

Pursuant to item 35 of legally binding pre-bankruptcy settlement and in compliance with Article 79 of the Act on Financial Operations and Pre-Bankruptcy Settlement (Official Gazette of the Republic of Croatia 108/12, 144/12, 81/13, 112/13), INSTITUT IGH d.d., with the registered seat in Zagreb, Janka Rakuše 1, VAT no: 79766124714 (hereinafter referred to as: the Company and/or Debtor) hereby submits the following

**REPORT ON FULFILMENT OF THE PRE-BANKRUPTCY SETTLEMENT PLAN  
FOR THE PERIOD FROM 1 April 2017 - 30 June 2017**

- I INSTITUT IGH d.d. concluded the pre-bankruptcy settlement on 5 December 2013, before the Commercial Court in Zagreb, 72. Stpn-305/2013. The subject settlement came into force on 28 December 2013. The proof of the legal validity clause was received by the Company on 15 April 2014.
- II The Company advises that an agreement has been executed with the creditors of category a) claims from credit operations secured by lien on the property of the Debtor or on the property of associated companies of the debtor by which the parties agree that the grace period for the repayment of the principal of the senior debt is extended by 18 months, and upon expiry of the grace period the repayment will be made in 13 semi-annual instalments, the first of which becomes due on 30 June 2017, and the last on 30 June 2023. In the grace period and the period of repayment of the senior debt, a 4.5% fixed interest is calculated and charged annually, in the manner defined by the Decision on the approval of the pre-bankruptcy settlement.
- III The Company settled the following claims in the concerned accounting period until the date of this Report:
- A total amount of **772.030,62 HRK** was paid to the creditors of category a) claims from credit operations secured by lien on the property of the Debtor or on the property of associated companies of the debtor, the accrued interest on the principal of the senior debt for the grace period in accordance with concluded agreements and provisions of the validly concluded pre-bankruptcy settlement
  - The creditors of category b) claims from other credit operations without security by lien on Debtor's property and creditors of category d) claims based on factoring, financial leasing and loans granted by non-financial creditors, were paid claims that became due based on the 4th instalment of the principal of senior debt increased by the accrued interest in the amount of **19.239,49 HRK** as follows:
    - the amount of **19.239,49 HRK** to creditors of category d)
  - The amount of **3.419.719,45 HRK** was paid to creditors of category f)- claims based on contracts signed with the debtor for the purchase of goods or services in the amounts exceeding 1,333.33 HRK.
  - The amount of **138.232,93 HRK** was paid to creditors of category g)- claims based on contracts signed with the Debtor for the purchase of goods and services, for the claims which could not be converted to Debtor's share capital due to legal limitations.
  - The amount of **2,442,556.45 HRK** was paid to creditors of category j) - claims by the Republic of Croatia and by public administration bodies based on contributions required by law.

- The amount of **338.906,03 HRK**, including pertaining taxes and contributions, was paid to creditors of category k) - claims based on authors' fees and temporary service contracts.

Until the date of this Report, the Company has not settled the accrued interest towards creditors category a) claims from credit operations secured by lien on the property of the Debtor or on the property of associated companies of the debtor, and category b) - claims from other credit operations without security by lien on Debtor's property in the total amount of **1.904.197,27 HRK**, as well as due instalments of Senior debt in the amount of **7.548.844,07 HRK**. The Company's Management Board undertakes best possible efforts to settle relationships with the concerned creditors within a reasonable period of time and to pay the given amounts.

- IV Further to the above mentioned, the Company paid, for the accounting period i.e. the second quarter (1 April-30 June, 2017), a total of

**7.130.684,97 HRK**

(written: seven million one hundred thirty thousand six hundred eighty four kunas and ninety seven) lipas)

of obligations from the validly concluded pre-bankruptcy settlement.

- V As of the date of validly concluded pre-bankruptcy settlement agreement until the accounting period ending on 30 June 2017 the Company fulfilled its obligations through cash payments, through allocation of shares to convert a part of creditor claims into capital, through payment of priority claims and other employee claims with pertaining taxes and contributions and through write-off of obligations in accordance with the provisions of the pre-bankruptcy settlement, and settled a total amount of

**126.923.040,22 HRK**

(written:: one hundred twenty six million nine hundred twenty three thousand forty kunas and twenty-two lipas)

of obligations incurred prior to the start of the pre-bankruptcy settlement procedure.

- VI The Company hereby declares that it has not undertaken any action that would bring any of its creditors to an unequal position.

Zagreb, 28 July 2017



INSTITUT IGH, d.d.

Ivan Paladina, BSc. Econ, President of the Management Board

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