

**ANNUAL
REPORT
2020**

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2020 was a special year for the whole planet.

From the beginning of the pandemic, Cyta stood by the State and the society of Cyprus, supporting them.

The 2020 Annual Report is dedicated to all our people, especially the front line, who helped deal with the crisis, serving our customers safely.

Cyta is the trade name of
Cyprus Telecommunications Authority

Address by the Chairperson

mrs Rena Rouvitha Panou



Cyta, 60 years on: looking to the future

This year, Cyta celebrates the 60th anniversary of its establishment. Its course through time is characterised by the events that have shaped its corporate personality. Throughout Cyta's development, the modern history of Cyprus and its people has been unfolding at the same time. The past became the present and the present becomes the future, though the Organisation's unwavering commitment to innovation, progress and development.

Today, at 60, Cyta is younger and more capable than ever! Because, over the years, it has learned to look to the future in a flexible and dynamic fashion. It has learned to change and adapt, to deal with major financial and commercial challenges effectively, in a targeted and prudent manner, to remain one step ahead with regards to technology, to design the products of the future and to influence how we will live and work, offering consistent support to its trusting customers and

making a substantial contribution to Cypriot society.

The crucial role of Cyta was also clearly demonstrated through the unprecedented circumstances of the COVID-19 pandemic that we have all experienced. It was a critical time, during which the Organisation stood responsibly beside the State and society, safeguarding the precious ability to communicate for the State, for businesses, consumers and all citizens. Moreover, when the pandemic began to assume threatening dimensions, Cyta's Board of Directors decided to actively reinforce the Ministry of Health with a donation of €300.000 for the purchase of ventilators and other essential hospital equipment for securing the best possible patient support. Furthermore, taking into account the ongoing serious, negative impact of the pandemic on Cypriot society, the Board decided that, instead of holding events to celebrate Cyta's 60th anniversary, it would donate the sum of €200.000 to the SHSO Ambulance Service to support the purchase of a Mobile Crisis Management Unit to save the lives of people in danger.

OUR VISION AND MISSION

The role of Cyta in the Digital Transformation of Cyprus

Our vision and a key pillar of our mission, as well as a major challenge for Cyta, is to pave the way for Cyprus' digital future. Cyta is able to respond successfully to this massive challenge by making the most of the high level specialisation and expertise of its human resources, as well as its significant investments in ultra-high-speed networks and other state-of-the-art infrastructure.

It is now widely accepted that digital transformation is the only way forward for the State, industry, business and people. I must, however, stress that over and above the development and implementation of the required technological infrastructure, a crucial factor for the successful digitization of the country is the speed of the design and implementation of their commercial rollout by the State and all related stakeholders. The adverse conditions created by the pandemic have demonstrated, on a global scale, the importance of the fast penetration of digital technologies, which have transformed sectors such as Healthcare, Energy, Remote Working, e-Commerce, Manufacturing, Agriculture and Shipping. At the same time, digital technologies are laying the foundations for smart cities and are drastically changing the way we live. Cyta has already been a pioneer in projects to transform Nicosia and Paphos into smart cities and we expect other Municipalities in Cyprus to follow their example in the near future.

To this end, we are proceeding decisively with significant development investments in cutting-edge technology and strategic infrastructure projects, aiming to achieve the maximum level of geographic and population coverage in Cyprus. These projects enable the Organisation to differentiate itself by offering innovative fixed and mobile services, Internet, cloud, networking and colocation services.

Development investments in technological infrastructures

Cyta Fiber

In this context, the decision taken by the Board of Directors in 2017 to implement the Cyta Fiber network was a fundamental one. The project, with an initial budget of €120 million, constituted the biggest-ever upgrade of the country's fixed communication infrastructures.

Of extremely great significance is the fact that, despite the impact of the pandemic, Cyta remains totally focused on implementing the Cyta Fiber project, since the fast rollout of the fiber optic network is an essential prerequisite for Cyprus to be able to respond to the challenges of digital transformation. To this end, the Board took another key decision at the end of 2020 to further accelerate the rollout of the Cyta Fiber network. The goal is to complete the project throughout Cyprus by 2023, rather than over the 10 year period originally planned. At the same time, radical changes were made to our pricing policy for the fiber optic network, so as to encourage the fast transfer of customers from the copper network to the Cyta Fiber network in every part of the country.

5G

Our decisions for ensuring the continuous upgrade of the mobile network have also been in the same direction. Following the pilot testing of this innovative technology in 2019, the commercial operation of 5G by Cyta in early 2021 is the climax of this effort and is acting as a catalyst for the digitization of the Cyprus economy. Cyta is naturally committed to fully respecting and strictly complying with international health and safety standards.

Telecommunications Hub

Another critical project which is a milestone for Cyprus, is the continuous upgrading of Cyta's international satellite and subsea cable systems. As a result of the Organisation's longstanding investments in this crucial area, Cyprus is steadily becoming established as a reliable telecommunications hub in the Eastern Mediterranean, providing not only global interconnectivity but also high quality and high-security services. In this context, following the respective licensing in November 2020 by the

Ministry of Transport, Communications & Works, Cyta is proceeding rapidly with the construction of the ARSINOE subsea cable system, which is part of a bigger international subsea cable system linking Cyprus, France and Egypt.

Data Centre

To further reinforce its strategic advantages in this area, Cyta is also in the process of bringing into service, with the assistance of external advisors, an upgraded international Data Centre, which will have high-level certification and exceptionally high security specifications.

The implementation of this strategic project will enable Cyta to attract new local, regional and international customers, building on its reputation and reliability, its strategic geographic location, its highly developed technological infrastructure and its extensive subsea cable and satellite network.

One of our most important potential institutional customers is, of course, the Republic of Cyprus itself. By using Cyta's high-security Data Centre to take care of data needs nationally, the State will be able to focus its own efforts on the commercial and operational planning, as well as the fast implementation of the country's digitization project.

FINANCIAL CHALLENGES

From a difficult past to a hopeful future

In the course of its long history, Cyta has experienced not only successes but difficult moments too. Thanks to the way in which it dealt with challenges, however, it has managed to become more resilient, to deal effectively with problems and to contain any serious negative consequences for the Organisation.

In 2016, when the Board of Directors, which I am honoured to chair, was appointed for its first term, the country was slowly emerging from the throes of an unprecedented financial and social crisis, to which Cyta needed to adapt fast in order to survive. Significant pressure was already being felt on Cyta's revenues and market share, given also global technological advancements and intense competition in the local telecommunications market. At the same time, the Organisation faced a particularly serious upheaval in relation to the management of its Pension Fund, which had a severe negative effect on its reputation, credibility and financial results. There was great concern about its future sustainability, which led to intense discussions regarding Cyta's likelihood of survival, increasingly encouraging thoughts for possible privatization of the Organisation, with the aim of safeguarding its viability through a strategic investor.

With this difficult situation as its starting point, and irrespective of any decisions regarding the ownership structure of the Organisation, which would naturally have to be taken by the State, the Board of Directors, acting responsibly, undertook to take whatever steps it considered necessary to enable Cyta to deal with the huge pressures around its financial and commercial survival. Our objective was to strengthen the Organisation's financial position and maximize its value in order to reinforce its financial and business sustainability. With this as our guide and in collaboration with the State, we worked hard together with the Management, the Unions and all our colleagues, rolling up our sleeves and fighting simultaneous and especially demanding battles on numerous fronts.

Now, just before the end of our second term, we feel that our actions and

decisions have been vindicated; we feel satisfied with where we are now, optimistic about Cyta's prospects, confident about the future and proud to belong to this great Organisation. Its technological, financial, operational and social achievements are a reflection of the result of our commitment to Cyta and of the great collective effort that we have made, working with passion, dedication and love for the Organisation. Above all, with confidence in Cyta's people and their capabilities, as well as faith in how far Cyta can go.

Financial results

I shall now speak about the Organisation's recent financial results, which have been especially positive and encouraging for the future.

In **2018**, a number of important actions were taken, aimed at the financial rationalisation and re-engineering of the Organisation's activities. As a result, the year was a milestone for Cyta's finances since it registered a net profit of over €60 million, which was much higher than in the previous seven years. This performance was, to a great extent, the result of the Board's conscious strategic decision to proceed with a documented review of the viability of Cyta's operations and subsidiaries in Cyprus and abroad.

The divestment of Cyta Hellas, which took place in the context of Cyta's financial rationalisation, removed major diminutions in the value of investments in the Organisation's financial statements and significantly boosted its subsequent financial results, enabling them to henceforth demonstrate Cyta's dynamism and true capabilities. At the same time, the purchase price of €118,1 million which was attained, ensured, among others, full settlement of all the loan facilities that Cyta had extended to its subsidiary. The agreement also

contained a special provision giving Cyta the right to access Cyta Hellas' infrastructures in future on similar terms to those that would have been in place if Cyta Hellas had remained under Cyta's ownership. Of particular importance to an Organisation with the status and responsibility of Cyta is the fact that the competitive process of soliciting expressions of interest by potential investors was conducted with total transparency and was concluded with a globally renowned international telecommunications group like Vodafone, thereby ensuring reliable professional and business continuity to what Cyta had created in Greece.

In the context of the evaluation of our subsidiaries, an agreement was also reached for selling the customer base of Cyta UK. In this way, the company was enabled to focus on its primary role, i.e. that of an owner and administrator of Cyta's international telecommunications hub in London. Furthermore, Cyta succeeded in withdrawing from its loss-making subsidiary in Hungary and from its previous participation, with foreign investors, in the non-productive dormant company Bestel Communications Ltd. A similar process is currently under way, enabling Cyta to withdraw from its Cypriot subsidiaries Emporion Plaza Ltd and Cytasoft Ltd.

2019 was another milestone for the Organisation, since through focused commercial actions and a more outward-looking approach, Cyta managed for the first time in seven years to also reverse the downward trend of its revenue, which rose to €352,4 million, after being under pressure in previous years due to increased competition. At the same time, profit after tax remained strong and rose slightly to €61,1 million.

Based on our audited financial statements, the financial results for 2020 demonstrate Cyta's successful management of the pandemic in many areas, including the financial field.

More specifically, operating revenue for 2020 amounted to €349,4 million, representing only a marginal reduction of 0,9% (or €3 million) compared to 2019, despite the unprecedented financial state of the market due to the pandemic. In response to such pressures and with the aim of maintaining its profitability, Cyta succeeded in simultaneously reducing its operating expenses by 4,3%, (or €12,1 million) in 2020, compared with the much smaller reduction of 0,9% to the Organisation's operating revenue. As a result, gross profit amounted to €81 million and profit after tax to €70,8 million, the highest recorded in the last nine years.

It is also worth noting that the EBITDA margin, which is widely used in the market to evaluate companies' financial robustness, stood at 35,7% for 2020. This was its highest level in a decade and compared favourably with the results of other successful telecommunications organisations internationally.

I would like to underline the fact that, in 2020, the Organisation's financial strength again enabled Cyta to fund its increased capital expenditure of around €100 million from its own equity. At the same time, the Organisation proceeded to pay dividend to the State of €14,7 million based on the previous year's profit, taking the total cumulative dividend paid to the State so far to more than €833 million. We also anticipate that significant dividend of the order of €18,6 million will be paid in 2021, based on the profit already recorded in 2020.

Preliminary results for the first five months for 2021 clearly reflect Cyta's

continuing financial progress and momentum, given that operating revenue up to May 2021 grew by more than €10 million to €148,2 million, i.e. by 7,6% over the corresponding period last year.

These positive financial achievements encourage us to continue setting high and ambitious targets for the Organisation, despite the prevailing adverse conditions. They also enable Cyta to continue using its own equity to fund its significant investment programme, without the need for borrowing.

At this point I would also like to refer to yet another important aspect of the management Cyta's profitability. It concerns our enhanced focus in returning increasing value to our customers, since we have now set as our main priority the continuous improvement in the costing and pricing of the services we provide, naturally within the regulatory framework that governs the Organisation's operations. To this end, in the last year there have been significant adjustments to the pricing of voice and mobile data telecommunications packages and services, as well as to fixed telecommunications, Internet products and Cytavision programmes.

COMMERCIAL CHALLENGES

From a business standpoint, and in spite of intense competition and the restrictions imposed by the continuing regulation of telecommunications, Cyta is becoming more and more outward-looking, using its technological superiority to design innovative products for every type of customer. It thus continues to maintain a high market share in every area of its activity, remaining the leader for mobile telephony with 53,3% of the market. For fixed broadband connections (Internet), its market share rose to 56,6%, while in traditional fixed telephony Cyta continues to lead with 58,2%. Finally, in

the subscriber television sector, Cyta's market share was 45,6% in 2020, up by 1% on the 2019 figure.

Despite market pressure and intense competition, the resilience of the Organisation's market share is, to a great extent, a reflection of Cyta's clear superiority as regards the crucial criterion of credibility and reliability. According to specialised market research, Cyta sustains firmly its top position in repeated surveys conducted for the telecommunications sector and its lead is, in fact, widening, since the grade it received in 2020 was the highest since March 2013. At the same time, customer retention for 2020 stood at 93,5%, which is also the highest level recorded over the last few years.

PENSION FUND: RATIONALISATION OF MANAGEMENT AND NEW PROSPECTS

At this point, I consider it useful to make a brief reference to the Pension Fund, given that the problems it faced in the past had dealt a serious blow to Cyta and its people. Since Mr. Christos Patsalides took over the chairmanship of Cyta at the end of 2013, the Pension Fund has been managed on a rational and technocratic basis. The Trustee Committees appointed subsequently have systematically adopted a prudent investment policy, leaving aside the practices of the past and placing the management of investments on a strictly professional basis. Increased transparency and adherence to corporate governance rules are now the Pension Fund's top priority. In this context, essential improvements continued to be made, including the adoption of enhanced control mechanisms, as well as action plans and legal steps for managing problematic past projects, the consequences of which, unfortunately,

are still creating difficulties for the Pension Fund.

Following the excellent performance of the Fund's investments in 2019, which led to a surplus of €57,8 million, 2020 was characterised, as we know, by unprecedented volatility in the international markets, caused by the unique circumstances created by the pandemic. Despite this severe unpredictability in the global financial markets, the Pension Fund managed to significantly limit any negative impact on its investments, which fell in value by only 1,1%, or €7,3 million.

It is particularly important to note that this small negative development regarding the Fund's investments in 2020 has already been reversed earlier this year. Specifically, by the end of the first six months of 2021, the return on the Pension Fund's investments was at 2,1%, or €13,8 million, which exceeded the respective limited losses experienced in 2020.

An extremely important development regarding the Pension Fund was the appointment, as General Manager, of Mr. Neoklis Theodotides - an executive with strong experience and expertise in the financial and investment sectors. The appointment was concluded following publication of the vacant position and the subsequent transparent recruitment process that was adopted by the Management Committee. This substantial strengthening of the Pension Fund team has already played a decisive role in its effectiveness and further enhances its technocratic approach with regard to all areas of the Fund's activity.

As regards the management of past problematic investments, the final settlement for the Nicosia City Mall project in 2017 was critical, as it led to a significant increase to the net asset

value of the Fund by around €22 million. Since then, some issues related to other complex investments have been resolved, together with the implementation of action plans aimed at improving the position of the Pension Fund, wherever possible.

Previous problematic practices, however, continue to be reflected in the Fund's actuarial deficit, which is assessed on an annual basis, in accordance with the prevailing discount rate and other external factors. The difficult financial situation in recent years has maintained the deficit at a high level. Consequently, Cyta continues to make significant annual payments into the Pension Fund, acting with prudence and responsibility towards its people. Our objective, on an actuarial basis, is to cover the deficit in fewer than 10 years, a period that compares favourably with the 15 years provided for by the law as the maximum time allowed to cover such actuarial deficits.

MODERNISATION AND OPERATIONAL ADAPTATION

The significant technological, financial and business actions to which I have referred were part of a broader strategic planning process, which aimed to strengthen Cyta's position and to focus its efforts on key areas of growth, so that it could dynamically reposition itself as the undisputed leader in the competitive local telecommunications market.

However, for the Organisation to achieve these ambitious goals, a parallel key priority had been the internal transformation of its operating methods, processes and organisational structure. Equally important and a major challenge remains the continuous need for transformation of its corporate culture, so that it can respond to the modern demands of the new era.

With the new organisational structure adopted by the Board of Directors in 2019, the position of Chief Executive Officer, which had remained vacant since 2015, was filled through the appointment of Mr. Andreas Neocleous, following the publication of a vacancy notice and the subsequent transparent recruitment process that took place. At the same time, we proceeded to further strengthen the Management Team by filling important positions that had previously been vacant. These actions allowed each Manager to focus on his/her main area of expertise and to concentrate more on achieving clear and measurable goals.

In our effort to upgrade the Organisation's internal operations, the Board of Directors, in close cooperation with the Management and Trade Unions, actively encouraged the implementation of modern systems for performance assessment and promotion evaluation. As a result, transparent and objective evaluation processes with measurable goals have now been adopted for every employee. At the same time, the design of the planned promotion system has been completed and its implementation is already at an advanced stage, offering greater transparency on the basis of clearly objective criteria. At the same time, the policy of horizontal transfers and interchangeability of human resources is being proactively implemented. It aims to broaden our personnel's skills, as one of the basic criteria for their further advancement.

As regards the modernisation of the Organisation's internal functioning, we have also already submitted proposals to the State for updating long standing non-functioning internal regulations. Our proposals include filling Senior Management posts through public vacancy notices. In such a case, existing Cyta officials will be able to

apply for such posts, as will candidates from other sectors outside Cyta, provided that they possess the required qualifications. The goal remains the best possible reinforcement of the Management Team, together with Cyta's continuous adaptation to modern management and administration methods.

THE SUSTAINABILITY TRIPTYCH: ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

Today, as a result of the implementation of our strategic planning, the Organisation has the optimism and self-confidence to deal effectively with the major challenges arising in the global telecommunications sector, where everything is changing at rapid speed. Thanks to its significant and targeted technology investments in strategic infrastructure projects, its financial robustness, its commercial momentum and its superbly trained human resources, Cyta has succeeded in becoming synonymous with reliability, credibility and security. It belongs to the Cypriot society and is now paving the way for Cyprus' technological development and digital transformation.

At this point, I would like to underline Cyta's parallel focus on the basic principles of sustainability, i.e. the triptych "Environment, Social, Governance", widely known as ESG.

Corporate Governance

Cyta is required to manage the telecommunications sector's multidimensional challenges while fully respecting the principles of sound corporate governance. From the first day of taking up our duties, the Board of Directors consciously selected the path of corporate governance and transparency. We consider this option to be the only one available, especially for an Organisation that belongs to the State and is answerable to the Cypriot society. In this context, we have had to manage multiple financial, business

and technological challenges with business logic, while at the same time serving the whole of Cypriot society in a responsible and reliable manner.

Social and Environmental Policy

As an Organisation with a strong social footprint, Cyta has set as a main priority its continued focus on Corporate Social Responsibility. This approach is not simply an area of emphasis for the Organisation but also constitutes Cyta's second nature, concentrating among others, on supporting crucial actions in the areas of education, healthcare, the environment, vulnerable groups of the population, sport and society as a whole.

In the framework of our social policy, it is indicative that while Cyprus remains in the low overall 24th position on the Digital Economy and Society Index (DESI) for 2020, Cyprus is ranked first in the population coverage of its broadband networks with a reach of 100%, compared to the European average of 86%. This achievement underlines the broad coverage that mainly Cyta provides to rural areas, demonstrating the importance of our social policy for equal access to quality services in every corner of Cyprus, even the most isolated, which might not otherwise justify such access if the decisions were based solely on business criteria.

Indicatively I will also mention Cyta's applications for the safe use of the Internet by children and the accessibility of our telecommunications products and services to vulnerable sections of the population, such as people with visual or hearing impairment and those with mobility difficulties. Charging lower rates to around 37.000 of our fellow citizens on low income, as well as introducing easier payment terms during the pandemic were among other important initiatives taken by Cyta in this regard.

Among Cyta's many initiatives, the key objective of which is to make a profound

social contribution, it is also worth noting our positive response to the longstanding demand of football fans to enjoy all the games of the Cyprus Football League's first division teams on the same TV platform. In its response to this demand, Cyta proceeded in 2020 to reverse the previous prevailing situation in Cyprus by reaching an agreement with other telecommunications providers for the joint transmission of League and Cup games, as well as other popular international football competitions.

Of particular importance is also Cyta's extensive activity in many areas related to environmental protection, which includes actions that have led to international recognition for the Organisation, such as through its repeated Zero Waste to Landfill verification. We achieved this distinction for the first time in 2016, when Cyta became the first organisation in Cyprus and Greece to reach this significant goal, following an evaluation conducted among 1.500.000 companies. For 2020, it is estimated that the amount of Cyta's waste ending up in landfills was only 2,45%, while the remaining 97,55% was recycled or reused. Our performance compares exceptionally well with the average waste recycling rate in the European Union, which is currently estimated at around 45%, with the aim of increasing to 55% by 2025, to 60% by 2030 and to 65% by 2035. On the basis of this data, the extremely high recycling rate of 97,55% that Cyta has already achieved makes us feel extremely proud.

Through our adoption of an integrated strategic approach in the area of social contribution, we are convinced that the Organisation's financial and growth course should actively focus on the impact that our operations have on people, society and the environment. At the present time, this approach takes on particular importance since it has become essential to adopt and clearly incorporate it into the Organisation's

business goals. Because society needs to be aware of the results of our activities in the area of good corporate governance, sustainability and environmental protection (i.e. the ESG triptych) based on transparent communication based on reliable data.

In this context, we consider the country's transformation into a green economy to be a key priority for safeguarding the resilience of the economy. We expect progress in this direction to be significantly enhanced through the funds allocated to Cyprus by the EU Recovery and Resilience Fund.

The day after

We are optimistic that the Organisation's course of positive growth has every chance of continuing, through close cooperation among the Board of Directors, Executive Management, Trade Unions and personnel, which is based on the principles of transparency, integrity and good corporate governance. These are values that were established under difficult circumstances and, at the same time, secured Cyta's financial robustness, commercial resilience and technological superiority, together with its substantial social contribution to the country.

The next phase will also be a crucial one, in which the continuous adaptation of the Organisation's internal operations must be ensured. So that all colleagues will embrace a culture of constant change and identify with it, linking their own personal progress to that of Cyta. And looking forward to their professional advancement, based on strictly objective criteria, meritocratic processes and measurable targets.

Thanks

Both personally and on behalf of the Vice-Chairman and all the members of the Board of Directors, I wish to express warm thanks to every member of the Cyta family. We consider our cooperation with the Organisation's people to have been outstanding. If I

may be allowed to make a personal comment, dear colleagues, I cannot conceal that I now feel part of the big family of Cyta. I will always keep inside me important moments, special pictures and powerful memories of my presence in the Organisation. I sincerely consider it an honour and a real privilege to have had the opportunity to become a part of it.

I would like to express my very warm appreciation to the President of the Republic of Cyprus for the great honour and trust of the State, with my appointment as Chairperson to this great Organisation for two consecutive terms.

I also thank with all my heart all the members of the Board of Directors for their excellent cooperation - the Vice-Chairman, Mr. Yiannis Constantinides and his predecessor until recently, Mr. Costas Koumis, as well as the members Eraklis Agathokleous, Charalambos Avgousti, Lenia Matheou-Epiphaniou, Valentinos Ioannou, Yiannos Kremmos, Argyris Argyrou and Maria Antoniou Hamatsou. I am sure that all my colleagues on the Board feel happy and honoured to have had the opportunity to share Cyta's challenges and, at the same time, its progress.

For their positive and constructive cooperation, I also wish to thank the former Vice-Chairman, Mr. Michalis Mousioutas and all the members of the previous Board during my first term. I also thank the former Acting CEO, Mr. Michalis Achilleos, who served Cyta until the end of 2019, and all the members of the Secretariat - especially the Manager Mr. Petros Hadjiantoniou, whose wise and experienced guidance has untiringly supported the Organisation through all these years, with exemplary diligence and professionalism.

My thanks also go to all our external associates for their valuable advice and professionalism, especially to our longstanding Legal Advisor Mr. Costas Hadjioannou, our external auditors Baker Tilly Klitou who, in 2019,

succeeded KPMG, and our external Communications and Crisis Management Consultant, Mr. Yiannis Dimakis.

I would also like to express my appreciation to the Trade Unions for their positive spirit of cooperation and responsible stance in our joint efforts to resolve a host of labour issues and other serious challenges that the Organisation has faced from time to time.

Special thanks go to the Senior Managers, Mr. Yiannis Koulias and Mr. Chrysis Phiniotis, and to all members of the Management Team, each one of whom has contributed in his/her own way to where we are today, looking to the future with optimism, self-confidence, dynamism and trust, and with strong faith in Cyta's capabilities and prospects.

Above all, I wish to congratulate and thank from the bottom of my heart the CEO, Mr. Andreas Neocleous, who believed in Cyta's value and prospects, identified with the Organisation and is working hard, effectively and with dedication, guiding the Management Team and all our colleagues so that we not only reach our goals but exceed them.

Last but not least, I would like to warmly thank our friends in the Media, as well as the Public Relations department of Cyta, for the superb cooperation.



Rena Rouvitha Panou
Chairperson

July 2021

Message from the Chief Executive Officer

Mr. Andreas Neocleous



The first months of 2020 brought encouraging messages to Cyta, which showed that the Organisation was on a real growth trajectory. However, the unprecedented conditions created by the COVID-19 pandemic and the restrictive measures imposed to prevent it from spreading obliged everyone to reconsider their priorities and strategic plans.

For all of us, the year under review was like no other. The pandemic demonstrated in the most emphatic manner that, in the era of globalisation, the whole world is one family that needs to remain united to support its members and thrive. For Cyta, the focus was on its business and residential customers but also on Cypriot society as a whole, as it played its part in managing the pandemic through its services, its financial and human resources.

At the same time, the pandemic provided telecommunications organisations with an opportunity to offer their customers a taste of the new reality that was dawning, showing beyond all doubt that telecommunications are the essence that keeps the social fabric together, connecting families, communities, state services and the health system, businesses and educational institutions.

Telecommunications enabled people to work from home, to store and manage documents, to receive training and participate in meetings online. They showed that technology is the solution to maintaining the robustness of our operations and being in a position to deal with unforeseen circumstances, even those caused by something as huge as a pandemic.

In the “new normal” that we are being asked to operate in, the demand for constant and smooth connectivity is growing and creating a need for more stable and reliable networks, which can securely support the simultaneous connections of many and different devices, in such a way as to facilitate every section of society and every business sector separately. Technology responds to these needs by guaranteeing the required ultrafast speeds, without interruptions or delays.

We at Cyta feel proud because, despite the fact that the pandemic caused demand for Internet access in homes to soar, we did not face any problems around the provision of quality services to our customers. This was a result of our long-term strategy of designing


networks and infrastructures capable of withstanding much more difficult situations than normal.

For this reason, Cyta remains focused on the constant growth of its infrastructures and of modern communications. The smooth yet fast development of the fiber network and the complete coverage of the population by the 5G network will provide a further boost to the digital transformation of Cyprus and contribute to improving Cyta's competitiveness, enabling Cypriot businesses to operate in a more efficient, flexible and customer-oriented way.

At the same time, our attention is focused on our customers, who lie at the heart of our strategic planning. From the initial outbreak of the pandemic, we strengthened our online service and sales channels and facilitated our customers' communication through a range of actions, such as increasing data volumes and transmission speeds and introducing easy payment terms. Our technical crews and call centres continued to provide uninterrupted technical support to all customers, with increased safety measures in place, thereby transforming the members of our service teams into our very own heroes.

Our immediate goal for 2021 is to give Cyta's customers a brand-new experience, which will respond to their requirements simply, easily and securely, even without the need for their physical presence in our Cyta shops. At the same time, we shall propose innovative digital solutions to our business customers and in areas of the public sector that are developing projects such as Smart Cities and e-Health.

2020 may have proven that the future is unpredictable but, at the same time, it has taught us how to be flexible, to adapt to new realities and cope with difficult situations. It has shown us that the difficult moments are those that lead us towards progress, by forcing us to find the solutions that will take us forward. 2021 will definitely be better, easier and more manageable but only because we have successfully coped with this strange year of global uncertainty.



Andreas Neocleous
Chief Executive Officer

July 2021

Chairman & Members



CHAIRMAN

Rena Rouvitha Panou
Economist



VICE-CHAIRMAN

Kostas Koumis
*Communication Specialist/Director
at a Private Company*

[until 22.12.2020
(Council of Ministers meeting - 22.12.2020)]

MEMBERS



Erklis Agathokleous
Lawyer



Argyris Argyrou
Economist



**Charalambos
Avgousti** *Lawyer*



Valentinos Ioannou
*Architect Engineer &
Town Planner*



Ioannis Kremmos
Businessman



**Yiannis
Constantinides**
*Chartered Certified
Accountant*

[**Vice-Chairman** from
22.12.2020
(Council of Ministers meeting
- 22.12.2020)]



**Lenia Matheou-
Epiphaniou**
Bank Employee



Maria Antoniou-Hamatsou
Lawyer

[from 22.12.2020
(Council of Ministers meeting -
22.12.2020)]

Legal Advisers

Andreas C. Hadjioannou & Co

Auditors

KPMG

Auditor General of the Republic

Management

Chief Executive Officer
Andreas Neocleous
MEng, PhD

Chief Strategy and Wholesale Officer (Senior Management)
Ioannis Koulias
BSc (Hons), MSc, MIEEE, MIET, CEng

Strategy and Regulatory Affairs Manager
Alexandros Alexandrou
BEng, MEngEE

Facilities Management Manager
Nicos Nicolaou
BScEE, MBA

International Wholesale Market Manager
Costas Psillides
BScEE (Hons), MScEE, MBA

National Wholesale Market Manager
Nicos Michaelides
Dipl. Eng NTUA, MSc T&IS

Corporate Communication Manager
Nicos Charalambous
BScEE, MEngEE, MBA

Vertical Markets Manager
Nicos Georgiades
BScEE, MScEE, MBA

Chief Financial Officer (Senior Management) (by assignment)
Ioannis Koulias
BSc (Hons), MSc, MIEEE, MIET, CEng

Financial Resource Management Manager
Costas Manouchou
FCCA

Financial Services Management Manager
Antigone Modestou
FCCA, MBA

Chief Commercial Officer (by assignment)
Andreas Neocleous
MEng, PhD

Consumer Market Sales Manager
Christos Limnatitis
Dipl. Eng NTUA, MBA

Consumer Marketing Manager
Petros Charalambous
MBA, BScEE (Hons), MScEE

Consumer Market Support Manager
Natia Pieridou
BA Soc&Educ Psy (Hons), MScIR&PMgt

Cyta Business Manager
Maria Damalou-Hadjigeorgiou
Bsc (Hons), FCA

Chief Technology and Informatics Officer (Senior Management)
Chrysis Phiniotis
BScEE (Cum Laude), MScEE

Security, Network and Services Operation Manager
Kikis Kyriacou
BScEE, MScEE, MBA

Backbone Networks Manager
Georgios Morphitis
BScEE (Distinction), MScEE, MBA

Networks and Service Delivery Platforms Manager
Savvas Patsalides
BScEE, MScEE

Line Access Network & Technical Support Manager
Georgios Malikides
Dipl. Eng NTUA, CEng, MBA

Information Technology Manager
George Arestis
Dipl. Eng NTUA

Aeronautical Services Manager
Andreas Onisiforou
MBA, BScBA

Human Resources Manager*
Efy Christou-Pouri
BScEcon (Hons), MScIR&PMgt, MBA

Internal Audit Manager*
Lia Vakis
BSc (Hons), MSc

Legal and Administrative Support Manager*
Petros Hadjiantoniou
BSc (Hons), MSc

* Under the Chief Executive Officer



Καλωσορίσατε.
Θα χαρούμε να σας
εξυπηρετήσουμε.

CORPORATE
GOVERNANCE

Corporate Governance

BOARD OF DIRECTORS

The Cyprus Telecommunications Authority (Cyta) is governed by a 9-member Board of Directors, the Members of which are appointed by the Council of Ministers for a 30-month term.

The Board is responsible for Cyta's smooth running and its long-term development and, as such, it approves the organisation's budget and strategy and monitors their strict implementation. More specifically, the Board is responsible for ensuring that Cyta maintains its overall functions which, as set out in the Telecommunications

Services Law, are:

- to manage a good and adequate telecommunications service in the Republic of Cyprus for the Government, public organisations and the general public,
- to manage all the installations and equipment procured or to be procured by Cyta,
- to manage all Cyta's immovable assets and
- to promote, as far as is feasible, the development of telecommunications services in accordance with recognised international standards of practice and public demand.

Moreover, the Board is responsible for the implementation of all general directives issued by the State through the Minister of Finance (who is responsible for Cyta), while Members of the Board represent Cyta at conferences, in meetings and at other events.

The Board exercises its authority and duties through the Chief Executive Officer (CEO) who, as Cyta's most senior executive, is responsible for the implementation of the Organisation's policy and for the management of its everyday activities. Furthermore, the Board is entitled to transfer any of its powers or executive authority to any Member, to the CEO or to Committees comprising Members of the Board and members of personnel.

To this end, the Board has set up a number of Permanent Committees, while for special issues it appoints Ad Hoc Committees. Permanent Committees, which the Board may, at its discretion, increase, reduce and/or modify, are the Audit Committee, the Personnel Committee, the Institutional Framework Committee and the Risk Management Committee. Furthermore, Board members are on the Cyta Staff Pensions and Grants Scheme Management Committee and on the Cyta Permanent Monthly-Paid Staff Pensions & Grants Fund Management Committee.

Finally, the Members of the Board, together with the CEO, make up the Board of Directors of the Cyta subsidiary Digimed Communications Ltd.



CORPORATE RISK MANAGEMENT & BUSINESS CONTINUITY

Cyta is fully aware of its role in dealing with the complex challenges currently facing Cypriot society and broader Eastern Mediterranean region. In this regard, it has adopted an integrated Corporate Risk Management (CRM) framework in order to manage risk but also to benefit from opportunities that arise. The systematic identification, assessment and management of risks that are associated with the environment in which the Organisation operates constitute a strategic advantage. In this way, the right culture is created, which reinforces Cyta's ability to achieve its goals and develop further.

For even more strengthening of Cyta's corporate risk management, the Board set up a Risk Management Committee, which supervises the CRM Department and monitors the implementation of rationalised risk management across the Organisation. Furthermore, the Executive Leadership incorporated business continuity activities into the CRM Department, which it enabled to report directly to the CEO.

2020 was an unprecedented year for the entire world – one in which all businesses would be judged on their ability to manage the risks and opportunities arising from the spread of COVID-19. The pandemic tested organisations' resilience as well as their capability to effectively implement their business continuity plans. Cyta had been fast in recognising the threat of COVID-19 and, thanks to timely preparation, was in a position to ensure its full and uninterrupted operations through the extensive use of remote working and a range of other



measures. It quickly activated its crisis management directive to secure the safety of staff, customers and partners, to continue the smooth operation of all its activities, and to maintain its services. During the first wave of the pandemic, it took care to adapt all Units' business continuity plans in such a way as to make them able to manage similar pandemic-related crises.

During the year under review, Cyta, as an organisation in the broader public sector, submitted a report to the Council of Ministers on the significant risks it faces and how it manages them, in accordance with the relevant legislation. Additionally, as a provider of electronic communications services, Cyta submits an annual report to the Digital Security Authority on risks related to the security of its networks, information systems and essential services, including details of their corresponding business continuity plans.

INTERNAL AUDIT DEPARTMENT

The mission of Cyta's Internal Audit Department is to contribute to securing its smooth operation by providing independent and objective confirmation, as well as advisory services to the Executive and Management, of the adequacy and effectiveness of its risk management activities, security safeguards and corporate governance, which are fundamental principles of business excellence.

The Department's vision is to create value for the Organisation and help strengthen its performance through the quality of its work.

The key principles for the professional conducting of internal audits are compliance with the mandatory requirements of the International Institute of Internal Auditors and the adoption of International Standards and the Code of Ethics.

To ensure the Department's objectivity and independence, the Internal Audit Manager reports to the Audit Committee of the Board of Directors on operational issues and to the CEO on

administrative matters. He has the full support of the Organisation's Board and Management.

The Internal Audit Department is manned by personnel qualified in a broad range of specialist areas and tremendous importance is placed on the regular training of internal auditors on issues pertaining to internal audits, technology and IT as well as more

general topics concerning the Organisation's activities. A number of auditors in the Department have obtained professional qualifications such as Certified Internal Auditor (CIA) and Certified Control Risk Self Assessor (CRSA).

The Internal Audit Department, having strict responsibility for the confidentiality and protection of the Organisation's archives and data, has full, free and unrestricted access to any and all of the physical and digital documents belonging to Cyta and its subsidiaries, bearing in mind the relevant provisions of national law and of EU Regulation 2016/679 (GDPR) on the protection of personal data.

AUDIT COMMITTEE

The Audit Committee, which was established in 2004, operates in accordance with the principles of Corporate Governance and is comprised exclusively of Members of Cyta's Board of Directors.

According to its mandate, the Committee reviews, inter alia, the following issues:

- The Organisation's Financial Statements and the underlying accounting principles according to which they are prepared.
- The Annual Audit Programme, which is drawn up on the basis of the results of a risk assessment of Cyta, and progress made on its implementation.
- Reports prepared by the Internal Audit Department on Cyta and its subsidiaries in the framework of examining the effectiveness of their Internal Control Systems.
- The correct and effective organisation, staffing and operation of the Internal Audit Department.

CORPORATE SOCIAL RESPONSIBILITY



Corporate Social Responsibility

Cyta believes in people and in the power of communication, which is why it chooses to act responsibly, by taking Corporate Social Responsibility (CSR) initiatives that improve the lives of everyone. With People and the Environment as its main pillars, the Organisation's initiatives facilitate communication for all and aim at protecting the natural environment.

CYTA'S APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

The term Corporate Social Responsibility (CSR) refers to the actions taken by businesses with the aim of helping to deal with environmental and social issues. Specifically, businesses constitute an integral part of the society in which they operate, affecting - and being affected by - events occurring in a particular time and place. Consequently, they have a duty to acknowledge their share of responsibility towards society and the environment. In other words, they must respect the principles and values that characterize our culture (respect for people, human dignity and the provision of equal opportunities, respect for their inherited environment and a desire to improve people's living standards and quality of life).

For Cyta, CSR mainly concerns how responsibly it functions as an organisation in all its business activities and in its relationships with all those on whom it has an effect. Cyta acknowledges that it is an integral part of the society in which it operates and that, through its business activities, it can make a positive contribution, but it may also have a negative impact on it. It also recognises that CSR can be a source of innovation and contribute to the long-term sustainability and competitiveness of the Organisation, while benefiting all stakeholders - personnel, customers, partners and suppliers, society as a whole and the State, as its owner.

This approach to CSR was officially adopted, with the signing of the Sustainability Charter of the Association of European Telecommunications Network Operators (ETNO) in 2004, by which Cyta committed to providing products and services that offer significant environmental, social and economic benefits. It also made a commitment to integrate environmental, social and economic responsibility into its business activities, minimizing wherever possible any negative impacts arising from such activities. The Sustainability Charter was replaced by ETNO's Corporate Responsibility Charter in 2012.



The objective, where CSR is concerned, is to implement its integrated management at Cyta. In other words, to make CSR an integral part of the way the Organisation operates in all its activities and not a separate, isolated process.

In accordance with the National Action Plan on Corporate Social Responsibility, drawn up by the Cyprus Directorate-General for European Programmes, Coordination and Development (formerly the Planning Bureau), non-financial indicators - i.e. CSR indicators - are included for the seventh time in this Annual Report. In this way, a more complete picture of the Organisation's performance can be provided regarding the three dimensions of Corporate Social Responsibility, i.e. Cyta's economic, environmental and social performance.

CUSTOMERS

The customer, as a primary stakeholder, is at the core of the Organisation's business strategy and customer satisfaction is an important indicator of the effectiveness of this strategy.

Evaluating customer satisfaction

Customer surveys are carried out to measure customer satisfaction at every point of contact, i.e. in Cyta shops, with Partners, Technical Customer Support (TCS) Crews, the Customer Contact Centre and the Complaints Management service. These surveys are carried out via telephone interviews

with customers with recent experience at each point of contact. Statistics are gathered on a monthly basis and the results are collated every quarter.

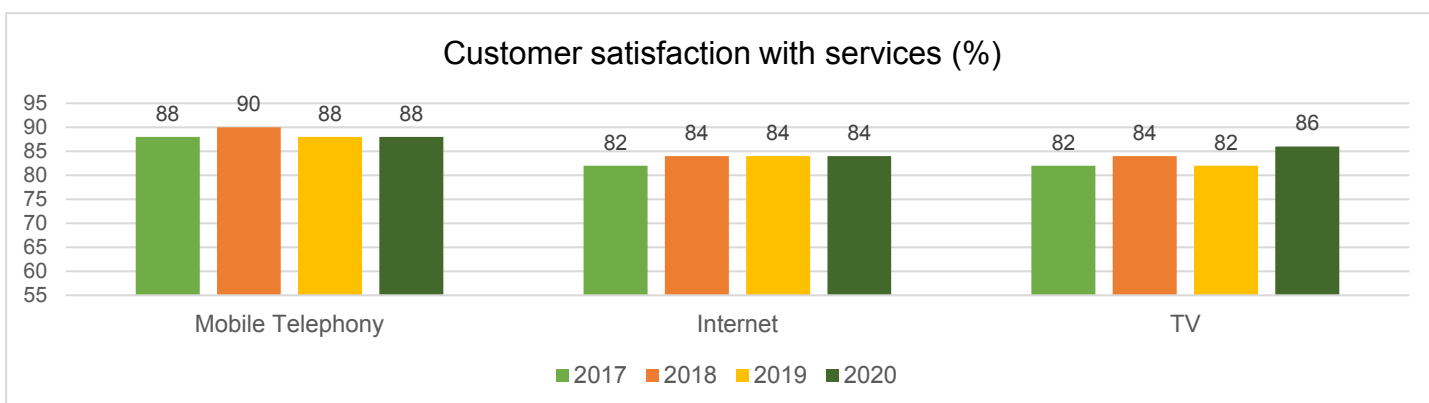
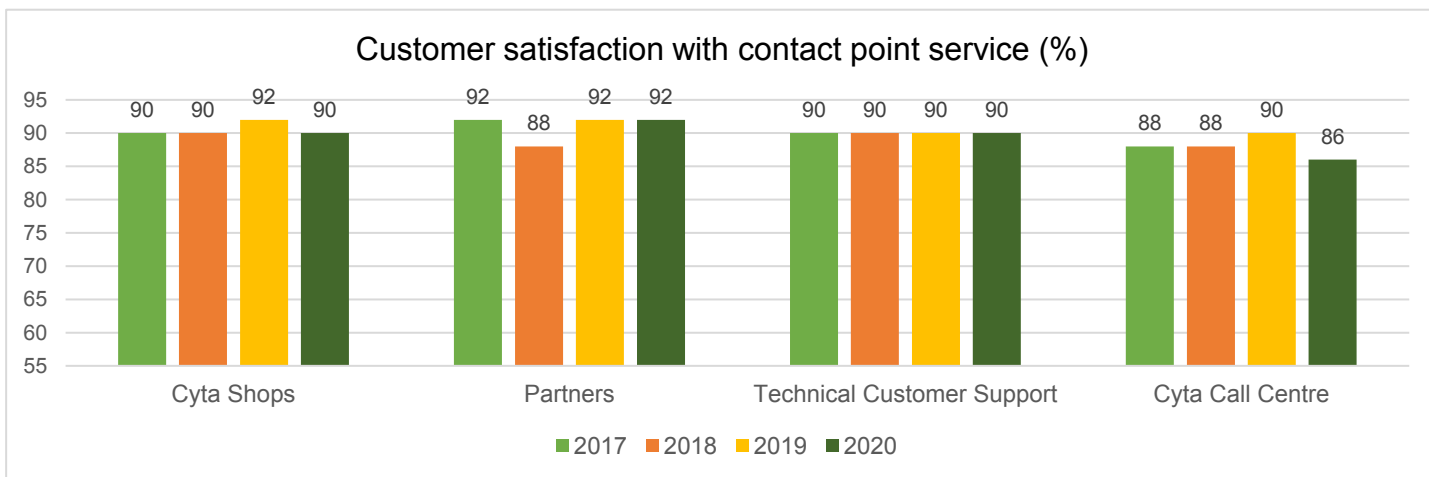
Additionally, surveys are carried out at Cyta shops using the Mystery Shopper method to monitor customer service procedures. Regarding business customers, surveys are carried out to measure their level of satisfaction with the service provided. This survey is carried out once a year through personal visits to business customers.

Customer satisfaction with contact point service and with services

Customer satisfaction from their services at the various points of contact, as well as satisfaction with services, as shown below, remain at very high levels.

Mechanisms giving customers the opportunity to comment

Cyta views any complaints submitted by customers as extremely useful information and their careful examination is considered an essential component of continuous improvement. The ultimate aim is to align the services provided with the constantly increasing demands of customers, which are managed with full awareness of the Organisation's responsibility towards the consumer.



Cyta's Customers have the opportunity to make comments or submit complaints, (a) online via the website, (b) in person by visiting any Cytashop, (c) by telephone with a call to the Customer Contact Centre or (d) by mail. Comments, thanks and complaints are entered into the electronic complaints system.

Using social networks for customer support

Social networking applications are being used to develop additional and more modern channels of communication with customers. Customers are also served on Facebook. This means that customers who choose to contact Cyta through social networks are served without having to wait in line and, at the same time, the replies provided by Cyta are permanently available to the whole community of users.

Smartphone apps

Fully aware of the rapid changes in technology and the constant development of new services and apps with which smartphone users can directly satisfy their needs, Cyta has created various apps that carry out specific tasks and make for an easier Internet experience:

resolve any queries with the help of the Organisation's experienced personnel. Users can also receive information about special offers and other Cyta news.

- **selfCare**

selfCare lets users manage their account and services easily and fast on their smartphone. The app is available to all RED subscribers and those using soeasy by Cytamobile-Vodafone.

- **CytavisionGo**

Cytavision subscribers can now enjoy the service everywhere, in the car, on a trip and even when abroad.

- **Tel OntheGo**

Tel OntheGo is an app that lets subscribers use their fixed telephone number everywhere.

Net Promoter Score

The Net Promoter Score (NPS) has been used widely in recent years by companies around the world to measure a company's

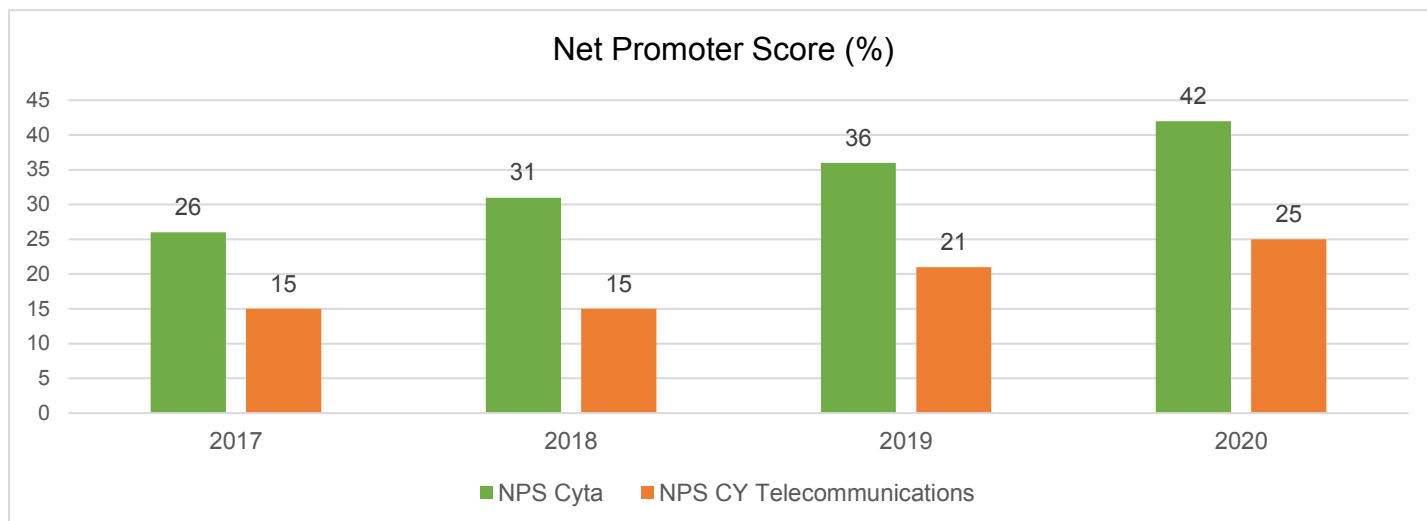


- **CytalInfo+**

CytalInfo+ is an app which provides constant and immediate assistance to users. With it, they can find the programme schedule and information on all the Cytavision channels and organise their favourite channels and movies. They can also locate the nearest Cyta shop and Cytanet Wi-Fi Hotspot. At the same time, the app keeps them informed with tips from Cyta's Twitter account (@cytasupport), Frequently Asked Questions from Cyta's various contact points and lets them visit the Cyta Forum to

customers' willingness to recommend it and it is interpreted as an indication of customer loyalty. The NPS has been measured for Cyta (organisation and main services) since 2014.

The NPS for Cyta was 42% in 2020, which is higher than the average NPS for Telecommunications services in Cyprus, revealing Cyta's dominance in terms of customer recommendation compared to the other telecommunication companies on the island.



Responsibility for products and services

Cyta, as a responsible organisation, takes full responsibility for its products and services, keeps up to date on any issues that may arise and promotes their responsible use as well as protecting its customers from possible threats. Some examples are its activities to promote safe Internet use, especially among the vulnerable child population, fighting bullying in schools, discouraging mobile phone use while driving and the recycling of telephone equipment.

Safe Internet

Since 2001, Cytanet has been giving presentations in primary, secondary and technical schools, as well as in private schools. Three separate programmes are offered on “The Internet: A Tool for All”, “Cyberbullying” and “Social Media in our Lives: How to Protect Ourselves”. Through these presentations, pupils have a chance to get to know the main services available online and the advantages and weaknesses of the Internet, as well as to learn about new online applications in their daily lives. The main emphasis is placed on the threats and pitfalls that pupils may encounter while browsing the Internet and on practical ways of dealing with such dangers.

During the 2019-2020 academic year, a total of 56 presentations were given in schools throughout Cyprus, attended by more than 8,000 pupils and teachers. Since 2001, some 1,512 visits have been made to schools and more than 163,000 pupils and teachers have attended the presentations.

At the same time, wishing to educate as many parents as possible about the Internet and its safe use, in conjunction with the Pancyprian School for Parents, Parents Associations and head teachers and with the support of the Ministry of Education, Culture, Sport & Youth, Cyta offers an educational programme entitled “The Internet in our Children’s lives - Safe and Responsible Use”. The programme is aimed primarily at

parents but also at bodies involved in children’s education. In lectures, particular mention is made of the Safe Internet service, which protects children from illegal, undesirable and harmful online content, and the safeMobile parental monitoring solution. Both services are provided free by Cyta. The seminars are open to parents in all towns, through the Parents Association of their children’s school.

Safe Internet for home

In 2019, Cyta upgraded Safe Internet for Home, a service that protects children from viewing undesirable online content on any device connected to the Internet via Internet Home. Such devices include laptops tablets, smartphones, games consoles, smart TVs and more, which are connected to the Internet via Wi-Fi or a wired network in the home.

Through this service, Cyta provides parents with an effective tool that allows them to offer their children the pleasure of learning, communication and entertainment in a safe and secure online environment.

Cleanfeed

With the aim of protecting customers from illegal Internet content, Cyta has implemented a special protection system, widely known as Cleanfeed. This system blocks access to websites with content that is illegal under Cypriot law. The main sites to which access is restricted contain child pornography. With the introduction of this special system, all Cytanet customers have “clean” Internet access.

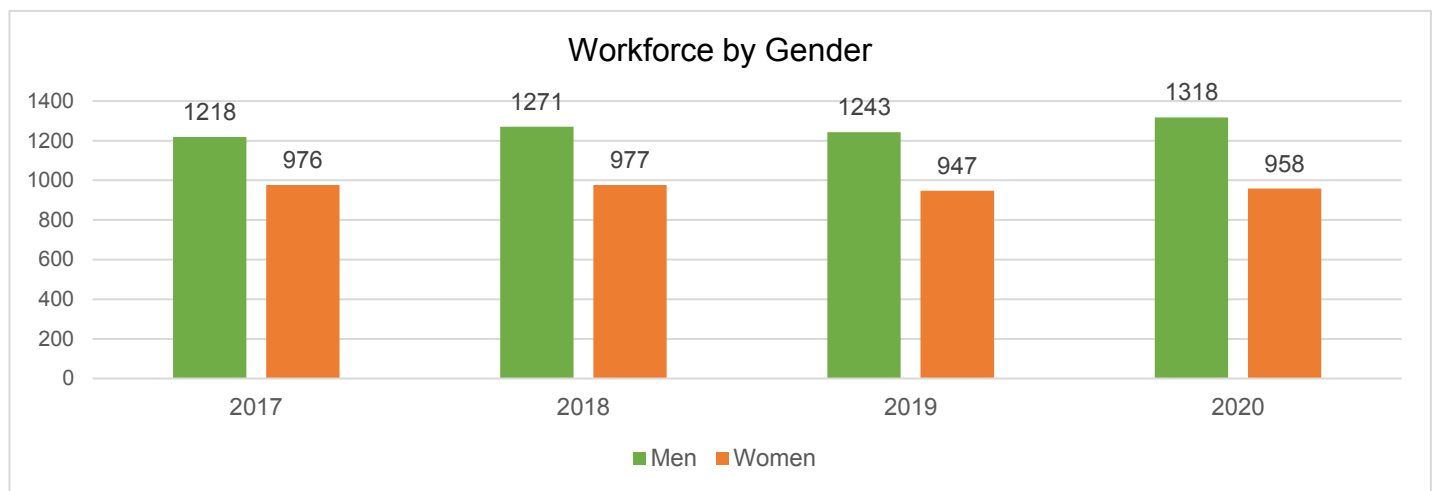
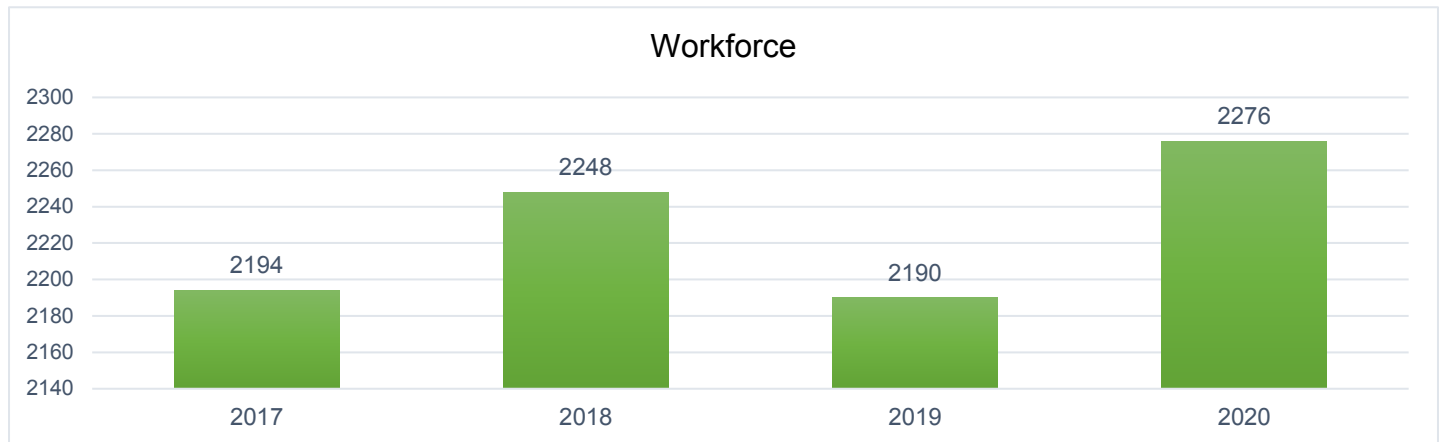
Safe Web

SafeWeb is the new service offered by Cyta with its Internet Home services, which reinforces its customers’ security when browsing the Internet. This strengthened security covers the entire Internet connection and any connected device, preventing access to malicious websites.

Mobile and fixed phone recycling programme

Cyta's programme for the recycling of mobile and fixed telephones and their related accessories began in 2010 and was the first of its kind in Cyprus. The aim of the programme is primarily to protect the

environment and public health from uncontrolled dumping as well as to raise public awareness of, and participation in, recycling. The programme encourages customers and the general public to return mobile and fixed phones that they no longer need by placing them in recycling bins specially designed by Cyta in Cytashops, at the Cyta Support Centre or Cyta's Head Offices in Nicosia.



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PERSONNEL

Industrial relations

Cyta, as a responsible employer, respects the right of its employees to trade union membership and, for this reason, 100% of our monthly- and hourly-paid personnel are covered by agreements based on collective bargaining. (See also the Chapter on "Management", sub-heading "Human Resources", paragraph "Industrial Relations".)

Employee performance evaluation

In 2020, the new Performance Management System (PMS) was

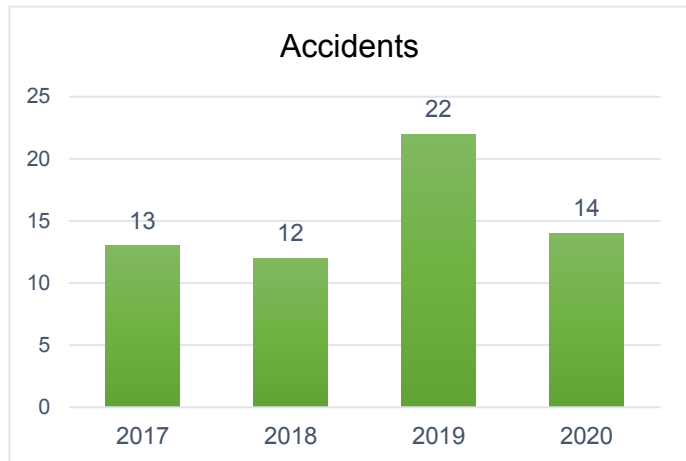
implemented within the Organisation for the first time. It aims to align all personnel on the achievement of the Organisation's goals and the demonstration of personal competencies that strengthen the desired culture and, at the same time, improve the work experience. At the design stage of the PMS, global practices were taken into consideration and adapted to the Organisation's operating framework. It is hoped that the PMS will succeed in maintaining the desired staff performance levels, gradually improving and growing them.

The term "performance" refers to the results that an employee achieves alone or as part of a team, in the context of the required personal competencies and predetermined business targets.

In 2020, targets were set for all members of personnel, who were then marked for an interim assessment and, on that basis, coherence meetings were held to ensure the correct implementation of the system.

Health and Safety in the Workplace

The health and safety of its employees is one of Cyta's top priorities. The main indicators of the level of staff health and safety are the number of accidents and the number of calendar days of sick leave per employee.



Personnel training

Cyta provides significant opportunities for training, development and learning, subsidising staff participation in training programmes, certifications and educational materials related to their work, and organising specialist courses on issues of development which improve productivity as well as job satisfaction.

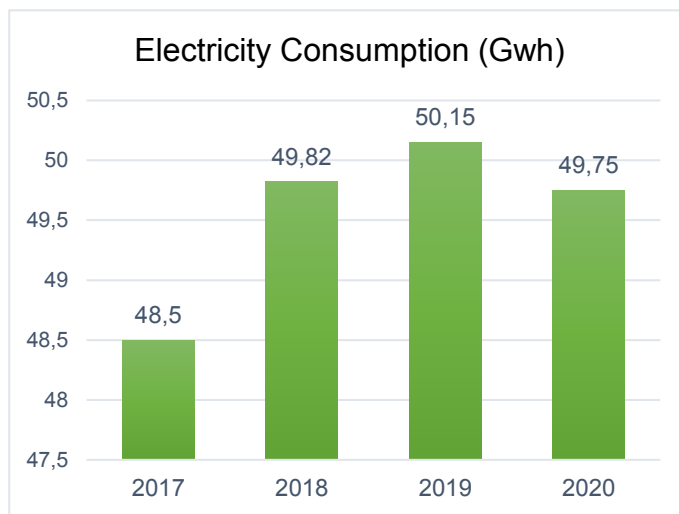
ENVIRONMENT

While recognizing its positive contribution, Cyta is also aware of the negative impacts that its activities, products and services can have on the environment and, for this reason, it has been active on environmental issues since formulating its Environmental Policy in 2001. The environmental policy commits the Organisation to offer products and services that contribute to sustainable development and to work towards the minimisation of the negative impacts of its operations on the environment.

The most significant environmental aspects of Cyta's operations, products and services are the use of energy, in the form of electricity and fuel, the production of waste - mainly electric and electronic waste - and the consumption of other resources such as paper and water.

Electricity consumption

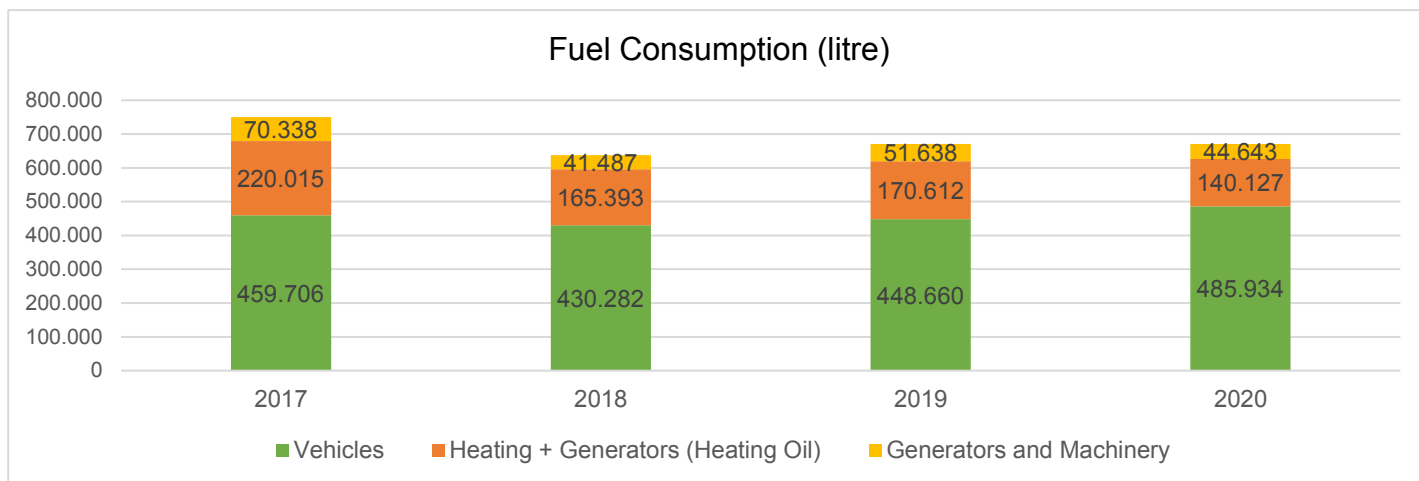
Cyta uses electricity to power its telecommunications equipment, as well as to control the temperature in those areas where it is installed (around 70%) and to power its offices. In 2020, Cyta continued its efforts aimed at reducing electricity through coordinated actions.



Since March 2020 and for a long period during the year, due to the COVID-19 pandemic, a large number of staff did not attend their office but worked remotely, which led to a significant reduction in electricity consumption in the Organisation's offices. However, the number of mobile phone and 5G network base stations increased, as did the number of points hosting telephone exchanges and stations belonging to other providers leasing space on Cyta's pylons and/or in its buildings. Of Cyta's recorded total energy consumption, it is estimated that some 1,13GWh was consumed by other providers.

Fuel consumption

Fuel is used at Cyta by its fleet of vehicles, for the heating of offices, for generators and various other types of equipment. Since 2012, activities have been promoted for reducing fuel consumption through the reorganisation and reduction of the vehicle fleet, the renewal of the fleet with more energy-efficient vehicles and the implementation of a telematics vehicle fleet management system. Specifically, in the context of restructuring the Cyta fleet, significant efforts were made to reduce the number of vehicles through the creation of a Common Use Vehicles Group in more buildings, apart from our Head Offices



where this institution was already in operation. At the same time, a redistribution of vehicles took place so that the most energy-intensive and older ones could be withdrawn from service.

As regards generators and machinery, in 2020 the number of mobile telephony base stations with 24-hour support of generators was reduced and this led to a decrease in fuel consumption.

Paper consumption: Customer bills

With the aim of reducing the consumption of resources, the mailing of itemised bills for Fixed Telephony and Cytamobile-Vodafone Mobile Telephony was discontinued in November 2011. This initiative, with the help of customers, led to a substantial saving of the amount of paper required for the printing and mailing of itemised bills. From 2014 to 2018, a total of some 16 tons of paper was saved, while in 2019, in the context of its environmental policy, Cyta introduced the single bill for all its customers. Specifically, all residential customers who previously received a separate bill for each service now receive a single bill combining all their services.

The decision to apply the single bill to all residential customers was one more that was taken in the context of Cyta's Corporate Social Responsibility as part of its long-term environmental

policy for minimizing the environmental impact of its operations, products and services.

For even greater savings of paper, Cyta encourages its customers to visit its website www.cyta.com.cy and register with the electronic invoicing service, which provides additional benefits, such as immediate information and easy access to online copies of bills, receiving and/or printing them as well as their online storage for 24 months.

Paper consumption: Telephone directories

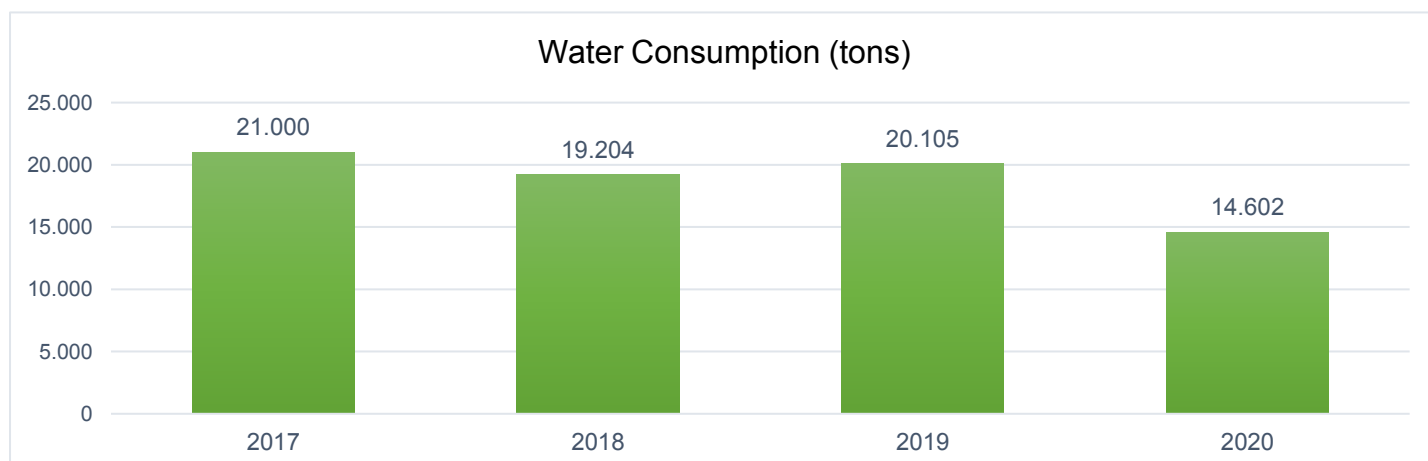
Since ending the printing of the Telephone Directory in 2017, Cyta also stopped printing the Yellow Pages in 2018. It is now available online. This decision as led to the saving of some 23 tons of paper per year.

In-house campaign to reduce paper consumption

Among various other actions, Cyta has given top priority to the reduction of paper usage within the Organisation, encouraging its personnel to become more aware and to make the concept of the paperless office a part of their daily lives.

Water consumption

Cyta does not consume large amounts of water since its use is precisely the same as domestic use, i.e. in restrooms, canteens



and gardens. However, water consumption is seen as an important aspect of the Organisation’s environmental impact since the country frequently suffers from drought. For this reason, Cyta has long promoted various measures that aim to save this precious resource. These include using water from boreholes (where they exist) for the watering of gardens, placing water-saving filters on taps, using dual-flush toilets and automatic flushing sensors.

Carbon Dioxide emissions

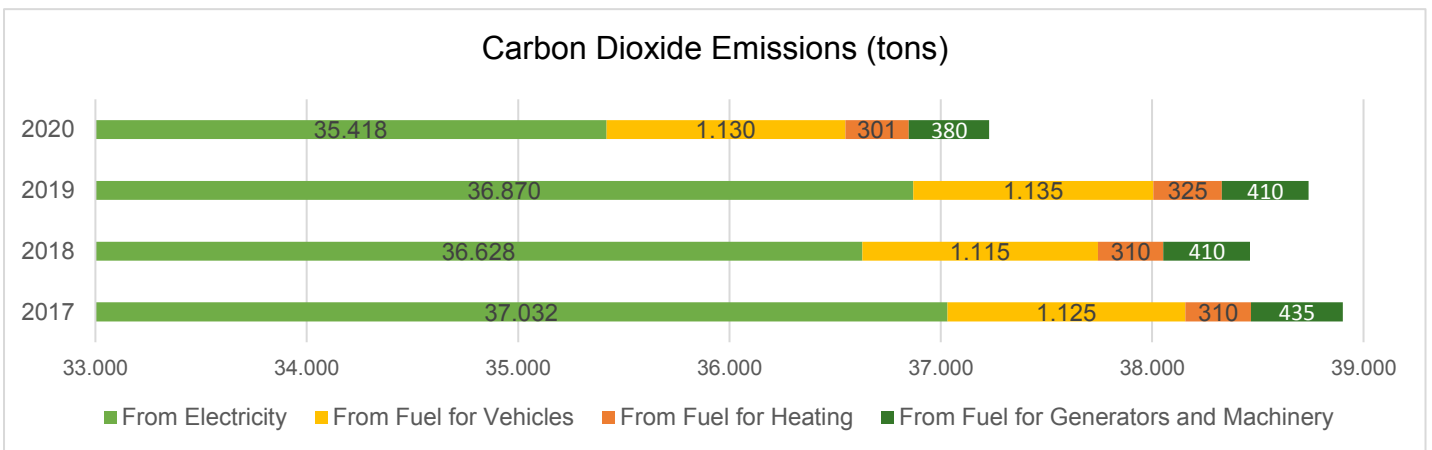
Carbon dioxide (CO2) emissions are caused either directly, by the burning of fossil fuels by Cyta’s fleet of vehicles, for heating its buildings, by generators and other equipment, or indirectly, through the use of fossil fuels that generate the electricity that it consumes.

Landfill. In 2020, for the 5th successive year, it again obtained Zero Waste to Landfill verification and remains the only organisation with almost no waste being sent to landfill and 97.55% waste being recycled/re-used (verified by TUV Austria).

Cyta’s waste includes electrical and electronic equipment, paper, plastic, cables, batteries, vehicles, organic waste, telephone poles, ink cartridges, tyres, wood, etc., all of which is recycled or re-used, thanks to the awareness and proper training of its personnel.

Why “Zero Waste to Landfill”?

Diverting waste from landfills results in cost savings and lowers its environmental impact. It also provides a means of demonstrating an organisation’s environmental achievements.



Waste management and the verification of Cyta as an organisation achieving Zero Waste to Landfill

The reduction, re-use and recycling of waste is one of the commitments of Cyta’s environmental policy. In 2016, Cyta was the first organisation in Cyprus to register Zero Waste to

A “zero waste to landfill” policy helps an organisation to reach its sustainability targets, improves its current processes and financial performance, strengthens its corporate image and reduces its legal exposure to risks arising from its direct or indirect link to hazardous waste.



“Zero Waste to Landfill” verification is achieved when an organisation recycles more than 95% of its waste. In fact, despite its size and the broad range of its activities, thanks to its long-term environmentally friendly policy, Cyta has succeeded in recycling 97.55% of the waste produced from its activities and, as a result, it sends only 2.45% of its waste to landfill sites.

Cyta’s unwavering goal is to maintain and further reduce the amount of its unrecycled waste.

Furthermore, across the Cyta sales network and in its administrative offices, it operates a programme for the recycling and re-use of mobile and fixed phones and accessories, while used household batteries are collected from the public and our personnel, and taken for recycling by Afis Cyprus Ltd.

In 2020, following the success of the model Environmental Corner at the head offices in Nicosia, Cyta proceeded to create five new Environmental Corners at its main offices in all districts, enabling most of its personnel to easily recycle their own waste.

Green Offices

In 2020, for the fourth consecutive year, Cyta obtained Green Offices quality certification for all its Cytashops and, for the second time, received the same certification for all its manned buildings in Cyprus.

Green Offices is a pioneering badge of environmental quality for buildings and offices. Certification requires the implementation and maintenance of strict criteria on electricity and water



Cyta’s obligations regarding the reduction, re-use and recycling of waste stem from the Framework Directive on Waste (2008/98), where prevention, re-use and recycling top the waste management pyramid, and landfill is seen as the last resort. Waste reduction is an indicator of the sustainability of the economy and society and is linked to the change in the consumer model and to cyclical economy.

Cyta’s Environmental Corners

Since 2016, there has been a model Environmental Corner at Cyta’s head offices in Nicosia, which contains recycling bins of all types. They can be used for recycling waste such as glass, paper, PMD, cooking oil, clothing, electrical and electronic devices, plastic bottle caps, batteries, light bulbs and medicines. The Environmental Corner was created in the context Cyta’s of Corporate Social Responsibility principles and its policy for protecting the environment through specific actions.

consumption, waste management, the use of environmentally friendly personal hygiene products and detergents, the quality of food and drink, the transformation of free spaces into green areas, and environmental education.

Supporting the Earth Hour campaign

In the midst of the COVID-19 pandemic, the 2020 Earth Hour event acted as a message of solidarity with the planet and its people. It was a message which, in 2020, due to the health protection measures in place globally, was promoted and communicated exclusively online.

On 28 March 2020, Cyta encouraged the public to switch off their lights at 8:30pm and to go outside, using their mobile phone torch, and join the voices raised for humanity and nature and believe that together we can succeed in helping the planet.

Cyta participates in the “Let’s Do It! Cyprus 2020 #atepame” cleanup campaign

The Together Cyprus network of volunteers, in conjunction with the Office of the Commissioner for Volunteerism & NGOs and the Office of the Commissioner for the Environment, organised the annual islandwide “Let’s Do It! Cyprus 2020” cleanup campaign during the week of 26 October-1 November 2020.

The aim of the campaign is to raise public awareness of issues concerning the protection, maintenance and sustainable management of the terrestrial and marine environments.

Cyta, as a strategic partner of Together Cyprus, organised a voluntary cleanup of the areas outside its Head Offices in October 2020.

Protecting Biodiversity

In the context of its Corporate Social Responsibility, Cyta acknowledges its impact on the environment and is continuously taking steps to manage it. At the same time, it endeavours to contribute through pioneering, innovative actions that maximize the value of its efforts.

With this in mind, and aware of the fact that a large number of global scientific studies have shown that biodiversity supports sustainable growth and that coordinated policies are required to deal with global challenges, Cyta decided that one of its most important efforts would be aimed at improving the protection of biodiversity in Cyprus. It was in this context that, in 2018, Cyta became the first Strategic Partner of the Cyprus Forest Association (CFA).

In this framework, it does indeed contribute through pioneering, innovative actions that maximize the value of its efforts.

The impact on bats of mobile phone masts is one of the negative consequences of the Organisation’s activities. Since bats rely on echo-location to find food and for other essential functions, and they emit sound waves similar to those of mobile phone masts, the installation and use of such masts appears to affect their activities. Specifically, the placement and operation of the masts, while not affecting the bats’ health, forces them to distance themselves from areas in which masts are located.

For this reason, Cyta collaborated with the CFA on the following:

1. Installation of an online camera in a cave that is a shelter for one of the rarest cave-dwelling bat species in Cyprus and Europe.

2. Restoration of an abandoned mine tunnel in Troodos National Forest Park, which will serve as shelter for bats some 30 years after it collapsed.
3. Funding of the building of 35 bat boxes, to be placed in various selected locations.

Additionally, to further upgrade and protect biodiversity on the island, a strategic cooperation agreement was signed with the Greening Cyprus initiative for the annual planting of a number of trees in various villages, forest areas, etc. representing 10% of new Cytavision subscriptions. In other words, for every 10 new subscriptions, Cyta plants a tree, thus contributing to reduction of its carbon footprint. Specifically, so far following the deadly fires in 2016, the Solea and Argaka areas have been reforested, with Cyta covering the cost of buying saplings and maintaining them for two years. The same was done in the Ora and Ayios Amvrosios areas in 2018, whole in 2019 and 2020, tree planting took place in the mountain village of Chandria in the Limassol district and the Oreites forest area in Paphos respectively.

In addition to the above, in conjunction with BirdLife Cyprus, Cyta proceeded to take measures for the protection of the common swift (the numbers of which have fallen by 70% in Cyprus), with the placement of special nest boxes containing 30 nests in Cyta buildings to attract these birds and increase their numbers.

For the second time, Cyta also supported the Cyprus Centre for Environmental Research and Education (CYCERE) by sponsoring the Diversity Programme for the 2019-2020 academic year, and it also funded the creation of a bee sanctuary in conjunction with the Cyprus Forest Association (CFA). It is due to be completed in 2021.

Achievements

A new honour for Cyta: Gold Environmental Protector Award 2020

Cyta gained further recognition for its environmental management activities when it won for the third consecutive year the Gold Environmental Protector Award at the 2020 Cyprus Environmental Awards for organisations and businesses.

The Gold Environment Protector Award is the most important environmental award in Cyprus and is given to businesses or organisations which manage environmental issues as an integral part of their operating policy, by establishing practices and actions that protect the natural environment, reduce consumption of natural resources and support local environmental bodies.



SOCIETY

Cyta recognizes that it is an integral part of the society in which it operates and with which there is a mutual influence and involvement. As a public benefit organisation, it was established to serve society and, for many decades, it has made a huge contribution to the development of Cypriot society and the economy.

In addition to its direct impact on society, through the provision of electronic communications products to its customers, employment to its personnel, the procurement of products and services from its suppliers and through the payment of a dividend and taxes to the State, Cyta supports broader society in a multiplicity of ways and at every opportunity. Below are some of the most important ways in which we supported society in 2020 and, in particular, the actions we took to deal with the negative impact of the COVID-19 pandemic.

Actions taken during the COVID-19 pandemic

During both the first and second wave of the pandemic, Cyta activated all its CSR mechanisms. It made use of the

capabilities of a broad range of its services and, through their beneficial impact, succeeded in making a positive contribution to the efforts aimed at combating the pandemic, by supporting, among others, innovative actions to deal with the impact of COVID-19.

The main concern and challenge for the Organisation was business continuity, which it achieved by giving access to its personnel that enabled remote working, thus ensuring the uninterrupted provision of services to customers. From day one, almost all of Cyta's human resources were able to carry out their duties through remote working, guidance and the immediate coordination of units and the dedicated crisis management team that was set up especially for the purpose.

During this unprecedented period, which affected the whole of humanity in various ways, Cyta decided, in the context of its Corporate Social Responsibility, to take immediate action to resolve and/or lessen the problems facing its customers and broader Cypriot society as a result of the pandemic.

As the leading and biggest telecommunications organisation in Cyprus, it focused on its stakeholders (customers, human resources, society) and responded positively to the needs of each group separately and acted to deal with all of them.

Among the measures and actions taken by Cyta in response to COVID-19, regarding services to customers, were the following:

1. The period during which services would not be disconnected due to unpaid bills was extended until 30 June 2020.
2. The volume of Mobile Internet data was doubled from 1 April 2020 for a period of three months for all mobile phone customers.
3. Speeds were doubled for the FREEDOM and FREEDOM Plus plans from 1 April 2020 for a period of three months.
4. No additional charges were imposed on customers stranded in EU countries who had exceeded their permitted Roaming limit, for a period of three months.
5. Entertainment content was upgraded free for Cytavision Value Pack customers for a period of three months.
6. Simultaneous viewing via CytavisionGo on two devices was enabled for a period of three months.
7. Free installation of Cytavision was extended until 30 June 2020.
8. Free installation and a three-month subscription to the Cytavision Hotel Pack was offered to hotels hosting people in quarantine.
9. Free installation of Fixed Internet and Telephony services was offered until 30 June 2020.
10. Businesses subscribing to the Cytavision Public Pack were able to disconnect the service for the duration of the period when they were closed.

In addition to the above, Cyta took the following measures to help society as whole deal with the coronavirus:

1. It increased its long-term support of the Cyprus Institute of Neurology & Genetics (CING), helping it deal with the pandemic through the provision of essential services enabling the Institute to respond in the best possible way to its increased needs.
2. It supported the Ministry of Education, Culture, Sport and Youth by providing 293 free Vodafone Mobile Broadband connections with a data volume of 100GB for a period of three months (May-July 2020). The Ministry made these connections available to school pupils who had no fixed connection at home.
3. It supported the Ministry of Interior and the Press & Information Office in their efforts to keep the public informed.
4. It contributed to the implementation of cooperation between Cyprus and Israel by providing services for the operation of Ministry of Health's Telemedicine Platform.

5. It provided services to reinforce the work of Ministry of Health Volunteers in managing/supporting people in quarantine.
6. It provided services to the Ambulance Service to help the public information process and installed a new WiFi network for the needs of the dedicated Ambulance Service line on 1420.

Furthermore, Cyta donated €300,000 to the Ministry of Health for the immediate purchase of hospital equipment for the treatment of COVID-19 patients.

During the second wave of the pandemic, in December 2020, Cyta again focused its actions on keeping people connected, ensuring that businesses continued to operate, health professionals could cope, and the State was able to recover and adapt.

In conjunction with the Deputy Ministry of Research, Innovation and Digital Policy and the Ministry of Labour, Welfare and Social Insurance, Cyta proceeded to reinforce the communication capability of retirement home residents and of young people in care. In close cooperation with the two ministries, having assessed the possibility of strengthening communication in some 80 spots across Cyprus, the Organisation upgraded the speeds of existing Internet services for free and offered new mobile phone connections for six months.

In collaboration with the State Health Services Organisation (SHSO), Cyta substantially upgraded the communications services of healthcare professionals across the island who, during the Christmas period, were on duty and away from their families and loved ones. Specifically, for the months of December and January, they benefited from free upgrades to their Cytamobile Vodafone monthly plans or their soeasy prepaid mobile phone plans.

Through its actions, Cyta brought multiple benefits. Of course, communication cannot be measured in numbers, since it is so invaluable. Everything undertaken by Cyta in support of its customers, the country's pupils/students and society as a whole demonstrated the Organisation's multifaceted work and the role it played throughout the pandemic.

Centre for Preventive Paediatrics

Given that health is a priority for everyone, that children are the future and that communication is what the Organisation is all about, for yet another year, Cyta supported the Neonatal Screening Programme of the Centre for Preventive Paediatrics. It organised three separate Christmas activities, sending out the

message that “Every child has the right to communication”. The activities consisted of a sale of communication accessories at all Cyta shops, collaboration with the Cyprus Post on the “Letter to Santa” initiative and the creation of an electronic Christmas card with the help of schools, children and teachers from all over Cyprus.

Occupational Health Centre

Regarding the Health & Welfare of our own personnel, the Occupational Health Centre continued to provide primary healthcare services and consultations for every interested employee in 2020. Furthermore, through the Centre, preventive medicine programmes were implemented, aimed at targeted groups or all personnel.

ON CARDIAC Service

Cyta is constantly in the lookout for opportunities to use its products, services and expertise to resolve social problems and benefit broader society. In cooperation with the Cyprus Resuscitation Council (CRC) and the Ministry of Health, Cyta implemented the pioneering new ON CARDIAC service. In case of anyone suffering cardiac arrest in a public place, ON CARDIAC enables the CRC to send a text message to individuals trained in basic cardiopulmonary resuscitation (CPR) and in the use of Automated External Defibrillators who are close to the patient’s location and can offer immediate assistance. ON CARDIAC can thus contribute significantly to timely intervention and the saving of lives. The service is provided free by Cyta, both to ordinary citizens and to the CRC. Cyprus and Cyta are among the few countries and mobile telephony service providers to provide such services.

Cyta and Road Safety

For the 17th consecutive year, Cyta continued to hold special road safety seminars for conscripts serving in the National Guard. In 2020, given the particular circumstances arising from the pandemic, the conscripts received the relevant training once they had been allocated to their specific units. At the same time, after the lifting of restrictions imposed to prevent the spread of COVID-19, road safety seminars continued at army camps across the island, where all the required measures were strictly observed.

The seminars, are part of Cyta’s overall activities aimed at cultivating road safety awareness among young people through special training, confirming its sensitivity to the important issue of road safety and its commitment to the European Road Safety Charter (ERSC). They also support the efforts of the competent bodies in Cyprus aimed at preventing fatal traffic accidents, especially those involving young people.

Moreover, as regards its responsibility as an employer and a significant road user, Cyta remained true to its aim of minimising accidents involving its own service vehicles and continued to invest in the training of its own employees and in the safety of its service vehicles.

Regarding its fleet in particular, it should be noted that Cyta ensures that all the vehicles it purchases are not only fully compliant with EU specifications but feature every available passive and active safety system. All vehicles undergo preventive maintenance, thereby ensuring the highest levels of protection not only for our staff but for every road user.



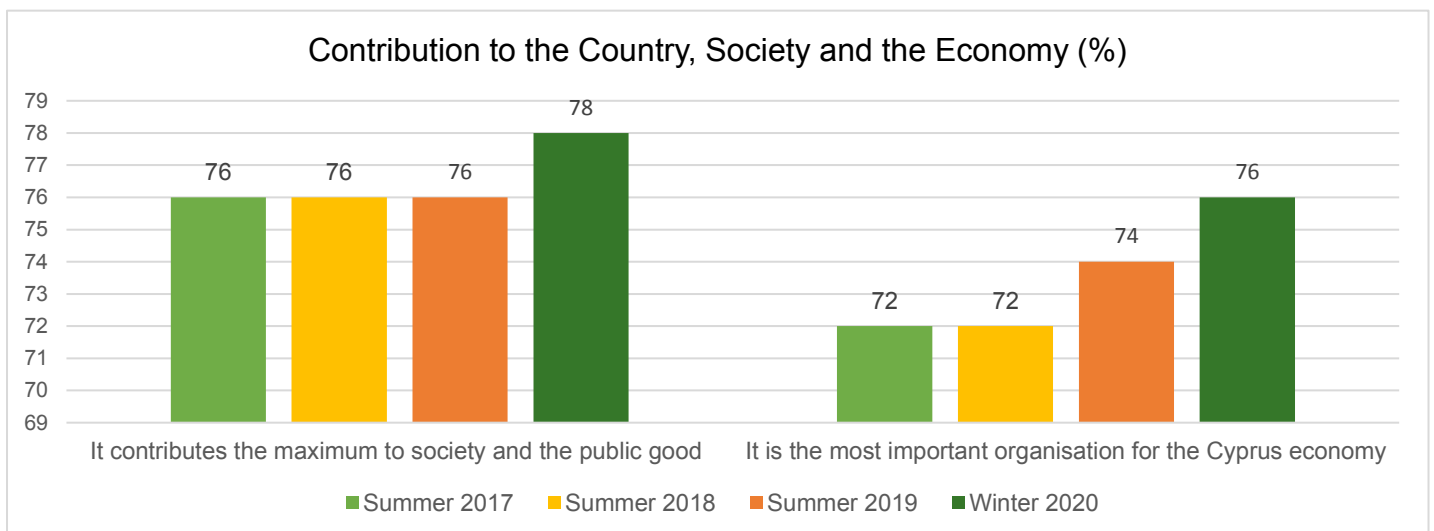
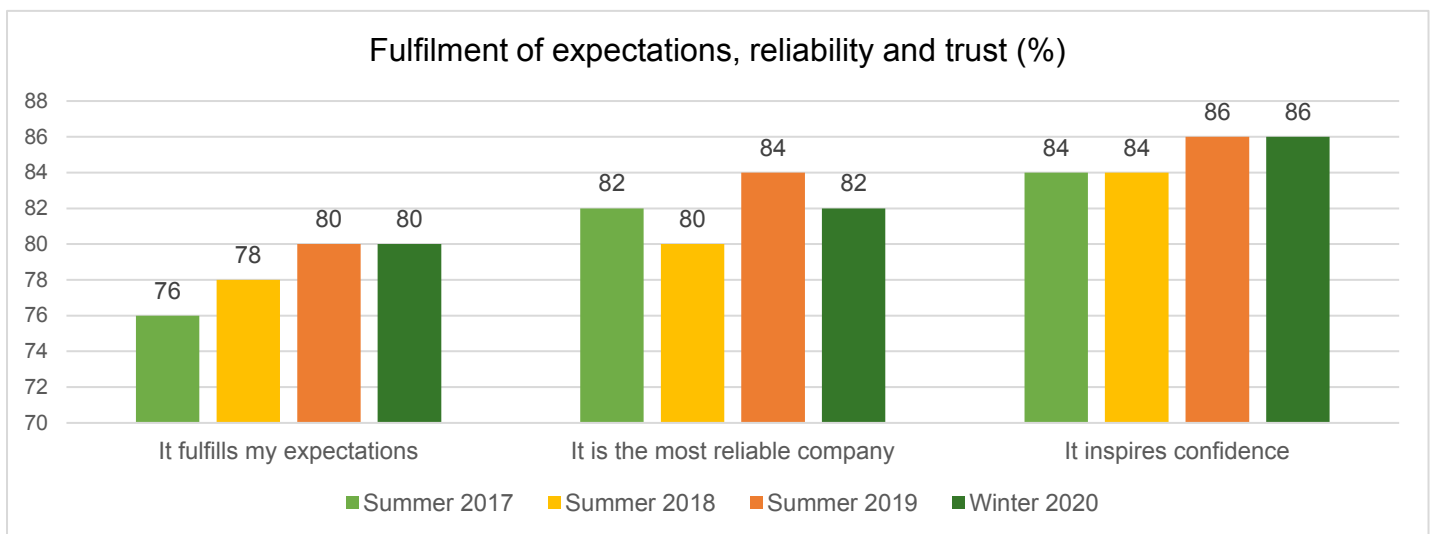
Education

In the difficult year that was 2020, Cyta, being well aware of the capabilities of technology and the freedom that communication affords, in conjunction with the Ministry of Education, Culture, Sport & Youth, proceeded to upgrade the Internet connections and speeds in 437 state schools all over Cyprus (Primary, Junior, Senior & Technical) in a very short time to enable the implementation of online learning during the quarantine period.

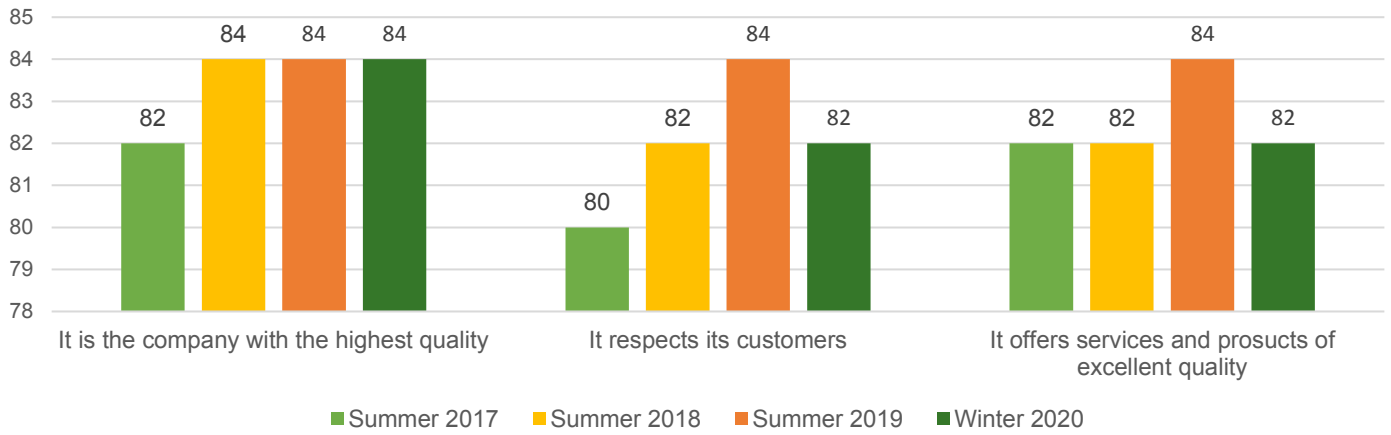
Public perceptions of Cyta

As with other groups of stakeholders, Cyta maintains close relations and two-way communication with representatives of society so as to keep in touch with, and respond to, people's changing expectations and needs.

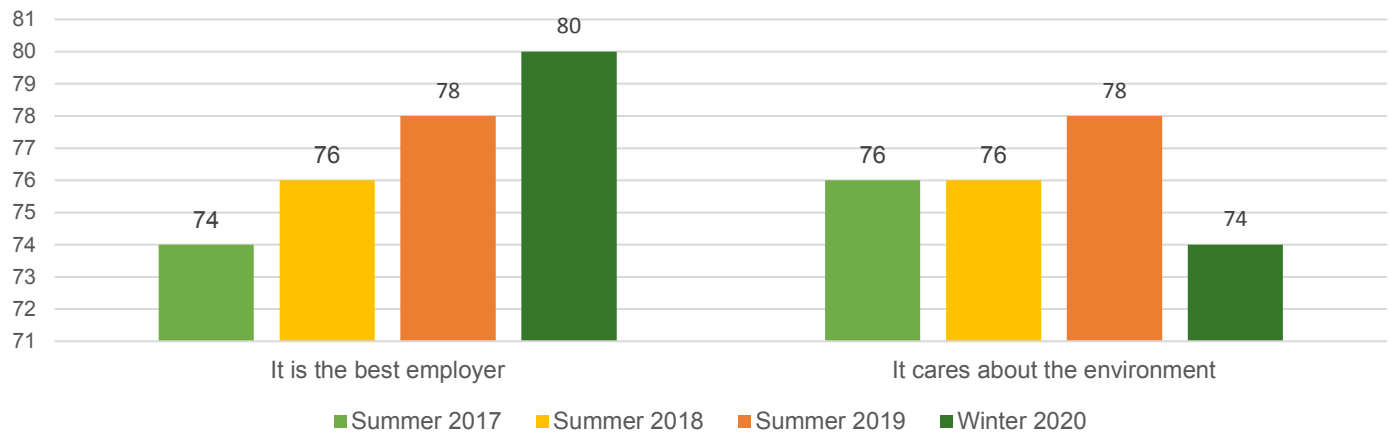
Among other things, through market research Cyta regularly measure public perceptions of the Organisation's performance regarding the social, environmental and economic dimensions of CSR. In order to have a measure of comparison and to know where Cyta stands compared to other organisations, it measures the same parameters for similar large organisations operating in Cyprus.



Quality of Products and Services and Respect for Customers (%)



As an Employer, Taking Care of its Personnel and the Environment (%)



MANAGEMENT



Management

HUMAN RESOURCES

Personnel Health, Safety & Welfare

2020 was a year like no other regarding personnel health, safety and welfare. The COVID-19 pandemic considerably changed the work of the Department, with the main goal being to ensure the health, safety and welfare of Cyta's personnel under pandemic conditions. This was achieved through the strict monitoring and implementation of Ministry of Health decrees, regulations and directives, the provision of immediate and coherent information to personnel, transparency, the management of new cases and contact tracing, regular testing to ensure the safety of all employees, and the immediate and totally successful adoption of remote working.

Cyta was the first large organisation in Cyprus, with the possible exception of major multinationals, to switch every member of staff (whose duties did not require their physical presence in the workplace) in the space of one week to remote working from home with a full toolkit and access to the Organisation's intranet. Moreover, it adopted a PCR and rapid test schedule for frontline staff before the Government made this compulsory.

At the same time, programmes were implemented to support members of staff testing positive for COVID-19, including the funding of sessions with a psychologist and the conducting of a series of workshops on mental resilience during the pandemic for all interested employees.

In 2020, the Occupational Health Centre continued its successful operation, together with the broader provision of support to employees facing problems over and above COVID-19 and the organisation of a number of events prior to the first lockdown.

The Occupational Health Centre carried out preventive medical tests either for all or for targeted groups of employees. Medical examinations were also conducted before recruiting new employees in relation to their suitability for carrying out specific duties.

In 2020, work/life balance programmes such as remote working continued to be implemented, as did staff social and financial support schemes. The whole concept of remote working, following its extremely successful implementation in March, was radically reviewed and, as a result, in the post-pandemic era, monitored remote working will be offered as an option to those employees considered eligible to do so by the Management.

At the same time, cultural and social events were organised for members of



staff and their children, to the extent that these were possible due to COVID-19 restrictions, while prizes and scholarships were awarded to outstanding students of employees' families.

Regarding personnel safety, all the Organisation's manned and non-manned buildings and premises were inspected, risks were assessed, and reports were submitted to the relevant departments.



In this context, top priority was given to the monitoring of measures taken to combat COVID-19, especially on all premises where positive cases had been identified.

Inspections were also carried out on technical crews to check that all safety regulations and processes were being implemented, as well as the measures being taken to halt the spread of COVID-19. The crews of contractors appointed by Cyta to undertake certain work were also inspected to monitor the implementation of their key obligations regarding the safety of their staff, the correct use of Personal Protective Equipment (PPE) and the required marking of the site in accordance with the relevant Regulation.

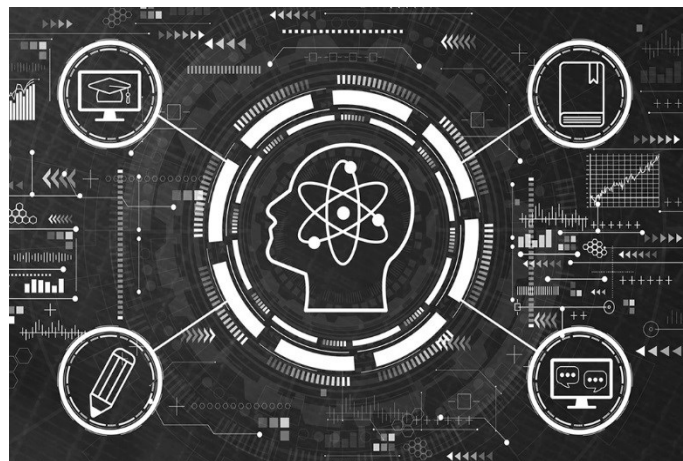
Training and Development

In the context of Cyta's policy of encouraging life-long learning and the systematic development of its employees, in 2020 the Organisation continued to provide many and varied opportunities for training, development and learning, funding their participation in training schemes and certification programmes in Cyprus and abroad for the development of their knowledge, skills and personal competences.

The percentage of personnel participating in training programmes in 2020 was 48%, with the corporate index of training hours per employee reaching 5.83, while HR Development as a percentage of payroll was 1.27%.

Training focused on issues concerning technology, IT systems, social networks, network and service security and customer service. At the same time, training sessions were held to

reinforce the personnel's knowledge of issues including "First Aid in the Workplace", "Teamwork" and "Developing Leadership Skills and Personnel Management".



Moreover, in the context of the alternative methods of learning that are promoted, a number of frontline members of staff received online training for the EMCC's "Cyta Manager As a Coach" EQA programme.

Finally, particular emphasis was placed on the recruitment of both permanent and hourly-paid employees and, in collaboration with all the units of the Organisation, an induction programme was prepared to inform them about important issues and Cyta's services. A specialized training programme was subsequently

coordinated by the department in which each individual employee had been placed. The objective was to provide new recruits with all the required information and knowledge before they began their new job, in order to secure their smooth entry into the Organisation.

In addition to traditional forms of education/development/learning, Cyta continued to design and promote other forms such as in-house training, online training/learning and specialist certification on technical and non-technical issues. Due to the pandemic and the unprecedented circumstances it had brought about, special emphasis was given to online training/learning, which covered a good number of training requirements.

The measures taken in view of the COVID-19 pandemic provided an opportunity to promote and make greater use of online training. The Organisation's people adapted rapidly to the new reality, and this is clear from the above figures, which, despite the restrictions on movement and interaction, remained at the high levels recorded in previous years.

At the same time, emphasis was placed on promoting better quality in how in-house training is provided by members of the Organisation working in various units, through official certification by the Human Resource Development Authority of Cyprus, in accordance with European standards. In-house trainers were identified within the Organisation and they obtained the relevant certification in 2020.

To achieve the Organisation's goals, a multi-faceted approach was taken, based on the systematic and conscious recognition, retention, dissemination, optimum use and development of the knowledge that exists within Cyta.

Industrial Relations

Maintaining good industrial relations through regular meetings with the trade unions was a crucial factor in Cyta's success during the year under review, to which all involved parties contributed with mutually agreed solutions that were applied to various internal problems that arose.

Recruitment

In June 2020, permanent staff vacancies were filled by 24 technicians, 17 IT technicians and, in September, six Engineers, seven IT officers and six IT officers (Systems, Network and Data Security). The vacancies, originally announced in March 2019, were filled following the necessary approvals to unfreeze

them. Recruitment of hourly-paid staff was made from the existing lists of successful candidates for the posts of Sales Assistant, Call Centre Assistant and Technical Assistant in response to the need for more hourly-paid employees. At the same time, the candidate evaluation process was reviewed in view of the announcement of new vacancies in the near future.

Voluntary Redundancy Scheme

In the framework of its efforts to reduce its operating expenses, including payroll, and, more broadly, to reorganise and modernize the Organisation, Cyta started implementing a Voluntary Redundancy Scheme (VRS) at the end of 2019 and it is expected to be completed by early 2021. The VRS is an essential tool that will enable the Organisation to achieve its strategic aims, including improving its financial results, which are affected to a great extent by operating expenses and labour costs. Cyta's strategic goals also include improving customer service and changing its corporate culture, both of which are linked to the need to renew its personnel (regarding both age and familiarity with technology).

Hourly-paid Staff

In 2020, a large number of hourly-paid staff was recruited in order to fill vacancies but also in response to the Organisation's new requirements. Additionally, existing hourly-paid staff were re-allocated and re-evaluated in order to support the Organisation's new structure. At the same time, with the aim of maximizing and strengthening mobility on the part of hourly-paid staff, a new transfer/seconding system was introduced, in accordance with which a number of transfers were carried out. Also, a change to the General Staff Regulations was proposed, by which hourly-paid staff may be transferred through a change of status, which offers new opportunities to employees while giving the Organisation greater flexibility in staff assessment as and where needs arise.



We stand by you with measures of support

We are here, to keep you close.

#StaySafe #StayConnected



COMMUNICATION POLICY

Vision

To provide modern electronic communication solutions that give people the freedom to discover and communicate with the world.

Mission

To provide integrated and reliable electronic communication solutions in a simple, smart and secure way and to improve our customers' way of life and level of productivity.

For 60 years, Cyta has been one of the strongest and most recognizable brands in Cyprus, as the biggest technology organisation in the country, with the necessary infrastructure and services, know-how and expertise to offer integrated and holistic solutions.

It is associated with the most important events in the country's history and with the significant and small moments in our personal lives that we share with our loved ones. It guarantees our communication, our education and information, our entrepreneurship and our entertainment.

Today, sixty years after its establishment, Cyta is looking at tomorrow and the future of communications and opening up new roads to progress. It remains the market leader, a modern and dynamic organisation which uses its technological superiority to provide an uninterrupted excellent customer experience.

The future is here

The future is here and the endless possibilities and prospects promised by advancements in technology are exciting.

The vision for the next decade is for Cyta to evolve into the telecommunications provider of the future.

The growth strategy and the projects that the Organisation is planning, and implementing are shaping communication policy and Cyta's focus on the sector's communication pillars will determine its position and image in the market.

Brand Sectors

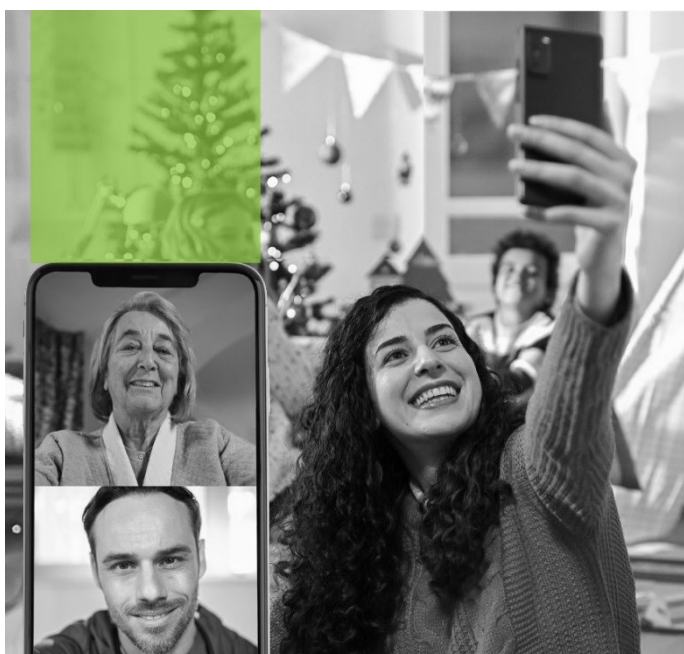


In 2020, Cyta demonstrated its value through its timely, transparent and constant communication with its human resources, its customers and broader society.

The message left by the pandemic is clear: Telecommunications keep businesses, governments and people connected. They provide the infrastructure that people need in order to remain resilient and innovative and they create new capabilities that prepare society for dealing with the next crisis.

From the start of the pandemic, Cyta was on the front line in dealing with the crisis, supporting the State and the people of Cyprus.

Focusing its attention on the new circumstances, which could change at any moment, it implemented throughout the year a multifaceted communication plan, with the aim of informing the public about the facilities and benefits it was offering and to safeguard the abilities and freedom that communication provides - the ability of families, friends and colleagues to stay connected. The ability of businesses to continue their operations, of healthcare professionals to cope with the situation and of the State to recover and adapt.



Despite the unprecedented challenges created by COVID-19, in 2020 all Cyta's original plans were transformed into actions for the continuous upgrading of its internal and external communications.

With the aim of improving the Organisation's internal communications, qualitative studies were conducted to assess and monitor the views of staff as regards Cyta and to identify any issues of concern to them. At the same time, internal communication was enhanced through new tools and actions, so as to guarantee employees' alignment and orientation with the values of the Cyta brand, thus enabling everyone to contribute equally to the achievement of the Organisation's goals.

At the same time, to ensure integrated brand management at all the points of contact, corrective actions were planned, including some related to building signage and online promotion.

Additionally, market surveys continued to be carried out for the measurement and constant monitoring of our brand value/ productivity. The results of these surveys are a significant tool in the hands of the organisation's Management and Executive when it comes to decision-making and corrective action.

Tomorrow's challenges and opportunities are determined by today's decisions, taken in extremely complex conditions that are more competitive than ever. For this reason, Cyta will continue to reinforce its brand, thus ensuring the Organisation's future success, and to invest in maintaining its long-term relationship of trust with society.

Media Relations

With the aim of providing timely and reliable information to the public, in 2020 we continued to issue regular Press Releases which were distributed to the media. Cyta officials participated in radio and television interviews and discussions and gave interviews to the press. Additionally, articles and other material about the Organisation were published, press conferences were held and public information campaigns were undertaken on a variety of issues.

Social Media

The Organisation's Social Media accounts are a benchmark. Cyta's dynamic presence on social media includes the following accounts:



cytaofficial, cytamobile and soeasy



cytasupport and cytacyprus



cytacyprus and cytamobile_vodafone



cyta and cytaglobal



cytacyprus, cytamobile, cytasupport and cytavisionsports

Keeping up with the trends of the times, Cyta uses its dynamic presence on social media to provide customers with a continuous flow of information about new services, products and the latest special offers, events and competitions, and to be a channel of interactive communication with customers. The Organisation's experience and knowledge enable it to provide informative/training presentations to business customers on the proper use of social media.

QUALITY AND BUSINESS EXCELLENCE

In 2020, Cyta continued to place special emphasis on achieving business excellence by seeking to improve business activities as regards quality, efficiency and effectiveness. Maximum efficiency and quality of activities are secured through continuous upgrades to the Quality System (ISO9001 certified) and the constant upgrading of other standards for certification,



For the better management of its online presence, through Social Listening and the use of specialist platforms, it monitors any online references to Cyta and its sub-brands as well as to its competitors. In this way, it is able to identify potential issues that may arise and deal with them at once, as well as to gain a better understanding of what people feel about Cyta and its services.

In addition to the above, Cyta worked for another year in partnership with the non-profit organisation Junior Achievement (JA) Cyprus, thereby supporting student entrepreneurship and the promotion of an innovation culture among the young people of Cyprus. In this context, training was instituted for students taking part in the JA Cyprus Student Company of the Year competition on issues pertaining to social media and how student entrepreneurs can use social media to promote their company's products and services.

The above activities contribute to the creation of the optimum online presence for Cyta, through the provision of information and news, interactive communication, improved service to customers and the public and the best possible, easily accessible customer assistance. Overall, these help the Organisation maintain and boost its positive image.

such as ISO 27001 (Data Centres - Information Security Management), ISO 18295 (Customer Contact Centre Management) and certification by the National Supervisory Authority of the Department of Civil Aviation as a provider of Communications Services, in accordance with the provisions of EU Regulation 2017/373.

STRATEGY

In 2020, Cyta implemented a new business planning model and designed its Corporate Business Plan for the three-year period 2020-2022. In both its design and method of implementation, it aims to achieve systematic corporate performance monitoring by determining and managing strategic and major projects and performance indicators, as well as through the alignment of strategy across all Departments and levels of the Organisation.

INNOVATION

Cyta collaborated - and continues to collaborate - with Research Centres, Academic Institutions and Innovation Centres and participated in national and European programmes focusing on innovation, research, development and entrepreneurship.

IT

The implementation of the Organisation's strategy relies on its IT systems. Through studies and technology upgrading projects, the IT Department proposes, implements and maintains solutions to ensure essential business flexibility and lower the Organisation's costs.



Cyta continued to expand and equip its two new modern, high-availability Data Centres, which host the major part of the Organisation's computer infrastructure as well as customers' services. In 2020, it maintained the quality certification of the two new Data Centres with Data Security ISO27001, which sets out the requirements that an Organisation must comply with if it is to fully and effectively manage its information, regarding confidentiality, integrity and availability. Compliance with this standard is demanded by corporate customers in the public and private sectors.

In 2020, the Organisation continued to manage the Health Insurance System, which is one of the most important elements of the National Health Scheme (NHS), and in addition implemented and hosted on its infrastructure two extremely significant projects of the Deputy Ministry of Research, Innovation and Digital Policy: the Cyprus FlightPass platform and the COVID-19 Vaccination Platform.

Cyta hastened the evolution of its IT infrastructures with the objective of creating software-defined infrastructures that

flexibly support the new needs of the Organisation and its customers through modern IT apps that will contribute to the creation of a private cloud and its expansion with public cloud infrastructures. Cyta also proceeded to make use of flexible and innovative solutions on public cloud platforms and apps wherever appropriate.

Upgrading continued on Cyta's Business Support Systems and Organisational Support Systems (BSS/OSS), in support of the provision of new, innovative products and services and the introduction of new technologies and facilities. The Organisation's existing BSS/OSS systems are due to be replaced with the ultimate aim of having flexibility and speed when offering customers new, modern electronic communication services. Through the provision of modern and flexible tools available to Customer Service staff, and the automation of processes, costs are reduced costs significantly, further increasing productivity and improving the Customer Experience.

Additionally, suitable infrastructures/platforms are being developed for the effective participation of the Organisation in the new digital service provision ecosystem, while supporting efforts aimed at growth and innovation in the country. The potential of IT is being boosted for the implementation and provision of digital services in various areas, support for new collaborative business models and the maximum use of real-time information available to the Organisation.

Cyta is constantly upgrading its online presence via its interactive portal as well as through Mobile Apps. It offers self-service options on various online channels and continues to improve its ability to communicate online with customers. Its goal is to provide unified customer service across all channels (the Omnichannel approach), with an emphasis on offering the best possible customer experience. At the same time, by e-mailing bills to its customers, Cyta has succeeded in achieving a significant reduction in paper consumption.

It has developed an infrastructure enabling personalised campaigns to its customers at all points of contact. This offers a superior customer experience and supports its business partners in all their decisions with measurements and statistics.

Cyta supports and is extending its Enterprise Resource Planning (ERP), which covers most of the Organisation's financial management activities. At the same time, it continues to develop applications that support other internal activities. It is

#StayHome



#StaySafe

upgrading the Organisation's Intranet portal, through the use of Cloud technologies that lay the foundations for the creation of a digital workplace, offering new ways of communication and cooperation among Cyta's people. It is realising the Organisation's vision of a paperless environment in which the end-to-end decision-making processes are fully automated. It is upgrading the automation of Cytashop processes, thereby enhancing their functionality with the aim of improving customer service.

The Organisation is broadening its business intelligence applications in order to provide the appropriate information and knowledge at various organisational levels, with the aim of providing optimum support for, and monitoring of, Cyta's activities. To this end, it uses modern, multi-dimensional business intelligence and data warehouse tools, which draw upon information about all the Organisation's activities and transform it into useable knowledge. It is looking into the use of new technologies in Cloud infrastructures in the areas of Big Data and Artificial Intelligence.

At the start of the pandemic, with the majority of staff working remotely, support needs rose sharply and became more complex. Cyta continued to support its internal customers on a daily basis, whether they were working remotely or at the office, constantly updating operating systems and end-user software to their latest versions, thereby enabling them to carry out their duties in the best possible way, always with the key concern of providing uninterrupted service. It supported the Deputy Ministry of Research, Innovation & Digital Policy through the development and provision of the 8998 service for Cyta customers. Through the use of modern services and productive tools, it began to offer its internal customers ways of conducting their operations more efficiently and in less time, which led to increased productivity. Moreover, the use of various collaborative tools, teleconferencing and teamwork will help conserve resources, reduce the Organisation's operating costs and, at the same

time, prepare it for continuing its business activities under crisis conditions. The process of printing single and itemised customer bills as well as letters within a fixed time period is conducted in such a way as to ensure that they reach customers on time.

Cyta continues to look at ways of continuously improving/modernising its IT systems, which will simplify various tasks by the use of integrated and uniform systems that will make Cyta even more efficient and flexible in its dealings with customers by responding to their needs in the best possible way.

FINANCIAL MANAGEMENT

In 2020, the economic/financial environment in which the Organisation operates, both in Cyprus and abroad, continued to be a difficult one, so its robustness is, to a great degree, based on rationalised financial management and a firm focus on achieving its goals. Financial management contributes to the development of the Organisation's strategy, supports the Management in its strategic, tactical and operational decisions, and ensures that the Organisation's actions are based on reliable financial criteria.

Through rational financial planning, the essential resources are secured with which to implement Cyta's corporate strategy. At the same time, significant financial management initiatives are undertaken to achieve the Organisation's strategic objectives.

The financial information provided by Financial Management complies fully with global standards and best practices. We take all necessary measures to provide the best service to our internal and external customers.

REGULATORY ISSUES

In 2020, Cyta participated in public consultations/hearings concerning the regulation of electronic communications and the analysis of specific markets and completed important projects such as the preparation and publication of the Offer for Wholesale Services.

SUBSIDIARIES & SPECIAL PROJECTS SUPERVISION AND SUPPORT

The objective of Subsidiaries & Special Projects Support is to align the subsidiaries with the goals of the Organisation and to exploit synergies so as to maximise the value of the subsidiaries to the benefit of the Organisation.

SUPPORT INFRASTRUCTURE & SERVICES MANAGEMENT

An essential part of the smooth running of Cyta is due to the best possible, most efficient and best integrated management of its support infrastructure, including, among other things, land, buildings, electromechanical installations, vehicles and machinery, stores and waste management as well as electronic systems security and guarding systems.

PHYSICAL SECURITY MANAGEMENT

In 2020, Cyta continued to extend the Islandwide Security System (ISS) with the installation of new electronic access monitoring points and terminal equipment for the Electronic Timekeeping and Trespassing Detection systems and CCTV. Preventive maintenance and repairs were carried out on the ISS and the contact with the supplier was renewed.

Security measures were upgraded and strengthened, with particular emphasis on replacing old analogue cameras with new digital ones in all Cytashops across the island. The Department participated in all the groups behind the implementation of projects regarding the renovation of the Strovolos and Omonia Cytashops and the completion of renovation work on the old Electra Building, through the installation of all the security systems.

Work proceeded to study and upgrade the CCTV systems at the Subsea Cable Landing Station at Pentaschoinos, the Amathus and Platy Aglandjias Data Centres, the Acropolis building that houses the Air Traffic Control Centre and the Famagusta District Office.

The Trespassing Detection System was activated in 40 unmanned buildings across the island. The Department participated in the team tasked with maintaining ISO27001 certification for the Data Centres at Platy Aglandjias and Amathus. Contracts were renewed for the provision of islandwide guarding services for Cyta buildings, as were money transfer agreements with Brink's and Bank of Cyprus.

Due to the COVID-19 pandemic and the restrictive measures imposed by Ministry of Health decrees, only 50% of the scheduled annual readiness exercises set out in Cyta's Civil



Defence Emergency Plan were carried out, with very satisfactory results.

A call for Expression of Interest in replacing the present Islandwide Security System was published.

During the year under review, there was an islandwide outbreak of security-related incidents - break-ins, thefts and malicious damage (arson, explosives, firecrackers, etc.) to RDSLAMs, Mobile Phone Base Stations (MPBS) and the Ayia Phyla Telephone Exchange.

- Theft of batteries from MPBS and RDSLAMs: Cameras were installed in 48 RDSLAMs in various locations across the island which had experienced the highest number of incidents.
- Fires at MPBS in Limassol: Electronic monitoring equipment was installed for two pilot projects, specifically at Minos Court (Athalassa Avenue, Strovolos) and the Constantia Building (Latsia area).

BUILDINGS INFRASTRUCTURE MANAGEMENT

In 2020 a report was prepared analyzing all the parameters affecting the implementation of the plan to monitor, study and seismically reinforce Cyta's buildings.

New bases and shaft and cabling systems were constructed for the installation of satellite antennas for customers at the Makarios Teleport, access roads to new antenna sites were surfaced, the kitchen was refurbished, patio was built and the entrance to the building was renovated. Staff and visitor washrooms were refurbished, as was the ventilation system of the building at Pentaschinos, while work was carried out to permanently resolve insulation problems.

Tender documents were prepared for civil engineering services for work/projects by the Department and a tender was published

for civil engineers to conduct visual examinations to assess the seismic adequacy of 26 Cyta buildings across the island.

Work was carried out to prepare Mobile Phone Base Stations on private buildings across Cyprus for 5G transmissions. A new canteen was designed for the Dasoupolis Building, where exterior maintenance work also got under way. Alterations to the mailing wing in the basement of the Dasoupolis complex began, in order to create space for the Wired Network Access & Technical Support stores so that the building at the Central Stores was gutted prior to being demolished.

Renovation work proceeded on the 3rd and 4th floors of the Electra Building, which will be leased to the House of Representatives. At the same time, a tender was awarded for the digitization of building plans and archives.

The tender was awarded for the manufacture and placement of new furniture in 10 Cytashops across the island. In 2020, refurbishment work began on the Omonia Cytashop in Limassol and is due for completion by early summer 2021. At the end of August 2020, the Strovolos Cytashop was completely renovated within a very tight deadline of approximately one and a half months. Partial refurbishment was also carried out on the Linopetra, Polis Chrysochous and Ayia Phyla Cytashops.

At the end of February 2020, Phase 2 of the Lycavitos Building renovation project was completed, which focused on the

replacement of all the building's heating/cooling and ventilation systems, including all the required building and electrical work.

The Business Customer Centre in the Lycavitos Building was decorated and furnished in accordance with the design prepared by the Consumer Market Support service. A tender was published and awarded for architectural services of the study/design of the new Cytashop at the Metropolis Mall in Larnaca. At the same time, a Service team was set up from the entire Support Services & Infrastructure Department, to take care of the remaining essential studies (electrical, mechanical, lighting, security).

The infrastructure was built for the installation of a new tower at each of the Akrotiri and Polis Chrysochous Telecommunication Centres. Work was carried out to reinforce the support of the Cyta telecommunication tower on Mount Olympus, so that, following the strengthening of the tower's metal lattice, it will be able to bear the load of additional aerials as well as that of the wind and snow.

Telecommunications equipment rooms were created in office space at the main Limassol Telephone Exchange and at the Omonia Telephone Exchange for the transfer of staff manning the Customer Contact Centre on 132. Building work was carried out for the installation of Data Centre equipment at the Amathus Telephone Exchange, for the needs of the Organisation as well as for the provision of colocation services to third parties. Work



was undertaken at Paphos International Airport for the installation and operation of a MODE-S radar system on a 15-metre tower and a 90m2 platform at the height of the radar, GPS and DF systems and a 20m telecommunication tower for the airport's internal communication systems.

Extensive work was conducted on urban and rural Telephone Exchanges, including those in the Amathus, Omonia, Peyia, Stroumbi, Kelokedara, Kouklia, Avdimou, Parekklishia and Episkopi buildings. Exterior doors were replaced in buildings requiring a higher level of security with high security steel ones

For all the above contracts, a monthly audit of work executed is conducted, regular meetings are held and feedback exchanged with all the Building Managers and regular hourly-paid cleaners across the island, to as to discuss/resolve any problems regarding cleaning services.

The crisis caused by the COVID-19 pandemic was handled in a coordinated and methodical way and showed the utmost respect for colleagues. Business continuity was achieved through the efforts of the Buildings Infrastructure Management which aimed at the safeguarding of the personal safety of all



(Amathus Building, Main Limassol Telephone Exchange, Aeronautical Building at Lara and various Cytashops).

In 2020 two Fixed Period Contractor agreements were extended for overall cleaning services to buildings in the Nicosia/Larnaca/Famagusta and Limassol/Paphos districts and all rural stations across Cyprus. Contract management continued for the following:

- Upgraded Hygiene Systems in the restrooms in Cyta's buildings.
- Supply of General Cleaning liquids and of Plastic bags for Cyta's buildings.
- Gardening work at the Makarios Teleport.
- Preventive spraying of all of Cyta's manned buildings.
- Supply, laying, maintenance and replacement of special carpeting (dust control) in Cyta's manned buildings throughout Cyprus.
- Supply and maintenance of dry sweepers Cyta's manned buildings throughout Cyprus.
- Cleaning and weeding of Cyta's outdoor areas and other gardening work.

Cyta personnel through preventive disinfecting to limit the spread of COVID-19 in all manned buildings across Cyprus as well as non-scheduled calls for immediate disinfection when required. Immediate action was taken to obtain surgical/medical masks, disposable latex gloves, and sanitizing liquids for Cyta's needs.

All the necessary modifications were made to the furnishing of rooms in the Organisation's Head Offices in Nicosia in order to move members of staff in accordance with the new structure. Following the publication of a tender, furniture was purchased and placed in the offices of the new Directors. Spaces were created in all offices for regular teleworkers. Furnishing needs were satisfied in all the renovated and new Cytashops. The successful response to all demands of the Service's internal customers led to satisfaction levels of up to 97% being recorded.

A tender was published and awarded for the replacement of the external signage on Cyta's buildings. The replacement project is due to be completed in 2021.

ELECTROMECHANICAL SERVICES MANAGEMENT AND VEHICLE FLEET MANAGEMENT

Implementation of the islandwide Fire Protection System (FPS) in all Cyta's buildings continued and was completed in 2020 with the necessary upgrades, changes and modifications wherever needed. Also completed was the implementation of the Electromechanical Equipment Monitoring System, which was fully migrated to a new platform, which offers improved functionality while, at the same time, additional user permissions were obtained for the system, together with new monitoring archive maintenance software.

In November 2020, work began on replacing obsolete static batteries with new technology lithium batteries, a project that is expected to take three years. Two pilot installations will be studied and evaluated first.

In the context of its long-term goal of energy conservation and using renewable energy sources (RES), a tender was awarded

New central heating/cooling systems were installed or old ones replaced in various buildings, including the Lycavitos, Dasoupolis and New Limassol Telephone Exchange buildings, ensuring reliable and efficient climate control while achieving significant reductions to electricity consumption. Also, a large number of energy-efficient split units were installed for new requirements or to replace existing units. With this particular project, Cyta won a Green Public Procurement award from the Ministry of Agriculture, Rural Development & Environment.

New projects were implemented regarding electromechanical installations and supply systems for key customers as well as important Cyta projects, including the 5G network of the Wireless Access Network, Data Centres, Teleports, Subsea Cable Landing Stations, Aeronautical Services, the IP Network, etc. At the same time, electrical installations were upgraded to increase service availability. Some 300 applications were submitted for new electromechanical services from internal and external customers of the Organisation. Electromechanical work on the Lycavitos Building renovation project was completed, as



in 2020 for the installation of photovoltaic systems in Cyta's offices for the autoproduction of electricity, while at the same time, hybrid photovoltaic systems continued to operate in a number of Mobile Phone Base Stations.

With the goal of further improving the reliability of its services and saving energy, Cyta replaced a large number of obsolete and energy-consuming electromechanical equipment and supply systems with the goal of improving the reliability of our services while saving energy, and we implemented projects for the supply and maintenance of rectifiers and Uninterruptible Power Supply (UPS) systems in various telephone exchanges and Cyta buildings across the island.

was the creation of a modern Cytashop and Business Customer Centre.

In the context of the Organisation's long-term efforts aimed at energy conservation and reduced operating expenses, existing energy-intensive lighting systems in offices were replaced with new LED lighting.

With the objective of maintaining the high quality of electromechanical equipment operations, work was reinforced through the procurement of 24/7 services covering fault repairs, which guarantee the uninterrupted operation of the equipment and, by extension, the services offered to customers.

For the operation and maintenance of vehicles and machinery, efforts continued with the aim of reducing operating expenses and conserving resources through the reallocation of vehicles depending on their use (mainly on how many kilometres they had clocked up) and the immobilisation of unusable, old, energy-intensive vehicles once they were no longer required. In 2020, high levels were maintained of preventive and corrective vehicle maintenance in all districts. Tenders were published, renewed and/or awarded for the supply of tyres and starter batteries and for preventive and corrective vehicle and machinery maintenance (electrical and mechanical).

In September 2020, the Board approved the replacement of some 212 old Cyta vehicles through the purchase or leasing of new ones, after updating and reviewing the Organisation's needs.

STORES MANAGEMENT

Materials management through Cyta's Stores is considered extremely important since its successful execution can make a crucial contribution, both to the Organisation's smooth operation and its successful and timely completion of its ongoing major projects.

In January 2020, Annual Stocktaking - which is the best indicator of business competence - took place with excellent

results. In June 2020, a new, ultramodern loading/unloading machine was delivered, which increased productivity and flexibility while reducing the Stores' operating costs.

In 2020, efforts aimed at the fastest possible development of the "Fiber to the Home" project reached their peak, significantly enlarging the Stores Management workload with the delivery, storage and distribution of multiple volumes of materials. Through the use of the latest methods, equipment and software, all processes were carried out with a slight increase in the required resources. A new store was built for the needs of the new 5G installation project, manned by personnel involved in the implementation of the project and supported by Stores Management staff.

In 2020, following the awarding of a tender, contracts were signed for intercity deliveries and the distribution system was thus extended to Cyta's buildings in Paphos, Larnaca and the Famagusta District.

At the same time, two tenders were awarded for the divestment of obsolete materials, from which Cyta expects to obtain significant revenues. Work under the contracts began in December 2020 and is expected to be completed around the end of March 2021.

PRODUCTS AND CUSTOMER SERVICE



Products and Customer Service

A NEW ERA IN COMMUNICATION WITH THE CYTA FIBER NETWORK

In 2020, recognizing the demands of the new digital era, Cyta continued to expand the rollout and installation of the only islandwide fiber optic network, with the goal of offering the country, its households and businesses the opportunity to make use of the technology of the future. At the same time, it revised its pricing policy, to make this opportunity accessible to all.

The new Fiber Network being developed by Cyta offers data transfer speeds of up to 1Gbps and even faster speeds where necessary. Customers have fast and uninterrupted access to innovative New Generation services while, at the same time, the new network is facilitating progress in the country's digital transformation.

Residential customers can enjoy an improved streaming, gaming and video chatting experience, as well as fast transfer of large

amounts of data, including cloud storage of videos and files. They also have high-quality voice and picture services.

For businesses, productivity is being substantially improved, while the time needed for completing tasks and transmitting large volumes of data is significantly reduced. The Cyta Fiber Network will also provide fast access to the most up-to-date business applications, including the Cloud, the Internet of Things and high-level remote access services such as teleconferencing, telemedicine, etc.

Cyta aims to gradually make the network available to 315,000 premises in urban and semi-urban areas throughout Cyprus by 2023.

PORTFOLIO OF SERVICES

Fixed Telephony

Through a series of projects and actions for the further enhancement of the services it offers, Cyta continues to be the most reliable, quality provider of Fixed Telephony in Cyprus to both residential and business customers.

In the framework of the constant renewal of its technology infrastructure, Cyta continued to transfer customers at a rapid rate from the analogue fixed network to the broadband



telephony network. The broadband telephony network enables Cyta to provide customers with upgraded, reliable solutions, with which they can communicate from anywhere on any device at any time. The project is expected to be completed in 2021 with the transfer of all business and residential customers.

In 2020, the Business Start plan was upgraded and, in addition to the option of combining Fixed Telephony, Internet and of Cytamobile-Vodafone plans, it also offered the opportunity of adding Cloud services and, specifically, Powersoft365 and Microsoft365 for Business Standard products.

Following this upgrade, the Business Start plan constitutes a complete and attractive offering to new businesses and provides solutions for effective and quality communication with customers and partners. These solutions can be tailored to the needs of each business as it grows.

Furthermore, in 2020 the Fixed Telephony portfolio was enhanced through the addition of the SIP over Cloud and Call Recording services. At the same time, thanks to the rapid development of the Cyta Fiber network, customers now enjoy better quality Fixed Phone calls.

To help businesses continue their operations in the midst of the COVID-19 pandemic, key tools for remote working were provided at no extra cost, including Pre-alerting/Greeting, Ring Group, Call forwarding and Telephony OntheGo. At the same

time, due to the pandemic, new customers benefited from extensions to the special offers of free installation of Fixed Telephony.

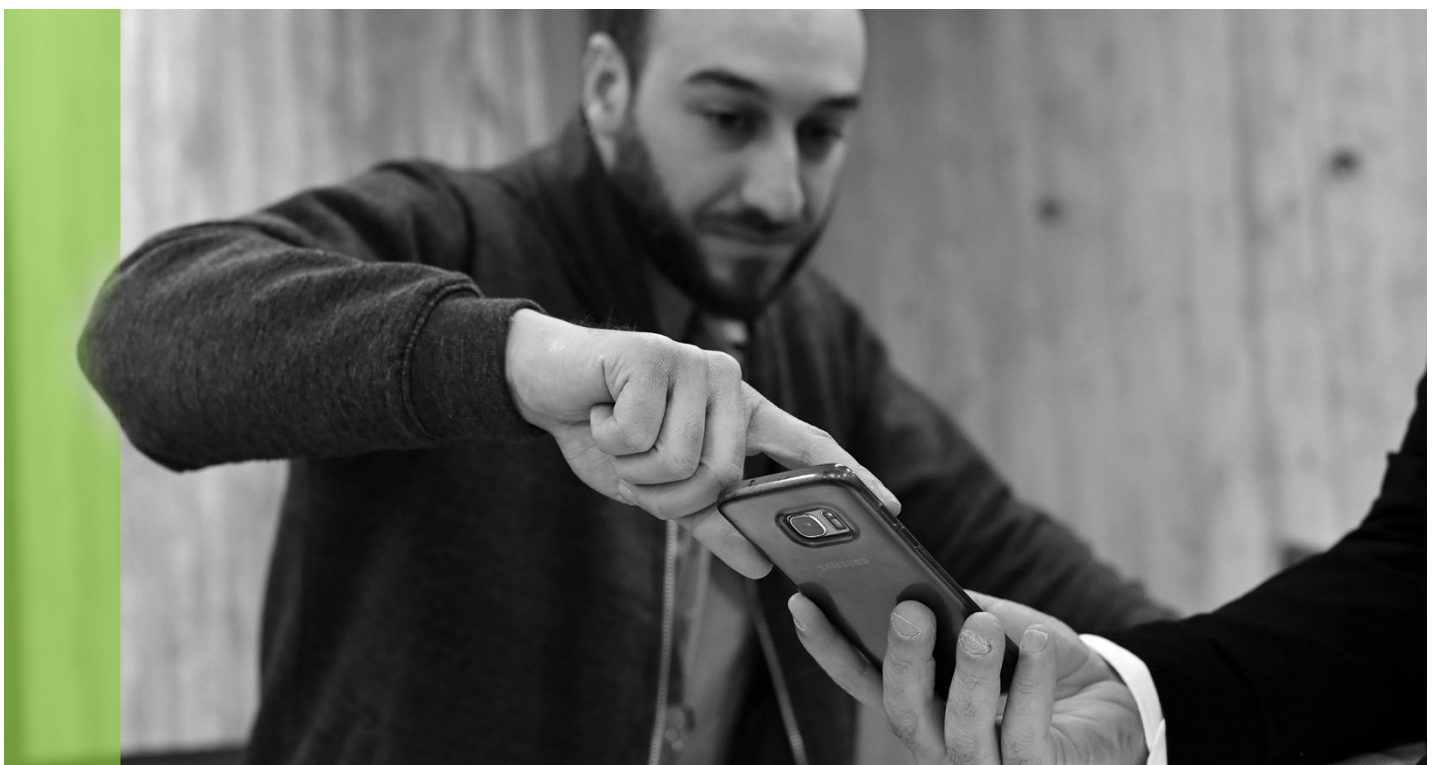
Cytamobile-Vodafone

In the mobile telephony sector, Cyta continued to operate in a fiercely competitive environment, which is affected by broader global technological developments. Spearheaded by its reliability, Cyta remains by a long way the consumer's consistent first choice for Mobile Telephony in Cyprus. It has the most technologically developed network in the country, which supports 4.5G.

At the end of 2020, the State completed the bidding process for the granting of frequencies for 5G networks. Having obtained the relevant frequencies, Cyta is ready for the commercialisation of 5G technology and is planning to implement it fast so as to obtain the greatest possible coverage in the shortest possible time. 5G will be launched commercially in January 2021.

In addition to fast data transfer, the revolutionary capabilities of 5G can change people's lives in areas such as:

- **Public Safety/Security:** Authorities can conduct real-time monitoring and inspections and prevent life-threatening incidents.
- **Health:** Real-time monitoring of data will enable the remote observation of patients and remote surgery, while greatly facilitating immediate response to cases of emergency.



- **Entrepreneurship and Industrial Production:** Artificial Intelligence and the Internet of Things will radically improve the customer experience, the allocation of resources and productivity and help to save energy.
- **Smart Cities and Autonomous Driving:** The use of digital technologies will mean improved services to citizens, a better use of resources, less environmental impact, fewer road accidents and, consequently, less loss of life.
- **Education, Tourism, Entertainment:** These will change drastically thanks to Augmented Reality, by which artificial three-dimensional objects can be overlaid in real time in the actual environment, enabling users to interact with the scene before them.

network in Cyprus. Thanks to the huge increase in speeds, productivity rises and all one's personal smart devices are directly linked within a unified ecosystem.

The 5G network developed by Cyta will change its customers' daily lives, since it will enable them to enjoy ultrafast navigation, immediate music and video downloads, fast data uploads, high-quality online viewing, etc.

Monthly Plans

Cyta was the first to introduce the FREEDOM and BLACK Mobile Telephony plans to the Cyprus market. They offer users unlimited talk time, text messaging (SMS) and Mobile Internet



Progress is a constant for Cyta, which is why it continues to invest more and more in solutions that make its networks an important platform for innovation and growth and, above all, transform and broaden communication among people. Cyta acts to respond to the trends that keep it in step with the needs of its customers, who demand that flexibility, ease and speed be incorporated uninterrupted into their physical and digital world.

With geographical coverage of the 3G network exceeding 99.5% and population coverage of 4G reaching 96% of the population, Cyta's customers can enjoy the benefits of the fastest and most technologically advanced mobile telephony

(customers choose the data transfer speed rather than the data volume).

In the monthly plan portfolio, RED plans offer more options to cover the various communication needs of residential and business customers alike. They combine up to unlimited talk time and text messaging (SMS), offering a choice of more Mobile Internet, ranging from 200MB to 10GB, at even more accessible prices.

The innovative BLACK plan is aimed at residential and business customers with especially high communications requirements. In addition to unlimited talk time, text messaging



and Mobile Internet, it also offers 100 minutes of international calls to EU countries and a new smartphone every 12 months.

Another innovative move by Cyta is the provision of YOUTH plans. These are aimed at the significant customer segment of those aged under 25. For mobile telephony there are three plan options, each aimed at a different age group: soeasy Youth, Youth prepaid card and RED Youth. All three offer a large amount of talk time, text messaging and Mobile Internet. In addition, customers may add a large volume of Mobile Internet at a very low price once the amount provided with their plan has been used.

Cytamobile-Vodafone also offers the RED Family plan, which caters for the communication needs of the whole family. RED Family offers all family members carefree and economical communication, with unlimited talk time and text messaging (SMS) and large volumes of Mobile Internet to share among themselves.

All monthly plans allow customers to pay for any of the new smartphones available from Cyta by monthly instalments.

soeasy pay as you go plans

For customers who prefer to have total control over their account, without the commitment of monthly plans and bills, Cyta offers the prepaid soeasy pay as you go service, which enables them to:

- Purchase a Connection Kit for just €2, which offers €1 of free talk time.
- Choose top-up amounts of €1, €3, €5, €10, €20 & €35.
- Activate the soeasy Plus plan, which offers bundled talk time, SMS and Mobile Internet with every top-up of €10, €20 or €35, so as to make full use of the capabilities of the 4G & 4.5G network.
- Choose from the new Mobile Internet packages with more MB for all their communications needs.
- Have up to 500MB free for an hour of browsing once a month, if they are out of Mobile Internet, via the Panic Button service.
- Participate in the soeasy Rewards scheme and win extra gifts with every top-up of €5 and more, either at once or by amassing points to obtain even bigger gifts within a specified time.
- Manage their account easily and fast via the soeasy selfCare app.

Furthermore, the soeasy Youth plan offers soeasy customers more Mobile Internet and the chance to obtain a new smartphone and pay for it by instalments.

Cyta also upgraded the following apps that offer even more value to the already attractive package of services:

- selfCare
- personalCloud
- liveSports

At the same time, for Cytamobile-Vodafone customers, Cyta continued to invest in services related to:

- **Social responsibility**, by offering the safeMobile application free to all mobile telephony customers, both pay monthly and soeasy pay as you go.
- **International Roaming**, by constantly adding new destinations and networks, which now number 170 countries and over 490 networks around the world.
- **Machine to Machine (M2M)**, providing a wide range of products, specially tailored to the needs of its business customers.



Since 31 August 2020, Cytamobile-Vodafone, in conjunction with Progressive Insurance, has offered customers the chance to insure their new mobile phone through one of three attractive policies - Basic, Plus and Supreme - payable either by monthly instalments or on an annual basis. All customer needs are covered by all three policies.

In 2020, Cytamobile-Vodafone offered a number of social benefits, aimed at helping consumers and companies deal with the difficulties caused by the pandemic. These benefits may be summarised as follows:

- Vodafone Mobile Broadband offered 50GB free and soeasy connection packs with free talk time to a large number of Secondary School students.
- Double the volume of Mobile Internet for all monthly and soeasy plan subscribers and on soeasy Mobile Internet for three months (March-May 2020).

- No charge for additional use by Medical and Paramedical staff (SHSO) for two months and the provision of the soeasy service with 100GB free (December 2020).
- No additional International Roaming charges for customers stranded in EU countries who exceeded the roaming limit (based on the Roaming Like at Home policy) for a period of three months (April-June 2020).

Internet Service

Acknowledging its responsibility as the biggest Internet Service Provider in Cyprus, Cyta continued to thrive in 2020, through

significant projects, which focused on improving network quality and reliability and, by extension, that of the services provided.

Specifically, in March 2020, Internet speeds were increased and new options for faster speeds were offered. At the same time, all Internet Home customers were offered the SafeWeb service, which reinforces their security when browsing the Internet by preventing access to websites designed to infect their devices with malware or viruses and/or aim to steal personal information, financial data or passwords.

In October 2020, Cyta introduced a competitive new offering with ultrafast speeds and lower prices with the Fiber network.

At the same time, it continued to upgrade its network's international and local connections. The total capacity of its connections to the World Wide Web exceeded 300Gbps, with

an emphasis on connections in strategic areas and direct exchange of traffic with the most important global networks. At the same time, Cyta maintained its collaborations with the biggest Internet content providers and the best-known social media networks for local content storage.

In 2020, Cyta continued with the mass transfer of customers to the Cyta Fiber network in the areas where it had been installed.

protect children from illegal, undesirable and harmful Internet content.

Additionally, Cyta customers benefited from special offers on Internet Home products and on services such as the Business Start Plan. The Organisation responded immediately to the increased needs of its customers for distance learning, remote working and entertainment, all brought about by the pandemic,



Special offers were made for customers who applied to be connected to the Cyta Fiber network before it was available in their area. Also, with the upgrade to the broadband copper network, though vectoring and bonding technology, network coverage increased and provided customers with fast, quality Internet access.

Cyta's social contribution continued throughout 2020, through its Safer Internet presentations. During the 2019-2020 academic year, a total of 56 presentations were given in all districts, attended by 5.700 pupils and teachers. Since 2001, a total of 1.512 school visits have taken place and more than 163.000 pupils and teachers have attended the presentations.

Additionally, during the same period, lectures were given on "The Internet in our Children's Lives - Safe and Responsible Use". The lectures were held either in conjunction with the Pancyprian School for Parents or with school Parents Associations. During the lectures, special mention is made of the Safe Internet service, which is provided free by Cytanet to

and offered free faster upload speeds and free installation of its Internet Home & Business services.

Cytavision Subscriber Television

Cytavision is the most complete subscriber television platform in the Cyprus market, offering a variety of sports and themed content. With a substantial number of live and exclusive sports broadcasts from Cyprus and abroad, more than 100 popular channels in all viewing categories, rich Video On Demand content and a broad range of interactive services, it offers quality entertainment and information to viewers with a broad range of interests and tastes.

Improved commercial offerings

With the goal of satisfying its subscribers and society at large, Cyta reached agreement on the transmission by Cytavision of all Cypriot football matches and those of all the available international tournaments. On this basis, it launched new commercial packages offering customers the ability and flexibility to choose the sports content in which they are interested and build their own package. At the same time,

special offers increased the attractiveness of these new packages.

Cytavision continues to offer its Value Pack and Variety Pack, which are designed to satisfy the different needs of its customers. It also introduced two additional sports packages - "Cypriot Football" and "International Football and Other Sports", which can be combined with both the Value Pack and the Variety Pack. It also introduced a package combining local TV channels and Cypriot football.

Viewing Packages

Variety Pack: It features a large variety of entertainment with more than 80 popular channels in all viewing categories, with a focus on movies and TV series. Variety Pack customers can also watch movies from major film studios, free via Video on Demand.

Value Pack: It features quality entertainment at an extremely affordable price includes more than 60 popular channels in all viewing categories.

Additional **Cypriot Football package:** It includes all the games of the Cyta Championship, the Coca-Cola Cup and all the summer European competition preliminary matches played by Cypriot teams. It is offered to Value Pack and Variety Pack subscribers.

Additional **International Football and other Sports package:** It includes UEFA Champions League, UEFA Europa League, English Premier League, Italian Serie A games and more. It also includes popular international sports, such as Formula1,

MotoGP, Wimbledon, ATP250/500/1000 Tennis, NBA, Liga Endesa, UFC Fighting and more. It is offered to Value Pack and Variety Pack subscribers.

Cypriot Football via STB package: It includes all Cypriot football matches and local channels, viewed via a set top box (STB).

Cypriot Football Online package: From summer 2020, subscriber television has also become an online service, payable by credit card. In other words, the package is available to everyone, irrespective of which Internet Service Provider they use. Content can be viewed on a smartphone, tablet or laptop/desktop computer.

Additional services

- Access to content on mobile devices and while on the go via the Cytavision Go app
- Video on Demand with a choice of popular new and older movies
- Interactive capabilities, including creating profiles, catchup TV, start over, pause and restart, simultaneous viewing, etc.
- Electronic Programme Guide (EPG)
- Viewing from a second TV with the installation of a 2nd set top box for an additional monthly charge
- Access to a package of adult channels for an additional monthly charge
- Video recording of 5 or 10 hours for an additional monthly charge



TV packages for businesses

Cytavision's public viewing package was significantly upgraded following the new agreement on sports content, which enables it to offer all Cypriot football matches as well as those of all the available international tournaments via the Public Pack.

For greater flexibility and better quality of its content, Cytavision designed packages that offer simultaneous viewing on more than three television sets. Specifically, it offers the option of simultaneous transmission of content on four, five or eight TVs via the Cyta Fiber network.

Public Pack: For businesses like restaurants and betting shops. It includes, among others, all seven exclusive Cytavision Sports HD channels for live football and other sporting events, five Novasports HD channels, as well as NBA TV, Eurosport1 and Eurosport2. Additionally, businesses in areas covered by the Cyta Fiber network were offered the option of installing up to eight set-top boxes.

Hotel Pack: It includes the fullest entertainment package for hotels, with more than 30 channels from all the main categories.

Thematic Content

In 2020, Cytavision maintained its thematic content at the high standard for which it is known. Major agreements were renewed and particular emphasis was given to Video On Demand, which was enhanced with content from Nova on Demand, Village Cinema and Disney, as well as a number of quality Cypriot productions. At times during the pandemic, some content and selected channels (Movies Best HD, Village Cinema HD) were provided to all subscribers at no extra charge.

Sports Content

In the course of the year, Cytavision's sports content not only maintained its high quality and variety but was significantly upgraded. The seven Cytavision Sports channels were upgraded to broadcast a major part of their content in high resolution (HD). These channels are provided via the additional Cypriot Football package and the Additional International Football and other Sports Competitions package. They show the most complete sports content in the market, which is also the first choice of Cytavision viewers.

Attractive Special Offers

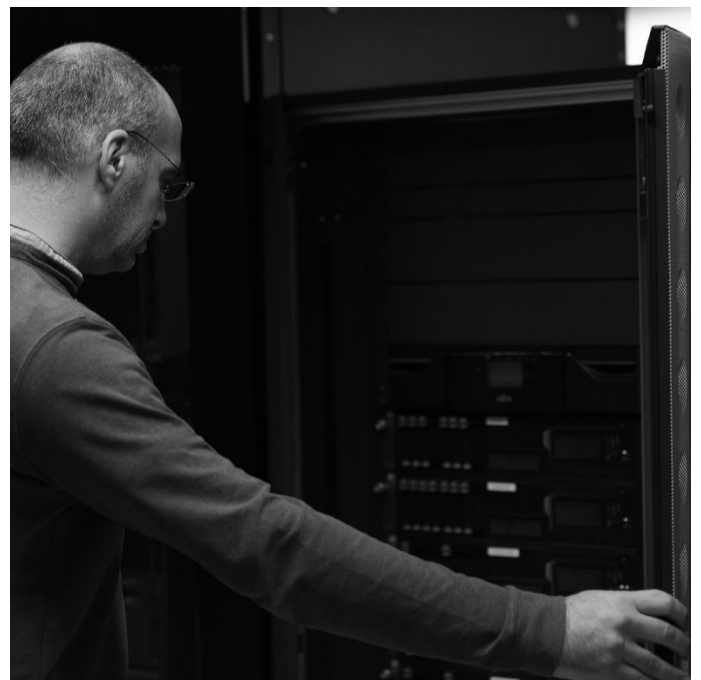
During the course of the year, Cytavision held promotions to attract new subscribers and retain existing ones. In addition to the offer of free installation of the 1st and 2nd set top box, during the summer, sports package customers were offered the

Cypriot Football package and the Additional International Football and other Sports Competitions package free for three months. Attractive discounts on the new additional sports packages in various combinations with the basic content of the Value Pack and the Variety Pack. Finally, over the Christmas period, the NovaCinemaHD channels 1-4 and NovaChristmasHD were offered free of charge to Value Pack customers.

Benefits offered due to the COVID-19 pandemic

In the context of supporting its customers in dealing with the pandemic, Cyta announced a range of actions. Those related to Cytavision may be summarized as follows:

1. Enhanced content through the addition of the Nova on Demand and Disney on Demand film libraries, which were offered to Variety Pack and Super Pack customers free of charge
2. Enhanced entertainment content for three months for Value Pack customers through the addition of the Village Cinema HD, Movies Best HD and Novalife movie channels, plus the Disney children's film library.
3. Increased simultaneous viewing via CytavisionGo to two devices for a period of three months.
4. Free installation until 30 June 2020.
5. Free installation and a three-month subscription to the Hotel Pack for hotels hosting people in quarantine.
6. The ability for businesses to disconnect the Public Pack service during the time when they were closed.
7. Lower pay-per-view prices for football matches for a specific period.



Cloud Services

At a time of significant financial and business challenges, Cyta has solutions to help every business manage its finances,

optimise its working practices and increase its profitability. Through its Cloud services, online access is provided to software applications and an IT infrastructure at no initial cost for a monthly subscription fee. In this way, an otherwise unavoidable investment in technology is transformed into a small operating cost.

Cloud services provide access to parameterized computer resources such as networks, servers, webspace, software applications and hybrid hardware/software services that require minimal management.

The Cloud services portfolio is growing dynamically, through the addition of total solutions that respond to multiple business needs in all sectors of the economy. Cyta's Cloud solutions offering is constantly being strengthened and it differentiates itself through the excellent technical support and the security and reliability of its infrastructures and the ISO 27001-certified Data Centres that are available in Cyprus.

National Private Leased Circuits

National Private Leased Circuits are one of the options available to business customers for networking services, offering a wide

In cases where customers wish to install equipment in areas where they do not own buildings, Cyta can host it on its premises, providing at the same time a broad range of telecommunications services.

Server Hosting in Cyta's Data Centres

Cyta's two Data Centres, in Nicosia and Limassol respectively, offer businesses the opportunity to operate their own servers in the Centres' specially designed areas and to take advantage of the benefits that their modern infrastructures provide.

Cyta's Data Centres are Tier III and guarantee the Organisation's customers' business continuity. Moreover, they are certified to ISO 27001, which represents confirmation of the measures taken to secure and protect the Centres' infrastructure.

Ethernet Networking Services

Ethernet networking services are one of the main services enabling the fast transfer of voice, data and pictures at speeds of up to 10Gbps within a company. They provide flexible, reliable and secure connections, full monitoring of the performance and availability of the company network, and



range of speeds up to 10Gbps. Cyta's business customers can create a private network interlinking the various areas of their company, securing constant communication among them and, at the same time, the highest quality for video, voice and data transfer.

Colocation Service

The Colocation Service enables customers to house their equipment on Cyta's premises.

financially viable disaster recovery and backup solutions to ensure business continuity.

Ethernet networking services are provided via a unified platform, enabling companies to combine a broad range of telephony, Internet and networking services to cover their business needs. As a common infrastructure, they use Cyta's Ethernet/IP network, which is designed to international standards, provides islandwide coverage and is characterised by its reliability, security and the ease with which it can be

extended and centrally managed. Monitoring by Cyta of all network equipment and the physical infrastructure guarantees the most efficient operation of end-to-end protection mechanisms and, by extension, the reliability of the services we provide.

Managed Solutions

Managed Solutions complement networking services, mainly Ethernet and VPN Business, through supply, installation, operation, management and support services for all the telecommunications equipment located on a company's premises. They constitute affordable solutions in terms of initial capital outlay, since customers are not burdened with the initial costs of purchasing equipment and they pay less to upgrade and replace it. With this service, business customers can have a single point of contact for the support and management of their terminal equipment and their networking services.

proper planning and the implementation of the best solution in each case. For this reason, a key pillar of this new business activity is the development of healthy strategic alliances with recognized firms active in the ICT sector. By joining forces with trusted partners and complementing the specialised services that each one offers, mutually beneficial synergies are created, which can provide total solutions to complex ICT projects.

Another key pillar on which Cyta's Vertical Markets Department is based consists of the two Data Centres in Nicosia and Limassol, which have obtained ISO 27001 quality certification for data security, with data management processes being carried out in accordance with the provisions of the EU GDPR and offering all the relevant benefits: data security, daily backup, data encryption, etc. Uninterrupted Cloud and colocation services, which are provided in the secure environment of the two Data Centres, combined with specialised management and cybersecurity



Vertical Markets

The integrated portfolio of electronic communications services that Cyta provides to the consumer and business market by means of a modern and reliable network was enhanced in 2020 through the addition of a new business unit within the Organisation – the Vertical Markets Department – which is active in complex projects requiring high-specification, integrated digital ITC solutions. This new business activity focuses on selected vertical markets and projects in both the broader public and private sectors, from the initial concept and planning of a project, extending to the implementation, support and even the overall management of specialised ICT solutions.

This activity was, from the outset, based to a great extent on Cyta's excellent collaboration with ICT equipment manufacturers, as well as local IT companies and related service providers which, in conjunction with Cyta's reliable services and know-how, can fully cover all the specialised needs and demands in selected market segments, through

services, are a significant component of the total ICT solutions offered by the Vertical Markets Department.

Of particular interest in the vertical markets sector in 2020 were the areas of e-Health and smart cities, which make use of the smart solutions provided by digital technology with the main aim of facilitating people's daily lives and improving their quality of life. Cyta, with its modern infrastructures, know-how and experience, while continuing to invest in new technologies and the specialised solutions of selected partners, has established itself as a trusted partner of healthcare service providers and of local municipal authorities for the provision of reliable, innovative services to end-users, thereby achieving multiple benefits at lower cost.

Among the projects completed or started in 2020, following Cyta's involvement in Vertical Markets are the design, implementation and management of the data infrastructure of the National Health Scheme, of Paphos Municipality and other

private sector businesses, the development and management of the CyprusFlightPass platform for the Deputy Ministry of Research, Innovation & Digital Policy, the Paphos Municipality's Geographical Information System (GIS), the Smart City system for the Nicosia Municipality, etc.

The new horizons that are opening up through the Organisation's involvement in Vertical Markets have given Cyta the opportunity to play a leading role, and to successfully become the main strategic and operational arm of the country's digital future, providing modern and reliable added-value ICT solutions that improve the customer and user experience.

Customer Contact Centre

The Customer Contact Centre, (CCC), formerly known as the Cyta Call Centre on 132 (+35722880100 from abroad), operates 24/7, 365 days a year and deals with over a million calls, offering every type of support for the integrated and reliable electronic communication solutions offered by Cyta.

The CCC, which has been certified to ISO 18295-1 and operates with the very latest call centre technology, aims to provide high-quality assistance and, wherever possible, to resolve any customer issue from the very first contact.

Customers can now receive assistance via a range of communication channels and take advantage of their many options for accessing the Customer Contact Centre. The objective is to provide the most effective service via the manner

that they select (phone, chat, e-mail, social media (Facebook www.facebook.com/cytaofficial & Twitter @cytasupport)).

Furthermore, the use of self-service apps and Cyta's YouTube channel (www.cyta.com.cy/how-to-videos) help its customers and others to obtain information about its services fast and without having to await their turn.

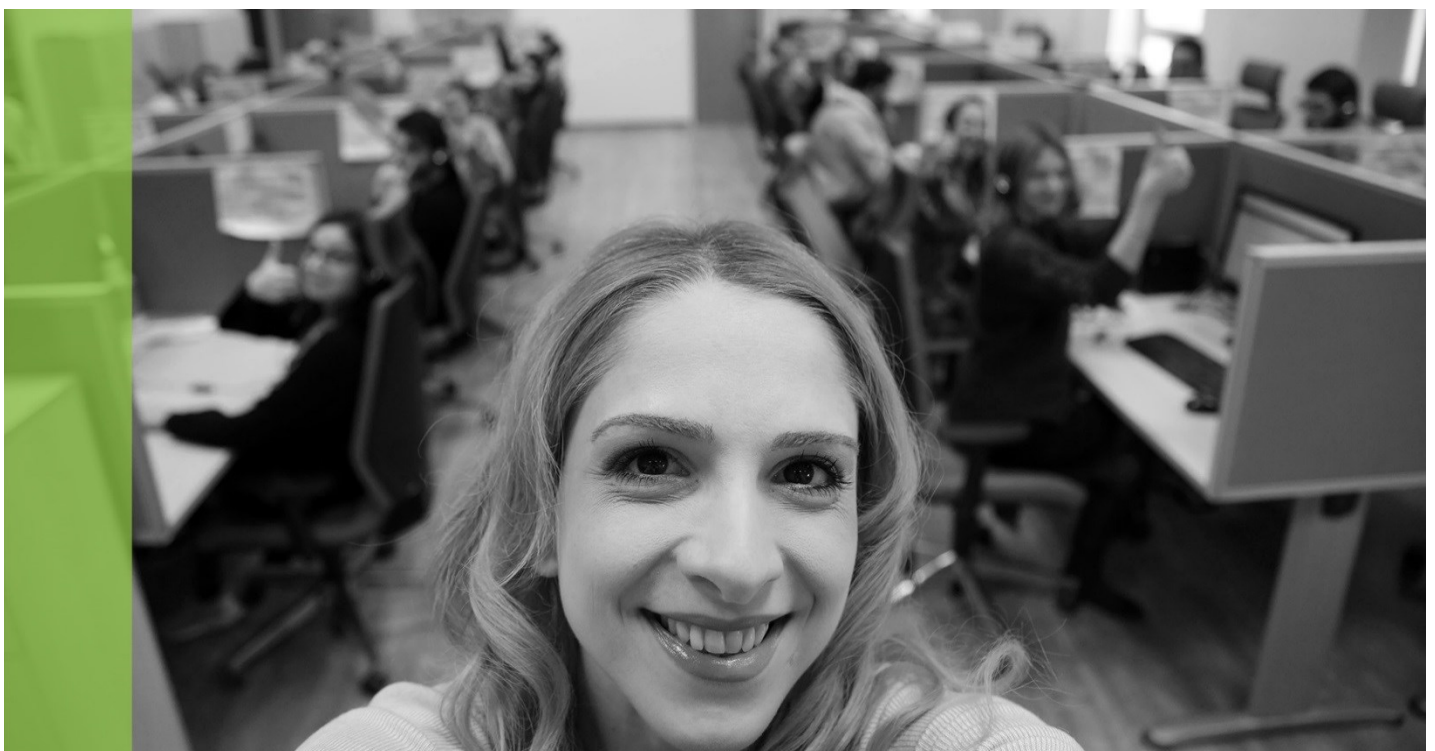
At the same time, the Directory Enquiries service on 11892, despite operating in an environment of particularly intense direct and indirect competition, continues to serve the public, assisting thousands of customers daily.

Additionally, the Business Call Centre on 150 serves the needs of the very important customer segment that is the business community. Its highly trained staff provide information on services of interest to business customers and are there to resolve any problems they may be facing.

Consumer Market Complaints Management

Cyta's Consumer Market Complaints Management Department handles complaints made by Consumer Market customers.

All complaints are dealt with in a manner that ensures total respect towards the customer, since a careful analysis is made in order to reach accurate conclusions that lead to corrective measures with the ultimate aim of providing the best possible service to Cyta customers and, at the same time, improving its own internal processes.



The daily objective, sought with patience, zeal and dedication, is customer satisfaction and excellent service. It also focuses on the uniform implementation of Cyta's policy regarding the provision and operation of its products and services.

Residential Customer Service

Through its sales network, which covers the whole of Cyprus, Cyta serves and connects with its customers, aspiring to make every visit to a Cyta shop (whether physical or online) a pleasant and unique experience. The design and layout of all

In 2020, despite the restrictions imposed due to the pandemic, a large section of the Reseller Network operated normally and served an increased number of our customers. The strengthening of the Reseller Network through dynamic collaborations continued in 2020, with the addition of the MegaElectric chain with a store in Larnaca (Faneromeni area). In total, the present network of resellers consists of 12 partner firms with 48 stores across Cyprus, manned by highly trained staff who offer the best possible service with regard to the entire range of Cyta's products and services. Furthermore, soeasy



Cyta shops place emphasis on customers' ease of navigation through the store and on the provision of excellent service. In confirmation of the great importance it has always given to the issue of service, Cyta proceeded with refurbishment and changes to the layout of a large number of Cyta shops.

At the same time, since Cyta shops were forced to remain closed to the public for long periods during the year due to the pandemic, Cyta adapted its processes so as to give greater emphasis to serving customers online and by telephone. Additionally, customers were encouraged to make use of the website (www.cyta.com.cy) for the payment of bills and management of their services through their "My Cyta" page.

Cyta shop customers can satisfy all their telecommunications needs, by examining, trying out and selecting from a broad range of services and products, which is constantly being renewed, including the latest smartphones, tablets and accessories, signing contracts, paying bills and enjoying Cytavision programmes on the big screens.

pay as you go mobile telephony products are distributed to an extensive network of points of sale all over Cyprus.

Business Customer Service

In today's especially complex and demanding international and local market environment, we remain focused on making the most of the latest technological advances and the convergence of telecommunications and IT. We act as a one-stop-shop for our business customers, supporting them with reliable networks and high-quality service, and enabling their businesses to grow securely and flexibly.

The services we provide satisfy the demands of every modern business and compare most favourably with those available from telecommunications companies on a global scale.

The development, reinforcement and maintenance of long-term, mutually beneficial relationships with our customers, combined with the ability to enjoy a wonderful experience, are the key

ingredients of our approach. To this end, we are strengthening our people with the high level of know-how and the advanced technology tools that our customers deserve as we serve them via a number of different channels. Our specialist network of Sales and Service Consultants provides advice and an upgraded personal service to large companies and SMEs.

Furthermore, customers interested in Cyta's business offerings can be assisted by our specially trained personnel by contacting the Business Call Centre on 150 or by e-mail to www.cyta.com.cy/send-email. In addition to the above channels, customers can purchase and manage services online, via the websites:

- Cyta Business: www.cyta.com.cy/business
- My Cyta: www.cyta.com.cy/my-cyta
- Cloud MarketPlace: www.cyta.com.cy/cloud-marketplace.

all of which are updated daily. The website remains at the top of the results provided by leading search engines (e.g. Google), thus promoting Cyta's customers to potential new customers searching for particular products and/or services or specific companies.

National Wholesale Market

In 2020, the National Wholesale Market continued to provide licensed national telecommunications service providers with high-quality national wholesale telecommunications products and services, in accordance with the regulatory framework and their particular needs.

The National Wholesale Market Portfolio includes Interconnection, Mobile, Broadband, Telephony and Leasing products and services, as described below:



Moreover, particular importance is given to the immediate technical assistance provided to our business customers through Cyta's Business Technical Support Centre which operates 24/7 and with technical support crews in all towns. For the installation of services ordered via one of Cyta's various assistance channels, experienced and well-trained personnel visit customers at their premises with the required equipment and provide every assistance to familiarize them with the functions of the said services.

Directory Services

Directory Services, via the upgraded www.cytayellowpages.com.cy are an easy-to-use and reliable search tool, providing access to the Yellow Pages, Government Telephone Numbers and the Telephone Directory,

Interconnection and Mobile Communications:

- Interconnection enables national providers to connect their networks to Cyta's fixed and mobile networks.
- Wholesale Leased Lines and Wholesale Ethernet Products are leased to wholesale customers, enabling them to interconnect nodes on their networks or their customers' networks with their own networks.
- National Roaming allows wholesale customers to offer their customers the use of Cyta's mobile network in areas not covered by their own mobile network.
- Access to Cyta's Mobile Network enables wholesale customers to provide mobile telephony services to their subscribers as Mobile Virtual Network Operators (MVNOs) via Cyta's mobile network.

Broadband and Telephony Products:

- Wholesale Broadband Access products enable wholesale customers to offer broadband services to their customers via Cyta's broadband networks (copper and fiber).
- Local loop Unbundling products let wholesale customers lease Cyta's copper access network to provide broadband and voice services to their subscribers.
- Number Portability allows customers to keep their telephone number when they change provider.
- Access to the Cyprus Telephone Directory Database is given to wholesale customers providing Directory Enquiries services.

Infrastructure Leasing Services:

- Colocation services allow wholesale customers to lease space on Cyta's premises for the installation of their equipment.
- Duct Colocation services allow wholesale customers to lease space in Cyta's ducting and other infrastructure for the installation of their cables.
- Mast and Pylon Colocation services allow wholesale customers to lease space on pylons and other Cyta infrastructure for the installation of their mast and base station equipment.

In 2020, the National Wholesale Market signed significant long-term contracts with major national licensed providers of telecommunications services for the provision of National Roaming and Wholesale Broadband Access services, thus increasing the use of Cyta's Mobile Communications and Broadband Networks (copper and fiber) respectively.

The goal of the National Wholesale Market is to achieve constantly higher levels of satisfaction on the part of its wholesale customers and to improve the level of cooperation with them. For this reason, it continues to enhance the portfolio of wholesale products and services and to raise their standards of service.

International Wholesale Market

In 2020, Cyta continued to provide high-quality international products and services.

Its international wholesale products and services are offered under the Cytaglobal sub-brand to internal and external customers such as national and international carriers, business customers and other partners. It has signed bilateral agreements for the provision of wholesale international telephony products for physical and virtual international private leased circuits, international Internet access, the leasing and concession of international network infrastructure and other services, offering uninterrupted customer support.

The portfolios of international wholesale products and services are analysed below:

International Wholesale Market Portfolios

International Cable Products

It provides cable interconnections to wholesale customers including indefeasible right of use and lease of cable capacity to local and international carriers, interconnection of international capacity via national networks as well as extended international capacity from cable landing stations to the equipment



colocation premises of local providers. It also provides international media recovery services and advisory services pertaining to subsea cable systems management.

International Satellite Products

It provides satellite services to international markets, including the resale of space segment capacity, the provision of satellite links and facilities from Cyprus. These include satellite links for the provision of Internet and data services, VSAT services on land and at sea, satellite monitoring and maintenance services, colocation of satellite equipment and radio/TV programme relay products.

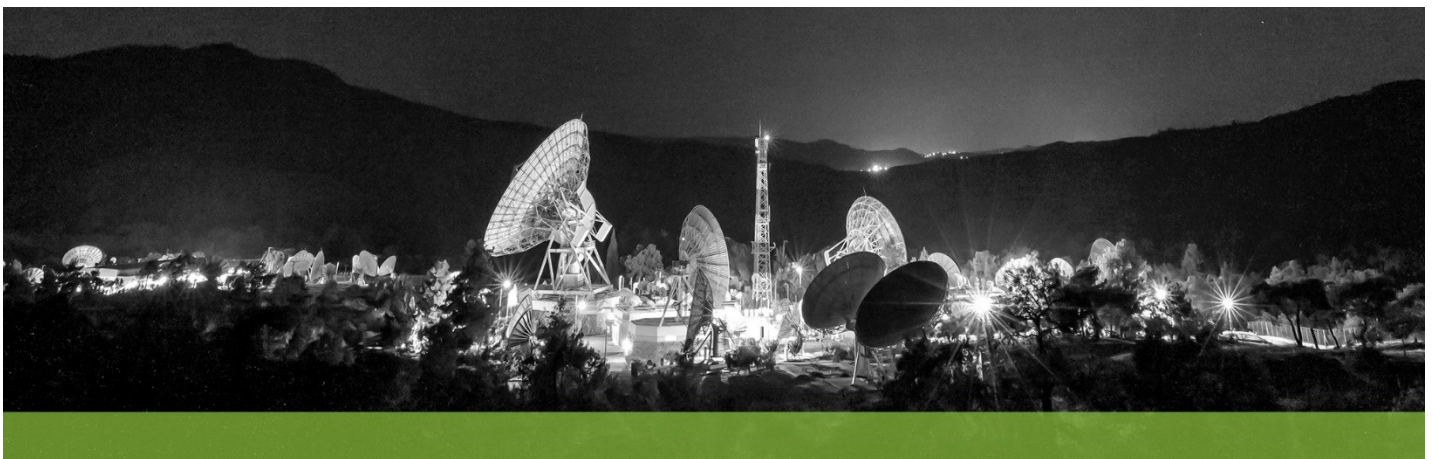
International Leased Connections and Global Internet

Via its MPLS backbone network and international nodes in Athens, Sofia, Frankfurt and London, Cyta offers business and wholesale customers International Virtual Private Networks (MPLS-VPN) and International Ethernet-over-MPLS (EoMPLS).

wholesale customers and Internet Service Providers are offered high-quality protected access to the global Internet through the use of a variety of technologies and routing protocols and with backup capacity availability in the form of bandwidth-on-demand.

International Wholesale Telephony

Cyta offers international telephony products to all fixed and mobile telephony networks around the world on a wholesale basis to internal customers, to satisfy Cyta's retail customers and for resale to licensed providers in Cyprus and abroad. For the provision of international outgoing telephony, it maintains direct connections with over 45 telecommunications organisations worldwide, guaranteeing competitive terminal charges and top-quality alternative routing. With automated processes and specialist software, we achieve the necessary multiple routing to international softswitch exchanges with the aim of offering excellent quality international telephony at



Via a reliable cable infrastructure with full network and equipment protection, virtual connections are offered as point-to-point and point-to-multiple-point, while voice, data and picture transfer are enabled.

Additionally, it offers business and wholesale customers physical International Private Leased Connections with transparency of capacity, which are ideal for applications requiring reliable and fast data transfer. Physical International Private Leased Connections are usually provided as half-circuits or full circuits via undersea cables at speeds ranging from 2Mb/s to 100Gb/s based on SDH, WDM, EoSDH and EoWDM technology. The extensive international cable network and the multiple landing stations of Cyta and its partners guarantee interconnectivity and total protection. Customers receive personal service through a business consultant and 24-hour technical support.

Furthermore, through connections to nodes on Cyta's networks in Cyprus or those of our partners abroad, international

competitive prices. At the same time, international correspondents are provided with termination of incoming traffic on all fixed and mobile networks in Cyprus, international wholesale transit traffic services as well as international and universal freephone call products for business customers all over the world.

Cyta also provides International Wholesale 2G, 3G and 4G Roaming to more than 470 mobile telephony networks, enabling visitors to Cyprus to use their mobile devices on the Cytamobile-Vodafone network for phone calls, text messages and Mobile Internet when roaming.

Services to Third Parties

Aeronautical Services

Services to the Department of Civil Aviation

Cyta provides technical support (supply and maintenance of equipment) to the Department of Civil Aviation, which is responsible for the smooth, safe, effective and efficient

management of air traffic within the Nicosia Flight Information Region (FIR).

The support provided serves the needs of the Department of Civil Aviation which are based on international standards and the recommendations of the International Civil Aviation Organisation (ICAO), and in compliance with the programmes of the European Civil Aviation Organisation EUROCONTROL.

Cyta is the first and only organisation in Cyprus to be certified by the National Supervisory Authority as a Communication, Navigation, Surveillance (CNS) Provider, in accordance with the provisions of EU Regulation 2017/373, which replaced the previous Regulation 1035/2011 on 2/1/2020.

The broad range of support services includes corrective and preventive maintenance to such a standard as to guarantee reliable and high-quality communications between air traffic controllers and aircraft, the monitoring of aircraft movements via radar facilities, the retransmission and exchange of aeronautical information and meteorological announcements. The equipment being maintained includes navigational aids such as VOR (VHF Omni-Directional Range), ILS (Instrument Landing System), DME (Distance Measuring Equipment) and DF (Direction Finder) at Larnaca and Paphos airports.

In the framework of harmonisation with the programmes of the European Civil Aviation Organisation EUROCONTROL and the Single European Sky, work continued on upgrading the Air Traffic Management system at the Nicosia Area Control Centre. At the same time, Cyta signed contracts for the supply of a new Air Traffic Control backup system, the introduction of Datalink Services and the supply of new Instrument Landing Systems (ILS) at Larnaca and Paphos airports.

Services to the Meteorological Service

Cyta continued to provide telecommunications facilities and technical support to the Department of Meteorology, mainly for the preparation and distribution of Weather Forecasts and Flight Plans.

Services to the Joint Rescue Coordination Centre (JRCC)

Cyta continued to provide data and voice services and technical support to the Joint Rescue Coordination Centre (JRCC).

SUBSIDIARIES



Subsidiaries



DIGIMED COMMUNICATIONS LTD

Digimed Communications Ltd is a wholly-owned subsidiary of the Cyprus Telecommunications Authority (Cyta), which was set up with the aim of realising the Organisation's strategy for the vertical and horizontal expansion its activities in Cyprus and abroad.

The pressure of increased competition in local and international markets, together with the slowdown in business activity as a result of the global and local financial crises, make Digimed's contribution to the Organisation's response to the challenges of today's telecommunications business environment a necessity.

In collaboration with the responsible department within Cyta, the alignment of the subsidiaries with the Organisation's strategic and business objectives remains Digimed's top priority. To this end, Digimed and the subsidiaries support Cyta's strategic direction, which is firmly focused on technological development and being a leader in telecommunications infrastructure, and providing integrated, reliable and innovative services to its customers.



CYTA UK LTD

Cyta UK Ltd was established in the United Kingdom on February 15, 2000. The company has its own high-tech telecommunications node, based on the MPLS protocol, using media gateway and new generation SDH equipment, and housed on the premises of Equinix in London. The node is linked to similar telecommunications nodes in Nicosia and Athens owned by Cyta and its related company, Cytaglobal Hellas AE, respectively.

The company is active, in conjunction with Cyta and its related company, Cytaglobal Hellas AE, in the provision of international virtual leased connections to providers and corporate customers in the UK and elsewhere while it also offers, on a resale/leasing basis, occasional colocation services, local loops and other local connections within the UK via its associates and other subcontractors. Also, in collaboration with Cyta, the company is in a position to offer interconnection, voice, signalling and Internet on a wholesale basis.





CYTACOM SOLUTIONS LTD

2020 was the best year for Cytacom Solutions Ltd since its establishment, with both turnover and profitability showing a significant increase over the previous year. Specifically, revenues from all services in 2020 amounted to €6 million and the EBITDA margin was 10%, compared to €4 million and 5% respectively in 2019.

The positive financial results were achieved at a difficult and extremely challenging time, due to the pandemic. In these extraordinary circumstances, Cytacom Solutions Ltd continued to provide integrated quality and innovative communications and IT solutions/services, tailored to the needs of each customer and including specialist solutions and services to Cyta and its customers.

The objective of Cytacom Solutions Ltd is to enable its customers to benefit from the potential of Information and Communication Technology and to improve their entrepreneurship. The company's main strategic aim is to be one of the most reliable options for projects requiring the design and provision of specialised and integrated information and communication (ICT) solutions to organisations and businesses in the Cypriot market with the following products/services:

- Provision of integrated IT solutions, networking, IT and telephony equipment, and electronic equipment and IT software support and maintenance.
- Management of specialised technological infrastructure projects

and the provision of specialised services to Cyta and its customers.

- Conducting of studies and provision of consultancy services.
- Design and development of Internet portals, online platforms and applications including Application Programming Interface (API).
- Provision of communications security software.
- Provision of bulk messaging services (BulkSMS, webSMS.com.cy).

In addition to the above, the company maintains an online platform providing the top-up service for Cyta's soeasy pay as you go service (www.cyta.com.cy/soeasy-top-up).

The company looks forward to continuing its positive course in the coming years and has set itself the following objectives:

- To strengthen its position in the Cypriot market as one of the most reliable organisations providing integrated ICT solutions.
- To exploit market opportunities arising from the need for the digital transformation of companies and public sector organisations, in close collaboration with Cyta.
- To maintain its turnover and profitability through the rationalised management of its resources and main activities and to provide reliable services through value-based pricing.
- To reinforce its corporate image and to strengthen both its corporate culture and the dedication of its personnel.

In order to achieve these objectives, the company places emphasis on

personnel training and development as regards new technologies and skills, as well as on making the most of the know-how and services of selected partners. At the same time, it aims to broaden its capabilities to support and complement Cyta's new products, such as Managed Solutions and Convergence Services.



CYTAGLOBAL HELLAS AE

Cytaglobal Hellas AE, which was established in Athens on November 5, 2003, has its own high-tech telecommunications node, based on the MPLS protocol and using new generation SDH equipment, housed on the premises of TI Sparkle Greece AE in Athens. The node is linked to similar telecommunications nodes in Nicosia and London owned by Cyta and its related company, Cyta UK Ltd respectively.

The company, in collaboration with Cyta and its related company, Cyta UK Ltd, is active in the provision of international virtual leased connections to providers and corporate customers in Greece and elsewhere, while it also offers occasional colocation services, local loops and other local interconnections within Greece on a resale/leasing basis via its associates and other subcontractors.

The company has also become active in the Data Centre market in Thessaloniki and Attica, through its participation in the share capital of Synapsecom Telecoms A.E.



IRIS GATEWAY SATELLITE SERVICES LTD

Iris Gateway Satellite Services Ltd, which was established on April 16, 1999, provides satellite turnaround of radio and television programmes to the international market from Cyprus. Iris relays programmes from a large number of foreign satellite TV channels and, at the same time, offers television uplink and downlink services on a large scale.

Iris also provides hybrid services that combine satellite links and international cable connectivity secured by Cyta. It offers integrated solutions to customers interested in distributing their programmes to various points around the world, via access to global television networks. Moreover, the company provides occasional services, mainly involving major sports events taking place in a variety of destinations. Lastly, Iris provides support to Cyta's own satellite services.



NETWORK

Network

SERVICE PROVISION PLATFORMS

Following the technological upgrade to the Cytavision service and with the goal of continuously improving the customer experience, the CytavisionGo app was implemented, enabling customers to buy a package or individual Cyprus football matches online, pay by credit card and watch them on a mobile device.

Almost all Cytavision channels are now high definition (HD), which means better picture quality and, consequently, makes Cytavision even more attractive. In 2020, transmission began of a number of channels in 4K (Ultra-High Definition).

In 2020, SafeWeb became available, offering customers security on their Internet connection. This service prevents Cytanet customers from accessing malicious websites designed to infect devices with malware and viruses with the aim of obtaining personal information, financial data or passwords. SafeWeb is provided at connection level, thereby protecting all Cytanet users in the same household.

CORE NETWORKS

National Transmission Network

The National Transmission Network serves the needs of Cyta's other networks and those of its external customers at speeds from 64kbps to 100Gbps, with the greatest possible degree of reliability.



In 2020 the DWDM/OTN (Dense Wavelength Division Multiplexing/Optical Transport Network), which is the backbone of Cyta's networks, was further expanded, providing superfast connections (up to 100Gbps) and, at the same time, serving major corporate customers.

The SDH (Synchronous Digital Hierarchy) network was also expanded for the provision of circuits of various speeds and, in particular, EoSDH (Ethernet over SDH) connections.

The DWDM/OTN and SDH networks operate via optical fibres in an arrangement that allows the uninterrupted provision of service, even when a fault occurs in an individual fibre.

International Transmission Network

In 2020, significant satellite and cable systems were upgraded and expanded, reinforcing the role of Cyta and Cyprus more generally as a telecommunications hub in the broader Eastern Mediterranean region.

A. Satellite Systems/Services

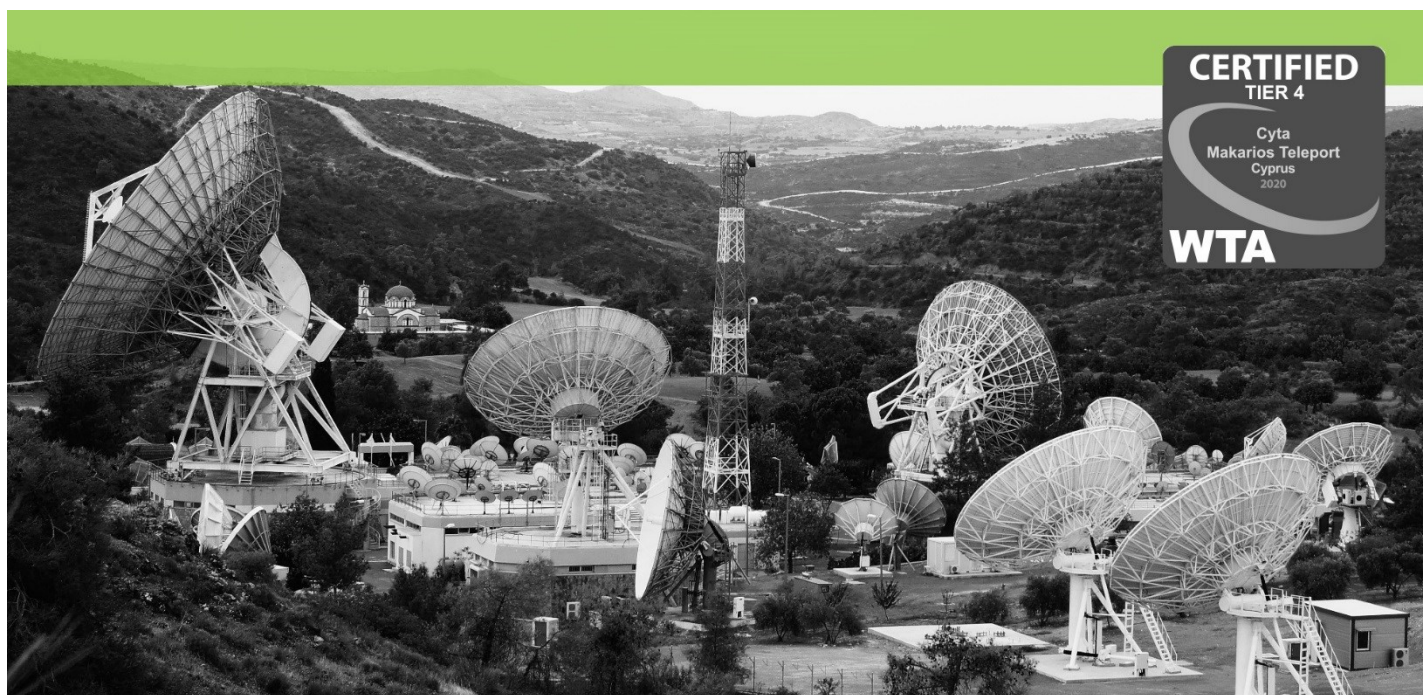
The three Teleports (Makarios, Hermes and Pera) are important international satellite gateways that offer geographical backup.

Cyta's teleports have all obtained quality recertification from the World Teleport Association at the highest Tier-4 level. Additionally, the teleports are now part of Eutelsat's network of 'Preferred Teleports'.

In 2020, services continued to be provided to companies specialising in the provision of fast Internet and TV turnaround services. Additionally, transmission and receiving of significant sporting events and other TV content to and from anywhere in the world continued via satellites and fiber optic cables, making use of the Makarios Teleport's interconnection with providers' global networks. Cyta was significantly involved in projects under the auspices of the EU, such as EGNOS RIMS and Excelsior, and participated in research programmes through specially formulated programmes for candidate member states of the European Space Agency (ESA).

B. Cable Systems/Services

Cyprus is connected with the outside world through seven subsea cable systems that come ashore at two cable landing stations (Pentaschoinos and Yeroskipou). These systems provide high availability telephony, Internet and leased connections to our customers in Cyprus. At the same time,



They provide broadband links to international Internet providers, with the parallel use of Cyta's subsea cable infrastructure. Satellite Tracking Telemetry & Command (TT&C) services are also provided, together with over the top (streaming) of television content.

transit connections are offered from the countries of the Middle East to Europe and the rest of the world.

In 2020, work began on the ARSINOE/PEACE subsea cable system, which is due to come into operation in early 2022. The

system will offer an alternative high-capacity channel to Europe (France) and Africa (Egypt).

The ALEXANDROS system linking Cyprus with France and Egypt was also upgraded. The terminal equipment for the Pentaschinos-Marseilles connection was expanded with cutting-edge equipment, thereby increasing capacity to Marseilles by 1.2Tbs.

The study was completed and an order placed for the interconnection of the ALEXANDROS and ARSINOE/PEACE subsea cable systems via an automated protection system. The connection will use two independent fiber optic links, thus enabling high levels of business continuity.

The study was also completed on the upgrading of the CADMOS and UGARIT subsea cable systems. It provides for the present equipment of UGARIT to be increased by 600 Gb/s, thus raising its total capacity to 1Tb/s, and for the installation of new equipment on CADMOS to give it, too, a total capacity of 1Tb/s.

IP Core Networks

In 2020, work continued on upgrading the IP/MPLS backbone network through the installation of new generation equipment and the introduction of 100Gbps connections so as to support the constantly growing needs of our residential and business customers for broadband services, and those of other Cyta networks and services, such as FTTH, Connected TV and 5G. In the case of the 5G network, all the necessary work was completed to ensure that it can support the 5G service.

The upgrade of Cytanet's IP network continued, replacing its equipment with new generation versions and upgrading its core

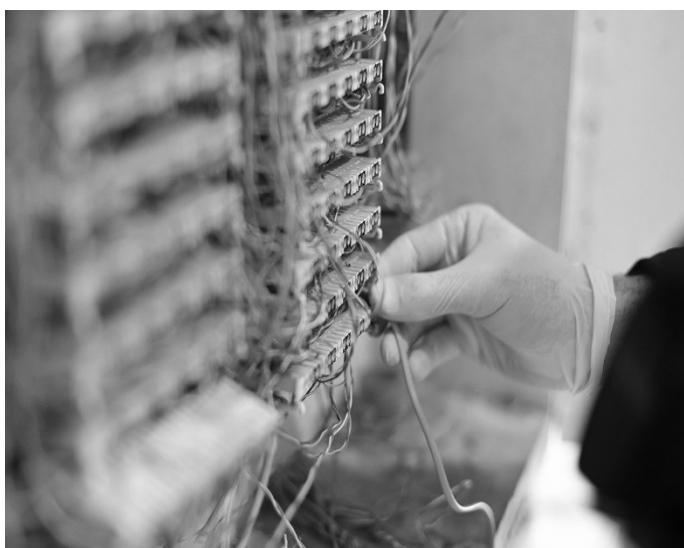
connections to 100Gbps. At the same time, upgrades were made to the DSL access network and to the Cytanet network's international connections so as to support the increase in Internet traffic, led by the latest wired and wireless broadband technologies (FTTH, Vectoring, 4/4.5/5G) and by the constantly growing demand for services such as OTT (Over the Top) and IoT (Internet of Things). The ultimate goal is to enable Cyta's customers to enjoy services of the best quality. Proper planning and the timely upgrade of the Cytanet network resulted in its ability to fully respond to the greatly increased customer needs, brought about by the COVID-19 pandemic, for distance learning and remote working as well as entertainment.

NETWORK AND SERVICES SECURITY AND OPERATION

Networks and Services Operation

In the framework of improving Cyta's Network and Service operations, in 2020 work continued with the main aims of maintaining the high availability of the Organisation's networks and uninterrupted service to customers. Work also continued with the objective of reducing operating costs through the more efficient management of faults with the introduction of a new system.

Efforts focused on the study and redefinition of preventive maintenance tools and mechanisms for the detection and repair of faults in Cyta's network equipment, and on the provision of quality secondary services support to external and internal customers. Moreover, particular emphasis was placed on developing our Unit's people, their training in new technologies and the use of specialised systems and tools for active and preventive faults detection.



Cybersecurity Management

Cybersecurity and Data Security management constitutes a strategic pillar of action and growth for Cyta and is implemented in accordance with international practices and standards with the aim of offering full protection to Cyta's infrastructures as well as the development and provision of reliable, high-value

and penetration testing, security assessment of new services, physical security (guarding), reasonable access to apps, access control and monitoring, etc. To make personnel more aware of data security and cybersecurity issues, Cyta proceeded, as every year, with special training for all members of staff. In order to maintain the ISO27001:2013 certification of its Data



network security services to the broader business community in Cyprus. Projects were implemented aimed at the further strengthening of Cyta's security, with an emphasis on the safe use of Cloud services. 2020 was a year of additional challenges regarding cybersecurity issues on a global scale, due to the pandemic. Cyta responded by taking all the necessary measures to enable almost every member of staff to work remotely and securely. Each challenge was met in a methodical way, and with the required seriousness and responsibility to ensure the smooth operation of Cyta and its services and to safeguard the data of the Organisation's customers. Furthermore, within the tight deadlines that had been set, Cyta implemented crucial IT projects, which had been assigned to the Organisation by the Republic of Cyprus for managing the pandemic.

At a corporate level and with the objective of safeguarding all core activities, a Data Security Management System (DSMS) was implemented, based on ISO27001:2013 and ISO27002:2013 standards, with the involvement of the Steering Committee, the data security liaisons of all Cyta departments and all personnel. In the framework of the DSMS, information security policies are applied at a corporate level regarding many issues, including the security of applications, personnel, systems, networks, services, etc. Specific measures and processes are implemented, such as regular security checks

Centres, Cyta conducted internal inspections on the basis of the requirements of the standard, which were evaluated positively during the External Inspection process.

Telecommunications Fraud Management

Cyta takes measures to prevent and stamp out telecommunications fraud, a phenomenon that is assuming increasingly worrying dimensions all over the world. For the detection and investigation of instances of fraud against Cyta, since 2000 it has employed a specialist Telecommunications Fraud Management team. Over and above the protection of its own services, Cyta has expanded its activities aimed at preventing and stopping fraud to cover customers so as to protect them from malicious acts. The members of the team are specially trained on issues pertaining to security and fraud and, in order to be constantly updated, Cyta cooperates with various international organisations specialised in issues relating to telecommunications fraud. For all-round protection and the timely detection of incidents of fraud, Cyta has procured the most advanced specialised telecommunications fraud detection and management systems, and to deal effectively with the problem, personnel respond to incidents on a 24-hour basis. In addition, all measures are taken to ensure that customers and the general public are constantly being informed, educated and made aware of telecommunications fraud issues.

FIXED AND MOBILE COMMUNICATIONS NETWORKS

Fixed Communications Networks

In 2020, the transformation and upgrade of the Fixed Communication Network (IP Multimedia Subsystem - IMS Network) to Telco Cloud technology began. Telco Cloud

Furthermore, the EDA (network service provisioning platform) was updated to allow the activation of services such as VoLTE, for the unified mobile and fixed telephony databases. Internet upgrades were also implemented successfully as firewalls were replaced with Fortinet and geographic backup was introduced to the SMS firewalls, while support systems were also



provides greater reliability and flexibility, while at the same time expanding capacity and improving network availability. The Call recording facility was also introduced to help Business Telephony customers improve the quality of their services.

Also in 2020, the Fixed Telephony transformation project continued, transferring a significant number of traditional PSTN/ISDN connections (mainly of business customers) to the new broadband telephony based on the IMS network.

Mobile Communications Core Network

2020 was the year of preparation for the Mobile Communications Core Network for the commercial launch of 5G. In this context, upgrades were made to the Evolved Packet Core to prepare the network for 5G and successful testing was conducted on the interoperability of the Core Network and the radio network.

At the same time, the Evolved Packet Network was partially upgraded to a virtual environment. This enables to simultaneous support of both 4G and 5G technology (Dual Mode Core). The project is due to be completed in 2022.

upgraded, including ENM to support the management of new and upgraded network nodes.

Wireless Access Network

In 2020, work began on updating and modernizing the mobile communications radio network and on preparing for the commercial launch of 5G technology, which was planned for the beginning of 2021. The goal was for the 5G network, once operational, to cover 70% of the population in the government-controlled area of Cyprus, enabling ultrafast access speeds (up to 1Gbps), increased capacity for the simultaneous connection of thousands of devices and very fast response.

The development of the 4G network (LTE technology) continued, utilising all the available frequency bands and increasing the average access speed across Cyprus. At the same time, all the necessary interoperability checks were completed for the provision of 4G RAN Sharing services with Cablenet.

Pilot projects were completed in conjunction with the Nicosia Water Board and the EAC for the introduction of NB-IOT

services. In the framework of the EU's WiFi4EU programme, connections were offered via the Managed WiFi service at speeds of more than 30Mbps to 20 more municipalities and communities across the island.

Wired Access Network and Technical Support (WAN&TS)

2020 was an especially difficult and demanding year for WAN&TS, due to the pandemic. The majority of the department's personnel remained active, adhering to all the necessary safety and hygiene rules. Despite the difficulties, the development and support of the reliable cutting-edge technology-based access network was once again a key pillar of Cyta's activity, while it continued without disruption to serve its customers with the installation and support of its products and services.



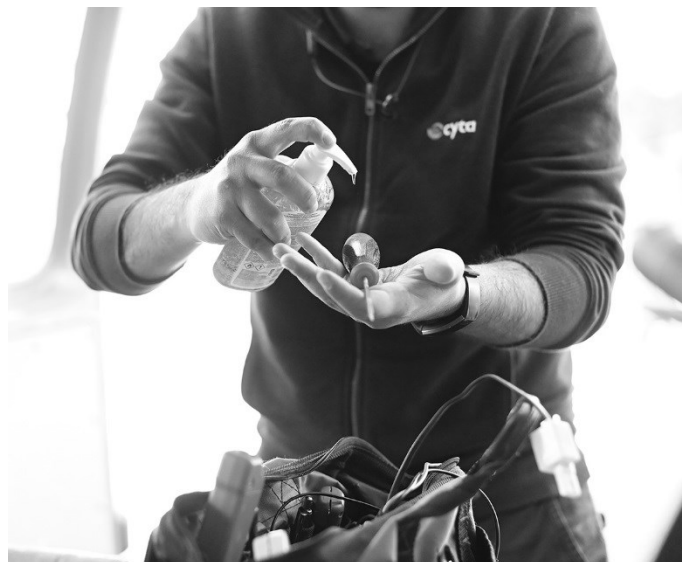
For a drastic increase in access speeds, the implementation of the strategic Cyta Fiber project is currently being intensified. By the end of 2020, some 93,000 premises were able to connect to the fiber network and the number of connected customers was 25,247.

As for the copper broadband network, the project to upgrade DSLAMs/RDSLAMS was completed, enabling support for vectoring and bonding technologies, and at the same time, older equipment using previous technologies was withdrawn from use.

The total coverage and speeds obtained, following the upgrade to the network, using Bonding/Vectoring/FTTH technologies are as follows:

- 99.28% coverage at a speed of at least 10Mbps
- 95.29% coverage at a speed of at least 30Mbps
- 53.41% coverage at a speed of at least 100Mbps
- 21.11% coverage at a speed of at least 1000Mbps

In addition to the above, the Organisation continued the successful transfer of customer telephony services to Voice Over IP technology. It is now 95% complete and offers customers advanced communication solutions.



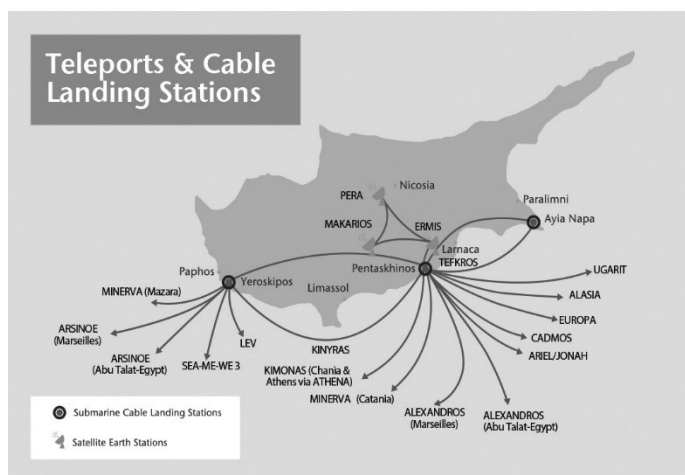
Also in 2020, Cyta invested in the essential development of its human resources' technical knowledge, tools and skills. At the same time, the Department was strengthened through recruitment and transfers. Cyta remained focused on improving quality service practices, something that was confirmed by the customers themselves in their response to market surveys in which they positively differentiated the Organisation from its competitors.

True to the Organisation's commitment to provide an improved customer experience, during the year under review, it assisted a significant number of customers to transfer to new and upgraded communication and connection services, offering them on-premise support and, where necessary, preventive/improvement maintenance of their network so as to support a future transfer to even more advanced technologies and services.

INTERNATIONAL CABLE AND SATELLITE NETWORK

The present network of international subsea fibre optic cable systems and subsystems landing at Cyta's cable stations consist of the following 10: (i) SEA-ME-WE 3, (ii) MED NAUTILUS-LEV, (iii) CADMOS, (iv) UGARIT, (v) MINERVA, (vi) ALEXANDROS, (vii) ATHENA, (viii) KIMONAS, (ix) ARIEL and (x) POSEIDON.

Through its participation in the abovementioned cable and satellite systems as well as in other regional and global cable systems used as extensions of the systems landing in Cyprus, Cyta has established its leading role in the broader region, making Cyprus an important telecommunications hub in the Mediterranean, providing business opportunities in new markets and excellent service to the retail and wholesale telecommunications markets.



In 2020, following the issuance of the relevant licence by the Ministry of Transport, Communications & Works, Cyta began intensive construction work on the ARSINOE subsea cable system. It will link Cyprus with France and Egypt, using fiber optic technology to provide high-speed telecommunications services. Its operation will make a significant contribution towards fulfilling Cyprus' increased need for international connectivity, mainly for Internet and Cloud services. It is also expected to serve the regional needs of neighbouring countries, thereby helping to reinforce Cyprus' role as a telecommunications hub.

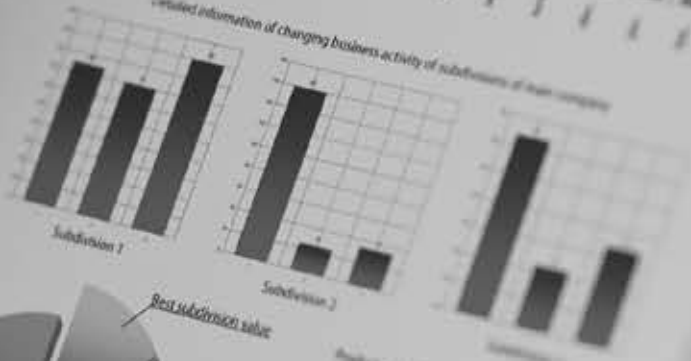
Cyta's international systems include three Teleports with more than 45 antennas, providing access to the satellite systems of Eutelsat, Arabsat, Avanti, Telenor, AsiaSat and APT. Satellite communications contribute substantially to the reinforcement of Cyta's regional telecommunications hub, securing access to new generation broadband satellite systems. With VSAT services, they also enable, permanent and occasional relay services for radio and television broadcasts, telemetry, satellite tracking & command services and satellite Internet on a broad scale.

Cyta's international cable and satellite services provide uninterrupted 24-hour support and, like its other business activities, they have obtained international quality certification.

Business activity of company and subdivisions



Detailed information of changing business activity of subdivisions of your company



The given statistical data allow a comprehensive analysis of the company's activity in different markets. It will allow to understand the main trends and to make a forecast of the company's activity in the future. As a result of the analysis, it is possible to identify the main areas of the company's activity and to make a forecast of the company's activity in the future.

FINANCIAL REPORT

Financial Report 2020

SUMMARY OF RESULTS

2020 was marked by the COVID-19 pandemic and the disruption it caused to society and business activity. The pandemic affected the financial results of the year, since revenue sources such as roaming (from foreign tourists in Cyprus and Cypriots abroad) decreased due to travel restrictions, as did revenue from tourist enterprises and businesses that closed or operated to a much smaller degree. The closing of the Cyta shop network also affected sales of mobile phones and other devices. The measures taken by the Republic of Cyprus from 15/3/2020 to deal with the spread of COVID-19 remained in force throughout the year, with occasional relaxations. At the same time, the Organisation intensified the switch to alternative sources of revenue, through the commercial exploitation of new technologies, which revealed Cyta's dynamic presence in the fiercely competitive environment in which it operates.

To mitigate the impact and maintain its profitability, Cyta significantly reduced its costs in many areas in the context of the cost management optimization that it implements every year. The results demonstrate the successful handling of the pandemic in all aspects, including financial. 2020 was a very successful year for the Organisation, with profitability exceeding that of 2019, which was itself an excellent year from a financial standpoint. Operating revenue for 2020 amounted to €349,4 million, a reduction of only 0,9%, despite the difficult conditions. The reduction in revenue was more than covered by the significantly bigger decrease in operating expenses, amounting to €12.1 million, representing 4,3% of total operating expenses.



Gross profit amounted to €81,0 million, an increase of 12,5% over the 2019 figure. EBITDA also rose by 6,5% to €124,8 million, while the EBITDA margin remained high at 35,7% in 2020, compared to 33,2% in 2019.

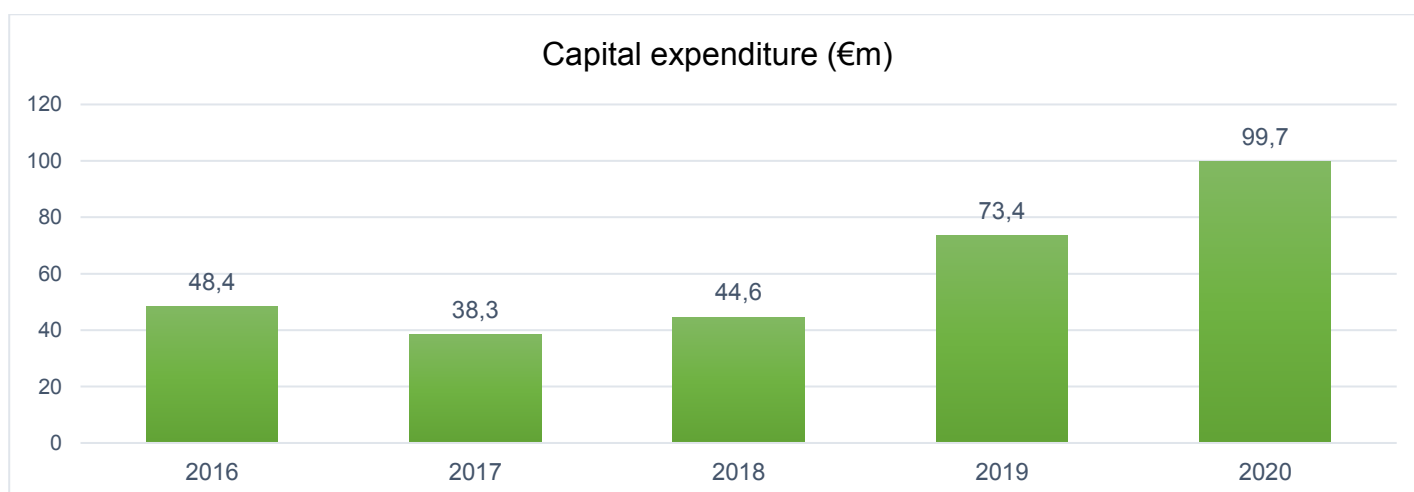
Net profit for the year amounted to €70,8 million, compared to €61,1 million in 2019, an increase of 15,9%. These results are the best of the last 8 years for Cyta and once again they compare very favourably with the results of other telecommunications organisations globally.

As a result of its consistently robust financial position, in 2020 Cyta was able to fund capital expenditure of €99,7 million from its own equity, to pay a dividend of €14,68 million to the State on its 2019 profit, to have no loan obligations (apart from those related to the Pension Fund) and to have cash reserves of €394,4 million as of 31 December 2020.

Five-Year Financial Summary (€m)					
	2016	2017	2018	2019	2020
Operating Revenue	362	351	344	352	349
<i>% changes</i>	-2,7%	-3,0%	-2,2%	+2,6%	-0,9%
Gross Profit	85	75	64	72	81
<i>% changes</i>	-3,2%	-11,9%	-14,6%	+13,0%	+12,5%
EBITDA	125,1	118,3	109,7	117,2	124,8
<i>EBITDA margin %</i>	34,5%	33,7%	31,9%	33,2%	35,7%

CAPITAL EXPENDITURE

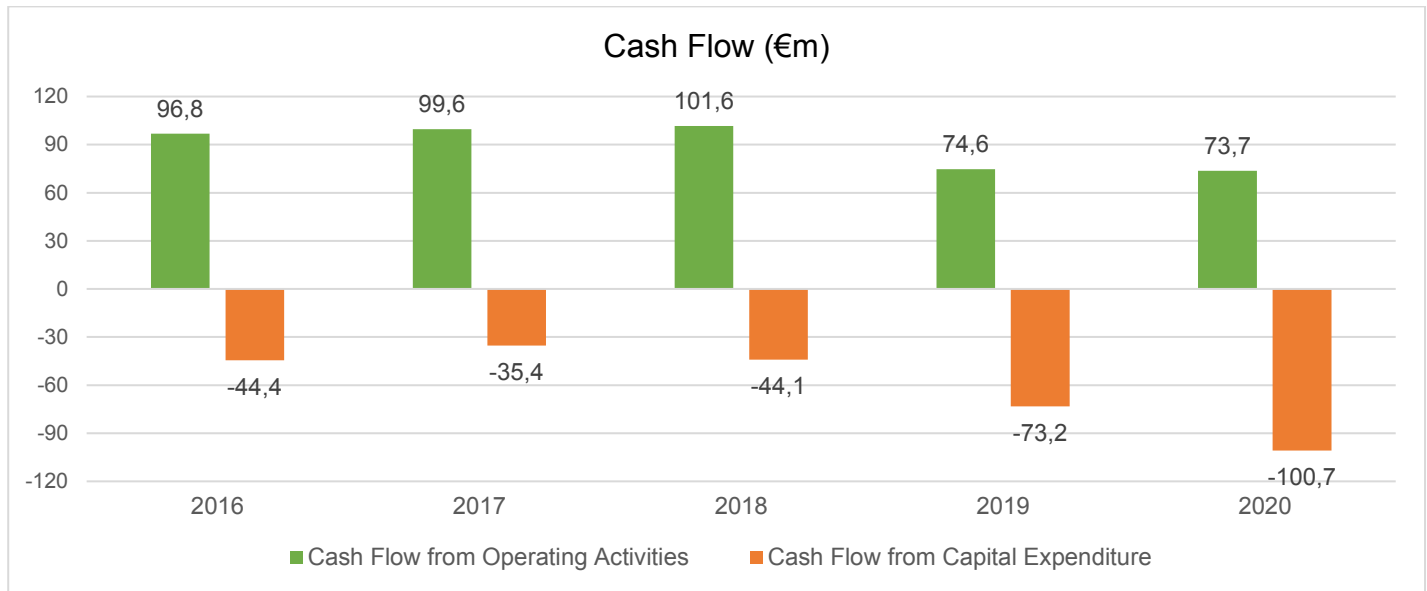
Capital expenditure of €99,7million represents a considerable increase on the 2019 figure of €73,4 million, since it includes significant investments required for the implementation of various strategic projects in the context of the Organisation's business plan, including an overall upgrade and modernization of its networks (5G and Fiber to the Home), the introduction of new technologies for the provision of innovative services and the further development of its international cable systems (including ARSINOE), which strengthen the role of Cyprus and our Organisation as a telecommunications hub in the broader Eastern Mediterranean region. This huge investment programme continues to be wholly funded by Cyta's own equity.



CASH AND CASH EQUIVALENTS

Total cash deposits in banks, Government bonds, Eurobonds and Treasury Bills and bank shares amounted to €394,4 million (2019: €411,7 million).

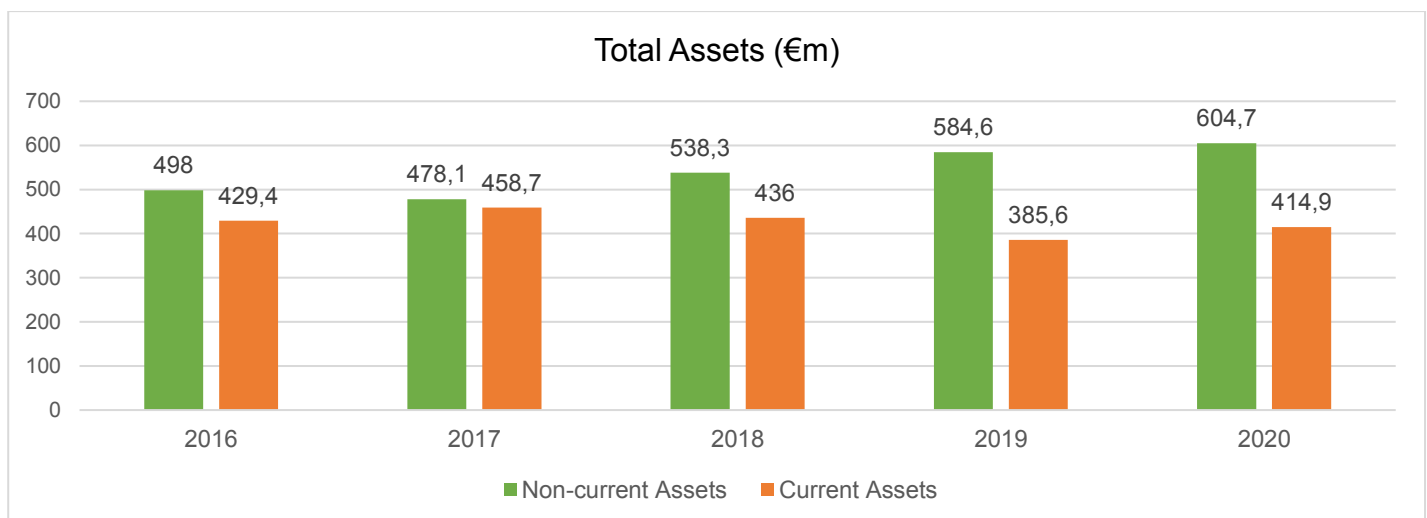
Cash flow during the year strengthened the Organisation's already significant cash reserves, enabling the full funding of Cyta's development programme from its own equity.



ASSETS

Total non-current assets amounted to €604,7 million (2019: €584,6 million). The increase is mainly due to the increased capital expenditure required for the implementation of the Organisation's strategic projects.

Total current assets amounted to €414,9 million (2019: €385,6 million). The increase is mainly due to the purchase of new Treasury Bills and the classification of existing T-Bills as trading and other receivables.



RESERVES AND DIVIDENDS

The reserves that constitute the Organisation's equity amounted to €377,6 million as at 31 December 2020 (2019: €446,0 million). The reduction is mainly due to an increase in the actuarial deficit of Cyta's Pension Fund of €121,3 million, as a result of the revision of the current value of obligations to the Fund, compared with the fair value of its assets as at 31 December 2020. It should be noted that the main factor in the recognition of actuarial risk was the significant reduction to the discount rate used in the actuarial study as a result of the fall in the bond yields. The reserves were strengthened by the year's profit of €70,8 million but reduced by the payment of a dividend and defence contribution in a deemed dividend of €17,5 million.

The accumulated dividend paid by the Organisation to the State over the years now amounts to €833,1 million.

Five-Year Financial Summary (€m)

	2016	2017	2018	2019	2020
Total Assets	927	937	974	970	1020
Total Liabilities	385	392	332	524	642
Increase/Decrease in Reserves due to actuarial position of the Pension Fund	-134	-12	43	-210	-121
Reserves	543	545	643	446	378
Cash Flow from Operating Activities	97	100	102	75	74
Net Cash Flow for Investment Activities	-17	-71	-59	-58	-9
Dividend paid to the State	-39	-26	-29	-14	-15
Current Liquidity Ratio (times)	6,7	6,2	5,7	4,5	4,2

Offices and Cyta Shops

LARNAKA

7, Z, Pierides Street, P.O.Box 40102,
CY-6301 Larnaka, Tel.: 24704040

Cyta shops

- Main - 7, Z. Pierides Street
- Agioi Anargyroi - 4, Alex. Panagouli Avenue

HEAD OFFICES

Telecommunications Street, Strovolos,
P.O.Box 24929, CY-1396 Lefkosia,
Cyprus

Telephone: + 357 22701000

Fax: + 357 22494940

www.cyta.com.cy

Call Centre: 132

LEFKOSIA

11, M Paridi & Chilonos Corner, P.O.Box
24755, CY-1303 Lefkosia
Tel.: 22702020

Cyta shops

- Strovolos - 14, Strovolou Avenue,
Myrtiana Court
- Lykavitos - 5, Naxou Street
- Egkomi - 1, 28th October Avenue,
"Engomi Business Centre"
- Latsia - 18, Arch. Makarios III Avenue
- The Mall of Cyprus - 3, Verginas Street,
"Shacolas Emporium Park"
- Nicosia Mall - 2, Madrid Street
- Kakopetria - 28, Costa Christodoulou
Street

LEMESOS

89, Athinon Street, P.O.Box 50147,
CY-3601 Lemesos, Tel.: 25705050

Cyta shops

- Main - 89, Athinon Street
- Omonia - 7, Vasileos Pavlou Street
- Linopetra - 28, Kolonakiou Avenue
- Agias Fylaxeos - 232, Agias Fylaxeos
Street
- My Mall Limassol - 285, Franklin
Roosevelt
- Platres - 8D, Olympou Street

PAFOS

11, Griva Digheni Avenue,
P.O.Box 60043, CY-8100 Pafos
Tel.: 26706060

Cyta shops

- Main - 11, Grivas Dighenis Avenue
- Kings Avenue Mall - 2, Apostle Paul
& Tomb of the Kings Corner
- Polis Chrysochous - 16, Archbishop
Makarios III Avenue

AMMOCHOSTOS

Edison Street*
Tel.: 23862500

Temporarily
124, Eleftherias Avenue, Deryneia,
P.O.Box 33355, CY-5313 Paralimni
Tel.: 23703030

Cyta shop

Main - 124 Eleftherias Avenue,
Deryneia

KYRENIA*

5A, 28th October Avenue
Tel.: 27452438

MORFOU*

18, 25th March Street, Tel.: 22742055

LEFKA*

Lefka, Tel.: 22817459

* Not in operation due to the Turkish military
occupation of the area.



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