

ANNOUNCEMENT

24 June 2021

Re: Acquisition of Immovable Property

Petrolina (Holdings) Public Ltd (“PHL”) announces that it has entered into an agreement with ExxonMobil Cyprus Limited (“Esso”) for the acquisition of immovable property in Larnaca through the company’s new fully owned subsidiary Petrolina Bayfront Ltd, which was incorporated for this purpose. The agreement between PHL, Esso and Petrolina Bayfront Ltd was signed on 24/06/2021 and is part of the strategic planning of PHL Group to develop diversified operations in the sector of land development.

More specifically, based on the agreement, Petrolina Bayfront Ltd has acquired three properties on the beachfront of the Larnaca-Dekelia main road, of a total area of 76.254 s.m. including the facilities. The works relating to the decommissioning, demolition of facilities and pipings and cleaning of the soil will be undertaken entirely by PHL Group.

The total consideration has been agreed at €29,000,000 plus VAT (if and where applicable) and is payable in cash as follows: The amount of €1,000,000 was paid upon the signing of the agreement and the amount of €27,600,000 will be paid upon completion of all agreed procedures, including the transfer and registration of the properties in the name of Petrolina Bayfront Ltd, by 10/12/2021 at the latest. The remainder of €400,000 will be paid at a later date, subject to the fulfillment of a specific obligation provided in the agreement. The investment will be classified under “Investment Property” and no depreciation will be calculated thereon.

The transaction was made at an arm’s length basis following the preparation of independent valuations. The transaction is not related to any “designated person” under the meaning attributed to this term in article 137(3) of the Securities and Cyprus Stock Exchange Law of 1993 (14(I)/1993) (as applicable).

PHL estimates that the above investment will contribute significantly to its effort to diversify and pursue operations in property exploitation and development. This applies in particular to properties located at the northern beach front of Larnaca, especially after the change of use and their transfer from the category of “Property, plant and equipment” to “Investment property” under the Former Refineries Area Plan following the relocation of all its storage facilities to Vassilikos.

Regarding the prospects of the above transaction, PHL aims at the following:

- A potential increase in the value of the properties, in the medium and long term, as a result of the decommissioning, demolition of the facilities and pipings and the depollution and restoration of the soil

and/or

- Any profits from the exploitation/development of the properties.

Nonetheless, the transaction is not expected to have a significant impact on its short-term financial results other than any financing cost for the acquisition and the expenses related to the required cleaning of the properties in question.

Panayiotis Eracleous
Compliance Officer