Amsterdam, founded in 2023 with the goal of supplying consolidated trading data in the European Union. The share capital of the company is EUR 99.53, in which the Zagreb Stock Exchange, Inc. participates with 0.05%.

1.10 Financial instruments

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

1.11 Business operation risks

Business operation risks are detailed in the notes to the financial statements (Note 23).

1.12 Zagreb Stock Exchange in 2022

In 2023, the orderbook turnover amounted to EUR 371 million, -5.3% less than in 2022, as a result of lower block turnovers, while the orderbook turnover recorded growth. From the total orderbook turnover in 2023, shares turnover amounted to EUR 267 million which is an increase of +17.5% (2022: EUR 227 million), bond turnover amounted an impressive EUR 39 million which is an increase of 135.7% (2022: EUR 16.5 million), ETF turnover increased by +58.4% and amounted to EUR 16 million (2022: EUR 10 million). The equity block turnover amounted to EUR 49 million which is a decrease by 72.8% compared to 2022 (2022: EUR 138.5 million). Debt block turnover was recorded for the first time since 2021, and amounted to EUR 11.7 million.

EUR	2019	2020	2021	2022	2023
Orderbook turnover	328,044,957	342,137,423	260,415,421	254,183,661	322,392,362
<i>Stocks</i>	289,219,560	305,298,798	230,867,972	227,453,541	267,231,559
<i>Bonds</i>	38,825,398	33,930,510	23,528,210	16,590,759	39,102,749
<i>ETFs</i>	-	2,908,115	6,019,239	10,139,362	16,058,055
Total Block Turnover	69,360,634	73,145,212	76,661,552	138,556,558	49,394,997
<i>Equity Block Turnover</i>	69,360,634	73,145,212	69,979,636	138,556,558	37,617,572
<i>Debt Block Turnover</i>	-	-	6,681,917	-	11,777,425
Total Turnover	397,405,591	415,282,635	337,076,973	392,740,219	371,787,359

Table 13: ZSE securities turnover

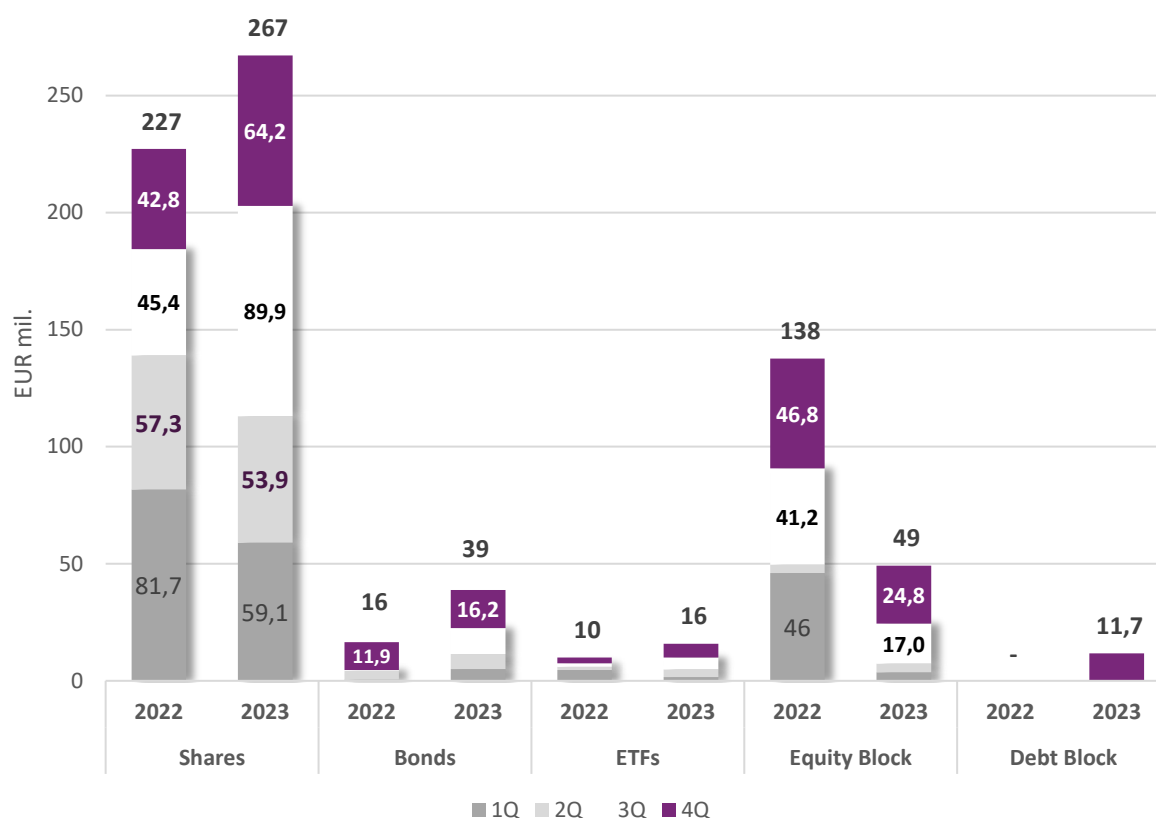


Figure 13: ZSE turnover by type of security

The market value measured by market capitalization as of 31 December 2023 has increased by EUR 6.4 billion compared to the end of 2022. The equity market capitalization increased by EUR +4,9 billion or +27.2% in total, with the market capitalization of the Prime Market increasing by +29%, the Official Market by +16.6%, and the Regular Market by 35.1%. The market capitalization of bonds increased by +9.5%, while the market capitalization of ETFs increased by an impressive +215.4%.

	2022	2023	change	2022	2023	change
Market Capitalization (EUR)				Number of listed securities		
Shares	18,020,297,839	22,921,642,696	27.20%	92	87	-5.43%
<i>Prime Market</i>	3,776,765,393	4,872,990,193	29.03%	6	6	0.00%
<i>Official Market</i>	6,480,465,545	7,560,463,836	16.67%	20	20	0.00%
<i>Regular Market</i>	7,763,066,900	10,488,188,667	35.10%	66	61	-7.58%
Bonds	16,329,871,735	17,879,846,903	9.49%	30	31	3.33%
ETFs	7,476,860	23,581,647	215.40%	2	4	100.00%
Money Market Instruments		/		12	7	-41.67
TOTAL	34,357,646,434	40,825,071,246	18.82%	136	129	-5.15%

Table 5: Market Capitalization and number of listed securities

Compared to 31 December 2022, at the end of 2023, a total of five shares less were listed on the Regular Market, while the number of shares listed on the Prime and Official Markets remained unchanged.

Market capitalization and number of listed shares

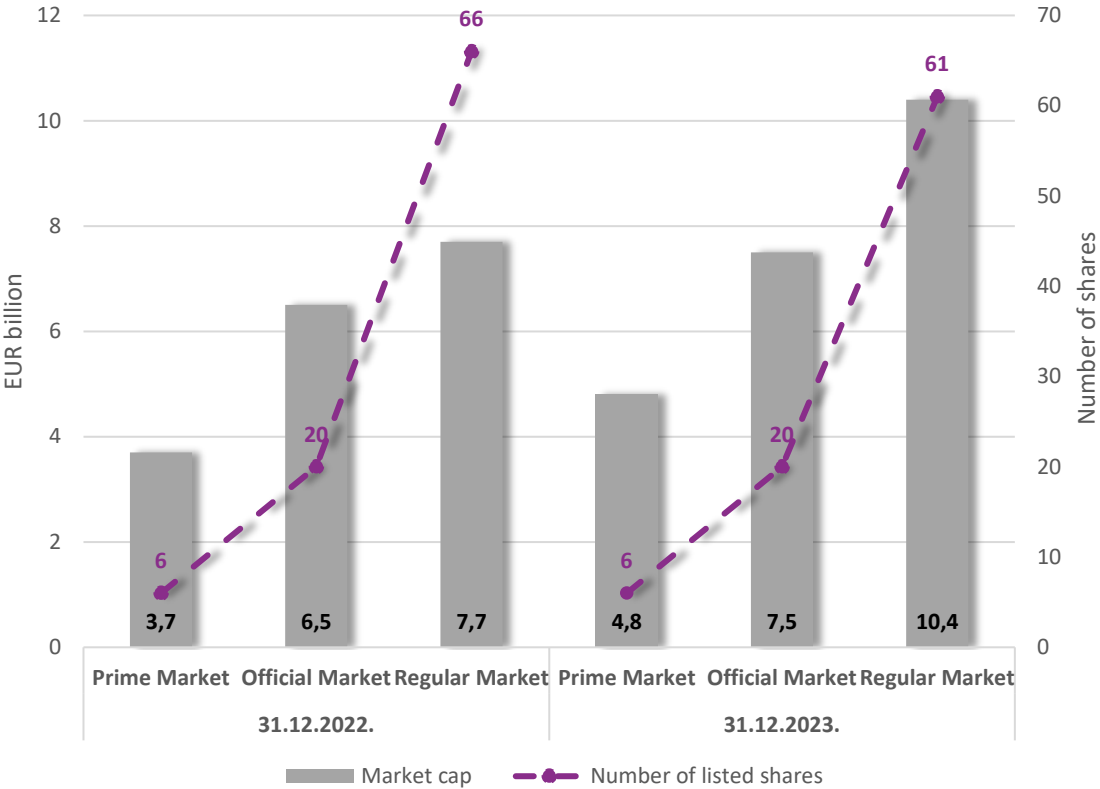


Figure 14: Equity Market Capitalization and number of stocks listed

All equity indices recorded growth compared to 2022. The strongest increase was that of CROBEXindustrija (+56%), followed by CROBEXprime (+41.2%) and CROBEXplus (+31.5%). The regional index ADRIAprime increased by a significant +32.4%, the bond index CROBIStr increased by +1.8%, while CROBIS decreased by -0.8%.

Index	31.12.2022.	31.12.2023.	change	Turnover (EUR) 2022	Turnover (EUR) 2023	change
CROBEX	1.979,88	2.533,92	27.98%	190,434,945	216,827,639	13.9%
CROBEXtr	1.415,96	1.881,34	32.87%	190,434,945	216,827,639	13.9%
CROBEX10	1.156,15	1.548,60	33.94%	139,159,613	175,720,436	26.3%
CROBEX10tr	1.222,39	1.683,53	37.72%	139,159,613	175,720,436	26.3%
CROBEXprime	1.149,64	1.622,76	41.15%	92,174,406	103,070,128	11.8%
CROBEXplus	1.360,86	1.789,63	31.51%	185,536,320	215,185,939	16.0%
CROBEXindustrija	1.048,52	1.636,40	56.07%	30,733,192	33,757,427	9.8%
CROBEXkonstrukt	554,21	523,32	-5.57%	2,560,028	2,643,039	3.2%
CROBEXnutris	726,5	931,64	28.24%	34,621,239	51,221,059	47.9%
CROBEXtransport	1234,04	1.497,91	21.38%	26,163,421	18,074,300	-30.9%
CROBEXturist	3.526,57	4.114,36	16.67%	33,790,474	34,541,291	2.2%
CROBIS	96,63	95,87	-0.78%	705,831,223	543,408,644	-23.01%
CROBIStr	168,49	171,44	1.75%	705,831,223	543,408,644	-23.01%
ADRIAprime	1.302,88	1.724,76	32.38%	\	\	\

Table 6: Indices - value and turnover

The most traded share in 2023 was that of Podravka d.d., followed by Span d.d., Valamar Riviera d.d., Zagrebačka banka d.d., and Hrvatski telekom d.d. The first five most liquid shares make up of 36.5% of the total orderbook turnover of Zagreb Stock Exchange.

Rank	Ticker	Issuer	Turnover (EUR)	Turnover share
1	PODR	PODRAVKA d.d.	44,022,681	11.8%
2	SPAN	SPAN d.d.	30,790,402	8.3%
3	RIVP	VALAMAR RIVIERA d.d.	23,840,299	6.4%
4	ZABA	ZAGREBAČKA BANKA d.d.	18,590,621	5.0%
5	HT	HT d.d.	18,427,050	5.0%
		Ostali	236,116,306	63.5%
	UKUPNO		371,787,359	100.00%

Table 7: Turnover of the 5 most liquid shares in 2023

At the end of 2023, the Exchange had 12 members, and the top five members of the Exchange with the highest turnover in 2023 are listed in the following table:

Rank	Member	Turnover(EUR)	Turnover share
1	INTERKAPITAL VRIJEDNOSNI PAPIRI D.O.O.	201,420,582	27.0%
2	ZAGREBAČKA BANKA D.D.	94,707,129	12.7%
3	PRIVREDNA BANKA ZAGREB D.D.	79,888,777	10.7%
4	FIMA-VRIJEDNOSNICE D.O.O.	73,910,254	9.9%
5	ERSTE&STEIERMARKISCHE D.D.	65,531,080	8.8%
	Ostali	230,226,817	30.9%
	UKUPNO	745,684,638	100.00%

Table 8: Top 5 members of the Stock Exchange in 2023

The turnover of the first five members of the Exchange accounts for slightly more than 70% of the total turnover.

1.12.1 Support for members

The Zagreb Stock Exchange regularly provides support to member firms regarding the Exchange trading process. This includes both configuring and testing of the trading system itself, and the preparation of various support applications used for trading. In that respect, the Exchange actively communicates with member firms during the implementation of new trading system functionalities and other changes which might reflect on the members' business. It focuses especially on own member-side applications, developed using the FIX (a Vienna Stock Exchange version – CEESEG FIX) protocol interface. In cooperation with the Vienna Stock Exchange, the Exchange provides support to member firms when developing their own applications and conducts initial certification of their software solutions.

The Exchange also provides other forms of technical support and, for that purpose, it has made available a dedicated collaboration website (<http://it.zse.hr>) for users to submit their support requests directly to the Information and Technology Development Department.

1.12.2 Support for issuers

Zagreb Stock Exchange offers advisory and professional support to all issuers listed on the Regulated or Progress market, and works closely with issuers regarding their compliance with the provisions of the Capital Market Act, EU Directive 596/2014, the Rules of the Exchange and other regulations. The Exchange also monitors if issuers and their listed securities meet the conditions for listing on the Regulated Market, and if the issuers fulfill their obligations defined in the Rules of the Exchange.

Every year, the Exchange organizes a joint education for the issuers on the Regulated Market in cooperation with the Croatian Financial Services Supervisory Agency and the Central Depository and Clearing Company. Participation in the education is free, and is highly recommended to all issuers since it covers trending topics on the capital market.

The Exchange licenses authorized advisors on the Progress Market and monitors the entire application process for trade listing on the Progress Market. It also handles trade supervision and ensures that issuers fulfill their obligations towards the Exchange after they have listed on the Progress Market.

The Zagreb Stock Exchange strategy, among other things, includes continuous education of issuers in order to increase the level of transparency and corporate governance in all market segments, especially following the significant change to the Exchange Rules in December 2019, regarding the supervising of issuers in terms of fulfilling post-listing obligations. It is estimated that the changes to the Rules played a significant role in the raising the quality and timeliness of reporting on the Regulated market.

1.13 Internal controls and risk management system

Zagreb Stock Exchange internal controls system consists of procedures and processes for monitoring of business efficiency, financial reporting reliability and legal compliance.

All employees, including the Management and Supervisory Board, are included in internal controls system enforcement.

The Exchange enforces the internal controls system through two independent control functions: compliance with the relevant regulations function and internal audit function.

These control functions process and monitor the work of all organizational units, company activities and support services in their internal documents.

Risk management is a set of procedures and methods for determining, measuring, assessing, controlling and monitoring risks and also reporting on the risks to which the Exchange is or might be exposed in its operations.

The Exchange has adopted the following procedures related to risk management:

- Risk management policy,
- Conflict of interest policy,
- Information system risk management,
- Self-assessment procedure for compliance with Art. 48. MIFID II,
- The procedure for admission to membership and termination of membership, which contains the annual evaluation of the members of the Exchange,
- Service agreements management procedure.
- Crisis management procedure.

The internal auditor, Antares revizija d.o.o., compiles the following documents:

- Strategic internal audit plan,
- Annual internal audit plan.

In order to successfully manage risks that affect completion of Company's objectives, the Company assesses risks by identifying and analyzing them.

Considering the Company's determined objectives and defined core processes, the Exchange has identified and determined risks that could influence the company's business processes. List of risks doesn't encompass all risks but only those on higher level. Other, more detailed risks (lower-level risks) are identified during the internal audit of business processes.

The risks are grouped by those that influence the Exchange's organizational units that perform specific business processes within the company and by other risks that are connected with the Exchange's business in general.

Considering the previously defined company's core business processes and determined risks, the Exchange has adopted Risk assessment with regard to their impact on business processes.

Risk assessment encompasses every process's inherent risk and during the assessment, the very nature of those processes and best practice were taken into consideration.

Based on the risk assessment results, main areas that will be covered by internal audit procedures and measures that will prevent the occurrence of risky events have been established.

Risk monitoring is not separated and entrusted to Company's independent organizational unit, but to one or more Company's departments, depending on the type of risk. Therefore, every employee of the Exchange is included in Company's risk management.

Each organizational unit, depending on the identified risks and risk management system, is in charge of risk monitoring and cooperation with other organizational units, especially with the Management Board who makes decisions on individual risk management and its control.

In addition, two mutually independent control functions are involved in Company's risk management system: compliance with relevant regulations function (Compliance Department within the Sector of Legal and General Affairs) and internal audit performed by the independent company Antares revizija d.o.o.


Ivana Gazic
President of the Management Board


ZAGREBAČKA BURZA d.d.
Zagreb


Tomislav Gračan
Member of the Management Board

2 Statement on the application of the Corporate Governance Code

Pursuant to provision of Article 272, paragraph, in conjunction with provision of Article 250a, paragraph 4 of the Companies Act (Official Gazette no. 111/93, 34/99, 52/00, 118/03, 107/07, 148/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19 and 34/22; hereinafter: CA) and provision of Article 22 of the Accounting Act (Official Gazette no. 78/15, 134/15, 120/16, 116/18, 42/20, 47/20; hereinafter: AA), the Management Board of company ZAGREB STOCK EXCHANGE Inc., Zagreb, Ivana Lučića 2a (hereinafter: the Company), on 29 April 2024, issued the following

STATEMENT on the application of the Corporate Governance Code

1. The Company implements the Corporate Governance Code prescribed by the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange Inc. Zagreb. The Code is published in Zagreb Stock Exchange website, www.zse.hr.
2. In financial year 2023, the Company essentially complied with and implemented recommendations established by the Code, publishing all information as envisaged by the positive regulations as well as information that are in the interest of Company's shareholders. Detailed explanations regarding minor deviations from the recommendations of the Code are presented by the Company in the Annual Questionnaire that is provided.
3. In accordance with Code requests, and pursuant to provisions of the Companies Act and Capital Market Act (Official Gazette no. 65/18, 17/20; hereinafter: CMA), the Supervisory Board conducts internal supervision of the Company by conducting regular controls of prepared reports. Members of the Supervisory Board receive on regular basis detailed information on management and work of the Company. All issues under the competence of the Supervisory Board, as prescribed by the CA, CMA and Articles of Association of the Company, are discussed and decided upon in the Supervisory Board meetings. Supervisory Board Report is part of the Company's Annual Report presented to the General Assembly. In addition, the Supervisory Board performs internal controls and supervision through Audit Board that provides expert support to the Supervisory Board and the Management Board in the efficient execution of obligations relating to corporate governance, risk management, financial reporting and control of the Company. The Management Board is bound to monitor that the Company keeps business books and other books and business documents, prepares book-keeping documents, provides realistic assessments of the assets and liabilities, drafts financial and other reports in accordance with accounting regulations and standards and applicable laws and regulations.
4. Top ten shareholders on 31 December 2023:

	Shareholder	No. of shares	Ownership %
1	FINA	231,553	9.9900%
2	RR ONE CAPITAL d.o.o.	231,553	9.9900%
3	PBZ CO OMF	231,400	9.9834%
4	INTERKAPITAL D.D.	199,750	8.6179%
5	BAKTUN, LLC	182,478	7.8727%
6	EBRD	120,000	5.1772%
7	INSPIRIO ZAIF d.d.	114,000	4.9184%
8	OTP BANKA d.d.	105,900	4.5689%
9	HPB d.d.	92,300	3.9821%
10	ERSTE & STEIRMARKISCHE BANK d.d.	76,400	3.2962%
	Others	732,246	31.6032%
	Total	2,317,580	100.0000%

Pursuant to the Articles of Association of the Company, shareholder's voting rights are not limited to a certain percentage or number of votes, and there are no time limitations for acquisition of voting rights. Each ordinary share provides a right to one vote in the General Assembly.

Rights and obligations of the Company deriving from the acquisition of own shares are met in accordance with the provision of the CA.

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

5. Management Board of the Company consists of two members. Mrs Ivana Gažić performs duties of the President of the Management Board, and Mr Tomislav Gračan performs duties of the member of the Management Board.

The Management Board runs Company business operations in line with the Articles of Association and legal regulations.

The Management Board is appointed and dismissed by the Supervisory Board that on 31 December 2023 consists of the following members:

- Matko Maravić, president
- Tomislav Jakšić, deputy president
- Dražen Čović
- Bente Avnung Landsnes
- Silvije Orsag
- Ivan Sardelić

Activities of the Supervisory Board in 2023 included:

- Adoption of the consolidated and unconsolidated quarterly, biannual and annual financial reports of the Company,
- Approving of amendments to the Company's Rules of procedure and other strategic documents,
- Receiving information from the Management Board of the Company and the Group's subsidiaries
- Electing the vice-president of the Supervisory Board, members of the Audit, Strategy and Remuneration Committees,
- Deciding on the date, agenda and proposals of resolutions of the Company's General Assembly,
- Approving the annual Code of Corporate Governance Questionnaire
- Adopting the yearly Internal Audit Plan,
- Deciding on suitability of the members of the Management Board
- Approving the Company's Business Plan and Budget
- Determining of the full text of the Company's Articles of Association

During 2023, the Supervisory Board held a total of six meetings, attended by members:

- Matko Maravić, president (100%)
- Tomislav Jakšić, vice president (100%)
- Dražen Čović (50%)
- Bente Avnung Landsnes (100%)
- Silvije Orsag (100%)
- Ivan Sardelić (100%)

The composition of the the Management and Supervisory Boards in 2023 includes members of different genders, age, profiles and experience in order to ensure diverse perspectives in decision-making. The Company intends to bring to attention the need to increase the number of women in the Supervisory Board in the future.

6. There are several boards / committees of the Supervisory Board in the Company which provides expert support to the Supervisory Board and the Management board. The members of these boards / committees are appointed and recalled by the Supervisory Board.

The Supervisory Board has established the Audit Committee composed of three members, namely:

- Matko Maravić,
- Ivan Sardelić,
- Silvije Orsag.

Activities of the Audit Committee in 2023 included:

- Detailed analysis of the Company's consolidated and unconsolidated quarterly, biannual and annual financial reports,
- Supervision of the Company's expenses,

- Supervision of the audit of the annual financial reports for 2022,
- Issuing recommendations to the Supervisory Board in regards to the choice of the Company's auditor,
- Issuing an opinion in regards to the Strategic and yearly Internal Audit plan.

During 2023, the Audit Committee held a total of five meetings, attended fully by all members.

The Supervisory Board has established Remuneration Committee composed of two members, namely:

- Matko Maravić,
- Tomislav Jakšić,

Activities of the Remuneration Committee in 2023 included:

- Supporting the Supervisory Board in the procedure of proposing a reward policy for the members of the Management Board,
- Proposing objective criterion to accurately assess business success which forms a base for the reward policy for the members of the Management Board,
- Issuing a proposal to the Supervisory Board regarding the reward amounts for the Management Board following the adoption of the annual financial reports,
- Issuing an opinion to the Supervisory Board regarding the Management Board's proposal for reward payment to the Company's employees.

During 2023, the Remuneration Committee held one meeting, attended fully by all members.

The Supervisory Board has established Strategy Committee composed of six members, namely:

- Dražen Čović,
- Matko Maravić,
- Bente Avnung Landsnes
- Silvije Orsag.

Activities of the Strategy Committee in 2023 included:

- Supporting the Management Board in development, implementation and realization of strategic goals and the Company's strategy in general,
- Assessment, consideration and revision of the Company's key strategic determinants,
- Construction of the proposals of the Supervisory Board for adoption of the Company's strategic goals
- Supervision of the implementation and/or realization of the set strategic goals of the Company and regular reporting to the Management and Supervisory Boards.

During 2023, the Strategy Committee held one meeting, attended by members: Bente Avnung Landsnes and Matko Maravić.

The Supervisory Board has established Nomination Committee composed of three members, namely:

- Matko Maravić,
- Tomislav Jakšić,

- Silvije Orsag.

Activities of the Nomination Committee in 2023 included:

- carrying out the procedure of initial, regular and extraordinary assessment of the suitability of candidates for members of the Exchange's Management Board and Supervisory Board, and collective assessment of the Exchange's Management Board and Supervisory Board;
- identification and recommendation of candidates for filling positions in the Company's Management Board and Supervisory Board,
- assessment of the balance of knowledge, skills, diversity and experience of the members of the Management Board and Supervisory Board of the Company;
- the decision on the goal for the representation of the underrepresented gender in the Management Board and the Supervisory Board of the Exchange and the preparation of a policy on how to increase the number of representatives of the underrepresented gender in the Management Board and the Supervisory Board of the Company;
- regular evaluation of the structure, size, composition and performance of the Company's Management Board and Supervisory Board;
- regular evaluation of the knowledge, skills and experience of individual members of the Management Board and the Supervisory Board as a whole and reporting to the Management Board and the Supervisory Board of the Company.

During 2023, the Nomination Committee held a total of three meetings, attended by members:

- Matko Maravić (100%)
- Tomislav Jakšić (100%)
- Silvije Orsag (67%).

7. Report of the Supervisory Board on the supervision of the management of the Company's affairs in 2023

In 2023, the Supervisory Board of the Zagreb Stock Exchange (hereinafter: the Stock Exchange and/or the Company) held a total of six (6) sessions on the following dates: February 22, April 26, July 25, September 12, 24 October, December 4 and December 8, 2023. At the meetings of the Supervisory Board, the entire business of the company was considered, which includes current and preventive supervision.

Members of the Company's Management Board also participated in the sessions of the Supervisory Board, presenting individual business areas and providing the necessary clarifications to the Supervisory Board. In this regard, the Supervisory Board assesses its cooperation with the Management Board as very successful.

During the supervision, the Supervisory Board paid particular attention to the examination of the legality of the business, both in the part of acting in accordance with the valid legal framework, and in relation to acting in accordance with the provisions of the Company's Articles of association.

The Supervisory Board adopted all reports of the Management Board submitted during 2023, and concludes that the achieved results are within the expectations and in accordance with the current economic environment.

The Supervisory Board points out that according to the best knowledge and based on the data provided, the business data presented correspond to the situation shown in the business books of the Stock Exchange, as well as that they represent an objective, complete and true presentation of the Company's assets and liabilities.

The Supervisory Board fully and unreservedly accepts the conclusion of the Management Board that the preparation of financial statements based on the principle of going concern is appropriate.

Pursuant to provisions of Article 250a, paragraph 4 and Article 272, paragraph of the CA, and Article 22 of the AA, this Statement is a special section and integral part of the Company's Annual Report for 2023.


Ivana Gažić
President of the Management Board


ZAGREBAČKA BURZA d.d.
Zagreb


1 Tomislav Gračan
Member of the Management Board

Responsibilities of the Management Board for the Annual report

The Management Board of the Company is required to prepare financial statements for each financial year, which give a true and fair view of the financial position of the Company and of the results of its operations and cash flows, in accordance with International Financial Reporting Standards as adopted by the European Union. The Management Board is responsible for implementing and maintaining proper accounting records relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The Management Board has general responsibility for taking such steps as are reasonably available to it to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

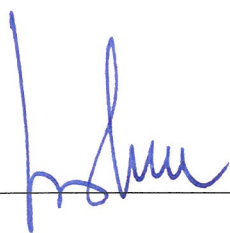
The Management Board is responsible for selecting suitable accounting policies to conform to applicable accounting standards and then applying them consistently; making judgments and estimates that are reasonable and prudent; and preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Management Board is also responsible for the preparation and content of the Management report and the statement of implementation of the Corporate Governance Code, as required by the Croatian Accounting Act (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20), and the rest of other information (together "other information").

The Management Board is responsible for the submission of the Annual report to the Supervisory Board which includes the financial statements and other information for acceptance, following which the Supervisory Board is required to consider, and if appropriate approve the annual financial statements for submission to the General Assembly for adoption.

The financial statements and other information are approved by the Management Board on April 29, 2024 and are signed and verified for submission to the Supervisory Board.

Signed on behalf of the Zagreb Stock Exchange, Inc.:



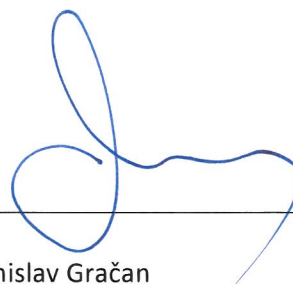
Ivana Gažić

President of the
Management Board



ZAGREBAČKA BURZA d.d.
Zagreb

1



Tomislav Gračan

Member of the
Management Board



Independent Auditor's Report

To the Shareholders of Zagreb Stock Exchange, Inc.

Report on the audit of the separate financial statements

Our opinion

In our opinion, the *separate* financial statements present fairly, in all material respects, the separate financial position of Zagreb Stock Exchange, Inc. (the "Company") as at 31 December 2023, and the Company's separate financial performance and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 22 April 2024.

What we have audited

The Company's separate financial statements comprise:

- the separate statement of comprehensive income for the year ended 31 December 2023;
 - the separate statement of financial position as at 31 December 2023;
 - the separate statement of changes in equity for the year then ended;
 - the separate statement of cash flows for the year then ended; and
 - the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014, and furthermore, we have not provided any non-audit services to the Company in the period from 1 January 2023 to 31 December 2023.

Our audit approach

Overview

Materiality	<ul style="list-style-type: none"> Overall Company materiality: EUR 60 thousand, which represents 1% of net asset.
Key audit matters	<ul style="list-style-type: none"> Revenue recognition

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the separate financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the separate financial statements as a whole.

Overall Company materiality	EUR 60 thousand
How we determined it	1 % of net asset
Rationale for the materiality benchmark applied	<p>We chose net asset as the benchmark because the Company is a public service provider, and its operations are guided by the principles of the protection of public interest and stability of the capital market rather than profitability.</p> <p>We chose 1% which is consistent with quantitative materiality thresholds used for public service provider.</p>



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Recognition of revenue</i></p> <p>Refer to Note 4 to the separate financial statements under heading Sales revenue and Note 3 under heading Material accounting policy information for further information.</p> <p>The Company has recognized revenues of EUR 1,229 thousand for the period ended 31 December 2023.</p> <p>Although the transactions within the revenue streams are unified and revenue recognition is not complex, we focused on this area due to the higher risk and significance of these items to the Company's separate financial statements.</p>	<p>Our audit approach to revenue was based on test of operating effectiveness of controls and substantive audit testing of transactions as described below.</p> <p>On the sample basis, we compared the recognised revenues with the invoices issued to the customers.</p> <p>We reconciled the selected sample of invoices with the supporting documentation, i.e., contracts with customers and the service price list.</p> <p>We performed test of operating effectiveness of controls and recalculated on a sample basis the revenue from commissions by multiplying the trading volume with the fee percentage charged. We reconciled the trading volume with data provided by the external services provider, and we reconciled the fee percentage with the service price list.</p> <p>We also traced the selected sample of revenue transactions to the bank statements to confirm the revenues were received.</p> <p>We have assessed the disclosures related to revenue in the financial statements, with respect to their adequacy and compliance with the IFRS requirements.</p>

Reporting on other information

Management is responsible for the other information. The other information comprises the Management Report, Corporate Governance Statement and the Forms prepared in accordance with Regulatory Requirements included in the separate Annual Report, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Management Report and Corporate Governance Statement, we also performed procedures required by the Accounting Act in Croatia. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of Article 21 of the Accounting Act, whether the Corporate Governance Statement includes the information specified in Article 22 of the Accounting Act.



Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the Management Report and the Corporate Governance Statement for the financial year for which the separate financial statements are prepared is consistent, in all material respects, with the separate financial statements;
- the Management Report has been prepared in accordance with the requirements of Article 21 of the Accounting Act; and
- the Corporate Governance Statement includes the information specified in Article 22 of the Accounting Act.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report and Corporate Governance Statement and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Appointment

We were first appointed as auditors of the Company on 14 June 2022. Our appointment has been renewed annually by shareholder resolution with the most recent reappointment on 12 June 2023, representing a total period of uninterrupted engagement appointment of 2 years.

Other legal and regulatory requirements

Pursuant to Ordinance on the Structure and Content of Stock Exchange Annual Financial Statements (Official Gazette 25/19) ("Ordinance"), the Company's Management Board prepared statements shown in the section Forms in accordance with the Ordinance on the Structure and Content of Stock Exchange Annual Financial Statements (Official Gazette 25/19) under headings Balance sheet, Profit and loss, Statement of cash flows - indirect method and Statement of changes in equity for the year ended 31 December 2023 ("Forms"), together with information on the reconciliation of the Forms with the Company's separate financial statements prepared in accordance with the International Financial Reporting Standards adopted in the European Union. Preparation of these Forms is the responsibility of the Company's Management Board, and the Forms are not an integral part of these separate financial statements but contain information in accordance with Ordinances. Financial information in the Forms is derived from the separate financial statements of the Company prepared in accordance with International Financial Reporting Standards as adopted in European Union presented on pages 40 to 81 and adjusted in accordance with the Ordinances.

Report on compliance of the format of the separate financial statements with the requirements of the European Single Electronic Format (“ESEF”) Regulation

We have been engaged based on our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the separate financial statements included in the attached electronic file ZSEInc-2023-12-31, (hereinafter: the financial statements) of the Company for the year ended 31 December 2023 (the “Presentation of the Financial Statements”).

Description of subject matter and applicable criteria

The Presentation of the Financial Statements has been prepared by the management of the Company to comply with the requirements of Article 462 paragraph 5 of the Capital Market Act (Official Gazette, No. 65/18, 17/20 and 83/21) (the “Capital Market Act”) and with the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”). Those regulations require that:

- the financial statements included in the separate Annual Report, have been prepared in the XHTML format;
- the data included in the separate financial statements required by the ESEF Regulation and Capital Market Act have been marked up and all the markups meet the following requirements:
 - the XBRL markup language has been used,
 - the core taxonomy elements listed in the ESEF Regulation with the closest accounting meaning have been used, unless an extension taxonomy element was created in accordance with Annex IV of the ESEF Regulation,
 - the markups comply with the common rules on markups under the ESEF Regulation.

The requirements described above determine the basis for application of the Presentation of the Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibility of the management and those charged with governance

The Company’s management is responsible for the Presentation of the Financial Statements in accordance with the ESEF Regulation and the Capital Market Act. In addition, the Company’s management is responsible for maintaining an internal control system that reasonably ensures the preparation of the Presentation of the Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation and the Capital Market Act, whether due to fraud or error.

Those charged with governance are responsible for overseeing the process of preparing the Presentation of the Financial Statements in the ESEF format as part of the financial reporting process.

Our responsibility

Our responsibility is to express a reasonable assurance conclusion, based on the audit evidence obtained, whether the Presentation of the Financial Statements complies, in all material respects, with the requirements of the ESEF Regulation and the Capital Market Act. We conducted a reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Financial Statements is prepared, in all material respects, in accordance with the applicable requirements.



Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance with ISAE 3000 (R) will always detect a material misstatement (significant non-compliance with the requirements).

Procedures performed

The nature, timing and extent of the procedures selected are matters for the professional judgment of the auditor.

As part of the selected procedures, we performed in particular the following procedures:

- read the requirements of the ESEF Regulation and the Capital Market Act;
- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Financial Statements, including the preparation of the XHTML format and marking up the separate financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the separate financial statements using the XBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed and evidence obtained, the Presentation of the Financial Statements for the year ended 31 December 2023 included in the above stated attached electronic file complies, in all material respects, with the ESEF Regulation and the Capital Market Act.

Our conclusion is not an opinion on the true and fair presentation of the financial statements presented in electronic format. In addition, we do not express any form of assurance on the other information disclosed in the documents in the ESEF format.

The engagement partner on the audit resulting in this independent auditor's report is Siniša Dušić.

PricewaterhouseCoopers d.o.o.
Heinzelova 70, Zagreb
29 April 2024

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Unconsolidated statement of comprehensive income

	Note	2023	2022
Profit and loss account		EUR	EUR
Sales revenue	4	1,299,319	1,363,283
Other operating income	5	718,425	672,578
Staff costs	6	(1,002,235)	(1,003,649)
Depreciation and amortization	10,11, 12	(207,741)	(180,410)
Other operating costs	7	(841,487)	(796,515)
Profit (loss) from operations		(33,719)	55,287
Financial income	8	155,601	57,525
Financial expenses	8	(10,260)	(12,315)
Net gains/(losses) from fair value from financial assets through profit and loss	8	26,533	(95,291)
Net foreign exchange gain/(loss)	8	(122)	(3,770)
Net financial income (expenses)		171,752	(53,851)
Profit before tax		138,033	1,436
Income tax expense	9	(1,830)	15,464
Profit for the year		136,203	16,900
Other comprehensive income, net of income taxes			
<i>Items that cannot be reclassified to income statement</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income	14, 15	112,040	70,196
Other comprehensive income, net of tax	9	(20,168)	-
Total comprehensive income for the year		228,075	87,096
Basic and diluted earnings per share (HRK)	21	0.06	0.01

The accounting policies and other notes form an integral part of these separate financial statements.

Unconsolidated statement of financial position

	Note	31.12.2023	31.12.2022 (corrected)	1.1.2022 (corrected)
		<u>EUR</u>	<u>EUR</u>	<u>EUR</u>
Assets				
Non-current assets				
Equipment	10	166,323	210,393	157,245
Intangible asset	11	197,756	219,864	122,167
Right-of-use assets	12	232,515	332,519	401,573
Investment in subsidiary	13	2,538,382	2,538,382	2,543,125
Investment in associate and joint venture	14	1,262,599	1,261,399	36,558
Financial assets at fair value through other comprehensive income	15	145,916	26,163	223,496
Long term deposits	19	33,166	33,166	33,228
Loans given to related parties	18	27,381	28,881	28,891
Deferred tax assets	9	-	15,458	-
Total non-current assets		<u>4,604,038</u>	<u>4,666,225</u>	<u>3,546,283</u>
Current assets				
Trade receivables and other assets	16	334,437	269,984	309,529
Contract assets	5a	-	13,119	-
Financial assets at fair value through profit or loss	15b	736,505	1,191,398	1,925,323
Short-term deposits	19	1,126,162	8,136	599,226
Inventories		-	-	825
Cash and cash equivalents	17	114,249	667,895	447,015
Prepaid expenses		13,629	13,619	9,436
Total current assets		<u>2,324,982</u>	<u>2,164,151</u>	<u>3,291,354</u>
Total assets		<u>6,929,020</u>	<u>6,830,376</u>	<u>6,837,637</u>

The accounting policies and other notes form an integral part of these separate financial statements.

Unconsolidated statement of financial position (continued)

	Note	31.12.2023	31.12.2022 (corrected)	1.1.2022 (corrected)
		<u>EUR</u>	<u>EUR</u>	<u>EUR</u>
Equity, reserves and liabilities				
Equity and reserves				
Issued share capital	20	3,076,315	3,076,316	6,164,128
Share premium		1,840,833	1,839,562	1,843,000
Legal reserves		18,714	18,714	18,749
Own shares	20	(30,483)	(18,409)	-
Other reserves	20	815,878	815,878	-
Reserve - fer value financial assets		162,041	70,169	-
Accumulated profit (loss)		144,650	16,893	(2,264,581)
Total equity and reserves		<u>6,027,948</u>	<u>5,819,123</u>	<u>5,761,296</u>
Long term liabilities				
Lease liabilities	12	134,348	230,548	296,353
Deferred tax liability	9	6,540	-	-
Total long-term liabilities		<u>140,888</u>	<u>230,548</u>	<u>296,353</u>
Current liabilities				
Trade and other payables	22	198,630	200,390	210,288
Lease liabilities	12	96,200	93,057	92,939
Contractual liabilities	5	465,354	487,258	476,761
Total current liabilities		<u>760,184</u>	<u>780,705</u>	<u>779,988</u>
Total equity, reserves and liabilities		<u>6,929,020</u>	<u>6,830,376</u>	<u>6,837,637</u>

The accounting policies and other notes form an integral part of these separate financial statements.

Unconsolidated statement of changes in equity and reserves

	Issued capital	Share premium	Legal reserves	Own shares	Other reserves	Reserve – fair value	Accumulated profit (loss)	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As at 1 January 2022	6,164,128	1,843,000	18,749	-	-	-	(2,264,579)	5,761,298
Current year profit	-	-	-	-	-	-	16,900	16,900
Other comprehensive income (Note 14)	-	-	-	-	-	70,196	-	70,196
<i>Total other comprehensive income</i>	-	-	-	-	-	70,196	16,900	87,096
<i>Other equity movements</i>								
- decrease of issued capital (Note 20 a)	(3,077,506)	-	-	-	3,077,506	-	-	-
- covering the transferred loss from other reserves (Note 20 b)	-	-	-	-	(2,261,230)	-	2,261,230	-
- acquisition of own shares (Note 20 c)	-	-	-	(18,416)	(82)	-	-	(18,498)
- change of the functional currency (Note 28)	(10,306)	(3,438)	(35)	7	(316)	(27)	3,342	(10,773)
<i>Total other equity movements</i>	<i>(3,087,812)</i>	<i>(3,438)</i>	<i>(35)</i>	<i>(18,409)</i>	<i>815,878</i>	<i>(27)</i>	<i>2,264,572</i>	<i>(29,271)</i>
As at 31 December 2022	3,076,316	1,839,562	18,714	(18,409)	815,878	70,169	16,893	5,819,123
Current year profit	-	-	-	-	-	-	136,203	136,203
Other comprehensive income (Note 15)	-	-	-	-	-	91,872	-	91,872
<i>Total other comprehensive income</i>	-	-	-	-	-	91,872	136,203	228,075
<i>Other equity movements</i>	-	-	-	-	-	-	-	-
- share based payments (Note 20c)	-	1,271	-	5,182	-	-	(8,446)	(1,993)
- acquisition of own shares (Note 20 c)	-	-	-	(17,256)	-	-	-	(17,256)
- decrease of issued capital (Note 20a)	(1)	-	-	-	-	-	-	(1)
<i>Total other equity movements</i>	<i>(1)</i>	<i>1,271</i>	<i>-</i>	<i>(12,074)</i>	<i>-</i>	<i>-</i>	<i>(8,446)</i>	<i>(19,250)</i>
As at 31 December 2023	3,076,315	1,840,833	18,714	(30,483)	815,878	162,041	144,650	6,027,948

The accounting policies and other notes form an integral part of these separate financial statements.

Unconsolidated statement of cash flow

	Note	2023	2022
		EUR	EUR
Cash flow from operating activities			
Profit before tax		138,033	1,436
Depreciation and amortization	10,11,12	207,741	180,410
Unrealized (profit)/loss from financial assets at fair value through profit and loss	8	(14,433)	83,529
Loss / (profit) from sale of financial assets at fair value through profit and loss	8	(12,100)	11,762
Dividends income	8	(138,622)	(55,819)
Interest income	8	(16,834)	(872)
Interest expense	8,12	10,260	12,315
Net foreign exchange loss/(profit)		-	3,752
Other adjustments		-	52
Cash flow before changes in operating assets and liabilities		174,045	236,565
Changes in operating assets and liabilities			
Decrease/(increase) in trade receivables		(50,785)	25,062
(Increase)/decrease in prepaid expenses		(10)	(4,203)
Inventory reduction		-	824
(Decrease) / increase in liabilities to suppliers and other liabilities		(2,518)	(9,510)
Increase in contractual obligations and accrued expenses		(21,904)	11,393
Change in operating assets and liabilities		(75,217)	23,566
Interest paid		(9,502)	(12,299)
Income tax	9	-	-
Net cash inflow/(outflow) from operating activities		89,326	247,832

The accounting policies and other notes form an integral part of these separate financial statements.

Unconsolidated statement of cash flow (continued)

		<u>2023</u>	<u>2022</u>
		EUR	EUR
Cash flow from investing activities			
Cash outflow for purchase of tangible non-current assets	10	(21,502)	(114,172)
Cash outflow for purchase of intangible non-current assets	11	(20,057)	(117,710)
Cash outflow for purchase of financial assets at fair value through profit and loss		-	(100,152)
Cash outflow for purchase of financial assets at fair value through other comprehensive income		(7,713)	-
Cash outflow for investments in associated companies	14	(1,200)	(958,195)
Cash outflow for bank deposits		(1,101,741)	(8,139)
Cash inflow from refund of deposits		-	598,340
Cash inflow from sale of financial assets at fair value through profit and loss		481,426	735,476
Cash outflow for acquisition of own shares	20c	(17,256)	(18,416)
Cash outflow for dividends paid		(1,994)	-
Cash inflow from refund of borrowings		1,500	-
Dividends received	8	138,622	55,819
Interest received	8	-	872
Net cash (outflow)/inflow from investing activities		(549,915)	73,723
Cash flow from financing activities			
Repayment of lease liabilities	12	(93,057)	(97,982)
Net expenditures on financing activities		(93,057)	(97,982)
Net (decrease)/increase in cash and cash equivalents		(553,646)	223,573
Cash and cash equivalents at the beginning of the year		667,895	446,181
Effects of exchange rate changes on cash and cash equivalents		-	(1,859)
Cash and cash equivalents at the end of the year	17	114,249	667,895

The accounting policies and other notes form an integral part of these separate financial statements.

Notes to the financial statements

1 Reporting entity

Zagrebačka burza d.d. ("Zagreb Stock Exchange" or "the Company") is domiciled in Republic of Croatia and registered at the Commercial Court in Zagreb on 5 July 1991. The address of the Company's registered office is Eurotower, 22nd floor, Ivana Lučića 2a/22, Zagreb, Croatia. During 2023, there were no changes in the name of the Company or any other way of designating the reporting entity.

The business activities of the Company include: management of the regulated market; collection, processing and publishing of trading data; management of Multilateral Trading Facility; development, maintenance and disposition of computer software used for management of the regulated market and collection, processing and publishing of the data on securities trading; organizing and providing professional trainings for participants of capital markets.

At the year end the Company was owned by 195 shareholders (31 December 2022: 184 shareholders). The Company does not have an ultimate parent company.

As of 31 December 2023, and 31 December 2022 the Zagreb Stock Exchange is the owner of Ljubljanska borza d.d. ("Ljubljana Stock Exchange") and has an investment in a joint venture SEE Link Ltd Skopje, Republic of North Macedonia and investments in the associate companies Makedonska Berza a.d., Skopje, Republic of North Macedonia, Funderbeam South-East Europe Ltd, Zagreb, Croatia and Adria Digital Exchange Ltd, Zagreb, Hrvatska.

The activities of the Company are regulated by Croatian Agency for Supervision of Financial Services – Hrvatska agencija za nadzor financijskih usluga ("HANFA").

These financial statements comprise of separate financial statements of the Company as defined by International Accounting Standards 27 *Separate Financial Statements*. Zagrebačka burza Group prepares consolidated financial statements, which are published as a separate document.

2 Basis for preparation

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union („IFRS“).

These financial statements were authorized for issue by the Management Board on 29. April 2024 for submitting for approval by the Supervisory Board.

b) Adoption of new or amended standards and interpretations of International Financial Reporting Standards

The following amendments to the existing standards, in effect as of 1 January 2023, are adopted by the EU, but had no significant effect on the Company:

- IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IFRS 17 and Amendments to IFRS 4 (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023).
- Amendments to IAS 1 and 2. IFRS Practice Statements (IFRS Practice Statement 2): Disclosure of accounting policies (published on February 12, 2021 and effective for annual periods beginning on or after January 1, 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023).

Notes to the financial statements (continued)

2 Basis for preparation (continued)

b) Adoption of new or amended standards and interpretations of International Financial Reporting Standards (continued)

- Transitional option for insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023)

c) New accounting standards and interpretations

Several new standards and interpretations have been published that are mandatory for annual periods beginning on or after January 1, 2024, that have been adopted by the EU and that the Company has not previously adopted.

- Amendments to IFRS 16 Leases: Lease liability in a sale-leaseback transaction (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).
- Classification of liabilities as short-term or long-term - Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, effective for annual periods beginning on or after 1 January 2024).

Unless otherwise stated above, the new standards and interpretations are not expected to significantly affect the Company's financial statements.

Several new standards and interpretations have been published that are mandatory for annual periods beginning on or after January 1, 2024, or later, which have not been adopted by the EU and which the Company has not previously adopted.

- IFRS 14, Deferred Recognition of Revenue and Expenses in the Regulated Price System (issued on January 30, 2014 and effective for annual periods beginning on or after January 1, 2016).
- Sale or entry of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).
- Amendments to IAS 21 Effects of changes in foreign exchange rates Lack of exchangeability (issued on August 15, 2023)
- Amendments to IAS 7 Cash flow statement and IFRS 7 Financial Instruments: Disclosures - Financial arrangements of suppliers (originally published on 25 May 2023, effective for annual periods beginning on or after 1 January 2024).

Unless otherwise stated above, the new standards and interpretations are not expected to significantly affect the Company's financial statements.

d) Basics of measurement

The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

e) Functional and presentation currency

On January 1, 2023, the official monetary currency and official means of payment in the Republic of Croatia became the euro ("EUR") instead of the Croatian kuna ("HRK"). The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency.

On January 1, 2023, all items of assets, liabilities and capital were converted from HRK to EUR using a fixed conversion rate determined by the Croatian government, which was HRK 7.53450 for EUR 1. The change in the functional currency is applied prospectively from the specified date.

Notes to the financial statements (continued)

2 Basis for preparation (continued)

e) *Functional and presentation currency (continued)*

In these financial statements, the presentation currency has also been changed, and comparative periods are presented in euros. Since the financial statements of the previous period were presented in Croatian kuna, the change in the presentation currency of the comparative period in this year's financial statements represents a change in the Company's accounting policy.

With regard to the change in accounting policy, the Company presents three reports on the financial position in this year's financial statements: as of January 1, 2022, December 31, 2022, and December 31, 2023. The conversion rate from January 1, 2023, which is HRK 7.53450 for 1 euro, was applied to the balances in the statement of financial position as of December 31, 2022. The conversion rate for the amounts in the statement of financial position as of January 1, 2022 is HRK 7.520447 for 1 euro and represents the average exchange rate published by the Croatian National Bank on that date. The average annual exchange rate for the year 2022 published by the Croatian National Bank was HRK 7.531585 for 1 euro and was used to convert the items of the statement of comprehensive income, changes in capital and cash flows for the year 2022.

Exchange rate differences that arose before January 1, 2023, and refer to the change in the presentation currency, are reclassified within equity from other comprehensive income to retained earnings.

All financial data are presented in EUR unless otherwise stated.

f) *Use of estimates and judgments*

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses.

Estimates and related assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances and the information available at the date of preparation of the financial statements. Their result represents the basis for determination of book value of assets and liabilities which is not easily identifiable from other sources. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on a regular basis. Changes in accounting estimates are recognized in the period in which the estimate is changed and in future periods, if the change affects them as well.

Information on significant sources of uncertainty and key judgments in applying accounting policies that have a significant effect on the amounts reported in the financial statements are described in Note 26.

g) *Foreign currency conversion*

Transactions in foreign currencies are converted into the functional currency at the exchange rate valid on the day of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to functional currency at the rate of exchange at the date of reporting. Foreign exchange gains or losses on monetary items represent the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and year-round payments, and the amortized cost in the foreign currency at the rate of exchange at the date of reporting.

Non-monetary assets and liabilities measured at fair value in foreign currency are translated to functional currency at the rate of exchange at the date on which their fair value was determined. Non-monetary items that are measured based on historical cost in foreign currency are translated at the rate of exchange at the date of the transaction.

Notes to the financial statements (continued)

2 Basis for preparation (continued)

g) Foreign currency conversion (continued)

Foreign exchange differences arising from translation of foreign currency into functional currency are recognized in the income statement.

Alongside euro, the most significant currency of Company's assets and liabilities is Macedonian dinar (MKD). The exchange rate used for conversion on 31 December 2023 was 1 EUR = MKD 0.016261 (31 December 2022: 1 EUR = MKD 0.16262).

3 Significant information on accounting policies

a) Equipment and intangible assets

Equipment mainly includes computers and office equipment, furniture and telephone equipment. Intangible assets include licenses for computer programs capitalized on the basis of costs incurred in acquiring and putting into use of a particular program.

Recognition and measurement

Equipment and intangible assets are stated at historical cost reduced by accumulated depreciation and impairment losses. Historical cost includes costs that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent costs are recognized in the carrying amount of the asset or as a separate item only, if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are an expense in the period in which they are incurred.

Amortization / Depreciation

Amortization / depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of certain items of property and equipment. Assets under construction are not depreciated.

The estimated useful lives are shown below and have not changed from the previous year:

Computers and office equipment	4-7 years
Office furniture and equipment	5-7 years
Computer programs	2-5 years
Investments in other people's property	rental period

Depreciation methods and useful lives are reviewed, and modified if appropriate, at each reporting date. The carrying amount of an asset is reduced to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement.

Notes to the financial statements (continued)

3 Significant information on accounting policies (continued)

b) Financial instruments

Classification

In its portfolio, the Company holds financial assets classified as assets at amortized cost, assets at fair value through other comprehensive income (FVOCI) and assets at fair value through profit or loss (FVTPL).

Financial assets at amortized cost

This category includes loans to related parties, trade receivables, cash and cash equivalents and placements with banks.

Financial assets at fair value through other comprehensive income

A debt instrument is measured at fair value through other comprehensive income if it meets both of the following conditions and if it is not measured at fair value through profit or loss (FVTPL):

- the purpose of the business model is to hold assets to collect contractual cash flows and sell financial assets; and
- contractual terms of financial assets assume cash flows that are solely repayments of principal and interest (SPPI), on certain dates.

Upon initial recognition of investments in equity instruments that are not held for trading, the Company may irrevocably choose to disclose subsequent changes in fair value through other comprehensive income. This choice is made on the basis of individual investment.

Financial assets at fair value through profit or loss

All other financial assets are classified as financial assets at fair value through profit or loss.

In addition, on initial recognition, the Company may irrevocably measure financial assets at fair value through profit or loss, although it meets the requirements for measurement at amortized cost or at fair value through other comprehensive income, if this eliminates or significantly reduces accounting mismatches that would otherwise occur.

Financial liabilities

The Company measures all financial liabilities at amortized cost, which includes other liabilities.

Reclassification

Financial assets are not reclassified after initial recognition, except in the period after the change in the financial asset management business model.

Business model evaluation

Shares in the investment funds are measured at fair value through profit or loss because they are not held for the purpose of collecting contracted cash flows or for collecting contractual cash flows and for sale.

Notes to the financial statements (continued)

3 Significant information on accounting policies (continued)

b) Financial Instruments (continued)

Recognition and derecognition

Financial assets and financial liabilities at fair value through profit or loss are recognized on the trade date, i.e., the date on which the Company commits to purchase or sell the asset. Loans and receivables and other financial liabilities measured at amortized cost are recognized when the financial asset is transferred to the borrower, or the liability is received from the lender.

The Company derecognizes a financial asset (in whole or in part) when the rights to receive cash flows from the financial asset expire or when it loses control over the contractual rights to the financial asset. This occurs when the Company substantially transfers all risks and rewards of ownership to another entity or when rights are exercised, transferred or expired. The Company ceases to recognize financial liabilities only when they cease to exist, i.e., when they are fulfilled, canceled, expired or significantly changed (10% change test). If the terms of the financial liability change, the Company will derecognize that liability and begin recognizing the new financial liability with the new terms.

Cumulative gain or loss recognized in comprehensive income from equity securities under the FVOCI option is not recognized in the income statement upon derecognition of such securities. All interest on transferred financial assets that meet the conditions for derecognition are recognized by the Company as a separate asset or liability.

Investments in shares listed and described in Note 15 a) are valued under the FVOCI option. In accordance with IFRS 9, the Company decided to value these investments in shares under the FVOCI option as it does not hold these shares for trading. The fair values of these investments are disclosed in Note 15 a).

Initial and subsequent measurement

Financial assets and liabilities are initially recognized at fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs for financial assets at fair value through profit or loss are recognized immediately as profit or loss, while for other financial instruments they are amortized. All financial assets at fair value through profit or loss are subsequently stated at fair value. Loans and receivables are stated at amortized cost reduced by impairment losses and other financial liabilities at amortized cost. Amortized cost is calculated using the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

Principles of measuring fair value

The fair value of financial assets at fair value through profit or loss is the quoted market price in an active market at the reporting date, net of selling expenses. The Company reviews each financial instrument separately to determine whether the financial instrument is quoted in an active market.

Fair value levels

The Company uses following levels to determine the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets,

Level 2: other techniques in which all parameters that have a significant effect on fair value are visible, either directly or indirectly,

Notes to the financial statements (continued)

3 Significant information on accounting policies (continued)

b) *Financial instruments (continued)*

Level 3: techniques that use data that have a significant impact on determining fair value and that are not based on visible market data.

Impairment of financial assets

Financial instruments

For credit exposures for which there has been no significant increase in credit risk since initial recognition, expected credit losses are recognized for credit losses arising from the probability of default in the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, an adjustment is required for expected credit losses over a lifetime, regardless of the time of borrowing. For trade receivables and contractual assets, the Company applies a simplified approach to the calculation of expected credit losses and therefore does not monitor changes in credit risk but recognizes impairment based on lifelong expected credit loss at the end of each reporting period.

The Company writes off financial assets when there are indications that the debtor is in serious financial difficulty, that there is no realistic prospect of recovery or that the debtor is likely to go bankrupt or otherwise undergo financial reorganization or restructuring. Depreciated financial assets may still be subject to collection activities of the Company.

Expected credit losses on trade receivables are estimated on the basis of the arrears matrix, taking into account the historical experience of the occurrence of the default status of the debtor and the analysis of the current financial position of the debtor.

In estimating expected credit losses, the Company considers reasonable information that is relevant and available. This includes quantitative and qualitative information and analysis, based on the Company's historical experience and informed creditworthiness assessment, including information relating to the future.

The Company considers that financial assets are not recoverable if it is unlikely that the debtor will pay its obligations to the Company in full without the Company having to initiate actions such as activating collateral (if any). The maximum period that is taken into account when estimating the expected credit loss is the maximum contracted period during which the Company is exposed to credit risk.

The Company recognizes a gain or loss in the income statement for all financial instruments with an appropriate adjustment to the carrying amount through the provision for expected credit losses.

Measuring expected credit losses

Expected credit losses are estimates of the weighted probabilities of credit losses. Credit losses are measured as the present value of all cash losses (the difference between the cash flows to which the Company is entitled under the contract and the cash flows that the Company expects to actually receive). Expected credit losses are discounted at the effective interest rate of the financial assets in question.

There were no changes in valuation techniques or significant assumptions during the current reporting period.

Trade receivables, other assets, short-term deposits with banks and loans granted to associates

Trade receivables, other assets, short-term deposits with banks and loans to associates are initially recognized at fair value plus transaction costs, and subsequently at amortized cost reduced by any impairment losses.

Notes to the financial statements (continued)

3 Significant accounting policies (continued)

b) Financial instruments (continued)

Investments in funds

Investments in open-end and closed-end investment funds are classified as financial assets at fair value through profit or loss and are measured at fair value.

Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost.

c) Impairment of non-financial assets

The net carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indications are identified, the recoverable amount of the asset is estimated.

The recoverable amount is estimated at each reporting date for intangible assets that are not yet in use.

Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss is recognized in the income statement.

Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment loss at each reporting date. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount, but not exceeding the carrying amount of the asset that does not exceed the carrying amount that would have been determined, net of depreciation, had there been no impairment.

d) Leases

The Company is a lessor

Assets given under business leases are depreciated over an expected life same as other similar assets.

Leases in which the Company is a lessor are classified as financial or operating leases. The lease is classified as a financial lease if it transmits almost all the risks and benefits associated with ownership of the respective property to the lessee. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it calculates the main lease and sub-lease as two separate contracts. The sub-lease is classified as a financial or operating lease by reference to the right-of-use property resulting from the main lease.

Assets given under operating lease are depreciated over their expected useful life in the same way as other similar assets.

Income from rents based on operating leases is recognized in a straight line during the period of the lease in question. The initial direct costs incurred at the stage of negotiating and arranging the terms of the operating lease shall be attributed to the book amount of the subject matter of the lease and recognized in a straight line during the rental period.

Notes to the financial statements (continued)

3 Significant information on accounting policies (continued)

d) Leases (continued)

Receivables based on financial leases are recorded as receivables in the Company's net investment in leases. Financial lease income is allocated to accounting periods to reflect the constant periodic rate of return on the open balance of the Company's net investment based on leases.

When the contract covers components relating to leases and non-rental components, the Company applies IFRS 15 to distribute the fee in accordance with the contract for each component.

The Company assesses whether it is a lease agreement or whether the contract contains a lease, at the beginning of the contract. The Company shall disclose the right-to-use assets and the corresponding lease liability with regard to all leases in which it is lessee, except for short-term leases (defined as leases with a duration of 12 months or less) and leases of low value assets (such as tablets and personal computers, office furniture and telephones). For such leases, the Company rectilinearly recognizes rental payments as operating expenses for the duration of the lease, unless another systematic basis better reflects the time dynamics of spending the economic benefits of the assets held in the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), reduced by any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate,
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used),
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Notes to the financial statements (continued)

3 Significant information on accounting policies (continued)

d) Leases (continued)

The Company did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, reduced by any lease incentives received and any initial direct costs. They are subsequently measured at cost reduced by accumulated depreciation and impairment losses.

When the Company bears the costs of dismantling and removing the leased assets, renovating the place where the property is located, or returning the underlying assets to the state required under the terms of the lease, the provision shall be recognized and measured in accordance with IAS 37. If costs relate to right-of-assets, the costs are included in the associated right-of-use assets, unless those costs are incurred in the production of inventory.

Right-of-use assets are depreciated through the lease period or life of use, whichever is shorter. If, on the basis of the lease, ownership of the underlying property is transferred or if the cost of the right-of-use property reflects that the Company will take advantage of the purchase option, the right-to-use asset is depreciated through the useful life of the underlying asset. Depreciation starts at the start date of the lease.

The Company applies IAS 36 to determine whether the value of the right-to-use property is impaired or whether any impairment losses have been calculated for it, as described in the policy "Equipment and intangible assets".

Variable rents that do not depend on the index or rate are not covered by the measurement of the lease liability and the right-to-use assets. Related payments are recognized as costs in the period in which the event or the condition that triggered the payments in matter incurred and are presented in 'Other costs' in profit and loss.

As a practical solution, IFRS 16 allows the lessee to not provide non-rental components and to calculate components related to rent and non-rental components as a single component. The Company didn't use that practical solution. For a contract containing a lease-related component and one or more additional non-lease-related components, the Company is required to distribute the fee under the contract to each component relating to the lease based on the relative standalone price of that component and the total standalone price of non-rental components.

e) Cash and cash equivalents

Cash and cash equivalents for the purpose of preparation of cash flow statements and the statement of financial position comprise giro accounts, cash in hand and short-term deposits with banks with original maturity up to three months.

f) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

g) Employee benefits

i) Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognized as an expense in income statement of the period in which they have been incurred.

Notes to the financial statements (continued)

3 Significant information on accounting policies (continued)

g) *Employee benefits (continued)*

ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

h) *Taxation*

Income tax charge is based on taxable profit for the year and comprises of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted at the reporting date, and considering the adjustments to tax payable in respect of positions from previous years.

Deferred taxes are calculated using the balance sheet method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to be applied to taxable profit in the years in which those temporary differences are expected to be realized, or settled, based on tax rates enacted at the reporting date.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and/or liabilities in the statement of financial position. Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized.

The company forms a tax liability in accordance with Croatian law. The income tax rate for 2023 is 18% (2022: 18%).

i) *Provisions*

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation which can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current assessment of the time value of money and the risks specific to the liability.

j) *Issued share capital, premiums and reserves*

Share capital represents the nominal value of paid-in shares classified as equity and it is denominated in EUR. Share premium represents the excess of the paid amount over nominal value of the issued shares upon initial issue of shares. Any profit for the year after appropriations is transferred to retained earnings.

A legal reserve has been created in accordance with Croatian law, which requires 5% of the profit for the year to be transferred to the reserves until the total of legal reserves and capital reserves reach 5% of issued share capital. The legal reserve can be used for covering current and prior period losses in the amount of up to 5% of issued share capital.

Notes to the financial statements (continued)

3 Significant information on accounting policies (continued)

k) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer. The Company recognizes following revenues: trading commissions, membership fees, fees for the maintenance of quotations and other fees.

Commission income is recognized when the service is provided. Income from fees is deferred over the relevant period to which the fees relate.

Income from maintenance of quotations, subscriptions for information and subscriptions for the real time monitoring of trade is deferred over the period of duration of the relevant quotation or subscription.

Income from initial listing fees is deferred to the period in which the client has a substantive right to service.

l) Financial income

Interest income is recognized in income statement in the corresponding time period for all interest-bearing financial instruments measured at amortized cost using the effective interest rate method.

m) Dividend income

Dividends on equity instruments are recognized in profit or loss when the Company's right to receive a dividend is established.

n) Investments in subsidiaries

Subsidiaries are entities in which the Company, directly or indirectly, has control over their activities. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Company's investment in subsidiary is measured in the non-consolidated financial statements using the cost method.

o) Investments in associates and joint ventures

Associates are entities in which the Company has significant influence but no control. A significant influence is the power to participate in the financial and operating policies of entity in which the investment is made but does not constitute control or joint control of those policies.

Joint ventures are companies in which two or more parties have joint control.

The Company's investments in associates and joint ventures are measured in the non-consolidated financial statements using the cost method.

Notes to the financial statements (continued)

4 Sales revenue

	2023	2022
	EUR	EUR
Commissions	473,849	495,227
Revenue from quotation maintaining	677,682	685,216
Revenue from quotation fee	122,215	157,144
Membership fees	25,573	25,696
Total sales revenue	1,299,319	1,363,283

Commissions from members are charged based on value of realized transactions at the time of execution of the transaction. Commission income is recognized when the service is provided. Income from fees is deferred over the relevant period to which the fees relate.

Revenue from quotation maintenance represents an annual commission for the continuation of inclusion of the securities in the Prime, Official and Regular Market quotations. Quotation fees are collected from issuers of securities on the Prime, Official and Regular Market. Income from quotation maintenance is deferred over the period of duration of the relevant quotation.

Membership fees include one-time admission fee payable for acquiring the status of Exchange Member, as well as fees charged to existing members on a quarterly basis. Income from membership fees is deferred to the period in which the client has a substantive right to service.

The time schedule for recognizing sales revenue is as follows:

	Commissions	Income from quotation maintaining	Income from quotation fees	Membership fees	Total
2023	EUR	EUR	EUR	EUR	EUR
Sales revenue	473,849	677,682	122,215	25,573	1,299,319
<i>Time schedule of income</i>					
- at a point in time	473,849				473,849
- over time		677,682	122,215	25,573	825,470
	473,849	677,682	122,215	25,573	1,299,319
2022					
Sales revenue	495,227	685,216	157,144	25,696	1,363,283
<i>Time schedule of income</i>					
- at a point in time	495,227	-	-	-	495,227
- over time	-	685,216	157,144	25,696	868,056
	495,227	685,216	157,144	25,696	1,363,283

Notes to the financial statements (continued)

5 Other operating income

	2023	2022
	EUR	EUR
Income from sale of information	355,160	327,834
Income from seminars	113,323	108,700
Income from OTC services	87,560	82,156
Income from LEI	79,213	64,814
Income from services provided	47,030	57,412
Other sales income	4,539	3,277
Income from collected previously corrected receivables	515	12,755
Income from reversal of provisions	3,475	-
Other income	27,610	15,630
Total other operating income	718,425	672,578

Income from sale of information and subscriptions to software, for the real time trading, is deferred over the period of subscription duration.

Other revenues include income from various fees, revenue from penalties and other income.

The revenue from related parties consists of revenue from providing the technical support in software maintenance and other business activities.

The time schedule of recognition of other business income from contracts with customers is as follows:

	Income from sale of information	Income from seminars	Income from OTC services	Income from LEI services	Income from related parties and other sales income	Total
2023	EUR	EUR	EUR	EUR	EUR	EUR
Other operating income	355,160	113,323	87,560	79,213	51,569	686,825
<i>Time schedule of income</i>						
- at a point in time	-	113,323	-	-	-	113,323
- over time	355,160	-	87,560	79,213	51,569	573,502
	355,160	113,323	87,560	79,213	51,569	686,825
2022						
Sales revenue	327,834	108,700	82,156	64,814	60,689	644,193
<i>Time schedule of income</i>						
- at a point in time	-	108,700	-	-	-	108,700
- over time	327,834	-	82,156	64,814	60,689	535,493
	327,834	108,700	82,156	64,814	60,689	644,193

Notes to the financial statements (continued)

5 Other operating income (continued)

5 a) Assets and liabilities under contracts with clients

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Contract assets		
Contract assets from sale of information	-	13,119
	<u>-</u>	<u>13,119</u>
Contract liabilities from quotation maintenance (Note 4)	364,805	375,028
Contract liabilities from quotation fees (Note 4)	46,167	49,365
Other contract liabilities (Note 4 and 5)	54,382	62,865
	<u>465,354</u>	<u>487,258</u>
Total contract liabilities		

i) Income recognized on the basis of a contract liabilities

The overview below presents the amounts of income recognized in the current reporting period, which refer to contract liabilities from previous years:

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Recognized income included in the contract liabilities at the beginning of the period:		
Contract liabilities from quotation maintenance	375,028	364,286
Contract liabilities from quotation fees	49,365	65,267
Other contract liabilities	20,168	46,500
	<u>444,561</u>	<u>476,053</u>

6 Staff costs

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Net salaries	543,802	553,974
Payroll contributions	291,847	294,230
Payroll taxes and surtaxes	115,638	117,291
Other staff costs	50,948	38,154
	<u>1,002,235</u>	<u>1,003,649</u>
Total salaries		

At the end of 2023 the company had 23 employees (2022: 25), Staff costs include EUR 160 thousand (2022: EUR 161.3 thousand) of paid contributions to mandatory pension funds out of which EUR 40.6 thousand relates to Pillar II (2022: EUR 41 thousand), Contributions are calculated as a percentage of the employee's gross salary, In 2023, bonuses in the amount of EUR 37.6 thousand were paid out (2022: EUR 34 thousand) and EUR 8.4 thousand of bonuses were paid in the treasury shares.

Notes to the financial statements (continued)

7 Other operating expenses

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Costs of software and licenses	323,214	276,222
Professional services	109,010	125,113
Other fees and charges	48,610	68,320
Utility expenses	69,844	63,482
Fees to the regulator	66,035	57,373
Post and telephone services	23,520	24,745
Maintenance of office and equipment expenses	21,932	20,792
Entertainment	21,928	18,069
Rent of premises	15,769	15,997
Business travel	22,140	14,248
Costs for seminars and marketing	33,501	25,651
Write-off of intangible assets	-	150
Other expenses	85,984	86,353
Total other operating expenses	<u>841,487</u>	<u>796,515</u>

Other expenses in the amount of EUR 86 thousand relate to maintenance costs, material and energy costs, insurance costs, and other costs.

The fee for auditing the Company's financial statements amounted to EUR 23 thousand (2022: EUR 23 thousand).

Other services refer to accounting services, legal services and other external services.

8 Financial income and expenses

a) Financial income

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Dividend income	138,622	55,819
Interest income	16,834	1,450
Other financial income	145	256
Total financial income	<u>155,601</u>	<u>57,525</u>

b) Financial expense

Interest expense	<u>(10,260)</u>	<u>(12,315)</u>
	(10,260)	(12,315)
Unrealized net losses from financial assets at fair value through profit and loss	14,433	(83,529)
Realized net losses from financial assets at fair value through profit and loss	12,100	(11,762)
Net loss from financial assets at fair value through profit or loss	<u>26,533</u>	<u>(95,291)</u>
Net loss on foreign exchange differences	(122)	(3,771)
Net financial result	<u>171,752</u>	<u>(53,850)</u>

Notes to the financial statements (continued)

9 Income tax

a) Income tax	2023	2022
	EUR	EUR
<i>Current income tax expense</i>		
Total income tax expense	-	-
	-	-
<i>Deferred taxes</i>		
Increase (decrease) of deferred tax assets for temporary tax differences	1,830	(15,464)
	1,830	(15,464)
	1,830	(15,464)
Total income tax expense	1,830	(15,464)
Increase of deferred tax liability for temporary tax differences for items of other comprehensive income that cannot be reclassified through profit and loss	20,168	-
Net income tax on total other comprehensive income	21,998	(15,464)

b) Reconciliation of accounting profit and current income tax liability	2023	2022
	EUR	EUR
Profit before taxes	138,033	1,436
Tax calculated at 18% (2022: 18%)	24,846	258
Non-deductible tax expenses	3,986	3,448
Increase of fair value of financial assets at fair value through other comprehensive income	-	12,635
Non-taxable income	(33,698)	(15,975)
Tax losses not recognized as deferred tax assets	-	-
Used losses from previous years that were not recognized as deferred tax assets	6,696	(15,830)
Total income tax	1,830	(15,464)

c) Deferred tax assets and deferred tax liabilities

	Deferred tax assets	Deferred tax liabilities	Net deferred tax assets (liabilities)
	EUR	EUR	EUR
On January 1, 2022	-	-	-
Change in the year	15,464	-	15,464
As of December 31, 2022	15,464	-	15,464
		-	-
On January 1, 2023	15,464	-	15,464
Change in the year	(1,830)	(20,168)	(21,998)
As of December 31, 2023	13,634	(20,168)	(6,534)

Notes to the financial statements (continued)

9 Income tax (continued)

Deferred tax assets

	Financial assets	Operating lease (IFRS 16)	Provisions	Total
	EUR	EUR	EUR	EUR
1 January 2022	-	-	-	
(Decrease) / increase in deferred tax assets recognized in the profit and loss	11,541	186	3,731	15,458
31 December 2022	11,541	186	3,731	15,458
1 January 2023	11,541	186	3,731	15,458
(Decrease) / increase in deferred tax assets recognized in the profit and loss	(2,876)	478	568	(1,830)
31 December 2023	8,665	664	4,299	13,628

Deferred tax liabilities

	Change of the fair value of the financial assets through OCI
	EUR
1 January 2023	-
Increase in deferred tax liabilities recognized in other comprehensive income	(20,168)
31 December 2023	(20,168)

e) Tax losses carried forward

At the end of 2023 the gross tax losses in the amount of EUR 20,926 are available for decrease of future taxable profits of the Company. The tax loss can be transferred by the Company and is subject to review from Ministry of finance. The Company did not recognize deferred tax assets based on carried forward tax losses, as it is uncertain when sufficient taxable profit will be generated in the future.

As of December 31, the gross tax losses available for transfer expire as follows:

	2023	2022
	EUR	EUR
Up to 1 year	-	17,879
Up to 2 years	-	-
Up to 3 years	20,926	-
Up to 4 years	-	21,457
Up to 5 years	-	-
Total tax loss available to be carried forward	20,926	39,336

The tax return was prepared in accordance with legally prescribed methodology. According to tax regulations, the tax administration may review the Company's books and records at any time during a 3-year period after the end of the year in which the tax liability is stated. The Company's management is not aware of any circumstances that could lead to significant omissions in this regard.

Notes to the financial statements (continued)

10 Equipment

	Computer equipment	Furniture and other equipment	Leasehold improvements	Total
	EUR	EUR	EUR	EUR
Purchase value				
On January 1, 2022	732,905	319,300	203,255	1,255,460
Write-off	109,335	4,837	-	114,172
Foreign exchange differences due to the change of functional currency	(1,410)	(598)	(380)	(2,388)
As of December 31, 2022	840,830	323,539	202,875	1,367,244
On January 1, 2023	840,830	323,539	202,875	1,367,244
Increases	6,282	15,220	-	21,502
Write-off	(918)	(620)	-	(1,538)
As of December 31, 2023	846,194	338,139	202,875	1,387,208
Accumulated depreciation				
On January 1, 2022	(634,187)	(295,385)	(168,641)	(1,098,213)
Depreciation expense	(35,285)	(14,565)	(10,861)	(60,711)
Foreign exchange differences due to the change of functional currency	1,197	557	319	2,073
As of December 31, 2022	(668,275)	(309,393)	(179,183)	(1,156,851)
On January 1, 2023	(668,275)	(309,393)	(179,183)	(1,156,851)
Depreciation expense	(49,374)	(9,392)	(6,806)	(65,572)
Write-off	-	1,538	-	1,538
As of December 31, 2023	(717,649)	(317,247)	(185,989)	(1,220,885)
Net book value				
As of December 31, 2022	172,555	14,146	23,692	210,393
As of December 31, 2023	128,545	20,892	16,886	166,323

Notes to the financial statements (continued)

11 Intangible assets

	Computer programs	Assets in progress	Total
	EUR	EUR	EUR
<i>Purchase value</i>			
On January 1, 2022	283,882	34,977	318,859
Increase	86,176	31,534	117,710
Foreign exchange differences due to the change of functional currency	(562)	(78)	(640)
As of December 31, 2022	369,496	66,433	435,929
On January 1, 2023	369,496	66,433	435,929
Increase	-	20,057	20,057
Transfer	54,968	54,968	-
As of December 31, 2023	424,464	31,522	455,986
<i>Accumulated depreciation</i>			
On January 1, 2022	(196,692)	-	(196,692)
Depreciation expense	(19,748)	-	(19,748)
Foreign exchange differences due to the change of functional currency	375	-	375
As of December 31, 2022	(216,065)	-	(216,065)
On January 1, 2023	(216,065)	-	(216,065)
Depreciation expense	(42,165)	-	(42,165)
As of December 31, 2023	(258,230)	-	(258,230)
Net book value			
As of December 31, 2022	153,431	66,433	219,864
As of December 31, 2023	166,234	31,522	197,756

Notes to the financial statements (continued)

12 Right-of-use assets

	Real estate	Equipment	In total
	EUR	EUR	EUR
Purchase value			
On January 1, 2022	436,497	40,235	476,732
Increases	-	31,770	31,770
Write-off	-	(16,337)	(16,337)
Foreign exchange differences due to the change of functional currency	(814)	(81)	(895)
As of December 31, 2022	435,683	55,587	491,270
On January 1, 2023	435,683	55,587	491,270
Increases	-	-	-
Write-off	-	-	-
As of December 31, 2023	435,683	55,587	491,270
Accumulated depreciation			
On January 1, 2022	(59,170)	(15,989)	(75,159)
Depreciation expense	(87,170)	(12,781)	(99,951)
Write-off	-	16,186	16,186
Foreign exchange differences due to the change of functional currency	144	23	173
As of December 31, 2022	(146,196)	(12,555)	(158,751)
On January 1, 2023	(146,196)	(12,555)	(158,751)
Depreciation expense	(87,136)	(12,868)	(100,004)
As of December 31, 2023	(233,332)	(25,423)	(258,755)
Net book value			
As of December 31, 2022	289,487	43,032	332,519
As of December 31, 2023	202,351	30,164	232,515

Right-of-use assets related to leases refer to the lease of several personal vehicles (3-5 years) and real estate (up to 5 years). The weighted average incremental rate applied to lease liabilities recognized in the statement of financial position at the date of initial application is 4,2%.

Amounts recognized in the statement of comprehensive income:	2023	2022
	EUR	EUR
Depreciation expense on right-of-use assets	100,004	99,951
Interest on business leases	10,238	12,299
Costs related to right-of-use assets	18,133	19,754

Notes to the financial statements (continued)

12 Right-of-use assets (continued)

The movements of liabilities for operating leases based on IFRS 16 was as follows:

	2023	2022
	EUR	EUR
<i>Balance as of January 1,</i>		
Long term liabilities for operating lease	230,548	296,353
Short term liabilities for operating lease	93,057	92,939
	323,605	389,292
<i>Changes during the year</i>		
Increase during the year	-	31,770
Repayments during the year	(93,057)	(97,982)
Foreign exchange differences	-	525
Balance as of December 31,	230,548	323,605

Discounted liabilities under operating leases mature as follows:

	31.12.2023	31.12.2022
	EUR	EUR
Within a year	96,200	93,057
In the second year	99,281	96,200
In the third year	34,756	99,281
In the fourth year	311	34,756
In the fifth year	-	311
After five years		
In total	230,548	323,605

Contractual payment of liabilities under operating leases in the following years:

	31.12.2023	31.12.2022
	EUR	EUR
Within a year	102,560	102,559
In the second year	102,272	102,560
In the third year	35,109	102,272
In the fourth year	313	35,109
In the fifth year	-	313
After five years		
In total	240,254	342,813

Notes to the financial statements (continued)

13 Investments in subsidiaries

	2023	2022
	EUR	EUR
Investment in Ljubljana Stock Exchange	2,538,382	2,538,382
Total investments in subsidiaries	2,538,382	2,538,382

The summary of financial data for the Ljubljana Stock Exchange is as follows:

	2023	2022
	EUR	EUR
Fixed assets	1,066,828	1,159,515
Current assets	1,611,475	1,632,658
<i>Of which cash and cash equivalents</i>	159,434	1,154,578
Total assets	2,678,303	2,792,173
Long-term liabilities	68,943	76,350
Short-term liabilities	215,785	243,323
<i>Of which Short-term financial liabilities</i>	3,966	3,868
Total liabilities	284,728	319,673
Total revenue	1,656,843	1,769,224
Interest income	20,880	793
Interest expense	(1,564)	(3,855)
Profit tax	(11,272)	(15,661)
Profit for the period	24,361	109,052

14 Investments in associates and joint ventures

	2023	2022
	EUR	EUR
Investment in Macedonian Stock Exchange AD, the Republic of North Macedonia	1,224,910	1,224,910
Investment in SEE Link Ltd, the Republic of North Macedonia	26,774	26,774
Investment in Funderbeam South-East Europe Ltd, the Republic of Croatia	9,715	9,715
Investment in Adria Digital Exchange Ltd, the Republic of Croatia	1,200	-
Total investment in associates and joint venture	1,262,599	1,261,399

Notes to the financial statements (continued)

14 Investments in associates and joint ventures (continued)

Macedonian Stock Exchange AD

The stocks of Macedonian Stock Exchange were acquired in steps. The named assets have been classified as non-current financial assets through other comprehensive income until the moment when the share in that company exceeded 20% and the assets were reclassified to investment in associates. As of the day preceding the acquisition of a qualified share in the associated company, the Company recorded reserves from changes in fair value in the amount of EUR 70.2 thousand through other comprehensive income in 2022. As of December 31, 2023, the Company holds a 30% stake in the associated company (December 31, 2022: 30%). For the acquisition of shares in 2022, the Company paid EUR 938 thousand.

The summary of financial data for Macedonia Stock Exchange is as follows:

	<u>2023</u>	<u>2022</u>
	EUR	EUR
Ownership share	30%	30%
Fixed assets	2,210,211	2,082,490
Current assets	764,827	1,004,078
<i>Of which cash and cash equivalents</i>	11,488	49,079
Total assets	<u>2,975,038</u>	<u>3,086,568</u>
Long term liabilities	-	-
Short-term liabilities	46,985	84,351
<i>Of which Short-term financial liabilities</i>	-	-
Total liabilities	<u>46,985</u>	<u>84,351</u>
Total revenue	697,266	896,404
Amortization	68,773	57,215
Net interest expense	23,654	22,536
Profit tax	3,489	19,164
Profit / (loss) of the period	<u>31,371</u>	<u>187,524</u>

SEE Link Ltd,

SEE Link Ltd is a joint venture (the Company has 1/3 ownership) founded in 2014. During 2015, each of the three owners paid the additional EUR 23.5 thousand to increase the share capital of SEE Link Ltd. Together with the Macedonian Stock Exchange a.d. which holds a 33.33% stake in the company SEE Link Ltd, as of December 31, 2023, the Company holds a stake of 43.33% in the said company (December 31, 2022: 43.33%).

Notes to the financial statements (continued)

14 Investments in associates and joint ventures (continued)

The summary of financial data for SEE Link Ltd is as follows:

	<u>2023</u>	<u>2022</u>
	<u>EUR</u>	<u>EUR</u>
Ownership share	33.33%	33.33%
Fixed assets	12,995	18,771
Current assets	44,391	68,449
<i>Of which cash and cash equivalents</i>	25,762	37,632
Total assets	57,386	87,220
Long term liabilities	-	-
Short-term liabilities	16,731	34,991
<i>Of which Short-term financial liabilities</i>	-	-
Total liabilities	16,731	34,991
Total revenue	14,184	24,112
Amortization	5,770	5,778
Net interest expense	(59)	(34)
Profit tax	-	-
Profit / (loss) of the period	(11,798)	(4,553)

Funderbeam South-East Europe Ltd

Funderbeam South-East Europe Ltd is an associated company founded in 2017. During 2018, the year in which business operations started, the Company paid an additional EUR 6 thousand to increase the share capital of Funderbeam South-East Europe Ltd. In 2020, the Company acquired a new share in the amount of EUR 3.77 thousand. The ownership share as of December 31, 2023 is 30% (December 31, 2022: 30%).

Summary of financial data for Funderbeam South -East Europe Ltd is as follows:

	<u>2023</u>	<u>2022</u>
	<u>EUR</u>	<u>EUR</u>
Ownership share	30%	30%
Fixed assets	16,509	17,035
Current assets	770	16,456
<i>Of which cash and cash equivalents</i>	438	15,575
Total assets	17,279	33,491
Long term liabilities	111,408	122,908
Short-term liabilities	30,207	38,294
<i>Of which Short-term financial liabilities</i>	29,854	29,863
Total liabilities	141,615	161,202
Total revenue	43,460	81,486
Net interest income / (expense)	(2,834)	(2,781)
Profit tax	-	7,172
Profit / (loss) of the period	(1,359)	2,542

Notes to the financial statements (continued)

14 Investments in associates and joint ventures (continued)

Adria Digital Exchange Ltd

Adria Digital Exchange Ltd is an associated company founded in 2023 with subscribed capital amounting to EUR 5 thousand out of which the Company holds share of nominal value amounting to EUR 1.2 thousand which represents 24% share of the issued capital. (December 31, 2022: 0%).

Summary of financial data for Adria Digital Exchange Ltd is as follows:

	2023
	EUR
Ownership share	24%
Fixed assets	-
Current assets	4,727
<i>Of which cash and cash equivalents</i>	4,727
Total assets	4,727
Long term liabilities	-
Short-term liabilities	-
<i>Of which Short-term financial liabilities</i>	-
Total liabilities	-
Total revenue	-
Net interest income / (expense)	-
Profit tax	-
Profit / (loss) of the period	(273)

15 Financial assets

	2023	2022
	EUR	EUR
a) Financial assets at fair value through comprehensive income		
Investments in stocks	142,738	26,163
Investments in shares	3,178	-
In total	145,916	26,163

Investments in equity instruments in the amount of EUR 145.9 thousand (31 December 2022: EUR 26.2 thousand) relate to planned long-term investments.

Stocks in the amount of EUR 142.7 thousand (31.12.2022: EUR 26.2 thousand) relate to the share in capital of the company Središnje klirinško depozitarno društvo d.d. (SKDD). In 2023, the Company acquired additional stocks in the amount of EUR 4.5 thousand. On December 31, the Company performed an assessment of the fair value of the investment and accordingly increased the fair value reserves of assets valued at fair value in the amount of EUR 112 thousand.

During the initial recognition, the Company decided to classify these instruments as financial assets at fair value through other comprehensive income, in accordance with IFRS 9.

Notes to the financial statements (continued)

15 Financial assets (continued)

	2023	2022
	EUR	EUR
b) Financial assets at fair value through profit or loss		
Shares in open - end investment funds	736,505	1,191,398
In total	736,505	1,191,398

Shares in open-end investment funds are classified as fair value level 1 as at 31 December 2023 and 31 December 2022.

16 Trade receivables and other assets

	2023	2022
	EUR	EUR
Trade receivables	222,592	188,592
Prepayments made	6,756	250
Other assets	88,879	78,183
Receivables from the state for overpaid taxes, contributions and compensations	16,210	2,959
In total	334,437	269,984

The maturity of receivables is as follows:

31 December 2023

	EUR	Not due receivables	<90
Trade receivables - gross amount	162,610		59,982
Total	162,610		59,982
Expected credit losses	-		-
Trade receivables and other assets - net amount	162,610		59,982
Rate of expected credit losses	-		-

31 December 2022

	EUR	Not due receivables	<90
Trade receivables - gross amount	145,087		43,505
Contractual assets – gross amount	13,119		-
Total	158,206		43,505
Expected credit losses	-		-
Trade receivables and other assets - net amount	158,206		43,505
Rate of expected credit losses	-		-

Notes to the financial statements (continued)

17 Cash and cash equivalents

	2023	2022
	EUR	EUR
Giro account in local currency (EUR)	106,487	659,146
Giro account in foreign bank (EUR)	1,556	2,565
Giro account in foreign currency (MKD)	6,184	6,184
Cash on hand	22	-
Total cash and cash equivalents	114,249	667,895

18 Loans given to associate

	2023	2022
	EUR	EUR
Loans given to associate	27,381	28,881
Total	27,381	28,881

Loans given to associate refer to loans granted to Funderbeam South-East Europe Ltd in the amount of EUR 27.3 thousand (2022: EUR 28.9 thousand), with a one-time payment upon maturity.

19 Deposits

	2023	2022
	EUR	EUR
Long term guarantee deposit	33,166	33,166
Short term deposits with banks	1,126,162	8,136
Total	1,159,328	41,302

20 Issued share capital

a) Ordinary shares and reduction of issued share capital

All issued shares are authorized and fully paid ordinary shares. On 31 August 2016, all issued shares were listed on the Official Market of the Zagreb Stock Exchange. As at 31 December 2023, the Company had 195 shareholders (31 December 2022: 184 shareholders) with ownership interests in the Company ranging between 0,0001% and 9.99%.

Notes to the financial statements (continued)

20 Issued share capital (continued)

a) Ordinary shares and reduction of issued share capital (continued)

Share number movement:

	Number of shares	Share capital in EUR
January 1, 2022	4,635,700	6,152,631
Regular decrease of issued share capital and consolidation of shares	(2,317,850)	(3,076,315)
December 31, 2022	2,317,850	3,076,316
January 1, 2023	2,317,850	3,076,316
Decrease of issued share capital	-	(1)
December 31, 2023	2,317,850	3,076,315

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 EUR 3,076,316 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 EUR 1.33 for 2 shares outstanding.

Based on the decision of the Company's General Assembly dated June 12, 2023, for the purposes of aligning the Company's share capital and parts of that capital that relate to individual shares with the provisions of Article 21 of the Act on Amendments to the Companies Act ("Official Gazette" No. 114/22), all shares of the Company, ZB-R-A shares with a nominal amount were replaced for shares without a nominal amount.

b) Covering the transferred loss from other reserves

On June 30, 2022, the Management Board of the Company, based on Article 7 of the Company's Statute, made a decision on covering the transferred loss in the amount of EUR 2.26 million from other reserves.

c) Own shares

In accordance with the Resolution of the General Assembly of the Company dated June 14, 2022, by which the Company's Management Board is authorized to acquire up to 10,000 own shares during a period of 5 years from the date of the adoption of that Resolution, the Company launched the Own Shares Buy-Back Program starting as of October 3, 2022 and lasting until October 2, 2023 at the latest. The Company acquired 10,000 of own shares until the prescribed date and additional 32 own shares were acquired in the process of regular decrease of the issued share capital. The average price of the shares acquired amounts to EUR 3.56 per share with the range from EUR 3.12 to EUR 4.00 per share.

Notes to the financial statements (continued)

20 Issued share capital (continued)

c) Own shares (continued)

The movements of own shares were as follows:

	Number of shares	Acquisition cost EUR
On January 1, 2022	-	-
Acquisition in 2022	5,532	18,416
Foreign exchange differences due to the change of the functional currency	-	(7)
As of December 31, 2022	5,532	18,409
On January 1, 2023	5,532	18,409
Acquisition	4,500	17,256
Disposal	(1,663)	(5,182)
As of December 31, 2023	8,369	30,483

In 2023, the Company granted 1,663 own shares to members of the Company's management board, the acquisition cost of which was EUR 5.2 thousand. The income of the members of the management based on the allocated shares, including the corresponding income tax, amounted to EUR 8.4 thousand, by which the Company's retained earnings were reduced.

21 Earnings per share

The calculation of earnings per share as of December 31, 2023, is as follows:

	<u>31.12.2023</u> EUR	<u>31.12.2022</u> EUR
Net profit for the year	136,203	16,900
Weighted average number of ordinary shares over the period	2,309,793	2,317,850
Basic and diluted earnings per share	0.06	0.01

Diluted earnings per share are equal to the baseline as there is no potential dilution effect from any instruments.

Notes to the financial statements (continued)

22 Trade and other payables

	2023	2022
	EUR	EUR
Trade payables	80,560	74,862
Liabilities toward employees	43,758	43,959
VAT liabilities	7,873	10,503
Other current liabilities	66,439	71,066
Total trade and other payables	198,630	200,390

23 Financial instruments - risk exposure

Interest rate risk

The Company does not have significant amounts of interest-bearing assets with variable interest rates, The most significant interest-bearing asset is a loan given to an associate in the amount of EUR 27.4 thousand. The Company has no interest-bearing liabilities. The impact of changes in market interest rates on the profit and loss account of the market is therefore assessed as not significant.

Currency risk

As of December 31, 2023, the Company has the assets and liabilities denominated in foreign currencies as presented below:

	December 31, 2023			December 31, 2022		
	MKD	EUR	+/- 1% EUR	MKD	EUR	+/- 1% EUR
Cash (Note 17)	380,282	6,184	62	380,282	6,184	62
Net impact prior to corporate income tax			62			62
Net impact after corporate income tax			62			62

Credit risk

The largest exposure to credit risk is as follows:

	31 December	31 December
	2023	2022
	EUR	EUR
Cash and cash equivalents (excluding cash on hand) (Note 17)	114,249	667,895
Trade receivables and other assets (Note. 16)	311,471	266,775
Contract assets (Note 5)	-	13,119
Deposits (Note 19)	1,159,328	41,302
Loans given to an associate (Note 18)	27,381	28,881
In total	1,612,429	1,017,972

Notes to the financial statements (continued)

23 Financial instruments - risk exposure (continued)

The Company generally does not take collateral, due to nature of its business. Apart from loans to associates and cash in domestic banks (Notes 17, 18 and 19), the Company did not have a significant concentration of credit risk at the reporting date. The Company's credit risk is mitigated by depositing funds in various domestic banks with credit ratings from A+ to Baa+.

Concentration of credit risk of net trade receivables:

	31 December 2023		31 December 2022	
	EUR	%	EUR	%
Companies	176,815	79%	74,018	58%
Institutional investors and brokers	45,777	21%	114,574	42%
	222,592	100%	188,592	100%

Price risk

Price risk is a risk that the value of a financial instrument will fluctuate due to changes in market prices, caused by investment-specific factors, its issuer or factors affecting all instruments traded on the market. The Company's investments in open-end investment funds are measured at fair value with changes in fair value recognized in the income statement. Accordingly, such changes in market conditions will directly affect gains and losses on financial instruments recognized in the income statement.

The Company's price risk is mitigated through the diversification of the portfolio of investments in different types of open-end investment funds, managed by different investment companies, and investments in money market funds. Assuming that all other variables remained unchanged, a decrease / increase in the market price of investment fund shares of - / + 1% on the reporting date results in a decrease / increase in profit before tax of EUR 7.4 thousand (2022: EUR 11.9 thousand).

Liquidity risk

The Company has no loans received. All trade payables range from 0 to 3 months. Liabilities for renting property refer to renting several passenger cars for a period of 3 to 5 years and real estate for a period of up to 5 years. The undiscounted maturity of operating lease liabilities is disclosed in Note 12. Cash and cash equivalents and financial assets at the reporting date are significantly higher than liabilities. Financial liabilities, which include trade and other payables, deferred income and accrued expenses, have a maturity of up to one year.

24 Related parties

The Company defines a related party as a person directly related to its major shareholders, its subsidiary, joint venture and associate, members of the Supervisory Board and the Management Board and other executive management (together "key management"); close family members of key management; members of the Management Board and members of their immediate families, in accordance with the provisions set out in International Accounting Standard 24 "Related Party Disclosures" (IAS 24).

Notes to the financial statements (continued)

24 Related parties (continued)

During 2023, Zagreb Stock Exchange generated revenues from Ljubljana Stock Exchange in the amount of EUR 47.9 thousand (2022: EUR 57.4 thousand) and expenses in the amount of EUR 0.59 thousand (2022: EUR 0.3 thousand). Receivables from Ljubljana Stock Exchange as of December 31, 2023, amount to EUR 3.7 thousand (31 December 2022: EUR 3.6 thousand). Liabilities of the Company as of 31 December 2023 amount to EUR 592 (31 December 2022: EUR 263).

During 2023, Zagreb Stock Exchange generated revenues from Funderbeam South-East Europe in the amount of EUR 1.68 thousand (2022: EUR 3.2 thousand). Receivables from Funderbeam South -East Europe as of 31 December 2023 amount to EUR 30.8 thousand (31 December 2022: EUR 32.6 thousand).

During 2023, Zagreb Stock Exchange had expenses from SEE Link in the amount of EUR 2.7 thousand (2022: EUR 4.5 thousand). Liabilities to SEE Link as at 31 December 2023 amount to EUR 0 (December 31, 2022: EUR 0.9 thousand).

During 2023, Zagreb Stock Exchange had expenses from Macedonian Stock Exchange in the amount of EUR 0.6 thousand (2022: EUR 0.1 thousand). The Company does not have liabilities to Macedonian Stock Exchange as of December 31, 2023, nor did it have as of December 31, 2022.

Compensation paid to key management during the year amounted to EUR 262 thousand (2022: EUR 250 thousand), of which EUR 39 thousand refers to payments for obligatory pension contribution, out of which EUR 10 thousand refers to payments into the second pension pillar. The stated amount includes the allocation of the Company's own shares to the members of the Management Board in the gross amount of EUR 8.4 thousand (Note 20c). The Company did not pay remuneration to the members of the Supervisory Board.

25 Segment reporting

As the only geographical market of the Zagreb Stock Exchange is Republic of Croatia, and considering that all of the Company's revenue is generated on the basis of one business activity and in the Republic of Croatia, the Management Board considers the entire Company represents one reporting segment.

26 Significant accounting estimates and assumptions

Management makes estimates and assumptions related to future events. Therefore, accounting estimates rarely correspond to actual results. Estimates and judgments that may have an effect on significant changes in the amounts of assets and liabilities within the next financial year are set out below.

Investing in subsidiaries, associates and joint ventures

The Company measures investments in subsidiaries, associates and joint ventures at acquisition cost reduced by impairment of investments in separate financial statements. After initial recognition, the Company examines whether it is necessary to recognize an additional impairment of investment in associate or joint venture. At the reporting date, the Company determines whether there is objective evidence that investment in associate or joint venture is impaired. If an impairment exists, the Company calculates the amount of impairment loss as a difference between the recoverable amount and the carrying amount of the associate or joint venture and presents it in the statement of comprehensive income. If the recoverable amount of an investment is lower than its carrying amount, the Company recognizes an impairment loss. Management believes that there are no indications of impairment at the reporting date based on the analysis performed. Investments in subsidiaries, associates and joint ventures are disclosed in Notes 13 and 14. In 2023 and 2022, the Management Board estimated that the recoverable amount of the investment was not lower than the carrying amount, therefore, there was no impairment.

Notes to the financial statements (continued)

27 Capital management

The objectives of the Company in managing capital are to preserve the Company's ability to continue operating on a going concern basis to allow return on investment to shareholders and benefit other stakeholders and to maintain an optimal equity structure to minimize the cost of equity.

The Company monitors capital by monitoring its own finance ratios in its financial statements. This indicator is calculated as the ratio of total equity to total assets.

The self-financing indicator is as follows:

	31 December 2023	31 December 2022
	EUR	EUR
Total capital (capital and reserves)	6,027,948	5,819,123
Total assets	6,929,020	6,830,376
Indicator of own financing	87%	85%

The Company finances 87% of its total assets from its own sources. Accordingly, 13% of total assets is financed from outside sources (2022: 15%).

The fair values of financial assets and liabilities are included in the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, trade receivables, trade payables, and other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long term fixed rate and variable rate receivables are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

Fair value of available for sale financial assets is derived from quoted market prices in active markets. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on a discounted cash flow. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fairly value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Notes to the financial statements (continued)

27 Capital management (continued)

Fair value hierarchy

The Company uses following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique based on the lowest level input that is significant to the fair value determination:

LEVEL 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

LEVEL 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable on the market, either directly or indirectly,

LEVEL 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2023, the Company held the following financial assets measured at fair value:

31 December 2023

	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Assets				
Financial assets at fair value through other comprehensive income (Note 15)	-	-	145,916	145,916
Financial assets at fair value through profit or loss (Note 15)	736,505	-	-	736,505
Total	736,505	-	145,916	882,421

As of December 31, 2022, the Company held the following financial assets measured at fair value:

31 December 2022

	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Assets				
Financial assets at fair value through other comprehensive income (Note 15)	-	-	26,163	26,163
Financial assets at fair value through profit or loss (Note 15)	1,191,398	-	-	1,191,398
Total	1,191,398	-	26,163	1,217,561

Notes to the financial statements (continued)

28 The impact of change of the functional and presentation currency on the Company's equity

As stated in Note 2e) Functional and presentation currency, the Company changed the functional and presentation currency from the Croatian kuna to the euro as of January 1, 2023 due to the change of the official monetary currency and official means of payment in the Republic of Croatia.

As stated in the note, on January 1, 2023, the Company converted all items of assets, liabilities and capital at the conversion rate determined by the Croatian government, which was 7.5345 HRK for 1 EUR. The balances in the financial position on January 1, 2022 were converted at the exchange rate in the amount of 7.520447 HRK for 1 EUR, while the items of the profit and loss account, other comprehensive income, capital movements and cash flow were converted at the average annual exchange rate in the amount from HRK 7.520447 for EUR 1. As of December 31, 2022, the Company converted all items of the equity to euro amounts by applying the conversion rate of 7.534350 kn for 1 EUR to the kuna amounts of all items of equity presented in the statement of financial position in the financial statements for the period ended on December 31, 2022. The difference between the determined value of an individual item of equity and the value obtained in the movement of capital report at the above-mentioned exchange rates was reported in the report on capital movement in a separate item (deduction of EUR 10.8 thousand).

29 Events after the balance sheet date

There were no events after the balance sheet date that would have had a significant impact on the financial statements as of or for the period then ended.

Zagreb Stock Exchange Inc., Zagreb
*Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)*

The annual consolidated financial statements of the Zagreb Stock Exchange Group are presented below, prepared in accordance with the Ordinance on the Structure and Content of Stock Exchange Annual Financial Statements (Official Gazette 25/19, 155/22) ("Regulation") prescribed by HANFA ("regulatory financial statements"). HANFA's accounting regulations are based on International Financial Reporting Standards adopted by the European Union. The main differences between regulatory financial statements prepared in accordance with HANFA's Regulation and financial statements prepared in accordance with the International Financial Reporting Standards adopted by the European Union refer to the disclosures in the financial statements.

Zagreb Stock Exchange Inc., Zagreb
Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Balance sheet as of December 31, 2023 (in EUR)

BALANCE SHEET
balance as at 31.12.2023

in EUR

Submitter: Zagreb Stock Exchange Inc.			
Item	ADP	Last day of the preceding business year	At the reporting date of the current period
	code		
1	2	3	4
ASSETS			
FIXED ASSETS 002+003+009+013	1	4,666,224	4,604,038
I INTANGIBLE ASSETS	2	219,864	197,756
II TANGIBLE ASSETS 004+...+008	3	542,912	398,838
1 Land and buildings	4	289,487	202,351
2 Computer equipment	5	172,554	128,543
3 Other tangible assets	6	57,178	51,058
4 Leasehold improvements	7	23,693	16,886
5 Assets under construction	8	-	-
III FIXED FINANCIAL ASSETS 010+011+012	9	3,887,990	4,007,444
1 Investments in associates, subsidiaries and joint ventures	10	3,799,780	3,800,981
2 Financial assets at amortised cost	11	62,047	60,547
3 Financial assets at fair value through other comprehensive income	12	26,163	145,916
DEFERRED TAX ASSETS	13	15,458	-
B CURRENT ASSETS 015+021+025	14	2,137,414	2,299,673
I RECEIVABLES 016+...+020	15	269,985	322,757
1 Customer receivables	16	184,957	218,857
2 Receivables from employees and members of the undertaking	17	35	212
3 Receivables from government and other institutions	18	2,959	16,210
4 Receivables from connected undertakings	19	3,635	3,735
5 Other receivables	20	78,399	83,743
III SHORT-TERM FINANCIAL ASSETS 022+...+024	21	1,199,534	1,862,667
1 Financial assets at amortised cost	22	8,136	1,126,162
2 Financial assets at fair value through other comprehensive income	23	-	-
3 Financial assets at fair value through statement of profit or loss	24	1,191,398	736,505
III CASH AND CASH EQUIVALENTS	25	667,895	114,249
C PREPAID EXPENSES AND ACCRUED INCOME	26	26,739	25,308
D TOTAL ASSETS 001+014+026	27	6,830,377	6,929,020
E OFF-BALANCE SHEET ITEMS	28	-	-

Zagreb Stock Exchange Inc., Zagreb
Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Balance sheet as of December 31, 2023 (in EUR) (continued)

Item	ADP	Last day of the preceding business year	At the reporting date of the current period
	code		
1	2	3	4
EQUITY AND LIABILITIES			
A CAPITAL AND RESERVES 030+031+032+037+...+041	29	5,819,123	6,027,948
I INITIAL CAPITAL	30	3,076,316	3,076,315
II CAPITAL RESERVES	31	1,839,562	1,840,833
III PROFIT RESERVES 033+...+036	32	886,352	966,150
1 Legal reserves	33	18,714	18,714
2 Reserves for treasury shares	34	(18,409)	(30,483)
3 Fair value reserves	35	70,169	162,041
4 Other reserves	36	815,878	815,878
IV REVALUATION RESERVES	37	-	-
V RESERVES FROM EXCHANGE RATE DIFFERENCES FROM THE TRANSLATION OF FOREIGN OPERATIONS	38	-	-
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD	39	(7)	8,447
VII PROFIT OR LOSS FOR THE YEAR	40	16,900	136,203
VIII MINORITY INTEREST	41	-	-
B PROVISIONS	42	-	-
C SHORT-TERM LIABILITIES 044+...049	43	293,447	294,829
1 Liabilities for advance payments	44	499	7,795
2 Liabilities to suppliers	45	74,100	72,174
3 Liabilities to employees	46	43,959	43,758
4 Taxes, contributions and similar liabilities	47	43,442	39,659
5 Liabilities to connected undertakings	48	263	591
6 Other short-term liabilities	49	131,184	130,852
D LONG-TERM LIABILITIES	50	230,548	134,348
E DEFERRED TAX LIABILITY	51	-	6,540
F ACCRUALS AND DEFERRED INCOME	52	487,259	465,355
G TOTAL LIABILITIES 029+042+043+050+051+052	53	6,830,377	6,929,020
H OFF-BALANCE SHEET ITEMS	54	-	-
Appendix to the balance sheet (position for consolidated financial statements)			
I Capital and reserves 056+057	55	-	-
1 Attributable to owners of the parent	56	-	-
2 Attributable to non-controlling interest	57	-	-

Zagreb Stock Exchange Inc., Zagreb
Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Profit and loss for the period from January 1, 2023 to December 31, 2023 (in EUR)

STATEMENT OF PROFIT OR LOSS

For the period from 1.1.2023 to 31.12.2023

in EUR

Submitter: Zagreb Stock Exchange Inc.			
Item	ADP	Same period of the previous year	Current period
1	2	3	5
A OPERATING INCOME 002+008	1	2,035,862	2,017,744
I Sales revenue 003+...+007	2	1,363,284	1,299,319
1 Commissions and membership fees	3	520,924	499,422
2 Listing maintenance fees	4	685,216	677,682
3 Quotation fees	5	157,144	122,215
4 Income from auctions	6	-	-
5 Income from memberships	7	-	-
II Other operating income 009+...+011	8	672,578	718,425
1 Income from application programming interface (API) services	9	-	-
2 Income from the supply of information	10	327,834	355,160
3 Other income	11	344,744	363,265
B OPERATING EXPENSES 013+016+020+021+022+025+026	12	1,980,574	2,051,463
I Material costs 014+015	13	555,668	592,332
1 Costs of raw materials	14	60,066	65,956
2 Other external costs	15	495,602	526,376
II Staff costs 017+...+019	16	965,495	951,287
1 Net salaries and wages	17	553,974	543,802
2 Tax and contributions from salary costs	18	278,582	275,607
3 Payroll contributions	19	132,939	131,878
III Depreciation	20	180,410	207,741
IV Other costs	21	273,667	286,797
V Value adjustment 023+024	22	-	-
1 fixed assets (other than financial assets)	23	-	-
2 current assets (other than financial assets)	24	-	-
VI Provisions	25	-	-
VII Other operating expenses	26	5,334	13,306
C FINANCIAL INCOME 028+...+033	27	65,345	182,233
1 Interest, exchange rate differences, dividends and similar income from relations with connected undertakings	28	55,861	106,091
2 Interest, exchange rate differences, dividends and similar income from relations with non-connected undertakings and other persons	29	9,116	49,465
3 Income share from associates and participating interests	30	-	-
4 Unrealised gains (income) from financial assets	31	-	12,089
5 Profit from reversal of provisions for impairment for expected credit losses	32	-	-
6 Other financial income	33	368	14,588

Zagreb Stock Exchange Inc., Zagreb
Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Profit and loss for the period from January 1, 2023 to December 31, 2023 (in EUR) (continued)

Item	ADP	Same period of the previous year	Current period
1	2	3	5
D FINANCIAL EXPENSES 035+...+039	34	119,197	10,481
1 Interest, exchange rate differences and other expenditures with connected undertakings	35	89	-
2 Interest, exchange rate differences and other expenditure from relations with non-connected undertakings and other persons	36	23,705	10,481
3 Unrealised losses (expenses) from financial assets	37	95,403	-
4 Loss allowance for expected credit losses	38	-	-
5 Other financial expenses	39	-	-
E TOTAL INCOME 001+027	40	2,101,207	2,199,977
F TOTAL EXPENDITURE 012+034	41	2,099,771	2,061,944
G Share in profit/loss of associates and subsidiaries	42	-	-
H PRE-TAX PROFIT OR LOSS 040-041+042	43	1,436	138,033
I INCOME TAX	44	(15,464)	1,830
J PROFIT OR LOSS FOR THE PERIOD 043-044	45	16,900	136,203
1 Change in revaluation reserves (property, plant, equipment and intangible assets)	46	-	-
2 Actuarial gains/losses on defined benefit pension plans	47	-	-
3 Unrealised gains/losses on financial assets at fair value through other comprehensive income	48	70,196	112,040
4 Gains/losses on hedging instruments in a cash flow hedge	49	-	-
5 Gains/losses arising from translation of financial statements relating to foreign operations	50	(34)	-
6 Income tax on other comprehensive income	51	-	20,168
K OTHER COMPREHENSIVE INCOME 046+...+051	52	70,162	91,872
TOTAL COMPREHENSIVE INCOME 045+052	53	87,062	228,075
M RECLASSIFICATION ADJUSTMENTS	54	-	-
Appendix **			
Attributable to owners of the parent	55	-	-
Attributable to non-controlling interest	56	-	-

Zagreb Stock Exchange Inc., Zagreb
Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Statement of cash flows - indirect method for the period from January 1, 2023 to December 31, 2023
(in EUR)

STATEMENT OF CASH FLOWS - indirect method
for the period 1.1.2023 to 31.12.2023

in EUR

Submitter: Zagreb Stock Exchange			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1 Pre-tax profit	1	1,436	138,033
2 Depreciation	2	180,410	207,741
3 Increase in short-term liabilities	3	-	-
4 Decrease in short-term receivables	4	25,067	-
5 Decrease in inventories	5	-	-
6 Loss on impairment for expected credit losses	6	-	-
7 Other cash flow increase	7	120,636	-
I Total cash flow increase from operating activities 001+...+007	8	327,549	345,774
1 Decrease in short-term liabilities	9	9,613	1,761
2 Increase in short-term receivables	10	-	52,772
3 Increase in inventories	11	-	-
4 Profit from reversal of provisions for impairment for expected credit losses	12	-	-
5 Other cash flow decrease	13	71,670	201,911
II Total cash flow decrease from operating activities 009+...+013	14	81,283	256,444
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sale of fixed tangible and intangible assets	15	-	-
2 Cash receipts the from sale of equity instruments and debt instruments	16	-	-
3 Interest received	17	887	-
4 Dividends received	18	55,819	138,622
5 Other cash receipts from investment activities	19	1,333,676	482,926
III Total cash receipts from investment activities 015+...+019	20	1,390,382	621,548
1 Cash payments for the purchase of fixed tangible and intangible assets	21	231,883	41,559
2 Cash payments for the acquisition of equity financial instruments and debt financial instruments	22	1,076,845	28,164
3 Other cash payments from investment activities	23	8,397	1,101,744
IV Total cash payments from investment activities 021+...+023	24	1,317,125	1,171,467

Zagreb Stock Exchange Inc., Zagreb
Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Statement of cash flows - indirect method for the period from January 1, 2023 to December 31, 2023
(in EUR) (continued)

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
CASH FLOW FROM FINANCING ACTIVITIES			
1 Cash receipts from the issue of equity financial instruments and debt financial instruments	25	-	-
2 Cash receipts from credit principals, debentures, loans and other borrowings	26	-	-
3 Other cash receipts from financing activities	27	-	-
V Total cash receipts from financing activities 025+...+027	28	-	-
1 Cash payments for credit principals and bonds	29	-	-
2 Cash payments for dividends	30	-	-
3 Cash payments for finance lease	31	-	-
4 Cash payments for the redemption of treasury shares	32	-	-
5 Other cash payments from financing activities	33	97,982	93,057
VI Total cash payments from financing activities 029+...+033	34	97,982	93,057
VII Cash and cash equivalents at the beginning of period	35	446,354	667,895
VIII Increase of cash and cash equivalents	36	221,541	-
IX Decrease of cash and cash equivalents	37	-	553,646
X Cash and cash equivalents at the end of period	38	667,895	114,249

Zagreb Stock Exchange Inc., Zagreb
Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023

Statement of changes in equity for the period from January 1, 2023 to December 31, 2023 (in EUR)

Item	ADP	Attributable to owners of the parent									Attributable to non-controlling interests	Total capital and reserves
		Subscribed capital	Capital reserves	Legal reserves and reserves for treasury shares	Fair value reserves	Other reserves	Revaluation reserves	Reserves from exchange rate differences from the translation of foreign operations	Retained profit or loss brought forward	Profit or loss for the year		
1	2	3	4	5	6	7	8	9	10	11	12	13
Balance on the first day of the previous business year	1	6,164,128	1,843,000	18,749	-	-	-	-	(2,380,697)	116,118	-	5,761,298
Change in accounting policies	2	-	-	-	-	-	-	-	-	-	-	-
Correction of errors from prior periods	3	-	-	-	-	-	-	-	-	-	-	-
Balance on the first day of the previous business year (restated)	4	6,164,128	1,843,000	18,749	-	-	-	-	(2,380,697)	116,118	-	5,761,298
Profit or loss for the period	5	-	-	-	-	-	-	-	-	16,900	-	16,900
Unrealised gains or losses on financial assets at fair value through other comprehensive income	6	-	-	-	70,196	-	-	-	-	-	-	70,196
Other changes in equity unrelated to owners	7	-	-	-	-	-	-	-	-	-	-	-
Total directly recognized income and expenses of the previous year (previous year periods)	8	-	-	-	70,196	-	-	-	-	16,900	-	87,096
Increase/decrease in subscribed capital	9	(3,077,506)	-	-	-	815,960	-	-	2,261,546	-	-	-
Other contributions by owners	10	-	-	-	-	-	-	-	-	-	-	-
Payment of share in profit/dividend	11	-	-	-	-	-	-	-	-	-	-	-
Other distribution to owners	12	-	-	(18,416)	-	(82)	-	-	116,118	(116,118)	-	(18,498)
Balance on the last day of the previous business year reporting period	13	3,086,622	1,843,000	333	70,196	815,878	-	-	(3,033)	16,900	-	5,829,896

Zagreb Stock Exchange Inc., Zagreb
Forms in accordance with the Ordinance on the Structure and Content of Stock
Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023

Statement of changes in equity for the period from January 1, 2023 to December 31, 2023 (in EUR) (continued)

Item	ADP	Attributable to owners of the parent									Attributable to non-controlling interests	Total capital and reserves
		Subscribed capital	Capital reserves	Legal reserves and reserves for treasury shares	Fair value reserves	Other reserves	Revaluation reserves	Reserves from exchange rate differences from the translation of foreign operations	Retained profit or loss brought forward	Profit or loss for the year		
1	2	3	4	5	6	7	8	9	10	11	12	13
Balance on the first day of the current business year	14	3,086,622	1,843,000	333	70,196	815,878	-	-	(3,033)	16,900	-	5,829,896
Change in accounting policies	15	(10,306)	(3,438)	(28)	(27)	-	-	-	3,026	-	-	(10,773)
Correction of errors from prior periods	16	-	-	-	-	-	-	-	-	-	-	-
Balance on the first day of the current business year (restated)	17	3,076,316	1,839,562	305	70,169	815,878	-	-	(7)	16,900	-	5,819,123
Profit or loss for the period	18	-	-	-	-	-	-	-	-	136,203	-	136,203
Unrealised gains or losses on financial assets at fair value through other comprehensive income	19	-	-	-	91,872	-	-	-	-	-	-	91,872
Other changes in equity unrelated to owners	20	-	-	-	-	-	-	-	16,900	(16,900)	-	-
Total directly recognised income and expenses of the current year (current period)	21	-	-	-	91,872	-	-	-	16,900	119,303	-	228,075
Increase/decrease in subscribed capital	22	(1)	1	-	-	-	-	-	-	-	-	-
Other contributions by owners	23	-	-	-	-	-	-	-	-	-	-	-
Payment of share in profit/dividend	24	-	1,270	5,182	-	-	-	-	(8,446)	-	-	(1,994)
Other distribution to owners	25	-	-	(17,256)	-	-	-	-	-	-	-	(17,256)
Balance on the last day of the current business year reporting period	26	3,076,315	1,840,833	(11,769)	162,041	815,878	-	-	8,447	136,203	-	6,027,948

Notes to the annual financial statements – GFI

1. Reporting entity

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

2. Basis of preparation and significant accounting policies

Basis for preparation

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

Detailed information on the basis of preparation of the financial statements are provided in Note 2 to the separate financial statements presented in the Annual Report on Company Status and Business Activities in 2023 available on the internet page www.zse.hr (further: the Company's Annual Report).

Significant accounting policies

Financial statements for the reporting period are prepared applying the same accounting policies as in the latest separate financial statements for 2023 available on the internet page www.zse.hr.

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

Additional information required by IFRSs that are not presented elsewhere in the separate statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity are disclosed in the Company's Annual Report as published on the internet page www.zse.hr.

Change of the functional and presentation currency

On January 1, 2023, the official monetary currency and official means of payment in the Republic of Croatia became the euro ("EUR") instead of the Croatian kuna ("HRK"). The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency. The information on accounting policy applied and impact of the change of the functional currency on the financial statements are published in the Company's Annual Report available 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 Company does not have financial commitments, guarantees or contingencies that are not included in the balance sheet as of December 31, 2023, nor has issued securities.

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

The Company did not give advances or approved loans to members of administrative, management and supervisory bodies during 2023 or 2022.

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

Details on the income or expenditure which are of exceptional size or incidence are presented in the Notes to the audited financial statements in the Company's Annual Report (www.zse.hr).

Notes to the annual financial statements – GFI (continued)

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

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

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

7. Average number of employees during the reporting period

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

8. Capitalized costs of salaries during the reporting period

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

9. Amount of salaries and remunerations approved for the business year to members of administrative, management and supervisory bodies

The amount of salaries and remunerations approved for the year 2023 to the members of the administrative, management and supervisory bodies due to their responsibilities and all obligations arising from or agreed upon in connection with the retirement of the former members of these bodies are published in Note 25 Related parties in the Company's Annual Report (www.zse.hr).

10. Average number of employees by category and personnel costs related to the business year

The Company does not divide employees into categories. During 2023, the Company had an average of 24 employees. The income of employees for 2023 broken down into net salaries and wages, the costs of taxes and contributions from salaries, contributions to salaries and other salary expenses that do not include reimbursements of expenses are published in Note 6 Personnel expenses in the Company's Annual Report (www.zse.hr).

11. Deferred taxes

Provisions for deferred taxes, balance of deferred taxes at the beginning and the end of the reporting period, as well as movement of those positions during the reporting period are presented in the Note 9 in the Company's Annual Report (www.zse.hr).

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

Information on investments in companies in which the Company holds a participating share in the capital are presented in Notes "Investments in subsidiaries" and "Investments in associates and joint ventures" (GFI: "Investments in associates, subsidiaries and joint ventures").

13. Number and nominal value of 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 EUR 3.076.316 (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 EUR 1.33 (HRK 10,00) for 2 shares outstanding.

Notes to the annual financial statements – GFI (continued)

13. Number and nominal value of shares subscribed during the reporting period within the limits of the authorised capital (continued)

Based on the decision of the Company's General Assembly dated June 12, 2023, for the purposes of aligning the Company's share capital and parts of that capital that relate to individual shares with the provisions of Article 21 of the Act on Amendments to the Companies Act ("Official Gazette" No. 114/22), all shares of the Company were replaced by ZB-R-A shares with a nominal amount for shares without a nominal amount.

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

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

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

The Company has no shares in companies having unlimited liability.

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

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

The Company prepares consolidated financial statements that are available for use on the internet page www.zse.hr.

17. Name and registered office of the company which draws up consolidated financial statements for the reporting period of the smallest group of companies of which the issuer forms part as a controlled group member and which is also included in the group of companies referred to in point 13

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

18. Place where copies of the consolidated financial statements referred to in points 16 and 17 may be obtained

The Company prepares consolidated financial statements that are available for use on the internet page www.zse.hr.

19. Proposed distribution of profits

The proposal on the distribution of profits for 2023 is attached to the Company's Annual Report, which is published on the website www.zse.hr.

20. 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 position

The Company has no arrangements that are not included in the presented unconsolidated financial statements.

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

Significant events arising after the balance sheet date are presented in Notes to the Company's Annual Report as published on the internet page www.zse.hr.

Notes to the annual financial statements – GFI (continued)

22. Net income broken down by segments

The Company generates all its revenues in Croatia, and for reporting purposes, the entire business represents one business segment.

23. Total amount of compensation to the auditor for the reporting year

The amount of the auditor's fee for the statutory audit of annual financial statements and the amount of other fees to the auditor is published in the notes to the unconsolidated financial statements in the Company's Annual Report.

Zagreb Stock Exchange Inc., Zagreb
Notes to the forms in accordance with the Ordinance on the Structure and Content of
Stock Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Reconciliation of the GFI-POD Balance sheet and unconsolidated balance from audited financial statements for the year 2023

Balance sheet item (IFRS)	Amount (EUR)	Balance sheet item (GFI)	AOP	Amount (EUR)
ASSETS				
Non-current assets	4,604,038	A. FIXED ASSETS	1	4,604,038
	197,756	I Intangible assets	2	197,756
Intangible assets	197,756		2	197,756
	197,756			197,756
	398,838	II Tangible assets	3	398,838
Property and equipment	166,323	1 Land and buildings	4	202,351
Right-of-use assets	232,515	2 Computer equipment	5	128,543
		3 Other tangible assets	6	51,058
		4 Leasehold improvements	7	16,886
				-
	4,007,444	III Long term financial assets		4,007,444
Investment in subsidiary	2,538,382	1 Investments in associates, subsidiaries and joint ventures	10	3,800,981
Investment in associate and joint venture	1,262,599			
	3,800,981			3,800,981
Financial assets at fair value through other comprehensive income	60,547	2 Financial assets at amortised cost (long term)	11	60,547
Long term deposits	33,166			
Loans receivable from associate	27,381			
Financial assets at fair value through other comprehensive income	145,916	3 Financial assets at fair value through other comprehensive income	12	145,916
Deferred tax assets	-	Deferred tax assets	13	-
CURRENT ASSETS				
	2,311,353	B CURRENT ASSETS	14	2,299,673
	334,437	I RECEIVABLES	15	322,757
Trade receivables and other assets	334,437	1 Trade receivables	16	218,857
		2 Receivables from employees and members of the undertaking	17	212
		3 Receivables from government and other institutions	18	16,210
		4 Receivables from connected undertakings	19	3,735
		5 Other receivables	20	83,743
	334,437			322,757

Zagreb Stock Exchange Inc., Zagreb
Notes to the forms in accordance with the Ordinance on the Structure and Content of
Stock Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Reconciliation of the GFI-POD Balance sheet and unconsolidated balance from audited financial statements for the year 2023 (continued)

Balance sheet item (IFRS)	Amount (EUR)	Balance sheet item (GFI)	AOP	Amount (EUR)
	1,862,667	II SHORT-TERM FINANCIAL ASSETS	21	1,862,667
Short-term deposits	1,126,162	1 Financial assets at amortised cost	22	1,126,162
Financial assets at fair value through profit or loss	736,505	3 Financial assets at fair value through statement of profit or loss	24	736,505
	1,862,667			1,862,667
Cash and cash equivalents	114,249	III CASH AND CASH EQUIVALENTS	25	114,249
Prepaid expenses				
	13,629	C PREPAID EXPENSES AND ACCRUED INCOME		25,309
		C PREPAID EXPENSES AND ACCRUED INCOME	26	25,309
Prepaid expenses	13,629			25,309
	13,629			25,309
TOTAL ASSETS	6,929,020	D TOTAL ASSETS	27	6,929,020
CAPITAL AND LIABILITIES				
	6,027,948	A CAPITAL AND RESERVES	29	6,027,948
Issued share capital	3,076,315	I INITIAL CAPITAL	30	3,076,315
Share premium	1,840,833	II CAPITAL RESERVES	31	1,840,833
	966,150	III PROFIT RESERVES	32	966,150
Legal reserves	18,714	1 Legal reserves	33	18,714
Own shares	(30,483)	2 Reserves for treasury shares	34	(30,483)
Fer value reserves	162,041	3 Fair value reserves	35	162,041
Other reserves	815,878	4 Other reserves	36	815,878
		IV REVALUATION RESERVES	37	
		V RESERVES FROM EXCHANGE RATE DIFFERENCES FROM THE TRANSLATION OF FOREIGN OPERATIONS	38	
Accumulated losses	144,650	IV Retained profit of loss brought forward	39	8,447
		V Profit or loss for the year	40	136,203
	144,650			144,650
	6,027,948			6,027,948
Long term liabilities	140,888	Long term liabilities and provisions		140,888
	134,348			
Long term lease liabilities		B Provisions	42	
		D Long term liabilities	50	134,348
Deferred tax liabilities	6,540	E Deferred tax liabilities	51	6,540
	154,516			154,516

Zagreb Stock Exchange Inc., Zagreb
*Notes to the forms in accordance with the Ordinance on the Structure and Content of
 Stock Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
 for the year ended 31 December 2023 (separate)*

Reconciliation of the GFI-POD Balance sheet and unconsolidated balance from audited financial statements for the year 2023 (continued)

Balance sheet item (IFRS)	Amount (EUR)	Balance sheet item (GFI)	AOP	Amount (EUR)
Short term liabilities	294,830	C SHORT TERM LIABILITIES	43	294,829
Trade and other payables	198,630	1 Advance payments received	44	7,795
Short term lease liabilities	96,200	2 Trade payables	45	72,174
		3 Liabilities to employees	46	43,758
		4 Taxes, contributions and similar liabilities	47	39,659
		5 Liabilities to connected undertakings	48	591
		6 Other short-term liabilities	49	130,852
	294,830			294,829
	465,354	F Accruals and deferred income	52	465,355
Contract liabilities	465,354			
Accrued expenses				
	465,354			465,355
Total equity and liabilities	6,929,020	Total equity and liabilities		6,929,020

Zagreb Stock Exchange Inc., Zagreb
Notes to the forms in accordance with the Ordinance on the Structure and Content of
Stock Exchange Annual Financial Statements (Official Gazette 25/19, 155/22)
for the year ended 31 December 2023 (separate)

Reconciliation of the GFI-POD Profit and loss account and unconsolidated other comprehensive income from audited financial statements for the year 2023

P&L item (IFRS)	Amount (EUR)	P&L item (GFI)	AOP	Amount (EUR)
Operating revenues	2,017,744	A OPERATING INCOME	1	2,017,744
Sales revenue	1,299,319	I Sales revenue	2	1,299,319
Other operating income	718,425	II Other operating income	8	718,425
	2,017,744			2,017,744
Operating expenses	2,051,463	B OPERATING EXPENSES	12	2,051,463
Staff costs	1,002,235	II Staff costs	16	951,287
Other employee costs (GFI AOP 22)	(50,948)			
	951,287			951,287
	841,487			892,435
Other operating expenses	841,487	I Material costs	13	592,332
Expenses reported under Staff costs	50,948	IV Other costs	21	286,797
		V Value adjustment 024+025	22	
		VII Other operating expenses	26	13,306
	892,435			892,435
Depreciation and amortization	207,741	III Depreciation	20	207,741
Net financial income	171,752	Net financial income		171,752
Financial income	155,601	C FINANCIAL INCOME	27	182,233
Dividend income	(10,260)	D FINANCIAL EXPENSES	34	(10,481)
Financial expenses	26,533			
Net foreign exchange gain/(loss)	(122)			
		H PRE-TAX PROFIT OR LOSS	43	138,033
Profit before tax	138,033			
Income tax expense	1,830	I INCOME TAX	44	1,830
Profit for the year	136,203	J PROFIT OR LOSS FOR THE PERIOD	45	136,203
Other comprehensive income		Other comprehensive income		
Changes in the fair value of equity investments at fair value	112,040	Unrealised gains/losses on financial assets at fair value through other comprehensive income	48	112,040
Income tax on other comprehensive income on items that cannot be reclassified to profit or loss	(20,168)	Income tax on other comprehensive income	51	20,168
Total other comprehensive profit	91,872	K OTHER COMPREHENSIVE INCOME	52	91,872
Total comprehensive profit for the year	228,075	TOTAL COMPREHENSIVE INCOME	53	228,075



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Zagreb Stock Exchange

Pursuant to Articles 220., 222., 222.a and 300.b of the Companies Act (Official Gazette, Nos. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23 and 130/23), the Management Board of the Zagreb Stock Exchange, Inc. with its registered office in Zagreb, Ivana Lučića 2a/22 (hereinafter: the Exchange), on 29 April 2024, passed the following

DECISION

1. The Management Board of the Exchange makes the following Proposal of the Decision on the use of profits:

„PROPOSAL

of the Decision on the use of profits for the year 2023

I.

It is established that the Company made a net profit after tax of EUR 136,203.00 in the financial year ending 31/12/2023.

II.

The net profit generated by the Exchange after tax referred to in Article I of this Resolution shall be used as follows:

- *a part of net profit in the amount of EUR 115,892.50 shall be paid out as the dividend to the shareholders, in the amount of EUR 0.05 per share,*
- *a remaining part of net profit shall be allocated to retained earnings.*

III.

The dividend referred to in Article II, point 1 of this Resolution shall be paid out to all shareholders that are registered as shareholders at the Central Depository and Clearing Company Inc. on 14th June 2024 (record date). The date on which the Company shares will be traded without the right to dividend payments shall be 13th June 2024 (ex-date). The claim for dividend payments shall become due on 21th June 2024 (payment date).

The amount of dividend paid in accordance with Article II, point 1 of this Resolution shall depend on the number of shares owned by the shareholders registered with the Central Depository and Clearing Company Inc. and will be reduced by the dividend per own shares.

IV.

This Resolution shall enter into force on the day of its adoption.”



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Zagreb Stock Exchange

2. The aforementioned Proposal will be forwarded to the Zagreb Stock Exchange's Supervisory Board for approval and to the General Assembly of the Exchange as a joint proposal of the Exchange's Management and Supervisory Boards.
3. This Decision will be published as a part of the Annual Report for 2023.
4. This Decision shall enter into force on the day of its adoption.

Mark: OU/2024 – 031A

Ivana Gažić

President of the Management Board



ZAGREBAČKA BURZA d.d.
Zagreb

Tomislav Gračan

Member of the Management Board

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