

ENEFI Energy Efficiency Plc.

EXTRAORDINARY ANNOUNCEMENT

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

ENEFI Energy Efficiency Plc hereby informs its Honourable Investors on the basis of the notification from the Romanian operations as follows:

In the lawsuit of the affiliate of ENEFI in Gheorgheni (CDR) against the Municipality of Gheorgheni for compensation of damages the declaration of the local price-control authority (ANESC) made in the lawsuit completely supported the standing point of CDR and requested the refusal of the application submitted by the Municipality against the decision of the price-control authority. ANRSC had previously positively judged the district heating price recommended by CDR which was not contested by the Municipality at that time, however the price was not approved in spite of their statutory obligation. The Municipality is trying to contest the decision of the price-control authority years later now, without any legal basis.

Amongst others ANRSC emphasised that the documentation supporting the district heating price previously submitted by CDR and the documents additionally required by ANRSC were analysed professionally in particularly complex proceedings during the period of 5 months so the reference of the Municipality to fraudulent action of CDR misleading the authority is unfounded. ANRSC declares that the Municipality is trying to mislead the court claiming that ANRSC had approved the price although this is the responsibility of the Municipality when it would have been entitled to approve even a price lower than the price assessed by ANRSC under reasonable conditions. It also highlights that the elements objected by the Municipality only constitute very low, 1.27% + 1.57% of the price.

According to the opinion of the Company, the Municipality conducts an expressly vexatious suit absurdly simultaneously referring to previously having accepted the district heating price and also to not having accepted it because the rate thereof was unfounded, objecting the positive judgement decision of ANRSC. Nevertheless the Municipality is putting itself in an awkward situation by its own contradicting statements in front of the authorities as well as the population since it may well be asked in this case, why the price determined by the same price-control authority with the same positive judgement expressly made in favour of CDR was still approved in February 2016 after the termination; on what basis the internal organisation service provider of the Municipality has been invoicing to CDR with this determined price since 09/03/2017 till now without the permit of the price-control authority and on what basis the internal organisation of the Municipality supports the cost elements constituting part of the price if it had neither investments nor raw material and other costs equivalent to CDR.

CDR is certain to be right and the Company sees that the vexatious suit will finally prove to be counterproductive in front of the authorities and the courts and the Company also trusts that CDR will successfully enforce its lawful claims.

The suit shall be continued in September.

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