

## **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. (“CDR”) has informed the Company about the following:

The explanation of the Harghita County Tribunal in relation to the urgent order of the chairman made on 27<sup>th</sup> October has arrived to CDR.

According to the explanation, *since according to the final decision made in the previous lawsuit case No: 1298/96/2015 it had been stated, that:*

- *Since the municipality did not approve the district heating price by a decision, the Town did not fulfil its liability undertaken in the concession agreement;*
- *The concession agreement expressly authorises the concessionaire to terminate the agreement, moreover no legal regulation excludes the termination of the concession agreement by the concessionaire;*
- *the notice of termination of the agreement is a well-founded expression of will from CDR.*

*Thus the request of the Town to oblige CDR to continue the service is completely unfounded irrespectively of the subject of the lawsuit No: 905/96/2016 for the compensation of damages. Nevertheless the 60 days of continuity of service included in the concession agreement shall be ensured after the expiry of the concession agreement too.*

Therefore the explanation of the previously published decision received now supplies the legal viewpoint of the Company in relation with the legal dispute in Gheorgheni, thus according to the opinion of the Company it has made significant progress in enforcing its lawful claim in terms of the lawsuit in progress for the compensation of damages too.

The Company – as it had previously notified in advance – expects an appeal against the decision as well as further legal action by the Town to prevent the takeover of the services. The Company emphasises that it shall not be able to take liability for the situation which has arisen or will arise in the future as a result of the unlawful conduct of the Town, potentially threatening the district heating.

Considering the recent progress of the lawsuit, furthermore the management of the Company plans to submit the revision, and annulation of the previous decision of the General meeting creating the opportunity for the possibility of the agreement out of court.

Board of Directors  
ENEFI Energy Efficiency Plc.

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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.