

ENEFI Energy Efficiency Plc.

EXTRAORDINARY ANNOUNCEMENT¹

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

ENEFI Energy Efficiency Plc. (the “Company”) hereby notifies its reputable Investors that its Romanian affiliated company, E-Star CDR srl. have filed its action against the Municipality of Gheorgheni for compensation for damages at the competent court of justice*.

The amount claimed from the municipality in the lawsuit considering all titles together, exceeds EUR 25 million. The duty of the lawsuit for the compensation of damages is approximately EUR 300 thousand which is expected to become payable by the affiliated company in September 2016. The amount is available.

“We are over another long period of promises. We have been hearing from the Municipality since November last year that a preferred, credible customer from Hungary wishes to purchase the Gheorgheni project. The actual due diligence was only started in June 2016 and it still has not been closed. The company showed complete cooperation in relation with the enquiry however it sees little chance for an agreement particularly because it has become clear that the approval of the transaction depends on a former member of the Board of Directors who had been in relation with ENEFI through the person of the potential Emptor and the Parties have severely different interests. The company waited until the end of the deadline open for submitting claims for the compensation of damages to show its cooperative willingness to achieve an agreement, however it does not wish to threaten its legal position considered very advantageous in hope of an uncertain agreement.” said László Bálint, member of the Board of Directors.

Board of Directors
ENEFI Energy Efficiency Plc.

“As a reminder: E-Star CDR s.r.l. terminated the district heating supply agreement previously concluded with the Municipality of Gheorgheni on 4th September 2015 with the approval of the general meeting of ENEFI Energy Efficiency Plc. The Company has published multiple announcements about the legal dispute and the lawsuits following the termination at its places of publication.

¹ 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.