

## ANNOUNCEMENT

20.12.2018

### **Re: Sale of shareholding in the subsidiary LCA Aviation Fueling System Limited**

Petrolina (Holdings) Public Ltd (“**PHL**”) announces that its fully owned subsidiary Petrolina Aviation Ltd (“**Petrolina Aviation**”) has entered into an agreement with the UK-registered company AIR BP LIMITED (“**BP**”), under which Petrolina Aviation has sold to BP 35% of its subsidiary, LCA Aviation Fuelling System Limited (“**LAFS**”). The sale changes the accounting treatment and the classification of LAFS from an investment in subsidiary to an investment in affiliated company.

The sale agreement was signed on 19 December 2018 and is expected to be concluded before the end of this year. The sale price was €4.0 m., to be paid in cash before or at the time of conclusion. It was also agreed that BP (or an affiliated company thereof) will gradually pay to PHL an additional amount of €1.0 m., which represents a contribution to the expenses incurred by PHL in connection with the investment in LAFS.

The transaction was made at arm’s length and the price represents the fair value of the percentage of shares of LAFS which have been disposed of. The sale of the shareholding is expected to result in an accounting profit of €7.7 m., taking into consideration the provision of IFRS 10 “Consolidated Financial Statements” and more specifically the reclassification of LAFS from subsidiary to affiliated company. The profit will be recognised in the consolidated financial statements of PHL in the financial year during which the agreement will be concluded, as profit from the sale of shares of a subsidiary company and is not distributable.

LAFS is active in the provision of storage and aircraft fuel management services at Larnaca Airport. The terminal is fully operational since the end of 2017. The capital expenditure required for the construction of the project rose to approximately €10.3 m. Following the conclusion of the agreement, Petrolina Aviation will hold 40% of the issued share capital of LAFS, BP will hold 35% of the issued share capital of LAFS and Universal Group for Industry and Finance S.A. from Luxembourg will continue to hold 25% of the issued share capital of LAFS.

PHL’s decision to dispose of the above minority shareholding in LAFS is part of the implementation of its strategic plan regarding its activity in the sector of fuel storage and management at Larnaca Airport. No external expert advice has been obtained in relation to the

financial evaluation of the above transaction and the assessment of the Board of Directors regarding the fair value of the transaction.

It is noted that according to the audited financial statements of LAFS for 2017, LAFS realised a turnover of €1.0 m. and losses of €0.1 m. while in the first half of 2018, LAFS realised a turnover of €2.3 m. and a profit of €0.6 m.

The transaction is not related to and does not affect the interests of PHL's Secretary.

Dinos Lefkaritis  
CEO