

REPORT OF FACTUAL FINDINGS

To the representatives of Zagreb Stock Exchange, Inc (hereinafter: 'the Company'):

We have performed the procedures agreed with you and enumerated below with respect to the examination of Remuneration Report for 2020, set forth in Appendix 1 and prepared by the Management and Supervisory Board of the Zagreb Stock Exchange, Inc. on 26 April 2021 (hereinafter: 'the Remuneration Report'). Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to examine the Remuneration Report in accordance with the requirements of Article 272r of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15 and 40/19) and are summarized as follows:

- 1 We compared the names of persons listed in the court register against the names disclosed in the Remuneration Report as current and former Members of the Management Board and Supervisory Board or Executive Officers and Members of the Management Board during the financial year ended 31 December 2020.
- 2 We compared monthly fixed element of Gross 1 remuneration for the President of the Management Board and the Member of the Management Board, as defined in their employment agreements, against Gross 1 remuneration included in the related monthly IP1 forms, which were used in the calculation of total remuneration as disclosed in the Remuneration Report.
- 3 We compared variable element of Gross 1 remuneration of the President of the Management Board and the Member of the Management Board, as defined in their employment agreements, against Gross 1 remuneration included in the related monthly IP1 forms, which were used in the calculation of total remuneration as disclosed in the Remuneration Report.
- 4 We compared accounted net fixed and variable remuneration for the President of the Management Board and the Member of the Management Board against the information on paid out net amounts, included in the obtained bank statements.
- 5 We calculated Gross 2 fixed and variable remuneration by applying applicable rates of salary contributions to related Gross 1 remuneration for the President of the Management Board and the Member of the Management Board and compared this calculated amount against the accounted and disclosed Gross II remuneration in the Remuneration Report.
- 6 We compared the amounts of voluntary health insurance for the President of the Management Board and the Member of the Management Board, as defined in their voluntary health insurance policies, against the amounts disclosed in the Remuneration Report.

This version of our Report of Factual Findings is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information and views, the original language version of the report takes precedence over this translation.

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: Kn 44,900.00; Company Directors: Marina Tonžetić, Dražen Nimčević and Domagoj Vuković; Bank: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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REPORT OF FACTUAL FINDINGS (CONTINUED)

- 7 We compared the amounts of voluntary health insurance for the President of the Management Board and the Member of the Management Board, as defined in their voluntary health insurance policies, against the maximum amounts of voluntary health insurance, as defined in their employment contracts.
- 8 We compared the amount of manager liability insurance for the President of the Management Board and a Member of the Management Board, defined in their insurance policies, against the amount disclosed in the Remuneration Report.
- 9 We compared benefits in kind (right to a company car, mobile phone and laptop) of the President of the Management Board and a Member of the Management Board against the related information defined in their employment agreements.
- 10 We compared the right to acquire up to 1% of the shares of the Company, as part of the option plan at a pre-defined fixed price of HRK 14.10 per share, granted to the President of the Management Board and disclosed in the Remuneration Report, against the information included within related employment agreement.
- 11 We compared total annual income, profit and personnel expenses (Gross 2 expenditures) in the Remuneration Report against the relevant financial statements of the Company.
- 12 We interviewed the President of the Management Board and the Member of the Management Board to establish if the Company requested return of the variable elements of remuneration. If this was requested, we obtained supporting documents and compared it against the information disclosed in the Remuneration Report.
- 13 We interviewed the President of the Management Board and the Member of the Management Board to establish if they were paid (or promised to be paid) by third party for work performed as a President of the Management Board and/or the Member of the Management Board. If we determined they were paid (or promised to be paid) in that way, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.
- 14 We interviewed the President of the Management Board and the Member of the Management Board to establish if they were paid (or promised to be paid) by third party for work performed as a President of the Supervisory Board and/or a Member of the Supervisory Board. If we determined they were paid (or promised to be paid) in that way, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.
- 15 We interviewed the President of the Management Board and the Member of the Management Board to establish if the Company was liable to pay them remuneration in case of premature termination of their roles in the Company. If the Company was liable to do so, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.
- 16 We interviewed the the President of the Management Board and a Member of the Management Board to establish if the Company was liable to pay them remuneration in case of regular termination of their roles in the Company. If the Company was liable to do so, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.
- 17 We interviewed the President of the Management Board and a Member of the Management Board if the Company was liable to pay remuneration to the former President of the Management Board and/or Member of the Management Board, whose roles were terminated in previous business year. If the Company was liable to do so, we obtained supporting documentation and compared it against the information disclosed in the Remuneration Report.

REPORT OF FACTUAL FINDINGS (CONTINUED)

We report our findings below:

- a) With respect to item 1, we found no discrepancies.
- b) With respect to item 2, we found no discrepancies.
- c) With respect to item 3, we found no discrepancies.
- d) With respect to item 4, we found no discrepancies.
- e) With respect to item 5, we found no discrepancies.
- f) With respect to item 6, we found no discrepancies.
- g) With respect to item 7, we found no discrepancies.
- h) With respect to item 8, we found no discrepancies.
- i) With respect to item 9, we found no discrepancies.
- j) With respect to item 10, we found no discrepancies.
- k) With respect to item 11, we found no discrepancies.
- l) With respect to item 12, as per our inquiry with the President of the Management Board and the Member of the Management Board, we were informed that the Company did not request the return of variable element of remuneration.
- m) With respect to item 13, as per our inquiry with the President of the Management Board and the Member of the Management Board, we were informed that the President of the Management Board and the Member of the Management Board were not paid, or promised to be paid, by a third party for work performed as a members of the management board or executive directors.
- n) With respect to item 14, we found no discrepancies against disclosed in item 5 of the Remuneration Report.
- o) With respect to item 15, we found no discrepancies against disclosed in item 6 of the Remuneration Report.
- p) With respect to item 16, we found no discrepancies against disclosed in item 7 of the Remuneration Report.
- q) With respect to item 17, as per our inquiry with the President of the Management Board and the Member of the Management Board, we were informed that there was no termination of membership in the Company's Management Board during 2020.

REPORT OF FACTUAL FINDINGS (CONTINUED)

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Remuneration Report.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the subject matter specified above and does not extend to any financial statements of Zagreb Stock Exchange, Inc., taken as a whole.

Domagoj Vuković

Director and certified auditor

26 April 2021
Deloitte d.o.o.
Radnička cesta 80
10 000 Zagreb

For signatures, please refer to the original Croatian auditor's report, which prevails.



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Pursuant to Article 272r of the Companies Act (Official Gazette NN Nos 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15 and 40/19), on 26 April 2021, the Management and the Supervisory Board of the Zagreb Stock Exchange prepared the following

Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2020

1. FIXED AND VARIABLE ELEMENTS OF REMUNERATION FOR 2020

1.1. ZAGREB STOCK EXCHANGE, INC. MANAGEMENT BOARD

In 2020, the remuneration paid to the Company's Management Board President Ivana Gažić totalled a gross II HRK 972.507 of which HRK 876.907 is the fixed element of remuneration and HRK 95.600 the variable element of remuneration. The fixed element represents 90,17% and the variable element 9,83% of remuneration.

In 2020, the remuneration paid to the Company's Management Board Member Tomislav Gračan totalled a gross II HRK 902.060 of which HRK 807.060 is the fixed element of remuneration and HRK 95.000 the variable element of remuneration. The fixed element represents 89,47% and the variable element 10,53% of remuneration.

For Management Board President Ivana Gažić voluntary health insurance policy was agreed with an annual premium of HRK 3,691.

For Management Board Member Tomislav Gračan voluntary health insurance policy was agreed with an annual premium of HRK 3,691.

The Company's Management Board also had a management liability insurance policy issued in 2020, with the insurance cover of EUR 1 million.

Other remuneration included the right to the use of the company car, mobile telephone and laptop, which was exercised by both Management Board members.

The remuneration of the Company's Management Board members in 2020 were in compliance with the Remuneration Policy for Zagreb Stock Exchange, Inc. Management Board Members, determined by the Supervisory Board at its meeting held on 25 May 2020 and approved by the Company's Shareholder Assembly at an Annual General Meeting (AGM) held on 6 July 2020.

The remuneration of Management Board Members has been defined with a view to supporting long-term performance of the Company as a universal, highly reliable and innovative exchange that contributes to creating a firm pillar and development hub for investors, the economy and society as a whole.



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1.2. ZAGREB STOCK EXCHANGE, Inc. SUPERVISORY BOARD

The following members of the Zagreb Stock Exchange, Inc. Supervisory Board: Borislav Centner, Tomislav Jakšić, Matko Maravić, Ivan Tadin, Mislav Ante Omazić, Ivan Sardelić and Enrique Bernardo Mariano, as well as Dunja Babić (whose Supervisory Board mandate ended on 22 July 2020) had no remuneration paid to them for their work in 2020.

2. OVERVIEW OF ANNUAL CHANGES IN REMUNERATION, INCOME AND PROFIT OF THE COMPANY AND AVERAGE REMUNERATION OF FULL-TIME EMPLOYEES FOR THE PAST FIVE FINANCIAL YEARS

In the financial year 2020, the Zagreb Stock Exchange, Inc. had total income of HRK 15.341 th. and HRK 1,875 th. in pre-tax profit. There were no changes to the remuneration paid to members of the Zagreb Stock Exchange Management Board during 2020.

The ratio of average remuneration of Zagreb Stock Exchange, Inc. Management Board members and full-time employee in 2020 was 1:2,56.

The overview below shows the average income of employees of the Zagreb Stock Exchange, Inc., fixed and variable, full-time employees for the last five business years in relation to income and net profit or loss of the Company in that period.

Annual receipts per employee - HRK (in thousand HRK)	2020	2019	2018	2017	2016
Annual basis (gross II)	278	254	248	273	270

Zagrebačka burza (in thousand HRK)	2020	2019	2018	2017	2016
Total income*	15.341	16.105	14.857	14.574	14.325
Net profit/(loss)	1.875	1.195	1.310	(3.753)	(4.405)

*Including financial income

3. NUMBER OF SHARES AND SHARE OPTIONS ISSUED OR UNDERTAKEN TO BE ISSUED BY THE COMPANY TO MANAGEMENT AND SUPERVISORY BOARD MEMBERS

The remuneration system applicable to the Management Board President includes the right to acquire up to 1% shares in the Zagreb Stock Exchange, Inc. under a share option plan at a predefined fixed price of HRK 14,20 per share in a defined time limit. The option may be exercised in October 2020 at the earliest.

Neither the Management Board Member nor members of the Supervisory Board have the right to Zagreb Stock Exchange, Inc. shares.



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4. REPAYMENT OF VARIABLE ELEMENTS OF REMUNERATION

The repayment of variable elements of remuneration of Management Board members is not foreseen nor has it been agreed.

5. REMUNERATION PAID OR UNDERTAKEN TO BE PAID TO MANAGEMENT BOARD MEMBERS IN 2020 BY A THIRD PARTY IN RESPECT OF WORK DONE AS MANAGEMENT BOARD MEMBER

Members of the Management Board in the capacity of members of the Ljubljana Stock Exchange, Inc. Supervisory Board were entitled to remuneration for their work on the Supervisory Board as a one-time amount payable if the Ljubljana Stock Exchange, Inc. generates a profit for the financial year.

In 2020, the remuneration paid to the Management Board President as the Chairperson of the Ljubljana Stock Exchange, Inc. Supervisory Board for her work on the Ljubljana Stock Exchange, Inc. Supervisory Board was EUR 1,800 gross.

In 2020, the remuneration paid to the Management Board Member for his work as a member of the Ljubljana Stock Exchange, Inc. Supervisory Board was EUR 1,500 gross.

6. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. TO THE MANAGEMENT BOARD MEMBER IN THE EVENT OF EARLY TERMINATION OF MANAGEMENT BOARD MEMBERSHIP

If the contract for the performance of duties of the Management Board or the employment contract of the Management Board member is terminated by the Zagreb Stock Exchange, Inc., Management Board members are entitled to severance pay equal to 6 (six) monthly (basic) gross salaries, except where they are dismissed by decision of the Supervisory Board for misconduct, as a relevant reason for dismissal.

There were no payments to members of the Management Board for early termination of their Management Board membership or amended terms of such payment in 2020.

7. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. TO THE MANAGEMENT BOARD MEMBER IN THE EVENT OF REGULAR TERMINATION OF MANAGEMENT BOARD MEMBERSHIP

No obligations were undertaken by the Zagreb Stock Exchange, Inc. under the contract for the performance of duties of the Management Board member or under the employment contract of the Management Board member to pay remuneration to its Management Board members in the event of regular termination of their membership of the Management Board.

There were no changes to such arrangements in the course of 2020.



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8. REMUNERATION UNDERTAKEN TO BE PAID BY THE ZAGREB STOCK EXCHANGE, INC. IN RESPECT OF TERMINATION OF MANAGEMENT BOARD MEMBERSHIP TO A FORMER MEMBER OF THE MANAGEMENT BOARD WHOSE MEMBERSHIP EXPIRED IN 2020

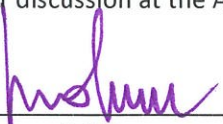
There was no termination of membership of the Zagreb Stock Exchange Management Board in the course of 2020.

9. CONCLUSION


Remuneration policy for Zagreb Stock Exchange, Inc. Management Board Members was presented for approval by the Company's Shareholder Assembly (AGM) on 6 July, 2020.

This Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2020, together with the auditor's report on the Report audit, will be submitted by the Management and Supervisory Board of the Zagreb Stock Exchange, Inc., in accordance with the provision of Article 276a(5) of the Companies Act, for discussion by the Shareholder Assembly of the Zagreb Stock Exchange, Inc. as a separate item on the agenda of the AGM.

This Remuneration Report for Zagreb Stock Exchange, Inc. Management and Supervisory Board Members for 2020, together with the auditor's report on the Remuneration Report audit, will be published by the Zagreb Stock Exchange, Inc. and made available free of charge on its website for a period of 10 years after its submission for discussion at the AGM.




Ivana Gažić
President of the Management Board



Tomislav Gračan
Member of the Management Board





Borislav Centner
Chairman of the Supervisory Board

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