

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 July 2017 to 30 September 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 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.
- II 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 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:
- 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 was paid in the total amount of **HRK 1,282,363.78** 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,
 - An amount of **HRK 4,988.42** 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.

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 1,880,826.56** and the instalments of the senior debt in the amount of **HRK 7,635,551.62** that became due. The Company's Management Board is making the greatest possible effort to regulate relations with concerned creditors within a reasonable period of time and settle the mentioned obligations.

- IV Further to the above mentioned, in the accounting period i.e. the third quarter (1 July – 30 September 2017), the Company settled a total of

HRK 1,287,352.20

(in words: one million two hundred eighty-seven thousand three hundred fifty-two kunas and twenty lipas)

of obligations from the validly concluded pre-bankruptcy settlement.

- V As of the date of validly concluded pre-bankruptcy settlement and until the accounting period ending 30 September 2017, 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 128,210,392.42

(in words: one hundred twenty-eight million two hundred ten thousand three hundred ninety-two kunas and forty two lipas)

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

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

Zagreb, 27 October 2017

INSTITUT IGH, d.d.

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



[Handwritten mark]