

ANNOUNCEMENT

11 March 2022

Restrictive measures of the Council of the European Union and other sanctions against Russia in response to the crisis in Ukraine / War in Ukraine – Economic consequences / risks and uncertainties

Further to the Circulars of CySEC E-490 dated 02.03.2022 and the CSE 04-2022 dated 03.03.2022, Petrolina (Holdings) Public Ltd announces that the Company's activities have been affected by the war in Ukraine, in particular due to the significantly increased cost of finance of oil product imports resulting from the extent of fluctuation of international oil prices and the Dollar to Euro exchange rate. The extent and duration of this impact will depend on the military and international political and economic developments, as follows:

Direct impact

The Company is not directly dependent on clients and/or economic operators from the parties involved in the conflict and its current supply chain is not affected. However, the international cost of the products traded by the Company has increased substantially and continues to do so, in addition to the significantly increased levels noted before the start of the war. Inevitably, the cost of sales of the products sold by the Company on the domestic market is following a respective increasing trend. Moreover, a prolongation of the current international developments may result in decreased consumer demand. As regards affiliated companies operating in aircraft refueling and in the sector of aircraft fuel storage and management services, their activities are expected to be negatively affected by any flight cancellations and a further decrease in air travel due to the sanctions against Russia. However, it is not possible to determine the extent of this impact at this stage.

Indirect impact

The Company will be negatively affected by a possible contraction of the economy and increased inflation and/or by an increase in doubtful debts, in case the ability of clients directly affected by the crisis to repay their liabilities to the Company is reduced. It is not, however, practically feasible at this stage to determine the extent of the impact from these factors, as the relevant risks and uncertainties will depend on developments on the war front.

The Company is closely monitoring developments with the aim of safeguarding its financial resources.

Panayiotis Eracleous
Compliance Officer