

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

REPORT ON FULFILMENT OF PRE-BANKRUPTCY SETTLEMENT PLAN FOR THE PERIOD FROM 1 OCTOBER 2016 - 31 DECEMBER 2016

- I INSTITUT IGH, d.d. concluded the pre-bankruptcy settlement on 5 December 2013 at the Commercial Court in Zagreb, 72. Stpn-305/2013. The concerned settlement came into force on 28 December 2013. The legal validity clause was received by the company on 15 April 2014.
- II The company additionally entered into an agreement with creditors from category a) claims from credit operations secured by liens on the property of the Debtor or on the property of associated companies of the Debtor, by which they agree that the grace period on the repayment of senior debt principal 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 will become due on 30 June 2017 and the last on 30 June 2023. In the grace period and period of repayment of senior debt, a 4.5% fixed interest rate will be charged annually in the manner defined by the Decision on the approval of the pre-bankruptcy settlement.
- III For the concerned accounting period until the date of preparation of this report, the following claims have been settled:
 - To 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 Company paid the accrued interest on the principal of the senior debt for the grace period in compliance with concluded agreements and provisions of the validly concluded pre-bankruptcy settlement in the total amount of HRK **1,182,107.05**
 - To creditors of category b) claims from other credit operations which are not secured by lien on Debtor's property and creditors of category d) claims based on factoring, financial leasing and loans granted by non-financial creditors, the Company paid the claims that became due on the basis of the 2nd instalment of the senior debt principal increased by accrued interest in the amount of HRK **208,064.86**, as follows:
 - - The amount of HRK 188,428.32 to creditors of category b)
 - The amount of HRK 19,636.54 to creditors of category d)
 - The amount of HRK **3,507,785.34** was paid to creditors of category f) - claims based on contracts signed with the Debtor for the purchase of goods or services in the amount exceeding HRK 1,333.33
 - The amount of HRK **129,387.83** was paid to creditors of category g) – claims based on contracts signed with the Debtor on the purchase of goods or services in case the claims cannot be converted to Debtor's share capital due to legal restrictions.

- The amount of HRK **2,442,556.45** 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 HRK **314,986.32** was paid, including the appropriate taxes and contributions, to creditors from category k) - claims based on author's fees and temporary service contracts

Until the date of preparation of this report, the Company did not settle the accrued interests towards creditors of category a) claims from credit operations secured by lien on the property of the Debtor or the property of associated companies of the Debtor in the total amount of HRK **1,158,041.49**. The Management Board of the Company believes that they will be settled soon.

- IV Further to the mentioned above, for the accounting period, which represents the fourth quarter (1 October -31 December of 2016), the Company paid a total of

HRK 7,784,887.85

(in words: seven million seven hundred eighty four thousand eight hundred eighty seven kunas and 85 lipas)

of obligations from the legally binding pre-bankruptcy settlement agreement.

- V As of the date of the validly concluded pre-bankruptcy settlement until the accounting period ending on 31 December 2016, the Company settled, through payments in cash, issuance of shares through allocation of shares to convert a part of creditor claims into capital, through payment of priority claims and other employee claims with corresponding taxes and contributions and through write-off of obligations in compliance with the provisions of the pre-bankruptcy settlement, a total of

HRK 119,003,761.38

(in words: one hundred nineteen million three thousand seven hundred sixty one kunas and thirty eight lipas)

of obligations incurred prior to opening of the pre-bankruptcy settlement proceedings.

- VI INSTITUT IGH d.d. hereby declares that the Company has not undertaken any action that would lead to unequal position of its creditors.

Zagreb, 15 February 2017



INSTITUT IGH, d.d.

Paladina

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