

Pursuant to Paragraph 35 of the validly concluded pre-bankruptcy settlement, and according to Article 79 of the Law on Financial Operations and Pre-bankruptcy Settlement (Official Gazette [108/12](#), [144/12](#), [81/13](#), [112/13](#)), INSTITUT IGH d.d. with the registered seat in Zagreb, Janka Rakuše 1, OIB: 79766124714 (hereinafter: the Company and/or the Debtor) submits the following:

REPORT ON THE FULFILMENT OF THE PRE-BANKRUPTCY SETTLEMENT PLAN RELATING TO THE PERIOD FROM 1/10/2014 TO 31/12/2014

- I INSTITUT IGH d.d. concluded the pre-bankruptcy settlement arrangement on 5 December 2013 at the Commercial Court - Zagreb, 72. Stpn-305/2013. This settlement arrangement became valid on 28 December 2013. The company received the settlement validity clause on 15 April 2014.
- II The Company emphasizes that it paid by the end of the fourth quarter (1/10 – 31/12/2014) the amount of HRK 708,348.92 in employee claims that occurred before the opening of the pre-bankruptcy settlement procedure, and additional HRK 324,418.08 as taxes and contributions relating to the gross amount. Consequently, in the period from the valid conclusion of the pre-bankruptcy settlement to 31 December 2014, the Company paid the total of HRK 12,769,540.84 (90.15%) of priority and other employee claims, and it also paid in relation to these net/gross claims the amount of 2,274,695.66 for taxes and contributions on the gross amount, which all together amounts to HRK 15,044,236.50.
- III The Company also emphasizes that interest to the principal of the senior debt for the grace period granted according to the validly concluded pre-bankruptcy settlement arrangement was paid for the fourth quarter period (01/10 – 31/12/2014) to the **category a) creditors** (loan-related claims secured by mortgage rights on the Debtor's property or to the property of the companies associated to the debtor), to the **category b) creditors** (claims relating to other loans not secured by mortgage rights on the Debtor's property), and to the **category c) creditors** (claims based on factoring, financial leasing, and loans from non-financial creditors), and this as follows:
- category a) creditors: HRK 1,189,262.97
 - category b) creditors HRK 27,718.59
 - category c) creditors HRK 2.706,43.

The amount of HRK 4,480,627.79 was also paid to the **category c) creditors** (claims based on factoring, financial leasing, and loans from non-financial creditors).

The amount of HRK 8,609,017.06 was paid to the **category f) creditors** (claims based on the contracts for the sale of goods or services concluded by the Debtor and amounting to more than HRK 1,333.00).

The amount of HRK 169,053.51 was paid to the **category g) creditors** (claims based on the contracts for the sale of goods or services concluded by the Debtor that can not be converted into the Debtor's share capital due to legal restrictions).

The amount of HRK 314.898,87, including appropriate taxes and contributions, was paid to the **category k) creditors** (claims related to author's fees and temporary service contracts).

- IV In the fourth quarter (01/10 – 31/12/2014), the total of HRK 14,793,285.22 was paid by the Company in settlement of obligations arising from the pre-bankruptcy settlement. In addition, the company paid HRK 708,348.92 of priority and other employee claims, and the corresponding HRK 324,418.08 for taxes and contributions calculated for gross amounts. Consequently, in the fourth quarter (01/10 – 31/12/2014), the Company paid the total of HRK 15,826,052.22 (in words: fifteen million eight hundred and twenty-six thousand and fifty-two kunas and twenty-two lipas) of obligations/debts arising from the validly concluded pre-bankruptcy settlement, including priority and other employee claims with the corresponding taxes and contributions.
- V Since the validly concluded pre-bankruptcy settlement arrangement and until the period ending on 31 December 2014, the company paid the total of **HRK 81,067,243.66 (eighty-one million sixty-seven thousand and two hundred and forty-three kunas and sixty-six lipas) of obligations incurred prior to the opening of the pre-bankruptcy settlement procedure**, and this through monetary payments, issuance of shares with the purpose of converting part of creditor debt into capital, payment of priority claims and other employee claims with corresponding taxes and contributions, and through write-off of obligations in accordance with the pre-bankruptcy settlement arrangement. By the period ending on 31 December 2014, the Company had fully honoured all its obligations arising from the pre-bankruptcy settlement commitments for the said period, including the payment of priority and other employee claims with the corresponding taxes and contributions.
- VI The INSTITUT IGH d.d. declares herewith that it did not take any action that would bring any of its creditors in an unequal position.
- VII Proper preconditions for successful fulfilment of obligations assumed via the concluded pre-bankruptcy settlement, and also for continued liquidity and solvency of the company, have been created through the validly ended pre-bankruptcy settlement, through an increase in share capital by investment of rights (by converting claims into capital), through an increase in share capital via monetary payment, and through the company's positive operation in the business year of 2014.

Zagreb, 13 February 2015

INSTITUT IGH d.d.

Željko Grzunov, B.Sc.Econ.

President of the Management Board