

INSTITUT IGH, d.d.

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MANAGEMENT BOARD REPORT

ON BUSINESS RESULTS OF THE COMPANY INSTITUT IGH d.d. AND ITS SUBSIDIARIES IN THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2017

INSTITUT IGH, d.d. Zagreb is the the leading service provider in the field of design, engineering, project management of infrastructure and civil engineering projects and, laboratory services in South and Southeast Europe.

Provision of services in the field of design, project management, technical supervision and laboratory testing, development of Studies and consulting services, together with 17 subsidiary companies, allows for a comprehensive support to infrastructural and investment projects.

In the period from January to September of 2017, INSTITUT IGH d.d. operated at a profit in the amount of HRK 12.8 million, primarily as the result of a 44% increase in operating revenues, which amounted to HRK 160.8 million, out of which 36% relates to operating revenues from international operations. Majority of operating revenues from international operations come from the markets of Georgia, Kosovo and Bosnia and Herzegovina. On the other hand, the operating expenses increased by 19% when compared to the same period of the previous year, which resulted in achieved EBITDA of HRK 25.6 million..

In the period from January to September of 2017, IGH Group achieved a net profit of HRK 9.7 million, also primarily due to a 51% increase in operating revenues, which amounted to HRK 177.8 million, and a positive result from exchange rate differentials. Consolidated operating revenues from international operations represent 32% of total consolidated operating revenues. Consolidated operating expenses amounted to HRK 159.9 million, which is an increase of 28% when compared to the period from January to September of 2016, which, together with a significant increase in revenues resulted in achieved EBITDA of HRK 24.4 million.

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
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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,
registarski 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:
Zagrebačka banka d.d.
IBAN:
HR7723600001101243767
SWIFT kod: ZABHR2X

Uprava:
Ivan Palodino, dipl. oec, predsjednik Uprave
mr.sc. Oliver Kumrić, dipl.ing.grad.,
član Uprave

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



In addition to this, in the period January – September, 2017, IGH d.d. achieved a positive result from exchange rate difference amounting to HRK 2 million, as a result of appreciation of the HRK exchange rate in relation to EURO, but irrespective of this effect, the net result is definitely positive, which is a continuation of an upward business trend according to all indicators.

On 30 September 2017, INSTITUT IGH d.d., had active contracts in progress amounting to HRK 274.5 million, which is 17% less compared to the situation on 31 December 2016. In the period from January to September 2017, IGH d.d. contracted new projects amounting to HRK 72.8 million. IGH d.d. marks positive results in ongoing business operations and this confirms the fact that a positive operating revenue is achieved for five trimesters in a row. Along with this, the active, ongoing contracts per employee is also satisfactory.

A total of 554 employees were employed with INSTITUT IGH d.d. and its subsidiaries on 30 September 2017, of which 14% relates to employees in foreign subsidiaries.

Despite positive trends in operational business and the status of contracts per employee, which provide grounds for optimism for the following period, the fact that the Company continues to record negative equity and that the obligation to repay the senior loan principal commenced in June 2017, in compliance with provisions of the Pre-bankruptcy Settlement and subsequent agreements with creditors of category a), cannot be disregarded. The Company has not paid corresponding principal instalment till the day of this report, but the Management Board gives maximum effort to regulate relationships with the creditors and fulfil its liabilities. We are confident that the outcome will be positive. Furthermore, taking into account all indicators, Management Board is confident that the business operations in the following period will be successful and stable.

Zagreb, 27 October 2017

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

Ivan Paladina, President of the Management Board



Attachment 1.

Reporting period:

1.1.2017

do

30.9.2017

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: 554

(quarter end)

Consolidated report: NO

NKD code: 7219

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: ŠPINDERK JADRANKA

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

Telephone: 01 6125 444

Telefaks: 01 6125 404

E-mail address: igh@igh.hr

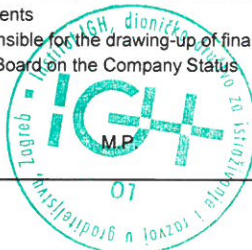
Family name and name: IVAN PALADINA

OLIVER KUMRIĆ

(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



Paladini
 (signature of the person authorized to represent the company)

FD

BALANCE SHEET
as of 30.09.2017.

INSTITUT IGH D.D.			
Position	AOP	Previous period	Current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED AND NON - PAID CAPITAL	001		
B) LONG - TERM ASSETS (003+010+020+029+033)	002	361.314.399	358.321.720
I. INTANGIBLE ASSETS (004 to 009)	003	4.144.908	4.124.356
1. Assets development	004	0	0
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	005	1.531.701	1.454.263
3. Goodwill	006	0	
4. Prepayments for purchase of intangible assets	007	0	
5. Intangible assets in preparation	008	2.613.207	2.670.093
6. Other intangible assets	009	0	0
II. TANGIBLE ASSETS (011 to 019)	010	175.963.426	173.247.956
1. Land	011	63.760.082	63.760.082
2. Buildings	012	62.001.464	59.031.333
3. Plant and equipment	013	13.934.871	14.056.316
4. Instruments, plant inventories and transportation assets	014	5.473.529	5.667.224
5. Biological assets	015	0	0
6. Prepayments for tangible assets	016	335.434	264.060
7. Tangible assets in preparation	017	26.537.960	26.548.855
8. Other material assets	018	303.336	303.336
9. Investment in buildings	019	3.616.750	3.616.750
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	179.619.100	179.604.010
1. Shares (stocks) in related parties	021	156.137.605	156.137.605
2. Loans given to related parties	022	5.088.198	4.161.042
3. Participating interests (shares)	023		
4. Loans to entrepreneurs in whom the entity hold participating interests	024		
5. Investment in securities	025		604.699
6. Loans, deposits and similar assets	026	444.745	819.479
7. Other long - term financial assets	027	2.948.552	2.881.185
8. Investments accounted by equity method	028	15.000.000	15.000.000
IV. RECEIVABLES (030 to 032)	029	1.586.965	1.345.398
1. Receivables from related parties	030	0	0
2. Receivables based on trade loans	031	1.586.965	963.123
3. Other receivables	032	0	382.275
V. DEFERRED TAX ASSETS	033	0	0
C) SHORT TERMS ASSETS (035+043+050+058)	034	166.258.803	172.011.877
I. INVENTORIES (036 to 042)	035	108.840.997	108.840.997
1. Raw material	036	0	0
2. Work in progress	037	247.493	247.493
3. Finished goods	038	0	0
4. Merchandise	039	568.162	568.162
5. Prepayments for inventories	040	0	0
6. Long - term assets held for sale	041	108.025.342	108.025.342
7. Biological assets	042	0	0
II. RECEIVABLES (044 to 049)	043	40.596.629	47.001.441
1. Receivables from related parties	044	790.148	1.064.623
2. Accounts receivable	045	36.784.143	42.294.666
3. Receivables from participating entrepreneurs	046	0	0
4. Receivables from employees and shareholders	047	678.198	735.120
5. Receivables from government and other institutions	048	955.976	500.015
6. Other receivables	049	1.388.164	2.407.017
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	050	13.287.447	14.178.452
1. Shares (stocks) in related parties	051	0	0
2. Loans given to related parties	052	298.204	46.500
3. Participating interests (shares)	053	0	0
4. Loans to entrepreneurs in whom the entity hold participating interests	054	0	0
5. Investment in securities	055	0	0
6. Loans, deposits and similar assets	056	12.989.243	14.131.952
7. Other financial assets	057	0	0
IV. CASH AT BANK AND IN CASHIER	058	3.533.730	1.990.987
D) PREPAID EXPENSES AND ACCRUED INCOME	059	4.023.444	13.329.052
E) TOTAL ASSETS (001+002+034+059)	060	531.596.646	543.662.649
F) OFF-BALANCE SHEET NOTES	061	38.462.783	52.614.077

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	-29.746.045	-20.016.462
I. SUBSCRIBED CAPITAL	063	116.604.710	116.604.710
II. CAPITAL RESERVES	064	0	0
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	0	-3.104.379
1. Reserves prescribed by law	066	0	0
2. Reserves for treasury stocks	067	1.446.309	1.446.309
3. Treasury stocks and shares (deduction)	068	1.446.309	4.550.688
4. Statutory reserves	069	0	0
5. Other reserves	070	0	0
IV. REVALUATION RESERVES	071	137.678.337	134.964.577
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-223.342.725	-281.315.332
1. Retained earnings	073	12.010.689	2.713.759
2. Accumulated loss	074	235.353.414	284.029.091
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	075	-60.686.367	12.833.962
1. Profit for the current year	076		12.833.962
2. Loss for the current year	077	60.686.367	0
VII. MINORITY INTEREST	078	0	0
B) PROVISIONS (080 to 082)	079	6.851.514	6.851.514
1. Provisions for pensions, severance pay and similar liabilities	080	768.473	768.473
2. Reserves for tax liabilities	081	0	0
3. Other reserves	082	6.083.041	6.083.041
C) LONG TERM LIABILITIES (084 to 092)	083	321.829.906	305.055.918
1. Liabilities to related parties	084	241.777	63.685
2. Liabilities for loans, deposits etc.	085	70.500	70.500
3. Liabilities to banks and other financial institutions	086	280.626.785	269.692.316
4. Liabilities for received prepayments	087	0	0
5. Accounts payable	088	6.152.231	3.305.040
6. Liabilities arising from debt securities	089	0	0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090	0	0
8. Other long-term liabilities	091	4.464.873	2.246.341
9. Deferred tax liability	092	30.273.740	29.678.036
D) SHORT - TERM LIABILITIES (094 to 105)	093	200.512.432	214.602.737
1. Liabilities to related parties	094	980.990	1.282.039
2. Liabilities for loans, deposits etc.	095	3.373.345	3.409.995
3. Liabilities to banks and other financial institutions	096	65.459.326	73.382.787
4. Liabilities for received prepayments	097	2.809.026	7.498.292
5. Accounts payable	098	24.435.373	27.341.099
6. Liabilities arising from debt securities	099	70.973.241	70.973.241
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	0	0
8. Liabilities to employees	101	9.036.057	7.577.665
9. Liabilities for taxes, contributions and similar fees	102	12.481.386	12.415.460
10. Liabilities to share - holders	103	0	0
11. Liabilities for long term assets held for sale	104	0	0
12. Other short - term liabilities	105	10.963.688	10.722.159
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	32.148.839	37.168.942
F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)	107	531.596.646	543.662.649
G) OFF-BALANCE SHEET NOTES	108	38.462.783	52.614.077
APPENDIX TO BALANCE SHEET (only for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109		
2. Attributed to minority interests	110		

PROFIT AND LOSS ACCOUNT
for period 01.01.2017. to 30.09.2017

INSTITUT IGH D.D.

Position	AOP	Previous period		Current period	
		Cummulative	Periodical	Cummulative	Periodical
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111	111.793.697	41.025.017	160.799.046	63.842.312
1. Sales revenues	112	107.868.229	39.884.839	158.508.415	63.313.909
2. Other operating revenues	113	3.925.468	1.140.178	2.290.631	528.403
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	118.148.135	41.952.509	141.023.989	56.805.767
1. Changes in the value of work in progress and finished goods	115		0		0
2. Material costs (117 to 119)	116	32.121.828	13.017.166	55.466.194	26.937.524
a) Raw material and material costs	117	4.769.438	1.506.002	5.776.776	2.149.963
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	27.352.390	11.511.164	49.689.418	24.787.561
3. Staff costs (121 to 123)	120	62.180.049	19.653.569	65.001.265	22.795.946
a) Net salaries and wages	121	36.193.233	11.403.337	34.530.439	11.529.079
b) Costs for taxes and contributions from salaries	122	16.869.791	5.344.348	22.039.886	8.672.239
c) Contributions on gross salaries	123	9.117.025	2.905.884	8.430.940	2.594.628
4. Depreciation	124	5.627.319	1.875.773	5.795.306	1.977.276
5. Other costs	125	12.961.666	4.021.725	11.537.715	3.681.369
6. Impairment (127+128)	126	1.428.295	231.924	2.631.811	1.018.181
a) Impairment of long-term assets (excluding financial assets)	127		0		
b) Impairment of short-term assets (excluding financial assets)	128	1.428.295	231.924	2.631.811	1.018.181
7. Provisions	129	3.284.490	2.994.536	0	0
8. Other operating expenses	130	544.488	157.816	591.698	395.471
III. FINANCIAL INCOME (132 to 136)	131	5.388.158	301.031	3.347.228	-2.879.757
1. Interest income, foreign exchange gains, dividends and similar income from related	132	0	0	0	0
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	5.388.158	301.031	3.306.068	-2.920.917
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	0	0
4. Unrealized gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	0	0	41.160	41.160
IV. FINANCIAL EXPENSES (138 to 141)	137	12.897.714	4.190.056	10.884.027	3.612.150
1. Interest expenses, foreign exchange losses and similar expenses from related parties	138	214.549	19.333	110.233	-115.080
2. Interest expenses, foreign exchange losses and similar expenses from non - related	139	10.608.840	3.512.914	9.425.112	3.289.993
3. Unrealized losses (expenses) on financial assets	140	142.298	142.298	197.555	130.188
4. Other financial expenses	141	1.932.027	515.511	1.151.127	307.049
V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142		0	0	0
VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143		0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144		0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145		0	0	0
IX. TOTAL INCOME (111+131+142 + 144)	146	117.181.855	41.326.048	164.146.274	60.962.555
X. TOTAL EXPENSES (114+137+143 + 145)	147	131.045.849	46.142.565	151.908.016	60.417.917
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-13.863.994	-4.816.517	12.238.258	544.638
1. Profit before taxation (146-147)	149	0	0	12.238.258	544.638
2. Loss before taxation (147-146)	150	13.863.994	4.816.517	0	0
XII. PROFIT TAX	151	-685.281	-685.281	-595.703	-186.825
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-13.178.713	-4.131.236	12.833.961	731.463
1. Profit for the period(149-151)	153	0	0	12.833.961	731.463
2. Loss for the period (151-148)	154	13.178.713	4.131.236	0	0
APPENDIX to Profit and Loss Account (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	155				
2. Attributed to minority interests	156				
STATEMENT OF COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	-13.178.713	-4.131.236	12.833.961	731.463
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159	0	0	0	0
2. Movements in revaluation reserves of long-term tangible and intangible assets	160	0	0	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
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)	168	-13.178.713	-4.131.236	12.833.961	731.463
APPENDIX to Statement of comprehensive income (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	169				
2. Attributed to minority interests	170				

STATEMENT OF CASH FLOWS - Indirect method
period 01.01.2017. to 30.09.2017

Legal entity : INSTITUT IGH D.D.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-13.863.994	12.238.258
2. Depreciation	002	5.627.319	5.795.306
3. Increase in short-term liabilities	003	0	14.383.208
4. Decrease in short term receivables	004	0	
5. Decrease in inventories	005	0	
6. Other cash flow increases	006	1.734.808	
I. Total increase in cash flow from operating activities (001 to 006)	007	-6.501.867	32.416.772
1. Decrease in short - term liabilities	008	2.045.244	0
2. Increase in short - term receivables	009	4.831.125	15.710.419
3. Increase in inventories	010	0	0
4. Other cash flow decreases	011	0	14.771.654
II. Total decrease in cash flow from operating activities (008 to 011)	012	6.876.369	30.482.073
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	1.934.699
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	13.378.236	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	015	76.563	284.523
2. Cash inflows from sale of equity and debt financial instruments	016	1.337.838	
3. Interest receipts	017	552.266	172.258
4. Dividend receipts	018	0	
5. Other cash inflows from investing activities	019	21.013.668	2.063.000
III. Total cash inflows from investing activities(015 to 019)	020	22.980.335	2.519.781
1. Cash outflows for purchase of long - term tangible and intangible assets	021	1.770.591	2.626.280
2. Cash outflows for purchase of equity and debt financial instruments	022	1.299.000	0
3. Other cash outflows from investing activities	023	1.924.071	466.500
IV. Total cash outflows from investing activities (021 to 023)	024	4.993.662	3.092.780
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES(020-024)	025	17.986.673	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES(024-020)	026	0	572.999
CASH FLOW FROM FINANCING ACTIVITIES			
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	821.000
3. Other cash inflows from financing activities	029	0	0
V. Total cash inflows from financing activities (027 to 029)	030	0	821.000
1. Cash outflows for repayment of loans and bonds	031	963.834	1.171.250
2. Dividends paid	032	0	0
3. Cash outflows for finance lease	033	455.068	286.646
4. Cash outflows for purchase of own stocks	034	0	2.267.547
5. Other cash outflows from financing activities	035	0	
VI. Total cash outflows from financing activities (031 do 035)	036	1.418.902	3.725.443
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	1.418.902	2.904.443
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	3.189.535	0
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	0	1.542.743
Cash and cash equivalents at the beginning of period	041	430.996	3.533.730
Increase in cash and cash equivalents	042	3.189.535	0
Decrease in cash and cash equivalents	043	0	1.542.743
Cash and cash equivalents at the end of period	044	3.620.531	1.990.987

STATEMENT OF CHANGES IN EQUITY
from 1.1.2017 to 30.9.2017

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital		116.604.710	116.604.710
2. Capital reserves	001		0
3. Reserves from profit	002		-3.104.379
4. Retained earnings or accumulated loss	003	0	
5. Profit / loss for the current year	004	-223.342.725	-281.315.332
6. Revaluation of long - term tangible assets	005	-60.686.367	12.833.962
7. Revaluation of intangible assets	006	137.678.337	134.964.577
8. Revaluation of financial assets available for sale	007	0	0
9. Other revaluation	008	0	0
10. Total capital and reserves (AOP 001 to 009)	009	0	0
11. Currency gains and losses arising from net investments in foreign operations	010	-29.746.045	-20.016.462
12. Current and deferred taxes (part)	011		
13. Cash flow hedging	012		
14. Changes in accounting policies	013		
15. Correction of significant errors in prior periods	014		
16. Other changes in capital	015		
17. Total increase or decrease in capital (AOP 011 to 016)	016		
	017	0	0
17 a. Attributed to equity holders of parent company	018		
17 b. Attributed to minority interest	019		

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

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STATEMENT OF MANAGEMENT BOARD ON THE RESPONSIBILITY FOR PREPARING FINANCIAL REPORTS FOR THE INSTITUT IGH, JSC

The Company's Management Board has to ensure that the INSTITUT IGH d.d. financial reports for the third quarter of 2017 are prepared in accordance with the Accountancy Law (Official Gazette 78/15, 133/15, 120/16) and International Financial Reporting Standards as adopted by the European Union, so that these documents provide a true and unbiased picture of the Company'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 Company has adequate resources to continue operation in the foreseeable future. Accordingly, the Management Board has prepared its financial reports under assumption that the Company will continue to operate 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 Company, 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 Company'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

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27 October 2017



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023/323-299
Fax: 023/323-225

Mjerodavni sud:
Trgovački sud u Zagrebu,
registarski 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:
HR7223600001101243767
SWIFT kod: ZABHR2X

Uprava:
Ivan Paladina, dipl.oec., predsjednik Uprave
mr.sc. Oliver Kumić, dipl.ing.grad.,
član Uprave

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

