

Pursuant to Item 35 of the legally binding pre-bankruptcy settlement arrangement, and according to Article 79 of the Financial Operations and Pre-Bankruptcy Settlement Act (OG Nos. [108/12](#), [144/12](#), [81/13](#), [112/13](#)), INSTITUT IGH, d.d., company with the registered seat in Zagreb, Janka Rakuše 1, OIB:79766124714 (hereinafter referred to as: the Company and/or Debtor) submits herewith the following

**REPORT ON FULFILMENT OF PRE-BANKRUPTCY SETTLEMENT PLAN
FOR THE PERIOD FROM 1 SEPTEMBER 2015 TO 31 DECEMBER 2015**

- I INSTITUT IGH, d.d. signed the pre-bankruptcy settlement arrangement on 5 December 2013 at the Commercial Court in Zagreb, 72. Stpn-305/2013. This settlement entered into force on 28 December 2013. The legal validity clause was received by the company on 15 April 2014.
- II In compliance with provisions of the validly concluded pre-bankruptcy settlement, the company paid interest on the senior-debt principal for the grace period to its creditors listed in category a) *claims from credit activities secured by liens on the property of the Debtor or on the property of the Debtor's affiliates*; to its creditors listed in category b) *claims from other credit activities which are not secured by liens on the property of the Debtor*; and to its creditors listed in category d) *claims based on factoring, financial leasing and loans granted by non-financial creditors*, as follows:
- The amount of HRK 1,184,385.60 to creditors listed in category a)
 - The amount of HR 27,617.97 to creditors listed in category b)
 - The amount of HRK 2,618.18 to creditors listed in category d)

The amount of 3,541,178.07 was paid to creditors listed in category f) - *claims based on contracts signed with the debtor for the purchase of goods or services in the amounts exceeding HRK 1,333.00*.

The amount of HRK 66,887.83 was paid to creditors listed in category g) - *claims based on contracts signed with the Debtor for the purchase of goods or services, in case the claims can not be converted to the Debtor's share capital due to legal limitations*.

The amount of HRK 2,442,556.45 was paid to creditors listed in category j) - *claims by the Republic of Croatia and by public administration bodies based on levies and contributions required by law*.

The amount of HRK 314,986.32 was paid, together with appropriate taxes and contributions, to creditors listed in category k) - *claims based on authors' fees and temporary service contracts*.

- III. Consequently, the Company paid in the fourth quarter (01/09/2015 - 31/12/2015) a total of

HRK 7,580,230.42

**(in words: seven million five hundred and eighty thousand two hundred and thirty kunas
and forty-two lipas)**

of obligations it had to honour based on the legally binding pre-bankruptcy settlement arrangement.

IV In the period from 01/09/2015 to 31/12/2015, the company did not completely fulfil the obligations assumed for that period according to the pre-bankruptcy settlement. Thus the claims relating to the first instalment of the senior debt principal were not paid to the creditors listed in categories a), b) and d). The total amount of these claims is:

HRK 6,688,714.27

(in words: six million six hundred and eighty-eight thousand seven hundred and fourteen kunas and twenty-seven lipas)

as follows:

- The amount of HRK 6,524,679.12 to creditors listed in category a)
- The amount of HRK 149,122.01 to creditors listed in category b)
- The amount of HRK 14,913.14 to creditors listed in category d)

The company wishes to emphasize that it is currently in the process of reaching agreement with the said creditors according to which the grace period for repayment of the senior debt principal would be extended for 18 months, i.e. the first instalment for the senior debt principal would be due on 30 June 2017. Consequently, the time for the senior debt repayment would be reduced to 6.5 years counting from the due date of the first instalment (13 semi-annual instalments in total).

It is expected by the company that the above agreement with its creditors will be signed very soon.

V As from the date of the duly concluded pre-bankruptcy settlement agreement, and until the period ending on 31 December 2015, the company honoured 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 the corresponding taxes and contributions, and through write-off of obligations in accordance with the pre-bankruptcy settlement and, consequently, it settled by 31 December 2015 the total amount of

HRK 102,189,019.99

(in words: one hundred and two million one hundred and eighty-nine thousand and nineteen kunas and ninety-nine lipas)

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

VI INSTITUT IGH, d.d. hereby declares that the company has not undertaken any action that would bring any of its creditors to an unequal position.

Zagreb, 26 February 2016

INSTITUT IGH, d.d.

Ivan Paladina, B.Econ.

President of the Management Board