



## Announcement

### **Disposal of Ermes Department Stores Plc's Investment in Superhome Center DIY Ltd**

The public company Ermes Department Stores Plc ("Ermes") announces that its Board of Directors has approved the disposal of the Company's investment in its subsidiary, Superhome Center DIY Ltd ("Superhome"), in which it holds 51% of the issued share capital. The transaction also includes the simultaneous disposal by Secora BV, a company registered in the Netherlands ("Secora BV"), which holds the remaining 49% of Superhome's issued share capital. The mentioned sellers have reached an agreement to sell 100% of Superhome's shares to Vasilitsi DIY Ltd, registration number HE 469429, based at 30 Karpenisiou Street, 1077, Nicosia, Cyprus, to which the disposal will be made.

The sale price for 100% of the shares amounts to €94,000,000, minus €3,740,000 in Superhome's bank liabilities and minus €3,000,000 for projects that Superhome will undertake for its stores. The net total value of the shares being sold is €87,260,165. Of this amount, €10,000,000 will remain in escrow until specific conditions of the agreement are fulfilled, expected within 3 to 5 years. If these conditions are not met within 6 years from the date of the share transfer, or if other events detailed in the agreement occur, this amount will be deducted from the sale price and will no longer be claimable by the sellers.

Superhome was established in Cyprus in 1998 and has since been engaged in the retail business of home improvement and DIY through six stores across all cities. It is 51% owned by Ermes Department Stores Plc and 49% by Secora BV. Superhome's profitability over the last three years was net profits of €7,400,000 in 2023, €6,800,000 in 2022, and €4,600,000 in 2021.

This transaction was conducted on a purely commercial basis, with the price based on Superhome's historical performance and future cash flows. Superhome continues to be profitable with steadily increasing turnover and earnings.

Specifically, Ermes will receive €39,403,000 from the sale of its entire 51% stake in Superhome and will repay bank and other loans amounting to €33,600,000, covering both its own debts and those of other companies within the CTC Group to which it belongs.

In determining the Company's value, Ermes's Board of Directors relied on recent valuations of Superhome as recorded in the audited and published accounts as of 31/12/2023, previous offers received from other interested parties, and current economic conditions. Under these circumstances, the Board considered the price reasonable, although it did not appoint or seek advice from external experts regarding the transaction's value.

The transfer of 100% of Superhome's shares and the payment of the total amount of €77,260,165 (€39,403,000 for Ermes) as part of the consideration is expected to be completed by the end of February 2025, subject to terms and conditions outlined in the sale agreement. The portion of €10,000,000 (€5,100,000 for Ermes) will remain in escrow with a domestic

banking institution until the fulfillment of the agreement's conditions or otherwise, as mentioned above.

This transaction is not related to or does not affect any interests of any secretary of the issuer or "designated person," as defined in Article 137(3) of the Cyprus Securities and Stock Exchange Laws, Law 14(I)/1993, as amended.

Although Ermes will record an accounting loss of €12 million, the actual profit from the disposal of the above investment amounts to €30 million compared to the acquisition cost. The transaction is considered fair and beneficial for the Company as it will positively impact its financial position and will also benefit the related parties of the CTC Group and its shareholders by significantly reducing their leverage through this arrangement.

**31 January 2025**