



Cyprus Trading Corporation Plc

ANNOUNCEMENT

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

The disposal of property assets created losses in 2018 and 2019 mainly due to decrease in values.

Profitable 2020 by €39 million.

The Boards of Directors of Public Companies **Ermes Department Stores Plc** and **Woolworth (Cyprus) Properties Plc** approved the Audited Financial Statements, for the years 2018 and 2019, on 12.03.2021, and the Board of Directors of Public company **Cyprus Trading Corporation Plc** approved the Audited Financial Statements, for the years 2018 and 2019, on 16.3.2021, which will be posted on the CTC Group website www.ctcgroup.com.

Cyprus Trading Corporation Plc - Consolidated Financial Statements 2018 and 2019

The Consolidated Financial Statements of Cyprus Trading Corporation Plc include the results of Public Companies Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc, the subsidiary private companies Argosy Trading Company Ltd, Cassandra Trading Ltd, Artview Co. Ltd, CTC Automotive Ltd, Superhome Center (DIY) Ltd, as well as the investment in Hermes Airports Ltd, management company of the Larnaca and Paphos International Airports.

In 2018, the CTC Group recorded a turnover of €336.4 million, compared to €312 million in 2017 (an increase of 7.8%), while in 2019 it recorded a turnover of €327.2 million (a decrease of 2.7%, mainly due to the disposal of the Group's investment in Novario Holding Ltd).

In 2018, as already announced on December 11, 2018, the Company and the CTC Group entered into an agreement for the disposal of a number of property assets to investment companies of the Bank of Cyprus Group, which would be implemented in the period to follow. The total final amount of the agreement was €220 million, which included the disposal of property by the affiliated Company Cyprus Limni Resorts & GolfCourses Plc. In a second agreement reached on July 3, 2020, the Company and the CTC Group agreed to dispose a number of properties to investment companies of the Hellenic Bank Group, for the amount of €19 million. In total, the CTC Group has reduced its bank liabilities (deleveraged) by an amount of €239 million, of which €93 million relate to the affiliated Company Cyprus Limni Resorts & GolfCourses Plc.

As a result of the above transactions, the CTC Group showed a loss after tax of €124 million in 2018, compared to a loss of € 6.3 million in 2017. An amount of €108 million was mainly related to losses incurred due to the disposal of the property by Cyprus Limni Resorts & GolfCourses Plc, and other properties, and is a result of the impairment from previous revaluation of the Company's assets, while an amount of €13.7 million relates to impairment of goodwill. Neither of the above amounts constitute a cash outflow.

In 2018, earnings from operations amounted to €14 million, compared to €18.1 million in 2017.

In 2019 the CTC Group reported a loss after tax of €17.9 million, out of which an amount of €11.4 million related to losses incurred due to the continuation of the disposal of properties. In 2019, the Group applied the provisions of the International Financial Reporting Standard (IFRS) 16 "Leases". The application of the Standard had a negative impact on the results of the Group by €1.8 million.

In 2019, profits from operations amounted to €17.2 million. For comparison purposes, profits from operations, without the application of IFRS 16, would be €8.3 million, compared to €14 million in 2018.

Ermes Department Stores Plc - Consolidated Financial Statements 2018 and 2019

In 2018 the Group of Ermes Department Stores Plc recorded a turnover €161 million, compared to €157 million in 2017 (an increase of 2,5%), and in 2019

recorded a turnover €135 million, a 16% reduction, mainly due to the disposal of the Group's investment in Novario Holding Ltd (Scandia & Megaelectric). The loss after tax of the Ermes Group in 2018 was €21.6 million, compared to a loss of €0.4 million in 2017, mainly due to impairment of goodwill of €18 million, which does not constitute a cash outflow. In 2019 the Ermes Group recorded a loss of €12 million.

Woolworth (Cyprus) Properties Plc - Consolidated Financial Statements 2018 and 2019

In 2018 the Group of Woolworth (Cyprus) Properties Plc, recorded income from rights for the use of space of €5.4 million, compared to €7.7 million in 2017 (a reduction of 30%, mainly due to the disposal of commercial real estate assets as mentioned above). In 2019, revenues from rights of the use of space amounted to €4 million (a 25% reduction). The reductions are part of the Group's deleveraging strategy through the disposal of immovable property. The loss after tax of the Woolworth Group for 2018 amounted to €94.2 million, compared to a loss of €7 million in 2017, mainly due to the disposal of the property by Cyprus Limni Resorts & GolfCourses Plc as mentioned above. In 2019, the Group recorded a loss after tax of € 8.8 million, as the implementation of the deleverage agreement and the disposal of its real estate assets continued.

Profits in 2020

In 2020 the CTC Group recorded a turnover of €303 million. The Preliminary Consolidated Unaudited Results of the Group for the year ended 31.12.2020 are expected to show a profit after tax of €39 million, deriving from improved operating results and the completion of the agreement for the disposal of properties.

Profit from operations is expected to be €17.5 million, compared to €17.2 million in 2019.

The year 2020 was marked by the COVID-19 pandemic, which resulted in unprecedented conditions that caused severe problems in the health and economic sectors. For this reason, our goals have changed, placing the protection of the health of our people, our customers and our business partners at the top of our priorities. At the same time, our people had to deal with the immediate

implementation of new operating methods, such as teleworking from home and teleconferencing and, in parallel, to face the new customer-consumer needs, with the upgraded use of technology, during the special market lockdown conditions.

It is important to emphasize that the valuable contribution of our people has helped most of our operations to prove resilient to this crisis and to achieve operational results better than expected.

Superhome Center DIY continued its successful and profitable path and now implements its strategic plan for further expansion of its market presence, with the opening of the new store in the area of Lakatamia, Nicosia. Argosy Trading Company proceeded with the reorganization of its departments and the upgrading of its software and ERP systems with significant improvement in efficiency and productivity. CTC Automotive added to its world-known suppliers' portfolio the French Michelin tyres and Total lubricants. The fashion retail sector has been hit the hardest by the pandemic. Nevertheless, Ermes Group proceeded to rebrand its department stores under the name ERA, a new concept, with which all department stores are evolving into innovative environments, for a unique customer experience. This will enable Ermes Group to successfully address the rapidly changing retail trends.

The impact of COVID-19, such as mandatory restrictions, rising unemployment, decrease of tourist arrivals, lack of liquidity in the market, as well as the changing consumer habits and needs, increase the challenges before us, affect the way we operate as a business, and create the need for caution and careful planning.

Appointment of Management Board

Within this context, on 12.3.2021, the Board of Directors of Public Companies Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Woolworth (Cyprus) Properties Plc, decided to proceed to the appointment of a CTC Management Board, with the task of ensuring and monitoring the implementation of the strategy and decisions of the Boards of Directors, assessing the risks and potential returns, referring issues to the Boards of Directors and overseeing the Group's operations. The CTC Management Board will closely cooperate and consult with the management of all the Companies of the Group, while reinforcing teamwork. The CTC Management Board is comprised of: Demetris Demetriou

(Chairman), George Louca, Eleni Shacola, Chrysoula Shacola, Christakis Charalambous and Stephos Stephanides (also members of the Boards of Directors).

We have entered a new era that brings not only challenges but also new opportunities. We focus on and develop our core businesses: Import, distribution and logistics of Fast Moving Consumer Goods, retail of DIY and fashion, vehicles and heavy machinery, headed by Vassilis Evgenios, George Giovanni, Eleni Shacola and George Kozakos, respectively. At the same time, we maintain the significant participation of CTC as the largest Cypriot shareholder in Hermes Airports Ltd, which successfully manages the operation of the two international airports of Cyprus.

The diversity of operations of the CTC Group, the wide range of renowned products it handles, its market presence and customer service all over Cyprus, its structure and its management by competent and skilled professionals at all levels, enable us to face more effectively the challenges and opportunities ahead, with confidence and optimism, and to deliver better and improved results.

March 16, 2021