

**ENEFI Energy Efficiency Plc.**

**EXTRAORDINARY ANNOUNCEMENT<sup>1</sup>**

pursuant to the Capital Market Act and to decree No. 24/2008 (VIII. 15.) of the Minister of Finance

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ENEFI Energy Efficiency Plc. (“Company”) hereby informs its Honourable Investors that the Romanian affiliate thereof, E-Star CDR srl. has informed the Company about the following:

The representatives of the Town were present at the handover-takeover proceeding convened by CDR today, however they refused to conduct the takeover and no personnel capable of and authorized for operation was present at the handover.

According to the above the Town failed to fulfil its obligation supported by a final order of the court of justice threatening the safety of the service and the consumers too.

Concurrently the Town informed CDR in writing that under Section “C”, Paragraph (2), Article 33. of Act 51/2006, it made a Municipality decision today, on the basis of which it obliges CDR to continue the provision of the service for no longer than 90 days from the date of the decision. Under the legal regulation, in the event that the license of the service provider expires, they shall be obliged to ensure the continuity of public utility services upon the request of the administrative authority until the assignment of the new operator but for no longer than for 90 days. The Town also threatened CDR in the letter that in the event it fails to fulfil its liability to ensure the continuity of the service until the assignment of the new operator, then the company shall be exclusively responsible for the damages caused to the town and the district heating system. Furthermore the Town invited CDR to clarify the procedural aspects arising in relation with the legal future of the concession agreement at 9 a.m. 19 December.

CDR sees this new legally unacceptable proceeding of the Town incomprehensible particularly

- because CDR terminated the agreement on 04/09/2015 when it had a valid license and the legal regulation quoted is not governing it due to the above and the lack of agreement.
- The license of CDR expired on 23/11/2015 and the Town requested it to continue the provision of the service on 25/11/2015 in relation with the expiry of the license, therefore the 90 days had passed long ago;
- the legal regulation which provided the Town with the right to impose obligation for the provision of the service for 90 days in the event of refusal, withdrawal or expiry of the license was published on 23/11/2016 therefore it was not in force when our licence expired.

By the above decision the Town admitted again that it is obliged to take over the service, nevertheless it does not fulfil this obligation. By the decision it approved that the Town shall commence the proceeding to ensure the district heating service. In accordance with the above the Town obliged itself to take over by 13/03/2017 the latest.

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<sup>1</sup> The present extraordinary announcement is the translation of the Hungarian announcement. In case of any discrepancies between the Hungarian and English language versions the Hungarian version shall prevail.



Considering the extraordinary circumstances, CDR shall not leave the residents alone until it is possible, so it has not stopped the heating service in order to prevent personal injuries and damage to property; however it shall enforce all its damages and costs out of the agreement related to the above against the Town.

Board of Directors  
ENEFI Energy Efficiency Plc.