

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. (“Company”) hereby informs its Honourable Investors about the following:

Based on its previously disclosed strategy, the General Meeting of the Company decided to increase its registered capital against non-financial contributions on 8th August 2019.

According to the decision of the General Meeting the non-financial contributions shall be provided by 30th November 2019.

The Company conducted the due diligence of the non-financial contributions and also started negotiations with the Central Bank of Hungary considering that the acquisition of one of the assets, i.e. the share of Random Capital Zrt. exceeding 10% shall be a process bound to the approval of the Central Bank of Hungary which is a prerequisite of the capital increase.

- During the preparations of the licencing proceedings the Company concluded that there is a well-founded possibility that the process does is not closed by the end of November in which case however the capital increase would fail in terms of all property elements according to a previous decision of the General Meeting.
- During the due diligence the Company found in relation with the business share representing 10% of the registered capital of HUNGARO-FOOD 2009 Kft. that the due to industrial risks, swine fever and negative international trends and unpredictability, it would take too high risk by the acquisition of minority shares.

Considering the above, the Company shall make a proposal to make new decisions of the General Meeting which allow for the capital increase with the original deadlines with the property elements not involved in licencing and the property share of Random Capital Zrt below 10% and thus not bound to licencing except for HUNGARO-FOOD 2009 Kft..

The acquisition of another approx. 31.8% shares of Random Capital Zrt. would take place after the completion of the proceedings of the Central Bank of Hungary.

As a consequence of the above deviating from the previous proposal to the General Meeting

- Ferenc Virág shall transfer 9.94% share of Random Capital Zrt. instead of 19.33% to the Company (and the remaining share shall be transferred after the licencing by the Central Bank of Hungary).

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.

- ARX Kft.* and the claims against ARX Kft. shall not be purchased by the Company (*in a previous announcement the Company provided information that “ARX Kft. owns 122 pieces of Random shares issued by Random Capital Zrt. which represent 22,47% of the registered capital of Random Capital Zrt. furthermore real estates amounting to HUF 640,000,000 including 3 real estates of 489 square metres total floor spaces designated as business premises in Prestige Tower Office Building (Budapest, Meder u. 8, 1138). In case of a successful transaction the Company plans to relocate the registered seat of the corporate group to Prestige Tower thus using the local and personal opportunities of the synergy.”); instead ARX Kft. shall directly transfer the real estates mentioned above to the Company (and after the licencing by the Central Bank of Hungary also the 122 shares issued by Random Capital Zrt.),
- the 10% business share of HUNGARO-FOOD 2009 Kft. shall not be acquired by the Company.

The Company explicitly calls the respected Investors’ attention for the following,

- the sale / assignment contracts may only be concluded if the General Meeting authorizes the Board of Directors thereto;
 - the capital increase is subject to the conclusion and closing of the purchase / assignment contracts
 - financial and legal closure of purchase / assignment contracts and capital increases are subject to several conditions,
- thus there is a possibility of transaction failure

The Company publishes accordingly its General Meeting announcement, whereby it also initiates the change of the Company’s name with a consideration of the amended base strategy.

Board of Directors

ENEFI Energy Efficiency Plc.