Annual Financial Report

01 January -
31 December

2018

LAMDA Development S.A.
G.E.MI.:3379701000

37A Kifissias Ave.
15123, Maroussi

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

Index of annual financial report

The annual financial statements, the auditors' reports and the Board of Directors reports of the companies included in the consolidated financial statements are available on the Company's website www.lamdadev.com.

STATEMENTS OF THE BOARD OF DIRECTORS OF "LAMDA Development S.A." for the annual financial report of 2018 (ACCORDING TO THE ARTICLE 4, Par.2(c) OF THE LAW 3556/2007)

We state to the best of our knowledge, that the annual financial statements of the company and the Group of "LAMDA Development S.A." for the year ended on December 31, 2018 which have been prepared in accordance with the international accounting standards in effect, reflect fairly the assets, liabilities, equity and the results of LAMDA Development S.A., as well as of the companies that are included in the consolidation taken as a whole.

Furthermore, we state to the best of our knowledge that the Annual Report of the Board of Directors reflects fairly the development, the performance and the status of LAMDA Development S.A., as well as of the companies that are included in the consolidation taken as a whole, and includes a description of the main risks and uncertainties they confront.

Maroussi, March 28, 2019

The undersigned

Anastasios K.Giannitsis	Odyssefs E.Athanasiou	Evgenia G.Paizi
Chairman of the BoD	Chief Executive Officer	Member of the BoD

ANNUAL BOARD OF DIRECTORS' REPORT OF "LAMDA Development S.A." FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE FISCAL YEAR THAT ENDED ON 31 DECEMBER 2018

Dear Shareholders,

According to the provisions of the laws 3556/2007 and 2190/1920, we present the annual Board of Directors' report of "LAMDA Development S.A." concerning the Consolidated and Separate Financial Statements for the fiscal year that ended on December 31, 2018.

FINANCIAL POSITION OF THE GROUP

According to the International Financial Reporting Standards, the main financial results for the Group and the Company for the year that ended 31.12.2018 are the following:

Consolidated results after tax amount to profit €61.008 thousands compared to losses €43.687 thousands in the comparative year of 2017.

The Company starting from 1/1/2014 applies IFRS 11 according to which the Group will account for joint ventures on an equity basis because it provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The implementation of IFRS 11 had a significant effect in the Group's financial statements until the first semester of 2017 due to the equity method of consolidation for the company LAMDA Olympia Village S.A. (L.O.V.). Following the acquisition of 50% of the aforementioned company in July 2017, the Group applies the full method consolidation for L.O.V. As a result, L.O.V.'s financial figures that are included in these consolidated financial statements are not completely comparable.

During 2018, there was an increase of €56.836 thousands in the net gains from fair value adjustment on investment property compared to €11.710 thousands at 31.12.2017.

Consolidated turnover reached €79.379 thousands compared to €87.179 thousands in the comparative period of 2017. These figures are not comparable due to the sale of the land in Belgrade in 2017, as well as the full method of consolidation for the company L.O.V., following the acquisition of 50% of the aforementioned company in July 2017, during the second half of 2017.

The Net Asset Value that is attributable to the Company's owner reached €438.928 thousands compared to €395.141 thousands at 31.12.2017.

(amounts in € thousands)	**2018**	**2017**	**Variation**
NET ASSET VALUE (NAV) (as exported by the internal information of the Group)	438.928	395.141	11,1%
Shareholders' Equity	355.117	312.842	13,5%
Earnings before valuations (as exported by the internal information of the Group)	48.408	41.420	16,9%
Fair Value Gains from investment property	56.836	11.710	385,4%
Profit/losses before tax	75.684	-22.663	-
Net Losses after tax & non-controlling interests	42.327	-48.315	-

Turnover	79.379	87.179	-8,9%

Within 2018, "The Mall Athens" recorded an increase in EBITDA by 2.9% reaching €27.2m. "Mediterranean Cosmos" in Pylaia Thessaloniki posted a decrease in EBITDA by 1.4% reaching €14.4m solely due to the increase of the annual land lease by approximately €1.2m as a result of the extension of the long-term lease of the said land plot area for 30 additional years. "Golden Hall" increased its EBITDA by 3.7% reaching €16.8m.

The Group's financial ratios NET DEBT / TOTAL ASSETS and NET DEBT / EQUITY reached 42.1% and 87.1% accordingly.

The Group uses certain Alternative Performance Measures (APMs) due to certain special features of the business category but also due to the application of IFRS 11 according to which the Group would not account on an equity basis mainly for L.O.V., owner of The Mall Athens, during the first semester of 2017. Following the acquisition of 50% of the above mentioned company, the Group applies the full consolidation method.

Definitions (APMs)

1. **Net Asset Value:** Group Equity adjusted by the deferred tax liability and asset attributable to the Group's shareholders
2. **Total Group operating results (EBITDA) before valuations:** Group operating results (EBITDA) which derive from the proportional method of consolidation without taking into account the fair value gains/losses that occur from the valuations of the investment property as well as the impairment losses of the other assets.

Condensed Group financial figures (all amounts in € thousands)	**01.01.2018 to 31.12.2018**	**Share of net profit of investments in joint ventures**	**Pro-Forma 01.01.2018 to 31.12.2018**
EBITDA before valuations	**46.785**	**1.624**	**48.408**
Net gains/loss from fair value adjustment on investment property and land	56.096	(35)	56.061
EBITDA	**102.881**	**1.589**	**104.469**
Impairment provision relating to property repurchase	(624)	-	(624)
Depreciation	(727)	(329)	(1.056)
Net interest	(25.846)	(1.242)	(27.089)
Taxes	(14.676)	(17)	(14.693)
Group results	**61.008**		**61.008**

3. **Pro-Forma EBITDA before valuations.** It is an alternative name of the previously mentioned measure.
4. **Retail EBITDA.** Sum of each EBITDA of the shopping centers Golden Hall, Mediterranean Cosmos and The Mall Athens.
5. **EBITDA of the shopping centers (The Mall Athens, Mediterranean Cosmos and Golden Hall). Individual EBITDA of the companies** Lamda Olympia Village SA, PYLAIA SA and Lamda Domi SA, which are involved in the exploitation of the shopping centers The Mall Athens, Mediterranean Cosmos and Golden Hall respectively.
6. **Change in EBITDA of the shopping centers (The Mall Athens, Mediterranean Cosmos, Golden Hall).** Percentage change of the current year vs last year.
7. **Net Debt / Total Assets.** (Debt minus Cash and cash equivalents minus Financial instruments held at fair value through profit or loss) over (Investment property plus Property, plant and equipment plus Investment in joint ventures and associates plus Inventories).
8. **Net Debt / Equity** (Debt minus Cash and cash equivalents minus Financial instruments held at fair value through profit or loss) over Equity.

SIGNIFICANT EVENTS

The subsidiary company Pylaia S.A. agreed with the Ecumenical Patriarchate, owner of the land plot on which the Company developed and operate the Mediterranean Cosmos Shopping Centre (the Centre), to the extension of the long-term lease of the said land plot area for 30 additional years, until 2065. The positive effect of the agreement on the value of the Centre has been quantified by independent valuer at the amount of €28.8m. The increase of the annual land lease amounts to €1.2m.

The Company's subsidiary LAMDA DOMI SA, following a rather time consuming procedure of issuing the building permit which was finally issued in June 2018, initiated the development of the western part of the former International Broadcasting Center (IBC), which is expected to be completed before the end of 2019. The project, of a total budget of €25m, is planned to will further strengthen and supplement the existing shopping center Golden Hall.

PROSPECTS

The Company observes the performance of the shopping centers through ratios, which, according to international standards, are mainly the customer visits ratio and the ratio of the shopkeepers' turnover. According to these ratios there is an increase in 2018 in customer visits by 1.6% in relation to 2017. Also, there is a similar picture in the shopkeepers' turnover which is increased by 3%. During the first two months of 2019, the shopkeepers' turnover ratio recorded an increase by 1,2% whereas the customer visits ratio recorded a decrease by 1,4%. This decrease is solely due to the customer visits decrease at the "Mediterranean Cosmos" shopping center at Pylaia Thessaloniki, due to severe weather conditions that prevailed in North Greece which hindered at a significant extent the attendance at the shopping center. The Company cannot accurately predict the course of the sales at the short term. Shopping centers' occupancy at the last quarter of 2018 exceeds 98%.

SIGNIFICANT RISKS FOR YEAR 2019

Fluctuations in property values

Fluctuations in property values are reflected in the income statement and balance sheet according to their fair value. An increase in yields would have a significant impact on the Group's profitability and assets. However, due to the successful performance of Shopping and Leisure Centers "The Mall Athens", "Golden Hall" in Maroussi and "Mediterranean Cosmos" in Pylaia Thessaloniki, their market value is less likely to be reduced. In this context, we note that despite the existing factors of increased uncertainty, the values reported provide the best estimate for the Company's investment property. The complete impact of the consequences of the economic situation may affect the value of the Group's investment property in the future.

Credit risk

The credit risk management is monitored at Group level. The credit risk derives from tenants, bonds and mutual funds, as well as cash and cash equivalents.

With regard to the Group's income, they come mainly from tenants with good reputation whereas certain terms of sales and collections are applied.

Income will be significantly affected in case the tenants are unable to fulfil their contractual obligations due to either restriction in their financial activities or instability of the local banking system.

However, the Group at 31.12.2018 has a well-diversified tenant mix consisting mainly of profitable companies with good reputation. The customers' financial condition is monitored on a recurring basis. The Company's management does not expect significant losses from impaired receivables except for those that have been provided for.

Foreign exchange risk

The Group operates mainly in Greece and the Balkans and is therefore exposed to foreign exchange risk arising from various currencies. The majority of the Group's transactions are carried out in Euro. Foreign exchange risk arises from future commercial transactions as well as the assets, liabilities and net asset value of investments operating in foreign countries.

The Group's standard practice is not to pre-purchase foreign exchange, not to enter into forward foreign exchange contracts with external counterparties and not to enter into currency hedging transactions.

The Group has participations in subsidiaries that operate abroad which equity is exposed to foreign exchange risk at the conversion of their financial statements for consolidation purposes. In relation to the operations outside Greece, the most significant operations take place in Serbia where the foreign exchange rate historically does not show considerable changes. Also, the Group's operations outside Greece do not include material commercial transactions and therefore there is not a significant foreign exchange risk.

Interest rate risk

The Group's interest rate risk derives mainly from bank loans with floating interest rates based on Euribor. The risk is partially hedged with cash held at floating rates.

The group analyses its interest rate exposure and manages the interest rate risk through refinancing, renewal of existing loans, alternative financing and hedging. The interest rate risk is disclosed in note 2.11 of the annual consolidated and company financial statements of 2018.

Inflation risk

The Group's exposure to inflation risk is limited as the Group enters into long term operating lease arrangements for a minimum of 6 years that are adjusted annually according to the Consumer Price Index plus margin up to 2%.

Liquidity risk

At December 31, 2018 the short-term loans refer mainly to the syndicate bond loan of the Company (amount of €96.1m) as well as the subsidiary LAMDA Prime Properties SA amount of €5.3m. The Management is undergoing negotiations with the counterparties in relation to the refinancing of the above mentioned short-term loans, a procedure that has not been completed until the date of these financial statements' releaseIn addition, regarding the bond loan of the subsidiary PYLAIA SA amount of €64.8m, tranches of €23m are included in the short-term borrowings whereas the management is under procedure of refinancing. The Management expects that the loan will be refinanced successfully (note 16).

External factors

The Company has investments in Greece, Romania, Serbia and Montenegro. The Group can be affected by external factors such as political instability, economic uncertainty and changes in local tax regimes.

The financial risk factors are disclosed in note 3 of the annual consolidated and company financial statements of 2018.

PENDING LITIGATION

1. THE MALL ATHENS

1.1 Pending litigation

With regard to the legal issues relating to the particular investment, the following should be noted:

In total, five (5) petitions for annulment have been filed before the Council of State, relating to the area where the Olympic Press Village (or "Olympiako Chorio Typou") and the Shopping Center "The Mall Athens" were built, whose legal owner is the Company's subsidiary "LAMDA OLYMPIA VILLAGE S.A." (hereinafter, "L.O.V."). Specifically:

(a) The first petition for annulment directly contests the validity of Law 3207/2003, which is in lieu of the building permit for all the buildings constructed on this particular area. The petition aims to have the Law declared null and void, on the basis that it is allegedly not compatible with the provisions of the Constitution of the Hellenic Republic. The petition was heard on 03.05.2006 and the Fifth Section of the Council of State sent the case to the court's Plenary Session by means of its decision No 391/2008. The petition was heard before the Plenary Session on 05.03.2010, further to successive postponements of hearings previously scheduled for 05.02.2010, 09.10.2009, 08.05.2009 and 07.11.2008.

By means of decision No 4076/2010 of the Plenary Session, the hearing of the petition was postponed until the issuance of a decision by the Court of Justice of the European Union over another case, in which– according to the Council of State – similar legal issues were raised. The Court issued in decision in October of 2011, further to which the petition was heard before the Plenary Session of the Council of State on 05.04.2013, following postponements on 11.01.2013 and 01.03.2013. By virtue of its decision No 376/2014, the Plenary Session accepted the said petition and the Court annulled the silent confirmation by the competent planning authority of the Ministry of Environment, Planning & Public Works (namely, DOKK) that the studies of the project submitted to such authority were compliant with article 6 paragraphs 1 and 2 of Law 3207/2003.

The Council of State annulled the aforementioned act, because it identified irregularities of a procedural nature in the issuance of the licenses required for the project. In light of such nature of the identified irregularities, it is estimated that they may be rectified, and LOV has already initiated the procedure required further to the issuance of the said decision. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.

(b) The second petition seeks annulment of the deemed approval of the designs submitted by L.O.V. to the Ministry of Environment, Planning and Public Works, pursuant to article 6 paragraph 2 of Law 3207/2003. By means of its decision No 455/2008, the Fifth (E') Section of the Council of State postponed the hearing of the case, until the issuance of the decision by the Court's Plenary Session on the first petition for annulment. The petition was heard on 02.04.2014, further to a postponement of the hearing previously scheduled for 02.12.2009, 02.06.2010, 03.11.2010, 08.06.2011, 02.11.2011, 11.01.2012, 07.03.2012, 02.05.2012, 07.11.2012, 06.03.2013, 02.10.2013 and 05.02.2014. The Fifth Section issued its decision No 4932/2014, whereby the court cancelled the proceedings.

(c) The third and fourth petitions for annulment seek the annulment of a series of pre-approvals and operating licenses respectively, issued by the Municipality of Maroussi to a number of stores operating in the aforementioned Shopping Center, on the basis that the law on which said pre-approvals and licenses were issued is not compatible with the provisions of the Constitution. The said petitions were heard before the Fourth (D) Section of the Council of State on 24.04.2018, further to successive postponements of hearings previously scheduled for 09.01.2007, 23.10.2007, 08.01.2008, 07.10.2008, 16.06.2009, 12.10.2010, 29.03.2011, 14.02.2012, 09.10.2012, 12.02.2013, 04.06.2013, 19.11.2013, 06.05.2014, 11.11.2014, 16.06.2015, 08.12.2015 and 07.06.2016, 06.12.2016, 21.03.2017, 13.06.2017, 28.11.2017 and 20.03.2018.

In light of the aforementioned decision of the Court's Plenary Session, the Company's legal advisors believe that the third and fourth petitions for annulment will be accepted.

(d) The fifth petition for annulment contests the validity of the decision of the Board of Directors of OEK (Worker's Housing Organization or "Organismos Ergatikis Katoikias"), which authorized the sale to L.O.V. of the plot of land where the Shopping Center was erected. Similar to the foregoing cases, the legal basis of the petition for annulment is the alleged incompatibility of Law 3207/2003 with the provisions of the Constitution. The said petition was heard on 21.03.2017, further to successive postponements of hearings previously scheduled for 09.01.2007, 23.10.2007, 08.01.2008, 07.10.2008, 16.06.2009, 12.10.2010, 29.03.2011, 14.02.2012, 09.10.2012, 12.02.2013, 04.06.2013, 19.11.2013, 06.05.2014, 11.11.2014, 16.06.2015, 08.12.2015 and 07.06.2016 and 06.12.2016.

The fifth petition for annulment will probably be rejected on the grounds that the matter falls outside of the Court's jurisdiction (the decision under annulment not being an enforceable administrative act).

It is noted that L.O.V. has intervened in all cases as a third party in the proceedings to support the validity of the acts contested.

Finally, in the event that any of the above petitions for annulment is accepted, L.O.V. will be entitled to seek redress for any damages it may suffer against the Greek State.

Additionally, LOV had to pay for the transfer of specific real property in the past (on 2006), property transfer tax of approximately €13,7m, reserving its rights with regard to this tax and finally taking recourse to the administrative courts against the silent rejection of its reservations by the competent Tax Authority. In 2013 the said recourse was accepted in part and the re-calculation of the owed property tax was ordered, which led to the returning to LOV of an amount of approximately €9,5m. Further to appeals on points of law filed by both parties, the Council of State rejected LOV's appeal and accepted the Hellenic Republic's appeal; consequently the case was referred back to the Administrative Court of Appeals, which initially postponed the issue of a final decision and obliged the parties to adduce evidence for the determination of the market value of the property; after resuming hearing of the case, the Administrative Court of Appeals finally rejected the recourse, determined the taxable value of the property and obliged the competent Tax Authority to re-calculate the transfer tax due upon the new taxable value. Following this decision, LOV had to pay transfer tax of approximately €16,3m. Filing of an appeal on points of law is pending and is estimated by the legal counsels of the Company to have high chances of success. In specific, grounds of appeal challenging re-calculation of transfer tax upon the market value of the property, to the extent it exceeds the objective value, are expected to succeed with very high probability.

1.2 Potential impact of pending litigation on the existing contracts

(a) L.O.V. sold the office building "ILIDA BUSINESS CENTRE" to the company "EUROBANK Leasing S.A." on 26.06.2007. "EUROBANK Leasing S.A." entered into a financial lease agreement with "Blue Land S.A." regarding the said office building. The respective deed of transfer includes a provision specifying that, if either of the first two petitions is irrevocably accepted on the grounds that Law 3207/2003 is not compatible with the provisions of the Constitution, then the transaction shall be reversed by reinstatement of the property to its original status, in which case the buyer "EUROBANK Leasing" shall be entitled to the full buying price and the ownership of the office building shall return to L.O.V. Two opposing lawsuits were filed; the first one was filed by the Company and L.O.V. and is seeking to have identified that the conditions for the said provision have not been fulfilled and the second one was filed by "EUROBANK Leasing S.A." (and "BLUE LAND S.A." intervened as a third party in the proceedings to support the validity of EUROBANK Leasing's claims) and is seeking to have identified that the conditions have been met and that the purchase price be returned to "EUROBANK Leasing S.A.". The case was heard (further to postponement) on 11.10.2016. The Multimember First Instance Court issued decision No, 1522/2017, whereby the Company's and L.O.V.'s lawsuit was rejected and the opposing lawsuit filed by Eurobank Leasing was partially accepted.

The Company and LOV filed appeal No. 572531/504467/2017, the hearing of which had originally been set for 19.04.2018, but was postponed for a joint hearing together with the appeal filed by "EUROBANK Leasing S.A." (No. 573006/50450/2017), on 03.05.2018, as well as with the intervention of "BLUE LAND S.A." in favour of Eurobank Leasing, and, following further postponement, the hearing of all the above has been set for 11.10.2018 . During the said hearing, the litigation was declared terminated due to an out-of-court settlement between the Company, LOV and "EUROBANK Leasing S.A.", whereby all parties thereto waived their appeals. Pursuant to the settlement agreement, LOV acknowledged ownership of the building and paid the amount of € 54,160,000 to "EUROBANK Leasing S.A." in full and final settlement of the latter's relevant claims against the Company and LOV (as such arose from decision No. 1522/2017 of the Multimember First Instance Court of Athens and "EUROBANK Leasing S.A." aforementioned lawsuit).

(b) In any case, as already mentioned, L.O.V. is entitled to seek redress for any damages it may suffer against the Greek State as a result of the aforementioned petitions for annulment.

2. MEDITERRANEAN COSMOS

With regard to the legal issues relating to the particular investment, the following should be noted:

Contractor "MICHANIKI S.A." undertook a significant part of the construction works for the "Mediterranean Cosmos" Shopping Center in Pylaia, Thessalokini. Both "PYLAIA S.A.", a subsidiary of the Company, and "MICHANIKI S.A." have filed actions and counter-actions, which were jointly heard on 01.04.2009, following a postponement of the hearing initially set for 02.04.2008. The total claims of "PYLAIA S.A." against "MICHANIKI S.A." stand at € 18,340,931.49 (including the amount of € 2,000,000 as compensation for moral distress). On the basis of the actions it has filed, "MICHANIKI S.A." claims the amount of € 34,826,329.14 (including the amount of € 10,000,000 as compensation for moral distress).

By virtue of its decision 8172/2009, the Athens Multi-Member 1st Instance Court:

(i) Rejected the claims of "PYLAIA S.A.", adopting the false reasoning that "PYLAIA S.A." had assigned its claims under the contracts in question (with "MICHANIKI S.A.") to the bondholder agent further to a respective agreement and, therefore, was not entitled to seek redress for its pertinent claims.

(ii) Rejected certain claims of "MICHANIKI S.A." as vague or unfounded and ordered a continuance hearing, to follow the issuance of an expert opinion on certain allegations of one of the actions.

"PYLAIA S.A." had lodged an appeal against the above decision, seeking to reverse it to the extent that it rejected "PYLAIA S.A."'s actions as per point (i) above. The appeal was heard before the Athens Court of Appeal on 28.02.2013 (following a postponement of the initial hearing date which was the 27.09.2012) and rejected by virtue of the court's decision No. 3977/ 2013. The court ruled that since "PYLAIA S.A." had assigned its claims from said contracts with "MICHANIKI S.A." to the bondholder agent under respective contract, it was not legally entitled to achieve the satisfaction of those claims. The Company submitted an appeal on points of law in front of the Supreme Court, which was heard on 11.05.2015. The Court recently accepted the appeal of "PYLAIA S.A." by means of its Decision No 208/2016, despite the negative opinion issued by the Judge Rapporteur, and sent the case back to the Court of Appeals for a new hearing. The case was finally heard on 07.02.2019, further to a postponement of the hearing previously scheduled for 26.10.2017 and the respective decision is expected to be issued. Further to the above and following the submission to the Court of the expert's report which is favorable to "PYLAIA SA", and further to postponements, the hearing of the lawsuits of "MICHANIKI SA" took finally place on 10.10.2018 and the respective decision is expected to be issued.

In addition, "PYLAIA SA" filed a third lawsuit against "MICHANIKI SA" on 24.12.2010 claiming additional compensation of € 2,073,123.13 (which includes the amount of €500,000 for moral damages). The hearing had been scheduled for 25.02.2015, following a postponement on 21.11.2012, but it was cancelled. Given the outcome of the hearing before the Supreme Court, it is likely that a new hearing will be set for said action as well.

Moreover, on 28.12.2010 "PYLEA S.A." filed the nrs.13132, 13134 and 13129/2010 lawsuits to the Athens Multi-Member 1st Instance Court against "MICHANIKI SA", the hearing of which took place on 13.02.2013, following a postponement of the hearing of the case on 14.11.2012. Such lawsuits are identical to the previously presented lawsuits, save that they have been filed jointly with the company "EUROHYPO S.A.", to address the event where the Court rules that "PYLAIA SA" is not entitled to file these lawsuits in its name. This is the reason why the hearing of those lawsuits was cancelled on 13.02.2013 and was reenacted so that those lawsuits were scheduled to be heard on 18.03.2015, but the hearing was postponed for 25.01.2017 and then cancelled. A new hearing for these lawsuits had been set for 21.02.2018, when it was cancelled once again.

Finally, on 09.11.2012 “MICHANIKI S.A.” filed a lawsuit before the Athens Multimember Court of First Instance, claiming additional compensation amounting to € 2,293,016.59, namely the amount that “PYLAIA S.A.” collected from Alpha Bank by forfeiture of “MICHANIKI S.A.”’s bank bonds, and an additional amount of € 500,000.00 as moral damages. The lawsuit was set to be heard on 28.05.2015, but was postponed for 12.10.2017, when it was cancelled.

In general, pursuant to the assessment of Company’s legal counsels, the substantiated claims of “PYLAIA S.A.” against “MICHANIKI S.A.” significantly exceed the substantiated counterclaims of the latter against “PYLAIA S.A.”.

RELATED-PARTY TRANSACTIONS

The related-party transactions according to IAS 24 of the Company and the Group are disclosed in the note 30 of the consolidated financial statements for the year ended on 31 December 2018. It is noted that the transactions with the related parties are intra-group transactions and there are not significant transactions with related parties outside Group.

ENVIRONMENTAL ASPECTS

For Lamda Development, environmental and social responsibility is a key aspect in every business and commercial venture, taking into account the importance of the rational use of all.

Shopping and Leisure Centers

Carefully planned, with modern architectural design and model support services, Golden Hall, The Mall Athens and Mediterranean Cosmos shopping centers aim to ensure that they all operate in an environmentally friendly way that promotes sustainable development and responsible entrepreneurship.

More specifically, Building Management Systems (BMS) are in place in all shopping centers to control lighting and air conditioning, optimizing energy consumption and maximizing energy efficiency

Furthermore, modern waste management practices and processes are used, focusing on recycling (five flows division - material categories – recycling). Similarly, used oils and fats are collected from the health centers of the shopping centers by authorized companies, thus avoiding their pouring in the sewerage network. Hygiene stores keep stringent specifications by installing filter arrays in ventilation systems to minimize burden on air quality. Lastly, building energy behaviour is continuously monitored and evaluated, while remaining constantly on the lookout for new opportunities for further improvements offered by the latest technological developments in the energy sector.

Air quality in underground car parks in shopping malls is constantly controlled by a special automatic installation to keep the air at a constantly permissible level.

Flisvos Marina

At the same time, Flisvos Marina applies ISO 9001: 2008 and ISO 14001: 2004 ISO 9001: 2004 certification procedures for integrated solid and liquid waste management systems, systematic quality control of the sea and training for enviromental port issues for crews and students of all education levels, receiving important honors, such as the Blue Flag and Tourism Award from National and European programs, as well as winning the 5th Golden Anchie Award, receiving the highest distinction from the Yacht Harbor Association's (TYHA) Gold Anchor Award Scheme. It has also been certified for EFQM Commitment to Business Excellence.

The Hellinikon Project

Finally, the development of the Metropolitan Pole of Elliniko - Ag. Kosmas, with a predominant design parameter the creation of a Metropolitan Park with a total area of 2,000,000 square meters, will be characterized by an environmentally friendly design based on the principles of sustainability. In addition, the upgrade, consolidation and exploitation of the coastal front and the connection between the city and the sea will constitute an important environmental and social objective of the Integrated Development Plan.

The Hellinikon Project concerns a model urban regeneration with a smart city design incorporating the latest technologies.

The project involves a model urban development with a very low building coefficient (lower than 0.5) which aims to create a new life experience including recreation, well-being, culture and, at the same time, the protection of the natural landscape, the climate and the cultural heritage of the place.

Furthermore, regarding the important issue of the waste management of the project, the following have been foreseen:

• Segregation at source of waste streams (collection in six discrete bins)

• Minimization of the amount of waste disposed to landfill both during construction and during the operational stage

• Re-use, recycling and recovery of construction waste by reducing the percentage that results in landfills and optimal use of demolition materials and methods.

EMPLOYMENT

a) **Equal Opportunities**

The Company is committed to the International Standards for the diversity and equality of opportunities in all of its employment practices and activities. It provides equal opportunities to all the employees and candidates regardless of hierarchy levels, race, national or ethnic origin, disability, age, gender, sexual orientation or religion and explicitly forbids any discrimination that relate to the aforementioned factors.

All decisions related to recruitment, promotion, training, performance evaluation, salaries and benefits, travel, disciplinary offenses and dismissals are free from any unlawful discrimination. Noticeably, there have been no incidents of discrimination in the Company’s workplace.

The constructive exploitation of diversity, respect and the attribute of worthiness of the individual differentiation as well as the formation of a fair work environment for every employee consists of a core element for the Company’s achievement of its strategic objectives and its development.

b) **Human Rights and Training Systems**

The main purpose of the Company is the development and evolution of its people. Through institutionalized procedures the best employees who take wider responsibilities or higher positions are highlighted. That ensures the development of the employees, meritocracy and the Company’s success.

The Company supports its people to learn, develop and achieve their goals and assures them the right of association. It implements training programs, which all employees can participate in, aiming to the improvement of their skills, their constant professional development and their better respondence to the fulfillment of the Company’s objectives.

Performance evaluation is a key tool for the development of employees’ skills and career management as well as the recognition of the work and the contribution in cases of fulfilling satisfactory operating results.

The Company considers that equal treatment of the employees is the fairer and best way of creating an environment that ensures an optimal level of performance. Equal treatment policy, without gender, age, religion or nationality discrimination, exists – without being exhausted - in the fields of recruitment, training, salaries and dismissals.

c) **Health and Safety**

The formation of an environment of health and safety in the workplace, through a coordinated effort of management and personnel, consist of a basic priority of the Company since they effectively contribute to the development and progress of the Company. For this reason the Company continuously invests on this sector:

The Company takes the following main measures:

- It conducts risk reviews in health and safety matters
- It conducts systematic measurements to the air quality, the noise level and the suitability of brightness in its premises
- It has drafted an office evacuation draft and has created special groups of employees who are in charge of the implementation of the plan and conducts evacuation tests of the buildings twice a year.
- It trains and informs regularly the employees on matters of fire safety, emergency situation management, provision of first aid (there is a special group trained and certified in KARPA and the use of defibrillators that exist in the Company's buildings.

Branches

Group's branches consist of the shopping centers "The Mall Athens" and "Mediterranean Cosmos" located at Maroussi, A. Papandreou str. 35 and at the 11th km of the National Road Thessaloniki – Neon Moudanion respectively.

CORPORATE GOVERNANCE DECLARATION

A. Corporate Governance Code

The Company, pursuant to Law 3873/2010 has enacted and implements a Corporate Governance Code, which can be found in its website www.lamdadev.com

B. Corporate Governance principles that the Company follows in addition to laws and regulations

The Company, with a view to implementing a structured and adequate system of Corporate Governance, has adopted and implements specific practices in addition to the provisions of the law, which may be outlined as follows:

- The Company draws a clear distinction between the responsibilities of the Chairman, who is a non-executive member of the Board, and those of the CEO.
- The Board is composed by a majority of non-executive members, with a significant presence of independent non-executive members who's number, in the present composition, amounts to a total of four (4).
- Establishment of Compensation and Nomination Committee to assist the Board of Directors in all matters concerning the general principles governing the management of the Company's human resources, and especially the policies on compensation, benefits and incentives for the Board of Directors' executive members and the executives and employees of the Company, as well as the empowerment of the company's administrative centres, thus the assurance of the effective management of the Company by identifying, presenting and nominating suitable candidates for the filling of vacancies in the Board of Directors and approve the documented recommendations of CEO for hiring and promoting executives.
- The Company establishes a standard procedure for the evaluation of the Board and its Committees, which takes place at least every two years.

The above mentioned practices are analytically mentioned in the Corporate Governance Code, which has been posted on the Company's website www.lamdadev.com.

C. Description of the internal control and risk management system with regard to the preparation procedure of the financial statements

C.1. Internal Control System

The Group implements a "safety valves" mechanism for the preparation procedure of financial statements, aiming to prevent or identify material errors on time, in order to ensure the credibility and efficiency of operations and the compliance with laws and regulations. The selection and placing of material accounts and group companies under this safeguard mechanism is performed using specific qualitative and quantitative significance criteria.

Regarding the preparation of financial statements, the main areas in which these "safety valves" are established are the following:

Organization - Allocation of Competencies

- The assignment of authorities and responsibilities, both at the Senior Management and executives of the Group, enhances the efficiency of the Internal Control System while simultaneously safeguarding the segregation of duties.
- The Company ensures the adequate staffing of financial departments with qualified personnel possessing the expertise and experience required for the fulfilment of their assigned duties.

Monitoring of the accounting process

- Establishing a single centralized policy for the monitoring of the group subsidiaries' accounting departments.
- Launching a program for the integration and monitoring of intercorporate transactions, tailored to meet the needs of the Group.
- Conducting automatic checks and verifications between the various information systems.

Process for the safeguarding of assets

- Setting up safety mechanisms for the Company's fixed assets, inventories, cash on hand and in banks and other assets.
- Following a program of regular physical inventories to verify stock balance.

C.2. Information System Security

The Company has developed and integral framework for the supervision and monitoring of its information systems. This framework consists of a set of control mechanisms (networks security, access, security back-ups, etc.), a complete plan for the recovery of information infrastructures in case of disaster (Disaster Recovery Plan), and updates of software and hardware in order to meet all needs and necessities. Policies and procedures have been updated to cover the entire scope of the Group's information systems activities, among which the change management procedure with regard to information systems and services and the provision of detailed job, roles and duties descriptions for all the parties involved in the preparing of financial statements. Finally, limited access rights have been set for the system users according to their assigned tasks, and an entry log system is kept, in order to allow the immediate and efficient control of all users.

C.3. Risk Management

The identification and assessment of risks is mainly performed during the strategic planning and the annual business plan. The issues to be examined each time may vary, depending on the conditions of the market and the business sector in general. A more extensive reference to the risks to which the Group is exposed, is made in another section of the Board of Directors' Report. Major concern of the Company's Management is to ensure - by implementing the appropriate risk management system- that the entire mechanism shall readily and efficiently nip on the bud any risks or, at least, take the appropriate measures to mitigate their effects to the extent possible. To this end, the systems implemented by the Company provide for specific procedures and special policies and clearly determine the persons responsible for the risk management at each level and delineate their powers.

The Board of Directors is the competent body that has the ultimate responsibility for the monitoring and assessment of the internal control and risk management systems. The responsibility for monitoring the compliance with the system resides with: a. The Audit Committee of the Board; and b. the Company's Internal Audit Department, as set out in detail in the Corporate Governance Code posted on the Company's website (www.lamdadev.com).

D. Additional information that are required by sections (c), (d), (f), (g) and (h) of article 10 par. 1 of the 2004/25/EC Directive of the European Parliament and of the Board, of the 21st April 2004, regarding the public offers of acquisitions

- The additional information pursuant to section (c) of article 10 par. 1 of the 2004/25EC Directive can be found in the section of the current Directors Report that presents the additional information pursuant to article 4 par. 7 of Law 3556/2007
- With regard to the additional information pursuant to section (d) of article 10 par. 1 of the 2004/25/EC Directive, there is not any kind of titles issued by the Company which confer special rights to their holders
- With regard to the additional information pursuant to section (e) of article 10 par. 1 of the 2004/25/EC Directive, there does not exist any limitations whatsoever with regard to voting rights.

- The additional information pursuant to section (f) of article 10 par. 1 of the 2004/25/EC Directive, relevant with the amendment of the Articles of Association of the Company and the appointment and replacement of a member of the Board of Directors, are included in another section of the current Directors Report that presents the additional information pursuant to article 4. par. 7 of Law. 3556/2007.
- The additional information pursuant to section (g) of article 10 par. 1 of the 2004/25/EC Directive can be found in the section of the current Directors Report that presents the additional information pursuant to article 4 par. 7 of Law 3556/2007.

E. Information regarding the mode of operation of the General Meeting of the Shareholders and its authorities, as well as the description of the Shareholder rights and their exercise

E.1. General Meeting of the Shareholders

The General Meeting is the supreme body of the Company; it is convened by the Board of Directors and has the authority to decide on all matters that concern the Company. Shareholders have the right to participate to the General Meeting, either in person or through a legally authorized representative, in accordance with the legal procedure that is in effect.

The Board of Directors ensures that the preparation and the proceedings of the General Meeting of Shareholders facilitate the effective exercise of shareholder rights, within the framework of the Articles of Association, thus their participation, especially the shareholders with minority rights, the foreign shareholders and those living in isolated areas.

In relation to the provisions of L. 3884/2010 the Company posts on its website at least twenty (20) days before the General Meeting, both in the Greek and English language, information regarding:

- The date, the time and the place where the General Meeting of Shareholders is being convened.
- The basic rules and practices for participating, including the right to add items to the daily agenda and to submit questions, as well as the deadlines for exercising those rights.
- The voting process, the conditions for representation through an agent, and the documents that are used for voting through an agent.
- The proposed daily agenda of the Meeting, including the draft decisions for discussion and voting, as well as any attached documents.
- The proposed list of candidate members of the BoD and their biographical statements (provided that members must be elected).
- The total number of shares and voting rights on the date of the convocation.

The General Meeting is entitled to elect its Chairing Committee, consisting of the Chairman and Secretary of the General Meeting. Until approval of the Chair election list, the Chairman of the Board of Directors, or his legal Substitute, or the eldest Shareholder attending, shall act as interim Chairman and appoint a Secretary among the shareholders attending.

Summary of the minutes of the General Shareholder Meeting are made available on the Company's website within 15 days as of the end of the General Shareholder Meeting both in Greek and English.

E.2. Shareholder participation in the General Meeting

Every shareholder is allowed to participate and vote at the General Meeting of the Company that appears with that capacity in the records of the entity that holds the transferable securities of the Company at the commencement of the fifth (5th) day before the date of the General Meeting, and, in the case of the Second General Meeting, at the start of the fourth (4th) day before the date of the Second General Meeting. The exercise of these rights does not require the blocking of the shares of the holder, nor the observance of any other equivalent procedure. The shareholder can appoint a representative if he or she wishes. In other respects, the Company complies with the provisions of Codified Law 2190/1920.

E.3. Procedure for participating and voting through a representative

Shareholders may participate in the General Meeting and vote either in person or by proxy. Each shareholder may appoint up to three (3) proxies and legal entities/shareholders may appoint up to three (3) individuals as proxies. In cases where a shareholder owns shares of the Company that are held in more than one Investor Securities Account, the above limitation does not prevent the shareholder from appointing separate proxies for the shares appearing in each Account. A proxy holding proxies from several shareholders may cast votes differently for each shareholder.

It is noted that provided that the Board of Directors establishes that the previous material and technical resources adjustment is still in place, ensuring the identification of shareholders and the security of the electronic communication, and allowing for the transmission of the meeting or for a two-way communication, the shareholders may participate at the general meetings by electronic means, i.e. without physical participation at the venue of the general meeting. This participation may take place via real time transmission of the meeting or real time two-way communication, enabling shareholders to address the general meeting from a remote location. The company's Board of Directors shall be responsible to establish whether the above requirements, such as are necessary to ensure the technical feasibility and security of the participation in the general meeting by electronic means, are met.

Provided that the board of directors establishes that the previous material and technical resources adjustment is still in place, ensuring the identification of shareholders and the security of the electronic communication, the company's shareholders shall be able to exercise their voting rights at a general meeting from a remote location, either by voting by correspondence or by electronic means. In such an event, the company shall distribute ballot forms beforehand either in electronic format via its website or in paper form at its registered office. The exercising of voting rights by electronic means may take place before or during the general meeting. The Shareholders voting by correspondence shall be counted in the calculation of quorum and majority, on the condition that the Company receives the relevant ballots at least by the beginning of the General Meeting. The company's Board of Directors shall be responsible to establish whether the above requirements, such as are necessary to ensure the technical feasibility and security of the shareholders' distant participation in the general meeting, are met.

In any case, the Board of Directors shall include in the Notice of the General Meeting all the necessary information on the possibility of distant voting and the participation in the General Meeting by electronic means. Should the Board of Directors establish that the technical requirements, as necessary to secure the holding of a general meeting by electronic means or the shareholders' distant voting at the general meeting, are not met, then it shall mention this fact in the notice of the general meeting.

E.4. Minority rights

All issues pertaining to minority matters and rights shall be regulated in accordance of article 23 of the codified Articles of Association:

1. All issues pertaining to minority matters and rights shall be regulated in accordance with the provisions of Codified Law 2190/1920, as in force.

Upon request of shareholders that represent at least 10% of the Relevant Equity Shares as well as of the GSO Entities, provided that the latter hold at that time in aggregate at least 10% of the Relevant Equity Shares, which request is submitted to the Company with the timeframe of Article 39(4) of Codified Law 2190/1920, the Board of Directors is obliged to provide the General Meeting with the following information: (a) non-confidential information regarding any event or development that occurs within the Company or which comes to the attention of the Company and which could reasonably be expected to cause a material change to the

Group's business or the ceasing of operations or operation of any material operating subsidiaries, lead to the de-listing of the shares of the Company and/or conversion of the Company into a private company and/or its ability to perform (other than in a non-material way) its obligations relating to the acquisition by the GSO Entities of the 10% of the share capital of the Company on 2.7.2014; and (b) material details of any formal third party written offer or approach (coming to the attention of the Board of Directors) which might reasonably be expected to lead to any sale or disposal or a series of sales or disposals by Consolidated Lamda Holdings S.A. (or by persons affiliated to such shareholder) of securities (including shares, preferred shares, any convertible equity securities as well as rights to acquire or convert into shares and/or shareholder loans) that exceed in aggregate 5% of the securities issued from time to time by the Company or by any holding company, in which the share capital structure of the Company is replicated in all material respects, to any third party that is not an affiliate entity with such shareholder (or does not constitute a shareholder, partner, representative or agent of such affiliated entity established in any jurisdiction directly or indirectly with the purpose to hold such shares for it) such sale or series of sales being completed through transfer of legal ownership against consideration during any twelve (12) month period starting on 3 July 2014 or any successive twelve month period, unless in the case of a bona fide sale on an arm's length basis by a securities holder where such holder holds those securities solely as mortgagee, chargee, pledgee or otherwise as security for any loan, liability or facility properly granted on an arm's length basis;

2. According to the Deed of Adherence dated 28.12.2017, which was signed among GSO Coastline Credit (Luxembourg) Partners SARL, GSO Palmetto Opportunistic Investment (Luxembourg) Partners SARL, GSO Special Situations Master Fund SARL, GSO Cactus Credit Opportunities Oasis Credit (Luxembourg) Partners SARL on the one side (hereinafter referred to as the "Transferors"), whose rights are controlled by GSO Capital Partners LP, and Voxcove Holdings Limited (hereinafter the "New Shareholder") on the other side, it was agreed that, in view of the forthcoming transfer of 10,227,206 shares from the Transferors to the New Shareholder, the latter shall adhere to the Shareholders' Agreement dated as of 26.08.2014 and signed between "GSO Shareholders" (as defined in the agreement), GSO Capital Partners LP, Consolidated Lamda Holdings SA and the Company. Under this Deed of Adherence, the New Shareholder enters into the above Shareholders' Agreement and is bound by all its terms.

F. Composition and operation of the Board of Directors and any other administrative, managing or supervisory bodies or committees of the Company

F.1. Board of Directors

F.1.1. Role of the Board

The Board of Directors shall be competent to decide upon any issue pertaining to the administration, and management of the assets of the Company and the fulfilment of its corporate purpose, with the law and excluding the issues, responsible to decide is the General Meeting of the Shareholders. The Board of Directors effectively exercises its leadership role and manages its issues for the benefit of the Company and all the shareholders, ensuring that the Management implements the corporate strategy. In addition, ensures fair and equal treatment of all shareholders, including shareholders with minority rights and foreign shareholders.

F.1.2. Size and the composition of the Board

The Board of Directors composed as majority of non-executive members, and includes at least two (2) independent members in the sense of L.3016/2002.

According to article 10 of the codified Articles of Association:

1. The Company is administered by a Board of Directors consisting of minimum five (5) to maximum eleven (11) members that are elected by the Shareholders' General Meeting and that may, but need not be, Shareholders. The members may be either natural or legal persons. In the case that a legal person is Member *of the Board of Directors, it is required to designate a natural person to exercise its powers as member of the Board of Directors. The elected members of the Board of Directors may be reelected. The General Meeting may, as and when it considers appropriate, elect Substitute members, up to a number that shall not surpass that of the ordinary members.*

1α. Prior to any general meeting of shareholders which is convened for the purposes of electing new members of the Board of Directors the Manager (as defined in paragraph 10 of the present article) acting on behalf of the GSO Entities (as defined in paragraph 9 of the present article) is entitled to appoint for as long as the GSO Entities hold in aggregate at least 10% of the Relevant Equity Shares (as defined in paragraph 13 of the present article) one (1) member of the Board of Directors pursuant to the provisions of Article 18 (3) and (4) of Codified Law 2190/1920. Such member of the Board can be removed at any time by decision of the Manager and be replaced by other member until the expiration of the relevant office term. In the event that, and for as long as, the GSO Entities cease to hold in the aggregate at least 10% of the Relevant Equity Shares the above appointed person shall automatically cease to be a member of the Board of Directors.

1b. The appointment right set out in paragraph 1a above is also granted to any shareholder who either on a stand-alone basis or together with any Affiliates holds in the aggregate at least 10% of the Relevant Equity Shares of the company, provided that, following the election of new members of the Board of Directors by the General Meeting of Shareholders prior to which the relevant appointment right is exercised, the number of the members of the Board of Directors will not exceed the maximum number of members set out in paragraph 1 of the present article.

2. The term of office of Board Directors members shall be five (5) years and may be extended until the first Ordinary General Meeting convened after the expiration of the said term, but cannot exceed six (6) years in total.

3. Should there be, for any reason, any vacancies in one or more board positions, these shall be filled, by order of election, by substitute members, if any, elected by the General Meeting, pursuant to article 10, paragraph 1 of the Articles of Association.

4. In the case that the filling of vacancies is not possible, whether because no substitute members have been elected by the General Meeting, or because their number is insufficient, the Board of Directors may either elect directors to fill in the vacancies, or carry on with the administration and representation of the Company with the remaining directors and without replacing the former members, on the condition that the remaining number of directors is superior to one half of the initial number of members as it was before the occurrence of the aforementioned events. That said, the number of Board members cannot, at any time, be inferior to three.

4a. The right of the Board of Directors to substitute vacant members as per the above paragraph shall not exist in relation to the replacement of members that have been appointed in the Board of Directors pursuant to paragraphs 1a and/or 1b of the present article. Any members that have been appointed in the Board of Directors pursuant to paragraphs 1a and 1b of the present article can only be substituted through a decision of the shareholders that have appointed such members pursuant to paragraphs 1a and 1b of the present article.

4b. The right of the Board of Directors to continue to manage and represent the Company through any remaining members and without having replaced any vacant members shall not prejudice the right of the shareholders mentioned in paragraphs 1a and/or 1b of the present article to exclusively replace any vacant member that has been appointed by such shareholders pursuant to paragraph 4a of the present article.

5. Should there be an election for replacing members, these shall be elected by the Board of Directors upon decision of its remaining members, provided their number is not inferior to three (3), and shall stay in office for the remaining of the term of office of the member to be replaced. The decision pertaining to the election *is subject to the publication formalities under article 7b of Codified Law 2190/1920, as in force from time to time, and shall be announced by the Board of Directors at the first subsequent General Meeting, which has the power to replace the elected members even if no such item is entered on the agenda. The right of the General Meeting set out above to elect permanent members in replacement of those mentioned in paragraph 4 of the present article shall not exist in relation to members that have been appointed by the shareholders pursuant to paragraphs 1a and/or 1b of the present article given the exclusive right of replacement granted to such shareholders pursuant to paragraphs 4a and 4b of the present article.*

6. The election of directors in replacement of vacancies shall be compulsory when the number of the remaining directors is inferior or equal to half of the initial number of directors, as it was before the occurrence of one or more vacancies. The appointment of members pursuant to paragraphs 4a and 4b of the present article in replacement of any vacant member that has been appointed pursuant to paragraphs 1a and/or 1b of the present article is always compulsory.

***7.** In case one or more members of the Board of Directors resign, pass away, or lose membership in any way, the remaining members may continue the administration and representation of the Company without replacing the vacancies, on the condition that their number is superior to one half of the initial number of members before the occurrence of the aforementioned events. In any case, the number of Board members cannot, at any time, be inferior to three (3). The right of the Board of Directors to continue to manage and represent the company through the remaining members and without substituting any vacant members shall not prejudice the right of the shareholders mentioned under paragraphs 1a and/or 1b of the present article to exercise their exclusive right to replace any vacant member that has been appointed by the same pursuant to paragraphs 4a and 4b of the present article.*

8. In any case, the remaining members (even one) of the Board of Directors, regardless of their number, may convene a General Meeting with the express purpose of electing a new Board of Directors. In this case, prior to such General Meeting the shareholders mentioned in paragraphs 1a and 1b of the present article shall fully exercise their rights under the abovementioned paragraphs.

*9. "**GSO Entities"** means the following legal persons:*

GSO Special Situations Master Fund (Luxembourg) S.a r.l.

GSO Palmetto Opportunistic Investment (Luxembourg) Partners S.a r.l.

GSO Credit -A (Luxembourg) Partners S.a r.l.

GSO Coastline Credit (Luxembourg) Partners S.a r.l.

GSO Aiguille des Grands Montets (Luxembourg) S.a r.l.

GSO Cactus Credit Opportunities (Luxembourg) S.a r.l.

GSO Oasis Credit (Luxembourg) Partners S.a r.l.

*and/or their respective Affiliates who, from time to time, are the registered holders of the shares of the Company. "Affiliate" means in relation to a person who is a shareholder of the Company (the "**Shareholde**r") some or all of the following as may be appropriate and from time to time:*

i) where the Shareholder is an Investment Fund, any Investment Fund of which: (a) that Shareholder (or any Group Undertaking of, or any (direct or indirect) shareholder in, that Shareholder); or (b) that Shareholder's *(or any Group Undertaking of, or any direct or indirect) shareholder in, that Shareholder's) general partner, manager or Adviser, is the general partner, manager and/or Adviser;*

ii) any Group Undertaking of that Shareholder, or of any (direct or indirect) shareholder in that Shareholder, or of that Shareholder's or of any (direct or indirect) shareholder in that Shareholder's general partner, manager and/or adviser (excluding any portfolio company thereof);

iii) any general partner, or manager of, and/or Adviser to, or holder of controlling interests (whether directly or indirectly) in, that Shareholder, or in any (direct or indirect) shareholder in that Shareholder, (or of, to or in any Group Undertaking of that Shareholder, or of any (direct or indirect) shareholder in that person) or of, to or in any Investment Fund referred to in (i) above or of, to or in any Group Undertaking referred to in (ii) above;

iv) in relation to a body corporate, any Subsidiary Undertaking or Holding Company of such body corporate, and any Subsidiary Undertaking of any such Holding Company, in each case from time to time.

*10. "**Investment Fund**" means any collective investment undertaking, including investment compartments thereof, which raises capital from a number of investors, with a view to investing the funds raised in accordance with a defined investment policy for the benefit of such investors; The terms "Undertaking", "Group", "Shareholder", "General Partner", "Adviser", "Manager", "Subsidiary Undertaking", and "Holding Undertaking" that are used in the above paragraph shall have the meaning that is given to them by the legal framework applicable in the jurisdiction of establishment of the relevant legal person.*

*11. "**Adviser**" means a person who is appointed and/or engaged as a fund manager and/or an adviser to an Investment Fund under or pursuant to an investment management agreement or similar agreement from time to time;*

*12. "**Manager**" means GSO Capital Partners LP, a limited partnership with its registered office at 345 Park Avenue, New York, NY 10154, USA, as duly represented;*

*13. "**Relevant Equity Shares**" means the share capital of the Company, as is outstanding from time to time, excluding any shares issued under the stock option plan as approved by resolution of the General Meeting dated 23.6.2006, as amended by the resolution of the General Meeting dated 20.5.2010 and under any other stock option plan being approved pursuant to Article 13 (13) of the Codified Law 2190/1920 and being valid from time to time.*

*14. The verb "**hold**", in relation to shares, refers to shares being held directly and/or held through a nominee.*

According to the Deed of Adherence dated 28.12.2017, which was signed among GSO Coastline Credit (Luxembourg) Partners S.A.R.L., GSO Palmetto Opportunistic Investment (Luxembourg) Partners S.A.R.L., GSO Special Situations Master Fund S.A.R.L., GSO Cactus Credit Opportunities Oasis Credit (Luxembourg) Partners S.A.R.L. on the one side (hereinafter referred to as the "Transferors"), whose rights are controlled by GSO Capital Partners LP, and Voxcove Holdings Limited (hereinafter the "New Shareholder") on the other side, it was agreed that, in view of the forthcoming transfer of 10,227,206 shares from the Transferors to the New Shareholder, the latter shall adhere to the Shareholders' Agreement dated as of 26.08.2014 and signed between "GSO Shareholders" (as defined in the agreement), GSO Capital Partners LP, Consolidated Lamda Holdings SA and the Company. Under this Deed of Adherence, the New Shareholder enters into the above Shareholders' Agreement and is bound by all its terms.

Moreover:

- The Board of Directors shall elect, among its members and for its term of office, the Chair, Vice Chair and CEO of the Company. The offices of Chair or Vice Chair and CEO may be combined and held by the same person.

- Should the Chair be prevented from exercising their duties, these shall be performed by the Vice Chairman or by any Director appointed for this purpose. Should there be a vacancy in the Bureau of the Board; the Board shall elect a replacement at its first meeting after the said vacancy took place. The newly elected member of the Bureau shall remain in office for the remainder of the replaced director's

The Board of Directors consists of the following ten (11) members and its service is until 13.06.2023:

- Anastasios Giannitsis, Chairman, non executive member
- Evangelos Chronis, Vice Chairman, non executive member
- Odissefs Athanasiou, Chief Executive Officer, executive member
- Fotios Antonatos, non executive member
- Dimitris Afendoulis, non executive member
- Eftichios Vassilakis, independent non executive member
- George Gerardos, independent non executive member
- Ioannis Karagiannis, non executive member
- Chariton Kyriazis, independent non executive member
- Ulysses Kyriacopoulos, independent non executive member
- Evgenia Paizi, non executive member

The Board of Directors CV's have been posted on the Company's website (www.lamdadev.com).

F.1.3. Meetings

The Board of Directors convenes at the Company's registered office whenever required by Law, the Articles of Association or the needs of the Company.

The Board of Directors may convene by teleconference in accordance with the provisions of article 20, paragraph 3a of Codified Law 2190/1920.

The Board of Directors may validly convene in places other that the Company's registered office, whether in Greece or abroad, provided that in the said meeting are attending in person or by proxy all its members and that none of them objects to its taking place or to the taking of decisions.

During the year 2018, were held twelve (12) meetings of the Board of Directors.

F.2. Board of Directors Committees

F.2.2. Audit Committee

The Audit Committee was initially established under Article 37 of Law 3693/2008, in accordance with the specific terms and provisions of the aforesaid law, upon decision of the Annual Ordinary Shareholders' General Meeting dated 5 May 2009. The provisions of Law 4449/2017 made necessary the re-establishment of Audit Committee, which was carried out in accordance with a relevant decision of the Ordinary Shareholders' General Meeting dated 15 June 2017.

The purpose of the Audit Committee is to assist the Company's Board of Directors in its duties with regard to financial information, internal audit and monitoring of the ordinary audit.
The Audit Committee is composed of at least three (3) members and is either an independent committee, or a committee of the Company's Board of Directors. The Committee is composed by a majority of independent members, within the meaning of Article 4 of Law 3016/2002. All Audit Committee members shall have sufficient knowledge of the sector in which the Company is operating. At least one member of the Committee

must be a certified auditor accountant under voluntary suspension from practice or retired, or have sufficient knowledge in accounting and auditing. The Audit Committee members are elected by the Company's Shareholders' General Meeting.

The Audit Committee operates in accordance with a detailed Operating Regulation, which has been posted on the Company's website (www.lamdadeve.com).

The Audit Committee consists of the following members:

- Chariton Kyriazis, Member
- Dimitrios Afentoulis, Mamber
- Eftichios Vassilakis, Member
- Ulysses Kyriacopoulos, Chairman

F.2.2. Compensation & Nomination Committee

The Compensation & Nomination Planning Committee is to assist the Board of Directors in all matters concerning:

A. the general principles governing the management of the Company's human resources, and especially the policies on compensation, benefits and incentives for the Board of Directors' executive members and the executives and employees of the Company, in accordance with the market conditions and the socio-economic context in general

B. the empowerment of the company's administrative centres, thus the assurance of the effective management of the Company by identifying, presenting and nominating suitable candidates for the filling of vacancies in the Board of Directors and approve the documented recommendations of CEO for hiring and promoting executives.

The members of the Compensation & Nomination Planning Committee are appointed by the Company's Board of Directors.

The Committee is composed of three (3) members, the majority of which are non-executive and independent, and of two (2) substitute members, one of which is substitute of the Chairman. The Chairman of the Compensation & Nomination Planning Committee and his substitute, are nominated by the Company's Board of Directors.

The Compensation & Nomination Committee operates in accordance with a detailed Operating Regulation, which has been posted on the Company's website (www.lamdadev.com).

The Compensation & Nomination Committee consists of the following members:

- Fotios Antonatos, Chairman
- Ulysses Kyriacopoulos, Member
- George Gerardos, Member

Mr. Evangelos Chronis is appointed a substitute member of the Chairman.

G. Diversity Policies that are applicable to administrative, managerial and supervisory authorities of the Company

The Company is committed to international standards for diversity and equal opportunities. Provides equal opportunities to all employees and candidates at all levels of hierarchy, regardless the race, colour, religion, ancestry, sex, sexual orientation, age, disability, marital status, or any other characteristic protected by law and expressly prohibits discrimination or harassment based on these factors.

All decisions relating to recruitment, promotion, training, performance evaluation, salary payments and benefits, disciplinary offenses and dismissal are free from any illegal discrimination. It should be noted that no incidents of discrimination have been reported in the Company, thus there is a gender balance of the Company's Human Resources (47% of which are women).

The constructive use of difference and diversity, the respect regarding individual differences and the creation of a fair and meritocratic work environment for all employees without exceptions, is the key element for the Company's growth and the achievement of its strategic objectives.

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF LAMDA DEVELOPMENT S.A. (Par.7 & 8, Article 4, Law 3556/2007)

1. Structure of the Company's share capital

The Company's share capital on 31.12.2018 amounts to euros 23,916,532.50 divided into 79,721,775 shares, with a nominal value of 0.30 euros each. All shares are listed for trading in the Securities Market of the Athens Exchange.

The shares of the Company are common registered with a voting right. Each share of the Company embodies all the rights and the obligations that are specified by the Law and the Company's Articles of Association. The liability of the shareholders is limited to the nominal value of the shares they hold.

2. Restrictions on the transfer of shares of the Company

The Company shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

3. Significant direct or indirect participations in accordance with the provisions of articles 9 – 11 of L. 3556/2007

On 31.12.2018, the following shareholders held directly or indirectly, more than 5% of the share capital of the Company, in accordance with the provisions of articles 9-11 of L.3556/2007:

Shareholder	**Shares**	**Percentage of Share Capital 31.12.2018**
Consolidated Lamda Holdings S.A.	42,909,657	53.82%
Voxcove Holdings LTD (1)	10,227,206	12.83%

(1) According to the Deed of Adherence dated 28.12.2017, which was signed among GSO Coastline Credit (Luxembourg) Partners S.A.R.L., GSO Palmetto Opportunistic Investment (Luxembourg) Partners S.A.R.L., GSO Special Situations Master Fund S.A.R.L., GSO Cactus Credit Opportunities Oasis Credit (Luxembourg) Partners S.A.R.L. on the one side (hereinafter referred to as the "Transferors"), whose rights are controlled by GSO Capital Partners LP, and Voxcove Holdings Limited (hereinafter the "New Shareholder") on the other side, it was agreed that, in view of the forthcoming transfer of 10,227,206 shares from the Transferors to the New Shareholder, the latter shall adhere to the Shareholders' Agreement dated as of 26.08.2014 and signed between "GSO Shareholders" (as defined in the Aagreement), GSO Capital Partners LP, Consolidated Lamda Holdings SA and the Company. Under this Deed of Adherence, the New Shareholder enters into the above Shareholders' Agreement and is bound by all its terms.

No other physical or legal entity possesses more than 5% of the share capital of the Company, on the above date.

4. Shares providing special control rights

None of the Company's shares carry special control rights.

5. Voting rights restrictions

No restrictions of voting rights are foreseen in the Articles of Association of the Company.

6. Agreements among the shareholders of the Company

With the as of 2.7.2014 and 23.9.2014 announcements of the Company, on 26.8.2014 investment funds, all managed by the Investment Firm Blackstone / GSO Capital Partners LP (hereinafter the "**GSO Investment Funds**"), the Company and Consolidated Lamda Holdings S.A. entered in an agreement (hereinafter the "**Shareholders Agreement**") pursuant to which, for as long as the GSO Investment Funds hold in total, directly or indirectly, at least 10% of the voting rights of the Company, the GSO Investment Funds shall be entitled to nominate one member of the Board of Directors of the Company, their consent as shareholders will be required in order for the Company's General Meeting of the Shareholders to decide on a significant change of the business scope of the Company or the delisting of its shares from the regulated market, and in addition the GSO Investment Funds will benefit from customary anti-dilution rights, and the other minority protection rights.

According to the Deed of Adherence dated 28.12.2017, which was signed among GSO Coastline Credit (Luxembourg) Partners S.A.R.L., GSO Palmetto Opportunistic Investment (Luxembourg) Partners S.A.R.L., GSO Special Situations Master Fund S.A.R.L., GSO Cactus Credit Opportunities Oasis Credit (Luxembourg) Partners SARL on the one side (hereinafter referred to as the "Transferors"), whose rights are controlled by GSO Capital Partners LP, and Voxcove Holdings Limited (hereinafter the "New Shareholder") on the other side, it was agreed that, in view of the forthcoming transfer of 10,227,206 shares from the Transferors to the New Shareholder, the latter shall adhere to the Shareholders' Agreement dated as of 26.08.2014 and signed between "GSO Shareholders" (as defined in the agreement), GSO Capital Partners LP, Consolidated Lamda Holdings SA and the Company. Under this Deed of Adherence, the New Shareholder enters into the above Shareholders' Agreement and is bound by all its terms.

7. Rules governing the appointment and replacement of the members of the Board of Directors, as well as for amendment of the Article of Association deviating from those provided for in Codified Law 2190/1920

With the decision of the Extraordinary General Meeting of the Shareholders held on 23.9.2014, the Amendment of Sections 10, 15, 19 and 23 of the Articles of Association was approved, pursuant to the provisions of the Shareholders Agreement. Specifically, in accordance with the amended Article 10 of the Articles of Association, which regulates among other the appointment and replacement of the members of the Board of Directors, the following are provided:

"ARTICLE 10

1. The Company is administered by a Board of Directors consisting of minimum five (5) to maximum eleven (11) members that are elected by the Shareholders' General Meeting and that may, but need not be, Shareholders. The members may be either natural or legal persons. In the case that a legal person is Member of the Board of Directors, it is required to designate a natural person to exercise its powers as member of the Board of Directors. The elected members of the Board of Directors may be reelected. The General Meeting may, as and when it considers appropriate, elect Substitute members, up to a number that shall not surpass that of the ordinary members.

1α. Prior to any general meeting of shareholders which is convened for the purposes of electing new members of the Board of Directors the Manager (as defined in paragraph 10 of the present article) acting on behalf of the GSO Entities (as defined in paragraph 9 of the present article) is entitled to appoint for as long as the GSO Entities hold in aggregate at least 10% of the Relevant Equity Shares (as defined in paragraph 13 of the present article) one (1) member of the Board of Directors pursuant to the provisions of Article 18 (3) and (4) of Codified Law 2190/1920. Such member of the Board can be removed at any time by decision of the Manager and be replaced by other member until the expiration of the relevant office term. In the event that, and for as long as, the GSO Entities cease to hold in the aggregate at least 10% of the Relevant Equity Shares the above appointed person shall automatically cease to be a member of the Board of Directors.

1b. The appointment right set out in paragraph 1a above is also granted to any shareholder who either on a stand-alone basis or together with any Affiliates holds in the aggregate at least 10% of the Relevant Equity Shares of the company, provided that, following the election of new members of the Board of Directors by the General Meeting of Shareholders prior to which the relevant appointment right is exercised, the number of the members of the Board of Directors will not exceed the maximum number of members set out in paragraph 1 of the present article.

2. The term of office of Board Directors members shall be five (5) years and may be extended until the first Ordinary General Meeting convened after the expiration of the said term, but cannot exceed six (6) years in total.

3. Should there be, for any reason, any vacancies in one or more board positions, these shall be filled, by order of election, by substitute members, if any, elected by the General Meeting, pursuant to article 10, paragraph 1 of the Articles of Association.

4. In the case that the filling of vacancies is not possible, whether because no substitute members have been elected by the General Meeting, or because their number is insufficient, the Board of Directors may either elect directors to fill in the vacancies, or carry on with the administration and representation of the Company with the remaining directors and without replacing the former members, on the condition that the remaining number of directors is superior to one half of the initial number of members as it was before the occurrence of the aforementioned events. That said, the number of Board members cannot, at any time, be inferior to three.

4a. The right of the Board of Directors to substitute vacant members as per the above paragraph shall not exist in relation to the replacement of members that have been appointed in the Board of Directors pursuant to paragraphs 1a and/or 1b of the present article. Any members that have been appointed in the Board of Directors pursuant to paragraphs 1a and 1b of the present article can only be substituted through a decision of the shareholders that have appointed such members pursuant to paragraphs 1a and 1b of the present article.

4b. The right of the Board of Directors to continue to manage and represent the Company through any remaining members and without having replaced any vacant members shall not prejudice the right of the shareholders mentioned in paragraphs 1a and/or 1b of the present article to exclusively replace any vacant member that has been appointed by such shareholders pursuant to paragraph 4a of the present article.

5. Should there be an election for replacing members, these shall be elected by the Board of Directors upon decision of its remaining members, provided their number is not inferior to three (3), and shall stay in office for the remaining of the term of office of the member to be replaced. The decision pertaining to the election is subject to the publication formalities under article 7b of Codified Law 2190/1920, as in force from time to time, and shall be announced by the Board of Directors at the first subsequent General Meeting, which has the power to replace the elected members even if no such item is entered on the agenda. The right of the General Meeting set out above to elect permanent members in replacement of those mentioned in paragraph 4 of the present article shall not exist in relation to members that have been appointed by the shareholders pursuant to paragraphs 1a and/or 1b of the present article given the exclusive right of replacement granted to such shareholders pursuant to paragraphs 4a and 4b of the present article.

6. The election of directors in replacement of vacancies shall be compulsory when the number of the remaining directors is inferior or equal to half of the initial number of directors, as it was before the occurrence of one or more vacancies. The appointment of members pursuant to paragraphs 4a and 4b of the present article in replacement of any vacant member that has been appointed pursuant to paragraphs 1a and/or 1b of the present article is always compulsory.

7. *In case one or more members of the Board of Directors resign, pass away, or lose membership in any way, the remaining members may continue the administration and representation of the Company without replacing the vacancies, on the condition that their number is superior to one half of the initial number of members before the occurrence of the aforementioned events. In any case, the number of Board members cannot, at any time, be inferior to three (3). The right of the Board of Directors to continue to manage and represent the company through the remaining members and without substituting any vacant members shall not prejudice the right of the shareholders mentioned under paragraphs 1a and/or 1b of the present article to exercise their exclusive right to replace any vacant member that has been appointed by the same pursuant to paragraphs 4a and 4b of the present article.*

8. In any case, the remaining members (even one) of the Board of Directors, regardless of their number, may convene a General Meeting with the express purpose of electing a new Board of Directors. In this case, prior to such General Meeting the shareholders mentioned in paragraphs 1a and 1b of the present article shall fully exercise their rights under the abovementioned paragraphs.

*9. "**GSO Entities"** means the following legal persons:*

GSO Special Situations Master Fund (Luxembourg) S.a r.l.

GSO Palmetto Opportunistic Investment (Luxembourg) Partners S.a r.l.

GSO Credit -A (Luxembourg) Partners S.a r.l.

GSO Coastline Credit (Luxembourg) Partners S.a r.l.

GSO Aiguille des Grands Montets (Luxembourg) S.a r.l.

GSO Cactus Credit Opportunities (Luxembourg) S.a r.l.

GSO Oasis Credit (Luxembourg) Partners S.a r.l.

*and/or their respective Affiliates who, from time to time, are the registered holders of the shares of the Company. "Affiliate" means in relation to a person who is a shareholder of the Company (the "**Shareholde**r") some or all of the following as may be appropriate and from time to time:*

i) where the Shareholder is an Investment Fund, any Investment Fund of which: (a) that Shareholder (or any Group Undertaking of, or any (direct or indirect) shareholder in, that Shareholder); or (b) that Shareholder's (or any Group Undertaking of, or any direct or indirect) shareholder in, that Shareholder's) general partner, manager or Adviser, is the general partner, manager and/or Adviser;

ii) any Group Undertaking of that Shareholder, or of any (direct or indirect) shareholder in that Shareholder, or of that Shareholder's or of any (direct or indirect) shareholder in that Shareholder's general partner, manager and/or adviser (excluding any portfolio company thereof);

iii) any general partner, or manager of, and/or Adviser to, or holder of controlling interests (whether directly or indirectly) in, that Shareholder, or in any (direct or indirect) shareholder in that Shareholder, (or of, to or in any Group Undertaking of that Shareholder, or of any (direct or indirect) shareholder in that person) or of, to or in any Investment Fund referred to in (i) above or of, to or in any Group Undertaking referred to in (ii) above;

iv) in relation to a body corporate, any Subsidiary Undertaking or Holding Company of such body corporate, and any Subsidiary Undertaking of any such Holding Company, in each case from time to time.

*10. "**Investment Fund**" means any collective investment undertaking, including investment compartments thereof, which raises capital from a number of investors, with a view to investing the funds raised in accordance with a defined investment policy for the benefit of such investors; The terms "Undertaking", "Group", "Shareholder", "General Partner", "Adviser", "Manager", "Subsidiary Undertaking", and "Holding Undertaking" that are used in the above paragraph shall have the meaning that is given to them by the legal framework applicable in the jurisdiction of establishment of the relevant legal person.*

*11. "**Adviser**" means a person who is appointed and/or engaged as a fund manager and/or an adviser to an Investment Fund under or pursuant to an investment management agreement or similar agreement from time to time;*

*12. "**Manager**" means GSO Capital Partners LP, a limited partnership with its registered office at 345 Park Avenue, New York, NY 10154, USA, as duly represented;*

*13. "**Relevant Equity Shares**" means the share capital of the Company, as is outstanding from time to time, excluding any shares issued under the stock option plan as approved by resolution of the General Meeting dated 23.6.2006, as amended by the resolution of the General Meeting dated 20.5.2010 and under any other stock option plan being approved pursuant to Article 13 (13) of the Codified Law 2190/1920 and being valid from time to time.*

*14. The verb "**hold**", in relation to shares, refers to shares being held directly and/or held through a nominee.*

In addition, in relation to the amendment of the Company's Articles of Association, article 19, par. 2 and 2[a] of the amended and in force Articles of Association, the following are provided:

ARTICLE 19

...

2. Without prejudice to paragraph 2a of the present article, all issues pertaining to the convocation, quorum, decision-making majority requirements and General Meeting competencies, as well as to participation and voting rights in the General Meeting, are regulated in accordance with the provisions of Codified Law 2190/1920, as in force, excepting the issue of non- convertible bonds without rights of participation in profits, which may be decided by resolution of the Board of Directors.

2a. Any material change in the Company's business (resulting into the Company ceasing to be active in the development of real estate as its core business activity), any amendment of Article 2 of the present Articles of Association as well as any ceasing of operations of any material subsidiaries of the Company or any agreement by the Company to implement such abovementioned material change or amendment of Article 2 or ceasing of operations shall be treated as a matter which falls under Article 29(3) of Codified Law 2190/1920 and the exclusive competence of the General Meeting which validly resolves on such matter only if no objections are raised by shareholders that hold 10% of the Relevant Equity Shares (as defined under paragraph 13 of article 10 of the present articles of association).

*"**Group**" means the Company and each of its direct or indirect Subsidiaries from time to time;*

….."

8. Authority of the Board of Directors or certain of its members regarding the issuance of new shares or the purchase of own shares pursuant to article 16 of Codified Law 2190/1920

A. According to the provisions of article 13, paragraph 1 of the C.L. 2190/1920 and in combination with the provisions of article 6 of the Articles of Association of the Company, within five years since the relative decision of the General Meeting of the Shareholders with which an increase in the share capital is conducted, the Board of Directors has the right by a 2/3 majority decision of its members, to increase the share capital by issuing new shares. The amount of the increase cannot exceed the amount of the share capital that has already been paid in, at the date the relative decision was made by the General Meeting. The abovementioned authority of the Board of Directors may be renewed by the General Meeting of the shareholders for a time period that does not exceed five years for each renewal.

B. According to the provisions of article 13, paragraph 13 of the C.L. 2190/1920, by virtue of a decision of the General Meeting, which is made by increased quorum and majority, according to the provisions of articles 29 paragraph 3 & 4 and 31 paragraph 2 of the C.L. 2190/1920, a stock option plan may be introduced in favour of members of the Board of Directors and personnel of the Company, and of affiliated companies, in the form of the option to purchase shares, according to the specific terms of this decision, a summary of which is subject to the requirements of publication set out in article 7b of C.L. 2190/1920. The decision of the General Meeting especially specifies the maximum number of shares that can be issued, which cannot exceed 10% of the existing shares, the price and the terms of distribution of the shares to the beneficiaries. The Board of Directors decides on any other relevant details not otherwise determined by the General Meeting, issues the stock option certificates and the shares to the beneficiaries who have exercised their option, increasing respectively the capital and certifying the relative increase of it, according to article 11 of the C.L. 2190/1920.

Pursuant to the above provisions, the Annual General Meeting of the Shareholders dated 16.06.2015, decided the distribution of stock option certificates for the purchase of up to 3,000,000 shares of the Company i.e. 3.8% of the total share capital on the abovementioned date within the next five years, to members of the Board of Directors, Company employees and its subsidiaries, in the sense of article 42e of L.2190/1920. The terms of the program have been uploaded on the Company's website (www.lamdadev.com).

C. Pursuant to the provisions of article 16 of the C.L. 2190/1920, as it applies, subject to prior approval by the General Meeting of the Shareholders, the Company may acquire its own shares, under the responsibility of the Board of Directors, provided that the par value of the shares acquired, including the shares previously acquired and still held by the Company, does not exceed the one tenth (1/10) of its paid-up share capital. The resolution of the General Meeting must also set the terms and conditions of the acquisitions, the maximum number of shares that may be acquired, the effective period of the approval granted, which may not exceed 24 months, and, in the case of acquisition for value, the maximum and minimum consideration.

In implementation of the above provisions the Annual General Meeting of the Shareholders of the Company, on 15.06.2017 decided on the purchase of own shares within a period of 24 months, i.e. from 16.06.2017 until 15.06.2019, up to 10% of its paid-up share capital, at a maximum purchase price of 10 euros per share and a minimum purchase price equal to the nominal value of the share, that is 0.30 euros per share and instructed the Board of Directors to implement this decision in cases where it deemed necessary. The Board of Directors of the Company during its meeting on 15.06.2017 decided that the Company may proceed to the materialization of the abovementioned decision, as best served its interests.

During the period from 01.01.2018 to 31.12.2018 no own shares were acquired.

Therefore, the total number of own shares that the Company holds on 31.12.2018 amounts to 1,866,007 shares, which represents the 2.34% of its share capital.

9. Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer

In the event of a change in the control of the Company, due to the disposal of all shares held by Consolidated Lamda Holdings S.A., the Shareholders Agreement is considered automatically expired.

Furthermore, in case of the loss of the control of the Company by Consolidated Lamda Holdings S.A., shall be considered as an event of default with respect to the following bond loan contracts:

A. LAMDA Development S.A.: Syndicated Bond Loan amounting to €96.13 million (loan balance at 31.12.2018) with the banks Eurobank Ergasias S.A. (contribution €19.14 million.), Alpha Bank (contribution €38.72 million) and Piraeus Bank (contribution €38.27 million.).

B. LAMDA DOMI S.A.: Syndicated bond loan with HSBC France, Eurobank, Alpha Bank and Piraeus Bank, loan balance €64 million at 31.12.2018.

C. LAMDA FLISVOS MARINA S.A.: Syndicated bond loan with Piraeus Bank, loan balance €10.98 million at 31.12.2018.

10. Every agreement that the Company has concluded with members of its Board of Directors or with its employees, which foresees compensation in case of resignation or dismissal without substantial cause or termination of the term of office or employment due to a public offer

The Company has no agreements with members of the Board of Directors or with its employees, which foresee compensation in case of resignation or dismissal without substantial cause or termination of the term of office or employment as a result of a public offer

Independent Auditor's Report

To the Shareholders of "LAMDA Development S.A."

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of Lamda Development S.A. (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2018, the separate and consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2018, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Codified Law 2190/1920**.**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, in the period from 1 January 2018 and during the year ended as at 31 December 2018, are disclosed in note 33 to the separate and consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Valuation of Investment Property *(Notes 2.6, 4.1.a and 6 in the consolidated financial statements)* Investment property comprises owned land, owned buildings and leased buildings held for the purpose of generating long-term lease revenue or capital gains, as well as property for future development. The Group measures investment property at fair value in accordance with International Accounting Standard 40. As stated in Note 6 to the company and consolidated financial statements, as at 31 December 2018, the fair value of investment property of the Company and the Group amounts to € 2 million and € 852 million respectively. The gain from the revaluation of the aforementioned investment property for the year ended 31 December 2018 amounted to € 57 million for the Group. Fair value is primarily based on discounted future cash flows which stems from future flows determined by the tenant lease contracts that are in place. External factors such as rental rates for similar properties, discount rates associated with each tenant's operating activity, and current market conditions are also taken into account. Alternatively, fair value is based on comparative prices, adjusted where necessary due to differences in the physical condition, location or condition of the property in question. In order to determine the fair value of investment property, certified external valuers take into account factors directly associated with the property concerned, such as existing leases, rentals, and any	We have conducted the following procedures regarding the assessment of the valuation of Investment Property: • We obtained management's valuation reports for the year ended 31 December 2018, that were prepared by external valuers, and compared the fair value of investment property to the book values in the Company's and the Group's accounting records. • We have evaluated and confirmed the independence and objectivity of the certified external valuers of the Company and the Group. • We compared the fair values at 31 December 2018 with those at 31 December 2017 in order to assess whether their change was in line with market trends. For the most significant deviations, we received and evaluated the justifications of the Company's and Group's Management. • With the assistance of specialist external experts in real estate valuation, for the investment properties with the highest fair value and for those whose fair value fluctuation was not within the acceptable range of fluctuations based on market data, we found that the methodologies used are acceptable in terms of the requirements of International Valuation Standards and IFRSs.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>restrictions on the use of the property. They then use assumptions, based on available information in the real estate market, at the date of preparation of the financial statements, relating to expected future market rentals and discount rates in order to determine appropriate valuations.

We focused on this matter because of the:

• Relative size of the investment property to the total assets of the Company and the Group.
• Significant assumptions and estimates made by Management in the investment property valuation process.
• Sensitivity of valuations to key input assumptions, specifically discount rates and future rental income following the expiry of existing lease contracts.</td><td>• We examined, on a sample basis, the accuracy and relevance of the data used by Management’s certified external valuers to determine the fair value of the Company's and the Group's property investments. This data mainly concerned information on property leases, future rentals, the discount rate, and other data and assumptions included in the valuation reports.

• Concerning future rentals, we compared the rental income and the lease timetable with existing lease contracts on a sampling basis. In addition, we evaluated the discounted rate as well as other data and assumptions with historical financial information and our knowledge of the real estate industry.
Our audit procedures concluded that the valuations carried out were based on reasonable assumptions and appropriate data that are consistent with the prevailing market conditions.

We also found that the disclosures in Note 6 of the Company and Consolidated Financial Statements are adequate and consistent with the requirements of International Accounting Standard 40.</td></tr>
<tr><td>Assessment of carrying value of Investments in subsidiaries and joint ventures
(Notes 2.3.a, 2.3.e and 8 in the consolidated financial statements)
At 31 December 2018, the Company held investments in subsidiaries of € 308 million. Also, as at 31 December 2018, the Company and the Group held investments related to joint ventures amounting to € 7 million and € 27 million respectively.

Management reviews on an annual basis whether impairment indicators exist with respect to its investments. If an investment has to be impaired, the company calculates the amount of the impairment as the</td><td>We have conducted the following procedures regarding the assessment of the carrying value of investment in subsidiaries and joint ventures:

• We assessed Management's assessment and the conclusions regarding any indicators of impairment with respect to investments in subsidiaries and joint ventures.
• We assessed Management's analysis to determine if the fair value of investments in subsidiaries and joint ventures is based on</td></tr>
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<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>difference between the recoverable amount of the investment and its carrying value.

Management determines recoverable amount as the higher amount between the value in use and the fair value less the cost to sell in accordance with the provisions of International Accounting Standard 36.

The determination of the recoverable amount of each investment depends directly on the fair value of investment property held by the subsidiary or joint venture, as the investment property is the most significant asset in the company's balance sheet.

We focused on this area due to the significant size of investments in subsidiaries and joint ventures and because the assessment of the recoverable value of these investments is affected by the same factors described in the key audit matter "Valuation of Investment Property".

In the year ended December 31, 2018, an impairment loss of € 6 million was recognized in the Company's financial statements in relation to interests in subsidiaries and joint ventures.</td><td>changes in the fair value of investment property.
• Our procedures for determining fair value included the procedures is described in the above-mentioned key audit matter "Valuation of Investment Property".

From the above auditing procedures, we found that the determination of fair value was based on reasonable assumptions.

In addition, we examined the relevant disclosures in Note 8 in relation to the assessment of the carrying value of investments in subsidiaries and joint ventures and concluded that the disclosures are sufficient.</td></tr>
<tr><td>Legal Matters - Contingent Liabilities and Assets

(Notes 4.1.c and 29 in the consolidated financial statements)

As at 31 December 2018 and as described in Note 29 of the Company and Consolidated Financial Statements, there are pending legal matters against the Group.

The significant legal matters that may have an impact on the Company and Consolidated financial statements mainly related to the subsidiary company Lamda</td><td>Our procedures with respect to legal matters and to contingent liabilities and assets included:
• Discussion of legal matters with the company legal advisors and its Management.
• Evaluating Management's conclusions by understanding previous precedents in similar maters.
• Sending confirmation letters to external legal advisers handling the legal matters and,</td></tr>
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Key audit matter	***How our audit addressed the key audit matter***
Olympia Village, which owns and operates "The Mall Athens" shopping centre. We focused on this area, both the Management and the legal advisors of the Group have to make judgments in order to assess the possible impact of these legal matters.	where necessary, holding direct discussions with them. • Review of the minutes of the meetings of the Company's and the Group's administrative and supervisory bodies. Based on the data we have received and assessed, and given the inherent uncertainty surrounding judgments on legal matters, we believe that Management's judgments are based on reasonable assumptions. We also note that the disclosures in Note 29 are sufficient.
Refinancing of short-term borrowings *(Notes 2.1 and 16 in the consolidated financial statements)* As at 31 December 2018, the Company and the Group have short-term borrowings of approximately €96 million and € 141 million respectively. Short-term borrowings mainly relate to the bond loan of the Company (€ 96 million) and the subsidiaries Pylaia S.A. (€ 23 million) and Lamda Prime Properties S.A. (€ 5 million) with repayment dates to June 2019. Management is in a process of negotiating with financial institutions as regards the refinancing of the above short-term borrowings. Until the publication date of the financial statement, the refinancing process is not complete. We focused on this area due to the significant judgements that Management is required to make with respect to the timing of the completion of negotiations with financial institutions and the impact of this on future liquidity. The aforementioned facts affect the going concern principle upon which the company	We performed the following procedures with respect to the refinancing of the borrowings:: • Discussed and assessed Management's refinancing plans and the status of negotiations. • Review of communications with finance providers, including review of refinancing offer letters received by the Company and the Group. Our review procedures also included an assessment of the conditions attached to the refinancing offers. • We have evaluated the financial position of the Company and the Group, taking into account, among other things, the compliance with the required financial ratios as provided by the loan agreements. Based on our above procedures, we determined that Management's actions with respect to the refinancing of its short-term borrowing and its judgements as regards the timing of completion of the negotiations, supports the going concern basis of accounting. We also reviewed the applicable disclosures included in note 16 with respect to the refinancing of borrowings and concluded that the disclosures are sufficient.

Key audit matter	*How our audit addressed the key audit matter*
and consolidated financial statements of 31 December 2018 have been prepared.	

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members, the Board of Directors Report, the Corporate Governance Declaration and the Explanatory Report of the Board of Directors (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise, explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Codified Law 2190/1920 and the Corporate Governance Statement required by article 43bb of Codified Law 2190/1920 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

The information given in the the Board of Directors' Report for the year ended at 31 December 2018 is consistent with the separate and consolidated financial statements,

The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A of the Codified Law 2190/1920,

The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 43bb of the Codified Law 2190/1920.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements

The Board of Directors is responsible for the preparation *and fair presentation of the separate and consolidated financial statements* in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Codified Law 2190/1920, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's responsibilities for the audit of the separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. Appointment

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 16 June 2004. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 15 years.

Athens, 28 March 2019
The Certified Auditor

PricewaterhouseCoopers S.A.
Certified Auditors
268 Kiffisias Avenue,
152 32, Halandri
SOEL Reg. No. 113

Despina Marinou
SOEL Reg. No. 17681

Annual Consolidated Financial statements for the year ended December 31, 2018

Statement of financial position (Company and Consolidated)

all amounts in € thousands	Note	GROUP 31.12.2018	GROUP 31.12.2017	COMPANY 31.12.2018	COMPANY 31.12.2017
ASSETS					
Non-current assets					
Investment property	6	852.115	768.415	1.840	1.840
Property, plant and equipment	7	5.877	4.476	648	647
Investments in subsidiaries	8	-	-	308.307	285.018
Investments in joint ventures and associates	8	30.529	26.542	7.759	8.261
Deferred tax assets	20	7.739	11.436	7.185	8.348
Derivative financial instruments	19	285	45	-	-
Receivables	10	27.339	4.070	8.013	18.576
		923.885	**814.983**	**333.754**	**322.692**
Current assets					
Inventories	9	9.366	10.226	-	-
Trade and other receivables	10	40.574	33.984	24.424	27.130
Current tax assets		3.567	3.120	2.987	2.972
Financial instruments held at fair value through profit or loss	13	595	28.155	-	27.557
Cash and cash equivalents	12	67.875	86.244	12.245	29.894
		121.976	**161.729**	**39.656**	**87.554**
Total assets		**1.045.861**	**976.713**	**373.410**	**410.245**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital and share premium	14	376.663	376.800	376.663	376.800
Other reserves	15	6.900	6.419	3.012	3.007
Retained earnings/(Accumulated losses)		(28.447)	(70.377)	(187.233)	(148.218)
		355.117	312.842	192.442	231.589
Non-controlling interests		79.500	64.536	-	-
Total equity		**434.616**	**377.377**	**192.442**	**231.589**
LIABILITIES					
Non-current liabilities					
Borrowings	16	305.835	236.125	-	-
Deferred tax liabilities	20	106.683	105.858	-	-
Employee benefit obligations	17	1.202	1.120	812	775
Other non-current liabilities	18	1.330	1.066	53.654	40.765
		415.049	**344.169**	**54.466**	**41.540**
Current liabilities					
Trade and other payables	18	53.626	47.787	30.374	13.980
Current tax liabilities		1.563	1.392	-	-
Derivative financial instruments	19	-	225	-	-
Borrowings	16	141.006	205.762	96.128	123.137
		196.195	**255.167**	**126.502**	**137.117**
Total liabilities		**611.244**	**599.335**	**180.968**	**178.657**
Total equity and liabilities		**1.045.861**	**976.713**	**373.410**	**410.245**

These consolidated and separate financial statements of LAMDA Development SA for the year ended December 31, 2018 have been approved for issue by the Company's Board of Directors on March 28, 2019.

The notes on pages 44 to 107 are an integral part of these financial statements.

Income Statement (Company and Consolidated)

all amounts in € thousands	Note	GROUP 01.01.2018 to 31.12.2018	GROUP 01.01.2017 to 31.12.2017	COMPANY 01.01.2018 to 31.12.2018	COMPANY 01.01.2017 to 31.12.2017
Revenue	21	79.379	87.179	3.587	2.523
Dividends		-	-	6.289	3.841
Net gain/(loss) from fair value adjustment on investment property	6	56.836	11.710	-	-
Loss from inventory impairment	9	(740)	(7.748)	-	-
Impairment provision relating to property repurchase		(624)	(12.977)	-	-
Cost of inventory-land sale	9	(120)	(40.225)	-	-
Other direct property operating expenses	22	(13.462)	(12.344)	-	-
Employee benefits expense	24	(10.632)	(10.591)	(8.320)	(7.956)
Depreciation of property, plant and equipment	7	(727)	(773)	(153)	(99)
Operating lease payments		(350)	(541)	(953)	(954)
Impairment provision relating to subsidiaries, joint ventures and associates	8	-	-	(2.809)	(8.400)
Provision for impairment of receivables from subsidiaries		-	-	(1.936)	(34.318)
Profit from disposal of interest in investments		-	-	-	33.831
Loss from acquisition of additional interest in investments		-	(10.733)	-	-
Other operating income / (expenses) - net	23	(7.043)	(6.156)	(3.491)	(2.763)
Operating profit/(loss)		**102.519**	**(3.199)**	**(7.787)**	**(14.296)**
Finance income	25	318	219	1.398	1.294
Finance costs	25	(26.165)	(22.196)	(11.015)	(11.383)
Share of net profit of investments accounted for using the equity method	8	(989)	2.512	-	-
Profit/(loss) before income tax		**75.684**	**(22.663)**	**(17.403)**	**(24.384)**
Income tax expense	26	(14.676)	(21.023)	(1.027)	(3.167)
Profit/(loss) for the year		**61.008**	**(43.687)**	**(18.430)**	**(27.551)**
Profit/(loss) attributable to:					
Equity holders of the parent		42.327	(48.315)	(18.430)	(27.551)
Non-controlling interests		18.681	4.629	-	-
		61.008	**(43.687)**	**(18.430)**	**(27.551)**
Earnings/(losses) per share attributable to the equity holders of the Parent during the year (expressed in € per share)					
Basic losses per share	31	0,54	(0,62)	(0,24)	(0,36)
Diluted losses per share	31	0,54	(0,62)	(0,24)	(0,36)

The notes on pages 44 to 107 are an integral part of these financial statements.

Statement of comprehensive income (Company and Consolidated)

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**
Profit/(loss) for the year	**61.008**	**(43.687)**	**(18.430)**	**(27.551)**
Cash flow hedges, after tax	160	302	-	-
Currency translation differences	(13)	(9)	-	-
	(137)	-	(137)	-
Items that may be subsequently reclassified to profit or loss	**11**	**293**	**(137)**	**-**
Actuarial gains/(losses), after tax	(14)	19	3	8
Effect due to change in the income tax rates	2	-	2	-
Items that will not be subsequently reclassified to profit or loss	**(12)**	**19**	**5**	**8**
Other comprehensive income for the year	**(1)**	**312**	**(132)**	**8**
Total comprehensive income for the year	**61.007**	**(43.375)**	**(18.562)**	**(27.543)**
Profit/(loss) attributable to:				
Equity holders of the parent	42.275	(48.004)	(18.562)	(27.543)
Non-controlling interest	18.732	4.629	-	-
	61.007	**(43.375)**	**(18.562)**	**(27.543)**

The notes on pages 44 to 107 are an integral part of these financial statements.

Statement of changes in equity (Consolidated)

all amounts in € thousands	Note	Share capital	Other reserves	Retained earnings / (Accumulated losses)	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the parent					
GROUP							
1 January 2017		**374.863**	**6.545**	**(26.147)**	**355.262**	**(191)**	**355.071**
Total Income:							
Profit/(loss) for the year		-	-	(48.315)	(48.315)	4.629	(43.687)
Other comprehensive income for the year:		-	-	-	-	-	-
Cash flow hedges, after tax	19	-	227	-	227	75	302
Actuarial gains/(losses), after tax	15	-	19	-	19	-	19
Currency translation differences	15	-	(9)	-	(9)	-	(9)
Total comprehensive income for the year		**-**	**236**	**(48.315)**	**(48.079)**	**4.704**	**(43.375)**
Transactions with the shareholders:							
Transfer of interest in investments	8	-	(865)	4.587	3.722	60.023	63.745
Statutory reserves	15	-	502	(502)	-	-	-
Sale of treasury shares	14	1.937	-	-	1.937	-	1.937
		1.937	**(363)**	**4.085**	**5.658**	**60.023**	**65.681**
31 December 2017		**376.800**	**6.419**	**(70.377)**	**312.841**	**64.536**	**377.377**
1 January 2018		**376.800**	**6.419**	**(70.377)**	**312.842**	**64.536**	**377.377**
Total Income:							
Profit for the year		-	-	42.327	42.327	18.681	61.008
Other comprehensive income for the year:							
Cash flow hedges, after tax	15	-	109	-	109	51	160
Actuarial gains/(losses), after tax	15	-	(14)	-	(14)	-	(14)
Currency translation differences	15	-	(149)	136	(13)	-	(13)
Effect due to change in the income tax rates		(137)	2	-	(135)	-	(135)
Total comprehensive income for the year		**(137)**	**(51)**	**42.463**	**42.275**	**18.732**	**61.007**
Transactions with the shareholders:							
Statutory reserves	15	-	533	(533)	-	-	-
Dividends to non-controlling interest		-	-	-	-	(3.778)	(3.778)
Increase in share capital of subsidiaries	14	-	-	-	-	11	11
		-	533	(533)	-	(3.767)	(3.767)
31 December 2018		**376.663**	**6.900**	**(28.447)**	**355.117**	**79.500**	**434.616**

The notes on pages 44 to 107 are an integral part of these financial statements.

Statement of changes in equity (Company)

all amounts in € thousands		Share capital	Other reserves	Retained earnings / (Accumulated losses) (1)	Total equity
COMPANY					
1 January 2017		**374.863**	**2.999**	**(120.667)**	**257.195**
Total Income:					
Loss for the year		-	-	(27.551)	(27.551)
Other comprehensive income for the year:		-	-	-	-
Actuarial losses, after tax	15	-	8	-	8
Total comprehensive income for the year		**-**	**8**	**(27.551)**	**(27.543)**
Transactions with the shareholders:					
Sale of treasury shares	14	1.937	-	-	1.937
		1.937	-	-	1.937
31 December 2017		**376.800**	**3.007**	**(148.218)**	**231.589**
1 January 2018 (released)		**376.800**	**3.007**	**(148.218)**	**231.589**
Adjustment IFRS 9		-	-	(20.585)	**(20.585)**
1 January 2018 (adjusted)		**376.800**	**3.007**	**(168.803)**	**211.004**
Total Income:					
Loss for the year		-	-	(18.430)	(18.430)
Other comprehensive income for the year:		-	-	-	-
Actuarial losses, after tax	15	-	3	-	3
Effect due to change in the income tax rates		(137)	2	-	(135)
Total comprehensive income for the year		**(137)**	**5**	**(18.430)**	**(18.562)**
31 December 2018		**376.663**	**3.012**	**(187.233)**	**192.442**

(1) At company level "Loans to related parties"has been adjusted according to the amendments of IFRS 9, as mentioned in note 2.2 of these financial statements.

Cash Flow Statement (Company and Consolidated)

all amounts in € thousands	Note	GROUP 01.01.2018 to 31.12.2018	GROUP 01.01.2017 to 31.12.2017	COMPANY 01.01.2018 to 31.12.2018	COMPANY 01.01.2017 to 31.12.2017
Cash flows from operating activities					
Cash generated from / (used in) operations	27	31.395	56.859	(36)	(11.373)
Interest paid		(24.285)	(20.064)	(8.887)	(8.874)
Income taxes paid		(8.857)	(8.365)	(15)	(388)
Net cash inflow/(outflow) from operating activities		**(1.747)**	**28.430**	**(8.938)**	**(20.635)**
Cash flows from investing activities					
Purchase of property, plant and equipment and investment property	7	(56.604)	(893)	(154)	(375)
Proceeds from sale of investment property	6	6.500	5.150	-	-
Dividends/pre-dividends received		-	-	6.289	3.841
Loans to/from related parties	30	-	(360)	(618)	24.300
Interest received		359	223	269	132
Proceeds from repayment of loans to related parties	30	-	-	168	-
Proceeds from sale/liquidation of participation		2.956	430	2.956	430
(Purchase)/sale of financial instruments held at fair value through profit or loss	11	27.292	(22.748)	27.292	(22.463)
Disposal in interest held in investments	8	-	(23.715)	-	(41.958)
Cash and cash equivalents at the acquisition of participations		-	26.461	-	-
(Increase)/decrease in the share capital of participations	8	(4.317)	(6.274)	(25.596)	(700)
Restricted cash	10	-	2.113	(2.500)	2.113
Net cash inflow (outflow) from investing activities		**(23.814)**	**(19.612)**	**8.106**	**(34.679)**
Cash flows from financing activities					
Increase in share capital of subsidiaries by non-controlling interests	8	11	-	-	-
Purchase/sale of treasury shares		-	2.744	-	2.744
Dividends paid at non-controlling interests		(3.549)	(1.987)	-	-
Borrowings received	16	137.840	-	25.000	-
Loans granted from related parties	30	-	-	11.660	18.243
Repayment of borrowings from related parties	30	-	-	(700)	(700)
Repayment of borrowings	16	(123.345)	(18.882)	(52.776)	(6.698)
Borrowings transaction costs	16	(1.265)	(3.093)	-	(83)
Restricted cash	10	(2.500)	-	-	-
Net cash inflow (outflow) from financing activities		**7.192**	**(21.219)**	**(16.816)**	**13.505**
Net increase (decrease) in cash and cash equivalents		**(18.369)**	**(12.400)**	**(17.649)**	**(41.809)**
Cash and cash equivalents at the beginning of the year	10	86.244	98.644	29.894	71.703
Cash and cash equivalents at end of year	10	**67.875**	**86.244**	**12.245**	**29.894**

The notes on pages 44 to 107 are an integral part of these financial statements.

Notes to the consolidated and separate financial statements

1. General information

These financial statements include the annual financial statements of the company LAMDA Development S.A. (the "Company") and the consolidated annual financial statements of the Company and its subsidiaries (together "the Group") for the year ended December 31, 2018. The names of the subsidiaries are presented in note 8 of the financial statements.

The main activities of the Group are the investment, development, leasing and maintenance of innovative real estate projects.

The Group operates in Greece, as well as in other neighbouring Balkan countries mainly Romania, Serbia, Montenegro and the Company's shares are listed on the Athens Stock Exchange.

The Company is incorporated and domiciled in Greece. The registered office is located at 37^{A} Kifissias Ave., 15123, Maroussi, it is listed in the General Electronic Commercial Registry with the unique number 3379701000 and its website address is www.lamdadev.com. The Company Consolidated Lamda Holdings S.A., ("Parent company" of the Company) which is domiciled in Luxembourg, at 31/12/2018, is the main shareholder of the Company with interest held at 53.82% of the share capital and therefore the Group's financial statements are included in its consolidated financial statements.

These financial statements have been approved for issue by the Board of Directors on March 28, 2019 and are subject to the final approval of LAMDA Development SA's Ordinary General Assembly.

2. Summary of significant accounting policies

2.1. Basis of preparation

These Company and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union, and present the financial position, results of operations and cash flows on a going concern basis which assumes that the Company has plans in place to avoid material disruptions to its operations and available financial resources to meet its operating requirements. In this respect Management has concluded that (a) the going concern basis of preparation of these financial statements is appropriate, and (b) all assets and liabilities are appropriately presented in accordance with the Company's accounting policies. The management is undergoing negotiations with the counterparties in relation to the refinancing of the Group short-term loans of €101.4m, a procedure that has not been completed until the date of these financial statements' release (note 16). In relation to the Company's syndicated bond loan, amount of 96.1m, the bond holders have approved an extension until 30.06.2019, following a respective request. The extension was regarded as necessary due to the complicity of the specific syndicate bond loan and will allow a more efficient negotiation for the rest of the programme's terms. In addition, regarding the bond loan of the subsidiary PYLAIA SA amount of €64.8m, tranches of €23m are included in the short-term borrowings whereas the management is under procedure of refinancing. The Management expects that the loan will be refinanced successfully (note 16).

The individual components of the income statement for the year that ended December 31, 2018, at Group level, are not comparable to those of the respective period of 2017, due to the acquisition of the 50% of the share capital of LAMDA OLYMPIA VILLAGE S.A. by the Company in July 2017. The consolidation method of LAMDA Olympia Village SA is now through full consolidation method due to the acquisition of the remaining 50% whereas during the first half of 2017 the equity consolidation method was applied.

The following specific matters should be noted that may impact the operations of the Group in the foreseeable future.

- **Macroeconomic conditions in Greece**

The macroeconomic and financial environment in Greece shows continuous signs of stability. However, there is still uncertainty as the economy remains vulnerable at external factors. The capital controls that were initially imposed on the country at June 28, 2015, are still in force, but have been loosen. The latest related amendment was put in force at May 31, 2018.

The Group's operations in Greece are significant and the current macroeconomic conditions may affect the Group as follows:

- Decrease in consumption may impact the amount of shop sales in the shopping centers.
- Possible failure of tenants to fulfil their obligations due to either a reduction in their operating activities or instability of the local banking system.
- Possible further decrease in the fair value of the Group's investment property.

Despite the aforementioned uncertainties, the Group's operations continue without any disruption and there is a positive change in the discount rates; however Management is not able to accurately predict the likely developments in the Greek economy and its impact on the Group activities.

- **Mediterranean Cosmos - Extension of the long-term lease**

The subsidiary company Pylaia S.A. at August 3, 2018 agreed with the Ecumenical Patriarchate, owner of the land plot on which the Company developed and operate the Mediterranean Cosmos Shopping Centre (the Centre), for the extension of the long-term lease of the said land plot area for 30 additional years, until 2065. The terms of the extension have been agreed since March, 2018. The positive effect of the agreement on the value of the Centre has been quantified by independent valuer and has been included in the results of the first semester 2018.

- **"The Mall Athens" - Lamda Olympia Village S.A.**

As described in detail in note 29 "Contingent liabilities and assets", in January 2014, the Hellenic Council of State approved the petition for annulment of Codified Law 3207/2003, according to the provisions of which the Olympic Press Village (or "Olympiako Chorio Typou") and the Commercial and Leisure Centre "The Mall Athens" were constructed. This decision by the Hellenic Council of State has no direct impact on the operations of "The Mall Athens" and it is anticipated that the operations will continue unhindered for the foreseeable future. Management has assessed the required actions that have been indicated by the Group's legal advisors as imposed following the decision in order to cope with this situation and therefore has undertaken already all necessary actions to this direction. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.

The factors above have been taken into account by Management when preparing the financial statements for the period ended December 31, 2018. In this uncertain economic environment, management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations. In note 3 "Financial risk management", there is information on the approach of the total risk management of the Group, as well as on the general financial risk that the Group faces on an ongoing basis.

These consolidated and Company annual financial statements have been prepared under the historical cost convention, except for the investment property, the financial instruments held at fair value through profit or loss and the derivative financial instruments which are presented at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. In addition, the use of certain estimates and assumptions is required that affect the balances of the assets and liabilities, the disclosure of contingent assets and liabilities as at date of preparation of the financial statements and the amounts of income and expense during the reporting period. Although these estimates are based on the best knowledge of management in relation to the current conditions and actions, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 of these annual financial statements.

Certain figures of the cash flow statement for the comparative year of 2018 have been reclassified for comparative purposes at Group and Company level. Specifically, "Restricted cash" has been transferred to "Cash and cash equivalents" in "Cash flow from investing activities".

2.2. New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2018. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation"

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model that was applied under IAS 39. IFRS 9 introduces an expected credit loss approach based on information concerning the future that aims at prior credit loss recognition in relation to the approach of the realized impairment loss in accordance according to IAS 39. IFRS 9 includes the choice of an accounting policy continuing the hedge accounting in accordance with IAS 39.

On January 1, 2018, the Group adopted IFRS 9 Financial Instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement, and changes the requirements for the impairment of the Group's financial assets.

As permitted by IFRS 9, the Group has chosen not to restate the information for the prior period and the accounting policies as presented in Note 2 on the Company's Financial Statements for the period ended December 31 2017 apply for the comparative periods.
The application of the above standard did not have a significant impact on the Interim Financial Statements of the Group affecting the book value of the Company's receivables from loans to subsidiaries. All assumptions, accounting policies and calculation techniques that have been applied since 01.01.2018 to assess the impact of the initial application of IFRS 9 will continue to be subject to review and improvements.

As IAS 34 requires, the nature and the effectiveness of these changes are presented below.

Changes in significant accounting policies from the application of IFRS 9

As a result of the transition to IFRS 9, from 01.01.2018 the following significant accounting policy replaces the relevant accounting policy 2.9 and 2.13 at Note 2 of the Consolidated and Separate Financial Statements for the year ended 31 December 2017.

Financial assets

Classification and measurement

IFRS 9 keeps to a large extent the existing requirements of IAS 39 for the classification and measurement of Financial Liabilities. However, it eliminates the previous categories of IAS 39 for financial assets: held to maturity, loans and receivables and available-for-sale. In accordance with IFRS 9, financial instruments are subsequently measured at fair value through profit or loss, at amortized cost, or at fair value through other comprehensive income.

The classification is based on two criteria:

- the business model in which the financial asset is held, either the objective is to hold for the purpose of collecting contractual cash flows or the collection of contractual cash flows as well as the sale of financial assets and

- whether the contractual cash flows of the financial asset exclusively consists of a capital and interest repayment on the outstanding balance ("SPPI" criterion).

The Company uses the following categories for measuring financial assets:

Financial assets measured at amortized cost. At this category are classified the financial assets that are retained under the business model with the aim to be held and the collection of contractual cash flows that meet the "SPPI" criterion. This category includes all the Group's financial assets, except for investments in mutual funds and bonds that are measured at fair value through profit or loss.

Financial assets classified in this category mainly include the following assets:

- Cash and cash equivalents
- Trade receivables

Trade receivables are amounts owned to customers for the sale of products or the provision of services within the ordinary course of business. If the receivables are collected inside the normal business cycle of the business, which is not more than one year, they are recorded as current assets, if not, they are presented as non-current assets. Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less the provision for impairment.

- Loans to subsidiaries that are included in “Trade and other receivables”

It includes non-derivative financial assets with fixed or determinable payments that are not traded on active markets and are not intended to be sold. They are included in current assets, except for those with a maturity of more than 12 months from the Statement of Financial Position date that are included in non-current assets.

Purchases and sales of financial investment assets are recognized at the date of the transaction which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at their fair value including transaction costs and cease to be recognized when the rights to receive cash flows from investments expire or are transferred and the Group has transferred substantially all the risks and rewards of ownership. Loans and receivables are measured subsequent to their initial recognition at amortized cost using the effective interest method.

Financial assets measured at fair value through profit or loss. Investments in mutual funds and bonds are included. These investments do not meet the criteria to be classified at amortized cost as the business model in which they are held aims to sell them within a short period of time. Under IAS 39, the Group's investments in mutual funds were classified as financial assets at fair value through profit or loss.

Following initial recognition, financial assets classified at fair value through profit or loss are measured at fair value including sale or disposal costs. Gains or losses arising from the revaluation of fair value are recognized in total at the income statement at the "Other operating income / expenses (net)" item.

Expected credit losses

The Group has trade and other receivables (including operating leases) as well as other financial assets that are measured at amortized cost and are subject to the new model of expected credit losses in accordance with IFRS 9.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the recognized impairment loss was immaterial.

IFRS 9 requires the Group to adopt the model of expected credit losses for each of the above asset classes.

The adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets, as it replaced the treatment of IAS 39 for recognition of realized losses by recognizing the expected credit losses.

Trade and Other receivables

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses. The provision for impairment is always measured in an amount equal to the expected credit losses over the life of the receivable. For the purposes of determining the expected credit losses in relation to trade and other receivables, the Group uses a credit loss provisioning table based on the maturity of the outstanding claims. Credit loss projections are based on historical data taking into account future factors in relation to debtor and the economic environment. The adoption of the above standard did not have a significant impact on the interim financial statements of the Company and the Group due to the guarantees received, the strict policy forecasts and the historically low losses incurred. All assumptions, accounting policies and calculation techniques applied for the calculation of expected credit losses will continue to be subject of review and improvement.

Loans to subsidiaries

Expected credit losses are recognized on the basis of the following:

- expected 12-month credit losses are recognized on initial recognition, reflecting part of the cash flow losses, during the lifetime, that will arise if there is a breach within 12 months after the reporting date weighted by the probability of default. The requirements of this category are referred to as in step 1.

- expected credit losses, over the lifetime, are recognized in the event of a significant increase in credit risk detected subsequent to the initial recognition of the financial instrument, reflecting cash flow deficiencies arising from all probable default events over the lifetime of a financial instrument, weighted with the probability of default. The requirements of this category are referred to as in step 2.

- expected credit losses, over the lifetime, are always recognized for receivables with impaired credit value and are reported as in step 3. A financial asset is considered impaired when one or more events have occurred that have a detrimental effect on its estimated future cash flows financial asset.

The impact of IFRS 9 on credit losses from loans to subsidiaries in the statement of financial position as at 1 January 2018 was a decrease of €20.6m in the "Retained earnings" account, a decrease of €10.2m in "Other receivables" account and a decrease of €10.4m in the "Trade and Other receivables" account.

Other financial assets measured at amortized cost

For the other financial assets of the Group measured at amortized cost, the general approach is used. These financial assets are considered to be low credit risk and any provision for impairment is limited to the expected credit losses over the next 12 months. The adoption of IFRS 9 had no significant impact on the interim financial statements of the Company and the Group.

Effect of the adoption of IFRS 9 on Statements of Financial Position

The adoption of IFRS 9 on 1 January 2018 had a negative impact on the Company's equity due to changes of impairment receivables of € 20,585k and at the same time did not have any material effect on the Group's equity. The Company chose not to adjust the comparative figures and recognize any differences between the previous carrying amount and the new carrying amount at the opening balance of retained earnings as at 1 January 2018. Therefore, the adjustments arising from the new provisions for impairment are not included in the revised statement of financial position at 31 December 2017 and are recognized in the opening balance sheet as of 1 January 2018.

The table below presents the adjustments identified separately at each item on 1 January 2018. Items not affected by the impairment requirements of IFRS 9 are not included. As a result, the totals and sub-totals presented cannot be recalculated on the basis of the amounts provided.

	COMPANY		
	31.12.2017	**01.01.2018**	**01.01.2018**
all amounts in € thousands	**As released (IAS 39)**	**Impact (IFRS 9)**	**As adjusted (IFRS 9)**
ASSETS			
Non-current assets			
Other receivables	18.576	-10.200	8.376
Total non-current assets	**322.692**	**-10.200**	**312.492**
Current assets			
Trade and other receivables	27.130	-10.385	16.745
Financial instruments held at fair value through profit or loss	27.557	-	27.557
Cash and cash equivalents	29.894	-	29.894
Total current assets	**87.554**	**-10.385**	**74.196**
Total assets	**410.245**	**-20.585**	**389.661**
EQUITY			
Retained earnings/(Accumulated losses)	-148.218	-20.585	-168.803
Total equity	**231.589**	**-20.585**	**211.004**
Total equity and liabilities	**410.245**	**-20.585**	**389.661**

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity recognizes revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

IFRS 15 applies to all revenue arising from contracts with customers, unless such contracts fall within the scope of other standards. The new standard establishes a five-step model to measure revenue from customer contracts. These steps are the following:

a) Definition of the contract. b) Definition of the contract's performance obligations. c) Definition of the transaction price. d) Allocation of the transaction price to the contract's performance obligations. e) Revenue recognition when the entity fulfills the contract's performance obligations.

The underlying principle is that an entity recognizes revenue in order to reflect the transfer of the goods or services to customers to the amount it is entitled to in exchange for those goods or services. It also includes the principles for defining and measuring revenue. In addition, according to the new standard, revenue is recognized when the customer acquires control of the goods or services transferred, by determining the time of the transfer of the control at a particular time or in a future time horizon.

The adoption of the standard did not have any significant impact on the Group's Interim Financial Information, as the recognition of the main sources of revenue, (relating to rental income, parking income and property management income), is not affected by the adoption of IFRS 15.

IAS 40 (Amendments) "Transfers of Investment Property"

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence.

IFRIC 22 "Foreign currency transactions and advance consideration"

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts.

Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures"

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.

Standards and Interpretations effective for subsequent periods

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group taking the effect of IFRS 16 into account as well as the long-term lease contract of the shopping center Mediterranean Cosmos, has assessed that the right-of-use asset and the respective lease liability that will be recognized in the Group's financial statements shall be approximately equal to €79m.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendments have not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The amendments have not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 3 "Business combinations"

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income taxes"

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs"

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale

There are no other new standards or amendments to standards, which are obligatory for financial years that begin during current year.

2.3. Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the group's accounting policies.

Investments in subsidiaries are accounted for in the separate financial statements at cost less impairment basis. In addition, the acquisition cost is adjusted to reflect changes in price resulting from any modifications of contingent consideration.

The Company determines at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. If this is the case, management determines recoverable amount as the higher amount between the value in use and the fair value less the cost to sell. When the carrying amount of the subsidiaries exceeds the recoverable amount, the respective impairment loss is recognized in the income statement. The determination of the recoverable amount of each subsidiary depends directly on the fair value of investment property held by the subsidiary or joint venture, as the investment property is the most significant asset in the company's balance sheet. The impairment that has been recognized in previous reporting periods are examined at each balance sheet date for possible reversal.

(b) Transactions with non-controlling interest

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiary

When the group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Under the equity method, the investment is initially recognised at cost. The group's investment in associates includes goodwill identified on acquisition (net of any accumulated impairment loss).

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amount previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment in associates. When the group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to "share of profit/(loss) of associates" in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group.

Profit and loss deriving from interest in an associate which is reduced, it is recognized in the income statement.

Investments in associates are accounted for in the separate financial statements at cost less impairment basis. The Group and the Company determines at each reporting date whether there is any objective evidence that the investment in the associates is impaired. If this is the case, management determines recoverable amount as the higher amount between the value in use and the fair value less the cost to sell. When the carrying amount of the associates exceeds the recoverable amount, the respective impairment loss is recognized in the income statement. The determination of the recoverable amount of each subsidiary depends directly on the fair value of investment property held by the associate, as the investment property is the most significant asset in the company's balance sheet. The impairment that has been recognized in previous reporting periods are examined at each balance sheet date for possible reversal.

(e) Joint ventures

From 1/1/2014 applies IFRS 11 according to which the Group will account for joint ventures on an equity basis because it provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. By implementing the new standard, the Group will account for joint ventures on an equity basis.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been adjusted where necessary to ensure consistency with the policies adopted by the Group. The financial statements of the joint venture are prepared for the same reporting date with the parent company. The change in accounting principle has been applied from 1 January 2013.

Investments in joint ventures are accounted for in the separate financial statements at cost less impairment basis. The Group and the Company determines at each reporting date whether there is any objective evidence that the investment in the joint ventures is impaired. If this is the case, management determines recoverable amount as the higher amount between the value in use and the fair value less the cost to sell. When the carrying amount of the joint ventures exceeds the recoverable amount, the respective impairment loss is recognized in the income statement. The determination of the recoverable amount of each joint venture depends directly on the fair value of investment property held by the joint venture, as the investment property is the most significant asset in the company's balance sheet. The impairment that has been recognized in previous reporting periods are examined at each balance sheet date for possible reversal.

2.4. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's management and are disclosed in the financial statements based on this internal allocation. The Management is responsible to allocate resources to and assesses the performance of the operating segments of an entity.

2.5. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro, which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet

ii. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate of the dates of the transactions) and

iii. All resulting exchange differences are recognised in a separate component of equity.

During consolidation procedure, exchange differences arising from the translation of the net investment in foreign entities' are recognised in equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6. Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises freehold land, freehold buildings, property held under finance leases and property that is being constructed to be developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs (see note 2.18). Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Valuations are performed semi-annually by independent external valuers in accordance with the guidance issued by the International Valuation Standards Committee.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measured. Otherwise, it is recognized at cost and remain at cost (less impairment) until (a) the fair value can be reliably measured or (b) the construction is completed.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases, income from concession arrangements and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property. Others, including contingent rent payments, are not recognised in the financial statements.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed or its use has been terminated and no cash flow is expected from its disposal.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under IAS 16. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity.

In general, where an investment property undergoes a change in use it is transferred evidenced by:
(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property
(b) commencement of development with a view to sale, for a transfer from investment property to inventory;
(c) the expiration of owner-occupied property, for a transfer from owner-occupied property to investment property or
(d) commencement of an operating lease to a third party, for a transfer from inventories to investment property.

2.7. Property, plant and equipment

The property, plant and equipment include: lease hold land, vehicles and machinery, software, furniture, fittings and equipment.

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items as well as possible borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group higher than the initially expected according to the initial return of the financial asset and under the assumption that the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate their cost of each asset to its residual value over its estimated useful life, in order to write down the cost in its residual value. The expected useful life of property, plant and equipment is as follows:

- Buildings (and leasehold improvements)	10-20	years
- Transportation equipment, machinery, technical installations & other equipment	5-10	years
- Furniture and fittings	5 – 10	years
- Software	up to 10	years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (impairment loss) (see note 2.8). In case of write-off of assets that have been fully depreciated, the remaining amount is recognised as loss in the income statement.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the income statement.

2.8. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Assets that are subject to amortisation as well as investments in subsidiaries, joint ventures and associates are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of the impairment's estimation, the assets are categorized at the lower level for which the cash flows can be determined separately.

Specifically, for the investments in subsidiaries, joint ventures and associates that own directly or indirectly investment property (which comprise the largest part of the Group) the valuations of the investment property are taken into account as described in note 6.

Impairment losses are recognised as an expense to the income statement, when they occur.

2.9. Financial assets

2.9.1 Classification

The Group classifies its financial assets at loans and receivables, available-for-sale and investment in subsidiaries. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

(b) Financial instruments held at fair value through profit or loss

A financial instrument is categorized as held at fair value through profit or loss if it was initially acquired with the purpose of sale in short period. Also, the derivatives are classified in this category, as held for sale, unless they are designated as hedging instruments. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. During 2018, the Company owned financial instruments held at fair value through profit or loss as they are described in note 11.

2.9.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Unrealized gains or losses from changes in fair value of financial assets that classified as available-for-sale are recognized in revaluation reserves. In case of sale or impairment of available-for-sale financial assets, the accumulated fair value adjustments are transferred to profit or loss. In case of sale or impairment of the available-for-sale financial assets, the accumulated fair value adjustments are transferred to the income statement.

2.9.3 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets that is measured for impairment (since there is objective evidence) is assets at their carrying amount or according to the equity method (participations in subsidiaries and associates), assets at amortized cost (borrowings and receivables) and available-for-sale investments.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The group, for economic or legal reasons relating to the borrower’s financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or

- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financialassets in the portfolio, including:

(a) Adverse changes in the payment status of borrowers in the portfolio; and
(b) National or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence that a financial asset or a group of financial assets is impaired.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The recoverable amount of the participations in subsidiaries and associates is defined in a similar to the non-financial assets way (see note 2.8).

2.10. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.11. Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to hedge the risks related to future rate fluctuation. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The Group designates certain derivative financial instruments as:

1) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge), or
2) hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedge).

The Group has contractual agreements for certain derivative instruments that designates as cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is recognized immediately in Group's results (income statement) within "Other operating income / (expenses) – net". Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (when the forecast sale that is hedged takes place).

Respectively, the Group has contractual agreements for interest rate swaps which are designated and qualify as fair value hedges in the income statement. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the income statement within “finance income / (cost) net”. The gain or loss relating to the ineffective portion is recognized in the income statement within “Other operating income / (expenses) - net”. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (when a forecast transaction occurs).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

Certain derivative instruments that are not qualify as hedging instruments and no longer meet the criteria for hedge accounting, are classified as derivatives available for sale and accounted for at fair value through profit or loss. Changes in the fair value of any of these derivative instruments are recognized immediately in the income statement within “Other operating income / (expenses) – net”.

At 31.12.2018 the Group does not own instruments for fair value hedging. At the same date the Group owned instruments of cash flow hedging referring to its subsidiary company LAMDA DOMI SA which applied risk hedge accounting for, hence the changes of the fair value were registered at the statement of comprehensive income. At the same date, the Group also owned instruments of cash flow hedging which it didn’t apply risk hedge accounting for, hence the changes of the fair value were registered at the income statement (note 19).

2.12. Inventories

The Group’s inventories and mainly land, evidenced by the commencement of development with a view to sale are reclassified as inventories at their deemed cost, which is the fair value at the date of reclassification. They are subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete redevelopment and selling expenses. Write offs and impairments are recognised as losses in the income statement when they arise.

Borrowing costs that refer directly to the construction or production of inventories are capitalized as part of the inventory cost (note 2.18).

2.13. Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.14. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and low risk.

In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.15. Share Capital

The share capital comprises of ordinary shares, share premium as well as the treasury shares that were acquired by the Company. The share capital represents the value of the company’s shares that have been issued and are in circulation.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity share capital, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the company's equity holders until the shares are cancelled. Profit or loss from sale of treasury shares net of direct to the transaction expenses and taxes, is included in equity as reserves.

2.16. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer).

Trade payables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.17. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.18. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Also, the respective borrowing cost is added to the investment property and to the inventory.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.19. Deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated using the financial statements of every company included in the consolidated financial statements, along with the applicable tax law in the respective countries. Management periodically evaluates position in relation to the tax authorities and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized for temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority or different taxable entities where there is an intention to settle the balances on a net basis.

2.20. Employee benefits

(a) Short-term benefits

Short-term employee benefits in cash and in items are recognized as an expense when they become accrued.

Right of leave provision

The right of annual leave and long-service leave for employees are recognized when these result. A provision is recognized for the estimated obligation of annual leave and long-service leave as result of services that were offered up until the balance sheet date.

(b) Retirement benefits

The Group participates in retirement schemes in accordance with the Greek legislation by paying into publicly administered social security funds on a mandatory basis. Benefits after retirement include both defined contribution plans and defined benefits plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate social security fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

A defined benefit plan comprise retirement benefit plans according to which the Group pays to the employee an amount upon retirement that is based on the employee's period of service, age and salary.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in the income statement.

The cost of interest is calculated by applying the discount rate to the net defined benefit liability for the defined benefits plans. The net interest is included in employee benefit expense in the income statement.

(c) Termination benefits

Termination benefits are payable whenever an employee’s employment is terminated by the Group, before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes these benefits earlier than: a) when the Group cannot withdraw these benefits any longer and b) when the Company recognizes expenses from reorganization that is included in the scope of IAS 37 where the payment from termination benefits are included. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Share-based compensation

The Group operates a share option compensation plan. The fair value of the services of the employees, to whom shares are granted according to the share option plan, is accounted for as expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, at the date of granting. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.21. Grants

Government grants are recognised at fair value when it is virtually certain that the grant will be received and the group will comply with anticipated conditions.

Government grants relating to expenses are deferred and recognized in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets.

At the balance sheet, there were no government grants.

2.22. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date (note 4.1). The discount rate used to determine the present value reflects current market assessments of the time value of money and the increases specific to the liability.

2.23. Revenue recognition

Revenue comprises the fair value of revenues from rents, services and management of real estate, as well as real estate purchases and sales, net of value added tax (VAT), rebates and followed by the eliminations in Group inter-company revenue. Revenue is recognised as follows:

(a) Sale of real estate

Revenue from the sale of real estate is only recognized in the financial statements when the final contract has been signed.

When the outcome of a contract cannot be reliably estimated, the revenue is recognized only to the extent that the contract costs incurred will probably be recoverable. Contract expenses are recognised when incurred.

(b) Income from investment property

Income from investment properties includes operating lease income, income from maintenance and management of real estate, concession rights and commercial cooperation agreements.

The income from operating leases is recognized in the Income Statement using the straight-line method over the duration of the lease. The most significant part of the income from operating leases refers to the annual base remuneration that each tenant pays into the shopping centers (Base Remuneration – standard remuneration deriving from the commercial cooperation agreement), which is adjusted annually by CPI plus indexation which varies from tenant to tenant. When the Group provides incentives to its customers, the cost of these incentives is recognized over the duration of the lease or commercial cooperation, using the straight line method, reducing income.

The income from maintenance and management of real estates, concessions and commercial cooperation agreements is recognized during the period for which the concession and commercial cooperation services are provided.

(c) Income from commissions

Revenue comprises commission from the sale of goods at the time that the inventory is sold to retail customers, exclusive of value added tax (VAT) and discounts.

(d) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Afterwards, interests are calculated by using the same rate on the impaired value (new carrying amount).

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.24. Leases

(a) Group company as the lessee

Leases of property, plant and equipment and investment property where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term if classified as tangible assets, while if classified as investment properties they are not depreciated but presented in their fair value.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(b) Group company as the lessor

Assets leased to third parties under operating leases are included in investment properties and measured at fair value (note 2.6). Note 2.23 describe the accounting principle of revenue recognition from leases.

2.25. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements when the dividend distribution is approved by the Company's Ordinary General Assembly. The first dividend is recognised at its payment.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units. The Board provides written principles and directions for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest-rate risk and credit risk.

In addition to the aforementioned, as described in note 2.1 in relation to the macroeconomic environment in Greece, the national and international discussions with respect to the terms of Greece's financing program have resulted in an unstable macroeconomic and financial environment in the country. Possible negative developments can not be forecast, nevertheless Management continually assesses the situation to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's operations.

(a) Market risk

i) Foreign exchange risk

The Group operates in Greece and Balkan countries and is exposed to foreign exchange risk arising from various currency exposures. The major part of the Group’s transactions is denominated in Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group’s stable policy is to avoid purchasing foreign currency in advance and contracting FX future contracts with external counter-parties.

The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk during their financial statements are converted for consolidation purposes. In relation to the operations abroad, the most important operations relate to Serbia where the currency translation rate does not show a large diversion.Also, the Group operations outside Greece does not include significant commercial transactions and therefore the Group does not have a foreign exchange risk.

ii) Inflation risk

The Group is exposed to the fluctuation risk of the lease arrangements over its investment property which is mainly due to inflation risk which is limited as the Group enters into long term operating lease arrangements for a minimum of 6 years that are adjusted annually according to the Consumer Price Index plus margin up to 2%.

iii) Cash flow and fair value interest rate risk

The Group’s operating cash flows’ exposure to the risk of changes in market interest rates relates primarily to the Group’s borrowings which are contracted in floating rates based on Euribor. This risk is partially hedged through cash and cash equivalents held at floating rates.

The group analyses its interest rate exposure and manages the interest rate risk through refinancing, renewal of existing loans, alternative financing and hedging.

Specifically, in order for the Group to be covered by the changes in interest, it managed the interest rate risk by using interest rate swaps to turn the floating interest rates into fixed, regarding part of the subsidiary’s LAMDA DOMI SA loan but has closed its placement at 31.12.2018. With respect to derivatives at fair value those are Interest Rate Caps for the purpose of hedging the interest rate risk of the Bond Loan of the subsidiary Company Lamda Olympia Village S.A. at a nominal value of €160 m. The change in the fair value has been recognized in the income.

The sensitivity analysis below is based on change in a variable holding all other variables constant. Actually, such a scenario is unlikely to happen, and changes in variables can be related for example to change in interest rate and change in market price.

At December 31, 2017 an increase / decrease by 0.25% on the Group's borrowings floating interest rate at functional currency, would lead to an increase/decrease of finance cost by €0.1m and an increase by €1.0m at Group level and to an increase by €0.1m at Company level whereas such a decrease would have no effect and a respective effect (increase / decrease) on profit before tax for the year.

(b) Credit risk

Credit risk is managed on Group basis. Credit risk arises from credit exposures to customers, including outstanding receivables, as well as cash and cash equivalents.

Sales are made mainly to customers with an assessed credit history and credit limits. Also, certain sale and collection terms are applied.

Income will be significantly affected in case the tenants are unable to fulfil their contractual obligations due to either restriction in their financial activities or instability of the local banking system.

However, the Group at December 31, 2018 has a well-diversified tenant mix consisting mainly of profitable companies with good reputation. The customers' financial condition is monitored on a recurring basis. The Company's management does not expect significant losses from impaired receivables except for those that have been provided for.

The deposits and cash of the Group and the Company are rated in Moody's. The credit limit in relation to cash and cash equivalents is presented as follows:

	GROUP		COMPANY	
Moody's Rating	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Caa3	48.663	59.157	12.077	29.729
Aa2	17.448	25.516	115	106
Aa3	-	-	-	-
N/A	786	547	-	-
	66.898	**85.220**	**12.192**	**29.835**

The remaining amount in cash and cash equivalents is related to cash in hand and time deposits.

The maximum exposure to credit risk at the reporting date is the carrying value of the trade and other receivables in the balance sheet. No credit losses are anticipated in view of the credit status of the banks that the Group keeps current accounts and time deposits.

(c) Liquidity risk

At December 31, 2018 the short-term loans refer mainly to the syndicate bond loan of the Company (amount of €96.1m) as well as the subsidiary LAMDA Prime Properties SA amount of €5.3m. The Management is undergoing negotiations with the counterparties in relation to the refinancing of the above mentioned short-term loans, a procedure that has not been completed until the date of these financial statements' release. In relation to the Company's syndicated bond loan, the bond holders have approved an extension until 30.06.2019, following a respective request. The extension was regarded as necessary due to the complicity of the specific syndicate bond loan and will allow a more efficient negotiation for the rest of the programme's terms. The discussions regarding the loan of LAMDA Prime Properties S.A. (which owns the building Cecil at Kefalari) are at an advanced stage and the Management expects that the loan will be refinanced successfully, following a respective request for an extension, until 30.06.2019. In addition, regarding the bond loan of the subsidiary PYLAIA SA amount of €64.8m, tranches of €23m are included in the short-term borrowings whereas the management is under procedure of refinancing.

Liquidity needs are satisfied in full by the timely forecasting of cash needs in conjunction with the prompt receipt of receivables and by using sufficient and available cash resourses.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. Cash and cash equivalents are considered assets with high credit risk since the current macroeconomic environment in Greece affects significantly the local banks. We do not anticipate any losses deriving from the banks' credit ratings where the Group holds its accounts.

The table below analyses the Group and Company financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

GROUP

all amounts in € thousands	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
31 December 2018				
Borrowings	141.006	226.617	17.108	81.692
Interest rate swaps - cash flow hedges	-	-	-	-
Trade and other payables	50.768	1.330	-	-
	191.775	**227.947**	**17.108**	**81.692**

COMPANY

all amounts in € thousands	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
31 December 2018				
Borrowings	96.128	-	-	-
Trade and other payables	30.374	53.654	-	-
	126.502	**53.654**	**-**	**-**

GROUP

all amounts in € thousands	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
31 December 2017				
Borrowings	205.762	30.181	214.404	-
Interest rate swaps - cash flow hedges	225	-	-	-
Trade and other payables	45.261	1.066	-	-
	251.249	**31.246**	**214.404**	**-**

COMPANY

all amounts in € thousands	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
31 December 2017				
Borrowings	123.137	-	-	-
Trade and other payables	13.980	40.765	-	-
	137.117	**40.765**	**-**	**-**

At the tables above, a significant part of the borrowings matures in a less than a year period. The management is undergoing negotiations with the counterparties in relation to the refinancing of the other short-term loans as described in note 16 "Borrowings".

Futher to the above, the Group and the Company have contingencies in respect of guarantees for good performance and other matters arising in the ordinary course of business, for which no significant additional burdens are expected to arise as described in note 29.

3.2 Capital risk management

The Group and Company objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group and Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

During 2018, as well as in 2017, the Group and Company's strategy was to maintain the gearing ratio (net debt / total equity) not to exceed 60%.

The gearing ratio as at 31.12.2018 and 31.12.2017 are:

all amounts in € thousands **GROUP**	**31.12.2018**	**31.12.2017**
Total borrowings (note 16)	446.841	441.887
Less: cash and cash equivalents (note 12)	(67.875)	(86.244)
Net debt	**378.966**	**355.643**
Total equity	434.616	377.377
Total assets	**813.583**	**733.020**
Gearing ratio	**47%**	**49%**

all amounts in € thousands **COMPANY**	**31.12.2018**	**31.12.2017**
Total borrowings (note 16)	96.128	123.137
Less: cash and cash equivalents (note 12)	(12.245)	(29.894)
Net debt	**83.882**	**93.243**
Total equity	192.442	231.589
Total assets	**276.324**	**324.832**
Gearing ratio	**30%**	**29%**

3.3 Fair value estimation

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly since the date of these transactions have occured (Level 2).

- Inputs for the asset or liability that are not based on observable market data using valuation methods and assumptions which does not basically reflect current market assessments (that is, unobservable inputs) (Level 3).

The financial instruments that are measured at fair value are the investment property (note 6), the derivative financial instruments (note 19) and the financial instruments held at fair value through profit or loss (note 11).

4. Critical accounting estimates and judgements

Estimates and judgements of the Management are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next 12 months concern the following:

(a) Estimate of fair value of investment property

The best evidence of fair value is current prices in an active market for similar lease and other contracts. When there is absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

i) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

ii) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The disclosures for the fair value estimations of the investment property are presented in note 6.

(b) Estimate of the carrying value of the investement in subsidiaries, associates and joint-ventures

The Management on an annual basis, evaluates if there are indications for impairment regarding its investments in subsidiaries, associates and joint ventures. When there are indications for impairment the Management evaluates the recoverable value of the investments and compares it with the current value in order to decide if there is a reason for an impairment provision. The Management determines the recoverable value as the biggest amount between the current amount and the fair value minus any disposal costs. Fair value is determined mainly by the fair value of the investment property that its investment owns as at December 31st each year, as this is the most significant amount of its assets.

Disclosures regarding the valuation of the current value of investments in subsidiaries, associates and joint ventures are presented in note 8.

(c) Provisions related to contingent liabilities and legal issues

The Group's companies are currently involved in various claims and legal proceedings. Periodically, the Management review the status of each significant matter and assess potential financial exposure, based in part on the advice oflegal counsel. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reliably estimated, the Group and the Company recognize a provision for the estimated loss. Significant judgment is required in both the determination of probability and the determination as to whether an exposure is reasonably estimable. As additional information becomes available, the Group and the Company reassess the potential liability related to pending claims and litigation and may revise assessments of the probability of an unfavorable outcome and the related estimate of potential loss. Such revisions in the estimates of the potential liabilities could have a material impact on the Group's or the Company's financial position and results of operations. In note 29 all significant contingencies and legal issues are desclosured, as well as the Management's estimation over them.

4.2 Critical management estimates in applying the entity's accounting policies

There are no areas that require management estimates in applying the Group's accounting policies.

5. Segment information

The Group is operating into the business segment of real estate in Greece and in other neighbouring Balkan countries. The BoD (which is responsible for the decision making) defines the segments according to the use and of the investment property and their geographical location.

Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and EBITDA (Earnings before interest, tax, depreciation and amortization). It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the performance of the operating segment. Group financing, including finance costs and finance income, as well as income taxes are monitored on a group basis and are included within the administration segment without being allocated to the profit generating segments.

A) Group's operating segments

The segment information for the year ended December 31, 2018 was as follows:

	Real estate					
all amounts in € thousands	**GREECE**		**BALKANS**	**Administrative and Management Services**	**Eliminations among segments**	**Total**
	Shopping centers	**Other investment property**	**Other investment property**			
Revenue from third parties	77.854	1.491	127	1.562	(1.654)	**79.379**
				-		
Net losses from fair value adjustment on investment property and inventories	56.636	(70)	(470)	-	-	**56.096**
Cost of inventory-land sale	-	-	(120)	-	-	**(120)**
Other direct property operating expenses	(16.465)	(771)	-	-	3.774	**(13.462)**
Other	(12.367)	(334)	(607)	(2.595)	(2.120)	**(18.024)**
Share of profit / (loss) from joint ventures and associates	-	216	(1.205)	-	-	**(989)**
EBITDA	105.658	531	(2.275)	(1.033)	-	**102.881**

The segment information for the year ended December 31, 2017 was as follows:

all amounts in € thousands	Real estate – GREECE		Real estate – BALKANS	Administrative and Management Services	Eliminations among segments	Total
	Shopping centers	Other investment property	Other investment property			
Revenue from third parties	59.430	1.480	25.007	2.711	(1.449)	**87.179**
Net losses from fair value adjustment on investment property and inventories	14.070	(2.440)	(7.668)	-	-	**3.962**
Cost of inventory-land sale	-	-	(40.225)	-	-	**(40.225)**
Other direct property operating expenses	(14.734)	(722)	-	-	3.111	**(12.345)**
Other	(609)	(368)	(1.077)	(13.571)	(1.662)	**(17.287)**
Share of profit / (loss) from joint ventures and associates	3.661	797	(1.956)	10	-	**2.512**
EBITDA	61.819	(1.253)	(25.919)	(10.850)	-	**23.797**

It is noted that the analysis of the operating results per segment has been enriched with additional information with regard to administrative and management services which are not related to the motoring of the operating segments in Greece and Balkans.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

all amounts in € thousands	Real estate – GREECE		Real estate – BALKANS		Total
	Shopping centers	Other investment property	Other investment property	Administrative and Management Services	
31 December 2018					
Assets per segment	**873.802**	**62.006**	**34.826**	**75.227**	**1.045.861**
Expenditure of non-current assets	2.289	30.003	3	101	32.396
Liabilities per segment	**439.063**	**50.109**	**363**	**121.709**	**611.244**

all amounts in € thousands	Real estate – GREECE		Real estate – BALKANS		Total
	Shopping centers	Other investment property	Other investment property	Administrative and Management Services	
31 December 2017					
Assets per segment	**786.281**	**47.832**	**26.972**	**115.629**	**976.713**
Expenditure of non-current assets	555	4	3	331	**893**
Liabilities per segment	**437.284**	**8.358**	**358**	**153.335**	**599.335**

A reconciliation of the Group's total adjusted EBITDA to total profit after income tax is provided as follows:

all amounts in € thousands		
Adjusted EBITDA for reportable segments	**31.12.2018**	**31.12.2017**
EBITDA	102.881	23.797
Depreciation	(727)	(773)
Impairment provision relating to property repurchase	(624)	(12.977)
Loss from acquisition of additional interest in investments	-	(10.733)
Finance income	318	219
Finance costs	(26.165)	(22.196)
Profit/(loss) before income tax	**75.684**	**(22.663)**
Income tax expense	(14.676)	(21.023)
Profit/(loss) for the year	**61.008**	**(43.687)**

B) Geographical segments

The segment information for the year ended December 31, 2018 was as follows:

31 December 2018 *all amounts in € thousands*	**Total revenue**	**Non-current assets**
Greece	79.253	896.604
Balkans	127	27.281
	79.379	**923.885**

The segment information for the year ended December 31, 2017 was as follows:

31 December 2017 *all amounts in € thousands*	**Total revenue**	**Non-current assets**
Greece	62.172	793.347
Balkans	25.007	21.637
	87.179	**814.983**

6. Investment property

	GROUP		**COMPANY**	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Balance at 1 January	768.415	379.955	1.840	1.840
Net gain/(loss) from fair value adjustment on investment property	56.836	11.710	-	-
Acquisition of investment property	30.000	-	-	-
Subsequent expenditure on investment property	264	-	-	-
Additional property cost	3.100	-	-	-
Acquisition of interest held in participations	-	381.900	-	-
Disposals	(6.500)	(5.150)	-	-
Balance at 31 December	**852.115**	**768.415**	**1.840**	**1.840**

The investment property includes property operating lease that amounts to €181.2m.

The significant increase in the fair value of the investment property by €56.8m in relation to 31.12.2017 is attributed to the further improvement of the Group's shopping centers' profitability, as well as the positive change in the discount rates. But above all, the material increase is due to the positive effect of the agreement that the subsidiary company Pylaia S.A. signed with the Ecumenical Patriarchate, owner of the land plot on which the Company developed and operate the Mediterranean Cosmos Shopping Centre (the Centre), to the extension of the long-term lease of the said land plot area for 30 additional years, until 2065. The above mentioned agreement improved the value of the shopping center by €28.7m.

In the first quarter of 2018, the Group announces the sale of the ownership that its 100% subsidiary LAMDA Estate Development S.A. held in the office building Kronos Business Center in Maroussi, for a total consideration of €6.5m.

In October 2018, the return of the ownership of the office building "ILIDA BUSINESS CENTER", which fair value amounted to €30m, to the Company's subsidiary LAMDA Olympia Village SA was completed. Thereinafter, LOV, via notarial deed, has transferred to "LAMDA ILIDA OFFICE SA" some use rights (νομή) and pre-agreed to transfer to "LAMDA ILIDA OFFICE SA" the ownership of the office building in the future. The repurchase price of the above mentioned office building was €54m. The impact of the above mentioned transaction to the Group's results has already been recognized through a provision at 31.12.2017.

The fair value for all investment property was determined on the basis of its highest and best use by the Group taking into account each property’s use which is physically possible, legally permissible and financially feasible. This estimate is based on the physical characteristics, the permitted use and the opportunity cost for each investment of the Group.

Investment property is valued each semester by independent qualified valuers using the Discounted Cash Flows (DCF) method. The cash flows are based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (where possible) external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect each tenant's sector (food and restaurants, electronic appliances, apparel etc.) as well as the current market assessments of the uncertainty in the amount and timing of the cash flows. In some cases, where necessary, the valuation is based on the Comparative Method. The aforementioned valuation methods come under hierarchy level 3 as described in note 3.

More precisely, 92% of total fair value of the Group's investment property relates to Shopping Centres and 5% to Office Buildings. For both type of property, the valuation was determined using the DCF approach with the following significant assumptions:

- With regards to the Shopping Centres, The Mall Athens has a freehold status, Mediterranean Cosmos is held under a lease that expires in 2065 and Golden Hall has a 85 year exploitation period. As far as the office buildings are concerned, they are owned by the Group.

- In short, the yields according to the latest valuations at December 31, 2018 are as follows:

	Discount rate	
	31.12.2018	31.12.2017
Malls		
The Mall Athens	9,00%	9,50%
Med.Cosmos	9,75%	10,75%
Golden Hall	9,50%	9,75%
Office buildings		
Ilida, Maroussi	9,00%	-
Cecil, Kefalari	9,25%	9,25%

- In relation to the annual consideration that every tenant of the Malls pays (Base Consideration – fixed consideration that is set in the contract), it is adjusted annually according to the CPI plus a slight indexation which is differentiated between the tenants. The average CPI that has been used over the period is 1.75%.

The most significant valuation assumptions of the investment property are the assumption regarding the future EBITDA (including the estimations related to the future monthly lease) of each investment property as well as the estimated yields that are applied for the investment property’s valuation. As a result, the table below presents two basic scenarios in relation to the impact on the valutions of the following investment properties of an increase/decrease in the discount rate by +/-25 basis points (+/- 0,25%) per Shopping Mall and Office Building.

all amounts in € thousands	**Discount rate +0,25%**	**Discount rate -0,25%**
The Mall Athens	-6,1	6,3
Med.Cosmos	-2,7	2,8
Golden Hall	-3,7	3,8
Malls	**-12,5**	**12,9**
Ilida, Maroussi	-0,5	0,5
Cecil, Kefalari	-0,2	0,2
Office buildings	**-0,7**	**0,7**
Total	**-13,2**	**13,5**

The above mentioned valuations of the investment property as at 31 December 2018 have taken into account the uncertainty of the current economic conditions in Greece (as described in note 2.1). It has to be noted that this situation is unprecedented and therefore the consequences cannot be accurately assessed at this point. In this context, we note that despite the existence of an increased level of valuation uncertainty, the values reported provide the best estimate for the Group's investment property. Management will observe the trends that will be formed in the investment property market in the next few months since the complete impact of the consequences of the economic situation in Greece may affect the value of the Group's investment property in the future.

On the amount of €852.1m of the total investment property, there are real estate liens and pre-notices over these assets.

7. Property, plant and equipment

all amounts in € thousands	Lease hold land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Software	Assets under construction	Total
GROUP - Cost						
1 January 2017	**705**	**5.287**	**4.449**	**2.780**	**1.557**	**14.778**
Additions	13	105	695	62	18	893
Disposals / Write-offs	-	(4)	(12)	-	-	(17)
Acquisition of interest held in participations	80	809	2.755	90	-	3.733
31 December 2017	**798**	**6.196**	**7.887**	**2.931**	**1.575**	**19.387**
1 January 2018	**798**	**6.196**	**7.887**	**2.931**	**1.575**	**19.387**
Additions	38	230	663	47	1.202	2.180
Disposals / Write-offs	-	(47)	(1)	-	-	(48)
Transfer to income statement	-	-	-	-	(35)	(35)
31 December 2018	**836**	**6.379**	**8.550**	**2.978**	**2.742**	**21.484**
Accumulated depreciation						
1 January 2017	**(374)**	**(3.958)**	**(4.087)**	**(2.598)**	**-**	**(11.017)**
Depreciation charge	(44)	(336)	(349)	(45)	-	(773)
Disposals / Write-offs	-	4	12	-	-	17
Acquisition of interest held in participations	(37)	(761)	(2.266)	(75)	-	(3.139)
31 December 2017	**(454)**	**(5.051)**	**(6.690)**	**(2.717)**	**-**	**(14.912)**
1 January 2018	**(454)**	**(5.051)**	**(6.690)**	**(2.717)**	**-**	**(14.912)**
Depreciation charge	(47)	(341)	(274)	(65)	-	(727)
Disposals / Write-offs	-	30	1	-	-	31
31 December 2018	**(501)**	**(5.362)**	**(6.963)**	**(2.782)**	**-**	**(15.608)**
Closing net book amount at 31 December 2017	**343**	**1.145**	**1.198**	**214**	**1.575**	**4.475**
Closing net book amount at 31 December 2018	**334**	**1.017**	**1.587**	**196**	**2.742**	**5.877**

all amounts in € thousands	Lease hold land	Vehicles and machinery	Furniture, fittings and equipment	Software	Total
COMPANY - Cost					
1 January 2017	**367**	**93**	**1.181**	**2.675**	**4.316**
Additions	-	101	214	61	375
Disposals / Write-offs	-	(4)	(2)	-	(6)
31 December 2017	**367**	**190**	**1.392**	**2.736**	**4.685**

1 January 2018	**367**	**190**	**1.392**	**2.736**	**4.685**
Additions	-	(0)	115	38	154
Disposals / Write-offs	-	-	(1)	-	(1)
31 December 2018	**367**	**190**	**1.507**	**2.774**	**4.838**
Accumulated depreciation					
1 January 2017	**(240)**	**(75)**	**(1.080)**	**(2.550)**	**(3.945)**
Depreciation charge	(12)	(11)	(40)	(36)	(99)
Disposals / Write-offs	-	4	2	-	6
31 December 2017	**(252)**	**(82)**	**(1.117)**	**(2.586)**	**(4.038)**
1 January 2018	**(252)**	**(82)**	**(1.117)**	**(2.586)**	**(4.038)**
Depreciation charge	(12)	(19)	(65)	(56)	(153)
Disposals / Write-offs	-	-	1	-	1
31 December 2018	**(264)**	**(102)**	**(1.182)**	**(2.642)**	**(4.190)**
Closing net book amount at 31 December 2017	**115**	**108**	**275**	**150**	**647**
Closing net book amount at 31 December 2018	**103**	**88**	**325**	**132**	**648**

At 31.12.2018 the Group does not lease any asset under finance lease agreements and borrowing costs have not been capitalized. Property, plant and equipment are not secured by mortgages.

8. Investments in subsidiaries, joint ventures and associates

The Group's composition on December 31, 2018 is as follows:

Company	Country of Incorporation		% interest held
LAMDA Development SA - Parent	Greece		
Subsidiaries			
PYLAIA SA	Greece	Indirect	68,3%
LAMDA Domi SA	Greece	Indirect	68,3%
LAMDA Malls SA	Greece		68,3%
LAMDA Olympia Village SA	Greece		100,0%
LAMDA Estate Development SA	Greece		100,0%
LAMDA Prime Properties SA	Greece		100,0%
LAMDA ILIDA OFFICE SA	Greece		100,0%
MALLS MANAGEMENT SERVICES SA	Greece		100,0%
MC Property Management SA	Greece		100,0%
KRONOS PARKING SA	Greece	Indirect	100,0%
LAMDA Erga Anaptyxis SA	Greece		100,0%
LAMDA Leisure SA	Greece		100,0%
GEAKAT SA	Greece		100,0%
LAMDA Real Estate Management SA	Greece		100,0%
Property Development DOO	Serbia		100,0%
Property Investments DOO	Serbia		100,0%
LAMDA Development Montenegro DOO	Montenegro		100,0%
LAMDA Development Romania SRL	Romania		100,0%

Company	Country of Incorporation		% interest held
Robies Proprietati Imobiliare SRL	Romania	Indirect	90,0%
LAMDA Development Sofia EOOD	Bulgaria		100,0%
TIHI EOOD	Bulgaria	Indirect	100,0%
LOV Luxembourg SARL	Luxembourg	Indirect	100,0%
Hellinikon Global I SA	Luxembourg		100,0%
LAMDA Development (Netherlands) BV	Netherlands		100,0%
Robies Services Ltd	Cyprus		90,0%
Joint ventures			
Lamda Dogus Marina Investments SA	Greece		50,0%
LAMDA Flisvos Marina SA	Greece	Indirect	32,2%
LAMDA Flisvos Holding SA	Greece	Indirect	41,7%
LAMDA Akinhta SA	Greece		50,0%
Singidunum-Buildings DOO	Serbia	Indirect	72,9%
GLS OOD	Bulgaria	Indirect	50,0%
Associates			
ATHENS METROPOLITAN EXPO SA	Greece		11,7%
METROPOLITAN EVENTS	Greece	Indirect	11,7%
SC LAMDA MED SRL	Romania	Indirect	40,0%

Notes on the above mentioned participations:

- The country of the establishment is the same with the country of operating.
- The interest held corresponds to equal voting rights.

- The investments in joint ventures correspond to the Group's strategic investments mainly due to the exploitation of investment property inside Greece and abroad.
- The investments in associates do not have significant impact to the Group's operations and results however they are consolidated with the equity method since the Group has control over their operations.
- The Group has contingencies in respect of bank guarantees as well as pledged shares deriving from its borrowings.

(a) Investments of the Company in subsidiaries

The Company's investment in subsidiaries is as follows:

all amounts in € thousands

Name	Country of incorporation	% interest held	31.12.2018 Cost	31.12.2018 Impairment	31.12.2018 Carrying amount	31.12.2017 Cost	31.12.2017 Impairment	31.12.2017 Carrying amount
LAMDA OLYMPIA VILLAGE SA	Greece	100%	159.365	-	159.365	131.839	-	131.839
LAMDA MALLS SA	Greece	68,3%	51.496	-	51.496	51.496	-	51.496
LAMDA ESTATE DEVELOPMENT SA	Greece	100%	46.184	27.424	18.760	52.047	25.024	27.022
LAMDA PRIME PROPERTIES SA	Greece	100%	9.272	-	9.272	9.272	-	9.272
LAMDA ILIDA OFFICE SA	Greece	100%	100	-	100	-	-	-
GEAKAT SA	Greece	100%	15.023	10.030	4.993	14.923	10.030	4.893
LAMDA ERGA ANAPTYXIS SA	Greece	100%	9.070	-	9.070	9.070	-	9.070
LD TRADING SA	Greece	100%	1.110	1.110	-	1.110	910	200
LAMDA LEISURE SA	Greece	100%	1.050	-	1.050	1.050	-	1.050
MC PROPERTY MANAGEMENT SA	Greece	100%	745	-	745	745	-	745
MALLS MANAGEMENT SERVICES SA	Greece	100%	1.224	-	1.224	1.224	-	1.224
LAMDA DEVELOPMENT SOFIA E.O.O.D.	Bulgaria	100%	363	363	-	363	363	-
LAMDA DEVELOPMENT D.O.O. (BEOGRAD)	Serbia	100%	-	-	-	992	992	-
PROPERTY DEVELOPMENT D.O.O.	Serbia	100%	11.685	11.685	-	11.685	11.685	-
PROPERTY INVESTMENTS LTD	Serbia	100%	1	-	1	1	-	1
LAMDA DEVELOPMENT ROMANIA SRL	Romania	100%	741	741	-	741	741	-
ROBIES SERVICES LTD	Cyprus	90%	1.823	1.823	-	1.724	1.724	-
LAMDA DEVELOPMENT (NETHERLANDS) BV	Netherlands	100%	79.178	27.200	51.978	75.178	27.200	47.978
LAMDA DEVELOPMENT MONTENEGRO D.O.O.	Montenegro	100%	800	800	-	800	800	-
LOV LUXEMBOURG SARL (έμμεσα)	Luxembourg	100%	218	-	218	193	-	193
HELLINIKON GLOBAL I SA	Luxembourg	100%	36	-	36	36	-	36
Investment in subsidiaries			**389.482**	**81.175**	**308.307**	**364.487**	**79.468**	**285.018**

The above interest held in participations LAMDA Domi SA and Pylea SA refers to the respective interest before the contribution of these participations to LAMDA Malls SA as described below.

The movement in investment in subsidiaries is as follows:

all amounts in € thousands	COMPANY 31.12.2018	COMPANY 31.12.2017
Balance at 1 January	**285.018**	**190.500**
Additions	100	300
Increase/(decrease) in share capital	25.888	400
Αναπροσαρμογή τιμήματος κτήσης συμμετοχής	-	-
Provision for impairment	(2.699)	(8.300)
Acquisition of interest held in participations	-	131.839
Disposal of interest held in participations	-	(29.914)
Change of interest held in participations	-	193
Balance at 31 December	**308.307**	**285.018**

Decrease/Increase in share capital

The subsidiary LAMDA Estate Development S.A. decreased its share capital by €5.9m. In the contrary, the Company increased the share capital in the company GEAKAT SA, Lamda Development (Netherlands) BV, LOV Luxembourg SARL and ROBIES SERVICES LTD by €100k, €4.000k, €25k and €99k respectively. Also, the Company incorporated LAMDA ILIDA OFFICE SA with the amount of €100k as share capital. In addition, the liquidation of the company LAMDA Development D.O.O. (Beograd), a fully impaired participation of the Company, was completed.

Provision for impairment

The management of the Company that examined whether there is any objective evidence that the investment in the subsidiaries is impaired, calculates the amount of the impairment as the difference between the recoverable amount of the subsidiaries and their carrying value (note 2.3 for further information in regarding the valuation method). Following the above mentioned examination, the Company recognized provision of impairment for its subsidiaries below for the amount of €2.7m due to the valuations of the investement properties and the land for sale that these subsidiaries own directly or indirectly.

	all amounts in €
LAMDA ESTATE DEVELOPMENT SA	(2.400)
ROBIES SERVICES LTD	(99)
LAMDA REAL ESTATE MANAGEMENT SA	(200)
Total	**(2.699)**

The valuation method of the investment property is described in note 6. The accumulated impairment that has been recognized is examined at every reporting period for possible reversal.

Non-controlling interests

The Group’s non-controlling interests amount to €77.1m at 31.12.2018 (31.12.2017: €64.5m) out of which €77.3m comes from the subsidiary LAMDA MALLS SA which was incorporated in 2017. Non-controlling interests represent 31.7% on the LAMDA MALLS SA Group’s equity, which subsidiaries by 100% are LAMDA DOMI SA and PYLAIA SA.

The main financial statements of LAMDA MALLS SA’s sub-Group are presented below:

Statement of financial position	**GROUP**	
	31.12.2018	**31.12.2017**
all amounts in € thousands		
Investment property	390.850	339.750
Other non-current assets	14.055	3.048
Receivables	10.884	9.881
Cash and cash equivalents	31.079	25.753
	446.868	**378.433**
Deferred income tax liabilities	47.294	37.750
Long-term borrowings	104.122	56.943
Other non-current liabilities	259	358
Short-term borrowings	30.882	69.657
Trade and other payables	12.925	9.525
	195.482	**174.232**
Total equity	**251.386**	**204.200**

Income statement	**GROUP**	
all amounts in € thousands	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**
Revenue	44.528	25.635
Net gains from fair value adjustment on investment property	50.836	9.070
Other operating income / (expenses) - net	(14.934)	(9.932)
Finance costs - net	(5.432)	(3.690)
Profit before income tax	**74.999**	**21.082**
Income tax expense	(16.055)	(6.468)
Profit for the year	**58.943**	**14.614**

Comprehensive income statement	**GROUP**	
all amounts in € thousands	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**
Profit for the year	58.943	14.614
Other	-	-
Other comprehensive income for the year	58.943	14.614
Total comprehensive income for the year	**58.943**	**14.614**

Cash flow statement	**GROUP**	
all amounts in € thousands	**01.01.2018 to 31.12.2018**	**31.05.2017 to 31.12.2017**
Cash flows from operating activities	5.085	6.832
Cash flows to investing activities	(2.012)	(343)
Cash flows to financing activities	2.253	(10.870)
Net increase in cash and cash equivalents	**5.326**	**(4.381)**

(b) Investments of the Company and the Group in joint ventures

The Company's investment in joint ventures is as follows:

COMPANY			**31.12.2018**			**31.12.2017**		
Name	**Country of incorporation**	**% interest held**	**Cost**	**Impairment**	**Carrying amount**	**Cost**	**Impairment**	**Carrying amount**
LAMDA AKINHTA SA	Greece	50,00%	4.454	1.883	2.571	4.454	1.773	2.681
LAMDA DOGUS MARINA INVESTMENTS SA	Greece	50,00%	4.022	-	4.022	4.022	-	4.022
Investment in joint-ventures			**8.476**	**1.883**	**6.593**	**8.476**	**1.773**	**6.703**

The Group's investment in joint ventures is as follows:

GROUP			**31.12.2018**			**31.12.2017**		
Name	**Country of incorporation**	**% interest held**	**Cost**	**Share of interest held**	**Carrying amount**	**Cost**	**Share of interest held**	**Carrying amount**
LAMDA AKINHTA SA	Greece	50,00%	4.454	(1.884)	**2.570**	4.454	(1.787)	**2.668**
LAMDA DOGUS MARINA INVESTMENTS SA	Greece	50,00%	4.022	(1.671)	**2.351**	4.022	(1.995)	**2.027**
SINGIDUNUM-BUILDINGS DOO	Σερβία	72,94%	41.095	(19.033)	**22.062**	34.590	(17.651)	**16.939**
GLS OOD	Βουλγαρία	50,00%	55	(2)	**52**	3.631	(2.638)	**993**
TOTAL			**49.626**	**(22.591)**	**27.035**	**46.698**	**(24.071)**	**22.627**

The movement of the Company and the Group in investment in joint ventures is as follows:

	GROUP		COMPANY	
all amounts in € thousands	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Balance at 1 January	**22.627**	**105.394**	**6.703**	**35.484**
Increase/(decrease) in share capital	5.567	7.299	-	-
Share in profit/(loss)	(1.159)	2.365	-	-
Provision for impairment	-	-	(110)	(100)
Acquisition / change in consolidation held in participations	-	(92.432)	-	(28.681)
Balance at 31 December	**27.035**	**22.627**	**6.593**	**6.703**

Notes on the above mentioned **joint ventures**:

- The Company starting from 1.1.2014 applies IFRS 11 according to which the Group will account for joint ventures on an equity basis because it provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form
- The Group increased its participation in the joint-venture Singidunum Buildings DOO from 67.16% at 31.12.2017 to 72.94% at 31.12.2018, however the control remains 50%-50% between the two shareholders according to the terms of the current shareholders agreement
- The Group's most significant joint-ventures are Singidunum Buildings DOO and LAMDA Akinhta SA as follows:

<u>Singidunum Buildings DOO</u>

Statement of financial position	72,94% **31.12.2018**	67,16% **31.12.2017**
all amounts in € thousands		
Inventories	73.652	73.267
Trade and other receivables	414	14
Cash and cash equivalents	1.273	113
	75.339	**73.395**
Long-term borrowings	40.020	42.520
Short-term borrowings	5.000	5.000
Trade and other payables	73	652
	45.092	**48.172**
Total equity	**30.246**	**25.223**
(Group's interest)	**72,94%**	**67,16%**
Total equity	**22.062**	**16.940**

Income statement		
all amounts in € thousands	**01.01.2018 έως 31.12.2018**	**01.01.2017 έως 31.12.2017**
Net loss from fair value adjustment on investment property	-	(749)
Other operating income / (expenses) - net	(135)	(250)
Finance costs - net	(1.342)	(1.613)
Loss before income tax	**(1.476)**	**(2.612)**
Income tax expense		
Loss for the year	**(1.476)**	**(2.612)**
(Group's interest)	**72,94%**	**67,16%**
Loss for the year	**(1.077)**	**(1.754)**

Comprehensive income statement

all amounts in € thousands	**01.01.2018 έως 31.12.2018**	**01.01.2017 έως 31.12.2017**
Loss for the year	(1.077)	(1.754)
Currency translation differences	-	-
Other comprehensive income for the year	(1.077)	(1.754)
Total comprehensive income for the year	**(1.077)**	**(1.754)**

Cash flow statement

all amounts in € thousands	**01.01.2018 έως 31.12.2018**	**01.01.2017 έως 31.12.2017**
Cash flows from operating activities	(1.855)	(2.179)
Cash flows to investing activities	(384)	-
Cash flows to financing activities	3.400	1.834
Net increase/(decrease) in cash and cash equivalents	**1.160**	**(345)**

(c) Investments of the Group and the Company in associates

The Group participates in the following associates' equity:

GROUP			**31.12.2018**			**31.12.2017**		
Name	**Country of incorporation**	**% interest held**	**Cost**	**Share of interest held**	**Carrying amount**	**Cost**	**Share of interest held**	**Carrying amount**
ATHENS METROPOLITAN EXPO SA	Greece	11,67%	1.167	-	**1.167**	1.559	-	**1.559**
S.C. LAMDA MED SRL (Indirect)	Romania	40,00%	1.133	1.195	**2.328**	1.332	1.025	**2.356**
TOTAL			**2.300**	**1.195**	**3.494**	**2.890**	**1.025**	**3.915**

The movement of associates is as follows:

	GROUP		**COMPANY**	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Balance at 1 January	**3.915**	**4.063**	**1.558**	**1.651**
Share in profit/(loss)	170	145	-	-
Decrease in share capital	(591)	(200)	(392)	-
Change in interest held in participations	-	(93)	-	(93)
Balance at 31 December	**3.494**	**3.915**	**1.166**	**1.558**

Notes on the above mentioned associates:

- Although the associates do not have a significant impact in the Group's operations and results, they are consolidated with equity method because the Group exercises control over their operations.
- In 2018, the companies SC LAMDA MED SRL and ATHENS METROPOLITAN EXPO SA decreased their share capital by €199k (Group level) and €392k (Group level).

At Company level, the change in interest held in participations refers to LOV Luxembourg SARL which following the purchase of 25% is categorized as a subsidiary.

9. Inventories

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Land for sale	27.750	27.870	-	-
Property for sale	1.244	1.244	-	-
Total	**28.994**	**29.114**	**-**	**-**
Minus: provision for impairment				
Land for sale	(18.950)	(18.210)	-	-
Property for sale	(678)	(678)	-	-
	(19.628)	**(18.888)**	**-**	**-**
Net realisable value	**9.366**	**10.226**	**-**	**-**

10. Trade and other receivables

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Trade receivables	12.372	13.177	29	66
Less: provision for impairment of trade receivables	(7.206)	(9.103)	-	-
Trade receivables - net	**5.166**	**4.074**	**29**	**66**
Other receivables	33.988	10.884	7.854	1.408
VAT receivable and other receivables from Public Sect	3.511	5.910	2.346	1.605
Restricted cash	13.038	10.538	13.038	10.538
Receivables from disposal of participation	-	2.956	-	2.956
Dividends receivables (note 31)	1.758	1.987	-	-
Receivables from related parties (note 30)	49	-	1.239	-
Loans to related parties (note 30)	-	657	7.987	28.926
Deferred expenses	10.972	1.049	99	207
Less: provision for impairment	(569)	-	(156)	-
Total	**67.913**	**38.054**	**32.437**	**45.706**
Receivables analysis:				
Non-current assets	27.339	4.070	8.013	18.576
Current assets	40.574	33.984	24.424	27.130
Total	**67.913**	**38.054**	**32.437**	**45.706**

(1) At company level "Loans to related parties"has been adjusted according to the amendments of IFRS 9, as mentioned in note 2.2 of these financial statements.

The classification of the item "Trade and Other Assets" of the Group and the Company to financial and non-financial assets and the expected credit loss (ECL) allowance for financial assets as at December 31, 2018 and January 1, 2018 is presented below:

Group	**Simplified approach**	**General approach**			
Financial assets		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 31.12.2018	61.206	-	-	-	**61.206**
ECL (Expected Credit Loss) allowance	(7.775)	-	-	-	**(7.775)**
Net carrying amount 31.12.2018	**53.431**	-	-	-	**53.431**
Non-financial assets 31.12.2018	14.483				**14.483**
Total trade and other receivables 31.12.2018	**67.913**	-	-	-	**67.913**

COMPANY					
Total trade and other receivables 31.12.2017					**45.706**
Adjustments due to the adoption of IFRS 9					(20.585)
Total trade and other receivables 01.01.2018					**25.121**
out of which:					
	Simplified approach	**General approach**			**Total**
Financial assets		**Stage 1**	**Stage 2**	**Stage 3**	
Gross carrying amount 31.12.2018	22.160	618	-	68.831	**91.610**
ECL (Expected Credit Loss) allowance	(156)	(32)	-	(61.431)	**(61.619)**
Net carrying amount 31.12.2018	**22.004**	**586**	**-**	**7.400**	**29.991**
Non-financial assets 31.12.2018	2.446				**2.446**
Total trade and other receivables 31.12.2018	**24.450**	**586**	**-**	**7.400**	**32.437**

Expected credit loss (ECL) allowance - Simplified approach

The Group and the Company apply the simplified approach mainly on restricted cash, prepayments to third parties and other receivables. Specifically, the Group applies the simplified approach on lease receivables by using a credit loss provisioning table based on maturity of outstanding claims whereas the Company on trade receivables from sales to related parties.

Expected credit loss (ECL) allowance - General approach

The Company applies the general approach on receivables from loans and interest from related parties.

The Stage 1 comprises of loan granted from Property Development DOO to the parent company which is satisfied and for which expected credit loss that will occur in the next 12 months after the reporting period, is recognized.

The Stage 3 comprises of loan amounting to €55m, impaired by €48m, that the parent company has granted to its subsidiaries LAMDA Development Romania SRL, LAMDA Development Sofia EOOD, Robies Services Ltd, LAMDA Development Montenegro DOO and Property Development DOO (note 30). For the above mentioned loans, interest receivables of €13.5m have been recognized and have been fully impaired. The financial assets of Stage 3 are considered credit impaired and lifetime ECL is recognized.

VAT and Public Sector receivables

Regarding the VAT receivables, the amount is not discounted. The VAT receivables can be presented as receivables to be set-off up to 5 years and can be set-off with VAT payables. For “VAT receivables and receivables from Public Sector” item no expected credit loss provision has been applied.

Restricted cash

The restricted cash is related to €10.5m in escrow account kept in the Bank of Piraeus (together with the Municipality of Maroussi) and refers to payable remuneration for the acquisition of the company LAMDA Olympia Village SA and will be released in case that the tax courts decisions are in favor of the above-mentioned company for the cases that are placed before its acquisition from the Company. In addition, an amount of €2.5m is placed as cash collateral for the issuance of one letter of guarantee in favour of Singidunum Buildings DOO (note 16).

11. Financial instruments held at fair value through profit or loss

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Bonds - Euro	-	27.557	-	27.557
Money market funds	595	598	-	-
	595	**28.155**	**-**	**27.557**

Above financial instruments relate to the placement of the Company's cash in various financial counterparties with high ratings and are measured at fair value through income statement. As at 31/12/2018 the Company closed its position amounting to €27.6m in supranational Bonds. The Company has recognized a loss from the above mentioned liquidation/valuation of €265k in the income statement of 2018 (note 23).

The above mentioned financial instruments are categorized under hierarchy 1 as described in note 3.3.

12. Cash and cash equivalents

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Cash at bank	66.898	85.220	12.192	29.835
Cash in hand	976	1.024	53	59
Total	**67.873**	**86.244**	**12.245**	**29.894**

No significant credit losses are anticipated in view of the credit status of the banks that the Group keeps current accounts. The above comprise the cash and cash equivalents used for the purposes of the cash flow statement. In relation to the credit risk of banks see note 3.1.b.

13. Financial instruments by category

GROUP - 31.12.2018

Financial assets	**Loans and receivables**	**Financial instruments held at fair value through profit or loss**
all amounts in € thousands		
Trade and other receivables	5.166	-
Restricted cash	13.038	-
Cash and cash equivalents	67.875	-
Derivative financial instruments	-	285
Other financial receivables	13.385	595
Total	**99.463**	**881**

GROUP - 31.12.2018

Financial liabilities	**Liabilities at amortized cost**
all amounts in € thousands	
Borrowings	446.841
Trade and other payables	8.404
Interest payable	2.143
Other financial payables	32.249
Total	**489.638**

COMPANY - 31.12.2018

Financial assets	**Loans and receivables**
all amounts in € thousands	
Trade and other receivables	29
Restricted cash	13.038
Loans to related parties	7.987
Other financial receivables	7.443
Receivables from related parties	1.239
Total	**29.736**

COMPANY - 31.12.2018

Financial liabilities	**Liabilities at amortized cost**
all amounts in € thousands	
Borrowings	96.128
Trade and other payables	1.339
Loans from related parties	53.776
Other financial payables	25.442
Liabilities to related parties	3
Total	**176.688**

GROUP - 31.12.2017 Financial assets	Loans and receivables	Financial instruments held at fair value through profit or loss
all amounts in € thousands		
Trade and other receivables	4.074	-
Restricted cash	10.538	-
Loans to related parties	657	-
Cash and cash equivalents	86.244	-
Derivative financial instruments	-	45
Other financial receivables	7.001	28.155
Receivables from disposal of participation	2.956	-
Total	**111.469**	**28.200**

GROUP - 31.12.2017 Financial liabilities	Derivatives used for hedging	Liabilities at amortized cost
all amounts in € thousands		
Borrowings	-	441.887
Derivative financial instruments	225	-
Trade and other payables	-	6.696
Interest payable	-	2.585
Other financial receivables	-	15.340
Total	**225**	**466.509**

COMPANY - 31.12.2017 Financial assets	Loans and receivables	Financial instruments held at fair value through profit or loss
all amounts in € thousands		
Trade and other receivables	66	-
Restricted cash	10.538	-
Loans to related parties	28.926	-
Other financial receivables	1.059	27.557
Receivables from disposal of participation	2.956	-
Total	**43.545**	**27.557**

COMPANY - 31.12.2017 Financial liabilities	Liabilities at amortized cost
all amounts in € thousands	
Borrowings	123.137
Trade and other payables	349
Loans from related parties	40.808
Interest payable	701
Other financial receivables	9.110
Liabilities to related parties	70
Total	**174.175**

14. Share capital

all amounts in € thousands	**Number of shares** *(thousands)*	**Ordinary shares**	**Share premium**	**Treasury shares**	**Total**
1 January 2017	**77.356**	**23.917**	**360.110**	**(9.163)**	**374.863**
Sale of treasury shares	500	-	-	1.937	1.937
31 December 2017	**77.856**	**23.917**	**360.110**	**(7.227)**	**376.800**
1 January 2018	**77.856**	**23.917**	**360.110**	**(7.227)**	**376.800**
Changes during the year	-	-	-	-	-
Effect due to change in the income tax rates	-	-	(137)	-	(137)
31 December 2018	**77.856**	**23.917**	**359.973**	**(7.227)**	**376.663**

The share capital of the Company amounts to €23,916,532.50 divided by 79,721,775 shares of nominal value €0.30 each. All the Company's shares are listed on the Athens Stock Exchange. At 31.12.2018 the Company's treasury shares amount to 1.866.007 shares and represents 2.34% of the Company's issued share capital with average price (after expenses and other commissions) €3.87 per share.

15. Other reserves

all amounts in € thousands	**Statutory - Special - Tax-free reserves**	**Hedging reserves** (1)	**Cumulative actuarial gains** (1)	**Currency translation differences**	**Total**
GROUP					
1 January 2017	**6.812**	**(463)**	**(6)**	**202**	**6.545**
Transfer of interest held in participations	(991)	126	-	-	(865)
Changes during the year	502	227	19	(9)	739
31 December 2017	**6.323**	**(109)**	**13**	**192**	**6.419**
1 January 2018	**6.323**	**(109)**	**13**	**192**	**6.419**
Changes during the year	533	109	(14)	(149)	479
Effect due to change in the income tax rates	-	-	2	-	2
31 December 2018	**6.856**	**-**	**1**	**43**	**6.900**

(1) The reserves from the cumulative actuarial losses and the hedging reserves are disclosed net of deferred tax.

all amounts in € thousands	Statutory - Special - Tax-free reserves	Cumulative actuarial gains (1)	Total
COMPANY			
1 January 2017	**2.970**	**29**	**2.999**
Changes during the year	-	8	8
31 December 2017	**2.970**	**37**	**3.007**
1 January 2018	**2.970**	**37**	**3.007**
Changes during the year	-	3	3
Effect due to change in the income tax rates	-	2	2
31 December 2018	**2.970**	**42**	**3.012**

(1) The reserves from the cumulative actuarial losses are disclosed net of deferred tax.

Statutory reserve - Special and extraordinary reserves - Tax free reserve

(a) A legal reserve (Group €6.296k and Company €2.380k) is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the paid share capital. The legal reserve can only be used, after approval of the Annual General meeting of the shareholders, to offset retained losses and therefore can not be used for any other purpose.

(b) At 31.12.2018 as well as at 31.12.2017, the Group and the Company no longer have special reserves.

(c) Tax-free and special taxed reserves (Group €590k and Company level) are created under the provisions of tax law from tax free profits or from income or profits taxed under special provisions.

The above-mentioned reserves can be capitalised or distributed, after the approval of the Annual General meeting, after taking into consideration the restrictions which will apply at each time. The Group does not intent to distribute or capitalise these reserves and therefore did not account for the tax liability which would arise in such case.

Hedging reserve

At 31.12.2018 the Group does no longer own derivatives held at fair value through profit or loss.

Reserves from cumulative actuarial differences

The above-mentioned reserves refer to actuarial losses deriving from the retirement benefit obligations in the amount of €17k (after deferred tax €12k) at Group level and €56k (after deferred tax €40k) at Company level.

Reserves from currency translation differences

The above-mentioned reserves refer to currency translation differences from the conversion of financial statements from foreign companies which functional currency is other than Euro.

16. Borrowings

	GROUP		COMPANY	
all amounts in € thousands	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Non-current				
Bond borrowings	305.835	236.125	-	-
Total non-current	**305.835**	**236.125**	**-**	**-**
Current				
Bond borrowings	133.826	205.762	96.128	123.137
Overdraft account	7.180	-	-	-
Total current	**141.006**	**205.762**	**96.128**	**123.137**
Total borrowings	**446.841**	**441.887**	**96.128**	**123.137**

The movements in borrowings are analysed as follows:

12 months ended 31 December 2017 *(amounts in € thousands)*	GROUP	COMPANY
Balance at 1 January 2017	268.607	128.714
Acquisition of additional interest in investments	193.000	-
Borrowings transaction costs - amortization	2.254	1.204
Borrowings transaction costs	(3.093)	(83)
Borrowings repayments	(18.882)	(6.698)
Balance at 31 December 2017	**441.887**	**123.137**

12 months ended 31 December 2018 *(amounts in € thousands)*	GROUP	COMPANY
Balance at 1 January 2018	441.887	123.137
Bond borrowings	120.228	25.000
Overdraft account	7.180	-
Borrowings transaction costs - amortization	2.157	767
Borrowings transaction costs	(1.265)	-
Borrowings repayments	(123.345)	(52.776)
Balance at 31 December 2018	**446.841**	**96.127**

Borrowings are secured by mortgages on the Group's land and buildings (note 6), and in some cases by additional pledges of parent company's shares as well as and/or by assignment of subsidiaries' receivables (note 8) and insurance compensations. Regarding the Syndicated Bond Loan of the Company, pledges over certain assets and shares of Group companies incur. The Bond Loan Facility has a three-year tenor and is comprised of two Tranches. Tranche A of €133.95m, drawn-down on 30th November 2015 and Tranche B of €25m, drawn-down on June 2018. From Tranche B an amount of €15m utilized for repayment of Tranche A while an amount of €2.5m has been credited at a pledged account for the purpose of serving the principal repayment schedule of the company's Singidunum Buildings DOO Bond Loan (note 10).

Bond Loan refinancing of LAMDA DOMI completed on 27/11/2018 with a duration of 7 years. Tranche A of €60.3m. Tranche B of up to €25m and VAT Tranche of up to €6m with reference rate 3M-Euribor plus 3% margin for Tranches A and VAT and 3.25% for Tranche B. Tranche B and VAT are partially disbursed following the project construction phases of Western Part development IBC building. The debt covenants are Debt Service Cover Ratio ≥1.20 and Loan to value ≤60%.

Amortization of borrowings transaction costs of €2.3 are included in the total borrowings as at December 31, 2018, out of which €1.0m is applied to current borrowings whereas the rest €1.3m is applied to non-current borrowings.

The maturity of non-current borrowings is as follows:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Between 1 and 2 years	216.770	22.070	-	-
Between 2 and 5 years	10.875	214.055	-	-
Over 5 years	77.539	-	-	-
	305.184	**236.125**	**-**	**-**

The carrying amount of the loans with floating rate approaches their fair value as it is presented in the statement of financial position.

The fair value estimation of the total borrowings is based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The effective weighted average interest rates at December 31, 2018 are as follows:

	GROUP	COMPANY
Current bond borrowings	4,77%	6,00%
Non-current bond borrowings	3,93%	-

At 31.12.2018, the average base effective interest rate of the Group is 0.01% and the average bank spread is 4.17%. Therefore, the Group total effective borrowing rate stands at 4.18% at 31.12.2018.

Within current reporting period of 2018, regarding the subsidiaries, they proceeded to total payments of €63.0m as described in their bond loan contracts, out of which €15m were from the drawn-down of Tranche B of the Company's syndicated bond loan. Also, the subsidiary Pylaia SA has signed for an overdraft account of €7.2m.

The Company's secured syndicated bond loan of current balance €96.1m granted by Alpha Bank, Bank of Piraeus and Eurobank Ergasias has to satisfy the following covenants: at Company level (Issuer) the total borrowings (current and non-current) to total equity should not exceed 1.2 and at Group level the total borrowings to total equity should not exceed 2 and the ratio of total net debt to investment portfolio must be ≤ 75%.

At Group level, at 31.12.2018 the Company's subsidiary LAMDA DOMI SA's syndicated loan of current balance €63.1m, granted by the following banking institutions: Eurobank Ergasias, Alpha Bank, Bank of Piraeus and HSBC France has the following covenants: Loan to value <60% and Debt Service Ratio >120%. Also, the secured bond loan of the Company's subsidiary PYLAIA SA granted by Eurobank Ergasias, of current balance €64.8m has the following covenants: Loan to value <80% and Debt Service Ratio >120%. Whereas, LAMDA OLYMPIA VILLAGE SA's secured bond loan of current balance €180.5m, granted by HSBC, Eurobank Ergasias and Apollo Global Management fund's participation has the following covenants: Loan to value <65% and Debt Service Cover ratio >110%.At December 31, 2018, all above mentioned ratios are satisfied at Group and Company level.

At 31.12.2018 the short-term borrowings include the following liabilities:

- The Company's bond loan, amount of approximately €96.1m granted by Alpha Bank, Bank of Piraeus and Eurobank Ergasias.
- The loan of the subsidiary LAMDA Prime Properties SA, amount of approximately €5.3m granted by Alpha Bank.

- Tranches for the bond loan of the subsidiary PYLAIA SA, amount of €23,2m.

The Management is undergoing negotiations with the counterparties in relation to the refinancing of the above mentioned short-term loans, a procedure that has not been completed until the date of these financial statements' release.

- In relation to the Company's syndicated bond loan, the bond holders have approved an extension until 30.06.2019, following a respective request. The extension was regarded as necessary due to the complicity of the specific syndicate bond loan and will allow a more efficient negotiation for the rest of the programme's terms.
- The discussions regarding the loan of LAMDA Prime Properties S.A. (which owns the building Cecil at Kefalari) are at an advanced stage and the Management expects that the loan will be refinanced successfully, following a respective request for an extension, until 30.06.2019.

17. Retirement benefit obligations

The amounts that have been recognized in the statement of financial position are as follows:

	GROUP		COMPANY	
all amounts in € thousands	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Amounts recognized in the statement of financial position				
Present value of obligations	1.202	1.120	812	775
Fair value of plan assets	-	-	-	-
Net liability in balance sheet	**1.202**	**1.120**	**812**	**775**

The amounts recognised in the income statements are as follows:

Amounts recognized in the income statement				
Service cost	85	92	46	51
Interest cost	21	19	14	13
P/l charge	**106**	**111**	**60**	**64**
Recognition of past service cost	-	23	-	32
Settlement/Curtailment/Termination loss/(gain)	22	21	(8)	5
Other expense	-	-	-	(20)
Total charge in the income statement	**128**	**156**	**52**	**81**

The amounts recognised in the other comprehensive income statement are as follows:

	GROUP		COMPANY	
all amounts in € thousands	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Remeasurements				
Liability gain/(loss) due to changes in assumptions	9	12	6	6
Liability experience gain/(loss) arising during the year	(10)	(1)	(2)	5
Total actuarial gain/(loss) recognised in OCI	**(1)**	**11**	**4**	**11**

The movement in the liability recognised in the balance sheet is as follows:

	GROUP		COMPANY	
all amounts in € thousands	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Reconciliation of benefit obligation				
Defined Benefit Obligation at start of year	**1.120**	**1.005**	**775**	**714**
Acquisition / change in interest held in participations	-	-	-	-
Service cost	85	92	46	51
Interest cost	21	19	14	13
Benefits paid directly by the Company	(48)	(30)	(10)	(9)
Settlement/Curtailment/Termination loss	22	21	(8)	5
Other	-	-	-	(20)
Past service cost arising over last period	-	23	-	32
Actuarial (gain)/loss	1	(11)	(4)	(11)
Defined Benefit Obligation at end of year	**1.202**	**1.120**	**812**	**775**

	GROUP		COMPANY	
all amounts in € thousands	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Movements in Net Liability in BS				
Net Liability in BS at the beginning of the year	1.120	1.005	775	714
Acquisition / change in interest held in participations	-	-	-	-
Benefits paid directly	(48)	(30)	(10)	(9)
Total expense recognized in the income statement	128	156	52	81
Total amount recognized in the OCI	1	(11)	(4)	(11)
Net Liability in BS	**1.202**	**1.120**	**812**	**775**

The principal annual actuarial assumptions that were used for accounting purposes are as follows:

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Discount rate	2,00%	1,93%	2,00%	1,93%
Price inflation	1,50%	1,50%	1,50%	1,50%

In case that the discount rate changes by – 0.5%, the impact to the defined benefit pension plans would change by -€100k. In case that the salaries change by +0.5%, the change to the defined benefit pension plans of the Group would change by +€100k.

The estimated future contributions that occur from the defined benefit pension plans after the retirement of the last person in the Group are as follows:

	2018	
	GROUP	COMPANY
all amounts in € thousands		
No later than 1 year	69	69
Between 1 and 2 years	76	76
Between 2 and 5 years	192	140
Over 5 years	1.380	822
	1.717	**1.107**

18. Trade and other payables

all amounts in € thousands	GROUP 31.12.2018	GROUP 31.12.2017	COMPANY 31.12.2018	COMPANY 31.12.2017
Trade payables	8.404	6.696	1.339	349
Liabilities to related parties (note 30)	317	-	3	70
Social security cost and other taxes/charges	3.095	2.988	1.279	992
Unearned income	2.857	2.526	-	-
Liability to the Municipality of Amarousiou [(a)]	9.040	9.040	9.040	9.040
Accrued expenses	5.869	5.739	2.188	2.714
Accrued interest	2.143	2.585	-	701
Loans from related parties (note 30)	-	-	53.776	40.808
Impairment provision relating to property repurchase	-	12.977	-	-
Other liabilities	23.209	6.301	16.403	70
Total	**54.935**	**48.853**	**84.028**	**54.745**

Analysis of obligations:

all amounts in € thousands	GROUP 31.12.2018	GROUP 31.12.2017	COMPANY 31.12.2018	COMPANY 31.12.2017
Non-current liabilities [(b)]	1.330	1.066	53.654	40.765
Current liabilities	53.605	47.787	30.374	13.980
Total	**54.935**	**48.853**	**84.028**	**54.745**

a) The liability to the Municipality of Amarousion represents Company's obligation related to LAMDA Olympia Village purchase (former DIMEPA). The two parts agreed mutually to deposit the relevant amount to a common pledged bank account until the issue is resolved.

Trade and other payables' carrying amounts value approach their fair value which is calculated according to the fair value hierarchy 3 as described in note 3.3.

19. Derivative financial instruments

	GROUP				COMPANY			
	31.12.2018		31.12.2017		31.12.2018		31.12.2017	
all amounts in € thousands	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held at fair value through profit or loss (Cap)	285	-	45	-	-	-	-	-
Interest rate swaps - cash flow hedges (IRS)	-	-	-	225	-	-	-	-
Total	**285**	**-**	**45**	**225**	**-**	**-**	**-**	**-**
Non-current	285	-	45	-	-	-	-	-
Current	-	-	-	225	-	-	-	-
Total	**285**	**-**	**45**	**225**	**-**	**-**	**-**	**-**

As at 31.12.2018 the Interest Rate Swaps of LAMDA DOMI S.A. have matured. With respect to derivatives at fair value those are Interest Rate Caps for the purpose of hedging the interest rate risk of the Bond Loan of the subsidiary Company Lamda Olympia Village S.A. at a nominal value of €160 m. The change in the fair value has been recognized in the income statement.

The total fair value of the derivative financial instrument, which is described under hierarchy 2 in note 3, is presented in the statement of financial position as long-term liability since the remaining duration of the loan agreement which is hedged, exceeds 12 months.

The movement in fair value is related to the effective portion of the cash flow hedge and is recognised in special reserves in equity. The effectiveness test of the cash flow hedges is based on discounted cash flows according to the forward rates (3-month Euribor) and their volatility rating.

20. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amounts which have been offset are as follows:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Deferred tax liabilities:	**(106.683)**	**(105.858)**	**-**	**-**
Deferred tax assets:	**7.739**	**11.436**	**7.185**	**8.348**
	(98.943)	**(94.422)**	**7.185**	**8.348**

The amounts which have not been offset are as follows:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Deferred tax liabilities:	**(106.873)**	**(106.268)**	**(63)**	**(70)**
Deferred tax assets:	**7.930**	**11.845**	**7.248**	**8.417**
	(98.943)	**(94.422)**	**7.185**	**8.348**

The gross movement on the deferred income tax account is as follows:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Balance at 1 January	**(94.422)**	**(16.571)**	**8.348**	**10.903**
Debit in the income statement	(18.343)	(12.387)	(750)	(2.552)
Charged/(credited) in equity	(63)	(127)	1	(3)
Effect due to change in the income tax rates through equity	(139)	-	(138)	-
Effect due to change in the income tax rates through the income statement	14.025	-	(276)	-
Acquisition in interest held in participations	-	(65.337)	-	-
Balance at 31 December	**(98.943)**	**(94.422)**	**7.185**	**8.348**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances without the same tax jurisdictions, is as follows:

Deferred Tax Liabilities

GROUP *(all amounts in € thousands)*	**Depreciation differences & cost**	**Revenue recognition**	**Net profit / (losses) from fair value adjustment on investment property and inventories**	**Tax audit differences**	**Other**	**Total**
1 January 2017	**20.123**	**172**	**9.195**	**1.124**	**306**	**30.919**
Acquisition in interest held in participations (note 8)	26.756	-	39.312	-	-	66.068
Charged/(credited) in the income statement	2.811	(23)	7.490	(920)	(78)	9.280
31 December 2017	**49.689**	**149**	**55.997**	**204**	**228**	**106.268**
1 January 2018	**49.689**	**149**	**55.997**	**204**	**228**	**106.268**
Charged/(credited) in the income statement	5.553	(20)	10.152	(204)	(171)	15.310
Effect due to change in the income tax rates through the income statement	(6.854)	(21)	(7.830)	-	-	(14.704)
31 December 2018	**48.388**	**108**	**58.320**	**-**	**57**	**106.873**

COMPANY *(all amounts in € thousands)*	**Depreciation differences & cost**	**Tax audit differences**	**Other**	**Total**
1 January 2017	**61**	**728**	**7**	**796**
Charged/(credited) in the income statement	6	(728)	(5)	(727)
31 December 2017	**68**	**-**	**2**	**70**
1 January 2018	**68**	**-**	**2**	**70**
Charged/(credited) in the income statement	4	-	(1)	3
Effect due to change in the income tax rates through the income statement	(9)	-	(1)	(10)
31 December 2018	**63**	**-**	**-**	**63**

Deferred Tax Assets

GROUP *(all amounts in € thousands)*	**Provision for impairment of trade receivables**	**Tax losses**	**Revenue recognition**	**Expenses for issuance of share capital**	**Provision for redundancy**	**Derivative financial instruments**	**Other**	**Total**
1 January 2017	**1.787**	**11.206**	**35**	**751**	**293**	**189**	**87**	**14.349**
Acquisition in interest held in participations	731	-	-	-	-	-	-	731
Charged/(credited) in the income statement	(3)	(3.231)	(13)	(99)	37	-	202	(3.107)
Charged/(credited) in equity	-	-	-	-	**(4)**	(124)	-	(127)
31 December 2017	**2.514**	**7.976**	**21**	**652**	**326**	**65**	**289**	**11.845**
1 January 2018	**2.514**	**7.976**	**21**	**652**	**326**	**65**	**289**	**11.845**
Charged/(credited) in the income statement	(1.907)	(1.145)	(9)	(85)	15	-	97	(3.034)
Charged/(credited) in equity	-	-	-	-	2	(65)	-	(63)
Effect due to change in the income tax rates through the income statement	(350)	(301)	(2)	46	(42)	-	(30)	(679)
Effect due to change in the income tax rates through equity	-	-	-	(136)	(3)	-	-	(139)
31 December 2018	**258**	**6.531**	**10**	**477**	**297**	**-**	**357**	**7.930**

COMPANY *(all amounts in € thousands)*	**Provision for impairment of trade receivables**	**Tax losses**	**Expenses for issuance of share capital**	**Provision for redundancy**	**Other**	**Total**
1 January 2017	**-**	**10.717**	**751**	**207**	**23**	**11.699**
Charged/(credited) in the income statement	-	(3.177)	(99)	21	(23)	(3.278)
Charged/(credited) in equity	-	-	-	(3)	-	(3)
31 December 2017	**-**	**7.540**	**652**	**225**	**-**	**8.417**

1 January 2018	**-**	**7.540**	**652**	**225**	**-**	**8.417**
Charged/(credited) in the income statement	38	(709)	(85)	10	-	(747)
Charged/(credited) in equity	-	-	-	1	-	1
Effect due to change in the income tax rates through the income statement	-	(301)	46	(31)	-	(286)
Effect due to change in the income tax rates through equity	-	-	(136)	(2)	-	(138)
31 December 2018	**38**	**6.531**	**477**	**203**	**-**	**7.248**

- Deferred tax assets are recognised per entity based on the amounts of future taxable profit for which Management believes that there is a high probability of occurrence against which temporary difference that have resulted in a deferred tax asset can be set-off.
- In relation to the deferred tax assets for tax losses, the Management estimates the anticipated future profitability of the Company, as well as its subsidiaries and at the level that the future results will not be sufficient to cover the tax losses, no deferred tax asset has been recognized.
- In order to be prudent, the Company has not recognised deferred tax assets with respect to accumulated tax losses of €16m (31.12.2017: €1m).
- In order to be prudent, the Group has not recognised deferred tax assets with respect to accumulated tax losses of €62m (31.12.2017: €58m).
- The largest proportion of deferred tax liabilities and assets are recoverable after 12 months from the balance sheet date as these relate primarily to temporary differences associated with depreciation differences, fair value changes for investment properties and inventory, provision for redundancy and tax losses.

21. Revenue

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Leasing of real estate property	63.517	53.613	101	97
Other auxiliary land transportation	7.907	5.870	-	-
Real estate management	6.325	1.233	2.452	1.435
Sale of landplots - inventories	120	25.000	-	-
Consulting	168	220	1.033	990
Other	1.342	1.242	-	-
Total	**79.379**	**87.179**	**3.587**	**2.523**

The aggregate floating (contingent) remuneration was €2.5m for year 2018 and €2.3m for year 2017.

22. Other direct property operating expenses

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**
Operating lease	(4.841)	(3.596)	-	-
Shopping center common charges	(2.904)	(2.735)	-	-
Proportion in the common charges of vacant units	(596)	(568)	-	-
Parking expenses	(2.402)	(1.906)	-	-
Promotion and marketing expenses	(791)	(602)	-	-
Administrative and financial services	(14)	(14)	-	-
Technical advisors' fees	(175)	(213)	-	-
Insurance costs	(850)	(524)	-	-
Lawyer fees	(34)	(32)	-	-
Commercialization	(382)	(13)	-	-
Maintenance and repairs	(754)	(1.216)	-	-
Taxes - charges	(679)	(687)	-	-
Provision for receivables impairment	1.420	-	-	-
Other	(461)	(238)	-	-
Total	**(13.462)**	**(12.344)**	**-**	**-**

23. Other operating income / (expenses) net

all amounts in € thousands	GROUP 01.01.2018 to 31.12.2018	GROUP 01.01.2017 to 31.12.2017	COMPANY 01.01.2018 to 31.12.2018	COMPANY 01.01.2017 to 31.12.2017
Professional fees	(2.756)	(2.402)	(815)	(882)
Promotion and marketing expenses	(604)	(464)	(399)	(248)
IT expenses and other maintenance	(325)	(331)	(296)	(294)
Common charges and consumables	(956)	(640)	(381)	(387)
Taxes - charges	(186)	(502)	(44)	(33)
Travel/transportation expenses	(285)	(253)	(214)	(193)
Insurance	(113)	(99)	(91)	(76)
Donations and grants	(192)	(94)	(16)	(64)
Loss from sale/valuation of financial instruments held at fair value through profit or loss	(265)	(495)	(265)	(253)
Remuneration due to repurchase	(644)	-	(644)	-
Provision for receivables impairment	(142)	-	(155)	-
VAT write-off	(41)	(705)	(41)	(405)
Other	(534)	(172)	(131)	72
Total	**(7.043)**	**(6.157)**	**(3.491)**	**(2.763)**

24. Employee benefits expenses

all amounts in € thousands	GROUP 01.01.2018 to 31.12.2018	GROUP 01.01.2017 to 31.12.2017	COMPANY 01.01.2018 to 31.12.2018	COMPANY 01.01.2017 to 31.12.2017
Wages and salaries	(8.279)	(8.176)	(6.623)	(6.240)
Social security costs	(1.320)	(1.345)	(993)	(947)
Costs - defined contribution funds (note 17)	(128)	(156)	(52)	(81)
Other benefits	(905)	(914)	(653)	(688)
Total	**(10.632)**	**(10.591)**	**(8.320)**	**(7.956)**
Number of employees	**236**	**229**	**85**	**76**

25. Finance costs – net

all amounts in € thousands	GROUP 01.01.2018 to 31.12.2018	GROUP 01.01.2017 to 31.12.2017	COMPANY 01.01.2018 to 31.12.2018	COMPANY 01.01.2017 to 31.12.2017
Interest expense:				
- Borrowings interest - contractual	(22.098)	(18.081)	(6.844)	(7.598)
- Borrowings interest - transaction costs (note 16)	(2.157)	(2.254)	(767)	(1.204)
- Expense from loans granted from related parties (note 30)	-	(355)	(2.139)	(1.442)
- Other costs and commissions	(1.910)	(1.505)	(1.266)	(1.139)
	(26.165)	**(22.196)**	**(11.015)**	**(11.382)**

Interest income:				
- Income from loans granted to related parties (note 30)	-	-	1.109	1.130
- Interest income	318	219	290	164
	318	**219**	**1.398**	**1.294**
Total	**(25.846)**	**(21.977)**	**(9.617)**	**(10.088)**

26. Income tax

According to tax law, the corporate income tax rate of legal entities in Greece is set at 29% and intragroup dividends are exempt from both income tax, as well as withholding tax provided that the parent entity holds a minimum participation of 10% for two consecutive years.

In addition, the tax rate for the subsidiaries registered in foreign countries differs from country to country as follows: Greece 29%, Serbia 15%, Romania 16%, Montenegro 9% and Netherlands 25.5%.

Under Greek tax regulations, an income tax advance calculation on each year's current income tax liability is paid to the tax authorities. Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

	GROUP		**COMPANY**	
all amounts in € thousands	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**
Income tax	(10.358)	(8.636)	(2)	(615)
Effect due to change in the income tax rates	14.025	-	(276)	-
Deferred tax (note 20)	(18.343)	(12.387)	(750)	(2.552)
Total	**(14.676)**	**(21.023)**	**(1.027)**	**(3.167)**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the company as follows:

	GROUP		**COMPANY**	
all amounts in € thousands	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**
Profit/(loss) for the year	**75.684**	**(22.663)**	**(17.403)**	**(24.384)**
Tax calculated at domestic tax rate applicable to profits in the respective countries	(22.761)	4.786	5.047	7.071
Income not subject to tax	-	-	1.824	1.114
Expenses not deductible for tax purposes	(2.516)	(2.799)	(2.128)	(2.551)
Tax effect on deductible interest income	(994)	(1.034)	(994)	(995)
Loss for the year, no deferred tax provision	(2.431)	(26.270)	(3.125)	-
Recognition of deferred tax for tax losses carried forward	-	4.470	-	4.470
Impairment loss, no deferred tax provision	-	-	(1.376)	(12.388)
Effect due to change in the income tax rates	14.025	-	(276)	-
Impact from audit	-	(177)	-	113
Taxes	**(14.676)**	**(20.846)**	**(1.028)**	**(3.279)**

Tax certificate and unaudited tax years

The unaudited tax years for the Company and the Group's companies are as follows:

Company	Fiscal years unaudited by the tax authorities	Company	Fiscal years unaudited by the tax authorities
LAMDA Development SA	2013-2018		
LAMDA Olympia Village SA	2013-2018	ATHENS METROPOLITAN EXPO SA	2013-2018
PYLAIA SA	2013-2018	METROPOLITAN EVENTS	2013-2018
LAMDA Domi SA	2013-2018	Property Development DOO	2010-2018
LAMDA Flisvos Marina SA	2013-2018	Property Investments DOO	2008-2018
LAMDA Prime Properties SA	2013-2018	LAMDA Development Romania SRL	2014-2018
LAMDA Estate Development SA	2013-2018	SC LAMDA MED SRL	2014-2018
LAMDA Real Estate Management SA	2013-2018	LAMDA Development Montenegro DOO	2007-2018
KRONOS PARKING SA	2013-2018	LAMDA Development (Netherlands) BV	2008-2018
LAMDA Erga Anaptyxis SA	2013-2018	Robies Services Ltd	2007-2018
LAMDA Flisvos Holding SA	2013-2018	Robies Proprietati Imobiliare SRL	2014-2018
LAMDA Leisure SA	2013-2018	Singidunum-Buildings DOO	2007-2018
GEAKAT SA	2013-2018	GLS OOD	2006-2018
MALLS MANAGEMENT SERVICES SA	2013-2018	LOV Luxembourg SARL	2013-2018
MC Property Management SA	2013-2018	TIHI EOOD	2008-2018
LAMDA Akinhta SA	2013-2018	LAMDA Development Sofia EOOD	2006-2018
LAMDA Dogus Marina Investments SA	2013-2018		
LAMDA ILIDA OFFICE SA	2018		

For the year ended 31 December 2011 and onwards as the Law 4174/2013 (article 65A) currently stands (and as Law 2238/1994 previously provided in article 82), up to and including fiscal years starting before 1 January 2016, the Greek societes anonymes and limited liability companies whose annual financial statements are audited compulsorily, were required to obtain an 'Annual Tax Certificate', which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. For fiscal years starting from 1 January 2016 and onwards, the 'Annual Tax Certificate' is optional, however the Group will obtain such certificate. In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the tax paying company.

Regarding the Greek companies of the Group that are subject to tax certificate, the tax audit for the fiscal year 2017 was completed by PriceWaterhouseCoopers SA and the relevant tax certificates have been issued.

Up to 31.12.2016 the Company and PYLEA SA have been officially served with audit mandate by the competent Greek tax authorities for the year 2010. Consequently, the State is not anymore entitled, due to the lapse of the statute of limitation, to issue assessment sheets and assessment acts for taxes, duties, contributions and surcharges for the years up to 2010, pursuant to the following provisions: (a) para. 1 art. 84 of Law 2238/1994 (unaudited cases of Income taxation), (b) para. 1 art. 57 of Law 2859/2000 (unaudited cases of Value Added Tax), and, (c) para. 5 art. 9 of Law 2523/1997 (imposition of penalties for income tax cases).

The Group provides, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. As a result, the Group's tax obligations have not been defined permanently.

27. Cash generated from operations

		GROUP		COMPANY	
all amounts in € thousands	**Note**	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**	**01.01.2018 to 31.12.2018**	**01.01.2017 to 31.12.2017**
Profit/(loss) for the year		61.008	(43.687)	(18.430)	(27.551)
Adjustments for:					
Tax	26	14.676	21.023	1.027	3.167
Depreciation of property, plant and equipment	7	727	773	153	99
Impairment of receivables	22,23	(1.279)	-	155	-
Share of profit from associates	8	989	(2.512)	-	-
Dividends income		-	-	(6.289)	(3.841)
Provision for impairment of receivables from subsidiaries	30	-	-	1.936	34.318
Provision for impairment of investments in subsidiaries, joint ventures and associates	8	-	-	2.809	8.400
Impairment provision relating to property repurchase		624	12.977	-	-
(Gains)/losses from disposal/acquisition of interest held in investments		-	10.733	-	(33.831)
Loss from sale/valuation of financial instruments/derivatives	11	27	495	265	253
Profit from sale of treasury shares		-	(807)	-	(807)
Provision for retirement benefit obligations	17	80	(126)	41	(72)
Interest income	25	(318)	(219)	(1.398)	(1.294)
Interest expense	25	26.165	22.196	11.015	11.383
Provision for inventory impairment	9	740	7.748	-	-
Net gains/(losses) from fair value adjustment on investment property	6	(56.836)	(11.710)	-	-
Other non cash income / (expense)		(29)	-	2	-
		46.573	**16.884**	**(8.714)**	**(9.777)**
Changes in working capital:					
Decrease in inventories	9	120	40.212	-	-
Increase in receivables	10	(32.805)	(1.440)	(8.283)	(935)
(Decrease)/increase in payables	18	17.507	1.203	16.961	(661)
		(15.179)	**39.975**	**8.678**	**(1.595)**
Cash flows from operating activities		**31.395**	**56.859**	**(36)**	**(11.373)**

28. Commitments

Capital commitments

At December 31, 2018 there is capital expenditure of €2.3m that has been contracted for but not yet incurred at the balance sheet date.

Operating lease commitments

The group leases intangible assets mainly buildings and mechanical equipment under operating leases. Total future lease payments under operating leases are as follows:

all amounts in € thousands	GROUP 31.12.2018	GROUP 31.12.2017	COMPANY 31.12.2018	COMPANY 31.12.2017
No later than 1 year	3.942	3.395	951	944
Later than 1 year and not later than 5 years	16.082	13.889	972	1.919
Later than 5 years	274.885	53.408	-	-
Total	**294.908**	**70.692**	**1.922**	**2.863**

The Group has no contractual liability for investment property repair and maintenance services.

29. Contingent liabilities and assets

The Group and the Company have contingencies in respect of letter of guarantees for good performance and other matters arising in the ordinary course of business, for which no significant additional burdens are expected to arise as follows:

	GROUP		COMPANY	
Liabilities (*all amounts in € thousands)*	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Letters of guarantee relating to obligations	40.182	36.258	30.004	30.004
Total	**40.182**	**36.258**	**30.004**	**30.004**
Assets (*all amounts in € thousands)*				
Letters of guarantee relating to receivables (from tenants)	40.687	39.929	-	-
Total	**40.687**	**39.929**	**-**	**-**

In addition to the issues mentioned above there are also the following particular issues:

- The Group provides, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. As a result, the Group's tax obligations have not been defined permanently. For details regarding the unaudited tax years for the rest of the Group companies, please see note 26.

- A property transfer tax of €10,1m approximately has been imposed on the societe anonyme LAMDA Olympia Village (former DIMEPA, hereinafter referred to as LOV); Out of the forty (40) recourses which have been filed respectively, thirty one (31), amounting to €9.6m, have been irrevocably accepted either by the Council of State (six of them) or by the Administrative Court of Appeals, as either the corresponding to them appeals on points of law of the Hellenic Republic have been rejected (for eight of them) or the Hellenic Republic did not even file an appeal on points of law (for the remaining seventeen); the remaining nine (9) recourses have been irrevocably rejected in favor of the Hellenic Republic, since due to the amount of the litigation either an appeal (one case) or an appeal on points of law (six cases) could not be filed or because the filed appeal on points of law was rejected (two cases).

  During the whole term of this litigation, LOV has been obliged to pay to the Hellenic Republic the amount of approximately €836k during 2005, €146k during 2006, €27k during 2007, €2.9m in 2012, €2.2m in 2013, €983k in 2014 and €235k in 2015 (which remained as a claim against the Hellenic Republic). Until 31.12.2018 the total amount of €6.5m has been returned to the Company on the basis of the appeals which have been irrevocably accepted. If the outcome of the case is negative, according to the share sale agreement between the Municipality of Amaroussion and the Company, the total obligation will be on the Municipality, as it relates to transfers of properties before the acquisition of LOV's shares.

  - Additionally, LOV had to pay for the transfer of specific real property in the past (on 2006), property transfer tax of approximately €13,7m, reserving its rights with regard to this tax and finally taking recourse to the administrative courts against the silent rejection of its reservations by the competent Tax Authority. In 2013 the said recourse was accepted in part and the re-calculation of the owed property tax was ordered, which led to the returning to LOV of an amount of approximately €9,5m. Further to appeals on points of law filed by both parties, the Council of State rejected LOV's appeal and accepted the Hellenic Republic's appeal; consequently the case was referred back to the Administrative Court of Appeals, which initially postponed the issue of a final decision and obliged the parties to adduce evidence for the determination of the market value of the property; after resuming hearing of the case, the Administrative Court of Appeals finally rejected the recourse, determined the taxable value of the property and obliged the competent Tax Authority to re-calculate the transfer tax due upon the new taxable value. Following this decision, LOV had to pay transfer tax of approximately €16,3m. An appeal on points of law has been filed and is estimated by the legal counsels of the Company to have high chances of success. In specific, grounds of appeal challenging re-calculation of transfer tax upon the market value of the property, to the extent it exceeds the objective value, are expected to succeed with very high probability.

- Five (5) petitions for annulment have been filed and were pending before the Council of State related to LOV, regarding the plot of land where the Maroussi Media Village (or "Olympiako Chorio Typou") and the Commercial and Leisure Centre "The Mall Athens" were built. More specifically: the first of these petitions was heard on 3.5.2006 and the decision no 391/2008 of the Fifth Chamber of the Council of State was issued committing for the Plenary Session of the Council of State. Further to successive postponements the case was heard on 05.04.2013. By virtue of its decision No 376/2014, the Plenary Session accepted the said petition and the Court annulled the silent confirmation by the competent planning authority of the Ministry of Environment, Planning & Public Works (namely, DOKK) that the studies of the project submitted to such authority were compliant with article 6 paragraphs 1 and 2 of Law 3207/2003. The Council of State annulled the aforementioned act, because it identified irregularities of a procedural nature in the issuance of the licenses required for the project. In light of such nature of the identified irregularities, it is estimated that they may be rectified, and LOV has already initiated the procedure required further to the issuance of the said decision. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.

- The second petition was heard on 02.04.2014, further to successive postponements, and the Fifth Section issued its Decision No. 4932/2014, whereby the Court cancelled the proceedings. The hearing for the third and fourth petitions took place on 24.04.2018 (again, further to successive postponements). The third and fourth petitions for annulment seek the annulment of a series of pre-approvals and operating licenses respectively, issued by the Municipality of Maroussi to a number of stores operating in the aforementioned Shopping Center, on the basis that the law on which said pre-approvals and licenses were issued is not compatible with the provisions of the Constitution. In light of the aforementioned decision of the Court's Plenary Session, the Company's legal advisors believe that the third and fourth petitions for annulment will be accepted. The fifth petition for annulment, which was heard on 21.03.2017, will probably be rejected on the grounds that the matter falls outside of the Court's jurisdiction (since the decision under annulment is the decision of the Board of Directors of OEK (Worker's Housing Organization or "Organismos Ergatikis Katoikias") which is not an enforceable administrative act).

- In addition to the above, LOV sold the office building "ILIDA BUSINESS CENTRE" to the company "EUROBANK Leasing S.A." on 26.06.2007. "EUROBANK Leasing S.A." entered into a financial lease agreement with "Blue Land S.A." regarding the said office building. The respective deed of transfer includes a provision specifying that, if either of the first two petitions is irrevocably accepted on the grounds that Law 3207/2003 is not compatible with the provisions of the Constitution, then the transaction shall be reversed by reinstatement of the property to its original status, in which case the buyer "EUROBANK Leasing" shall be entitled to the full buying price and the ownership of the office building shall return to LOV. Two opposing lawsuits have been filed; the first one was filed by the Company and LOV and is seeking to have identified that the conditions for the said provision have not been fulfilled and the second one was filed by "EUROBANK Leasing S.A." (and "BLUE LAND S.A." intervened as a third party in the proceedings to support the validity of EUROBANK's claims) and is seeking to have identified that the conditions have been met and that the purchase price be returned to "EUROBANK Leasing S.A.". The case was heard (further to postponement) on 11.10.2016. The Multimember First Instance Court issued decision No, 1522/2017, whereby the Company's and the LOV's lawsuit was rejected and the opposing lawsuit filed by Eurobank Leasing was partially accepted.

The Company and LOV filed appeal No. 572531/504467/2017, the hearing of which had originally been set for 19.04.2018, but was postponed for a joint hearing together with the appeal filed by "EUROBANK Leasing S.A." (No. 573006/50450/2017), as well as with the intervention of "BLUE LAND S.A." in favour of Eurobank Leasing on 03.05.2018, and, following further postponement, the hearing of all the above has been set for 11.10.2018. During the said hearing, the litigation was declared terminated due to an out-of-court settlement between the Company, LOV and "EUROBANK Leasing S.A.", whereby all parties thereto waived their appeals. Pursuant to the settlement agreement, LOV acknowledged ownership of the building and paid the amount of € 54,160,000 to "EUROBANK Leasing S.A." in full and final settlement of the latter's relevant claims against the Company and LOV (as such arose from decision No. 1522/2017 of the Multimember First Instance Court of Athens and "EUROBANK Leasing S.A." aforementioned lawsuit).

- Contractor "MICHANIKI SA" undertook a significant part of the construction works for the "Mediterranean Cosmos" shopping centre in Pylaia, Thessaloniki. Both "PYLAIA SA", a subsidiary of the Company, and "MICHANIKI SA" have filed actions and counter-actions against each other, which were jointly heard on 1.4.2009. The Athens Multimember Court of 1st Instance issued decision 8172/2009 according to which the actions of "PYLAIA SA" were rejected whereas an expert was appointed in relation to the actions of "MICHANIKI SA". "PYLAIA SA" appealed against that decision and the hearing of the appeal took place, following postponements, on 28.02.2013 before the Athens Court of Appeal. The Athens Court of Appeal issued decision No. 3977/2013 which rejected the appeal of "PYLAIA S.A.". The Company submitted an appeal on points of law before the Supreme Court, which was heard on 11.05.2015. The Court accepted the appeal of "PYLAIA S.A." by means of its Decision No 208/2016, despite the negative opinion issued by the Judge Rapporteur, and sent the case back to the Court of Appeals for a new hearing. The case was finally heard on 07.02.2019, further to a postponement of the hearing previously scheduled for 26.10.2017 and the respective decision is expected to be issued. Moreover, on 28.12.2010 the "PYLEA SA" filed lawsuits No 13132, 13134 and 13129/2010 before the Athens Multi-Member 1st Instance Court against "MICHANIKI SA", the hearing of which took place on 13.02.2013, following a postponement on 14.11.2012. Such lawsuits are identical to the previously presented lawsuits, save that they have been filed jointly with the company "EUROHYPO S.A." to address the event where the Court rules that "PYLAIA SA" is not entitled to file these lawsuits in its name. For this reason, the hearing of such lawsuits was cancelled on 13.02.2013 and had been reenacted so that those lawsuits were scheduled to be heard on 18.03.2015, when hearing was postponed for 25.01.2017 and then again cancelled. A new hearing for these lawsuits was set for 21.02.2018 and then again cancelled.

Additionally, further to the submission before the Court of the expert's report, which is favorable to "PYLAIA SA", the hearing of the actions of "MICHANIKI SA" had been set for 27.05.2015 (after postponement of 13.03.2013), but it was cancelled. The case was finally heard on 10.10.2018 and the respective decision is expected to be issued. Moreover, "PYLAIA SA" filed an action against "MICHANIKI SA" on 24.12.2010 for additional compensation from the above causes, the hearing of which had been set, following postponements, on 25.02.2015, but it was cancelled. Given the outcome of the hearing before the Supreme Court, it is likely that a new hearing will be set for said action as well. Finally, "MICHANIKI S.A." filed a new lawsuit seeking compensation for amounts that "PYLAIA S.A." had collected from Alpha Bank by forfeiture of "MICHANIKI S.A." bank bonds. The lawsuit was set to be heard on 28.05.2015, but was postponed for 12.10.2017, when it was cancelled. The amount of total claims of "PYLAIA SA" against "MICHANIKI SA" is €20m (which includes the amount of €2,5m for moral damages), while "MICHANIKI SA" with said actions claims the amount of €37m (including the amount of €10.5m in compensation for moral damages). In any case, the Company's legal advisors believe that the legitimate claims of "PYLAIA SA" against "MICHANIKI SA" significantly exceed the legitimate claims of the latter against "PYLAIA SA".

Additionally, there are various legal cases of the Group's companies, which are not expected to create material additional liabilities.

30. Related party transactions

The following transactions were carried out with related parties.

all amounts in € thousands	GROUP 01.01.2018 to 31.12.2018	GROUP 01.01.2017 to 31.12.2017	COMPANY 01.01.2018 to 31.12.2018	COMPANY 01.01.2017 to 31.12.2017
i) Sales of goods and services				
- subsidiaries	-	-	3.367	2.216
- joint ventures	152	1.368	59	139
- associates	-	-	93	68
	152	**1.368**	**3.518**	**2.423**
ii) Purchases of goods and services				
- subsidiaries	-	-	947	923
- joint ventures	-	185	-	-
- companies which controlling interests belong to Latsis family	1.615	-	-	-
	1.615	**185**	**947**	**923**
iii) Dividend income				
- subsidiaries	-	-	6.289	3.841
	-	**-**	**6.289**	**3.841**
iv) Benefits to management				
- salaries and other short-term employment benefits	1.061	1.031	1.061	1.031
	1.061	**1.031**	**1.061**	**1.031**
v) Income from interest				
- subsidiaries	2	28	1.109	1.130
	2	**28**	**1.109**	**1.130**
vi) Cost of interest				
- subsidiaries	-	355	2.139	1.442
	-	**355**	**2.139**	**1.442**

vii) Year-end balances from sales-purchases of goods/servises

all amounts in € thousands	GROUP 31.12.2018	GROUP 31.12.2017	COMPANY 31.12.2018	COMPANY 31.12.2017
Receivables from related parties:				
- subsidiaries	-	-	1.190	-
- joint ventures	49	-	18	-
- associates	-	-	31	-
	49	**-**	**1.239**	**-**
Payables to related parties:				
- subsidiaries	-	-	3	70
- companies which controlling interests belong to Latsis family	317	-	-	-
	317	**-**	**3**	**70**

Receivables and payables from/to related parties are satisfied and their carrying amounts approach their fair value.

	GROUP		COMPANY	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
viii) Loans to associates:				
Balance at the beginning of the period (released)	**657**	**1.111**	**28.926**	**86.414**
Adjustment IFRS 9	-	-	(20.585)	-
Balance at the beginning of the period (adjusted) (1)	**657**	**1.111**	**8.342**	**86.414**
Loans granted during the year	-	360	618	-
Loan repayments/Transfer to share capital	(588)	(825)	-	-
Interest repayments/Transfer to share capital	(72)	(17)	-	-
Loan repayments	-	-	(168)	(24.300)
Loan and interest impairment	-	-	(1.914)	(34.318)
Interest charged	2	28	1.109	1.130
Balance at the end of the year	**-**	**657**	**7.987**	**28.926**

(1) At company level "Loans to associates"of 31.12.2017 has been adjusted according to the amendments of IFRS 9, as mentioned in note 2.2 of these financial statements.

At Company level, the loans to associates refer to loans of initial capital €56m, less impairment €48m, that the parent company has granted to its subsidiaries LAMDA Development Romania SRL, LAMDA Development Sofia EOOD, Robies Services Ltd, LAMDA Development Montenegro DOO and Property Development DOO.

Loans to associates' carrying amounts approach their fair value which is calculated according to the fair value hierarchyas described in note 3.3.

	GROUP		COMPANY	
ix) Loans from associates:	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Balance at the beginning of the year	**-**	**17.947**	**40.808**	**21.974**
Loans received during the year	-	-	11.660	18.243
Loan repayments	-	-	(700)	(700)
Acquisition of participations	-	(18.302)	-	-
Borrowings transaction costs - amortization	-	-	5	18
Interest paid	-	-	(135)	(141)
Interest charged	-	355	2.139	1.414
Balance at the end of the year	**-**	**-**	**53.776**	**40.808**

At Company level, the loans from associates refer to loans of initial capital €47.5m that the parent company has granted to the companies LAMDA Prime Properties SA, LOV Luxembourg SARL and LAMDA Ilida Office SA. In 2018, the Company repaid the amount of €700k to LAMDA Prime Properties SA. At Group level, following the acquisition of 25% of LOV Luxembourg SARL and 50% of LAMDA OLYMPIA VILLAGE SA, there are no more loans from associates.

Loans from associates' carrying amounts approach their fair value which is calculated according to the fair value hierarchyas described in note 3.3.

Services from and to related parties, as well as sales and purchases of goods, take place based on the price lists in force with non-related parties.

31. Earnings/(losses) per share

Basic

Basic earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares outstanding during the year.

all amounts in € thousands	GROUP 01.01.2018 to 31.12.2018	GROUP 01.01.2017 to 31.12.2017	COMPANY 01.01.2018 to 31.12.2018	COMPANY 01.01.2017 to 31.12.2017
Profit/(loss) attributable to equity holders of the Company	**42.327**	**(48.315)**	**(18.430)**	**(27.551)**
Weighted average number of ordinary shares in issue	77.856	77.361	77.856	77.361
Basic earnings/(losses) per share *(in € per share)*	**0,54**	**(0,62)**	**(0,24)**	**(0,36)**

We note that the increase of share capital that emanates from the employee share option scheme takes place on 31 December of each year and consequently does not influence the weighted average number of shares.

Diluted

all amounts in € thousands	GROUP 01.01.2018 to 31.12.2018	GROUP 01.01.2017 to 31.12.2017	COMPANY 01.01.2018 to 31.12.2018	COMPANY 01.01.2017 to 31.12.2017
Profit/(loss) used to determine dilluted earnings/(losses) per share	**42.327**	**(48.315)**	**(18.430)**	**(27.551)**
Weighted average number of ordinary shares in issue	77.856	77.361	77.856	77.361
Adjustment for share options:				
Employees share option scheme	-	-	-	-
Weighted average number of ordinary shares for dilluted earnings/(losses) per share	**77.856**	**77.361**	**77.856**	**77.361**
Diluted earnings/(losses) per share *(in € per share)*	**0,54**	**(0,62)**	**(0,24)**	**(0,36)**

Diluted earnings / (losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares i.e. share options. For these share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference that arises is added to the denominator as issuance of common shares with no exchange value. Finally, no adjustment is made in the earnings (nominator).

32. Dividends per share

For the forthcoming General Meeting of the Company's Shareholders no dividend is expected to be proposed for the fiscal year 2018.

33. Audit and other fees

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2018**	**31.12.2017**	**31.12.2018**	**31.12.2017**
Audit fees	293	278	100	101
Annual Tax Certificate's fees	203	200	21	21
Fees for other assurance services	50	22	37	10
Total	**546**	**499**	**158**	**131**

34. Events after the financial position date

No event has arisen after the balance sheet date that would have significant influence on these consolidated financial statements.

USE OF PROCEEDS

LAMDA DEVELOPMENT S.A. HOLDING AND REAL ESTATE DEVELOPMENT COMPANY S.A.

General Electronic Commercial Registry Number: 3379701000
Registered office: 37A Kifissias Ave., Maroussi, 151 23

Pursuant to the provisions of paragraph 4.1.2. (2), 4.1.4.1.2., 4.2. and 4.3. of the Athens Stock Exchange Regulation, the part A' of the decision No25/17.07.2008 of the Athens Stock Exchange BoD and the decision No8/754/14.04.2016 of the Capital Market Commission BoD, it is disclosed that from the share capital increase of the Company by payment in cash and with preemptive rights to the existing shareholders of the Company, acquiring new shares at a ratio of 0,794691552779231 new shares for every one (1) existing share, based on the decision of the Extraordinary General Meeting of shareholders of the Company that took place at 29.04.2014, fund up to €146.1m were raised (total amount of €150m minus the issuance expenses of €3.9m (initial estimation of expenses €3,5m)). From the share capital increase, 35.294.117 new common registered shares of subscription price €4,25 each and nominal value €0,30 each, which were listed for trading on the Main Market of the Athens Stock Exchange on 22.07.2014. The Board of Directors held a meeting on 17.07.2014 and certified the payment of the total amount of the share capital increase. Until 31.12.2018 the raised capital, was allocated according to the use as described in the Prospectus, as was ammended with the Company's BoD Resolutions dated 22.05.2015, 24.05.2016 and 23.05.2018 in conjunction with the respective decisions of the Ordinary General Meeting of the shareholders of the Company dated 16.06.2015, 15.06.2016 and 14.06.2018, as following:

TIME SCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

	ALLOCATION OF RAISED CAPITAL AS PROVIDED FOR IN THE INFORMATIVE BULLETIN (timeschedule of allocation of raised capital within 36 months from the certification of the payment)	ALLOCATION OF RAISED CAPITAL AS PROVIDED FOR IN THE INFORMATIVE BULLETIN AFTER ITS AMENDMENT IN ACCORDANCE TO THE BOARD OF DIRECTORS DECISION DATED 22.05.2015 (notification of the decision 22.05.2015) IN COMBINATION WITH DECISION OF ORDINARY GENERAL ASSEMBLY DATED 16.06.15 (notification of the decision 16.06.2015) (1)	ALLOCATION OF RAISED CAPITAL AS PROVIDED FOR IN THE INFORMATIVE BULLETIN AFTER ITS AMENDMENT IN ACCORDANCE TO THE BOARD OF DIRECTORS DECISION DATED 24.05.2016 (notification of the decision 24.05.2016) IN COMBINATION WITH DECISION OF ORDINARY GENERAL ASSEMBLY DATED 15.06.16 (notification of the decision 15.06.2016) (2)	ALLOCATION OF RAISED CAPITAL AS PROVIDED FOR IN THE INFORMATIVE BULLETIN AFTER ITS AMENDMENT IN ACCORDANCE TO THE BOARD OF DIRECTORS DECISION DATED 23.05.2018 (notification of the decision 23.05.2018) IN COMBINATION WITH DECISION OF ORDINARY GENERAL ASSEMBLY DATED 14.06.18 (notification of the decision 14.06.2018) (3)	ALLOCATED CAPITAL					
(Amounts in € thousands)	TOTAL	TOTAL	TOTAL	TOTAL	USE UNTIL 31.12.2014	USE UNTIL 31.12.2015	USE UNTIL 31.12.2016	USE UNTIL 31.12.2017	USE UNTIL 31.12.2018	UNALLOCATED CAPITAL BASED ON THE BoD DECISION 23.05.2018
A. Development of the western part of IBC building	25.000	25.000	25.000	3.875		3.875 (4)				0
B. Payment of operating expenses, interest expense, loan repayments and subsidiaries overheads through share capital increase	25.000	25.000	25.000	25.000	6.700	17.150	1.150			0
C. Investment property										
Investments in real estate and in the assets and liabilities of real estate exploitation LAMDA Development SA's Group companies and Investments in credit claims offered on the secondary market against LAMDA Development SA's Group companies	96.083	96.083	89.083	89.083	1.000 (5)	2.000 (5)	2.500 (5)	83.583 (6)		0
D. Acquisition of own shares			7.000	2.426			2.426 (7)			0
E. Repayment of bond loans				25.699					25.699 (8)	0
Total	**146.083**	**146.083**	**146.083**	**146.083**	**7.700**	**23.025**	**6.076**	**83.583**	**25.699**	**0**

Σημειώσεις:

1. According to the Company's BoD resolution dated 22.05.2015, partial change to the use of the funds raised from the share capital increase was decided. More specifically, the Board of Directors decided the widening of the third (c) category of intended uses of the raised funds in the provisions of section 4.2 (Use of Raised Funds) of the Prospectus, as approved by the Hellenic Capital Market Commission, and the renaming of said category from "investments in real estate" to "investments in real estate and in the assets and liabilities of real estate exploitation Group companies" and "Investment in credit claims offered on the secondary market against Group companies".
2. According to the Company's BoD resolution dated 24.05.2016, partial change to the use of the funds raised from the share capital increase was decided. With a view to continuing the implementation of the Shareholders' General Meeting resolution dated 16.06.2015 of the purchase of own shares until 16.06.2017 and up to one-tenth (1/10) of the each time total paid-up share capital, for a minimum purchase price equal to the par value of the share, to wit, €0,30, and a maximum purchase price equal to €10,00 per share, the Board of Directors decided at the meeting of 24.05.2016: to include a new forth (d) category of intended uses of raised funds, entitled "Acquisition of Own Shares", in the provisions of section 4.2 (Use of Raised Funds) of the Prospectus, as approved by the Hellenic Capital Market Commission, with an aggregate expense amount of up to €7.000k and with an equal reduction of the third (c) category of raised funds intended issues.
3. The Board of Directors, aiming to the reduction of corporate debt, with the scope to facilitate the corporate interests of the Company, decided on the 23.5.2018 to add a new fifth (e) category of intended uses of raised funds, entitled "Repayment of Bond Loans", in the provisions of section 4.2 (Use of Raised Funds) of the Prospectus, as approved by the Hellenic Capital Market Commission, with an aggregate expense amounting up to €25.699k. The unallocated funds came from the categories (a) "Development of the western part of IBC building" amount of €21.125k and (d) «Acquisition of own shares» amount of €4.574k of the Use of Raised Funds. The above mentioned decision was made in the frame of servicing the company scope due to a) the capability to finance the development of the IBC building through bank loan, b) the indirect participation of the company Wert Blue SARL in the share capital of the company LAMDA DOMI SA owner of the concession right on the IBC building and the jointly made decision for the development of the IBC building and c) the passage of the period of 36 months from the share capital increase as an indicative period for the completion of the allocation of the raised funds.
4. The Company, in the aforementioned period, increased the share capital of its subsidiaries LAMDA DOMI SA and LAMDA LEISURE SA by €3.875k in total, aiming to the studies related to the development of the western part of IBC building.
5. The Company, in the aforementioned period, increased the share capital of its subsidiary LAMDA ERGA ANAPTYXIS SA by €5.500k aiming to studies related to the investment of the former Hellinikon airport and specifically for design and architectural studies and the preparational works related to the investment.
6. The Company, in the aforementioned period, acquired the 50% of the shares of the subsidiary LAMDA OLYMPIA VILLAGE SA using the remaining raised capital of the category "investments in real estate and in the assets and liabilities of real estate exploitation Group companies" amount of €83.583k. The purpose of the acquisition is the acquisition of the total 100% and the control of the subsidiary LAMDA OLYMPIA VILLAGE SA, owner of the shopping mall "THE MALL ATHENS".
7. The Company, in the aforementioned period, acquired 620.413 own shares in the amount of €2.426k at an average price per share €3,90, that represent the 0.8% of the issued total shares.
8. The Company, in the aforementioned period, repaid bond loans, an amount of €25.699k by using raised capital of the category "Repayment of bond loans".
9. The Company in the second semester of 2016, used temporarily for working capital the amount of €1.6m.
10. At 31.12.2018 the Company has fully used the proceeds from the share capital increase.

Maroussi, March 28, 2019

The Chairman of the Board of Directors	The Chief Executive Officer	The Financial Director
ANASTASIOS K.GIANNITSIS	**ODYSSEFS E.ATHANASIOU**	**VASILEIOS A.BALOUMIS**
ID H865601	ID AB510661	ID AK130062

[Translation from the original text in Greek]

Report of factual findings in connection with the 'Report on Usage of Funds'

To the Board of Directors of **"Lamda Development S.A."**

According to the engagement letter received from the Board of Directors of Lamda Development S.A. (the "Company"), dated 22 March 2019, we have performed the procedures described below in accordance with the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee with respect to the Report on the Usage of Funds (Report) of the Company, which relates to the share capital increase paid in cash, taken place in 2014.

The Company's Board of Directors is responsible for preparing the aforementioned Report. Our engagement was undertaken in accordance with International Standard on Related Services 4400 applicable to "agreed-upon-procedures" engagements. Our responsibility is solely to perform the procedures described below and to report to you our findings.

We performed the following agreed upon-procedures:

1. We examined the content of the Report and its consistency with the provisions of the decisions 7/448/11.10.2007, 8/754/14.4.2016 of the Hellenic Capital Markets Committee and the decision 25/17.07.2008 of the Athens Stock Exchange.
2. We examined the content of the Report and its consistency with what is disclosed in the Prospectus issued by the Company on 19 June 2014.
3. We have agreed the amount of the share capital increase disclosed in the Report to:
   - the amount approved by the resolution of the Company's shareholders at the General Meeting of 29 April 2014
   - the amount disclosed in the above-mentioned Prospectus
   - the amounts deposited in the relevant bank account maintained by the Company.
4. We examined whether the amount of the share capital increase certified by the Company's Board of Directors on 17 July 2014 agrees with the amount recorded in the Company's books and records, including the relevant journal entries.
5. We examined whether the amount raised from the share capital increase has been used in accordance with its intended uses, based on the provisions of paragraph 4.2 "Use of the Funds raised", as amended by the decisions of the Board of Directors of the Company, dated May 22, 2015, May 24, 2016 and May 23, 2018, in combination with the June 16, 2015, June 15, 2016 and June 14, 2018 of the Shareholders' General Meetings, based on the aforementioned paragraph of the Prospectus, issued on June 19, 2014 and within the provided time schedule, by examining on a sample basis the documents that support the relevant accounting entries.

Our findings are the following:

1. The content of the Report is consistent with the provisions of the decision 7/448/11.10.2007, 8/754/14.4.2016 of the Hellenic Capital Markets Committee and the decision 25/17.07.2008 of the Athens Stock Exchange.
2. The content of the Report is consistent with what is disclosed in the Company's Prospectus issued on 19 June 2014.
3. The amount of the share capital increase disclosed in the Report agrees to:
   - the amount approved by resolution of the Company's shareholders at the General Meeting of 29 April 2014
   - the amounts referred to in the above-mentioned Prospectus
   - the amounts deposited in the relevant bank account maintained by the Company.

4. The amount of the share capital increase certified by the Company's Board of Directors on 17 July 2014 agrees with the amount recorded in the Company's books and records, including the underlying journal entries.
5. For a sample of transactions tested, we confirmed that the proceeds from the share capital increase have been used for the purpose and within the time line described in paragraph 4.2 "Use of the Funds Raised" of the Prospectus of 14 June 2014, as subsequently amended by the decisions of the Board of Directors of the Company, dated 22 May 2015, 24 May 2016 and 23 May 2018, in combination with the decisions of the Shareholders General Meetings of 16 June 2015, 15 June 2016 and 14 June 2018, except for an amount of Euros 25.7 million included in Category E "Repayments of Bond Loans" which was used by the Company' to repay borrowings after three years from the date of receipt of the proceeds from the share capital increase. Furthermore, we understand from management that an amount of Euros 5.5 million included within Category C "Investment property" relates to the participation in the share capital increase of an existing subsidiary for investing in property development projects.

Taking into consideration that the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

Our report is addressed exclusively to the Board of Directors of the Company, so that the latter can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. Consequently, this report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the Company's financial statements for the year ended 31 December 2018, for which we have issued a separate Audit Report on 28 March 2019.

pwc

Athens, 28 March 2019

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