

## **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 in relation with the lawsuit proceedings in Romania about the following:

1. The Regional Court of Cluj-Napoca rejected the appeal of Distrterm in case no: 4892/84/2012/a25 so the approx. RON 400,000 the Financial Authority owes Distrterm shall be settled by offset in the claim of the Financial Authority against the company which lawfully does not even exist in our view. The Company shall request revision and turn to the European Court of Justice if necessary. In cases no: 4892/84/2012/a8 and a13 the court has finally declared that irrespectively of the lawfulness of the financial decision which declared that the VAT must be paid back, the Financial Authority has lost its right to demand the RON 932,730 in the liquidation proceedings of Distrterm. Irrespectively of the decision, since then the Financial Authority has tried to collect the same amount in 5 other proceedings. (1) 1620/84/2015 - the liquidator requested the already setoff VAT back on the basis of two final court decisions (a8 and a13), the Financial Authority ordered a new inspection in which it declared that the claim was created during the proceedings and the court decisions declaring the contrary are not effective against the Financial Authority. The liquidator contested the result of this new financial inspection and the Company submitted request for intervention. At first instance the court of justice rejected the objection with the reason that since the financial decision itself which stated the amount was not cancelled, the claim is lawful despite that the Regional Court ordered in case No: a13 that the claim of RON 932,730 shall be taken out from the claim of Distrterm because the Financial Authority lost its right for collection. The liquidator and the company appealed in the case. (2) 4892/84/2012/a19 - after the second financial revision the Financial Authority requested the liquidator to pay the amount of RON 932,730 as claim generated during the proceedings which the liquidator refused and the Financial Authority contested - in this lawsuit the final decision declared that the amount of RON 932,730 cannot be handled as claim generated during the proceedings. (3) 4892/84/2012/a23 – The Financial Authority requested at court again to be written on the list of creditors with the lost claim of RON 932.730 on the basis of the decision made in the case No 3892/117/2014 in Cluj-Napoca, by which the objection submitted by the Financial Authority was rejected - the action was finally rejected in this case too. (4) 4892/84/2012/a25 - VAT adjustment. (5) 913/84/2015 – criminal lawsuit.

2. After the court of justice finally rejected the executory order of the Romanian Financial Authority for RON 7,602,238 since several court decisions had stated finally that the Financial Authority did not

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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.

have the right to enforce the above amount, the Financial Authority cancelled the order and stopped collection and then issued a new executory order for the same amount and legal title with the reference that the court decision is not valid on this new order only the old one. On the basis of the above the Financial Authority also issued new seizure minutes for the land of the company in Zalău. The Company shall seek legal remedy in the case and turn to the European Court of Justice if necessary.

3. No final decisions have been made in the lawsuits in Gheorgheni; the lawsuit No: 323/96/2017 filed in relation with the default interest charged on the district heating subsidy was postponed and lawsuit No: 324/96/2017 filed in relation with the annulment of municipality resolution No: 243/2016.12.13 (declaration of the termination of licence and retrospective application of resolutions) the hearings were suspended until the closure of the lawsuit for the compensation of damages.

4. The Romanian court of registration filed action for the dissolution of Faapriték SA under No: 837/96/2017 based on the expiry of the mandate of the management of the company although the company filed its application for the replacement of the management and to register new mandates at the Court of Registration. The decision shall be appealed against by the company.

5. The Târgu Mures lawsuit for the compensation of damages was postponed considering that the official expert repeatedly did not attend the hearing.

6. List of court proceedings of the corporate group in progress or suspended in Romania:

No:	Claimant	Defendant	Matter in dispute
1.	E-Star Mures Energy SA	51 members of owners' association	Enforcement of attachment
2.	E-Star Mures Energy SA		Case number: 168/1371/2013 Filing bankruptcy protection request on 08/02/2013
3.	E-Star Mures Energy SA	City of Târgu Mures	Case number: 3104/102/2013 Compensation for the breach of concession agreement, district heating subvention claim and payment of fees according to consumer contract. Amount: RON 124,040,531.19 The Town demanded within this lawsuit the qualification of the termination of the agreement by a counterclaim.
4.	E-Star CDR SRL	193 residential consumers	payment of fees according to consumer contract
5.	E-Star CDR SRL	Town of Gheorgheni	905/96/2016 Compensation for damages due to breach of concession contract. Amount: RON 104,225,844.69 RON + interests thereof + 15% of the annual internal profit rate for the entire contracted period.
6.	E-Star CDR SRL	Town of Gheorgheni	File number: 324/96/2017 Contest of council resolution No: 243/13.12.2016
7.	E-Star CDR SRL	Town of Gheorgheni	File number: 323/96/2017 Default interest claim calculated on the value of the subsidy previously judged by the court - RON 1.3 million.
8.	E-Star CDR SRL	Town of Gheorgheni	File number: 793/96/2017 Objection of council resolution No: 2/2017.01.16 amending council resolution No: 243/13.12.2016.
9.	Harghita County Prefect	Town of Gheorgheni	Document number 1515/96/2016

	+ CDR - Application for Intervention		Annulment of retrospective resolutions of the local council: No: 189/2016.10.28 in relation with the payment of district heating subsidy and No: 190/2016.10.28 in relation with determining the price.
10.	Fluid Group Hagen SRL	E-Star Investment Management SRL	Case number: 1247/1371/2012 Request for liquidation due to the failure to pay contractual fees. Claim: RON 73,896.85* new suit (filed on 28/11/2012 at the defendant)
11.	Harghita County Court of Registration	Faapritek SA	Document number 837/96/2017 Request for dissolution of business against the company due to the expiry of the mandate of the management.
12.	ENEFI Energy Efficiency Plc.	Mures County Financial Authority	Case number: 5058/2/2014 Objection against the refusal of our complaint against the second minutes taken in order to state the condition of tax law insolvency against the tax law premise of our Company by the Financial Authority. Claim of Financial Authority: RON 7,602,324 tax liability
13.	ENEFI Energy Efficiency Plc.	Brasov Regional Public Funds Directorate	Document number 9836/320/2017 Contest of executory order
14.	Uzina Electrica (CET)	E-Star ZA Distriterm SRL	Case number: 5461/84/2012 - payment of contractual fees (payment demand). Claim: RON 1,023,813.35
15.	Zalău City with County Authority	-E-Star ZA Distriterm SRL -ENEFI Energy Efficiency Plc. (former E-STAR Alternative Plc.)	Case number: 5209/84/2012 termination of concession agreement, declaration of invalidity of sale and purchase agreement of backbone line.
16.	Uzina Electrica (CET)	E-Star ZA Distriterm SRL	Case number: 4892/84/2012 -payment of contractual fees (liquidation proceedings). Claim: RON 1,023,813.35
17.	ENEFI Energy Efficiency Plc.	- Zalău Financial Authority - Mures County Financial Authority	Case number: 48/337/2017 - contest of the valuation of land since according to the company it was undervalued nevertheless we were not notified about the valuation in accordance with the provisions of law.
18.	- I&O, liquidator of E-Star ZA Distriterm SRL -ENEFI Energy Efficiency Plc. -E-Star Management Zrt. -E-Star Energy Generation SA	- Zalău Financial Authority	Case number: 1620/84/2015 - the liquidator contested the result of the financial audit, by which the Financial Authority stated that the finally lost claim amounting to RON 932,730 is current and the court decisions declaring the contrary are not effective against the Financial Authority. - the creditors whose interests are injured by the proceedings of the Financial Authority have filed an application for intervention.
19.	-ENEFI Energy Efficiency Plc. -E-Star Management Zrt. -E-Star Energy Generation SA	- I&O, liquidator of E-Star ZA Distriterm SRL	Case number: 4892/84/2012_a25 - Contest of the liquidator's report in which it decided that the BCM project shall be taken out of the assets of the company because it cannot be used any longer and this generates RON 679,860 VAT payable back to the government.

20.	Zaláu Financial Authority	<ul style="list-style-type: none"> <li>-ENEFI Energy Efficiency Plc.</li> <li>- Distriterm</li> </ul>	<p>Case number: 913/84/2016</p> <p>- ENEFI and Distriterm were cited for hearings upon the request of the Zaláu Financial Authority as parties with civil law liabilities in a criminal law case in which the investigation is conducted against the former management in the case of the VAT of the agreement on the Real Energo project concluded between Distriterm and BCM.</p>
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Board of Directors

**ENEFI Energy Efficiency Plc.**