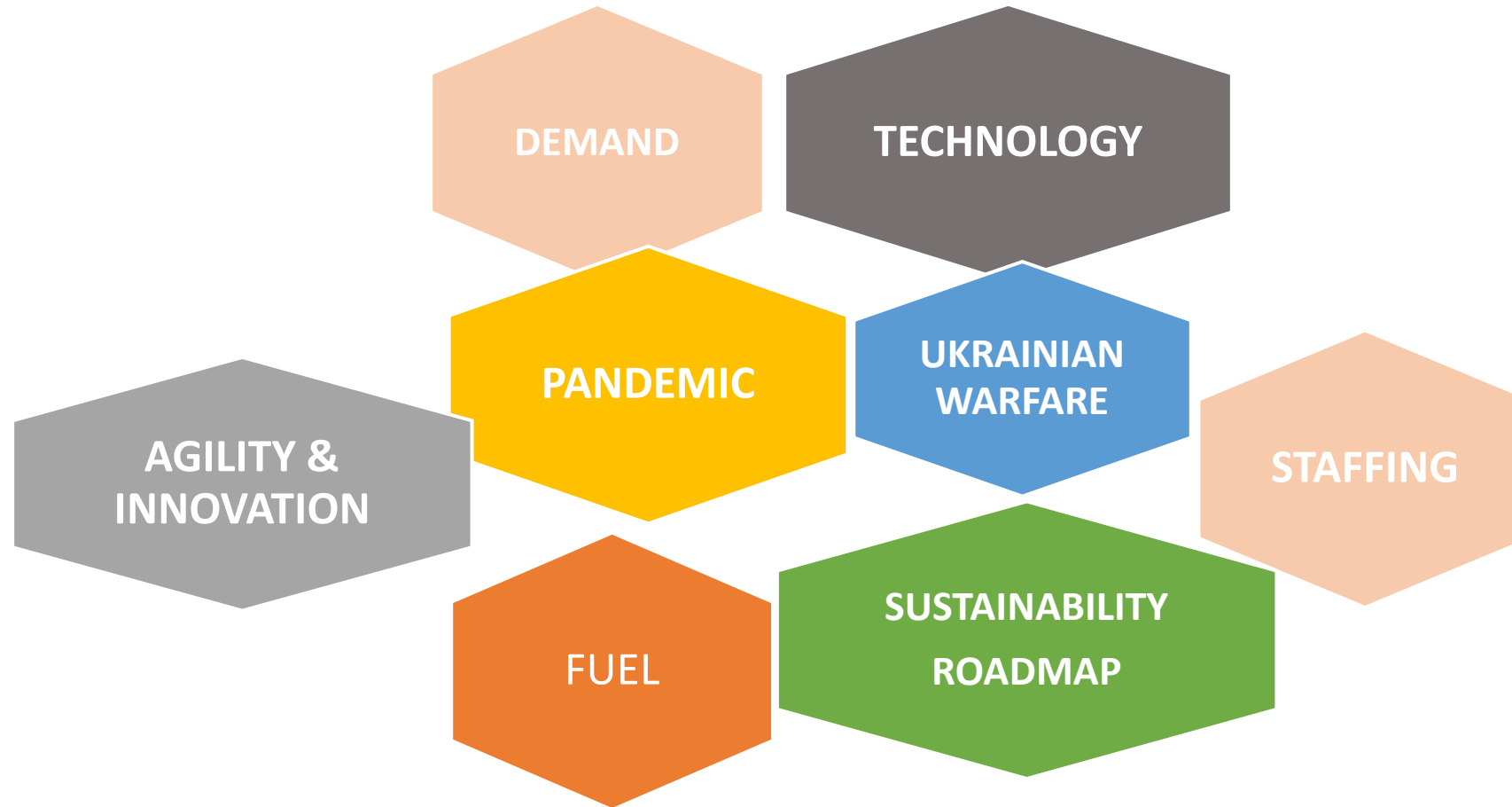




A NEW ERA IN AVIATION

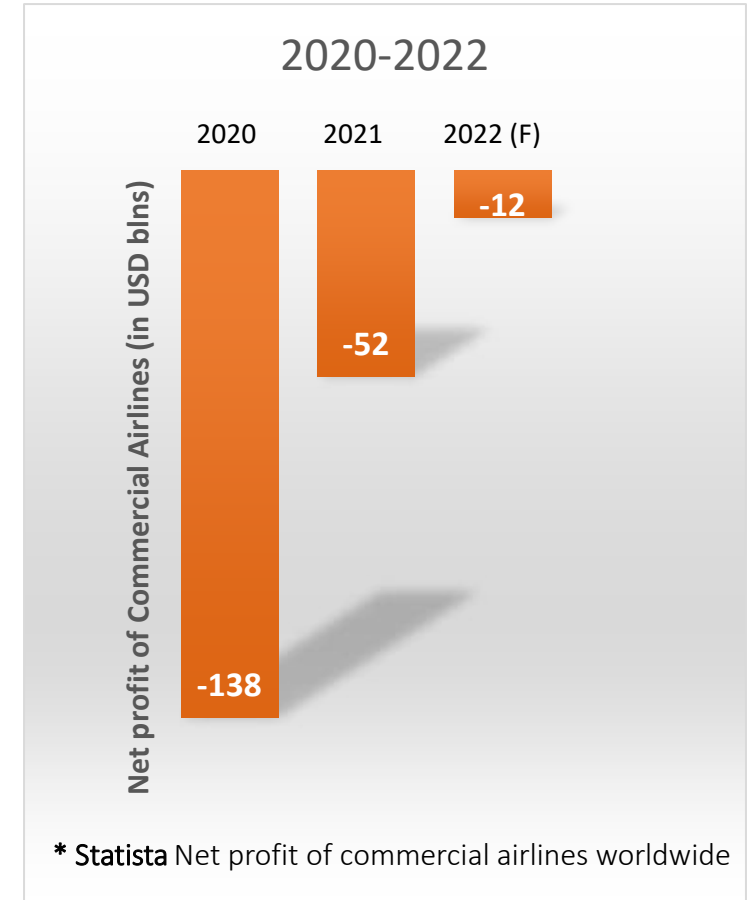
Covid-19 created a new era in aviation



Aviation industry profitability

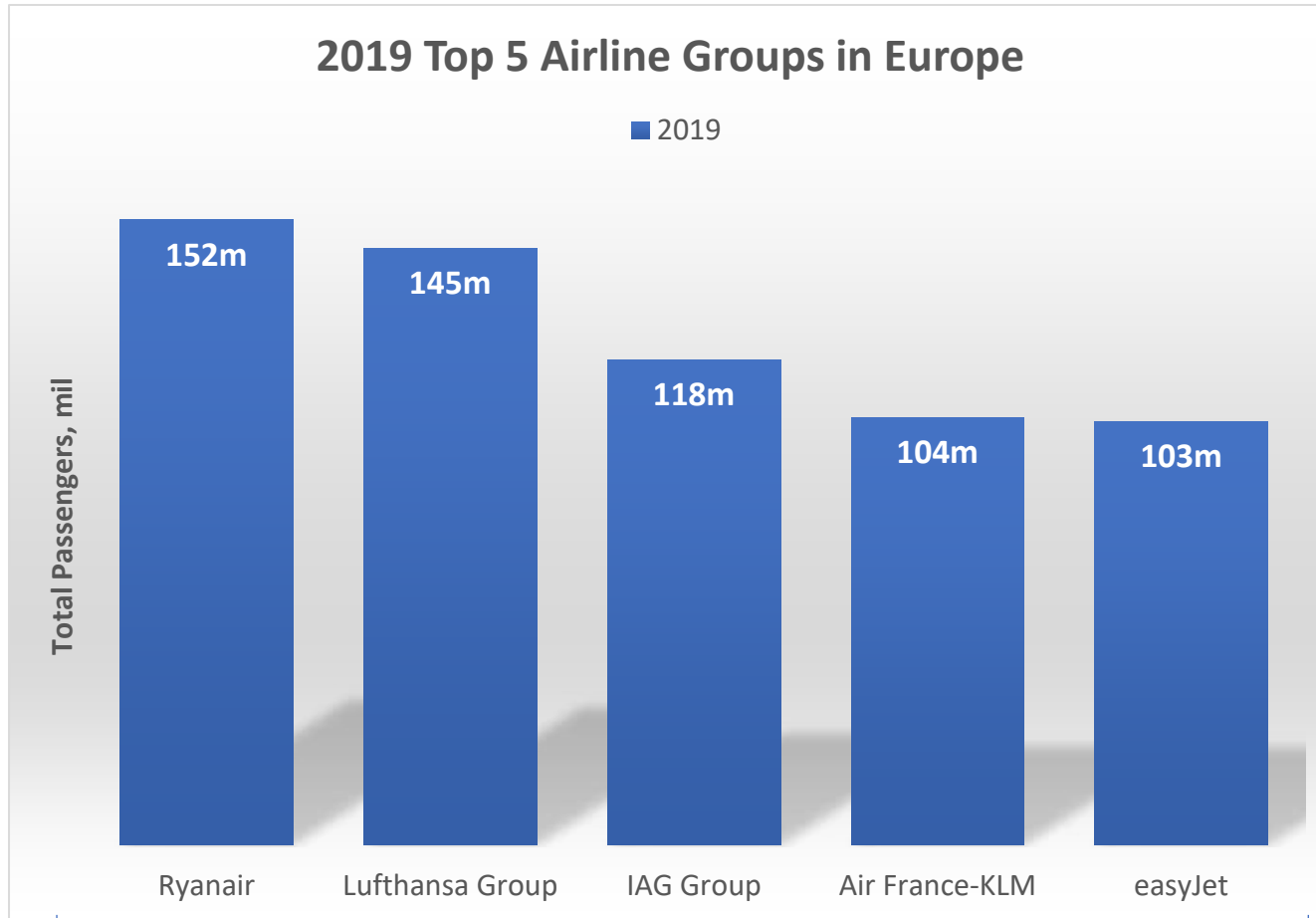


Steady growth for 2010-2019



Free Fall

Airline Developments



TOP 5 AIRLINES – 55% OF EUROPEAN SHARE

Before Covid

- Airline consolidation
- Longer range aircraft/ smaller long haul
- 'dehubbing' – more point to point /secondary airports
- Large orders of aircraft

Today

- Aircraft deliveries slowed down
- Fuel prices instability
- Struggle with demand recovery
- Must lower their emissions
- Staffing issues

Technology is a key driver



Before Covid

- Wi-fi on board
- Artificial Intelligence



Today

- Smart Airports
- Contactless technology
- Cyber security
- Biometrics



Data Science and Advanced Analytics will prevail



Smart Offers

Tailored
messages

Minimize
Disruptions

Travel
Ecosystems

Rising Sustainability Concerns

CUSTOMERS

SOCIETY



REGULATORS

EMPLOYEES

INVESTORS

Before Covid

- Fly shaming
- Initial commitments towards sustainability (2050 outlook)
- EU Green Deal

Today

- Fit for 55
- Sustainable aviation fuel
- Carbon offsets
- Taxation on the horizon
- Invest in R & D as well as infrastructure



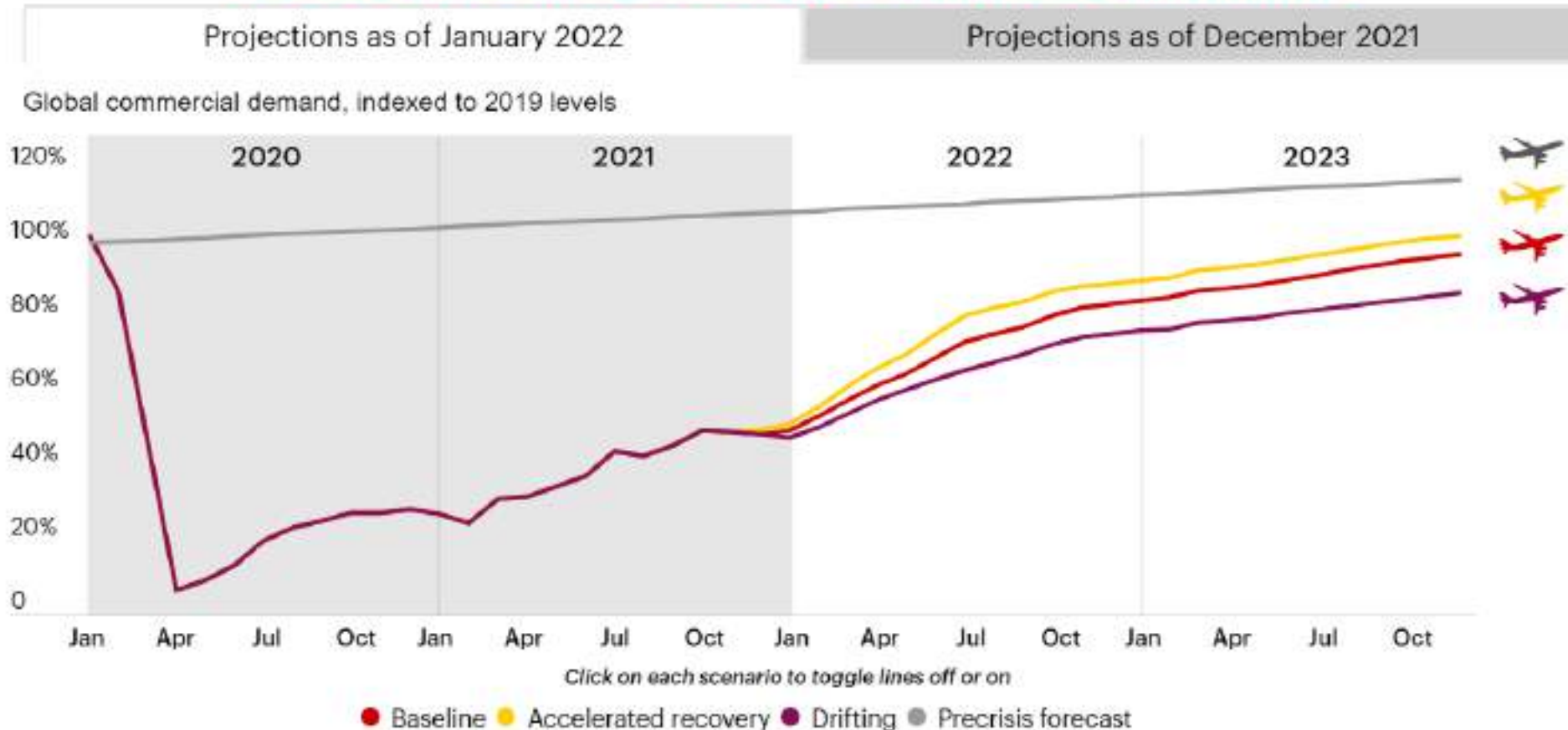
Pandemic impact



Vaccination accelerated recovery but uncertainty remains

Air Travel Demand Forecast

Recovery scenarios for global air travel demand



*Air-travel-forecast-when-will-airlines-recover-from-covid-19-interactive, Bain & Company

By the end of 2022 airline demand could recover up to 84% of 2019 total traffic.

IATA predicts full recovery by 2024.

Russia's invasion to Ukraine



Russian Aviation

- 90% of aircraft leased
- Risk of being impounded even if they travel in Asia
- Maintenance plans at risk
- Ban on spare parts supply
- Current grounding of aircraft costly – staffing issues
- Airworthiness issues if crisis over 6 months

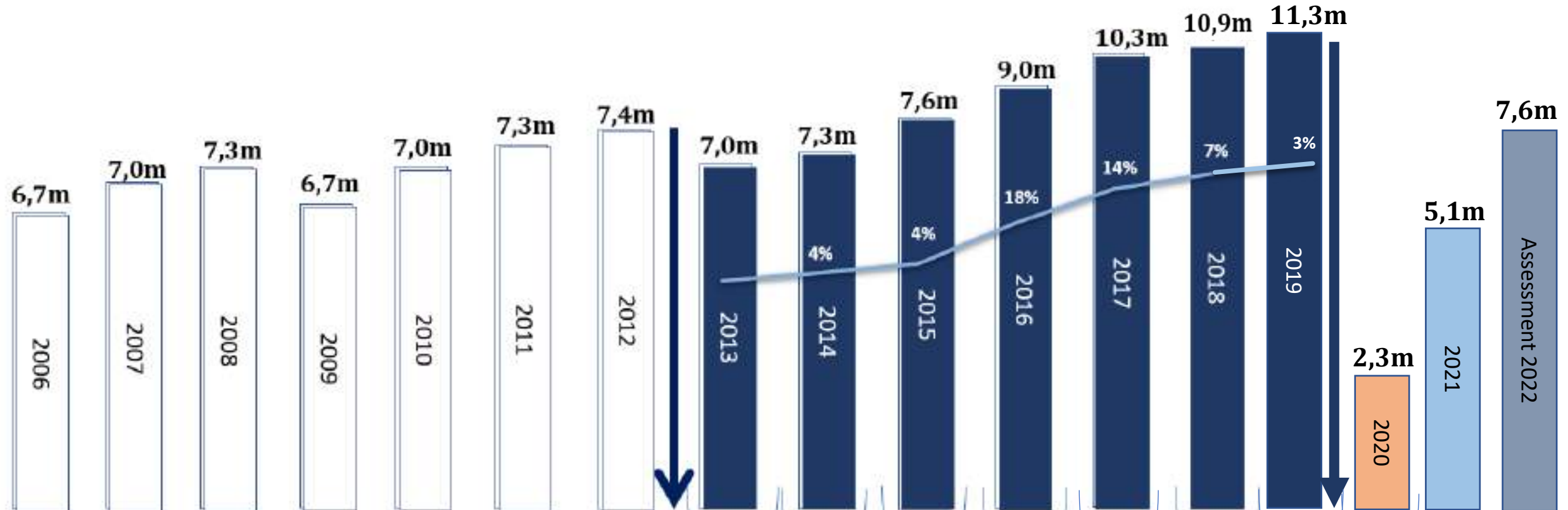
Countries imposing sanctions on Russia

- Loss of traffic particularly leisure travellers
- Increased flying times on routes that cannot overfly Russia
- Certain occasions 5-6 hours increase in flying time and fuel requirements
- Impact on aircraft manufacturers and other supply chain companies



Cyprus Connectivity

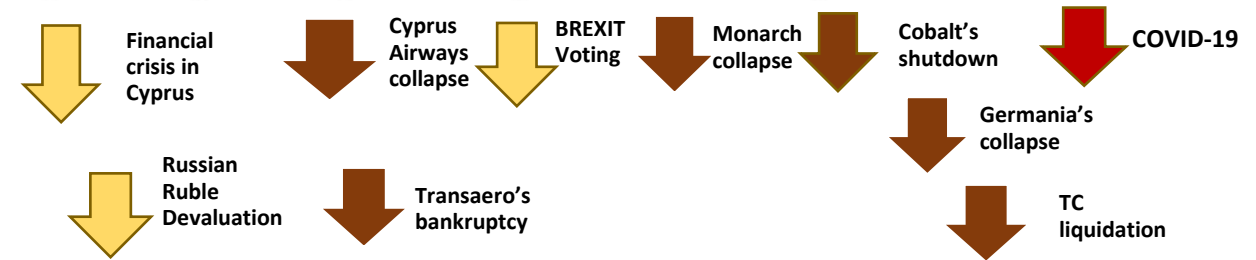
Passenger Traffic evolvement



- Steady growth of traffic after 2013 despite adverse conditions (Over 60% cumulative growth between 2013-2019)

- Covid-19 forced traffic in historically low levels

- Projection for 2022 after taking into consideration Russia-Ukraine markets impact – 1,6m passengers



Cyprus Air Connectivity

(excluding 13 Russian/Ukrainian carriers)

50 airlines projected for 2022

- Vs 70 airlines that operated in 2019



(excluding 33 Russian/Ukrainian routes)

140 routes to be operated (80 from LCA and 60 from PFO)

- Vs 150 routes in 2019



(excluding Russia & Ukraine)

38 countries to be served

- Vs 39 served in 2019



Network experimentation



Cyprus Inbound market analysis

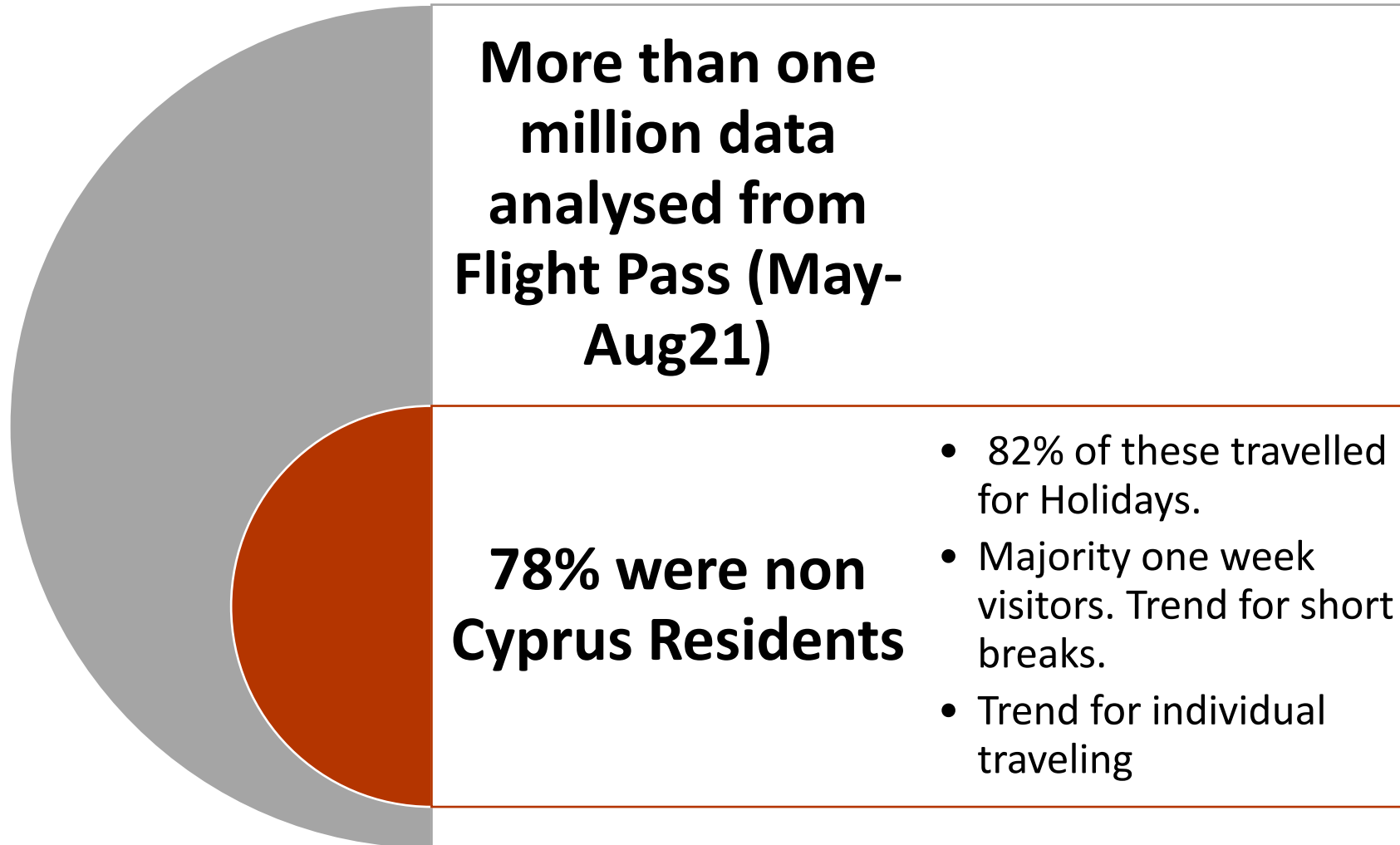


Weekly Frequencies

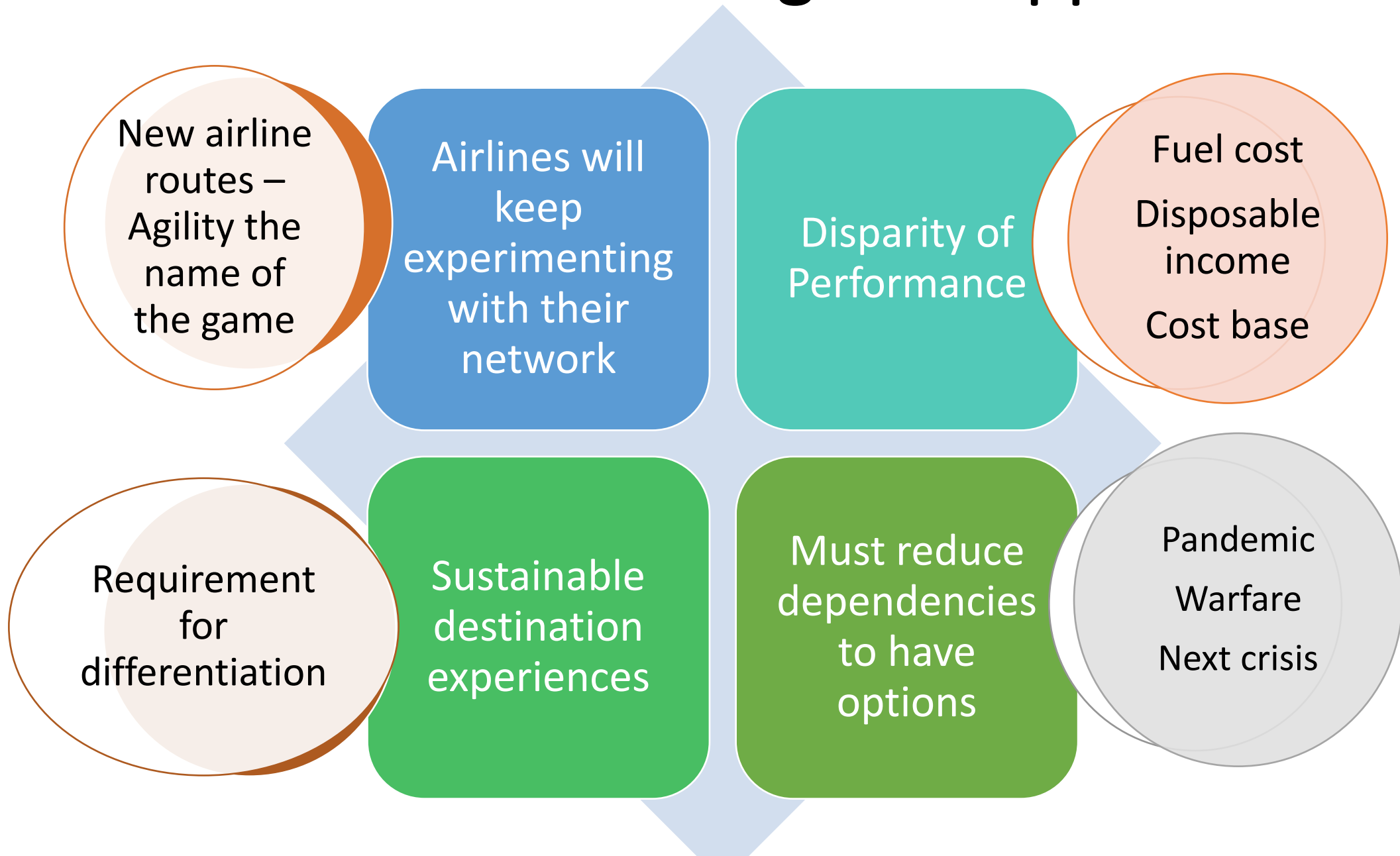
UNITED KINGDOM	223
GREECE	100
SCANDINAVIA	43
GERMANY	43
POLAND	31
ISRAEL	29
AUSTRIA	24
ROMANIA	18
ITALY	16
FRANCE	16
SWITZERLAND	15
HUNGARY	13



2021 Passenger profile analysis



2022 onwards – Challenges & Opportunities



Collective Action is required

```
graph LR; A[Alignment in targeting markets/ routes/ airlines] --> B[Expand reach with joined marketing activities]; B --> C[Hotels operations in line with air connectivity]; C --> D[Individual vs Package tourism]; D --> E[Consistency in service provision across the island]; E --> F[Alignment in developing sustainable experiences];
```

Alignment in
targeting
markets/
routes/
airlines

Expand
reach with
joined
marketing
activities

Hotels
operations in
line with air
connectivity

Individual
vs
Package
tourism

Consistency
in service
provision
across the
island

Alignment
in
developing
sustainable
experiences



TOGETHER
WE CAN MOVE
MOUNTAINS!

As a
Team...

The City
Schools
Staffing