

A satellite-style map of the Mediterranean region, including parts of Europe, North Africa, and the Middle East. The map is overlaid with a glowing network of yellow and green lines and nodes, suggesting a digital or infrastructure theme. The text 'ANNUAL REPORT 2023' is prominently displayed in the center-left.

ANNUAL REPORT
2023

/invest
Cyprus

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FOREWORD

Dear stakeholders, partners and friends,

As we present the Annual Report for 2023, we reflect on a year marked by significant progress and resilience for Cyprus as a premier investment destination. Amid global challenges, Cyprus has distinguished itself as a beacon of stability and security at the crossroads of Europe, Asia and Africa. This unique strategic position enhances our appeal, providing investors and businesses with unparalleled access to diverse markets and growth opportunities within a stable economic environment.

At Invest Cyprus, our mission as a government agency is to promote and facilitate investment opportunities, creating a welcoming environment for both local and international investors. In 2023, we celebrated remarkable achievements, with foreign direct investment (FDI) inflows reaching €3.2 billion and resulting in the creation of over 2,500 new jobs. These milestones reflect our substantial contribution to the Cypriot economy and reaffirm Cyprus' status as a high-value investment destination, primed for further advancements in key strategic sectors.

A pivotal driver of our economic growth has been the Information and Communication Technology (ICT) sector, where Cyprus has emerged as a significant regional tech hub. According to Eurostat, we rank second in the provision of ICT services within the European Union, with a gross value-added share of 8.9%. Our commitment to innovation is further exemplified by positive employment trends, with approximately 17,000 individuals employed in this sector in 2023.

Moreover, the investment funds sector continues to serve as a cornerstone of our economy, acting as a catalyst for attracting foreign direct investment into high-impact areas such as technology, infrastructure and energy. This sector not only strengthens Cyprus' capital base but also opens new economic avenues, underscoring its critical role in our nation's ongoing prosperity.

Throughout the year, we expanded our international partnerships and enhanced our global footprint through our active participation in strategic events across Europe, Asia, the Middle East and Latin America. Our engagements in pivotal conferences and business forums underscored our commitment to cultivating collaborative relationships with a diverse range of stakeholders.

By effectively showcasing Cyprus' unique advantages as an attractive investment destination, we succeeded in drawing investments into key sectors. Our initiatives not only identified promising avenues for growth and innovation but also fortified our network and promoted sustainable economic development.

We have also implemented robust aftercare services to gather invaluable feedback from our investors, continuously informing our efforts to enhance their experience. Engaging with our investors through various events has strengthened our relationships and solidified their trust in our mission.

Among our notable initiatives, we organized a roundtable discussion between businesspeople, investors and the President of the Republic. This event served as a vital platform for direct dialogue and collaboration, aligning our strategic objectives with the interests of the investment community.

Additionally, our annual International Investment Awards provided an opportunity to recognize and celebrate the year's most outstanding investments, showcasing the innovative spirit and unwavering commitment of our partners. These efforts, along with numerous other initiatives, underscore our dedication to cultivating a robust investment environment in Cyprus, ultimately driving sustainable economic growth.

Looking ahead, our Strategic Plan for 2024-2026 reaffirms our commitment to advancing our efforts to attract FDI. Guided by three key pillars – positioning Cyprus as an international business and financial centre, establishing it as a high-tech hub, and promoting sustainable investments – we will continue to enhance our nation's appeal across various sectors, including shipping, tourism, hospitality and real estate.

I extend my deepest appreciation to my fellow Board members, our CEO, Marios Tannousis, and the entire Invest Cyprus team. I also wish to thank our partners in both the public and private sectors. Most importantly, I express my heartfelt gratitude to the companies and investors who continue to place their trust in Cyprus. Your confidence drives our achievements and inspires us to enhance our nation's reputation as a leading global investment destination.

As we move forward, we remain steadfast in our mission to promote Cyprus as an attractive investment destination, working tirelessly to support your interests and foster sustainable growth.

**Thank you for your ongoing commitment,
Evgenios Evgeniou,
Chairman**



INTRODUCTION



Dear stakeholders, collaborators and friends,

As we look back on the achievements of the past year, it is my privilege as CEO of Invest Cyprus to delve into the successes of 2023. Our unwavering commitment to creating a favourable environment for growth has led to remarkable developments across various sectors, particularly in sustainable investments, high-tech industries and financial services.

Leveraging Cyprus' strategic geographic location at the crossroads of Europe, Asia and Africa, Invest Cyprus has undertaken significant initiatives to establish the island as a leading business hub. Our efforts have attracted companies and investments from a diverse array of countries, including the USA, the UK, France, Lebanon, India, Israel, Bulgaria, Germany, Greece, the Netherlands, Portugal, Saudi Arabia, Singapore, Spain, Switzerland, the UAE as well as other countries. This broad engagement has resulted in the successful expansion of numerous companies and investors to Cyprus, demonstrating our effectiveness in promoting the national economy.

In 2023, we achieved several key milestones that significantly strengthened our position as an emerging hub for business and investment in the region. Our strategic focus on attracting international technology companies has not only enhanced Cyprus' reputation in the global market but also fostered an environment conducive to innovation and entrepreneurship.

Our dedication to facilitating impactful foreign direct investments has been crucial in diversifying the economy and establishing Cyprus as a preferred destination for strategic investment. We have particularly enhanced our support for the financial sector, positioning Cyprus as an appealing hub for investment funds and asset management companies.

Additionally, our ongoing collaboration within the ANIMA Network of WAIPA and the Digital Cooperation Organisation has ensured that Cyprus is effectively represented and promoted on the international stage as a dynamic investment destination. These initiatives underscore our dedication to nurturing a vibrant business ecosystem that ensures prosperity and growth.

On a national level, our proactive initiatives and collaboration with government departments have been instrumental in refining Cyprus' investment framework, thereby improving the ease of doing business and cultivating a more attractive environment for investors and entrepreneurs.

Looking ahead, we have developed a new strategic plan for the period 2024-2026, which will be continually updated based on emerging needs. This plan aligns with the Long-Term Strategy for the Sustainable Development of the Cypriot Economy ("Vision 2035"). We believe that the success of our organization's strategy will strengthen national aspirations and significantly contribute to achieving our goals.

The results of our efforts have also reinforced Cyprus' reputation as an ideal investment destination, showcasing it as an attractive place to live, work and conduct business. This transformation is integral to overcoming past misconceptions regarding the country's credibility and reputation. At Invest Cyprus, we take great pride in contributing to this positive narrative and enhancing the overall perception of Cyprus on the global stage.

In conclusion, I extend my heartfelt gratitude to all our stakeholders and partners and to the dedicated team at Invest Cyprus. Together, we are making significant strides toward a prosperous future for Cyprus, characterized by sustainable growth, innovation and a thriving economy.

We remain committed to our mission to establish Cyprus as a premier destination for businesses and investments across the region and the world.

Sincerely,
Marios Tannousis,
CEO

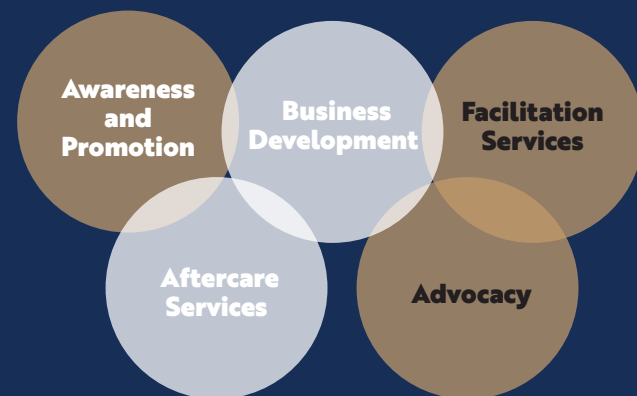


COMPANY PROFILE

MANDATE

Invest Cyprus (Cyprus Investment Promotion Agency) is the national investment authority of Cyprus, dedicated to attracting and facilitating Foreign Direct Investment (FDI) into the country. Focused on a targeted strategic plan, our goals are achieved through an integrated formula of key actions:

- **Awareness and Promotion:** Creating awareness and promoting Cyprus as an attractive business and investment destination.
- **Business Development:** Using lead generation techniques and enhanced market intelligence to engage with potential investors to expand their business or investment into our country.
- **Facilitation Services:** Providing tailored investor facilitation services and being the “First Point of Contact” for foreign investors and international companies.
- **Aftercare Services:** Providing aftercare services to the existing foreign investor community, organizing appreciation events, international investment awards, Business-to-Business meetings, etc.
- **Advocacy:** In close collaboration with all public and private stakeholders, focusing on ensuring the competitiveness and sustainability of the business and investment environment.



As a member of the World Association of Investment Promotion Agencies (WAIPA) and the ANIMA Investment Network, Invest Cyprus supports and promotes cooperation on both a regional and international level, as a key means to achieving long-term, sustainable and widely shared economic growth. Our participation in such platforms of dialogue and cooperation also contributes significantly to aligning government and corporate strategies with global developments and best practices.

GOVERNANCE

Invest Cyprus is governed by a 11-member Board of Directors, appointed by the Minister of Finance.

The Board formulates the organisation’s strategy and operates a number of committees which identify, analyse and manage matters of importance. Please refer to Annex I for the composition of the committees and the Board of Directors 2022.

Ownership, governance and the monitoring of strategy implementation are the responsibility of the Board of Directors.

VISION, MISSION AND CORE VALUES



Vision

To be the essential agent in promoting Cyprus abroad as an ideal location for foreign direct investment (FDI)



Mission

- To elevate global recognition of Cyprus as a premier FDI location
- To provide clarity around all aspects of investing and operating a business in Cyprus
- To develop a business case for investment in Cyprus by supporting potential investors



Core Values



2023: PAYING THE WAY FOR A ROBUST AND DIVERSIFIED ECONOMIC TRAJECTORY

In 2023, Cyprus embarked on a path towards a more robust and diversified economic trajectory. The year began with global macroeconomic uncertainty, stemming from inflationary pressures and geopolitical challenges, leading many businesses to temporarily pause their expansion and/or headquartering plans. However, by the second half of the year, investor confidence had resurfaced and interest in foreign direct investment (FDI) was reignited. This rebound reflected Cyprus' resilience and its ability to navigate external challenges while remaining an attractive destination for investment.

Invest Cyprus endeavoured to become a strong and reliable ally in Cyprus' attempt to revitalize its economy, by spearheading the efforts to attract and facilitate FDI during the year. All in all, the organization secured over 80 Letters of Intent (LoIs), demonstrating Cyprus' sustained appeal to global investors. In total, 13 direct foreign investments were realized in 2023, with Invest Cyprus providing critical guidance throughout the investment attraction and facilitation for all these companies. Additionally, in collaboration with the Business Facilitation Unit (BFU) of the Ministry of Energy, Commerce & Industry, another 286 companies established operations in Cyprus through the fast-track mechanism, with the sources of FDI now extending to more than 15 countries. When investments from smaller sized firms are also considered, total FDI inflows for the year amounted to €3.2 billion, showcasing Cyprus' ability to thrive under challenging global conditions. Equally importantly, the above-mentioned investments translated into the creation of more than 2,500 jobs between 2022 and 2023, paving the way for inward FDI to create a sustainably positive impact on the economic prosperity of the island.

80 Letters of Intent (LoIs), demonstrating Cyprus' sustained appeal to global investors

13 direct foreign investments were realized in 2023

286 companies established operations in Cyprus through the fast-track mechanism

FDI inflows for 2023 amounted to €3.2 billion

2,500 JOBS CREATED BETWEEN 2022 AND 2023

Moreover, Cyprus' economy was not only empowered but also diversified, with the growth of the Information and Communication Technology (ICT) sector being an important driver. By year end, Cyprus had become a home to over 800 tech-related companies, with more than 250 of them being established between 2021 and 2023. The sector experienced a remarkable year-on-year growth of 15% and injected more than €4 billion into the national economy. ICT sector revenues saw a 40% increase, reflecting the sector's role in modernizing the Cypriot economy and gradually assisting the country in becoming a European tech hub. This expansion was also central to the strategy laid out in "Vision 2035", entailing the reduction of Cyprus' reliance on traditional sectors, broadening its economic base and paving the way for sustainable long-term growth.

CYPRUS IS HOME TO 800 TECH-RELATED COMPANIES, WITH MORE THAN 250 OF THEM BEING ESTABLISHED BETWEEN 2021 AND 2023

The tech sector experienced a year-on-year growth of 15% and injected more than €4 billion into the national economy

The country's economic diversification extended beyond ICT, with other sectors also recording solid growth, albeit to a smaller extent. Specifically, between 2022 and 2023, shipping experienced a modest 1% rise, education expanded by 3%, while financial and insurance services surged by 14%. These developments reflected Cyprus' commitment to building a well-balanced and resilient economy, capable of withstanding global disruptions.

1% INCREASE IN SHIPPING

14% INCREASE IN FINANCIAL AND INSURANCE SERVICES

3% INCREASE IN EDUCATION

Going forward, continuously improving credit ratings further bolstered investor confidence, which is critical when considering the increasingly outward-looking nature of the Cypriot economy.

CYPRUS MAINTAINED STRONG RATINGS SUCH AS BAA2 FROM MOODY'S AND BBB (HIGH) FROM DBRS, WITH FITCH UPGRADING ITS RATING FROM BBB IN 2022 TO BBB+ IN 2023

These upgrades reflected economic stability, sound governance and an increasingly favourable investment climate, further solidifying Cyprus' reputation as a low-risk investment destination. This positive feedback loop between credit upgrades and rising FDI inflows underscored investor trust in the management of Cyprus' fiscal debt and its long-term growth prospects. In terms of investment attraction, traditionally strategic advantages, such as Cyprus' location at the crossroads of Europe, Asia and Africa, continues to be instrumental in attracting international business. The country's favourable tax regime, featuring a corporate tax rate of 12.5%, double taxation treaties with over 65 countries and attractive incentives for IP-related investments, adds to its appeal. As a member of the European Union and the eurozone, Cyprus also offers investors access to the EU's single market and financial stability, enhancing its attractiveness as a regional hub for trade and investment.

The quality of Cyprus' highly educated multilingual workforce is another critical factor contributing to its economic success. With a strong presence in finance, law, and IT sectors, Cyprus provides investors with access to specialized talent. Coupled with modern infrastructure, a business-friendly regulatory environment, and a legal system rooted in English common law, Cyprus offers international companies a secure and efficient operating base, reinforcing its position as a prime FDI destination.

→ **All in all, 2023 was a significant year for Cyprus, as it not only weathered global economic challenges but also strengthened its economic foundations. The groundwork laid during this transformative year, including inter alia the strategic efforts of Invest Cyprus, coupled with the Government's ongoing endeavours, positioned Cyprus for continued growth and prosperity in the coming years.** ←



2023 HIGHLIGHTS

1. Investment Agreement between Ministry of Investment of Saudi Arabia and the Government of Cyprus: Invest Cyprus had a pivotal role in laying the foundations for the agreement and relations-building between the two countries.



2. ANIMA event & Euromed iHouse: In 2023, the ANIMA Annual Forum and General Assembly took place in Cyprus, hosted by Invest Cyprus. As a result, the Euromed iHouse was established in Cyprus in cooperation with CYENS.



3. Foreign Investors Dialogue with the Government: In 2023, Cyprus enhanced its appeal to foreign investors through the “Foreign Investors Dialogue with the Government.” Building on insights from the June roundtable, this initiative fostered collaboration between investors and officials to improve the business environment. Our commitment to making Cyprus a premier International Business Centre reinforces our vision of being one of the best places to work, live and do business.



4. Economist Events (London & New York): Invest Cyprus participated in two roadshows organised by The Economist in London and New York, taking advantage of networking opportunities with investors and government officials.



5. Delphi Economic Forum: Invest Cyprus participated in panel discussions and organized a high-level networking event in the presence of the President of the Republic.



6. World Investment Forum in Abu Dhabi: Invest Cyprus participated in the UNCTAD World Investment Forum in Abu Dhabi from October 16-20, 2023, highlighting the country's key advantages for foreign investors. This event served as a platform to showcase Cyprus' strategic location, favourable business environment and competitive tax regime, aimed at enhancing its appeal as an investment destination. By engaging with global stakeholders, Invest Cyprus sought to strengthen international partnerships and promote the island's potential for sustainable growth and development.



7. 1st Cyprus New Global Tech & Innovation Hub Summit: Organised by Invest Cyprus, it was attended by over 20 international tech companies looking to set up their headquarters in Cyprus.



8. International Investment Funds Association (IIFA) General Assembly: In 2023, we proudly hosted the 36th International Investment Funds Association (IIFA) Conference in Cyprus.



9. International Investment Awards: The annual Invest Cyprus International Investment Awards showcased the diverse sectors benefiting from foreign investment. We highlighted the achievements of seven companies, including Tango, JetBrains, DataArt Enterprises Inc., SafeBulkers Inc., Globeducate, Wrike Cyprus, and MUFG Investor Services.

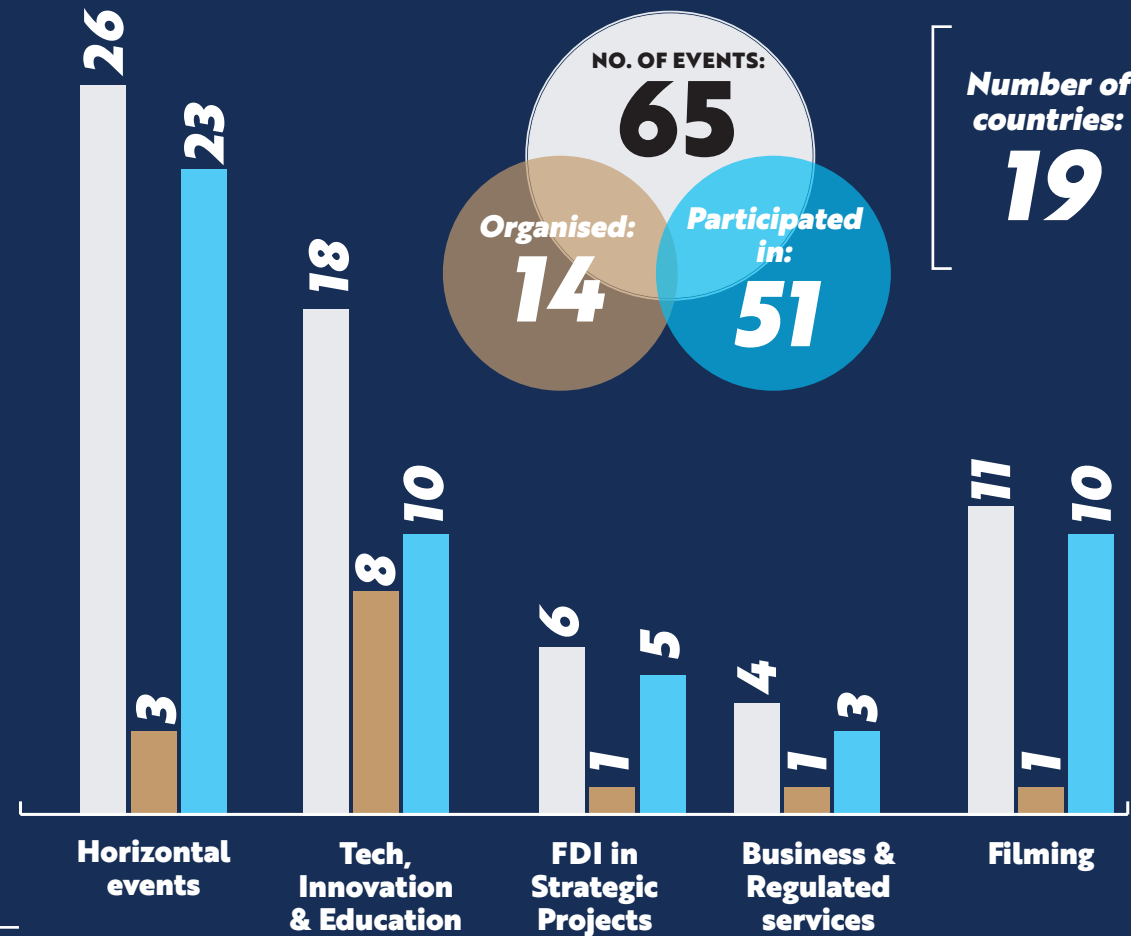


10. Re-election of Invest Cyprus to the WAIPA Eastern Europe Steering Committee: Invest Cyprus secured the Directorship for the Eastern Europe region of the World Association of Investment Promotion Agencies (WAIPA).

11. Roadshows: Invest Cyprus organised roadshows in Jordan, Egypt, Lebanon, London, Dublin, Helsinki and Luxembourg.

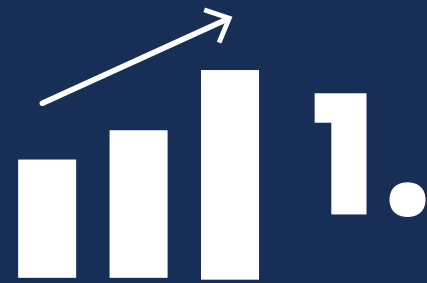
12. Digital Cooperation Organisation (DCO): Invest Cyprus is the national point of contact between the DCO and Cyprus, leading initiatives such as the Digital FDI.

13. LOIs and Events: 80 LOIs were secured and more than 65 events were organized in Cyprus and abroad.



FOCUS AREAS

Invest Cyprus is aligned with the growth model of the Government as set out in the Cyprus Long Term Strategy and its focus for 2024-2026 will be on three main areas. The sectors and functions will be reviewed every year and re-assessed if needed.



High Tech, Innovation and Education: Continue the momentum of building a high-tech ecosystem.

Focus sectors: agritech, e-health, green technologies, fintech, software development

International Business and Regulated Services: Attract foreign companies to establish regional headquarters and/or outsource functions of large and medium sized international corporations.

Focus functions: risk management, fund administration, service centres, back offices, ship management

2.



Investment in Sustainable Projects: Attract investments in sustainable projects in priority sectors of the economy.

Focus sectors: renewable energy (incl. battery storage), light manufacturing, education, agricultural

Other Sectors: Invest Cyprus will focus on the above sectors of strategic priority but will continue to be responsive to FDI requests from other sectors such as shipping, filming, etc. Filming continues to be promoted and is gaining considerable momentum and international recognition.

4.



HIGH TECH, INNOVATION AND EDUCATION



High Tech, Innovation and Education aims to boost economic growth, create jobs and position the country as a hub for cutting-edge technologies, innovation, entrepreneurship and education. The primary objectives of this focus area include fostering international collaborations, securing FDI and creating awareness while promoting Cyprus as a competitive business destination. In 2023, the team leading the High Tech, Innovation and Education focus area made significant strides in advancing Cyprus' position as a hub for tech, innovation and education. It achieved notable successes across various areas, attracting investors, fostering collaboration and driving educational partnerships.

1. Event Organization and Participation

A standout achievement of this focus area in 2023 was the successful organization of six roundtables in strategic locations, including Lebanon, Jordan, Helsinki, Luxembourg, London and Dublin, while targeted B2B meetings were arranged with tech companies from Israel. These events served as platforms for promoting Tech and Education in Cyprus, attracting stakeholders from diverse industries and encouraging dialogue on opportunities in Cyprus and the region. The roundtables served to build connections and share insights that enhanced the credibility of Cyprus as a centre for technological and educational advancement. The team also attended and presented at more than 20 international and local events through networking engagements and B2B meetings.

Invest Cyprus sponsored and participated in the 1st Cyprus New Global Technology and Innovation Hub Summit, promoting Cyprus as the new destination for Innovation, R&D, Startups and ICT companies.

Reflect Festival, the largest technology event in Cyprus, has been supported and sponsored by Invest Cyprus since its inception in 2018. Reflect is the fastest-growing event of its kind in the region and the best place to meet people in tech industries, entrepreneurs and startups from Europe, North Africa, and the Middle East.

Invest Cyprus supported the Digital Agenda Cyprus Summit 2023, where prominent figures came together to discuss and develop the future of mankind at a regional and European level.



2. Business Development and Investor Engagement

High Tech, Innovation and Education also played a crucial role in business development by securing over 50 Letters of Intent (LOIs) from potential investors, achieving a 10% success rate in establishing new companies in Cyprus. The team conducted more than 100 meetings with prospective investors, providing essential information and addressing inquiries related to the Tech and Education landscape in Cyprus. The team's strategic approach to investor engagement contributed to the growth of Cyprus' tech ecosystem.

3. Education Sector Contributions

In the Education sector, the team established a strong rapport with the British Council Cyprus and foreign universities, facilitating collaboration and promoting Cyprus as a Higher Education destination. The organization of the Matching Event, in collaboration with the British Council Cyprus, was a landmark achievement, attracting seven British universities to Cyprus. This event underscored the ability to foster international educational partnerships, enhancing the island's appeal as a hub for innovation and academic excellence.

4. Strategic Initiatives and Partnerships

This focus area was integral in drafting Memoranda of Understanding (MoUs) with important institutions, solidifying partnerships that bolster both the Tech and Education sectors. Additionally, the team contributed to the development of promotional materials, including brochures, videos and teasers, while also playing a role in the 2024 strategy and budget, further positioning Cyprus as a leader in both sectors.

Through these initiatives, High Tech, Innovation and Education has driven meaningful progress in 2023, solidifying Cyprus' reputation as a destination for tech, innovation and education.



INTERNATIONAL BUSINESS AND REGULATED SERVICES

Cyprus is strategically advancing its position as a premier jurisdiction for funds and asset management, aiming to attract international investment and strengthen its financial services sector. This initiative focuses on making Cyprus a preferred destination for fund managers and asset servicing companies within the EU. With its competitive business environment, favourable tax structure and robust regulatory framework, Cyprus is well-positioned to support the expansion and success of global financial services firms seeking a strong European base. Invest Cyprus, in close collaboration with the Cyprus Investment Funds Association (CIFA), plays a pivotal role in promoting Cyprus as an attractive jurisdiction for fund management. By hosting events, fostering investor relationships and supporting regulatory advancements, Invest Cyprus is driving strategic growth in the sector. These efforts are central to Cyprus' broader vision for sustainable economic development, positioning the country as a respected player in the global funds and asset management landscape and attracting high-value investments that contribute to its economic growth and international standing. A series of high-impact events has underscored Cyprus's commitment to this goal.

IIFA Annual Conference held in Cyprus: Organized by CIFA with the support of Invest Cyprus,

the 36th annual conference of the International Investment Funds Association (IIFA) took place in Cyprus, marking a resounding success. This premier global forum brought together representatives from leading Investment Fund Associations and Asset Managers worldwide to discuss critical issues in the investment funds sector, highlighting Cyprus as a thriving investment hub and strengthening its affiliation with IIFA.

Participation in EFAMA's events and meetings: Cyprus' presence at EFAMA's high-profile events and meetings for European fund management professionals strengthened its ties with the European Funds and Asset Management community. It is a great platform for Cyprus to emphasize its regulatory alignment with EU standards, attracting asset managers looking for a reputable base within the EU.

Targeted event in Zurich to promote Cyprus as an attractive EU jurisdiction for the registration and management of Investment Funds: In collaboration with CIFA, Invest Cyprus organized a business delegation to Zurich, including a roundtable discussion with Swiss investors. The event allowed Cyprus to showcase its asset management sector and present compelling reasons for Swiss investors to consider Cyprus as a base for their operations or as an investment destination.



9th Cyprus International Funds Summit: Organized by Invest Cyprus and CIFA, this annual event attracted global industry leaders to discuss trends, challenges and opportunities in the asset management and funds sector. The Summit underscored Cyprus' capabilities and ambitions, positioning it as an emerging European hub for investment funds.

A notable success story is MUFG Investor Services' decision to establish a new operational centre in Limassol. As a global leader in asset servicing, banking and fund financing for the alternative investment sector, MUFG's expansion into Cyprus reflects confidence in the country's regulatory strength and its evolving status as a financial centre.



FDI IN STRATEGIC PROJECTS

Attracting Direct Foreign Investment (FDI) in the sectors of Tourism and Hospitality, renewable energy sources, education and health, with a priority on attracting quality projects that promote sustainable development based on the country's "Vision 2035". The focus of these efforts is to attract the interest of institutional investors, including investment funds, private equity, family offices and sovereign funds, for investments in large projects in these strategic sectors of the economy.

Based on the Organization's revised strategy, this pillar remains significant for promoting and attracting large strategic investments, primarily in new developments as well as in existing projects that attract strategic interest from institutional investors.

This pillar, like the other strategic pillars of the Organization, aims at undertaking promotional actions and initiatives that allow us to highlight the strong characteristics of the country, its history and its potential regarding large investments.

Invest Cyprus actively participated in more than eight significant industry events throughout the year, showcasing its commitment to fostering relationships and driving growth in the large and strategic project landscape.

UAE visit in collaboration with the Cyprus Presidency: Invest Cyprus contributed to the showcasing of strategic projects to the investment funds of the UAE government

Invest Cyprus participated with a booth in a roundtable and **networking event in Berlin**, where it facilitated a productive roundtable and networking session, fostering valuable B2B connections and further enhancing its visibility in the market. Additionally, it sponsored the **IDEEA Hospitality Investment Forum** in the Czech Republic, reinforcing its strategic partnerships within the industry. The team also attended the **Middle East Family Office Investment Summit** in Dubai, engaging with key investors and stakeholders. Furthermore, the Organization's involvement in **COP 28** in Dubai underscores its commitment to addressing sustainability challenges in the hospitality sector. Overall, these participations reflect Invest Cyprus' proactive approach to networking and investment in the hospitality landscape.

Today, investors are raising the bar on ESG issues and approaching ESG as something that plays a significant role in decision-making at every level of a company.

Based on our new strategy, emphasis is placed on promoting and attracting investments that will contribute to the sustainable development of the country through ESG criteria

INVEST CYPRUS PROJECT BANK

To support the promotion and attraction of Strategic FDI projects, Invest Cyprus has enhanced the use of the Project Bank which is now a dynamic, purpose-driven platform that serves as a bridge between international investors and a diverse range of investment-ready projects in Cyprus. Established to provide targeted support to project owners and investors alike, the Project Bank has been designed to facilitate seamless connections and drive economic growth across multiple sectors. By showcasing a curated selection of projects requiring investment, the Project Bank offers a comprehensive view of Cyprus' robust market potential and underscores Invest Cyprus' role as an essential mediator and guide on the investment journey. The core purpose of the Project Bank is to make available a central repository of licensed projects, enabling project owners to upload key information directly to the Invest Cyprus website. This visibility empowers potential investors to easily access information on promising opportunities, encouraging direct contact with project owners for further discussions. Through this approach, Invest Cyprus provides project owners with an essential platform to showcase their projects while giving investors the convenience and transparency necessary to make informed investment decisions. As the designated intermediary, Invest Cyprus plays a critical role in bridging gaps between project stakeholders and potential investors. From the project owner's side, Invest Cyprus

ensures that all project information is relevant, up-to-date, and comprehensive. For investors, the Organization guarantees that enquiries are carefully managed and that project details are thoroughly prepared. Once an investor expresses serious interest, Invest Cyprus facilitates introductions between investors and project owners, coordinating initial discussions and supporting both parties through subsequent steps. This careful matchmaking ensures that both parties are aligned in vision and intent, increasing the likelihood of successful partnerships that contribute meaningfully to Cyprus' economic landscape.

Key Features and Impact in 2023

As of 2023, the Project Bank boasts a growing portfolio of over 40 diverse projects, each representing significant potential in the Cypriot market. These projects span multiple sectors, including real estate (with a focus on mixed-use developments), renewable energy, technology, tourism and infrastructure, allowing investors to explore opportunities that align with their strategic interests. The varied selection of projects not only reflects Cyprus' expanding economy but also highlights the strategic sectors identified for growth and development. The Invest Cyprus team has been actively working on expanding the list of projects in the Project Bank, further enhancing the portfolio to offer a broader range of investment opportunities.

FOCUSED AND PROACTIVE PROMOTION

In accordance with the Organisation's mandate, Invest Cyprus focuses on promoting Cyprus and enhancing the image of the country with regard to investment and business activity. Apart from representing the country abroad at conferences and on targeted missions, Invest Cyprus also leads and supports international events hosting foreign investors in Cyprus.

INVEST CYPRUS:

Cooperated with international media houses for enhancing communication and improving the position of Cyprus in the media.

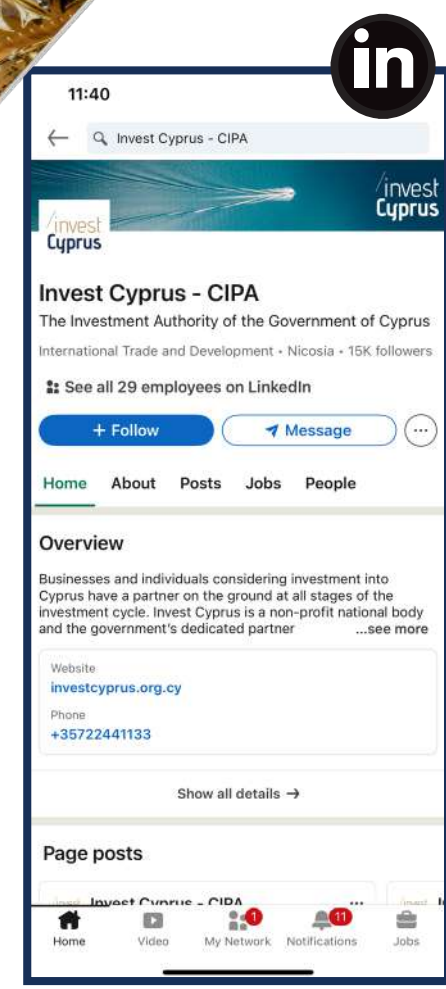
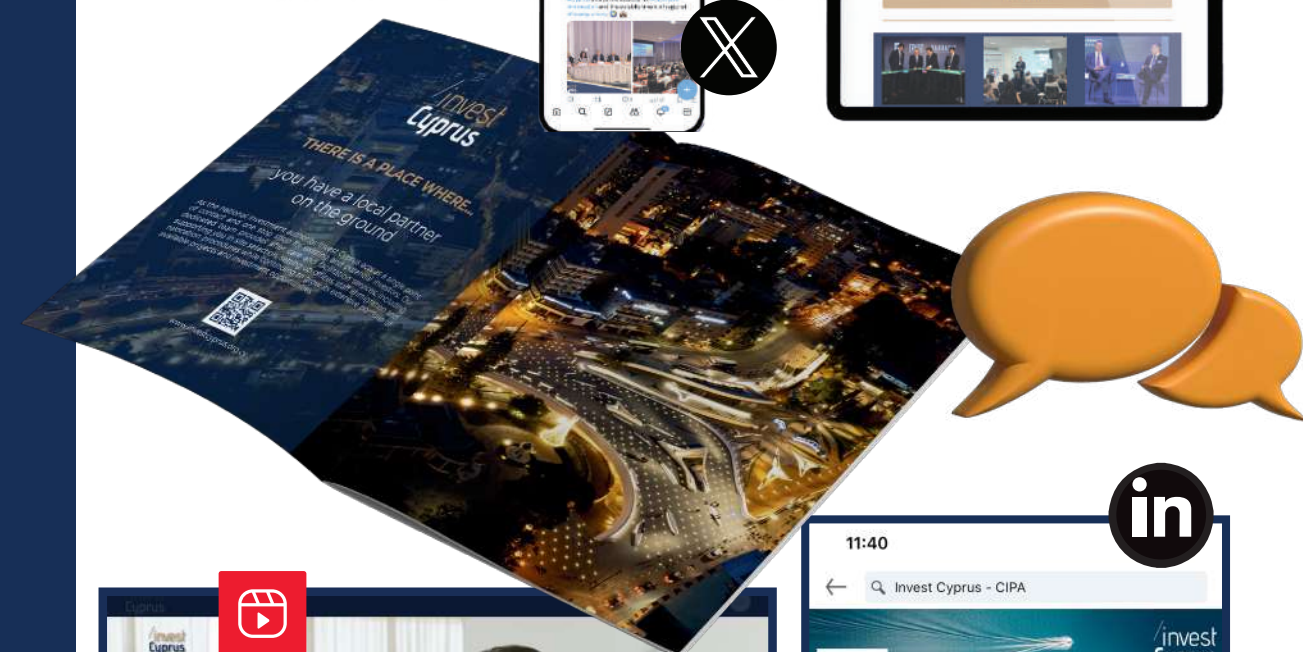
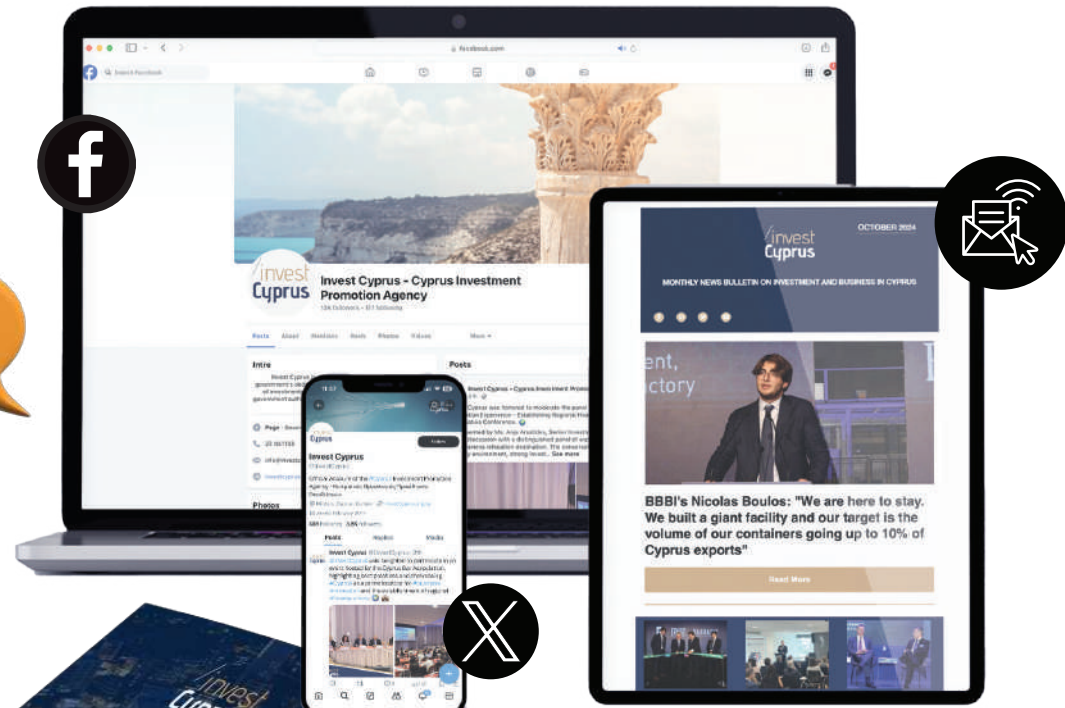
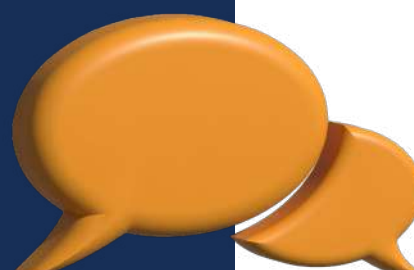
Maintained an active Digital Media presence (Twitter, LinkedIn, Facebook, Instagram and YouTube).

Circulated a monthly newsletter to potential investors & international companies.

Updated its in-house promotional material, such as brochures.

Produced testimonial videos from investors, sharing their experience of setting up their business in Cyprus.

Issued publications, interviews and press releases to global media.



CULTIVATING A POSITIVE IMAGE AND DEVELOPING THE NATIONAL BRAND

In 2023, in response to various negative publications abroad, Invest Cyprus proactively embarked on a strategic communication campaign to restore Cyprus' image. In collaboration with a specialized international firm, Invest Cyprus successfully led a comprehensive and coordinated communication effort which aimed at safeguarding the country's reputation in response to negative allegations raised in various international journals. These efforts were also reflected in local events and activities, along with the engagement of international investors and businesses.

In particular, immediately after the publication of negative material, which included content undermining the moral credibility of the Republic of Cyprus, Invest Cyprus played a unifying and catalytic role in generating and promoting positive messages about Cyprus. In coordination with the Office of the President, the Ministries of Foreign Affairs and Finance, an international consulting firm and other entities, extensive actions were carried out with the Organization's contribution.

Most notably:

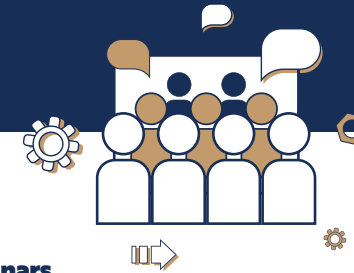
1. Promotion of Unified Positive Messages about the Republic of Cyprus

To clarify how Cyprus handles issues such as sanctions violations, allegations of money laundering and more, the following were created:

- Extensive documents including 12 positive messages and progress updates addressing the allegations made in the Cyprus Confidential investigation, along with supporting materials distributed to diplomats.
- Similar briefings distributed to Ambassadors and High Commissioners stationed in Cyprus, Government Officials and Business Associations.

2. Creation of a Progress Report Section on the Invest Cyprus Website

- The development and design of a section dedicated to publishing progress reports have been completed. Once operational, this section on the Invest Cyprus website will provide information on current and planned reforms in the near future.



3. Organization of Educational Seminars

- Extensive educational seminars were offered to Ambassadors stationed in Cyprus, the Council of Ministers, and Business and Professional Associations, where they were briefed on the progress and management of actions taken concerning the published content of the Cyprus Confidential investigation. Seminar materials were distributed to all attendees.

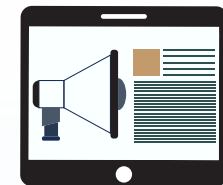
4. Monitoring and Management of Media and Social Media

- Research was conducted into the Jamestown Foundation and Dossier Report, which published misleading claims regarding the negative influence of Russia's security services in Cyprus. A formal letter of complaint was subsequently sent to the editors of the Jamestown Foundation.
- A letter was also sent to Forbes magazine and the journalist behind an article related to the occupied areas. Research was conducted into an Instagram post concerning the fast-track visa process in Cyprus.



5. Creation and Publication of Clarifying Articles in the Media

- We drafted and distributed an article entitled "Invest Cyprus Secures the WAIPA Regional Executive Committee," published on the EU Reporter and Stockwatch platforms.
- An article entitled "Cyprus No Longer 'Moscow on the Med'", written by the CEO of Invest Cyprus, was published on FDI Intelligence.



Invest Cyprus remains committed to ensuring Cyprus's positive reputation on the international stage. By working closely with the Government and relevant stakeholders, the Organization is advancing an ongoing rebranding campaign aimed at enhancing the country's image.

With numerous ongoing initiatives and programmes, the Organization is strengthening Cyprus' image as an attractive investment destination, ensuring that the country's values and opportunities are effectively highlighted in the global market.



AFTERCARE

Invest Cyprus places high priority on aftercare services, providing robust support to investors already operating in Cyprus. This commitment centres on offering tailored assistance to enhance the experience and long-term success of these investors in the Cypriot market. Through a suite of aftercare services, Invest Cyprus ensures that investors can navigate challenges smoothly by providing dedicated problem-solving support and facilitating connections within local networks and resources. To foster continuous improvement, Invest Cyprus actively solicits feedback from investors to better understand and respond to their evolving needs. By addressing the concerns and priorities of established investors, Invest Cyprus not only strengthens investor operations but also fosters growth, contributing to Cyprus' appeal as a top-tier investment destination.

KEY AFTERCARE INITIATIVES IN 2023

Throughout 2023, Invest Cyprus launched several initiatives that underscore its commitment to nurturing investor relationships and strengthening the investment ecosystem:

• Foreign Investors Roundtable with the President and Government of Cyprus

On June 22, 2023, Invest Cyprus, with the President and the Government of Cyprus, hosted a roundtable discussion for over 30 foreign investors who have established headquarters or operations in Cyprus. This exclusive and private setting brought together investors, the President of the Republic, key ministers, government officials, and Invest Cyprus representatives. The event enabled open discussions regarding Cyprus' standing as a destination for foreign investment and business headquarters. The roundtable also provided an invaluable opportunity for the Administration to listen to investor feedback on the economy and business environment, facilitating a meaningful exchange of ideas on how Cyprus can enhance its attractiveness as a global investment destination.



• Investment Awards

The 11th Invest Cyprus International Investment Awards, held on July 4, 2023, celebrated exceptional contributions to the Cypriot economy by honouring outstanding foreign companies and individuals. These prestigious awards are designed to acknowledge those who have significantly impacted the local economy through sustained investment, innovation and growth. In 2023, award recipients were distinguished companies whose achievements have underscored Cyprus' value as an international investment hub. Recipients included Tango, JetBrains, DataArt Enterprises Inc., SafeBulkers Inc., Globeducate, Wrike Cyprus, and MUFG Investor Services, all recognized for their exemplary commitment and contribution to the island's business landscape. This awards ceremony not only celebrates these companies but also reaffirms Invest Cyprus' commitment to fostering a supportive environment for international investors, highlighting Cyprus as a preferred destination for impactful and enduring investments.



• **Appreciation Networking Event**

On September 26, 2023, Invest Cyprus organized a high-impact networking event for investors from diverse markets, including Ukraine, Hong Kong, France, Germany, the Czech Republic, Sweden, India, Japan, Egypt, Canada, the UK, Spain, Denmark, Australia, Greece, the Netherlands, Malta, Hungary, the UAE, Switzerland, South Africa and Italy. This event served as an appreciation forum for investors from around the globe, fostering an inclusive community that strengthens Cyprus' position as an appealing business hub.



• **US Breakfast Event**

In a landmark event on November 23, 2023, Invest Cyprus hosted a US-focused breakfast that gathered leading business figures and policymakers to deepen ties between the United States and Cyprus. Key participants included US Ambassador Julie Fisher, Deputy Minister to the President Irene Piki, Invest Cyprus President Evgenios Evgeniou and CEO Marios Tannousis, and the President of the Aftercare Committee of the Board, Angela Panayiotou. The event served as a significant platform for US companies operating in Cyprus, facilitating discussions on entrepreneurship, shared challenges and opportunities in the Cypriot market. Representatives from various US firms participated, providing valuable insights and engaging in dialogue with Cypriot officials to reinforce collaboration and support mutual business interests in Cyprus. Through this event, Invest Cyprus demonstrated its commitment to fostering productive international business relationships and facilitating ongoing cooperation between US and Cypriot stakeholders.



• **Cyprus Diaspora Forum**

Invest Cyprus proudly participated in the World Conference of Cyprus Diaspora, engaging with 300 delegates who serve as the nation's best ambassadors abroad. Through discussions with the diaspora, Invest Cyprus highlighted initiatives to deepen economic ties, promote investment, and support Cypriots worldwide in fostering opportunities for mutual growth and prosperity.



ADVOCACY

As the national investment promotion agency of Cyprus, Invest Cyprus led several impactful initiatives in 2023, focused on creating a more investor-friendly environment and enhancing Cyprus' standing as a centre for innovation and digital cooperation. Our advocacy efforts centred around advancing the tech ecosystem, refining the tax landscape and promoting Cyprus internationally as a prime investment hub.

In response to the low approval rates of previous years, we actively participated in the restructuring committee for the Cyprus Startup Visa Scheme. This involvement allowed us to help reshape policies to make the visa programme more accessible, aiming to attract not only tech talent but also entrepreneurialism and innovation to Cyprus. We anticipated that this overhaul would significantly contribute to the robust growth of the Cypriot tech sector, driving cumulative positive effects on the national economy.

Through our participation in the Digital Cooperation Organisation (DCO), along with the Research and Innovation Foundation (RIF), Invest Cyprus engaged in strategic discussions that culminated in the DCO organizing a delegation to Cyprus in July 2023, led by its Director-General. This visit emphasized the critical role of digital transformation in driving widespread prosperity and highlighted Cyprus' potential as a hub for digital innovation. Our efforts in this area included contributions to the development of a "Cyprus Startup Guide," a resource aimed at simplifying the entry process for entrepreneurs and further supporting a vibrant startup ecosystem.

Additionally, Invest Cyprus has been actively providing inputs and recommendations to the Ministry of Finance's ongoing tax reform. Our continuous engagement has focused on reducing bureaucratic processes and making the tax system more investment-friendly. By proposing ways to streamline taxation, we aim to ensure that Cyprus remains competitive and appealing to both domestic and foreign investors. In a different area, Invest Cyprus recognizes that Cyprus' exclusion from the Schengen Zone restricts investor mobility and hampers the full economic potential of the country. In response, the Organization has intensified its lobbying efforts, engaging actively with both national and European policymakers, hosting strategic discussions, and advocating for the economic advantages of Schengen membership. Through these concerted actions, Cyprus' accession process will be rapidly accelerated, ultimately opening new investment markets, expanding cross-border opportunities and positioning Cyprus as an even more attractive and accessible destination for global investors.

In addition, recognizing that bottlenecks in the issuance of visas create bureaucratic delays and complicate many foreign direct investments, Invest Cyprus is actively participating in the introduction of the Blue Visa scheme, aiming to address three critical areas: (i) streamlining the visa application process to reduce administrative hurdles, (ii) facilitating easier and faster access for investors and their key personnel, and (iii) enhancing the overall efficiency of entry and residence permits for business purposes. The Scheme is scheduled for implementation in 2024, marking a significant step towards making Cyprus more investment-friendly destination. Through our 2023 initiatives, Invest Cyprus has laid the groundwork for a more streamlined, tech-focused and investor-centric nation, reinforcing Cyprus' appeal on the global investment stage and supporting sustainable economic growth.



ANNEX I

BOARD OF DIRECTORS

1. Evgenios Evgeniou – Chairman
2. Spyros Vassiliou – Vice-Chairman
3. Andreas Assiotis
4. Irene Georgalla
5. Yiannis Hadjiparaskevas
6. Yangos Hadjiyannis
7. Pavlina Mela
8. Christos Onoufriou
9. Angela Panayiotou
10. Panayiota Patsali
11. Demetris Sparsis

BOARD COMMITTEES

Promotion Committee

Legislative Framework
& Business Ventures
Committee

Investor Facilitation &
Aftercare Committee

Human Resources
Committee

invest
Cyprus

INVEST CYPRUS (CYPRUS INVESTMENT PROMOTION AGENCY)

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International Memberships:

