



2025

ANNUAL CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITOR'S REPORT



April 2026

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1. INTRODUCTION

In accordance with Articles 250a and 250b of the Companies Act and Article 21a of the Accounting Act, the obligation to submit an annual report on the state of the company and a consolidated annual report of the company is prescribed.

The Annual Report on the Status of INSTITUT IGH, d.d. (hereinafter: the Company) includes all information and data required by law.

The company consolidates its annual financial statements since it owns shares and business interests in companies that represent subsidiaries and associates.

The term "IGH Group" is used in this Report to refer to the Company and its subsidiaries and associates with the aim of presenting complete, true and substantively accurate information to shareholders and the investment public.

The annual report includes the primary financial statements prepared in accordance with the Accounting Act and International Financial Reporting Standards. According to the Accounting Act, the primary financial statements are the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements. In addition, the Annual Report also includes a non-financial report in accordance with the provisions of Article 21a of the Accounting Act.

2. WORD FROM THE PRESIDENT OF THE MANAGEMENT BOARD

In the year of 2025, Institut IGH, d.d. marked the completion of several significant

contracts that confirm the Company's expertise, continuity and important role in the implementation of complex infrastructure projects in the Republic of Croatia and the region. Among the most important, it is worth mentioning the contract for the provision of professional supervision services over the construction of section DC 403 from the Škurinje junction to the Port of Rijeka, the contract on the preparation of project documentation, PGD and PZI, for the construction of the 2nd section of the new traffic connection from the Velenje South junction to the Slovenj Gradec South junction, the contract for the preparation of project documentation for the Zagreb – Sisak motorway, the Jakuševac – Velika Gorica South section, Jakuševac interchange, as well as the contract for the development of the preliminary and main design of the part of the Adriatic-Ionian corridor on the Stolac – Počitelj interregional interchange section. The completion of these works represents an important contribution to the development of transport infrastructure and further confirms the position of Institut IGH as a reliable partner in demanding engineering and design tasks.

In the period from January to December 2025, Institut IGH, d.d. generated operating revenues in the amount of EUR 19.9 million, while operating expenses excluding depreciation and amortisation amounted to EUR 16.5 million. After calculating depreciation expense in the amount of EUR 2.1 million and the positive effect of interest and exchange rate differences in the amount of EUR 91 thousand, the Company achieved a profit before tax in the amount of EUR 882 thousand.

The achieved result reflects the demanding market circumstances in which the Company operates, but at the same time confirms the need for further responsible management of resources, costs and business priorities. During 2025, Institut IGH, d.d. actively implemented a policy of increasing liquidity, shortening the period of settling liabilities to suppliers and subcontractors, and collecting overdue receivables within the agreed deadlines. Such an approach remains one of the key prerequisites for financial stability and orderly operations of the Company.

During 2025, the Company continued its business activities in foreign markets through its representative offices in Georgia, Armenia, Hungary and Italy, where it generates revenues on infrastructure projects important for these markets. International presence continues to be an important segment of Institut IGH's business and contributes to the Company's market resilience, revenue diversification and further strengthening of its professional references.

In the period from January 1 to December 31, 2025, a total of EUR 10 million of new contracts were contracted. This continued the continuity of the Company's market activity, with the simultaneous implementation of the set short-term plan of business activities. Special attention is still focused on the improvement and additional digitalization of business processes, as well as on investments in new areas of activity, including research and development, waste disposal and the expansion of already started business projects, such as BIM.

During 2025, Institut IGH continued to invest in its employees. A total of 79 employees achieved an increase in the coefficient, which represents an annual increase in costs for the Company in the amount of approximately EUR 200,000 gross. This measure is a reflection of the Company's efforts to, in

accordance with its capabilities and business circumstances, retain professional staff and ensure adequate valorization of their work and contributions.

As of December 31, 2025, a total of 311 employees were employed at the headquarters of Institut IGH, d.d., while another 20 employees were employed in foreign branches. The total number of employees was therefore 331, which represents a decrease of 20 employees compared to December 31, 2024, when the Company employed 351 employees together with foreign branches. The movement in the number of employees reflects the adjustment of organizational and business capacities to market circumstances and the scope of contracted jobs.

The Management Board monitored the activities of the implementation of the plan on a monthly basis, and the results were presented to the Supervisory Board of the Company at the end of the year. Also, taking into account the new circumstances on the domestic and global markets, it is clear that the basic strategy required an adjustment that included new areas of activity. You can read more about this in a separate chapter "Strategy".

We are convinced that knowledge, experience, technological improvement and the ability to adapt to market changes are the key factors in the long-term sustainability and development of Institut IGH. In the coming period, the company will continue to carry out activities focused on operational efficiency, market competitiveness and creating preconditions for more stable and successful business. The non-financial part of the report for 2024 prepared taking into account GRI.

On behalf of Institut IGH, d.d.
Mariyn Tkach
President of the Management Board

3. ACTIVITY

INSTITUT IGH, d.d. is a leading consulting company for engineering services in the field of construction in Croatia and the region, which, together with its 8 subsidiaries and 1 associate, provides comprehensive support to infrastructure and investment projects and delivers optimal, comprehensive and innovative solutions in the field of construction in Croatia and on international markets.

The company is registered at the Commercial Court in Zagreb under the number MBS: 080000959 with its registered office in Zagreb, Janka Rakuše 1. The company's share capital amounts to EUR 14,814,630.00 and is divided into 1,481,463.00 ordinary shares with a nominal value of EUR 10.00 under the ticker IGH-R-A, which are listed on the official market of the Zagreb Stock Exchange.

INSTITUT IGH, d.d. provides the following services:

- Publishing activities;
- Consulting and acquisition of software;
- Research and development in technical and technological sciences;
- Business and management consulting;
- Management of holding companies;
- Architectural and engineering activities and technical consulting;
- Technical testing and analysis;
- Scientific research, development research, publication of scientific and development research results, scientific training and maintenance and development of the scientific research structure;
- Improvement of general, technical and autonomous regulations in the field of construction and other areas in which knowledge of the construction profession is required, processing and coordination of the application of international regulations in construction;
- Improvement of development programs and construction technologies;
- Preparation of studies of the impact of buildings on the environment from the point of view of protection, preservation and improvement of space;
- Organization and implementation of activities with the aim of scientific and professional development;
- Control of technical documentation in terms of stability, safety, functionality, physical properties and economy;
- Verification and assessment of the suitability of organizations that perform activities that have an impact on the safety, quality and functionality of construction facilities;
- Expertise in the field of construction, techniques, technologies and assessment of construction economics;
- Creating and maintaining a register of facilities and infrastructure and monitoring the construction condition, the state of exploitation and the state of maintenance;
- Professional activities of environmental protection;

- Professional tasks of physical planning related to the preparation of physical planning documents and expert bases for the issuance of location permits;
 - Nostrification of projects for:
 - architectural field of design (for architectural projects of buildings, projects of interior design of buildings and projects of landscaping);
 - mechanical engineering field of design (for projects of power buildings, projects of storage and transfer of gaseous and liquid substances);
 - Programming and execution of geotechnical investigation works;
 - Preparation of geotechnical opinions, studies, studies and projects;
 - Development of construction projects of geotechnical structures;
-
- Laboratory tests of soil and rocks;
 - Field tests of soil and rocks in exploration wells;
 - Observations of geotechnical structures;
 - Laboratory and field tests of geotextiles;
 - Geological research of energy, metallic and non-metallic raw materials;
 - Hydrogeological research (geological, structural-geological and hydrogeological research, testing of hydraulic parameters of groundwater, design of groundwater intake, including works for water supply, and for the production of bases for construction facilities);
 - Engineering geological research (geological, structural geological and engineering geological research for the preparation of bases for the design of buildings);
 - Organization, supervision and design of engineering, geological and hydrogeological works;
 - Exploration of groundwater and engineering geological features of the terrain for the purposes of studies and design of environmental protection;
 - Geophysical research for the needs of environmental protection, and for the preparation of bases for archaeological research;
 - Performing tasks for the protection and preservation of cultural property, namely: research and documentation of the load-bearing structure of cultural property and preparation of a conceptual design, as well as preliminary, main and detailed design for the rehabilitation of the load-bearing structure of immovable cultural property, i.e. architectural documentation of cultural property and preparation of a conceptual design, and preliminary main and detailed design for works on immovable cultural property and rehabilitation of materials on immovable cultural property;
 - Development of interdisciplinary activities necessary for the development and improvement of civil engineering;
 - Production of prototypes and series of measuring devices in the construction industry;
 - Consultation and quality assurance of technical equipment of facilities;
 - Development and implementation of quality assurance programs;
 - Transcription and duplication of technical documentation;
 - Certification services;
 - Preparation of technical permits;
 - Execution of investment works in the country and abroad;
 - Research services and the provision and use of information and knowledge in the economy and science;
 - Quality and quantity control services in the export and import of goods, representation of foreign companies;
 - Geophysical surveys for the needs of engineering geological, hydrogeological and geotechnical research, as well as control tests and quality checks on construction facilities;
 - Performing professional tasks of physical planning;
 - Performing construction project management activities;
 - Preparation of project documentation for water management structures and water systems;
 - Preparation of studies of permanent geodetic points for the needs of basic geodetic works;
 - Preparation of a study for the measurement, marking and maintenance of the state border;
 - Preparation of the study for the preparation of the Croatian Base Map;
 - Preparation of a study for the production of digital orthophotomaps;
 - Preparation of detailed topographic map studies;

- Preparation of studies for the production of overview topographic maps;
- Preparation of cadastral survey studies;
- Preparation of technical reambulation studies;
- Preparation of a study for the translation of the cadastral plan into digital form;
- Preparation of a study for the translation of the digital cadastral plan into the given structure;
- Preparation of a study for the homogenization of the cadastral plan;
- Preparation of parcel and other geodetic studies of the land cadastre;
- Preparation of parcel and other geodetic studies of the real estate cadastre;
- Preparation of parcel and other geodetic studies for the purpose of individual translation of cadastral parcels of the land cadastre into cadastral parcels of the real estate cadastre;
- Preparation of a cadastre study of lines and professional geodetic work for the purpose of providing geodetic services;
- Technical management of the cadastre of lines;
- Preparation of special geodetic bases for the purpose of drafting documents and acts of physical planning;
- Preparation of special geodetic bases for the needs of projects;
- Preparation of geodetic studies of the condition of the building before reconstruction;
- Preparation of a geodetic project;
- Staking out of buildings and preparation of a study of staking out a building;
- Preparation of a geodetic situational plan of the constructed building;
- Geodetic monitoring of the building under construction and preparation of geodetic monitoring studies;
- Monitoring of the movement of the building in its maintenance and preparation of geodetic monitoring studies;
- Geodetic works performed within the framework of urban land consolidation;
- Development of agricultural land consolidation project and geodetic works performed within agricultural land consolidation;
- Preparation of special geodetic bases for protected and protected areas;
- Professional supervision of works: preparation of the cadastre of works and professional geodetic work for the purpose of providing geodetic services, technical management of the cadastre of lines, preparation of special geodetic bases for the purpose of drafting documents and acts of physical planning, preparation of special geodetic bases for design purposes, preparation of geodetic studies of the condition of the building before reconstruction, preparation of geodetic design, staking out of buildings and preparation of stakeout studies of the building, geodetic monitoring of a building under construction and preparation of geodetic monitoring studies, monitoring of the displacement of the building in its maintenance and preparation of geodetic monitoring studies, and preparation of special geodetic bases for protected and protected areas;
- Professional nature conservation activities;
- Professional noise protection activities;
- Accounting operations;
- Aerial photography;
- Translation services;
- Property management and maintenance of real estate;
- Real estate brokerage;
- Real estate business;
- Motor vehicle rental;
- Aircraft rental;
- Performing the activity of renting yachts or boats with or without crew (charter);
- Boat rental activity;
- Transport for own needs;
- Passenger transport activity in domestic road transport;
- Passenger transport activity in international road traffic;
- Freight transport activity in domestic and international road transport;
- Organizing seminars, courses, fairs, events, exhibitions and concerts;
- Market research and public opinion polling;
- Buying and selling goods;

- Provision of services in the store;
 - Performing commercial intermediation on the domestic and foreign markets;
 - Design and construction of buildings and professional supervision of construction;
 - Design of the construction of mining facilities and plants.
 - energy certification, energy audit of the building and regular inspection of the heating and cooling or air conditioning systems in the building.
- **In accordance with the standards of the sustainable development system, IGH has the following certificates:**
- ISO 9001 Quality Management Systems;
 - ISO 14001 Environmental Management Systems;
 - ISO 50001 Energy Management System;
 - ISO 45001 Occupational Health and Safety Management System;
 - ISO 27001 Information Security Management System;
 - HRN EN ISO/IEC 17025:2017 for testing laboratory;
 - HRN EN ISO/IEC 17025:2017 for calibration laboratory;
 - HRN EN ISO 17065:2013 for production certification.

4. HISTORY OF THE COMPANY

- 1949.
 - Establishment of INSTITUT IGH, d.d. as a civil engineering laboratory Zagreb
- 1956.
 - Change of name to Institute of Civil Engineering of Croatia
- 1961.-1962.
 - Establishment of regional units in Split, Rijeka and Osijek
 - Obtaining the status of a scientific institution
- 1967.-1973.
 - Opening of permanent field laboratories in Sisak, Karlovac, Dubrovnik, Pula, Zadar and Varaždin
- 1977.
 - Merger of the Institute with the Faculty of Civil Engineering into the Civil Engineering Institute
- 1991.
 - Division of the Institute of Civil Engineering into the Faculty of Civil Engineering and the Institute of Civil Engineering of Croatia
- 1994.
 - Transformation and privatization
- 1995.
 - IGH – joint stock company
- 1997.
 - Completion of an office building in Rijeka and a laboratory building in Sisak
- 1999.
 - The first accreditation according to the HRN EN 45001 standard, which was later replaced by the HRN EN ISO/IEC 17025 standard General requirements for the competence of testing and calibration laboratories
- 1999.
 - Establishment of IGH Cert – an independent body within IGH for the assessment and verification of the constancy of performance of construction products under the authority of the relevant ministry
- 2000.
 - Establishment of the Institute for Studies and Projects
 - Completion of the construction and equipping of a new office building in Split
- 2003.
 - Establishment of IGH TD - an independent body within IGH for the assessment of the performance of construction products according to the authority of the relevant ministry
 - Listing of shares on the Zagreb Stock Exchange
- 2004.
 - Accreditation according to HRN EN 45011 General requirements for institutions that carry out product certification
 - More than 400 test standards for various construction products
 - Relocation of the IGH laboratory to new premises at the IGH headquarters in Zagreb
- 2005.
 - Conformity Certification Authorization for Product Certification, Factory Production Control Certification, Factory Production Control and Testing Supervision
- 2006.
 - ISO 9001:2002 Quality Management Systems Certificate
- 2008.
 - Restructuring the company and designing a new visual identity

- 2009.
- Change of name to INSTITUT IGH, joint stock company for research and development in construction
 - New organization
 - ISO 14001 Environmental Management Systems Certificate
 - OHSAS 18001 Occupational Health and Safety Management Systems Certification
- 2012.
- New organization
 - Appointment of a multi-member management board
 - Increase of the share capital by payment in cash by issuing new ordinary shares in the name of each nominal value of HRK 400.00
 - Increase of the share capital to HRK 105,668,000.00 by issuing 105,590 new shares, each with a nominal value of HRK 400.00, at a price of HRK 760.00 per share
 - Issuance of convertible bonds with the code IGH-O-176A, ISIN: HRIGH00176A8 in the amount of EUR 10,000,000.00
 - Establishment of IGH-ESOP d.o.o. as a form of employee shareholding with 173 founding members, and the paid-up share capital in the amount of HRK 2,979,200.00
 - Entry in the Register of Scientific Organizations for the Field of Technical Sciences, Field of Civil Engineering
- 2013.
- New organization
 - Pre-bankruptcy settlement
 - IGH – Notified Body, a body for certification (assessment of performance) of products at the level of the European Union in the field of harmonized European standards
 - IGH – Approved Body and Croatian Technical Assessment Body under the authority obtained from the relevant Ministry in the field of non-harmonised standards
 - IGH – Technical Assessment Body – TAB for the preparation of technical assessments of construction products at the level of the European Union
- 2014.
- Increase of the share capital through the authorized share capital by investing rights by converting part of the claims of a part of the creditors of the pre-bankruptcy settlement from the amount of HRK 105,668,000.00 to the amount of HRK 123,483,600.00, by issuing 44,539 new dematerialized ordinary registered shares, each with a nominal value of HRK 400.00
 - Reduction of the share capital from the amount of HRK 123,483,600.00 to the amount of HRK 58,654,710.00 by reducing the nominal amount of shares from HRK 400.00 by HRK 210.00 to HRK 190.00 in order to cover the loss realized in previous periods
 - Increase of the share capital by payment in cash from the amount of HRK 58,654,710.00 to the amount of HRK 116,604,710.00 by issuing 305,000 new book-entry ordinary registered shares, each with a nominal value of HRK 190.00
 - Change of ownership structure, members of the management board, function of members of the management board, powers of representation of members of the management board, members of the supervisory board, revocation and granting of procuration

- 2015.
- New organization
 - Conversion of 349,539 shares of the code IGH-R-C ISIN HRIGH0RC00004 the individual nominal amount of HRK 190.00 into 349,539 shares of the code IGH-R-A ISIN HRIGH0RC00006 the individual nominal amount of HRK 190.00
 - Listing of 349,539 shares with an individual nominal amount of HRK 190.00 under the code IGH-R-A, ISIN: HRIGH0RA00006 on the official market of the Zagreb Stock Exchange d.d.
- 2016.
- Operational restructuring
 - Opening up new markets
 - Opening a branch office in Georgia
 - Operational indicators are growing due to changing business trends
- 2017.
- Successful implementation of large infrastructure projects in Georgia
 - Acquisition of IGH Mostar and establishment of a business unit in Bjelina
 - Rebranding and new visual identity
- 2018.
- The re-accreditation procedure of Laboratory IGH by the Croatian Accreditation Agency (HAA) was successfully carried out, whereby we met all the requirements of the HRN EN ISO/IEC 17025 standard, and Laboratory IGH received a new valid Certificate of Accreditation with a validity period until 2024
 - Obtained accreditation for Determination of Integrity of Deep Foundations by Low Deformation Impacts (PIT - ASTM D5882-16), Dynamic Testing of Deep Foundations by High Deformation (PDA - ASTM D4945-17), Standard Penetration Test (SPP/SPT - HRN EN ISO 22476-3:2008) and Measurement of Energy Transfer in Performing Standard Penetration Test (SPP/Er - ASTM D4633-16), which extended the scope of accreditation of geotechnical tests to IGH field investigations
 - Contract for expert supervision of the project for the construction of the mainland-Pelješac bridge with access roads signed with the company Hrvatske ceste d.o.o., based on a public tender and submitted bid worth HRK 49.4 million (excluding VAT)
 - Possession of the new ISO 50001 Energy Management Systems certificate
 - Contracted supervision of works in the construction of the Banovići-Blok 1-350 MW Thermal Power Plant with a net value of HRK 15,769,400.00
- 2019.
- Possession of the new ISO 50001 Energy Management Systems certificate
 - Contracted supervision of works in the construction of the Banovići-Blok 1-350 MW Thermal Power Plant with a net value of HRK 15,769,400.00
 - Contracted supervision of works in the construction of the Ston bypass (DC414), subsections Sparagovići/Zaradeže-Prapatno and Prapatno-Doli in the net value of HRK 12,750,697.00 and also supervision of the Project Improvement of water and communal infrastructure in the area of the Rijeka agglomeration in the net value of HRK 12,522,863.00
 - Design ID12 junction Vrbovec 2 (D10)–Bjelovar–Virovitica–G.P. T. Polje, section Bjelovar–Virovitica–G.P. T. Polje (Gr. R. Hungary), approx. 60 km with a net value of HRK 12,407,600.00

- 2020.
- New Business Strategy 2020 – 2030 adopted
 - A contract was signed with JP Motorways of the Federation of BiH d.o.o. worth about HRK 30 million, in which we are the leading member of the consortium for the design of the Mostar-Široki Brijeg-border expressway, section Polog-border of the Republic of Croatia
 - Contract signed with JP Motorways of the Federation of BiH d.o.o. worth HRK 15.7 million for the service of expert supervision of the construction of the highway on Corridor Vc, section Tarčin-Konjic, subsection Tarčin-Ivan, entrance to the tunnel Ivan
 - The Ministry of Construction and Physical Planning has given its consent to the "Professional Development Program 2020-2022" for the holding of internal and external trainings for which academic hours will be allocated, making the Company the only private institution in the Republic of Croatia that will provide professional development services to all persons who have passed the professional exam and who, in accordance with the Ordinance on Professional Training of Persons Performing Physical Planning and Construction Activities, are mandatory in the two-year at least twenty school hours of education.
 - In accordance with the certification requirements, the company has made the transition from the OHSAS 18001 standard to the ISO45001:2018 standard, thus emphasizing the importance of occupational health and safety as part of the company's culture
- 2021.
- Implementation of the new Business Strategy 2020 – 2030 has begun
 - The return of the visual identity conceived in 2008
 - Contract signed with Hrvatske ceste d.o.o. on the supervision of the construction of the Okučani – BiH border expressway with a total value of HRK 7.2 million
 - Contract signed with the Port of Vukovar Authority on the service of preparing study and project documentation worth HRK 5.9 million
 - Contracts signed with HEP proizvodnja d.o.o. related to the main inspections of building structures in Croatia worth approximately HRK 8 million
 - Contract signed with Croatian Motorways Ltd. for the reconstruction of the Zagreb bypass worth over HRK 10.5 million
 - Preparation of conservation bases and a project for the renovation of the roof of the Poljud stadium in Split
 - Professional supervision of the construction of the University of Dubrovnik student dormitory complex completed
- 2022
- One of the largest infrastructure projects in the Republic of Croatia – the Pelješac Bridge – has been completed. Experts from INSTITUT IGH, d.d. provided professional supervision, quality control and laboratory services on the project.
- 2023
- One of the most expensive infrastructure projects in the Republic of Croatia – State Road DC403 has been completed
 - Increase of share capital to EUR 14,814,630.00 and decrease of the nominal value of shares to EUR 10.00 per share
 - Merger of RADELJEVIĆ d.o.o. and IGH CONSULTING d.o.o. with INSTITUT IGH, d.d.
 - Opening of a branch office in Hungary and Armenia
 - A recapitalization was carried out, which created all the conditions for initiating an exit from the pre-bankruptcy settlement

2024

- Exit from pre-bankruptcy settlement
- Celebrating 75 years of existence
- Appointment of a multi-member Management Board of the Company
- Appointment of the President of the Management Board of the Company
- Opening up new markets

2025

- Appointment of a multi-member Management Board of the Company
- Appointment of the President of the Management Board of the Company

5. GROUP COMPONENTS

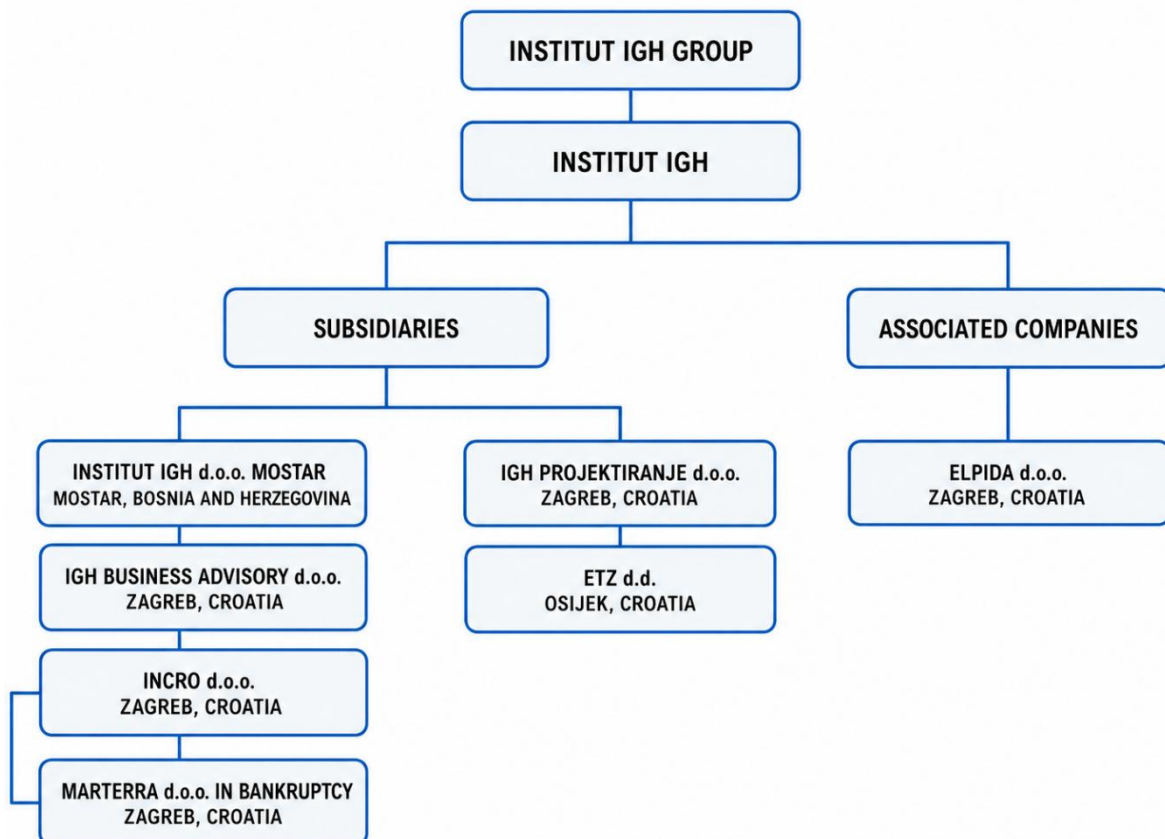
M The parent company of the Group to which it belongs is the issuer itself. The members of the IGH Group are partly complementary to the parent company, established or taken over with the aim of being able to provide the entire service.

The first part of the services is provided in the field of professional testing, design and nostrification of projects, supervision and professional guidance for the architectural and construction field and the scientific research area. The second part of the services are services related to real estate management.

Group IGH consists of **6 subsidiaries and 1 associate** (as of 31.12.2025) from core and similar activities, and INSTITUT IGH, d.d. also operates through subsidiaries abroad.

Subsidiaries are companies in which the Company owns more than 50% of the voting rights and/or has control over the adoption and implementation of the financial and business policies of the investee company in order to benefit from its activities.

Affiliates are companies in which the Company owns between 20% and 50% of the voting rights and in which it has significant influence, but not control, by participating in decision-making on the financial and operating policies of the associate.



Scheme 1. Group components as at 31.12.2025.

tag. The consolidation includes the following **subsidiaries**:

SUBSIDIARY	ADDRESS
ECONOMIC AND TECHNICAL INSTITUTE d.d. (ETZ d.d.)	Drinska 18, Osijek, Croatia
IGH PROJEKTIRANJE d.o.o.	Ulica Janka Rakuše 1, Zagreb, Croatia
IGH BUSINESS ADVISORY SERVICES d.o.o.	Ulica Janka Rakuše 1, Zagreb, Croatia
INCRO d.o.o.	Ulica Janka Rakuše 1, Zagreb, Croatia
Institut IGH d.o.o. Mostar	Kralja Zvonimira 18, Mostar, Bosnia and Herzegovina

Table 1. Subsidiaries covered by consolidation

The **associates** are as follows:

ASSOCIATE	ADDRESS
ELPIDA d.o.o.	Ulica Janka Rakuše 1, Zagreb, Croatia

Table 2. Associates covered by consolidation

The Company carries out its business activities through its **subsidiaries** in Armenia, Georgia, Hungary and North Macedonia.

6. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In the period from 31.12.2023 to 31.12.2024, the Company contracted **157** new contracts with a value of **EUR 12.9 million**.

Of all the contracted jobs in 2024, we highlight:

Ordinal number	Country	Client	Project name	Service description	Net Contracted Value for IGH_EUR
1	Italy	ANAS SPA(Italy)	Framework Agreement for technical-administrative assistance services aimed at guaranteeing support to the RUP and the Works Management office for the execution of Scheduled Maintenance interventions - 16 LOTS	Design	2.000.000,00
2	Georgia	Roads Department of Georgia	Preparation of Feasibility Study and Detailed Design for the Upgrading of Kobuleti Bypass Road to the 4-lane Highway	Design/Study Documentation	1.791.318,75
3	Croatia	Croatian Motorways Ltd.	Preparation of project documentation and obtaining building permits for the A1 motorway, section Rudine-Osojnik	Design	1.462.532,50
4	Georgia	Roads Department of Georgia	Providing a service for preparing technical documentation connected with conducting essential design estimate and tender procedures for road rehabilitation works	Design	1.131.417,88
5	Croatia	Bouygues T.P._Podružnica in Croatia	Control tests on the Istrian Y - A8_section_PUO Kvarner-Matulji_Nova Vas-Višnjan_Faza II_sjeverni motorway carriageway from km 18+320 to km 20+320 including the Mirna_Medaki-Kanfana bridge including the Limska Draga viaduct	Control tests	497.956,42
6	Croatia	Hrvatske ceste d.o.o.	Supervision of the construction of section BC Okučani – BiH Border III. Phase, length 3.7 km	Supervision	324.280,75
7	Croatia	Hrvatske ceste d.o.o.	Supervision of the reconstruction of the intersection of the state road DC8 and V. Škorpika Street in Šibenik - Mandalina junction	Supervision	206.577,50
8	Croatia	China Road and Bridge Corporation	Geological services on the excavation of the Kozjak tunnel	Geological Services	174.000,00
9	Croatia	Croatian Motorways Ltd.	Consulting and design services and development of technical solutions for repairing damage on motorways	Advisory services	160.440,00
10	Croatia	Croatian Motorways Ltd.	Main pavement inspections on the A1 motorway: section Zadar II - Karamatići and motorways A5, A10 and A11: shares Osijek - Svilaj, BiH border - Ploče and Velika Gorica South - Buševac	Main pavement inspections	140.223,36

Table 3. List of projects contracted in 2024

In 2025, conditions have been created for the deregistration of companies that have been deleted or will be deleted at the beginning of 2026 from the court register. These are as follows:

- Company DP Aqua d.o.o. – liquidated and deleted from the court register on 24.10.2025 by decision Tt-25/61396-1
- Company Slavonija centar, business zone Velika Kopaonica d.o.o. – liquidated and deleted from the court register on 23.12.2025 by decision Tt-25/69198-1

- For the company Marterra d.o.o. Zagreb initiated bankruptcy proceedings in January 2025, and Decision No. St-186/2025 of 29.12.2025 on the closure of bankruptcy proceedings was issued. By Decision Tt-26/13963-1 of 15.04.2026, the deletion of the entity from the court register was ordered.

7. VISION AND MISSION

VISION: To be one of the leading engineering companies in the region and beyond, whose employees are the best experts and satisfied co-owners, who improve the quality of the environment and people's lives every day with innovative engineering solutions.

MISSION: With a professional and responsible approach, as well as knowledge and innovation, to solve engineering challenges in a timely manner to the satisfaction of our clients.

8. IGH STRATEGY 2020 - 2030

A new step forward for INSTITUT IGH, d.d. based on our core values. Our direction in the next ten-year period is to maintain our leading position in the traditional markets of Croatia and Eastern Europe by providing design, construction supervision, project management, laboratory services in sectors in which we have so far demonstrated our superior expertise such as road and rail infrastructure. The company bases its comparative advantage on the comprehensiveness of services in construction, which for the client represents an exceptional acceleration and efficiency of project implementation, while maintaining a high level of quality.

The Strategy envisages four key lines of action:

1. **Employee focus and mentoring**
2. **New Markets and Business Segments**
3. **Scientific research activities**
4. **Profitability**

Employees as our greatest value

The experience gained on large and demanding projects, which generates experts ready to lead increasingly complex jobs, must still be retained by the Company. In this way, a valuable base of expertise and experience is created, which forms the basis for long-term business sustainability. Empowering professional staff through the development and education of existing and bringing in new team leaders and key experts, as well as young novice engineers will continue to be our focus. In addition, through the implementation of the Mentoring System, we want to create a mentoring system through which younger engineers and designers will cooperate with more experienced ones through all phases of projects, thus ensuring a faster transfer of knowledge and ultimately a higher quality of our work and added value for our partners. With a systematic training program, we want to enable employees to develop professional knowledge, as well as management skills and the use of new technologies, such as BIM, as part of the company's comprehensive digital transformation.

Client orientation

The position of INSTITUT IGH, d.d. to be a partner to their client, not a contractor, through a focus on the timely fulfillment of their requirements and a proactive approach.

Scientific research activities

INSTITUT IGH, d.d. He was once recognized for his contribution to the profession through research and development. In the coming period, we want to return to our roots and once again become a center of excellence when it comes to scientific research. The key areas of activity in this field will be: the use of plastic-based waste materials in building materials, the development of new testing methods for building materials and structures, including non-destructive testing methods, the development and issuance of eco certificates, the development of capacities for water analysis, the research and development of hydrogen as a fuel for use in vehicles.

Focus on new sectors and modernisation of services

We see energy, both classic and especially from renewable energy sources such as wind, hydro and biomass, as a great opportunity to expand our experience to this sector and further diversify the portfolio of services and sectors in which we operate.

Industrial and civil buildings, as well as data centers, will continue to be projects that will require state-of-the-art design, supervision and strategic consulting in the future. wants to continue to be recognized as a leading company.

We also want to be a leader when it comes to improving services in accordance with global standards and to be the leader of the trend of modernization of services in construction according to all stakeholders. Here we primarily mean promoting BIM processes and tools and thus making them a standard in the industry.

Financial stability

Ensuring the stability of cash flow and further financial activities for the development of the company in the coming period are key prerequisites for facilitating operational operations.

In 2024, the obligations from the pre-bankruptcy settlement have been fully fulfilled, which represents a significant step towards strengthening the company's financial position. This opens up space for additional focus on business growth and development. By increasing the engagement of the company's capacities in all current and new external markets, our goal is to achieve long-term and sustainable financial stability of the company.

New markets

In the coming period, we will also strategically turn to the West, the Middle East, Central Africa (MENA), the Commonwealth of Independent States (CIS) and the Asian market. Offers are being prepared in ex-CIS countries, in Central Asian countries we are examining markets in cooperation with Korean partners, and in MENA countries we are establishing contacts with local partners.

Adaptation of the strategy

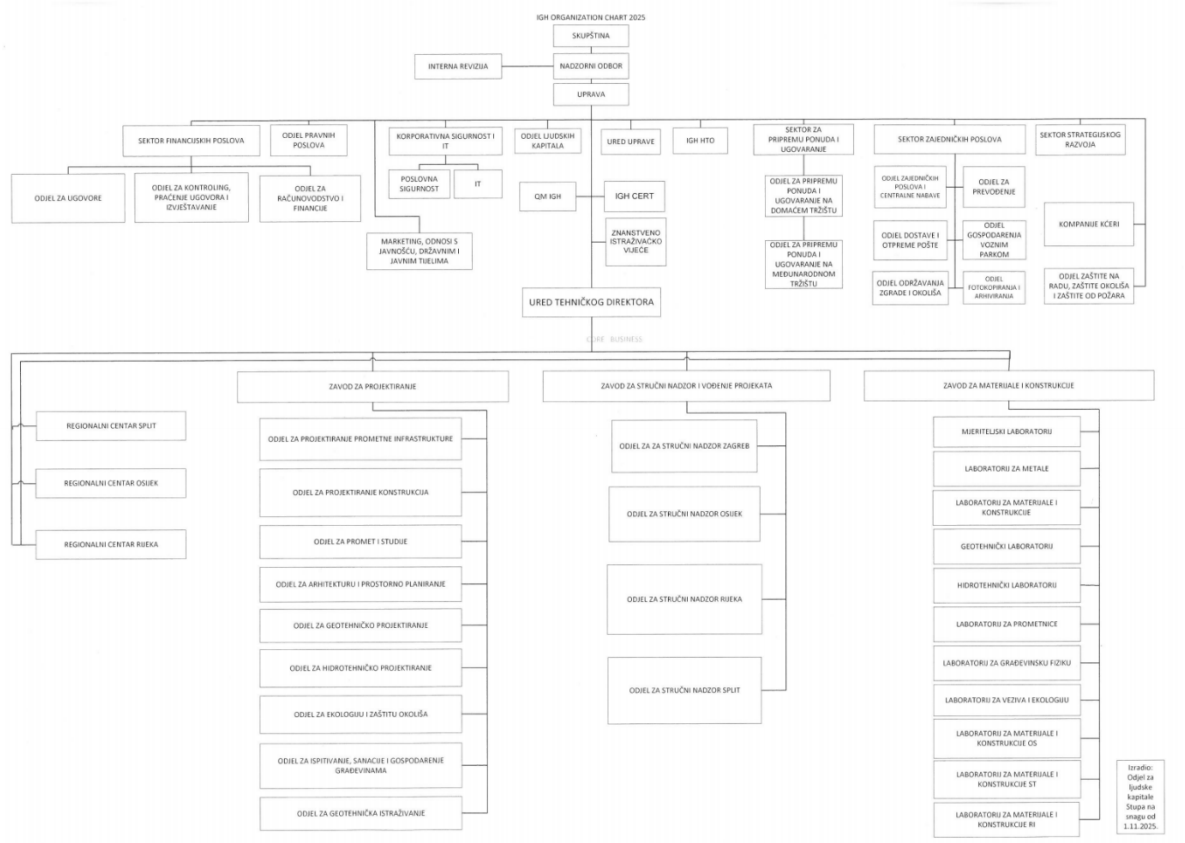
Taking into account new market developments, last year we started adapting our strategy to reflect both market and geopolitical changes. In addition to maintaining the four basic directions, we will take a more strategic approach to design, expert supervision, laboratory and R&D activities, as well as further digitalization, promotion and provision of BIM services.



Scheme 2. Symbolic representation of the strategic areas of Institut IGH, d.d.

9. ORGANIZATION OF THE COMPANY

As of December 31, 2025, the Company was organized according to the following scheme:



Scheme 3. Organizational structure as of 31.12.2025.

10. MATERIAL TOPICS OF IMPORTANCE TO THE COMPANY

The Management Board of the Company, taking into account the context in which it operates, considered several material topics of importance. Given the scope of services it provides in the engineering consulting market, three key topics have been identified that have an impact on both the economy and society in general.

The company primarily provides services on large infrastructure projects that have exceptional importance for the economy, society and people in general. When providing this type of service, it is extremely important to take into account the possible consequences. For example, professional supervision of the construction of a bridge or highway is of great socio-economic importance, but it is also important for all people who work on such projects. Therefore, it is legally recognized that through such types of services, each company must have an adequate and professional workforce that will be able to give clear and unambiguous instructions regarding the health and safety of its own employees, as well as employees of partners and subcontractors. Incidents on the construction site can have negative consequences in terms of injuries to individuals, extension of the construction deadline, and which also brings economic consequences. On the other hand, setting up valid procedures and processes in place can mean that the project will take place within the set deadline and without consequences. The company is guided by the principles of a control management system such as: Occupational health and safety management: ISO 45001:2018.

The Company's own operations are geographically distributed to the main headquarters in Zagreb and three Regional Centers (Osijek, Rijeka, Split) and within which the largest construction laboratory in this part of Europe operates, which conducts construction tests and calibrations. Hence the awareness that we must take care of our own impact on the environment. Therefore, management systems have been established within the company, such as the environmental management system according to HRN EN ISO 14001:2015 and the energy management system according to HRN EN ISO 50001:2018, as well as the umbrella quality management system HRN EN ISO 9001:2015.

Given the age structure of the company, it is evident that the older workforce dominates demographically, so through Strategic Positioning, professional training and mentoring have been recognized as one of the primary goals in order for the Company to remain the leading provider of consulting and engineering services in the Republic of Croatia and beyond. The need for professional development was predominantly recognized as a need when conducting a survey on employee satisfaction.

Taking all of the above into account, the Company recognizes the following three material themes:

- 1. The health and safety of our employees and industry partners with whom we collaborate on projects;**
- 2. Adaptation and environmental impact;**
- 3. Focus on employees through mentoring and professional development.**

11. NON-FINANCIAL REPORT

U In accordance with the provisions of Article 21a of the Accounting Act (OG 78/15, 120/16), Directive 2013/34/EU of the European Union and the Guidelines for Reporting Non-Financial Information (Methodology for Reporting Non-Financial Information) 2017/C 215/01 of the European Commission, the Company has included relevant information on operations in the Annual Report, which is expected to contain a non-financial report.

INSTITUT IGH, d.d. is particularly proud of the long-standing tradition of implementation and certification of management systems: quality management system according to HRN EN ISO 9001:2015; environmental management system according to HRN EN ISO 14001:2015; energy management system according to HRN EN ISO 50001:2018, occupational health and safety management system according to HRN ISO 45001:2015 and information security management system HRN EN ISO 27001:2022. By the decision of the management, all management systems were integrated according to these standards and the certification company Quality Austria was chosen.

The recertification of the management system for all Quality Austria systems took place on May 19-22 at the locations of Zagreb and Osijek, and no non-conformities were found. The Institute received confirmation that it meets the requirements of all these standards on June 2, 2025.

Laboratory activities have been carried out for many years in accordance with the requirements of the HRN EN ISO/IEC 17025:2017 standard at several locations throughout Croatia (Zagreb, Split, Rijeka, Osijek, Pula and Varaždin). All organisational units carry out tests/calibrations/sampling in both accredited and non-accredited areas.

The Croatian Accreditation Agency reaccredited the Metrology Laboratory on 11 and 13 March. After resolving the non-conformities, 2070 confirmation was obtained for 16 methods for measurement quantities: force, length, frequency, mass, temperature.

The supervision of the Croatian Accreditation Agency for Testing Laboratories began on 1 April and lasted until 16 June for testing laboratories. After resolving the non-conformities, a new 1043 certificate was obtained, which lists 720 accredited test methods. The new surveillance is scheduled for April 2026. Integrated management system in INSTITUT IGH, d.d. It is applied to all business processes and locations and, as a requirement of modern business, ensures continuous process improvement, socially responsible business and the development of service quality.

INSTITUT IGH, d.d. continues to strive to promote socially responsible business through the development of its business processes through reorganization and digitalization, through focus on employees, encouraging and developing scientific research work and responsibility towards the environment.

Following the global goals for reducing the carbon and water footprint and responsible consumption of energy products, the Institute is committed to improving its own efficiency through defined goals.

INSTITUT IGH, d.d. will continue to continuously improve its business model in the interest of customers, investors, employees and suppliers, as well as the entire community.

Consequently, in August, a new Quality Policy was issued, which was amended in the field of environmental management. According to the observations on external audits, the years of issue of individual standards have been removed because Institut IGH regularly applies all new editions of standards for which it is accredited/certified.

Management systems at INSTITUT IGH, d.d.

Integration of all management systems in INSTITUT IGH, d.d. was made in 2025, upgrading the management system and the necessary documentation. In this way, the general management of the management system has been facilitated, its efficiency has been increased, the number of management system documents has been reduced, and thus the employee management systems have become closer and easier to access and understand.

As part of the management system, several trainings were conducted for all new employees in order to raise awareness of management systems, awareness of the contribution of each employee to the efficiency of the system, quality policy, information security, environment, energy and occupational health and safety.

The planned internal audit at the RC Split location was not done because it began during July moving to another location in Dugopolje. The adjustment of the timing of the heating on site was solved, which included the replacement of the main control valve and the control device. **As expected, significant heat savings were achieved during 2025, which were slightly less than 20%. This achieves the purpose of investing in the system.**

The laboratories have made internal audits of their systems according to HRN EN ISO/IEC 17025:2017 and internal audits of methods according to previously approved plans.

The audit of the certification company Quality Austria HRN EN ISO 9001, HRN EN ISO14001, HRN EN ISO 27001, HRN EN ISO45001 and HRN EN ISO50001 (recertification audit) was held in May 2025. There were no non-conformities during the audit and on 2.6.2025 we received a certificate for all systems.

Quality management system including laboratories

INSTITUT IGH, d.d. Its business is based on business standards, social responsibility and a certified quality management system according to the requirements of the HRN EN ISO 9001:2015 standard as part of an integrated management system.

The laboratories meet the qualification requirements and is the largest construction laboratory in Croatia. All laboratories are equipped with state-of-the-art equipment for laboratory, field testing, research services and calibration of gauges and are accredited according to the HRN EN ISO/IEC 17025:2017 standard. The testing laboratory was supervised by the HAA from 1.4.-16.6. The locations of Zagreb, Split, Osijek and Pula were examined. The found non-conformities were resolved within the stipulated deadline and a new accreditation certificate was obtained, in which 720 accreditation methods are listed. The Metrology Laboratory had an assessment from the Croatian Accreditation Agency in March 2025 and according to that assessment, it receives accreditation for the next period of five years. Methods for calibration of length gauges, force gauges, vibrating tables with a measuring system, non-automatic scales and temperature chambers were reviewed. The evaluators found three non-conformities in the new methods proposed to extend the scope of calibration. Given the need for re-accreditation and the shortness of time to solve them, we have given up on expanding the area and we will prepare the same for the next HAA supervision.

Environmental management

Through the environmental management system in 2025, INSTITUT IGH, d.d. continued its activities to minimize negative environmental impacts, taking into account climate change and the life cycle perspective of each product. In accordance with the requirements of our customers, suppliers, employees, business partners and other interested parties, and related to the range of activities we are engaged in, we have estimated that the ecological footprint is relatively small and we have dedicated ourselves to operations that we can significantly influence.

Our environmental management system according to ISO 14001, but also energy management system according to ISO 50001, forces us to look for opportunities for improvement through environmental aspects, but also through risk assessments, through the resolution of non-conformities. We try to return the remains of samples from testing to the customer (owner) in order to generate as little waste as possible, and what cannot be returned to customers is primarily tried to be handed over for recovery in order to avoid burdening the environment.

Waste Management (DISCLOSURE 306)

The key goals of waste management at Institut IGH were related to raising awareness of waste management through research on the possibilities for recycling and recovery of waste. The quantities returned to customers are not listed in Table 1. Types of waste generated in 2025, because they are not treated as waste but go to the owner for recovery.

Table 1: Types of waste generated in 2025 by type and regional centres.

Types of waste	ZG (t)	ST (t)	OS (t)	RI (t)	Waste generated (t)	Recovery (t)	Disposal (t)
Mixed construction waste (Concrete, aggregate, brick, tile/tile and ceramics.	93,86	12,4	8,71	25,26	140,23	140,23	-
Glass	-	-	-	-	-	-	-
Bitumen	-	-	-	-	-	-	-
Plastic & Metal (Municipal)	0,84	-	-	-	0,84	-	0,84
Plastic packaging	-	-	-	-	-	-	-
Packaging with solvents	-	-	-	-	-	-	-
Waste tires	-	-	-	-	-	-	-
Lab Chemicals	-	-	-	-	-	-	-
Paper and cardboard	4,65	3,56	6,90	0,57	15,68	15,68	-
Batteries & Accumulators	-	-	-	-	-	-	-
Non-chlorinated hydraulic oils	0,20	-	-	-	0,20	0,20	-
Non-chlorinated engine oils	-	-	-	-	-	-	-

Bulky waste	1,20	-	-	-	1,20	-	1,20
Sludge or solid waste with solvents	-	-	-	-	-	-	-
Mixed municipal waste	18,40	-	-	-	18,40	-	18,40
Perchloroethylene	-	0,04	-	0,045	0,085	-	0,085
Biowaste	2,10	-	-	-	2,1	2,10	-
Total	121,25	16,00	15,61	25,87 5	178,735	158,21	20,525

The inputs for the data in Table 1 are reported data from the Register of Environmental Pollutants and records on waste generation and flow. Waste recovery companies do not classify construction waste according to other key numbers, but take everything as concrete and mixed construction waste, and the reason is that the same recoverer receives according to that category.

Stone wool, concrete, brick, tile and aggregate, styrofoam and similar materials that come to INSTITUT IGH, d.d. as samples for testing are returned to production for reuse in order to create an additional – longer value of the product. Extending the lifespan of construction products actually reduces waste and directly the pressure on the environment, and supports the circular economy model

The recovery of waste generated from the process of Institut IGH in 2025 was 88.52%, which is more than the recovered waste in 2024 (71.48%), and represents a significant improvement compared to 2023. The same was achieved by selecting new service providers and agreeing with waste management companies that changed their processes so that more waste is recovered and less is disposed of.

All waste is given to authorized waste collectors, so it is disposed of outside IGH, but we do not have information available on what happens to this waste and how it is recovered or disposed of.

Environmental data (DISCLOSURE 305)

Gross direct greenhouse gas emissions are shown in Table 2.

Table 2: Gross direct greenhouse gas emissions for 2021-2025

	2021	2022	2023	2024	2025
Gross direct greenhouse gas emissions in metric tonnes equivalent (scope 1)	595798.2 t	525001.5 t	411739,2	383858,5	406371,3
Greenhouse gas emissions per company revenue	0,024602	0,021225	0,014729	0,018484	0,022341
Reduction of greenhouse gas emissions per company revenue compared to 2021		13%	30,9%	35,6%	31,79%

Gases included in the calculation: CO₂, CH₄.

Source of the calculation and the emission factors used and the GWP potential rate: EIB Project Carbon Footprint

2021 was taken as the base year because it is the only one that can be relevant as when monitoring energy consumption. A significant reduction in greenhouse gas emissions is observed, which is a consequence of a change in employee behavior and a change in business processes, especially the rationalization of the use of the vehicle fleet.

For indirect gross energy market-based (Scope 2) greenhouse gas emissions and gross other indirect (Scope 3) greenhouse gas emissions, data is not available or is not applicable to us.

Energy Management (DISCLOSURE 302-1)

The energy management system in accordance with the ISO 50001 standard requires the preparation of an energy audit for locations, monitoring of energy consumption and compliance with legal requirements.

The energy audit, which is carried out as part of the energy management system according to ISO 50001, covers the locations where the Institute operates: the headquarters in Zagreb, the regional center Osijek, the regional center Rijeka, with some limitations: the regional center of Split is excluded from the analysis from 2022 because we do not have data on the consumption of energy products at that location. Other locations are energy-insignificant consumers and are not included in the analysis (Zadar and Dubrovnik). As far as renewable sources are concerned, no such sources are currently used, although this has been set as one of the goals for 2026.

Energy consumption in 2025 in INSTITUT IGH, d.d. is shown in Table 3. Note that consumption in Split is excluded from this data because as of 2022 we do not have data (except for fuel) to make it comparable.

Table 3: Total energy consumption in 2025

Group Energenata	Energy source	Consumption in unit of measurement	Consumption in kWh	Consumption in J
Transportation	Fuel	150.508 L	1.431.239	5.152*10 ¹²
Heating	Thermal energy	1,944,804 kWh	1.944.804	7.001*10 ¹²
Electricity	Electricity	1,189,662 kWh	1.189.662	4.282*10 ¹²
Water	Water	6931 m ³	-	-
Total	All	-	4.565.705	1,644*10 ¹³

A comparison of total energy consumption shows that the highest energy consumption is for heating. Graphic representations for water, electricity and heat (Figure 1) and fuel (Figure 2) show that all items of energy consumption have a downward trend in recent years.

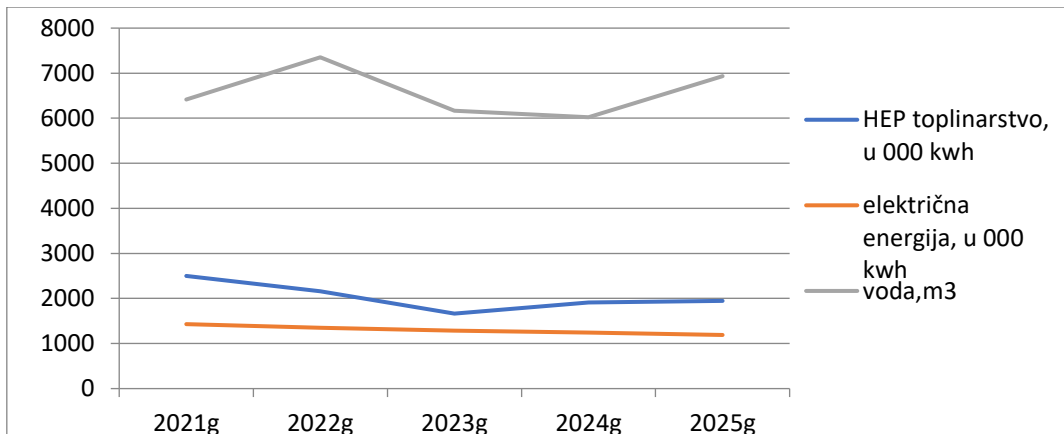


Figure 1: Graphical representation of water, electricity and heat consumption 2021-2025

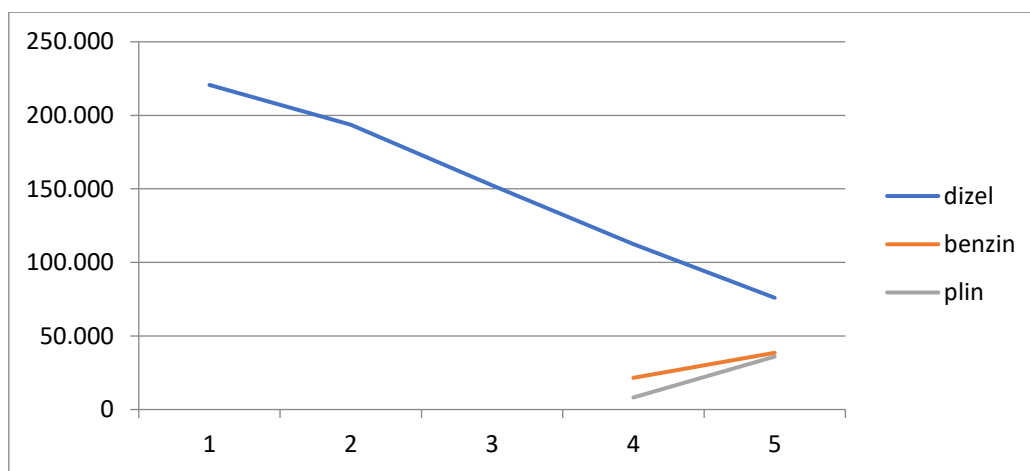


Figure 2: Graphical representation of fuel consumption 2021-2025

The total fuel consumption within the organization is from non-renewable sources. The use of energy from renewable sources is included in the plan for 2026.

In conclusion, energy consumption is monitored and analyzed, and progress in energy savings is evident. Compared to the previous year, consumption is slightly higher, given that vehicles were used throughout the year compared to the previous year, but in terms of energy, the total energy consumption in kWh is lower than in 2024 due to the energy conversion coefficient. A downward trend is visible for other energy products that significantly affect energy efficiency, except for water, for which higher consumption was recorded compared to last year due to a pipe burst in the system that caused uncontrolled water leakage into the drain. The Regional Center Osijek has invested in the repair of the main heating control valve, which has resulted in a 20% reduction in heating consumption during 2025.

Energy indicators (DISCLOSURE 302-3)

Energy indicators are defined as the relationship between energy consumption and the relevant variable that affects consumption.

Here, the revenue of Institut IGH was taken into account as a relevant variable. Data for 2021 – 2025 are given in Table 4.

Table 4: Presentation of energy parameters in relation to the company's revenue for 2021-2025

EnPi	2021	2022	2023	2024	2025	2025-2021
Total energy consumption (J)	2,278*1013	2,01581*1013	1,6806*1013	1,674*1013	1,644*1013	-6,34*1012
IGH revenue (eur)	24.217.027	24.734.882	27.954.367	20.766.331	18.189.033	-6.027.994
EnPi (J/eur)	94.066,05	81.4966,49	60.119,41	80.611,25	92033,48	-2032,60

The total energy consumption includes total energy for heating, cooling and transport.

The maturation of the energy management system according to ISO 50001 had an impact on the reduction of energy consumption, mostly through employee education, etc. The trend of decreasing energy consumption is obvious and stable.

Water (DISCLOSURE 303)

In order to achieve concrete steps towards sustainable business bearing in mind the importance of water as a resource, we understand the importance of water management, but by assessing the risk of the impact on water (environmental aspects according to ISO 14001, risk assessment according to ISO 50001) and using this resource, we came to the conclusion that Institut IGH has a minimal water footprint. The use is reduced to sanitary needs and the needs for cooling samples during testing.

The organization buys and withdraws water from the utility company and hands over the consumed water to the drainage system to the same company. The system is closed and should have no losses. Water consumption is monitored in absolute amounts and through energy indicators (taking into account relevant variables)

The absolute water consumption in megaliters in IGH is : 6,931 ML.

Unfortunately, due to the uncontrolled leakage of water at the Zagreb location, due to the burst pipe, an increase in consumption is visible. After the repair of the malfunction, there was a normalization, which is monitored in monthly reports. This data should be taken with a grain of salt because the data on consumption in RC Split is unavailable, and the data for Rijeka are only a share in the total consumption of the building in which IGH is a tenant. The data was collected from invoices received from the utility company that supplies us with water.

IGH has one sprinkler pool in Zagreb that contains 0.1115 ML of water, the amount of water in the tank did not change during the observed period.

Occupational Health and Safety Management (DISCLOSURE 403)

The set up occupational health and safety management system has provided a framework for risk and opportunity management, and healthy workplaces for employees have been ensured, and the number of occupational injuries and diseases has been reduced.

In 2025, the focus was on risks that are directly related to work processes. Therefore, internal inspections of occupational safety experts in processes that are recognized as riskier by the Risk Assessment have been intensified. The employer's authorized persons for occupational safety were informed about the findings of internal inspections, and corrective actions were initiated, most of which were accepted and closed.

The performance of the occupational safety system is monitored through key indicators of the system, which include injuries and deaths at work, and lost working days and hours in relation to the total number of hours worked. Data including 2025 are given in Table 5.

In 2025, we had five injuries that were recognized as injuries at work. 3/5 of the injuries at work have

been recognized, while the other two are still in the procedure. The admitted injuries were minor where it was a sprain and strain of the employee's ankle while performing a walking activity. One of the two that are in the procedure was related to going to the field in a company car on the road. These injuries cannot be controlled by the employer. 1 fatal injury began at the workplace, but was not related to the work process, but to the personal health condition of the employee who had an aneurysm. The employee died in hospital.

Table 5: Work-related injuries analysis 2018-2025

YEAR	NUMBER OF FATAL INJURIES	NUMBER OF INJURIES	LOST WORKING DAYS	FREQUENCY RATE*	SEVERITY RATE**	Number of employees	Number of hours per employee / Number of working hours	Total hours IGH	Lost hours	Lost days
2018	0	1	62	0,01	0,71	421	2088	879048	496	62
2019	0	5	99	0,05	1,01	469	2088	979272	792	99
2020	0	1	18	0,01	0,17	517	2088	1079496	144	18
2021	0	2	15	0,02	0,14	521	2088	1087848	120	15
2022	0	2	8	0,02	0,08	492	2088	1027296	64	8
2023	0	0	8	0,00	0,10	372	2088	776736	0	0
2024	0	2	44	0,03	0,61	347	2088	724536	352	44
2025	0	5	365	0,08	5,62	311	2088	649368	2920	365

*Calculation frequency: $n. Injuries / n. Hours worked \times 10.000$

**Index calculation of gravity: $total working days lost / total hours worked \times 10.000$

12. EMPLOYEE RELATIONS

P The number of employees in the Company in 2024 is regulated by:

- Labor Act.
- The Labor Regulations of 21.8.2023, which entered into force on 1.9.2023, and by which the previous Labor Regulations and its amendments ceased to be valid.
- By the Decision of the Management Board on the use of company cars No. OD 22-4/2025 of 16.4.2025,
- Ordinance on Business Trips and Field Work, from 25.3.2021
- By the Decision of the Management Board on salary grades No. OD-12-2/2024 of 29.2.2024

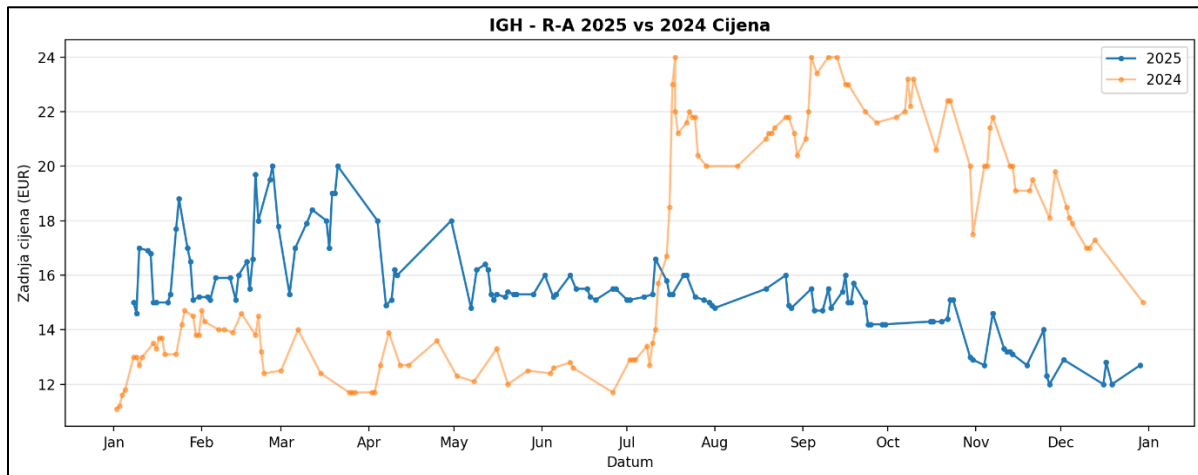
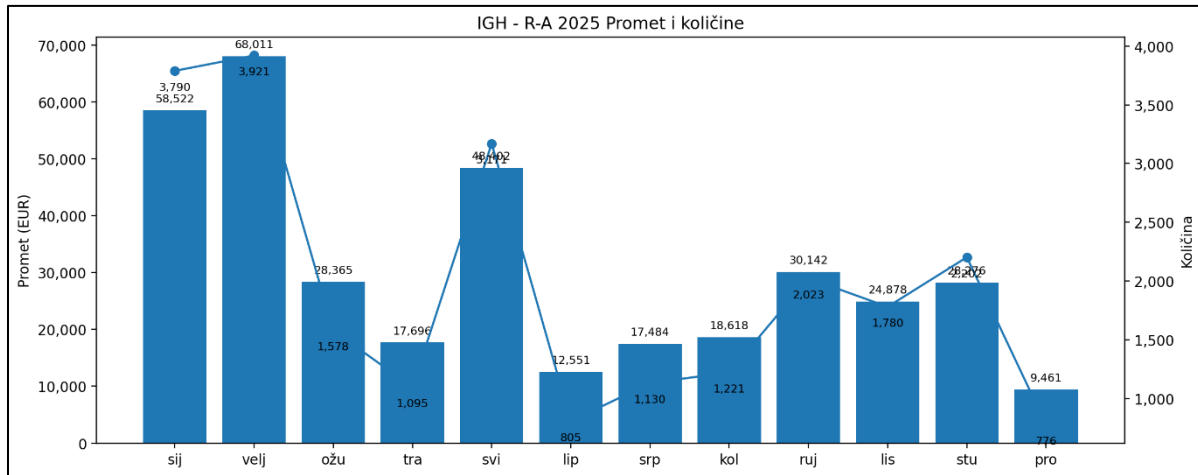
Personnel structure

As of 31.12.2025, a total of 311 employees were employed at the headquarters of INSTITUT IGH, d.d., while 20 employees were still employed in foreign branches, which results in a decrease of 20 employees compared to 31.12.2024, when the company employed 351 employees together with foreign branches.

AGE	NSS	KV	SSS	College of Applied Sciences	VSS	MR	TL;DR	Total	Share
20-29			12	1	9			22	7,09%
30-39			8	2	48			59	18,98%
40-49			20	10	42	2		70	22,53%
50-59	2		29	10	47	9	2	100	32,19%
60-69			9	8	31	2	5	55	17,69%
70-75						2		5	1,52%
TOTAL	2	0	78	28	180	15	8	311	100%
Share	0,64%	0,00%	25,08%	9,00%	57,88%	4,82%	2,57%	100%	-

Table - Age and educational structure of employees of INSTITUT IGH, d.d. in the Republic of Croatia and in foreign branches as of 31.12.2025.

13. SHARE TRADING



Source of the ZSE, <https://zse.hr>, 2025.

During 2025, 23,492 shares of IGH-R-A were traded on the Zagreb Stock Exchange with a total turnover of EUR 907,248 in the range of daily closing price from EUR 12.15 to EUR 19.76. (Source, ZSE Trade Data and Statistics, Periodic Trading Reports, Trade Overview in 2025).

The largest shareholders are AVENUE MEHANIZACIJA D.O.O. with a share of 38.24%, AVENUE ENGINEERING AND CONSTRUCTION LIMITED with a share of 16.17% and FROTIP DEVELOPMENT D.O.O. with a share of 15.13%, while all other shareholders hold a 30.47% share in the Company.

OVERVIEW		2025		2024	
		Number of shares	Share	Number of shares	Share
IGH-R-A	AVENUE MEHANIZACIJA D.O.O.	566.581	38,24%	566,581	38,24%
IGH-R-A	AVENUE ENGINEERING AND CONSTRUCTION LIMITED	239.500	16,17%	239.500	16,17%
IGH- R-A	FROTIP DEVELOPMENT D.O.O.	224.173	15,13%	224.173	15,13%

IGH- R-A	FROTIP DEVELOPMENT D.O.O.	72.000	5,30%	72.000	5,30%
IGH- R-A	SMIRNOV MANAGEMENT & TRANSPORTING J.D.O.O.	53.846	3,63%	53.846	3,63%
IGH- R-A	DRNASIN ANTE	16.000	1,08%	14.196	0,96%
IGH- R-A	LEJO IVAN	12.500	0,84%	12,500	0,84%
IGH- R-A	ERSTE & STEIERMARKISCHE BANK D.D.	11.955	0,81%	11.955	0,81%
IGH- R-A	AVENUE ENGINEERING AND CONSTRUCTION LIMITED	9.104	0,61 %	8.2500	0,56%
IGH- R-A	ČERNOŠEK KRUNOSLAV	9.000	0,61%	9.000	0,61%
IGH- R-A	OTHER SHAREHOLDERS		17,72%	261.804	17,67%
TOTAL		1.481.463	100,0%	1.481,463	100,0%

Source of the ZSE, <https://zse.hr>, 2025.

14. STATEMENT ON APPLICATION OF CORPORATE GOVERNANCE

During the business year 2025, the Company applied the Code of Corporate Governance of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency, which is publicly available on the websites of the Zagreb Stock Exchange and HANFA. The Company applies the provisions of the said Code on the principle of "apply or explain". Deviations from the Code of Corporate Governance of the Zagreb Stock Exchange and explanations of the specific reasons for these deviations were published in the annual questionnaire of the Zagreb Stock Exchange.

The Company applies the measures of corporate governance prescribed by law and comments on the same in detail in the annual questionnaire published on the websites of the Zagreb Stock Exchange Inc. and the Company, in accordance with the regulations. This Code has the force of a recommendation that provides guidelines to the Company's bodies and employees of the Company to respect the principles prescribed and elaborated by this Code when making all types of decisions.

The aim of the Code is to establish high standards of corporate governance and transparency of the operations of the Company and its subsidiaries majority-owned by the Company. The Code defines the corporate governance procedure in order to protect shareholders, employees, elected and appointed holders of responsible functions in the Company, as well as all other stakeholders through good and responsible management and supervision of the Company's business and management functions.

The Company's shares are listed on the official market of the Zagreb Stock Exchange and the Company continuously harmonizes them with the Code of Corporate Governance of the Zagreb Stock Exchange. The Company respects and follows the prescribed guidelines for corporate governance.

There are no holders of securities (shares) with special control rights in the Company. There are no restrictions on voting rights in the Company. Each share of the Company gives the right to one vote. There are no time limits for the exercise of voting rights in the Company, nor are there cases in which,

in cooperation with the Company, the financial rights attached to the securities are separated from the holding of these securities.

The procedure of convening, competence, and quorum, as well as the methods of decision-making of the General Assembly are regulated by the Statute of the Company. When convening the General Assembly, the Management Board of the company is obliged to determine the date according to which the balance in the register of shares will be determined, which will be relevant for the exercise of voting rights at the General Assembly of the company. The Company treats all shareholders in the same way and under equal conditions, regardless of the number of shares they hold, their country of origin and their other characteristics. The election or appointment of members of the Supervisory Board is regulated by the Company's Articles of Association. There are no restrictions based on gender, age, education, profession, etc. The Companies Act determines any amendments to the Company's Articles of Association. The basic medium for public disclosure of information is the Company's website.

The rules on the appointment and revocation of the appointment of members of the Management Board are contained in Articles 31-34 of the Company's Articles of Association. The rules on the powers of the Management Board members are contained in Article 33 of the Company's Articles of Association. The Articles of Association do not contain special rules on the powers of the members of the Management Board to issue shares of the Company or acquire treasury shares. The rules on the appointment and revocation of the appointment of members of the Supervisory Board and the powers of the Supervisory Board of the Company are contained in Articles 23-30 of the Company's Articles of Association.

Management Board of the Company

As of December 31, 2025, the Management Board of INSTITUT IGH, d.d. consisted of four members:

1. Mariyan Tkach – President of the Management Board
2. Bariša Pavičić – Member of the Management Board
3. Gerhard Sattler Vukadinović – Member of the Management Board
4. Igor Džajić – Member of the Management Board

On July 25, 2025. The Supervisory Board took note of and accepted the resignation of the President of the Management Board, Mr. Roberto Petrosian, which took effect on September 30, 2025.

On July 30, 2025, Josip Majer, Member of the Management Board, submitted his resignation to the Supervisory Board with effect from July 31, 2025.

At the session held on 17 September 2025. The Supervisory Board has taken note of and accepted the resignation of the Chairman of the Management Board, Mr. Roberto Petrosian, with effect from the same day. The Supervisory Board took note of and accepted the resignation of Mr. Mariyan Tkach as a member and deputy chairman of the Supervisory Board, and unanimously decided to appoint Mr. Mariyan Tkach to the position of Chairman of the Management Board of the Company.

On September 24, 2025, the Supervisory Board adopted a decision on the appointment of Mr. Bariša Pavičić and Mr. Gerhard Sattler Vukadinović to the position of members of the Management Board of the Company for a term of four years starting on the day of appointment. On October 30, 2025, the Supervisory Board appointed Mr. Igor Džajić as a member of the Management Board of the Company. His term of office begins on the day of his appointment and lasts four years.

Supervisory Board of the Company

As of December 31, 2025, the Supervisory Board of INSTITUT IGH, d.d. consisted of four:

1. Žarko Dešković – Chairman of the Supervisory Board
2. Sergey Glyadelkin – Member of the Supervisory Board
3. Igor Tkach – Member of the Supervisory Board
4. Dalibor Sekulić – Member of the Supervisory Board, Workers' Representative

On June 4, 2025, a new employee representative in the Supervisory Board, Mr. Dalibor Sekulić, was elected, whose term of office began on June 15, 2025.

The tasks and responsibilities of the Supervisory Board of the Company are regulated by the Company's Articles of Association. Members of the Supervisory Board perform their duties with the attention of an orderly and conscientious businessman and protect the company's business secrets. During the reporting period, the Supervisory Board of the Company consisted of five members. The work of the Supervisory Board is regulated by the Rules of Procedure of the Supervisory Board, which are published on the Company's website. During the reporting period, the Supervisory Board held a total of 9 sessions, and all members of the Supervisory Board were present at two sessions.

General Assembly of the Company

The members of the General Meeting shall consist of each shareholder individually or a shareholder's proxy.

The General Assembly makes decisions that have a significant impact on the state of assets, financial position, business results, ownership structure and management of the company, and are made exclusively at the General Assembly of the Company by the prescribed majority of votes. The Management Board of the company is obliged, as soon as possible, to publicly publish the decisions of the General Assembly as well as information on any lawsuits against them. In 2025, the General Assembly was held on July 26, 2025.

Audit Committee

In accordance with the Company's Articles of Association, the Supervisory Board of the Company has established an Audit Committee. The Audit Committee is a body that provides support to the Management Board and the Supervisory Board in the effective performance of the Company's corporate governance, financial reporting and control obligations. The work of the Audit Committee is regulated by the Rules of Procedure of the Audit Committee.

The Audit Committee, appointed in accordance with the law, was composed of three independent members. On the day of the annual report and during the reporting period, it was composed of:

1. Ivan Beljan – Chairman of the Audit Committee
2. Nadica Šalov – Member of the Audit Committee
3. Alina Yukaeva – Member of the Audit Committee

Gerhard Sattler Vukadinović resigned from the position of Chairman of the Audit Committee, and on 30 October 2025 the Supervisory Board appointed Ivan Beljan as the Chairman of the Audit Committee of the Supervisory Board of INSTITUT IGH, d.d.

During 2025, 4 meetings of the Audit Committee were held, and all members of the Audit Committee were present at three sessions.

15. INTERNAL CONTROLS

In accordance with the principles of corporate governance, the Management Board and management of the Company and its subsidiaries develop appropriate internal controls and systems for business risk management. An effective system of internal controls contributes to the preservation of the Company's assets.

The Management Board and management are responsible for the implementation and maintenance of the internal control system and internal audit as an independent, independent function that contributes to the definition of business risks and assesses the effectiveness of controls.

The Management Board and management of the Company and its subsidiaries are responsible for establishing and maintaining appropriate internal control over financial reporting. The internal control system is designed to provide reasonable assurance for the Management Board and management in relation to the preparation and fair presentation of separate and consolidated financial statements. The Management Board and the management of the Company and its subsidiaries assessed the effectiveness of internal control over financial reporting for 2024 and are of the opinion that internal control over financial reporting met the set criteria.

16. RISK MANAGEMENT

In addition to the risks already indicated in the notes to the primary financial statements, the Management Board of the Company also reports on the following risks:

The Company considers all material information related to key risk factors that are known to be material to the Company's ability to continue operating on a going concern basis. The main risks are listed below:

- A) **Pre-Bankruptcy Settlement Risk – Closed in 2024**
Company concluded a pre-bankruptcy settlement on 5.12.2013 before the Commercial Court in Zagreb, 72. Stpn-305/2013. The settlement in question became final on 28.12.2013. By the decision of the Commercial Court in Zagreb, Tt-24/34060-2 of 3 October 2024, the entry under ordinal number 4 - approval of the pre-bankruptcy settlement of the subject of registration INSTITUT IGH, joint stock company for research and development in construction, Zagreb, Janka Rakuše 1, MBS 080000959, personal identification number (personal identification number (OIB)) 79766124714 registered by the decision of the Commercial Court in Zagreb under the number Stpn-305/2013 of 05.12.2013 based on the Independent Auditor's Report of 5 July 2024 is deleted. Liabilities based on the pre-bankruptcy settlement on 31.12.2023 amounted to EUR 39 thousand, which were fully settled on 15.02.2024. The audit of the settlement of liabilities under the pre-bankruptcy settlement was carried out during June 2024.
- B) **Currency risk**
The Company is exposed to currency risk of changes in the EUR exchange rate in relation to other currencies, according to the balances of received loans, suppliers and receivables from customers. The Company is additionally exposed to changes in the EUR exchange rate in relation to KM, GEL and AMD due to operations in Bosnia and Herzegovina, and subsidiaries in Georgia and Armenia. Other currencies have no significance or impact on business. In order to avoid currency risk, a sensitivity analysis is carried out where only open money items in foreign currency are included and their recalculation at the end of the period based on percentage changes in exchange rates. Sensitivity analysis includes monetary assets and monetary liabilities denominated in currency.
- C) **Interest rate risk**
Interest rate risk is the risk of a change in the value of a financial instrument due to changes in market rates in relation to the interest rates applied to the financial instrument. The Company uses loans with predominantly fixed interest rates defined by contracts, and is not exposed to the risk of interest rate changes. The Company does not use instruments to actively hedge against interest rate risk exposures.
- D) **Credit risk**
Credit risk is the risk that one party to a financial instrument will cause financial losses to the other party as a result of default, in whole or in part at maturity. Failure to meet the obligation would jeopardize the liquidity of the Company and reduce the value of its assets. As of December 31, 2024, financial assets that may potentially expose the Company to credit risk consist mainly of loans, customer receivables and other receivables.
- E) **Liquidity risk**
Liquidity risk represents the risk that the Company will face difficulties in meeting its obligations., and arises during the general financing of the Company's activities and the management of asset positions. It includes the risk of not being able to finance the assets at appropriate maturities and prices, as well as the risk of not being able to sell the assets at a reasonable price and within a reasonable timeframe. Financial instruments also include investments that may be illiquid and that cannot be quickly cashed out by the Company in order to meet its liquidity requirements.
To ensure the necessary liquidity, the Management Board actively monitors and manages the processes of collection of receivables and planned outflows.

17. FINANCIAL REVIEW

in 000 EUR	INSTITUT IGH d.d.			Group IGH		
	2024	2025	Change %	2024	2025	Change %
Operating income	20.676	17.664	-14,57%	20.768	19.946	-3,96%
Operating costs	-16.678	-16.452	-1,36%	-16.790	-16.561	-1,36%
EBITDA	3.998	1.212	-69,68%	3.978	3.385	-14,91%
EBITDA margin	19,34%	6,86%	-64,52%	19,15%	16,97%	-11,40%
Short-term assets other than stocks	9.184	9.282	1,07%	9.297	8.994	-3,26%
Short-term liabilities, except for loans and advances	9.309	9.743	4,66%	9.557	10.040	5,05%

In 2025, INSTITUT IGH, d.d. achieved EBITDA in the amount of EUR 3.9 million and an EBITDA margin of 19.15%.

The results of the IGH Group are primarily determined by the operations of the parent company, which has a significant impact on the results of the entire Group.

A more detailed financial overview is provided in the annual financial statements attached to the Annex.

18. GRI INDEX

Statement of use	INSTITU IGH, d.d. has compiled this report presented with this index for the period from 1.1.2025 to 31.12.2025, taking into account the GRI standards
I'm using GRI 1.	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Page /note
GRI 2: General Disclosures 2021	2-1 Organizational Details	20
	2-2 Entities involved in corporate sustainability reporting	13, 14
	2-3 Reporting period frequency and Contact person	1.1.2025 - 31.12.2025, Barbara Sočo
	2-4 Data Restatement	Not applicable
	2-5 External assurance	22, 23
	2-6 Activities, Value Chain and Other Business Relationships	6-8, 13-14, 20
	2-7 Employees	3, 17-19, 20, 30
	2-8 Non-employee workers	Not applicable
	2-9 Management structure and composition	20, 21-29, 32-34
	2-10 Appointment and election of the highest governing body	32-33
	2-11 Chairman of the highest governing body	33
	2-15 Conflicts of interest	35-36
	2-16 Communication of key Questions	32-34, 45-48
	2-17 Collective knowledge of the highest governing body	32-34
	2-18 Evaluation of the work of the highest management Bodies	44-48
	2-19 Reward Policies	44-48
	2-20 Fee Determination Process	44-48
	2-21 Total Annual Fee Ratio	44-48
	2-22 Sustainable Development Strategy Statement	Not applicable
	2-23 Policy commitments	13-14
	2-24 Implementation of policy obligations	13-14
	2-25 Processes to eliminate negative Effects	22-29
	2-26 Mechanisms for seeking advice and Expression of concern	44
2-27 Compliance with laws and Regulations	3, 21-23, 44	

	2-28 Membership in associations	Not applicable
	2-29 Approach to Stakeholder Involvement	13-16
	2-30 Collective agreements	Not applicable
	3-1 The process of determining the material Theme	21
	3-2 List of material topics	21
	3-3 Management of material topics	21
GRI 3: Material Topics 2021	201-1 Direct economic value obtained and distributed	Not applicable
	201-2 Financial Implications and Other Risks and Opportunities from Climate Change	Not applicable
	201-3 Obligations under the defined benefit plan and other pension plans	21
GRI 201: Economic Impact 2016	201-4 Financial support received from the government	Not applicable
	202-1 Standard Personal Ratios entry-level wage by gender compared to the local minimum wage	No data available
	202-2 Percentage of senior management hired from the local community	No data available
	203-1 Aided investments in infrastructure and services	No data available
GRI 202: Market presence 2016	203-2 Significant indirect economic Influences	No data available
	204-1 Share of consumption by local suppliers	No data available
GRI 203: Indirect Economic Impacts 2016	205-1 Jobs assessed for corruption risks	No data available
	205-2 Communication and Training on Anti-Corruption Policies and Procedures	During the trial period
GRI 204: Procurement Procedures 2016	205-3 Confirmed cases of corruption and Actions taken	Not applicable
GRI 205: Fight against corruption 2016	206-1 Anti-Competitive Conduct, Antitrust and Monopoly Practices	Not applicable
	207-1 Access to taxes	In accordance with the law
	207-2 Tax Management, Control and Risk Management	35-36
GRI 206: Contrary Behavior principle of free competition 2016	207-3 Stakeholder involvement in the resolution tax-related issues	Not applicable
GRI 207: Taxes 2019	207-4 Country-by-country reporting	13-15,18-19,44

	301-1 Materials used by weight or volume	23-28
	301-2 Recycled Input Materials Used	Not applicable
	301-3 Refurbished products and materials used for their packaging	Not applicable
GRI 301: Materials 2016	302-1 Energy consumption within the company	25-28
	302-2 External Energy Consumption	25-28
	302-3 Energy intensity	25-28
GRI 302: Energy 2016	302-4 Reducing Energy Consumption	25-28
	302-5 Reducing the energy requirements of products and services	25-28
	303-1 Interaction with water as A common resource	26,28
	303-2 Managing Impacts Related to water drainage	28
	303-3 Pumping water	28
GRI 303: Water and Wastewater 2018	303-4 Water drainage	28
	303-5 Water consumption	28
	304-1 Work areas owned, leased, operated in or near protected areas and areas of high biodiversity that are outside protected areas	28
	304-2 Significant impacts of activities, products and services on biodiversity	Not applicable
	304-3 Protected or restored habitats	Not applicable
GRI 304: Biodiversity 2016	304-4 Species on the IUCN Red List and the National List of Conservation with habitats in the areas affected by the works	Not applicable
	305-1 Direct emissions (Scope 1) of greenhouse gases (GHG)	Not applicable
	305-2 Indirect energy emissions greenhouse gases (GHG) (Division 2)	Not applicable
	305-3 Other indirect emissions greenhouse gases (GHG) (Division 3)	Not applicable
GRI 305: Emissions 2016	305-4 Greenhouse gas emission intensity Greenhouse gas (GHG)	25
	305-5 Reducing greenhouse gas emissions Greenhouse gas (GHG)	25
	305-6 Emissions of harmful substances Ozone layer (ODS)	25
	305-7 Oxides of nitrogen (NOx), sulphates oxides (SOx) and other significant emissions in the Air	Not applicable

	306-1 Waste generation and significant Waste-related impacts	24-25
	306-2 Management of significant effects related to waste	24-25
	306-3 Waste generated	24-25
GRI 306: Waste 2020	306-4 Waste diverted from discarded	24-25
	306-5 Waste is directed to disposal/disposal	24-25
	308-1 New Suppliers Selected According to The Green Criteria	Not applicable
	308-2 Negative Environmental Impacts in supply chain and the measures taken	Not applicable
	401-1 New Employment Rates and Employee turnover	4, 30
GRI 308: Supplier Assessment by Environmental Conditions 2016	401-2 Benefits Provided to Full-Time Employees Not Provided to Fixed-Term or Part-Time Employees	Not applicable
	401-3 Parental leave	Not included With this report
GRI 401: Employment 2016	402-1 Minimum Notice Periods Regarding Operational Changes	In agreement with the employer
	403-1 Health Management System and occupational safety	22, 28-29
	403-2 Hazard Identification, Risk Assessment, and Incident Reporting	28-29, 36
GRI 402: Employee/Management Relations 2016	403-3 Health care services on Advice	28-29
GRI 403: Health and Safety at Work 2018	403-4 Worker participation, counselling and information on health and Occupational safety	28-29
	403-5 Training of workers on health and safety at work	All employees must undergo training and knowledge testing
	403-6 Promoting workers' health	Occasionally, there are programs for employees. All employees working in this field are obliged to
		undergo mandatory health examinations and knowledge tests.

	403-7 Prevention and Mitigation of Impacts on Health and Safety at Any Place Directly Related to Business Relationships	Occasionally, there are programs for employees. All employees working in this field are required to undergo mandatory health examinations and knowledge checks.
	403-8 Workers covered by the occupational health and safety management system	No data available
	403-9 Work-related injuries	28-29
	403-10 Work-related diseases	28-29
	404-1 Average Annual Hours of Training per employee	No data available
	404-2 Skill Acquisition Programs and Programs That Support Permanent Employment Opportunities for Employees	No data available
	404-3 Percentage of Employees Receiving Regular Performance and Individual Development Evaluation	No data available
GRI 404: Training and Education 2016	405-1 Diversity of managing authorities and employees	30, 33-34
	405-2 Ratio of basic salary to compensation of women and men	Equals
	406-1 Cases of discrimination and corrective actions taken	Not applicable
GRI 405: Diversity and Equal Opportunities 2016	407-1 Activities and suppliers where the right to freedom of association and collective bargaining may be compromised	Not applicable
	408-1 Activities and suppliers at significant risk of child labour incidents	Not applicable
GRI 406: Ban Discrimination 2016	409-1 Activities and suppliers at significant risk of cases of forced or compulsory labour	Not applicable
GRI 407: Freedom of Association and Collective Bargaining 2016	410-1 Security personnel trained for human rights policies or procedures.	Not applicable
GRI 408: Child Labor 2016	411-1 Infringement cases The Indigenous Peoples	Not applicable
GRI 409: Forced or Compulsory Labor 2016		Not applicable
GRI 410: Security Policies 2016	413-2 Activities with significant actual and potential adverse effects on local communities	Not applicable

GRI 411: Rights of Indigenous Peoples 2016	414-1 New suppliers assessed on the basis of social criteria	Not applicable
GRI 413: Local communities 2016	414-2 Negative Social Influences in supply chain and the measures taken	Not applicable
	415-1 Political contribution	Not applicable
GRI 414: Supplier Social Assessment 2016	416-1 Health and Safety Impact Assessment of Significant Categories of Products and Services	Not applicable
	416-2 Cases of non-compliance relating to the health and safety impact of products and services	Not applicable
GRI 415: General Interest 2016	417-1 Conditions for the provision of information on products and services and labelling	Not applicable
GRI 416: Customer Health and Safety 2016	417-2 Cases of non-compliance relating to information on products and services and labelling	Not applicable
	417-3 Cases of non-compliance relating to marketing information	Not applicable
GRI 417: Marketing and Labelling 2016	418-1 Justified Complaints of Injury Consumer Privacy and Data Loss	Not applicable

19. SIGNATURE OF THE COMPANY'S MANAGEMENT BOARD

By signing this report, the Management Board of the Company makes the following statement:

"In accordance with our belief and in accordance with all our knowledge and data at our disposal, we declare that all data from this report constitute a complete and truthful presentation and that the facts that could affect the completeness and veracity of this Report are not omitted."

Mariyan Tkach – President of the Management Board

Bariša Pavičić – Member of the Management Board

Gerhard Sattler Vukadinović – Member of the Management Board

Igor Džajić – Member of the Management Board

20. ANNEXES

- 1. SCIENTIFIC COUNCIL OF INSTITUTE IGH, d.d.**
- 2. CODE OF CORPORATE GOVERNANCE**
- 3. FINANCIAL STATEMENTS**

Annex 1

SCIENTIFIC COUNCIL OF INSTITUTE IGH, d.d.

During 2025. Institut IGH, d.d. continued the implementation of already started and new activities in the field of scientific research and innovation.

As a member of the community, we have submitted an application for:

- HORIZON project LIFE-2025-CET-BETTERRENO
- HORIZON project VESSA call HORIZON-CL5-2026-02

One colleague passed and received the DGNB certificate for sustainable construction in Europe.

Tests were carried out as part of the RUCONBAR project – Single-sided and double-sided absorbing panels for noise protection from road and rail manufactured from absorbent RUCONBAR blocks.

Annex 2

CODE OF CORPORATE GOVERNANCE – ANNUAL QUESTIONNAIRE

The Code of Corporate Governance that forms an integral part of this report will be provided as a separate document.

Annex 3

FINANCIAL STATEMENTS

Non-consolidated and consolidated financial statements of INSTITUT IGH, d.d. for the year ended 31 December 2025 together with the Independent Auditor's Report.

INSTITUT IGH GROUP d.d., Zagreb
Annual Consolidated Financial Statements
and the Independent Auditor's Report for 2025

INSTITUT IGH d.d., Zagreb
Annual Consolidated Financial Statements
and the Independent Auditor's Report for 2025

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Responsibility for annual consolidated financial statements

The Management Board of the INSTITUT IGH d.d., Zagreb, Janka Rakuše 1 Group (hereinafter referred to as the Group) is obliged to ensure that the Group's annual financial statements for 2025 are prepared in accordance with the applicable Croatian Accounting Act and the International Financial Reporting Standards established by the European Commission and published in the Official Journal of the European Union, so that they provide a true and objective view of the financial position, the Group's operating results, changes in capital and cash flows for the period.

Based on the conducted research, the Management Board justifiably expects that the Group has adequate funds to continue its operations in the foreseeable future. Accordingly, the Management Board prepared the annual financial statements under the assumption that the Group's operations were indefinite.

In preparing the annual financial statements, the Management Board is responsible for:

- the selection and subsequent consistent application of appropriate accounting policies in accordance with applicable financial reporting standards;
- making reasonable and prudent judgments and assessments;
- preparation of annual financial statements under the assumption of continuity of business time, unless the assumption is inappropriate.

The Management Board is responsible for maintaining correct accounting records, which will at all times reflect with reasonable accuracy the financial position, result of operations, capital changes and cash flows of the Group, as well as their compliance with the applicable Croatian Accounting Act. Management is also responsible for safeguarding the Group's assets and therefore for taking reasonable measures to prevent and detect fraud and other illegalities.

Signed on behalf of the Management Board:

Mariyan Tkach
President of the
Management Board

Bariša Pavičić
Member of the
Management Board

Gerhard Sattler
Member of the
Management Board

Igor Džajić
Member of the
Management Board

Institut IGH, d.d.
Janka Rakuše 1
10 000 Zagreb
Republic of Croatia

Zagreb, 29 April 2026

INDEPENDENT AUDITOR'S REPORT TO THE OWNER OF THE GROUP INTUTUT IGH D.D.

Report on the Audit of Annual Financial Statements

Opinion

We audited the financial statements of INSTITUT IGH d.d. and related companies, Zagreb (the "Group"), which include the statement of financial position as at 31 December 2025, the statement of other comprehensive income, the statement of cash flows, the statement of changes in equity for the year ended then, and the notes to the financial statements, including significant accounting policies.

In our opinion, the attached financial statements *present truthfully and fairly* the Group's financial position as at 31 December 2025, its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS).

Basis for opinion

We have carried out our audit in accordance with the International Standards on Auditing (IAS). Our responsibilities under these standards are described in more detail in our auditor's report in the Auditors' Responsibilities for the Audit of Financial Statements section. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (with International Standards of Independence) issued by the International Ethical Standards Board for Accountants (IESBA) (IESBA Code), as applicable to audits of the financial statements of public-interest entities, together with ethical requirements that are relevant to our audit of the financial statements of public-interest entities in the Republic of Croatia, and we have fulfilled our other ethical responsibilities in the requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Highlighting questions

Attention is drawn to Note 2.6. "Business Continuity" with these financial statements.

As at 31 December 2025, the Group's current liabilities exceed the Group's current assets by EUR 2,418 thousand (2024: EUR 3,170 thousand). The Management Board of the Group is continuously making efforts to resolve the existing situation, and to improve the operations and financial position of the Group, for the purpose of further continuity of business continuity. Our opinion has not been modified on this issue.

Key audit issues

Key audit issues are those issues that were, in our professional judgment, of the utmost importance for our audit of the financial statements of the current period. We have addressed these issues in the context of our audit of the financial statements as a whole and in forming our opinion on them, and we do not give a separate opinion on these issues.

Key audit question	Our Audit Procedures
<i>Recognition of income</i>	
<p>Sales revenues for the year ended December 31, 2025 amounted to EUR 16,013 thousand (2024: EUR 17,433 thousand). As of December 31, 2025, customer receivables amounted to EUR 3,696 thousand (2024: EUR 3,464 thousand).</p> <p>See footnote 3.3. <i>Recognition of income</i> and 4. <i>Information on segments</i> in the respective annual financial statements.</p>	
<p>The Group generates revenues from the sale of services in the construction industry.</p> <p>Revenue is a key measure used to evaluate the performance of the Group's operations and the size of transactions has a significant impact on the financial statements. There is a risk that revenues are reported in amounts higher than actually realised and there is a risk that revenues are recognised in an inappropriate period with a view to better reflecting the results of the period.</p> <p>In view of the above, we considered that the existence, accuracy and completeness of revenues as well as their distribution in the proper period required our increased attention and as such we considered it a key audit issue.</p>	<p>The auditors' attention was focused on:</p> <ul style="list-style-type: none"> • Consideration of the compliance of the Group's accounting policy with the requirements of applicable financial reporting standards • Gain an understanding of the processes and internal controls related to revenue recognition, taking into account the business environment and applicable accounting standards • Understanding and assessing the Group's revenue recognition process, including the implementation of relevant key controls and sample-based testing • Identification of concluded construction contracts • Based on a random, independent, impartial and representative sample of construction contracts, we confirmed the amount of recognized revenues and costs during the year per individual project based on selected construction situations • Assessment of the appropriateness of relevant disclosures in the financial statements as well as their compliance with IFRS adopted by the EU

Other information in the annual report

The management is responsible for the rest of the information. Other information includes the Management Report and the Statement on the Application of the Code of Corporate Governance included in the Annual Report, but does not include the financial statements and our auditor's report on them. Our opinion on the financial statements does not include other information.

In connection with our audit of the financial statements, it is our responsibility to read the other information and, in doing so, to consider whether the other information materially contradicts the financial statements or our audit knowledge or otherwise appears to be materially misrepresented.

With regard to the Management Report and the Statement on the Application of the Code of Corporate Governance, we have also completed the procedures prescribed by the Accounting Act. These

procedures shall include verifying that the Management Report has been prepared in accordance with Article 24 of the Regulation. of the Accounting Act and whether the Statement on the Application of the Code of Corporate Governance contains the information referred to in Article 25 of the Accounting Act. The Accounting Act.

Based on the procedures performed, to the extent that we are able to estimate it, we report that:

1. the information in the attached Management Report and the Statement on the Application of the Code of Corporate Governance is aligned, in all material respects, with the attached financial statements;
2. is attached to the Management Report prepared in accordance with Article 24 of the Act. the Accounting Act; and
3. the attached Statement of Application of the Code of Corporate Governance shall include the information defined in Article 25. The Accounting Act.

Based on the knowledge and understanding of the Group's operations and its environment acquired as part of the audit of the financial statements, we are obliged to report if we have found that there are material misstatements in the attached Management Report and the Statement on the Application of the Code of Corporate Governance. In this sense, we have nothing to report.

Accountability of the management and those in charge of management for the annual financial statements

Management is responsible for preparing annual financial statements that present truthfully and fairly in accordance with IFRS and for those internal controls that Management determines are necessary to enable the preparation of financial statements that are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue going as a going concern, disclosing where applicable, matters relating to going concern and using an accounting basis based on going concern, unless management either intends to liquidate the Group or discontinue operations or has no realistic alternative but to do so.

Those in charge of governance are responsible for overseeing the financial reporting process established by the Group.

Auditor's responsibilities for the audit of annual financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the IAS will always reveal material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if it can reasonably be expected to influence, individually or in the aggregate, the economic decisions made by users on the basis of those financial statements.

As an integral part of auditing in accordance with the MrevS, we make professional judgments and maintain professional skepticism during the audit. We Also:

- We identify and assess the risks of material misstatement of financial statements, due to fraud or error, design and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misrepresentation resulting from fraud is higher than the risk arising from an error, as fraud can involve collusion, forgery, intentional omissions, misrepresentations or circumvention of internal controls.
- we gain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- We assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures created by management.
- we conclude on the appropriateness of the going concern accounting basis used by Management and, based on the audit evidence obtained, conclude whether there is significant uncertainty about events or circumstances that may cast significant doubt on the Group's ability to continue going as a going concern. If we conclude that there is significant uncertainty, we are required to draw attention in our auditor's report to related disclosures in the financial statements or, if such disclosures are not appropriate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease operations indefinitely.
- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, as well as whether the financial statements reflect the transactions and events on which they are based in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding the planned scope and timing of the audit and important audit findings, including in relation to significant deficiencies in internal controls that have been discovered during our audit.

We also make a statement to those charged with governance that we have complied with the relevant ethical requirements regarding independence and that we will communicate with them about all relationships and other matters that may reasonably be considered to affect our independence, as well as, where applicable, about the actions taken to eliminate threats to independence, and related protections.

Among the issues that are communicated to those in charge of management, we identify those issues that are of the utmost importance in the audit of the financial statements of the current period and are therefore key audit issues. We describe these issues in our auditor report, unless the law or regulation prevents the public disclosure of the matter or we decide, in extremely rare circumstances, that the issue should not be disclosed in our auditor's report because it can reasonably be expected that the negative consequences of disclosure would outweigh the public interest benefits of such disclosure.

Report on other legal and regulatory requirements

1. On July 25, 2025, we were appointed by the General Assembly of the Group, based on the proposal of the Supervisory Board, to perform a legal audit of the annual financial statements for 2025.

2. As of the date of this report, we are continuously engaged in performing legal audits of the Group, from the audit of the Group's financial statements for 2023 to the audit of the Group's financial statements for 2025, which amounts to a total of three years.
3. In the audit of the Group's annual financial statements for 2025, we determined the materiality for the financial statements as a whole in the amount of EUR 307 thousand, which represents approximately 1.5% of operating revenues, as we believe that this is the most appropriate benchmark, and at the same time it is a generally accepted benchmark.
4. Our audit opinion is consistent with the supplementary report to the Group's Audit Committee prepared in accordance with the provisions of Article 11. Regulation (EU) No. 537/2014.
5. During the period between the start date of the Group's audited financial statements for 2025 and the date of this report, we did not provide the Group with prohibited non-audit services and did not provide services in the financial year prior to the aforementioned period to design and implement internal control procedures or risk management procedures related to the preparation and/or control of financial information or the design and implementation of technological systems for financial information, and we have maintained our independence from the Group in our audit.

Report pursuant to the requirements of Delegated Regulation (EU) 2018/815 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards for the specification of a single electronic reporting format

Auditor's Assurance Report on the Compliance of Financial Statements, prepared pursuant to the provision of Article 462, Paragraph 5 of the Income Tax Act. (Official Gazette, Nos. 65/18, 17/20, 83/21 and 151/22) by applying the requirements of Delegated Regulation (EU) 2018/815 establishing a single electronic reporting format for issuers (ESEF Regulation).

We have engaged with the expression of reasonable assurance as to whether the financial statements have been prepared for the purpose of disclosure to the public pursuant to Article 462(5) of the Act. The Capital Market Act, which are contained in the attached electronic file *Grupa Institut IGH-2025-12-31-hr*, prepared in all significant terms in accordance with the requirements of the ESEF Regulation.

Responsibilities of the administration and those in charge of management

The Group's Management is responsible for the preparation and content of the financial statements in accordance with the ESEF Regulation.

In addition, the Group's management is responsible for maintaining an internal control system that reasonably ensures that the financial statements are prepared free from material non-compliance with the reporting requirements of the ESEF Regulation, whether due to fraud or error

The Group's Management is also responsible for:

- publishing to the public the financial statements contained in the annual report in the valid XHTML format, and
- the selection and use of XBRL codes in accordance with the requirements of the ESEF Regulation.

Those in charge of management are responsible for overseeing the preparation of financial statements in the ESEF format as part of the financial reporting process.

Responsibilities of the auditor

It is our responsibility to express a conclusion, based on the audit evidence collected, as to whether the financial statements are free from material non-compliance with the requirements of the ESEF Regulation. We conducted this Reasonable Assurance Engagement in accordance with the International Standard for Assurance Engagements (MSIU) 3000 (Amended) – Assurance Engagements Other Than Audits or Insights of Historical Financial Information.

Procedures performed

The nature, timing and scope of the procedures chosen depend on the auditor's judgment. Reasonable assurance is a high level of assurance, but it is not a guarantee that the scope of the testing will reveal any significant non-compliance with the ESEF Regulation.

As part of the selected procedures, we performed the following activities:

- we have read the requirements of the ESEF Regulation,
- we have gained an understanding of the Group's internal controls relevant to the application of the requirements of the ESEF Regulation,
- we have identified and assessed risks of material non-compliance with the ESEF Regulation due to fraud or error; i
- on this basis, design and implement procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The aim of our actions was to assess whether:

- financial statements, which are included in the annual report, prepared in the valid XHTML format,
- the data contained in the financial statements required by the ESEF Regulation are labelled and all labels meet the following requirements:
 - XBRL markup language is used,
 - the basic taxonomy elements listed in the ESEF Regulation with the closest accounting significance have been used, unless an additional taxonomy element has been created in accordance with Annex IV. the ESEF Regulation,
 - the labels comply with the common labelling rules under the ESEF Regulation.

We believe that the audit evidence we have collected is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

According to our belief, based on the procedures carried out and the evidence obtained, the financial statements presented in the ESEF format, contained in the above-mentioned attached electronic file and on the basis of the provision of Article 462, paragraph 5 of the Act. of the Capital Market Act, prepared for the purpose of disclosure to the public, are in all significant respects in accordance with the requirements of Articles 3, 4 and 6 of the Capital Market Act. of the ESEF Regulation for the year ended 31 December 2025.

In addition to this conclusion, as well as the opinion contained in this independent auditor's report for the accompanying financial statements and annual report for the year ended 31 December 2025, we express no opinion whatsoever about the information contained in those statements or about any other information contained in the aforesaid file.

The engaged partner in the audit that resulted in this report of the independent auditor is Paško Anić-Antić.

Paško Anić-Antić
Croatian Certified Auditor

Paško Anić-Antić
Director

April 29, 2026

Russell Bedford Croatia – Revizija d.o.o.
Selska cesta 90B
10000 Zagreb

INSTITUT IGH d.d.
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2025

	Note	2024	2025
		<i>in thousands of EUR</i>	
Sales revenue	4	17.433	16.012
Other operating income	5	3.335	3.934
Total revenue		20.768	19.946
Costs of materials, raw materials and services	6	669	649
Cost of services	6	4.476	4.932
Employee costs	7	10.895	10.283
Other operating expenses	9	750	697
Total operating expenses		16.790	16.561
Depreciation	<i>13 and 14</i>	2.069	2.130
Value adjustments to other fixed assets	8	257	15
Value adjustments of receivables	8	203	52
Total depreciation and value adjustments		2.529	2.197
Financial income	10	90	73
Financial expenditure	11	485	379
Profit before tax		1.054	882
Corporate Income Tax	12	132	70
Profit of the current year		1.186	952
Holdings of parent capital		1.185	954
<i>Holdings of minority interests</i>		1	-2
Other all-round profit			
Which will be reclassified through profit and loss			
Exchange rate differences from translating foreign business		59	63
"Revaluation of fixed assets, net of taxes"		802	324
Other all-round gain of the year		861	387
Comprehensive Profit of the Year		2.047	1.339
Holdings of parent capital		2.046	1.341
Holdings of minority interests		1	(2)
Earnings per share (in HRK)		0,80	0,64

The accompanying notes below form an integral part of these consolidated annual financial statements.

INSTITUT IGH d.d.
Consolidated statement of financial position
on 31 December 2025

	Note	2024	2025
<i>in thousands of EUR</i>			
PROPERTY			
Intangible assets	13	25	12
Real Estate, Plant & Equipment	14	7.975	7.198
Real estate investments		79	79
Investments in affiliated companies	15	1.991	1.991
Days loans and deposits	17	125	78
Customer receivables and other receivables	16	133	14
TOTAL FIXED ASSETS		10.328	9.372
Supplies		75	75
Customer receivables and other receivables	16	3.331	3.868
Days loans and deposits	17	3.820	2.812
Accrued revenues and prepaid expenses	19	903	885
Contract Assets	20	1.103	1.354
Cash and cash equivalents	18	140	79
TOTAL CURRENT ASSETS		9.372	9.073
TOTAL ASSETS		19.700	18.445
CAPITAL AND LIABILITIES			
Equity	21	14.815	14.815
Treasury shares	22	484	484
Reserves for own shares	22	192	192
Other reserves	22	100	100
Revaluation reserves	23	2.252	1.931
Accumulated losses		(12.756)	(11.969)
Uncontrollable interest		64	62
TOTAL CAPITAL		4.183	4.647
Lease liabilities	26	2.231	1.681
Reservations	27	324	277
Deferred tax liabilities	12	420	349
TOTAL LONG-TERM LIABILITIES		2.975	2.307
Liabilities under loans and advances	24	2.985	1.451
Lease liabilities	26	1.573	1.596
Liabilities to suppliers and other liabilities	28	6.630	7.406
Liabilities for received advances	29	776	645
Liabilities for deposits received	29	34	24
Reservations	27	307	307
Contractual obligations	21	79	14
Deferred payment of expenses and future income	30	158	48
TOTAL CURRENT LIABILITIES		12.542	11.491
TOTAL EQUITY AND LIABILITIES		19.700	18.445

The accompanying notes below form an integral part of these consolidated annual financial statements.

INSTITUT IGH d.d.
Consolidated statement of changes in equity
for the year ended 31 December 2025

<i>in thousands of EUR</i>	Subscribe d capital	Treasur y shares	Reserve s for own shares	Other reserve s	Revaluation reserves	Accumulate d losses	Capital attributed to the shareholders of the company	Uncontrollable interest	TOTAL
As of December 31, 2023	14.815	(484)	192	100	2.507	(13.315)	3.815	63	3.878
Transfer from the revaluation reserve	-	-	-	-	(216)	56	(160)	-	(160)
Other changes	-	-	-	-	(39)	(1.543)	(1.582)	-	(1.582)
Comprehensive Profit	-	-	-	-	-	-	-	-	-
<i>Profit of the current year</i>	-	-	-	-	-	1.185	1.185	1	1.186
Other all-round profit	-	-	-	-	-	861	861	-	861
Total Comprehensive Profit	-	-	-	-	-	2.046	2.046	1	2.047
As of December 31, 2024	14.815	(484)	192	100	2.252	(12.756)	4.119	64	4.183
Transfer from the revaluation reserve	-	-	-	-	(324)	(44)	(367)	-	(368)
Other changes	-	-	-	-	3	(510)	(507)	-	(507)
<i>Comprehensive Profit</i>	-	-	-	-	-	-	-	-	-
Profit of the current year	-	-	-	-	-	954	954	(2)	952
Other all-round profit	-	-	-	-	-	387	387	-	387
Total Comprehensive Profit	-	-	-	-	-	1.341	1.341	(2)	1.339
As of December 31, 2025	14.815	(484)	192	100	1.931	(11.969)	4.585	62	4.647

The accompanying notes below form an integral part of these consolidated annual financial statements.

INSTITUT IGH d.d.
Consolidated statement of cash flows
for the year ended 31 December 2025

	Note	2024 1000,000 EUR	2025 1000,000 EUR
Cash flow from operating activities			
Profit / (Loss) pre-tax years		1.059	882
Adjustments:			
Depreciation		2.069	2.130
Value adjustments of receivables from customers, net		155	155
Interest income		90	73
Interest expenses		485	379
Net reduction in provisions		(694)	(42)
Gains from the sale of tangible and intangible fixed assets		928	-
Write-off of liabilities		(1.031)	(511)
Other adjustments for non-monetary transactions and non-realisation. Gains and losses		181	(901)
Decrease (increase) of receivables and other receivables		41	(406)
Reduction of contract assets		(243)	(884)
(Decrease) increase in short-term liabilities		1.732	(129)
(Reduction) of contractual obligations		(2.676)	(271)
Net cash flows from changes in working capital		857	(553)
Net cash flows from operating activities		1.916	329
Cash flow from investment activities			
Cash outlays for loans and deposits		(389)	-
Cash expenditures for the purchase of long-term material and nemat. Assets		-	-
Net cash flow from investment activities		(389)	-
Cash flow from financial activities			
Cash receipts from the principal of loans, loans and other borrowings		-	1.048
Cash expenditures for the repayment of the principal of loans and bonds		(213)	-
Cash outlays for rent		(1.608)	(1.438)
Net cash flow from financial activities		(1.821)	(390)
TOTAL NET CASH FLOW		(294)	(61)
Cash and cash equivalents at the beginning of the period		434	140
Cash and cash equivalents at the end of the period		140	79

The accompanying notes below form an integral part of these consolidated annual financial statements

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

1. General information

Establishment and development

Institut IGH d.d., Zagreb, Janka Rakuše 1, (the "Company"), OIB 79766124714, is a joint-stock company registered in the court register of the Commercial Court in Zagreb under the registration number of the entity 080000959.

The company's shares with the code IGH-R-A, ISIN: HRIGH0RA0006 are listed on the Zagreb Stock Exchange.

The consolidated financial statements comprise members of five affiliated companies as follows:

- Institut IGH d.o.o. Mostar
- IGH Business Advisory d.o.o., Zagreb
- Incro d.o.o., Zagreb
- IGH Projektiranje d.o.o., Zagreb
- ETZ Economic and Technical Institute d.d., Osijek

The Group is engaged in professional and scientific research work in the field of construction, which includes: design, studies, expert supervision, advisory services, research works, demonstration of usability, laboratory tests and calibrations. The company is certified for these activities in accordance with the standards of the sustainable development system, as follows:

- HRN EN ISO 9001 – Quality Management Systems
- HRN EN ISO 14001 – Environmental Management Systems
- HRN EN ISO/IEC 17025 – General Requirements for Competence – Test Laboratory
- HRN EN ISO/IEC 17025 – General Requirements for Competence – Calibration Laboratory
- HRN EN ISO/IEC 17065 - Conformity assessment - Requirements for bodies carrying out certification of products, processes and services
- HRN EN ISO 27001 – Information Security Management Systems
- HRN EN ISO 45001 – Occupational Health and Safety Management Systems
- HRN EN ISO 50001 – Energy Management Systems

The registered office of the Society is located at Janka Rakuše 1, Zagreb, Republic of Croatia. Apart from operations from the headquarters, the Company conducts its business through foreign branches in Georgia, Bosnia and Herzegovina, North Macedonia, Armenia and Hungary.

Bodies of the company:

General Assembly of the Company

President – Žarko Dešković

The members of the General Meeting are made up of each shareholder individually or a proxy of the shareholders.

Supervisory Board

During 2025, the Supervisory Board of Institut IGH, d.d. was composed of 5 members, as follows:

- Žarko Dešković - Chairman of the Supervisory Board from December 1, 2023
- Mariyan Tkach – appointed Deputy Chairman of the Supervisory Board on December 1, 2023
- Sergey Glyadelkin – Member of the Supervisory Board since December 1, 2023
- Igor Aleksandrov Tkach – Member of the Supervisory Board as of 1 December 2023
- Marin Božić – Member of the Supervisory Board until June 14, 2025
- Dalibor Sekulić – Member of the Supervisory Board from 15.06.2025

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

Management of the Company and the Group

As of December 31, 2025, the Management Board consists of 4 members:

- Mariyan Tkach – President of the Management Board, representing independently and individually since 17.09.2025
- Bariša Pavičić – Member of the Management Board, representing together with another Member of the Management Board since 23.09.2025
- Gerhard Sattler – Member of the Management Board, represented together with another Member of the Management Board from 23.09.2024
- Igor Džajić - Member of the Management Board, representing together with another member of the Management Board since 30.10.2025

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

1. General information (continued)

The Audit Committee of the Company and the Group consists of 3 members:

- Ivan Beljan
- Nadica Shalov
- Alina Yuvakaeva

2. Basics of preparation

2.1. Declaration of Conformity – IGH Group

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS) in force in the European Union.

The Group keeps accounting records in Croatian, in euros and in accordance with Croatian legal regulations and accounting principles and practices adhered to by companies in Croatia.

The consolidated financial statements were approved by the Management Board on April 30, 2026.

Consolidated financial statements for the year ended 31 December 2025 are available at the <https://www.igh.hr/ Group's website>.

2.2. Adoption of new standards, interpretations and amendments to International Financial Reporting Standards ("IFRS")

First application of new amendments to existing standards in force for the current reporting period

In the current reporting period, the following amendments to the existing standards published by the International Accounting Standards Board ("IASB") and adopted by the European Union are in force:

Standard	Telugu
Amendments to IAS 21	Effects of changes in foreign exchange rates: <i>Lack of fungibility (issued on 15 August 2023)</i>

The adoption of the new standards did not lead to any material changes in the disclosures or amounts presented in these financial statements.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

2.2. Adoption of new standards, interpretations and amendments to International Financial Reporting Standards ("IFRS") (continued)

New standards and amendments to existing standards published by the IASB but not yet adopted in the European Union

The IFRS currently adopted in the European Union do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), with the exception of the following new standards and amendments to existing standards, the adoption of which has not yet been decided by the European Union at the date of the year (the effective dates listed below refer to IFRS issued by the IASB):

Standard	Telugu	Status of adoption in the EU
Amendments to IFRS 7 and IFRS 9	Disclosures: <i>Classification and measurement of financial instruments</i> (Effective date set by the IASB: 1 January 2026)	Not yet adopted in the EU
Amendments to IFRS 7 and IFRS 9	Nature-dependent electricity contracts (Effective date set by the IASB: 1 January 2026)	Not yet adopted in the EU
Annual Improvements to IFRS Accounting Standards	Volume 11: (IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7) (Effective date set by the IASB: 1 January 2026)	Not yet adopted in the EU
IFRS 18	Presentation and disclosure in financial statements (Effective date set by the IASB: 1 January 2027)	Not yet adopted in the EU
IFRS 19	Branches without public liability (Effective date set by the IASB: 1 January 2027)	Not yet adopted in the EU
Amendments to IAS 21	Conversion to hyperinflationary presentation currency (Effective date set by the IASB: 1 January 2027)	Not yet adopted in the EU
Amendments to IFRS 10 and IAS 28	Sale or entry of assets between an investor and its associate or joint venture and further modifications (IASB postponed the effective date indefinitely, with earlier application allowed)	Takeover procedure postponed until completion of the research project on the application of the share method

The Group is currently assessing the impact of new standards and changes to existing standards on its financial statements. The Group expects that the adoption of these new standards and amendments to existing standards will not lead to significant changes in the financial statements during the period of the first application of the standard.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

2.3. Basics of measurement

The financial statements are expressed in accordance with the historical cost convention, except for the following:

- Revaluation of land and buildings as set out in footnote 3.10 (i)
- Investments in real estate as referred to in note 3.12.
- Assets at fair value through other comprehensive income as set forth in note 3.19.
- Non-current assets held for sale as set out in note 3.23.
- The methods used to measure fair value are shown in note 3.24.

2.4. Functional currency and display currency

(a) Functional and reporting currency

The items included in the Group's financial statements are presented in the currency of the primary economic environment in which the Group operates - functional currency. For the purposes of preparing the financial statements for the year ended 31 December 2025, the Group used euros (EUR), and the amounts are presented in thousands of euros.

2.5. Use assessments and judgments

The preparation of financial statements in accordance with IFRS requires Management to make judgments, estimates and assumptions that affect the application of policies and amounts disclosed for assets and liabilities, income and expenses. Estimates and related assumptions are based on historical experience and various other factors, which are considered reasonable in the circumstances, which form the starting point for making estimates of the value of assets and liabilities, which cannot be obtained from other sources. Actual results may differ from such estimates.

These estimates and the underlying assumptions are subject to regular review.

The impact of an estimate adjustment is recognised in the period in which the estimate is adjusted if the adjustment affects only the period in which it was made, or in the period in which the adjustment was made and future periods if the adjustment affects current and future periods.

The assessments made by the Management Board in the application of IFRS, which have a material impact on the financial statements and judgments where the risk of materially significant adjustments in the following year is high, are set out in note 3.1.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

2.6. Time indefiniteness of business

In order to improve the profitability of operations and core business, the Group has been implementing a number of operational restructuring measures and a more active approach to the market in recent years.

The Group recorded a decrease in sales revenue in 2025 compared to 2024 of EUR 1,420 thousand and an operating profit of EUR 229 thousand (2024: profit of EUR 3,998 thousand). The Group's capital is positive and amounts to EUR 4,647 thousand (in 2024, the capital amounted to EUR 4,183 thousand). The positive net result has had an impact on the additional capital increase. As at 31 December 2025, the Group's current liabilities exceed current assets by EUR 2,422 thousand (2024: current liabilities exceed current assets by EUR 3,170 thousand).

These financial statements are prepared under the assumption of perpetuity of business.

During 2025, the Group's Management Board continues to adapt and change key business processes and activities that are necessary to ensure the quality and stability of further operations with a focus on strategic goals and future development of the Group. In addition to all of the above, the Management Board believes that based on the business plans and concluded Agreements, the Group is able to continue with its operations.

The following is an overview of significant accounting policies adopted for the preparation of these financial statements. These accounting policies have been consistently applied for all periods included in these statements.

3. Basic accounting policies

3.1. Key accounting judgments and estimates

Key Considerations in the Application of Accounting Policies

The preparation of financial statements in accordance with IFRS requires Management to make judgments, estimates and assumptions that affect the application of policies and amounts disclosed for assets, liabilities, income and expenses. Actual results may differ from such estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. The impact of an estimate adjustment is recognised in the period in which the estimate is adjusted and in future periods if the adjustment affects current and future periods.

(i) Recognition of income

The Company and IGH Group recognize revenues and expenses under contracts from the design activity based on the assessment of the degree of completion of the contracted work on the balance sheet date, which requires a certain degree of judgment. Where it is not possible to reliably estimate the outcome of the contract, revenue from the contract shall be recognised to the extent that it is probable that the costs incurred by the contract will be recoverable. Contract costs are recognised as expenses for the period in which they are incurred. If the total cost of the contract is likely to exceed the total revenue of the contract, the expected losses are immediately recognised as an expense.

(ii) Lifespan of real estate, plant and equipment

The Company and IGH Group review the estimated useful life of real estate, plant and equipment at the end of each annual reporting period. There was no change in the lifetime estimates of fixed assets during the year.

The Group regularly checks the recoverability of assets individually, and if there are indications of impairment, the same is carried out up to the estimated recoverable value.

(iii) Pre-bankruptcy settlement and business indefiniteness

The Group considers all material information related to all key risk factors, assumptions and uncertainties that are known to be material to Gupa's ability to continue to operate under the assumption of perpetuity.

The Group continuously invests maximum efforts with the aim of growing its operational business, and 2024 is significant in terms of the settlement of the entire debt from the pre-bankruptcy settlement. The pre-bankruptcy debt has been fully settled by 15.02.2024. The Group points out that it also actively settles liabilities towards other creditors through the sale of non-operating real estate and through the

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

refinancing of the operational part of the debt. Taking into account the stable base of contracts, successful deleveraging towards non-financial institutions and all information on the course of debt restructuring towards financial institutions, the Group believes that they meet all business requirements under the assumption of unlimited operating time.

3.1. Key Accounting Judgments and Estimates (continued)

(iv) Valuation of liabilities under the pre-acquired settlement

The Group has reduced the liabilities related to loan liabilities to be settled from the Group's real estate, in accordance with the pre-bankruptcy settlement, to the fair value of the corresponding real estate. The Management Board took the estimated value of real estate as a reference value of liabilities.

3.2. Investments in subsidiaries

Subsidiaries are companies over which the Parent Company has control over its operations, directly or indirectly. Control is exercised when the Parent Company has the right to manage the key activities of the companies, and as a consequence it is exposed to a variable return as a result of these activities.

Investments in subsidiaries are initially recognised at cost and subsequently at cost less impairments. Impairment testing of investments in subsidiaries is carried out on an annual basis.

3.3. Investments in associates

Associates are considered to be companies in which the Group has significant influence but does not have control. Significant influence is the power to participate in decisions about the financial and operating policies of the investee entity, but it does not constitute control or joint control of those policies. Investments in associates are initially recognised at cost and subsequently at cost less impairments. Impairment testing of investments in subsidiaries is carried out on an annual basis.

Transactions eliminated in consolidation

Balances and transactions between Group members, as well as all unrealised gains from transactions between Group members, were eliminated in the consolidation of financial statements. Unrealised gains from transactions with companies in which there are shares and joint ventures where the Group shares control with other owners is eliminated up to the level of the Company's shares in such companies. Unrealised profits generated from transactions with companies in which there are shares were eliminated by reducing investments in that company. Unrealised losses are eliminated in the same way as unrealised gains, but only up to an amount that does not represent a permanent impairment of assets.

Transactions with non-controlling interests

Non-controlling interests in subsidiaries are included in the Group's total capital.

Losses related to non-controlling interests in subsidiaries are also added to non-controlling interests in situations where this causes non-controlling interests to be expressed with a negative value. A non-controlling interest adjustment is based on a proportionate amount of the subsidiary's net assets, excluding goodwill adjustments and recognition of profit or loss in profit or loss.

The Group treats transactions with non-controlling interests that do not result in the loss of control over a subsidiary as transactions with the majority owners of the Group. In the case of repurchase of shares from non-controlling interests, the difference between the amounts paid and the corresponding acquired share of the book value of the net assets of the subsidiary is disclosed in equity. Gains or losses on the sale of a non-controlling interest are also recognised in equity.

Loss of control

Upon loss of control over a subsidiary, the Group ceases to recognise its assets and liabilities, any minority interest in it and other components of capital and reserves. Any surplus or shortfall resulting from the loss of control is recognised in intra-profit or loss. If the Group retains a stake in a subsidiary, that stake is carried at fair value at the date of the loss of control. Thereafter, it is reported as an investment valued on the equity method or as available-for-sale financial assets, depending on the level of retained influence.

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3.3. Investments in associates (continued)

Goodwill

Goodwill arising from a business combination is recognised at the cost determined at the date of acquisition, i.e. acquisition of the entity, less any impairment losses. For the purpose of impairment testing, goodwill shall be allocated to each cash-generating Group unit (or groups of such units) that is expected to benefit from synergies resulting from the merger. The cash-generating unit to which goodwill is allocated is subject to an impairment check once a year, or more frequently if there are indications of a possible impairment. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first by reducing the carrying amount of goodwill allocated to the unit and then in proportion to the other assets of the cash-generating unit on the basis of the carrying amount of each asset in the cash-generating unit. An impairment loss on goodwill is directly recognised in profit or loss recognised in the consolidated statement of comprehensive income. Once recognized, the loss from impairment of goodwill is not reversed in subsequent periods.

When the cash-generating unit is disposed of, the corresponding amount of goodwill enters into the determination of profit or loss from the sale.

3.4. Revenue

Revenue recognition policies and performance obligations

Revenue is measured based on the fee set out in the contract with the customer. A Group recognises revenue when it transfers control of goods or services to a customer. The transfer of control of goods or services can take place on a continuous basis (recognition of revenue over time) or on a specific date (recognition at the point of time, upon completion). Before recognising revenue, the Group identifies the contract as well as the various performance obligations contained in the contract. The number of performance obligations depends on the type of contract and activity. Most Group contracts include only one performance obligation.

The recognition of income in accordance with IFRS 15 is applicable to the following sources of income:

(i) Construction contracts

The main revenue generated by the Group from construction contracts comes from design services, studies, supervision, consulting services, laboratory services, exploration works and scientific research work on the reconstruction and construction of roads and other civil engineering facilities.

In accordance with the basic principles of IFRS 15, the Group's accounting policies for the recognition of revenue from contracts with customers reflect:

- the dynamics by which performance obligations are fulfilled, which corresponds to the transfer of goods or services to the customer;
- the amount that the seller expects to be entitled to receive as remuneration for its activities.

The contractual terms and the manner in which the Group manages construction contracts predominantly arise from projects that contain a single performance obligation. To measure progress towards completion of construction, the Group uses a method based on the proportion of costs incurred, i.e. The management chose to use the input method for the calculation of revenues (costs incurred up to a certain date) from the construction contract.

Changes to the contract (relating to the price and/or scope of the contract) are recognised when approved by the buyer. Where the modifications relate to new products or services that are considered to be different and where the contract price is increased by an amount reflecting the 'stand-alone selling price' of the additional goods or services, those amendments are recognised as a separate contract. When a third party (such as a subcontractor) is involved in the supply of a good or service, the Group determines if it takes control of that product or service before it is transferred to the customer. If control is taken over prior to the transfer to the customer, the Group recognises as revenue the gross amount it expects to be entitled to receive at the time of handover. In cases where control is not taken, the Group considers that it is not the principal in the transaction and recognises as income only the amount corresponding to its remuneration as an intermediary.

An expense related to obtaining the contract that would not have been incurred if the Group had not

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received the contract is recognised as an asset if it is recoverable and is amortised over the estimated duration of the contract.

3.4. Revenues (continued)

(i) Construction Contracts (continued)

Where the outcome of a construction contract cannot be reliably estimated, contract revenues are recognised only up to the amount of the contractual costs incurred that are likely to be recoverable. The expected loss under the contract is immediately recognised in the profit and loss account.

Contract assets and contractual obligations

A contractual obligation is reported when the customer has paid a fee and the Group has not fulfilled the contractual obligation by transferring goods or services. If the Group has transferred goods or services to the customer and the customer has not yet paid the fee and the right to compensation is not conditioned by anything other than the passage of time until maturity, the claim against the buyer is recognised. Contractual assets are recognised if the right to compensation is conditioned by something (e.g. the performance of some other obligation).

(ii) State aid revenues

State aid is recognised when there is reasonable assurance that the Group will meet the conditions under which the aid is granted and reasonable assurance that it will be received. Accordingly, the Group does not recognise aid until there is sufficient assurance that the Group will meet the conditions required for the aid and that the aid will be received. State aid is recognised in profit or loss on a systematic basis during the period in which the costs for which the aid is intended to cover are recognised. State aid claims to compensate for expenses or losses that have already been incurred, or for the purpose of providing immediate financial support to an entity without future associated costs, are recognised in the profit or loss of the period in which the claim arose.

(iii) Financial income and expenses

Financial income and expenses include accrued interest on loans and advances using the effective interest rate method, interest receivables on invested funds, dividend income, gains and losses on exchange rate differences, and gains/losses on the sale of investments in subsidiaries. Income from write-off of financial liabilities is also reported within Financial income.

Interest income is recognised in profit or loss using the accrued income method, using the effective interest rate. Dividend income is recognised in profit or loss on the date on which the company's right to dividend payment is established.

Financial cost consists of the cost of accrued interest on loans, changes in the fair value of financial assets reported at fair value in profit or loss, impairment losses on financial assets, losses on exchange rate differences. Borrowing expenses are recognised in profit or loss using the effective interest rate method.

(iv) Rental income

Revenues from rental services are recognised in the period in which the rental services are performed and relate to operating lease.

3.5. Rentals

a) Impact on the tenant's accounting

At initial recognition, these assets are measured based on the cash flows of the lease agreement. After initial recognition, the right of use will be measured against International Asset Standards under IAS 16, IAS 38 or IAS 40 and therefore using the cost model, less accumulated depreciation and accumulated impairment losses, the revaluation model or the fair value model.

In order to calculate the lease obligation and the associated right-of-use assets, discounting of future lease payments is carried out at the appropriate discount rate. In this regard, future rental payments that are discounted are determined on the basis of contractual provisions, excluding VAT, since the obligation to pay such tax arises when the invoice is issued by the lessor, and not on the date of commencement of the lease agreement.

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3.5. Rentals

a) Impact on the tenant's accounting

In order to perform this calculation, the lease payments must be discounted at the implicit agreed interest rate or, if not available, at the incremental borrowing rate. The incremental interest rate is determined on the basis of the cost of financing for liabilities of similar duration and similar security as

those in the lease agreement. When determining the lease term, it is necessary to take into account the irrevocability period set out in the contract, during which the lessee has the right to use the property in question also taking into account potential renovation options, if the tenant is reasonably certain that he will renew. In particular, in relation to those contracts that allow the lessee to tacitly renew the lease after the first set of years, the term of the lease is determined by taking into account factors such as the length of the first period, the existence of plans to release the leased property and any other circumstances that indicate reasonable certainty of renewal.

Exceptions are lease agreements for low-value property (up to 4 thousand euros), and short-term contracts that are recognized as an expense in the period to which they relate.

The Group leases certain structures, plants and equipment. Leases are capitalized at the beginning of the lease according to the fair value of the leased property or the present value of the minimum rent, whichever is lower. Each lease payment is classified into liabilities and financial expenses in order to obtain a constant rate on the remaining financial balance. The interest component of a finance expense is recognised in profit or loss during the lease period. Property, plant and equipment purchased under a financial lease is depreciated per useful life or lease term, whichever is shorter.

3.6. Foreign currencies

Transactions and balances in foreign currencies

Transactions in foreign currencies are denominated in a functional currency using the exchange rate list valid on the day of the transaction. Monetary assets and liabilities denominated in foreign currency at the reporting date have been translated into functional currency using the exchange rate in force at the reporting date. Gains or losses on exchange differences arising from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary assets and items measured at the historical cost of a foreign currency are not converted at the new exchange rates. Non-monetary assets and liabilities denominated in foreign currency, presented at historical cost, were converted into functional currency using the exchange rate in force at the date of the transaction. Foreign currency exchange rates are given in a note

Items included in the financial statements of the Branch are reported in the currency of the primary economic environment in which the Branch operates, which is also the reporting currency. Consolidated financial statements are presented in euros, which is also the functional currency of the Group.

Income and expenses and cash flows of foreign operations were converted into the Group's functional currency using an exchange rate that approximately reflects the exchange rate on the date of the transaction, and their assets and liabilities were translated at the exchange rate prevailing at the end of the year.

Net investment in Group members

Exchange differences arising from the restatement of net investment in foreign operations are recognised within principal. When selling a foreign operation, exchange differences are recognised in profit or loss as part of the profit or loss on sales. Exchange rate differences from foreign currency conversions, due to intangible amounts, are included within accumulated losses.

3.7. Loans

Borrowings are initially recognised at fair value, less transaction costs. In future periods, borrowings are reported at amortised cost; Any differences between the receipts (less transaction costs) and the cash value are recognised in the statement of comprehensive income over the term of the borrowing period, using the effective interest rate method.

Borrowings are classified as short-term liabilities, unless the Group has an unconditional right to defer the settlement of the obligation for at least 12 months after the reporting date.

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3.8. Dividend

The distribution of dividends to shareholders is recognised as a liability in the financial statements in the period in which they are approved by the General Meeting of Shareholders of the company.

3.9. Taxation

Corporate Income Tax

The cost of corporate income tax consists of current and deferred tax. Corporate income tax is recognised within profit or loss, except up to the amount of corporate income tax related to items within principal when the corporate tax expense is recognised within other comprehensive income.

The current tax represents the expected tax liability calculated on the taxable amount of profit for the year, using the tax rate in effect at the reporting date and any tax liability adjustments from previous periods.

(i) Deferred tax assets and liabilities

Deferred tax is recognised using the balance sheet method and takes into account temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax is not recognised for the following temporary differences: the initial recognition of an asset or liability in a transaction other than a business combination that does not affect either accounting or taxable profits, and differences relating to investments in subsidiaries and jointly controlled enterprises where the situation is unlikely to change in the near future. Deferred tax is valued at the tax rates expected to be applied to temporary differences when they change, based on the laws in effect at the reporting date.

Deferred tax assets are recognised to the extent that future taxable gains are likely to be realised that will be available to be offset by temporary differences. Deferred tax assets are reduced by an amount that is no longer likely to be used as a tax credit.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax liability and assets and if they relate to taxes calculated by the same tax authority on the same taxable entity, or to different tax entities, but they intend to settle current tax liabilities and assets on a net basis or realize their tax assets and liabilities at the same time.

(ii) Tax exposure

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and the possibility of additional taxes and interest. This consideration relies on estimates and assumptions and may include a series of judgments about future events. New data may become available that may cause the Group to change its judgement of the adequacy of existing tax liabilities; Such changes in tax liabilities will affect the tax expenditure in the period in which such a decision is made.

Value Added Tax (VAT)

The tax administration requires VAT to be settled on a net basis. VAT arising from sales and purchase transactions is recognised and reported in the statement of financial position on a net basis. In the case of impairment receivables, the impairment loss is recognised in the gross amount of receivables, including VAT.

3.10. Real Estate, Plant & Equipment

(i) Land and buildings

Following initial recognition at cost, land and buildings are recognised at revalued value, which represents fair value at the date of revaluation less subsequent depreciation of the buildings and impairment cost.

Fair value is based on market value, which is the estimated value for which an asset could be sold at the valuation date between a willing buyer and a willing seller under normal business and commercial conditions.

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3.10. Real Estate, Plant & Equipment

(i) Land and buildings

When the carrying amount of an asset increases as a result of a revaluation, that increase is directly credited to other comprehensive income called the revaluation reserve. A revaluation increase is recognised as income up to the extent that it cancels out the revaluation reduction of the same asset that was previously recognised as an expense.

When the carrying amount of an asset decreases as a result of a revaluation, the revaluation reduction directly debits the revaluation reserve up to the amount up to which this reduction does not exceed the amount existing as a revaluation reserve for the same asset, and charges the remainder of the amount to the period expense.

The estimate shall be carried out on a sufficiently regular basis so that the carrying amount does not differ materially from that which would have been arrived at by determining the fair value at the reporting date. Certain land and buildings cease to be recognised after disposal or when future economic benefits are not expected from their use or disposal. Gains or losses arising from the derecognition of land and buildings (calculated as the difference between the net proceeds of the sale and the carrying amount of the asset) are included in the profit or loss when they cease to be recognised.

An appropriate part of the revaluation surplus, realized during the previous valuation, is released into profit or loss, from the surplus of the valued assets, upon disposal of the revalued assets.

Also, the accumulated depreciation at the revaluation date is excluded at the expense of the gross carrying amount of the asset, and the net amount is restated up to the revalued amount of the asset.

Based on the valuation made by independent appraisers, the Group has revalued the value of real estate and created revaluation reserves that are transferred to retained earnings/accumulated losses in accordance with the adopted depreciation policy

Gains and losses on the disposal of land and buildings are recognised within profit or loss within other income or expense. When a revalued asset is sold, the amounts included in the revaluation reserves are transferred to retained earnings.

(ii) Plant and equipment

The plant and equipment are initially disclosed in the statement of financial position at cost less accumulated depreciation and accumulated impairments, if any. Cost includes a cost that is directly related to the acquisition of an asset. Following initial recognition at cost, plant and equipment is recognised at revalued value, which represents fair value at the date of revaluation less subsequent depreciation of plant and equipment and impairment cost.

Fair value is based on market value, which is the estimated value for which an asset could be sold at the valuation date between a willing buyer and a willing seller under normal business and commercial conditions.

(iii) Property with the right of use

Assets with the right to use are disclosed in the statement of financial position according to the calculated discounted method depending on the period of use.

Gains and losses on the termination of property rights are recognised within profit or loss within other income or expenses.

When the carrying amount of an asset increases as a result of a revaluation, this increase is directly granted in equity called a revaluation reserve. A revaluation increase is recognised as income up to the extent that it cancels out the revaluation reduction of the same asset that was previously recognised as an expense.

When the carrying amount of an asset decreases as a result of revaluation, the reduction is recognised as an expense. A revaluation reduction is directly charged to the revaluation reserve up to an amount up to which this reduction does not exceed the amount existing as a revaluation reserve for the same asset.

The estimate shall be carried out on a sufficiently regular basis so that the carrying amount does not differ materially from that which would have been arrived at by determining the fair value at the reporting date. Certain land and buildings cease to be recognised after disposal or when future economic benefits

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are not expected from their use or disposal.

3.10. Real Estate, Plant and Equipment (continued)

(iii) Property with the right of use (continued)

Gains or losses arising from the derecognition of land and buildings (calculated as the difference between the net proceeds of the sale and the carrying amount of the asset) are included in the profit or loss when they cease to be recognised.

The corresponding part of the revaluation surplus, realized during the previous valuation, is released into profit or loss, from the surplus of the valued asset, upon disposal of the revalued asset and during its use. Also, the accumulated depreciation at the revaluation date is excluded at the expense of the gross carrying amount of the asset, and the net amount is restated up to the revalued amount of the asset.

Based on the valuation performed by an independent appraiser, the Group has revalued the value of equipment classified into the depreciation groups Laboratory Equipment and Measurement and Control Instruments, and formed revaluation reserves that are transferred to retained earnings/accumulated losses in accordance with the adopted depreciation policy.

Gains and losses on the disposal of equipment are recognised within profit or loss within other income or expenses. When a revalued asset is sold, the amounts included in the revaluation reserves are transferred to retained earnings.

(iv) Subsequent expenditure

Subsequent expenses are included in the carrying amount of assets or, where applicable, recognised as separate assets only if the Group will derive future economic benefits from those assets and if the cost of the assets can be measured reliably. The carrying amount of the replaced part shall cease to be recognised. All other maintenance costs are recognised in profit or loss in the financial period in which they are incurred.

(v) Depreciation

Land and assets in preparation are not depreciated. Depreciation of other real estate and plant and equipment shall be calculated using the straight-line method for the purpose of allocating costs or up to the residual value of an asset of that asset over its estimated useful life as follows:

Gallery	20 years
Plant and equipment	1 to 8 years
Other	10 years

The residual value of the asset represents the estimated amount that the Group would currently receive from the sale of the asset less the estimated cost of sale in the event that the asset had reached the age and condition expected at the end of the asset's useful life. The residual value of the asset and useful life shall be reviewed on each reporting date and adjusted as necessary.

In the event that the carrying amount of the asset is greater than the estimated recoverable amount, the difference shall be written off up to the recoverable amount.

Gains and losses arising from sales are determined as the difference between sales revenues and the carrying amount of the sold asset and are recognised within profit or loss as part of other income/expenses.

3.11. Intangible assets

Patents, licenses and computer software

(i) Property Owned

Patents, licenses, and computer software are capitalized based on acquisition costs and costs incurred in bringing assets into working condition.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it increases the future economic benefits associated with

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the asset. All other costs represent the cost in profit or loss in the period when they are incurred.

3.11. Intangible assets (continued)

(iii) Depreciation

Intangible assets in preparation are not depreciated. The depreciation of other intangible assets shall be calculated using the straight-line method for the purpose of allocating cost or up to the residual value of the asset over its estimated useful life as follows:

Right to use third-party property 1 to 2 years Software, content and other assets 1 to 2 years

(iv) Goodwill

Goodwill represents the difference between the cost of acquisition and the fair value of the company's interest in the net identifiable assets of the acquired subsidiary, the recognized amount of non-controlling interest, and the fair value of the previous interest as of the date of acquisition. The goodwill resulting from the acquisition of a subsidiary is recognised as intangible assets.

3.12. Real estate investments

An investment in real estate is recognised as an asset when it is probable that the future economic benefits associated with the investment in real estate will flow to society and when the cost of investing in real estate can be measured reliably. Real estate investments are classified as properties that are held either for the sake of acquiring rental income or capital gain, or both.

Real estate investment is initially measured by cost, including transaction costs. Subsequently, after initial recognition, real estate investments are valued at fair value reflecting market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of real estate investments are included in profit or loss in the year in which they arose.

3.13. Supplies

The cost of work in progress and finished products includes raw materials, the cost of direct labour, other direct costs and the corresponding part of the general cost of production (based on normal regular production capacity).

Merchandise are reported below the cost of acquisition and the selling price (less taxes and margins). Small inventory and tools are completely written off when put into service.

3.14. Customer receivables

Customer receivables are amounts related to services sold performed in the ordinary course of business. If collection is expected within a year, the receivable is shown within the current asset, and if not, then the receivable is shown within the fixed asset. Receivables from customers are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less expected credit loss. The receivables management business model is an amortized cost model - a business model whose goal is achieved by holding financial assets for the purpose of collecting contracted cash flows (principal and interest).

Impairment provisions for receivables from customers and contractual assets are measured in an amount equal to expected credit losses over the useful life, i.e. using the simplified expected credit loss approach.

In measuring expected credit losses, the Group uses historical observations (over a minimum of 2 years) on the days of delay in the collection of receivables adjusted for the estimated future expectations in the collection of receivables. Receivables from customers are divided according to age structure.

Impairment losses for individual purchasers shall be impairment and impairment losses shall arise if there is objective evidence of impairment arising from one or more events occurring after the initial recognition of the asset when that event affects the estimated future cash flows from the receivables that can be reliably determined. Objective evidence of impairment of financial assets for expected credit losses includes:

- significant financial difficulties with the issuer or debtor, and/or
- breach of contract, e.g. late payment or non-payment of interest or principal, and/or

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- likely initiation of bankruptcy or financial restructuring with the debtor

3.15. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and other short-term, highly liquid instruments that are easily converted into known amounts of money with initial maturities of up to three months or less and that are subject to negligible risk of change in value. Cash and cash equivalents are valued at amortised cost because: (i) they are held to collect cash flows from contracts that represent SPPIs, and (ii) they are not reported as FVTPLs.

3.16. Equity

Share capital consists of ordinary shares. Receipts reported in principal when issuing new shares or options are disclosed minus the associated transaction costs and corporate income tax. The amount of the fair value of the consideration received above the nominal value of the issued shares is shown in the notes as capital gain.

The consideration paid for the purchased own shares, including any directly attributable transaction costs (less corporate income tax), reduces the share capital attributable to the shareholders of the company up to the withdrawal, reissue or sale of the shares. When such shares are subsequently sold or reissued, any consideration received, less any directly attributable transaction costs as well as the effects of corporate tax, is included in the principal.

3.17. Employee benefits

(i) Obligations for pensions and other liabilities after retirement

In the course of ordinary business operations, when paying salaries, the Group makes regular payments of contributions on behalf of its employees, who are members of mandatory pension funds, in accordance with the law. Mandatory pension contributions to funds are reported as part of the cost of salaries when they are calculated. The Group has no obligation to provide any other income to the employees after their retirement.

(ii) Incentive severance payments

Severance pays are recognised when the Group terminates an employee's employment before the statutory retirement date or by the employee's decision to voluntarily accept termination in exchange for compensation. The Group recognises severance payment obligations when it has demonstrably undertaken an obligation to terminate the employment relationship with current employees, on the basis of a detailed formal plan without the possibility to waive it or to provide severance payments as a result of an offer to induce voluntary termination.

(iii) Regular severance pay when retiring

Severance payments that are due in a period longer than 12 months after the reporting date are discounted to their present value on the basis of an actuarial calculation made at the end of each reporting period, which uses assumptions about the number of employees who are estimated to be entitled to severance pay in the case of regular retirement, the estimated cost of these severance payments and the discount rate in the amount of the rate of return on the bonds of the Republic of Croatia. Actuarial gains and losses arising from adjustments and changes based on experience in actuarial assumptions are recorded immediately within profit or loss.

(iv) Share-based payments

As part of the long-term remuneration plan, the Group's employees receive share-based payments in exchange for the services they provide. The fair value at the grant date is recognised as an employee expense, with a corresponding increase in equity and reserves over the period in which employees are unconditionally entitled to the bonus. The recognised cost reflects the proportion of the total remuneration for the services provided, and other non-market conditions that are expected to be met. The cumulative amount of the award recognised on the award date reflects the services provided and the non-market conditions met.

3.18. Reservations

A provision is recognised when the Group has a present liability (statutory or derived) that has arisen as a result of past events, and it is probable (more yes than no) that an outflow of funds will be required to

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settle that liability and the amount of the liability can be reliably estimated. Provisions are reviewed on the reporting day, and are adjusted to the estimate based on the best knowledge at the moment.

3.18. Reservations (continued)

When the amount of impairment in the value of money is material, the amount of the provision shall be the present value of the costs expected to be incurred in order to settle the liability, determined using the estimated risk-free interest rate as the discount rate. When discounting is used, each year the impact of discounting is recorded as a financial expense, and the stated value of the provision is increased each year for the elapsed time.

3.19. Financial instruments

Non-derivative financial instruments

(i) Recognitions and initial measurement

Receivables from customers and debt securities issued are initially recognised at the time of origin. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual terms of the instrument.

A financial asset (unless the receivable from customers has no material financial component) or financial liability is initially measured at fair value inflated, for an item that is not recognised at fair value through profit or loss, for transaction costs that are directly attributable to the acquisition or issue. A receivable from customers without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

Upon initial recognition, financial assets are recognised at: amortised cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit and loss.

Financial assets are not reclassified after initial recognition unless the Group changes its financial asset management business model, in which case all financial assets are reclassified on the first day of the first reporting period following the change in business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not classified as an asset at fair value through profit or loss:

- it is held within a business model that aims to hold assets in order to collect contractual cash flows; i
- On the basis of the agreed conditions, on certain dates, it generates cash inflows that represent exclusively the payment of principal and interest on the unpaid principal amount.

All financial assets that are not classified as financial assets measured at amortized cost as described above are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets reported at amortised cost are subsequently measured at amortised cost using the effective interest rate method. Amortized cost is deducted from impairment losses. Interest income, exchange rate differences and impairments are recognised in profit or loss. Any gain or loss since derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost or at fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is held for trading, if it is a derivative or if it is classified as such at initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value, and net gains and losses, including all interest expenses, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and gains and losses on foreign exchange differences are recognised in profit or loss. Profit or loss on derecognition is also recognised in profit or loss.

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3.19. Financial instruments (continued)

(iii) Termination of recognition

Financial assets

The Group ceases to recognise financial assets when the contractual rights to the cash flows of the financial asset expire or if the Group transfers the rights to receive the contractual cash flows in a transaction in which all key risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains all risks and rewards associated with ownership and does not retain control of the financial assets. A group enters into transactions in which it transfers assets recognised in the statement of financial position, but retains all or almost all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group ceases to recognise a financial liability when its contractual obligations have been fulfilled, cancelled or have expired. A group also derecognises a financial liability when its terms have changed and the cash flows of the amended liability are materially different, in which case the new financial liability under the amended terms is recognised at fair value.

When a financial liability is derecognised, the difference between the carrying amount and the fee paid (including any non-cash assets transferred or liabilities incurred) is recognised in profit or loss.

(iv) Netting

Financial assets and financial liabilities are netted and the net amount is shown in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or realise the assets and settle the liability at the same time.

Effective Interest Method

The effective interest method is a method that calculates the amortized cost of a financial asset and allocates interest income over a relevant period. The effective interest rate is the rate at which estimated future cash inflows, including any fees per points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums and discounts, are discounted over the expected life of the financial asset or a shorter period if applicable.

Income from debt instruments, other than financial assets designated for recognition at fair value through profit or loss, is recognised on the basis of effective interest.

3.20. Financial guarantee of contractual obligations and financial obligations

Financial guarantee of the contracted obligation

The financial guarantee of the contracted obligation is initially measured at fair value and subsequently measured at a higher value:

- the amount determined in accordance with the expected credit loss model in accordance with IFRS 9; and
- the amount initially recognised minus, if necessary, the corresponding cumulative effect recognised in accordance with the revenue recognition policy.

Financial liabilities, classification and measurement

Financial liabilities, including loans, are initially measured at fair value less transaction costs and are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on the basis of effective return.

The effective interest rate method is a method of calculating the amortized cost of a financial obligation and allocating the cost of interest over a certain period. The effective interest rate accurately discounts the estimated future cash payments over the expected life of the financial instrument or, where more appropriate, over a shorter period to the gross carrying amount of the financial asset or to the amortised cost of the financial liability, with the exception of financial assets less credit losses.

Financial liabilities are classified as financial liabilities at fair value in profit or loss when they are held for trading or are defined as such by the Group.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

3.20. Financial Guarantee of Contractual Obligations and Financial Obligations (continued)

They are measured at fair value, and the corresponding profit or loss is recognised in profit or loss, except for changes in the fair value of liabilities resulting from changes in the Group's own credit risk, which are recognised through other comprehensive income. The net profit or loss recognised in the profit or loss account also includes the interest paid on the financial liability.

3.21. Business segment reporting

The Group identifies business segments according to internal component reports that are regularly reviewed by the Chief Executive Decision-Maker (as determined by the Management Board) in order to allocate resources to the segments and evaluate the performance of their operations. Details of the business segments are published in note 5 to the financial statements.

3.22. Earnings per share

The group displays basic and diluted earnings per share data for ordinary shares. Basic and diluted earnings per share are calculated by dividing the profit or loss for the year applicable to ordinary shares, by the weighted average number of ordinary shares during the period.

3.23. Non-current assets intended for sale

Non-current assets intended for sale are intended for the settlement of the separate debt to financial institutions that have not waived the right to separate settlement in the pre-bankruptcy settlement procedure. The Group determined the market value of real estate on the basis of calculations by independent appraisers who determined it using the cost method, the comparative method and/or the income method, depending on the type of real estate.

3.24. Determination of fair value

The Group has established a system of controls within the framework of fair value measurement, which implies the overall responsibility of the Management Board and the financial function related to the supervision of all significant fair value measurements, consultation with external experts and, in the context of the above, reporting on the same to the bodies in charge of corporate governance.

Fair values are measured in relation to information collected from third parties, in which case Management and the finance department evaluate to the extent that the evidence collected from third parties ensures that those fair value estimates meet the requirements of IFRS, including the level in the fair value hierarchy to which those estimates should be classified.

All significant issues related to the fair value assessment shall be reported to the Supervisory Board.

Fair values are categorized into different levels in the fair value hierarchy based on input variables used in valuation techniques as follows:

- *Level 1* - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* - input variables that do not represent quoted prices included in Level 1, and are input variables for assets or liabilities that are visible either directly (e.g. as prices) or indirectly (e.g. derived from prices).
- *Level 3* - input variables for assets or liabilities that are not based on visible market data (input variables that are not visible).

The fair value of financial instruments traded on active markets is based on quoted market prices at the reporting date. A market is considered active if the quoted prices are known based on the stock exchange, the activities of a broker, industry group or regulatory agency, and these prices represent actual and regular market transactions under normal trading conditions.

The fair value of financial instruments that are not traded on an active market is determined using valuation techniques. These estimation techniques require maximum use of observable market data where possible, and rely as little as possible on entity-specific estimates. If all significant input variables required for fair measurement are visible, the fair value estimate is categorized as Level 2.

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Notes to financial statements (continued)
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3.24. Determination of fair value (continued)

If one or more significant input variables are not based on observable market data, the fair value estimate shall be categorised as Level 3.

The Group has made the following significant fair value estimates as part of the preparation of the financial statements, which are explained in more detail in the following notes:

- Note 14: Property, plant and equipment
- Note 15: Investments in associated companies and other investments

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Notes to financial statements (continued)
for the year ended 31 December 2025

4. Information about the segments.

The group is organized into business units according to a combination of locations and areas in construction. The business units are engaged in design, studies, supervision, advisory services, laboratory services, research works and scientific research.

Reporting segments are an integral part of internal financial statements. Internal financial statements are regularly reviewed by the Group's Management Board, which is also the main business decision-maker, which evaluates business performance and makes business decisions based on them.

Internal reporting on the results of the segment is adapted to the business and key indicators for each segment separately, and accordingly the publication of this information has been adjusted for the current year and the previous period.

4.1 Operating revenues by segments

The following is an analysis of the Group's revenues by reporting segments that are presented in accordance with IFRS 8. Sales revenues shown refer to revenues generated from sales to external customers. Sales among reporting segments are eliminated during reporting. In its internal reports, the Management Board of the Group monitors revenues in the net amount, i.e. revenue from sales minus the amount of the cooperation cost. Accordingly, segment revenues are shown at this level.

	2024	2025
	<i>in thousands of EUR</i>	
Department of Design	5.575	3.541
Department of Professional Supervision and Project Management	5.396	5.521
Department of Materials and Structures	4.514	4.289
Branches	1.830	2.581
Management and Support Services	118	80
Totally by segments	17.433	16.012

4.2 Revenue – by geographical area

	2024	2025
	<i>in thousands of EUR</i>	
Republic of Croatia	14.237	12.469
Abroad	3.197	3.542
Total	17.433	16.012

4.3 Revenue by category

	2024	2025
	<i>in thousands of EUR</i>	
Revenue recognised over time	15.193	16.068
Revenue recognised at a given point in time	1.114	1.364
Total	17.433	16.012

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The Department of Design has as its main activity the preparation of project and study documentation for roads - roads, railways and airports, including all road structures on roads.

The Institute for Professional Supervision and Project Management performs professional supervision over the construction of buildings and project management in the field of civil engineering, building construction and energy. In addition, the activity also includes consulting services, performance of professional spatial planning, urban planning, design, preparation of feasibility studies, preparation of expert opinions and expert opinions, assessment of real estate value and construction costs.

The Department of Materials and Structures deals with testing and certification of building materials. With about 600 test methods accredited in accordance with the HRN EN ISO/IEC 17025 standard, our laboratories meet the qualification requirements and make up approximately 60% of all laboratories in Croatia accredited in the field of construction.

The Regional Centers of Split, Rijeka and Osijek participate in almost all major and significant projects in their areas in the form of providing services from the preparation of studies, design (roads with all associated facilities, hydrotechnical structures, buildings in high-rise construction, etc.), conducting professional supervision and providing advisory services, performing research works, laboratory tests and proving usability, and scientific research work in the field of construction.

The accounting policies of the reporting segments are the same as the accounting policies of the Company presented in note 3.21. Segment profit represents the profit generated by each segment without allocating central administrative costs, provisions, other income, and financial income and expenses. The Group does not allocate assets and liabilities to segments.

5. Other operating income

	2024	2025
	<i>in thousands of EUR</i>	
Income from written off liabilities	1.050	381
Revenues from compensation, subsidies	166	56
Profit from the sale of assets	754	29
Rental income	195	272
Revenue from deprovisioning	719	328
Income from subsequently collected receivables	101	249
Revenue from damages	110	46
Other revenues	240	2.573
Total	3.335	3.934

The income from the write-off of liabilities in 2025 in the amount of EUR 381 thousand refers to the write-off of liabilities that have no basis for execution.

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Notes to financial statements (continued)
for the year ended 31 December 2025

6. Cost of raw materials and materials

	2024	2025
	<i>in thousands of EUR</i>	
<i>Costs of raw materials and materials</i>		
Cost of raw materials and materials	98	75
Energy Cost	549	556
Cost of small inventory and spare parts	22	18
Total	669	649
<i>Cost of services</i>		
Transport, telephone, mail costs	193	144
Subcontractors' costs	2.895	3.688
Cost of production services	58	51
Communal costs	180	179
Maintenance costs	407	247
Rental costs	296	265
Other external costs	447	358
Total	4.476	4.932

7. Employee costs

	2024	2025
	<i>in thousands of EUR</i>	
Net wages	6.514	5.454
Taxes, contributions and other charges	3.923	4.127
Reimbursement of costs to workers (travel expenses, subsistence allowances, transport)	408	359
Severance pay, assistance and other material rights of workers	50	343
Total	10.895	10.283

As at 31 December 2025, the Group had 299 employees (2024: 347 employees). In 2025, non-taxable receipts were paid in the amount of €181 thousand (2024: €215 thousand).

In 2025, the Group calculated a contribution for mandatory pension insurance in the total amount of EUR 1,593 thousand (2024: in the total amount of EUR 1,742 thousand).

8. Value adjustments

	2024	2025
	<i>in thousands of EUR</i>	
<i>Value adjustments for fixed assets</i>		
Reconciliation of real estate investments	257	15
Adjustment of shares in associates	-	-
Total	257	15
<i>Value adjustments for current assets</i>		
Reconciliation of customer receivables	203	52
Reconciliation of other receivables	-	-
Total	203	52

The value adjustment of current assets in the amount of EUR 52 thousand (2024: EUR 203 thousand) refers to the regular adjustment of receivables from customers. The significant decrease compared to the previous year is the result of active collection of receivables, which is carried out with special attention in the Group.

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Notes to financial statements (continued)
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9. Other operating expenses

	2024	2025
	<i>in thousands of EUR</i>	
Costs of lawyer, consulting and auditing services	111	90
Bank fees and commissions	114	123
Other costs	31	3
Penalties, etc.	10	6
Insurance premiums	64	42
Contributions to public authorities and fees	46	44
Representation costs	27	13
Training and Training Costs	270	376
Taxes that do not depend on business results	77	-
Total	750	697

During 2025, there were no provisions related to litigation, as there were no significant new lawsuits. The costs of lawyer, consulting and auditing services have been reduced by 20%.

During 2025, the costs of training and education of employees increased, while other costs were significantly reduced. Monitoring costs and reducing with maximum effect is the main task of the Management Board, but also of all employees.

10. Financial income

	2024	2025
	<i>in thousands of EUR</i>	
Financial income		
Income from exchange differences	59	9
Interest income	1	24
Income from the write-off of liabilities	30	40
Total	90	73

11. Financial expenditure

	2024	2025
	<i>in thousands of EUR</i>	
Financial expenditure		
Expenditure on exchange rate differences	130	42
Interest expenses	240	250
Other financial expenditures	116	87
Total	485	379

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Notes to financial statements (continued)
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12. Corporate Income Tax

Tax revenue includes:

DESCRIPTION	2024	2025
	in thousands of EUR	
Deferred tax	132	70

Adjustment of the effective tax rate

The following table shows how the tax expense shown in the comprehensive income statement relates to the statutory tax rate:

	2024	2025
	in thousands of EUR	
Profit / Loss before Tax	1.054	882
Tax at a rate of 18%	190	159
Effects of non-taxable income and other reductions in the tax base	(2.020)	(120)
Effects of unrecognised expenses and other increases in the tax base	267	272
Effects of tax losses not recognised as deferred tax assets	1563	(311)
Previously recognised deferred tax liabilities	(132)	(70)
Corporate Income Tax	(132)	(70)
Effective tax rate	16%	8%

In 2025, the Group has at its disposal EUR 9,558 thousand of tax losses from previous periods, and EUR 1,701 thousand of additional tax loss from the current period, which was realized by the completion of bankruptcy proceedings over the related company Marterra d.o.o. when the conditions for the recognition of value-adjusted receivables were met.

In 2024, the Group used previously non-tax-deductible losses based on the value adjustment of financial assets of companies that were deleted from the court register in the total amount of EUR 11,192 thousand.

Based on non-tax deductible items, the Group increased the tax base by EUR 1,510 thousand, which has a tax effect of EUR 272 thousand, while it reduced the tax base by EUR 665 thousand based on tax-deductible items with an effect on the tax effect in the amount of EUR -120 thousand. Given the tax-deductible losses that were recognized on the basis of the completion of the bankruptcy proceedings of Marterra d.o.o., the Group is not obliged to pay taxes at the end of the 2025 tax period. In the next tax period, the Group has the opportunity to use the remaining tax loss in the amount of EUR 11,259 thousand.

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Notes to financial statements (continued)
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The deferred tax liability arises from the following:

2025 (EUR thousands)	Initial state	Through capital	Through profit or loss	Final state
Temporary difference:				
Revaluation of fixed assets	420	(70)	-	350
2024 (in EUR thousands)				
Temporary difference:				
Revaluation of fixed assets	440	(132)	112	420

13. Intangible assets

O P and S	The right to use the property of third parties	Assets in preparation	Goodwill	Total intangible assets
in thousands of EUR				
PURCHASE VALUE				
As of December 31, 2023	2.744	5	4	2.753
Procurement during the year	-	2	-	2
Revaluation	15	-	-	15
Disposal and disposal	-	-	-	-
Adjustments	(2.577)	-	-	(2.577)
As of December 31, 2024	182	7	4	193
Procurement during the year	3	5	-	8
Adjustments	11	2	-	13
As of December 31, 2025	196	14	4	214
VALUE CORRECTION				
As of December 31, 2023	2.736	1	-	2.737
Depreciation	9	-	-	9
Disposal and disposal	-	-	-	-
Adjustments	(2.577)	-	-	(2.577)
As of December 31, 2024	168	1	-	169
Depreciation	15	7	-	22
Adjustments	7	4	-	12
As of December 31, 2025	190	12	-	202
PRESENT VALUE				
As of December 31, 2024	14	6	4	24
As of December 31, 2025	6	2	4	12

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14. Real Estate, Plant & Equipment

O P I S thousand EUR	Property with the right of use	Ground	Gallery	Plant and equipment	Assets in preparation	Other	Advances on tangible assets	Total
As of December 31, 2023	8.404	1.254	3.048	10.167	40	64	85	23.062
Procurement during the year	2.172	-	-	77	2	-	-	2.251
Revaluation	-	-	251	381	-	-	-	632
Disposal and disposal	(2.415)	(462)	(375)	(72)	-	-	-	(3.324)
Transfer to use	-	85	169	-	-	-	(4)	250
Alignment	-	1	(135)	(2.698)	-	(1)	-	(2.833)
As of December 31, 2024	8.161	878	2.958	7.855	42	63	81	20.038
Procurement during the year	1,057	-	-	158	317	-	-	1.532
Disposal and disposal	(481)	-	-	-	-	-	-	(481)
Transfer to use	-	-	-	(587)	(77)	-	(28)	(692)
Alignment	(1.531)	-	(345)	224	(9)	-	-	(1.661)
As of December 31, 2025	7,206	878	2.613	7.650	273	63	53	18.735
VALUE CORRECTION								
As of December 31, 2023	5,285	-	1.731	7.963	-	23	43	15.045
Depreciation	1,570	-	43	447	-	-	-	2.060
Disposal and disposal	(2.385)	-	(175)	(112)	-	-	-	(2.672)
Alignment	-	-	(139)	(2.230)	2	-	(3)	(2.370)
As of December 31, 2024	4,470	-	1.460	6.068	2	23	40	12.063
Depreciation	1.603	-	61	508	-	-	-	2.172
Disposal and disposal	(475)	-	-	(137)	-	-	-	(612)
Alignment	(1.532)	3	(358)	(182)	(1)	-	(16)	(2.086)
As of December 31, 2025	4.066	3	1.163	6.258	1	23	24	11.537
PRESENT VALUE								
As of December 31, 2024	3.691	875	1.498	1.787	40	40	41	7.975
As of December 31, 2025	3.140	875	1.450	1.392	272	40	29	7.198

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Notes to financial statements (continued)
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14. Real Estate, Plant and Equipment (continued)

Property with the right to use refers to the rental of commercial real estate and cars, which is managed in accordance with IFRS 16. The net amount of assets with the right to use in the Group's books as at 31.12.2025 amounts to EUR 3,140 thousand (31.12.2024: EUR 3,691 thousand).

The revaluation of real estate and laboratory equipment was carried out on 31.12.2023, and revaluation reserves based on depreciation are cancelled quarterly.

The estimate of the market value of real estate for the purposes of revaluation of the Company was determined on the basis of the calculations of independent appraisers who determined it using the cost method, the comparative method and/or the income method, depending on the type of real estate.

The Group has determined the market value of laboratory equipment and measuring instruments for the purposes of revaluation on the basis of calculations by independent appraisers who have used the cost method as the most appropriate as the primary because it is based on the use of the economic principle that states that the buyer will not pay more for the asset than the price he would pay for assets of equal utility in the event of a new purchase or construction.

(i) *Estimation method and significant input variables*

The following table summarizes the fair value estimation methods and techniques and the significant input variables used in the valuation:

Assessment methods and techniques	Significant input variables that are not visible
<p><i>Land and buildings</i></p> <p>Fair value assessments of land and buildings have been carried out by certified appraisers. Depending on the purpose of the asset, the market method (by developing the cost method), the revenue method and the residual method were used.</p> <p>The calculation of the market value of real estate by developing the cost method is obtained by calculating the value of the newly built real estate and its depreciation due to the time impact on the dilapidation of the building, construction, finishing works, etc. The price obtained in this way is adjusted to the market price through a number of factors that are specific to the observed property or land.</p> <p>The revenue valuation method considers the present value of the net cash flows that the asset could generate from the lease by taking into account the expected net lease based on comparable transactions.</p> <p>The residual method is based on the analysis of investments and is focused on determining the value of the land planned for construction. It is applied as part of the development of the project, if the investor wants to determine the maximum value of the land that needs to be paid in order to realize the project profitably.</p>	<p>Correction factors when calculating the market price.</p> <p>Average rate of return : 7-9%</p> <p>Among other factors, the estimated discount rate considers the quality of the property and its location and the currently achievable lease terms in a similar geographical location for a comparable property type.</p> <p>Specific costs in determining the net cash flow in the revenue method.</p> <p>Specific costs of construction, financing period, interest rates, required margins on sale and other costs in the calculation of the residual method.</p>

INSTITUT IGH d.d.
Notes to financial statements (continued)
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14. Real Estate, Plant and Equipment (continued)

Assessment methods and techniques	Significant input variables that are not visible
<p><i>Equipment</i></p> <p>The fair value assessment of the equipment was carried out by certified appraisers. The cost method and the DCF method - the recapitalization method - were used in the valuation.</p> <p>Estimating the value of equipment by cost method implies determining the value of physical, functional and economic obsolescence of equipment. The cost value is determined on the basis of book value from the register of fixed assets. In the process of assessing physical obsolescence, the existing useful life of the asset, the total useful life and the remaining useful life are analysed, for each valuation asset separately. Functional obsolescence takes into account the ability to perform a function for the remaining service life. When assessing economic obsolescence, the economic obsolescence model and the economic indicator model are used</p> <p>The DCF method is a variation of the income approach, according to which the market value of an asset is based on the estimated future cash flows that the actions of machinery and equipment are expected to generate</p>	<p>Correction factors when calculating the market price.</p> <p>Among other factors, the estimated discount rate is the expected rate of return market requires in order to attract funds for a particular investment.</p> <p>Specific costs when determining net cash flow in the DCF method.</p>

15. Investments in associated companies and other investments

	2024	2025
O P and S	in thousands of EUR	
Investments in associates	1.991	1.991
Total	1.991	1.991

i. Investments in subsidiaries

During 2025, there was no change in investments in subsidiaries and associates. The amount of EUR 1,053 thousand refers to the companies ETZ d.d. (EUR 887 thousand) and the company IGH Projektiranje d.o.o. (EUR 166 thousand), while the amount of EUR 1,991 thousand refers to the company Elpida d.o.o.

In 2025, conditions have been created for the deregistration of companies that have been deleted or will be deleted at the beginning of 2026 from the court register. These are as follows:

- DP Aqua d.o.o. – liquidated and deleted from the court register on 24.10.2025 by decision Tt-25/61396-1
- Company Slavonija centar, business zone Velika Kopaonica d.o.o. – liquidated and deleted from the court register on 23.12.2025 by decision Tt-25/69198-1
- For the company Marterra d.o.o. Zagreb bankruptcy proceedings were initiated in January 2025, and Decision No. St-186/2025 of 29.12.2025 on the closure of bankruptcy proceedings was issued. By Decision Tt-26/13963-1 of 15.04.2026, the registration procedure ordered the

INSTITUT IGH d.d.
Notes to financial statements (continued)
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deletion of the entity from the court register

15. Investments in associated companies and other investments (continued)

i. Investments in associates

Investments in associates refers to companies in which Institut IGH d.d. does not have independent control over the management, regardless of the ownership interest.

DESCRIPTION of thousands of EUR	31.12.2024.		31.12.2025.	
	Share (%)	Booksellers. Value	Share (%)	Booksellers. Value
Elpida d.o.o. Zagreb	50	4.154	50	4.154
Institute for Infrastructure Projects, Sofia	50	1	50	1
TPN Youth Sports City in bankruptcy	1	-	1	-
Value adjustment of investments in associates		(2.164)		(2.164)
Total		1.991		1.991

On 7 October 2014, the company Sportski grad TPN d.o.o. was declared bankrupt by Decision No. 5. ST-138/2014.

ii. Other investments

	2024	2025
	in thousands of EUR	
O P and S		
Investing in units in investment funds	305	305
Minus: Value adjustment of units in investment funds	(305)	(305)
Total	-	-

iii. Participating interests

	2024	2025
	in thousands of EUR	
O P and S		
Konstruktor-inženjering d.d.	101	101
Viktor Lenac d.d. Rijeka	6	6
GP Dubrovnik d.d. in bankruptcy, Dubrovnik	358	358
Industrogradnja Grupa d.d.	50	50
Elektrometal d.d., Bjelovar	2	2
Međimurje beton d.d. Zagreb	51	51
Correction of the value of the interests involved	(568)	(568)
Total	-	-

The Group owns participating interests in several companies that are value-aligned and their book value has been reduced to zero.

Companies Geotehnika-inženjering d.o.o., Međimurje beton d.d., Industrogradnja Grupa d.d.,

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Elektrometal d.d. Bjelovar have been deleted from the court register, while the company GP Dubrovnik d.d. is in bankruptcy.

16. Customer receivables and other receivables

	2024	2025
	in thousands of EUR	
Long-term receivables		
Receivables for sold apartments with deferred payment and other receivables	133	14
Total	133	14
Short-term receivables		
Customer receivables	5.335	(5.221)
Minus: correction of the value of receivables from customers	(3.028)	(2.819)
Receivables from the state and state institutions	139	424
Receivables from employees	141	137
Receivables from related undertakings	195	73
Minus: correction of the value of receivables from related undertakings	(198)	(65)
Receivables for advances made	588	856
Other claims	160	41
Total	3.332	3.868

The following tables explain the changes in the adjustment of the value of receivables from customers under the simplified ECL model between the beginning and the end of the annual period:

	2025
	<i>in thousands of EUR</i>
As of January 1, 2025	3.226
Newly created expected credit loss	30
Cancellation of previous credit loss	(36)
Other changes	(336)
Situation as of December 31	2.884
	2024
	<i>in thousands of EUR</i>
As of January 1, 2024	3.026
Newly created expected credit loss	36
Other changes	(232)
Cancellation of previous credit loss	396
Situation as of December 31	3.226

For the impairment of receivables from customers, the Group applies a model based on expected credit losses (simplified approach) in accordance with the requirements of IFRS 9 and the amount of the impairment does not have a significant impact on the financial statements. The Group also continues to apply the value adjustment based on proven losses when the conditions arise for this.

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Notes to financial statements (continued)
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16. Customer receivables and other receivables (continued)

The age structure of customer receivables and other receivables was as follows:

31 December 2025

Not due	<i>Gross value</i>	<i>Correction</i>	<i>Net Worth</i>
Not due	1.751	-	1.751
0-60 days	497	-	497
60-120 days	-	(53)	(53)
120-180 days	13	-	13
180-360 days	119	(16)	103
over 360 days	4.372	(2.815)	1,557
	6.752	(2.884)	3,868

31 December 2024

Not due	<i>Gross value</i>	<i>Correction</i>	<i>Net Worth</i>
Not due	1.380	-	1.380
0-60 days	724	-	724
60-120 days	-	(137)	(137)
120-180 days	193	-	193
180-360 days	-	(16)	(16)
over 360 days	4.261	(3.073)	1.188
	6.558	(3.226)	3.332

17. Days loans and deposits

	2024	2025
	in thousands of EUR	
Long Term Loans		
Loans given to unrelated entrepreneurs	125	78
	125	78
Short-term loans		
Loans to unaffiliated companies	24	40
Days of deposits and deposits	3.782	2.766
Interest receivables on loans granted	10	3
Securities and factoring	19	19
Expected credit loss	(15)	(15)
	3.820	2.812
Total	3.945	2.890

Loans to related companies are granted interest-free or at a certain interest rate, whereby the interest rates prescribed by Art. 14, paragraph 3 of the Corporate Income Tax Act.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

18. Cash and cash equivalents

	2024	2025
	<i>in thousands of EUR</i>	
Balance on giro accounts	125	38
Foreign currency account balances	15	41
Total	140	79

Overview of money and cash equivalents by currency

	2024	2025
	<i>in thousands of EUR</i>	
O P and S		
EUR	130	38
BAM	5	-
GEL	3	41
AMD	2	-
Other currencies	-	-
Total	140	79

19. Accrued revenues and prepaid expenses

	2024	2025
	<i>in thousands of EUR</i>	
Prepaid costs	685	387
VAT on received advances	157	215
Advances received	48	-
Accrued non-invoiced revenues	13	283
Total	903	885

Prepaid costs relate partly to foreign branches, and partly to paid costs in the country for which the conditions for their recognition have not been met.

20. Assets and liabilities under contracts with customers

The following table presents information on receivables and liabilities towards customers, based on construction contracts, for which the Group has disclosed receivables from customers under contractual obligation or liabilities to customers under contractual obligation on the reporting date:

	2024	2025
	<i>in thousands of EUR</i>	
Contract assets from contracts with customers	1.114	1.365
Expected credit loss	(11)	(11)
	1.103	1.354
Contractual obligation under the contract	79	14
Total	1.024	1.340

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

20. Assets and liabilities under contracts with customers (continued)

Contract assets primarily refer to the Company's rights to compensation for works that have been performed but not collected at the reporting date. Contractual assets are transferred to receivables when the rights become unconditional, i.e. when the Group issues an invoice to the buyer. A description of the methodology for calculating expected credit losses per contract asset is described in footnote 31. Contractual obligations primarily relate to deferred revenues for construction works, for which revenue is recognised over time.

21. Equity

	2024		2025	
	Number of shares	Ownership share	Number of shares	Ownership share
AGRAM BROKERI D.D./ AVENUE MEHANIZACIJA D.O.O. (1/1)	566.581	38,24%	566.581	38,24%
AGRAM BANKA D.D. (0/1) / AVENUE ENGINEERING AND CONSTRUCTION LIMITED (1/1)	239.500	16,17%	239.500	16,17%
FROTIP DEVELOPMENT D.O.O. (1/1)	224.173	15,13%	224.173	15,13%
AGRAM BROKERI D.D./ FROTIP DEVELOPMENT D.O.O. (1/1)	77.000	5,20%	77.000	5,20%
SMIRNOV MANAGEMENT & TRRANSPORTING J.D.O.O. (1/1)	53.846	3,63%	53.846	3,63%
DRNASIN ANTE (1/1)	16.000	1,08%	16.000	1,08%
HITA-SECURITIES D.D./ LEJO IVAN (1/1)	-	-	12.500	0,84%
ERSTE & STEIERMARKISCHE BANK D.D./INSPIRIO ZAIF	-	-	11.955	0,81%
AGRAM BANKA D.D./ AVENUE ENGINEERING AND CONSTRUCTION LIMITED (1/1)	9.104	0,61%	9.104	0,61%
ČERNOŠEK KRUNOSLAV (1/1)	8.250	0,56%	9.000	0,61%
INSTITUT IGH, D.D.	7.895	0,53%	6.659	0,45%
Other shareholders	279.114	18,84%	255.145	17,22%
Total	1.481.463	100,00%	1.481.463	100,00%

On 29.12.2023, Institut IGH, d.d. carried out a recapitalization by Decision Tt-23/52200-2 for the purpose of covering accumulated losses and improving its financial position. Prior to the recapitalization, the Company's share capital consisted of 613,709 shares of IGH-R-A, ISIN: HRIGH0RA0006, each nominal amount of EUR 25.22 in the total amount of EUR 15,476 thousand. The shares are listed on the Official Market of the Zagreb Stock Exchange Inc. Each share has the right to vote at the general meeting and the right to dividends.

With the capital increase, the share capital of the Company was recalculated from the amount of HRK 116,604,710.00 to the amount of EUR 15,476,104.59. The individual nominal amount of the ordinary share of IGH-R-A was converted from the amount of HRK 190.00 to the amount of EUR 25.22. In this way, the share capital of the Company was reduced from the amount of EUR 15,476,104.59 by the amount of EUR 9,339,014.59 to the amount of EUR 6,137,090.00 by reducing the individual nominal amount of ordinary shares under the code IGH-R-A from the amount of EUR 25.22 to the amount of EUR 15.22 EUR to the amount of EUR 10.00.

The Company's share capital was increased from EUR 6,137,090.00 by EUR 8,677,540.00 to EUR 14,814,630.00 by issuing 867,754 ordinary shares with the designation IGH-R-A with an individual nominal amount of EUR 10.00.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

22. Reserves

Legal reserves are formed in accordance with Croatian regulations, according to which the Group is obliged to enter the twentieth part (5%) of the profit of the current year into legal reserves, until these reserves, together with capital gain, reach the amount of five percent (5%) of the share capital. This reserve, as well as the reserve for own shares, is not distributable.

The Group has 7,529 own shares. Treasury shares are recorded at acquisition cost and are discharged using the weighted average price method.

	Number of own shares 31.12.2024.	Number of own shares 31.12.2025.
Situation as of 1 January	7.529	7.529
Situation as of 31 December	7.529	7.529

The Management Board of the Group is entitled to the allocation of prize and option shares, but on this basis, there were no allotted shares during 2025, while the remaining amount will be allocated in accordance with the Group's capabilities in the coming years. The net value of liabilities under prize and option shares is disclosed in Other Reserves at the market price of the share at the reporting date.

23. Revaluation reserves

<i>in thousands of EUR</i>	Revaluation reserves for tangible fixed assets	Exchange differences from the conversion of foreign operations	Total
As at 31 December 2023	2.579	(72)	2.507
Transfer to accumulated losses	(770)	-	(770)
Increase in reserves	455	-	455
Exchange Rate Differences from Foreign Operations	-	60	60
Situation as at 31 December 2024	2.264	(12)	2.252
Transfer to accumulated losses	(324)	-	(324)
Increase in reserves	-	-	-
Exchange Rate Differences from Foreign Operations	(72)	75	3
Situation as at 31 December 2025	1.868	63	1.931

Revaluation reserves are not available for distribution to shareholders.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

24. Liabilities under loans and advances

	2024	2025
	in thousands of EUR	
Long-term debts		
Other duties	-	-
Total	-	-
Short-term borrowings		
Other duties	2.986	1.451
Accrued interest liabilities	-	-
Total	2.986	1.451
Total credits and loans	2.986	1.451

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

24. Liabilities under loans and advances (continued)

<i>in thousands of EUR</i>	Loans -Senior debt /i/	Loans - separate creditors /iii/	Other duties	Accrued interest liabilities	Total
Situation as of 1 January 2024	38	1.161	3.263	151	4.613
Payment	(38)	-	(27)	-	(65)
Non-monetary repayment	-	-	(250)	(151)	(401)
Loans received	-	-	-	-	-
Transfer of commitments	-	(1.161)	-	-	(1.161)
Exchange rate difference	-	-	-	-	-
Situation as at 31 December 2024	-	-	2.986	-	2.986
Situation as of 1 January 2025	-	-	2.986	-	2.986
Payment	-	-	-	-	-
Non-monetary repayment	-	-	-	-	-
Loans received	-	-	679	-	679
Transfer of commitments	-	-	(2.214)	-	(2.214)
Exchange rate difference	-	-	-	-	-
Situation as at 31 December 2025	-	-	1.451	-	1.451

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Notes to financial statements (continued)
for the year ended 31 December 2025

24. Liabilities under loans and advances (continued)

Loan liabilities were significantly reduced in 2024, when the process of closing pre-bankruptcy was completed. The Group settled a large part of its liabilities in 2023, and the remaining debt in the amount of EUR 38 thousand was settled in February 2024. The course of pre-bankruptcy and debt settlement was as follows:

/i/ "Senior debt" is a part of the creditor's claim settled by instalments in accordance with the provisions of the Settlement Plan and additional agreements with creditors of category a), with an interest rate of 4.5% per annum in semi-annual instalments due on 30 June and 31 December each year.

/ii/ Separate creditors did not waive the right to separate settlement in the pre-bankruptcy settlement procedure, and had the right to initiate separate enforcement proceedings for the sale of real estate and settlement of their claims. In the event that the funds obtained by the realization of the pledge are not sufficient to cover the secured claims, the separate creditors are not entitled to settle up to the full amount of the secured claim, but their claim is considered fulfilled by the realization of the pledge. On the basis of these loans, the Group is not obliged to repay the principal or interest from ordinary operations, but is the exclusive settlement from the sale of real estate pledged.

Bonds issued

On 6 June 2012, the Group issued bonds with the right to exchange for shares in the amount of EUR 10 million for the purpose of partial rescheduling of liabilities under previously issued financial instruments and financing of working capital.

On 10 June 2013, the Settlement Council of FINA adopted a Decision on the opening of the pre-bankruptcy settlement procedure against the company INSTITUT IGH d.d. Holders of convertible bonds as separate creditors have not waived the right to separate settlement in the pre-bankruptcy settlement procedure, and have the right to initiate separate enforcement proceedings for the sale of real estate and the settlement of their claims. In the event that the funds obtained through the realization of the pledge are not sufficient to cover the secured claims, the bondholders are not entitled to settle up to the full amount of the secured claim, but their claim is considered fulfilled by the realization of the pledge. On the basis of the bond, the Group is not obliged to repay the principal or interest from ordinary operations, but is the exclusive settlement from the sale of real estate pledged.

25. Contingent liabilities

	2024	2025
O P and S	in thousands of EUR	
Guarantees and guarantees given - external	3.467	4.036

Contingent liabilities refer to liabilities under performance guarantees and cash deposits with legal entities for the same purpose.

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Notes to financial statements (continued)
for the year ended 31 December 2025

26. Lease obligations	2024	2025
	in thousands of EUR	
Long-term debts		
Lease obligations	2.231	1.681
Short-term borrowings		
Lease obligations	1.573	1.596
TOTAL	3.805	3.277

An analytical overview of lease liabilities is as follows:

<i>in thousands of EUR</i>	Lease obligations
Net book value	
Situation as of 1 January 2024	3.237
Payment	(2.682)
Loans received	3.250
Situation as at 31 December 2024	3.805
Situation as of 1 January 2025	3.805
Payment	(3.067)
Loans received	2.539
Situation as at 31 December 2025	3.277

<i>in thousands of EUR</i>	Currency	Interest rate	2025	Up to 1 year	1 – 2 years	2 – 5 years
Other financial obligations						
Operating lease - IFRS 16	HRK	4.50%	3.277	1.596	1.596	85
	Currency	Interest rate	2024	Up to 1 year	1 – 2 years	2 – 5 years
Other financial obligations						
Operating lease - IFRS 16	HRK	4.50%	3.805	1.573	1.573	659

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Notes to financial statements (continued)
for the year ended 31 December 2025

27. Reservations

<i>in thousands of EUR</i>	Severance pay	Litigation	Total
On 31 December 2024:			
Long-term part	79	245	324
Short-term part	-	307	307
	<u>79</u>	<u>552</u>	<u>631</u>
Increase in provisioning	(1)	-	(1)
Abolished during the year	79	46	125
As of December 31, 2025	78	46	124
Long-term part	78	199	277
Short-term part	-	307	307
	<u>78</u>	<u>506</u>	<u>584</u>

(i) **Severance pay**

In 2025, the Group cancelled provisions for severance payments in the amount of EUR 79 thousand.

(ii) **Litigation**

The stated amounts of published provisions refer to litigation against the Company. Based on the expert opinion of the lawyer, the Management Board of the Company anticipates that it will not have material losses in these disputes above the amounts for which provisions were made as of December 31, 2025.

28. Liabilities to suppliers and other liabilities

	2024	2025
	in thousands of EUR	
<i>Short-term liabilities</i>		
Obligations to suppliers in the country	3.575	4.484
Liabilities to suppliers abroad	306	770
Liabilities to the state and state institutions	1.077	928
Liabilities to employees	726	572
Obligation for communal contribution	335	115
Other obligations	611	537
Total	6.630	7.406

The Company's exposure to currency and liquidity risk is shown in note 31.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

29. Liabilities for received advances and deposits	2024	2025
O P and S	in thousands of EUR	
<i>Advances received</i>		
Advances from customers in the country	260	389
Advances from customers abroad	460	255
Calculation of the advances made	57	-
Total	776	645
<i>Deposits received</i>		
Deposits and guarantees received	34	24
Total	34	24

30. Deferred payment of expenses and future income

O P and S	2024	2025
	in thousands of EUR	
<i>Short-term liabilities</i>		
Deferred payment of expenses and future income	158	48
Total	158	48

The deferred payment of costs and future income reported in the Statement of Financial Position as at 31 December 2025 in the amount of EUR 33 thousand (as of 31 December 2024 in the amount of EUR 56 thousand) refers to accrued costs for which no invoice has been received.

31. Financial instruments and risk management

Financial risk factors

The Group is exposed to various financial risks related to currency, interest rate, credit and liquidity risks. The Group monitors these risks and strives to reduce their potential impact on the Company's financial exposure. The Group does not use derivative financial instruments to actively hedge financial risk exposures.

a) Market risk

Market risk refers to financial instruments. IFRS defines market risk as the risk of fluctuations in fair value or future cash flows in financial instruments due to changes in market prices. Market risk includes three types of risk: currency risk, interest rate risk and other price risks.

Group, operates on the Croatian and international markets. The management sets the prices of its services on the basis of the market prices of the relevant market.

b) Price risk

The Group is engaged in professional and scientific research work in the field of construction, an area where the financial crisis has had a significant impact by causing relative market inactivity.

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Notes to financial statements (continued)
for the year ended 31 December 2025

31. Financial instruments and risk management (continued)

c) *Currency risk*

The official currency of the Company as of 01.01.2023 is the Euro (EUR). However, the Group has invested and continues to invest in financial instruments and enters into transactions denominated in currencies representing the functional currency of issuers domiciled in different countries. Accordingly, the Group is exposed to the risk of changes in the exchange rate of the currency in relation to other currencies in a way that may adversely affect the Company's profit and value.

Transactions in foreign currencies are converted into euro using the exchange rates in force at the balance sheet date. The resulting exchange differences are recorded in favour of or debited from the profit and loss account. Changes in exchange rates may affect profits mainly as a result of positive and negative exchange rate differences resulting from the conversion into euro of receivables denominated in foreign currency, as well as loans received and liabilities contracted with a currency clause. Due to the part of the revenues generated on foreign markets and liabilities denominated in other currencies, the Group is exposed to changes in the value of the exchange rate.

The Company's total exposure to foreign exchange rate changes at the reporting date was as follows:

<i>in thousands of EUR</i>	Commitments		Assets	
	2024.	2025.	2024.	2025.
Bosnia and Herzegovina (BAM)	82	-	128	123
US (USD)	16	18	39	39
Georgia (GEL)	162	103	899	1,241
Macedonia (MDK)	2	2	76	83
Armenia (ARD)	785	164	765	304

Currency Risk Sensitivity Analysis

The Group is exposed to currency risk of changes in the EUR exchange rate in relation to other currencies, according to the balances of loans received, suppliers and receivables from customers. The Group is additionally exposed to changes in the exchange rate of the euro against GEL, due to the operations of the branch in Georgia, and ARD due to operations in the Armenia subsidiary.

The sensitivity analysis includes only outstanding foreign currency items and their recalculation at the end of the period based on percentage changes in exchange rates. The sensitivity analysis includes monetary assets and monetary liabilities denominated in currency. A negative number indicates a decrease in profits if the euro has changed by the percentages mentioned above against the currency in question. In the event of an inversely proportional change in the value of the euro against the currency in question, the impact on profits would be equal and counterproductive.

In the event of a depreciation of the euro against the exchange rate of the displayed currencies by 1%, the Group would have the following effects on profits:

	Influence of the USD currency		Influence of the GEL currency		Influence of the MDK currency	
	2024.	2025.	2024.	2025.	2024.	2025.
<i>in thousands of EUR</i>						
	2	-	74	11	7	-
	Influence of the BAM currency		Influence of the ARD currency			

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Notes to financial statements (continued)
for the year ended 31 December 2025

	2024.	2025.	2024.	2025.
	5	1	(2)	1

31. Financial instruments and risk management (continued)

The average exchange rates of currencies against the euro significant for the Group are as follows:

	31 December 2024.	31 December 2025.
BAM	1.95583	1.9558
Subscribe	1.0444	1.1757
GEL	3.0235	3.1619
MDK	61.583	61.5460
ARD	418.288	447.7700

d) Interest rate risk

Interest rate risk is the risk of a change in the value of a financial instrument due to changes in market rates in relation to the interest rates applied to the financial instrument.

The Group uses loans with predominantly fixed interest rates, and is not exposed to the risk of interest rate changes. The Group does not use instruments to actively hedge interest rate risk exposures.

e) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial losses to the other party as a result of default, in whole or in part, at maturity. Failure to meet the obligation would jeopardize the liquidity of the Company and reduce the value of its assets. As at 31 December 2025, financial assets that may potentially expose the Group to credit risk consist mainly of loans granted, receivables from customers and other receivables.

The value of financial assets at the reporting date shows the maximum exposure to credit risk. The Group regularly monitors the risk that the other party will not meet its obligations.

Receivables from customers, other receivables, and receivables from loans granted were adjusted for the amount of provisions for suspicious and disputed receivables.

The Group applies the simplified IFRS 9 approach to measuring expected credit losses, which uses expected value adjustment for all receivables from customers and contractual assets. To measure expected credit losses, customer receivables and contract assets are grouped based on common credit risk characteristics and by maturity date. For the same types of contracts, contract assets are tied to the same risk characteristics as customer receivables. Therefore, the Group concluded that the expected loss rates for receivables from customers can also be used to calculate losses for contract assets.

Expected loss rates are based on collection data in the 24 months prior to 31 December 2025 and historical credit losses in that period.

Furthermore, the Group is exposed to credit risk through cash deposits in banks. As of December 31, 2025, the Group cooperates with six banks in which it has money and deposits. Risk management is focused on doing business with the most respectable banks in foreign and domestic ownership in the country and abroad.

Deposits in banks consist of cash in the current account and deposits that are held by banks as an instrument of security for bank guarantees, which are collected at maturity and are therefore classified as held-to-maturity assets in accordance with IFRS 9 and are measured at amortized cost. Credit risk is measured using a general approach. The group uses the daily value of the CDS, which covers insurance for a period of 5 years. A CDS with 5-year insurance has the highest market liquidity and was therefore chosen as a benchmark. CDS is sensitive to an increase in the risk of default – regardless of whether insurance with a period of 3 or 5 years is chosen. Domestic banks do not have a CDS rating or

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

indicator as a measure of risk.

To measure risk, the Group took over the CDS for the Republic of Croatia, which stood at 1.02% as at 31 December 2025. The amount of credit risk calculated according to the formula: deposit amount * number of days * CDS / 365. For demand deposits, the Group uses 2 days when calculating the amount of credit risk.

31. Financial instruments and risk management (continued)

f) Liquidity risk

Liquidity risk is the risk that the Group will face difficulties in meeting its obligations. Liquidity risk arises during the general financing of the Company's activities and the management of asset positions. It includes the risk of not being able to finance the assets at appropriate maturities and prices, as well as the risk of not being able to sell the assets at a reasonable price and within a reasonable timeframe. Financial instruments also include investments that may be illiquid and that the Group cannot liquidate quickly in order to meet its liquidity requirements.

In order to ensure the necessary liquidity, the Management Board actively monitors and manages the processes of collection of receivables and planned outflows.

Tabular analysis of liquidity risk

The tables are prepared on the basis of undiscounted cash outflows on financial liabilities at the maturity date. The tables show cash flows by principal and interest.

in thousands of EUR	Net book value	Contracted cash flows	Up to 1 year	From 1 to 2 years	From 2 to 5 years
2024					
Non-derivative financial liabilities					
Loans received and financial leasing	6,530	6,530	3,386	1,356	556
Liabilities to suppliers and other liabilities	7,429	7,429	6,623	806	0
Total	13,959	13,959	10,009	2,162	556
2025					
Non-derivative financial liabilities					
Loans received and financial leasing	3,859	3,859	2,178	1,356	326
Liabilities to suppliers and other liabilities	7,448	7,448	7,448	0	0
Total	11,307	11,307	9,626	1,356	326

The Company's interest-free liabilities up to one month mostly consist of liabilities to suppliers and other short-term liabilities.

Interest liabilities include liabilities based on short-term and long-term loans, leases and bonds.

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

31. Financial instruments and risk management (continued)

f) Liquidity risk (continued)

The tables are prepared on the basis of undiscounted cash inflows per financial asset at the maturity date. The tables show cash flows by principal and interest.

<i>in thousands of EUR</i>	Net book value	Contracted cash flows	Up to 1 year	From 1 to 2 years
2024				
Non-derivative financial assets				
Loans given	3,813	3,813	1,023	2,790
Customer receivables and other receivables	2,972	2,972	-409	3,380
Total	6,785	6,785	614	6,171
2025				
Non-derivative financial assets				
Loans given	2,859	2,859	2,790	68
Customer receivables and other receivables	3,394	3,394	3,380	14
Total	6,253	6,253	6,171	82

Fair value of financial instruments

The fair value of financial assets and financial liabilities is determined as follows:

- the fair value of financial assets and financial liabilities under standard terms and traded on active liquid markets shall be determined by the prices quoted on the market;
- The fair value of other financial assets and other financial liabilities is determined in accordance with pricing models based on an analysis of discounted cash flows using prices from known market transactions and prices offered for similar instruments.

Financial instruments held to maturity in the ordinary course of business are recorded at the cost of acquisition or the net amount less the repaid part. Fair value is defined as the amount at which a financial instrument can be sold by trading between voluntary known parties on market terms, except in the case of a forced sale or for liquidation. The fair value of a financial instrument is that which is published on the securities market or obtained using the discounted cash flow method.

As at 31 December 2025, the reported amounts of cash, short-term deposits, receivables, short-term liabilities, calculated costs, short-term loans and other financial instruments correspond to their market value, due to the short-term nature of these assets and liabilities.

Capital risk management

Net debt-to-equity ratio

The Group supervises capital in accordance with the laws and regulations of the Republic of Croatia, which require a minimum paid-up capital of EUR 25,000 for joint-stock companies. The owners do not require any special measures regarding capital management. There are no capital targets that are tracked internally.

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Notes to financial statements (continued)
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32. Transactions with related parties

The Company's direct related persons are its key shareholders and legal entities controlled or influenced by them (subsidiaries and associates); key management (see below); close family members of key management; and legal entities that are controlled or significantly influenced by key management and their immediate family members, in accordance with the provisions set forth in International Accounting Standard 24 "*Disclosure of Related Parties*".

Revenues and expenses for related companies are presented in the table as follows:

	2024	2025
	in thousands of EUR	
Sales revenue		
ETZ, ECONOMIC AND TECHNICAL INSTITUTE D.D.	1	1
Total	1	1
Other operating income		
IGH BUSINESS ADVISORY SERVICES D.O.O.	1	3
IGH PROJEKTIRANJE D.O.O.	4	1
INCRO D.O.O.	-	377
INSTITUT IGH d.o.o. Mostar	10	6
Total	15	387
Total	16	388
Cost of services		
INSTITUT IGH d.o.o. Mostar	6	8
IGH BUSINESS ADVISORY SERVICES D.O.O.	18	10
IGH PROJEKTIRANJE D.O.O.	69	51
Total	93	69
Other operating expenses		
INSTITUT IGH d.o.o. Mostar	-	-
IGH PROJEKTIRANJE D.O.O.	9	-
Total	-	-
Financial expenditure		
INSTITUT IGH d.o.o. Mostar	1	-
Total	1	-

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

32. Transactions with related parties (continued)

Receivables and value adjustments for affiliated companies are shown in the table as follows:

	2024	2025
	in thousands of EUR	
<i>Receivables from subsidiaries</i>		
ETZ, ECONOMIC AND TECHNICAL INSTITUTE D.D.	-	1
IGH BUSINESS ADVISORY SERVICES D.O.O.	7	4
IGH PROJEKTIRANJE D.O.O.	4	1
INCRO D.O.O.	-	377
INSTITUT IGH d.o.o. Mostar	11	-
Total	22	383
<i>Receivables from associates</i>		
ELPIDA D.O.O.	1	1
SPORTS CITY TPN D.O.O.	63	63
Total	86	447
<i>Adjustment of the value of receivables from related undertakings</i>	(64)	(64)
<i>Loans to subsidiaries</i>		
INSTITUT IGH d.o.o. Mostar	-	-
INCRO D.O.O.	-	-
IGH BUSINESS ADVISORY SERVICES D.O.O.	43	81
Total	43	81

Liabilities to related companies, as well as ownership companies, are shown in the table as follows:

	2024	2025
	in thousands of EUR	
<i>Liabilities for loans of associated companies</i>		
ETZ, ECONOMIC AND TECHNICAL INSTITUTE D.D.	178	215
IGH PROJEKTIRANJE D.O.O.	31	25
Total	209	240
<i>Liabilities to affiliated companies</i>		
IGH PROJEKTIRANJE D.O.O.	28	4
IGH BUSINESS ADVISORY SERVICES D.O.O.	3	2
INSTITUT IGH d.o.o. Mostar	1	-
ETZ, ECONOMIC AND TECHNICAL INSTITUTE D.D.	-	-
Total	32	6
<i>Liabilities to Equity Companies</i>		
AVENUE MEHANIZACIJA d.o.o.	1.466	3.111
AVENUE ENGINEERING AND CONSTRUCTION LIMITED	152	152
Total	1.618	3.263

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

32. Transactions with related parties (continued)

Remuneration of members of the Management Board and the Supervisory Board

The total remuneration of Management Board members and the accrued remuneration of the Supervisory Board in 2025 amounted to EUR 291 thousand (in 2024 they amounted to EUR 320 thousand).

Remuneration of members of the Supervisory Board

<i>in thousands of EUR</i>		
Fees to the Supervisory Board	Fee	Participation in sessions
Žarko Dešković	20	9/9
Sergei Gladelkin	0	6/9
Igor Tkach	0	9/9
Mariyan Tkach	0	4/5
Marin Božić	4	4/4
Dalibor Sekulić	5	5/5
Total	29	

Remuneration of Management Board members

<i>in thousands of EUR</i>	Salary – fixed part	Salary – variable part	Total
Petrosian Robert	73	0	73
Josip Majer	52	0	52
Marija Đuroković	70	0	70
Tatjana Bičanić	59	0	59
Igor Džajić	8	0	8
Total	262	0	262

33. Earnings per share

Basic earnings per share are shown in the following table:

	31.12.2024.	31.12.2025.
	<i>in thousands of EUR</i>	
Profit of the current year	1.239	953
Weighted average number of shares	1.481.463	1.481.463
Basic earnings per share (in euros)	0,84	0,64

INSTITUT IGH d.d.
Notes to financial statements (continued)
for the year ended 31 December 2025

34. Events after the balance sheet date

After the balance sheet date, the deletion of the related company Marterra d.o.o. from the court register in accordance with the decision Tt-26/13963-1 of 15.04.2026 is listed as a significant event.

The Commercial Court in Zagreb, by its decision No. St-186/2025 of 29.12.2025, concludes the bankruptcy proceedings against the debtor MARTERRA d.o.o. for construction in bankruptcy, Zagreb, Ulica Janka Rakuše 1, MBS: 080779029, OIB: 28983577816.

These facts are included in the Company's annual financial statements for 2025.

35. Approval of financial statements

The financial statements were adopted by the Management Board of the Company and approved their issuance on 29. April 2026.

Mariyan Tkach
President of the
Management Board

Bariša Pavičić
Member of the
Management Board

Gerhard Sattler
Member of the
Management Board

Igor Džajić
Member of the
Management Board

Institut IGH, d.d.
Janka Rakuše 1
10 000 Zagreb
Republic of Croatia

ANNEX I

LIST OF DATA FROM THE COMPLIANCE QUESTIONNAIRE FOR SHARE ISSUERS

Code chapter	Number	Question	Answer
1. Leadership/ Collaboration			
	1	Do the company's articles of association and/or other internal acts clearly define the responsibilities of the supervisory board and the management board, in accordance with applicable laws and arrangements under which the management board and the supervisory board cooperate?	YES
	2	Are the company's statutes (and/or other internal documents) available free of charge on the company's website?	YES Other internal acts of the company that determine the powers of the supervisory board and management are available on the company's internal website
	3	The Supervisory Board adopted a decision listing the categories of decisions and legal transactions that require the prior approval of the Supervisory Board and for which decisions the management board must consult the Supervisory Board before making them?	YES
	4	Is the summary of the decision available free of charge on the company's website?	YES The rules of procedure of the management board are available on the company's internal website.
	5	Do the company's statutes and/or internal acts provide for the prior consent of the supervisory board for making important decisions that affect the company's strategy, expenses, risk exposure and reputation?	YES
	6	Do the company's statutes and/or internal acts stipulate that the supervisory board and its committees have timely access to documents, premises, as well as to senior management and employees when necessary to perform their duties?	YES

	7	Did the management report to the supervisory board at regular intervals on the company's operating results, financial situation, significant financial and other risks, the company's resilience and the results of interactions with shareholders and other stakeholders?	YES
	8	Did the management and the supervisory board agree on the content, form and frequency of these reports?	YES
	9	Do the articles of association and/or internal acts stipulate that the chairman of the management board must notify the supervisory board if an event occurs or is likely to occur that could potentially affect the company's results, financial position or reputation?	NOT The company acts in this way in accordance with the statutory obligation set out in Article 250 of the Commercial Companies Act, therefore it is not necessary to prescribe the same in the Articles of Association and internal acts. It is not explicitly regulated in the company's internal acts, but the president of the management board regularly reports to the supervisory board on all relevant events and financial results, and the Articles of Association stipulate that all members of the management board participate in the meetings of the supervisory board.

1. Leadership/Rules of Conduct

	10	Has the Supervisory Board approved a code of conduct (or other internal act) that establishes rules of conduct that must be followed by members of the management and supervisory boards, employees and others acting on behalf of the company?	partially approved the Rules of Procedure of the Administration, but it does not provide for measures in the event of its violation. Sanctioning of violations of obligations from employment relationships is prescribed by the Labor Regulations adopted by the Administration in accordance with its powers.
	11	Does the Code of Conduct (or other internal act) contain provisions that ensure an inclusive working environment, equal opportunities for different genders and the prohibition of any form of discrimination, as well as rules of conduct and measures that will be taken in case of their violation?	NO, the Company will consider amending the internal act in the coming period.
	12	Is the Code of Conduct (or other internal act) available free of charge on the company's website?	YES /CODE OF CONDUCT
	13	Does the Supervisory Board oversee the implementation and monitor the effectiveness of the code of conduct (or other internal act)?	NO, the Company will consider supervision and monitoring by the Supervisory Board in the coming period.
	14	Does the Code of Conduct (and/or other internal act) take into account the recommendations	NO, the Company will consider amending the internal act in the coming

		for responsible business conduct as prescribed in the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the applicable OECD Implementation Guidelines for Due Diligence on Responsible Business Conduct?	period.
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2. Duties of management and supervisory board members/Conflict of interest

	15	Are members of the management and supervisory boards prohibited from participating in decision-making in relation to which they have a conflict of interest?	NOT The relevant provisions of the Companies Act apply, therefore it is not necessary to specifically prescribe them in internal acts.
	16	Has the company adopted a policy for managing conflicts of interest?	NOT The relevant provisions of the Companies Act apply, therefore it is not necessary to specifically prescribe them in internal acts.
	17	Has the Supervisory Board given prior approval to the policy for managing conflicts of interest?	NOT The relevant provisions of the Companies Act apply, therefore it is not necessary to specifically prescribe them in internal acts.
	18	Is the conflict of interest management policy available free of charge on the company's website?	NOT The relevant provisions of the Companies Act apply, therefore it is not necessary to specifically prescribe them in internal acts.
	19	Do members of the supervisory board have an obligation to inform the entire supervisory board that they have an existing or potential conflict of interest?	YES
	20	Do management board members have an obligation to inform the chairman of the supervisory board and other management board members about an existing or potential conflict of interest?	YES
	21	The Supervisory Board is obliged to keep records of all notifications relating to an existing or potential conflict of interest, including a description of the action taken and the outcome of the action taken in relation to each existing or potential conflict of interest?	NO, the Company will consider introducing an obligation in the coming period.
	22	Do members of the management and supervisory board have an obligation to notify the chairman of the supervisory board if they believe that another member of the management or supervisory board has an existing or potential conflict of interest that they have not declared, or	YES

		to notify the deputy chairman of the supervisory board if it is the chairman of the supervisory board?	
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2. Duties of management and supervisory board members/Prohibition of competition

	23	Do members of the supervisory board and management board not perform activities that compete with the company's operations, either for their own account or for someone else's?	YES
	24	Are the members of the supervisory board and management not members of the management or supervisory board of companies that perform activities that compete with the company's operations?	YES
	25	Do members of the supervisory board and management board not hold significant stakes in companies that compete with the company's operations?	YES
	26	Članovi uprave i nadzornog odbora koji imaju udjele u društvima s kojima je društvo u natjecanju, obavijestili su tajnika društva o takvim udjelima?	NOT Members of the management board and supervisory board do not have shares in such companies.
	27	Are details of the shares held by the supervisory board and management in companies that compete with the company's operations available free of charge on the company's website?	NOT Members of the management board and supervisory board do not have shares in such companies.

2. Duties of members of the management and supervisory board/Transactions with related parties

	28	No transaction between the members of the management board or the supervisory board and the company (or persons related to any party) can be concluded without the prior consent of the supervisory board?	YES
	29	The fair value of each material transaction, as defined by law, must be confirmed by an	PARTIALLY The above transactions are confirmed, assessed and valued by

		independent expert prior to each such transaction?	the company's services, the audit committee and the external auditor, within their powers.
	30	An independent expert's report on the fair value of each material transaction must be available free of charge on the company's website?	PARTIALLY The aforementioned transactions are confirmed, assessed and valued by the company's departments, the audit committee and the external auditor, within their authority, and the results of these evaluations are presented and made available to the public through prescribed financial and business reports.
	31	If the supervisory board has appointed a special committee in accordance with the law or authorized an audit committee to decide on prior approval for entering into transactions with related parties, do the members of such a committee meet the independence requirements prescribed for members of the supervisory board?	NO, the Supervisory Board did not appoint a special committee or authorize an audit committee,
	32	If the supervisory board has appointed a special committee in accordance with the law or authorized an audit committee to decide on prior approval for entering into transactions with related parties, are the members of such committee independent of the persons and transactions that are the subject of prior approval?	NOT
	33	Has the company adopted procedures for approving and publishing transactions between members of the management or supervisory board and the company (or persons related to any party)?	NOT
	34	Does the audit committee evaluate the effectiveness of these procedures annually?	NOT
	35	Does the company promptly publish on its website information on transactions with related parties that require prior approval from the supervisory board, for transactions of the company and for transactions of subsidiaries with related parties of the parent company?	NOT
	36	Does the related party transaction notification contain at least information about the nature of the relationship with the related party, the names of the related parties, the date and value of the transaction?	NOT
	37	Is such transaction information available to the public for at least five years on the company's website?	NOT
	38	The management once a year prepares a report on transactions with related persons in the content as prescribed by the Companies Act?	YES

	39	The auditor audited the report on transactions with related parties and submitted his signed report to the management of the company?	YES
	40	Did the supervisory board examine the report on transactions with related parties and take a position on the results of the audit and report it to the general assembly in its report that it submits to the general assembly?	YES

3. Appointment of management and supervisory board members/Role of the supervisory board

	41	The supervisory board is responsible for appointing and recalling management board members and making recommendations for candidates for supervisory board members to the general assembly?	YES
	42	Has the supervisory board adopted formal and transparent procedures for appointment to the management and supervisory board and for selecting senior management?	NOT The Company will consider adopting written procedures in the coming period, and until then, the provisions of mandatory regulations apply.
	43	The Supervisory Board has adopted a succession plan?	NO In the event that detailed written procedures are adopted, they will be submitted to the audit committee for evaluation of effectiveness.
	44	Do the procedures for appointment to the management and supervisory boards and for the selection of senior management contain objective criteria for appointment or selection, giving priority under the same conditions to a person of the underrepresented gender?	YES
	45	Has a prior assessment of the impact of procedures for appointment to the management and supervisory boards and for the selection of senior management, as well as the succession plan, on gender equality been carried out?	YES
	46	Has a preliminary assessment of the impact of the procedures for appointment to the management and supervisory boards and for the selection of senior management, as well as the succession plan, on gender equality been published free of charge on the company's website?	NO The Company will consider adopting written procedures in the coming period, and until then, the provisions of mandatory regulations apply.
	47	Is the representation of at least 40% of members of the underrepresented gender ensured in the supervisory board or in the supervisory board and management board together?	NO The Company will consider adopting written procedures in the coming period, and until then, the provisions of mandatory regulations apply.

	48	If the representation of at least 40% of members of the underrepresented gender has not been achieved, has the company taken measures to achieve the prescribed representation and adopted a plan and deadline for achieving it, which cannot be longer than two years from the occurrence of unbalanced gender representation?	NO The Company will consider adopting written procedures in the coming period, and until then, the provisions of mandatory regulations apply.
	49	Does the company publish in its annual report all measures taken by the company, the plan and deadline for achieving the prescribed representation of the underrepresented gender, along with an explanation of why the percentage was not achieved?	NO The Company will consider adopting written procedures in the coming period, and until then, the provisions of mandatory regulations apply.

3. Appointment of management and supervisory board members/Role of the appointment committee

	50	The Nomination Committee oversees the supervisory board and management appointment process to ensure that it is fair, transparent and non-discriminatory, that it promotes diversity, inclusion and equal opportunities, and that it achieves a balanced representation of both genders?	NO NO believes that due to the size and organization of the Company there is still no need to establish a special Committee for Appointments, the above issue will be considered in the event of an increase in the number of members of the NO
	51	Has the nomination committee developed role descriptions and candidates for each vacant position in line with the profile of the management or supervisory board and identified and recommended suitable candidates to the supervisory board?	NO, the Supervisory Board did not appoint a Nomination Committee
	52	When searching for independent candidates for the supervisory board, did the nomination committee determine that the candidates were independent and based on what criteria (as defined in Appendix A)?	NO, the Supervisory Board did not appoint a Nomination Committee
	53	Has the nomination committee prepared a succession plan for the reappointment or replacement of members of the supervisory board and management board, in consultation with the chairman of the supervisory board or management board?	NO, the Supervisory Board did not appoint a Nomination Committee
	54	The Nomination Committee oversaw progress in achieving the percentage of female board and supervisory board members and senior management?	NO, the Supervisory Board did not appoint a Nomination Committee
	55	The Nominating Committee oversaw management policies in the selection and appointment of senior management?	NO, the Supervisory Board did not appoint a Nomination Committee

	56	The appointment committee oversaw the implementation of an internal evaluation and a survey on workers' perceptions of gender equality and equal opportunities in society?	NO, the Supervisory Board did not appoint a Nomination Committee
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3. Appointment of management and supervisory board members/Selection of supervisory board members at the general assembly

	57	When proposing a candidate for the supervisory board to the general meeting, does the company make all information from Article 19 of the Code available free of charge on the company's website among the materials for the general meeting?	NO During the next elections, materials for GS will contain all available information from Article 19 of the Code.
	58	The proposal for the election of members of the supervisory board must contain information for each proposed member on whether they are independent within the meaning of Article 255, paragraph 6 of the Companies Act, i.e. why does the supervisory board consider the candidate to be independent and based on what criteria from the Companies Act/Code?	NO, since the Supervisory Board member is proposed by the General Assembly, the Company cannot influence the content of the proposal.
	59	In the event that a current member of the supervisory board is proposed, do the materials for the general meeting also contain all the information from Article 20 of the Code?	NO, since the Supervisory Board member is proposed by the General Assembly, the Company cannot influence the content of the proposal.
	60	Information from Articles 19 and 20 of the Code is available free of charge on the company's website and in the case when a representative of workers or another member of the supervisory board who is not elected by the shareholders at the general assembly is appointed?	No, the employee representative is appointed by the works council and the company is not previously informed of the candidates' CVs.

4. Supervisory Board and its committees/Competence of the Supervisory Board

	61	The tasks of the supervisory board include: appointing and dismissing members of the management board and planning for succession; contributing to the development and approval of the company's strategy, business plan and budget; and monitoring the management board's performance in achieving its goals and the way it performs its duties, as well as the way it cooperates with shareholders and other stakeholders?	YES
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	62	The tasks of the supervisory board include ensuring at least 40% representation of the underrepresented gender on the supervisory board or the supervisory board and management board together?	YES
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4. Supervisory Board and its committees/Composition of the Supervisory Board

	63	The supervisory board created a supervisory board profile that determines the minimum number of members and the combination of age, gender, skills, knowledge and education, as well as professional and practical experience required in the supervisory board?	NO The members of the NO were elected by the GS in accordance with the proposals of the shareholders.
	64	The supervisory board includes members of different genders, ages, profiles and experiences to ensure a diversity of perspectives when making decisions and a balanced representation of both sexes?	NO In NO there are exclusively male persons
	65	Are the majority of the members of the supervisory board independent in accordance with the definition in Appendix A of the Code?	NO The members of the NO were elected by the GS in accordance with the proposals of the shareholders.
	66	Are the president or deputy president of the supervisory board independent?	NO The members of the NO were elected by the GS in accordance with the proposals of the shareholders.
	67	If the majority of the members of the supervisory board are not independent, has the supervisory board adopted measures, a plan and a deadline for achieving independence that cannot be longer than two years from the date when the majority of the members of the supervisory board are not independent?	NO
	68	Does the company publish in its annual report all measures taken by the company to achieve the independence of the supervisory board, the plan and deadline for achieving independence, along with an explanation of why independence has not been achieved?	NO
	69	The Chairman of the Supervisory Board has the tasks specified in Article 26 of the Code?	YES

4. Supervisory Board and its committees/Supervisory Board

Committees

	70	The Supervisory Board established a nomination committee?	NO Supervisory Board believes that due to the size and organization of the Company there is still no need to establish a special Committee for Appointments, the above issue will be considered in the event of an increase in the number of members of the NO
	71	The Supervisory Board established a remuneration committee?	NO The Supervisory Board believes that due to the size and organization of the Company, there is still no need to establish a separate Remuneration Committee. The above issue will be considered in the event of an increase in the number of Supervisory Board members.
	72	The Supervisory Board established an audit committee?	YES
	73	Has the Supervisory Board determined the mandate and activities of each of its committees?	YES
	74	Each committee of the supervisory board consists of members who have the necessary skills, knowledge and education, professional and practical experience to effectively carry out the functions of that committee?	YES
	75	Each committee of the supervisory board has at least three members?	YES
	76	Are the majority of the members of each supervisory board committee independent as defined in Appendix A of the Code?	YES
	77	Are management board members prohibited from being members of the supervisory board?	YES
	78	Is the independence of the supervisory board ensured through independent supervisory board members?	YES
	79	Is the job description of each committee of the supervisory board available free of charge on the company's website?	PARTIALLY, The company's internal act that determines the terms of reference of the audit committee is available on the company's internal website.
	80	Does the company include in its annual report a report on the work of each committee of the supervisory board, including information on the number of meetings held, board members and the independence of each board member?	YES

4. Supervisory

Board and its committees/Time load

	81	The expected minimum time commitment of each member of the supervisory board is determined at the time of his/her appointment?	NO, this obligation did not exist at the time of the appointment of NO members
	82	Is the company's annual report published with a record of the attendance of each member of the supervisory board at the meetings of the supervisory board and its committees?	YES
	83	Do the company's statutes and/or internal acts provide for the obligation of supervisory board members to inform the company secretary about their membership in the supervisory board or management of other companies?	YES

4. Supervisory Board and its committees/Frequency and manner of holding meetings

	84	Supervisory board meetings are held at least once every three months?	YES
	85	Has the Supervisory Board adopted a work plan that includes the timing and agenda of future meetings?	YES
	86	Do the committees of the supervisory board meet as often as necessary to effectively perform their duties and regularly report to the supervisory board on their activities?	YES
	87	Supervisory board meetings may be held without the presence of management board members when the supervisory board deems it appropriate?	YES
	88	Management board members do not attend meetings where the supervisory board discusses the results and income of the management board and its members?	YES
	89	Persons who are not members of the supervisory board may participate in board meetings only at the invitation of the board?	YES

	90	Has the company appointed a person to perform the duties of company secretary?	YES
	91	According to the statute (or other internal acts), the company secretary is responsible for ensuring that the supervisory board acts in accordance with the supervisory board procedures, for advising the supervisory board on governance issues, for supporting the chairman of the supervisory board, and for assisting the supervisory board and its committees?	YES
	92	Are all materials required for a meeting of the supervisory board or supervisory board committee delivered to their members no later than one week before the meeting?	PARTIALLY The Rules of Procedure of the Supervisory Board stipulate that materials must be submitted at least 5 days before the scheduled session.
	93	Are the minutes of the supervisory board meeting available to all members of the supervisory board?	YES
	94	Do the minutes of the supervisory board meetings contain information on the voting results, including details on the voting of individual members?	YES
	95	Does the supervisory board have the right to receive information/advice from persons outside the company at the expense of the company if it deems it necessary for the successful performance of its duties, and the procedure for this is specified in the internal acts of the board with the prior consent of the supervisory board?	PARTIALLY, procedure not defined

4. Supervisory Board and its committees/Training and development

	96	Have all supervisory board members received induction training for their role upon appointment?	YES
	97	All members of the supervisory board are continuously trained and educated in order to advance and improve their skills and knowledge?	YES
	98	Does the ongoing training of supervisory board members cover topics such as business sustainability, responsible business conduct, and achieving gender balance in the supervisory board, management, and senior management?	NO
	99	Do supervisory board members regularly receive news and summaries from management and	YES

		experts on issues important to the company and the duties of supervisory board members?	
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4. Supervisory Board and its committees/Supervisory Board evaluation

	100	Has the Supervisory Board evaluated its effectiveness and composition in the last twelve months?	YES
	101	Has the Supervisory Board assessed the effectiveness and composition of its committees in the last twelve months?	YES
	102	Has the Supervisory Board evaluated the individual performance of its members and members of its committees over the past twelve months?	YES
	103	Was the assessment conducted by the chairman or deputy chairman of the supervisory board if the chairman is not independent?	YES
	104	The evaluation of the supervisory board and the board of the supervisory board included the evaluation of all circumstances from Article 43 of the Code?	YES
	105	By evaluating the supervisory board and the supervisory board committee, is there a need for improvements in the functioning and preparation of board meetings?	YES
	106	The annual report includes a report on the assessment of the supervisory board and its committees?	YES
	107	Does the report on the assessment of the supervisory board and its committees include how the assessment was conducted, whether external assessors were engaged and who was consulted during the process, and a summary of the actions that have been or will be taken based on the assessment results?	NOT

5. Management/Management duties

	108	The Management Board has the duties specified in Article 45 of the Code?	YES
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	109	The board has set a percentage of representation of the underrepresented gender in senior management as a goal that must be achieved in the next five years?	NO
	110	In the annual report, the set percentage of the representation of the underrepresented gender in senior management is published, together with an explanation of why it was chosen, why the percentage was not achieved if this is the case, the measures the company is taking to achieve it, and the plan and deadline for achievement, which cannot be longer than five years, and an indication of progress according to the plan?	NO
	111	The board adopted the rules of procedure on the work of the board which defines the distribution of responsibilities and the way of cooperation between the members of the board, including the procedures for holding sessions and making decisions?	YES
	112	Do the rules of procedure of the management board have to be approved by the supervisory board?	YES
	113	In the case of a group, has the management of the parent company ensured effective supervision of the activities of other companies in the group and the existence of appropriate cooperation within the group?	YES
	114	In the case of a group, has the management of the parent company ensured rules governing the scope of operations, responsibilities and reporting procedures at the level of the parent company and subsidiaries, and rules preventing conflicts of interest?	YES
	115	In the case of a group, information on the system of supervision and cooperation within the group and the intra-group rules of conduct are available free of charge on the company's website?	NO affiliated companies are not commercially active
	116	In the case where no contract on the management of the company's affairs has been concluded, has the management of the subsidiary prepared a report on the company's relations with affiliated companies in the first three months of the business year?	NO affiliated companies are not commercially active
	117	Does the management report of a subsidiary company on relations with related companies contain all legal transactions that the company undertook in the previous year with the controlling company or its related companies or pursuant to instructions in the interest of those companies, as well as all other actions that it undertook or failed to undertake in the previous year pursuant to instructions from those companies?	NO affiliated companies are not commercially active
	118	Does the management report of a subsidiary company on relations with related companies	NO, affiliated companies are not commercially active

		contain, in legal transactions and other actions, all the information prescribed by Article 497, paragraphs 1 and 2 of the Companies Act?	
	119	The auditor conducted an audit of the subsidiary's management report on relations with related companies and submitted his signed report to the company's management?	NO, there are no relationships with affiliated companies
	120	The Supervisory Board examined the report of the subsidiary's management on relations with related companies and took a position on the results of the audit and reported this to the General Assembly in its report submitted to the General Assembly?	NO, there are no relationships with affiliated companies
	121	The supervisory board ensures that the board maintains a profile that determines the minimum number of members and the combination of members of a certain age, gender, skills, knowledge and education, as well as professional and practical experience, taking care to ensure a balanced representation of both sexes?	YES
	122	Is the responsibility of the CEO prescribed for all activities from Article 49 of the Code?	NOT

5.
Management/Restrictions on other appointments

	123	Do the company's internal regulations stipulate that members of the management board must obtain prior consent from the supervisory board before accepting appointment to the management board or supervisory board of a company that is not part of the same group?	PARTIALLY The company's internal regulations stipulate the obligation of members of the Management Board to comply with all positive regulations, including seeking consent for membership in the management and supervisory boards of other companies.
	124	Management board members do not hold more than two positions on the management or supervisory board of companies that are not part of the same group?	YES
	125	Has the supervisory board assessed the effectiveness of the arrangements for cooperation between the supervisory board and the management board in the last 12 months, as well as the adequacy of the support and information it receives from the management board?	YES
	126	Are the results of the assessment of the arrangements for cooperation between the supervisory board and the management board included in the annual report?	YES
	127	Has the management assessed its own effectiveness and the effectiveness of individual members at least once a year, applying equal criteria and avoiding any form of discrimination?	YES

	128	Has the management reported to the supervisory board the conclusions regarding the assessment of its own effectiveness and the effectiveness of individual members?	YES
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6. Remuneration of members of the management and supervisory board/Role of the remuneration committee

	129	Does the remuneration committee recommend to the supervisory board at least every three years a remuneration policy for members of the management board, taking into account the amount and structure of remuneration for senior management and employees as a whole, having conducted a prior assessment of the effects of the said policy on gender equality in remuneration for equal work and/or work of equal value?	NO The Supervisory Board believes that due to the amount of remuneration and the financial condition of the Company, there is no need to establish a separate Remuneration Committee. The above issue will be considered in the event of an increase in the number of Supervisory Board members.
	130	The Remuneration Committee recommended to the Supervisory Board remuneration for members of the Management Board based on an assessment of the company's results and their personal results, taking into account equality of remuneration between genders for equal work and/or work of equal value?	NO The Supervisory Board believes that due to the amount of remuneration and the financial condition of the Company, there is no need to establish a separate Remuneration Committee. The above issue will be considered in the event of an increase in the number of Supervisory Board members.
	131	The Remuneration Committee recommended to the Supervisory Board a remuneration policy for members of the Supervisory Board and conducted a preliminary assessment of the effects of the said policy on gender equality in remuneration for equal work and/or work of equal value, and which policy was submitted to the General Assembly for approval?	NO The Supervisory Board believes that due to the amount of remuneration and the financial condition of the Company, there is no need to establish a separate Remuneration Committee. The above issue will be considered in the event of an increase in the number of Supervisory Board members.
	132	Did the Remuneration Committee monitor the amount and structure of remuneration for senior management and employees as a whole, taking into account gender equality in remuneration for equal work and/or work of equal value, and make recommendations to the management on its policies?	NO The Supervisory Board believes that due to the amount of remuneration and the financial condition of the Company, there is no need to establish a separate Remuneration Committee. The above issue will be considered in the event of an increase in the number of Supervisory Board members.
NO.	133	The Remuneration Committee oversaw the preparation of the legally required annual remuneration report for approval by the Supervisory Board?	NO The Supervisory Board believes that due to the amount of remuneration and the financial condition of the Company, there is no need to establish a separate Remuneration Committee. The above issue will be considered in the event of an increase in the number of members.

6. Receipts of management and supervisory board

members/Receipts
of management
members

	134	The Supervisory Board has determined the annual remuneration of each member of the Management Board, based on the recommendations of the Remuneration Committee and in accordance with the approved remuneration policy?	Partially The Supervisory Board determines the annual remuneration of each member of the management board based on a remuneration policy that it independently determines.
	135	Is the receipts policy non-discriminatory and aligned with sustainability objectives, and prepared in accordance with the relevant legal requirements?	NOT
	136	Does the level of remuneration of management board members take into account the agreed strategy, risk appetite, the economic environment in which the company operates, the achievement of sustainability goals, and the salaries and conditions of employees within the company?	YES
	137	The remuneration policy stipulates that a board member may not dispose of shares awarded to him as part of the remuneration for at least two years from the date on which they were awarded to him?	NO Members of the Management Board are not awarded shares as part of their remuneration.
	138	The remuneration policy stipulates that a board member may not exercise stock options granted to him as part of his remuneration for at least two years from the date on which they were granted?	NOT Members of the Management Board are not granted stock options as part of their remuneration.
	139	The receipts policy includes provisions that determine in more detail the circumstances in which a part of the management member's receipts would be withheld or their return would be requested?	NOT It is not foreseen to keep part of the receipts of the members of the management, nor to request a return, except in accordance with positive regulations

6. Receipts of
management and
supervisory board
members/Receipts
of supervisory
board members

	140	Does the level of remuneration for the chairman of the supervisory board and for other members of the supervisory board reflect their time workload and responsibilities, including the	YES
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		time workload and responsibilities in the supervisory board committees?	
	141	Do the remuneration policy and/or internal acts of the company prohibit the inclusion of variable elements or other elements related to business performance in the remuneration of the supervisory board?	NO

6. Receipts of management and supervisory board members/Reporting on receipts

	142	Has the company adopted a receipts policy for the supervisory board, management and senior management?	NO, the company will consider the need to adopt a policy in the coming period
	143	Has the company conducted an assessment of the effects of remuneration policies on gender equality?	NO, the company will consider the need for an assessment in the coming period
	144	Was the remuneration policy approved by shareholders at the general meeting?	PARTIALLY The General Assembly approved the remuneration of the Supervisory Board members
	145	Is the company's approved remuneration policy available free of charge on the company's website?	PARTIALLY Data on the income of Supervisory Board members has been published
	146	Is the assessment of the effects of remuneration policies on gender equality available free of charge on the company's website?	NO
	147	The annual report on receipts includes data on the receipts of each individual member of the supervisory board and management, in the content as determined by Article 60 of the Code and the Companies Act?	YES
	148	The annual report on receipts contains information on the method of determining the receipts policy for the administration, the relationship between receipts and long-term results, the sustainability and resilience of the company, the structure and parameters of the calculation of receipts for the administration, the alignment of the receipts of the administration with the receipts of senior management and workers as a whole, and the reasons for deviation from the application of the receipts policy for the administration, if that is the case?	NO, the company will consider the need to adopt a policy in the coming period
	149	The annual report on receipts contains data on the receipts of each member of the board of the	NO

		supervisory board who is not a member of the supervisory board, if this is the case?	
	150	The annual report on receipts is available free of charge on the company's website?	YES
	151	The auditor's report on the examination of the annual report on receipts is available free of charge on the company's website?	YES

7. Risks, internal control and audit/Role of the supervisory board and management

	152	The management, with the prior approval of the supervisory board, adopted a risk management policy that determines the nature and scope of the risks that the company must and is willing to take in order to achieve long-term strategic goals?	PARTIALLY The stated policy is an integral part of the business plan, which is approved by the Management Board.
	153	Does the risk management policy take sustainability issues into account?	YES
	154	Does the company's statute and/or internal acts stipulate the management's responsibility for identifying significant financial, operational and external risks related to the implementation of the company's strategy and maintaining its activities, and for maintaining an appropriate risk management and internal control system to manage and avoid these risks?	YES
	155	Does the company's management regularly report to the supervisory board on the status of significant risks?	YES

7. Risks, internal control and audit/Role of the audit committee

	156	Does the audit committee oversee the accuracy and completeness of the company's financial statements, accounting policies, and other official communications related to the company's financial results?	YES
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	157	Does the audit committee oversee the accuracy and completeness of corporate sustainability reports and sustainability reporting policies and other official communications related to the companies' sustainability performance?	YES
	158	The audit committee supervises the implementation of tax planning, including the distribution of taxes on profits generated from cross-border activities?	YES
	159	Does the audit committee oversee the effectiveness of the company's internal financial controls?	YES
	160	Does the audit committee ensure the adequacy, independence and effectiveness of the external audit function?	YES
	161	Does the audit committee ensure the independence and adequacy of the internal audit function?	NO, the Company has not established a single internal audit function, but it is performed by the controlling department, management, supervisory board, audit committee and external auditor
	162	Does the audit committee oversee the implementation of measures determined as a result of external and internal audits and its own oversight?	YES
	163	Does the Supervisory Board (or a special committee of the Supervisory Board or the Audit Committee) undertake activities to monitor the effectiveness of the company's overall internal control and risk management system?	YES
	164	Does the supervisory board (or a special committee of the supervisory board or the audit committee) monitor the implementation of procedures for reporting violations of the law or the company's internal rules of conduct?	YES

7. Risks, internal control and audit/Relations with the external auditor

	165	The audit committee oversees the process of selecting and appointing the external auditor in accordance with legal requirements and makes recommendations to the supervisory board for the selection of the external auditor and the conditions for his appointment?	YES
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	166	Has the audit committee approved the external auditor's work plan, which includes the scope and content of the activities to be audited, within the past twelve months?	YES
	167	Does the audit committee meet as necessary with the external auditor to discuss issues identified during the audit and monitor the quality of services provided?	YES
	168	Does the audit committee monitor the independence and objectivity of the external auditor?	YES
	169	Has the audit committee approved a policy on permitted non-audit services provided by the external auditor and oversees the implementation of that policy?	NO, no non-audit services were provided

7. Risks, internal control and audit/Risk management and internal control

	170	Has the audit committee assessed the effectiveness of the risk management and internal control system as a whole at least once a year?	NO The company has not established a single internal audit function, but it is performed by the controlling department, the management, the supervisory board, the audit board and the external auditor.
	171	Did the audit committee make recommendations to the supervisory board and the company's management regarding the effectiveness of risk management and the internal control system, if necessary?	NO, it wasn't necessary.
	172	Did the company state in its annual report how the supervisory board conducted oversight regarding the effectiveness of risk management and the internal control system?	YES
	173	Did the company describe in its annual report which significant internal controls were ineffective and the measures and activities that were undertaken or proposed to improve them?	NO, the Company has not identified any significant internal controls that are ineffective.
	174	Does the company maintain an effective risk management system that ensures reliable risk identification, measurement, response, reporting and monitoring?	YES
	175	Does the risk management system cover all risks that the company faces or may face, including climate and environmental risks, health crises, disruptions in supply chains, geopolitical tensions, tax risks, risks related to cybersecurity and the application of digital technologies, as well as financial and operational risks?	YES

	176	Has the company defined clear internal responsibilities for maintaining the risk management system and a clear procedure for maintaining contact between responsible persons and the audit committee?	YES
	177	Has the company established an internal audit function responsible for monitoring the effectiveness of the internal control system, including risk management?	NO The company has not established a single internal audit function, but it is performed by the controlling department, management, supervisory board, audit committee and external auditor.
	178	Has the audit committee approved the internal audit plan in the last twelve months?	NO The company has not established a single internal audit function, but it is performed by the controlling department, management, supervisory board, audit committee and external auditor.
	179	The audit committee received the internal auditor's reports and monitored the implementation of his recommendations?	NO The company has not established a single internal audit function, but it is performed by the controlling department, management, supervisory board, audit committee and external auditor.
	180	Is the audit committee obliged to recommend to the supervisory board the appointment or dismissal of the head of the internal audit function?	NO The company has not established a single internal audit function, but it is performed by the controlling department, management, supervisory board, audit committee and external auditor.
	181	If the company does not have an internal audit function, has the audit committee assessed the need for such a function as part of its assessment of the internal control system once in the last twelve months?	YES

7. Risks, internal control and audit/Whistleblowing

	182	Has the management board, with the prior consent of the supervisory board, adopted procedures for reporting violations of the law, internal company rules or unethical behavior, including cases where there is suspicion of a violation or the possibility of one occurring?	YES
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	183	The procedure ensures that employees or external stakeholders do not suffer negative consequences if they report suspicious behavior and that the identity of the whistleblower remains protected?	YES
	184	Are the procedures in line with regulations on the protection of whistleblowers, gender equality, protection from all forms of harassment and combating discrimination?	YES
	185	Is a detailed description of the procedure for reporting violations of the law, internal company rules or unethical behavior available free of charge on the company's website?	YES
	186	The administration has appointed a person in charge of solving the issues of reported irregularities?	YES
	187	Do the company's statutes and/or internal acts provide for the management's duty to immediately report to the supervisory board all observed irregularities, agree on measures that must be implemented, and report to the supervisory board on the results of the implemented measures?	YES
	188	Do the company's statutes and/or internal acts provide for the management's duty to inform the person reporting irregularities about the results of the measures taken, unless otherwise provided for by the relevant regulation?	YES
	189	The statute and/or internal acts of the company provide for the management's duty to ensure the protection of the identity of the whistleblower and protection against possible retaliation?	NO, the Company will consider the need to prescribe the obligation of management and the protection of the complainant during the next amendment to the Statute.
	190	whistleblowing procedure and its implementation at least once a year ?	YES

8. Disclosure and Transparency/Use of Company Websites

	191	All information that the company must publish in accordance with the law, the rules on listing, the Code and its own statute are available free of charge on the company's website?	YES
	192	Are the company's websites easily accessible, accessible to end users, and clear and easy to find information?	YES

	193	Is the company's annual report available on the company's website?	YES
	194	Is the half-yearly and quarterly report and other financial information required to be published available on the company's website?	PARTIALLY, quarterly reports are available
	195	Is sustainability-related information available on the company's website that could reasonably be expected to influence an investor's assessment of the company's value or their investment or voting decisions?	NO
	196	Is information available on the company's website about the rules of operation, composition and members of the supervisory board and its committees and the management board, including information on the independence of each individual board member and the criteria for their independence?	NO
	197	Are the company's statutes and other internal documents in accordance with this Code available on the company's website?	YES
	198	Are the company's policies on social and environmental impact, human rights, including children's rights, inclusive work environment, bribery and corruption, and discrimination available on the company's website?	NO
	199	Are the company's internal rules and the method of reporting irregularities available on the company's website?	PARTIALLY, the code of conduct does not contain a way to report irregularities
	200	An organizational chart is available on the company's website with a detailed presentation of the company's position within the group, if the company is part of the group, including intragroup policies?	NO
	201	Is information on mutual shareholdings where the company is involved available on the company's website?	NO
	202	Is there a report on information on profit tax available on the company's website?	YES
	203	Is a report on transactions with related parties available on the company's website?	YES

	204	Is a report on the company's relations with affiliated companies available on the company's website?	YES
	205	On the company's website, information is available on shareholder agreements, including information on who the parties are, what is the main purpose of the agreement and how is it implemented, as prescribed by law?	NO
	206	Are details available on the company's website about changes in shareholdings of members of the supervisory board and management board, other persons performing managerial duties and persons closely associated with them, who must be reported under applicable laws and other regulations, and transactions with related parties?	NO, the Company has not adopted a remuneration policy.
	207	On the company's website, the policy of receipts for members of the supervisory board, management and senior management, as well as the annual report on receipts is available?	NO, the Company has not adopted a remuneration policy.
	208	Is the dividend policy available on the company's website?	NO, the Company has not adopted a dividend policy.
	209	Is the risk management policy available on the company's website, including information on the nature and effectiveness of the related due diligence procedures and measures?	NO, the Company has not adopted a risk management policy
	210	A calendar of events for the next twelve months is available on the company's website, including dates for the general meeting, announcements of business results, dividend payments and investor conferences .	YES
	211	Are all materials related to the general assembly sessions available on the company's website, including decisions from the sessions?	YES
	212	investors available on the company's website ?	NO
	213	Has the company ensured that the information on the website is up-to-date and published within the deadlines prescribed by law and regulations?	YES
	214	All information on the website is available free of charge and unconditionally in the Croatian language?	YES
	215	All information on the website is available free of charge and unconditionally in English?	YES

8. Disclosure and transparency/Annual report

	216	Does the company's annual report contain records of the number of meetings of the supervisory board and supervisory board committees held and the presence of each member at those meetings?	YES
	217	Does the company's annual report contain information on all shares and other financial instruments of the company held by members of the supervisory board and management board and senior management, for which there is an obligation to report under applicable laws and regulations, and in other companies whose operations are in competition with the company's operations?	NO
	218	Does the company's annual report contain information on all concluded contracts and agreements between members of the management or supervisory board and the company (or persons related to any party)?	NO
	219	Does the company's annual report contain the results of the assessment of the supervisory board regarding its effectiveness and the effectiveness of the arrangements for cooperation with management?	NO
	220	Does the company's annual report contain a report on the work of each committee of the supervisory board, including data on the number of meetings held, board members and records of their attendance?	YES
	221	The company's annual report contains data on the agreements concluded by the shareholders, including information on who are its contracting parties, what is the basic purpose of the agreement concluded and how is it realized, as prescribed by law?	NO
	222	The company's annual report contains a report on gender equality, the fulfillment of conditions regarding the balanced representation of both sexes in the supervisory board, management and senior management, with an explanation if they are not met?	NO
	223	Does the company's annual report contain information on the fulfillment of the requirements regarding the independence of the members of the supervisory board and the criteria for their independence?	NO, the members of the Supervisory Board are not independent.
	224	The company's annual report includes a description of the goals related to sustainability issues	YES

		that the company has established and a report on their fulfillment?	
	225	Does the annual report include information on issued bonds, debt agreements concluded, including information on obligations assumed by the company under such agreements, which, in the event of a breach of the terms of the agreement, may limit the rights of the management and shareholders or require changes in the company's operations, as well as information on the probability of such events occurring?	NO
	226	Is the report on the application of the corporate governance code included in the company's annual report?	YES
	227	Does the report on the application of the corporate governance code contain everything prescribed by the Accounting Act?	YES

9. Shareholders and
General
Assembly/Shareholder
Relations

	228	Has the company ensured that all shareholders, regardless of the number or type of shares they hold, have equal access to information about the company and how they can exercise and protect their rights?	YES
	229	Does the company have effective formal mechanisms that allow minority shareholders to ask questions directly to the chairman of the management board and the chairman of the supervisory board?	YES
	230	Is information on formal mechanisms that enable minority shareholders to ask questions directly to the chairman of the management board and the chairman of the supervisory board available free of charge on the company's website?	NO
	231	the investor relations contact for all shareholders , whose duties include responding promptly to requests for information?	YES

9. Shareholders and
General
Assembly/General
Meeting

	232	Do the company's statutes and/or internal acts of the company in any way restrict the ability of shareholders to convene a general meeting, to participate in it, or to add items to the agenda?	YES
	233	Do the company's statutes and/or internal company documents allow shareholders the possibility of exercising their voting rights through a proxy without restrictions?	YES
	234	Do the company's statutes and/or internal company documents allow shareholders the opportunity to exercise their voting rights via electronic communication without restrictions?	YES
	235	An explanation of other ways in which shareholders can exercise their voting rights are set out in the documents for the general meeting?	YES
	236	Does the company's statute or management decision allow for the general meeting to be held in a hybrid format?	YES
	237	Does the company's statute or the management board's decision allow shareholders who do not participate in the work of the general meeting to cast their votes in writing or via electronic communication (correspondence voting) after the announcement of the invitation to the general meeting, and before it is held?	YES
	238	Was the notice of the general meeting published no later than 30 days before the date of its holding?	YES
	239	The agenda, decisions and all other materials required for the general meeting are available free of charge on the company's website?	YES
	240	Are all documents available in Croatian and English?	YES
	241	The company has published on its website how shareholders can participate in the general meeting and exercise their right to vote, especially when this is done via electronic communication, and how has the company ensured the legally prescribed conditions for the use of electronic communication?	NO
	242	Were the chairman and deputy chairman of the supervisory board, the chairmen of the supervisory board committees and all members of the management board present at the general meeting in the past twelve months?	NO
	243	Was the external auditor present at the general meeting where the financial statements were	NO

		presented?	
	244	The company has made the decisions of the general meeting available on its website free of charge?	YES
	245	Has the company made available, free of charge, on its website, within 30 days of the date of the general meeting, answers to questions asked at the general meeting?	YES

10. Stakeholders,
Sustainability and
Resilience/Responsible Business
Conduct

	246	Have the Supervisory Board and Management Board agreed and adopted policies regarding the assessment of the impact of the company's activities on the environment and the community and the management of related risks, throughout the entire value chain?	NO
	247	Have the Supervisory Board and Management agreed and adopted policies regarding the preservation of human, children's and workers' rights, especially persons with disabilities, throughout the value chain?	NO
	248	Have the Supervisory Board and Management agreed and adopted policies regarding the creation of an inclusive work environment, especially for persons with disabilities?	NO
	249	Have the Supervisory Board and Management agreed and adopted policies regarding achieving work-life balance for employees?	NO
	250	Have the Supervisory Board and Management Board agreed and adopted policies regarding ensuring equal remuneration for different genders for equal work and/or work of equal value?	NO
	251	Have the Supervisory Board and Management agreed and adopted policies regarding the prevention and sanctioning of all forms of discrimination, especially on the basis of gender and disability, and the protection of whistleblowers?	NO
	252	Have the Supervisory Board and Management Board agreed and adopted policies regarding the prevention and sanctioning of bribery and corruption and the protection of whistleblowers?	NO
	253	Have the Supervisory Board and Management Board agreed and adopted policies regarding tax	NO

		planning that ensure payment of the majority of taxes in the countries where activities are carried out and income is generated?	
	254	Have the Supervisory Board and Management Board agreed and adopted policies regarding communication between the company and its main stakeholders?	NO
	255	Have the Supervisory Board and the Management Board agreed and adopted policies regarding the implementation of due diligence procedures and measures in the company, its subsidiaries and, where applicable, its direct and indirect business partners?	NO
	256	When agreeing and adopting the policies specified in Article 88 of the Code, were the Supervisory Board and the Management Board guided by the recommendations for responsible business conduct as prescribed in the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the applicable OECD Implementation Guidelines for Due Diligence on Responsible Business Conduct?	NO
	257	Are all policies referred to in Article 88 of the Code available free of charge on the company's website?	NO
	258	Have the Supervisory Board and the Management Board ensured periodic monitoring of the implementation and effectiveness of all policies they have agreed and adopted in accordance with Article 88 of the Code?	NO
	259	When management requests prior approval of decisions from the supervisory board, do the supporting documents explain how the recommended action is consistent with the policies set out in Article 88 of the Code?	YES

10. Stakeholders, Sustainability and Resilience/Stakeholder Engagement

	260	Have the Supervisory Board and Management jointly identified who they consider to be key stakeholders in relation to the company?	YES
	261	Has the management ensured that there are effective mechanisms in place for regular interaction with key stakeholders, as well as for informing the supervisory board about the results of these communications?	YES

	262	The Supervisory Board is authorized, with prior notice to the CEO, to organize meetings with external stakeholders when it deems it necessary?	YES
	263	Do the terms of reference of each supervisory board committee clearly specify the purposes for which the chairman of the board may communicate directly with stakeholders and the procedure to be followed in such cases?	YES

10. Stakeholders, sustainability and resilience/Internal education

	264	Does the company organize continuous training for the supervisory board, management and all employees regarding gender equality, inclusion of persons with disabilities and children's rights, especially when the structure of employees changes significantly or when there are significant changes to regulations relating to these areas?	NO
	265	Are the trainings organized in cooperation with competent institutions, civil society organizations or experts who deal with these issues in the field of employment and labor?	NO

Pursuant to Articles 263 and 300c of the Companies Act and the Articles of Association of the company INSTITUT IGH, dd, Zagreb, Janka Rakuše 1, OIB: 79766124714 ("Company"), the Supervisory Board of the Company submits the following to the General Assembly of the Company

REPORT

ON THE PERFORMED SUPERVISION OF THE BUSINESS MANAGEMENT OF THE COMPANY FOR THE YEAR 2025

During the 2025 business year, the Supervisory Board of the Company ("SB") operated in the following composition:

1. ŽARKO DEŠKOVIĆ - president NO
2. MARIYAN TKACH - Deputy President NO
3. SERGEJ SERGEJEVIĆ GLJADELKIN - member NO
4. IGOR TKACH - member NO
5. MARIN BOŽIĆ - member of the Supervisory Board (appointed employee representative) until 12.06.2025
6. Dalibor Sekulić (appointed worker representative) from 15.06.2025.

In the previous term, the Supervisory Board of the Company conducted regular supervision of the Company's operations and for this purpose held five regular meetings, discussing and making decisions and conclusions. on questions tied for work and business Companies and his/hers related societies, and 3 electronic sessions for making urgent decisions, which are subsequently verified at the next regular session, as follows:

- | | |
|--------------|---------------------------------|
| 1. 2025/7 - | February 28 2025. |
| 2. 2025/8 - | April 30 2025. |
| 3. 2025/9 - | June 10, 2025 - electronic |
| 4. 2025/10- | July 25, 2025. |
| 5. 2026/11 - | September 17, 2025- electronic |
| 6. 2026/12- | September 23, 2025 - electronic |
| 7. 2025/13 | October 30 2025. |
| 8. 2025/14 | December 19 2025. |

The IGH Institute's expert services advised that electronic sessions must also have a session number, so the total planned number of sessions was supplemented with 3 more telephone/electronic sessions.

Administration and Supervisory board are during business years achieved good cooperation and is Administration regularly submitted reports on the progress and results of operations at the meetings of the Supervisory Board, which is Supervisory board unanimously adopted. Supervisory board is concluded Contracts with to the members of the company's management for a period of 4 years, i.e. until 2028. year.

The topics discussed by the Supervisory Board are visible from the agendas of the meetings held, which form an integral part of this report.

While supervising the Company, the Supervisory Board determined the following:

1. that Society works in accordance with by law and By statute Companies and decisions main assemblies
2. that are per year financial reports made in accordance with condition in business the books of the Company and its affiliated companies and show the correct financial and business status of the Company and its affiliated companies societies
3. that the Audit Committee with its chairman Gerhard Sattler gave a positive opinion on the financial documents that were presented to the Supervisory Board to the committee
4. that there are no objections to the Company's auditor's report for 2025. year
5. that the Zagreb Stock Exchange was regularly and timely informed about all changes and important events in society

During 2025, the Supervisory Board had an Audit Committee constituted from special committees (Beljan- PRESIDENT, Yuvakaeva and Šalov) which reviewed all financial statements with expert opinion. sides reviewed and proposed beige fence Supervisory to the committee that reports accept. Annually Report on work Audit committee for the whole 2025. year delivered is to the members of the Supervisory Board based on the Report dated 24.04.2026. year.

During 2025, the Supervisory Board dismissed the President of the Management Board, Robert Petrosyan, at his personal request and appointed a four-member Management Board, President Mariyan Tkach, members: Gerhard Sattler, Bariša Pavičić and Igor Džajić.

As a result of the above, it is evident that the Supervisory Board performed its role in accordance with the Statute Companies and positive legal regulations, and supported Management in hers efforts to maintain stable operations as well as further reorganization and development Society.

Zagreb, April 28, 2026

PRESIDENT OF THE SUPERVISORY

BOARD OF INSTITUTE IGH, dd

Zarko Deskovic