

COVID-19

Industry Pulse
Report: Real Estate

Issue II

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Foreword

“ With more than six months of living with the pandemic, it is slowly sinking in that there are no quick solutions and although people around the world are getting more familiar with this new normality, the long-term impact of the pandemic is yet to be seen. COVID-19 has changed structurally the way we work and live almost overnight and is likely to have a longstanding impact on many sectors including Real Estate, a sector which had been on an upward trend in recent years.

In Cyprus, we have seen a series of support measures implemented by the government in an effort to prop-up the local economy and facilitate its recovery. As people return to their daily business routine, there is little doubt that there is still a long road ahead, paved with economic restructuring and business transformations in order to adapt to the new era. Executives are focusing on addressing the next day of the new norm by adjusting supply and value chains, volumes, prices and margins based on rapidly and drastically changing consumer behaviours. Business leaders have had to reassess their business outlook and reconfigure short-term and mid-term operations.

This publication constitutes an update of our initial Real Estate Pulse report published on May 1st 2020. This version incorporates the most recent publicly available information in relation to the impact of the virus on the Real Estate sector, the government and regulators' response actions as well as an updated economic assessment in accordance with our view. Where applicable, references to our initial Real Estate Pulse report publication will be made.

As part of the effort, our team has spoken with Real Estate sector executives and leaders in an effort to obtain a sense of their collective sentiment and views on the actual impact of the pandemic to-date following the removal of the measures and exit from lockdown as well as their views in relation to the response measures and their insights with regards to the recovery of the sector.

We trust that this material in conjunction with our initial publication will become a reference document for discussion among stakeholders such as corporate executives, financial institutions and the government.



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Executive Summary

The Real Estate ("RE") sector traditionally constitutes one of the main pillars of the Cypriot economy and its performance is inextricably linked to that of the broader economy. Given the disruption that COVID-19 pandemic has caused in the overall economy, it is expected that the real estate sector will play a key role in its eventual recovery.

This report is an update of our initial Real Estate pulse report published on May 1st 2020. In this issue, we focus on the observed effects of the pandemic on the RE sector following the relaxation of the government measures and the restart of the economy.

Industry Sentiment

In an effort to capture the current market sentiment, we carried out a second survey with key stakeholders including, inter alia, developers, construction companies, agents, lenders, valuers and other advisers.

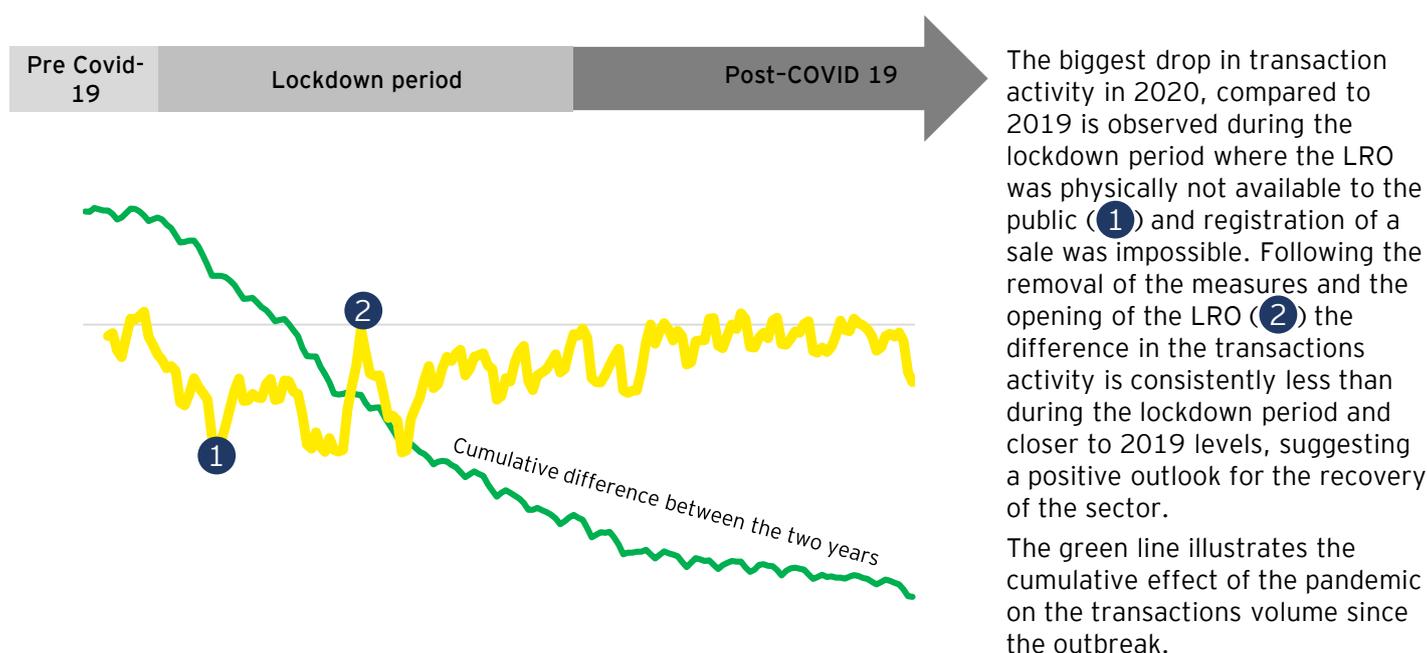
Key takeaways:

- ▶ The pandemic resulted in the cancellation / freezing of many transactions, however prices remained relatively unchanged since the outbreak especially for prime located assets.
- ▶ Respondents mentioned that they observed a sharp drop in interest for purchasing or leasing of commercial assets.
- ▶ A shift towards local investors rather than foreigners, mainly due to travel restrictions was observed.
- ▶ Residential properties and plots of land are the specific asset types that showed resilience since the pandemic's outbreak in terms of demand.
- ▶ It is expected that the sector will continue operating at a subdued pace until the end of 2021 and fully recover within a five-year period.

Real Estate transaction activity

In order to objectively measure the effect of the pandemic on the sector, we collected the actual transaction data from the Land Registry Office, both for direct transfers and submissions of sale contracts for the period between March to June for 2019 and 2020. The graph below depicts the daily average difference in the total number of transactions incurred during the two periods.

Trailing 5-daily average difference in the total number of transactions (2019 vs 2020)



Source: LRO, EY Real estate data analytics platform, EY analysis.

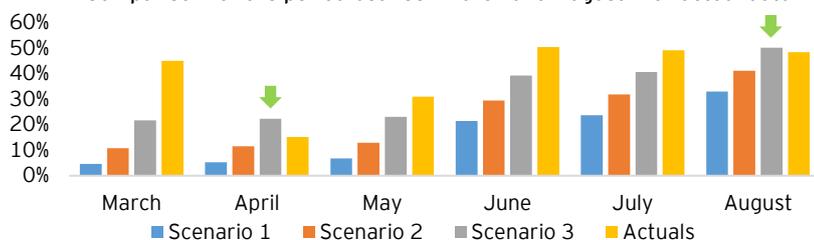
Executive Summary (Cont'd)

Scenarios examined

The three scenarios examined



Comparison for the period between March and August with actual data



In the initial publication we developed 3 alternative scenarios based on our expectations on both the total market and at an asset type level. All three scenarios included an initial large drop in revenue for 2020 as a result of the sharp decline in demand and transaction activity, recovering gradually.

Comparing actual transactions between the period of March and August we observe that actual sales achieved were closest to our forecasts of Scenario 3; which indicates a more optimistic outlook of the market and assumes pre-COVID market performance results within the forecasting period.

Source: LRO, EY Real Estate Data (RED) analytics platform

Real estate market post-COVID

- **Increasing credibility of the CIP** - The Cypriot government is currently in the process to introduce an addendum in the legislation in an effort to increase the credibility of the scheme and ensure its continuation.
- **Digitization of relevant procedures** - Both the Land Registry and the department of Town Planning and Housing have announced measures towards the digitization and eventually speeding up of licensing projects and registering transactions.
- **Key transactions registered during lockdown** - A number of key transactions were announced during lockdown suggesting that investors have not lost their appetite in the Cypriot real estate market.



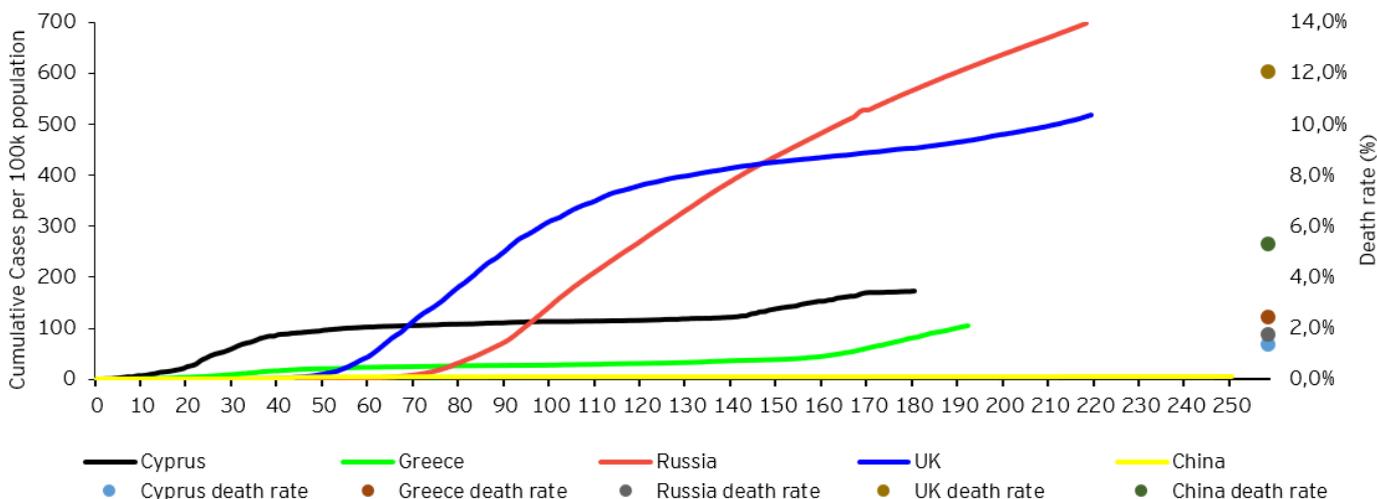
COVID-19 Key facts & figures

Introduction and brief global update

Introduction

The COVID-19 pandemic is exerting a heavy toll on individuals, families, communities and societies across the world. Daily lives have profoundly changed, economies have fallen into recession and healthcare systems are experiencing major disruptions.

The graph below illustrates the cumulative cases per 100k population along with the death rate observed for various countries.



Latest actions by Governments, Institutions and Regulators

As the world continues to be plagued by the Covid-19 pandemic, return to normalcy is delayed until the arrival of a vaccine or the achievement of herd immunity. Nonetheless, for the sake of the economy and their livelihood, people are learning how to live with social distancing, mask wearing and hand sanitizers. In Europe, travel has resumed, albeit it has become complicated, and schools have reopened. The latest key updates are laid out below:

Health

- ▶ As a countermeasure to the re-opening of the economies and closer physical interaction; governments adopt compulsory health measures for citizens (e.g. face masks) and preventative measures at workplaces (e.g. physical distancing, hand sanitizing at facilities, thermal monitoring).
- ▶ **Vaccine:** Researchers around the world are racing to develop a vaccine against Covid-19, with more than 170 candidate vaccines now tracked by the World Health Organization (WHO). Widespread vaccinations against coronavirus are expected in mid-2021.
- ▶ **Drug:** More than 150 different drugs are being researched, most of which are existing drugs trialled against the virus, e.g., Remdesivir (previously tested for Ebola) and Hydroxychloroquine (treatment for rheumatology conditions). To date, only steroids (dexamethasone and hydrocortisone) have been proven to save lives and the discovery has been a significant breakthrough in the fight against coronavirus¹.
- ▶ **Testing:** New portable versions that can deliver results in under 90 minutes are being introduced in settings like hospitals and care homes. E.g., DnaNudge is a fast, lab-free test developed by Imperial College London that has been rolled out in urgent patient care settings in the UK².
- ▶ **Contact tracing apps**, designed to alert people who come into close proximity with someone who has tested positive for Covid-19, have not become popular, at least not yet, mainly due to privacy concerns. Countries can adopt either a centralized system and/or one based on Apple/Google technology.

Economy

- ▶ Since the beginning of the pandemic EU has adopted a combination of fiscal and monetary measures: triggering the 'escape clause' to allow for fiscal flexibility in budgetary rules, providing debt burden support (e.g. joint employment insurance fund), state aid flexibility (e.g. direct grants, government guarantees on bank loans, subsidization of interest rate on public and private loans etc.).
- ▶ ECB support through the €1,350 billion Pandemic Emergency Purchase Program, additional asset purchases and relaxation of banking guidance.
- ▶ EC Recovery package of €1.8 trillion that combines the EU budget for 2021-27 (€1.1 trillion) and Next Generation EU, a new recovery instrument of €750 billion to boost the EU budget with new financing raised on the financial markets for 2021-2024³.
- ▶ Travel across EU borders - national measures restricting free movement to be harmonized by EC through common criteria for deciding whether to introduce travel restrictions and a common approach to measures applied to travelers from each area⁴.

1. <https://www.bbc.com/news/health-52354520>

2. <https://www.dnanudge.com/>

3. https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/overview-commissions-response_en

4. https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/highlights_en

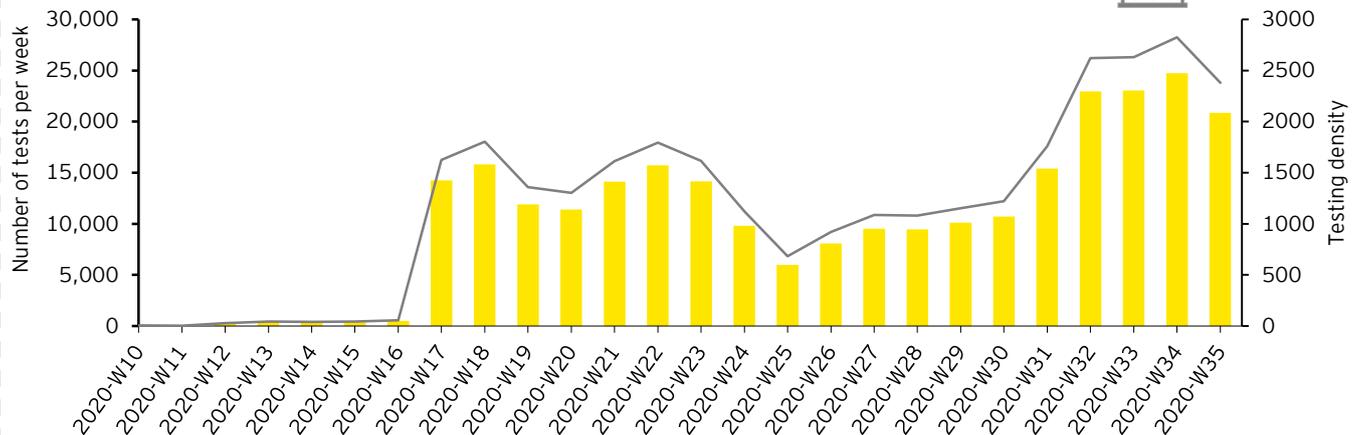
COVID-19 Key facts & figures

Local intervention roadmap: current status and outlook

As the pandemic threat continues in anticipation of effective treatment and vaccination, monitoring efforts continue through both targeted and random sample testing.

Health

Intensity of laboratory testing per week in Cyprus (as at 6/09/2020)²



- ▶ Since the beginning of the pandemic, close to 270,000 COVID-19 tests were conducted, at an average of c.10,400 per week
- ▶ The weekly average for August is c.21,500, revealing the increased intensity and capacity for testing compared to the beginning of the pandemic.
- ▶ Testing density (number of tests per 100,000 population) averages at c.1,200 over the whole period and at c.2,500 in August.
- ▶ A contact tracing mobile app, COVTRACER, is available on a voluntary basis³ though not yet popular.

The Government of Cyprus, in their efforts to mitigate the negative economic impact, has implemented over 60 economic support measures at total budgeted cost of €1.2-1.3bn (5.4% of GDP)².

Economy

- | | | |
|---|--|--|
| ▶ Employment support scheme | ▶ Direct grants to smaller businesses of €100mln | ▶ Suspension of loan installments (incl. interest) for rest of 2020; no recapitalization of accrued interest |
| ▶ Interest rate subsidies over four years estimated at €180mln | ▶ Participation in the EIB Pan-European Guarantee Fund (€300 - 400mln) | ▶ Incentives to landlords for rent reduction in the form of tax relief |
| ▶ Liquidity grant for SMEs (€800mln) through Cyprus Entrepreneurship Fund and increase of lending scheme (by €500mln) in conjunction with EIB | ▶ ECB support measures to release capital reserves for CBC (>€1.3bn) | ▶ 2 month halt in housing evictions |
| | | ▶ Temporary suspension of foreclosures for 3 months |

The government has also invested in reviving tourism and travel through promotion, airline subsidies and VAT reduction for tourism enterprises. International travel has resumed since June 9th. Entrance in the country is regulated as follows:

- ▶ Countries are divided into three categories (Category A, B and C) based on epidemiological data. This categorization is reviewed and updated on a weekly basis. Travelers from category A are considered low risk and no testing prior travel or self-isolation upon arrival are required, as opposed to travelers from category B. Travelers from category C are considered high risk and require approval from authorities in addition to testing and self-isolation for 14 days.

Cyprus secured €2.7bn in total from the EU; €1.45bn from the 2021-2027 EU budget and €1.3bn from the European Recovery Fund³. The latter fund is linked to reforms aiming to establish a competitive economy, smart and sustainable growth mainly in the fields of **green growth and digital transition**.

1. <https://www.ecdc.europa.eu/en/publications-data/covid-19-testing>

2. https://www.pio.gov.cy/coronavirus/press/18052020_9.pdf

3. <https://www.stockwatch.com.cy/en/article/eyropi-oikonomia/finmin-eu-summit-decisions-mff-and-recovery-fund-beneficial-cyprus>

Overview of the real estate sector Globally and locally

The effects of the COVID-19 pandemic on the real estate market are profound both locally and globally. Below we present an overview of the international experience from the pandemic so far as well as the local market.

Global trends

Jones Lang LaSalle (JLL), a major real estate services firm, estimates that global commercial real estate investment inflows for the first half of 2020 fell by 29% to US\$321 billion compared to the same period last year. International travel restrictions contributed significantly to this drop given that real estate activity is to a big extent a cross border activity.

Hotels

- ▶ According to a research carried out by Savills, investment flows to the different real estate sectors experienced similar trends globally, with investments in the hotel sector being the most severely affected with around 60% drop in transaction volumes. This was expected given that the travel and tourism industry has been crushed by the pandemic.

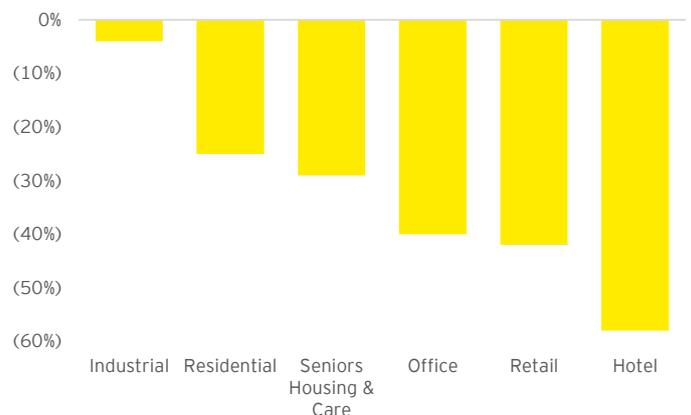
Retail shops and industrials

- ▶ Another casualty so far in 2020 has been the brick-and-mortar retail sector because of the consumers' overnight switch to online channels when lockdowns were imposed. Industrial properties, on the other hand, experienced a low COVID-induced impact supported by the strong demand for logistics centres and warehousing units to accommodate the growth in online shopping which is heavily reliant on these facilities.

Office sector

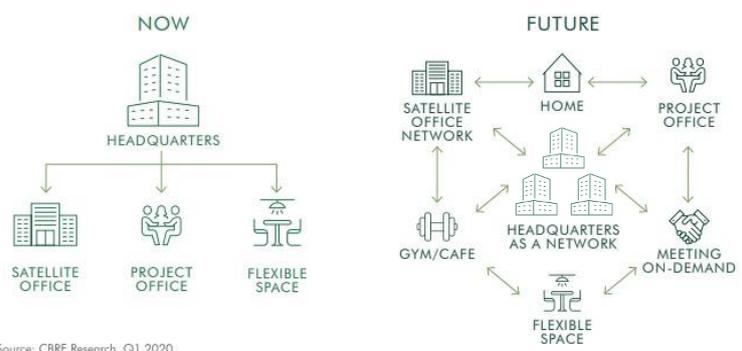
- ▶ Similar to shops, the office sector globally is an asset type that is expected to go through a fundamental transformation in the next 5-year period. "Work from Home" schemes are becoming the norm in developed economies for a good proportion of office workers, a trend that is expected to outlive the pandemic.
- ▶ CBRE has performed further research into the office sector. They believe that the traditional structured approach to running a company out of centralised physical headquarters is currently being challenged by the "Headquarters as a Network" model (graph on the right) which consists of an ecosystem of services to which the virtual headquarters utilise on demand and in accordance with the needs of the specific company/industry.

Half-year investment volume change by sector



The future is about migrating from a 'One Size Fits Nobody' world, where the choice was limited to the office and occasional remote working, to a 'Workplace as a Service' offering that provides real choice

Neil McLoklin, EMEA Head of Consulting, Knight Frank



Cyprus market overview

The trends seen in the local real estate market are no different to global ones. Commercial property and in particular hotels and retail have been hit hard. Offices were also affected. Being a service-based economy, Cyprus has a large professional services and banking sector and as a consequence a large stock of office space. Our transition to increased working from home trend has, and will continue to, exert pressure on office real estate. Residential units, on the other hand, appear to be more resilient to the effects of the pandemic. All in all, transaction numbers plunged in the first half of 2020 by c.37%, compared to the same period of 2019⁴.

A thorough analysis of the local transactions is included in following sections of this update report.

1. EY Survey
 2. <https://www.jll.co.uk/en/trends-and-insights/investor/domestic-investors-boost-real-estate-markets>
 3. <https://www.cbre.com/-/media/files/future%20of%20work/future-of-the-office-v2.pdf>
 4. https://www.savills.com/impacts/market-trends/activity_in_global_real_estate_investment.html
 5. Land Registry Office statistics

Industry Sentiment

EY Survey results

As part of our analysis of facts and figures, we also conducted a survey to get the view of key market stakeholders/experts on drivers of major historical trends as well as their sentiment of the market outlook.

The survey was carried out during July 2020, and a broad community of real estate experts was interviewed, spanning from financial institutions and NPL servicers to real estate developers, contractors and consultants.

Q What is the most noticeable pandemic-related impact to date on the real estate sector?

- ▶ The prevailing observation particularly during lockdown was the cancellation / freezing of transactions.
- ▶ For the transactions that progressed following the outbreak, respondents saw a tendency for a more elaborate than usual due diligence exercises.
- ▶ It was also stressed that they observed a sharp drop in interest for purchasing or leasing of commercial assets.
- ▶ In terms of pricing, the lion's share of them stated that there is no major change on values or prices to date.

Q What would be the effect on the supply of RE assets in the short to mid-term as a result of the pandemic?

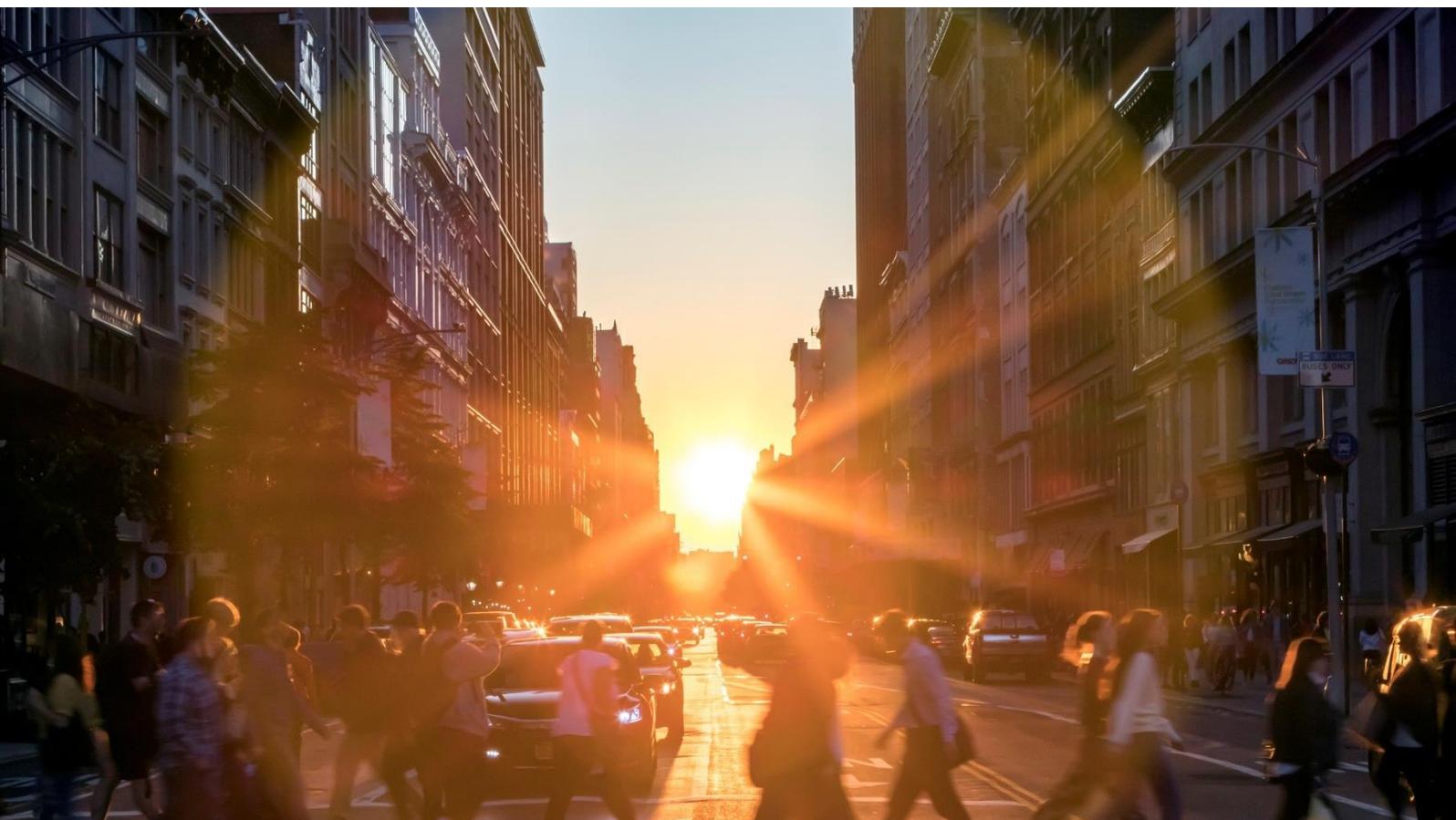
Opinion regarding the effect on the supply of RE assets

Negative (decrease) No effect Positive (increase)



Source: EY Survey

- ▶ More than half of the respondents anticipate that supply of real estate assets will increase in the next few months, mainly driven by financial institutions and non-performing loan servicers.
- ▶ In some instances, they expect a modest increase in supply of real estate assets in the market by companies/individuals looking to resolve cash flow issues through the disposal of non-core assets.
- ▶ Finally, some expect supply of assets in the market to decrease in the short to mid-term as a result of frozen or cancelled development of new real estate projects. This is because many developers have reduced the number of active projects to control their exposure.



Industry Sentiment

EY Survey results (Cont'd)

Q What changes in the local vs overseas buyers mix have you seen so far? Focusing on the latter, did you observe any other trends (e.g. investment interest by nationality)?

- ▶ As expected, all participants observed a reduction in the foreign buyer interest due to the flight/travel restrictions to Cyprus which favourably affected the local buyer demand for real estate assets.
- ▶ Buyer interest remained high during the pandemic. Overseas investors explored assets in Cyprus through digital channels and remote meetings, however, almost no new transactions were agreed during the lockdown.
- ▶ The majority of them agreed that there was no change in the nationality mix of overseas buyers compared to that observed prior to COVID-19.
- ▶ All stressed the difficulties incurred in relation to the sale of a real estate asset remotely, and the very low possibility of closing a sale virtually.

Q Based on transaction activity since the outbreak of the pandemic as well as any other observations, which asset has been more in demand and subsequently which do you expect that will recover quicker?



% Percentage of respondents who selected the specific asset type

Source: EY Survey

Note: Participants had more than one option to answer the above question.

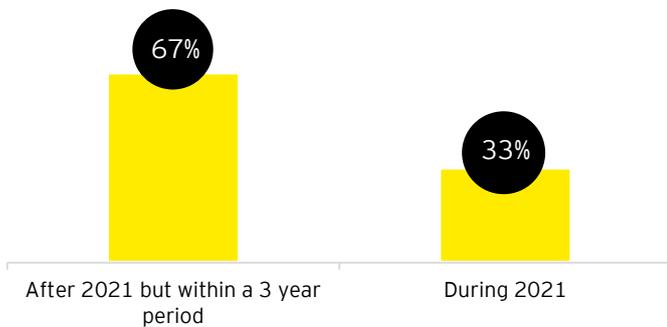
- ▶ Residential properties and plots of land are the type of assets that showed resilience since the pandemic's outbreak in terms of demand.
- ▶ In addition, according to respondents, these are the specific asset types that are expected to recover quicker from any negative effect that will be caused as a result of the pandemic.
- ▶ Stronger demand is created around specific ticket price regions, as illustrated on the graph above.
- ▶ Participants also noted that an increased number of buyers were looking for acquiring real estate assets for investment purposes. Consequently these buyers showed stronger interest in assets that were already developed and therefore, could generate income immediately upon acquisition.



Industry Sentiment

EY Survey results (Cont'd)

Q When do you expect the market to recover?



Source: EY Survey

- ▶ Respondents expect the sector to continue operating at a subdued pace until the end of 2021. This will inevitably create a disruption to the market that will take time to recover.
- ▶ Full recovery (i.e. reaching normalised transaction volumes) is expected to take place after 2021 and within 1 to 3 years after COVID is tackled.
- ▶ Lifting of travel restrictions both in Cyprus and feeding markets such as Russia, China and Middle East, will restart the Cyprus Investment Program (CIP), stimulating transaction activity of high priced assets and support this market segment.

Q What measures would you recommend to the authorities to assist the recovery of the sector?

- ▶ Digitization of relevant procedures was the most popular response, and is consistent with the previous survey conducted as part of our initial publication. Respondents mentioned actions towards the digitization of procedures for both the Land Registry Office (i.e. transacting) and Town Planning and Housing department (i.e. licensing).
- ▶ The introduction of tax incentives specific to the real estate market, such as VAT and Capital Gains Tax, are considered instrumental for the recovery of the sector from the majority of participants. For example waiving of Capital Gains Tax on disposal of an asset and reduction of VAT payable (measures that were already successfully tested following 2013 recession).
- ▶ In regards to the CIP, it was stressed that it certainly had a positive impact on the recovery of the sector as a whole and the formalization of the revised criteria by the government will enable the program to continue.

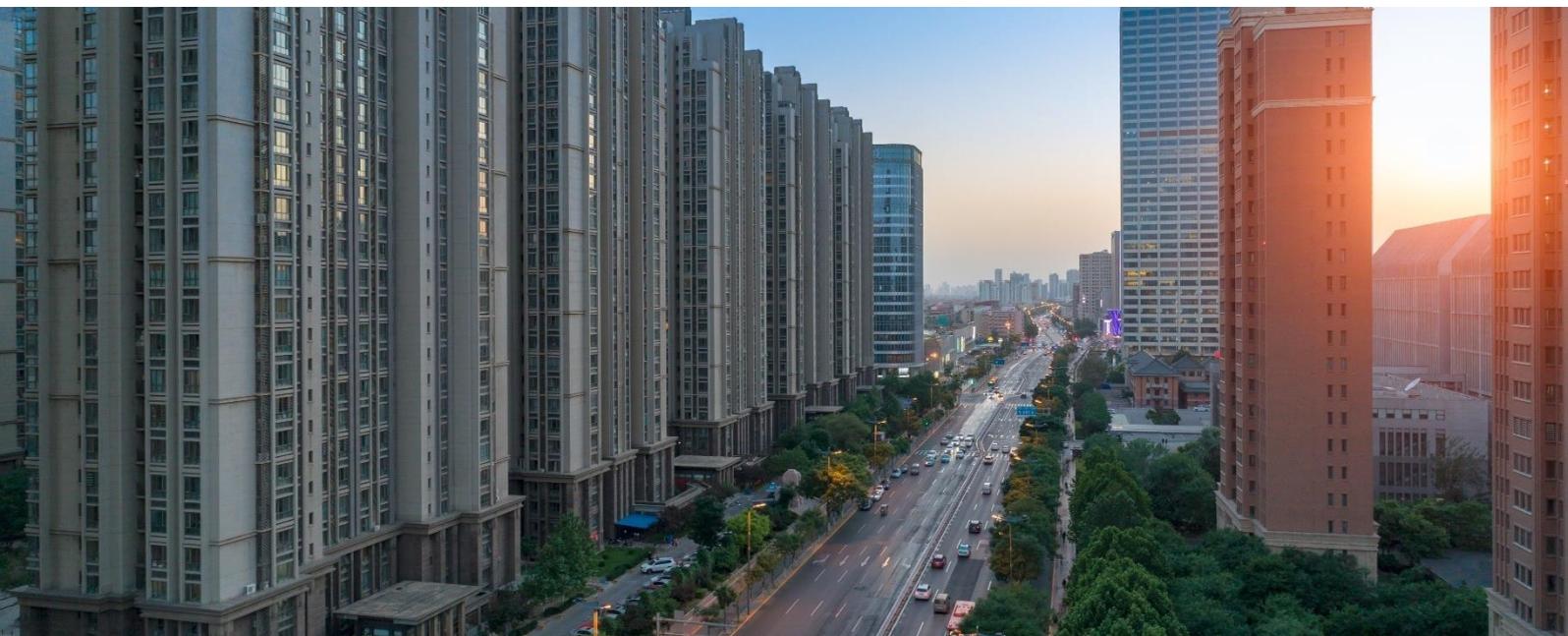
Q In the event of a second wave, what would you do differently to minimize the impact as much as possible?



Almost all participants stressed that as a result of the pandemic, they are already in the process of **digitizing everything** in relation to their day to day operations in order to be able to work more efficiently remotely.



A number of respondents mentioned that in view of the possibility of a second wave, they try to keep **higher cash reserves, and lower working capital exposure**.



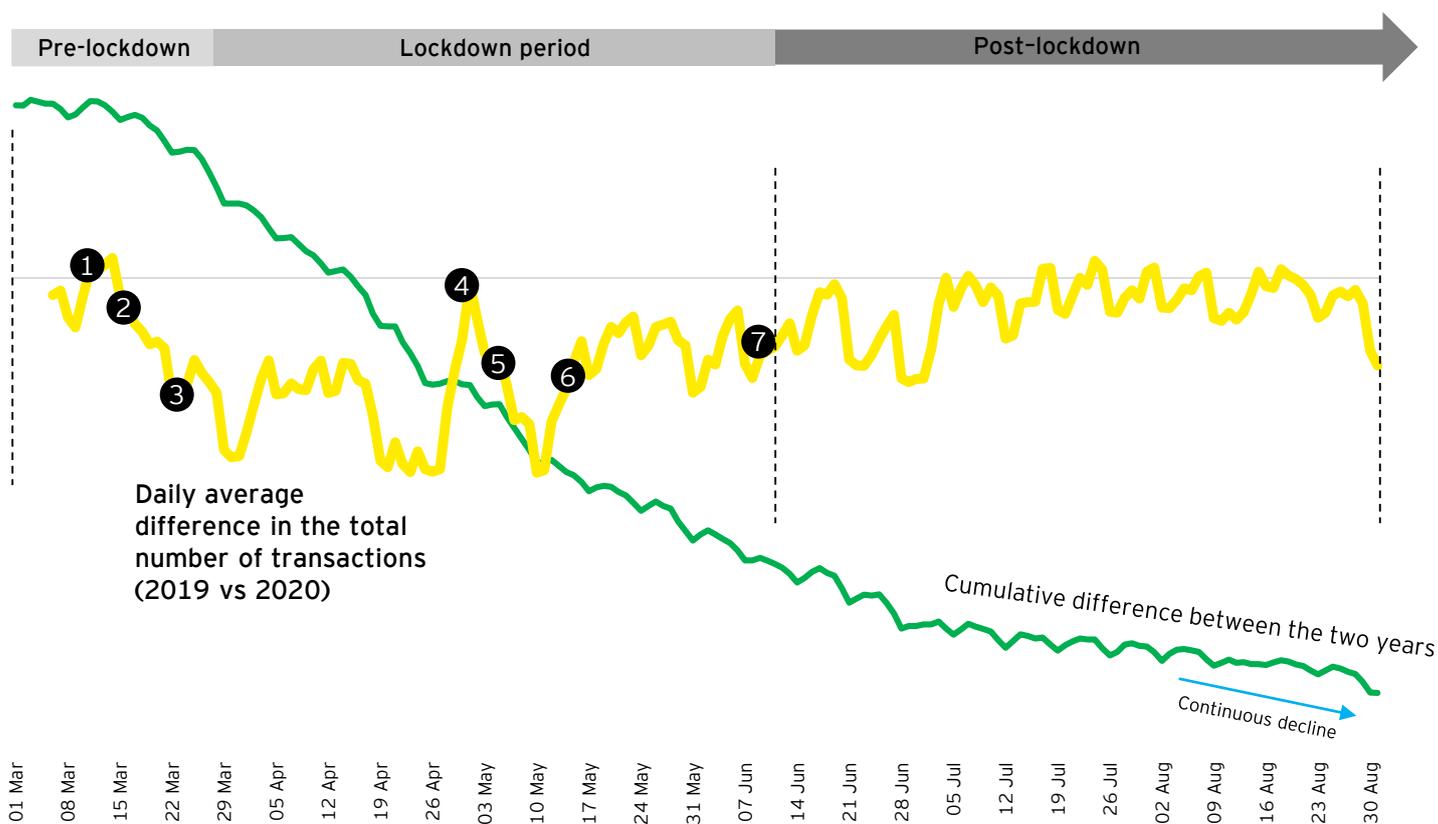
Real Estate transaction activity

Inevitably, the pandemic has created turbulence in the real estate market in Cyprus. To measure the actual impact of the COVID-19 pandemic (and the lockdown measures) on the real estate sector, we have analysed daily market data collected from the official Land Registry records. This data relates to the actual transactions that were registered with the Land Registry Office within the said period (March to August for 2019 and 2020).

The difference in transaction volume of the two years was calculated, using a 6 period trailing average, and plotted on a graph to examine potential pandemic and lockdown effects. The cumulative difference is also presented to measure the accumulated effect the pandemic has had on the sector.

The horizontal line represents "0", indicating no difference in transactions volume between the two years.

On the graph we also include key events and measures taken in response to the pandemic that are relevant to the real estate sector and which have influenced supply / demand dynamics leading to a decline in the overall transaction activity of the RE sector within the period under examination.



Source: LRO, EY Real estate data analytics platform, EY analysis.

Event Number	Date	Description
1	12 March 2020	The LRO announces that will stop physically servicing the public except for very exceptional cases.
2	15 March 2020	Cyprus' airports temporarily suspend their operations and all flights are cancelled.
3	24 March 2020	The Government in an effort to contain the pandemic introduces lockdown measures which restrict non-essential movements.
4	29 April 2020	Announcement that services linked to the construction sector will reopen on the 4 th of May.
5	04 May 2020	Gradual restart of the economic activities (i.e. construction, retail and public sector etc.) and relaxation of movement restrictions. LRO starts to physically serve the public.
6	21 May 2020	Waive of lockdown measures for the public.
7	09 June 2020	Cyprus is ready to open its gates again and welcome tourists through the re-opening of the two airports.

As shown on the graph above, the key events are followed by a pronounced market reaction illustrating the direct and immediate responsiveness of this sector to such measures. For example, the biggest drop in transaction activity in 2020, compared to 2019 is observed during the period that the LRO was physically closed and was almost impossible to register a sale.

Around the time that the lockdown measures were lifted and the LRO reopened, the smallest difference between the two years is observed. Since re-opening, the delta has remained consistently less than during the lockdown period. However, the cumulative line illustrates more clearly the impact on the market and the continued downward trend even post-lockdown.

Scenarios examined

In our first publication of the Real Estate Pulse report, three scenarios were forecasted, based on our expectation both for individual asset types and on an aggregate level, i.e. the total market. The full rationale behind the development of the three scenarios can be found in our previous issue.

When developing the scenarios we projected our view on the revenue from real estate sales and the issuance of building permits. Using these metrics we also forecasted our expectation on the recovery period.

The basic assumptions utilized in developing the three scenarios is tabulated below:

S1 Scenario 1- Low degree of sophistication of pandemic countermeasures - Long exit horizon

Revenue from RE sales	Large initial drop in revenue
Number of building permits issued	Sharp drop in building permits issued, with numbers not returning to 2019 levels in the projected period
Recovery Period	More than five years for the market to recover to a level that is closer to 2019 sales revenues

S2 Scenario 2- Medium degree of sophistication of pandemic countermeasures - Medium exit horizon

Revenue from RE sales	Moderate to large initial drop in revenue, depending on type
Number of building permits issued	Moderate drop in building permits issued, with numbers not returning to 2019 levels in the projected period
Recovery Period	Market will partially recover within a 5-year period and partially reach 2019 sales revenues

S3 Scenario 3- High degree of sophistication of pandemic countermeasures - Short exit horizon

Revenue from RE sales	Moderate drop in revenue, depending on property type
Number of building permits issued	Lower reduction in building permits issued compared to other scenarios and returning to 2019 levels in the projected period
Recovery Period	Market will recover within a 5-year period, and reach 2019 sales revenues

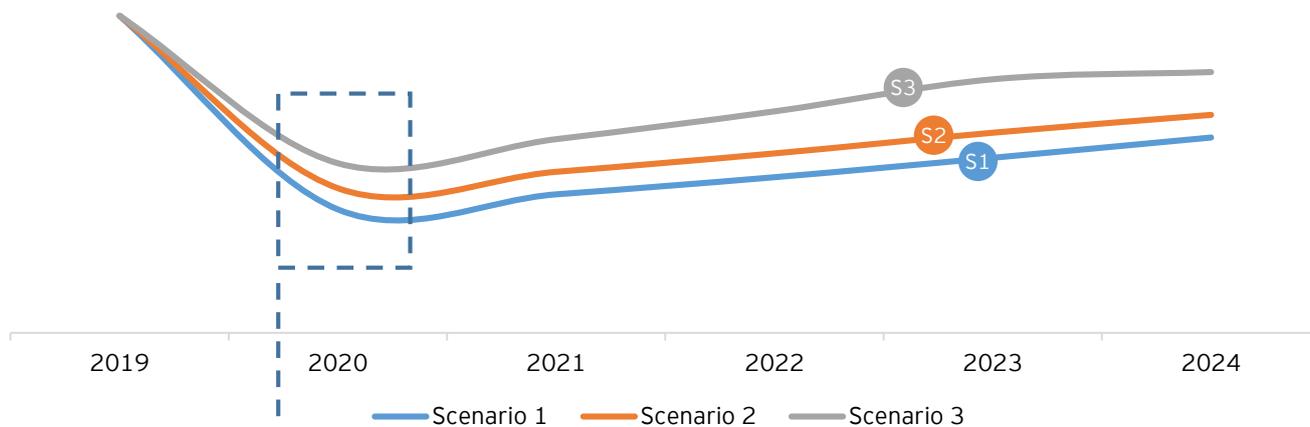


Scenarios examined

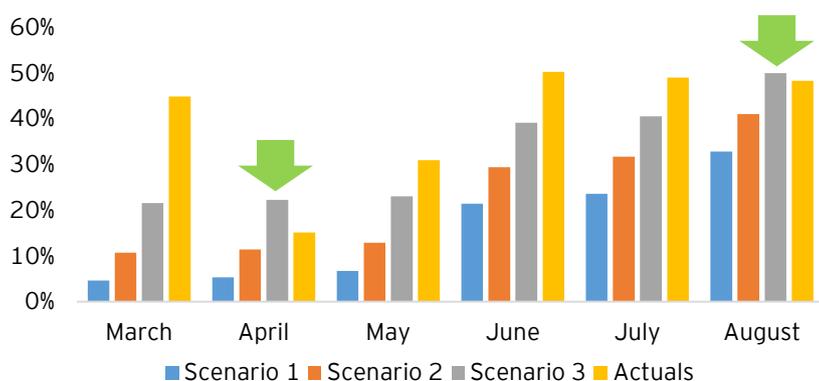
All three scenarios developed follow an initial large drop in revenue for 2020 resulting from the sharp decline in demand and transaction activity, and then recovering gradually (albeit at different rates). Scenario 3 is projected to recover quicker and is also the only scenario assumed to reach historical, pre COVID-19 levels by the end of the comparison period.

In the first chart below the three scenarios are presented, as they were included in our previous publication. The second graph shows the breakdown of our expectations of the market compared against to the actual data collected from the Land Registry.

The three scenarios examined:



Comparison for the period between March and August with actual data

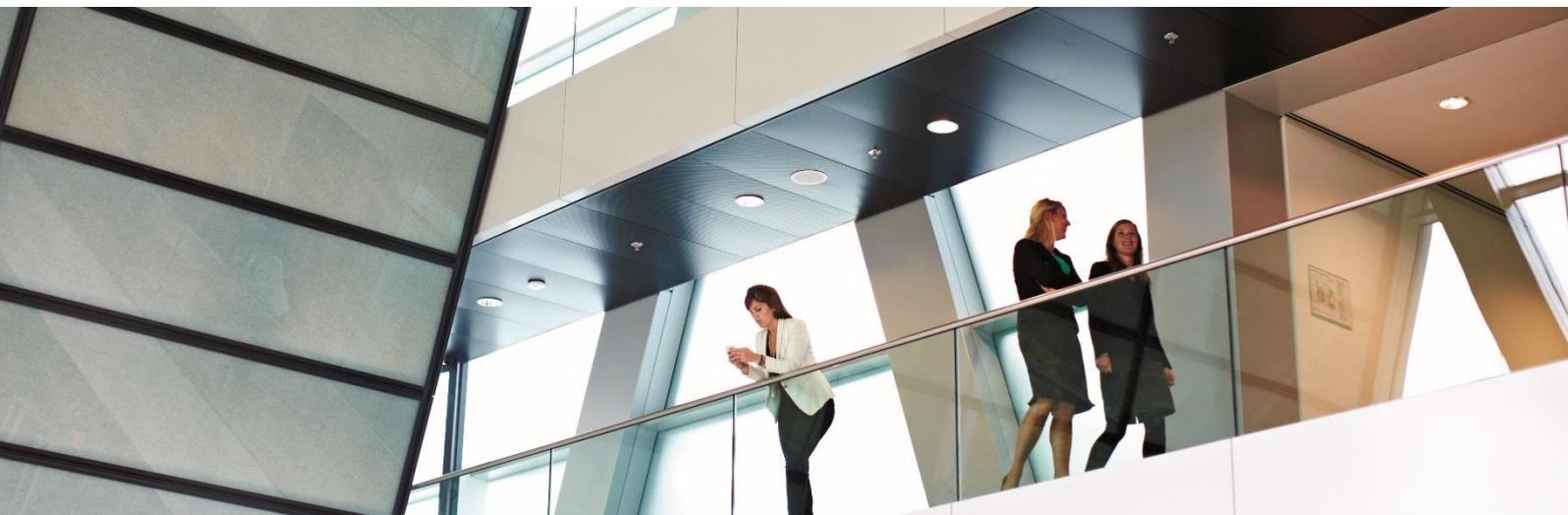


From the graph it is evident that for four out of the six months examined, the actual number of sales recorded were higher compared to the forecasted amounts. Only during the months of April and August our forecasts in Scenario 3 were above the actual performance of the market.

➔ Forecast higher than actual

Source: LRO, EY Real Estate Data (RED) analytics platform

Taking the actual performance of the market during the six months under examination, it is fair to consider that the market may follow a path closer to that of Scenario 3 (i.e. a more optimistic view of the market); and as things stand today Scenario 1 (i.e. the more pessimistic view of the market) seems to be less probable.



Real estate market post-COVID

The COVID-19 pandemic has undeniably hurt our economy and those of Cyprus' key trading partners. So far, the observed impact on the real estate sector has not been as severe as expected in our initial analysis and has provided a ray of optimism for future prospects.

In our initial publication's survey the two key recommendations provided consistently by survey participants for speedier market recovery were:

- 1. The continuation of the Cyprus Investment Program**
- 2. The digitization of key procedures of licensing and transacting real estate assets.**

A few months forward, we now observe positive developments with respect to these two recommendations.

In addition, some key transactions during the lockdown period were announced in the local press.

These transactions were very diverse with respect to asset type, spanning from single high-end residential units, to incomplete projects acquired by more opportunistic investors. Ticket prices also varied, ranging from €1mln up to more than €20mln.

Healthy transactions activity during times of uncertainty provide confidence for the outlook of the sector.

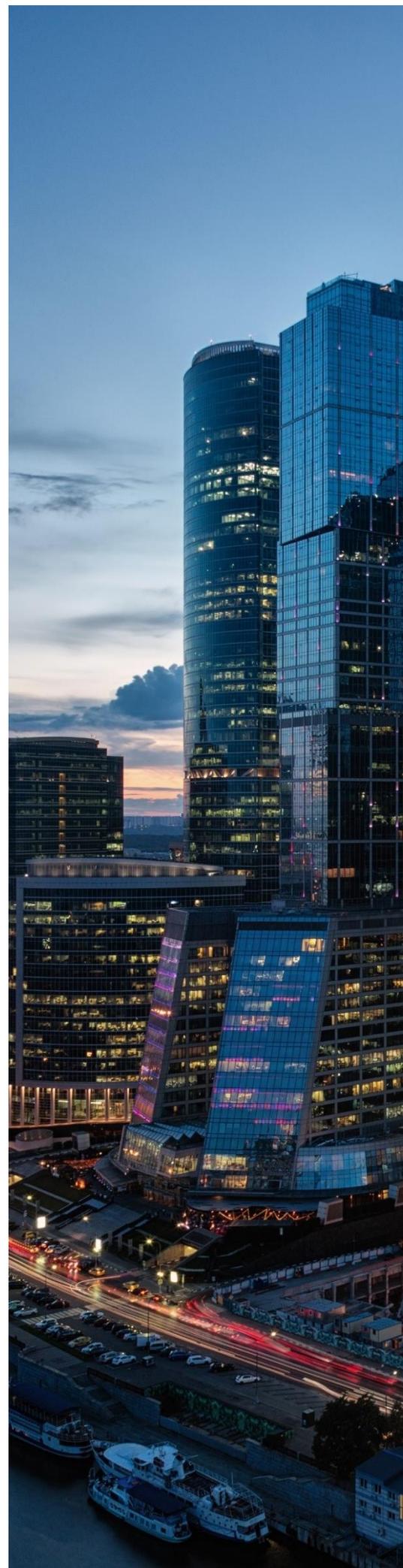


How EY can help

Services that bolster your resolve and reshape your future

 <p>Short-term cash & liquidity management</p> 	<ul style="list-style-type: none"> ▶ Analysis of cash gaps ▶ Identification of quick wins ▶ Dynamic forecasting of cash needs under crisis scenarios and identification of mid-term solutions
 <p>Financing options</p> 	<ul style="list-style-type: none"> ▶ Analysis of financing structure ▶ Identification of alternative options ▶ Securing non-bank / quick financing
 <p>Negotiations with banks</p> 	<ul style="list-style-type: none"> ▶ Advice with bank negotiations ▶ Lenders deck and banking presentation preparation ▶ Preparation of financial projections ▶ Capital structuring
 <p>Independent business review</p> 	<ul style="list-style-type: none"> ▶ Independent Business Review preparation for your lenders, creditors, etc. ▶ Stress testing based on market situation
 <p>Working capital advisory</p> 	<ul style="list-style-type: none"> ▶ Lean organization and processes optimization ▶ Supply and demand planning ▶ Assessment of key Working Capital drivers and cash release opportunities
 <p>M&A support</p> 	<ul style="list-style-type: none"> ▶ Divestment advisory ▶ Real-estate sales ▶ Quick direct sale process ▶ Identification of opportunities
 <p>Economic Advisory</p> 	<ul style="list-style-type: none"> ▶ Economic Impact Assessments ▶ Cost-Benefit Analysis ▶ Incentives analysis & planning ▶ Regulatory economics ▶ Competition economics
 <p>Corporate Finance Strategy</p> 	<ul style="list-style-type: none"> ▶ Corporate strategy ▶ Value optimization ▶ Investment strategy ▶ Feasibility & business planning ▶ Portfolio strategy
 <p>Real Estate sector expertise</p> 	<ul style="list-style-type: none"> ▶ Financial, technical and commercial due diligences ▶ Feasibility studies ▶ Business plan preparation and independent assessment ▶ Real estate data and analytics ▶ Strategy ▶ Advisory valuations and reviews ▶ M&A Advisory services

Services relevant to:  Government/Regulators  Banks  Businesses



How EY can help (cont'd)

People



Stelios Demetriou
Partner / Strategy and Transactions Leader

Stelios has over 20 years of corporate finance experience. He advises clients on transactions in the Banking sector and various other industries in Cyprus and South East Europe. During the last years, he has led various financial restructuring projects and NPL deals in the country, worked on IBRs on behalf of banks and corporates and acted as an advisor on government projects.



Alexandros Pericleous
Associate Partner / Strategy and Transactions

Alexandros has more than 15 years of experience and focuses on strategy and corporate finance. He has helped clients reshape their results through regaining control of their cash and working capital, business planning and review, restructuring, renegotiating debt, and investing / divesting. He is a member of the Royal Institution of Chartered Surveyors (RICS) in the pathway of business and intangible valuations.



Michalis Loizou
Manager / Strategy and Transactions

Michalis has over 10 years of experience in advising clients, in the whole spectrum of the real estate cycle, including valuations, feasibility studies and portfolio underwriting. He is a member of the Royal Institution of Chartered Surveyors (RICS) in the pathway of valuations as well as a real estate valuation practitioner with the Technical Chamber of Cyprus.



Natasa Apostolou
Senior / Strategy and Transactions

Natasa has 3 years of experience in corporate finance and she has been involved in various transaction advisory services including lead advisory, valuations, due diligence and financial modelling for a range of sectors including the real estate sector. She holds a BSc in Mechanical and Manufacturing Engineering and a Master of Business Administration (MBA). Natasa currently is an ACCA part qualified candidate.

Strategy and Transactions Services are all about helping our clients get more for their capital. We provide comprehensive guidance on all aspects of transactions - understood as major corporate undertakings outside the ordinary course of operations - from inception to execution. In this way, we manage to support the flow of capital across borders, help bring new products and innovation to market, and enable organisations to reshape themselves for a better future, in a rapidly changing, increasingly digital and disrupted business environment.

Why EY Strategy and Transactions Services?

EY ensures the best outcome by combining:

- ▶ A highly experienced and entrepreneurial team
- ▶ Comprehensive solutions
- ▶ International network
- ▶ Sector expertise
- ▶ Digital expertise

EY | Assurance | Tax | Strategy and Transactions | Consulting

About EY

EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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