

LAMDA Development S.A.



Semi-annual financial report

**For the period from January 1, 2020 – June 30, 2020
(In accordance with Article 5 of Law 3556/2007)**

G.E.MI.:3379701000

37^A 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.

Financial information
For the period from January 1, 2020 - June 30, 2020

Semi-annual financial report's index

Page

| | | |
|-----------|---|-----------|
| 1. | Statements of the Board of Directors' Members | 2 |
| 2. | Semi-annual Report of the Board of Directors | 3 |
| 3. | Report on Review of Interim Financial Information | 11 |
| 4. | Condensed Interim Financial Information for the period from January 1, 2020 – June 30, 2020 | 14 |
| 5. | Use of Proceeds from the Share Capital Increase for the period from 17.12.2019 to 30.06.2020 | 49 |

Financial information
For the period from January 1, 2020 - June 30, 2020

STATEMENT OF THE BOARD OF DIRECTORS OF
“LAMDA Development S.A.” for the condensed consolidated and company financial statements
for the six-month period ended June 30, 2020
(according to the article 5 par.2 of the Law 3556/2007)

We state to the best of our knowledge, that the semi-annual condensed Consolidated and Company financial statements for the six month period ended June 30, 2020, 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 Semi-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, September 22, 2020

The undersigned

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

SEMI-ANNUAL BOARD OF DIRECTORS' REPORT OF "LAMDA Development S.A." FOR THE CONDENSED CONSOLIDATED AND COMPANY FINANCIAL INFORMATION FOR THE PERIOD FROM JANUARY 1, 2020 - JUNE 30, 2020

Dear Shareholders,

According to the provisions of the laws 3556/2007 and the decisions of the Hellenic Capital Market Commission, we present the semi-annual Board of Directors' report of "LAMDA Development S.A." concerning the Consolidated and Company Financial Statements for the six-month period that ended on June 30, 2020.

FINANCIAL POSITION OF THE GROUP

According to the International Financial Reporting Standards, the main financial results for the Group and the Company for the six-month period that ended 30.06.2020 are the following:

Consolidated results after tax amount to losses €6.505 thousands compared to profits €45.230 thousands in the comparative period of 2019.

The financial figures of the Group have deteriorated due to the impact of the coronavirus pandemic COVID-19 on the revenues from the operation of the Group's shopping centers. During this reporting period, there was also a negative effect on the consolidated losses due to the changes in the losses from fair value adjustment on investment property which had an impact of €11.274 thousands compared to gains of €49.687 thousands in the comparative period of 2019.

Consolidated turnover reached €31.185 thousands compared to €39.511 thousands in the comparative period of 2019. The Net Asset Value that is attributable to the Company's owners reached €1.150.156 thousands at 30.06.2020 compared to €1.155.028 thousands at 31.12.2019.

| <i>(amounts in € thousands)</i> | 2020 | 2019 | Variation |
|---|-------------|-------------|------------------|
| Net Asset Value (NAV) <i>(as exported by the internal information of the Group)</i> | 1.150.156 | 1.155.028 | -0.4% |
| Shareholders' Equity | 1.052.494 | 1.057.340 | -0.5% |
| Total Group operating results (EBITDA) before valuations and other adjustments <i>(as exported by the internal information of the Group)</i> | 15.274 | 27.050 | -43.5% |
| Fair Value Gains/Losses from investment property | -11.274 | 49.687 | - |
| Profit/losses before tax | -7.181 | 63.202 | - |
| Net profit after tax & non-controlling interests | -5.659 | 37.179 | - |
| Turnover | 31.185 | 39.511 | -21.1% |

During this reporting period, Group's shopping centers total EBITDA shows a decrease by €12.5m. However, taking into account the positive effect of the non-controlling interests and the income tax, the impact on the Group's Net Asset Value was €7.9m approximately.

"The Mall Athens" showed a decrease in EBITDA by 41% reaching €8.5m. Mediterranean Cosmos" in Pylaia Thessaloniki showed a decrease in EBITDA by 40% reaching €5.4m. Finally, "Golden Hall" showed a decrease by 35% at €5.6m.

For the period from January 1, 2020 - June 30, 2020

The Company monitors the performance of the shopping centers through indicators, out of which the primary according to the international standards, are the customer visits and the tenant (shopkeeper) sales which show the percentage increase between the current and the comparative period. It should be noted that the following indicators do not reflect the reality due to the fact that the shopping centers were closed for about 2 months and therefore the percentage impact of these figures for this period on a six-month basis was significant.

| Indicator 2020 vs 2019 | The Mall Athens | Mediterranean Cosmos | Golden Hall | Total |
|---------------------------|--------------------|-------------------------|-------------|--------|
| Tenant (shopkeeper) sales | -47,6% | -42,7% | -37,2% | -43,2% |
| Customer visits | -52% | -44,6% | -36,3% | -47% |

The financial ratios DEBT / TOTAL ASSETS and DEBT / EQUITY reached 41.5% and 38.3% accordingly. It is noted that at 30.06.2020 the Group cash and cash equivalents exceed its debt and therefore the term that is used is Debt instead of Net Debt.

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 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 period vs last period.
- 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

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.

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 Vouliagmenis 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 €307 million, 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.

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.

ISSUE OF A COMMON BOND LOAN

On 17.07.2020 the Public Offer for the Issue of a Common Bond Loan and the admission of the bonds to trading in the category of Fixed Income Securities of the Regulated Market of the Athens Exchange in accordance with article 8 para. 1 of Law 3401/2005, as in force, article 17 para. 2 of the Regulation (EU) 2017/1129 and article 3 para. 5 of Decision 8/862/19.12.2019 of the Board of Directors of the Hellenic Capital Markets Commission, was completed and 320,000 common, bearer bonds of the Company with a nominal value of €1,000 each (the “Bonds”) have been allocated and as a result funds of €320m have been raised.

At 22.07.2020 the Bonds were listed for trading in the Fixed Income Securities of the Regulated Market of the Athens Exchange in accordance with current legislation.

PROSPECTS

Following the government’s measures to reduce the spreading of coronavirus COVID-19, the Group has suspended the operation of its three shopping centers from 13.03.2020 to 17.05.2020. In addition, according to the Legislative Content Act (A’ 68), which was ratified with the article 1 of Law 4683/2020 (A’ 83), "The lessee of a professional establishment for which special and extraordinary measures have been taken in the context of preventing or confining the scattering of COVID-19 and has been suspended from trading or temporarily closed down in months March , April , May or is also continued for June, is exempted from the obligation to pay the 40% of the total rent for these months including June 2020 "(hereinafter "the LCA"). By way of derogation from the existing provisions for leases, the Group has decided to provide an additional discount of 30%, thus a total discount of 70%, on the initial contracted rent only for April and May.

In addition, the Group has completely lost the revenues from the car park operation, the advertising income and the turnover rent from 13.03.2020 to 17.05.2020, as in that period the shopping centers were closed.

The Group leases the land of the shopping center Mediterranean Cosmos in Pylaia Thessaloniki and following the relevant provisions of LCA, has received a reduction in the fixed portion of the rent for the period March - June 2020, amounting to €480k.

The outcome of the abovementioned legislative acts along with the Group’s decision to provide additional discount of 30% to tenants has been fully depicted in the financial results of the Group for the period from 01.01.2020 to 30.06.2020. The total impact of COVID-19 on Group’s financial results and profitability in the second half of the year cannot be assessed with reasonable certainty at this stage since the phenomenon is continuing. Especially for the second half of the year, the government has extended the rent concessions to certain retail sectors, mainly in Food and Beverage and cultural units. The monthly impact of rent concessions to these sectors on Group’s revenue is approximately €250k. After subtracting the tax effect and minority interests, this amount concludes to c. €160k.

The visitors traffic shows variations after the reopening of the malls to the public at range from -16% to -57% depending on the shopping center and the time period. It should be stressed out that visitors traffic indicators are not comparable with those of last year, not only due to the COVID-19 implications but also due to the non-current reopening of all retail sectors in the shopping centers. Furthermore, with respect to The Mall Athens, visitors’ traffic was affected by the fact that the access to the premises of the mall is taking place with the use of a Metro. As regards Mediterranean Cosmos, the visitors’ traffic to this shopping center was affected by the decline of tourist arrivals in the country which traditionally start in June.

The expected economic slowdown of the Greek economy in 2020, the corresponding increase of unemployment, the shrinkage of disposable income or/and any potential strong decline of visitors traffic

in shopping centres as a result of avoiding overcrowding places, adopting social distancing measures or/and any future prolonged cease of operation of the shopping centres due to a second wave of COVID-19 pandemic may result in revenue decrease or renegotiation of the lease terms with anchor tenants.

The Management of the Company has carried out all the necessary analyses 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. In addition, according to estimates, it is predicted that the main financial covenants of the Group's loans will continue to be satisfied.

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, precautionary 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".

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 30.06.2020 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.

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 30.06.2020 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). It is noted however, that on July 24, 2020, the Company repaid the total outstanding principal amounting to €81.1m and all the corresponding interest. In respect of the bond loan of Lamda Prime Properties SMSA (which owns the building Cecil at Kefalari), it is extended until 30.09.2020 following a request for an extension in the context of completion and signing the necessary financing documents is examined positively by the bond lender. Management estimates that the loan will be successfully refinanced. A reference is made in note 10 of the consolidated financial statements for the six-month period ended on 30 June 2020.

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, by means of the decision No. 376/2014 of its Plenary Session, identified irregularities of a procedural nature in the issuance of the licenses required for the project, as incorporated in Law 3207/2003. 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.

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.

RELATED-PARTY TRANSACTIONS

The related-party transactions according to IAS 24 of the Company and the Group are disclosed in the note 16 of the consolidated financial statements for the six-month period ended on 30 June 2020. It is

Financial information

For the period from January 1, 2020 - June 30, 2020

noted that the transactions with the related parties are intra-group transactions and there are not significant transactions with related parties outside Group.

Maroussi, September 22, 2020

The Board of Directors

| | | |
|---|---|---|
| <hr/> Anastasios K.Giannitsis Chairman of the BoD | <hr/> Odyssefs E.Athanasiou Chief Executive Officer | <hr/> Evgenia G.Paizi Member of the BoD |
|---|---|---|

Independent Auditor's Report

Translation from the original text in Greek

Report on Review of Interim Financial Information

To the Board of Directors of "LAMDA Development S.A."

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of "LAMDA Development S.A." (the "Company"), as of 30 June 2020 and the related condensed company and consolidated statements of profit or loss, comprehensive income, changes in equity and cash flow statements for the six-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, as they have been transposed into Greek Law and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Financial information
For the period from January 1, 2020 - June 30, 2020

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on other legal and regulatory requirements

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying condensed interim financial information.



Athens, 22 September 2020

The Certified Auditor Accountant

PricewaterhouseCoopers
Auditing Company S.A.
268 Kifissias Avenue
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Athens, Greece
SOEL Reg No 113

Despina Marinou
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Condensed Interim Consolidated and Company Financial Information for the period from January 1, 2020 - June 30, 2020

| | |
|---|-----------|
| Notes to the condensed consolidated and company interim financial statements | 21 |
| 1. General information | 21 |
| 2. Basis of preparation and summary of significant accounting policies | 21 |
| 3. Financial risk management and fair value estimation | 25 |
| 4. Segment information | 25 |
| 5. Investment property | 27 |
| 6. Property, plant and equipment | 29 |
| 7. Investments in subsidiaries, joint ventures and associates | 30 |
| 8. Cash and cash equivalents | 35 |
| 9. Financial instruments by category | 36 |
| 10. Borrowings | 37 |
| 11. Derivative financial instruments | 38 |
| 12. Leases | 39 |
| 13. Cash generated from operations | 41 |
| 14. Commitments | 41 |
| 15. Contingent liabilities and contingent assets | 41 |
| 16. Related party transactions | 43 |
| 17. Earnings per share | 44 |
| 18. Income tax expense | 45 |
| 19. Number of employees | 46 |
| 20. Development of the Hellinikon site | 46 |
| 21. Significant variations in comparatives | 48 |
| 22. Events after the financial position date | 48 |

Statement of financial position (Company and Consolidated)

| | Note | GROUP | | COMPANY | |
|--|------|------------------|------------------|------------------|------------------|
| | | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| <i>all amounts in € thousands</i> | | | | | |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Investment property | 5 | 1.030.532 | 1.039.312 | 1.840 | 1.840 |
| Right-of-use assets | 12 | 100.417 | 195 | 763 | 841 |
| Property, plant and equipment | 6 | 36.798 | 4.946 | 2.500 | 1.940 |
| Intangible assets | | 29.098 | - | - | - |
| Investments in subsidiaries | 7 | - | - | 331.946 | 312.971 |
| Investments in joint ventures and associates | 7 | 34.659 | 39.881 | 3.737 | 7.759 |
| Deferred tax assets | | 7.774 | 7.260 | 7.604 | 7.113 |
| Receivables | | 29.512 | 29.702 | 10.243 | 10.131 |
| | | 1.268.791 | 1.121.296 | 358.634 | 342.596 |
| Current assets | | | | | |
| Inventories | | 9.558 | 9.605 | - | - |
| Trade and other receivables | | 34.638 | 32.702 | 53.932 | 18.875 |
| Current tax assets | | 3.580 | 4.281 | 3.043 | 2.974 |
| Cash and cash equivalents | 8 | 630.932 | 702.776 | 584.511 | 651.664 |
| | | 678.707 | 749.364 | 641.486 | 673.512 |
| Total assets | | 1.947.498 | 1.870.660 | 1.000.120 | 1.016.108 |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to equity holders of the parent | | | | | |
| Share capital and share premium | | 1.025.077 | 1.023.856 | 1.025.077 | 1.023.856 |
| Other reserves | | 8.333 | 6.891 | 2.852 | 2.852 |
| Retained earnings/(Accumulated losses) | | 19.085 | 26.593 | (176.712) | (202.147) |
| | | 1.052.494 | 1.057.340 | 851.217 | 824.561 |
| Non-controlling interests | 7 | 98.148 | 85.746 | - | - |
| Total equity | | 1.150.643 | 1.143.086 | 851.217 | 824.561 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 10 | 348.284 | 336.424 | - | - |
| Lease liability | 12 | 175.772 | 78.239 | 246 | 802 |
| Deferred tax liabilities | | 122.518 | 121.705 | - | - |
| Derivative financial instruments | 11 | 2.088 | 776 | - | - |
| Employee benefit obligations | | 1.877 | 1.684 | 976 | 976 |
| Other non-current liabilities | | 4.329 | 2.057 | 10.768 | 10.949 |
| | | 654.869 | 540.885 | 11.990 | 12.726 |
| Current liabilities | | | | | |
| Borrowings | 10 | 92.519 | 102.673 | 81.128 | 89.128 |
| Lease liability | 12 | 1.936 | 436 | 529 | 62 |
| Trade and other payables | | 46.293 | 83.533 | 55.257 | 89.631 |
| Current tax liabilities | | 1.239 | 45 | - | - |
| | | 141.986 | 186.689 | 136.913 | 178.820 |
| Total liabilities | | 796.855 | 727.574 | 148.903 | 191.547 |
| Total equity and liabilities | | 1.947.498 | 1.870.660 | 1.000.120 | 1.016.108 |

These condensed consolidated and Company interim financial statements of LAMDA Development SA have been approved for issue by the Company's Board of Directors on September 22, 2020.

The notes on pages 21 to 48 form an integral part of this condensed interim financial information.

Income Statement (Company and Consolidated)

| | Note | GROUP | | COMPANY | |
|--|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | | | | |
| Revenue | | 31.185 | 39.511 | 680 | 685 |
| Dividends | | 203 | 135 | 35.769 | 2.363 |
| Net gain/(loss) from fair value adjustment on investment property | 5 | (11.274) | 49.687 | - | - |
| Loss from inventory impairment | | (42) | - | - | - |
| Other direct property operating expenses | | (4.458) | (4.721) | - | - |
| Expenses related to the development of the Hellinikon site | | (2.722) | - | (2.722) | - |
| Employee benefits expense | | (6.122) | (4.629) | (3.287) | (2.740) |
| Depreciation of property, plant and equipment | 6,12 | (2.477) | (428) | (575) | (492) |
| Other operating income / (expenses) - net | | (2.536) | (1.979) | (2.142) | (1.899) |
| Operating profit/(loss) | | 1.756 | 77.576 | 27.722 | (2.082) |
| Finance income | | 508 | 23 | 1.090 | 561 |
| Finance costs | | (14.929) | (13.129) | (3.868) | (4.287) |
| Share of net profit of investments accounted for using the equity method | 7 | 5.484 | (1.267) | - | - |
| Profit/(loss) before income tax | | (7.181) | 63.202 | 24.945 | (5.808) |
| Income tax expense | | 676 | (17.972) | 490 | 984 |
| Profit/(loss) for the period | | (6.505) | 45.230 | 25.435 | (4.824) |
| Profit/(loss) attributable to: | | | | | |
| Equity holders of the parent | | (5.659) | 37.179 | 25.435 | (4.824) |
| Non-controlling interests | | (846) | 8.051 | - | - |
| | | (6.505) | 45.230 | 25.435 | (4.824) |
| Earnings/(losses) per share attributable to the equity holders of the Parent during the period (expressed in € per share) | 17 | (0.03) | 0,48 | 0,14 | (0.06) |

The notes on pages 21 to 48 form an integral part of this condensed interim financial information.

Income Statement (Company and Consolidated)

| | | GROUP | | COMPANY | |
|--|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | 01.04.2020 to 30.06.2020 | 01.04.2019 to 30.06.2019 | 01.04.2020 to 30.06.2020 | 01.04.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | | | | |
| Revenue | | 11.671 | 19.296 | 340 | 338 |
| Dividends | | 203 | 135 | 35.769 | 2.363 |
| Net gain/(loss) from fair value adjustment on investment property | 5 | 1.542 | 49.687 | - | - |
| Loss from inventory impairment | | (42) | - | - | - |
| Other direct property operating expenses | | (2.289) | (2.677) | - | - |
| Expenses related to the development of the Hellinikon site | | (1.551) | - | (1.551) | - |
| Employee benefits expense | | (3.529) | (2.455) | (1.764) | (1.344) |
| Depreciation of property, plant and equipment | 6,12 | (1.744) | (217) | (329) | (250) |
| Other operating income / (expenses) - net | | (479) | (825) | (934) | (1.073) |
| Operating profit/(loss) | | 3.783 | 62.942 | 31.531 | 35 |
| Finance income | | 250 | 12 | 515 | 282 |
| Finance costs | | (8.033) | (6.571) | (1.914) | (2.069) |
| Share of net profit of investments accounted for using the equity method | 7 | (1.877) | (498) | - | - |
| Profit/(loss) before income tax | | (5.878) | 55.886 | 30.132 | (1.752) |
| Income tax expense | | (1.013) | (15.040) | (460) | 306 |
| Profit/(loss) for the period | | (6.891) | 40.846 | 29.672 | (1.445) |
| Profit/(loss) attributable to: | | | | | |
| Equity holders of the parent | | (6.827) | 34.328 | 29.672 | (1.445) |
| Non-controlling interests | | (63) | 6.517 | - | - |
| | | (6.891) | 40.846 | 29.672 | (1.445) |
| Earnings/(losses) per share attributable to the equity holders of the Parent during the period (expressed in € per share) | | | | | |
| | | (0,04) | 0,44 | 0,17 | (0,02) |

The notes on pages 21 to 48 form an integral part of this condensed interim financial information.

Financial information
For the period from January 1, 2020 - June 30, 2020

Statement of comprehensive income (Company and Consolidated)

| <i>all amounts in € thousands</i> | GROUP | | COMPANY | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| Profit/(loss) for the period | (6.505) | 45.230 | 25.435 | (4.824) |
| Cash flow hedges, after tax | (581) | (761) | - | - |
| Items that may be subsequently reclassified to profit or loss | <u>(581)</u> | <u>(761)</u> | - | - |
| Total comprehensive income for the period | <u>(7.086)</u> | <u>44.470</u> | <u>25.435</u> | <u>(4.824)</u> |
| | | | | |
| Profit/(loss) attributable to: | | | | |
| Equity holders of the parent | (6.056) | 36.660 | 25.435 | (4.824) |
| Non-controlling interests | (1.030) | 7.810 | - | - |
| | <u>(7.086)</u> | <u>44.470</u> | <u>25.435</u> | <u>(4.824)</u> |

The notes on pages 21 to 48 form an integral part of this condensed interim financial information.

Financial information
For the period from January 1, 2020 - June 30, 2020

Statement of changes in equity (Consolidated)

all amounts in € thousands

| | Attributable to equity holders of the parent | | | Total | Non-controlling interests | Total equity |
|---|--|----------------|-----------------------------------|------------------|---------------------------|------------------|
| | Share capital | Other reserves | Retained earnings / (Accumulated) | | | |
| GROUP | | | | | | |
| 1 January 2019 | 376.663 | 6.900 | (28.447) | 355.117 | 79.500 | 434.616 |
| Total Income: | | | | | | |
| Profit for the period | - | - | 37.179 | 37.179 | 8.051 | 45.230 |
| Other comprehensive income for the period: | | | | | | |
| Cash flow hedges, after tax | - | (520) | - | (520) | (241) | (761) |
| Actuarial gains/(losses), after tax | - | 3 | (3) | - | - | - |
| Total comprehensive income for the period | - | (517) | 37.177 | 36.660 | 7.810 | 44.470 |
| Transactions with the shareholders: | | | | | | |
| Reserves | - | 678 | (678) | - | - | - |
| Dividends to non-controlling interests | - | - | - | - | (3.052) | (3.052) |
| | - | 678 | (678) | - | (3.052) | (3.052) |
| 30 June 2019 | 376.663 | 7.061 | 8.052 | 391.776 | 84.259 | 476.035 |
| | | | | | | |
| 1 January 2020 | 1.023.856 | 6.891 | 26.593 | 1.057.340 | 85.746 | 1.143.086 |
| Total Income: | | | | | | |
| Loss for the period | - | - | (5.659) | (5.659) | (846) | (6.505) |
| Other comprehensive income for the period: | | | | | | |
| Cash flow hedges, after tax | - | (397) | - | (397) | (184) | (581) |
| Total comprehensive income for the period | - | (397) | (5.659) | (6.056) | (1.030) | (7.086) |
| Transactions with the shareholders: | | | | | | |
| Reserves | - | 1.847 | (1.847) | - | - | - |
| Costs directly attributable to issuing new shares | 1.221 | - | - | 1.221 | - | 1.221 |
| Dividends to non-controlling interests | - | - | - | - | (329) | (329) |
| Acquisition in interest held in participation | - | (8) | - | (8) | 13.762 | 13.753 |
| | 1.221 | 1.839 | (1.847) | 1.213 | 13.433 | 14.643 |
| 30 June 2020 | 1.025.077 | 8.333 | 19.085 | 1.052.494 | 98.148 | 1.150.643 |

The notes on pages 21 to 48 form an integral part of this condensed interim financial information.

Financial information
For the period from January 1, 2020 - June 30, 2020

Statement of changes in equity (Company)

all amounts in € thousands

| | Share capital | Other reserves | Retained earnings / (Accumulated) | Total equity |
|---|------------------|----------------|--------------------------------------|----------------|
| COMPANY | | | | |
| 1 January 2019 | 376.663 | 3.012 | (187.233) | 192.442 |
| Total Income: | | | | |
| Loss for the period | - | - | (4.824) | (4.824) |
| Total comprehensive income for the period | - | - | (4.824) | (4.824) |
| 30 June 2019 | 376.663 | 3.012 | (192.057) | 187.618 |
| | | | | |
| 1 January 2020 | 1.023.856 | 2.852 | (202.147) | 824.561 |
| Total Income: | | | | |
| Profit for the period | - | - | 25.435 | 25.435 |
| Other comprehensive income for the period: | | | | |
| Total comprehensive income for the period | - | - | 25.435 | 25.435 |
| Transactions with the shareholders: | | | | |
| Costs directly attributable to issuing new shares | 1.221 | - | - | 1.221 |
| 30 June 2020 | 1.025.077 | 2.852 | (176.712) | 851.217 |

The notes on pages 21 to 48 form an integral part of this condensed interim financial information.

Cash Flow Statement (Company and Consolidated)

| | Note | GROUP | | COMPANY | |
|---|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | | | | |
| Cash flows from operating activities | | | | | |
| Cash generated from / (used in) operations | 13 | (20.956) | 25.139 | (24.918) | (4.826) |
| Interest paid and interest related finance cost | | (12.607) | (10.219) | (3.380) | (3.260) |
| Interest expense on lease liabilities | 12 | (3.508) | (1.721) | (18) | (28) |
| Income taxes paid | | - | - | - | - |
| Net cash inflow (outflow) from operating activities | | (37.072) | 13.200 | (28.297) | (8.086) |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment and investment property | 5,6 | (3.681) | (7.228) | (655) | (1.030) |
| Proceeds from sale of ppe and investment property | 6 | - | 25 | - | - |
| Dividends/pre-dividends received | | - | - | - | 2.228 |
| Interest received | | 548 | 22 | 450 | - |
| Payments of consideration for the acquisition of interest held in participation | | (13.169) | - | (13.169) | - |
| Cash and cash equivalents at the acquisition | | 5.551 | - | - | - |
| (Increase)/decrease in the share capital of participations | 7 | (1.960) | (2.800) | (2.560) | (2.076) |
| Restricted cash | | - | - | - | 2.500 |
| Net cash inflow (outflow) from investing activities | | (12.711) | (9.981) | (15.933) | 1.622 |
| Cash flows from financing activities | | | | | |
| Costs directly attributable to issuing new shares | | (4.244) | - | (4.244) | - |
| Dividends paid at non-controlling interests | | - | (1.294) | - | - |
| Loans received/repayment of loans from related parties | 16 | (10.000) | - | (10.187) | (169) |
| Borrowings received | 10 | 165.100 | 78.890 | - | - |
| Repayment of borrowings | 10 | (168.853) | (78.285) | (8.000) | (1.000) |
| Repayment of lease liabilities | 12 | (2.065) | (163) | (492) | (398) |
| Borrowings transaction costs | 10 | (1.999) | (802) | - | - |
| Restricted cash | | - | 2.500 | - | - |
| Net cash inflow (outflow) from financing activities | | (22.061) | 846 | (22.922) | (1.567) |
| Net increase (decrease) in cash and cash equivalents | | (71.844) | 4.066 | (67.153) | (8.031) |
| Cash and cash equivalents at the beginning of the period | | 702.776 | 67.875 | 651.664 | 12.245 |
| Cash and cash equivalents at end of period | | 630.932 | 71.941 | 584.511 | 4.214 |

The notes on pages 21 to 48 form an integral part of this condensed interim financial information.

Notes to the condensed consolidated and company interim financial statements

1. General information

These condensed financial statements include the company financial statements of the company LAMDA Development S.A. (the “Company”) and the condensed consolidated financial statements of the Company and its subsidiaries (together “the Group”) for the six-month period ended June 30, 2020. The names of the subsidiaries are presented in note 7 of these financial statements. The annual financial statements of the Group’s subsidiaries have been uploaded at www.lamdadev.com. The Company’s shares are listed on the Athens Stock Exchange.

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 Flivos 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 area.

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 30.06.2020 with interest held at 50.62% of the share capital and therefore the Group’s financial statements are included in its consolidated financial statements. As at the date of releasing this condensed interim financial information the company Consolidated Lamda Holdings S.A. holds 42.20%.

The Group activities, and consequently its revenues are not expected to be substantially impacted by seasonal fluctuations.

These condensed consolidated and Company interim financial statements of LAMDA Development SA have been approved for issue by the Company’s Board of Directors on September 22, 2020.

2. Basis of preparation and summary of significant accounting policies

2.1. Basis of preparation

These condensed interim consolidated and company financial statements have been prepared by Management 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 specifically in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These condensed interim consolidated and company financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019 which are available on the website address www.lamdadev.com.

The accounting principles that have been used in the preparation and presentation of these condensed interim financial statements are in accordance with those used for the preparation of the Company and Group annual financial statements as of December 31, 2019.

The condensed interim consolidated and company financial statements 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.

The impact due to the coronavirus pandemic COVID-19

Following the government's measures to reduce the spreading of coronavirus COVID-19, the Group has suspended the operation of its three shopping centers from 13.03.2020 to 17.05.2020. In addition, according to the Legislative Content Act (A' 68), which was ratified with the article 1 of Law 4683/2020 (A' 83), "The lessee of a professional establishment for which special and extraordinary measures have been taken in the context of preventing or confining the scattering of COVID-19 and has been suspended from trading or temporarily closed down in months March, April, May or is also continued for June, is exempted from the obligation to pay the 40% of the total rent for these months including June 2020" (hereinafter "the LCA"). By way of derogation from the existing provisions for leases, the Group has decided to provide an additional discount of 30%, thus a total discount of 70%, on the initial contracted rent only for April and May.

In addition, the Group has completely lost the revenues from the car park operation, the advertising income and the turnover rent from 13.03.2020 to 17.05.2020, as in that period the shopping centers were closed.

The Group leases the land of the shopping center Mediterranean Cosmos in Pylaia Thessaloniki and following the relevant provisions of LCA, has received a reduction in the fixed portion of the rent for the period March - June 2020, amounting to €480k.

The outcome of the abovementioned legislative acts along with the Group's decision to provide additional discount of 30% to tenants has been fully depicted in the financial results of the Group for the period from 01.01.2020 to 30.06.2020. The total impact of COVID-19 on Group's financial results and profitability in the second half of the year cannot be assessed with reasonable certainty at this stage since the phenomenon is continuing. Especially for the second half of the year, the government has extended the rent concessions to certain retail sectors, mainly in Food and Beverage and cultural units. The monthly impact of rent concessions to these sectors on Group's revenue is approximately €250k. After subtracting the tax effect and minority interests, this amount concludes to c. €160k.

The visitors traffic shows variations after the reopening of the malls to the public at range from -16% to -57% depending on the shopping center and the time period. It should be stressed out that visitors traffic indicators are not comparable with those of last year, not only due to the COVID-19 implications but also due to the non-current reopening of all retail sectors in the shopping centers. Furthermore, with respect to The Mall Athens, visitors' traffic was affected by the fact that the access to the premises of the mall is taking place with the use of a Metro. As regards Mediterranean Cosmos, the visitors' traffic to this shopping center was affected by the decline of tourist arrivals in the country which traditionally start in June.

The expected economic slowdown of the Greek economy in 2020, the corresponding increase of unemployment, the shrinkage of disposable income or/and any potential strong decline of visitors traffic in shopping centres as a result of avoiding overcrowding places, adopting social distancing measures or/and any future prolonged cease of operation of the shopping centres due to a second wave of COVID-19 pandemic may result in revenue decrease or renegotiation of the lease terms with anchor tenants.

The Management of the Company has carried out all the necessary analyses 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. In addition, according to estimates, it is predicted that the main financial covenants of the Group's loans will continue to be satisfied.

The factors above have been taken into account by Management when preparing the financial statements for the three-month period ended June 30, 2020. In this uncertain economic environment, management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's. However, Management is not able to accurately predict the likely developments in the Greek economy and its impact on the Group activities. More specifically, the economic impact on the global economy and overall business activities in relation to the coronavirus pandemic COVID-19 and the consequent emergency mitigation measures that have affected global economic activity cannot be assessed with reasonable certainty at this stage due to the inability to reliably predict the extent and duration of the pandemic. Management will continue to monitor and closely assess the situation.

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.

This consolidated and Company condensed interim financial information 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 information 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 information and the amounts of income and expense during the reporting period. Although these estimates are based on the best knowledge of management in relation to the current conditions and actions, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in note 4 of the annual financial statements as of December 31, 2019.

2.2. Accounting principles

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2020. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 3 (Amendments) ‘Definition of a business’

The amended definition emphasizes 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 adoption of the amendments had no significant impact on this condensed interim financial information.

IAS 1 and IAS 8 (Amendments) ‘Definition of material’

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 IFRSs. The adoption of the amendments had no significant impact on this condensed interim financial information.

IFRS 9, IAS 39 and IFRS 7 (Amendments) ‘Interest rate benchmark reform’

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 adoption of the amendments had no significant impact on this condensed interim financial information.

Standards and Interpretations effective for subsequent periods

IFRS 16 (Amendment) ‘Covid-19-Related Rent Concessions’ (effective for annual periods beginning on or after 1 June 2020)

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment has not yet been endorsed by the EU.

For the period from January 1, 2020 - June 30, 2020

IAS 16 (Amendment) ‘Property, Plant and Equipment – Proceeds before Intended Use’ (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity’s ordinary activities. The amendment has not yet been endorsed by the EU.

IAS 37 (Amendment) ‘Onerous Contracts – Cost of Fulfilling a Contract’ (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that ‘costs to fulfil a contract’ comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

IFRS 3 (Amendment) ‘Reference to the Conceptual Framework’ (effective for annual periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The amendment has 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 2023)

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.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022)

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

IFRS 9 ‘Financial instruments’

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 ‘Leases’

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

There are no other new standards or amendments to standards, which are mandatory for periods beginning during the current period and subsequent periods that may have significant impact on the Group’s financial statements.

3. Financial risk management and fair value estimation

A) Financial risk management

The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements as at 31 December 2019 and so they should be read in conjunction with them. There have been no changes in the risk management policies since December 31, 2019.

B) 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 5) and the derivative financial instruments (note 11).

4. 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 results for the six-month period ended 30 June 2020 were as follows:

| all amounts in € thousands | Real estate | | Administrative and Management Services | Eliminations among segments | Total | |
|---|-------------------------|----------------------------------|--|-----------------------------|-------|----------|
| | GREECE | BALKANS | | | | |
| | <u>Shopping centers</u> | <u>Other investment property</u> | | | | |
| Revenue from third parties | 25.820 | 5.862 | 4 | 88 | (589) | 31.185 |
| Net gains/(losses) from fair value adjustment on investment property and inventories | (11.256) | 80 | (140) | - | - | (11.316) |
| Other direct property operating expenses | (5.651) | (360) | - | - | 1.552 | (4.458) |
| Expenses related to the development in the Hellinikon area | - | (2.722) | - | - | - | (2.722) |
| Other | (478) | (670) | (113) | (6.434) | (963) | (8.659) |
| Share of profit / (loss) from joint ventures and associates and income from dividends | - | 7.893 | (2.207) | - | - | 5.687 |
| EBITDA | 8.436 | 10.083 | (2.456) | (6.346) | - | 9.717 |

Financial information

For the period from January 1, 2020 - June 30, 2020

The segment results for the three-month period ended 30 June 2020 were as follows:

| | <u>Real estate</u> | | | | | Total |
|---|-----------------------------|--|--|--|-----------------------------------|--------------|
| | GREECE | | BALKANS | Administrative and Management Services | Eliminations among segments | |
| | <u>Shopping centers</u> | <u>Other investment property</u> | <u>Other investment property</u> | | | |
| Revenue from third parties | 8.167 | 4.040 | 1 | (243) | (294) | 11.671 |
| Net gains/(losses) from fair value adjustment on investment property and inventories | 1.561 | 80 | (140) | - | - | 1.500 |
| Other direct property operating expenses | (2.738) | (209) | - | - | 657 | (2.289) |
| Expenses related to the development in the Hellinikon area | - | (1.551) | - | - | - | (1.551) |
| Other | (333) | (253) | (26) | (3.034) | (363) | (4.009) |
| Share of profit / (loss) from joint ventures and associates and income from dividends | - | 131 | (1.805) | - | - | (1.674) |
| EBITDA | 6.657 | 2.238 | (1.969) | (3.277) | - | 3.650 |

The segment results for the six-month period ended 30 June 2019 were as follows:

| | <u>Real estate</u> | | | | | Total |
|---|-----------------------------|--|--|--|-----------------------------------|---------------|
| | GREECE | | BALKANS | Administrative and Management Services | Eliminations among segments | |
| | <u>Shopping centers</u> | <u>Other investment property</u> | <u>Other investment property</u> | | | |
| Revenue from third parties | 38.525 | 1.261 | 4 | 303 | (582) | 39.511 |
| Net gains/(losses) from fair value adjustment on investment property and inventories | 49.107 | 580 | - | - | - | 49.687 |
| Other direct property operating expenses | (6.275) | (421) | - | - | 1.975 | (4.721) |
| Other | (45) | (168) | (144) | (4.857) | (1.394) | (6.608) |
| Share of profit / (loss) from joint ventures and associates and income from dividends | - | (524) | (608) | - | - | (1.132) |
| EBITDA | 81.311 | 728 | (748) | (4.554) | - | 76.737 |

The segment results for the three-month period ended 30 June 2019 were as follows:

| | <u>Real estate</u> | | | | | Total |
|---|-----------------------------|--|--|--|-----------------------------------|---------------|
| | GREECE | | BALKANS | Administrative and Management Services | Eliminations among segments | |
| | <u>Shopping centers</u> | <u>Other investment property</u> | <u>Other investment property</u> | | | |
| Revenue from third parties | 18.930 | 578 | 2 | 15 | (230) | 19.296 |
| Net gains/(losses) from fair value adjustment on investment property and inventories | 49.107 | 580 | - | - | - | 49.687 |
| Other direct property operating expenses | (3.359) | (273) | - | - | 954 | (2.677) |
| Other | 80 | (67) | (63) | (2.506) | (725) | (3.281) |
| Share of profit / (loss) from joint ventures and associates and income from dividends | - | (134) | (229) | - | - | (363) |
| EBITDA | 64.758 | 685 | (290) | (2.491) | - | 62.662 |

As occurs from the above-mentioned analysis, valuations for investment property and inventories are performed on a semi-annual basis therefore any fair value gain affects the interim quarters. At 31.03.2020, revised valuations on the investment property were carried out which affected the last interim quarter of 2020.

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

Financial information
For the period from January 1, 2020 - June 30, 2020

all amounts in € thousands

| | <u>Real estate</u> | | | | Total |
|-----------------------------------|-------------------------|----------------------------------|----------------------------------|---|-----------|
| | <u>GREECE</u> | | <u>BALKANS</u> | | |
| | <u>Shopping centers</u> | <u>Other investment property</u> | <u>Other investment property</u> | <u>Administrative and Management Services</u> | |
| 30 June 2020 | | | | | |
| Assets per segment | 1.040.126 | 73.733 | 36.767 | 796.872 | 1.947.498 |
| Expenditure of non-current assets | 2.592 | 405 | - | 685 | 3.681 |
| Liabilities per segment | 573.283 | 165.683 | 199 | 57.689 | 796.855 |

all amounts in € thousands

| | <u>Real estate</u> | | | | Total |
|-----------------------------------|-------------------------|----------------------------------|----------------------------------|---|-----------|
| | <u>GREECE</u> | | <u>BALKANS</u> | | |
| | <u>Shopping centers</u> | <u>Other investment property</u> | <u>Other investment property</u> | <u>Administrative and Management Services</u> | |
| 31 Δεκεμβρίου 2019 | | | | | |
| Assets per segment | 1.057.046 | 82.665 | 37.032 | 693.916 | 1.870.660 |
| Expenditure of non-current assets | 20.004 | 12 | - | 1.478 | 21.494 |
| Liabilities per segment | 551.504 | 47.959 | 204 | 127.907 | 727.574 |

The reconciliation of the segments' EBITDA to total profit after tax for the Group is as follows:

all amounts in € thousands

| | 30.06.2020 | 30.06.2019 |
|--|-------------------|-------------------|
| Adjusted EBITDA for reportable segments | 30.06.2020 | 30.06.2019 |
| EBITDA | 9.717 | 76.737 |
| Depreciation | (2.477) | (428) |
| Finance income | 508 | 23 |
| Finance costs | (14.929) | (13.129) |
| Profit/(loss) before income tax | (7.182) | 63.202 |
| Income tax expense | 676 | (17.972) |
| Profit/(loss) for the period | (6.505) | 45.230 |

B) Geographical segments

The segment information for the six-month period ended 30 June 2020 was as follows:

30 June 2020
all amounts in € thousands

| | Total revenue | Non-current assets |
|----------------|---------------|--------------------|
| Greece | 31.181 | 1.235.583 |
| Balkans | 4 | 33.208 |
| | 31.185 | 1.268.791 |

The segment information for the six-month period ended 30 June 2019 was as follows:

30 June 2019
all amounts in € thousands

| | Total revenue | Non-current assets |
|----------------|---------------|--------------------|
| Greece | 39.507 | 1.032.149 |
| Balkans | 4 | 29.237 |
| | 39.511 | 1.061.386 |

5. Investment property

all amounts in € thousands

| | Note | <u>GROUP</u> | | <u>COMPANY</u> | |
|---|------|------------------|------------------|----------------|--------------|
| | | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| Balance at 1 January | | 1.039.312 | 852.115 | 1.840 | 1.840 |
| Right-of-use assets | 12 | 152 | 78.615 | - | - |
| Net gain/(loss) from fair value adjustment on investment property | | (11.274) | 71.494 | - | - |
| Subsequent expenditure on investment property | 6 | 2.342 | 21.535 | - | - |
| Additional property cost | | - | 15.553 | - | - |
| Balance at the end of period | | 1.030.532 | 1.039.312 | 1.840 | 1.840 |

For the period from January 1, 2020 - June 30, 2020

The investment property includes property operating lease that amounts to €1m and is related to the shopping center Mediterranean Cosmos. The right-of-use of this property amounts to €78.1m at 30.06.2020 (note 12).

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 of the investment property, the designation of an exit value 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.

At 30.06.2020, revised valuations on the investment property were carried out due to the lost income in the shopping centers as impact from the spread of COVID-19 up to 30.06.2020. The other primary assumptions of the valuations remained basically the same as those of 31.12.2019 as described below.

More precisely, at 30.06.2020, 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 June 30, 2020 are as follows:

| | Discount rate | | Exit yields | |
|-------------------------|---------------|------------|-------------|------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| Malls | | | | |
| The Mall Athens | 8,25% | 8,25% | 6,75% | 6,75% |
| Med.Cosmos | 9,25% | 9,25% | 8,50% | 8,50% |
| Golden Hall | 9,00% | 9,00% | 7,50% | 7,50% |
| Office buildings | | | | |
| Ilida, Maroussi | 8,50% | 8,50% | 7,00% | 7,00% |
| Cecil, Kefalari | 8,50% | 8,50% | 7,50% | 7,50% |

- 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 four 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, as well as an increase or a decrease in exit yields by +/-25 basis points (+/-0,25%)

For the period from January 1, 2020 - June 30, 2020

| <i>(all amounts in € millions)</i> | Discount rate +0,25% | Discount rate -0,25% | Exit yields +0,25% | Exit yields -0,25% |
|------------------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| The Mall Athens | -7,4 | 7,5 | -8,0 | 8,6 |
| MedCosmos | -2,9 | 3,0 | -1,9 | 2,0 |
| Golden Hall | -4,1 | 4,2 | -3,9 | 4,2 |
| Malls | -14,4 | 14,7 | -13,8 | 14,8 |
| Ilida, Maroussi | -0,5 | 0,6 | | |
| Cecil, Kefalari | -0,2 | 0,2 | | |
| Office buildings | -0,7 | 0,8 | | |
| Total | -15,1 | 15,5 | | |

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 and mainly of the shopping centers vary compared to the respective period of 2019 as they depict the impact from the spread of COVID-19. According to the independent qualified valuers, given the uncertainty deriving from the evolution of COVID-19 pandemic and the potential future impact on the real estate market in our country and internationally and in lack of sufficient comparable figures, there are conditions of "substantial valuation uncertainty" as defined by the International Valuation Standards. Therefore, the value of the properties is under a period of a high level of attention.

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.

Over the total investment property of the Group there are real estate liens and pre-notices.

6. Property, plant and equipment

| <i>all amounts in € thousands</i> | Lease hold land and buildings | Vehicles and machinery | Furniture, fittings and equipment | Software | Assets under construction | Total |
|--|----------------------------------|---------------------------|---|----------------|------------------------------|-----------------|
| GROUP - Cost | | | | | | |
| 1 January 2019 | 836 | 6.379 | 8.550 | 2.978 | 2.742 | 21.484 |
| Additions | - | 12 | 150 | 12 | 7.054 | 7.228 |
| Disposals / Write-offs | (269) | - | (43) | (9) | - | (321) |
| Transfer to income statement | - | - | - | - | (8.248) | (8.248) |
| 30 June 2019 | 567 | 6.391 | 8.657 | 2.981 | 1.548 | 20.143 |
| 1 January 2020 | 562 | 6.427 | 9.607 | 3.006 | 1.515 | 21.117 |
| Additions | 373 | 16 | 562 | 2 | 386 | 1.339 |
| Acquisition of interest held in participation (note 7) | 35.624 | 10.746 | 462 | - | - | 46.831 |
| 30 June 2020 | 36.559 | 17.189 | 10.630 | 3.008 | 1.901 | 69.287 |
| Accumulated depreciation | | | | | | |
| 1 January 2019 | (501) | (5.362) | (6.963) | (2.782) | - | (15.608) |
| Depreciation charge | (16) | (173) | (146) | (31) | - | (365) |
| Disposals / Write-offs | 143 | - | 41 | 9 | - | 194 |
| 30 June 2019 | (374) | (5.535) | (7.068) | (2.803) | - | (15.779) |
| 1 January 2020 | (383) | (5.708) | (7.245) | (2.835) | - | (16.172) |
| Depreciation charge | (328) | (280) | (220) | (33) | - | (860) |
| Acquisition of interest held in participation (note 7) | (11.300) | (3.790) | (367) | - | - | (15.457) |
| 30 June 2020 | (12.011) | (9.778) | (7.832) | (2.868) | - | (32.489) |
| Closing net book amount at 30 June 2019 | 193 | 856 | 1.589 | 178 | 1.548 | 4.364 |
| Closing net book amount at 30 June 2020 | 24.548 | 7.411 | 2.798 | 141 | 1.901 | 36.798 |

Financial information

For the period from January 1, 2020 - June 30, 2020

all amounts in € thousands

| | Lease hold land | Vehicles and machinery | Furniture, fittings and equipment | Software | Assets under construction | Total |
|--|-----------------|------------------------|-----------------------------------|----------|---------------------------|---------|
| COMPANY - Cost | | | | | | |
| 1 January 2019 | 367 | 190 | 1.507 | 2.774 | - | 4.838 |
| Additions | - | - | 32 | 11 | 987 | 1.030 |
| 30 June 2019 | 367 | 190 | 1.539 | 2.786 | 987 | 5.868 |
| 1 January 2020 | 367 | 195 | 1.648 | 2.807 | 1.272 | 6.289 |
| Additions | 3 | - | 310 | 1 | 341 | 655 |
| 30 June 2020 | 370 | 195 | 1.958 | 2.808 | 1.613 | 6.944 |
| Accumulated depreciation | | | | | | |
| 1 January 2019 | (264) | (102) | (1.182) | (2.642) | - | (4.190) |
| Depreciation charge | (6) | (8) | (37) | (26) | - | (77) |
| 30 June 2019 | (269) | (110) | (1.219) | (2.668) | - | (4.266) |
| 1 January 2020 | (275) | (118) | (1.261) | (2.695) | - | (4.349) |
| Depreciation charge | (6) | (9) | (52) | (28) | - | (95) |
| 30 June 2020 | (281) | (127) | (1.313) | (2.723) | - | (4.444) |
| Closing net book amount at 30 June 2019 | 97 | 80 | 320 | 118 | 987 | 1.602 |
| Closing net book amount at 30 June 2020 | 89 | 68 | 646 | 85 | 1.613 | 2.500 |

7. Investments in subsidiaries, joint ventures and associates

The Group's structure on June 30, 2020 is as follows:

| Company | Country of incorporation | % interest held | Company | Country of incorporation | % interest held |
|------------------------------------|--------------------------|-----------------|------------------------------------|--------------------------|-----------------|
| LAMDA DEVELOPMENT S.A. - Parent | Greece | | | | |
| Subsidiaries | | | | | |
| PYLAIA S.M.S.A. | Greece | Indirect 68,3% | Property Development DOO | Serbia | 100,0% |
| LAMDA DOMI S.M.S.A. | Greece | Indirect 68,3% | LAMDA Development Montenegro DOO | Montenegro | 100,0% |
| LAMDA MALLS A.E. | Greece | 68,3% | LAMDA Development Romania SRL | Romania | 100,0% |
| L.O.V. S.M.S.A. | Greece | 100,0% | Robies Proprietati Imobiliare SRL | Romania | Indirect 90,0% |
| LAMDA Estate Development S.M.S.A. | Greece | 100,0% | LAMDA Development Sofia EOOD | Bulgaria | 100,0% |
| LAMDA Prime Properties S.M.S.A. | Greece | 100,0% | TIHI EOOD | Bulgaria | Indirect 100,0% |
| LAMDA ILIDA OFFICE S.M.S.A. | Greece | 100,0% | LOV Luxembourg SARL | Luxembourg | Indirect 100,0% |
| Malls Management Services S.M.S.A. | Greece | 100,0% | Hellinikon Global I SA | Luxembourg | 100,0% |
| MC Property Management S.M.S.A. | Greece | 100,0% | LAMDA Development (Netherlands) BV | Netherlands | 100,0% |
| KRONOS PARKING S.M.S.A. | Greece | Indirect 100,0% | Robies Services Ltd | Cyprus | 90,0% |
| LAMDA ERGA ANAPTYXIS S.M.S.A. | Greece | 100,0% | Joint ventures | | |
| LAMDA LEISURE A.E. | Greece | 100,0% | LAMDA AKINITA S.A. | Greece | 50,0% |
| GEAKAT S.A. | Greece | 100,0% | Singidunum-Buildings DOO | Serbia | Indirect 78,6% |
| LAMDA Real Estate Management S.A. | Greece | 100,0% | Associates | | |
| LAMDA MARINAS INVESTMENTS S.M.S.A. | Greece | 100,0% | ATHENS METROPOLITAN EXPO S.A. | Greece | 11,7% |
| LAMDA Flisvos Marina S.A. | Greece | Indirect 64,4% | METROPOLITAN EVENTS | Greece | Indirect 11,7% |
| LAMDA Flisvos Holding A.E. | Greece | Indirect 83,4% | SC LAMDA MED SRL | Romania | Indirect 40,0% |

Notes on the above-mentioned participations:

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

(a) Investments of the Company in subsidiaries

The Company's investment in subsidiaries is as follows:

all amounts in € thousands

| Name | Country of incorporation | % interest held | 30.06.2020 | | | 31.12.2019 | | |
|-------------------------------------|--------------------------|-----------------|----------------|---------------|-----------------|----------------|---------------|-----------------|
| | | | Cost | Impairment | Carrying amount | Cost | Impairment | Carrying amount |
| L.O.V. S.M.S.A. | Greece | 100% | 159.368 | - | 159.368 | 159.368 | - | 159.368 |
| 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 | 45.461 | 27.599 | 17.861 |
| 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% | 1.000 | - | 1.000 | 650 | - | 650 |
| 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 | 390 | 8.680 |
| LAMDA Real Estate Management S.A. | Greece | 100% | 1.210 | 1.210 | - | 1.210 | 1.210 | - |
| 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 MARINAS INVESTMENTS S.M.S.A. | Greece | 100% | 16.415 | - | 16.415 | - | - | - |
| 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 | - |
| 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% | 86.688 | 27.200 | 59.488 | 84.528 | 27.200 | 57.328 |
| LAMDA DEVELOPMENT MONTENEGRO D.O.O. | Montenegro | 100% | 800 | 800 | - | 800 | 800 | - |
| LOV LUXEMBOURG SARL (έμμεσα) | Luxembourg | 100% | 318 | - | 318 | 268 | - | 268 |
| HELLINIKON GLOBAL I S.A. | Luxembourg | 100% | 36 | - | 36 | 36 | - | 36 |
| Investment in subsidiaries | | | 413.786 | 81.840 | 331.946 | 394.811 | 81.840 | 312.971 |

The movement in investment in subsidiaries is as follows:

| Investments in subsidiaries | COMPANY | |
|---|----------------|----------------|
| | 30.06.2020 | 31.12.2019 |
| <i>all amounts in € thousands</i> | | |
| Balance at 1 January | 312.971 | 308.307 |
| Increase/(decrease) in share capital | 2.560 | 5.329 |
| Provision for impairment | - | (665) |
| Acquisition of interest held in participation | 12.393 | - |
| Change in the consolidation method | 4.022 | - |
| Balance at the end of period | 331.946 | 312.971 |

Increase/Decrease in share capital

The Company proceeded to a share capital increase in its subsidiaries as follows: €2,16m in the company Lamda Development (Netherlands) BV, €0,35m in LAMDA ILIDA OFFICE SA by €2.5m and €0,05m in LOV Luxembourg SARL.

Acquisition held in participation – Business combination

Acquisitions of businesses within the scope of IFRS 3 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the income statement as incurred.

Goodwill is measured as the excess of (a) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement.

For the period from January 1, 2020 - June 30, 2020

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The Company at 23.01.2020 agreed to acquire 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 €12.393m and was funded through the use of proceeds deriving from the share capital increase of 2019, according to the decision of the Annual General Assembly of 24.06.2020 in relation to the partial redirection of funds raised by the share capital increase of 2019.

On completion of the transfer, LAMDA DEVELOPMENT S.A. has become the sole shareholder of LAMDA MARINAS INVESTMENTS S.M.S.A., wholly controlling LAMDA Flisvos Marina S.A. Therefore, LAMDA Flisvos Marina S.A. which is the manager of Flisvos Marina is fully consolidated in the Company’s financial statements. As a result, the transaction is a business acquisition and has been recognized as business combinations under IFRS 3 Business Combinations in the Company’s financial statements for the six-month period ended June 30, 2020.

The acquisition was accounted for using the business combination method. Therefore, the total transferred assets as well as the total liabilities of LAMDA MARINAS INVESTMENTS S.M.S.A. were valued at fair value. As of the date of approval of the financial statements, the fair values of assets and liabilities at the date of acquisition have not been finalized and are expected to be completed within the year 2020.

The following table summarizes the provisional fair values of assets and liabilities of the sub-group LAMDA MARINAS INVESTMENTS SMSA at the date of acquisition:

| Statement of financial position | GROUP |
|--|----------------|
| <i>all amounts in € thousands</i> | |
| Right-of-use assets | 101.549 |
| Other non-current assets | 39.980 |
| Cash and cash equivalents | 5.551 |
| Other non-current assets | 1.423 |
| Total assets | 148.502 |
| Lease liability | 101.549 |
| Borrowings | 6.480 |
| Other liabilities | 22.156 |
| Total liabilities | 130.185 |
| Fair value of acquired interest in assets | 18.317 |
| Provisional fair value of current participation | (12.668) |
| Provisional fair value of acquired interest attributable to noncontrolling interests | (13.752) |
| Goodwill | 20.496 |
| Total purchase consideration | 12.393 |

The consideration for the acquisition of 50% of the company LAMDA MARINAS INVESTMENTS S.M.S.A. amounts to €12.4m. The consideration was higher than the fair value of the acquired assets by €20.5m (goodwill). The value of the above-mentioned goodwill is subject to annual impairment test which will be performed on 31.12.2020.

Financial information
For the period from January 1, 2020 - June 30, 2020

Non-controlling interests

The Group's non-controlling interests amount to €98.1m at 30.06.2020 (31.12.2019: €85.7m) out of which €84.6m (31.12.2019: €85.9m) comes from the subsidiary LAMDA MALLS SA. Non-controlling interests represent 31.7% on the LAMDA MALLS SA sub-group's equity, which subsidiaries by 100% are LAMDA DOMI SMSA and PYLAIA SMSA. The Group's non-controlling interests of €13.8m at 30.06.2020 (31.12.2019: €0) come from the sub-group LAMDA MARINAS INVESTMENTS S.M.S.A. and represent 35.6% of the equity.

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

| Statement of financial position | GROUP | |
|---|-------------------------------------|-------------------------------------|
| | 30.06.2020 | 31.12.2019 |
| <i>all amounts in € thousands</i> | | |
| Investment property | 514.024 | 519.436 |
| Other non-current assets | 10.904 | 11.198 |
| Receivables | 6.645 | 7.588 |
| Cash and cash equivalents | 34.698 | 36.432 |
| | 566.270 | 574.654 |
| | | |
| Deferred income tax liabilities | 51.178 | 52.864 |
| Long-term borrowings | 154.061 | 155.995 |
| Long-term lease liability | 77.996 | 78.145 |
| Other non-current liabilities | 3.612 | 1.668 |
| Short-term borrowings | 1.139 | 919 |
| Short-term lease liability | 128 | 342 |
| Trade and other payables | 11.375 | 13.635 |
| | 299.489 | 303.567 |
| | | |
| Total equity | 266.781 | 271.087 |
| | | |
| Income statement | GROUP | |
| | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | |
| Revenue | 14.936 | 21.665 |
| Net gains from fair value adjustment on investment property | (7.906) | 22.057 |
| Other operating income / (expenses) - net | (5.560) | (5.200) |
| Finance costs - net | (4.561) | (3.673) |
| Profit/(loss) before income tax | (3.092) | 34.850 |
| Income tax expense | 405 | (9.432) |
| Profit/(loss) for the period | (2.687) | 25.418 |
| | | |
| Comprehensive income statement | GROUP | |
| | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | |
| Profit/(loss) for the period | (2.687) | 25.418 |
| Other | (582) | (761) |
| Other comprehensive income for the period | (3.269) | 24.657 |
| Total comprehensive income for the period | (3.269) | 24.657 |
| | | |
| Cash flow statement | GROUP | |
| | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | |
| Cash flows from operating activities | 2.814 | 11.919 |
| Cash flows to investing activities | (2.645) | (5.674) |
| Cash flows to financing activities | (1.903) | 1.927 |
| Net increase/(decrease) in cash and cash equivalents | (1.734) | 8.172 |

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

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

| COMPANY Name | Country of incorporation | % interest held | 30.06.2020 | | | 31.12.2019 | | |
|-------------------------------------|-----------------------------|-----------------|--------------|--------------|--------------------|--------------|--------------|--------------------|
| | | | 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 MARINAS INVESTMENTS S.M.S.A. | Greece | 50,00% | - | - | - | 4.022 | - | 4.022 |
| Investment in joint-ventures | | | 4.454 | 1.883 | 2.571 | 8.476 | 1.883 | 6.593 |

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

Investments in joint ventures

| GROUP Name | Country of incorporation | % interest held | 30.06.2020 | | | 31.12.2019 | | |
|------------------------------------|-----------------------------|-----------------|---------------|---------------------------|--------------------|---------------|---------------------------|--------------------|
| | | | Cost | Share of interest held | Carrying amount | Cost | Share of interest held | Carrying amount |
| LAMDA AKINITA S.A. | Greece | 50,00% | 4.454 | (1.891) | 2.564 | 4.454 | (1.886) | 2.568 |
| LAMDA MARINAS INVESTMENTS S.M.S.A. | Greece | 50,00% | - | - | - | 4.022 | 951 | 4.973 |
| SINGIDUNUM-BUILDINGS DOO | Serbia | 78,57% | 50.805 | (21.969) | 28.836 | 48.645 | (19.750) | 28.895 |
| TOTAL | | | 55.259 | (23.860) | 31.400 | 57.122 | (20.686) | 36.436 |

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

| | GROUP | | COMPANY | |
|---|---------------|---------------|--------------|--------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| <i>all amounts in € thousands</i> | | | | |
| Balance at 1 January | 36.436 | 27.035 | 6.593 | 6.593 |
| Increase/(decrease) in share capital | 2.160 | 7.550 | - | - |
| Share in profit/(loss) | (2.223) | (1.511) | - | - |
| Investment adjustment due to the acquisition of the interest in participation | 7.695 | - | - | - |
| Acquisition of the interest in participation/Change in consolidation method | (12.668) | - | (4.022) | - |
| Additions/liquidations | - | (55) | - | - |
| Reversal of provision for impairment | - | 3.419 | - | - |
| Result from liquidation of participations | - | (1) | - | - |
| Balance at the end of period | 31.400 | 36.436 | 2.571 | 6.593 |

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

- The Group accounted for joint ventures on an equity basis because it provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form
- The Group increased its participation in the joint-venture Singidunum Buildings DOO from 77.53% at 31.12.2019 to 78.57% at 30.06.2020, however the control remains 50%-50% between the two shareholders according to the terms of the current shareholders agreement
- The Group's most significant joint-venture is Singidunum Buildings DOO as follows:

| Statement of financial position <i>all amounts in € thousands</i> | 30.06.2020 | 31.12.2019 |
|---|-------------------|-------------------|
| Inventories | 76.929 | 76.453 |
| Receivables | 154 | 320 |
| Cash and cash equivalents | 318 | 546 |
| | 77.401 | 77.318 |
| Long-term borrowings | - | - |
| Short-term borrowings | 40.020 | 40.020 |
| Trade and other payables | 204 | 27 |
| | 40.224 | 40.047 |
| Total equity | 37.177 | 37.271 |
| (Group's interest) | 78.57% | 77.53% |
| Total equity | 29.211 | 28.897 |

For the period from January 1, 2020 - June 30, 2020

| Income statement | | 01.01.2020 to | 01.01.2019 to |
|--|--|----------------------|----------------------|
| <i>all amounts in € thousands</i> | | 30.06.2020 | 30.06.2019 |
| Revenue | | - | - |
| Net gains/(loss) from fair value adjustment on inventory | | - | - |
| Other operating income / (expenses) - net | | (1.692) | (113) |
| Finance costs - net | | (555) | (607) |
| Loss before income tax | | (2.248) | (720) |
| Income tax expense | | | |
| Loss for the period | | (2.248) | (720) |
| (Group's interest) | | 78,57% | 74,85% |
| Loss for the period | | (1.766) | (539) |

| Comprehensive income statement | | 01.01.2020 to | 01.01.2019 to |
|--|--|----------------------|----------------------|
| <i>all amounts in € thousands</i> | | 30.06.2020 | 30.06.2019 |
| Loss for the period | | (1.766) | (539) |
| Currency translation differences | | - | - |
| Other comprehensive income for the period | | (1.766) | (539) |
| Total comprehensive income for the period | | (1.766) | (539) |

| Cash flow statement | | 01.01.2020 to | 01.01.2019 to |
|---|--|----------------------|----------------------|
| <i>all amounts in € thousands</i> | | 30.06.2020 | 30.06.2019 |
| Cash flows from operating activities | | (1.905) | (530) |
| Cash flows to investing activities | | (482) | (988) |
| Cash flows to financing activities | | 2.160 | 300 |
| Net increase/(decrease) in cash and cash equivalents | | (227) | (1.218) |

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

The Group participates in the following associates' equity:

| GROUP Name | Country of incorporation | % interest held | 30.06.2020 | | 31.12.2019 | | | |
|-------------------------------|-----------------------------|-----------------|--------------|------------------------|-----------------|--------------|------------------------|-----------------|
| | | | 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% | 933 | 1.158 | 2.091 | 1.133 | 1.144 | 2.277 |
| TOTAL | | | 2.100 | 1.158 | 3.258 | 2.300 | 1.144 | 3.444 |

The movement of associates is as follows:

| <i>all amounts in € thousands</i> | GROUP | | COMPANY | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| Balance at 1 January | 3.444 | 3.494 | 1.167 | 1.167 |
| Share in profit/(loss) | 216 | 221 | - | - |
| Decrease in share capital | (200) | - | - | - |
| Dividend contribution | (203) | (271) | - | - |
| Balance at the end of period | 3.258 | 3.444 | 1.167 | 1.167 |

8. Cash and cash equivalents

| <i>all amounts in € thousands</i> | GROUP | | COMPANY | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| Cash at bank | 60.578 | 402.264 | 14.443 | 351.613 |
| Cash in hand | 354 | 512 | 68 | 50 |
| Short-term deposits | 570.000 | 300.000 | 570.000 | 300.000 |
| Total | 630.932 | 702.776 | 584.511 | 651.664 |

Taking into account the credit status of the banks that the Group keeps its current accounts, no significant credit losses are anticipated. The above comprise the cash and cash equivalents used for the purposes of the cash flow statement.

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

For the period from January 1, 2020 - June 30, 2020

| Moody's Rating | GROUP | | COMPANY | |
|----------------|----------------|----------------|----------------|----------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| Caa1 | 383.465 | 692.254 | 344.236 | 651.510 |
| Caa2 | 241.875 | 2 | 240.107 | 2 |
| Aa3 | 4.959 | 9.636 | 100 | 101 |
| N/A | 279 | 372 | - | - |
| | 630.578 | 702.264 | 584.443 | 651.613 |

9. Financial instruments by category

GROUP - 30.06.2020

| all amounts in € thousands | Financial assets at amortized cost | all amounts in € thousands | Financial liabilities at amortized cost | Interest rate swaps - cash flow hedges (IRS) |
|----------------------------------|---------------------------------------|----------------------------------|--|---|
| | Trade and other receivables | | 10.184 | Borrowings |
| Cash and cash equivalents | 630.932 | Derivative financial instruments | - | 2.088 |
| Receivables from related parties | 20 | Trade and other payables | 6.041 | - |
| Loans to related parties | 3.139 | Liabilities to related parties | 500 | - |
| Dividends receivables | 203 | Interest payable | 935 | - |
| Other financial receivables | 15.349 | Other financial payables | 17.522 | - |
| Total | 659.827 | Total | 465.801 | 2.088 |

GROUP - 30.06.2020

COMPANY - 30.06.2020

| all amounts in € thousands | Financial assets at amortized cost | all amounts in € thousands | Financial liabilities at amortized cost |
|----------------------------------|---------------------------------------|--------------------------------|--|
| | Trade and other receivables | | 65 |
| Loans to related parties | 10.681 | Trade and other payables | 1.836 |
| Receivables from related parties | 587 | Loans from related parties | 56.129 |
| Dividends receivables | 35.769 | Liabilities to related parties | 2.276 |
| Other financial receivables | 9.579 | Other financial payables | 2.355 |
| Total | 56.680 | Total | 143.724 |

COMPANY - 30.06.2020

GROUP - 31.12.2019

| all amounts in € thousands | Financial assets at amortized cost | Financial instruments held at fair value through profit or loss | all amounts in € thousands | Financial liabilities at amortized cost | Interest rate swaps - cash flow hedges (IRS) |
|----------------------------------|---------------------------------------|---|----------------------------------|--|---|
| | Trade and other receivables | 5.507 | | - | Borrowings |
| Cash and cash equivalents | 702.776 | - | Trade and other payables | 12.122 | - |
| Receivables from related parties | 87 | - | Interest payable | 2.817 | - |
| Loans to related parties | 2.970 | - | Derivative financial instruments | - | 776 |
| Other financial receivables | 13.477 | - | Loans from related parties | 10.123 | - |
| Total | 724.817 | - | Liabilities to related parties | 803 | - |
| | | | Other financial payables | 44.515 | - |
| | | | Total | 509.477 | 776 |

GROUP - 31.12.2019

COMPANY - 31.12.2019

| all amounts in € thousands | Financial assets at amortized cost | all amounts in € thousands | Financial liabilities at amortized cost |
|----------------------------------|---------------------------------------|--------------------------------|--|
| | Trade and other receivables | | 49 |
| Loans to related parties | 10.713 | Trade and other payables | 4.759 |
| Receivables from related parties | 329 | Loans from related parties | 65.449 |
| Other financial receivables | 6.178 | Liabilities to related parties | 2.156 |
| Total | 17.270 | Other financial payables | 21.619 |
| | | Total | 183.111 |

COMPANY - 31.12.2019

Financial information
For the period from January 1, 2020 - June 30, 2020

10. Borrowings

| | GROUP | | COMPANY | |
|-----------------------------------|----------------|----------------|---------------|---------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| <i>all amounts in € thousands</i> | | | | |
| Non-current | | | | |
| Bond borrowings | 348.284 | 336.424 | - | - |
| Total non-current | 348.284 | 336.424 | - | - |
| Current | | | | |
| Bond borrowings | 92.519 | 102.673 | 81.128 | 89.128 |
| Total current | 92.519 | 102.673 | 81.128 | 89.128 |
| Total borrowings | 440.803 | 439.098 | 81.128 | 89.128 |

The movements in borrowings are as follows:

| | GROUP | | COMPANY | |
|---|----------------|--|---------------|--|
| | | | | |
| 12 months ended 31 December 2019 (<i>amounts in € thousands</i>) | | | | |
| 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 | |
| 6 months ended 30 June 2020 (<i>amounts in € thousands</i>) | | | | |
| Balance at 1 January 2020 | 439.098 | | 89.128 | |
| Bond borrowings | 165.100 | | - | |
| Acquisition of interest held in participation | 6.480 | | - | |
| Recognition of interest at fair value | 359 | | - | |
| Borrowings transaction costs - amortization | 618 | | - | |
| Borrowings transaction costs | (1.999) | | - | |
| Borrowings repayments | (168.853) | | (8.000) | |
| Balance at 30 June 2020 | 440.803 | | 81.128 | |

Borrowings are secured by mortgages on the Group's land, buildings and investment property (note 5), and in some cases by additional pledges of parent company's shares as well as and/or by assignment of subsidiaries' receivables (note 7) and insurance compensations. Regarding the Syndicated Bond Loan of the Company, pledges over certain assets and shares of Group companies incur.

The subsidiary "LAMDA OLYMPIA VILLAGE SMSA" ("LOV") signed on June 23rd, 2020 with National Bank of Greece SA (NBG) the Bond Programme and Subscription Agreement for the issuance of a bond loan of an amount of up to €220m ("Bond Loan") with a duration of 7 years comprising of three (3) distinct series. Two out of three series, amounting to €165.1m, have been disbursed on June 30th, 2020 utilized for the repayment of the outstanding balance – on the disbursed date – (a) of the Bond Loan dated 30.05.2007 (€154.1) and (b) the outstanding balance of the intercompany loan dated 27.04.2020 (€11.0m) between LOV and the Company. At July 31st, 2020 the third series has been partially disbursed, amounting to €44.9m.

Amortization of borrowings transaction costs of €3.4 are included in the total borrowings as at June 30, 2020, out of which €0.4m is applied to current borrowings whereas the rest €3.0m is applied to non-current borrowings.

For the period from January 1, 2020 - June 30, 2020

The maturity of non-current borrowings is as follows:

| <i>all amounts in € thousands</i> | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
|-----------------------------------|----------------|----------------|------------|------------|
| Between 1 and 2 years | 9.004 | 154.734 | - | - |
| Between 2 and 5 years | 36.388 | 18.670 | - | - |
| Over 5 years | 302.892 | 163.019 | - | - |
| | 348.284 | 336.424 | - | - |

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 30.06.2020, the average base effective interest rate of the Group is 0.05% and the average bank spread is 3.18%. Therefore, the Group total effective borrowing rate stands at 3.23% at 30.06.2020.

The Company's secured syndicated bond loan of current balance €81.1m 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 30.06.2020 the Company's subsidiary LAMDA DOMI SMSA's secured syndicated bond loan of current balance €84.6m, 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 €165.1m, granted by National Bank of Greece SA (NBG) has the following covenants: Loan to value <65% and Debt Service Cover ratio >115%. At June 30, 2020, all above mentioned ratios are satisfied at Group and Company level.

At 30.06.2020 the short-term borrowings include mainly the following liabilities:

- The bond loan of the Company with a current outstanding balance of €81.1m with Alpha Bank, Piraeus Bank and Eurobank maturing on 31.12.2020. It is noted however, that on July 24, 2020, the Company repaid the total outstanding principal amounting to €81.1m and all the corresponding interest, as this obligation was directly linked to the issuance of the Corporate Bond with a public offering and listing to trading in the Organized Market category on the Athens Stock Exchange (Section 4.1.2 Reasons for Issuing the CBL and Use of Funds of the Prospectus).
- The bond loan of Lamda Prime Properties SMSA (amount of €4.9m) granted by Alpha Bank is extended until 30.09.2020 following a request for an extension in the context of completion and signing the necessary financing documents is examined positively by the bond lender. 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 third quarter of 2020.

11. Derivative financial instruments

| <i>all amounts in € thousands</i> | GROUP | | | | COMPANY | | | |
|--|------------|--------------|------------|-------------|------------|-------------|------------|-------------|
| | 30.06.2020 | | 31.12.2019 | | 30.06.2020 | | 31.12.2019 | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| Interest rate swaps - cash flow hedges (IRS) | - | 2.088 | - | 776 | - | - | - | - |
| Total | - | 2.088 | - | 776 | - | - | - | - |

For the period from January 1, 2020 - June 30, 2020

| | | | | | | | | |
|--------------|---|--------------|---|------------|---|---|---|---|
| Non-current | - | 2.088 | - | 776 | - | - | - | - |
| Current | - | - | - | - | - | - | - | - |
| Total | - | 2.088 | - | 776 | - | - | - | - |

The nominal value of interest rate swaps that are hedged (IRS) as at 30.06.2020 is €44.57m series A' and €18.5m series B', for the Company's subsidiary LAMDA DOMI SMSA, and their maturity date is in November 2025 and for the Company's subsidiary PYLAIA SMSA is €54m and their maturity date is in May 2026. The interest rate swaps have been measured at fair value stated by the counterpart bank. As at 30.06.2020 the long-term borrowings floating rates are secured with interest risk derivatives (IRS) ranged according to 3-month Euribor plus 3.07% for the subsidiary LAMDA DOMI SMSA and 3-month Euribor plus 3% for the subsidiary PYLAIA SMSA.

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

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

12. Leases

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 as well as the lease of the exploitation rights of Flisvos marina until 2042 from the Public Property Company SA (former Greek Touristic Property SA). 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.

The recognized right-of-use assets for the Group and the Company for the the six-month period ended 30 June 2020 relate to the following types of assets:

| Group | Land plot | Motor vehicles | Marina facilities & berths | Total |
|--|---------------|----------------|----------------------------|----------------|
| All amounts in € thousands | | | | |
| Opening balance at 1 January 2020 | 78.478 | 195 | - | 78.673 |
| Recognition of right-of-use due to changes in participation share (note 7) | - | 68 | 101.481 | 101.549 |
| Remeasurement | 152 | - | - | 152 |
| Additions | - | 313 | - | 313 |
| Fair value loss | (514) | - | - | (514) |
| Depreciation | - | (73) | (1.543) | (1.616) |
| Modifications | - | (24) | - | (24) |
| Closing balance at 30 June 2020 | 78.116 | 480 | 99.937 | 178.533 |

The right-of-use assets for the amount of €78.1m corresponds to the shopping center "Mediterranean Cosmos" operating lease and according to IFRS 16 "Leases" is recognized in the "Investment Property" (note 5).

Company

| Company | Office space | Motor vehicles | Total |
|--|--------------|----------------|------------|
| All amounts in € thousands | | | |
| Opening balance at 1 January 2019 | 737 | 104 | 841 |
| Depreciation | (438) | (43) | (480) |
| Additions | 115 | 291 | 406 |
| Modifications | (3) | - | (3) |
| Closing balance at 30 June 2020 | 411 | 352 | 763 |

Financial information
For the period from January 1, 2020 - June 30, 2020

The recognized lease liabilities for the Group and the Company are as follows:

Group

| All amounts in € thousands | Land plot | Motor vehicles | Marina facilities & berths | Total |
|--|---------------|----------------|----------------------------|----------------|
| Lease liability recognised as at 1 January 2020 | 78.478 | 198 | - | 78.676 |
| Recognition of right-of-use due to changes in participation share (note 7) | - | 68 | 101.481 | 101.549 |
| Remeasurement | 152 | - | - | 152 |
| Additions | - | 313 | - | 313 |
| Accrued interest expense | 1.723 | 6 | 1.780 | 3.508 |
| Lease payments | (1.757) | (86) | (3.730) | (5.573) |
| Gain from lease liability derecognition | (480) | - | (414) | (894) |
| Modifications | - | (24) | - | (24) |
| Lease liability recognized as at 30 June 2020 | 78.116 | 475 | 99.117 | 177.707 |

Analysis of payables :

| | |
|-------------------------------|----------------|
| Current lease liabilities | 1.936 |
| Non-current lease liabilities | 175.772 |
| Total | 177.707 |

Company

| All amounts in € thousands | Office space | Motor vehicles | Total |
|--|--------------|----------------|------------|
| Lease liability recognised as at 1 January 2020 | 759 | 105 | 864 |
| Additions | 115 | 291 | 406 |
| Accrued interest expense | 14 | 4 | 18 |
| Lease payments | (458) | (51) | (510) |
| Modifications | (3) | - | (3) |
| Lease liability recognized as at 30 June 2020 | 426 | 349 | 775 |

Analysis of payables :

| | |
|-------------------------------|------------|
| Current lease liabilities | 529 |
| Non-current lease liabilities | 246 |
| Total | 775 |

The lease liabilities are payable as follows:

All amounts in € thousands

| | <u>Group</u> | <u>Company</u> |
|-----------------------|----------------|----------------|
| Up to 1 year | 1.936 | 529 |
| Between 1 and 2 years | 2.343 | 73 |
| Between 3 and 5 years | 8.306 | 173 |
| Over 5 years | 165.123 | - |
| Total | 177.707 | 775 |

The Group and the Company have no significant liquidity risk in respect of the lease liabilities whereas there are no significant commitments from lease contracts that have not been in force until the end of current reporting period.

The accrued interest expense on lease liabilities for the six-month period ended 30 June 2020 are €3.508k for the Group (30.06.2019: €1.721k) and €18k for the Company (30.06.2019: €28k).

The Group impact deriving from the implementation of the amendment of IFRS 16 “Covid-19-Related Rent Concessions” corresponds to €894k that is recognized in the income statement.

Financial information
For the period from January 1, 2020 - June 30, 2020

13. Cash generated from operations

| | Note | GROUP | | COMPANY | |
|--|------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | | | | |
| Profit/(loss) for the period | | (6.505) | 45.230 | 25.435 | (4.824) |
| <u>Adjustments for:</u> | | | | | |
| Tax | | (676) | 17.972 | (490) | (984) |
| Depreciation of property, plant and equipment | 6,12 | 2.477 | 428 | 575 | 492 |
| Share of profit from associates | 7 | (5.484) | 1.267 | - | - |
| Dividends income | | (203) | (135) | (35.769) | (2.363) |
| Provision for impairment of receivables from subsidiaries | | - | - | 743 | 561 |
| Provision for impairment of investments in subsidiaries, joint ventures and associates | 8 | - | - | - | 100 |
| Impairment of receivables | | 445 | (3) | (75) | (12) |
| Loss from sale/valuation of financial instruments/derivatives | | - | 1 | - | - |
| Loss from sale of ppe | | - | 128 | - | - |
| Interest income | | (508) | (23) | (1.090) | (561) |
| Interest expense | | 14.929 | 13.129 | 3.868 | 4.287 |
| Provision for inventory impairment | | 42 | - | - | - |
| Net gains/(losses) from fair value adjustment on investment property | 5 | 11.274 | (49.687) | - | - |
| Other non cash income / (expense) | | - | - | - | (8) |
| | | 15.792 | 28.308 | (6.804) | (3.312) |
| Changes in working capital: | | | | | |
| (Increase)/decrease in inventories | | 5 | (1) | - | - |
| (Increase)/decrease in receivables | | (1.694) | 1.124 | (519) | (671) |
| (Decrease)/increase in payables | | (35.059) | (4.291) | (17.595) | (844) |
| | | (36.748) | (3.169) | (18.114) | (1.515) |
| Cash flows from operating activities | | (20.956) | 25.139 | (24.918) | (4.826) |

14. Commitments

Capital commitments

At 30.06.2020 there is capital expenditure of €2.1m that has been contracted for but not yet incurred regarding the investment property and specifically the expansion of the western part of Golden Hall, a remaining amount of €0.3m regarding the Company's software upgrade of SAP which is expected to be completed in 2020, as well as an amount of €5.5m that corresponds to the development of the Hellinikon site and have not yet incurred.

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

15. Contingent liabilities and contingent 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 | |
|--|---------------|---------------|---------------|---------------|
| | 31.03.2020 | 31.12.2019 | 31.03.2020 | 31.12.2019 |
| Liabilities (<i>all amounts in € thousands</i>) | | | | |
| Letters of guarantee relating to obligations | 38.873 | 33.537 | 30.004 | 30.004 |
| Total | 38.873 | 33.537 | 30.004 | 30.004 |
| Assets (<i>all amounts in € thousands</i>) | | | | |
| Letters of guarantee relating to receivables (tenants) | 42.039 | 41.489 | - | - |
| Total | 42.039 | 41.489 | - | - |

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:

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.

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 30.06.2020 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 18.

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

Financial information
For the period from January 1, 2020 - June 30, 2020

16. Related party transactions

The following transactions were carried out with related parties:

| | GROUP | | COMPANY | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | | | |
| i) Sales of goods and services | | | | |
| - subsidiaries | - | - | 637 | 595 |
| - joint ventures | 16 | 64 | 16 | 30 |
| - associates | - | - | - | 34 |
| | 16 | 64 | 653 | 659 |
| ii) Purchases of goods and services | | | | |
| - subsidiaries | - | - | 644 | 477 |
| - companies which controlling interests belong to Latsis family | 964 | 1.422 | - | - |
| | 964 | 1.422 | 644 | 477 |
| iii) Dividend income | | | | |
| - subsidiaries | - | - | 35.566 | 2.228 |
| - associates | 203 | 135 | 203 | 135 |
| | 203 | 135 | 35.769 | 2.363 |
| iv) Benefits to management | | | | |
| Members of BoD: | | | | |
| - BoD fees and other short-term employment benefits | 376 | 423 | 376 | 423 |
| Management: | | | | |
| - Salaries and other short-term employment benefits | 1.034 | 762 | 892 | 626 |
| | 1.410 | 1.185 | 1.268 | 1.048 |
| 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. | | | | |
| v) Income from interest | | | | |
| - subsidiaries | - | - | 603 | 548 |
| | - | - | 603 | 548 |
| vi) Cost of interest | | | | |
| - parent company | 41 | - | - | - |
| - subsidiaries | - | - | 1.135 | 1.143 |
| | 41 | - | 1.135 | 1.143 |
| vii) Period-end balances from sales-purchases of goods/services | | | | |
| | GROUP | | COMPANY | |
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| <i>all amounts in € thousands</i> | | | | |
| Receivables from related parties: | | | | |
| - subsidiaries | - | - | 567 | 243 |
| - joint ventures | 20 | 87 | 20 | 16 |
| - associates | - | - | - | 71 |
| | 20 | 87 | 587 | 329 |
| Dividend receivables from related parties: | | | | |
| - subsidiaries | - | - | 35.566 | - |
| - associates | 203 | - | 203 | - |
| | 203 | - | 35.769 | - |
| Payables to related parties: | | | | |
| - subsidiaries | - | - | 2.276 | 2.156 |
| - companies which controlling interests belong to Latsis family | 500 | 803 | - | - |
| | 500 | 803 | 2.276 | 2.156 |

For the period from January 1, 2020 - June 30, 2020

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

| | GROUP | | COMPANY | |
|-------------------------------------|------------|------------|--------------|--------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| viii) Loans to associates: | | | | |
| Balance at 1 January | - | - | 8.014 | 7.987 |
| Loans granted during the period | - | - | (11.000) | - |
| Interest repayments | - | - | (53) | - |
| Loan repayments | - | - | 11.000 | - |
| Loan and interest impairment | - | - | (738) | (1.077) |
| Interest charged | - | - | 603 | 1.104 |
| Balance at the end of period | - | - | 7.825 | 8.014 |

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 | |
|-------------------------------------|------------|---------------|---------------|---------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| x) Loans from associates: | | | | |
| Balance at 1 January | 10.123 | - | 65.449 | 53.776 |
| Loans received during the period | - | 10.000 | - | 10.000 |
| Loan repayments | (10.000) | - | (10.187) | (338) |
| Interest paid | (164) | - | (309) | (360) |
| Interest charged | 41 | 123 | 1.176 | 2.371 |
| Balance at the end of period | (0) | 10.123 | 56.129 | 65.449 |

At Company level, the loans from associates refer to loans of initial capital €47.1m that the parent company has granted to the companies LAMDA Prime Properties SMSA, LOV Luxembourg SARL and LAMDA Ilida Office SA. In 2020, the Company repaid an amount of €10m which was received in 2019 as a bond loan agreement, without securities, by its shareholder Consolidated Lamda Holdings SA aiming to cover general business needs in the scope of the Company's activities.

| | GROUP | | COMPANY | |
|---|--------------|--------------|--------------|--------------|
| | 30.06.2020 | 31.12.2019 | 30.06.2020 | 31.12.2019 |
| xi) Loans to personnel and management: | | | | |
| | 2.970 | - | 2.699 | - |
| Loans received during the period | - | 3.995 | - | 3.645 |
| Fair value adjustment/Loan impairment | 73 | (1.025) | 74 | (946) |
| Changes during the period | 8 | - | - | - |
| Recognition of finance income | 88 | - | 82 | - |
| Υπόλοιπο λήξης | 3.139 | 2.970 | 2.855 | 2.699 |

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.

17. Earnings 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 period

| | GROUP | | COMPANY | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 | 01.01.2020 to 30.06.2020 | 01.01.2019 to 30.06.2019 |
| <i>all amounts in € thousands</i> | | | | |
| Profit/(loss) attributable to equity holders of the Company | (5.659) | 37.179 | 25.435 | (4.824) |
| Weighted average number of ordinary shares in issue | 176.737 | 77.856 | 176.737 | 77.856 |
| Basic earnings/(losses) per share (in € per share) | (0,03) | 0,48 | 0,14 | (0,06) |

For the period from January 1, 2020 - June 30, 2020

At 30.06.2020 there is no employee share option scheme in force, therefore no diluted earnings/losses have been formed.

18. Income tax expense

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 their results of 2020 and 2019, is mainly affected by the non-recognition of deferred tax asset over the tax losses of the period.

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.

Tax certificate and unaudited tax years

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

| <u>Company</u> | <u>Fiscal years unaudited by the tax authorities</u> | <u>Company</u> | <u>Fiscal years unaudited by the tax authorities</u> |
|------------------------------------|--|------------------------------------|--|
| 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 |
| PYLAIAS 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 MARINAS INVESTMENTS S.M.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 | LAMDA Development Sofia EOOD | 2006-2019 |
| GEAKAT S.A. | 2013-2019 | TIHI EOOD | 2008-2019 |

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 societies 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 2013 has been suspended until 31.12.2019, 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 30.06.2020 no such provisions have been formed for the Group's and Company's unaudited, by the tax authorities, years.

19. Number of employees

Number of employees at the end of the period following the acquisition of control in the company LAMDA Flisvos Marina S.A.: Group 358, Company 136 (six-month period ended 30 June 2019: Group 208, Company 69) from which there are no seasonal (six-month period ended 30 June 2019: Group 0, Company 0).

20. Development of the Hellinikon site

On 14.11.2014 the share sale and purchase agreement was signed between a) the HRADF (as the Seller), b) HELLINIKON GLOBAL I S.A., the wholly owned (100%) subsidiary of the Company (as the Purchaser) and c) the Company (as the Guarantor of the Purchaser), which will be co-signed by the Greek State (as the third party) for the acquisition of 100% of shares of HELLINIKON S.A. On July 19, 2016 it was signed by the same parties and will be signed by the Greek State (as a third party) Amending Agreement, which forms an integral part of the original Agreement of 14.11.2014 and integral thereto. On September 26, 2016, by Law 4422/2016 (Government Gazette A' 181/27.09.2016), the Agreement was ratified, namely the aforementioned contracts (initial and amending), by the Hellenic Parliament.

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.

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).

It is noted that regarding the distribution and transfer of the rights in rem, the Company announced on 13.02.2020 that the relevant diagram was agreed with the Greek State. Subsequently, the legislative provision regulating the procedure to be followed regarding the partition agreement and the establishment of surface rights between the Greek State and the HRADF was voted (L.4706/2020, A' 136/17.07.2020, nr.83) and the relevant actions are being scheduled.

In respect of the issuance of a casino license, on 20.01.2020 it was announced by the EEEP that during evaluation stage of the File "Participation Documents" the bid of the bidder SHRE / SHRI, LLC was rejected and the bid of the bidder INSPIRE ATHENS (Association of Persons) was accepted. SHRE / SHRI, LLC has appealed against this decision to the competent bodies and courts and the decision of the Council of State on the relevant application for annulment. At 18.09.2020 the Plenary Session of the Council of State rejected the above-mentioned appeal for annulment ruling that SHRE / SHRI, LLC was correctly excluded from the initial stage of the tender, in accordance with the legislation on conducting public tenders.

Within 2020 there was another development with regard to the preparation of the Hellinikon investment. Following the issuance of Law 4663/2020 (A' 30/12.02.2020) (article 67 - "Provisions on the existing buildings and structures in the Metropolitan Area of Hellinikon – Aghios Kosmas) and the required

therefrom Ministerial Decisions, the demolition works of the existing buildings in Hellinikon have begun; these are implemented gradually and may be completed after the transfer of Hellinikon S.A. shares.

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.

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 €307 million, 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 30.06.2020, the transfer of the shares of HELLINIKON SA has not taken place.

21. Significant variations in comparatives

Regarding the significant variations in other elements of the statement of financial position, the following are mentioned:

At Company and Group level, with respect to the "Trade and other payables", the variation is mainly due to: a) decrease of €13.0m due to the refund of the advance that the Company had received from the fund "GLOBAL INVESTMENT GROUP" regarding the development of the Hellinikon site, b) decrease of €10m after repayment of a bond loan received by the Company from the shareholder Consolidated Lamda Holdings SA in order to meet general business needs in the context of its activities (note **Error! Reference source not found.**), c) in addition at 03.06.2020 all the procedures provided under the Memorandum of Understanding, whereby the National Bank of Greece S.A. ("NBG") had expressed its intention to contribute and lawfully participate in the issuance process of a Presidential Decree (P.D.), for the approval of the City Building Plan for the area where "The Mall Athens" is situated, have been successfully completed. To this end, in application of the relevant provisions of the P.D. which has already been issued (G.G. 91D/29.02.2020), L.O.V. S.M.S.A. paid the amount of €11m, which corresponds to the fair value of the properties (situated in the aforementioned area) and the total claim held by NBG from the sale price owed to it by the subsidiary of the Municipality of Amaroussion (ATHMONO SA). A significant effect on the change of this element as well as in other elements of the financial position is the integration of liabilities and other elements of the sub-group LAMDA MARINAS INVESTMENTS S.M.S.A.'s financial position (note 7).

22. 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:

Issue of a Common Bond Loan

On 17.07.2020 the Public Offer for the Issue of a Common Bond Loan and the admission of the bonds to trading in the category of Fixed Income Securities of the Regulated Market of the Athens Exchange in accordance with article 8 para. 1 of Law 3401/2005, as in force, article 17 para. 2 of the Regulation (EU) 2017/1129 and article 3 para. 5 of Decision 8/862/19.12.2019 of the Board of Directors of the Hellenic Capital Markets Commission, was completed and 320,000 common, bearer bonds of the Company with a nominal value of €1,000 each (the "Bonds") have been allocated and as a result funds of €320m have been raised.

At 22.07.2020 the Bonds were listed for trading in the Fixed Income Securities of the Regulated Market of the Athens Exchange in accordance with current legislation.

Also, in accordance with the Athens Exchange Regulation, Law 3556/2007 and Regulation 596/2014/EU, each as applicable, that pursuant to the TR1 notification of the Company's shareholder "Consolidated Lamda Holdings S.A." (CLH) dated 28 July 2020 that the Company received, the total shareholding interest of CLH in the Company's share capital and voting rights fell from 50.62% to 42.20% following consecutive transactions that took place on 24 and 27 July 2020.

In addition, the bond loan of the Company with a current outstanding balance of €81.1m with Alpha Bank, Piraeus Bank and Eurobank maturing on 31.12.2020. It is noted however, that on July 24, 2020, the Company repaid the total outstanding principal amounting to €81.1m and all the corresponding interest, as this obligation was directly linked to the issuance of the Corporate Bond with a public offering and listing to trading in the Organized Market category on the Athens Stock Exchange (Section 4.1.2 Reasons for Issuing the CBL and Use of Funds of the Prospectus).

For the period from January 1, 2020 - June 30, 2020

Use of proceeds from the Share Capital Increase for the period from 17.12.2019 to 30.06.2020

Pursuant to the provisions of paragraph 4.1.2, 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 following the approval of the Listings and Market Operation Committee – Athens Stock Exchange at 19.12.2019, 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 30.06.2020 the raised capital, was allocated according to the use as described in the Prospectus which was approved by the BoD of the Capital Market Committee at 25.11.2019, as was amended by the resolution of the Company's Board of Directors adopted on 28.05.2020 in conjunction with the decision of the Annual General Meeting of shareholders of the Company that took place at 24.06.2020, as following:

| TIME SCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE | | | | | | | |
|--|--|---|--|--|--|-----------------------------------|-------|
| all amounts in € thousands | | | | | | | |
| Allocation of the Capital Proceeds based on the objective of the Informative Bulletin (section 4.1.2 "Reasons for Issuing the CBL and Use of Capital") | ALLOCATION OF RAISED CAPITAL AS PROVIDED FOR IN THE INFORMATIVE BULLETIN | ALLOCATION OF RAISED CAPITAL AS PROVIDED FOR IN THE INFORMATIVE BULLETIN as was amended by the resolution of the Company's Board of Directors adopted on 28.05.2020 (announcement 29.05.2020) in conjunction with the decision of the Annual General Meeting of shareholders of the Company that took place at 24.06.2020 (announcement 26.06.2020) | ALLOCATED CAPITAL USE FROM 17.12.2019 UNTIL 31.12.2019 | ALLOCATED CAPITAL USE FROM 01.01.2020 UNTIL 30.06.2020 | TOTAL ALLOCATED CAPITAL USE UNTIL 30.06.2020 | UNALLOCATED CAPITAL AT 30.06.2020 | Note |
| 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 | 467.000 | - | - | - | 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 | 120.607 | - | - | - | 120.607 | |
| C. Acquisition of participation in the company LAMDA MARINAS INVESTMENTS S.M.S.A (which was previously named LAMDA DOGUS INVESTMENTS S.A.) aiming to increase the participation held and the control of the company LAMDA Flisvos Marina S.A. | - | 12.393 | - | 12.393 | 12.393 | - | 2 |
| D. Coverage of working capital needs, within 3 years from the completion of the Share Capital Increase, as well as for the coverage of the bond loan issued by a subsidiary in order to cover the undertaken obligations of the latter. | 40.000 | 40.000 | 3.070 | 30.667 | 33.736 | 6.264 | 1,3,4 |
| Issuance expenses | 10.000 | 10.000 | - | 8.779 | 8.779 | 1.221 | 5 |
| Total | 650.000 | 650.000 | 3.070 | 51.839 | 54.908 | 595.092 | |

Financial information
For the period from January 1, 2020 - June 30, 2020

Notes:

1. Out of the amount of €40.000k which will be used within 3 years from the completion of the share capital increase for the coverage of working capital needs, the amounts that have been allocated are:
 - a. For the period from 17.12.2019 up to 31.12.2019, the amount of €3.070k
 - b. For the period from 01.01.2020 up to 30.06.2020, the amount of €30.667k
2. For the period from 01.01.2020 up to 30.06.2020, the Company paid the amount of €12.393k for the acquisition of participation in the company LAMDA MARINAS INVESTMENTS S.M.S.A (which was previously named LAMDA DOGUS INVESTMENTS S.A.) aiming to increase the participation held and the control of the company LAMDA Flisvos Marina S.A.
3. For the period from 01.01.2020 up to 30.06.2020, the amount of €11.000k was temporarily allocated through a bond loan to the subsidiary company LOV SMSA, in order to cover the undertaken obligations of the latter. The subsidiary LOV SMSA returned the above-mentioned amount to the Company at 30.06.2020.
4. For the period from 01.01.2020 up to 30.06.2020, the amount of €8.000k was temporarily allocated for the partial repayment of the capital of the Company's bond loan and amount of €2.581k for the repayment of interest. This temporary use of proceeds is due to the delay in the incoming funds resulting from the reduction in the share capital of the subsidiary LOV SMSA and has already been settled as the funds were received from the Company within July 2020.
5. The distribution of the unallocated amount from the issuance expenses will be decided at a later stage from the competent bodies of the Company.
6. The remaining unutilized proceeds of the amount of €584.511 were placed either in term deposits or in sight deposits in accordance with the provisions of the information provided by the Informative Bulletin at 30.06.2020.