Annual Financial Report

01 January -
31 December

2019

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 2019 (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, 2019 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, April 7, 2020

The undersigned

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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 2019

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, 2019.

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 31.12.2019 are the following:

Consolidated results after tax amount to profit €62.855 thousands compared to profit €61.008 thousands in the comparative year of 2018.

During 2019, there was an increase of €71.494 thousands in the net gains from fair value adjustment on investment property compared to €56.836 thousands at 31.12.2018.

Consolidated turnover reached €81.706 thousands compared to €79.379 thousands in the comparative period of 2018. Following the completion of the Company's share capital increase at December 2019 for the amount of €640m after the issuance costs, the Net Asset Value that is attributable to the Company's owner reached €1.155.028 thousands compared to €438.928 thousands at 31.12.2018.

(amounts in € '000)	**2019**	**2018**	**Variation**
Net Asset Value (NAV) (as exported by the internal information of the Group)	1.155.028	438.928	163%
Shareholders' Equity	1.057.340	355.117	198%
Total Group operating results (EBITDA) before valuations and other adjustments (as exported by the internal information of the Group)	50.468	46.785	7,8%
Fair Value Gains from investment property	71.494	56.836	25,7%
Profit/losses before tax	87.806	75.684	16%
Net profit after tax & non-controlling interests	49.875	42.327	17,8%
Turnover	81.706	79.379	2,9%

Within 2019, "The Mall Athens" recorded an increase in EBITDA by 2.9% reaching €28.8m. "Mediterranean Cosmos" in Pylaia Thessaloniki posted a decrease in EBITDA by 29.2% reaching €18.6m. The significant increase is mainly due to the application of IFRS 16 from 1/1/2019. "Golden Hall" increased its EBITDA by 0.6% reaching €16.9m. It is noted that the significant increase in EBITDA of the shopping center "Mediterranean Cosmos" is mainly due to the effect from the adoption of IFRS 16 "Leases" as from 1 January

2019 and the change in the Group accounting policies, according to which lease liabilities are recognized as financial leases whereas had previously been classified as 'operating leases' (note 32 of the financial statements for the year ended December 31, 2019).

The Company monitors the performance of the shopping centers through ratios, out of which the primary according to the international standards, are the customer visits and the tenant (shopkeeper) sales.

Ratio 2019 vs 2018	**The Mall Athens**	**Mediterranean Cosmos**	**Golden Hall**	**Total**
Tenant (shopkeeper) sales	1,4%	3,6%	2,9%	**2,5%**
Customer visits	1,2%	-1,0%	-0,5%	**0,2%**

The Group's financial ratios NET DEBT / TOTAL ASSETS and NET DEBT / EQUITY reached 37.1% and 74.8% accordingly and have been calculated excluding the effect of the share capital increase after the costs of issuing the new shares (€640m), in the cash and equity.

The Group uses certain Alternative Performance Measures (APMs) due to certain special features of the business category.

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 and other adjustments:** Group operating results (EBITDA) without taking into account the fair value gains/losses that occur from the valuations of the investment property, the impairment losses of inventory, the profit or loss from acquisition/disposal of participation in investments, result from disposal of inventory – land and other extraordinary valuation gains/losses and costs, as well as other adjustments such as Expenses related to the the development in the Hellinikon area
3. **Total Group operating results (EBITDA):** Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).
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, Golden Hall): Individual EBITDA of the companies** LOV SMSA, PYLAIA SMSA and LAMDA DOMI SMSA, 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

COMPLETION OF THE SHARE CAPITAL INCREASE

At 17.12.2019 the Company announces that the share capital increase in cash and pre-emption right in favor of existing shareholders, which was decided by the Extraordinary General Meeting of the Company's shareholders held on 10.10.2019, as was further specified by the resolution of the Company's Board of Directors adopted on 21.11.2019 (hereinafter "the SCI") and took place from 02.12.2019 until 16.12.2019, was successfully completed by raising funds of €650m through the exercise of pre-emption rights and over-subscription rights. As a result, the Company's share capital is increased by €29m through the issue of 97.014.940 new common registered voting shares, with a par value of €0.30 each and an amount equal to €621m is credited to the "share premium" account. Following the above, the Company's share capital amounts to €53m, divided into 176,736,715 common registered voting shares, with a nominal value of €0.30 each. On 23.12.2019, the Company announces the commencement on the Athens Exchange of trading of the 97,014,940 new common registered with voting rights shares, of nominal value of €0.30 each, as a result of the Company's share capital increase.

DEVELOPMENT OF THE HELLINIKON SITE

As per the provisions of the Share and Purchase Agreement, the commencement of the Hellinikon Site shall commence with the transfer of HELLINIKON S.A. Sale Shares to the Buyer.

With regard to the process for the acquisition of HELLINIKON S.A., the most significant advances in 2019 were:

- the issuance, between July and October 2019, of four (4) Joint Ministerial Decisions that implement the Integrated Development Plan and by which the spatial planning of the Park and of the three Development Zones as well as the urban planning studies for the urbanization areas were approved; and

- the tendering by the Hellenic Gaming Commission of an International Tender for the Concession of a wide-range activities Casino Operating License, in the process of which on October of the same year two offers were submitted by bidders.

The said transfer is under the condition of fulfillment of the Conditions Precedent and more precisely of these that are still pending, the main being the Conditions Precedent under (iv) regarding partition, (v) regarding the transfer of rights in rem, (vii) regarding the concession of an operational license and (ix) regarding the absence of pending litigation against certain administrative acts, as these Conditions Precedent are provided in Clause 2.2 of the Agreement (SPA).

Financing of the development of the Property

The Company as per its relevant announcement, on 27.01.2020 signed with Eurobank Ergasias SA and Piraeus Bank S.A. the agreement on the "Heads of Terms" regarding the syndicated bank loans to be provided to the Company and the/or the group's subsidiaries. The aforementioned loan facilities that will be used for the financing of the first 5 years of the development of the Property.

More specifically, the aforementioned bank loans will be used for:

(a) the financing of the works of the first five years of the Project (Phase A), which will include mainly the enhancement of the coastal front area, the development of the residential complexes, commercial venues and relevant infrastructure, of up to €546 million (plus an amount of up to €231 million for financing of VAT cost) with a duration up to 10 years; and

(b) the financing for the development of a shopping malls (Mall) on Vouligamenis Avenue for an amount of up to €237 million plus an additional facility of €53 million for financing of VAT costs with an initial duration of 4 years from first loan draw-down (with the possibility to extend the maturity for an additional 7 years, reaching 11 years from first loan draw-down); and

(c) the financing for the development of a shopping malls (Mall) on Agios Kosmas Marina for an amount of up to €96 million plus an additional facility of €19 million for financing of VAT costs with the same duration as mentioned above for the Vouliagmenis Mall financing.

Furthermore, it is noted that the interest rate of above loan facilities will be variable and the relative spread will be according to market terms. Loan facilities will be under Greek Law, and as customary for facilities of this nature (project finance), securities shall be also provided, including, inter alia, mortgages and pledges on surface rights on parts of the estates of HELLINIKON S.A. to be developed, pledge on the shares of the issuer, pledge on part of the Project receivables and revenues, as well as claims from the Agreement dated 14.11.2014.

Furthermore, the Company signed on 27.01.2020 the "Heads of Terms" for the issuance of two letters of guarantee that among others, refer to the following:

- For the financing of the first five years (Phase A) of the Project, a letter of guarantee for an amount of €150 million will be issued to secure the due performance of the Company's obligations, namely prospective cost overruns and revenue sources shortfall, as provisioned in the agreement with the banks.
- Furthermore, a letter of guarantee will be issued in favor of the Hellenic Republic Asset Development Fund, as provisioned in the relevant Sale and Purchase. More specifically, the initial amount of the letter of guarantee is €307m, and constitutes the present value of all anticipated owed payments to the State, using a technical discount rate. The amount of the letter of guarantee is to be calculated annually, on the Transfer of Shares anniversary date.

GOLDEN HALL – COMPLETION OF THE EXPANSION OF THE WESTERN PART

The subsidiary LAMDA DOMI SMSA on December 2019 completed the works for the expansion of the western part of the building of the former International Broadcasting Center (IBC) in which Golden Hall operates. This investment has already strengthened and supplemented the existing shopping center Golden Hall adding mainly activities related to children's leisure. The operation of the Museum of the Olympic Games which is included in this certain part is expected to open in 2020.

FLISVOS MARINA

The Company in the first quarter of 2020 acquired from the company under the name "D- Marinas B.V." of DOGUS Group, the remaining 50% of the shares issued by LAMDA DOGUS INVESTMENTS S.A., which currently held 83.39% of the shares issued by LAMDA Flisvos Holding S.A., a shareholder of the 77.23% of LAMDA Flisvos Marina S.A. and manager of the Flisvos Marina. On completion of the transfer, LAMDA DEVELOPMENT S.A. has become the sole shareholder of LAMDA DOGUS INVESTMENTS S.A., wholly controlling LAMDA Flisvos Marina S.A.

PROSPECTS

Suspension of Group's operations due to the coronavirus COVID-19

Due to the measures to reduce the spread of coronavirus COVID-19 by decision of the government, the operation of the three shopping centers of the Group was suspended on 13.03.2020. The suspension of the operation is still valid on the date of release of the financial statements and has already been extended until 27/04/2020.

The revenue from the exploitation of the shopping centers is the largest part of the Group's revenue and cash flows. In addition, the Group has completely lost the parking revenue, the advertising revenue and the turnover rent. Also, it has taken initiatives to reduce both the variables and the fixed operating costs of the shopping centers.

Both the loss of income from the suspension of the Group's shopping centers and the impact on financial results cannot be accurately assessed due to the fact that the phenomenon is ongoing. Indicatively, we mention that the total revenue from the exploitation of the Group's shopping center and the Flisvos Marina on a monthly basis is estimated at the amount of €7m. The impact at a monthly basis, on the earnings before tax, interest and depreciation (EBITDA) of the Group amounts to €6.5m approximately. This amount after the non-controlling interests that are attributed to the EBITDA of the shopping centers GOLDEN HALL, MED COSMOS and Flisvos Marina is estimated at the amount of €5.3m. The impact on the net asset value (NAV) per share at a monthly basis amounts to €4.0m and €0.023 per share respectively.

The Management of the Company has carried out all the necessary analysis in order to confirm its cash adequacy at Company and Group level. The Group's cash flow is sufficient to ensure that its contingent obligations are met. The recent increase of €650m in the share capital also contributes to this fact. In addition, according to estimates, it is predicted that the main financial covenants of the Group's loans will continue to be satisfied.

The Company has adapted the way of operating in order for the other Group activities to continue unhindered and in particular the preliminary work for the project of Hellinikon, always taking into account the protection of the health of staff and associates.

SIGNIFICANT RISKS FOR THE YEAR 2020

Impact of coronavirus COVID-19

The Group carefully monitors the events regarding the spread of coronavirus COVID-19. Until today, precautious measures are taken for the safety of its employees and acts in compliance with obligations as imposed by the official competent authorities.

The spread of the pandemic will have a negative impact on both global and domestic economic activity. It is also expected to hit sectors of the Greek economy related to the Group's activities, such as retail market. The effects on the Group related to the suspension of the operation of the Shopping Centers are described in the above section "PROSPECTS".

Currently, the effects on the real economy, in Gross Domestic Product (GDP) of the country and therefore in consumption, remain unknown. Reducing consumption may lead shopkeepers in shopping centers to fail to meet their obligations to the Group. Short-term effects on yields that are directly related to the value of the Group's investment property also remain unknown.

Given the fact that the phenomenon is in progress, its effects on the Company and the Group are being evaluated and will be presented in the next interim financial statements.

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 as well as of the spread of coronavirus COVID-19 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 31.12.2019 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 2019.

Inflation risk

The Group is exposed to fluctuations in demand and offer of real estate in the domestic market which are affected by the macroeconomic developments in the country and the developments in the domestic real estate market. Any extraordinary negative changes of the above may have a correspondingly negative impact on business activity, operating cash flows, fair value of the Group's investment property, in the equity.

Decrease in the demand or increased offer or shrinking of the domestic real estate market could adversely affect the Group's business and financial situation, as well as negatively affect the Group's investment property occupancy, the base consideration that is set in the contract, the level of demand and ultimately the fair value of these properties. Also, the demand of spaces in the Group’s investment property may decrease due to the difficult economic condition or due to increased competition. The above may result to lower occupancy rates, renegotiation of the terms of lease contracts, higher costs required for the lease contracts, lower revenue from base remuneration, as well as of lease contracts with possible lower duration.

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, 2019 the short-term loans refer mainly to the syndicate bond loan of the Company (amount of €89.1m) as well as the subsidiary LAMDA Prime Properties SMSA amount of €4.9m. In relation to the Company’s syndicated bond loan, it is noted that the Company had agreed on an extension of €89.1m bond loan until 31.03.2020. The Company subsequently, has applied in time for an extension of the loan until 31.12.2019. Thereinafter, the representative of the bond holders notified the Company that the bondholders are examining positively the extension of the syndicated loan while informed the Company that each decision of the bondholders is subject to the internal approval procedures of each bondholder. In addition, the bond loan of Lamda Prime Properties SMSA is extended until 30.06.2020. The procedures regarding the loan of LAMDA Prime Properties SMSA (which owns the building Cecil at Kefalari) are currently at an advanced stage of contractual processing and Management estimates that the loan will be successfully refinanced within the first semester of 2020. The Management expects that the aforementioned short term loans will be refinanced successfully. A reference is made in note 16 of the annual financial statements of the year that ended at December 31, 2019.

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 2019.

PENDING LITIGATION

1. THE MALL ATHENS

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

1.1 A petition for annulment had been filed before the Council of State, relating to the area where the Maroussi Media 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.M.S.A.” (hereinafter, “L.O.V.”). Said petition directly contested the validity of Law 3207/2003, which was in lieu of the building permit for all the buildings constructed on this particular area. 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. Given the nature of said irregularities, LOV proceeded to initiate the procedure required further to the issuance of the said decision. In this context, a presidential decree was issued on 24.02.2020 (GG D’ 91), approving the Special Spatial Plan, the Strategic Environmental Study and the Detailed Street Plan for the wider area (the former Maroussi Media Village). 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.

1.2 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 Plots owned by "National Bank of Greece S.A." ("NBG")

NBG has filed two lawsuits against the company "ATHMONO S.A." requesting payment of the -credited- part of the purchase price for the sale and purchase by NBG to ATHMONO of several plots situated within the Municipality of Maroussi. The hearing of the lawsuits (further to postponements) has been set for 06.05.2020. Further to an impleader by ATHMONO, LOV has intervened as a third party in the proceedings, because the plots in question are located within the area, for which the aforementioned presidential decree -dated 24.02.2020 and approving an SSP and DSP- was issued (former Maroussi Media Village). Pursuant to the said decree, LOV, in its capacity as the party being responsible for the implementation of the project, is exclusively liable to compensate the owners of properties that are designated as common areas pursuant to the DSP thereby ratified, which include -among others- the NBG plots in question. The hearing of the "supporting interventions" filed by LOV has also been set for 06.05.2020. However, further to out-of-court communications between the parties, it has been agreed that LOV shall pay to NBG the amount of € 11,000,000 as compensation for the final settlement of the dispute. Further to the disbursement of the amount, NBG will waive its rights from the aforementioned lawsuits and, therefore, the dispute is not expected to have any further effect on the Company.

2. GOLDEN HALL

1.1 Public (already private) law entity under the trade name "Hellenic Olympic Committee" ("HOC") has filed a lawsuit against the Public Real Estate Property Company S.A. ("ETAD"). By means of the said lawsuit, the HOC claims to be entitled to, and therefore to be granted, the use, management and exploitation of a plot of land of its ownership in which the International Broadcasting Centre ("IBC") is built. The HOC also claims ETAD to be declared as liable for an overall amount of 90,784,500 Euros, which is alleged to have been the lease price paid by the company under the trade name "LAMDA DOMI S.M.S.A." ("LAMDA DOMI") to ETAD (and its predecessor "HELLENIC OLYMPIC REAL ESTATE S.A") for the period 30.04.2019-30.06.2019. The said lawsuit is based on the alleged by the HOC contravention of Article 35 of Law 3342/2005 to Article 17 of the Constitution and more specifically on the allegation that the delegation of use, management and exploitation deprives the HOC from its right to use the plot and benefit therefrom as its rightful owner. Pursuant to an impleader by ETAD, LAMDA DOMI filed a "supporting intervention" in favor of ETAD, but no hearing has been scheduled so far. According to the views of the Company's legal counsels, there is reasonable ground for the Court to dismiss the HOC's lawsuit.

For the afore mentioned pending litigation of the Group, we should clarify that there is no reason under IAS 37 for recognizing provisions as according to the relevant opinion of the Group's companies' legal advisors and the Management's estimations, it is not considered as likely that resources will be required to settle these cases.

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 2019. 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.

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 11^{th} 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.
- 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' members, executives and employees of the Company, as well as the empowerment of the company's administrative centres, thus the assurance of the effective management by identifying, presenting and nominating suitable candidates for the filling of vacancies in the Board of Directors and the approval of the documented recommendations of the 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 "control activities" 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 "control activities" are established are the following:

Organization - Allocation of Competencies

- The assignment of authorities and responsibilities, both at the Senior Management and the 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 an integrated framework for monitoring and controlling its IT 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. A key concern of the Management is to ensure - by implementing the appropriate risk management system- that the entire organisation 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), (h) and (i) 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 control rights to their holders
- With regard to the additional information pursuant to section (f) 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 (h) 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 (i) 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.

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 4548/2018.

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 ascertain 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 ascertains 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 ascertains 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 Law 4548/2018, as in force.

2. Upon request of shareholders that represent at least 10% of the Relevant Equity Shares as well as of the Minority Shareholder, provided that the latter holds 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 141, par. 6 of Law 4548/2018, 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 or make the Company unable to perform its material obligations relating to the acquisition by the Minority Shareholder of 12.83% of the share capital of the Company on 21.12.2017; 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 the shareholder 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 or another affiliated company) such sale or series of sales being completed through transfer of legal ownership against consideration during any twelve (12) month period starting on 03.07.2014 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 collateral for any loan, credit, claim or liability properly granted on an arm's length basis .*

In accordance of article 10 paragraph 11 and 12 of the codified Articles of Association:

"Minority Shareholder" means the legal entity "VOXVOCE HOLDINGS LIMITED" and any other person which enters into its position by acquiring at least 10% of the Relevant Equity Shares of the Company, acting legally and without breaching any relevant contractual obligations.

"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 as in force and under any other stock option plan being approved pursuant to Article 113 of Law 4548/ 2018.

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 fifteen (15) Members that are elected by the Shareholders' General Meeting and that may 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.

2. Three (3) calendar days prior to any general meeting of shareholders which is convened for the purposes of electing new members of the Board of Directors the Minority Shareholder (as defined in paragraph 11 of the present article) is entitled to appoint for as long as it holds at least 10% of the Relevant Equity Shares (as defined in paragraph 12 of the present article) one (1) member of the Board of Directors pursuant to the provisions of Article 79 of Law 4548/ 2018. Such member of the Board can be removed at any time by decision of the Minority Shareholder and be replaced by other member until the expiration of the relevant office term. In the event that, and for as long as, the Minority Shareholder does not hold at least 10% of the Relevant Equity Shares the above appointed person shall automatically cease to be a member of the Board of Directors.

3. 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.

4. In the event of resignation or death or in any other way termination of membership vacant board positions shall be filled by substitute members, if any, elected by the General Meeting, pursuant to article 10, paragraph 1 of the Articles of Association summoned in the order in which they were elected.

5. 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 exhausted, 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 directors, on the condition that the remaining number of directors is superior to one half of the initial number of directors 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 (3). The choice of one of the above solutions is made by the Board of Directors at its absolute discretion. The Board of Directors may substitute only some of the vacant members provided that the Members after the partial substitution exceed one half of the total number of the members before the occurrence of the vacancy or vacancies.

6. The aforementioned right of the Board of Directors to elect Directors to replace vacant members, does not apply if vacant members have been appointed by the Board of Directors pursuant to paragraph 2 of the present article. Pursuant to paragraph 2 of this article, the sole responsible to decide the replacement of vacant Members of the Board which have been appointed by the Board of Directors is the Minority Shareholder.

7. 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 shareholder mentioned in paragraph 2 of the present article to exclusively replace any vacant member that has been appointed by such Shareholder pursuant to paragraph 6 of the present article.

8. 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 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 5 of the present article shall not exist in relation to members that have been appointed by the shareholders pursuant to paragraph 2 of the present article given the exclusive right of replacement granted to such shareholders pursuant to paragraphs 6 and 7 of the present article.

9. 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 the Members of the Board of Directors, as it was before the occurrence of one or more vacancies. A vacant Member of the Board of Directors appointed pursuant to paragraph 2 of this article must be replaced by the appointment of a Member of the Board of Directors pursuant to paragraphs 6 and 7 of this article.

10. In any case, the remaining members 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 shareholder mentioned in paragraph 2 of the present article shall fully exercise their rights under the abovementioned paragraphs.

11. "Minority Shareholder" means the legal entity "VOXVOCE HOLDINGS LIMITED" and any other person which enters into its position by acquiring at least 10% of the Relevant Equity Shares of the Company (as defined in paragraph 12 of the present article), acting legally and without breaching any relevant contractual obligations.

12. "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 as in force and under any other stock option plan being approved pursuant to Article 113 of Law 4548/ 2018.

13. The verb "hold", in relation to shares, refers to shares being held directly and/or held through a proxy/agent.

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 Board of Directors may elect one or more Vice Chairs or/and one or more CEOs of the Company out of its Members only, while determining their responsibilities. The offices of the CEO and the Chair or Vice Chair may be held by the same person.
- The Chair of the Board heads the meetings of the Board of Directors. When the Chair is absent or hindered from his duties, he shall be replaced by his deputy. If a Vice-Chair has been elected, the Vice

Chair is the Chair's deputy, while if there are more than one Vice-Chairs, they shall replace the Chair in the order in which they were elected. If the Vice-Chair is prevented from attending a meeting or if there is no Vice-Chair and if no substitute for the Chair has been appointed, the Chair is substituted by the longest-serving Member of the Board of Directors. When the Chair or the Vice-Chair withdraws for any reason, the Board of Directors elects his substitute during its first meeting after the withdrawal. The newly elected Chair shall stay in office for the remaining of the term of office of the member to be replaced.

The Board of Directors consists of the following eleven (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, non executive member
- George Gerardos, independent non executive member
- Ioannis Karagiannis, non executive member
- Chariton Kyriazis, independent non executive member
- Ulysses Kyriacopoulos, non executive member
- Evgenia Paizi, non executive member

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

The Board of Directors is supported by a Secretary, Mr. I. Giannakopoulos who is the Company's Legal Counsel and Director of Legal Services and attends its meetings. The BoD Secretary's role is to provide support to the Chairman and other Board members, both as a group and individually and ensure that the Board of Directors complies with relevant laws and regulations as well as the internal rules of the Company. All Board members have access to the BoD Secretary's services.

A brief CV of Mr. I. Giannakopoulos is 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 90, paragraph 4&5 of Codified Law 4548/2018.

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 2019, were held in total seventeen (17) meetings of the Board of Directors. The table below presents the participation of the members of the Board of Directors in these meetings:

Name	Membership on the BoD	Participation in the BoD	Participation via representatives in the BoD	Participation Percentage
Giannitsis Anastasios	Chairman, Non-Executive Member	16	1	100%
Chronis Evangelos	Vice Chairman, Non-Executive Member	17	-	100%
Athanasiou Odissefs	Chief Executive Officer, Executive Member	17	-	100%
Antonatos Fotios	Non-Executive Member	17	-	100%
Afendoulis Dimitris	Non-Executive Member	17	-	100%
Paizi Evgenia	Non-Executive Member	17	-	100%
Vassilakis Eftichios	Non-Executive Member	16	1	100%
Karagiannis Ioannis	Non-Executive Member	15	2	100%
Kyriacopoulos Ulysses	Non-Executive Member	13	2	88%
Gerardos George	Independent Non-Executive Member	14	1	88%
Kyriazis Chariton	Independent Non-Executive Member	16	1	100%

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 General Meeting of the Shareholders, dated 5 May 2009. The implementation of 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 Annual General Meeting of the Shareholders, 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 three (3) members, two (2) of which are members of the Board of Directors and one (1) which is not a member of the Company's Board of Directors but a third person to the Company. The members of the Audit Committee are in their majority independent from the Company, within the meaning of Article 4 of Law 3016/2002. All Audit Committee members have sufficient knowledge of the sector in which the Company is operating. At least one member of the Committee is a certified auditor accountant under suspension from practice or in retirement, or has sufficient knowledge in accounting and auditing. The members of the Audit Committee are elected by the Company's General Meeting of the Shareholders.

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

The Audit Committee consists of the following members:

- Chariton Kyriazis, Chairman
- Dimitrios Afendoulis, Member
- Konstantinos Sfakakis, Member

Regarding the activities of the Audit Committee during the year 2019, the relevant Report of the Chairman, C. Kyriazis is stated below, as such:

"Introduction of the Chairman of the Audit Committee

In my capacity as Chairman of the Audit Committee of the Company "LAMDA DEVELOPMENT S.A", I submit to you the Report for the Year 2019, which refers to the Commission's work based on its responsibilities as assigned and presented in detail to its Operating Regulation.

Composition

The Audit Committee is currently composed of three (3) members, two (2) of which are members of the Board of Directors and one (1) which is not a member of the Company's Board of Directors but a third person to the Company. The members of the Audit Committee are in their majority independent from the Company, within the meaning of article 4 of Law 3016/2002. With respect to the above mentioned members of the Company's Board of Directors, one of the two members, the signatory, is an independent non-executive member of the Company's Board of Directors, within the meaning of Article 4 of Law 3016/2002 and holds the position of the Chairman of the Company's Audit Committee and the other, Mr. D. Afendoulis, is a non-executive member of the Company's Board of Directors. The third member of the Audit Committee, Mr. K. Sfakakis, has no professional, structural, business, shareholding or any other relationship with the Company and is fully independent from the latter, i.e. is a third person to the Company, independent according article 4 of Law 3016/2002. Moreover, all Audit Committee members, have sufficient knowledge of the sector, in which the Company is operating. At least one member of the Committee, Mr. K. Sfakakis, has sufficient knowledge in auditing and accounting.
The members of the present Audit Committee were elected by decision of the Extraordinary General Meeting of the Company's Shareholders dated 22.11.2019, which was convened after the as 21.10.2019 notification to the Board of Directors of the Company, of the resignations of two (2) of its four (4) members, Messrs. E. Vassilakis and U. Kyriacopoulos, which resulted in no longer meeting the provisions of article 44 of Law 4449/2017. It is noted that the Audit Committee, which was in force until the above mentioned resignations, was established upon decision of the General Meeting of Shareholders dated 14.6.2018, consisting of four (4) non-executive members, three (3) of which non independent, of the Board of Directors and met all the provisions of L. 4449/2017. The aforementioned Audit Committee had the following composition:

Chariton Kyriazis, Chairman of the Audit Committee
Ulysses Kyriacopoulos, Member
Eftichios Vassilakis, Member
Dimitrios Afendoulis, Member

Audit Committee's Meetings

During the fiscal year 2019 total six (6) meetings were held. The following table states the participation of the members in the meetings of the Committee:

Name	Audit Committee Meetings 2019						Participation Percentage
	22-Jan	28-Mar	10-Sep	22-Nov	02-Dec	20-Dec	
Kyriazis Chariton	√	√	√	√	√	√	100%
Afendoulis Dimitrios	√	√	√	√	√	√	100%
Kyriacopoulos Ulysses	√	√	√				100%
Vassilakis Eftichios	√	√	√				100%
Sfakakis Konstantinos				√	√	√	100%

Note: On 21/10/2019, the Company's Board of Directors was informed about the resignation of Mr. Vassilakis and Mr. Kyriacopoulos from their positions as members of the Audit Committee of the Company. On 22/11/2019, the General Meeting of the Shareholders of the Company appointed a new Audit Committee, consisting of: Mr. Kyriazis Chariton (Chairman), Mr. Afendoulis Dimitrios (Member) and Mr. Sfakakis Konstantinos (Member).

The topics discussed during the financial year 2019 are summarized as follows:

A. Statutory Audit

- *The Audit Committee monitored and examined the process of the statutory audit of the Company's individual and consolidated statements, as well as the content of the certified auditor accountant's additional reports. In this context, the Audit Committee discussed with the certified auditor accountant the Audit Plan for fiscal year 2019 (the audit of which, was completed in 2020) and also the Key Audit Matters related to audit work for fiscal year 2019 and the first half of 2020. It has ascertained the correctness and completeness of the statutory audit procedure which is in accordance with the relevant regulations.*
- *The Audit Committee reviewed all audit work and approved PWC's fees for the provided non-audit services. It is recalled that, according to European Regulation 537/2014, there are restrictions on the provided services from the statutory auditors and audit firms carring out statutory audit to listed companies and their subsidiaries. The Company, in order to comply with the provisions of the aforementioned Regulation and the relevant HAASOB's (Hellenic Accounting and Auditing Standards Oversight Board) directives, has established a Policy for the Assignment of Non-Audit Services, which includes limitations to the total fees for non-audit services that can be assigned annually and which is meticulously applied.*
- *The Audit Committee confirmed auditor's independence. PwC has stated in writing its independence, as well as the independence of its executives involved in the statutory audit. In addition, PWC stated that during the exercise of its duties, there was no external direction or recommendation or instruction that could affect her professional judgment and audit report.*
- *The Audit Committee confirmed that according to L. 4449/2017 the conditions for changing the statutory auditor carrying out the statutory audit of fiscal year 2019 were not met.*

B. Financial Reporting Procedure

- *The Audit Committee reviewed and evaluated the procedure followed for the preparation of the Semi-Annual and the Annual Financial Reports, ascertained their rightful execution and informed the Board of Directors, respectively.*
- *The Audit Committee discussed with the Management, the Legal Counsel, the Chief Internal Auditor and the Certified Auditor Accountant on the key issues included in the financial reports, according to the Key Audit Matters and the rest proposals of the aforementioned persons.*
- *The Audit Committee proposed based on the findings of the relevant audit on the Semi-Annual and Annual Financial Reports to the Board of Directors.*
- *The Audit Committee included in the internal audit plan for 2019 of the Internal Audit Department, the audit of the procedure for the preparation of the condensed separate and consolidated interim financial statements for the period ended 31 March, 2019.*

C. Procedures of the Internal Control and Risk Management Systems and Internal Audit Unit

- *The Audit Committee evaluated the effectiveness and efficiency of the Internal Control and Risk Management System of the Company, in order to confirm that the major risks of the Company are being recorded and managed successfully. More specifically, the Audit Committee evaluated the efficiency of the control activities for conflicts of interests and related-party transactions, and was informed about the new SAP system, as well as the pending litigation of the Company. As for the efficiency and effectiveness of the Internal Control System, it is noted that, according to the International Professional Practices Framework (IPPF) of the International Institute of Internal Auditors (IIA), the Company intends to request an independent external evaluation, according to IPPF 1312, at the end of 2020.*
- *The Audit Committee approved the Annual Internal Audit Plan for the years 2019 and 2020.*
- *During the fiscal year 2019 and in addition to the meetings of the Committee, the Chairman of the Committee conducted 4 meetings with the Chief Internal Auditor, in order to be briefed about the progress of internal audits and to evaluate the work, adequacy, independence and effectiveness of the Department. Furthermore, the Chairman reviewed 5 internal audit reports in total, immediately after their release and in particular discussed the audit points. He was also informed about the corrective actions, which were set and agreed with the Management. The other members of the Committee have been briefed accordingly by the Chairman on the above. Furthermore the Chairman conducted meetings with the Chairman of the Board of Directors and the Chief Executive Officer, for matters relevant to Internal Audit of the Company, and the System of Corporate Governance for the Hellinikon Project.*
- *The Chairman of the Audit Committee evaluated the Chief Internal Auditor's performance, in the context of the annual evaluation of the Group executives.*
- *The Chairman of the Audit Committee proposed the approval of the revised Audit Committee Operating Regulation (effective date: 22.11.2019) and the Internal Audit Operating Regulation.*
- *The Chairman of the Audit Committee, in order to enhance the work of Internal Audit Department, proposed the recruitment of one extra employee and also the focus of the Department to its main duties that derive from the Internal Audit, limiting as possible the non-audit (consulting) services.*

Moreover, the Audit Committee proceeded with the evaluation of its work, operation and skills of its members, through the completion of a relevant questionnaire, the results of which were extensively discussed. Finally, it must be mentioned that during the exercise of its duties, the Committee had unrestricted and complete access to all information requested from the Management and the Company provided all necessary infrastructure and facilities to effectively execute its duties.

The Chairman of the Audit Committee

C. Kyriazis"

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 of one (1) substitute member, 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 (53% 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 31.12.2019 amounts to euros 53,021,014.50 divided into 176,736,715 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 31.12.2019, 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 31.12.2019**
Consolidated Lamda Holdings S.A.	89,471,657	50.62%
Voxcove Holdings LTD	17,682,144	10.00%

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 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 4548/2018

With the decision of the General Meeting of the Shareholders held on 25.06.2019, the Amendment 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

14. The Company is administered by a Board of Directors consisting of minimum five (5) to maximum fifteen (15) Members that are elected by the Shareholders' General Meeting and that may 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.

15. Three (3) calendar days prior to any general meeting of shareholders which is convened for the purposes of electing new members of the Board of Directors the Minority Shareholder (as defined in paragraph 11 of the present article) is entitled to appoint for as long as it holds at least 10% of the Relevant Equity Shares (as defined in paragraph 12 of the present article) one (1) member of the Board of Directors pursuant to the provisions of Article 79 of Law 4548/ 2018. Such member of the Board can be removed at any time by decision of the Minority Shareholder and be replaced by other member until the expiration of the relevant office term. In the event that, and for as long as, the Minority Shareholder does not hold at least 10% of the Relevant Equity Shares the above appointed person shall automatically cease to be a member of the Board of Directors.

16. 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.

17. In the event of resignation or death or in any other way termination of membership vacant board positions shall be filled by substitute members, if any, elected by the General Meeting, pursuant to article 10, paragraph 1 of the Articles of Association summoned in the order in which they were elected.

18. 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 exhausted, 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 directors, on the condition that the remaining number of directors is superior to one half of the initial number of directors 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 (3). The choice of one of the above solutions is made by the Board of Directors at its absolute discretion. The Board of Directors may substitute only some of the vacant members provided that the Members after the partial substitution exceed one half of the total number of the members before the occurrence of the vacancy or vacancies.

19. The aforementioned right of the Board of Directors to elect Directors to replace vacant members, does not apply if vacant members have been appointed by the Board of Directors pursuant to paragraph 2 of the present article. Pursuant to paragraph 2 of this article, the sole responsible to decide the replacement of vacant Members of the Board which have been appointed by the Board of Directors is the Minority Shareholder.

20. 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 shareholder mentioned in paragraph 2 of the present article to exclusively replace any vacant member that has been appointed by such Shareholder pursuant to paragraph 6 of the present article.

21. 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 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 5 of the present article shall not exist in relation to members that have been appointed by the shareholders pursuant to paragraph 2 of the present article given the exclusive right of replacement granted to such shareholders pursuant to paragraphs 6 and 7 of the present article.

22. 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 the Members of the Board of Directors, as it was before the occurrence of one or more vacancies. A vacant Member of the Board of Directors appointed pursuant to paragraph 2 of this article must be replaced by the appointment of a Member of the Board of Directors pursuant to paragraphs 6 and 7 of this article.

23. In any case, the remaining members 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 shareholder mentioned in paragraph 2 of the present article shall fully exercise their rights under the abovementioned paragraphs.

24. "Minority Shareholder" means the legal entity "VOXVOCE HOLDINGS LIMITED" and any other person which enters into its position by acquiring at least 10% of the Relevant Equity Shares of the Company (as defined in paragraph 12 of the present article), acting legally and without breaching any relevant contractual obligations.

25. "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 as in force and under any other stock option plan being approved pursuant to Article 113 of Law 4548/ 2018.

26. The verb "hold", in relation to shares, refers to shares being held directly and/or held through a proxy/agent."

In addition, in relation to the amendment of the Company's Articles of Association, article 19, par. 2 and 3 of the amended and in force Articles of Association, the following are provided:

"ARTICLE 19

…

2.Without prejudice to paragraph 3 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 Law 4548/2018, as in force, In addition to the competence of the General Meeting, the Board of Directors may also be competent to decide that a bond will be issued, except for when the bonds to be issued are convertible into shares, subject to the second subparagraph of paragraph 4 of Article 16 hereof, or if they carry a right to participate in profits.

3.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 the aforementioned ceasing of operations shall be treated as a matter which falls under Article 130(3) of Law 4548/ 2018 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 article 10 of the present articles of association).

….."

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 articles 24 and 114 of Codified Law 4548/2018

A. According to the provisions of article 24, paragraph 1 of the C.L. 4548/2018 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 more than three times 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 114 of the C.L. 4548/2018, by virtue of a decision of the General Meeting, which is made by increased quorum and majority, 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 according to article 32 of the L. 4308/2014, in the form of the option to purchase shares, according to the terms of this decision, a summary of which ispublicized. 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 the paragraph 3 of article 113 of the C.L. 4548/2018.

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 32 of L.4308/2014. The terms of the program have been uploaded on the Company's website (www.lamdadev.com).

C. Pursuant to the provisions of article 49 and 50 of the C.L. 4548/2018, 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 25.06.2019 decided on the purchase of own shares within a period of 24 months, i.e. from 26.06.2019 until 25.06.2021, up to 10% of its paid-up share capital, at a maximum purchase price of 12.00 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 25.06.2019 decided that the Company may proceed to the materialization of the abovementioned decision, as best served its interests.

During the period from 01.01.2019 to 31.12.2019 no own shares were acquired.

It is noted, that the Company held 1,886,007 own shares representing approximately 2.34% of the total shares and voting rights. On 07.10.2019 the Board of Directors decided the sale of 1,319,840 own shares, i.e. 1.66% of the total shares and voting rights, to the company under the commercial name “AEGEAN AIRLINES SOCIETE ANONYME”. The aforesaid sale was completed on 22.10.2019. On 18.10.2019 the Board of Directors decided the sale of the remaining own shares, i.e. to 546,167 own shares (representing 0.685% of the total shares and voting rights), to the company under the commercial name “ORIMYL S.A.”. The aforesaid sale was completed on 06.11.2019.

Following the aforementioned sales of own shares, the Company on 31.12.2019 did not held any own shares.

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 €89.1 million (loan balance at 31.12.2019) with the banks Eurobank (contribution €17.7 million.), Alpha Bank (contribution €36 million) and Piraeus Bank (contribution €35.4 million.).

B. LAMDA DOMI S.M.S.A.: Syndicated bond loan with the banks HSBC France, Eurobank, Alpha Bank and Piraeus Bank, loan balance €86.4 million at 31.12.2019.

C. LAMDA FLISVOS MARINA S.A.: Syndicated bond loan with Piraeus Bank, loan balance €6.5 million at 31.12.2019.

D. PYLAIA S.M.S.A.: Syndicated bond loan with the banks Eurobank, Alpha Bank and Piraeus, loan balance €72 million at 31.12.2019.

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 [Translation from the original text in Greek]

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 2019, the separate and consolidated income statements and statements of comprehensive income, changes in equity and cash flow statements 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 2019, 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 Law 4548/2018*.*

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 2019 and during the year ended as at 31 December 2019, are disclosed in note 35 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.α 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 2019, the fair value of investment property of the Company and the Group amounts to € 2 million and € 1,040 million respectively. The gain from the revaluation of the aforementioned investment property for the year ended 31 December 2019 amounted to € 71 million for the Group. Investment properties are valued at fair value on a semi-annual basis by independent external valuators in accordance with the guidelines issued by the International Evaluation Standards Council. 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	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 2019, 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 2019 with those at 31 December 2018 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. • We examined, on a sample basis, the accuracy and relevance of the data used by Management's certified external

Key audit matter	How our audit addressed the key audit matter
valuers take into account factors directly associated with the property concerned, such as existing leases, rentals, and any 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.	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.
Legal Matters - Contingent Liabilities *(Notes 4.1.c and 29 in the consolidated financial statements)* As at 31 December 2019 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 operating licence of the The Mall Athens, which is owned by the subsidiary company Lamda Olympia Village. 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.	Our procedures with respect to legal matters and to contingent liabilities included: • Discussion of legal matters with the company legal advisors and Management. • Sending confirmation letters to external legal advisors handling the legal matters and, 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. • Review of the out-of-court settlement agreement between Lamda Olympia Village and NBG, which describes the overall settlement of the dispute and confirmed its correct depiction in the financial statements.

Key audit matter	*How our audit addressed the key audit matter*
	• Review of the Presidential Decree of 24 February 2020, under which the subsidiary Lamda Olympia Village, as the implementing body of the plan, is required to pay compensation to property owners designated as common areas and confirmed the correct depiction if the financial statements. We also note that the disclosures in Note 29 are sufficient.
Basis of preparation *(Notes 2.1, 3.1, 16 and 36 in the consolidated financial statements)* The Company and the Group prepare their financial statements using the going concern basis of accounting. As at 31 December 2019, the Company and the Group have short-term borrowings of approximately €89 million and € 103 million respectively. Short-term borrowings mainly relate to the bond loan of the Company (€ 89 million) and the subsidiary Lamda Prime Properties S.A. (€ 5 million) with repayment dates to June 2020. 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. In addition, the Greek government recently adopted some restrictions to mitigate the spread of coronavirus (COVID-19), which include, among other things, the suspension of all shopping malls from March 14, 2020. We focused on the appropriateness of the going concern basis of accounting used by management for purposes of the preparation of the financial statements, given the recent outbreak of COVID-19 subsequent to the balance sheet date will potentially have a significant impact on the Company's and Group's business,	We performed the following procedures in assessing the appropriateness of the going concern basis of accounting used in preparing the financial statements: • We assessed the impact of COVID-19 on future cash flows, including an analysis of future liquidity requirements. We discussed with Management the key assumptions made and assessed their plans to mitigate potential liquidity shortfalls. • Obtained evidence over Management's underlying EBITDA projection for the 3 shopping malls by evaluating these against relevant external and internal sources as deemed necessary. We compared revenues and cost assumptions against historical information including assessing the probability of achieving assumed cost reductions. • We performed independent cash flow projections at Company and Group level and developed scenarios to assess the impact of changes in the key assumptions underlying the cash flow projections, such as a further suspension of operations beyond Management's assessment. • Discussed and assessed Management's refinancing plans and the status of negotiations.

Key audit matter	*How our audit addressed the key audit matter*
performance and financial position. Also, significant judgement is required from Management with respect to the timing of the completion of negotiations with financial institutions regarding the refinancing of the existing short-term debt and the impact of this on future liquidity. The suspension is still valid on the date of publication of the financial statements. The uncertainty of the duration of these restrictions in the retail sector could have a significant negative impact on the Company's performance and financial position, as the 3 shopping malls (Golden Hall, The Mall Athens and Mediterranean Cosmos) are the primary cash flow generating units (CGUs) of the Group. Management's going concern assessment considered the potential impact of the disruption to its business caused by COVID-19 as well as the sufficiency of existing available cash resources to fund its on-going working capital, debt obligations and other requirements. This assessment was based on sensitivity analysis carried out by management on EBITDA, which factored in the impact of an extended suspension of retail business activities by the Greek Government, the probability of successfully completing pending refinancing negotiations with its bankers and, if necessary, securing shareholder approval to utilise existing available cash resources raised from the recent share capital increase to fund potential cash deficits. Management's assessment of the going concern basis of accounting is based on EBITDA projections which are dependent on significant judgment and can be influenced by management bias.	• We reviewed the communications with finance providers, with regards to the negotiations for the refinancing of the Company's and Group's short-term loans. • 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. • We evaluated Management's conclusion that there are no material uncertainties with respect to going concern. • We reviewed the adequacy and suitability of the relevant disclosures of Management in the financial statements. Following the performance of the above procedures and due to the Company's and Group's significant cash reserves, we satisfied ourselves that, even though the impact of COVID-19 on the Company and the Group is expected to negatively impact the Group's operating results and cash flows, Management's use of the going concern basis of accounting is appropriate.

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 Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 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 2019 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 150, 151, 153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

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 Law 4548/2018, 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 16 years.

Athens, 7 April 2020
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, 2019

Statement of financial position (Company and Consolidated)

		GROUP		COMPANY	
all amounts in € thousands	Note	31.12.2019	31.12.2018	31.12.2019	31.12.2018
ASSETS					
Non-current assets					
Investment property	6	1.039.312	852.115	1.840	1.840
Right-of-use assets	32	195	-	841	-
Property, plant and equipment	7	4.946	5.877	1.940	648
Investments in subsidiaries	8	-	-	312.971	308.307
Investments in joint ventures and associates	8	39.881	30.529	7.759	7.759
Deferred tax assets	20	7.260	7.739	7.113	7.185
Derivative financial instruments	19	-	285	-	-
Receivables	10	29.702	27.339	10.131	8.013
		1.121.296	**923.885**	**342.596**	**333.754**
Current assets					
Inventories	9	9.605	9.366	-	-
Trade and other receivables	10	32.702	40.574	18.875	24.424
Current tax assets		4.281	3.567	2.974	2.987
Financial instruments held at fair value through profit or loss	11	-	595	-	-
Cash and cash equivalents	12	702.776	67.875	651.664	12.245
		749.364	**121.976**	**673.512**	**39.656**
Total assets		**1.870.660**	**1.045.861**	**1.016.108**	**373.410**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital and share premium	14	1.023.856	376.663	1.023.856	376.663
Other reserves	15	6.891	6.900	2.852	3.012
Retained earnings/(Accumulated losses)		26.593	(28.447)	(202.147)	(187.233)
		1.057.340	355.117	824.561	192.442
Non-controlling interests	8	85.746	79.500	-	-
Total equity		**1.143.086**	**434.616**	**824.561**	**192.442**
LIABILITIES					
Non-current liabilities					
Borrowings	16	336.424	305.835	-	-
Lease liability	32	78.239	-	802	-
Deferred tax liabilities	20	121.705	106.683	-	-
Derivative financial instruments	19	776	-	-	-
Employee benefit obligations	17	1.684	1.202	976	812
Other non-current liabilities	18	2.057	1.330	10.949	53.654
		540.885	**415.049**	**12.726**	**54.466**
Current liabilities					
Borrowings	16	102.673	141.006	89.128	96.128
Lease liability	32	436	-	62	-
Trade and other payables	18	83.533	53.626	89.631	30.374
Current tax liabilities		45	1.563	-	-
		186.689	**196.195**	**178.820**	**126.502**
Total liabilities		**727.574**	**611.244**	**191.547**	**180.968**
Total equity and liabilities		**1.870.660**	**1.045.861**	**1.016.108**	**373.410**

These consolidated and separate financial statements of LAMDA Development SA for the year ended December 31, 2019 have been approved for issue by the Company's Board of Directors on April 7, 2020.

The notes on pages 51 to 117 are an integral part of these financial statements

Income Statement (Company and Consolidated)

all amounts in € thousands	Note	GROUP 01.01.2019 to 31.12.2019	GROUP 01.01.2018 to 31.12.2018	COMPANY 01.01.2019 to 31.12.2019	COMPANY 01.01.2018 to 31.12.2018
Revenue	21	81.706	79.379	1.431	3.587
Dividends		271	-	8.546	6.289
Net gain/(loss) from fair value adjustment on investment property	6	71.494	56.836	-	-
Loss from inventory impairment		222	(740)	-	-
Impairment provision relating to property repurchase		-	(624)	-	-
Cost of inventory-land sale		-	(120)	-	-
Other direct property operating expenses	22	(11.797)	(13.462)	-	-
Expenses related to the development of the Hellinikon site	34	(6.276)	-	(5.664)	-
Employee benefits expense	24	(15.681)	(10.632)	(10.177)	(8.320)
Depreciation of property, plant and equipment	7,32	(885)	(727)	(970)	(153)
Impairment provision relating to subsidiaries, joint ventures and associates	8	-	-	(665)	(2.809)
Provision for impairment of receivables from subsidiaries	30	-	-	(1.104)	(1.936)
Other operating income / (expenses) - net	23	(5.890)	(7.392)	(3.631)	(4.444)
Operating profit/(loss)		**113.164**	**102.519**	**(12.233)**	**(7.787)**
Finance income	25	40	318	1.136	1.398
Finance costs	25	(27.258)	(26.165)	(9.585)	(11.015)
Share of net profit of investments accounted for using the equity method	8	1.858	(989)	-	-
Profit/(loss) before income tax		**87.806**	**75.684**	**(20.683)**	**(17.403)**
Income tax expense	26	(24.950)	(14.676)	(89)	(1.027)
Profit/(loss) for the year		**62.855**	**61.008**	**(20.772)**	**(18.430)**
Profit/(loss) attributable to:					
Equity holders of the parent		49.875	42.327	(20.772)	(18.430)
Non-controlling interests		12.980	18.681	-	-
		62.855	**61.008**	**(20.772)**	**(18.430)**
Earnings/(losses) per share attributable to the equity holders of the Parent during the year (expressed in € per share)	31	0,62	0,54	(0,26)	(0,24)

The notes on pages 51 to 117 are an integral part of these financial statements

Statement of comprehensive income (Company and Consolidated)

all amounts in € thousands	GROUP 01.01.2019 to 31.12.2019	GROUP 01.01.2018 to 31.12.2018	COMPANY 01.01.2019 to 31.12.2019	COMPANY 01.01.2018 to 31.12.2018
Profit/(loss) for the year	**62.855**	**61.008**	**(20.772)**	**(18.430)**
Cash flow hedges, after tax	(590)	160	-	-
Currency translation differences	1	(13)	-	-
Change in income tax rate	(34)	(137)	(34)	(137)
Items that may be subsequently reclassified to profit or loss	**(622)**	**11**	**(34)**	**(137)**
Actuarial gains/(losses), after tax	(302)	(14)	(160)	3
Effect due to change in the income tax rate	1	2	1	2
Items that will not be subsequently reclassified to profit or loss	**(301)**	**(12)**	**(160)**	**5**
Other comprehensive income for the year	**(923)**	**(1)**	**(194)**	**(132)**
Total comprehensive income for the year	**61.932**	**61.007**	**(20.965)**	**(18.562)**
Profit/(loss) attributable to:				
Equity holders of the parent	49.139	42.275	(20.965)	(18.562)
Non-controlling interests	12.793	18.732	-	-
	61.932	**61.007**	**(20.965)**	**(18.562)**

The notes on pages 51 to 117 are an integral part of these financial statements

Statement of changes in equity (Consolidated)

all amounts in € thousands	Share capital	Other reserves	Retained earnings / (Accumulated	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent					
GROUP						
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	-	109	-	109	51	**160**
Actuarial gains/(losses), after tax	-	(14)	-	(14)	-	**(14)**
Currency translation differences	-	(149)	136	(13)	-	**(13)**
Change in income tax rate	(137)	2	-	(135)	-	**(135)**
Total comprehensive income for the year	**(137)**	**(51)**	**42.463**	**42.275**	**18.732**	**61.007**
Transactions with the shareholders:						
Other reserves	-	533	(533)	-	-	-
Dividends to non-controlling interests	-	-	-	-	(3.778)	**(3.778)**
Increase in share capital of subsidiaries	-	-	-	-	11	**11**
	-	**533**	**(533)**	**-**	**(3.767)**	**(3.767)**
31 December 2018	**376.663**	**6.900**	**(28.447)**	**355.117**	**79.500**	**434.616**
1 January 2019	**376.663**	**6.900**	**(28.447)**	**355.117**	**79.500**	**434.616**
Total Income:						
Profit for the year	-	-	49.875	49.875	12.980	62.855
Other comprehensive income for the year:						
Cash flow hedges, after tax	-	(403)	-	(403)	(187)	(590)
Actuarial gains/(losses), after tax	-	(302)	-	(302)	-	(302)
Currency translation differences	-	1	-	1	-	1
Change in income tax rate	(34)	1	-	(34)	-	(34)
Total comprehensive income for the year	**(34)**	**(702)**	**49.875**	**49.139**	**12.793**	**61.932**
Transactions with the shareholders:						
Statutory reserves	-	693	(693)	-	-	-
Share capital increase	650.000	-	-	650.000	(3.052)	646.948
Costs directly attributable to issuing new shares	(10.000)	-	-	(10.000)	-	(10.000)
Dividends to non-controlling interest	-	-	-	-	(3.496)	(3.496)
Sale of treasury shares	7.227	-	5.857	13.084	-	13.084
	647.227	693	5.164	653.085	(6.548)	646.537
31 December 2019	**1.023.856**	**6.891**	**26.593**	**1.057.340**	**85.746**	**1.143.086**

The notes on pages 51 to 117 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**	**Total equity**
COMPANY				
1 January 2018	**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	-	3	-	3
Change in income tax rate	(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 January 2019	**376.663**	**3.012**	**(187.233)**	**192.442**
Total Income:				
Loss for the year	-	-	(20.772)	(20.772)
Other comprehensive income for the year:				
Actuarial losses, after tax	-	(160)	-	(160)
Change in income tax rate	(34)	1	-	(34)
Total comprehensive income for the year	**(34)**	**(160)**	**(20.772)**	**(20.965)**
Transactions with the shareholders:				
Share capital increase	650.000	-	-	650.000
Costs directly attributable to issuing new shares	(10.000)	-	-	(10.000)
Sale of treasury shares	7.227	-	5.857	13.084
	647.227	-	5.857	653.085
31 December 2019	**1.023.856**	**2.852**	**(202.147)**	**824.561**

The notes on pages 51 to 117 are an integral part of these financial statements

Cash Flow Statement (Company and Consolidated)

		GROUP		COMPANY	
all amounts in € thousands	Note	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018
Cash flows from operating activities					
Cash generated from / (used in) operations	27	45.355	31.395	(16.279)	(36)
Interest paid and interest related finance cost		(21.257)	(24.285)	(7.128)	(8.887)
Interest expense on lease liabilities	32	(3.468)	-	(50)	-
Income taxes paid		(11.457)	(8.857)	(1)	(15)
Net cash inflow (outflow) from operating activities		**9.174**	**(1.747)**	**(23.408)**	**(8.938)**
Cash flows from investing activities					
Purchase of property, plant and equipment and investment property	6,7	(21.494)	(56.604)	(1.451)	(154)
Proceeds from sale of ppe and investment property	6,9	25	6.500	-	-
Dividends/pre-dividends received		271	-	8.546	6.289
Interest received		45	359	7	269
Loans to/from related parties		(3.995)	-	(3.645)	(618)
Proceeds from repayment of loans to related parties		-	-	-	168
Proceeds from sale/liquidation of participation		-	2.956	-	2.956
Disposal in interest held in investments	10	(9.296)	-	(9.296)	-
(Purchase)/sale of financial instruments held at fair value through profit or loss	11	593	27.292	-	27.292
(Increase)/decrease in the share capital of participations	8	(7.550)	(4.317)	(5.329)	(25.596)
Restricted cash	10	-	-	13.112	(2.500)
Net cash inflow (outflow) from investing activities		**(41.401)**	**(23.814)**	**1.945**	**8.106**
Cash flows from financing activities					
Share capital increase	14	650.000	-	650.000	-
Costs directly attributable to issuing new shares	14	(4.415)	-	(4.415)	-
Increase in share capital of subsidiaries by non-controlling interests		-	11	-	-
Purchase/sale of treasury shares	14	13.084	-	13.084	-
Dividends paid at non-controlling interests		(4.790)	(3.549)	-	-
Loans received/repayment of loans from related parties	30	10.000	-	10.000	10.960
Borrowings received	16	97.270	137.840	-	25.000
Repayment of borrowings	16	(106.049)	(123.345)	(7.000)	(52.776)
Repayment of lease liabilities	32	(260)	-	(788)	-
Borrowings transaction costs	16	(824)	(1.265)	-	-
Restricted cash	10	13.112	(2.500)	-	-
Net cash inflow (outflow) from financing activities		**667.129**	**7.192**	**660.881**	**(16.816)**
Net increase (decrease) in cash and cash equivalents		**634.901**	**(18.369)**	**639.419**	**(17.649)**
Cash and cash equivalents at the beginning of the year		67.875	86.244	12.245	29.894
Cash and cash equivalents at end of year		**702.776**	**67.875**	**651.664**	**12.245**

The notes on pages 51 to 117 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, 2019. The names of the subsidiaries are presented in note 8 of the financial statements.

The main activities of the Company comprise investment, development, leasing and maintenance of innovative real estate projects, in Greece as much as in countries of S.E. Europe (Serbia, Romania and Montenegro) through its subsidiaries. The Group's most significant investments are: three shopping and leisure centers (The Mall Athens and Golden Hall in Athens and Mediterranean Cosmos in Thessaloniki), office complex in Greece and Romania and Flisvos Marina in Faliro. Following the transfer to the purchaser of the sold shares of HELLINIKON S.A., the Company will undertake the integrated metropolitan regeneration of Hellinikon Airport site.

The Company is incorporated and domiciled in Greece, the address of its registered office is 37^{A} Kifissias Ave., 15123, Maroussi with the Number in the General Electronic Commercial Registry: 3379701000 and its website address is www.lamdadev.com. The Company Consolidated Lamda Holdings S.A. ("parent" of the Company), which is domiciled in Luxembourg, is the main shareholder of the Company as at 31.12.2019 with interest held at 50.62% 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 April 7, 2020 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's decision to apply the going concern principle is based on the assumptions that are related to the possible impact of the spread of coronavirus COVID-19 (note 35), as well as to the successful completion of the refinancing of the Company's short-term loans, which is in progress. In this context, a decision by the Board of Directors and the General Assembly may amend the chart of use of proceeds in order to partially use funds intended for other uses, if this becomes necessary.

The factors above have been taken into account by Management when preparing the financial statements for the year ended December 31, 2019. In this uncertain economic environment, management continually assesses the situation, in this uncertain economic environment, 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" of the financial statements for the period ended December

31, 2019, 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 condensed interim 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 year. 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 0 of the annual financial statements as of December 31, 2019.

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 1.1.2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

<u>Standards and Interpretations effective for the current financial year</u>

IFRS 16 'Leases'

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 effect of this standard on the Group is described in note 32. The application of the standard did not have an impact on the leases that the Group operates as a lessor.

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

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss. The amendment had no impact on the financial statements of the Group.

IAS 28 (Amendments) 'Long term interests in associates and joint ventures'

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 amendment had no impact on the financial statements of the Group.

IFRIC 23 'Uncertainty over income tax treatments'

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. The interpretation had no impact on the financial statements of the Group.

IAS 19 (Amendments) 'Plan amendment, curtailment or settlement'

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur. The interpretation had no impact on the financial statements of the Group.

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

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.

Standards and Interpretations effective for subsequent periods

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 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.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform' (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments have not yet been endorsed by the EU.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

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 as well as for the Group's strategic decisions.

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

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 financial statements of the Company and the Group.

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 31.12.2019 the Group does not own instruments for fair value hedging. At the same date the Group owned instruments of cash flow hedging applying risk hedge accounting, hence the changes of the fair value were registered at special reserve in the equity (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

<u>Accounting policies applied up to 31.12.2018</u>

(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.

In respect of the accounting policies that are applied from 01.01.2019 regarding the leases and the amended IFRS 16 “Leases” (note 32).

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 co-operation 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.

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group’s Greek operations. Despite the aforementioned uncertainties, the Group’s operations continue without any disruption while the Group’s shopping centers show further improvement of their profitability and also, 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.

(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 fluctuations in demand and offer of real estate in the domestic market which are affected by the macroeconomic developments in the country and the developments in the domestic real estate market. Any extraordinary negative changes of the above may have a correspondingly negative impact on business activity, operating cash flows, fair value of the Group's investment property, in the equity.

Decrease in the demand or increased offer or shrinking of the domestic real estate market could adversely affect the Group's business and financial situation, as well as negatively affect the Group's investment property occupancy, the base consideration that is set in the contract, the level of demand and ultimately the fair value of these properties. Also, the demand of spaces in the Group’s investment property may decrease due to the difficult economic condition or due to increased competition. The above may result to lower occupancy rates, renegotiation of the terms of lease contracts, higher costs required for the lease contracts, lower revenue from base remuneration, as well as of lease contracts with possible lower duration.

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 SMSA loan in the amount of €44.8m at 31.12.2019. The change in the fair value has been recognized in the statement of comprehensive income.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 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, 2019 an increase / decrease by 0.25% on the Group's borrowings floating interest rate at functional currency, would have no effect of finance cost at Group and Company whereas such an increase / decrease by 0.25% would have no effect on profit before tax for the year and equity respectively.

(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, 2019 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	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Caa1	692.254	37.184	651.510	12.069
Caa2	2	11.478	2	8
Aa3	9.636	17.448	101	115
N/A	372	786	-	-
	702.264	**66.898**	**651.613**	**12.192**

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, 2019 the short-term loans refer mainly to the syndicate bond loan of the Company (amount of €89.1m) as well as the subsidiary LAMDA Prime Properties SMSA amount of €4.9m. In relation to the Company's syndicated bond loan, it is noted that the Company had agreed on an extension of €89.1m bond loan until 31.03.2020. The Company subsequently, has applied in time for an extension of the loan until 31.12.2019. Thereinafter, the representative of the bond holders notified the Company that the bondholders are examining positively the extension of the syndicated loan while informed the Company that each decision of the bondholders is subject to the internal approval procedures of each bondholder. In addition, the bond loan of Lamda Prime Properties SMSA is extended until 30.06.2020. The procedures regarding the loan of LAMDA Prime Properties SMSA (which owns the building Cecil at Kefalari) are currently at an advanced stage of contractual processing and Management estimates that the loan will be successfully refinanced within the first semester of 2020. The Management expects that the aforementioned short term loans will be refinanced successfully. A reference is made in note 16 of the annual financial statements of the year that ended at December 31, 2019.

At 17.12.2019 the Company announces that the share capital increase of €650m was successfully completed improving the Group's liquidity by €640m after the costs for issuing the new shares amounting to €10m (note 14). The management's decision to apply the going concern principle is based on the assumptions that are related to the possible impact of the spread of coronavirus COVID-19 (note 35. In this context, a decision by the Board of Directors and the General Assembly may amend the chart of use of proceeds in order to partially use funds intended for other uses, if this becomes necessary.

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 for use by financial counterparties.

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 2019				
Borrowings	102.673	166.597	32.423	167.949
Interest rate swaps - cash flow hedges	-	287	717	931
Trade and other payables	80.966	2.057	-	-
	183.640	**168.941**	**33.140**	**168.880**

all amounts in € thousands	**Less than 1 year**	**Between 1 and 2**	**Between 2 and 5**	**Over 5 years**
31 December 2018				
Borrowings	141.006	226.617	17.108	81.692
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 2019				
Borrowings	89.128	-	-	-
Trade and other payables	10.949	89.631	-	-
	100.076	**89.631**	**-**	**-**

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**	**-**	**-**

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 2019, as well as in 2018, 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 31.12.2019 in order to be comparable to the gearing ratio as at 31.12.2018 is calculated excluding the effect of the share capital increase after the costs of issuing the new shares (€640m), in the cash and equity, as follows:

all amounts in € thousands

GROUP	**31.12.2019**	**31.12.2018**
Total borrowings (note 16)	439.098	446.841
Less: cash and cash equivalents (note 12)	(62.776)	(67.875)
Net debt	**376.321**	**378.966**
Total equity	503.086	434.616
Total assets	**879.408**	**813.583**
Gearing ratio	**43%**	**47%**

all amounts in € thousands

COMPANY	**31.12.2019**	**31.12.2018**
Total borrowings (note 16)	89.128	96.128
Less: cash and cash equivalents (note 12)	(11.664)	(12.245)
Net debt	**77.464**	**83.882**
Total equity	184.561	192.442
Total assets	**262.025**	**276.324**
Gearing ratio	**30%**	**30%**

3.3 Fair value estimation

The Group and the Company use the following hierarchy for determining and disclosing the fair value of the assets and liabilities by valuation method.

Level 1: based on quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: based on valuation techniques whereby all inputs having a significant effect on the fair value are observable, either directly or indirectly and includes quoted prices for identical or similar assets or liabilities.

Level 3: based on valuation techniques whereby all inputs having a significant effect on the fair value are not observable market data.

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, 2019 was as follows:

all amounts in € thousands	Real estate						
	GREECE			BALKANS	Administrative and Management Services	Eliminations among segments	Total
	Shopping centers	Other investment property		Other investment property			
Revenue from third parties	79.634	2.613	-	9	516	(1.065)	**81.706**
Net gains/(losses) from fair value adjustment on investment property and inventories	65.875	5.949	-	(107)	-	-	**71.716**
Other direct property operating expenses	(14.757)	(1.105)	-	-	-	4.065	**(11.797)**
Expenses related to the development in the Hellinikon area	-	(6.276)	-	-	-	-	**(6.276)**
Other	(613)	(359)	-	(304)	(17.296)	(3.000)	**(21.571)**
Share of profit / (loss) from joint ventures and associates and income from dividends	-	2.633	-	(504)	-	-	**2.129**
EBITDA	130.139	3.456		(907)	(16.780)	-	**115.908**

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

all amounts in € thousands	Real estate						
	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 gains/(losses) from fair value adjustment on investment property and inventories	57.386	(820)	-	(470)	-	-	**56.096**
Impairment provision relating to property repurchase	-	(624)	-	-	-	-	**(624)**
Cost of inventory-land sale	-	-	-	(120)	-	-	**(120)**
Other direct property operating expenses	(16.465)	(771)	-	-	-	3.774	**(13.462)**
Other	(2.806)	(334)	-	(607)	(12.157)	(2.120)	**(18.024)**
Share of profit / (loss) from joint ventures and associates and income from dividends	-	216	-	(1.205)	-	-	**(989)**
EBITDA	115.969	(843)	-	(2.275)	(10.595)	-	**102.257**

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		BALKANS		Total
31 December 2019	Shopping centers	Other investment property	Other investment property	Administrative and Management Services	
Assets per segment	**1.057.046**	**82.665**	**37.032**	**693.916**	**1.870.660**
Expenditure of non-current assets	20.450	12	-	1.031	21.494
Liabilities per segment	**551.504**	**47.959**	**204**	**127.907**	**727.574**

all amounts in € thousands	Real estate GREECE		BALKANS		Total
31 December 2018	**Shopping centers**	**Other investment property**	**Other investment property**	**Administrative and Management Services**	
Assets per segment	**873.592**	**76.842**	**30.437**	**64.990**	**1.045.861**
Expenditure of non-current assets	2.289	30.003	3	101	32.396
Liabilities per segment	**439.063**	**50.228**	**246**	**121.707**	**611.244**

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	**31.12.2019**	**31.12.2018**
EBITDA	115.908	102.257
Depreciation	(885)	(727)
Finance income	40	318
Finance costs	(27.258)	(26.164)
Profit before income tax	**87.806**	**75.683**
Income tax expense	(24.950)	(14.676)
Profit for the year	**62.855**	**61.008**

B) Geographical segments

The segment information for the year ended December 31, 2019 was as follows:

31 December 2019 *all amounts in € thousands*	**Total revenue**	**Non-current assets**
Greece	81.698	1.087.659
Balkans	9	33.636
	81.706	**1.121.296**

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**

6. Investment property

		GROUP		COMPANY	
all amounts in € thousands	**Note**	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Balance at 1 January		852.115	768.415	1.840	1.840
Right-of-use assets	32	78.615	-	-	-
Net gain/(loss) from fair value adjustment on investment property		71.494	56.836	-	-
Acquisition of investment property		-	30.000	-	-
Subsequent expenditure on investment property	7	21.535	264	-	-
Additional property cost	18	15.553	3.100	-	-
Disposals		-	(6.500)	-	-
Balance at 31 December		**1.039.312**	**852.115**	**1.840**	**1.840**

The investment property includes property operating lease that amounts to €189.2m and is related to the shopping center Mediterranean Cosmos. The Group adopting the amended IFRS 16 "Leases" at 1.1.2019 recognized the right-of-use of this property as well as an equal lease liability of €78.6m. The reclassifications and the adjustments for the adoption of the new standard and the change in the Group's accounting policy are described in note 32.

In 2019 capital expenditure of €21.5m occurred and are related to the expansion of the western part of the investment property of Golden Hall.

In addition, the subsidiary LOV SMSA in the process of issuance of a presidential decree for the approval of the City Building Plan of the area where the mall under the trade name "The Mall Athens" is situated, recognized as additional property cost the amount of €17m. Part of this liability, amount of €11.0m was recognized in the financial statements of 30.09.2019, and corresponds to the commitment according to the case of the plots onwed by the "National Bank of Greece S.A." as described in note 29 whereas the remaining additional cost, amount of €6.0m, is related to the assumptions based on the requirements of the presidential decree and can be adjusted during the implementation of the obligations that derive from the presidential decree. In addition to above, the additional property cost is improved by €1.5m following a court decision which cancels the cost of urban planning that was imposed by the Municipality of Spata regarding the Group's investment property at Prolalissi.

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 or more often given that the market conditions or the terms of any existing lease and other contracts show differ significantly from those in the previous reporting period. The valuations are prepared 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, at 31.12.2019, 93% 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 is held under a lease that expires in 2103. As far as the office buildings are concerned, they are owned by the Group.

- In short, the discount rates and exit yields according to the latest valuations at December 31, 2019 are as follows:

	Discount rate		**Exit yields**	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Malls				
The Mall Athens	8,25%	9,00%	6,75%	7,50%
Med.Cosmos	9,25%	9,75%	8,50%	9,00%
Golden Hall	9,00%	9,50%	7,50%	8,25%
Office buildings				
Ilida, Maroussi	8,50%	9,00%	7,00%	7,50%
Cecil, Kefalari	8,50%	9,25%	7,50%	8,25%

- 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 1.50%.

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 valuations of the following investment properties of an increase or a decrease in the yields 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	-6,9	7,1
Med.Cosmos	-2,8	2,9
Golden Hall	-4,1	4,2
Malls	**-13,8**	**14,2**
Ilida, Maroussi	-0,5	0,5
Cecil, Kefalari	-0,2	0,2
Office buildings	**-0,7**	**0,7**
Total	**-14,5**	**14,9**

The above mentioned valuations of the investment property have taken into account the improved current economic conditions in Greece in relation to previous years as described in note 2.1 and therefore, based on the current conditions, the values reported provide the best estimate for the Group's investment property. The changes in the fair value of the investment property are improved compared to the respective year of 2018 mainly due to the fall of the discount rates and the exit yields resulting to the change in the Group's investment property and mostly the shopping centers.

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. In this context, the Management carefully monitors the events regarding the spread of coronavirus, as the short-term impact on the Group's investment property that are directly connected to the Group's net asset value, remain currently unknown (note 36).

Over the total investment property of the Group amounting to €1,039.3m there are real estate liens and pre-notices.

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 2018	**798**	**6.196**	**7.887**	**2.931**	**1.575**	**19.387**
Additions	38	230	663	47	1.502	2.480
Disposals / Write-offs	-	(47)	(1)	-	-	(48)
Transfer to income statement	-	-	-	-	(335)	(335)
31 December 2018	**836**	**6.379**	**8.550**	**2.978**	**2.742**	**21.484**
1 January 2019	**836**	**6.379**	**8.550**	**2.978**	**2.742**	**21.484**
Additions	-	48	1.072	37	20.336	21.494
Disposals / Write-offs	(273)	-	(43)	(9)	-	(326)
Reclassifications	-	-	28	-	(28)	-
Transfer to investment property (note 6)	-	-	-	-	(21.535)	(21.535)
31 December 2019	**562**	**6.427**	**9.607**	**3.006**	**1.515**	**21.117**

Accumulated depreciation						
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)**
1 January 2019	**(501)**	**(5.362)**	**(6.963)**	**(2.782)**	**-**	**(15.608)**
Depreciation charge	(28)	(346)	(323)	(63)	-	(760)
Disposals / Write-offs	146	-	41	9	-	196
31 December 2019	**(383)**	**(5.708)**	**(7.245)**	**(2.835)**	**-**	**(16.171)**
Closing net book amount at 31 December 2018	**334**	**1.017**	**1.587**	**196**	**2.742**	**5.877**
Closing net book amount at 31 December 2019	**179**	**719**	**2.362**	**171**	**1.515**	**4.946**

all amounts in € thousands	**Lease hold land**	**Vehicles and machinery**	**Furniture, fittings and equipment**	**Software**	**Assets under construction**	**Total**
COMPANY - Cost						
1 January 2018	**367**	**190**	**1.392**	**2.736**	**-**	**4.685**
Additions	-	(0)	115	39	-	154
Disposals / Write-offs	-	-	(1)	-	-	(1)
31 December 2018	**367**	**190**	**1.507**	**2.774**	**-**	**4.838**
1 January 2019	**367**	**190**	**1.507**	**2.774**	**-**	**4.838**
Additions	-	5	141	33	1.272	1.451
31 December 2019	**367**	**195**	**1.648**	**2.807**	**1.272**	**6.289**
Accumulated depreciation						
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)**
1 January 2019	**(264)**	**(102)**	**(1.182)**	**(2.642)**	**-**	**(4.190)**
Depreciation charge	(12)	(17)	(78)	(52)	-	(159)
31 December 2019	**(275)**	**(118)**	**(1.261)**	**(2.695)**	**-**	**(4.349)**
Closing net book amount at 31 December 2018	**103**	**89**	**325**	**132**	**-**	**648**
Closing net book amount at 31 December 2019	**92**	**76**	**387**	**113**	**1.272**	**1.940**

At 31.12.2019, the Company's investment on the software upgrade SAP 4/HANA is included in assets under construction, the implementation of which is expected to be completed in the first semester of 2020. Additionaly, there is capital expenditure of €21.5m that has incurred in relation to the expansion of the western part of Golden Hall, which after the valuation at fair value at the balance sheet date, are transferred as additional property cost in investment property (note 6).

Property, plant and equipment are not secured by mortgages.

8. Investments in subsidiaries, joint ventures and associates

The Group’s composition on December 31, 2019 is as follows:

Company	Country of incorporation		% interest held
LAMDA DEVELOPMENT S.A. - Parent	Greece		
Subsidiaries			
PYLAIA S.M.S.A.	Greece	Indirect	68,3%
LAMDA DOMI S.M.S.A.	Greece	Indirect	68,3%
LAMDA MALLS A.E.	Greece		68,3%
L.O.V. S.M.S.A.	Greece		100,0%
LAMDA Estate Development S.M.S.A.	Greece		100,0%
LAMDA Prime Properties S.M.S.A.	Greece		100,0%
LAMDA ILIDA OFFICE S.M.S.A.	Greece		100,0%
Malls Management Services S.M.S.A.	Greece		100,0%
MC Property Management S.M.S.A.	Greece		100,0%
KRONOS PARKING S.M.S.A.	Greece	Indirect	100,0%
LAMDA ERGA ANAPTYXIS S.M.S.A.	Greece		100,0%
LAMDA LEISURE A.E.	Greece		100,0%
GEAKAT S.A.	Greece		100,0%
LAMDA Real Estate Management S.A.	Greece		100,0%
Property Development DOO	Serbia		100,0%
LAMDA Development Montenegro DOO	Montenegro		100,0%
LAMDA Development Romania SRL	Romania		100,0%
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 S.A.	Greece		50,0%
LAMDA Flisvos Marina S.A.	Greece	Indirect	32,2%
LAMDA Flisvos Holding A.E.	Greece	Indirect	41,7%
LAMDA AKINITA S.A.	Greece		50,0%
Singidunum-Buildings DOO	Serbia	Indirect	77,5%
Associates			
ATHENS METROPOLITAN EXPO S.A.	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			31.12.2019			31.12.2018		
Name	**Country of incorporation**	**% interest held**	**Cost**	**Impairment**	**Carrying amount**	**Cost**	**Impairment**	**Carrying amount**
L.O.V. S.M.S.A.	Greece	100%	159.368	-	159.368	159.365	-	159.365
LAMDA MALLS A.E.	Greece	68,3%	51.496	-	51.496	51.496	-	51.496
LAMDA Estate Development S.M.S.A.	Greece	100%	45.461	27.599	17.861	46.184	27.424	18.760
LAMDA Prime Properties S.M.S.A.	Greece	100%	9.272	-	9.272	9.272	-	9.272
LAMDA ILIDA OFFICE S.M.S.A.	Greece	100%	650	-	650	100	-	100
GEAKAT SA	Greece	100%	15.023	10.030	4.993	15.023	10.030	4.993
LAMDA ERGA ANAPTYXIS S.M.S.A.	Greece	100%	9.070	390	8.680	9.070	-	9.070
LAMDA Real Estate Management S.A.	Greece	100%	1.210	1.210	-	1.110	1.110	-
LAMDA LEISURE A.E.	Greece	100%	1.050	-	1.050	1.050	-	1.050
MC Property Management S.M.S.A.	Greece	100%	745	-	745	745	-	745
Malls Management Services S.M.S.A.	Greece	100%	1.224	-	1.224	1.224	-	1.224
LAMDA DEVELOPMENT SOFIA E.O.O.D.	Bulgaria	100%	363	363	-	363	363	-
PROPERTY DEVELOPMENT D.O.O.	Serbia	100%	11.685	11.685	-	11.685	11.685	-
PROPERTY INVESTMENTS D.O.O	Serbia	100%	-	-	-	1	-	1
LAMDA DEVELOPMENT ROMANIA SRL	Romania	100%	741	741	-	741	741	-
ROBIES SERVICES LTD	Cyprus	90%	1.823	1.823	-	1.823	1.823	-
LAMDA DEVELOPMENT (NETHERLANDS) BV	Netherlands	100%	84.528	27.200	57.328	79.178	27.200	51.978
LAMDA DEVELOPMENT MONTENEGRO D.O.O.	Montenegro	100%	800	800	-	800	800	-
LOV LUXEMBOURG SARL (indirect)	Luxembourg	100%	268	-	268	218	-	218
HELLINIKON GLOBAL I S.A.	Luxembourg	100%	36	-	36	36	-	36
Investment in subsidiaries			**394.811**	**81.840**	**312.971**	**389.482**	**81.175**	**308.307**

The movement in investment in subsidiaries is as follows:

	COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**
Balance at 1 January	**308.307**	**285.018**
Additions	-	100
Increase/(decrease) in share capital	5.329	25.888
Provision for impairment	(665)	(2.699)
Balance at 31 December	**312.971**	**308.307**

Increase/Decrease in share capital

The subsidiary LAMDA Estate Development S.A. decreased its share capital by €0.7m. On the contrary, the Company participated in the share capital increase of the companies Lamda Development (Netherlands) BV, LAMDA Real Estate Management SA, LAMDA ILIDA OFFICE SA and LOV LUXEMBOURG SARL by €5.4m, by €0.1m, €0.6m and €0.1m respectively. In 2019 the liquidation of the company Property Investments DOO was completed.

Provision for impairment

	all amounts in €
LAMDA Real Estate Management S.A.	(100)
LAMDA Estate Development S.M.S.A.	(175)
LAMDA ERGA ANAPTYXIS S.M.S.A.	(390)
Total	**(665)**

<u>Non-controlling interests</u>

The Group's non-controlling interests amount to €85.7m at 31.12.2019 (31.12.2018: €79.5m) out of which €85.9m (31.12.2018: €79.7m) comes from the subsidiary LAMDA MALLS SA. Non-controlling interests represent 31.7% on the LAMDA MALLS SA Group's equity, which subsidiaries by 100% are LAMDA DOMI SMSA and PYLAIA SMSA.

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

Statement of financial position	**GROUP**	
	31.12.2019	**31.12.2018**
all amounts in € thousands		
Investment property	519.436	390.850
Other non-current assets	11.198	14.055
Receivables	7.588	10.884
Cash and cash equivalents	36.432	31.079
	574.654	**446.868**
Deferred income tax liabilities	52.864	47.294
Long-term borrowings	155.995	104.122
Long-term lease liability	78.145	-
Other non-current liabilities	1.668	259
Short-term borrowings	919	30.882
Short-term lease liability	342	-
Trade and other payables	13.635	12.925
	303.567	**195.482**
Total equity	**271.087**	**251.386**

Income statement	**GROUP**	
all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Revenue	45.505	44.528
Net gains from fair value adjustment on investment property	28.427	50.836
Other operating income / (expenses) - net	(13.296)	(14.934)
Finance costs - net	(7.880)	(5.432)
Profit before income tax	**52.756**	**74.999**
Income tax expense	(11.760)	(16.055)
Profit for the year	**40.996**	**58.943**

Comprehensive income statement	**GROUP**	
all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Profit for the year	40.996	58.943
Other	(638)	-
Other comprehensive income for the year	40.358	58.943
Total comprehensive income for the year	**40.358**	**58.943**

Cash flow statement	**GROUP**	
all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Cash flows from operating activities	21.413	10.686
Cash flows to investing activities	(22.417)	(2.012)
Cash flows to financing activities	6.357	(3.348)
Net increase in cash and cash equivalents	**5.353**	**5.326**

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

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

COMPANY			**31.12.2019**			**31.12.2018**		
Name	**Country of incorporation**	**% interest held**	**Cost**	**Impairment**	**Carrying amount**	**Cost**	**Impairment**	**Carrying amount**
LAMDA AKINITA S.A.	Greece	50,00%	4.454	1.883	2.571	4.454	1.883	2.571
LAMDA DOGUS MARINA INVESTMENTS S.A.	Greece	50,00%	4.022	-	4.022	4.022	-	4.022
Investment in joint-ventures			**8.476**	**1.883**	**6.593**	**8.476**	**1.883**	**6.593**

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

GROUP			**31.12.2019**			**31.12.2018**		
Name	**Country of incorporation**	**% interest held**	**Cost**	**Share of interest held**	**Carrying amount**	**Cost**	**Share of interest held**	**Carrying amount**
LAMDA AKINITA S.A.	Greece	50,00%	4.454	(1.886)	**2.568**	4.454	(1.884)	**2.570**
LAMDA DOGUS MARINA INVESTMENTS S.A.	Greece	50,00%	4.022	951	**4.973**	4.022	(1.671)	**2.351**
SINGIDUNUM-BUILDINGS DOO	Serbia	77,53%	48.645	(19.750)	**28.895**	41.095	(19.033)	**22.062**
GLS OOD	Bulgaria	50,00%	-	-	-	55	(2)	**52**
TOTAL			**57.122**	**(20.686)**	**36.436**	**49.626**	**(22.591)**	**27.035**

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

	GROUP		**COMPANY**	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Balance at 1 January	**27.035**	**22.627**	**6.593**	**6.703**
Increase/(decrease) in share capital	7.550	5.567	-	-
Additions/liquidations	(55)	-	-	-
Share in profit/(loss)	(1.511)	(1.159)	-	-
Reversal of provision for impairment	3.419	-	-	(110)
Result from liquidation of participations	(1)	-	-	-
Balance at 31 December	**36.436**	**27.035**	**6.593**	**6.593**

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

- The joint ventures are structured through individual entities that provide the Group with the rights on their net assets.
- The Group increased its participation in the joint-venture Singidunum Buildings DOO, through a share capital increase of €7.6m, from 72.94% at 31.12.2018 to 77.53% at 31.12.2019, however the control remains 50%-50% between the two shareholders according to the terms of the current shareholders agreement.
- The Company in the first quarter of 2020 acquired from the company under the name "D- Marinas B.V." of DOGUS Group, the remaining 50% of the shares issued by LAMDA DOGUS INVESTMENTS S.A., which currently held 83.39% of the shares issued by LAMDA Flisvos Holding S.A., a shareholder of the 77.23% of LAMDA Flisvos Marina S.A. and manager of the Flisvos Marina. On completion of the transfer, LAMDA DEVELOPMENT S.A. has become the sole shareholder of LAMDA DOGUS INVESTMENTS S.A., wholly controlling LAMDA Flisvos Marina S.A. As a result, the Group recognized a reversal of a past impairment for the participation in LAMDA Flisvos Marina S.A. in the amount of €3.4m as there are clear indications that the conditions of the past that led to the impairment are no longer existing. Regarding the effect of the transaction on the financial statements after the reporting date see note 36.
- In 2019 GLS OOD was liquidated.
- The Group's most significant joint-venture is Singidunum Buildings DOO as follows:

<u>Singidunum Buildings DOO</u>

	77,53%	72,94%
Statement of financial position	**31.12.2019**	**31.12.2018**
all amounts in € thousands		
Inventories	76.453	73.652
Receivables	320	414
Cash and cash equivalents	546	1.273
	77.318	**75.339**
Long-term borrowings	-	40.020
Short-term borrowings	40.020	5.000
Trade and other payables	27	73
	40.047	**45.092**
Total equity	**37.271**	**30.246**
(Group's interest)	**77,53%**	**72,94%**
Total equity	**28.897**	**22.062**

Income statement		
all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Revenue		-
Net gains/(loss) from fair value adjustment on inventory	1.467	-
Other operating income / (expenses) - net	(779)	(135)
Finance costs - net	(1.207)	(1.342)
Loss before income tax	**(520)**	**(1.476)**
Income tax expense		
Loss for the year	**(520)**	**(1.476)**
(Group's interest)	**77,53%**	**72,94%**
Loss for the year	**(403)**	**(1.077)**

Comprehensive income statement

all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Loss for the period	(403)	(1.077)
Currency translation differences	-	-
Other comprehensive income for the year	(403)	(1.077)
Total comprehensive income for the year	**(403)**	**(1.077)**

Cash flow statement

all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Cash flows from operating activities	(426)	(1.855)
Cash flows to investing activities	(2.852)	(384)
Cash flows to financing activities	2.550	3.400
Net increase/(decrease) in cash and cash equivalents	**(728)**	**1.160**

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

The Group participates in the following associates' equity:

GROUP			**31.12.2019**			**31.12.2018**		
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**	1.167	-	**1.167**
S.C. LAMDA MED SRL (Indirect)	Romania	40,00%	1.133	1.144	**2.277**	1.133	1.195	**2.328**
TOTAL			**2.300**	**1.144**	**3.444**	**2.300**	**1.195**	**3.494**

The movement of associates is as follows:

	GROUP		**COMPANY**	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Balance at 1 January	**3.494**	**3.915**	**1.166**	**1.558**
Share in profit/(loss)	221	170	-	-
Decrease in share capital	-	(591)	-	(392)
Dividend contribution	(271)	-	-	-
Balance at 31 December	**3.444**	**3.494**	**1.166**	**1.166**

9. Inventories

	GROUP		**COMPANY**	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Land for sale	28.051	27.750	-	-
Property for sale	1.244	1.244	-	-
Merchandise	16	-	-	-
Total	**29.311**	**28.994**	**-**	**-**
<u>Minus:</u> provision for impairment				
Land for sale	(19.028)	(18.950)	-	-
Property for sale	(678)	(678)	-	-
	(19.706)	**(19.628)**	**-**	**-**
Net realisable value	**9.605**	**9.366**	**-**	**-**

At the reporting date, inventories include mainly plots of land for sale which are fully onwed by the Group and are carried at the lower of cost and fair value. These plots are located in Greece in Aegina at fair value of €5.5m ((€5.2m 31/12/2018) and in Balkans, in Bucarest, Romania at Regimentului site at fair value of €2.5m (€2.6m 31/12/2018) and in Montenegro at Budva site at fair value of €1.0m (€1.0m 31/12/2018).

10. Trade and other receivables

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade receivables	12.745	12.372	49	29
Less: provision for impairment of trade receivables	(7.237)	(7.206)	-	-
Trade receivables - net	**5.507**	**5.166**	**49**	**29**
VAT receivable and other receivables from Public Sector	13.060	3.511	11.345	2.346
Receivables from refund of property transfer tax	16.323	16.323	-	-
Preliminary expenses related to the development in the Hellinikon site	9.584	13.385	5.974	7.443
Prepaid land lease	9.582	9.915	-	-
Receivables from related parties (note 30)	87	49	329	1.239
Loans to related parties (note 30)	2.970	-	10.713	7.987
Pre-dividends receivables	-	-	-	-
Deferred expenses	1.398	1.057	391	99
Restricted cash	-	13.112	-	13.112
Pre-dividends receivables	-	1.758	-	-
Less: provision for impairment	(404)	(569)	(4)	(156)
Other receivables	4.297	4.206	208	337
Total	**62.404**	**67.913**	**29.006**	**32.437**
Receivables analysis:				
Non-current assets	29.702	27.339	10.131	8.013
Current assets	32.702	40.574	18.875	24.424
Total	**62.404**	**67.913**	**29.006**	**32.437**

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, 2019 and December 31, 2018 is presented below:

Group

	Simplified approach	General approach			
Financial assets		**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount 31.12.2019	46.006		-	-	**46.006**
ECL (Expected Credit Loss) allowance	(7.642)	-	-	-	**(7.642)**
Net carrying amount 31.12.2019	**38.364**	**-**	**-**	**-**	**38.364**
Non-financial assets 31.12.2019	24.040				**24.040**
Total trade and other receivables 31.12.2019	**62.404**	**-**	**-**	**-**	**62.404**

Company

Financial assets	Simplified approach	General approach Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2019	9.260	618	-	69.876	**79.753**
ECL (Expected Credit Loss) allowance	(4)	(5)	-	(62.475)	**(62.484)**
Net carrying amount 31.12.2019	**430**	**613**	**-**	**7.400**	**17.270**
Non-financial assets 31.12.2019	11.736	-	-	-	**11.736**
Total trade and other receivables 31.12.2019	**12.166**	**613**	**-**	**7.400**	**29.006**

Group

Financial assets	Simplified approach	General approach Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2019	61.206	-	-	-	**61.206**
ECL (Expected Credit Loss) allowance	(7.775)	-	-	-	**(7.775)**
Net carrying amount 31.12.2019	**53.431**	**-**	**-**	**-**	**53.431**
Non-financial assets 31.12.2019	14.483	-	-	-	**14.483**
Total trade and other receivables 31.12.2019	**67.913**	**-**	**-**	**-**	**67.913**

Company

Financial assets	Simplified approach	General approach Stage 1	Stage 2	Stage 3	Total
Gross carrying amount 31.12.2019	22.160	618	-	68.831	**91.610**
ECL (Expected Credit Loss) allowance	(156)	(32)	-	(61.431)	**(61.619)**
Net carrying amount 31.12.2019	**22.004**	**586**	**-**	**7.400**	**29.991**
Non-financial assets 31.12.2019	2.446	-	-	-	**2.446**
Total trade and other receivables 31.12.2019	**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 €56m, 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 €14.6m 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.

Also, the Company receivables of €6.8m from the public sector is included regarding refund for capital concentration tax that was initially imposed, during the latest share capital increase of the Company that was completed in December 2019, over the amount of €650m of the raised funds and not over the final amount of the principal capital of €29.1m. The amount of €291k is already included in the costs for the Company's shares issuance.

For "VAT receivables and receivables from Public Sector" item no expected credit loss provision has been applied.

Receivables from property transfer tax

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.

Preliminary expenses related to the development in the Hellinikon site

The preliminary expenses related to the development in the Hellinikon site relate to any kind of fees from third parties (indicatively of scholars, technicians, lawyers, financial or other consultants and other experts) for the preparation and elaboration of all studies that are required to meet the Group's obligations in relation to Conditions Precedent and in general the Conditions Precedent regarding the transfer of Shares, as well as the planning, organization and implementation of the communication strategy, marketing, advertising, etc. of the project.

According to the Company's announcement at 18 September 2019, no agreement was reached with the partners of Global Investment Group, for it to undertake the development of the Property. Therefore, LAMDA Development SA undertakes 100 percent of the visionary Hellinikon Project. As a result, an amount of €6.3m and €5.7m respectively regarding part of the preliminary expenses related to the development in the Hellinikon site, and which cannot be capitalized on individual entities, is transferred to the Group and Company income statement. At the financial statements of 30.06.2019 the above mentioned receivables was carried as receivables from Global Investment Group.

Restricted cash

At Company and Group level, the change in "Restricted cash" occurs due to the release of the Company's restricted cash of €13.1m and its transfer to cash and cash equivalents.

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 was released since the courts decisions ended 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 was released as cash collateral for the issuance of one letter of guarantee in favour of Singidunum Buildings DOO.

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

	GROUP		COMPANY	
all amounts in € thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Money market funds	-	595	-	-
	-	**595**	**-**	**-**

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. At 31.12.2019 the Company has no longer open position in money market funds as it has liquidated an amount of €0.6m.

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	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cash at bank	402.264	66.898	351.613	12.192
Cash in hand	512	976	50	53
Short-term deposits	300.000	-	300.000	-
Total	**702.776**	**67.875**	**651.664**	**12.245**

The significant increase in the Group and Company cash is mainly due to the Company's share capital increase of €640m, excluding the costs of issuing the new shares, which was completed at 17.12.2019 (note 14). The total net raised funds can be used according to the provisions of the point 4.1.2 "Scope of the offer and use of proceeds" of the Prospectus.

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 - 31.12.2019	Financial assets at amortized cost	Financial instruments held at fair value through profit or loss
all amounts in € thousands		
Trade and other receivables	5.507	-
Cash and cash equivalents	702.776	-
Receivables from related parties	87	-
Loans to related parties	2.970	-
Other financial receivables	13.477	-
Total	**724.817**	**-**

GROUP - 31.12.2019	Financial liabilities at amortized cost	Interest rate swaps - cash flow hedges (IRS)
all amounts in € thousands		
Borrowings	439.098	-
Trade and other payables	12.122	-
Interest payable	2.817	-
Derivative financial instruments	-	776
Loans from related parties	10.123	-
Liabilities to related parties	803	-
Other financial payables	44.515	-
Total	**509.477**	**776**

COMPANY - 31.12.2019

all amounts in € thousands	**Financial assets at amortized cost**
Trade and other receivables	49
Loans to related parties	10.713
Receivables from related parties	329
Other financial receivables	6.178
Total	**17.270**

COMPANY - 31.12.2019

all amounts in € thousands	**Financial liabilities at amortized cost**
Borrowings	89.128
Trade and other payables	4.759
Loans from related parties	65.449
Liabilities to related parties	2.156
Other financial payables	21.619
Total	**183.111**

GROUP - 31.12.2018

Financial assets **all amounts in € thousands**	**Loans and receivables**	**Financial instruments held at fair value through profit or loss**
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 **all amounts in € thousands**	**Liabilities at amortized cost**
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 **all amounts in € thousands**	**Loans and receivables**
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 **all amounts in € thousands**	**Liabilities at amortized cost**
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**

14. Share capital

all amounts in € thousands	**Number of shares** *(thousands)*	**Ordinary shares**	**Share premium** (after costs for issuing new shares)	**Treasury shares**	**Total**
1 January 2018	**77.856**	**23.917**	**360.110**	**(7.227)**	**376.800**
Change in income tax rate	-	-	(137)	-	(137)
31 December 2018	**77.856**	**23.917**	**359.973**	**(7.227)**	**376.663**
1 January 2019	**77.856**	**23.917**	**359.973**	**(7.227)**	**376.663**
Share capital increase	97.015	29.105	620.896	-	650.000
Costs directly attributable to issuing new shares	-	-	(10.000)	-	(10.000)
Sale of treasury shares	1.866	-	-	7.227	7.227
Change in income tax rate	-	-	(34)	-	(34)
31 December 2019	**176.737**	**53.021**	**970.835**	**-**	**1.023.856**

At 17.12.2019 the Company announces that the share capital increase in cash and pre-emption right in favor of existing shareholders, which was decided by the Extraordinary General Meeting of the Company’s shareholders held on 10.10.2019, as was further specified by the resolution of the Company’s Board of Directors adopted on 21.11.2019 (hereinafter “the SCI”) and took place from 02.12.2019 until 16.12.2019, was successfully completed by raising funds of €650m through the exercise of pre-emption rights and over-subscription rights. As a result, the Company's share capital is increased by €29m through the issue of

97.014.940 new common registered voting shares, with a par value of €0.30 each and an amount equal to €621m is credited to the "share premium" account. Following the above, the Company's share capital amounts to €53m, divided into 176,736,715 common registered voting shares, with a nominal value of €0.30 each. On 23.12.2019, the Company announces the commencement on the Athens Exchange of trading of the 97,014,940 new common registered with voting rights shares, of nominal value of €0.30 each, as a result of the Company's share capital increase.

Also, on 22.10.2019 the sale of 1.319.840 treasury shares that corresponds approximately to 1.66% of the total shares and voting rights of the Company, to the company under the name "Aegean Airlines S.A" was completed. The price was €7 per share. Then, at 06.11.2019 the sale of the remaining 546.167 treasury shares that corresponds approximately to 0.685% of the total shares and voting rights of the Company, to the company under the commercial name "ORYMIL S.A."("Orymil") was completed. The price was €7,27 per share. As a result of the aforementioned sale transactions, the Group's cash increased by €13.2m (after the transaction costs) with a positive effect on the working capital of the Group. The transactions are considered as transactions with related parties (note 30).

15. Other reserves

all amounts in € thousands	**Statutory reserves**	**Tax-free reserves**	**Hedging reserves (1)**	**Cumulative actuarial gains (1)**	**Currency translation differences**	**Total**
GROUP						
1 January 2018	**5.733**	**589**	**(109)**	**13**	**192**	**6.418**
Changes during the year	533	-	109	(14)	(149)	479
Change in income tax rate	-	-	-	2	-	2
31 December 2018	**6.266**	**589**	**-**	**1**	**43**	**6.900**
1 January 2019	**6.266**	**589**	**-**	**1**	**43**	**6.900**
Changes during the year	694	-	(403)	(302)	1	(8)
Change in income tax rate	-	-	-	1	-	1
31 December 2019	**6.960**	**589**	**(403)**	**(300)**	**45**	**6.892**

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

all amounts in € thousands	**Statutory reserves**	**Tax-free reserves**	**Cumulative actuarial gains (1)**	**Total**
COMPANY				
1 January 2018	**2.380**	**589**	**37**	**3.007**
Changes during the year	-	-	3	3
Change in income tax rate	-	-	2	2
31 December 2018	**2.380**	**589**	**42**	**3.012**
1 January 2019	**2.380**	**589**	**42**	**3.012**
Changes during the year	-	-	(160)	(160)
Change in income tax rate	-	-	1	1
31 December 2019	**2.380**	**589**	**(118)**	**2.852**

(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 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) Tax-free and special taxed reserves 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.

16. Borrowings

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Non-current				
Bond borrowings	336.424	305.835	-	-
Total non-current	**336.424**	**305.835**	**-**	**-**
Current				
Bond borrowings	102.673	133.826	89.128	96.128
Overdraft account	-	7.180	-	-
Total current	**102.673**	**141.006**	**89.128**	**96.128**
Total borrowings	**439.098**	**446.841**	**89.128**	**96.128**

The movements in borrowings are analysed as follows:

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**	**96.128**

12 months ended 31 December 2019 *(amounts in € thousands)*	**GROUP**	**COMPANY**
Balance at 1 January 2019	446.841	96.128
Bond borrowings	97.270	-
Recognition of interest at fair value	722	-
Borrowings transaction costs - amortization	1.137	-
Borrowings transaction costs	(824)	-
Borrowings repayments	(106.049)	(7.000)
Balance at 31 December 2019	**439.098**	**89.128**

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.

On 19.04.2019 the management competed the refinancing of the bond loan of the subsidiary PYLAIA SMSA amount of €72m. It has a seven-year tenor and the purpose is the repayment of a) the existing loan and b) the overdraft account.

On 29.07.2019 the subsidiary LOV SMSA voluntarily prepaid an amount of €15.0m of its bond loan which contract provides the option of an extension for one year until 28.07.2021 subject to certain terms and conditions.

In addition, on 27.07.2019 the subsidiary LAMDA Prime Properties S.M.S.A. proceeded to prepayment of capital amounting to €300k and on 31.12.2019 to prepayment of €100k under extended maturity until 30.06.2020.

Amortization of borrowings transaction costs of €2.0 are included in the total borrowings as at December 31, 2019, out of which €0.7m 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	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Between 1 and 2 years	154.734	216.733	-	-
Between 2 and 5 years	18.670	10.763	-	-
Over 5 years	163.019	78.338	-	-
	336.424	**305.835**	**-**	**-**

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).

At 31.12.2019, the average base effective interest rate of the Group is 0.06% and the average bank spread is 4.17%. Therefore, the Group total effective borrowing rate stands at 4.22% at 31.12.2019.

The Company's secured syndicated bond loan of current balance €89.1m 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 2.5 and the ratio of total net debt to investment portfolio must be ≤ 75%.

At Group level, at 31.12.2019 the Company's subsidiary LAMDA DOMI SMSA's secured syndicated bond loan of current balance €86.4m, 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 SMSA granted by Eurobank Ergasias, of current balance €72m has the following covenants: Loan to value <60% and Debt Service Ratio >120%. Whereas, LAMDA OLYMPIA VILLAGE SA's secured bond loan of current balance €157.9m, granted by HSBC, Eurobank Ergasias and Apollo Global Management ACRE DEBT 1 LIMITED fund's participation has the following covenants: Loan to value <65% and Debt Service Cover ratio >110%. At December 30, 2019, all above mentioned ratios are satisfied at Group and Company level.

At 31.12.2019 the short-term borrowings include mainly the following liabilities:

- At December 31, 2019 the syndicate bond loan of the Company (amount of €89.1m) granted by Alpha Bank, Bank of Piraeus and Eurobank Ergasias. The Company had agreed on an extension of €89.1m bond loan until 31.03.2020. The Company subsequently, has applied in time for an extension of the loan until 31.12.2019. Thereinafter, the representative of the bond holders notified the Company that the bondholders are examining positively the extension of the syndicated loan while informed the Company that each decision of the bondholders is subject to the internal approval procedures of each bondholder.
- The bond loan of Lamda Prime Properties SMSA (amount of €4.9m) granted by Alpha Bank is extended until 30.06.2020. The procedures regarding the loan of LAMDA Prime Properties SMSA (which owns the building Cecil at Kefalari) are currently at an advanced stage of contractual processing and Management estimates that the loan will be successfully refinanced within the first semester of 2020.

The movement in Net Debt is analysed as follows:

		GROUP	
	Borrowings	**Cash and cash equivalents (*)**	**Total**
Net Debt at 01.01.2018	**(441.887)**	**86.244**	**(355.643)**
Cash flows	(13.230)	(18.369)	(31.599)
Other non cash flows	8.276	-	8.276
Net Debt at 31.12.2018	**(446.841)**	**67.875**	**(378.966)**
Net Debt at 01.01.2019	**(446.841)**	**67.875**	**(378.966)**
Cash flows	9.603	(5.099)	4.504
Other non cash flows	(1.859)	-	(1.859)
Net Debt at 31.12.2019	**(439.098)**	**62.776**	**(376.322)**

	COMPANY		
	Borrowings	**Cash and cash equivalents (*)**	**Total**
Net Debt at 01.01.2018	**(123.137)**	**29.894**	**(93.243)**
Cash flows	27.776	(17.649)	10.127
Other non cash flows	(767)	-	(767)
Net Debt at 31.12.2018	**(96.128)**	**12.245**	**(83.883)**
Net Debt at 01.01.2019	**(96.128)**	**12.245**	**(83.883)**
Cash flows	7.000	(581)	6.419
Other non cash flows	(0)	-	(0)
Net Debt at 31.12.2019	**(89.128)**	**11.664**	**(77.464)**

* For comparative purposes, the movement in Net Debt is calculated excluding the effect of the share capital increase after the costs of issuing the new shares (€640m), which was completed in December 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	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Amounts recognized in the statement of financial position				
Present value of obligations	1.684	1.202	976	812
Fair value of plan assets	-	-	-	-
Net liability in balance sheet	**1.684**	**1.202**	**976**	**812**

The amounts recognised in the income statements are as follows:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Amounts recognized in the income statement				
Service cost	97	85	41	46
Interest cost	25	21	16	14
P/l charge	**123**	**106**	**57**	**60**
Recognition of past service cost	14	-	4	-
Settlement/Curtailment/Termination loss/(gain)	116	22	-	(8)
Restructuring expense	-	-	12	-
Other expense	(120)	-	(120)	-
Total charge in the income statement	**132**	**128**	**(47)**	**52**

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

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Remeasurements				
Liability gain/(loss) due to changes in assumptions	(347)	9	(191)	6
Liability experience gain/(loss) arising during the year	(32)	(10)	(20)	(2)
Total actuarial gain/(loss) recognised in OCI	**(380)**	**(1)**	**(211)**	**4**

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

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Reconciliation of benefit obligation				
Defined Benefit Obligation at start of year	**1.202**	**1.120**	**812**	**775**
Service cost	97	85	41	46
Interest cost	25	21	16	14
Benefits paid directly by the Company	(29)	(48)	-	(10)
Settlement/Curtailment/Termination loss	116	22	-	(8)
Restructuring expense	-	-	12	-
Other	(120)	-	(120)	-
Past service cost arising over last period	14	-	4	-
Actuarial (gain)/loss	380	1	211	(4)
Defined Benefit Obligation at end of year	**1.684**	**1.202**	**976**	**812**

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Movements in Net Liability in the statement of financial position				
Net Liability in BS at the beginning of the year	1.202	1.120	812	775
Benefits paid directly	(29)	(48)	-	(10)
Total expense recognized in the income statement	132	128	(47)	52
Total amount recognized in the OCI	380	1	211	(4)
Net Liability in the statement of financial position	**1.684**	**1.202**	**976**	**812**
Cumulative amount recognized in the OCI income/(expense)	(366)	17	(155)	56

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

	GROUP		COMPANY	
	31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
Discount rate	1,09%	2,00%	1,09%	2,00%
Price inflation	1,43%	1,50%	1,43%	1,50%
Plan duration (years)	1,43%	1,50%	1,43%	1,50%

In case that the discount rate changes by – 0.5%, the impact to the defined benefit pension plans would change by +€147k. In case that the salaries change by +0.5%, the change to the defined benefit pension plans of the Group would change by +€146k.

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:

	2019	
	31.12.2019	**31.12.2019**
all amounts in € thousands		
No later than 1 year	122	122
Between 1 and 2 years	24	24
Between 2 and 5 years	186	127
Over 5 years	1.701	860
	2.033	**1.132**

18. Trade and other payables

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade payables	12.122	8.404	6.915	1.339
Liabilities to related parties (note 30)	803	317	2.156	3
Loans from related parties (note 30)	10.123	-	65.449	53.776
Social security cost and other taxes/charges	3.715	3.115	1.619	1.279
Liability to the Municipality of Amarousiou [a]	2.973	12.140	2.973	12.140
Liability LOV SMSA based on GG [b]	17.000	-	-	-
Advance payment from investment scheme GIG for property in the Hellinikon site [c]	13.000	13.000	13.000	13.000
Costs for issuing new shares [d]	5.585	-	5.585	-
Unearned income	2.567	2.857	-	-
Accrued expenses	8.929	5.869	4.581	2.188
Accrued interest	2.817	2.143	396	-
Provision for completion cost of The Mall Athens	3.297	3.297	-	-
Other liabilities	2.659	3.812	(2.096)	303
Total	**85.590**	**54.956**	**100.579**	**84.028**

Analysis of obligations:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Non-current liabilities	2.057	1.330	10.949	53.654
Current liabilities	83.533	53.626	89.631	30.374
Total	**85.590**	**54.956**	**100.579**	**84.028**

a) The liability to the Municipality of Amarousion represents Company's obligation related to part of LOV SMSA purchase (former DIMEPA). The reduction by €9.0m is due to Company's repayment of the liability to the Municipality of Amarousion with a simultaneous release of restricted cash. The remaining amount of the liability relates to indexation adjustment of €3.1m at 31.12.2018.

b) In addition, the subsidiary LOV SMSA in the process of issuance of a presidential decree for the approval of the City Building Plan of the area where the mall under the trade name "The Mall Athens" is situated, recognized as additional property cost the amount of €17m. Part of this liability, amount of €11.0m was recognized in the financial statements of 30.09.2019, and corresponds to the commitment according to the case of the plots onwed by the "National Bank of Greece S.A." as described in note 29 whereas the remaining additional cost, amount of €6.0m, is related to the assumptions based on the requirements of the presidential decree and can be adjusted during the implementation of the obligations that derive from the presidential decree. In addition to above, the additional property cost is improved by €1.5m following a court decision which cancels the cost of urban planning that was imposed by the Municipality of Spata regarding the Group's investment property at Prolalissi.

c) The advance that was initially granted from Global Investment Group for the preliminary expenses related to the development in the Hellinikon site, was repaid at 17.01.2020.

d) "Costs for issuing new shares" comprises of the provision for the remaining costs of the share capital increase that was completed at 17.12.2019 and have not been invoiced to the company yet. The remaining amount refers mainly to commissions of advisors and agents as well as other fees.

e) The significant increase in the "Trade payables" compared to 31.12.2019, is mainly due to the increase of payables regarding the expenses of the share capital increase that was completed at 17.12.2019, amount of €3.8m (31.12.2019: €0m).

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			
	31.12.2019		31.12.2018		31.12.2019		31.12.2018	
all amounts in € thousands	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held at fair value through profit or loss (Cap)	-	-	285	-	-	-	-	-
Interest rate swaps - cash flow hedges (IRS)	-	776	-	-	-	-	-	-
Total	**-**	**776**	**285**	**-**	**-**	**-**	**-**	**-**
Non-current	-	776	285	-	-	-	-	-
Current	-	-	-	-	-	-	-	-
Total	**-**	**776**	**285**	**-**	**-**	**-**	**-**	**-**

The nominal value of interest rate swaps that are hedged (IRS) as at 31.12.2019 is €44.7m, for the Company's subsidiary LAMDA DOMI SMSA, and their maturity date is in November 2025. The interest rate swaps have been measured at fair value stated by the counterpart bank. As at 31.12.2019 the long-term borrowings floating rates are secured with interest risk derivatives (IRS) ranged according to 3-month Euribor plus 3.07%. In relation to derivatives at fair value through profit or loss, a Cap instrument as a hedging strategy for the Interest Rate Risk has been selected for the subsidiary' s, LOV S.M.S.A., bond loan at a notional amount of €160m and their maturity date is in July 2020. The movement of the fair value is recognized in the income statement.

The total fair value of the derivative financial instrument, which is described under hierarchy 2 in note **Error! Reference source not found.**, 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	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Deferred tax liabilities:	**(121.705)**	**(106.683)**	**-**	**-**
Deferred tax assets:	**7.260**	**7.739**	**7.113**	**7.185**
	(114.446)	**(98.943)**	**7.113**	**7.185**

The amounts which have not been offset are as follows:

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Deferred tax liabilities:	**(122.390)**	**(106.873)**	**(66)**	**(63)**
Deferred tax assets:	**7.944**	**7.930**	**7.179**	**7.248**
	(114.446)	**(98.943)**	**7.113**	**7.185**

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

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Balance at 1 January	**(98.940)**	**(94.422)**	**7.185**	**8.348**
Charged/(credited) in the income statement	(19.044)	(18.340)	853	(750)
Charged/(credited) in equity	267	(63)	51	1
Effect due to change in the income tax rate through equity	(34)	(139)	(34)	(138)
Effect due to change in the income tax rate through the income statement	3.304	14.025	(943)	(276)
Balance at 31 December	**(114.446)**	**(98.940)**	**7.113**	**7.185**

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 and loans**	**Tax audit differences**	**Other**	**Total**
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 rate through the income statement	(6.854)	(21)	(7.830)	-	-	(14.704)
31 December 2018	**48.388**	**108**	**58.320**	**-**	**57**	**106.873**
1 January 2019	**48.388**	**108**	**58.320**	**-**	**57**	**106.873**
						-
Charged/(credited) in the income statement	2.613	(19)	16.736		467	19.797
Effect due to change in the income tax rate through the income statement	(1.936)	(4)	(2.338)		(2)	(4.280)
31 December 2019	**49.065**	**85**	**72.718**	**-**	**522**	**122.390**

COMPANY *(all amounts in € thousands)*	**Depreciation differences & cost**	**Other**	**Total**
1 January 2018	**68**	**2**	**70**
Charged/(credited) in the income statement	4	(1)	3
Effect due to change in the income tax rate through the income statement	(9)	(1)	(10)
31 December 2018	**63**	**-**	**63**
1 January 2019	**63**	**-**	**63**
Charged/(credited) in the income statement	6	-	6
Effect due to change in the income tax rate through the income statement	(3)	-	(3)
31 December 2019	**66**	**-**	**66**

Deferred Tax Assets

GROUP *(all amounts in € thousands)*	**Provision for impairment of receivables**	**Tax losses**	**Revenue recognition**	**Expenses for issuance of share capital**	**Provision for redundancy**	**Derivative financial instruments**	**Other**	**Total**
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)**	18	-	97	(3.031)
Charged/(credited) in equity	-	-	-	-	2	(65)	-	(63)
Effect due to change in the income tax rate through the income statement	(350)	(301)	(2)	**46**	(42)	-	(30)	(679)
Effect due to change in the income tax rate through equity	-	-	-	**(136)**	(3)	-	-	(139)
31 December 2018	**258**	**6.531**	**10**	**477**	**300**	**-**	**357**	**7.933**
1 January 2019	**258**	**6.531**	**10**	**477**	**300**	**-**	**357**	**7.933**
Charged/(credited) in the income statement	248	634	(5)	(50)	(8)	-	(66)	753
Charged/(credited) in equity	-	-	-	-	81	186	-	267
Effect due to change in the income tax rate through the income statement	(11)	(920)	(1)	(15)	(12)	-	(17)	(976)
Effect due to change in the income tax rate through equity	-	-	-	(34)	1	-	-	(34)
31 December 2019	**496**	**6.245**	**4**	**378**	**362**	**186**	**274**	**7.944**

COMPANY *(all amounts in € thousands)*	**Provision for impairment of receivables**	**Tax losses**	**Expenses for issuance of share capital**	**Provision for redundancy**	**Other**	**Total**
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 rate through the income statement	-	(301)	46	(31)	-	(286)
Effect due to change in the income tax rate through equity	-	-	(136)	(2)	-	(138)
31 December 2018	**38**	**6.531**	**477**	**203**	**-**	**7.248**
1 January 2019	**38**	**6.531**	**477**	**203**	**-**	**7.248**
Charged/(credited) in the income statement	281	634	(50)	(12)	6	859
Charged/(credited) in equity				51		51
Effect due to change in the income tax rate through the income statement	(1)	(920)	(15)	(9)	-	(946)
Effect due to change in the income tax rate through equity		-	(34)	1	-	(34)
31 December 2019	**317**	**6.245**	**378**	**234**	**6**	**7.179**

- 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.
- The Company has not recognised deferred tax assets with respect to accumulated tax losses of €18m (31.12.2018: €16m).

- The Group has not recognised deferred tax assets with respect to accumulated tax losses of €53m (31.12.2018: €62m).
- 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	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Leasing of real estate property	72.926	69.803	105	101
Other auxiliary land transportation	8.367	7.907	-	-
Real estate management	24	40	295	2.452
Sale of landplots - inventories	-	120	-	-
Consulting	145	168	1.030	1.033
Other	243	1.342	-	-
Total	**81.706**	**79.379**	**1.431**	**3.587**

The aggregate floating (contingent) remuneration was €2.9m for year 2019 and €2.5m for year 2018.

22. Other direct property operating expenses

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Operating lease	(1.289)	(4.841)	-	-
Shopping center common charges	(3.377)	(2.904)	-	-
Proportion in the common charges of vacant units	(619)	(596)	-	-
Parking expenses	(2.284)	(2.402)	-	-
Promotion and marketing expenses	(847)	(791)	-	-
Administrative and financial services	(14)	(14)	-	-
Technical advisors' fees	(199)	(175)	-	-
Insurance costs	(900)	(850)	-	-
Lawyer fees	(42)	(34)	-	-
Commercialization	(30)	(382)	-	-
Maintenance and repairs	(941)	(754)	-	-
Taxes - charges	(782)	(679)	-	-
Provision for receivables impairment	(150)	1.420	-	-
Other	(323)	(461)	-	-
Total	**(11.797)**	**(13.462)**	**-**	**-**

The operating lease for the year 2019 represent the variable lease of the leases according to the new Group policy for leases as described in note 32.

23. Other operating income / (expenses) net

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Professional fees	(2.696)	(2.756)	(1.245)	(815)
Promotion and marketing expenses	(506)	(604)	(488)	(399)
IT expenses and other maintenance	(440)	(325)	(431)	(296)
Common charges and consumables	(501)	(956)	(402)	(381)
Taxes - charges	(252)	(186)	(118)	(44)
Travel/transportation expenses	(419)	(285)	(314)	(214)
Insurance	(107)	(113)	(97)	(91)
Operating lease	(242)	(350)	(105)	(953)
Donations and grants	(205)	(192)	(205)	(16)
Loss from sale/valuation of financial instruments held at fair value through profit or loss	(287)	(265)	-	(265)
Remuneration due to repurchase	-	(644)	-	(644)
Provision for receivables impairment	166	(142)	152	(155)
VAT write-off	-	(41)	-	(41)
Other	(399)	(534)	(376)	(131)
Total	**(5.890)**	**(7.393)**	**(3.631)**	**(4.444)**

24. Employee benefits expenses

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Wages and salaries	(11.067)	(8.279)	(7.575)	(6.623)
Social security costs	(1.571)	(1.320)	(938)	(993)
Costs - defined contribution funds (note 17)	(132)	(128)	47	(52)
Loans to management at fair value (note 30)	(1.025)	-	(946)	-
Other benefits	(1.886)	(905)	(765)	(653)
Total	**(15.681)**	**(10.632)**	**(10.177)**	**(8.320)**
Number of employees	**267**	**236**	**83**	**85**

At Group level, the number of employees shows a significant change mainly due to transfer of employees from the Company to the Group, hiring from the Company and other hiring from the Group.

25. Finance costs – net

all amounts in € thousands	GROUP 01.01.2019 to 31.12.2019	GROUP 01.01.2018 to 31.12.2018	COMPANY 01.01.2019 to 31.12.2019	COMPANY 01.01.2018 to 31.12.2018
Interest expense:				
- Borrowings interest - contractual	(18.987)	(22.098)	(4.973)	(6.844)
- Borrowings interest - transaction costs (note 16)	(1.054)	(2.157)	-	(767)
- Expense from loans granted from related parties (note 30)	(123)	-	(2.427)	(2.139)
- Recognition of interest at fair value	(722)	(164)	-	-
-Interest expense on lease liabilities (note 32)	(3.468)	-	(50)	-
- Other costs and commissions	(2.904)	(1.746)	(2.135)	(1.266)
	(27.258)	**(26.165)**	**(9.585)**	**(11.015)**
Interest income:				
- Income from loans granted to related parties (note 30)	-	-	1.104	1.109
- Interest income	40	318	32	290
	40	**318**	**1.136**	**1.398**
Total	**(27.217)**	**(25.846)**	**(8.449)**	**(9.617)**

26. Income tax

According to the article 22 of the law 4646/2019 passed at 12.12.2019 , the corporate income tax rate of legal entities in Greece is set for 2019 at 24% from 28% and for 2020 and forth at 24%.

The effective tax rate at Group and Company level based on ther results of 2019 and 2018, is mainly affected by the non-recognition of deferred tax asset over the tax losses of the period.

In addition, the tax rate for the subsidiaries registered in foreign countries differs from country to country as follows: 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.

all amounts in € thousands	GROUP 01.01.2019 to 31.12.2019	GROUP 01.01.2018 to 31.12.2018	COMPANY 01.01.2019 to 31.12.2019	COMPANY 01.01.2018 to 31.12.2018
Income tax	(9.210)	(10.361)	-	(2)
Effect due to change in the income tax rate (note 20)	3.304	14.025	(943)	(276)
Deferred tax (note 20)	(19.044)	(18.340)	853	(750)
Total	**(24.950)**	**(14.676)**	**(89)**	**(1.027)**

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:

all amounts in € thousands	GROUP 01.01.2019 to 31.12.2019	GROUP 01.01.2018 to 31.12.2018	COMPANY 01.01.2019 to 31.12.2019	COMPANY 01.01.2018 to 31.12.2018
Profit/(loss) for the year	**87.806**	**75.684**	**(20.683)**	**(17.403)**
Tax calculated at domestic tax rate applicable to profits in the respective countries	(21.830)	(22.761)	4.964	5.047
Income not subject to tax	-	-	2.051	1.824
Expenses not deductible for tax purposes	(3.431)	(2.516)	(2.216)	(2.128)
Tax effect on deductible interest income	(475)	(994)	(475)	(993)
Loss for the year, no deferred tax provision	(2.519)	(2.431)	(2.854)	(3.125)
Recognition of deferred tax for tax losses carried forward	-	-	-	-
Impairment loss, no deferred tax provision	-	-	(615)	(1.376)
Effect due to change in the income tax rates	3.304	14.025	(943)	(276)
Taxes	**(24.950)**	**(14.676)**	**(89)**	**(1.027)**

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 S.A.	2013-2019	LAMDA AKINITA S.A.	2013-2019
LAMDA MALLS A.E.	2017-2019	LAMDA ERGA ANAPTYXIS S.M.S.A.	2013-2019
L.O.V. S.M.S.A.	2013-2019	LAMDA Flisvos Holding A.E.	2013-2019
PYLAIA S.M.S.A.	2013-2019	ATHENS METROPOLITAN EXPO S.A.	2013-2019
LAMDA DOMI S.M.S.A.	2013-2019	METROPOLITAN EVENTS	2013-2019
LAMDA Prime Properties S.M.S.A.	2013-2019	Property Development DOO	2010-2019
LAMDA ILIDA OFFICE S.M.S.A.	2018-2019	LAMDA Development Romania SRL	2014-2019
LAMDA Flisvos Marina S.A.	2013-2019	SC LAMDA MED SRL	2014-2019
LAMDA DOGUS MARINA INVESTMENTS S.A.	2015-2019	LAMDA Development Montenegro DOO	2007-2019
Malls Management Services S.M.S.A.	2013-2019	LAMDA Development (Netherlands) BV	2008-2019
MC Property Management S.M.S.A.	2013-2019	Robies Services Ltd	2007-2019
LAMDA Estate Development S.M.S.A.	2013-2019	Robies Proprietati Imobiliare SRL	2014-2019
LAMDA LEISURE A.E.	2013-2019	Singidunum-Buildings DOO	2007-2019
KRONOS PARKING S.M.S.A.	2013-2019	LOV Luxembourg SARL	2013-2019
LAMDA Real Estate Management S.A.	2013-2019	TIHI EOOD	2008-2019
GEAKAT S.A.	2013-2019	LAMDA Development Sofia EOOD	2006-2019

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 Company, the tax audit for the fiscal year 2013-2018 was completed by audit firm and the relevant tax certificates have been issued. For fiscal years ended after 31 December 2012 and remain unaudited by the tax authorities, Management assumes that there will not be a significant effect on the financial statements. For the fiscal year 2018 tax audit is completed by PriceWaterhouseCoopers SA., and the relevant tax certificates are issued whereas the tax audit for 2019 is in progress.

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 right of the State to impose the tax for the fiscal years up to 2012 has been suspended until 31.12.2018, subject to special or exceptional provisions which may provide for a longer limitation period and under the conditions that they define. Moreover, according to standard case-law of the Council of State and Administrative Courts, in the absence of a limitation provision in the Stamp duty code, the State's claim for the imposition of stamp duty is subject to the twenty-year limitation period subjected to the Article 249 of the Civil Code. Therefore, 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. At 30.09.2019 no such provisions have been formed for the Group's and Company's unaudited, by the tax authorities, years.

27. Cash generated from operations

		GROUP		COMPANY	
all amounts in € thousands	**Note**	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Profit/(loss) for the year		62.855	61.008	(20.772)	(18.430)
Adjustments for:					
Tax		24.950	14.676	89	1.027
Depreciation of property, plant and equipment	7,32	885	727	970	153
Share of profit from associates	8	(1.858)	989	-	-
Dividends income		(271)	-	(8.546)	(6.289)
Provision for impairment of receivables from subsidiaries		-	-	1.104	1.936
Provision for impairment of investments in subsidiaries, joint ventures and associates	8	-	-	665	2.809
Impairment of receivables		891	(1.279)	794	155
Impairment provision relating to property repurchase		-	624	-	-
Loss from sale/valuation of financial instruments/derivatives		288	27	-	265
Provision for retirement benefit obligations	17	132	80	(47)	41
Loss from sale of ppe		101	-	-	-
Interest income	25	(40)	(318)	(1.136)	(1.398)
Interest expense	25	27.258	26.165	9.585	11.015
Provision for inventory impairment		(222)	740	-	-
Net gains/(losses) from fair value adjustment on investment property	6	(71.494)	(56.836)	-	-
Other non cash income / (expense)		(8)	(29)	(8)	2
		43.467	**46.573**	**(17.303)**	**(8.714)**
Changes in working capital:					
(Increase)/decrease in inventories		(17)	120	-	-
(Increase)/decrease in receivables		(4.760)	(32.805)	(6.844)	(8.283)
(Decrease)/increase in payables		6.665	17.507	7.868	16.961
		1.889	**(15.179)**	**1.024**	**8.678**
Cash flows from operating activities		**45.355**	**31.395**	**(16.279)**	**(36)**

	GROUP	
	Borrowings	Total
Liabilities from financing activities at 1.1.2019	**446.841**	**446.841**
Cash flows	(9.603)	**(9.603)**
Other non cash flows items	1.859	**1.859**
Liabilities from financing activities at 31.12.2019	**439.098**	**439.098**

	COMPANY		
	Loans from related parties	Borrowings	Total
Liabilities from financing activities at the beginning of the year	**53.776**	**96.128**	**149.904**
Cash flows - capital	9.662	(7.000)	**2.662**
Cash flows - interest (operating activities)	(360)	-	**(360)**
Other non cash flows items	2.371	-	**2.371**
Liabilities from financing activities at 31.12.2019	**65.449**	**89.128**	**154.577**

28. Commitments

Capital commitments

At December 31, 2019 there is capital expenditure of €4.1m that has been contracted for but not yet incurred regarding the investment property and specifically the expansion of the western part of Golden Hall, as well a remaining amount of €0.4m regarding the Company's software upgrade of SAP which is expected to be completed in 2020.

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)*	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Letters of guarantee relating to obligations	33.537	40.182	30.004	30.004
Total	**33.537**	**40.182**	**30.004**	**30.004**
Assets (*all amounts in € thousands)*				
Letters of guarantee relating to receivables (from tenants)	41.489	40.687	-	-
Total	**41.489**	**40.687**	**-**	**-**

In addition to the issues mentioned above there are also the following particular issues, which are not required under IAS 37 to formulate provisions as in accordance with the relevant opinions of the Group companies' legal advisors and the estimates of the Group's Management, are not considered likely that outflow of resources will be required to settle the matter with the exception of the case regarding plots owned by "National Bank of Greece S.A." for which the Group has recognised a liability of €11m in the financial statements (note 18):

L.O.V. S.M.S.A. "THE MALL ATHENS"

- A petition for annulment had been filed and was 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. The said petition 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. Given the nature of said irregularities, LOV proceeded to initiate the procedure required further to the issuance of the said decision. In this context, a presidential decree was issued on 24.02.2020 (GG D' 91), approving the Special Spatial Plan, the Strategic Environmental Study and the Detailed Street Plan for the wider area (the former Maroussi Media Village). 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.

- Further, "National Bank of Greece S.A." ("NBG") has filed two lawsuits against the company "ATHMONO S.A." requesting payment of the -credited- part of the purchase price for the sale and purchase by NBG to ATHMONO of several plots situated within the Municipality of Maroussi. The hearing of the lawsuits (further to postponements) has been set for 06.05.2020. Further to an impleader by ATHMONO, LOV has intervened as a third party in the proceedings, because the plots in question are located within the area, for which the aforementioned presidential decree -dated 24.02.2020 and approving an SSP and DSP- was issued (former Maroussi Media Village). Pursuant to the said decree, LOV, in its capacity as the party being responsible for the implementation of the project, is exclusively liable to compensate the owners of properties that are designated as common areas pursuant to the DSP thereby ratified, which include -among others- the NBG plots in question. The hearing of the "supporting interventions" filed by LOV has also been set for 06.05.2020. However, further to out-of-court communications between the parties, it has been agreed that LOV shall pay to NBG the amount of € 11,000,000 as compensation for the final settlement of the dispute. Further to the disbursement of the amount, NBG will waive its rights from the aforementioned lawsuits and, therefore, the dispute is not expected to have any further effect on the Company.

LAMDA DOMI S.M.S.A. «GOLDEN HALL»

- With respect to LAMDA DOMI S.A., a public (already private) law entity under the trade name "Hellenic Olympic Committee" ("HOC") has filed a lawsuit against the Public Real Estate Property Company S.A. ("ETAD"). By means of the said lawsuit, the HOC claims to be entitled to, and therefore to be granted, the use, management and exploitation of a plot of land of its ownership in which the International Broadcasting Centre ("IBC") is built. The HOC also claims ETAD to be declared as liable for an overall amount of 90,784,500 Euros, which is alleged to have been the lease price paid by the company under the trade name "LAMDA DOMI S.M.S.A." ("LAMDA DOMI") to ETAD (and its predecessor "HELLENIC OLYMPIC REAL ESTATE S.A") for the period 30.04.2019-30.06.2019. The said lawsuit is based on the alleged by the HOC contravention of Article 35 of Law 3342/2005 to Article 17 of the Constitution and more specifically on the allegation that the delegation of use, management and exploitation deprives the HOC from its right to use the plot and benefit therefrom as its rightful owner. Pursuant to an impleader by ETAD, LAMDA DOMI filed a "supporting intervention" in favor of ETAD, but no hearing has been scheduled so far. According to the views of the Company's legal counsels, there is reasonable ground for the Court to dismiss the HOC's lawsuit.

Other 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. At 31.12.2019 no such provisions have been formed for the Group's and Company's unaudited, by the tax authorities, years. For details regarding the unaudited tax years for the rest of the Group companies, please see note 26.

- 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.

	GROUP		COMPANY	
all amounts in € thousands	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018
i) Sales of goods and services				
- subsidiaries	-	-	1.250	3.367
- joint ventures	127	152	59	59
- associates	-	-	68	93
	127	**152**	**1.377**	**3.518**
ii) Purchases of goods and services				
- subsidiaries	-	-	2.721	947
- companies which controlling interests belong to Latsis family	3.010	1.615	-	-
	3.010	**1.615**	**2.721**	**947**
iii) Dividend income				
- subsidiaries	-	-	8.276	6.289
- associates	271	-	271	-
	271	**-**	**8.546**	**6.289**
iv) Benefits to management and members of BoD				
Members of BoD:				
- BoD fees and other short-term employment benefits	1.469	1.116	1.469	1.116
Management				
- salaries and other short-term employment benefits	3.074	2.130	3.074	2.130
	4.543	**3.246**	**4.543**	**3.246**

The benefits and salaries of the management and the members of the BoD follow the updated key management remuneration policy of the Group according to which the management members are defined.

	GROUP		COMPANY	
all amounts in € thousands	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018	01.01.2019 to 31.12.2019	01.01.2018 to 31.12.2018
v) Sale of treasury shares				
- sale of treasury shares	13.210	-	13.210	-
	13.210	**-**	**13.210**	**-**
vi) Income from interest				
- subsidiaries	-	2	1.104	1.109
	-	**2**	**1.104**	**1.109**
vii) Cost of interest				
- parent company	123	-	123	-
- subsidiaries	-	-	2.304	2.139
	123	**-**	**2.427**	**2.139**

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

	GROUP		COMPANY	
all amounts in € thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Receivables from related parties:				
- subsidiaries	-	-	243	1.190
- joint ventures	87	49	16	18
- associates	-	-	71	31
	87	**49**	**329**	**1.239**

Payables to related parties:				
- subsidiaries	-	-	2.156	3
- companies which controlling interests belong to Latsis family	803	317	-	-
	803	**317**	**2.156**	**3**

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

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
ix) Loans to associates:				
Balance at the beginning of the year	**-**	**657**	**7.987**	**8.342**
Loans granted during the year	-	-	-	618
Loan repayments/Transfer to share capital	-	(588)	-	-
Interest repayments/Transfer to share capital	-	(72)	-	-
Loan repayments	-	-	-	(168)
Loan and interest impairment	-	-	(1.077)	(1.914)
Interest charged	-	2	1.104	1.109
Balance at the end of the year	**-**	**-**	**8.014**	**7.987**

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.

	GROUP		COMPANY	
x) Loans from associates:	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Balance at the beginning of the year	**-**	**-**	**53.776**	**40.808**
Loans received during the year	10.000	-	10.000	11.660
Loan repayments	-	-	(338)	(700)
Borrowings transaction costs - amortization	-	-	-	5
Interest paid	-	-	(360)	(135)
Interest charged	123	-	2.371	2.139
Balance at the end of the year	**10.123**	**-**	**65.449**	**53.776**

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 SMSA, LOV Luxembourg SARL and LAMDA Ilida Office SA. During 2019, the Company signed a bond loan agreement up to €23.0m, without securities, with its shareholder Consolidated Lamda Holdings SA aiming to cover general business needs in the scope of the Company’s activities, out of which the Company has used €10.0m. The aforementioned loan was fully repaid in 11.02.2020.

	GROUP		COMPANY	
xi) Loans to management:	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Balance at the beginning of the year	**-**	**-**	**-**	**-**
Loans received during the year	3.995	-	3.645	-
Loan impairment	(1.025)	-	(946)	-
Balance at the end of the year	**2.970**	**-**	**2.699**	**-**

The loans to management do not bear interest, have a duration of 66 months and have been granted for participating to the latest share capital increase of the Company which was completed at 17.12.2019.

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.

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**	**01.01.2019 to 31.12.2019**	**01.01.2018 to 31.12.2018**
Profit/(loss) attributable to equity holders of the Company	**49.875**	**42.327**	**(20.772)**	**(18.430)**
Weighted average number of ordinary shares in issue	80.341	77.856	80.341	77.856
Basic earnings/(losses) per share *(in € per share)*	**0,62**	**0,54**	**(0,26)**	**(0,24)**

At 31.12.2019 there is no employee share option scheme in force, therefore no diluted earnings/losses have been formed.

32. Changes in accounting policies

(a) Adjustments recognized on adoption of IFRS 16

This note describes the effect of IFRS 16 “Leases” on the Group and Company financial statements. The Group and the Company has decided to adopt IFRS 16 from 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening statement of financial position balance sheet on 1 January 2019. On adoption of IFRS 16, the Group and the Company recognized lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.53% for the Group and 4% for the Company.

In applying IFRS 16 for the first time, the Group and the Company have elected to use the permitted practical expedient in the standard that allows operating leases with a remaining lease term of less than 12 months as at 1 January 2019 to be classified as short-term leases.

The Group and the Company have also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group and the Company relied on their assessment made applying IAS 17 and IFRIC 4 - Determining whether an Arrangement contains a Lease.

As at 1 January 2019, the Group and the Company had not entered into a contract classified as finance lease whereas operating leases have been concluded with the main long-term operating lease of Mediterranean Cosmos, the right-of-use of which is classified as investment property (note 6).

The change in accounting policies affected the following items in the consolidated and individual statements of financial position on 1 January 2019:

Group:
- Investment property – increase by €78.615k
- Right-of-use assets – increase by €268k
- Lease liabilities – increase by €78.883k

Company:
- Right-of-use assets – increase by €1.636k
- Lease liabilities – increase by €1.636k

The change in accounting policies had no impact on Group and Company retained earnings on 1 January 2019.

The amount of recognized right-of-use assets equals to the amount of the relating lease liabilities as of 1 January 2019. The recognized right-of-use assets for the Group and the Company relate to the following types of assets:

Group

all amounts in € thousands	**31 December 2019**	**1 January 2019**
Land plot	78.478	78.615
Motor vehicles	195	268
Total right-of-use assets	**78.673**	**78.883**

Company

all amounts in € thousands	**31 December 2019**	**1 January 2019**
Office space	737	1.474
Motor vehicles	104	162
Total right-of-use assets	**841**	**1.636**

For the period starting from 01.01.2019 to 31.12.2019, the Company recognised depreciation of €617k in the income statement whereas the Group recognised depreciation of €125k and €138k as net gain/(loss) from fair value adjustment on investment property.

The recognized lease liabilities for the Group and the Company that relate to operating leases at 1.1.2019 and 31.12.2019 are as follows:

Group

All amounts in € thousands	**Land plot**	**Motor vehicles**	**Total**
Lease liability recognised as at 1 January 2019	**78.615**	**268**	**78.883**
Accrued interest expense	3.459	8	3.468
Lease payments	(3.597)	(131)	(3.728)
Derecognition of leases	-	(8)	(8)
	-	61	61
Lease liability recognised as at 31 December 2019	**78.478**	**198**	**78.676**

Analysis of payables :	
Current lease liabilities	436
Non-current lease liabilities	78.239
Total	**78.676**

Company

All amounts in € thousands	Office space	Motor vehicles	Total
Lease liability recognised as at 1 January 2019	**1.474**	**162**	**1.636**
Accrued interest expense	45	5	50
Lease payments	(760)	(78)	(838)
Derecognition of leases	-	(8)	(8)
Additions	-	25	25
Lease liability recognised as at 31 December 2019	**759**	**105**	**864**

Analysis of payables :	
Current lease liabilities	821
Non-current lease liabilities	43
Total	**864**

The recognition of right-of-use assets from operating leases and the relative Group lease liabilities affected the business segment of real estate in Greece and relate to the operating segments of Shopping Centers and Management services.

The Group leases fixed assets through operating leases which mainly consist of land plots, offices and motor vehicles. The most valuable lease contract of the Group is the concession agreement until 2065 for the land plot on which the Mediterranean Cosmos shopping center was developed and operates and is leased out by Ecumenical Patriarchate, the Landlord of the plot area. The remaining rental contracts are made for a period between 2 and 5 years and may have extension options. The Company leases motor vehicles from leasing companies and office building space from a subsidiary company of the Group for a period not exceeding the 4 years.

The lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, payments made under operating leases were charged to profit and loss on a straight-line basis over the period of the lease. From 1 January 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group and the Company.

(b) Group accounting policy for leases – The Group as lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Variable lease payment that are based on an index or a rate
- Amounts expected to be payable by the lessee under residual value guarantee
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee`s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs
- Restoration costs

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss 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 right-of-use asset is depreciated over the shorter of the right-of-use`s useful life and the lease term on a straight-line basis. In case that the right-of-use corresponds to investment property, then the right-of-use is depreciated through the statement of profit and loss as net gain/(loss) from fair value adjustment on investment property.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

The adoption of the standard had no effect on leases were the Group is the lessor.

33. Dividends per share

For the forthcoming General Meeting of the Company's Shareholders no dividend is expected to be proposed for the fiscal year 2019.

34. Development of the Hellinikon site

As per the provisions of the Share and Purchase Agreement, the commencement of the Hellinikon Site shall commence with the transfer of HELLINIKON S.A. Sale Shares to the Buyer.

With regard to the process for the acquisition of HELLINIKON S.A., the most significant advances in 2019 were:

- the issuance, between July and October 2019, of four (4) Joint Ministerial Decisions that implement the Integrated Development Plan and by which the spatial planning of the Park and of the three Development Zones as well as the urban planning studies for the urbanization areas were approved; and

- the tendering by the Hellenic Gaming Commission of an International Tender for the Concession of a wide-range activities Casino Operating License, in the process of which on October of the same year two offers were submitted by bidders.

The said transfer is under the condition of fulfillment of the Conditions Precedent and more precisely of these that are still pending, the main being the Conditions Precedent under (iv) regarding partition, (v) regarding the transfer of rights in rem, (vii) regarding the concession of an operational license and (ix) regarding the absence of pending litigation against certain administrative acts, as these Conditions Precedent are provided in Clause 2.2 of the Agreement (SPA).

The total price for the acquisition of the shares as stated in the agreement amounts to €915m. At the date of the transfer, an amount of €300m will be paid, whereas the remaining amount will be paid at a depth of 10 years from the date of transfer in the manner specified in the agreement. The Management estimates that the acquisition of HELLINIKON S.A. will not fall into IFRS 3 business combinations - acquisition and will be accounted for according to par.2 (b) of IFRS 3. In case of the acquisition of a group of assets that does not constitute a business, the entity measures the individual identifiable assets acquired and liabilities at cost, which is allocated at the individual identifiable assets acquired and liabilities based on their relative fair value at the date of acquisition. Also, this kind of transactions do not end up to a goodwill.

At 17.12.2019 the Company announces that the share capital increase in cash and pre-emption right in favor of existing shareholders, which was decided by the Extraordinary General Meeting of the Company's shareholders held on 10.10.2019, was successfully completed by raising funds of €650m, so that the investment is financed.

Financing of the development of the Property

The Company as per its relevant announcement, on 27.01.2020 signed with Eurobank Ergasias SA and Piraeus Bank S.A. the agreement on the "Heads of Terms" regarding the syndicated bank loans to be provided to the Company and the/or the group's subsidiaries. The aforementioned loan facilities that will be used for the financing of the first 5 years of the development of the Property.

More specifically, the aforementioned bank loans will be used for:

(a) the financing of the works of the first five years of the Project (Phase A), which will include mainly the enhancement of the coastal front area, the development of the residential complexes, commercial venues and relevant infrastructure, of up to €546 million (plus an amount of up to €231 million for financing of VAT cost) with a duration up to 10 years; and

(b) the financing for the development of a shopping malls (Mall) on Vouligamenis Avenue for an amount of up to €237 million plus an additional facility of €53 million for financing of VAT costs with an initial duration of 4 years from first loan draw-down (with the possibility to extend the maturity for an additional 7 years, reaching 11 years from first loan draw-down); and

(c) the financing for the development of a shopping malls (Mall) on Agios Kosmas Marina for an amount of up to €96 million plus an additional facility of €19 million for financing of VAT costs with the same duration as mentioned above for the Vouliagmenis Mall financing.

Furthermore, it is noted that the interest rate of above loan facilities will be variable and the relative spread will be according to market terms. Loan facilities will be under Greek Law, and as customary for facilities of this nature (project finance), securities shall be also provided, including, inter alia, mortgages and pledges on surface rights on parts of the estates of HELLINIKON S.A. to be developed, pledge on the shares of the issuer, pledge on part of the Project receivables and revenues, as well as claims from the Agreement dated 14.11.2014.

Furthermore, the Company signed on 27.01.2020 the "Heads of Terms" for the issuance of two letters of guarantee that among others, refer to the following:

- For the financing of the first five years (Phase A) of the Project, a letter of guarantee for an amount of €150 million will be issued to secure the due performance of the Company's obligations, namely prospective cost overruns and revenue sources shortfall, as provisioned in the agreement with the banks.
- Furthermore, a letter of guarantee will be issued in favor of the Hellenic Republic Asset Development Fund, as provisioned in the relevant Sale and Purchase. More specifically, the initial amount of the letter of guarantee is €307m, and constitutes the present value of all anticipated owed payments to the State, using a technical discount rate. The amount of the letter of guarantee is to be calculated annually, on the Transfer of Shares anniversary date.

Until the date of the announcement for the results as at 31.12.2019, the transfer of the shares of HELLINIKON SA has not taken place.

35. Audit and other fees

	GROUP		COMPANY	
all amounts in € thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Audit fees	346	293	148	100
Annual Tax Certificate's fees	211	203	24	21
Fees for other assurance services	241	50	221	37
Total	**797**	**546**	**392**	**158**

36. Events after the financial position date

There are no other events after the balance sheet date considered to be material to the financial position of the Company apart from the following:

- The Group carefully monitors the events regarding the spread of coronavirus, in order to adjust in the special conditions arising exclusively for the treatment and restriction of spread of coronavirus COVID19. The Company has taken precautious measures for the safety of its employees and complies with obligations as enforced by the official instructions of the competent authorities. According to the IAS 10, the effects of the spread of coronavirus do not constitute an event that has impact on the Group and Company financial statements for the year that ended at December 31, 2019.

  Due to the measures to reduce the spread of coronavirus COVID-19 by decision of the government, the operation of the three shopping centers of the Group was suspended on 13.03.2020. The suspension of the operation is still valid on the date of release of the financial statements and has already been extended until 27/04/2020.

  The revenue from the exploitation of the shopping centers is the largest part of the Group's revenue and cash flows. In addition, the Group has completely lost the parking revenue, the advertising revenue and the turnover rent. Also, it has taken initiatives to reduce both the variables and the fixed operating costs of the shopping centers.

  Both the loss of income from the suspension of the Group's shopping centers and the impact on financial results cannot be accurately assessed due to the fact that the phenomenon is ongoing. Indicatively, we mention that the total revenue from the exploitation of the Group's shopping center and the Flisvos Marina on a monthly basis is estimated at the amount of €7m. The impact at a monthly basis, on the earnings before tax, interest and depreciation (EBITDA) of the Group amounts to €6.5m approximately. This amount after the non-controlling interests that are attributed to the EBITDA of the shopping centers GOLDEN HALL, MED COSMOS and Flisvos Marina is estimated at the amount of €5.3m. The impact on the net asset value (NAV) per share at a monthly basis amounts to €4.0m and €0.023 per share respectively.

  Currently, the effects on the real economy, in Gross Domestic Product (GDP) of the country and therefore in consumption, remain unknown. The spread of the pandemic will have a negative impact on both global and domestic economic activity. It is also expected to hit sectors of the Greek economy related to the Group's activities, such as retail market. Reducing consumption may lead shopkeepers in shopping centers to fail to meet their obligations to the Group. Short-term effects on yields that are directly related to the value of the Group's investment property also remain unknown. Given the fact that the phenomenon is in progress, its effects on the Company and the Group are being evaluated and will be presented in the next interim financial statements.

The Management of the Company has carried out all the necessary analysis in order to confirm its cash adequacy at Company and Group level. The Group's cash flow is sufficient to ensure that its contingent obligations are met. The recent increase of €650m in the share capital also contributes to this fact. In addition, according to estimates, it is predicted that the main financial covenants of the Group's loans will continue to be satisfied.

The Company has adapted the way of operating in order for the other Group activities to continue unhindered and in particular the preliminary work for the project of Hellinikon, always taking into account the protection of the health of staff and associates

- The Company at 23.01.2020 agreed to acquir from the company under the name “D- Marinas B.V.” of DOGUS Group, the remaining 50% of the shares issued by LAMDA DOGUS INVESTMENTS S.A., which currently held 83.39% of the shares issued by LAMDA Flisvos Holding S.A., a shareholder of the 77.23% of LAMDA Flisvos Marina S.A. and manager of the Flisvos Marina. The purchase price of the aforementioned shares amounts to €12.4m and was paid at 20.02.2019.

  On completion of the transfer, LAMDA DEVELOPMENT S.A. has become the sole shareholder of LAMDA DOGUS INVESTMENTS S.A., wholly controlling LAMDA Flisvos Marina S.A. As a result, the transaction is a business acquisition and will be recognized as business combinations under IFRS 3 Business Combinations in the financial statements of the first quarter of 2020. The profit recognition will represent the difference between the current value of the Group in the joint venture and the fair value of the equity of the existing percentage held by the Group in the joint venture. The allocation of the acquisition price in the fair value of the identifiable assets and liabilities acquired, is expected to be completed and will be presented in the interim financial statements of the first quarter of 2020.

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. (a) , 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 1,216918965991410 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 10.10.2019 as was further specified by the resolution of the Company's Board of Directors adopted on 21.11.2019, fund up to €650.000.098,00 were raised, minus the issuance expenses of €10.000.000. From the share capital increase, 97.014.940 new common registered shares of subscription price €6,70 each and nominal value €0,30 each, which were listed for trading on the Main Market of the Athens Stock Exchange on 23.12.2019. The Board of Directors held a meeting on 17.12.2019 and certified the payment of the total amount of the share capital increase. Until 31.12.2019 the raised capital, was allocated according to the use as described in the Prospectus, as following:

TIME SCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

(Amounts in € thousands)	ALLOCATION OF RAISED CAPITAL AS PROVIDED FOR IN THE INFORMATIVE BULLETIN	ALLOCATED CAPITAL USE UNTIL 31.12.2019	UNALLOCATED CAPITAL
A. Participation in share capital increase of HELLINIKON GLOBAL I S.A. in order to be used by it to pay as Purchaser of the first two installments of the price as described in the Share Purchase Agreement under the terms and conditions of the Contract and the above Amending Contract, ie an amount of €300m will be used to pay the first installment on the Date of Transfer and amount of €167m will be used to pay the second installment on the second anniversary of the Transfer Date, provided that by then construction permits have been issued for all buildings - landmarks.	467.000	0	467.000
B. Development of two malls in the Property through participation in share capital increase of a company which will be established for this purpose, within 3 years from the completion of the Increase	133.000	0	133.000
C. Working capital	40.000	3.070	36.931
Total	**640.000**	**3.070**	**636.931**

Notes:

1. The Company during the reporting period used temporarily for working capital, amount of €3.070k.

Maroussi, 07 April 2020

The Chairman of the Board of Directors	The Chief Executive Officer	The Financial Director
ANASTASIOS K.GIANNITSIS ID H865601	**ODYSSEFS E.ATHANASIOU** ID AB510661	**VASILEIOS A.BALOUMIS** ID AK130062