



ZAGREBAČKA BURZA
Zagreb Stock Exchange



LJUBLJANSKA BORZA
LJUBLJANA Stock Exchange

Zagreb Stock Exchange Group

Consolidated unaudited financial results for

01/01/2019 – 31/03/2019

30 April 2019

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1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 01/01/2019 AND 31/03/2019

1.1 Significant business events of the Group in the period between 01/01/2019 and 31/03/2019

In the first quarter of 2019, the Zagreb Stock Exchange Group (hereinafter: the Group) recorded the following significant business events:

- On January 2, 2019, the Zagreb Stock Exchange successfully implemented the Cross Request functionality in the trading system.
- On January 3, 2019, the Zagreb Stock Exchange and Podravka signed a contract for transferring the Podravka Company from the Official to the Prime Market.
- On January 3, 2019, the BC Institute was admitted to the Progress market.
- On January 15, 2019, the Croatian Financial Services Supervisory Agency has approved the new Price List for the Zagreb Stock Exchange.
- On January 29, 2019, the Croatian Financial Services Supervisory Agency approved the registration of the Zagreb Stock Exchange's Progress Market as an SME growth market, making Progress among the few SME growth markets in Europe.
- On 18 February, 2019, the Zagreb Stock Exchange has started to release a new share index, the index of Prime market CROBEXprime. CROBEXprime presents the so-called free float market capitalization weighted index, in which the weight of each share will be determined in accordance with its free float market capitalization.
- On March 22, 2019, the Zagreb Stock Exchange made a decision on termination the listing of Dalma d.d., Imunološki zavod d.d., Jadran film d.d. and Tankerkomerc d.d. for non-fulfillment of obligations.
- In the first quarter of 2019, two campaigns were carried out on the Funderbeam SEE platform, for the TDA-Top Digital Agency Company, where the amount of EUR 350,000 was collected and for the OmoLab Company, which raised the amount of EUR 430,000.
- On February 1, 2019, the Company Interkapital started performing the business of market maker on the Ljubljana Stock Exchange for stocks of Krka and Triglav osiguranje.
- On March 22, 2019, the Ljubljana Stock Exchange hosted a webcast called "Slovenian Listed Companies Online"
- In the period from 25 to 27 March 2019, the Ljubljana Stock Exchange had Open doors days.

1.2 Expected future development of the Group

In 2019, the Group will continue to focus on restoring confidence and raising Corporate Governance standards and reporting on a regulated market. The Group will also focus on greater promotion of existing issuers, with a focus on Prime Market.

The Group will 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).

By the end of 2019, extensive activities regarding moving to a new version of the T7 trading system will be ended.

1.3 Research & Development activities

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

1.4 Information on repurchase of own shares

As at 31 March 2019, the companies in the Group held no own shares.

They did not acquire own shares between 1 January 2019 and 31 March 2019.

1.5 Zagreb Stock Exchange Group

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 %.

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 %.

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 Zagreb Stock Exchange, Inc. participates with 20%.

1.6 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).

1.7 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 Stock Exchange and Ljubljana Stock Exchange: monitoring of compliance with relevant regulations and internal audit function.

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

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

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

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

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

The Group confirms that there were no transactions within the Group and between the Group and its shareholders in excess of EUR 100,000 in the first quarter of 2019.

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

The Group confirms that there were no events which might have an adverse effect on Group operations in the first quarter of 2019.

1.11 Business results for 01/01/2019 – 31/03/2019

In the first quarter of 2019, the Group total operating income amounted to HRK 5,103,214, representing a decline by -9.49% year-on-year. A significant drop was recorded in revenues from trading fees (-24.3%) which is related to a turnover decrease on both markets, and in other operating revenues (-29.5%). In addition, the revenues from listing fees (-13.5%), revenues from membership fees (-11.2%), revenues from the maintenance of quotation fees (-5.2%) and revenues from LEI assignment and maintenance fees (-1.8%) also shrank. The decline by -63.5% in revenues from Progress Market compared to the first quarter of 2018 was associated with a double income booking in 2018. The reason for this was the approval of amendments to the Price list by HANFA on 22 December 2017, which came into force on 2 January 2018. For this reason, revenues from fees for obtaining an advisory status for 2017 were recorded in the first quarter of 2018.

In the observed period, educational services revenue increased by significant +165.7% and OTC transactions / APA disclosure fees increased by + 104.6%. Revenue growth was also recorded in revenues from exchange data dissemination fees (+17.5%) while revenues from OTC data disclosure fees remained at almost the same amount.

The Group's total operating costs, in the first quarter of 2019, increased by 1.61% compared to the first quarter of 2018, and amounted to HRK 5,546,057. Office space rent and related costs decreased by -48.4% due to the fact that since January 1, 2019, the Group applies IFRS 16 and now the expense of long-term rent is recognized as current assets and amortized. The impact on the final result of this change in IFRS is marginal. Staff costs also decreased by -0.7%. The increase was recorded at the following costs: depreciation and amortization (+57.4%), other operating expenses (+13.2%), administrative fees (+2.3%) and software costs (+0.3%).

The biggest increase compared to the same period last year was recorded in financial income, which increased by approximately HRK 450 thousand and amounted to HRK 471,178, as a result of investing free funds into investment funds. Group Financial Expenses also increased by slightly over HRK 13,000 and amounted to HRK 19,180.

In the first quarter of 2019, the Group's total profit was HRK 9,627, a decrease of 93.64% over the same period last year. Operating profit before interest, taxes, depreciation and amortization is positive but lower by -93.39% and amounted to HRK 19,448.

2 Declaration of responsibility for the preparation of financial statements

Unaudited financial statements of the Group prepared for the period between 01/01/2019 and 31/03/2019 give a fair and true account of facts in accordance with the International Standards of Financial Reporting and the Croatian Accounting Act.

Consolidated unaudited financial statements for the period between 01/01/2019 and 31/03/2019 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Group.

The management report for the first quarter of 2019 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.


Ivana Gažić
President of the Management Board


ZAGREBAČKA BURZA d.d.
Zagreb 1


Tomislav Gračan
Member of the Management Board

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Consolidated unaudited financial statements of the
Company for 01/01/2019 – 31/03/2019

Annex 1**ISSUER'S GENERAL DATA**Reporting period: to Year: Quarter: **Quarterly financial statements**Registration number (MB): Issuer's home Member State code: Entity's registration number (MBS): Personal identification number (OIB): LEI: Institution code: Name of the issuer: Postcode and town: Street and house number: E-mail address: Web address: Number of employees (end of the reporting period): Consolidated report: (KN-not consolidated/KD-consolidated)Audited: (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:	<input type="text" value="Yes"/>	(Yes/No)	<input type="text" value="Sigma Tax Consulting d.o.o."/>
	(name of the bookkeeping firm)		
Contact person:	<input type="text" value="Lucija Tropčić"/>		
	(only name and surname of the contact person)		
Telephone:	<input type="text" value="01/4699-555"/>		
E-mail address:	<input type="text" value="lucija.tropcic@sigmabc.eu"/>		
Audit firm:	<input type="text"/>		
	(name of the audit firm)		
Certified auditor:	<input type="text"/>		
	(name and surname)		

BALANCE SHEET
balance as at 31.3.2019

in HRK

Submitter: Zagrebačka burza d.d.			
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	20.003.117	18.935.520
I INTANGIBLE ASSETS	2	2.890.552	2.762.635
II TANGIBLE ASSETS 004+...+008	3	14.197.036	13.706.767
1 Land and buildings	4	12.318.121	10.455.205
2 Computer equipment	5	351.621	243.883
3 Other tangible assets	6	1.527.294	1.303.248
4 Leasehold improvements	7	0	1.704.431
5 Assets under construction	8	0	0
III FIXED FINANCIAL ASSETS 010+011	9	2.618.665	2.181.687
1 Investments in associates, subsidiaries and joint ventures	10	120.697	32.389
2 Financial assets at amortised cost	11	2.497.968	2.149.298
DEFERRED TAX ASSETS	12	296.864	284.431
B CURRENT ASSETS 014+020+024	13	25.538.385	28.232.650
I RECEIVABLES 015+...+019	14	2.839.526	2.772.261
1 Trade receivables	15	2.447.866	2.003.755
2 Receivables from employees and members of the undertaking	16	14.792	12.117
3 Receivables from government and other institutions	17	311.457	231.944
4 Receivables from connected undertakings	18	0	0
5 Other receivables	19	65.411	524.445
III SHORT-TERM FINANCIAL ASSETS 021+...+023	20	20.849.966	23.238.319
1 Financial assets at amortised cost	21	2.632.655	4.086.627
2 Financial assets at fair value through other comprehensive income	22	0	0
3 Financial assets at fair value through statement of profit or loss	23	18.217.311	19.151.692
III CASH AND CASH EQUIVALENTS	24	1.848.893	2.222.070
C PREPAID EXPENSES AND ACCRUED INCOME	25	979.777	1.772.068
D TOTAL ASSETS 001+013+025	26	46.521.279	48.940.238
E OFF-BALANCE SHEET ITEMS	27	0	0
LIABILITIES			
A CAPITAL AND RESERVES 029+030+031+036+037+038	28	39.878.927	39.525.478
I INITIAL CAPITAL	29	46.357.000	46.357.000
II CAPITAL RESERVES	30	13.860.181	13.860.181
III PROFIT RESERVES 032+...+035	31	1.037.018	763.299
1 Legal reserves	32	141.000	141.000
2 Reserves for treasury shares	33	0	0
3 Fair value reserves	34	0	0
4 Other reserves	35	896.018	622.299
IV RETAINED PROFIT OR LOSS BROUGHT FORWARD	36	#####	#####

V PROFIT OR LOSS FOR THE YEAR	37	-3.754.703	9.618
VI MINORITY INTEREST	38	0	0
B PROVISIONS	39	0	0
C SHORT-TERM LIABILITIES 041+...046	40	2.526.469	1.720.341
1 Liabilities for advance payments	41	9.186	10.327
2 Trade payables	42	1.293.588	729.750
3 Liabilities to employees	43	665.502	614.349
4 Taxes, contributions and similar liabilities	44	481.689	322.320
5 Liabilities to connected undertakings	45	0	0
6 Other short-term liabilities	46	76.504	43.595
D LONG-TERM LIABILITIES	47	85.986	1.587.438
E DEFERRED TAX LIABILITY	48	240.262	223.275
F ACCRUALS AND DEFERRED INCOME	49	3.789.635	5.883.706
G TOTAL LIABILITIES 028+039+040+047+048+049	50	46.521.279	48.940.238
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	39.878.927	39.525.478
1 Attributable to owners of the parent	53	39.878.927	39.525.478
2 Attributable to non-controlling interest	54	0	0

STATEMENT OF PROFIT OR LOSS
For the period 01.01.2019. to 31.03.2019.

in HRK

Submitter: Zagrebačka burza d.d.

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	5.638.031	5.638.031	5.103.214	5.103.214
I Sales revenue 003+...+008	2	3.962.362	3.962.362	3.283.921	3.283.921
1 Commissions and membership fees	3	1.940.316	1.940.316	1.483.006	1.483.006
2 Listing maintenance fees	4	1.529.466	1.529.466	1.477.500	1.477.500
3 Income from quotation maintenance	5	387.259	387.259	220.804	220.804
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	105.321	105.321	102.611	102.611
II Other operating income 010+...+012	9	1.675.669	1.675.669	1.819.293	1.819.293
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	1.240.290	1.240.290	1.417.773	1.417.773
3 Other income	12	435.379	435.379	401.520	401.520
B OPERATING EXPENSES 014+017+021+022+023+026+027	13	5.458.220	5.458.220	5.546.057	5.546.057
I Material costs 015+016	14	1.969.383	1.969.383	1.812.153	1.812.153
1 Costs of raw materials	15	189.936	189.936	144.073	144.073
2 Other external costs	16	1.779.447	1.779.447	1.668.080	1.668.080
II Staff costs 018+...+020	17	2.497.936	2.497.936	2.492.523	2.492.523
1 Net salaries and wages	18	1.685.176	1.685.176	1.671.664	1.671.664
2 Tax and contributions from salary costs	19	600.252	600.252	607.744	607.744
3 Payroll contributions	20	212.508	212.508	213.115	213.115
III Depreciation	21	294.196	294.196	462.291	462.291
IV Other costs	22	691.567	691.567	776.368	776.368
V Value adjustment 024+025	23	0	0	2.470	2.470
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	0	0	2.470	2.470
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	5.138	5.138	252	252
C FINANCIAL INCOME 029+...+034	28	23.109	23.109	471.178	471.178
1 Interest, exchange rate differences, dividends and similar income from relations with related parties	29	0	0	14	14
2 Interest, exchange rate differences, dividends and similar income from relations with third parties	30	15.477	15.477	10.069	10.069
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	7.632	7.632	458.710	458.710
5 Profit from reversal of provisions for impairment for expected credit losses	33	0	0	0	0
6 Other financial income	34	0	0	2.385	2.385

D FINANCIAL EXPENSES 036+...+040	35	5.581	5.581	19.180	19.180
1 Interest, exchange rate differences and other expenditures with related parties	36	0	0	0	0
2 Interest, exchange rate differences and other expenditure from relations with third parties	37	5.528	5.528	19.180	19.180
3 Unrealised losses (expenses) from financial assets	38	0	0	0	0
4 Loss on impairment for expected credit losses	39	0	0	0	0
5 Other financial expenses	40	53	53	0	0
E TOTAL INCOME 001+028	41	5.661.140	5.661.140	5.574.392	5.574.392
F TOTAL EXPENDITURE 013+035	42	5.463.801	5.463.801	5.565.237	5.565.237
G Share in profit/loss of associates and subsidiaries	43	-20.856	-20.856	-9.451	-9.451
H PRE-TAX PROFIT OR LOSS 041-042+043	44	176.483	176.483	-296	-296
I INCOME TAX	45	25.192	25.192	-9.923	-9.923
J PROFIT OR LOSS FOR THE PERIOD 044-045	46	151.291	151.291	9.627	9.627
1 Change in revaluation reserves (property, plant, equipment and intangible assets)	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	0	0
5 Gains/losses arising from translation of financial statements relating to foreign operations	51	-199.164	-199.164	12.102	12.102
6 Income tax on other comprehensive income	52	0	0	0	0
K OTHER COMPREHENSIVE INCOME 047+...+052	53	-199.164	-199.164	12.102	12.102
TOTAL COMPREHENSIVE INCOME 046+053	54	-47.873	-47.873	21.729	21.729
M RECLASSIFICATION ADJUSTMENTS	55	0	0	0	0
Appendix **					
Attributable to owners of the parent	56	-47.873	-47.873	21.729	21.729
Attributable to non-controlling interest	57	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. to 31.03.2019.

in HRK

Submitter: Zagrebačka burza d.d.			
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	176.483	-296
2 Depreciation	2	294.196	462.291
3 Increase in short-term liabilities	3	25.192	0
4 Decrease in short-term receivables	4	401.379	645.994
5 Decrease in inventories	5	702	468
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	980.955	1.695.799
I Total cash flow increase from operating activities 001+...+007	8	1.878.907	2.804.256
1 Decrease in short-term liabilities	9	980.502	587.991
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 credit losses	12	0	0
5 Other cash flow decrease	13	364.730	618.394
II Total cash flow decrease from operating activities 009+...+013	14	1.345.232	1.206.385
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sale of fixed tangible and intangible assets	15	1.528.994	0
2 Cash receipts the from sale of equity instruments and debt instruments	16	0	0
3 Interest received	17	0	0
4 Dividends received	18	0	0
5 Other cash receipts from investment activities	19	371.138	0
III Total cash receipts from investment activities 015+...+019	20	1.900.132	0
1 Cash payments for the purchase of fixed tangible and intangible assets	21	38.437	352.816
2 Cash payments for the acquisition of equity financial instruments and debt financial instruments	22	0	0
3 Other cash payments from investment activities	23	0	1.464.157
IV Total cash payments from investment activities 021+...+023	24	38.437	1.816.973
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	40.318	0
V Total cash receipts from financing activities 025+...+027	28	40.318	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	0	0
VI Total cash payments from operating activities 029+...+033	34	0	0
VII Cash and cash equivalents at the beginning of period	35	1.848.893	2.441.171
VIII Increase of cash and cash equivalents	36	2.435.688	0
IX Decrease of cash and cash equivalents	37	0	219.102
X Cash and cash equivalents at the end of period	38	4.284.581	2.222.069

STATEMENT OF CHANGES IN EQUITY

for the period from **1.1.2019** to **31.3.2019**

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	8	9		
1	2	3	4	5	6	7	8	9	10	11		
Balance on the first day of the previous business year	1	#####	#####	141.000	-3.754.703	#####	0	896.018	0	0	39.878.926	
Change in accounting policies	2	0	0	0	0	-323.871	0	0	0	0	-323.871	
Correction of errors from prior periods	3	0	0	0	0	0	0	0	0	0	0	
Balance on the first day of the previous year (restated)	4	#####	#####	141.000	-3.754.703	#####	0	896.018	0	0	39.555.055	
Profit or loss for the period	5	0	0	0	189.554	0	0	0	0	0	189.554	
Unrealised gains or losses on financial assets at fair value through other comprehensive income	6	0	0	0	0	0	0	0	0	0	0	
Other changes in equity unrelated to owners	7	0	0	0	0	0	0	-241.002	0	0	-241.002	
Total directly recognized income and expenses of the previous year (previous year periods)	8	0	0	0	189.554	0	0	-241.002	0	0	-51.448	

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: _____

Personal identification number (OIB):

Reporting period: _____

Notes to financial statements for quarterly periods include:

a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the quarterly reporting period c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes d) a description of the financial performance in the case of the issuer whose business is seasonal.