

INSTITUT IGH d.d. with the registered seat in Zagreb, Janka Rakuše 1, OIB: 79766124714 (hereinafter referred to as: the company and/or debtor) pursuant to Item 35 of validly concluded Pre-Bankruptcy Settlement and according to 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) hereby submits the following:

## **REPORT ON FULFILMENT OF THE PRE-BANKRUPTCY SETTLEMENT PLAN**

### **IN THE PERIOD FROM 1 APRIL 2015 TO 30 JUNE 2015**

- 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 concerned settlement came into force on 28 December 2013. The clause on coming into force was received by the company on 15 April 2014.
  
- II. In the accounting period covering the second quarter (1 April – 30 June, 2015), INSTITUT IGH d.d. paid a total of HRK 688,998.0 for employees' claims incurred prior to initiation of the pre-bankruptcy settlement procedure and an additional amount of HRK 292,810.05 for taxes and contributions related to gross amounts. In view of the above, as of the date of the validly concluded pre-bankruptcy settlement to 30 June 2015 inclusive, the Company paid a total of HRK 14,147,538.64 (100%) of priority and other employees' claims, while for established claims in the gross and net amount respectively the Company additionally paid a total of HRK 2,856,306.21 for taxes and contributions related to gross amounts, which cumulatively amounts to HRK 17,003,844.85.

The Company points out that all priority and other employees' claims incurred prior to initiation of the pre-bankruptcy settlement procedure were fully settled in the period ending with 30 June 2015, inclusive.

- III. In the accounting period covering the second quarter (1 April- 30 June, 2015), the Company paid the accrued interest on the principal of the senior debt for the grace period to the creditors from 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 creditors from category b) – claims from other credit operations without security by lien on Debtor's property and creditors from category c) claims based on factoring, financial leasing and loans granted by non-financial creditors; in compliance with provisions of the validly concluded pre-bankruptcy settlement as follows:
  - to creditors of category a) amount of HRK 1,164,782.10
  - to creditors of category b) amount of HRK 27,195.16
  - to creditors of category c) amount of HRK 2,677.01.

The creditors from category c) claims based on factoring, financial leasing and loans granted by non-financial creditors were paid the amount of HRK 1,526,255.38.

The creditors from category f) – claims based on the goods or services purchase contracts by the Debtor in the amount greater than HRK 1,333.33 were paid the amount of HRK 3,534,392.76.

The creditors from category g) claims based on the goods or services purchase contracts by the Debtor that cannot be converted into share capital of the Debtor due to legal limitations were paid the amount of HRK 169,053.51.

The creditors from category j) – claims by the Republic of Croatia and public administration bodies based on the contributions stipulated by law were paid HRK 2,442,556.45.

The creditors from category k) – claims based on author's fees and temporary service contracts were paid the amount of HRK 314,986.32, including corresponding taxes and contributions.

- IV. Concluding with the accounting period covering the second quarter (1 April – 30 June 2015), the Company paid a total of HRK 9,181,898.69 of liabilities arising from the validly concluded pre-bankruptcy settlement. In addition, the Company paid a total of HRK 688,998.90 for priority and other employees' claims and the corresponding HRK 292,810.05 for taxes and contributions related to gross amounts. In view of the above, a total of **HRK 10,163,707.64** (in words: ten million one hundred and sixty-three thousand seven hundred and seven kunas and sixty-four lipas) were paid by the Company in the accounting period covering the second quarter (1 April- 30 June 2015), for liabilities arising from the validly concluded pre-bankruptcy settlement, including priority and other employees' claims with the corresponding taxes and contributions.
- V. In the period from the date of validly concluded pre-bankruptcy settlement to the accounting period ending **on 30 June 2015 inclusive, the Company paid a total of HRK 93,394,676.77 (in words: ninety-three million three hundred and ninety-four thousand six hundred and seventy-six Croatian kunas and seventy-seven lipas) for liabilities incurred prior to initiation of the pre-bankruptcy settlement procedure**, through monetary payments, issuance of shares by way of conversion of a part of creditors' claims into capital, payment of priority claims and other employees' claims with corresponding taxes and contributions and through the liabilities write-off in compliance with provisions of the pre-bankruptcy settlement. In the accounting period ending on 30 June 2015, the Company fully settled all liabilities assumed through the concluded pre-bankruptcy settlement for the aforementioned accounting period, including payment of priority and other employees' claims with pertaining taxes and contributions.
- VI. INSTITUT IGH d.d. hereby declares that the Company has not undertaken any action which would lead to unequal position of its creditors.

Zagreb, 24 July 2015.

INSTITUT IGH d.d.

Ivan Paladina, B.Econ.

President of the Management Board