

ERMES GROUP

SUPPLEMENTARY ANNOUNCEMENT

We refer to our announcement dated 30.6.2021 of Ermes Department Stores Plc and to the announcement of CTC Group published yesterday 04.07.2021 regarding the disposal of the SPAR food retail store in Larnaka and we wish to add the following:

1. As already stated, the decision for the disposal of this operation was taken in the context of the strategy of both the Company and the CTC Group to which it belongs. The decision was taken without the advice of any external expert.
2. The expenses for the creation of the store in October 2018 amounted to €1,996,500. There was an amortization of €441,373 until the date of its disposal, which is presented in the Company's accounts. The store's operation was disposed of following its operation of almost 3 years, for the amount of €1,150,000, i.e. there was an accounting loss from the disposal of the operation of €405,127. In 2020, the operation registered an accounting loss of €447,000.
3. The Company believes that the benefit which will arise from its decision to focus on the rest of the Group's operations without causing any competition to its numerous clients nationwide - which is the correct thing to do - will be great.

Nicosia, 05/07/2021