

INSTITUT IGH d.d., with registered office in Zagreb, Janka Rakuše 1, PIN: 79766124714 (hereinafter: Company and/or Debtor) pursuant to item 35 of legally binding pre-bankruptcy settlement, 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](#)) hereby submits

## **REPORT ON FULFILMENT OF THE PRE-BANKRUPTCY SETTLEMENT PLAN FOR THE PERIOD from 1 April 2018 to 30 June 2018**

- I As of the date of validly concluded pre-bankruptcy settlement and until the accounting period ending 30 June 2018, the Company met its obligations through cash payments, issuance of shares to convert a part of creditor claims to equity, through payment of priority claims and other employee claims with pertaining taxes and contributions and through write-off of obligations in accordance with provisions of the pre-bankruptcy settlement, i.e. it settled a total amount of

**HRK 137.397.957,76**

**(in words: one hundred thirty seven million three hundred ninety seven thousand nine hundred fifty seven kunas and seventy six lipas)**

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

- II 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 proof of the legal validity clause was received by the Company on 15 April 2014.
- III The Company additionally entered into an agreement with 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 fixed 4.5% interest is calculated and charged annually, in the manner defined by the Decision on the approval of the pre-bankruptcy settlement.
- IV The Company settled the following claims in the concerned accounting period until the date of this Report:
- An amount of **HRK 54.387,81** was paid to creditors of category a) - claims on credit securities secured rights on the Debtor's property or the assets of Debtor's related companies
  - An amount of **HRK 129.721,55** was paid to creditors of category f) - claims based on contracts signed with the Debtor for the purchase of goods or services in an amount exceeding HRK 1,333.33
  - An amount of **HRK 2.442.556,45** was paid to creditors of category j) - the claims of the Republic of Croatia and the public administration bodies on the basis of statutory allowances.

Until the date of this report, the Company has still not settled the interest due 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 and category b) claims from other credit operations

without security by lien on Debtor's property in the total amount of **HRK 5.659.384,79** and the installments of the Senior debt in the amount of **HRK 22.626.984,56** that became due.

The Company's Management is making the greatest possible effort to regulate relations with concerned creditors within a reasonable period of time and settle the mentioned obligations. The mentioned debt is not settled for the sake of the Management Board's intention to sell the part of the company's property, on which the pledged right for the debt in question is entered. The same is planned to be implemented by the end of the current year.

According to the settlement plan from the sale of real estate, the Company offset the receivables from the sale of the real-estate company and settled the PIK claim in the nominal value of HRK 49 million.

At the reporting date, the Company did not settle debts to creditors of category f) claims based on contracts signed with the Debtor for the purchase of goods or services in an amount exceeding HRK 1,333.33 in the amount of **HRK 3.425.492,76** and category k) claims on the basis of authors fee and service contracts in the amount of **HRK 341.603,55**. These debts will be settled out of the current business as soon as possible.

- V Further to the above mentioned, in the accounting period 1 April – 30 June 2018, the Company settled a total of:

**HRK 2.626.665,81**

**(in words: two million six hundred twenty six thousand six hundred sixty five kunas and eighty one lipas)**

of obligations from the validly concluded pre-bankruptcy settlement.

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

Zagreb, 27 July 2018



INSTITUT IGH, d.d.

Oliver Kumrić, MSc.CE

Director