

## ANNOUNCEMENT

**by the 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 Standalone Financial Statements for the year 2020. These will be posted on the CTC Group website [www.ctcgroup.com](http://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, of 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 Larnaca 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 in 2019, due to the improved operating results. With the conclusion 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 recognised directly in the reserves further to a reversal of deferred tax liability, accounting provisions filed in the year according to International Accounting Standard 8 and 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 the closing of businesses.

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 from rights of use of space and other services as against €4.3 million in 2019, as a result of the loss of income from rents and rights of use of space, further to the disposal of investment property. Moreover, it granted discounts on its immovable property leases due to the pandemic.

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

### **2021 – 2022 Overview**

Like 2020, 2021 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 sanctions against Russia and significant increases in the cost of energy, which further aggravated 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 the better management of its product portfolio and distribution channels. This led to the substantial improvement of its results and increased its market share in important segments, such as breakfast cereals, chocolate, snacking, frozen food, dairy and pet foods. Philip Morris International's 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 selling the world-famous Michelin tyres and Total lubricants, an entirely new activity for the company, reaching a 25% market share within a year. Moreover, in a period of two years, it doubled its vehicle sales. **Ermes**, which is engaged in the retail trade of fashion items, 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 transport in 2022 reached 9.2 million, which represents 82% of passenger

transport in the record year 2019. As for January 2023, passenger transport 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 areas of the economy. Ermes has very good prospects for further progress and this activity is expected to result in increased income for CTC.

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

### **2021 – 2022 Consolidated Financial Statements**

The Half-Yearly Financial Results for the period ended 30 June 2021 will be published in March 2023. The Audited Consolidated 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 Half-Yearly Financial Reports for 2022, will be published in the second half of 2023.

**22 February 2023**