

PETROLINA (HOLDINGS) PUBLIC LTD

ANNOUNCEMENT

5 May 2021

Re: Annulment by the Administrative Court of the imposition of fine by the Commission for the Protection of Competition for the years 2004-2006

Petrolina (Holdings) Public Ltd ("PHL") announces that with its decision dated 29 April 2021, the Administrative Court annulled the decision of the Commission for the Protection of Competition ("CPC") dated 30.10.2017, by which the CPC imposed on PHL an administrative fine of €5,707,723 (CYP3,340,582 or 2.5% on PHL's turnover) in relation to an ex officio investigation conducted for the period 2004-2006. The Administrative Court fully endorsed the positions of PHL pertaining to the violation of the law at the stage of the decision for an unannounced investigation and accepted that the orders for the unannounced investigation dated 10/11/2005 and 11/11/2005 were given in violation of the law.

The CPC had been re-examining, since December 2012, the object of the ex officio investigation conducted in relation, on the one hand, to the alleged collaboration between the oil companies, including PHL, to fix the retail prices of certain oil products and, on the other, to the alleged collaboration between PHL and the operators of its service stations to fix retail prices for the period from October 2004 until December 2006. This re-examination was conducted after CPC's decision to impose a fine in relation to the aforesaid investigation was annulled by the Supreme Court on 25 May 2011. By decision dated 11 August 2017, the CPC decided, in respect of the first issue, that a collaboration between the oil companies, including PHL, to fix retail prices is not evidenced. In respect of the second issue, the CPC decided that the oil companies, including PHL, each one on its own account, violated the Law through collaboration with the respective operators of their service stations to fix the retail price of petrol and diesel oil. The said decision was the object of the decision of the Administrative Court, which annulled it for the reasons stated above.

It is reminded that the enforcement of the decision by which the CPC had imposed the aforesaid fine on PHL (now annulled by the Administrative Court) was suspended pending PHL's appeal to annul the decision. It is also reminded that, further to the opinion of its legal counsels, PHL's Board of Directors decided not to make a provision for potential liability to pay the imposed fine.

In view of the above development and acting on the basis of legal advice, PHL considers that the procedure before the CPC should be considered to have ended.

Panayiotis Eracleous
Compliance Officer