



ZAGREBAČKA
BURZA

Zagreb Stock Exchange

Zagreb Stock Exchange, Inc.

Unconsolidated unaudited financial results for

01/01/2019 – 31/12/2019

24 February 2020

CONTENTS

1	INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 01/01/2019 AND 31/12/2019	1
1.1	Significant business events of the Zagreb Stock Exchange, Inc. in the period between 01/01/2019 and 31/12/2019.....	1
1.2	Trading in 2019.....	4
1.3	Expected future development of the Company.....	7
1.4	Research & Development activities	7
1.5	Information on repurchase of own shares.....	7
1.6	Subsidiaries of the Company.....	8
1.7	Financial instruments used by the Company	8
1.8	Company's objectives and policies related to financial risk management	8
1.9	Company's exposure to price risk, credit risk, liquidity risk and cash flow risk.....	9
1.10	Statement of transactions and transfers between the Company and its subsidiaries and shareholders	9
1.11	Statement of events which might have an adverse effect on Company operations	9
1.12	Business results for 01/01/2019 – 31/12/2019	9
2	Declaration of responsibility for the preparation of financial statements	12
	Unconsolidated unaudited financial statements of the Company for 01/01/2019 – 31/12/2019.....	13

1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 01/01/2019 AND 31/12/2019

1.1 Significant business events of the Zagreb Stock Exchange, Inc. in the period between 01/01/2019 and 31/12/2019

In 2019, the Zagreb Stock Exchange, Inc. (hereinafter: the Company or the Exchange) 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 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 February 18, 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.
- On April 26, 2019, the Zagreb Stock Exchange and Valamar Riviera signed a contract for the transfer of Valamar Riviera from the Official to the PRIME Market.
- On May 16, 2019, the Company Lux investment was admitted to trading on the Progress market.
- At the end of May, the 6th Zagreb and Ljubljana Stock Exchange Investor Days were held, attended by fifteen issuers from the Zagreb and Ljubljana Stock Exchange, who held 255 meetings with investors from nine countries in two days.
- On June 7, 2019, the 10th annual education of the Zagreb Stock Exchange, the Croatian Financial Services Supervisory Agency and the Central Depository & Clearing Company was held. The education was intended for companies whose financial instruments are listed on the regulated market of the Zagreb Stock Exchange.

- On June 19, 2019, the first joint Zagreb and Ljubljana stock exchange Prime market index – ADRIAprime, was published.
- On June 27, 2019, the Zagreb Stock Exchange General Assembly was held, whereby the Annual Financial Statements and Consolidated Financial Statements of the Exchange for 2018 were presented, decisions made on the use of the profit realized in 2018, on the release of the members of the Management Board and the Supervisory Board for 2018 and on the appointing a stock exchange auditor for 2019.

On July 1, 2019, the Zagreb Stock Exchange made a decision on termination the listing of Hoteli Makarska d.d. because the merger of Hoteli Makarska d.d. to IMPERIAL RIVIERA d.d. led to terminating the Issuer and the financial instrument.

- On July 25, 2019, the Zagreb Stock Exchange made a decision on termination the listing of Metalska industrija Varaždin d.d. for the purpose of carrying out the corporate action of transferring shares of minority shareholders of Metalska industrija Varaždin d.d. to the major shareholder HAWLE d.o.o. by which the financial instrument ceases to be eligible for listing on the Regular Market.
- On July 25, 2019, the Zagreb Stock Exchange made a decision on termination the listing of Questus nekretnine d.d. in liquidation because of termination of the Issuer and the financial instrument.
- In July 2019, HANFA acknowledged the Zagreb Stock Exchange as a provider of appropriate education and exams for the relevant functions defined by the Ordinance on Qualifications and Personnel Requirements for the Investment Services as providing information to clients about financial instruments and investment services. This qualification has been included in the list of recognized qualifications on the HANFA site as a "ZSE L1 certificate". The request concerned the recognition of a qualification for the first level competencies - 'Information', which, in accordance with the provisions of the Qualifications Regulations, includes competences for providing services (providing information to users regarding investment services and activities and ancillary services of the company) and informing about instruments (providing information to users related to financial instruments or structured deposits).
- On August 27, 2019, the Zagreb Stock Exchange made a decision for the transfer of Uljanik d.d. from Official to Regular Market of the Exchange for failure to fulfil the conditions and / or obligations after listing on the Official Market on 2 (two) consecutive periodic reviews.
- On August 30, 2019, the Zagreb Stock Exchange made a decision on termination the listing of Pounje d.d. for failure to fulfil obligations prescribed by the Rules of the Exchange after 2 (two) consecutive periodic reviews have been carried out, as well as multiple and repeated violations of the Rules and other acts of the Exchange.

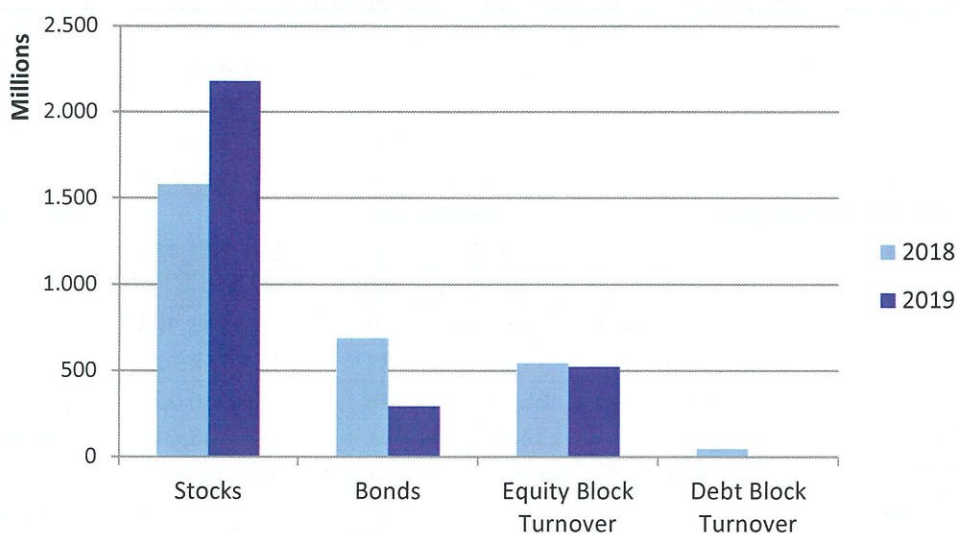
- On September 4, 2019, the Warsaw Stock Exchange, in cooperation with the stock exchanges from the Czech Republic, Slovakia, Hungary, Romania, Croatia and Slovenia, launched the calculation of the new CEEplus stock index, which includes four shares from the Ljubljana Stock Exchange and two shares from the Zagreb Stock Exchange.
- On October 3, 2019, the Zagreb Stock Exchange held the first Investment Webcast for Prime Market.
- On October 15, 2019, at the conference "Quality of Corporate Governance", the new Code of Corporate Governance of the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange was officially adopted.
- At the end of October 2018, the eighth joint conference of the Zagreb Stock Exchange and investment fund industry entitled "Challenge of Change" was held in Rovinj. The Conference represents a central event of the entire Croatian financial community, as well as that of the region.
- On November 25, 2019, the Croatian Financial Services Supervisory Agency approved the new Exchange Rules, which entered into force on December 9, 2019. The new Rules regulate stock market operations after the transition to the new version of the Xetra T7 trading platform and regulate in detail the post-listing eligibility check for all issuers, with the aim of increasing transparency on the Zagreb Stock Exchange.
- On December 9, 2019, a new version of the Xetra T7 trading platform was implemented on the Zagreb and Ljubljana Stock Exchange.
- On December 12, 2019, the Zagreb Stock Exchange Awards were officially presented.
- On December 12, 2019, the Croatian Financial Services Supervisory Agency issued a decision on the registration of the Zagreb Stock Exchange as an administrator of insignificant benchmarks based on regulated data in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or for measuring the performance of investment funds and amending Directives 2008/48 / EC and 2014/17 / EU and Regulation (EU) No 1095/2010. 596/2014.
- On December 18, 2019, the Zagreb Stock Exchange acquired 5.3% of the Macedonian Stock Exchange's ownership.
- In 2018, Corporate Communications took over the organization of education and exams in relation to the Ordinance on Qualifications and Personnel Requirements for the Investment Services, following HANFA's approval. By the end of 2019, education and/or exams were conducted for almost 400 employees of two banks in 4 regional centres.

- In 2019, the Price List of the Exchange has been amended twice. The First Amendments to the Price List came into force on January 23, 2019. As part of these amendments, the amount of membership fee was reduced and a number of new fees were introduced, namely fees for changing the designation of a financial instrument, for termination of listing on the regulated market, for data vendors who redistribute data on transactions reported through ZSE APA service, fees for issuing certificates on the status of a member and/or the market maker, and prescribes general principles or types of discounts that the Exchange may grant to its users. On August 15, 2019, the Second Amendments to the Price List entered into force. These Amendments have changed the methodology for determining the listing price of shares and bonds on the regulated market and the listing maintenance fee in such a way that the respective fee is calculated on the basis of market capitalization, which is a standard accepted among comparable European stock exchanges. The alignment of the business and legal regulation of the Exchange with the standards of other exchanges in the European Union is, among other things, one of the reasons for the changes in the Price List.
- In 2019, four new Bonds (Republic of Croatia - Ministry of Finance, February 5, two on November 27, and Jadran – Galenski laboratorij d.d., December 18) and two new Shares (Meritus ulaganja d.d., August 6, and Professio Energia d.d., October 4) were listed.
- During 2019, four campaigns were carried out on the Funderbeam SEE platform, for the TDA-Top Digital Agency Company, where the amount of EUR 416,000 was collected, for the OmoLab Company, which raised the amount of EUR 240,000, for Include, where the amount of nearly EUR 1.5 million was raised, and for Fresh Island, which had raised over EUR 700,000.

1.2 Trading in 2019

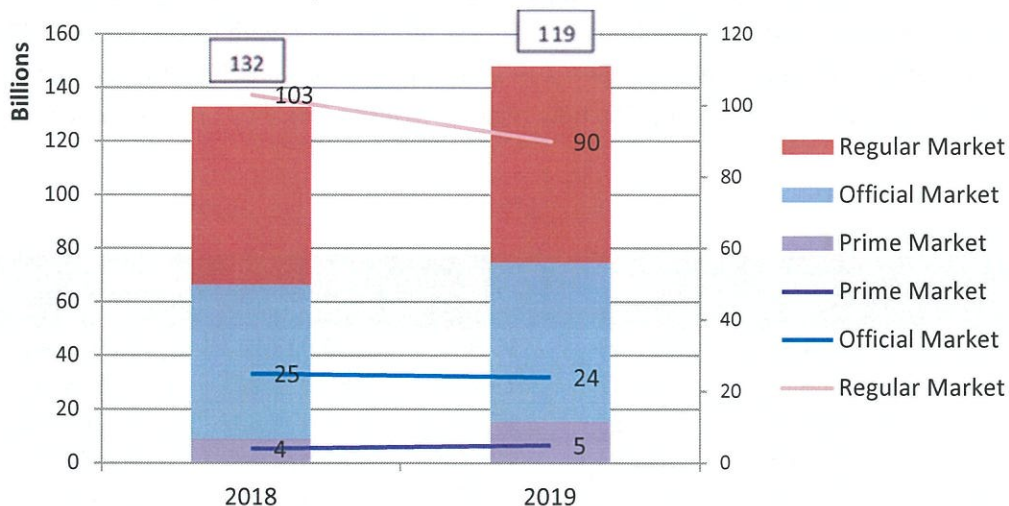
The year behind us was marked by considerable trading volatility but its second half recorded a mostly positive trend, primarily as a result of increased investor interest in the shares of confectioner Kraš d.d.

Securities trading (HRK)



This also benefited the rest of the market to a certain extent, so trading indicators improved: order book trading turnover rose 9%, with share trading growing 38%. Overall, trading was almost 5% stronger than a year earlier.

Equity Market Capitalization (HRK) and number of listed shares



Market value as measured by market capitalisation increased by a sizeable 13% in total, with equity market capitalisation up 11.5%.

Trading overview

	2018	2019	change
Securities trading (HRK)			
Orderbook turnover	2,265,671,578	2,471,654,732	9.09%
Stocks	1,579,186,074	2,179,124,772	37.99%
Bonds	686,485,504	292,529,960	-57.39%
Equity Block Turnover	542,352,468	522,597,696	-3.64%
Debt Block Turnover	46,040,034	0	-100.00%
TOTAL	2,854,064,079	2,994,252,428	4.91%
Equity Market Capitalization (HRK)			
Prime market	9,025,809,770	15,395,492,904	70.57%
Official market	57,304,941,333	59,131,758,922	3.19%
Regular market	66,417,792,928	73,456,186,221	10.60%
TOTAL	132,748,544,031	147,983,438,047	11.48%
Number of listed securities			
Stocks	132	119	-9.85%
Prime market	4	5	25.00%
Official market	25	24	-4.00%
Regular market	103	90	-12.62%
Bonds	25	26	4.00%
TOTAL	157	145	-7.64%

Some indices retreated (CROBEXkonstrukt, CROBEXturst and CROBEXtransport) while others advanced at a two-digit pace: CROBEXnutris (+38.18%) led the way, with CROBEXtr (+19.42%), which reflects an excellent dividend yield, CROBEX10 (+18%), CROBEXplus (+17%), CROBEXprime (+16.42%) and CROBEX (+15.36%) following suit. The new regional ADRIAprime index rose almost 11%.

Indices – value and turnover

Index	31.12.2018	31.12.2019	change	Trading 2018 (HRK)	Trading 2019 (HRK)	change
CROBEX	1,748.81	2,017.43	15.36%	1,260,023,211	1,350,953,901	7.22%
CROBEXtr	1,129.13	1,348.37	19.42%	1,260,023,211	1,350,953,901	7.22%
CROBEX10	1,017.07	1,199.89	17.98%	1,064,474,807	1,105,200,099	3.83%
CROBEXplus	947.63	1,108.73	17.00%	1,235,672,482	1,746,444,397	41.34%
CROBEXindustrija	853.81	870.48	1.95%	191,356,757	187,629,843	-1.95%
CROBEXkonstrukt	496.32	432.14	-12.93%	35,690,124	17,588,508	-50.72%
CROBEXnutris	498.62	689.01	38.18%	196,622,769	663,015,538	237.20%
CROBEXprime	1,000.00	1,164.17	16.42%	-	* 460,385,377	-
CROBEXtransport	791.07	*** 750.13	-5.18%	76,990,599	** 29,622,504	-61.52%
CROBEXturst	3,538.52	3,456.83	-2.31%	374,778,551	345,681,037	-7.76%
CROBIS	110.99	115.59	4.15%	10,394,666,546	9,656,303,872	-7.10%
CROBIstr	174.21	187.18	7.45%	10,394,666,546	9,656,442,652	-7.10%
Regional Index	30.04.2019	31.12.2019	change			
ADRIAprime	1,000.00	1,109.27	10.93%			

* Trading from 18.02.2019

** Trading until 14.10.2019 when temporary suspension starts

*** Value on 14.10.2019 when temporary suspension starts

The most heavily traded shares were those of Kraš d.d., followed by hotelier Valamar Riviera d.d. and Hrvatski Telekom d.d. (Croatian Telecom Inc.). Approximately one half of the turnover was concentrated in the 10 most liquid shares.

The year 2019 also saw two new listings (Meritus ulaganja d.d. and Professio Energia d.d.) while Valamar Riviera d.d. made a transition to the Prime Market, the most demanding market segment.

1.3 Expected future development of the Company

In 2020, 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 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).

In 2020, the Company plans to launch new websites, common to the Zagreb and Ljubljana Stock Exchange, for the first time since 2007.

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.

During the second half of 2019, the Company began migrating the Ljubljana Stock Exchange's downstream system to the Company's internally developed data warehouse system.

1.5 Information on repurchase of own shares

As of December 31, 2019, the Company held no own shares.

The Company did not acquire own shares between 1 January 2019 and 31 December 2019.

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 Zagreb Stock Exchange, Inc. participates with 20%.

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).

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.

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 places its excess cash on deposit and invests in open-end money market and bond investment funds. 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 2019 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 Company confirms that in 2019 there were no events that might have an adverse effect on Company operations.

1.12 Business results for 01/01/2019 – 31/12/2019

In 2019, the Company realized a total of HRK 14,263 thousand of operating income, up HRK +690 thousand or +5% from 2018 when operating income amounted to HRK 13,573 thousand. Compared to the 2018, sales revenue increased from HRK 9,131 thousand to HRK 9,215 thousand, up HRK +84 thousand or +1%. Commissions and membership fees, as the main source of revenue, increased from HRK 3,539 thousand to HRK 4,005 thousand, up HRK +466 thousand or +13%, which was strongly influenced by the increased volume of securities trading from September to the end of 2019.

However, income from listing maintenance fees decreased from HRK 4,204 thousand to HRK 3,931 thousand (HRK -273 thousand or -6%) as a result of securities delisting from the regulated market (in 2019, 15 shares and 4 bonds were delisted). The shortfall in income from quotation maintenance was partially offset by price increase. In addition to income from quotation maintenance, LEI issuance and maintenance revenues decreased from HRK 457 thousand to HRK 396 thousand (HRK -61 thousand or -13%) and Income from quotation maintenance from HRK 929 thousand to HRK 882 thousand (HRK -47 thousand or -5%). The increase in total operating income was mostly influenced by the increase in other operating income by significant HRK +605 thousand or +14%, from HRK 4,443

thousand to HRK 5,048 thousand. The increase in other operating revenues includes an increase in sales of information that increased from HRK 2,248 thousand to HRK 2,349 thousand (HRK +101 thousand or +4,5%), and an increase in other income which increased from HRK 2,195 thousand to HRK 2,699 thousand (HRK +504 thousand or +23%). Other revenue items that contributed the most to this increase were: receivables (HRK +326 thousand), conference and consulting (HRK +51 thousand), and revenue from OTC service (HRK + 98 thousand).

The Company's total operating expenses in 2019 amounted to HRK 14,388 thousand, which represents an increase of HRK +831 thousand or + 6% compared to 2018 when operating expenses amounted to HRK 13,557 thousand. A significant increase in depreciation and amortization from HRK 368 thousand to HRK 1,077 thousand (+193%) and a decrease in the office space rent and related costs from HRK 1,318 thousand to HRK 624 thousand (-53%) are related to the application of IFRS 16. In accordance with IFRS 16, office space and cars rent are now shown through an overview of the total rental value recognized in the balance sheet and is presented as an amortization and financial expense in the Income statement. Applying this standard has a negligible impact on the overall result; the only difference is the change in the positions where the cost is shown. The increase in depreciation and amortization was also influenced by the implementation of cross request functionality at the beginning of 2019. In addition to depreciation and amortization, the items of operating expenses that recorded an increase compared to 2018 are: other expenses (HRK + 504 thousand or +28%, from HRK 1,803 to HRK 2,307 thousand), staff costs (HRK +400 thousand or +6%, from HRK 6,200 thousand to HRK 6,600 thousand) and value adjustments (HRK +48 thousand, or +14%, from HRK 340 thousand to HRK 388 thousand). The increase in other expenses was mostly influenced by the increase in advertising costs and the organization of additional presentation activities for issuers (around HRK +230 thousand), followed by the FESE membership fee (HRK 119 thousand) and the cost of the HANFA fee (HRK +30 thousand). Compared to the previous year, a decrease was recorded in material expenses (HRK -609 thousand or -13%, from HRK 4,548 thousand to HRK 3,939 thousand) and other operating expenses (HRK -222 thousand or -74%, from HRK 298 thousand to HRK 76 thousand).

The Company's key business indicators

	2018	4Q 2018	2019	4Q 2019
Share capital	46,357,000	46,357,000	46,357,000	46,357,000
Capital and reserves	39,386,124	39,386,124	40,579,875	40,579,875
Total assets	43,525,605	43,525,605	46,618,050	46,618,050
Operating income	13,573,558	4,539,789	14,263,379	4,089,875
<i>sales revenue</i>	9,130,781	2,467,410	9,215,269	2,527,563
<i>other operating income</i>	4,442,777	2,072,379	5,048,110	1,562,312
Operating expenses	13,556,609	4,062,150	14,387,619	4,104,652
<i>material costs</i>	4,547,911	1,427,486	3,939,223	1,166,247
<i>staff costs</i>	6,200,465	1,633,763	6,600,233	1,697,727
<i>depreciation and amortization</i>	367,598	57,106	1,076,658	263,115
<i>other costs</i>	2,440,635	943,795	2,771,505	977,563
EBIT	16,949	477,639	-124,240	-14,777
EBITDA	384,547	534,745	952,418	248,338
Financial income	1,330,298	-10,582	1,864,923	50,348
Financial expenses	36,714	26,077	546,932	126,326
Pre-tax profit or loss	1,310,533	1,310,533	1,193,751	-90,755
Income tax	0	0	0	0
Profit or loss for the period	1,310,533	1,310,533	1,193,751	-90,755
Number of shares	4,635,700	4,635,700	4,635,700	4,635,700
Number of employees	25	25	26	26

The Company's operating loss in 2019 amounted to HRK -124 thousand, while in the previous year operating profit amounted to HRK 17 thousand. In 2019, financial income amounted to HRK 1,865 thousand or +535 thousand, or +40% more than the financial income generated the year before when financial income amounted to HRK 1,330 thousand. Financial expenses in 2019 amount to HRK 547 thousand which is an increase of HRK +510 thousand compared to 2018. The high financial expenses are the result of the adjustment of the value of the shares acquired by the Company in the course of the pre-bankruptcy settlement during 2019 and are stated in the position of unrealized losses on financial assets. As the investments in share capital were in the nominal value, it appeared that all receivables were fully paid and therefore the revenue from the receivables was recognized on that basis. However, since there are indications that the value of the shares is not equal to the nominal value, an adjustment was made to the value of those financial assets. The rest of the financial expenses relate to interest on operating leases. This is a consequence of the application of IFRS 16 under which long-term operating leases are treated as long-term liabilities and the lease payment is divided into principal and interest. In previous years, the entire amount of leasing paid was charged to the rental cost.

Accordingly, the net profit of the period amounts to HRK 1,194 thousand, which is a decrease of HRK -117 thousand or -9% compared to the previous year when net profit amounted to HRK 1,311 thousand.

Operating profit before interest, taxes, depreciation and amortization is positive and amounts to HRK 952 thousand in 2019, an increase of HRK +568 thousand compared to 2018.

2 Declaration of responsibility for the preparation of financial statements

Financial statements of the Zagreb Stock Exchange, Inc. prepared for the period between 01/01/2019 and 31/12/2019 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 01/01/2019 and 31/12/2019 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Company.

The management report for 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 Company is exposed.

Unconsolidated financial statements for 2019 have not been audited.


Ivana Gažić
President of the Management Board


ZAGREBAČKA BURZA d.d.
Zagreb


Tomislav Gračan
1
Member of the Management Board

Contact

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

Phone number: +385/ 1 468 6806

E-mail: ir@zse.hr

Unconsolidated unaudited financial statements of the
Company for 01/01/2019 – 31/12/2019

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2019

to

31.12.2019

Year:

2019

Quarter:

4

Quarterly financial statements

Registration number (MB):

03749606

Issuer's home

Member State code:

HR

Entity's registration
number (MBS):

080034217

Personal identification
number (OIB):

84368186611

LEI:

7478000050A040C0D041

Institution
code:

4

Name of the issuer: Zagreb Stock Exchange, Inc

Postcode and town:

10000

Zagreb

Street and house number: Ivana Lučića 2a/22

E-mail address:

sandra.semuga@zse.hr

Web address:

www.zse.hr

Number of employees
(end of the reporting

26

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

Yes

(Yes/No)

Sigma Tax Consulting d.o.o.

(name of the bookkeeping firm)

Contact person:

Martina Butković

(only name and surname of the contact person)

Telephone:

01/4699-555

E-mail address:

martina.butkovic@sigmabc.eu

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET			
balance as at 31.12.2019			
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	21,070,447	23,522,947
I INTANGIBLE ASSETS	2	630,572	1,080,165
II TANGIBLE ASSETS 004+...+008	3	399,620	1,297,386
1 Land and buildings	4	0	0
2 Computer equipment	5	266,705	160,729
3 Other tangible assets	6	8,125	3,282
4 Leasehold improvements	7	124,790	1,133,375
5 Assets under construction	8	0	0
III FIXED FINANCIAL ASSETS 010+011	9	20,040,255	21,145,396
1 Investments in associates, subsidiaries and joint ventures	10	19,375,969	19,375,969
2 Financial assets at amortised cost	11	664,286	1,769,427
DEFERRED TAX ASSETS	12	0	0
B CURRENT ASSETS 014+020+024	13	21,773,518	22,369,360
I RECEIVABLES 015+...+019	14	2,001,931	2,467,873
1 Trade receivables	15	1,420,517	1,703,240
2 Receivables from employees and members of the undertaking	16	1,470	390
3 Receivables from government and other institutions	17	5,977	6,074
4 Receivables from connected undertakings	18	5,192	199,833
5 Other receivables	19	568,775	558,336
III SHORT-TERM FINANCIAL ASSETS 021+...+023	20	17,692,980	19,583,059
1 Financial assets at amortised cost	21	0	0
2 Financial assets at fair value through other comprehensive	22	0	0
3 Financial assets at fair value through statement of profit or	23	17,692,980	19,583,059
III CASH AND CASH EQUIVALENTS	24	2,078,607	318,428
C PREPAID EXPENSES AND ACCRUED INCOME	25	681,640	725,743
D TOTAL ASSETS 001+013+025	26	43,525,605	46,618,050
E OFF-BALANCE SHEET ITEMS	27	0	0
LIABILITIES			
A CAPITAL AND RESERVES 029+030+031+036+037+038	28	39,386,124	40,579,875
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	141,000	141,000
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	0	0
IV RETAINED PROFIT OR LOSS BROUGHT FORWARD	36	-22,282,590	-20,972,057
V PROFIT OR LOSS FOR THE YEAR	37	1,310,533	1,193,751
VI MINORITY INTEREST	38	0	0
B PROVISIONS	39	0	0
C SHORT-TERM LIABILITIES 041+...046	40	927,849	1,841,918
1 Liabilities for advance payments	41	8,945	11,351
2 Trade payables	42	299,469	488,763
3 Liabilities to employees	43	296,506	310,224
4 Taxes, contributions and similar liabilities	44	322,929	295,767
5 Liabilities to connected undertakings	45	0	2,233
6 Other short-term liabilities	46	0	733,580
D LONG-TERM LIABILITIES	47	0	301,761
E DEFERRED TAX LIABILITY	48	0	0
F ACCRUALS AND DEFERRED INCOME	49	3,211,632	3,894,496
G TOTAL LIABILITIES 028+039+040+047+048+049	50	43,525,605	46,618,050
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 01.01.2019. to 31.12.2019

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	13,573,558	4,539,789	14,263,379	4,089,875
I Sales revenue 003+...+008	2	9,130,781	2,467,410	9,215,269	2,527,563
1 Commissions and membership fees	3	3,539,548	932,892	4,005,266	1,145,888
2 Listing maintenance fees	4	4,204,410	1,141,586	3,931,751	1,080,767
3 Income from quotation maintenance	5	929,458	269,812	882,321	206,429
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	457,365	123,120	395,931	94,479
II Other operating income 010+...+012	9	4,442,777	2,072,379	5,048,110	1,562,312
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	2,247,615	749,216	2,349,117	610,715
3 Other income	12	2,195,162	1,323,163	2,698,993	951,597
B OPERATING EXPENSES 014+017+021+022+023+026+027	13	13,556,609	4,062,150	14,387,619	4,104,652
I Material costs 015+016	14	4,547,911	1,427,486	3,939,223	1,166,247
1 Costs of raw materials	15	485,302	111,942	488,428	140,189
2 Other external costs	16	4,062,609	1,315,544	3,450,795	1,026,058
II Staff costs 018+...+020	17	6,200,465	1,633,763	6,600,233	1,697,727
1 Net salaries and wages	18	3,358,943	888,394	3,616,650	935,610
2 Tax and contributions from salary costs	19	1,952,474	509,564	2,076,987	533,760
3 Payroll contributions	20	889,048	235,805	906,596	228,357
III Depreciation	21	367,598	57,106	1,076,658	263,115
IV Other costs	22	1,803,028	702,341	2,307,099	686,258
V Value adjustment 024+025	23	339,733	211,527	388,053	245,813
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	339,733	211,527	388,053	245,813
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	297,874	29,927	76,353	45,492
C FINANCIAL INCOME 029+...+034	28	1,330,298	-10,582	1,864,923	50,348
1 Interest, exchange rate differences, dividends and similar	29	1,244,925	53	420,944	263
2 Interest, exchange rate differences, dividends and similar	30	85,373	18,081	229,365	83,909
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	0	-28,716	1,204,354	-44,084
5 Profit from reversal of provisions for impairment for expected	33	0	0	0	0
6 Other financial income	34	0	0	10,260	10,260
D FINANCIAL EXPENSES 036+...+040	35	36,714	26,077	546,932	126,326
1 Interest, exchange rate differences and other expenditures with	36	0	0	654	222
2 Interest, exchange rate differences and other expenditure from	37	12,398	1,846	78,722	21,900
3 Unrealised losses (expenses) from financial assets	38	24,236	24,231	467,556	104,819
4 Loss on impairment for expected credit losses	39	0	-80	0	0
5 Other financial expenses	40	80	80	0	-615
E TOTAL INCOME 001+028	41	14,903,856	4,529,207	16,128,302	4,140,223
F TOTAL EXPENDITURE 013+035	42	13,593,323	4,088,227	14,934,551	4,230,978
G Share in profit/loss of associates and subsidiaries	43	0	0	0	0
H PRE-TAX PROFIT OR LOSS 041-042+043	44	1,310,533	440,980	1,193,751	-90,755
I INCOME TAX	45	0	0	0	0
J PROFIT OR LOSS FOR THE PERIOD 044-045	46	1,310,533	440,980	1,193,751	-90,755
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	0	0
5 Gains/losses arising from translation of financial	51	0	0	0	0
6 Income tax on other comprehensive income	52	0	0	0	0
K OTHER COMPREHENSIVE INCOME 047+...+052	53	0	0	0	0
TOTAL COMPREHENSIVE INCOME 046+053	54	1,310,533	440,980	1,193,751	-90,755
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 01.01.2019. to 31.12.2019

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	1,310,533	1,193,751
2 Depreciation	2	367,598	1,076,658
3 Increase in short-term liabilities	3	88,239	0
4 Decrease in short-term receivables	4	0	0
5 Decrease in inventories	5	3,901	0
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	189,808	0
I Total cash flow increase from operating activities 001+...+007	8	1,960,079	2,270,409
1 Decrease in short-term liabilities	9	0	553,984
2 Increase in short-term receivables	10	950,576	853,995
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	1,485,049	183,264
II Total cash flow decrease from operating activities 009+...+013	14	2,435,625	1,591,243
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	500,095	0
3 Interest received	17	55,139	0
4 Dividends received	18	1,244,866	0
5 Other cash receipts from investment activities	19	0	320,000
III Total cash receipts from investment activities 015+...+019	20	1,800,100	320,000
1 Cash payments for the purchase of fixed tangible and intangible	21	39,176	654,204
2 Cash payments for the acquisition of equity financial	22	44,800	1,105,141
3 Other cash payments from investment activities	23	0	1,000,000
IV Total cash payments from investment activities 021+...+023	24	83,976	2,759,345
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	44,730	0
VI Total cash payments from operating activities 029+...+033	34	44,730	0
VII Cash and cash equivalents at the beginning of period	35	882,758	2,078,607
VIII Increase of cash and cash equivalents	36	1,195,848	0
IX Decrease of cash and cash equivalents	37	0	1,760,179
X Cash and cash equivalents at the end of period	38	2,078,606	318,428

STATEMENT OF CHANGES IN EQUITY

Item	ADP	for the period from 1.1.2019 to 31.12.2019						in HRK					
		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 revaluations on reserves			
3	4	5	6	7	8	9	10	11					
1													
Balance on the first day of the previous business year	1	46,357,000	13,860,181	141,000	-4,404,571	-17,590,812	0	0	0	0	38,362,798		
Change in accounting policies	2	0	0	0	0	-287,207	0	0	0	0	-287,207		
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 business year (restated)	4	46,357,000	13,860,181	141,000	-4,404,571	-17,878,019	0	0	0	0	38,075,591		
Profit or loss for the period	5	0	0	0	1,310,533	0	0	0	0	0	1,310,533		
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	0	0	0	0		
Total directly recognised income and expenses of the previous year (previous year periods)	8	0	0	0	1,310,533	0	0	0	0	0	1,310,533		
Increase/decrease in subscribed capital	9	0	0	0	0	0	0	0	0	0	0		
Other contributions by owners	10	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		
Other distribution to owners	12	0	0	0	4,404,571	-4,404,571	0	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	1,310,533	-22,282,590	0	0	0	0	39,386,124		
Balance on the first day of the current business year	14	46,357,000	13,860,181	141,000	1,310,533	-22,282,590	0	0	0	0	39,386,124		
Change in accounting policies	15	0	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	0		
Balance on the first day of the current business year (restated)	17	46,357,000	13,860,181	141,000	1,310,533	-22,282,590	0	0	0	0	39,386,124		
Profit or loss for the period	18	0	0	0	1,193,751	0	0	0	0	0	1,193,751		
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		
Other changes in equity unrelated to owners	20	0	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	1,193,751	0	0	0	0	0	1,193,751		
Increase/decrease in subscribed capital	22	0	0	0	0	0	0	0	0	0	0		
Other contributions by owners	23	0	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	0		
Other distribution to owners	25	0	0	0	-1,310,533	1,310,533	0	0	0	0	0		
Balance on the last day of the current business year reporting period	26	46,357,000	13,860,181	141,000	1,193,751	-20,972,057	0	0	0	0	40,579,875		

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

Name of the issuer: Zagreb Stock Exchange, Inc

Personal identification number (OIB): 84368186611

Reporting period: 1.1.2019 – 31.12.2019

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.

