

# INSTITUT IGH, d.d.

Janka Rakuše 1, 10000 Zagreb, CROATIA  
Tel: +385 1 6125 125, Fax: +385 1 6125 401,  
igh@igh.hr, www.igh.hr



## MANAGEMENT BOARD REPORT

### ON BUSINESS RESULTS OF THE COMPANY INSTITUT IGH, d.d. AND ITS SUBSIDIARIES IN THE PERIOD FROM 1 JANUARY TO 31 DECEMBER OF 2016

INSTITUT IGH, d.d. Zagreb and its subsidiaries are the leading service provider in the field of design, technical supervision, laboratory services and project management of infrastructure and civil engineering projects in Southeast Europe. 18 subsidiary companies with the same core activity and similar activities are affiliated to Institut IGH d.d.

On 31 December 2016, a total of 497 employees were employed with INSTITUT IGH, d.d. and its subsidiary companies.

In 2016, INSTITUT IGH d.d. operated at a loss in the amount of HRK 59.9 million at the non-consolidated level, primarily under the influence of value adjustments of financial and fixed tangible assets. Operating revenues of the company amounted to HRK 176.3 million, which is a 2.5% increase with respect to the operating revenues realized in 2015. At the same time, the Company reduced its operating expenses by 3.5%. All the above mentioned resulted in achieved EBITDA of HRK 12.9 million in 2016.

Consolidated financial statements for 2016 indicate that the company INSTITUT IGH, d.d. and its subsidiary companies, at the consolidated level, realized operating revenues in the amount of HRK 184.9 million, which is a decrease of 8.5 % compared to the previous year, primarily due to positive one off effect of a subsidiary company leaving consolidation in the amount of HRK 17 million in 2015. The consolidated revenues from the sales of services amount to HRK 160.9 million, which is a 2.5% increase compared to consolidated revenues from sales realized in 2015.

RC SPLIT  
SPLIT 21000  
Matice hrvatske 15  
Tel: 021/558-666  
Fax: 021/465-335

RC RIJEKA  
KUKULJANOVO 51227  
Kukuljanovo 182/2  
Tel: 051/206-100  
Fax: 051/331-100

RC OSIJEK  
OSIJEK 31000  
Drinska 18  
Tel: 031/253-103  
Fax: 031/253-104

VARAŽDIN 42000  
Hallerova aleja 7  
Tel: 042/210-970,  
042/210-722  
Fax: 042/211-285

DUBROVNIK 20000  
Vukovarska 8  
Tel: 020/412-489,  
020/411-628  
Fax: 020/412-489

PULA 52100  
Divkovičeva 2/C  
Tel: 052/508-220  
Fax: 052/508-221

ZADAR 23000  
Dobriše Cesarića 1  
Tel: 023/220-910,  
023/323-299  
Fax: 023/323-225

Mjerodavni sud:  
Trgovački sud u Zagrebu,  
registratori uložak  
s matičnim brojem (MBS)  
080000959

Temeljni kapital:  
116.604.710,00 kn  
uplaćen u cijelosti  
Broj izdanih dionica:  
IGH-R-A 613.709  
Nominalna vrijednost  
dionice 190 kn

MB: 3750272  
OIB: 79766124714  
Poslovna banka:  
Zagrebacka banka d.d.  
IBAN:  
HR772360001101243767  
SWIFT kod: ZABHR2X

Uprava:  
Ivan Palodina, dipl.oec, predsjednik Uprave  
mi.sc. Oliver Kumić, dipl.ing.grad.,  
član Uprave

Nadzorni odbor:  
Žarko Dešković, dipl.ing.grad,  
predsjednik Nadzornog odbora



Consolidated operating costs amount to HRK 228.7 million, which represents a decrease of 6.4 % compared to the same period last year. An overall reduction of operating costs in the absolute amount of HRK 15.8 million is mainly the result of reduction in material costs, salary costs and other operating costs, and reduction of the value adjustment for receivables.

Consolidated financial expenses, excluding unrealized loss from financial assets, amounted to HRK 18.6 million, which is 8% less than consolidated financial expenses realized in 2015. Consequently, the total consolidated revenues of HRK 190.1 million and total consolidated expenses of HRK 247.5 million resulted in consolidated loss of HRK 56.6 million in this period.

On 31 December 2016, INSTITUT IGH, d.d. had contracts in progress in the value amounting to HRK 435 million.

Growth achieved in operating revenues, in view of the previous 7 years of consecutive decrease, represents a major turning point in business operation of INSTITUT IGH. Taking into account the lower number of employees on average, by 9 %, it is evident that the growth in revenues has been accompanied by an increase in productivity, which together with implemented measures of operational restructuring and cost rationalization resulted in a positive EBITDA.

However, despite significant improvement in operational results, the company has negative equity and repayment of the Senior loan principal commences in 2017, according to the provisions of the Pre-bankruptcy settlement agreement and subsequent agreements with creditors of category a), which will present a challenge in the following period.

Taking into account all circumstances and challenges and being guided primarily by stable positive operating result, the growth of contracts concluded and the status of contracts in progress, the Management Board of the company believes that the year 2017 will, be stable and successful, and that the Company will fulfil the obligations as

assumed by the concluded Pre-bankruptcy settlement agreement and subsequent agreements with creditors of category a).

Zagreb, 28 February 2017



On behalf of the Management Board of INSTITUT IGH, d.d.

Ivan Paladina, President of the Management Board



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## STATEMENT OF MANAGEMENT BOARD ON THE RESPONSIBILITY FOR PREPARING CONSOLIDATED REPORTS FOR THE INSTITUT IGH GROUP, JSC

The Company's Management Board has to ensure that the Group's consolidated financial reports for the year ended 31 December 2016 are prepared in accordance with the Accountancy Law (Official Gazette 146/05) and International Financial Reporting Standards as adopted by the European Union, so that these documents provide a true and unbiased picture of the Group's financial standing, business results, change in capital, and cash flow for the period under consideration.

After making due enquiries, the Management Board has a reasonable expectation that the Group has adequate resources to continue operation in the foreseeable future. Accordingly, the Group has prepared its financial reports under assumption that the Group will continue operating for an unlimited period of time.

During preparation of financial reports, the Management Board is responsible:

- for the selection and, thereafter, for consistent use of appropriate accounting policies;
- for giving reasonable and sensible assessments and estimates;
- for applying valid financial reporting standards and for making public and explaining every materially significant discrepancy discovered in financial reports;
- for preparing financial reports under assumption of an unlimited period of operation, except in cases when such assumption is inappropriate.

The Management Board is responsible for keeping proper accountancy records that will depict, to an acceptable level of accuracy, the financial standing and business results of the Group, in full compliance with the Accountancy Law and International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The Management Board is also responsible for protecting and safeguarding the Group's assets, and hence for undertaking every measure it deems necessary to prevent and discover cases of fraud and other illegal activity.

Signed on behalf of the Management Board:  
Ivan Paladina, President of Management Board

Institut IGH, d.d. Zagreb  
Janka Rakuše 1  
10000 Zagreb



24 February 2017

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Tel: 023/220-910,  
023/323-299  
Fax: 023/323-225

## Attachment 1.

Reporting period:

1.1.2016

do

31.12.2016

## Quarterly financial statement of the entrepreneur - TFI-POD

Tax number (MB): 03750272

Company registration number (MBS): 80000959

Personal identification number (OIB): 79766124714

Issuing company: INSTITUT IGH D.D.

Postal code and place: 10000 ZAGREB

Street and house number: JANKA RAKUŠE 1

E-mail address: igh@igh.hr

Internet address: http://www.igh.hr

Municipality/city code and name: 133 ZAGREB

County code and name: 21 GRAD ZAGREB

Number of employees: 497

(quarter end)

Consolidated report: YES

NKD code: 7219

Companies of the consolidation subject (according to IFRS):

Seat:

MB:

IGH MOSTAR D.O.O.	MOSTAR, BIŠĆE POLJE BB	4227060470005
IGH PROJEKTIRANJE D.O.O.	ZAGREB, JANKA RAKUŠE 1	02441918
INCRO D.O.O.	ZAGREB, BRANIMIROVA 71	01982516
IGH ENERGIJA D.O.O.	ZAGREB, JANKA RAKUŠE 1	01819585
FORUM CENTAR D.O.O.	ZAGREB, JANKA RAKUŠE 1	01960229
PROJEKT ŠOLTA D.O.O.	ZAGREB, JANKA RAKUŠE 1	02592363
VOĐENJE PROJEKATA D.O.O.	ZAGREB, BIJENIČKA CESTA 8	02427648
EKONOMSKO TEHNIČKI ZAVOD D.D.	OSIJEK, DRINSKA 18	03013669
PROJEKTI BIRO PALMOTIĆEVA 45 D.O.O.	ZAGREB, PALMOTIĆEVA 45	03222853
IGH KOSOVA Sha	PRIŠTINA, KOSOVO	
IGH CONSULTING D.O.O.	ZAGREB, JANKA RAKUŠE 1	02462478
DP AQUA D.O.O.	ZAGREB, SREDNJACI 16	01907522
TEHNIČKE KONSTRUKCIJE D.O.O.	ZAGREB, VLAŠKA 79	02405865
MBM TERMOPROJEKT D.O.O.	ZAGREB, NIKOLA PAVIČA 20	00335967
RADELJEVIĆ D.O.O.	ZAGREB, JANKA RAKUŠE 1	01938533
MARTERRA D.O.O.	ZAGREB, JANKA RAKUŠE 1	28983577816
NOVI ČRNOMEREC CENTAR D.O.O.	ZAGREB, JANKA RAKUŠE 1	08291561940
SLAVONIJA CENTAR, POSLOVNA ZONA VELIKA K	ZAGREB, JANKA RAKUŠE 1	81665145943

Bookkeeping service:

Contact person: SPINDERK JADRANKA

(please enter only contact person's family name and name)

Telephone: 01 6125 444

Telefax: 01 6125 404

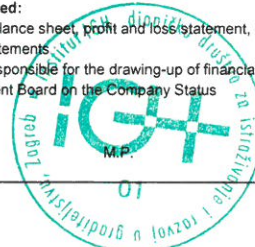
E-mail address: igh@igh.hr

Family name and name: IVAN PALADINA

(person authorized to represent the company)

## Documents to be published:

1. Financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in equity, and notes to financial statements)
2. Statement of persons responsible for the drawing-up of financial statements
3. Report of the Management Board on the Company Status



*Paladina*  
 (signature of the person authorized to represent the company)

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**BALANCE SHEET**  
as of 31.12.2016

<b>INSTITUT IGH D.D.</b>			
Position	AOP	Previous period	Current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED AND NON - PAID CAPITAL</b>	<b>001</b>		
<b>B) LONG - TERM ASSETS (003+010+020+029+033)</b>	<b>002</b>	389.295.436	312.616.950
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	4.163.442	4.496.016
1. Assets development	<b>004</b>	0	0
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	<b>005</b>	1.445.440	1.830.972
3. Goodwill	<b>006</b>	32.350	51.837
4. Prepayments for purchase of intangible assets	<b>007</b>	0	0
5. Intangible assets in preparation	<b>008</b>	2.685.652	2.613.207
6. Other intangible assets	<b>009</b>	0	0
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	339.570.671	288.319.884
1. Land	<b>011</b>	105.266.746	105.251.572
2. Buildings	<b>012</b>	81.012.007	76.931.378
3. Plant and equipment	<b>013</b>	16.742.933	15.222.320
4. Instruments, plant inventories and transportation assets	<b>014</b>	4.393.290	4.586.634
5. Biological assets	<b>015</b>	0	0
6. Prepayments for tangible assets	<b>016</b>	142.537	335.434
7. Tangible assets in preparation	<b>017</b>	26.158.200	26.158.200
8. Other material assets	<b>018</b>	364.640	364.627
9. Investment in buildings	<b>019</b>	105.490.318	59.469.719
<b>III. LONG-TERM FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	44.088.140	18.583.815
1. Shares (stocks) in related parties	<b>021</b>	0	0
2. Loans given to related parties	<b>022</b>	0	0
3. Participating interests (shares)	<b>023</b>	0	0
4. Loans to entrepreneurs in whom the entity hold participating interests	<b>024</b>	0	0
5. Investment in securities	<b>025</b>	753.408	0
6. Loans, deposits and similar assets	<b>026</b>	24.331.495	419.552
7. Other long - term financial assets	<b>027</b>	4.111.533	3.294.942
8. Investments accounted by equity method	<b>028</b>	14.891.704	14.869.321
<b>IV. RECEIVABLES (030 to 032)</b>	<b>029</b>	1.473.183	1.217.235
1. Receivables from related parties	<b>030</b>	0	0
2. Receivables based on trade loans	<b>031</b>	1.455.811	1.200.039
3. Other receivables	<b>032</b>	17.372	17.196
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>		
<b>C) SHORT TERMS ASSETS (035+043+050+058)</b>	<b>034</b>	246.139.159	260.023.174
<b>I. INVENTORIES (036 to 042)</b>	<b>035</b>	197.760.735	198.297.661
1. Raw material	<b>036</b>	0	0
2. Work in progress	<b>037</b>	89.261.838	90.400.840
3. Finished goods	<b>038</b>	0	0
4. Merchandise	<b>039</b>	568.162	568.162
5. Prepayments for inventories	<b>040</b>	0	0
6. Long - term assets held for sale	<b>041</b>	107.930.735	107.328.659
7. Biological assets	<b>042</b>	0	0
<b>II. RECEIVABLES (044 to 049)</b>	<b>043</b>	41.728.552	44.030.008
1. Receivables from related parties	<b>044</b>	20.187	20.187
2. Accounts receivable	<b>045</b>	38.319.122	40.119.764
3. Receivables from participating entrepreneurs	<b>046</b>	0	0
4. Receivables from employees and shareholders	<b>047</b>	685.702	675.992
5. Receivables from government and other institutions	<b>048</b>	1.397.764	1.574.841
6. Other receivables	<b>049</b>	1.305.777	1.639.224
<b>III. SHORT - TERM FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	4.979.460	13.094.137
1. Shares (stocks) in related parties	<b>051</b>	0	0
2. Loans given to related parties	<b>052</b>	0	0
3. Participating interests (shares)	<b>053</b>	0	0
4. Loans to entrepreneurs in whom the entity hold participating interests	<b>054</b>	0	0
5. Investment in securities	<b>055</b>	0	0
6. Loans, deposits and similar assets	<b>056</b>	4.979.460	13.094.137
7. Other financial assets	<b>057</b>	0	0
<b>IV. CASH AT BANK AND IN CASHIER</b>	<b>058</b>	1.670.412	4.601.368
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	10.849.270	8.256.887
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	646.283.865	580.897.011
<b>F) OFF-BALANCE SHEET NOTES</b>	<b>061</b>	38.870.526	43.877.876

<b>LIABILITIES AND CAPITAL</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>27.941.628</b>	<b>-27.240.779</b>
I. SUBSCRIBED CAPITAL	<b>063</b>	116.604.710	116.604.710
II. CAPITAL RESERVES	<b>064</b>	0	0
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	-2.419.226	-2.479.608
1. Reserves prescribed by law	<b>066</b>		
2. Reserves for treasury stocks	<b>067</b>	1.446.309	1.446.309
3. Treasury stocks and shares (deduction)	<b>068</b>	3.865.535	3.925.917
4. Statutory reserves	<b>069</b>	0	0
5. Other reserves	<b>070</b>	0	0
IV. REVALUATION RESERVES	<b>071</b>	147.410.241	143.583.576
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	<b>072</b>	-151.943.469	-227.505.392
1. Retained earnings	<b>073</b>		
2. Accumulated loss	<b>074</b>	151.943.469	227.505.392
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	<b>075</b>	-81.748.614	-56.355.943
1. Profit for the current year	<b>076</b>	0	
2. Loss for the current year	<b>077</b>	81.748.614	56.355.943
VII. MINORITY INTEREST	<b>078</b>	37.986	-1.088.122
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	<b>12.165.788</b>	<b>9.097.176</b>
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>	1.709.611	768.473
2. Reserves for tax liabilities	<b>081</b>	0	0
3. Other reserves	<b>082</b>	10.456.177	8.328.703
<b>C) LONG TERM LIABILITIES (084 to 092)</b>	<b>083</b>	<b>340.068.956</b>	<b>328.288.142</b>
1. Liabilities to related parties	<b>084</b>	365.388	151.546
2. Liabilities for loans, deposits etc.	<b>085</b>	64.800	0
3. Liabilities to banks and other financial institutions	<b>086</b>	280.038.174	279.755.084
4. Liabilities for received prepayments	<b>087</b>	0	0
5. Accounts payable	<b>088</b>	11.979.016	6.235.997
6. Liabilities arising from debt securities	<b>089</b>	0	0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>090</b>	0	0
8. Other long-term liabilities	<b>091</b>	8.959.814	4.464.874
9. Deferred tax liability	<b>092</b>	38.661.764	37.680.641
<b>D) SHORT - TERM LIABILITIES (094 to 105)</b>	<b>093</b>	<b>243.040.968</b>	<b>238.576.742</b>
1. Liabilities to related parties	<b>094</b>	284.859	294.235
2. Liabilities for loans, deposits etc.	<b>095</b>	2.779.699	2.146.461
3. Liabilities to banks and other financial institutions	<b>096</b>	93.019.922	89.023.887
4. Liabilities for received prepayments	<b>097</b>	3.234.476	2.970.911
5. Accounts payable	<b>098</b>	31.042.871	25.129.595
6. Liabilities arising from debt securities	<b>099</b>	70.973.241	70.973.241
7. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>100</b>	0	0
8. Liabilities to employees	<b>101</b>	5.905.096	9.396.806
9. Liabilities for taxes, contributions and similar fees	<b>102</b>	11.587.660	13.409.381
10. Liabilities to share - holders	<b>103</b>	0	0
11. Liabilities for long term assets held for sale	<b>104</b>	0	0
12. Other short - term liabilities	<b>105</b>	24.213.144	25.232.225
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>106</b>	<b>23.066.525</b>	<b>32.175.730</b>
<b>F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>646.283.865</b>	<b>580.897.011</b>
<b>G) OFF-BALANCE SHEET NOTES</b>	<b>108</b>	<b>38.870.526</b>	<b>43.877.876</b>
<b>APPENDIX TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributed to equity holders of parent company	<b>109</b>	27.903.642	-26.152.657
2. Attributed to minority interests	<b>110</b>	37.986	-1.088.122

**PROFIT AND LOSS ACCOUNT**  
for period 01.01.2016 to 31.12.2016

INSTITUT IGH D.D.

Position	AOP	Previous period		Current period	
		Cummulative	Periodical	Cummulative	Periodical
1	2	3	4	5	6
<b>I. OPERATING REVENUES (112+113)</b>	<b>111</b>	<b>202.207.704</b>	<b>64.187.635</b>	<b>184.903.697</b>	<b>67.315.376</b>
1. Sales revenues	112	164.765.108	36.748.281	169.018.216	56.794.433
2. Other operating revenues	113	37.442.596	27.439.354	15.885.481	10.520.943
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>244.364.979</b>	<b>95.973.302</b>	<b>228.677.437</b>	<b>103.471.298</b>
1. Changes in the value of work in progress and finished goods	115	-2.420.893	-2.420.893	-401.820	0
2. Material costs (117 to 119)	116	59.321.617	20.339.535	52.637.375	19.089.229
a) Raw material and material costs	117	8.692.862	2.451.417	7.294.560	2.193.823
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	50.628.755	17.888.118	45.342.815	16.895.406
3. Staff costs (121 to 123)	120	98.078.859	23.846.209	90.565.846	25.844.402
a) Net salaries and wages	121	57.214.290	14.288.933	52.956.704	14.786.615
b) Costs for taxes and contributions from salaries	122	26.438.584	6.062.758	24.261.607	7.173.505
c) Contributions on gross salaries	123	14.425.985	3.494.518	13.347.535	3.884.282
4. Depreciation	124	9.594.709	2.412.902	8.589.196	2.224.090
5. Other costs	125	23.067.962	6.748.462	23.932.845	8.984.121
6. Impairment (127+128)	126	49.061.291	42.945.986	48.575.697	47.107.498
a) Impairment of long-term assets (excluding financial assets)	127	38.867.743	38.867.743	46.075.600	46.075.600
b) Impairment of short-term assets (excluding financial assets)	128	10.193.548	4.078.243	2.500.097	1.031.898
7. Provisions	129	1.919.860	1.667.183	3.244.016	0
8. Other operating expenses	130	5.741.574	433.918	1.534.282	221.958
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>4.686.326</b>	<b>867.716</b>	<b>5.256.887</b>	<b>69.624</b>
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	3.911	3.911	0	0
2. Interest income, foreign exchange gains, dividends and similar income from non-related parties	133	3.100.845	0	4.471.803	0
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	0	0
4. Unrealized gains (income) from financial assets	135	67.003	67.003	69.624	69.624
5. Other financial income	136	1.514.567	796.802	715.460	0
<b>IV. FINANCIAL EXPENSES (138 to 141)</b>	<b>137</b>	<b>44.635.003</b>	<b>28.652.649</b>	<b>18.861.604</b>	<b>6.436.792</b>
1. Interest expenses, foreign exchange losses and similar expenses from related parties	138	0	0	0	0
2. Interest expenses, foreign exchange losses and similar expenses from non - related parties	139	17.396.258	2.920.993	16.143.874	5.651.090
3. Unrealized losses (expenses) on financial assets	140	24.366.594	24.366.594	215.467	215.467
4. Other financial expenses	141	2.872.151	1.365.062	2.502.263	570.235
<b>V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>	<b>142</b>			<b>0</b>	<b>0</b>
<b>VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</b>	<b>143</b>	<b>48.010</b>	<b>-7.314.138</b>	<b>22.383</b>	<b>7.768</b>
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>206.894.030</b>	<b>65.055.351</b>	<b>190.160.584</b>	<b>67.385.000</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>289.047.992</b>	<b>117.311.813</b>	<b>247.561.424</b>	<b>109.915.858</b>
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	<b>-82.153.962</b>	<b>-52.256.462</b>	<b>-57.400.840</b>	<b>-42.530.858</b>
1. Profit before taxation (146-147)	149	0	0	0	0
2. Loss before taxation (147-146)	150	82.153.962	52.256.462	57.400.840	42.530.858
<b>XII. PROFIT TAX</b>	<b>151</b>	<b>-147.546</b>	<b>-459.588</b>	<b>-782.900</b>	<b>-234.598</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>-82.006.416</b>	<b>-51.796.874</b>	<b>-56.617.940</b>	<b>-42.296.260</b>
1. Profit for the period(149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	82.006.416	51.796.874	56.617.940	42.296.260
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	155	-81.748.614	-51.405.616	-56.355.943	-42.084.111
2. Attributed to minority interests	156	-257.802	-391.258	-261.997	-212.149
<b>STATEMENT OF COMPREHENSIVE INCOME (IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	<b>-82.006.416</b>	<b>-51.796.874</b>	<b>-56.617.940</b>	<b>-42.296.260</b>
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)</b>	<b>158</b>	<b>18.080.654</b>	<b>17.996.554</b>	<b>-18.624</b>	<b>36.102</b>
1. Exchange differences on translation of foreign operations	159	141.440	57.340	-18.624	36.102
2. Movements in revaluation reserves of long-term tangible and intangible assets	160	17.939.214	17.939.214	0	0
3. Profit or loss from revaluation of financial assets available for sale	161	0	0	0	0
4. Gains or losses on efficient cash flow hedging	162	0	0	0	0
5. Gains or losses on efficient hedge of a net investment in foreign countries	163	0	0	0	0
6. Share in other comprehensive income / loss of associated companies	164	0	0	0	0
7. Actuarial gains / losses on defined benefit plans	165	0	0	0	0
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>	<b>3.616.131</b>	<b>3.599.311</b>	<b>3.725</b>	<b>-7.220</b>
<b>IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	<b>14.464.523</b>	<b>14.397.243</b>	<b>-14.899</b>	<b>28.882</b>
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)</b>	<b>168</b>	<b>-67.541.893</b>	<b>-37.399.631</b>	<b>-56.632.839</b>	<b>-42.267.378</b>
<b>APPENDIX to Statement of comprehensive income (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	169	-67.284.091	-37.008.373	-56.370.842	-42.055.229
2. Attributed to minority interests	170	-257.802	-391.258	-261.997	-212.149



**STATEMENT OF CASH FLOWS - Indirect method**  
period 01.01.2016. to 31.12.2016

INSTITUT IGH D.D.			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-82.153.963	-57.400.840
2. Depreciation	002	9.594.710	8.589.196
3. Increase in short-term liabilities	003	0	1.011.756
4. Decrease in short term receivables	004	26.337.210	546.874
5. Decrease in inventories	005		
6. Other cash flow increases	006	46.222.043	29.676.521
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>0</b>	<b>-17.576.493</b>
1. Decrease in short - term liabilities	008	1.146.207	0
2. Increase in short - term receivables	009	0	0
3. Increase in inventories	010	3.104.919	1.139.003
4. Other cash flow decreases	011		0
<b>II. Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>4.251.126</b>	<b>1.139.003</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>4.251.126</b>	<b>18.715.496</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash flow from sale of long - term tangible and intangible assets	015	9.365.091	730.606
2. Cash inflows from sale of equity and debt financial instruments	016	0	1.337.838
3. Interest receipts	017	329.243	987.186
4. Dividend receipts	018	0	3.541
5. Other cash inflows from investing activities	019	3.699.588	26.649.921
<b>III. Total cash inflows from investing activities(015 to 019)</b>	<b>020</b>	<b>13.393.922</b>	<b>29.709.092</b>
1. Cash outflows for purchase of long - term tangible and intangible assets	021	4.056.237	2.601.567
2. Cash outflows for purchase of equity and debt financial instruments	022	173.100	1.802.000
3. Other cash outflows from investing activities	023	2.791.500	1.770.000
<b>IV. Total cash outflows from investing activities (021 to 023)</b>	<b>024</b>	<b>7.020.837</b>	<b>6.173.567</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES(020-024)</b>	<b>025</b>	<b>6.373.085</b>	<b>23.535.525</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES(024-020)</b>	<b>026</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Cash receipts from issuance of equity and debt financial instruments	027	0	0
2. Cash inflows from loans, debentures, credits and other borrowings	028	0	380.000
3. Other cash inflows from financing activities	029	0	0
<b>V. Total cash inflows from financing activities (027 to 029)</b>	<b>030</b>	<b>0</b>	<b>380.000</b>
1. Cash outflows for repayment of loans and bonds	031	8.032.379	1.337.202
2. Dividends paid	032		0
3. Cash outflows for finance lease	033	692.778	551.871
4. Cash outflows for purchase of own stocks	034	0	0
5. Other cash outflows from financing activities	035	0	380.000
<b>VI. Total cash outflows from financing activities (031 do 035)</b>	<b>036</b>	<b>8.725.157</b>	<b>2.269.073</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>8.725.157</b>	<b>1.889.073</b>
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	0	2.930.956
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	6.603.198	0
Cash and cash equivalents at the beginning of period	041	8.273.610	1.670.412
Increase in cash and cash equivalents	042	0	2.930.956
Decrease in cash and cash equivalents	043	6.603.198	0
Cash and cash equivalents at the end of period	044	1.670.412	4.601.368

**STATEMENT OF CHANGES IN EQUITY**  
**from 1.1.2016 to 31.12.2016**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	116.604.710	116.604.710
2. Capital reserves	002		0
3. Reserves from profit	003	-2.419.226	-2.479.608
4. Retained earnings or accumulated loss	004	-151.943.469	-227.505.392
5. Profit / loss for the current year	005	-81.748.614	-56.355.943
6. Revaluation of long - term tangible assets	006	148.767.078	143.598.474
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
<b>10. Total capital and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>29.260.479</b>	<b>-26.137.759</b>
11. Currency gains and losses arising from net investments in foreign operations	011	113.152	-14.899
12. Current and deferred taxes (part)	012		
13. Cash flow hedging	013		
14. Changes in accounting policies	014		
15. Correction of significant errors in prior periods	015		
16. Other changes in capital	016		
<b>17. Total increase or decrease in capital (AOP 011 to 016)</b>	<b>017</b>	<b>113.152</b>	<b>-14.899</b>
17 a. Attributed to equity holders of parent company	018	29.373.631	-26.152.658
17 b. Attributed to minority interest	019	37.986	-1.088.122

Items decreasing the capital are entered with a negative number sign

Data entered under AOP marks 001 to 009 are entered as situation on the Balance Sheet date