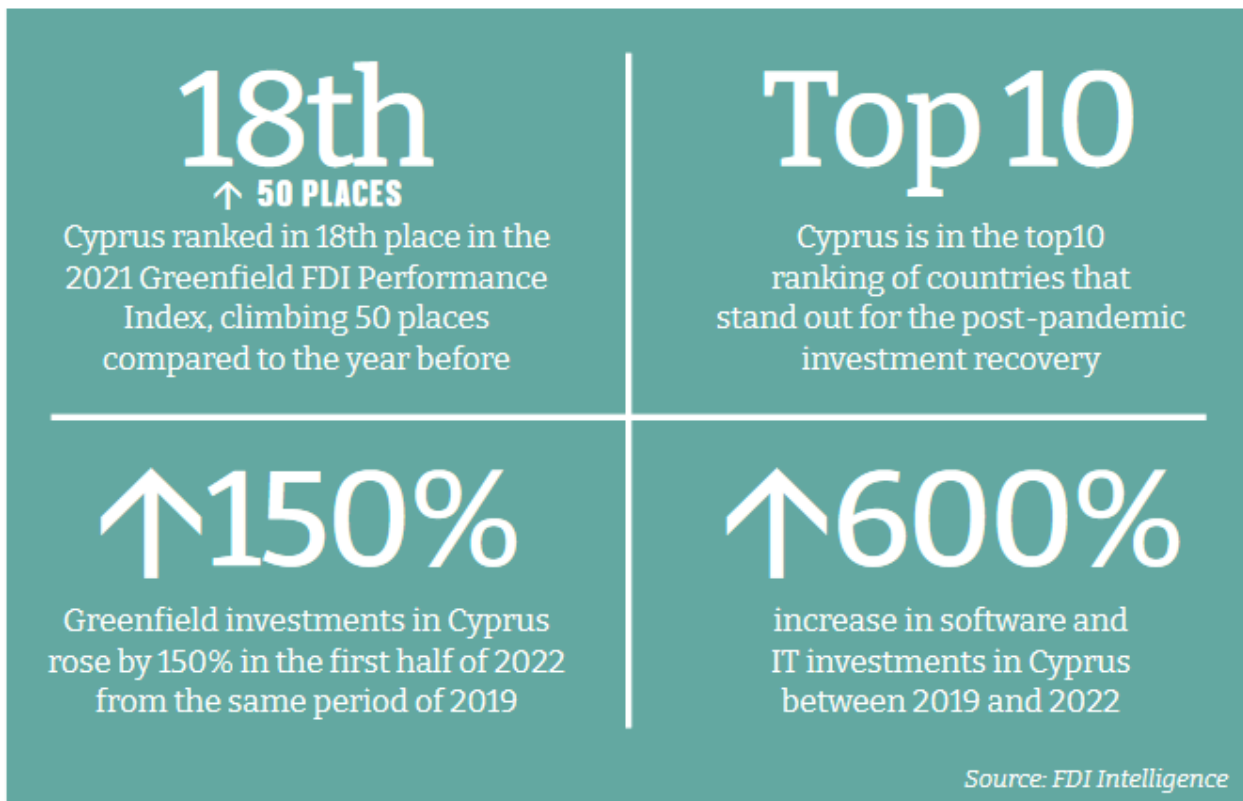


THE CYPRUS ECONOMY - TOURISM

Cyprus, a member of the EU since 2004, has a robust legal and tax system, extensive experience as a hub for international business, highly skilled personnel, and cutting-edge infrastructure. It is a nation with a strategic geographic location, connecting Europe to high-growth markets in the Middle East, Asia, and the wider region making it one of the most desirable places for business, living and holiday.

Cyprus is Member of European Monetary Union ensuring safety and stability for investors



Political stability and well developed ties with Middle East, Central & Eastern Europe

Low corporate tax rate of 12.5% (among the lowest in Europe)

Extensive double tax treaty network with over 60 countries

Exemption from tax on gains from the disposal of securities (e.g. shares, bonds)

No withholding taxes on interest and dividends

No taxation of capital gains (except for disposal of real estate in Cyprus or shares of a company holding real estate in Cyprus)

No tax on dividends, interest and rental income of non-domiciled individuals and no tax on the sale of shares.

Tax free band of €19.500

Expert Workforce: youngest workforce in Europe, mostly English speaking and over 50% have a university degree

Legal & Banking: Modern banking sector and a transparent regulatory framework, full access to European markets without barriers, tariffs, or bureaucracy

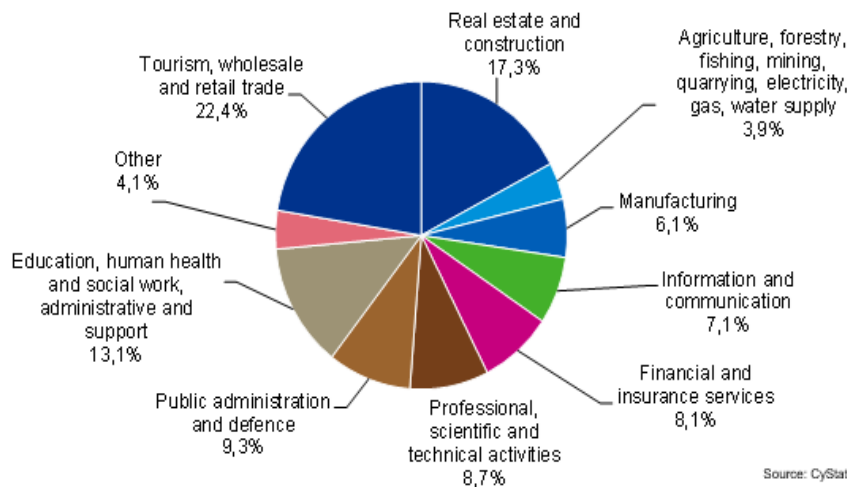
Costs of relocating: Cyprus is ranked 14th in the EU in terms of cost living

Many corporate companies and multinational business companies have settled in Cyprus due to the economic stability and benefic trading environment.

Being a Cyprus permanent resident you have the benefit to be treated as a European Citizen thus being able to open a Bank Account with all major banks under the European Citizen status.

Key pillars of the economy

Gross Value Added (GVA) by sector in 2020



Source: CyStat, KPMG Analysis

Financial, Professional and Other Services

- The attractive tax system, the legal and regulatory framework and the educated workforce are the drivers of the "service economy" in Cyprus
- With an 8% (for financial and insurance activities) and 10% (for professional scientific and technical activities), services formulate one of the biggest pillars of the economy.

Tourism

- Tourism has been the traditional growth driver of Cyprus
- "Sun & Sea" branding has been the traditional force of attracting tourists
- The Cyprus government is aiming to enrich this by promoting all year round tourism and upgrading Cyprus' offering.

Real Estate and Construction

- Real Estate and Construction activities combine for a 17% of the GVA
- The sector has recovered strongly last year, mainly because of the immigration programs available and the external demand that followed, together with increased purchases by locals.

Tourism occupies an exceptionally dominant position in the Cyprus economy. With about 4 million tourist arrivals per year, it is the 40th most popular destination in the world. However, per capita of local population it ranks 6th. According to the World Economic Forum's 2013 Travel and Tourism Competitiveness Index, Cyprus' tourism industry ranks 29th in the world in terms of overall competitiveness.

In terms of Tourism Infrastructure, in relation to the tourism industry, Cyprus ranks 1st in the world. Cyprus is worthily one of the most popular tourist destinations with sunny weather almost all year round, with one of the oldest civilizations in the Mediterranean with 10,000 years valuable ancient history, amazing natural beauty with rare flora and fauna, stunning coastline with golden sandy beaches and clear blue waters. In Cyprus are some of the finest hotel resorts and holiday accommodation with impeccable service, fine restaurants, spas, golf, cruising, water sports, walking and cycling activities, horse riding,

diving, sailing, fishing, organized excursions to archaeological sites, wine tours and even extreme sports.

Cyprus has the densest concentration of Blue Flag beaches of which the most at the Eastern part, the most Blue Flag beaches per coastline and the most Blue Flags per capita in the world.

Investing in Tourism and Real Estate

The World Travel and Tourism Council 2022 report on Tourism economic impact outlines that the contribution of the Travel & Tourism industry to Cyprus' GDP in 2021 had a growth of 166,9%, ranking Cyprus as 2nd biggest growth country after Montenegro. This figure is not Cyprus's best potential as the worldwide tourism economy is still recovering after Covid-19 pandemic. Better and more impressive figures are due to be registered for countries like Cyprus which give high attention to its Tourism industry.

A number of large-scale development projects, such as leisure & theme parks, luxury resorts, marinas, tourism resorts and golf courses are underway, attracting significant levels of foreign investment. Tourism is also now gaining momentum with the creation of a single Integrated Casino Resort, a landmark attraction that will add value to the island's tourism product. The new casino aspires to becoming the leading Integrated Casino Resort in Europe and amongst the best in the world, exceeding five-star requirements and offering numerous leisure services such as hotels, spas and conference centres. Moreover, following the success of the Limassol Marina, new luxury marinas are also in the pipeline for Larnaca, Ayia Napa, Paralimni and Paphos.

One of the largest infrastructure investment projects in Cyprus until today, is estimated to attract some €1.2 billion in construction and real estate development and it has been signed in late 2020 for the Larnaca port and marina by a Cypriot-Israeli partnership.

The Cyprus Investors will be able to benefit for the exemption of tax for first employment of 20 to 50 percent of their part or their basic salary. It will also benefit from the exemption from withholding tax on dividend distribution and interest income, as well as the low income tax rate up to the highest rate which is 35 percent.

An important recent development is the introduction of the "60 day rule" by the Cyprus Parliament which offers individuals the option to become a Cyprus tax resident after spending only 60 days in the country. This rule comes as an amendment to the initial, 183-day rule and provides an incentive to individuals seeking to change their tax residency to

Cyprus, but at the same time continue living in a different jurisdiction for the majority of the year.

INVESTING IN HITECH, INFORMATION AND TECHNICAL SERVICES

Revolut, a European digital neobanking platform valued at US\$33 billion, was the first organization to get approval as a crypto-asset service provider from the Cyprus authority in 2022, which led to many international companies investing in Cyprus. The authorization will allow Revolut to operate a new crypto-asset hub in Cyprus and provide cryptocurrency services to its 17 million EEA consumers.

Revolut claimed that its decision was influenced by the country's sophisticated regulatory framework, which has already drawn companies like Crypto.com, eToro, and BitPanda. TangoMe, a well-known US supplier of consumer services and software, also made intentions to open offices in Cyprus. With an estimated annual turnover of US\$350 million, the well-known IT company will create a significant presence in Limassol and relocate many of its employees to Cyprus.

Cyta, the major telecom operator in Cyprus, signed an €850 million joint venture agreement with Greece and Saudi Arabia for the building of the East Med Corridor (EMC), a global digital highway connecting Europe with Asia. This project is another one that will support Cyprus' attempts to become a regional telecoms and data centre and attract further investment. The signing of a Memorandum of Understanding with Amazon Web Services (AWS) in 2022, a partnership that will usher in a new era of opportunity, has as its primary objectives modernizing state infrastructure and accelerating Cyprus' use of cloud services.

5G was rolled out in 2021, making Cyprus the first EU state to achieve 100% 5G coverage.

Cyprus is already home to a number of major tech firms, such as NCR, Amdocs, Wargaming, 3CX, Exness, Bolt, Thomson Reuters, Melsoft Games, and Nexters, and has gained ground in successfully attracting investment capital in blockchain.

INVESTING IN EDUCATION, HUMAN HEALTH AND SUPPORT

The number of foreign students choosing Cyprus for their studies has almost tripled in the last five years, representing over 60 different countries and supporting the growth of Cyprus into a true global educational centre.

Cyprus hosts an impressive and fast-growing Research & Innovation ecosystem, featuring high quality academic and research institutions and six Centres of Excellence (CoE)

Cyprus, a one-stop shop for services ranging from treatment to recovery

Combining medical care with a leisurely vacation offers the advantages of excellent medical care at reasonable costs, as well as the chance to recover on a lovely sunny island that is healing to the mind, soul, and body.

Cyprus is quickly gaining popularity as a destination for medical tourists due to its abundance of up-to-date private hospitals and clinics, first-rate settings with cutting-edge technology, and experienced and highly qualified doctors and medical staff who were primarily trained in Europe, Russia or the USA.

The island offers affordable healthcare holidays with extra benefits and incentives, including annual check-ups, cosmetic or reconstructive surgery, physiotherapy, kidney dialysis, cardiac care, dental and surgical procedures, and infertility treatment.

The island's convenient location, which makes it accessible from many countries, as well as the option for patients to schedule an operation once they arrive, all contribute to the convenience factor.

ENERGY SECTOR



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ENERGY INVESTING

The EastMed-Poseidon pipeline is on the list of EU Projects of Common Interest published in 2021. The project, supported by Israel, Cyprus and Greece, would guarantee alternative supplies for Europe, which is weaning itself off of Russian piped gas. In addition, it would better connect Cyprus to its EU partners.



One of the most alluring areas for investment and international partnerships could be the renewable energy sector. For instance, Israel has expressed interest in working with its Cypriot allies to set up pilot projects where cutting-edge Israeli technology could be tested in Cyprus.

Additionally, the UAE and Saudi Arabia are eager to export their Renewable Energy Sources know-how and forge alliances because they have been pioneers in RES field and have long experience particularly in the field of hydrogen.