



Cyprus Trading Corporation Plc

ANNOUNCEMENT

By Public Companies CYPRUS TRADING CORPORATION PLC, ERMES DEPARTMENT STORES PLC, WOOLWORTH (CYPRUS) PROPERTIES PLC

The Boards of Directors of the public companies **Cyprus Trading Corporation Plc**, **Ermes Department Stores Plc** and **Woolworth (Cyprus) Properties Plc** approved today, 22/02/2023, the Audited Consolidated and Separate Financial Statements for the year 2020. These will be posted on the CTC Group website www.ctcgroup.com.

The Annual General Meeting of the shareholders for 2020 will be held on 28 March 2023. A relevant announcement will be issued shortly.

Cyprus Trading Corporation Plc – 2020 Financial Results

The Audited Consolidated Financial Results of Cyprus Trading Corporation Plc (CTC) include the results of the public companies Ermes Departments Stores Plc and Woolworth (Cyprus) Properties Plc, the subsidiary companies Argosy Trading Co. Ltd, Cassandra Trading Ltd, Artview Co. Ltd, CTC Automotive Ltd, CTC Autoleasing Ltd and Superhome Centre (DIY) Ltd, as well as the investment in Hermes Airports Ltd, the managing company of Larnaka and Paphos Airports.

In 2020, the CTC Group recorded a turnover of €305.7 million, compared to €327.2 million in 2019 (6.6% decrease).

Operating profits stood at €6.3 million compared to €4.1 million in 2019, due to improved operating results. With the completion of the agreement for the disposal of immovable property, the CTC Group registered a profit after tax of €20.4 million in 2020.

The difference between the profits of €39 million, announced by the Group on 16.3.21, and the final audited results of €20.4 million, is due to profits recognized directly in the reserves further to a reversal of deferred tax liability, accounting provisions filed in the year according to the International Financial Reporting Standard 9, as well as immovable property revaluations.

Ermes Department Stores Plc – 2020 Financial Results

In 2020, the Ermes Department Stores Plc Group recorded a turnover of €112.4 million, compared to €134.8 million in 2019 (16.6% decrease), as a result of the pandemic and the measures imposed by the Government relating to lockdowns.

Operating profits for 2020 rose to €3.8 million compared to losses of €7.6 million in 2019. The 2020 profits include a non-recurring income of €7 million paid by the affiliated company Woolworth (Cyprus) Properties Plc as compensation for the early termination of the right of use of Olympia department store in Limassol.

In 2020, the Ermes Department Stores Plc Group recorded net losses after tax of €309 thousand.

Woolworth (Cyprus) Properties Plc – 2020 Financial Results

In 2020, the Woolworth (Cyprus) Properties Plc Group recorded revenues of €1.07 million from right of use of space and other services compared to €4.3 million in 2019, as a result of the loss of income from rents and rights of use of space, following the disposal of investment property. Moreover, it granted discounts on its immovable property rights of use of space due to the pandemic.

In 2020, the Woolworth (Cyprus) Properties Plc Group recorded net losses after tax of €3.07 million.

2021 – 2022 Overview

2021, as 2020, was marked by the COVID-19 pandemic, which led to lockdowns, resulting in unprecedented conditions that caused major problems in the health sector and the economy. At the international level, there was a serious disruption of the supply chain and a dramatic decline in tourism. At the beginning of 2022, war broke out in Ukraine, resulting in the imposition of sanctions against Russia and significant increases in the cost of energy, which further affected national economies and consequently the purchasing power of consumers. This was followed by inflationary pressures, which continue to this day, and an increase in borrowing costs due to rising interest rates.

In this environment, at the CTC Group, **Argosy** successfully completed the re-organisation of its departments aiming at further improving the management of its product portfolio and distribution channels. This led to substantial improvement of its results and increased its market share in important categories, such as Breakfast Cereals, Chocolate, Snacking, Frozen Food, Dairy and Pet Foods. Philip Morris International new products, IQOS and HEETS, launched by **Cassandra**, were well received, establishing the company as the market leader in the import and distribution of tobacco products in Cyprus. **CTC Automotive** began marketing the world-famous Michelin tyres and Total lubricants, an entirely new activity for the company, capturing a 25% market share in one year. Moreover, within two years, it doubled the sales of its vehicles. **Ermes**, in fashion retail trade, a sector greatly affected by the consequences of the pandemic, terminated the operation of stores and activities that were not profitable or had no future prospects, and restructured its organisation, substantially reducing its expenses. At the same time, it launched the rebranding of its department stores to Era with a new concept, and opened in December 2021 the newly renovated department store Era Apollon, the Group's flagship in Limassol. **Superhome Center DIY**, a subsidiary of Ermes, continued to be successful and profitable and further expanded and strengthened its market presence with the opening of a new store in Lakatamia in February 2021 and a new store in Paphos at the end of January 2023, with excellent prospects.

CTC maintains its significant holding as the largest Cypriot shareholder in **Hermes Airports Ltd**, which successfully manages the operation of Cyprus' two international airports. Passenger traffic in 2022 reached 9.2 million, which represents 82% of passenger

traffic in the record year 2019. As for January 2023, passenger traffic has recorded an increase of 111% compared to the corresponding month last year and an increase of 112% compared to January 2019. These figures are very encouraging and have a positive effect on all sectors of the economy. Hermes has very good prospects for further progress, and it is expected that this activity will result in increased income for CTC.

Despite the serious challenges, thanks to its diversified operations, the extensive range of high-quality famous products that it handles, coupled with the valuable contribution of our people at all management levels, CTC Group has recorded profits in the years 2021 and 2022 and continues to progress.

2021 – 2022 Consolidated Financial Statements

The Interim Financial Results for the period ended 30 June 2021 will be published during March 2023. The Audited Consolidated and Separate Financial Statements of all three public companies, Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc, for the years 2021 and 2022, as well as the Interim Financial Reports for 2022, will be published in the second half of 2023.

22 February 2023