



ZAGREBAČKA  
BURZA

*Zagreb Stock Exchange*

# Zagreb Stock Exchange, Inc.

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Unconsolidated unaudited financial results for

01/01/2020 – 30/06/2020

27 July 2020



## CONTENTS

1	INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 01/01/2020 AND 30/06/2020.....	1
1.1	Significant business events of the Zagreb Stock Exchange, Inc. in the period between 01/01/2020 and 30/06/2020 .....	1
1.2	Zagreb Stock Exchange trading overview .....	3
1.3	Expected future development of the Company.....	5
1.4	Research & Development activities .....	5
1.5	Information on repurchase of own shares .....	5
1.6	Subsidiaries of the Company .....	5
1.7	Financial instruments used by the Company.....	6
1.8	Company's objectives and policies related to financial risk management .....	6
1.9	Company's exposure to price risk, credit risk, liquidity risk and cash flow risk.....	6
1.10	Statement of transactions and transfers between the Company and its subsidiaries and shareholders 7	
1.11	Statement of events which might have an adverse effect on Company operations.....	7
1.12	Business results for 01/01/2020 – 30/06/2020 .....	7
2	Declaration of responsibility for the preparation of financial statements.....	11
	Unconsolidated unaudited financial statements of the Company for 01/01/2020 – 30/06/2020 .....	12



## **1 INTERIM MANAGEMENT REPORT FOR THE PERIOD BETWEEN 01/01/2020 AND 30/06/2020**

### **1.1 Significant business events of the Zagreb Stock Exchange, Inc. in the period between 01/01/2020 and 30/06/2020**

In the first half of 2020, the Zagreb Stock Exchange, Inc. (hereinafter: the Company or the Exchange) recorded the following significant business events:

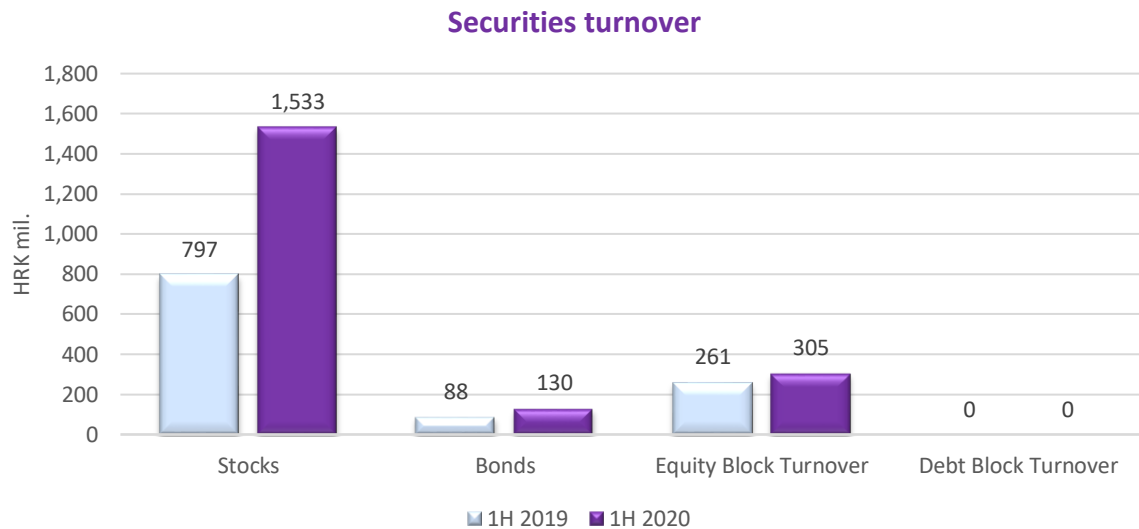
- On January 7, 2020, the Company made a decision on termination of the listing of the stocks of HOTELI BRELA d.d., HOTEL TUČEPI d.d. and ZLATNI RAT HOTELI d.d. due to merging the said companies with the joint-stock company SUNCE HOTELI d.d., which led to terminating the Issuer and the financial instrument.
- On January 8, 2020, the stock of ALPHA ADRIATIC d.d. has been moved to a lower market segment, from Official to Regular Market.
- On January 10, 2020, the Company made a decision on termination of the listing of the stocks of AGROMEĐIMURJE d.d. following the decision of the General Assembly to withdraw all stocks from listing on the regulated market.
- On January 16, 2020, the Company made a decision on termination of the listing of the stocks of TERMES GRUPA d.d. following the decision of the General Assembly to withdraw all stocks from listing on the regulated market.
- In January 2020, a campaign for the company STEMI was completed on the Funderbeam SEE platform, raising EUR 318,000.
- On March 3, 2020, two new bonds of the Ministry of Finance of the Republic of Croatia were listed on the Official Market of the Exchange.
- On March 6, 2020, the “Ring the bell for gender equality” event was attended by the President of the Republic of Croatia, Mr. Zoran Milanović, and a significant media presence of the event and the Zagreb Stock Exchange was achieved.
- On March 16, 2020, following the opinion of the Market Protection Measures Committee, the level of severity and effects of breaches of the Exchange Rules on investors and the proper functioning of the market, the Company made a decision on the termination of the listing of the following Agrokor d.d. issuer's stocks: BELJE d.d., JAMNICA d.d., LEDO d.d., PIK-VINKOVCI d.d., TISAK d.d., VUPIK d.d. and STAR d.d.
- As of March 16, 2020, the Exchange has been operating out of the office. The offices of the Exchange are closed until further notice, and business is regularly carried out at secondary locations and employees work from home. The objective of the Exchange is to ensure

continuous trading throughout the trading day, as long as objective circumstances permit. The decision was made in order to protect the health of employees and clients as well as the long-term sustainability of the business. On May 4, 2020, the Zagreb Stock Exchange started operating in two teams in such a way that the first team works in the offices of the Stock Exchange for one week, and the second team works in secondary locations during that time. The Ljubljana Stock Exchange started operating in two teams on May 11, 2020. In accordance with favorable epidemiological conditions, on May 18, 2020, all employees of the Ljubljana Stock Exchange began working in offices, while the operations of the Zagreb Stock Exchange take place again at the primary location on June 1, 2020.

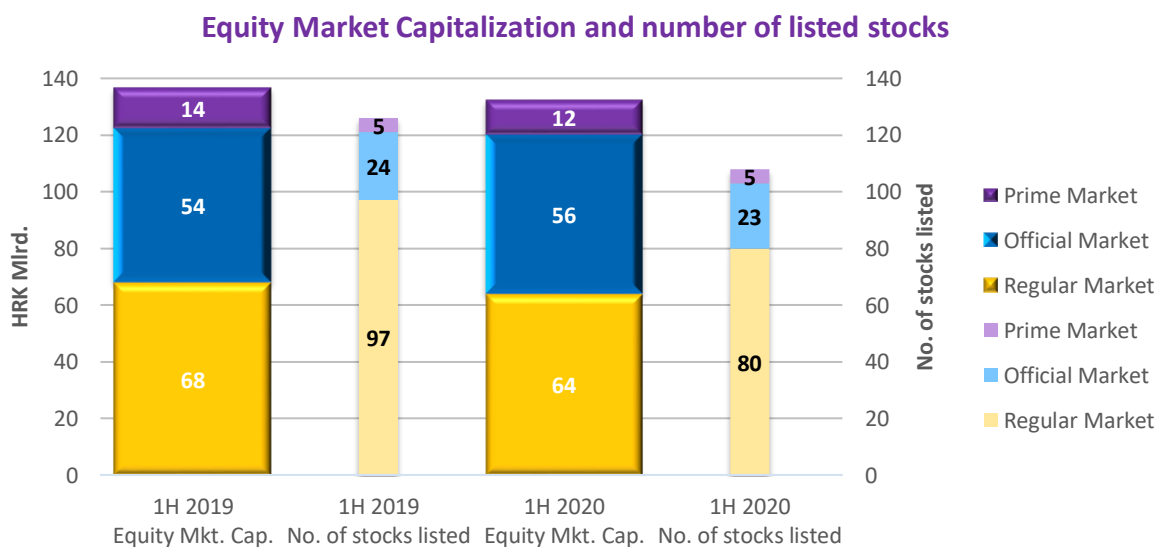
- On March 20, 2020, following the opinion of the Market Protection Measures Committee, the level of severity and effects of breaches of the Exchange Rules on investors and the proper functioning of the market, the Company made a decision on the termination of the listing of ELEKTROPROMET d.d.
- On April 21, 2020, the Zagreb Stock Exchange successfully completed the annual accreditation process for a local operator LEI (Local Operating Unit (LOU)) by the Global Legal Entity Identifier Foundation (GLEIF), which once again confirmed the quality Exchange services as a local operator of LEI tags.
- On April 30, 2020, the shares of HELIOS FAROS d.d. were listed on the Regular Market of the Exchange.
- On May 6, 2020, a new bond of the Ministry of Finance of the Republic of Croatia was listed on the Official Market of the Stock Exchange.
- On May 20, 2020, issuers from the Zagreb Stock Exchange, namely AD Plastik, Arena Hospitality Group, Ilirija and the Zagreb Stock Exchange, were included in the EBRD research program aimed at increasing the public availability of analytical materials for small and medium enterprises listed on regional stock exchanges.
- On June 9, 2020, the shares of THE GARDEN BREWERY d.d. were listed on the Regular Market of the Exchange.
- On June 10, 2020, the 11th annual training for issuers was held, organized by the Zagreb Stock Exchange, the Croatian Financial Services Supervisory Agency and the Central Depository and Clearing Company, and the educational meeting was held virtually for the first time, with a record 160 representatives.

## 1.2 Zagreb Stock Exchange trading overview

The first half of 2020 was marked by a higher securities turnover since the end of February until the end of April under the influence of the Covid-19 appearance in the Republic of Croatia.



Orderbook book turnover was almost +88% higher than in the same period last year, with equity turnover up +92%. Overall, half-on-half traffic was almost +72% higher than last year.



The Market value measured by market capitalization decreased by -0.26% in total, with equity market capitalization down -3.13%.

## Trading overview

	1H 2019	1H 2020	change
<b>Securities trading (HRK)</b>			
<b>Orderbook turnover</b>	<b>885,162,027</b>	<b>1,662,698,798</b>	<b>87.84%</b>
Stocks	797,338,996	1,532,526,868	92.21%
Bonds	87,823,031	130,171,930	48.22%
<b>Equity Block Turnover</b>	<b>260,751,347</b>	<b>304,975,792</b>	<b>16.96%</b>
<b>Debt Block Turnover</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b>1,145,913,375</b>	<b>1,967,674,590</b>	<b>71.71%</b>
<b>Equity Market Capitalization (HRK)</b>			
Prime market	14,344,870,437	12,267,273,260	-14.48%
Official market	54,318,090,189	56,245,716,664	3.55%
Regular market	68,025,451,417	63,890,772,379	-6.08%
<b>TOTAL</b>	<b>136,688,412,043</b>	<b>132,403,762,303</b>	<b>-3.13%</b>
<b>Number of listed securities</b>			
<b>Stocks</b>	<b>126</b>	<b>108</b>	<b>-14.29%</b>
Prime market	5	5	0.00%
Official market	24	23	-4.17%
Regular market	97	80	-17.53%
<b>Bonds</b>	<b>25</b>	<b>27</b>	<b>8.00%</b>
<b>TOTAL</b>	<b>151</b>	<b>135</b>	<b>-10.60%</b>

With the exception of CROBEXkonstrukt, which increased by +22.26%, and CROBEXnutris, which increased by +15.54%, all other stock indices fell in comparison to the same last year's period. The largest decrease was recorded by CROBEXindustrija (-18.99%), followed by CROBEXturist (-18.24%), CROBEX (-13.89%), CROBEXtr (-12.78%), CROBEXprime (-10.39%), CROBEX10 (-8.16%), CROBEXplus (-5.83%). The new ADRIAprime regional index is down -6.19% from its value from June 30 last year. Debt indices also recorded a decline compared to the same period last year: CROBIS (-3.15%), CROBIStr (-0.26%).

## Indices – value and turnover

Index	30.6.2019	30.6.2020	Change	Turnover (HRK) 1H 2019	Turnover (HRK) 1H 2020	change
<b>CROBEX</b>	1.883,11	1.621,55	-13,89%	676.008.647	1.247.181.626	84,49%
<b>CROBEXtr</b>	1.250,11	1.090,39	-12,78%	676.008.647	1.247.181.626	84,49%
<b>CROBEX10</b>	1.102,67	1.012,72	-8,16%	544.636.419	1.076.935.496	97,73%
<b>CROBEXprime</b>	1.054,36	944,77	-10,39%	176.347.133	516.852.949	193,09%
<b>CROBEXplus</b>	1.021,33	961,80	-5,83%	674.484.477	1.246.227.548	84,77%
<b>CROBEXindustrija</b>	911,07	738,03	-18,99%	96.310.663	198.958.873	106,58%
<b>CROBEXkonstrukt</b>	402,15	491,68	22,26%	8.618.170	33.248.445	285,79%
<b>CROBEXnutris</b>	515,02	598,00	16,11%	86.946.354	174.886.501	101,14%
<b>CROBEXtransport</b>	622,03	\		13.230.664	\	
<b>CROBEXturist</b>	3.577,18	2.924,62	-18,24%	184.126.277	330.520.043	79,51%
<b>CROBIS</b>	114,84	111,22	-3,15%	5.540.667.107	22.580.124.877	307,53%
<b>CROBIStr</b>	183,20	182,72	-0,26%	5.540.805.887	22.580.124.877	307,52%
<b>ADRIAprime</b>	1.023,85	960,48	-6,19%	\	\	\



### 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.

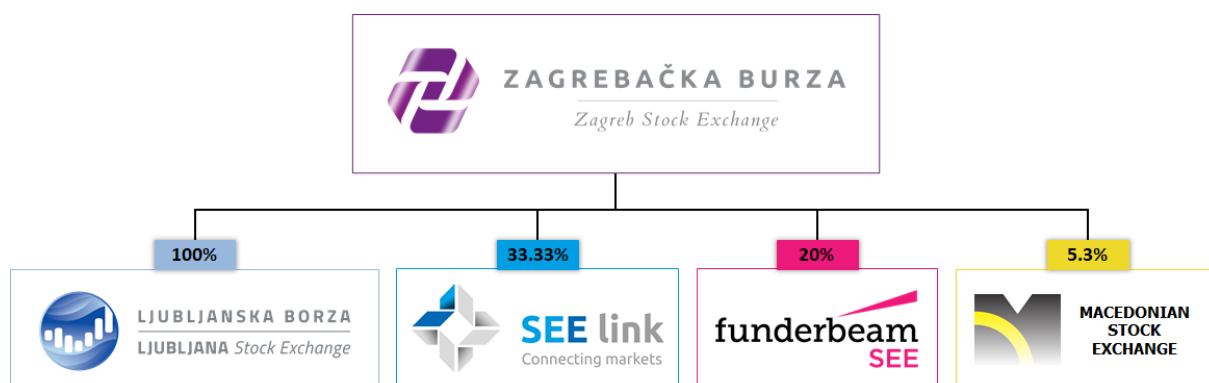
During the second half of 2019, the Company began migrating the Ljubljana Stock Exchange's downstream system to the Company's internally developed data warehouse system. Work on the full implementation of this system has also been carried over to the first part of 2020.

### 1.5 Information on repurchase of own shares

As of June 30, 2020, the Company held no own shares.

The Company did not acquire own shares between 1 January 2020 and 30 June 2020.

### 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 as of 30 June 2020, the Zagreb Stock Exchange, Inc. participates with 20%<sup>1</sup>.

On December 18, 2019, the Zagreb Stock Exchange acquired 148 shares, or 5.3% of the Macedonian Stock Exchange's share capital.

### **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.

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<sup>1</sup> On July 7, 2020, the Zagreb Stock Exchange signed Share purchase and transfer agreement representing 10% of the share capital of Funderbeam SEE d.o.o. Following the acquisition, the share of the Zagreb Stock Exchange in the total share capital of Funderbeam SEE d.o.o. is 30%.

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 the first half of 2020 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 emergence and spread of Covid-19 virus in the Republic of Croatia and the measures taken to stop the spread and suppression of the virus will certainly have negative effects on the entire Croatian economy. To mitigate these effects, the Government of the Republic of Croatia has introduced a series of measures to support the economy.

However, given the recent developments, the uncertainty over how long prevention measures will be in place, and the fact that measures are being developed to support the economy, it is not currently possible to reliably assess their effects.

With its infrastructure and working procedures, the Company is fully trained and ready to ensure business continuity so that trading can proceed smoothly. Infrastructure and work processes are adapted to work in crisis situations, employees are on standby, and tests related to work in such circumstances have been successfully carried out, ensuring that trading and business are carried out without difficulty even in emergency situations. The Company will continue to closely monitor the development of the situation to ensure the orderly functioning of the market, financial stability and protection of investors.

#### **1.12 Business results for 01/01/2020 – 30/06/2020**

In the first half of 2020, the Company generated a total of HRK 7,458 thousand of operating income, which is HRK +1,065 thousand or +16.7% more than in the same period last year when they amounted to HRK 6,393 thousand. Compared to the first half of 2019, sales revenues increased from HRK 4,180 to HRK 5,519 thousand (HRK +1,339 thousand or + 32.1%). The significant increase in sales revenue is primarily the result of an increase in income from commission and membership fees, which, following the increase in securities turnover from the end of February to mid-April 2020, reached HRK 2,543 thousand in the first half of this year (HRK +906 thousand or + 55.3% more than in the first half of 2019 when they amounted to HRK 1,637 thousand). Income from listing maintenance fees was also increased to HRK 2,322 thousand; an increase of HRK +450 thousand or +24.1% compared to the same period last year when they amounted to HRK 1,872 thousand, is the effect of the increase in maintaining fees at the last change of the Stock Exchange's Price List in August 2019. Continuing with the larger number of newly listed securities than in the same period last year (three shares and three

bonds were listed in the first half of 2020, while one share and one bond were listed in the first half of 2019), income from quotation maintenance amounts to HRK 469 thousand, which is HRK +3 thousand or +0.7% more than in the same period last year. A decrease of HRK -20 thousand or -9.7% compared to the first half of last year was recorded in revenue from assigning and administering LEIs amounting to HRK 185 thousand. Compared to the first half of 2019, other operating income decreased by HRK -275 thousand or -12.4%, ie from HRK 2,213 to HRK 1,938 thousand. Although income from the supply of information increased from HRK 1,093 to HRK 1,183 thousand (HRK +90 thousand or +8.2%), the decrease in other operating income is a result of the decrease in other income from HRK 1,120 to HRK 755 thousand (HRK -365 thousand or -32.6%). Within the item other income, the growth was recorded by revenues from OTC data disclosure fees (HRK +46 thousand or +18%; from HRK 256 to HRK 302 thousand), revenues from the Ljubljana Stock Exchange (HRK +46 thousand or +170%; from HRK 27 to HRK 73 thousand), revenues from Progress (HRK +36 thousand or +138%; from HRK 26 to HRK 62 thousand), and a decrease in educational services revenue (HRK -383 thousand or -69%; from HRK 553 to HRK 170 thousand), and other operating revenues (HRK -110 thousand or -39%; from HRK 253 to HRK 143 thousand). Despite the COVID-19 crisis, the Company organized online educations and generated a small but significant income from education in the amount of HRK 88 thousand.

Looking only at the second quarter of 2020, the Company's total operating income amounted to HRK 3,267 thousand, which is HRK -216 thousand (-6.2%) less than in the second quarter of last year when operating income amounted to HRK 3,483 thousand. Sales revenue increased from HRK 2,204 thousand in the second quarter of 2019 to HRK 2,345 thousand in the same period of the current year. This increase is due to the increase in income from listing maintenance fees from HRK 956 to HRK 1,184 thousand, ie by HRK +228 thousand or +23.9%, which is related to the already mentioned last change in the Stock Exchange's Price List. In the second quarter of 2020, other items of sales revenue decreased compared to the same period last year. Continuing to significantly reduce daily securities turnover in May and June 2020, commissions and membership fees fell from HRK 890 to HRK 860 thousand (HRK -30 thousand or -3.3%). Income from quotation maintenance fell from HRK 256 thousand to HRK 206 thousand (HRK -50 thousand or -19.4%), and revenues from the issuance and revenue from assigning and administering LEIs from HRK 101 to HRK 93 thousand (HRK -8 thousand or -8.1%). The decline in operating income is also due to the decline in other operating income from HRK 1,278 to HRK 922 thousand (HRK -356 thousand or -27.9%). Compared to the second quarter of 2019, income from the supply of information remained at almost the same level in the second quarter of this year (an increase from HRK 556 to HRK 559 thousand; HRK +3 thousand or 0.6%), while other income fell from HRK 723 to HRK 363 thousand (HRK -360 thousand or -49.8%).

The Company's total operating expenses in the first half of 2020 amounted to HRK 6,644 thousand, which is a decrease of HRK -510 thousand or -7.1% compared to the same period last year when operating expenses amounted to HRK 7,154 thousand. The significant decline in operating expenses is directly related to the changed way of working due to the Coronavirus pandemic, primarily working from home. The decrease in operating expenses was mostly due to the decrease in other operating expenses (HRK -494 thousand or -40.4%, ie from HRK 1,223 to HRK 729 thousand), which was mostly due to the decrease in costs of translation, attorney, notary and consulting services, royalties, representation, business travel, and PR. Compared to the same period last year, in the first half of 2020 there was a decrease in material costs (HRK -138 thousand or -7.5%; from HRK 1,850 to HRK 1,712 thousand) and value adjustment of fixed and current assets (HRK -52 thousand or -26.3%; from HRK

142 to HRK 90 thousand), while staff costs increased by HRK +150 thousand or +4.5% (from HRK 3,366 to HRK 3,516 thousand), and depreciation by HRK +23 thousand or +4, 3% (from HRK 542 to HRK 565 thousand).

In the second quarter of 2020 alone, the Company's total operating expenses amounted to HRK 3,542 thousand, which is a decrease of HRK -405 thousand (-10.3%) compared to the second quarter of last year when operating expenses amounted to HRK 3,947 thousand. As at the half-year level, other expenses (HRK -385 thousand or -51%; from HRK 756 to HRK 371 thousand), material costs (HRK -23 thousand or -2.5%; from HRK 911 to HRK 888 thousand) decreased, and value adjustment of fixed and current assets (HRK -52 thousand or -26.3%; from HRK 142 to HRK 90 thousand), while staff costs (HRK +75 thousand or +4.1%; from HRK 1,835 to HRK 1,910 thousand) and depreciation (HRK +13 thousand or +4.7%; from HRK 272 to HRK 285 thousand) increased.

#### The Company's key business indicators

	1H 2019	2Q 2019	1H 2020	2Q 2020
Share capital	46.357.000	46.357.000	46.357.000	46.357.000
Capital and reserves	39.853.024	39.853.024	40.980.963	40.980.963
Total assets	44.771.685	44.771.685	46.553.788	46.553.788
<b>Operating income</b>	<b>6.393.033</b>	<b>3.482.574</b>	<b>7.457.822</b>	<b>3.266.966</b>
<i>sales revenue</i>	<i>4.179.726</i>	<i>2.204.292</i>	<i>5.519.311</i>	<i>2.344.769</i>
<i>other operating income</i>	<i>2.213.307</i>	<i>1.278.282</i>	<i>1.938.511</i>	<i>922.197</i>
<b>Operating expenses</b>	<b>7.154.028</b>	<b>3.946.919</b>	<b>6.643.738</b>	<b>3.542.412</b>
<i>material costs</i>	<i>1.850.029</i>	<i>911.451</i>	<i>1.712.247</i>	<i>888.358</i>
<i>staff costs</i>	<i>3.366.568</i>	<i>1.835.014</i>	<i>3.516.259</i>	<i>1.910.419</i>
<i>depreciation and amortization</i>	<i>542.225</i>	<i>272.255</i>	<i>565.759</i>	<i>285.195</i>
<i>other costs</i>	<i>1.395.206</i>	<i>928.199</i>	<i>849.473</i>	<i>458.440</i>
<b>EBIT</b>	<b>-760.995</b>	<b>-464.345</b>	<b>814.084</b>	<b>-275.446</b>
<b>EBITDA</b>	<b>-218.770</b>	<b>-192.090</b>	<b>1.379.843</b>	<b>9.749</b>
Financial income	1.299.586	829.795	111.188	100.893
Financial expenses	71.691	52.533	524.183	-204.467
<b>Pre-tax profit or loss</b>	<b>466.900</b>	<b>312.917</b>	<b>401.089</b>	<b>29.914</b>
Income tax	0	0	0	0
<b>Profit or loss for the period</b>	<b>466.900</b>	<b>312.917</b>	<b>401.089</b>	<b>29.914</b>
Number of shares	4.635.700	4.635.700	4.635.700	4.635.700
Number of employees	24	24	25	25

The Company's operating profit in the first half of 2020 amounted to HRK 814 thousand, while in the same period last year the operating loss amounted to HRK -791 thousand. At the second-quarter level, the Company recorded an operating loss in the amount of HRK -275 thousand, while an operating loss in the same period last year amounted to HRK -464 thousand. Financial revenues recorded a significant decline at the level of the first half of this year as well as at the level of the second quarter compared to the same last year's periods. In the first half of the year, financial revenues amounted to HRK 111 thousand (HRK -1,188 thousand or -91.4%), while the second quarter's financial revenues alone

amounted to HRK 101 thousand (HRK -729 thousand or -87.8%). In the first half of this year, financial expenses amounted to HRK 524 thousand (HRK +452 thousand or +631.2%), while in the second quarter unrealized losses on financial assets decreased and financial expenses amounted to HRK 204 thousand (HRK -257 thousand). Changes in the movement of financial income and expenses are primarily the result of significantly reduced or even negative returns of bond funds in which the Company has invested free funds. At the end of the first half of the year, this loss was partially canceled, and income from the sale of financial assets obtained by the Company in the process of pre-bankruptcy settlement of one issuer was realized.

Given the above, the Company's net profit in the first half of 2020 amounted to HRK 401 thousand, which is HRK -66 thousand (-14.1%) less than in the first half of 2019 when the Company's net profit amounted to HRK 467 thousand. In the second quarter of 2020, the Company's net profit amounted to HRK 30 thousand, which is HRK -283 thousand (-90.4%) less than HRK 313 thousand of net profit for the same period last year.

Operating profit before interest, taxes, depreciation and amortization is positive and in the first half of 2020 amounts to HRK 1,380 thousand, or HRK +1,599 thousand more than in the first half of 2019, while in the second quarter of 2020 it amounts to HRK 10 thousand, or HRK +202 thousand more than in the same period last year.

## 2 Declaration of responsibility for the preparation of financial statements

Financial statements of the Zagreb Stock Exchange, Inc. prepared for the period between 01/01/2020 and 30/06/2020 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 01/01/2020 and 30/06/2020 give an objective, complete and true statement of assets and liabilities, financial position and operations of the Company.

The management report for the first half of 2020 contains a true and fair view of the development and results of operations, with a description of the principal risks and uncertainties to which the Company is exposed.

Unconsolidated financial statements for the first half of 2020 have not been audited.

  
Ivana Gažić  
President of the Management Board

  
ZAGREBAČKA BURZA d.d.  
Zagreb

  
Tomislav Gračan  
Member of the Management Board

### **Contact**

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Unconsolidated unaudited financial statements of the  
Company for 01/01/2020 – 30/06/2020



## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:	1.1.2020	to	30.6.2020
Year:	2020		
Quarter:	2		

## Quarterly financial statements

Registration number (MB):	03749606	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080034217		
Personal identification number (OIB):	84368186611	LEI:	7478000050A040C0D041
Institution code:	4		
Name of the issuer:	Zagreb Stock Exchange, Inc		
Postcode and town:	10000	Zagreb	
Street and house number:	Ivana Lučića 2a/22		
E-mail address:	sandra.semuga@zse.hr		
Web address:	www.zse.hr		
Number of employees (end of the reporting period):	25		
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):	Registered office:	MB:	
Ljubljanska borza vrednostnih papirjev d.d.	Ljubljana, Slovenija	5316081	
Bookkeeping firm:	Yes	(Yes/No)	Sigma Tax Consulting d.o.o. (name of the bookkeeping firm)
Contact person:	Martina Butković (only name and surname of the contact person)		
Telephone:	01/4699-555		
E-mail address:	martina.butkovic@sigmabc.eu		
Audit firm:			
	(name of the audit firm)		
Certified auditor:			
	(name and surname)		

<b>BALANCE SHEET</b>			
balance as at 30.6.2020			
			in HRK
<b>Submitter: Zagreb Stock Exchange, Inc</b>			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>ASSETS</b>			
<b>FIXED ASSETS 002+003+009+012</b>	<b>1</b>	<b>23.522.947</b>	<b>23.517.027</b>
<b>I INTANGIBLE ASSETS</b>	<b>2</b>	<b>1.080.165</b>	<b>1.058.776</b>
<b>II TANGIBLE ASSETS 004+...+008</b>	<b>3</b>	<b>1.297.386</b>	<b>1.312.855</b>
1 Land and buildings	4	0	0
2 Computer equipment	5	160.729	555.759
3 Other tangible assets	6	3.282	3.800
4 Leasehold improvements	7	1.133.375	753.296
5 Assets under construction	8	0	0
<b>III FIXED FINANCIAL ASSETS 010+011</b>	<b>9</b>	<b>21.145.396</b>	<b>21.145.396</b>
1 Investments in associates, subsidiaries and joint ventures	10	19.375.969	19.375.969
2 Financial assets at amortised cost	11	1.769.427	1.769.427
<b>DEFERRED TAX ASSETS</b>	<b>12</b>	<b>0</b>	<b>0</b>
<b>B CURRENT ASSETS 014+020+024</b>	<b>13</b>	<b>22.369.360</b>	<b>21.523.379</b>
<b>I RECEIVABLES 015+...+019</b>	<b>14</b>	<b>2.467.873</b>	<b>1.665.768</b>
1 Trade receivables	15	1.703.240	1.015.188
2 Receivables from employees and members of the undertaking	16	390	2.499
3 Receivables from government and other institutions	17	6.074	76.883
4 Receivables from connected undertakings	18	199.833	18.519
5 Other receivables	19	558.336	552.679
<b>III SHORT-TERM FINANCIAL ASSETS 021+...+023</b>	<b>20</b>	<b>19.583.059</b>	<b>19.259.620</b>
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	19.583.059	19.259.620
<b>III CASH AND CASH EQUIVALENTS</b>	<b>24</b>	<b>318.428</b>	<b>597.991</b>
<b>C PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>25</b>	<b>725.743</b>	<b>1.513.382</b>
<b>D TOTAL ASSETS 001+013+025</b>	<b>26</b>	<b>46.618.050</b>	<b>46.553.788</b>
<b>E OFF-BALANCE SHEET ITEMS</b>	<b>27</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A CAPITAL AND RESERVES 029+030+031+036+037+038</b>	<b>28</b>	<b>40.579.874</b>	<b>40.980.963</b>
<b>I INITIAL CAPITAL</b>	<b>29</b>	<b>46.357.000</b>	<b>46.357.000</b>
<b>II CAPITAL RESERVES</b>	<b>30</b>	<b>13.860.181</b>	<b>13.860.181</b>
<b>III PROFIT RESERVES 032+...+035</b>	<b>31</b>	<b>141.000</b>	<b>141.000</b>
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
<b>IV RETAINED PROFIT OR LOSS BROUGHT FORWARD</b>	<b>36</b>	<b>-20.972.058</b>	<b>-19.778.307</b>
<b>V PROFIT OR LOSS FOR THE YEAR</b>	<b>37</b>	<b>1.193.751</b>	<b>401.089</b>
<b>VI MINORITY INTEREST</b>	<b>38</b>	<b>0</b>	<b>0</b>
<b>B PROVISIONS</b>	<b>39</b>	<b>0</b>	<b>0</b>
<b>C SHORT-TERM LIABILITIES 041+...+046</b>	<b>40</b>	<b>1.841.918</b>	<b>2.027.932</b>
1 Liabilities for advance payments	41	11.351	5
2 Trade payables	42	488.763	707.388
3 Liabilities to employees	43	310.224	301.267
4 Taxes, contributions and similar liabilities	44	295.767	401.019
5 Liabilities to connected undertakings	45	2.233	0
6 Other short-term liabilities	46	733.580	618.253
<b>D LONG-TERM LIABILITIES</b>	<b>47</b>	<b>301.761</b>	<b>51.381</b>
<b>E DEFERRED TAX LIABILITY</b>	<b>48</b>	<b>0</b>	<b>0</b>
<b>F ACCRUALS AND DEFERRED INCOME</b>	<b>49</b>	<b>3.894.497</b>	<b>3.493.512</b>
<b>G TOTAL LIABILITIES 028+039+040+047+048+049</b>	<b>50</b>	<b>46.618.050</b>	<b>46.553.788</b>
<b>H OFF-BALANCE SHEET ITEMS</b>	<b>51</b>	<b>0</b>	<b>0</b>
<b>Appendix to the balance sheet (position for consolidated financial statements)</b>			
<b>I Capital and reserves 053+054</b>	<b>52</b>	<b>40.579.874</b>	<b>40.980.963</b>
<b>1 Attributable to owners of the parent</b>	<b>53</b>	<b>40.579.874</b>	<b>40.980.963</b>
<b>2 Attributable to non-controlling interest</b>	<b>54</b>	<b>0</b>	<b>0</b>

## STATEMENT OF PROFIT OR LOSS

For the period 01.01.2020. to 30.6.2020

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
<b>A OPERATING INCOME 002+009</b>	<b>1</b>	<b>6.393.033</b>	<b>3.482.574</b>	<b>7.457.822</b>	<b>3.266.966</b>
I Sales revenue 003+...+008	2	4.179.726	2.204.292	5.519.311	2.344.769
1 Commissions and membership fees	3	1.637.194	890.237	2.543.017	860.542
2 Listing maintenance fees	4	1.871.557	956.157	2.322.052	1.184.267
3 Income from quotation maintenance	5	466.312	256.246	469.353	206.567
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	204.663	101.652	184.889	93.393
II Other operating income 010+...+012	9	2.213.307	1.278.282	1.938.511	922.197
1 Income from application programming interface (API) services	10	0	0	0	0
2 Income from the supply of information	11	1.093.337	555.728	1.183.139	559.185
3 Other income	12	1.119.970	722.554	755.372	363.012
<b>B OPERATING EXPENSES 014+017+021+022+023+026+027</b>	<b>13</b>	<b>7.154.028</b>	<b>3.946.919</b>	<b>6.643.738</b>	<b>3.542.412</b>
I Material costs 015+016	14	1.850.029	911.451	1.712.247	888.358
1 Costs of raw materials	15	228.318	113.889	282.835	157.842
2 Other external costs	16	1.621.711	797.562	1.429.412	730.516
II Staff costs 018+...+020	17	3.366.568	1.835.014	3.516.259	1.910.419
1 Net salaries and wages	18	1.832.915	987.020	1.939.366	1.044.623
2 Tax and contributions from salary costs	19	1.065.940	593.396	1.108.252	609.441
3 Payroll contributions	20	467.713	254.598	468.641	256.355
III Depreciation	21	542.225	272.255	565.759	285.195
IV Other costs	22	1.222.761	756.006	729.162	370.738
V Value adjustment 024+025	23	142.240	142.240	90.631	90.631
1 fixed assets (other than financial assets)	24	0	0	0	0
2 current assets (other than financial assets)	25	142.240	142.240	90.631	90.631
VI Provisions	26	0	0	0	0
VII Other operating expenses	27	30.205	29.953	29.680	-2.929
<b>C FINANCIAL INCOME 029+...+034</b>	<b>28</b>	<b>1.299.586</b>	<b>829.795</b>	<b>111.188</b>	<b>100.893</b>
1 Interest, exchange rate differences, dividends and similar	29	420.576	420.569	611	38
2 Interest, exchange rate differences, dividends and similar	30	34.545	25.856	10.861	8.520
3 Income share from associates and participating interests	31	0	0	0	0
4 Unrealised gains (income) from financial assets	32	844.465	385.755	0	0
5 Profit from reversal of provisions for impairment for expected	33	0	0	0	0
6 Other financial income	34	0	-2.385	99.716	92.335
<b>D FINANCIAL EXPENSES 036+...+040</b>	<b>35</b>	<b>71.691</b>	<b>52.533</b>	<b>524.183</b>	<b>-204.467</b>
1 Interest, exchange rate differences and other expenditures with	36	421	421	148	148
2 Interest, exchange rate differences and other expenditure from	37	39.278	20.120	43.051	13.992
3 Unrealised losses (expenses) from financial assets	38	0	0	267.670	-218.535
4 Loss on impairment for expected credit losses	39	0	0	0	0
5 Other financial expenses	40	31.992	31.992	213.314	-72
<b>E TOTAL INCOME 001+028</b>	<b>41</b>	<b>7.692.619</b>	<b>4.312.369</b>	<b>7.569.010</b>	<b>3.367.859</b>
<b>F TOTAL EXPENDITURE 013+035</b>	<b>42</b>	<b>7.225.719</b>	<b>3.999.452</b>	<b>7.167.921</b>	<b>3.337.945</b>
<b>G Share in profit/loss of associates and subsidiaries</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>H PRE-TAX PROFIT OR LOSS 041-042+043</b>	<b>44</b>	<b>466.900</b>	<b>312.917</b>	<b>401.089</b>	<b>29.914</b>
<b>I INCOME TAX</b>	<b>45</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>J PROFIT OR LOSS FOR THE PERIOD 044-045</b>	<b>46</b>	<b>466.900</b>	<b>312.917</b>	<b>401.089</b>	<b>29.914</b>
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
<b>K OTHER COMPREHENSIVE INCOME 047+...+052</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME 046+053</b>	<b>54</b>	<b>466.900</b>	<b>312.917</b>	<b>401.089</b>	<b>29.914</b>
<b>M RECLASSIFICATION ADJUSTMENTS</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Appendix **</b>					
Attributable to owners of the parent	56	466.900	312.917	401.089	29.914
Attributable to non-controlling interest	57	0	0	0	0

## STATEMENT OF CASH FLOWS - indirect method

for the period 01.01.2020. to 30.6.2020

in HRK

Submitter: Zagreb Stock Exchange, Inc

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1 Pre-tax profit	1	153.983	401.089
2 Depreciation	2	269.970	280.564
3 Increase in short-term liabilities	3	0	0
4 Decrease in short-term receivables	4	167.765	802.105
5 Decrease in inventories	5	468	0
6 Loss on impairment for expected credit losses	6	0	0
7 Other cash flow increase	7	0	1
<b>I Total cash flow increase from operating activities 001+...+007</b>	<b>8</b>	<b>592.186</b>	<b>1.483.759</b>
1 Decrease in short-term liabilities	9	317.936	64.367
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	739.601	185.185
<b>II Total cash flow decrease from operating activities 009+...+013</b>	<b>14</b>	<b>1.057.537</b>	<b>249.552</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
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	55.000	0
4 Dividends received	18	0	0
5 Other cash receipts from investment activities	19	0	320.000
<b>III Total cash receipts from investment activities 015+...+019</b>	<b>20</b>	<b>55.000</b>	<b>320.000</b>
1 Cash payments for the purchase of fixed tangible and intangible	21	339.539	274.644
2 Cash payments for the acquisition of equity financial	22	0	0
3 Other cash payments from investment activities	23	1.000.000	1.000.000
<b>IV Total cash payments from investment activities 021+...+023</b>	<b>24</b>	<b>1.339.539</b>	<b>1.274.644</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
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
<b>V Total cash receipts from financing activities 025+...+027</b>	<b>28</b>	<b>0</b>	<b>0</b>
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
<b>VI Total cash payments from operating activities 029+...+033</b>	<b>34</b>	<b>0</b>	<b>0</b>
<b>VII Cash and cash equivalents at the beginning of period</b>	<b>35</b>	<b>2.078.607</b>	<b>318.428</b>
<b>VIII Increase of cash and cash equivalents</b>	<b>36</b>	<b>0</b>	<b>279.563</b>
<b>IX Decrease of cash and cash equivalents</b>	<b>37</b>	<b>1.749.890</b>	<b>0</b>
<b>X Cash and cash equivalents at the end of period</b>	<b>38</b>	<b>328.717</b>	<b>597.991</b>

STATEMENT OF CHANGES IN EQUITY										
Item	ADP	for the period from 1.1.2020 to 30.6.2020							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 revaluation reserves		
1	2	3	4	5	6	7	8	9	10	11
<b>Balance on the first day of the previous business year</b>	1	46.357.000	13.860.181	141.000	1.310.533	-22.282.591	0	0	0	0
Change in accounting policies	2	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	3	0	0	0	0	0	0	0	0	0
<b>Balance on the first day of the previous business year (restated)</b>	4	46.357.000	13.860.181	141.000	1.310.533	-22.282.591	0	0	0	39.386.123
Profit or loss for the period	5	0	0	0	1.193.751	0	0	0	0	1.193.751
Unrealised gains or losses on financial assets at fair value through other comprehensive income	6	0	0	0	0	0	0	0	0	0
Other changes in equity unrelated to owners	7	0	0	0	0	0	0	0	0	0
<b>Total directly recognized income and expenses of the previous year (previous year periods)</b>	8	0	0	0	1.193.751	0	0	0	0	1.193.751
Increase/decrease in subscribed capital	9	0	0	0	0	0	0	0	0	0
Other contributions by owners	10	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	11	0	0	0	0	0	0	0	0	0
Other distribution to owners	12	0	0	0	-1.310.533	1.310.533	0	0	0	0
<b>Balance on the last day of the previous business year reporting period</b>	13	46.357.000	13.860.181	141.000	1.193.751	-20.972.058	0	0	0	40.579.874
<b>Balance on the first day of the current business year</b>	14	46.357.000	13.860.181	141.000	1.193.751	-20.972.058	0	0	0	40.579.874
Change in accounting policies	15	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	16	0	0	0	0	0	0	0	0	0
<b>Balance on the first day of the current business year (restated)</b>	17	46.357.000	13.860.181	141.000	1.193.751	-20.972.058	0	0	0	40.579.874
Profit or loss for the period	18	0	0	0	401.089	0	0	0	0	401.089
Unrealised gains or losses on financial assets at fair value through other comprehensive income	19	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
<b>Total directly recognised income and expenses of the current year (current period)</b>	21	0	0	0	401.089	0	0	0	0	401.089
Increase/decrease in subscribed capital	22	0	0	0	0	0	0	0	0	0
Other contributions by owners	23	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	24	0	0	0	0	0	0	0	0	0
Other distribution to owners	25	0	0	0	-1.193.751	1.193.751	0	0	0	0
<b>Balance on the last day of the current business year reporting period</b>	26	46.357.000	13.860.181	141.000	401.089	-19.778.307	0	0	0	40.980.963

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: 1.12.2020 - 30.6.2020

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) 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.

AOP 11 Financial assets at amortized costs

The balance sheet position AOP 11 "2 Financial assets at amortised cost" as of 30 June 2020 in total amount of HRK the amount of HRK 1.769.427 (31 December 2019: HRK 1.769.427) consists of the long term financial assets other than investments in associates, subsidiaries and joint ventures which are reported at position AOP 10. Financial assets at AOP 11 consists of:

- 1) Given loans and deposits at amortised cost in the amount of HRK 467.161 (31 December 2019: HRK 467.161), and
- 2) Financial assets at fair value through other comprehensive income in the amount of HRK 1.302.266 (31 December 2019: HRK 1.302.266)