



ZAGREBAČKA BURZA
Zagreb Stock Exchange



LJUBLJANSKA BORZA
LJUBLJANA Stock Exchange

Zagreb Stock Exchange Group

Consolidated unaudited financial results for
1/1/2023 – 30/6/2023

25 July 2023

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1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 1/1/2023 AND 30/6/2023

1.1 Significant business events of the Group in the period between 1/1/2023 and 30/6/2023

In the first half of 2023, the Zagreb Stock Exchange Group (hereinafter: the Group) recorded the following significant business events:

- On January 2, the first trading day of 2023, the Exchange opened trading in euro as the new official currency of the Republic of Croatia.
- On March 8, 2023, following significant public interest, Zagreb Stock Exchange signed an agreement on the listing of state bonds on the Official Market.
- On March 8, 2023, the Zagreb and Ljubljana stock exchanges organized the event "Ring for Gender Equality" to mark International Women's Day by opening trade in symbolic bells to emphasize the need to include more women in the world of work and their advancement in the business world.
- On March 10, 2023 the Croatian financial services agency approved the Amendments to the Price list of Zagreb Stock Exchange, which represent a correction of prices for the services of trade report publications and trading data use and dissemination. The Amendments to the Price list entered into force on April 1, 2023.
- On March 21, 2023, as part of the World Money Week, the Ljubljana Stock Exchange organized a webinar titled "Let's go to the Stock Exchange and Save".
- On March 22, 2023, the Ljubljana Stock Exchange organized a webinar titled "Slovenian Listed Companies Online".
- On May 9 – 10, 2023, the Ljubljana Stock Exchange organized the 40th annual Financial conference in Portorož.
- On May 10, 2023, the Commercial Court in Zagreb registered the incorporation of company Adria Digital Exchange seated in Zagreb, in whose share capital the Zagreb Stock Exchange holds a minority share of 24%. The company was founded with the intent to research and develop potential for trading and management of virtual assets.
- On May 10, 2023, the Zagreb Stock Exchange Academy celebrated its 13th anniversary. Since it was founded in 2010, the Academy organized over 600 educational events and seminars, attended by over 11,000 participants.
- On May 22, 2023, the new version of the Xetra T7 11.1 trading system was put into production on the Zagreb and Ljubljana stock exchanges. The migration was carried out without difficulty.

- On May 26, 2023, the InterCapital BET-TR UCITS Exchange Traded Fund was listed on the Zagreb Stock Exchange, based on the Romanian BET-TR index.
- On May 30, 2023, the Ljubljana Stock Exchange organized an event titled "Trade on the Stock Exchange" with the aim of encouraging the public to engage on the Slovenian capital market.
- On June 1 and 2, 2023, the investment conference of the Zagreb and Ljubljana stock exchanges "CEE Investment Opportunities" was held. The event has been taking place annually since 2014, with the aim to facilitate access of regional and international investors to Slovenian and Croatian companies, thereby strengthening their visibility and supporting market liquidity. For the third consecutive year, Slovenian and Croatian companies were joined by companies listed on the Macedonian Stock Exchange, and for the first time the event hosted companies listed on the Bucharest Stock Exchange. The event took place in Zagreb, counting over 60 investors and 250 meetings with listed companies.
- On June 13, 2023, 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 taking place since 2011. The education brought together more than a hundred representatives of companies listed on the Zagreb Stock Exchange and was held online. The representatives of the European bank for reconstruction and development announced upcoming seminars on corporate governance, as a follow-up on the project of renewal of the Code of Corporate Governance written by the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange, which is supported by EBRD.
- In the first half of 2023, the Regulated market of Zagreb Stock Exchange listed fourteen treasury bills and the state bond of the Ministry of finance of the Republic of Croatia, issuers VIS D.D., MODRA ŠPILJA D.D., PROFESSIO ENERGIA D.D. and PRIMO REAL ESTATE D.D. listed additional shares on the Regular market segment, issuer ČAKOVEČKI MLINOVI D.D. moved onto the Official Market segment, and bonds of the issuer ERSTE & STEIERMÄRKISCHE BANK D.D. were listed on the Official Market. In the first half of 2023, the Regulated Market of Zagreb Stock Exchange delisted eleven treasury bills of the Ministry of finance of the Republic of Croatia.

1.2 Zagreb and Ljubljana Stock Exchange overview

In the second quarter of 2023, the total turnover amounted to EUR 67.5 million, which is 1.83% more than in the same period of 2022, while the total turnover since the beginning of the year, i.e., in the first half of 2023, amounts to EUR 137 million (-31.4% compared to the first half of 2022).

Securities turnover - 2Q 2022/2Q 2023

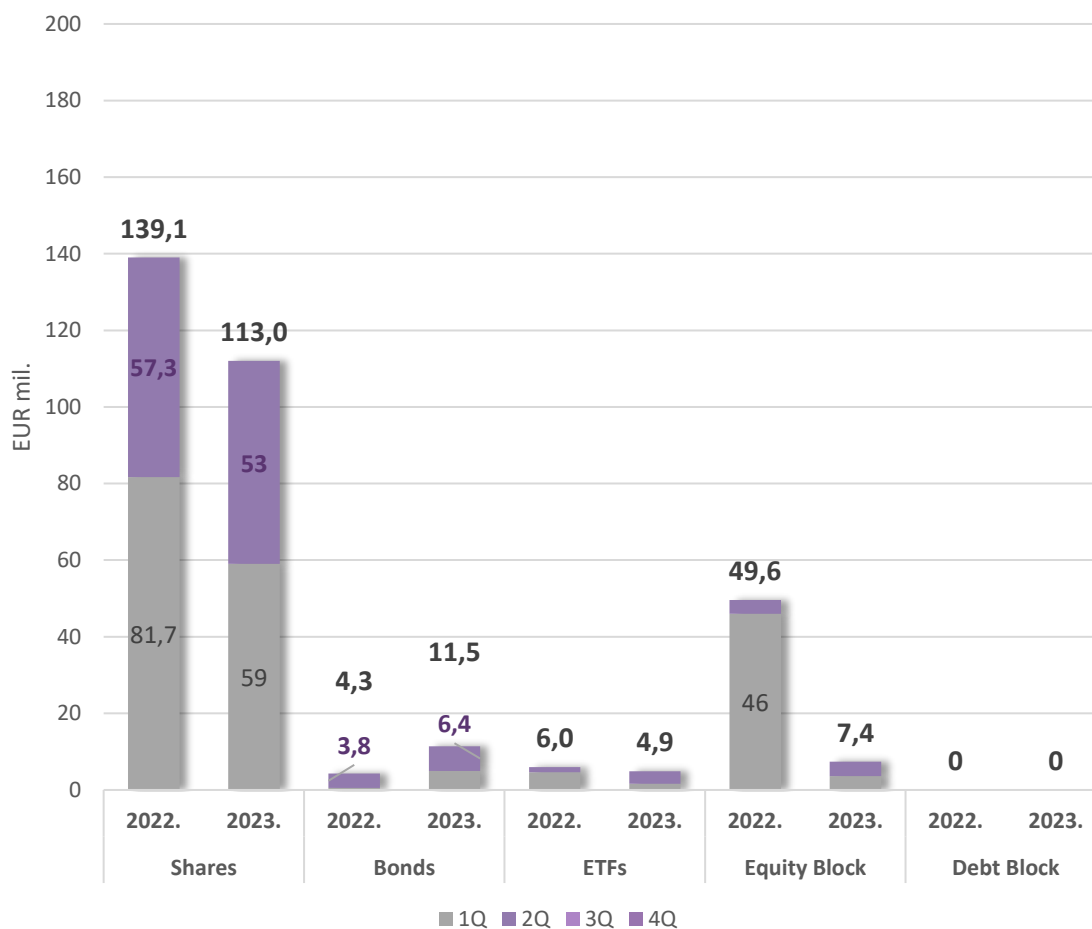
| | HRK 2Q 2022 | EUR 2Q 2022 | EUR 2Q 2023 | change |
|---------------------------|--------------------|-------------------|-------------------|--------------|
| TOTAL TURNOVER | 499,472,946 | 66,291,452 | 67,501,926 | 1.83% |
| Orderbook turnover | 471,730,911 | 62,609,451 | 63,699,649 | 1.74% |
| Shares | 432,379,785 | 57,386,659 | 53,931,749 | -6.02% |
| Bonds | 28,767,474 | 3,818,100 | 6,424,690 | 68.27% |
| ETFs | 10,583,652 | 1,404,692 | 3,343,212 | 138.00% |
| Block turnover | 27,742,035 | 3,682,001 | 3,802,277 | 3.27% |
| Equity block turnover | 27,742,035 | 3,682,001 | 3,802,277 | 3.27% |
| Debt block turnover | 0 | 0 | 0 | |

Securities turnover - 1H 2022/1H 2023

| | HRK 1H 2022 | EUR 1H 2022 | EUR 1H 2023 | change |
|---------------------------|----------------------|--------------------|--------------------|----------------|
| TOTAL TURNOVER | 1,506,902,174 | 200,000,289 | 137,053,567 | -31.47% |
| Orderbook turnover | 1,127,048,795 | 149,585,081 | 129,556,719 | -13.39% |
| Shares | 1,048,684,936 | 139,184,410 | 113,055,131 | -18.77% |
| Bonds | 33,020,421 | 4,382,563 | 11,507,723 | 162.58% |
| ETFs | 45,343,438 | 6,018,108 | 4,993,865 | -17.02% |
| Block turnover | 379,853,379 | 50,415,207 | 7,496,848 | -85.13% |
| Equity block turnover | 379,853,379 | 50,415,207 | 7,496,848 | -85.13% |
| Debt block turnover | 0 | 0 | 0 | 0 |

Despite smaller turnovers on the half-year level compared to the highly volatile 2022, the second half of the half-year brought mostly positive sentiment, so in the second quarter of 2023, the orderbook turnover amounted to EUR 63.6 million, 1.7% more than in the second quarter of 2022. Of this amount, EUR 53.9 million refers to equity turnover (2Q 2022: EUR 57.3 million), EUR 6.4 million to bond turnover (2Q 2022: EUR 3.8 million), while ETFs achieved a turnover of EUR 3.3 million (2Q 2022: EUR 1.4 million). The equity block turnover amounted to EUR 3.8 million (2Q 2022: EUR 3.6 million), while the debt block turnover was not recorded as in the same period last year. Since the beginning of 2023, the total turnover has reached EUR 137 million, which is -31.4% less than in the first half of last year (1H 2022: EUR 200 million). Within the orderbook in the first half of 2023, the equity turnover amounted to EUR 113 million and is lower by -18.7% (1H 2022: EUR 139 million), the bond turnover was EUR 11,5 million and is higher by +162.6% (1H 2022: EUR 4.3 million), while ETF turnover decreased by -17% and amounts to EUR 4.9 million (1H 2022: EUR 6 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 EUR 7.4 million, which is a decrease of -85% compared to the same period in 2022 (1H 2022: EUR 50.4 million).

Securities turnover



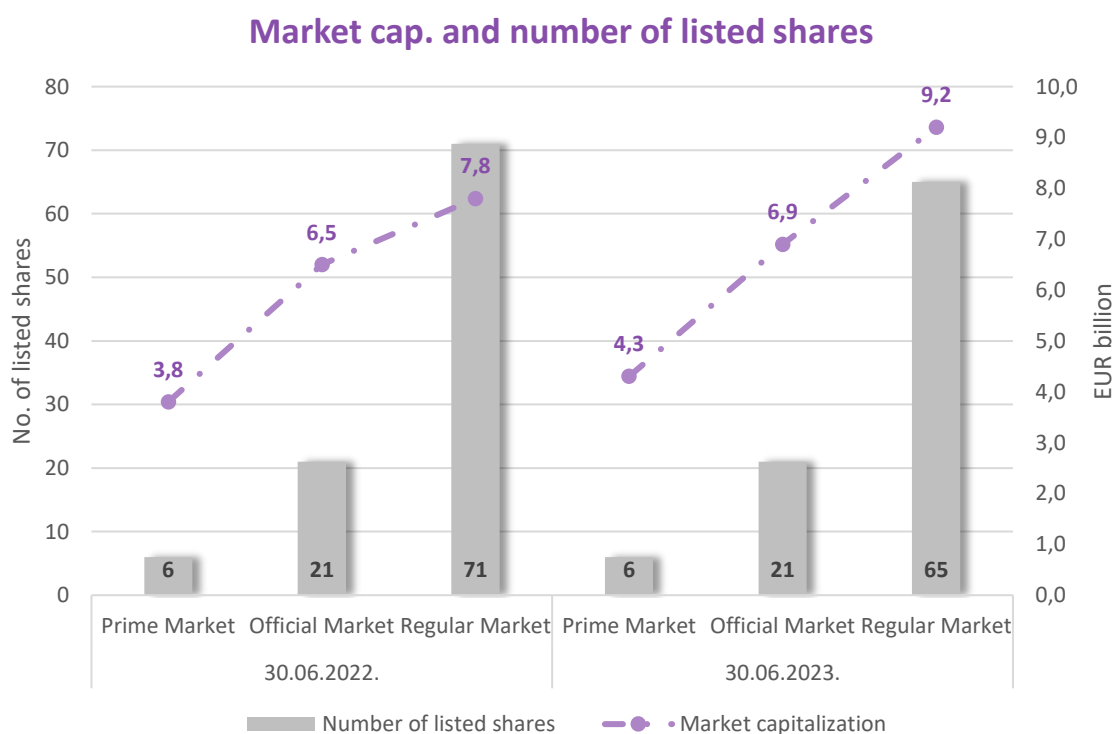
The market value measured by market capitalization as of 30 June 2023 was higher by a total of EUR 3.4 billion compared to the end of the first half of 2022. The equity market capitalization is higher by EUR +2.3 billion or +12.7%, with the market capitalization of the Prime Market increased by +10.4%, the Official Market increased by +7.6%, and the Regular Market by +18%. The debt market capitalization is higher by +6.5% while the value of ETFs increased by a significant +66.3%.

Market capitalization

| | Market Capitalization | | | |
|-----------------|------------------------|-----------------------|-----------------------|--------------|
| | 30.06.2022 HRK | 30.06.2022 EUR | 30.06.2023 EUR | change |
| TOTAL | 263,934,200,886 | 35,030,088,378 | 38,450,769,747 | 9.76% |
| Shares | 137,319,943,118 | 18,225,488,502 | 20,544,317,186 | 12.72% |
| Prime Market | 29,294,947,386 | 3,888,107,689 | 4,293,210,889 | 10.42% |
| Official Market | 48,898,906,526 | 6,490,000,203 | 6,984,786,774 | 7.62% |
| Regular Market | 59,126,089,206 | 7,847,380,610 | 9,266,319,523 | 18.08% |
| Bonds | 126,548,728,789 | 16,795,902,686 | 17,891,987,499 | 6.53% |
| ETFs | 65,528,979 | 8,697,190 | 14,465,063 | 66.32% |

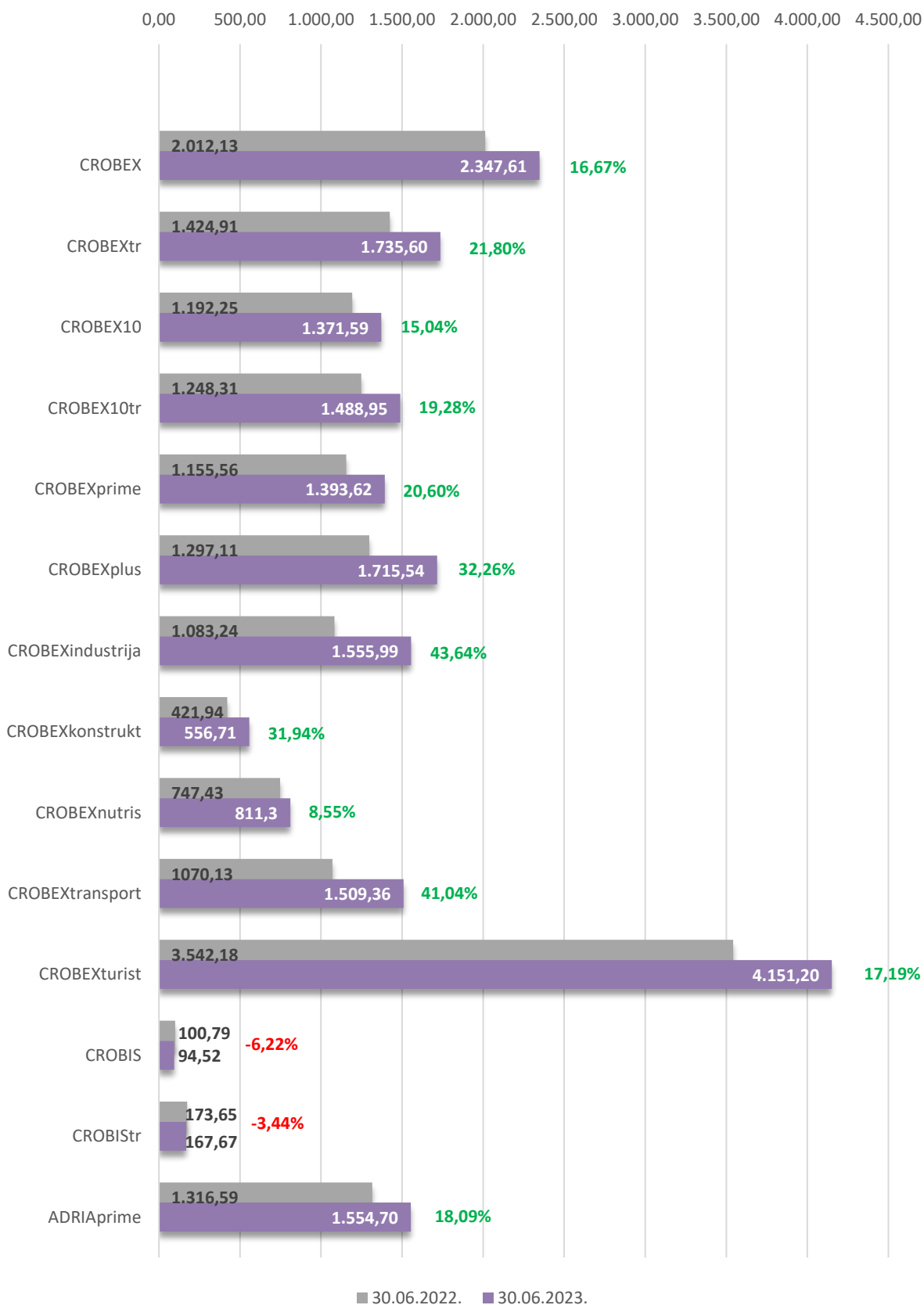
Compared to the end of the first half of 2022, as of 30 June 2023, The Regular Market segment counted six less listed shares, while the number of shares listed on the Official and Prime Markets remained unchanged.

| Number of listed securities | | | |
|-----------------------------|-------------|-------------|--------------|
| | 30.06.2022. | 30.06.2023. | change |
| TOTAL | 136 | 142 | 4.41% |
| Shares | 98 | 92 | -6.12% |
| Prime Market | 6 | 6 | 0.00% |
| Official Market | 21 | 21 | 0.00% |
| Regular Market | 71 | 65 | -8.45% |
| Bonds | 30 | 32 | 6.67% |
| ETFs | 2 | 3 | 50.00% |
| Money Market Instruments | 6 | 15 | 150.00% |

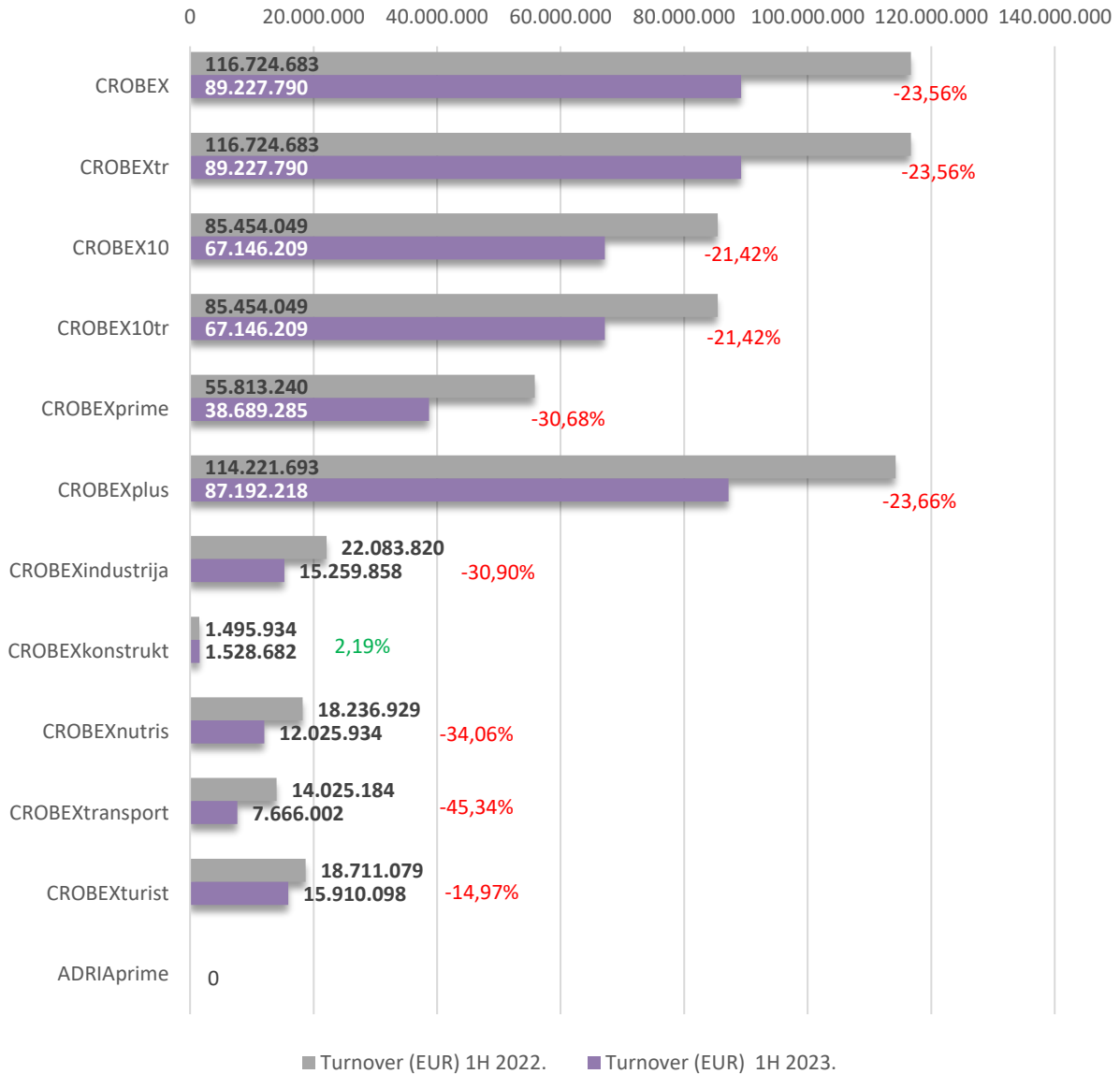


A comparison of data for the first half of 2023 with data from the same period last year shows a stable trend among indices as well. Despite lower turnovers than in the same period last year, all equity indices recorded growth in the first half of 2023. The most significant increase was that of CROBEXindustrija (+43.6%), CROBEXtransport (+41%) and CROBEXplus (+32.3%) The regional index ADRIAprime recorded an increase of +18%, while bond indices decreased by -6.2% (CROBIS) and -3.4% (CROBIStr).

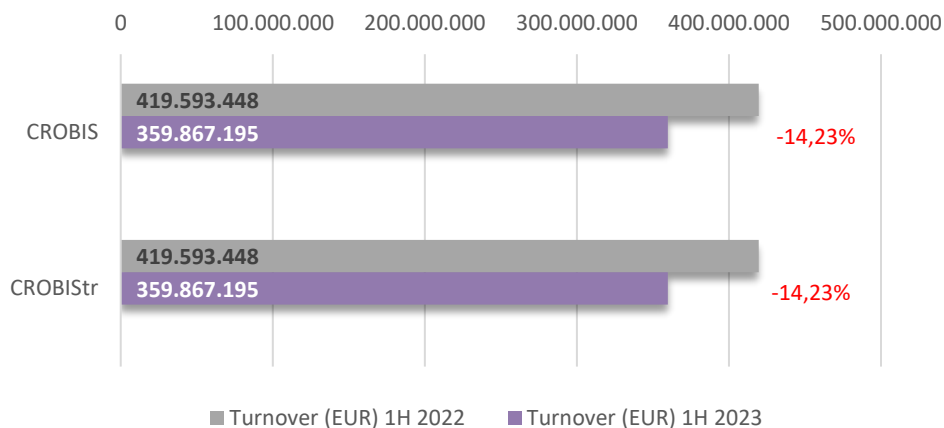
Indices - values (30.06.2022 vs. 30.06.2023)



Equity indices - turnovers (1H 2022 vs. 1H 2023)



Bond indices - turnovers (1H 2022 vs. 1H 2023)



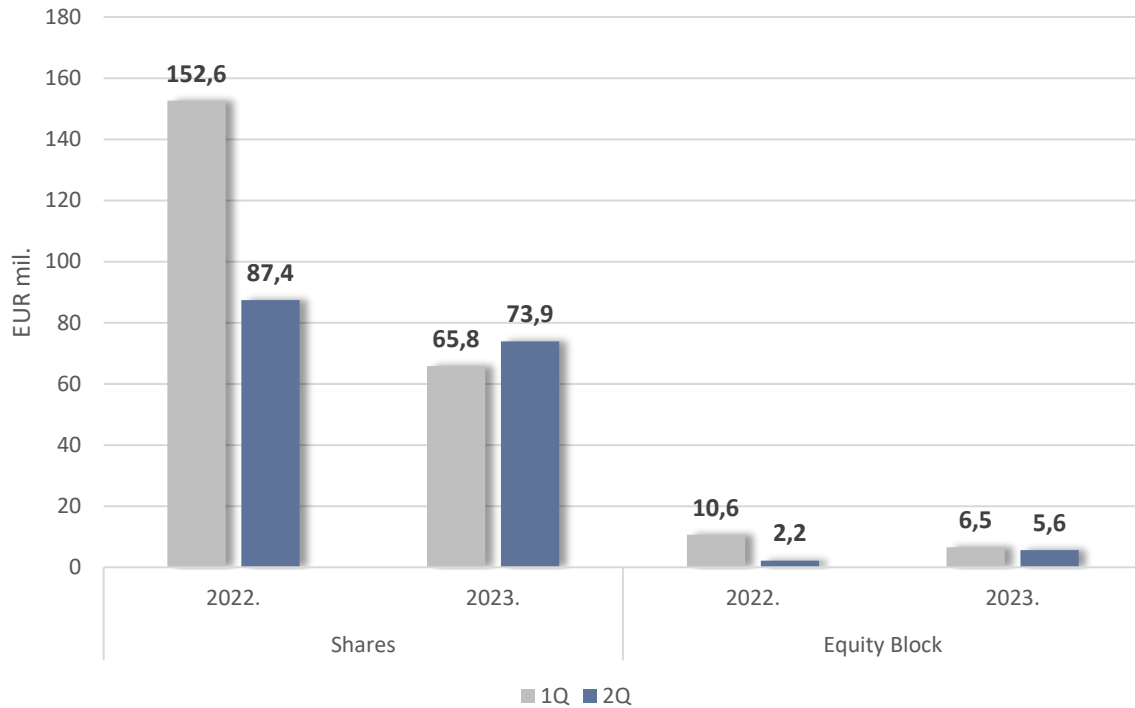
The total turnover at the Ljubljana Stock Exchange in the second quarter of 2023 amounted to EUR 81 million, which is a decrease of -9.5% compared to the second quarter of last year, while the total turnover since the beginning of the year, i.e., in the first half of 2023, amounted to EUR 153 million which is a decrease of -39.3% compared to the first half of 2022.

Ljubljana Stock Exchange overview

| EUR | 2Q 2022. | 2Q 2023. | change | 1H 2022. | 1H 2023. | change |
|---|----------------------|----------------------|---------------|--------------------|--------------------|---------------|
| TOTAL TURNOVER | 89,631,744 | 81,103,637 | -9.5% | 252,893,074 | 153,487,729 | -39.3% |
| Orderbook turnover | 87,430,752 | 75,462,323 | -13.7% | 240,051,771 | 141,342,610 | -41.1% |
| Shares | 87,384,654 | 73,917,252 | -15.4% | 239,705,409 | 139,504,317 | -41.8% |
| Bonds | 3,361 | 2,273 | -32.4% | 15,706 | 19,640 | 25.0% |
| Structured products | 42,737 | 15,022 | -64.9% | 330,656 | 290,877 | -12.0% |
| Block turnover | 2,200,992 | 5,641,315 | 156.3% | 12,841,303 | 12,145,119 | -5.4% |
| Equity block | 2,200,992 | 5,641,315 | 156.3% | 12,841,303 | 12,145,119 | -5.4% |
| Debt block | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| | 30.06.2022. | 30.06.2023. | change | | | |
| Equity Market Capitalization (EUR) | 7,895,270,725 | 9,011,024,917 | 14.13% | | | |
| SBITOP | 1,118,45 | 1,230,37 | 10.01% | | | |
| SBITR | 1,343,43 | 1,584,87 | 17.97% | | | |

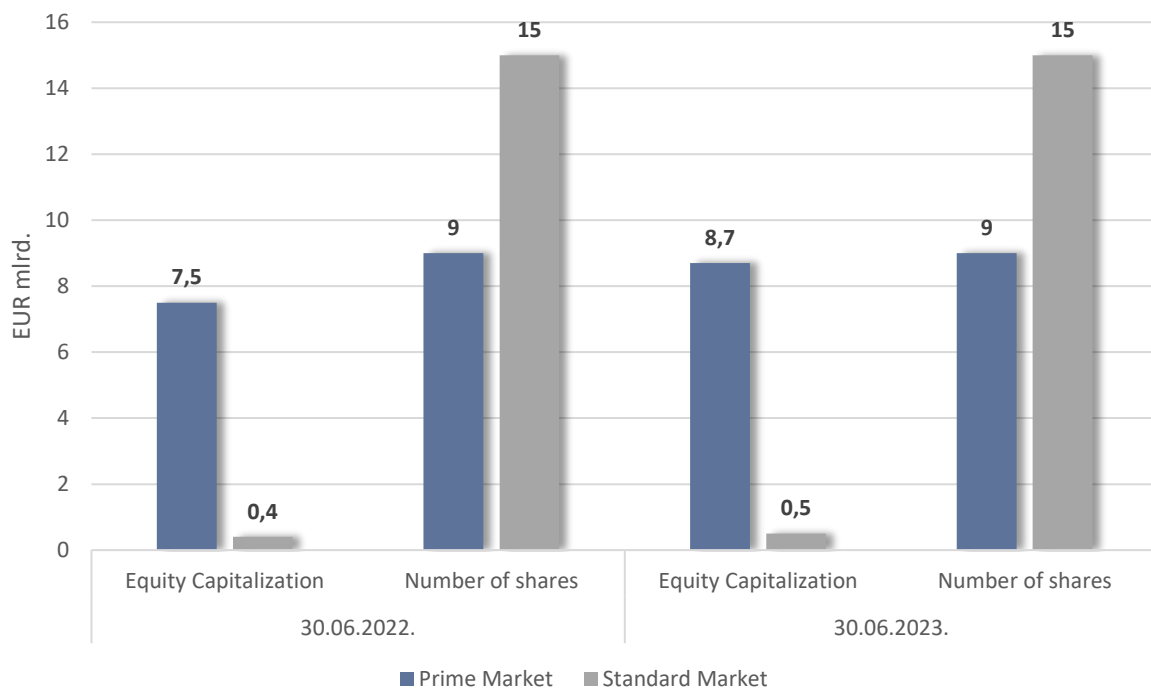
Within the orderbook, share turnover in the second quarter of 2023 reached the amount of EUR 75 million, which is a decrease of -13.4% compared to the same period last year when it amounted to EUR 87 million. The share of bonds and structured products turnover is far lower than the equity turnover share in the total securities turnover of the Ljubljana Stock Exchange. In the second three months of 2023, the bonds turnover amounted to only EUR 2.2 thousand (2Q 2022: EUR 3.3 thousand), while at the same time the turnover of the structured products amounted to EUR 15 thousand. In the second quarter of 2023, the equity block turnover amounted to EUR 5.6 million (an increase of EUR +3.4 million compared to the second quarter of 2022), while the debt turnover was not recorded as in the same time last year. At the half-yearly level, the shares turnover within the orderbook is lower by -41.8% and in the first half of 2023 amounts to EUR 139.5 million. At the same time, bonds turnover reached the amount of only EUR 19.6 thousand (1H 2022: EUR 15.7 thousand), and the turnover of the structured products was EUR 290.8 thousand (1H 2022: EUR 330.6 thousand). The equity block turnover in the first six months of 2023 is EUR 12.1 million, which is a decrease of -5.4% compared to the same period last year (1H 2022: EUR 12.8 million), while the debt block turnover is not recorded as in the same period last year.

Shares turnover on the Ljubljana Stock Exchange



Compared to June 30, 2022, the equity market capitalization has increased by +14.1% and on the last day of the first half of 2023 amounted to EUR 9 billion. From the last value on June 30, 2022, the SBITOP index increased by +10.0% and amounts to 1,230, while the SBITR index increased by an impressive +18%, ending June this year at a value of 1,584.

Equity cap. and number of shares



1.3 Expected future development of the Group

In 2023, the Group will continue to focus on raising Corporate Governance and reporting standards on the regulated market. The Group will also focus on greater promotion of existing issuers, with a focus on the Prime Market. The Group 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.

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

The Group is planning activities to facilitate the promotion of the exchanges as a source of capital for the companies in the tourism sector, as well as an increased focus on ESG listings and issuer activities.

1.4 Research & Development activities

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

In the second quarter of 2023, Zagreb Stock Exchange 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.

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.

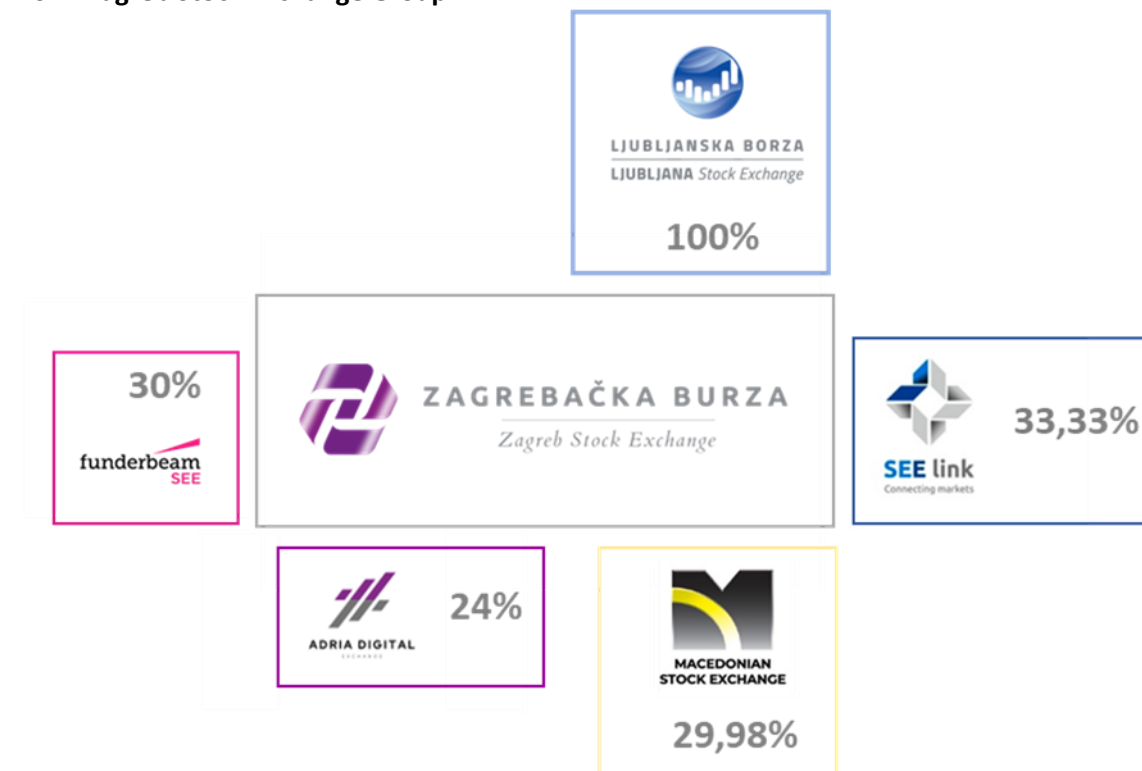
In the second half of 2023 the Group will continue working on previously initiated projects, as well as the implementation of new trading system releases and other infrastructure optimization activities.

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).

1.5 Information on repurchase of own shares

In the Share Buy-back Program which started on October 3, 2022 until the end of 2022, the Exchange acquired a total of 5,500 of own shares. On June 30, 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.

1.6 Zagreb Stock Exchange Group



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

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

Funderbeam South East Europe d.o.o., a company domiciled in Zagreb. The issued share capital of Funderbeam South East Europe d.o.o. is HRK 244,000 / EUR 32,384.37 and the share of the Zagreb Stock Exchange, Inc. in the share capital is 30%.

On June 30, 2023, the Zagreb Stock Exchange, Inc. holds a total of 837 shares, i.e., 29.98% of the share capital of Macedonian Stock Exchange, Inc.

Adria Digital Exchange d.o.o., a company seated in Zagreb. The share capital of the company is EUR 5,000, in which the Zagreb Stock Exchange, Inc. participates with 24%.

1.7 Financial instruments used by the Group

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

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

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

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

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

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

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

SEE Link, Funderbeam SEE and Adria Digital Exchange are not exposed to the risks mentioned in this paragraph.

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

The Group is exposed to inflationary risks considering that a significant share of its costs is indexed.

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

The Group confirms that in the first half of 2023 there were no transactions within the Group and between the Group and its shareholders in excess of EUR 100,000.

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

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

The Group, like all other business entities, 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 2023.

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

1.12 Business results for 1/1/2023 – 30/6/2023

In the first half of 2023, the Group generated a total of EUR 1,712 thousand of operating revenues, which is EUR -210 thousand or -10.9% less than in the same period last year when they amounted to EUR 1,923 thousand. Compared to the first half of 2022, sales revenue decreased from EUR 1,324 to EUR 1,094 thousand, i.e., by EUR -230 thousand or -17.4%. The decrease in sales revenue is primarily the result of a decrease in income from commissions and membership fees, which, following the reduced securities turnover compared to the same period last year, reached the amount of EUR 468 thousand; EUR -203 thousand or -30.3% less compared to the first half of 2022, when they amounted to EUR 672 thousand. In the first six months of 2023, income from listing maintenance fees amounts to EUR 534 thousand, which is an increase of EUR +14 thousand or +2.8% (1H 2022: EUR 520 thousand). Due to a lower number of new listings than in the same period last year, in the first half of 2023, income from quotation maintenance decreased by EUR -41 thousand or -31.3% and amounted to EUR 90 thousand (1H 2022: EUR 132 thousand). Compared to the first half of 2022, other operating income increased by EUR +19.9 thousand or +3.3%, i.e., from EUR 598 to EUR 618 thousand. Other income reduced by EUR -18 thousand or -9% and amount to EUR 185 thousand and includes income from education and income from issuing and maintaining LEI (1H 2022: EUR 204 thousand). Income from the supply of information increased by EUR +38 thousand or +9.7% and amounted to EUR 432 thousand (1H 2022: EUR 394 thousand).

Observing only at the second quarter of 2023, the Group's total operating income amounts to EUR 869 thousand, which is a decrease of EUR -6 thousand (-0.8%) compared to the second quarter of last year, when operating income amounted to EUR 876 thousand. Sales revenues fell from EUR 558 thousand in the second quarter of 2022 to EUR 543 thousand in the same period of the current year. The decrease in sales revenues was caused by reduced income from quotation maintenance from EUR 47 to EUR 38 thousand (EUR -8.6 thousand or -18.3%). The income from listing maintenance fees increased slightly and amounts to EUR 267 thousand (2Q 2022: EUR 261 thousand). Other operating income increased from EUR 318 to EUR 325 thousand (EUR +7.4 thousand or +2.3%). Within other operating income, income from the supply of information increased from EUR 195 to EUR 216 thousand (EUR +20 thousand or +10.4%), and other income decreased from EUR 122 to EUR 109 thousand (EUR +12 thousand or -10.6%).

In the first half of 2023, The Group's total operating expenses were lower by EUR -16 thousand (-0.9%) than in the first half of 2022 and amounted to EUR 1,794 thousand (1H 2022: EUR 1,811 thousand). The Group managed to partially mitigate the increased expenses caused by inflation and indexed contracts through quality costs control:

- staff costs amount to EUR 834 thousand, which is a decrease of EUR -71 thousand or -7.9% (1H 2022: EUR 905 thousand),
- material costs amount to EUR 538 thousand, which is an increase of EUR +6 thousand or +1.2% (1H 2022: EUR 532 thousand),
- other costs amount to EUR 260 thousand, which is an increase of EUR +38 thousand or +17.1% (1H 2022: EUR 222 thousand),
- depreciation amounts to EUR 153 thousand, which is an increase of EUR +12 thousand or +8.9% (1H 2022: EUR 140 thousand),
- other operating expenses amount to EUR 8 thousand, which is an increase of EUR +4.4 thousand (1H 2022: EUR 3.7 thousand).

In the second quarter of 2023 alone, operating expenses amount to EUR 925 thousand, which is a decrease of EUR -18 thousand or -2% compared to the same period last year (2Q 2022: EUR 994 thousand). The biggest increase was recorded in other costs, which amounted to EUR 119 thousand in the second quarter of 2022, and EUR 143 thousand in the same period of the current year (EUR +23 thousand or +20%). In addition, depreciation increased from EUR 71 to EUR 75 thousand (EUR +4.5 thousand or +6.3%). Staff costs reduced from EUR 451 thousand in the second quarter of 2022 to EUR 426 thousand in the second quarter of 2023 (EUR -24 thousand or -5.4%).

The Group's Key Business Indicators

| | EUR | 1H 2022 | 1H 2023 | change | 2Q 2022 | 2Q 2023 | change |
|---|-----|------------------|------------------|---------|-----------------|----------------|---------|
| Capital and reserves | | 5,854,881 | 5,764,719 | -1.5% | 5,854,881 | 5,764,719 | -1.5% |
| Total assets | | 7,199,084 | 7,207,567 | 0.1% | 7,199,084 | 7,207,567 | 0.1% |
| Operating income | | 1,923,049 | 1,712,973 | -10.9% | 876,139 | 869,471 | -0.8% |
| <i>sales revenue</i> | | 1,324,371 | 1,094,329 | -17.4% | 558,017 | 543,907 | -2.5% |
| <i>other operating income</i> | | 598,678 | 618,644 | 3.3% | 318,222 | 325,564 | 2.3% |
| Operating expenses | | 1,811,656 | 1,794,883 | -0.9% | 944,394 | 925,655 | -2.0% |
| <i>material costs</i> | | 532,389 | 538,727 | 1.2% | 295,630 | 279,540 | -5.4% |
| <i>staff costs</i> | | 905,511 | 834,064 | -7.9% | 451,440 | 426,931 | -5.4% |
| <i>depreciation and amortization</i> | | 140,837 | 153,323 | 8.9% | 71,412 | 75,942 | 6.3% |
| <i>other costs</i> | | 222,507 | 260,578 | 17.1% | 119,268 | 143,214 | 20.1% |
| EBIT | | 111,393 | -81,910 | -173.5% | -68,255 | -56,184 | -17.7% |
| EBITDA | | 252,230 | 71,413 | -71.7% | 3,157 | 19,758 | 525.8% |
| Financial income | | 7,368 | 22,008 | 198.7% | 1,049 | 12,519 | 1093.4% |
| Financial expenses | | 90,369 | 5,639 | -93.8% | 52,944 | 2,878 | -94.6% |
| Share in profit/loss of associates and subsidiaries | | 2,126 | -6,018 | -383.1% | 1,016 | -4,956 | -587.8% |
| Pre-tax profit or loss | | 30,518 | -71,613 | -334.7% | -119,134 | -51,499 | -56.8% |
| Income tax | | 20,036 | -656 | -103.3% | -941 | -228 | -75.8% |
| Profit or loss for the period | | 10,482 | -70,957 | -776.9% | -118,193 | -51,271 | -56.6% |
| Other comprehensive income | | 59,135 | 19 | -100.0% | 38,398 | 0 | -100.0% |
| Total comprehensive income | | 69,617 | -70,938 | -201.9% | -79,795 | -51,271 | -35.7% |
| Number of employees | | 38 | 38 | 0.0% | 38 | 38 | 0.0% |

The Group's operating loss in the first half of 2023 amounted to EUR -71 thousand, while in the same period last year the Group reported operating profit in the amount of EUR 30 thousand (EUR -102 thousand or 334%). At the level of the second quarter, the Group reports an operating loss in the amount of EUR -51 thousand, while the operating loss in the same period last year amounted to EUR -119 thousand. Financial income recorded growth in the first half of the year as well as in the second quarter compared to the same periods last year. In the first half of 2023, financial income amounted to EUR 22 thousand (EUR +14 thousand or +198.7%), while financial income in the second quarter accounted for EUR 12 thousand (EUR +11 thousand). In the first half of this year, financial expenses amount to EUR 5.6 thousand (EUR +-84 thousand or -93.7%), while in the second quarter alone they are lower by EUR -50 thousand and amount to EUR 2.8 thousand.

The Group's net loss in the first six months of 2023 amounts to EUR -70 thousand which is EUR -81 thousand less than in the same period of 2022 when the Group's net profit amounted to EUR 10

thousand. The Group's total comprehensive income for the first half of 2023 amounts to EUR -70 thousand (a decrease of EUR -140 thousand or -201% compared to EUR 69 thousand in the first half of 2022).

Operating profit before interest, taxes, depreciation and amortization is negative and in the first half of 2023 amounts to EUR -71 thousand, i.e., EUR -140 thousand less than in the first half of 2022, while in the second quarter of 2023 it amounts to EUR 19 thousand, i.e., EUR +16 thousand more than in the same period last year.

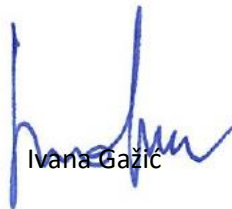
2 DECLARATION OF RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

Financial statements of the Group prepared for the period between 1/1/2023 and 30/6/2023 give a fair and true account of facts in accordance with the International Standards of Financial Reporting and the Croatian Accounting Act.

Consolidated financial statements for the period between 1/1/2023 and 30/6/2023 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Group.

The management report for the first half of 2023 contains a true and fair view of the development and results of operations, with a description of the principal risks and uncertainties to which the Group is exposed.

Consolidated financial statements for the first half of 2023 have not been audited.



Ivana Gažić

President of the Management Board



Tomislav Gračan

Member of the Management Board

Contact

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

Phone number: +385/ 1 4686 806
E-mail: ir@zse.hr

Consolidated unaudited financial statements of the Group for
1/1/2023 – 30/6/2023

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2023

to

30.6.2023

Year:

2023

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: **Ulica Ivana Lučića 2a/22**

E-mail address: sandra.semuga@zse.hr

Web address: www.zse.hr

Number of employees
(end of the reporting

38

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Ljubljanska borza vrednostnih papirjev d.d.

Ljubljana, Slovenija

5316081

Bookkeeping firm: (Yes/No)

Sigma Tax Consulting d.o.o.

(name of the bookkeeping firm)

Contact person: **Lucija Tropčić Kovaček**

(only name and surname of the contact person)

Telephone: **01/4699-555**

E-mail address: lucija.tropcic@sigmabc.eu

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 30.6.2023

in EUR

Submitter: Zagreb Stock Exchange Inc.

| Item | ADP | Last day of the preceding | At the reporting date of the |
|---|-----------|---------------------------|------------------------------|
| | code | | |
| 1 | 2 | 3 | 4 |
| ASSETS | | | |
| FIXED ASSETS 002+003+009+013 | 1 | 3.405.908 | 3.249.870 |
| I INTANGIBLE ASSETS | 2 | 495.494 | 483.013 |
| II TANGIBLE ASSETS 004+...+008 | 3 | 1.547.963 | 1.432.374 |
| 1 Land and buildings | 4 | 1.152.922 | 1.084.457 |
| 2 Computer equipment | 5 | 172.554 | 150.903 |
| 3 Other tangible assets | 6 | 198.794 | 176.725 |
| 4 Leasehold improvements | 7 | 23.693 | 20.289 |
| 5 Assets under construction | 8 | 0 | 0 |
| III FIXED FINANCIAL ASSETS 010+011+012 | 9 | 1.325.605 | 1.296.981 |
| 1 Investments in associates, subsidiaries and joint ventures | 10 | 1.237.395 | 1.205.736 |
| 2 Financial assets at amortised cost | 11 | 62.047 | 60.547 |
| 3 Financial assets at fair value through other comprehensive income | 12 | 26.163 | 30.698 |
| DEFERRED TAX ASSETS | 13 | 36.846 | 37.502 |
| B CURRENT ASSETS 015+021+025 | 14 | 3689444 | 3679396 |
| I RECEIVABLES 016+...+020 | 15 | 467.054 | 392.958 |
| 1 Customer receivables | 16 | 367.904 | 240.574 |
| 2 Receivables from employees and members of the undertaking | 17 | 35 | 2.818 |
| 3 Receivables from government and other institutions | 18 | 17.062 | 33.718 |
| 4 Receivables from connected undertakings | 19 | 0 | 0 |
| 5 Other receivables | 20 | 82.053 | 115.848 |
| III SHORT-TERM FINANCIAL ASSETS 022+...+024 | 21 | 1.399.917 | 1.936.880 |
| 1 Financial assets at amortised cost | 22 | 208.519 | 815.141 |
| 2 Financial assets at fair value through other comprehensive income | 23 | 0 | 0 |
| 3 Financial assets at fair value through statement of profit or loss | 24 | 1.191.398 | 1.121.739 |
| III CASH AND CASH EQUIVALENTS | 25 | 1.822.473 | 1.349.558 |
| C PREPAID EXPENSES AND ACCRUED INCOME | 26 | 103.732 | 278.301 |
| D TOTAL ASSETS 001+014+026 | 27 | 7.199.084 | 7.207.567 |
| E OFF-BALANCE SHEET ITEMS | 28 | 0 | 0 |
| LIABILITIES | | | |
| A CAPITAL AND RESERVES 030+031+032+037+...+041 | 29 | 5.854.881 | 5.764.719 |
| 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 | 882.442 | 870.368 |
| 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 | 70.169 |
| 4 Other reserves | 36 | 811.968 | 811.968 |
| IV REVALUATION RESERVES | 37 | 101.094 | 101.094 |
| V RESERVES FROM EXCHANGE RATE DIFFERENCES FROM THE TRANSLATION OF FOREIGN OPERATIONS | 38 | -22.181 | -22.162 |
| VI RETAINED PROFIT OR LOSS BROUGHT FORWARD | 39 | -107.857 | -30.772 |
| VII PROFIT OR LOSS FOR THE YEAR | 40 | 85.505 | -70.957 |
| VIII MINORITY INTEREST | 41 | 0 | 0 |
| B PROVISIONS | 42 | 36.308 | 36.308 |
| C SHORT-TERM LIABILITIES 044+...049 | 43 | 408.143 | 484.583 |
| 1 Liabilities for advance payments | 44 | 1.678 | 6.168 |
| 2 Liabilities to suppliers | 45 | 115.287 | 213.979 |
| 3 Liabilities to employees | 46 | 105.130 | 100.382 |
| 4 Taxes, contributions and similar liabilities | 47 | 50.640 | 77.231 |
| 5 Liabilities to connected undertakings | 48 | 263 | 0 |
| 6 Other short-term liabilities | 49 | 135.145 | 86.823 |
| D LONG-TERM LIABILITIES | 50 | 251.402 | 251.402 |
| E DEFERRED TAX LIABILITY | 51 | 19.189 | 19.189 |
| F ACCRUALS AND DEFERRED INCOME | 52 | 629.161 | 651.366 |
| G TOTAL LIABILITIES 029+042+043+050+051+052 | 53 | 7.199.084 | 7.207.567 |
| H OFF-BALANCE SHEET ITEMS | 54 | 0 | 0 |
| Appendix to the balance sheet (position for consolidated financial statements) | | | |
| I Capital and reserves 056+057 | 55 | 5.854.881 | 5.764.719 |
| 1 Attributable to owners of the parent | 56 | 5.854.881 | 5.764.719 |
| 2 Attributable to non-controlling interest | 57 | 0 | 0 |

STATEMENT OF PROFIT OR LOSS

For the period 1.1.2023 to 30.6.2023

in EUR

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+008 | 1 | 1.923.049 | 876.139 | 1.712.973 | 869.471 |
| I Sales revenue 003+...+007 | 2 | 1.324.371 | 558.017 | 1.094.329 | 543.907 |
| 1 Commissions and membership fees | 3 | 672.144 | 249.148 | 468.677 | 237.537 |
| 2 Listing maintenance fees | 4 | 520.093 | 261.629 | 534.835 | 267.763 |
| 3 Quotation fees | 5 | 132.134 | 47.240 | 90.817 | 38.607 |
| 4 Income from auctions | 6 | 0 | 0 | 0 | 0 |
| 5 Income from memberships | 7 | 0 | 0 | 0 | 0 |
| II Other operating income 009+...+011 | 8 | 598.678 | 318.122 | 618.644 | 325.564 |
| 1 Income from application programming interface (API) services | 9 | 0 | 0 | 0 | 0 |
| 2 Income from the supply of information | 10 | 394.252 | 195.866 | 432.681 | 216.262 |
| 3 Other income | 11 | 204.426 | 122.256 | 185.963 | 109.302 |
| B OPERATING EXPENSES 013+016+020+021+022+025+026 | 12 | 1.811.656 | 944.394 | 1.794.883 | 925.655 |
| I Material costs 014+015 | 13 | 532.389 | 295.630 | 538.727 | 279.540 |
| 1 Costs of raw materials | 14 | 20.737 | 12.317 | 17.232 | 4.782 |
| 2 Other external costs | 15 | 511.652 | 283.313 | 521.495 | 274.758 |
| II Staff costs 017+...+019 | 16 | 905.511 | 451.440 | 834.064 | 426.931 |
| 1 Net salaries and wages | 17 | 639.953 | 308.514 | 564.024 | 279.669 |
| 2 Tax and contributions from salary costs | 18 | 197.506 | 107.267 | 202.526 | 111.758 |
| 3 Payroll contributions | 19 | 68.052 | 35.659 | 67.514 | 35.504 |
| III Depreciation | 20 | 140.837 | 71.412 | 153.323 | 75.942 |
| IV Other costs | 21 | 222.507 | 119.268 | 260.578 | 143.214 |
| V Value adjustment 023+024 | 22 | 6.639 | 6.639 | 0 | 0 |
| 1 fixed assets (other than financial assets) | 23 | 0 | 0 | 0 | 0 |
| 2 current assets (other than financial assets) | 24 | 6.639 | 6.639 | 0 | 0 |
| VI Provisions | 25 | 0 | 0 | 0 | 0 |
| VII Other operating expenses | 26 | 3.773 | 5 | 8.191 | 28 |
| C FINANCIAL INCOME 028+...+033 | 27 | 7.368 | 1.049 | 22.008 | 12.519 |
| 1 Interest, exchange rate differences, dividends and similar income from relations with connected undertakings | 28 | 23 | 1 | 0 | 0 |
| 2 Interest, exchange rate differences, dividends and similar income from relations with non-connected undertakings and other persons | 29 | 7.029 | 848 | 11.615 | 8.914 |
| 3 Income share from associates and participating interests | 30 | 0 | 0 | 0 | 0 |
| 4 Unrealised gains (income) from financial assets | 31 | 0 | 0 | 4.932 | 3.577 |
| 5 Profit from reversal of provisions for impairment for expected credit losses | 32 | 0 | 0 | 0 | 0 |
| 6 Other financial income | 33 | 316 | 200 | 5.461 | 28 |
| D FINANCIAL EXPENSES 035+...+039 | 34 | 90.369 | 52.944 | 5.693 | 2.878 |
| 1 Interest, exchange rate differences and other expenditures with connected undertakings | 35 | 381 | 199 | 329 | 190 |
| 2 Interest, exchange rate differences and other expenditure from relations with non-connected undertakings and other persons | 36 | 14.021 | 9.167 | 5.364 | 2.688 |
| 3 Unrealised losses (expenses) from financial assets | 37 | 75.967 | 43.578 | 0 | 0 |
| 4 Loss allowance for expected credit losses | 38 | 0 | 0 | 0 | 0 |
| 5 Other financial expenses | 39 | 0 | 0 | 0 | 0 |
| E TOTAL INCOME 001+027 | 40 | 1.930.417 | 877.188 | 1.734.981 | 881.990 |
| F TOTAL EXPENDITURE 012+034 | 41 | 1.902.025 | 997.338 | 1.800.576 | 928.533 |
| G Share in profit/loss of associates and subsidiaries | 42 | 2.126 | 1.016 | -6.018 | -4.956 |
| H PRE-TAX PROFIT OR LOSS 040-041+042 | 43 | 30.518 | -119.134 | -71.613 | -51.499 |
| I INCOME TAX | 44 | 20.036 | -941 | -656 | -228 |
| J PROFIT OR LOSS FOR THE PERIOD 043-044 | 45 | 10.482 | -118.193 | -70.957 | -51.271 |
| 1 Change in revaluation reserves (property, plant, equipment and intangible assets) | 46 | 0 | 0 | 0 | 0 |
| 2 Actuarial gains/losses on defined benefit pension plans | 47 | 0 | 0 | 0 | 0 |
| 3 Unrealised gains/losses on financial assets at fair value through other comprehensive income | 48 | 0 | 0 | 0 | 0 |
| 4 Gains/losses on hedging instruments in a cash flow hedge | 49 | 69.245 | 69.245 | 0 | 0 |
| 5 Gains/losses arising from translation of financial statements relating to foreign operations | 50 | 3.543 | -17.194 | 19 | 0 |
| 6 Income tax on other comprehensive income | 51 | 13.653 | 13.653 | 0 | 0 |
| K OTHER COMPREHENSIVE INCOME 046+...+051 | 52 | 59.135 | 38.398 | 19 | 0 |
| TOTAL COMPREHENSIVE INCOME 045+052 | 53 | 69.617 | -79.795 | -70.938 | -51.271 |
| M RECLASSIFICATION ADJUSTMENTS | 54 | 0 | 0 | 0 | 0 |
| Appendix ** | | | | | |
| Attributable to owners of the parent | 55 | 69.617 | -79.795 | -70.938 | -51.271 |
| Attributable to non-controlling interest | 56 | 0 | 0 | 0 | 0 |

STATEMENT OF CASH FLOWS - indirect method

for the period 1.1.2023 to 30.6.2023

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 | 30.518 | -71.613 |
| 2 Depreciation | 2 | 140.837 | 153.323 |
| 3 Increase in short-term liabilities | 3 | 0 | 124.670 |
| 4 Decrease in short-term receivables | 4 | 79.179 | 74.095 |
| 5 Decrease in inventories | 5 | 0 | 0 |
| 6 Loss on impairment for expected credit losses | 6 | 0 | 0 |
| 7 Other cash flow increase | 7 | 69.361 | 4.360 |
| I Total cash flow increase from operating activities 001+...+007 | 8 | 319.895 | 284.835 |
| 1 Decrease in short-term liabilities | 9 | 15.936 | 0 |
| 2 Increase in short-term receivables | 10 | 0 | 0 |
| 3 Increase in inventories | 11 | 0 | 0 |
| 4 Profit from reversal of provisions for impairment for expected | 12 | 0 | 0 |
| 5 Other cash flow decrease | 13 | 140.197 | 176.574 |
| II Total cash flow decrease from operating activities 009+...+013 | 14 | 156.133 | 176.574 |
| 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 | 5.883 |
| 4 Dividends received | 18 | 0 | 32.593 |
| 5 Other cash receipts from investment activities | 19 | 467.815 | 97.256 |
| III Total cash receipts from investment activities 015+...+019 | 20 | 467.815 | 135.732 |
| 1 Cash payments for the purchase of fixed tangible and intangible | 21 | 76.969 | 25.248 |
| 2 Cash payments for the acquisition of equity financial | 22 | 423.645 | 21.791 |
| 3 Other cash payments from investment activities | 23 | 6.386 | 623.879 |
| IV Total cash payments from investment activities 021+...+023 | 24 | 507.000 | 670.918 |
| 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 | 54.294 | 45.990 |
| VI Total cash payments from financing activities 029+...+033 | 34 | 54.294 | 45.990 |
| VII Cash and cash equivalents at the beginning of period | 35 | 1.541.476 | 1.822.473 |
| VIII Increase of cash and cash equivalents | 36 | 70.283 | 0 |
| IX Decrease of cash and cash equivalents | 37 | 0 | 472.915 |
| X Cash and cash equivalents at the end of period | 38 | 1.611.759 | 1.349.558 |

| STATEMENT OF CHANGES IN EQUITY | | | | | | | | | | | | |
|---|-----------|--------------------------------------|------------------|---|---------------------|----------------|----------------------|--|---|-----------------------------|---|----------------------------|
| for the period from 1.1.2023 to 30.6.2023 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 as at 1 January of the | 1 | 6.164.128 | 1.843.000 | 18.749 | 0 | -1.914 | 125.832 | -29.255 | -2.420.979 | 48.342 | 0 | 5.747.903 |
| Change in accounting policies | 2 | 0 | 0 | 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 | 0 | 0 |
| As at 1 January of the previous year (restated) | 4 | 6.164.128 | 1.843.000 | 18.749 | 0 | -1.914 | 125.832 | -29.255 | -2.420.979 | 48.342 | 0 | 5.747.903 |
| Profit or loss for the period | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85.538 | 0 | 85.538 |
| Unrealised gains or losses on financial assets at fair value through other comprehensive income | 6 | 0 | 0 | 0 | 70.196 | 0 | 0 | 0 | 0 | 0 | 0 | 70.196 |
| Other changes in equity unrelated to | 7 | 0 | 0 | 0 | 0 | -2.204 | -24.148 | 7.611 | 0 | 0 | 0 | -18.741 |
| Total directly recognised income and expenses of the previous year (previous year periods) | 8 | 0 | 0 | 0 | 70.196 | -2.204 | -24.148 | 7.611 | 0 | 85.538 | 0 | 136.993 |
| Increase/decrease in subscribed | 9 | -3.076.316 | 0 | 0 | 0 | 815.960 | 0 | 0 | 2.260.355 | 0 | 0 | -1 |
| Other contributions by owners | 10 | 0 | 0 | 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 | 0 | 0 |
| Other distribution to owners | 12 | 0 | 0 | -18.409 | 0 | -82 | 0 | -11.523 | 48.252 | -48.252 | 0 | -30.014 |
| Balance on the last day of the | 13 | 3.087.812 | 1.843.000 | 340 | 70.196 | 811.760 | 101.684 | -33.167 | -112.372 | 85.628 | 0 | 5.854.881 |
| As at 1 January of the current year | 14 | 3.087.812 | 1.843.000 | 340 | 70.196 | 811.760 | 101.684 | -33.167 | -112.372 | 85.628 | 0 | 5.854.881 |
| Change in accounting policies | 15 | -11.496 | -3.438 | -35 | -27 | 208 | -590 | 10.986 | 4.515 | -123 | 0 | 0 |
| Correction of errors from prior periods | 16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| As at 1 January | 17 | 3.076.316 | 1.839.562 | 305 | 70.169 | 811.968 | 101.094 | -22.181 | -107.857 | 85.505 | 0 | 5.854.881 |
| Profit or loss for the period | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -70.957 | 0 | -70.957 |
| Unrealised gains or losses on financial assets at fair value through other comprehensive income | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes in equity unrelated to owners | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 19 | 0 | 0 | 0 | 19 |
| Total directly recognised income | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 19 | 0 | -70.957 | 0 | -70.938 |
| Increase/decrease in subscribed | 22 | -1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other contributions by owners | 23 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment of share in profit/dividend | 24 | 0 | 1.270 | 5.182 | 0 | 0 | 0 | 0 | -8.420 | 0 | 0 | -1.968 |
| Other distribution to owners | 25 | 0 | 0 | -17.256 | 0 | 0 | 0 | 0 | 85.505 | -85.505 | 0 | -17.256 |
| Balance on the last day of the | 26 | 3.076.315 | 1.840.833 | -11.769 | 70.169 | 811.968 | 101.094 | -22.162 | -30.772 | -70.957 | 0 | 5.764.719 |

NOTES TO FINANCIAL STATEMENTS – TFI

(drawn up for quarterly reporting periods)

Name of issuer: Zagrebačka burza d.d.

Personal identification number (OIB): 84368186611

Reporting period: 1.1.2023-30.6.2023

Type of report: Consolidated

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

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

Detailed information on the basis of preparation of the financial statements are provided in Note 2 to the consolidated financial statements presented in the Annual Report on Group Status and Business Activities in 2022 available on the internet page www.zse.hr (further: the Group's Annual Report).

Significant accounting policies

Financial statements for the reporting period are prepared applying the same accounting policies presented in the consolidated financial statements for 2022 available on the internet page www.zse.hr.

Disclosure of additional information required by IFRSs that are not presented in the 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 in the consolidated statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity are disclosed in the Consolidated unaudited financial result for the period from 1 January to 30 June 2023 as published on the internet page www.zse.hr.

Change of functional currency

Based on the Decision of the Government of the Republic of Croatia regarding the announcement of the introduction of the euro as the official currency in the Republic of Croatia (Official Gazette 85/22), the euro becomes the official monetary unit and legal tender in the Republic of Croatia on 1 January 2023. The fixed conversion rate is set at HRK 7.53450 for one euro.

The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency that is calculated prospectively.

Accounting treatment of a change in functional currency is prescribed by IAS 21 § 37, stating that all items, as of the date of the change (1 January 2023), shall be translated to the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non monetary items are treated as new historical cost.

Impact of change in functional currency on comparative data

A change in functional currency on comparative data represents a change in accounting policy. Accordingly, comparative data in kuna are converted into euro using historical exchange rates for the euro. The balance sheet positions are converted into euro using the final, fixed conversion rate of HRK 7.5345 per 1 euro, while the positions of the statement of comprehensive income, cash flow and capital movements are converted using the middle exchange rate of the Croatian National Bank for 1 euro for the year 2022 which represents an approximation of the historical exchange rates of the euro in 2022, which amounts to HRK 7.53159 for 1 euro.

IAS 21 does not prescribe how capital positions shall be converted into the new functional currency. The company has chosen to apply a fixed conversion rate. As a result, in other comprehensive income for 2022 the amount of HRK 12 thousand is reported as a result of adjusting the movement of capital positions according to the exchange rate on the date of the transaction and the fixed conversion rate according to which the capital positions are converted from HRK to EUR on 1 January 2023.

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

The Group does not have financial commitments, guarantees or contingencies that are not included in the balance sheet as of 30 June 2023, nor has issued securities.

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

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

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 financial statements in the Consolidated result for the quarter.

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

As of 30 June 2023, the Group has liabilities falling due after more than five years in the amount of EUR 5,707.08.

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

7. Average number of employees during the reporting period

The average number of the employees during the reporting period of 2023 is 38.

8. Capitalized costs of salaries during the reporting period

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

9. 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:

| 1.1.2023 | Increase | Decrease | 30.6.2023 |
|----------|----------|----------|-----------|
| eur'000 | eur'000 | eur'000 | eur'000 |

| | | | | |
|--------------------------|-----------|----------|----------|-----------|
| Deferred tax assets | 37 | - | - | 37 |
| Deferred tax liabilities | (19) | - | - | (19) |
| | 18 | - | - | 18 |

10. 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 Group holds a participating share in the capital are presented in Note 1 and Note 13 "Investments in associates and joint ventures" (GFI: "Investments in associates, subsidiaries and joint ventures").

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

By the Decision of the General Assembly dated 12 June 2023, 2,317,850 ordinary registered shares, each with a par value of HRK 10.00 and a total par value of HRK 23,178,500.00 are exchanged for shares with no par value for the purpose of aligning the share capital with the provisions of Article 21 of the Act of Amending the Companies Act (Official Gazette NN No 114/22). The existing rights attached to the status of the Company's shareholders under the Act and Company's Statute remained unchanged.

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

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

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

The Group has no shares in companies having unlimited liability.

14. 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.

15. 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.

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

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

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 the balance sheet

There were no events after the balance sheet date that would affect the financial statements for the reporting period.

Recapitulation of the comparison of the TFI-POD balance sheet and the balance sheet prepared according to IFRS for the second quarter of 2023

| Balance sheet item (IFRS) | Amount (000 EUR) | Balance sheet item (TFI) | AOP | Amount (000 EUR) |
|---|---------------------|---|-----------|---------------------|
| ASSETS | | | | |
| Non-current assets | 3.250 | A. FIXED ASSETS | 1 | 3.249 |
| | 483 | I Intangible assets | 2 | 483 |
| Intangible assets | 326 | I INTANGIBLE ASSETS | 2 | 483 |
| Goodwill | 157 | | | |
| | 483 | | | 483 |
| | 1.432 | II Tangible assets | 3 | 1.431 |
| Property and equipment | 1.128 | 1 Land and buildings | 4 | 1.084 |
| Right-of-use assets | 304 | 2 Computer equipment | 5 | 150 |
| | | 3 Other tangible assets | 6 | 177 |
| | | 4 Leasehold improvements | 7 | 20 |
| | 1.432 | | | 1.431 |
| | 1.297 | III Long term financial assets | | 1.297 |
| Investment in subsidiary | - | 1 Investments in associates, subsidiaries and joint ventures | 10 | 1.206 |
| Investment in associate and joint venture | 1.206 | | | |
| | 1.206 | | | 1.206 |
| Financial assets at fair value through other comprehensive income | 31 | 2 Financial assets at amortised cost (long term) | 11 | 61 |
| Long term deposits | 33 | 3 Financial assets at fair value through other comprehensive income | 12 | 30 |
| Borrowings to associated company | 27 | | | |
| | 91 | | | 91 |
| | 1.297 | | | 1.297 |
| Deferred tax assets | 38 | Deffered tax assets | 13 | 38 |

| | | | | |
|---|--------------|--|-----------|--------------|
| CURRENT ASSETS | 3.680 | B CURRENT ASSETS | 14 | 3.681 |
| | | I RECEIVABLES | 15 | 394 |
| Trade receivables and other assets | 393 | 1 Trade receivables | 16 | 241 |
| | | 2 Receivables from employees and members of the undertaking | 17 | 3 |
| | | 3 Receivables from government and other institutions | 18 | 34 |
| | | 4 Receivables from connected undertakings | 19 | - |
| | | 5 Other receivables | 20 | 116 |
| | 393 | | | 394 |
| | 1.937 | II SHORT-TERM FINANCIAL ASSETS | 21 | 1.937 |
| Short-term deposits | 815 | 1 Financial assets at amortised cost | 22 | 815 |
| Financial assets at fair value through profit or loss | 1.122 | 3 Financial assets at fair value through statement of profit or loss | 24 | 1.122 |
| | 1.937 | | | 1.937 |
| Cash and cash equivalents | 1.350 | III CASH AND CASH EQUIVALENTS | 25 | 1.350 |
| | 278 | C PREPAID EXPENSES AND ACCRUED INCOME | 26 | 278 |
| Costs of future periods | 238 | C PREPAID EXPENSES AND ACCRUED INCOME | 26 | 278 |
| Contractual assets | 40 | | | |
| | | | | 278 |
| TOTAL ASSETS | 7.208 | D TOTAL ASSETS | 27 | 7.208 |
| CAPITAL AND LIABILITIES | | | | |
| Capital and reserves | 5.765 | A Capital and reserves | 29 | 5.765 |
| Issued share capital | 3.077 | I INITIAL CAPITAL | 30 | 3.076 |
| Share premium | 1.841 | II CAPITAL RESERVES | 31 | 1.841 |
| | 950 | III PROFIT RESERVES | 32 | 871 |
| Legal reserves | 19 | 1 Legal reserves | 33 | 19 |
| Own shares | (30) | 2 Reserves for own shares | 34 | (30) |

| | | | | |
|---------------------------------------|--------------|--|-----------|--------------|
| Other reserves | 816 | 3 Fair value reserves | 35 | 70 |
| Fer value reserves | 70 | 4 Other reserves | 36 | 812 |
| Revaluation reserves | 101 | | | |
| Actuarial gains / losses | (4) | | | |
| Trasnlation reserves | (22) | IV REVALUATION RESERVES | 37 | 101 |
| | | V RESERVES FROM EXCHANGE RATE DIFFERENCES FROM THE TRANSLATION OF FOREIGN OPERATIONS | 38 | (22) |
| Accumulated income (loss) | (103) | IV Retained profit of loss brought forward | 39 | (31) |
| | | V Profit or loss for the year | 40 | (71) |
| | (103) | | | (102) |
| | 5.765 | | | 5.765 |
| Long term liabilities | 307 | Long term liabilities and provisions | 47 | 306 |
| Long term business lease liabilities | 251 | B Provisions | 42 | 36 |
| Employee benefits | 13 | D Long term liabilities | 50 | 251 |
| Long term contract liabilities | 24 | E Deferred tax liabilities | 51 | 19 |
| Deferred tax liabilities | 19 | | | |
| | 307 | | | 306 |
| Short term liabilities | 539 | C SHORT TERM LIABILITIES | 43 | 485 |
| Trade and other payables | 490 | 1 Advance payments received | 44 | 6 |
| Short term business lease liabilities | 49 | 2 Trade payables | 45 | 214 |
| | | 3 Liabilities to employees | 46 | 100 |
| | | 4 Taxes, contributions and similar liabilities | 47 | 77 |
| | | 5 Liabilities to related undertakings | 48 | - |
| | | 6 Other short-term liabilities | 49 | 88 |
| | 539 | | | 485 |

| | | | |
|-------------------------------------|--------------|---------------------------------------|--------------|
| Contract liabilities | 597 | F Accruals and deferred income | 652 |
| Contract liabilities | 597 | | |
| Accrued expenses | - | | |
| | 597 | | 652 |
| Total equity and liabilities | 7.208 | | 7.208 |

Recapitulation of the comparison of the TFI-POD profit and loss account and other comprehensive income prepared according to IFRS for the second quarter of 2023

| P&L item (IFRS) | Amount (000 EUR) | P&L item (TFI) | | Amount (000 EUR) |
|---|------------------------|--|----|------------------------|
| Operating income | 1.712 | A OPERATING INCOME | 1 | 1.713 |
| Sales revenue | 1.094 | I Sales revenue | 2 | 1.094 |
| Other operating income | 618 | II Other operating income | 9 | 619 |
| | 1.712 | | | 1.713 |
| Operating expenses | 1.795 | B OPERATING EXPENSES | 13 | 1.796 |
| Staff costs | 900 | II Staff costs | 17 | 833 |
| Other employee costs (GFI AOP 22) | 12.195 | | | |
| | 13.095 | | | 833 |
| | 742 | | | 810 |
| Other operating expenses | 742 | I Material costs | 14 | 540 |
| Expenses reported under Staff costs | (12.195) | IV Other costs | 22 | 262 |
| | | V Value adjustment 024+025 | 23 | - |
| | | VII Other operating expenses | 27 | 8 |
| | (11.453) | | | 810 |
| Depreciation | 153 | III Depreciation | 21 | 153 |
| Net finance income | 16 | Net finance income | | 16 |
| Financial income | 6 | C FINANCIAL INCOME | 28 | 22 |
| Financial expenses | (6) | D FINANCIAL EXPENSES | 35 | (6) |
| Dividend income | 33 | | | |
| Net gains/losses from changes in fair value of financial assets through profit and loss | (17) | | | |
| Net foreign exchange gain/(loss) | | | | |
| Share of profit (loss) in joint venture and associates | (6) | G Share in profit/loss of associates and subsidiaries | | (6) |
| | (6) | | | (6) |
| Profit before tax | (73) | H PRE-TAX PROFIT OR LOSS | 44 | (73) |
| Income tax | (1) | I INCOME TAX | 45 | (1) |
| Profit for the period | (72) | J PROFIT OR LOSS FOR THE PERIOD | 46 | (72) |
| Total other comprehensive income | 0 | K OTHER COMPREHENSIVE INCOME | 53 | 0 |
| Total comprehensive profit for the period | (72) | TOTAL COMPREHENSIVE INCOME | 54 | (72) |