



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

Zagreb Stock Exchange, Inc.

Unconsolidated unaudited financial results for

1/1/2022 – 30/6/2022

29 July 2022

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

1.1 Significant business events of the Zagreb Stock Exchange, Inc. in the period between 1/1/2022 and 30/6/2022

In the first half of 2022, the Zagreb Stock Exchange, Inc. (hereinafter: the Company or the Exchange) recorded the following significant business events:

- On March 8, 2022, the Stock Exchange marked International Women's Day by opening a trade with a symbolic bell ringing to highlight the need to involve more women in the world of work and their advancement in the business world.
- On May 26 and 27, 2022, the investment conference of the Zagreb and Ljubljana stock exchanges "CEE Investment Opportunities" was held. The event was organized for the first time in 2014. The aim of the event is to facilitate the access of regional and international investors to Slovenian and Croatian companies, thereby strengthening their visibility and supporting liquidity. For the second year in a row, Slovenian and Croatian companies were joined by companies listed on the Macedonian Stock Exchange. The event was held via the Zoom webinar platform, and was attended by about 200 analysts and investors from the region, as well as from Austria, the Czech Republic, Estonia, Germany, Poland, Spain, Turkey, Great Britain, the United States of America and Japan.
- On June 8, 2022, the Annual Education for issuers was held in the co-organization of the Croatian Financial Services Supervisory Agency, the Central Depository & Clearing Company and the Zagreb Stock Exchange, which has been held since 2011. The training brought together more than a hundred representatives of companies listed on the Zagreb Stock Exchange and was held online.
- On June 14, the Zagreb Stock Exchange's General Assembly was held where, among others, a decision was made to regularly reduce the share capital by merging shares according to the ratio 2:1, by issuing to each shareholder one new ordinary registered share with a nominal value of HRK 10 for two shares outstanding. The basic capital of the Zagreb Stock Exchange was thus reduced from HRK 46,357,000 by HRK 23,178,500 to HRK 23,178,500¹.
- On June 15, 2022, a presentation was held at the Zagreb Stock Exchange for investors of the Funderbeam SEE campaign of the company FRIENDLY FIRE.
- On June 24, 2022, the Zagreb Stock Exchange acquired an additional 199 shares of the Macedonian Stock Exchange and increased its share in that stock exchange to 17.05%.
- On June 27, 2022, the new version of the Xetra T7 10.1 trading system was put into production on the Zagreb and Ljubljana Stock Exchanges. The migration was carried out without difficulty.

¹ More in the Notes to the financial statements in item 10.

1.2 Zagreb Stock Exchange overview

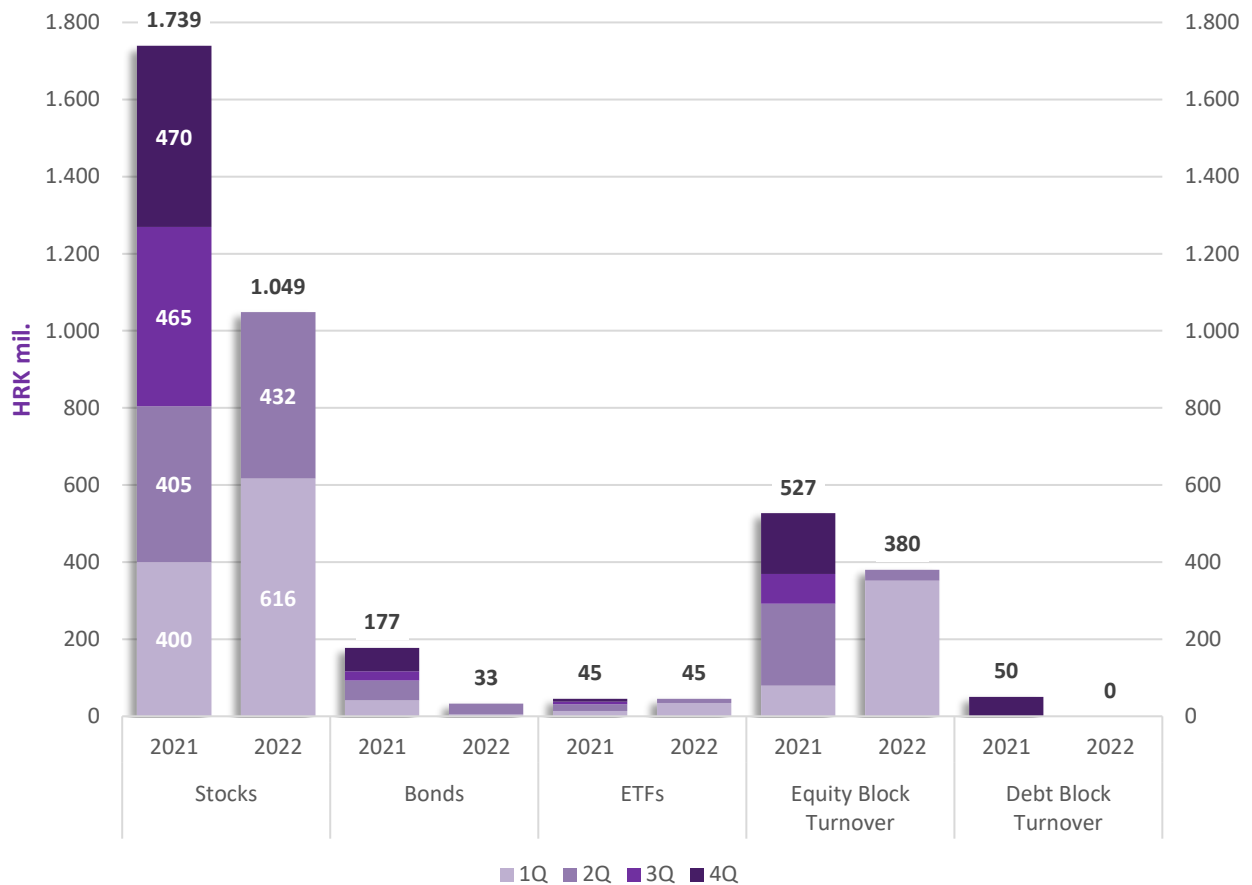
In the second quarter of 2022, the total turnover amounted to HRK 499 million, which is -27% less than in the same period of 2021, while the total turnover since the beginning of the year, i.e., in the first half of 2022, amounts to HRK 1,507 million (+32% compared to the first half of 2021).

Securities turnover

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

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

Securities turnover

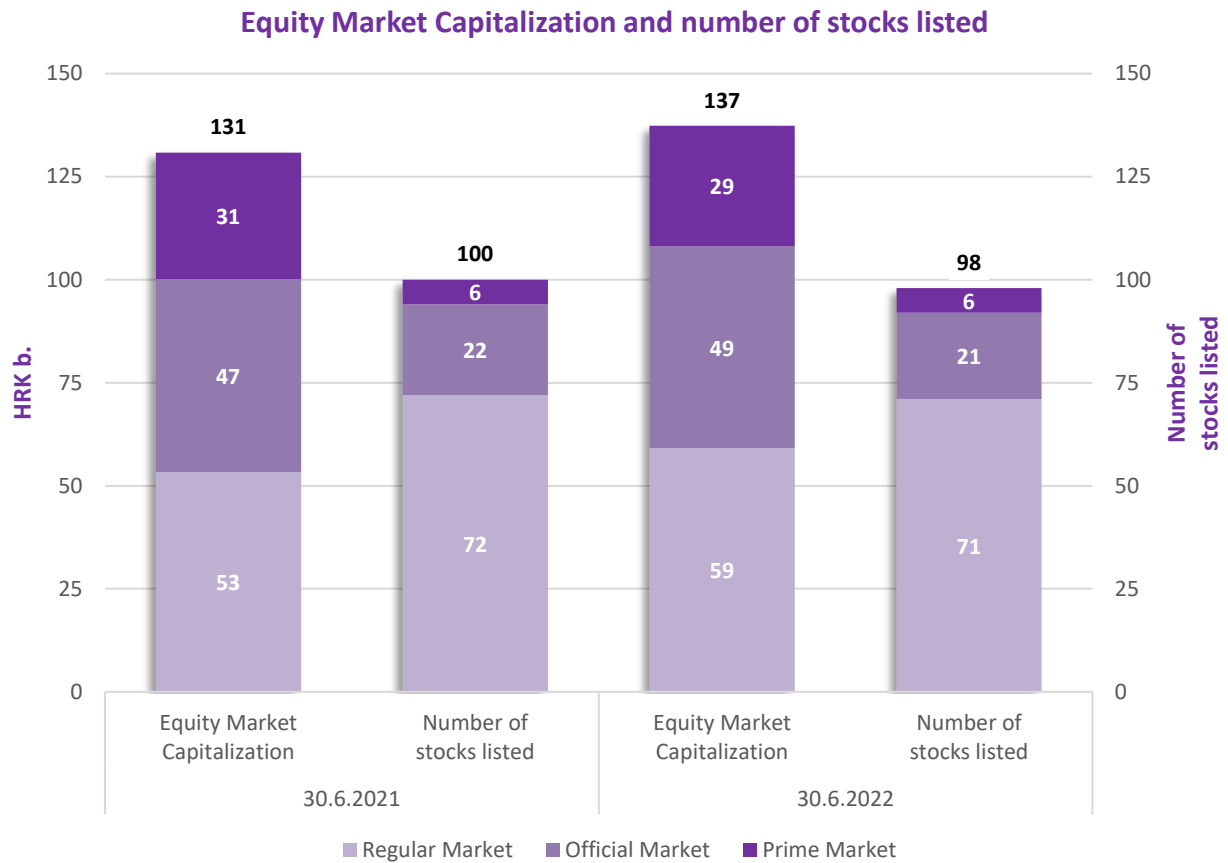


The market value measured by market capitalization as of 30 June 2022 was higher by a total of HRK 335 million compared to the end of the first half of 2021. The equity market capitalization is higher by HRK +6.5 billion or +5%, with the market capitalization of the Prime Market lower by -4.7%, the Official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

Market capitalization and number of listed securities

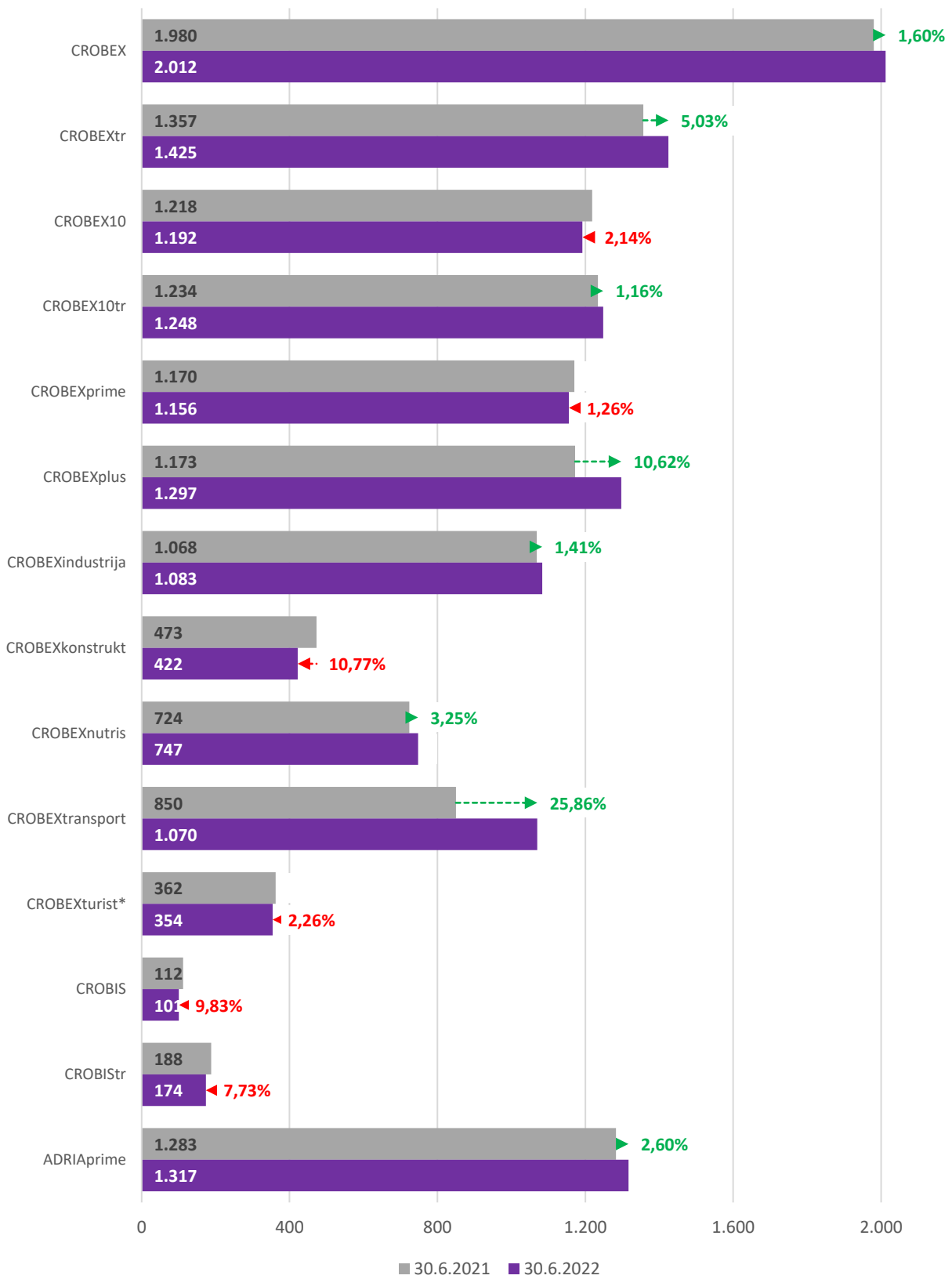
	Market capitalization (HRK)			Number of listed securities		
	30.6.2021	30.6.2022	change	30.6.2021	30.6.2022	change
TOTAL	263.598.641.185	263.934.200.886	0,13%	130	130	0,00%
Stocks	130.834.615.709	137.319.943.118	4,96%	100	98	-2,00%
Prime Market	30.729.538.906	29.294.947.386	-4,67%	6	6	0,00%
Official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

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



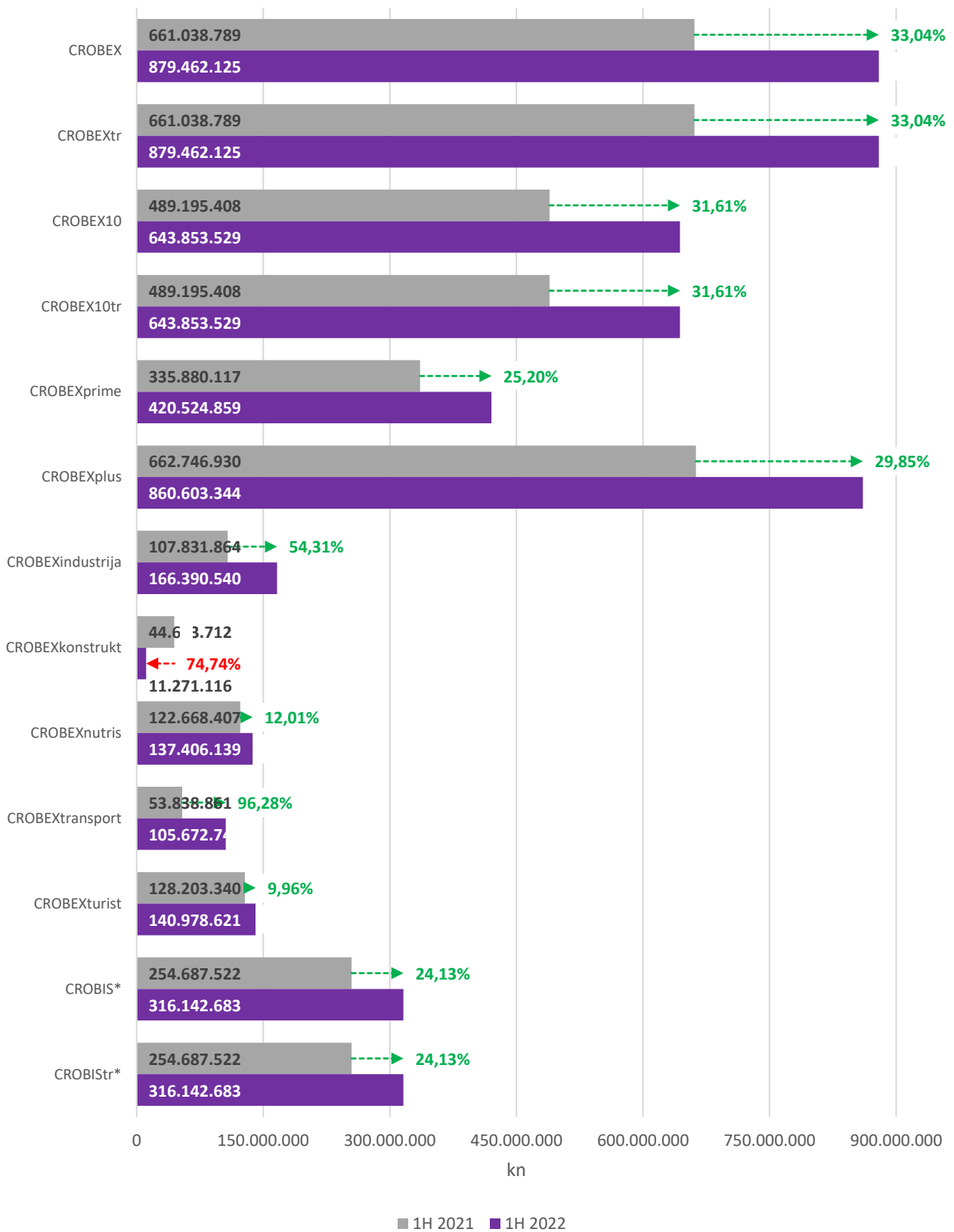
A comparison of data for the first half of 2022 with data from the same period last year shows a stable trend among indices as well. With the exception of CROBEXkonstrukt, which weakened -10.77%, all other stock indices increased or slightly decreased compared to the closing value on June 30, 2021. CROBEXtransport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

Indices - value (30.6.2021 vs. 30.6.2022)



* (=x/10)

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



* (=x/10)

1.3 Expected future development of the Company

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

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

1.4 Research & Development activities

The 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.

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

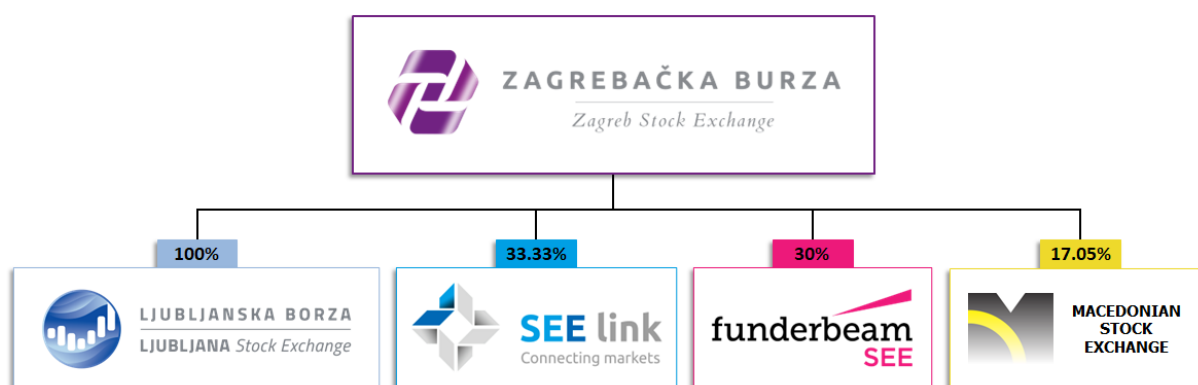
In 2022, the Exchange is intensively carrying out activities and preparatory actions for the introduction of the euro as the official currency in the Republic of Croatia from January 1, 2023.

1.5 Information on repurchase of own shares

As of June 30, 2022, the Company held no own shares.

The Company did not acquire own shares between 1 January 2022 and 30 June 2022.

1.6 Subsidiaries of the Company



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

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

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

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

1.7 Financial instruments used by the Company

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

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

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

The Company manages risks, including financial risks, particularly through two mutually independent control functions: monitoring of compliance with relevant regulations and internal audit function.

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

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

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

The Company invests free funds in open-end money market and bond investment funds, as well as bank deposits. Its investments are carried at fair value. The Company mitigates the price risk by diversifying its portfolio of open-end investment funds it by investing in different types of funds managed by different fund management companies, and by investing in low-risk funds.

The Company has no loans received, rather its cash and financial assets exceed substantially the liabilities of the Company, and consequently, the Company's liquidity position is satisfactory.

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

The Company confirms that in 2022 there were no transactions between the Company and its subsidiaries and shareholders in excess of EUR 100,000.

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

The ongoing war in Ukraine and sanctions against the Russian Federation are affecting economies in Europe and the world. The Company has no significant exposure in Ukraine, Russia and Belarus. However, the effect on the general economic situation may require a revision of certain assumptions and estimates, which may lead to significant adjustments in the carrying amount of certain assets and liabilities over the next financial year. At this stage, management cannot reliably assess the impact as new developments take place day by day.

Apart from the above, no other business events or transactions have occurred after the balance sheet date that would have a material impact on the financial statements on or for the period then ended or are of such importance to the Company's operations that it would require disclosure in the management report.

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

In the first half of 2022, the Company generated a total of HRK 7,510 thousand of operating revenues, which is HRK +583 thousand or +8.4% more than in the same period last year when they amounted to HRK 6,928 thousand. Compared to the first half of 2021, sales revenue increased from HRK 4,769 to HRK 5,197 thousand, i.e., by HRK +428 thousand or +9%. The increase in sales revenue is primarily the result of an increase in income from commissions and membership fees, which, following the increased securities turnover from the end of February to mid-March this year, reached the amount of HRK 2,135

thousand by the end of the first half of this year; HRK +390 thousand or +22.3% more compared to the first half of 2021, when they amounted to HRK 1,745 thousand. Considering the approximately equal number of listed securities, the income from listing maintenance fees remained in the first half of 2022 at almost the same level as in the same period last year. In the first six months of 2022, the income from listing maintenance fees amounts to HRK 2,534 thousand, which is a decrease of only HRK -7 thousand or -0.3% (1H 2021: HRK 2,541 thousand). In the first half of 2022, one more share was listed than in the same period last year, so income from quotation maintenance increased by HRK +45 thousand or +9.4% and amounted to HRK 528 thousand (1H 2021: HRK 483 thousand). Compared to the first half of 2021, other operating income increased by HRK +155 thousand or +7.2%, i.e., from HRK 2,159 to HRK 2,314 thousand. The stated increase in other operating income is a consequence of the increase in other income by HRK +223 thousand or +26% which amounted to HRK 1,086 thousand and includes income from education and income from issuing and maintaining LEI (1H 2021: HRK 863 thousand). Income from the supply of information fell by HRK -68 thousand or -5.2% and amounted to HRK 1,228 thousand (1H 2021: HRK 1,296 thousand).

Observing only the second quarter of 2022, the total Company's operating income amounts to HRK 3,591 thousand, which is a slight decrease of HRK -3 thousand (-0.1%) compared to the second quarter of last year, when operating income amounted to HRK 3,594 thousand. Sales revenues fell from HRK 2,397 thousand in the second quarter of 2021 to HRK 2,348 thousand in the same period of the current year. The decrease in income from commissions and membership fees from HRK 905 to HRK 808 thousand contributes to this decrease (HRK -97 thousand or -10.8%). Due to the larger number of newly listed securities, Income from quotation maintenance increased from HRK 220 to HRK 266 thousand (HRK +45 thousand or +21.2%), while income from listing maintenance fees remained almost at the same level and amounts to HRK 1,274 thousand (2Q 2021: HRK 1,272 thousand). Other operating income increased slightly from HRK 1,197 to HRK 1,243 thousand (HRK +46 thousand or +3.8%). Within other operating income, income from the supply of information fell from HRK 730 to HRK 616 thousand (HRK -114 thousand or -15.6%), and other income increased from HRK 467 to HRK 627 thousand (HRK +160 thousand or +34.1%).

Along with the normalization of business operations after two pandemic years, the Company began to record an increase in operating expenses, while the impact of inflation on their amount should also be taken into account. The Company's total operating expenses in the first half of 2022 were thus HRK +842 thousand (+12.6%) higher than in the first half of 2021 and amounted to HRK 7.504 thousand (1H 2021: HRK 6.662 thousand). All items of operating expenses are higher in the first half of 2022 compared to the same period last year:

- material costs amount to HRK 2,152 thousand, which is an increase of HRK +376 thousand or +21.2% (1H 2021: HRK 1,776 thousand),
- staff costs amount to HRK 3,753 thousand, which is an increase of HRK +251 thousand or +7.2% (1H 2021: HRK 3,502 thousand),
- other costs amount to HRK 878 thousand, which is an increase of HRK +93 thousand or +11.9% (1H 2021: HRK 785 thousand),
- depreciation amounts to HRK 643 thousand, which is an increase of HRK +91 thousand or +16.4% (1H 2021: HRK 552 thousand),
- other operating expenses amount to HRK 28 thousand, which is an increase of HRK +23 thousand (1H 2021: HRK 5 thousand),

- value adjustment amounts to HRK 50 thousand, which is an increase of HRK +8 thousand or +19.4% (1H 2021: HRK 42 thousand).

In the second quarter of 2022 alone, operating expenses amount to HRK 4,086 thousand, which is an increase of HRK +381 thousand or +10.3% compared to the same period last year (2Q 2021: HRK 3,705 thousand). The biggest increase was recorded in material costs, which amounted to HRK 883 thousand in the second quarter of 2021, and HRK 1,252 thousand in the same period of the current year (HRK +369 thousand or +41.8%). In addition to them, depreciation increased from HRK 283 to HRK 326 thousand (HRK +42 thousand or +15.2%), and value adjustment from HRK 42 to HRK 50 thousand (HRK +8 thousand or +19.4%). A decrease was recorded in staff costs (HRK -23 thousand or -1.2%, i.e., from HRK 1,982 to HRK 1,959 thousand), other costs (HRK -12 thousand or -2.4%, i.e., from HRK 512 to HRK 500 thousand), and other operating expenses that were almost annulled (HRK -3 thousand or -99%).

The Company's key business indicators

	000 HRK	1H 2021	1H 2022	change	2Q 2021	2Q 2022	change
Number of shares		4.636	2.318	-50,00%	4.636	2.318	-50,00%
Share capital		46.357	23.179	-50,00%	46.357	23.179	-50,00%
Capital and reserves		43.420	43.448	0,06%	43.420	43.448	0,06%
Total assets		51.458	50.680	-1,51%	51.458	50.680	-1,51%
Operating income		6.928	7.511	8,41%	3.594	3.591	-0,10%
<i>sales revenue</i>		4.769	5.197	8,98%	2.397	2.348	-2,07%
<i>other operating income</i>		2.159	2.314	7,17%	1.197	1.243	3,84%
Operating expenses		6.662	7.504	12,63%	3.705	4.087	10,30%
<i>material costs</i>		1.776	2.152	21,15%	883	1.252	41,76%
<i>staff costs</i>		3.502	3.753	7,16%	1.982	1.959	-1,16%
<i>depreciation</i>		552	643	16,44%	283	326	15,17%
<i>other costs</i>		832	956	14,97%	557	550	-1,31%
EBIT		266	7	-97,22%	-111	-496	347,37%
EBITDA		818	650	-20,54%	172	-170	-198,85%
Financial income		958	372	-61,11%	890	326	-63,34%
Financial expenses		258	678	162,57%	26	397	1403,05%
Pre-tax profit or loss		966	-298	-130,88%	753	-567	-175,31%
Income tax		0	0		0	0	
Profit or loss for the period		966	-298	-130,88%	753	-567	-175,31%
Other comprehensive income		0	419		0	419	
Total comprehensive income		966	121	-87,52%	753	-148	-119,70%
Number of employees		24	25	4,17%	24	25	4,17%

The Company's operating profit in the first half of 2022 amounted to HRK 7 thousand, while in the same period last year it amounted to HRK 266 thousand (HRK -259 thousand or -97.2%). At the level of the second quarter, the Company reports an operating loss in the amount of HRK -496 thousand, while the operating loss in the same period last year amounted to HRK -111 thousand. Financial income recorded a significant decrease in the first half of the year as well as in the second quarter compared

to the same periods last year. In the first half of 2022, financial income amounted to HRK 372 thousand (HRK -585 thousand or -61.1%), while financial income in the second quarter accounted for HRK 326 thousand (HRK -564 thousand or -63.3%). In the first half of this year, financial expenses amount to HRK 678 thousand (HRK +420 thousand or +162.6%), while in the second quarter alone they are higher by HRK +371 thousand and amount to HRK 397 thousand. Changes in the movement of financial income and expenses are primarily the result of the negative yield of bond funds in which the Company has invested free funds.

Given the above, the Company's net loss in the first half of 2022 amounted to HRK -299 thousand, which is HRK -1.264 thousand (-131%) less than in the same period last year when the Company's net profit amounted to HRK 966 thousand. In the second quarter of 2022, the Company's net loss amounts to HRK -567 thousand, which is HRK -1,320 thousand less than the HRK 753 thousand net profit of the same period last year.

Operating profit before interest, taxes, depreciation and amortization in the first half of 2022 is positive and amounts to HRK 650 thousand, i.e., HRK -168 thousand less than in the first half of 2021, while in the second quarter of 2022 it is negative and amounts to HRK -170 thousand, i.e., HRK -342 thousand less than in the same period last year when it amounted to HRK 172 thousand.

2 DECLARATION OF RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

Financial statements of the Zagreb Stock Exchange, Inc. prepared for the period between 1/1/2022 and 30/6/2022 give a fair and true account of facts in accordance with the International Standards of Financial Reporting and the Croatian Accounting Act.

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

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

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


Ivana Gažić
President of the Management Board


ZAGREBAČKA BURZA d.d.
Zagreb


Tomislav Gračan
Member of the Management Board

Contact

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Ivana Lučića 2a/22
10000 Zagreb
Croatia

Phone number: +385/ 1 4686 806

E-mail: ir@zse.hr

Unconsolidated unaudited financial statements of the
Company for 1/1/2022 – 30/6/2022

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2022

to

30.6.2022

Year:

2022

Quarter:

2

Quarterly financial statements

Registration number (MB):

03749606

Issuer's home
Member State code:

HR

Entity's registration
number (MBS):

080034217

Personal identification
number (OIB):

84368186611

LEI:

7478000050A040C0D041

Institution
code:

4

Name of the issuer: **Zagreb Stock Exchange, Inc**

Postcode and town:

10000

Zagreb

Street and house number:

Ivana Lučića 2a/22

E-mail address:

sandra.semuga@zse.hr

Web address:

www.zse.hr

Number of employees
(end of the reporting

25

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Ljubljanska borza vrednostnih papirjev d.d.

Ljubljana, Slovenija

5316081

Bookkeeping firm:

Yes

(Yes/No)

Sigma Tax Consulting d.o.o.

(name of the bookkeeping firm)

Contact person:

Martina Butković

(only name and surname of the contact person)

Telephone:

01/4699-555

E-mail address:

martina.butkovic@sigmabc.eu

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET			
balance as at 30.6.2022			
in HRK			
Submitter: Zagreb Stock Exchange, Inc			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
ASSETS			
FIXED ASSETS 002+003+009+012	1	26.669.627	30.045.237
I INTANGIBLE ASSETS	2	918.751	863.504
II TANGIBLE ASSETS 004+...+008	3	4.202.560	3.921.177
1 Land and buildings	4	2.837.671	2.509.406
2 Computer equipment	5	742.389	662.921
3 Other tangible assets	6	179.851	156.913
4 Leasehold improvements	7	442.649	591.937
5 Assets under construction	8	0	0
III FIXED FINANCIAL ASSETS 010+011	9	21.548.316	25.260.556
1 Investments in associates, subsidiaries and joint ventures	10	19.400.367	19.400.367
2 Financial assets at amortised cost	11	2.147.949	5.860.189
DEFERRED TAX ASSETS	12	0	0
B CURRENT ASSETS 014+020+024	13	24.681.493	19.637.206
I RECEIVABLES 015+...+019	14	2.334.007	2.475.560
1 Trade receivables	15	1.722.654	1.524.304
2 Receivables from employees and members of the undertaking	16	524	7.613
3 Receivables from government and other institutions	17	8.284	161.242
4 Receivables from connected undertakings	18	5.638	177.776
5 Other receivables	19	596.907	604.625
III SHORT-TERM FINANCIAL ASSETS 021+...+023	20	18.985.735	14.903.291
1 Financial assets at amortised cost	21	4.506.448	4.500.296
2 Financial assets at fair value through other comprehensive	22	0	0
3 Financial assets at fair value through statement of profit or	23	14.479.287	10.402.995
III CASH AND CASH EQUIVALENTS	24	3.361.751	2.258.355
C PREPAID EXPENSES AND ACCRUED INCOME	25	70.962	997.216
D TOTAL ASSETS 001+013+025	26	51.422.082	50.679.659
E OFF-BALANCE SHEET ITEMS	27	0	0
LIABILITIES			
A CAPITAL AND RESERVES 029+030+031+036+037+038	28	43.327.531	43.448.070
I INITIAL CAPITAL	29	46.357.000	23.178.500
II CAPITAL RESERVES	30	13.860.181	13.860.181
III PROFIT RESERVES 032+...+035	31	141.000	6.707.541
1 Legal reserves	32	141.000	141.000
2 Reserves for treasury shares	33	0	0
3 Fair value reserves	34	0	418.691
4 Other reserves	35	0	6.147.850
IV RETAINED PROFIT OR LOSS BROUGHT FORWARD	36	-17.903.905	0
V PROFIT OR LOSS FOR THE YEAR	37	873.255	-298.152
VI MINORITY INTEREST	38	0	0
B PROVISIONS	39	0	0
C SHORT-TERM LIABILITIES 041+...+046	40	2.280.408	1.774.819
1 Liabilities for advance payments	41	119.079	475
2 Trade payables	42	665.933	361.902
3 Liabilities to employees	43	328.099	338.234
4 Taxes, contributions and similar liabilities	44	219.642	395.677
5 Liabilities to connected undertakings	45	2.631	0
6 Other short-term liabilities	46	945.024	678.531
D LONG-TERM LIABILITIES	47	2.228.710	2.338.785
E DEFERRED TAX LIABILITY	48	0	102.832
F ACCRUALS AND DEFERRED INCOME	49	3.585.433	3.015.153
G TOTAL LIABILITIES 028+039+040+047+048+049	50	51.422.082	50.679.659
H OFF-BALANCE SHEET ITEMS	51	0	0
Appendix to the balance sheet (position for consolidated financial statements)			
I Capital and reserves 053+054	52	0	0
1 Attributable to owners of the parent	53	0	0
2 Attributable to non-controlling interest	54	0	0

STATEMENT OF PROFIT OR LOSS

For the period 1.1.2022 to 30.6.2022

in HRK

Submitter: Zagreb Stock Exchange, Inc

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
A OPERATING INCOME 002+009	1	6.928.164	3.594.223	7.510.969	3.590.625
I Sales revenue 003+...+008	2	4.768.788	2.397.382	5.196.795	2.347.811
1 Commissions and membership fees	3	1.745.048	905.378	2.134.951	807.813
2 Listing maintenance fees	4	2.541.062	1.272.346	2.533.887	1.273.827
3 Income from quotation maintenance	5	482.678	219.658	527.957	266.171
4 Income from auctions	6	0	0	0	0
5 Income from memberships	7	0	0	0	0
6 Revenue from assigning and administering LEIs	8	0	0	0	0
II Other operating income 010+...+012	9	2.159.376	1.196.841	2.314.174	1.242.814
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	1.296.078	729.562	1.228.074	615.938
3 Other income	12	863.298	467.279	1.086.100	626.876
B OPERATING EXPENSES 014+017+021+022+023+026+027	13	6.662.009	3.705.069	7.503.579	4.086.522
I Material costs 015+016	14	1.776.092	883.293	2.151.741	1.252.183
1 Costs of raw materials	15	209.974	99.393	221.810	122.838
2 Other external costs	16	1.566.118	783.900	1.929.931	1.129.345
II Staff costs 018+...+020	17	3.502.122	1.981.775	3.752.768	1.958.719
1 Net salaries and wages	18	1.994.386	1.118.436	2.150.771	1.117.292
2 Tax and contributions from salary costs	19	1.029.658	591.624	1.089.454	572.857
3 Payroll contributions	20	478.078	271.715	512.543	268.570
III Depreciation	21	551.964	282.903	642.691	325.818
IV Other costs	22	784.858	512.229	877.961	499.766
V Value adjustment 024+025	23	41.873	41.873	50.000	50.000
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	41.873	41.873	50.000	50.000
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	5.100	2.996	28.418	36
C FINANCIAL INCOME 029+...+034	28	957.649	890.156	372.382	326.310
1 Interest, exchange rate differences, dividends and similar	29	957.313	957.313	319.095	318.931
2 Interest, exchange rate differences, dividends and similar	30	-4.948	-70.094	50.905	5.869
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	0	0	0	0
5 Profit from reversal of provisions for impairment for expected	33	0	0	0	0
6 Other financial income	34	5.284	2.937	2.382	1.510
D FINANCIAL EXPENSES 036+...+040	35	258.190	26.441	677.924	397.422
1 Interest, exchange rate differences and other expenditures with	36	147	142	170	167
2 Interest, exchange rate differences and other expenditure from	37	0	0	105.601	69.039
3 Unrealised losses (expenses) from financial assets	38	258.880	27.136	572.153	328.216
4 Loss on impairment for expected credit losses	39	0	0	0	0
5 Other financial expenses	40	-837	-837	0	0
E TOTAL INCOME 001+028	41	7.885.813	4.484.379	7.883.351	3.916.935
F TOTAL EXPENDITURE 013+035	42	6.920.199	3.731.510	8.181.503	4.483.944
G Share in profit/loss of associates and subsidiaries	43	0	0	0	0
H PRE-TAX PROFIT OR LOSS 041-042+043	44	965.614	752.869	-298.152	-567.009
I INCOME TAX	45	0	0	0	0
J PROFIT OR LOSS FOR THE PERIOD 044-045	46	965.614	752.869	-298.152	-567.009
1 Change in revaluation reserves (property, plant,	47	0	0	0	0
2 Actuarial gains/losses on defined benefit pension plans	48	0	0	0	0
3 Unrealised gains/losses on financial assets at fair value through other comprehensive income	49	0	0	0	0
4 Gains/losses on hedging instruments in a cash flow hedge	50	0	0	521.523	521.523
5 Gains/losses arising from translation of financial	51	0	0	0	0
6 Income tax on other comprehensive income	52	0	0	102.832	102.832
K OTHER COMPREHENSIVE INCOME 047+...+052	53	0	0	418.691	418.691
TOTAL COMPREHENSIVE INCOME 046+053	54	965.614	752.869	120.539	-148.318
M RECLASSIFICATION ADJUSTMENTS	55	0	0	0	0
Appendix **					
Attributable to owners of the parent	56	0	0	0	0
Attributable to non-controlling interest	57	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method

for the period 1.1.2022 to 30.6.2022

in HRK

Submitter: Zagreb Stock Exchange, Inc

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1 Pre-tax profit	1	965.614	-298.152
2 Depreciation	2	551.964	642.691
3 Increase in short-term liabilities	3	1.379.037	0
4 Decrease in short-term receivables	4	0	0
5 Decrease in inventories	5	0	0
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	32.194	52.027
I Total cash flow increase from operating activities 001+...+007	8	2.928.809	396.566
1 Decrease in short-term liabilities	9	0	239.097
2 Increase in short-term receivables	10	551.200	191.553
3 Increase in inventories	11	0	0
4 Profit from reversal of provisions for impairment for expected	12	0	0
5 Other cash flow decrease	13	0	1.252.417
II Total cash flow decrease from operating activities 009+...+013	14	551.200	1.683.067
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sale of fixed tangible and intangible assets	15	0	0
2 Cash receipts the from sale of equity instruments and debt	16	0	0
3 Interest received	17	0	115
4 Dividends received	18	6.508	318.920
5 Other cash receipts from investment activities	19	507.982	3.505.000
III Total cash receipts from investment activities 015+...+019	20	514.490	3.824.035
1 Cash payments for the purchase of fixed tangible and intangible	21	278.636	67.915
2 Cash payments for the acquisition of equity financial	22	0	3.190.716
3 Other cash payments from investment activities	23	0	0
IV Total cash payments from investment activities 021+...+023	24	278.636	3.258.631
CASH FLOW FROM FINANCING ACTIVITIES			
1 Cash receipts from the issue of equity financial instruments and debt financial instruments	25	0	0
2 Cash receipts from credit principals, debentures, loans and other borrowings	26	0	0
3 Other cash receipts from financing activities	27	0	0
V Total cash receipts from financing activities 025+...+027	28	0	0
1 Cash payments for credit principals and bonds	29	0	0
2 Cash payments for dividends	30	0	0
3 Cash payments for finance lease	31	0	0
4 Cash payments for the redemption of treasury shares	32	0	0
5 Other cash payments from financing activities	33	753.330	382.299
VI Total cash payments from operating activities 029+...+033	34	753.330	382.299
VII Cash and cash equivalents at the beginning of period	35	1.638.068	3.361.751
VIII Increase of cash and cash equivalents	36	1.860.133	0
IX Decrease of cash and cash equivalents	37	0	1.103.396
X Cash and cash equivalents at the end of period	38	3.498.201	2.258.355

STATEMENT OF CHANGES IN EQUITY											
		for the period from 1.1.2022 to 30.6.2022							in HRK		
Item	ADP	Attributable to owners of the parent							Attributable to non-controlling interests	Total capital and reserves	
		Subscribed capital	Capital reserves	Profit reserves	Profit or loss for the year (period)	Retained profit or loss brought forward	Fair value reserves	Other revaluation reserves			
1	2	3	4	5	6	7	8	9	10	11	
Balance on the first day of the previous business year	1	46.357.000	13.860.181	141.000	1.874.402	-19.778.307	0	0	0	42.454.276	
Change in accounting policies	2	0	0	0	0	0	0	0	0	0	
Correction of errors from prior periods	3	0	0	0	0	0	0	0	0	0	
Balance on the first day of the previous business year (restated)	4	46.357.000	13.860.181	141.000	1.874.402	-19.778.307	0	0	0	42.454.276	
Profit or loss for the period	5	0	0	0	873.255	0	0	0	0	873.255	
Unrealised gains or losses on financial assets at fair value through other comprehensive income	6	0	0	0	0	0	0	0	0	0	
Other changes in equity unrelated to owners	7	0	0	0	0	0	0	0	0	0	
Total directly recognized income and expenses of the previous year (previous year periods)	8	0	0	0	873.255	0	0	0	0	873.255	
Increase/decrease in subscribed capital	9	0	0	0	0	0	0	0	0	0	
Other contributions by owners	10	0	0	0	0	0	0	0	0	0	
Payment of share in profit/dividend	11	0	0	0	0	0	0	0	0	0	
Other distribution to owners	12	0	0	0	-1.874.402	1.874.402	0	0	0	0	
Balance on the last day of the previous business year reporting period	13	46.357.000	13.860.181	141.000	873.255	-17.903.905	0	0	0	43.327.531	
Balance on the first day of the current business year	14	46.357.000	13.860.181	141.000	873.255	-17.903.905	0	0	0	43.327.531	
Change in accounting policies	15	0	0	0	0	0	0	0	0	0	
Correction of errors from prior periods	16	0	0	0	0	0	0	0	0	0	
Balance on the first day of the current business year (restated)	17	46.357.000	13.860.181	141.000	873.255	-17.903.905	0	0	0	43.327.531	
Profit or loss for the period	18	0	0	0	-298.152	0	0	0	0	-298.152	
Unrealised gains or losses on financial assets at fair value through other comprehensive income	19	0	0	0	0	0	418.691	0	0	418.691	
Other changes in equity unrelated to owners	20	0	0	0	0	0	0	0	0	0	
Total directly recognised income and expenses of the current year (current period)	21	0	0	0	-298.152	0	418.691	0	0	120.539	
Increase/decrease in subscribed capital	22	-23.178.500	0	6.147.850	0	17.030.650	0	0	0	0	
Other contributions by owners	23	0	0	0	0	0	0	0	0	0	
Payment of share in profit/dividend	24	0	0	0	0	0	0	0	0	0	
Other distribution to owners	25	0	0	0	-873.255	873.255	0	0	0	0	
Balance on the last day of the current business year reporting period	26	23.178.500	13.860.181	6.288.850	-298.152	0	418.691	0	0	43.448.070	

NOTES TO THE FINANCIAL STATEMENTS – TFI

(drawn up for quarterly reporting periods)

Name of issuer: Zagrebačka burza d.d.

Personal identification number (OIB): 84368186611

Reporting period: 1.1.2022 - 30.6.2022

Sort of report: Separate

1. Reporting entity

Zagrebačka burza d.d. ("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

Financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). 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 the Note No.2 to the separate financial statements presented in the Annual Report on Company Status and Business Activities in 2021 available on the internet page www.zse.hr (further: Annual Report of the Company).

Significant accounting policies

The interim financial statements for the reporting quarter are prepared applying the same accounting policies as in the latest separate annual financial statements presented in the Annual Report on Company Status and Business Activities in 2021 available on the internet page www.zse.hr.

Information required by IFRSs that are not presented elsewhere in the separate statement of financial position, separate statement of comprehensive income, separate statement of cash flows and separate statement of changes in equity are disclosed in Unconsolidated unaudited financial result for period 1.1. to 30.6.2022 (further: Unconsolidated result for the second quarter) as published on the internet page www.zse.hr.

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

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

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

Details on the income or expenditure which are of exceptional size or incidence are presented in the Notes to the non-consolidated financial statements in Note 1.12 presented in the Unconsolidated result for the second quarter (www.zse.hr).

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

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

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

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

At the balance sheet date, the 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.

6. Average number of employees during the reporting period

The average number of the employees during the reporting period of 2022 is 25.

7. Capitalized costs of the salaries during the financial year

The Company did not capitalize the cost of salaries in the financial year.

8. Deferred taxes

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

	1.1.2022	Increase	Decrease	30.6.2022
	kn'000	kn'000	kn'000	kn'000
Deferred tax assets	-	-	-	-
Deferred tax liabilities	-	103	-	(103)
	-	103	-	(103)

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

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

10. Number and the nominal value of shares subscribed during the financial year within the limits of the authorised capital

There were no shares subscribed during the financial year within the limits of the authorised capital.

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

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

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

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

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

The Company has no shares in companies having unlimited liability.

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

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

The Company prepares the consolidated financial statements for the second quarter of 2022 that are available for use on the internet page www.zse.hr.

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

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

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

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

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

The Company has no arrangement that are not included in the presented unconsolidated financial statements for the reporting period ended on 30 June 2022.

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

Significant events arising after the balance sheet date are presented in the Note 1.11 to the Unconsolidated result for the second quarter of 2022, as published on the internet page www.zse.hr

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

P&L item (IFRS)	Amount HRK'000	P&L item (GFI)	Amount HRK'000
Staff costs	3.906	Staff costs Reclassification from other costs	3.753 153
Other operating costs	2.955	Costs of raw materials Other external costs Value adjustment Other costs Other operating expenses Reclassification to staff costs Rounding	222 1.930 50 878 28 -153 0
Balance sheet item (IFRS)	Amount HRK'000	Balance sheet item (GFI)	Amount HRK'000
Property and equipment Assets with right of use	1.039 2.882	Land and buildings Computer equipment Other tangible assets Leasehold improvements Assets under construction Rounding	2.509 663 157 592 - 0
Financial assets at fair value through other comprehensive income Long term deposits Loans receivable from associate	5.393 250 217	Financial assets at amortised cost (long term)	5.860
Trade receivables and other assets Inventories	2.469 6	Receivables (short term) Rounding	2.476 -1
Trade and other payables (short term) Short term financial liabilities	1.342 432	Trade payables Liabilities to employees Advance payments received Taxes, contributions and similar liabilities Other short-term liabilities Rounding	362 338 - 396 679 -1
Contractual liabilities	3.013	Accruals and deferred income Rounding	3.015 -2