

Petrolina (Holdings) Public Ltd

ANNOUNCEMENT

Petrolina (Holdings) Public Ltd notes that, based on the financial results available to date, the results for the first half of 2022 are expected to be significantly decreased and possibly not profitable.

The significant change in the results compared to those of the corresponding first half of 2021 as well as in proportion to the 12 months ended 31 December 2021, mainly results from the reduced gross profit margin due to the significantly increased cost of purchasing products as a result of the Russian invasion of Ukraine and the inability and/or delay of full transfer of increased cost to the final selling price, from increased operating costs as a direct consequence of increased domestic inflation, as well as from increased financing costs caused by the significant increase in product purchase cost.

It is noted that the imbalance between supply and demand of goods caused at the end of last year with the gradual recovery of the world economy from the effects of the Covid-19 pandemic, has been intensified with the Russian invasion of Ukraine in February this year. These events have led to widespread inflationary trends which affect the financial situation of the Group, almost in the whole range of its operations. These include, but are not limited to, increased financing cost of product imports, increased cost of maintaining inventories, increased amounts receivable and bank balances and increased operating expenses. In addition, the significantly increased cost of purchasing products, as well as the duration of maintaining cost at high levels, makes it particularly difficult to implement the pricing policy in its full extent.

The Group takes all necessary measures to optimize its resources and strengthen its profitability.

Yours,

Panayiotis Eracleous  
Compliance Officer