

In accordance with the provisions of the Company Statute and Companies Act Article 277., the Management of the publicly traded company for research & development in construction INSTITUT IGH, (short name: INSTITUT IGH, d.d.), headquartered in Janka Rakuše 1, 10000 Zagreb, registered in the Commercial Court Registry in Zagreb under the identification number (MBS) 080000959, OIB: 79766124714 (hereinafter: "the Company"), in accordance with its Decision to convene the General Assembly of October 17th 2023, and with the prior approval of the Supervisory Board given at the meeting on October 11th 2023, announces the following:

INVITATION

for

EXTRAORDINARY GENERAL ASSEMBLY OF INSTITUT IGH, d.d.

The General Assembly of INSTITUT IGH, publicly traded company for research & development in construction, (short name: INSTITUT IGH, d.d.), headquartered in Janka Rakuše 1, 10000 Zagreb, registered in the Commercial Court Registry in Zagreb under the identification number (MBS) 080000959, OIB: 79766124714 (hereinafter: "the Company"), will be held on December 1st 2023, at 1:00 PM at the Company's headquarters, Janka Rakuše 1, in Zagreb.

The agenda of the Assembly will be as follows:

- 1. Opening of the General Assembly, determination of the number of present and represented shareholders, and the number of votes;**
- 2. Decision on the election of the President of the General Assembly;**
- 3. Financial report for the year 2022, as determined by the Management & Supervisory Board of the Company, with the report & opinion of the auditor,**
- 4. Management report on the state of the Company for the year 2022,**
- 5. Supervisory Board report on the conducted examination of the annual financial reports, the report on the state of the Company, and the supervision of the Company's business operations for the year 2022.**
- 6. Profits distribution decision of profits earned by the Company in the business year 2022.**
- 7. Discharge granting decision to the Management for the business year 2022.**
- 8. Discharge granting decision to the Chairman & members of the Supervisory Board for the business year 2022,**
- 9. Company's auditor appointment decision for the year 2023,**
- 10. Management report on the reasons for the complete exclusion of the preemptive rights of existing shareholders in the share issuance;**
- 11. Decision on the simplified reduction of the share capital for the coverage of losses and simultaneous increase of the share capital;**
- 12. Decision on Amendments and Supplements to the Statute of INSTITUT IGH, d.d.**

The Company Management & Supervisory Board jointly propose the adoption of the following Decisions:

Ad 2.

Decision on the election of the President of the General Assembly is hereby adopted, as follows:

1. Boris Ivančić from Split, residing at Ulica slobode 24A, 21000 Split, OIB: 84346725935, is appointed as the President of the General Assembly of the company INSTITUT IGH, publicly traded company for research & development in construction, (short name: INSTITUT IGH, d.d.), headquartered in Janka Rakuše 1, 10000 Zagreb, registered in the Commercial Court Registry in Zagreb under the identification number (MBS) 080000959, OIB: 79766124714 (hereinafter: "the Company").
2. The President of General Assembly is appointed for a period of 2 years, with the term commencing upon the adoption of this Decision. The President will continue to preside over this General Assembly, and their mandate expires on December 1st 2025.

Ad 3.

It is proposed to the General Assembly to acknowledge and adopt the Financial Report for the year 2022 of the Company, as determined by the Management & Supervisory Board of the Company, along with the report and opinion of an independent auditor.

Ad 4.

It is proposed to the General Assembly to acknowledge & adopt the Report of the Management on the state of the Company for the year 2022.

Ad 5.

It is proposed to the General Assembly to acknowledge & adopt the Report of the Supervisory Board on the conducted examination of the annual financial reports, the report on the state of the Company, and the supervision of the Company's business operations for the year 2022.

Ad 6.

It is proposed to adopt a Decision on the distribution of profits generated by the Company's operations during the year 2022. The profit earned by the Company in 2022, after taxation, amounts to 16,960,741.68 HRK (sixteen million nine hundred sixty thousand seven hundred forty-one Croatian Kuna), which is the equivalent to 2,251,077.27 EUR (two million two hundred fifty-one thousand seventy-seven Euros and twenty-seven cents) based on the official exchange rate, should be distributed to cover the accumulated losses incurred by the Company in previous periods.

Ad 7.

It is proposed to adopt a Decision granting discharge to all members of the Management, approving the Management's work in the year 2022.

Ad 8.

It's proposed to adopt a Decision granting discharge to all members of the Company's Supervisory Board, approving their work in the year 2022.

Ad 9.

It is proposed to adopt a Decision of appointing the auditing company RUSSEL BEDFORD Croatia - Računovodstvo d.o.o. za usluge, headquartered in Zagreb, with the address Selska cesta 90B, OIB: 92662172315, as the auditor of the Company for the year 2022.

Ad 10.

The Report of the Management on the reasons for the complete exclusion of the preemptive rights of existing shareholders in the subscription of new shares is adopted, and it reads as follows:

"The losses accumulated of the Company, as stated in the annual financial reports of the Company valid as of December 31st 2021, amounts to 254,875,063.91 HRK, or 33,827,734.29 EUR."

"When the aforementioned losses are reduced by the profit generated by the Company's operations in the business year 2022, which amounts to 16,960,741.68 HRK or 2,251,077.27 EUR; the total losses of the Company will amount to 237,914,322.32 HRK or 31,576,657.02 EUR. Adding to this amount the transfer from revaluation reserves, as stated in the financial reports for the year 2022, which is 2,768,764.69 HRK or 367,478.23 EUR, the final amount of accumulated losses is 235,145,557.54 HRK or 31,209,178.78 EUR."

The share capital of the Company amounts to 116,604,710.00 HRK or 15,476,104.59 EUR, meaning that the losses exceed the value of the share capital of the Company by more than double. Consequently, the Management & Supervisory Board of the Company are obligated to take measures for the consolidation of the Company, primarily through the implementation of a simplified reduction of the share capital, as well as the alignment of the share capital in the context of the conversion from Croatian Kuna to Euro.

Furthermore, considering the significant impact of international market developments on the Company's operations, as well as the fluctuations in the financial markets, the Management & Supervisory Board are of the opinion that it's necessary, if possible, to consolidate the Company by restructuring the existing debt. Given that there have been no indications that the Company, in its current position and with its current parameters, would be attractive for direct equity investments, it is clear that the Company is unable to satisfy all currently existing obligations.

In this regard, the Management & Supervisory Board have approached the majority creditors of the Company with an inquiry about their preliminary interest in investing and converting their claims into ownership stakes. Two companies, AVENUE MEHANIZACIJA d.o.o. for production, trade, and services based in Zagreb, Janka Rakuše 1, OIB: 58611913496, and FROTIP DEVELOPMENT d.o.o. for consulting and services based in Zagreb, Zagrebačka cesta 192, OIB: 41167110931, have responded to this invitation, with their claims totaling 8,677,550.25 EUR.

The stated claims, which are largely due, the Company is unable to repay, either from its operations or through alternative suitable loans, which, under the current circumstances, the Management is unable to obtain.

The mentioned creditors have agreed on the proposal by the Management & Supervisory Board, which involves exchanging their claims for new ownership stakes. However, they have conditioned this on the prior reduction of the share capital to the approximate market price of the shares (to preserve the value of all shareholders' investments) and the complete exclusion of the preemptive rights of existing shareholders in favor of themselves. The Management believes there is no other valid way to ensure the long-term adequacy of the Company's capital, and at this point, the Company is not in a position to settle this claim through payment.

In regard of the stated above, the Management & Supervisory Board consider that the decision to exclude the preemptive rights of shareholders in favor of the mentioned creditors is necessary and unavoidable. They emphasize that by doing so, the Company's capacity to fulfill its obligations will significantly increase, and the business will be effectively consolidated, which serves the interests of all shareholders.

This decision comes into effect on the day of its adoption.

Ad. 11.

A Decision on the simplified reduction of the share capital for the coverage of losses with simultaneous increase of the share capital is hereby adopted, as follows:

I.

The share capital of the company INSTITUT IGH INSTITUT IGH, publicly traded company for research & development in construction, (short name: INSTITUT IGH, d.d.), headquartered in Janka Rakuše 1, 10000 Zagreb, registered in the Commercial Court Registry in Zagreb under the identification number (MBS) 080000959, OIB: 79766124714 (hereinafter: "the Company"), amounts to 116,604,710.00 HRK (one hundred sixteen million six hundred four thousand seven hundred ten Croatian Kuna), which according to the official conversion rate is equivalent to 15,476,104.59 EUR (fifteen million four hundred seventy-six thousand one hundred four Euros and fifty-nine cents).

The share capital of the Company is divided into 613,709 (six hundred thirteen thousand seven hundred nine) shares, each with a nominal value of 190.00 HRK (one hundred ninety Croatian Kuna), which according to the official conversion rate is equivalent to 25.22 EUR (twenty-five Euros and twenty-two cents). These shares are registered shares issued in dematerialized form as electronic records in the depository of the Središnjeg klirinškog depozitarnog društva d.d. Zagreb, bearing the symbol IGH-R-A.

The share capital of the Company has been paid in full.

II.

As of the date of this Decision, the accumulated losses of the Company amount to 235,145,557.54 HRK (two hundred thirty-five million one hundred forty-five thousand five hundred fifty-seven Croatian Kuna and fifty-four Lipa), which according to the official conversion rate is equivalent to 31,209,178.78 EUR (thirty-one million two hundred nine thousand one hundred seventy-eight Euros and seventy-eight cents).

III.

This Decision implements a simplified reduction of the Company's share capital to cover a portion of the accumulated losses in the amount of 70,364,805.39 HRK (seventy million three hundred sixty-four thousand eight hundred five Croatian Kuna and thirty-nine Lipa), which according to the official conversion rate is equivalent to 9,339,014.59 EUR (nine million three hundred thirty-nine thousand fourteen Euros and fifty-nine cents).

Simultaneously with this Decision, in compliance with mandatory regulations, harmonizes the amount of the Company's share capital in Euro currency and aligns the nominal value of the Company's shares, as required by applicable regulations.

IV.

The share capital of the Company, in the amount of 116,604,710.00 HRK (one hundred sixteen million six hundred four thousand seven hundred ten Croatian Kuna), which according to the official conversion rate is equivalent to 15,476,104.59 EUR (fifteen million four hundred seventy-six thousand one hundred four Euros and fifty-nine cents), is reduced by the amount of 70,364,805.39 HRK (seventy million three hundred sixty-four thousand eight hundred five Croatian Kuna and thirty-nine Lipa), which according to the official conversion rate is equivalent to 9,339,014.59 EUR (nine million three hundred thirty-nine thousand fourteen Euros and fifty-nine cents), resulting in a new total share capital of 6,137,090.00 EUR (six million one hundred thirty-seven thousand and ninety Euros), which according to the official conversion rate is equivalent to 46,239,904.61 HRK (forty-six million two hundred thirty-nine thousand nine hundred four Croatian Kuna and sixty-one Lipa).

V.

The simplified reduction of the share capital as outlined in point IV. of this Decision is carried out by reducing the nominal value of the Company's share. The nominal value of the Company's share, originally 190.00 HRK (one hundred ninety Croatian Kuna), which according to the official conversion rate is equivalent to 25.22 EUR (twenty-five Euros and twenty-two cents), is reduced by 15.22 EUR (fifteen Euros and twenty-two cents), which according to the official conversion rate is equivalent to 114.65 HRK (one hundred fourteen Croatian Kuna and sixty-five Lipa), resulting in a new nominal value of 10.00 EUR (ten Euros), which according to the official conversion rate is equivalent to 75.35 HRK (seventy-five Croatian Kuna and thirty-five Lipa).

VI.

Following the completed simplified reduction and harmonization, the share capital of the Company amounts to 6,137,090.00 EUR (six million one hundred thirty-seven thousand and ninety Euros) and is divided into 613,709 (six hundred thirteen thousand seven hundred nine) shares, each with a nominal value of 10.00 EUR (ten Euros). These shares are registered shares issued in dematerialized form as electronic records in the depository of the Središnjeg klirinškog depozitarnog društva d.d. Zagreb, bearing the symbol IGH-R-A.

VII.

The share capital of the Company, which, following the simplified reduction and harmonization as outlined in point IV. of this Decision, amounts to 6,137,090.00 EUR (six million one hundred thirty-seven thousand and ninety Euros), is increased by 8,677,540.00 EUR (eight million six hundred seventy-seven thousand five hundred forty Euros) to a new total of 14,814,630.00 EUR (fourteen million eight hundred fourteen thousand six hundred thirty Euros).

VIII.

The share capital is increased by issuing a total of 867,754 (eight hundred sixty-seven thousand seven hundred fifty-four) new shares of the Company, each with a nominal value of 10.00 EUR (ten Euros), registered shares issued in dematerialized form as electronic records in the depository of the Središnjeg klirinškog depozitarnog društva d.d.

The total nominal value of the new shares from the previous paragraph amounts to 8,677,540.00 EUR (eight million six hundred seventy-seven thousand five hundred forty Euros).

The new shares issued under this Decision grant the holders the same rights as the existing shares of the Company, including the right to participate in the distribution of the Company's profit for the fiscal year 2023, and they are issued at a price of 10.00 EUR (ten Euros) each.

IX.

In accordance with the previously adopted Report on the Reasons for the Full Exclusion of the Preemptive Rights of Existing Shareholders for the Subscription of New Shares, the preemptive rights of existing shareholders of the Company are completely excluded for the subscription of new shares, in favor of:

- AVENUE MEHANIZACIJA d.o.o. for production, trade, and services, with its registered office in Zagreb, address Janka Rakuše 1, OIB: 58611913496, for the subscription of a total of 566,581 (five hundred sixty-six thousand five hundred eighty-one) new shares;
- FROTIP DEVELOPMENT d.o.o. for consulting and services, with its registered office in Zagreb, address Zagrebačka cesta 192, OIB: 41167110931, for the subscription of a total of 301,173 (three hundred one thousand one hundred seventy-three) new shares.

X.

The share capital is increased by the contribution of rights (claims) into the share capital as follows:

- AVENUE MEHANIZACIJA d.o.o. for production, trade, and services, with its registered office in Zagreb, address Janka Rakuše 1, OIB: 58611913496, contributes its claims against the Company in the amount of 5,665,810.00 EUR (five million six hundred sixty-five thousand eight hundred ten euros) into the share capital of the Company, converting it into an investment of 5,665,810.00 EUR (five million six hundred sixty-five thousand eight hundred ten euros), and subscribing to a total of 566,581 (five hundred sixty-six thousand five hundred eighty-one) new shares, which represents 65.29% of the newly issued shares, or 38.24% of the total number of shares after the increase.
- FROTIP DEVELOPMENT d.o.o. for consulting and services, with its registered office in Zagreb, address Zagrebačka cesta 192, OIB: 41167110931, contributes its claims against the Company in the amount of 3,011,730.00 EUR (three million eleven thousand seven hundred thirty euros) into the share capital of the Company, converting it into an investment of 3,011,730.00 EUR (three million eleven thousand seven hundred thirty euros), and subscribing to a total of 301,173 (three hundred one thousand one hundred seventy-three) new shares, which represents 34.71% of the newly issued shares, or 20.33% of the total number of shares after the increase.

XI.

The new shares will be subscribed by a written statement (subscription form) in accordance with the provisions of Article 307. of the Companies Act, within 90 (ninety) days from the date of entry into force of this Decision, with the possibility of concluding a separate Agreement on the contribution (conversion) of claims into the share capital of the Company. The remaining amount of the Company's debt to the new shareholders, namely 4.66 EUR (four euros and sixty-six cents) to AVENUE MEHANIZACIJA d.o.o., and 5.59 EUR (five euros and fifty-nine cents) to FROTIP DEVELOPMENT d.o.o., will be written off.

The companies mentioned in point X. of this Decision will become shareholders of the newly issued shares of the Company upon registration in the share register of the Company maintained by the Središnjeg klirinškog depozitarnog društva d.d. Zagreb, after the registration of the increase in share capital in the Court Register.

XII.

After the simplified reduction & simultaneous increase, the share capital of the Company amounts to 14,814,630.00 EUR (fourteen million eight hundred fourteen thousand six hundred thirty euros) and is divided into 1,481,463 (one million four hundred eighty-one thousand four hundred sixty-three) shares, each with a nominal value of 10.00 EUR (ten euros).

XIII.

In the process of increasing the share capital, and in accordance with Article 14., paragraph 1., point 3. of the Companies Takeover Act, the companies AVENUE MEHANIZACIJA d.o.o. for production, trade, and services with its registered office in Zagreb, address Janka Rakuše 1, OIB: 58611913496, and FROTIP DEVELOPMENT d.o.o. for consulting and services with its registered office in Zagreb, address Zagrebačka cesta 192, OIB: 41167110931, are granted the acquisition of 867,754 (eight hundred sixty-seven thousand seven hundred fifty-four) shares of the Company, which represents a total of 58.57% of the share capital, without the obligation to publish a takeover bid.

In the process of increasing the share capital, the Company issues shares without a prospectus, in accordance with Article 351., paragraph 1. of the Capital Market Act.

XIV.

This decision shall enter into force on the date of adoption.

The Management & Supervisory Board of the Company are tasked with taking all legal actions to register this decision in the Commercial Court Registry of the Commercial Court in Zagreb and to carry out the corresponding registrations in the Središnji klirinški depozitarni društvo d.d. Zagreb.

The share capital is considered reduced, adjusted, and/or increased on the day of implementing the changes in the Commercial Court Registry of the Commercial Court in Zagreb.

All costs related to the adoption of this decision and its registration shall be borne by the Company.

Ad 12.

I.

The provision of Article 8. (eighth) of the Articles of Association of the company INSTITUT IGH , publicly traded company for research & development in construction , (short name: INSTITUT IGH, d.d.), headquartered at Janka Rakuše 1, 10000 Zagreb, registered in the Commercial Court Registry in Zagreb under the identification number (MBS) 080000959, OIB: 79766124714 (hereinafter: "the Company"), is hereby amended to read as follows:

"1. The Company's share capital amounts to EUR 14,814,630.00 (in words: fourteen million eight hundred fourteen thousand six hundred and thirty euros).

2. The share capital has been paid in full."

II.

The provision of Article 9. (nine) of the Articles of Association of the company INSTITUT IGH , publicly traded company for research & development in construction , (short name: INSTITUT IGH, d.d.), headquartered at Janka Rakuše 1, 10000 Zagreb, registered in the Commercial Court Registry in Zagreb under the identification number (MBS) 080000959, OIB: 79766124714 (hereinafter: "the Company"), is hereby amended to read as follows:

"1. The share capital of the Company, in the amount of EUR 14,814,630.00 (in words: fourteen million eight hundred fourteen thousand six hundred thirty euros), is divided into 1,481,463 (in words: one million four hundred eighty-one thousand four hundred sixty-three) shares, each with a nominal value of EUR 10.00 (in words: ten euros).

2. The Company may issue shares in accordance with mandatory regulations and the provisions of this Articles of the Statute."

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Shareholders who are registered in the Company's Share Register, kept by the Central Depository & Središnjeg klirinškog depozitarnog društva d.d. Zagreb, at the latest six days before the General Assembly and who report their participation in the General Assembly to the Company, at the latest six days before the date of the General Assembly (i.e., no later than November 27th 2023), have the right to participate and vote at the General Assembly.

At the General Assembly, each shareholder has a number of votes determined in accordance with Središnjeg klirinškog depozitarnog društva d.d. Zagreb on the last day for registration to participate in the General Assembly.

The participation application for the General Assembly must be in writing and must include:

- a. for shareholders - natural persons: the shareholder's name and surname, address of residence, personal identification number of the shareholder (OIB), the account number at the Središnjeg klirinškog depozitarnog društva d.d. and the total number of shares held by the shareholder
- b. for shareholders - legal entities: the company name of the shareholder, the registered office address, the personal identification number of the company (OIB), the account number at the Središnjeg klirinškog depozitarnog društva d.d., and the total number of shares held by the shareholder, along with an extract from the court or other appropriate register in which the legal entity is registered, showing that the application was signed by a person authorized by law to represent that legal entity
- c. for attorneys-in-fact - individuals: the full name of the attorney-in-fact, their residential address, personal identification number of the attorney-in-fact (OIB), a list of the shareholders they represent, along with the personal data (as specified in section a. or b., depending on whether they are individuals or legal entities) for each of them, the account number opened with the Središnjeg klirinškog depozitarnog društva d.d., and the total number of shares held by all the represented shareholders. Additionally, individual powers of attorney of the shareholders (properly certified). If a shareholder represented by a legal entity, provide an extract from the court or other appropriate register in which the legal entity is registered, showing that the power of attorney was signed by a person authorized by law to represent that legal entity.
- d. for attorneys-in-fact - legal entities: the company name of the attorney-in-fact, their registered address, personal identification number of the attorney-in-fact (OIB), an extract from the court or other appropriate register in which the attorney-in-fact (legal entity) is registered, showing that the power of attorney was signed by a person authorized by law to represent that legal entity. Additionally, provide a list of the shareholders they represent, along with the personal data (as specified in section a. or b., depending on whether they are individuals or legal entities) for each of them, the account number opened with the Središnjeg klirinškog depozitarnog društva d.d., and the total number of shares held by all the represented shareholders. Also, individual powers of attorney of the shareholders (properly certified). If a shareholder represented by a legal entity, provide an extract from the court or other appropriate register in which the legal entity is registered, showing that the power of attorney was signed by a person authorized by law to represent that legal entity.

Shareholders may participate in and vote at the General Assembly in person, through their legal representatives, or through attorneys-in-fact, based on a power of attorney certified by a notary public. The power of attorney must be submitted no later than upon arrival at the Meeting. Shareholders are individually responsible for the costs of participating in the General Assembly of the Company.

Shareholders who together hold shares totaling one twentieth of the share capital of the company may request an addition to the agenda, and that such a request be published. The request must contain a proposed decision and an explanation, and the Company must receive it at least 30 days before the General Assembly, with the day the Company receives the proposal not included in the calculation.

Counterproposals from shareholders, along with the names and surnames, or the names of the shareholders, and explanations, may be submitted to the Company no later than 14 days before the General Assembly, with the day the Company received the counterproposal not included in the calculation. If a shareholder does not exercise this right, it does not result in the loss of the right to submit a counterproposal at the General Assembly.

If the convened General Assembly doesn't reach the quorum required by the Statute to make decisions, the next General Assembly will be held on December 15th 2023, at 1:00 PM, at the Company's headquarters, Janka Rakuša 1, Zagreb, with the same agenda.

The materials serving as the basis for discussion & the adoption of published decisions at the Company's General Assembly, as well as the power of attorney form for representing shareholders at the General Assembly, are available for inspection by shareholders at the Company's business headquarters in Zagreb, located at Janka Rakuše 1, every working day from 9:00 AM to 2:00 PM from the day of publishing this invitation until the day of the General Assembly, as well as on the Company's www.igh.hr.

INSTITUT IGH, d.d.
Management