

LAMDA Development S.A.



**Condensed separate and consolidated interim financial information
in accordance with International Financial Reporting Standards
(«IFRS»)**

1 January – 30 September 2019

G.E.MI.:3379701000

37^A Kifissias Ave.

15123, Maroussi

These financial information have been translated from the original statutory financial information that have been prepared in the Greek language.

In the event that differences exist between this translation and the original Greek language financial information, the Greek language financial information will prevail over this document.

Condensed Interim Financial information
For the period from January 1- September 30, 2019

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Condensed Interim Financial information
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Independent Auditor’s Report on Review

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 September 2019 and the related condensed company and consolidated statements of profit or loss, comprehensive income, changes in equity and cash flow statements for the nine-month period then ended, and the selected explanatory notes that comprise the interim condensed financial information.

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.

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.



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Auditing Company S.A.
Accountant
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Athens, 9 January 2020
The Certified Auditor

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Condensed Interim Financial information
For the period from January 1- September 30, 2019

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Condensed Interim Financial information
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Statement of financial position (Company and Consolidated)

<i>all amounts in € thousands</i>	Note	GROUP		COMPANY	
		30.09.2019	31.12.2018	30.09.2019	31.12.2018
ASSETS					
Non-current assets					
Investment property	5	1.001.844	852.115	1.840	1.840
Right-of-use assets	19	171	-	1.019	-
Property, plant and equipment	6	4.382	5.877	1.618	648
Investments in subsidiaries	7	-	-	310.571	308.307
Investments in joint ventures and associates	7	33.434	30.529	7.759	7.759
Deferred tax assets		8.158	7.739	7.830	7.185
Derivative financial instruments	12	-	285	-	-
Receivables		26.844	27.339	8.034	8.013
		1.074.832	923.885	338.671	333.754
Current assets					
Inventories		9.367	9.366	-	-
Trade and other receivables		21.601	40.574	9.927	24.424
Current tax assets		3.007	3.567	2.974	2.987
Financial instruments held at fair value through profit or loss	8	593	595	-	-
Cash and cash equivalents	9	65.831	67.875	9.306	12.245
		100.399	121.976	22.207	39.656
Total assets		1.175.231	1.045.861	360.878	373.410
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital and share premium		376.663	376.663	376.663	376.663
Other reserves		6.766	6.900	3.012	3.012
Retained earnings/(Accumulated losses)		1.105	(28.447)	(201.358)	(187.233)
		384.534	355.117	178.316	192.442
Non-controlling interests		85.815	79.500	-	-
Total equity		470.349	434.616	178.316	192.442
LIABILITIES					
Non-current liabilities					
Borrowings	11	329.938	305.835	-	-
Lease liability	19	78.242	-	225	-
Deferred tax liabilities		119.742	106.683	-	-
Derivative financial instruments	12	1.591	-	-	-
Employee benefit obligations		1.191	1.202	812	812
Other non-current liabilities		1.707	1.330	11.042	53.654
		532.411	415.049	12.079	54.466
Current liabilities					
Borrowings	11	106.246	141.006	95.128	96.128
Lease liability	19	420	-	808	-
Trade and other payables		61.463	53.626	74.547	30.374
Current tax liabilities		4.341	1.563	-	-
		172.470	196.195	170.482	126.502
Total liabilities		704.882	611.244	182.562	180.968
Total equity and liabilities		1.175.231	1.045.861	360.878	373.410

This condensed consolidated and Company interim financial information of LAMDA Development SA has been approved for issue by the Company's Board of Directors on January 9, 2020.

The notes on pages 11 to 39 form an integral part of this condensed interim financial information.

Condensed Interim Financial information
For the period from January 1- September 30, 2019

Income Statement (Company and Consolidated)

	Note	GROUP		COMPANY	
		01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
<i>all amounts in € thousands</i>					
Revenue		59.560	57.709	1.023	2.513
Dividends		135	-	2.393	3.262
Net gain/(loss) from fair value adjustment on investment property	5	46.696	45.585	-	-
Loss from inventory impairment		-	(170)	-	-
Cost of inventory-land sale		-	(120)	-	-
Other direct property operating expenses		(8.358)	(10.449)	-	-
Expenses related to the development in the Hellinikon area	22	(5.815)	-	(3.482)	-
Employee benefits expense		(7.189)	(5.870)	(4.358)	(4.550)
Depreciation	6,19	(642)	(550)	(734)	(113)
Impairment provision relating to subsidiaries, joint ventures and associates	7	-	-	(665)	-
Other operating income / (expenses) - net		(2.069)	(4.507)	(2.664)	(3.578)
Operating profit/(loss)		82.318	81.628	(8.486)	(2.466)
Finance income		27	299	846	1.113
Finance costs		(20.344)	(19.628)	(7.130)	(8.306)
Share of net profit of investments accounted for using the equity method	7	(1.145)	(373)	-	-
Profit/(loss) before income tax		60.856	61.926	(14.771)	(9.660)
Income tax expense		(20.878)	(23.304)	645	1.690
Profit/(loss)		39.977	38.623	(14.126)	(7.970)
Profit/(loss) attributable to:					
Equity holders of the parent		30.233	26.601	(14.126)	(7.970)
Non-controlling interests		9.744	12.021	-	-
		39.977	38.623	(14.126)	(7.970)
Earnings/(losses) per share attributable to the equity holders of the Parent (expressed in € per share)					
	17	0,39	0,34	(0,18)	(0,10)

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Condensed Interim Financial information
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Income Statement (Company and Consolidated)

	GROUP		COMPANY	
	01.07.2019 to 30.09.2019	01.07.2018 to 30.09.2018	01.07.2019 to 30.09.2019	01.07.2018 to 30.09.2018
<i>all amounts in € thousands</i>				
Revenue	20.049	19.228	338	833
Dividends		-	30	-
Net gain/(loss) from fair value adjustment on investment property	(2.991)	-	-	-
Cost of inventory-land sale	-	(120)	-	-
Other direct property operating expenses	(3.636)	(4.147)	-	-
Expenses related to the development in the Hellinikon area	22 (5.815)	-	(3.482)	-
Employee benefits expense	(2.561)	(1.877)	(1.618)	(1.496)
Depreciation of property, plant and equipment	(214)	(178)	(242)	(38)
Impairment provision relating to subsidiaries, joint ventures and associates	-	-	(565)	-
Other operating income / (expenses) - net	(90)	(1.782)	(865)	(1.803)
Operating profit/(loss)	4.742	11.125	(6.404)	(2.504)
Finance income	4	201	285	1.031
Finance costs	(7.214)	(6.355)	(2.843)	(2.655)
Share of net profit of investments accounted for using the equity method	122	6	-	-
Profit/(loss) before income tax	(2.347)	4.976	(8.963)	(4.128)
Income tax expense	(2.906)	(2.244)	(339)	580
Profit/(loss)	(5.253)	2.732	(9.301)	(3.548)
Profit/(loss) attributable to:				
Equity holders of the parent	(6.946)	1.502	(9.301)	(3.548)
Non-controlling interests	1.693	1.230	-	-
	(5.253)	2.732	(9.301)	(3.548)
Earnings/(losses) per share attributable to the equity holders of the Parent (expressed in € per share)	(0,09)	0,02	(0,12)	(0,05)

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Condensed Interim Financial information
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Statement of comprehensive income (Company and Consolidated)

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
Profit/(loss) for the period	39.977	38.623	(14.126)	(7.970)
Cash flow hedges, after tax	(1.193)	160	-	-
Currency translation differences	-	(3)	-	-
Items that may be subsequently reclassified to profit or loss	<u>(1.193)</u>	<u>157</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>38.784</u>	<u>38.780</u>	<u>(14.126)</u>	<u>(7.970)</u>
Profit/(loss) attributable to:				
Equity holders of the parent	29.418	26.708	(14.126)	(7.970)
Non-controlling interest	9.366	12.072	-	-
	<u>38.784</u>	<u>38.780</u>	<u>(14.126)</u>	<u>(7.970)</u>

The notes on pages 11 to 39 form an integral part of this condensed interim financial information.

Condensed Interim Financial information
For the period from January 1- September 30, 2019

Statement of changes in equity (Consolidated)

<i>all amounts in € thousands</i>	Attributable to equity holders of the parent			Total	Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings / (Accumulated losses)			
GROUP						
1 January 2018	376.800	6.419	(70.377)	312.842	64.536	377.377
Total Income:						
Profit for the period	-	-	26.601	26.601	12.021	38.623
Other comprehensive income for the period:						
Cash flow hedges, after tax	-	109	-	109	51	160
Currency translation differences	-	(3)	-	(3)	-	(3)
Total comprehensive income for the period	-	107	26.601	26.708	12.072	38.780
Transactions with the shareholders:						
Statutory reserves	-	28	(28)	-	-	-
Dividends to non-controlling interest	-	-	-	-	(3.778)	(3.778)
Increase in share capital of subsidiaries	-	-	-	-	3	3
	-	28	(28)	-	(3.774)	(3.774)
30 September 2018	376.800	6.554	(43.804)	339.550	72.835	412.382
1 January 2019	376.663	6.900	(28.447)	355.117	79.500	434.616
Total Income:						
Profit for the period	-	-	30.233	30.233	9.744	39.977
Other comprehensive income for the period:						
Cash flow hedges, after tax	-	(815)	-	(815)	(378)	(1.193)
Actuarial gains/(losses), after tax	-	3	(3)	(0)	-	(0)
Total comprehensive income for the period	-	(812)	30.230	29.418	9.366	38.784
Transactions with the shareholders:						
Statutory reserves	-	678	(678)	-	-	-
Dividends to non-controlling interest	-	-	-	-	(3.052)	(3.052)
	-	678	(678)	-	(3.052)	(3.052)
30 September 2019	376.663	6.766	1.105	384.534	85.815	470.349

The notes on pages 11 to 39 form an integral part of this condensed interim financial information.

Condensed Interim Financial information
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Statement of changes in equity (Company)

all amounts in € thousands

	Share capital	Other reserves	Retained earnings / (Accumulated losses)	Total equity
COMPANY				
1 January 2018	376.800	3.007	(168.803)	211.004
Total Income:				
Loss for the period	-	-	(7.970)	(7.970)
Total comprehensive income for the period	-	-	(7.970)	(7.970)
30 September 2018	376.800	3.007	(176.773)	203.034
1 January 2019	376.663	3.012	(187.233)	192.442
Total Income:				
Loss for the period	-	-	(14.126)	(14.126)
Total comprehensive income for the period	-	-	(14.126)	(14.126)
30 September 2019	376.663	3.012	(201.358)	178.316

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Cash Flow Statement (Company and Consolidated)

	Note	GROUP		COMPANY	
		01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
<i>all amounts in € thousands</i>					
Cash flows from operating activities					
Cash generated from / (used in) operations	13	35.946	11.970	(9.252)	(9.612)
Interest paid and interest related finance cost		(14.943)	(18.330)	(4.330)	(6.938)
Interest expense on lease liabilities	19	(2.594)	-	(40)	-
Income taxes paid		(4.489)	(4.165)	(0)	(10)
Net cash inflow/(outflow) from operating activities		13.921	(10.524)	(13.582)	(16.560)
Cash flows from investing activities					
Purchase of property, plant and equipment and investment property	5,6	(12.601)	(1.735)	(1.086)	(99)
Proceeds from sale of ppe and investment property	5,6	25	6.500	-	-
Dividends/pre-dividends received		135	-	2.393	3.262
Loans to/from related parties		-	-	-	(618)
Interest received		21	271	40	268
Proceeds from repayment of loans to related parties		-	-	-	168
Proceeds from sale/liquidation of participation		-	2.963	-	2.963
(Purchase)/sale of financial instruments held at fair value through profit or loss		-	20.539	-	20.539
Payment of consideration for disposal of participations		(9.040)	-	(9.040)	-
(Increase)/decrease in the share capital of participations	7	(4.050)	(840)	(2.929)	6.093
Restricted cash		-	-	13.112	(5.000)
Net cash inflow (outflow) from investing activities		(25.508)	27.699	2.491	27.576
Cash flows from financing activities					
Increase in share capital of subsidiaries by non-controlling interests		-	3	-	-
Dividends paid at non-controlling interests		(1.294)	(3.778)	-	-
Loans/Repayments of loans from related parties	16	10.000	-	9.746	(700)
Borrowings received	11	85.350	32.180	-	25.000
Repayment of borrowings	11	(96.588)	(49.036)	(1.000)	(40.698)
Lease payments	19	(212)	-	(595)	-
Borrowings transaction costs	11	(824)	(364)	-	-
Restricted cash		13.112	(5.000)	-	-
Net cash inflow (outflow) from financing activities		9.544	(25.995)	8.151	(16.398)
Net increase (decrease) in cash and cash equivalents		(2.043)	(8.820)	(2.940)	(5.382)
Cash and cash equivalents at the beginning of period		67.875	86.244	12.245	29.894
Cash and cash equivalents at end of period		65.831	77.424	9.306	24.512

The notes on pages 11 to 39 form an integral part of this condensed interim financial information.

Notes to the condensed consolidated and company interim financial information

1. General information

These condensed financial information include the company financial information of the company LAMDA Development S.A. (the “Company”) and the condensed consolidated financial information of the Company and its subsidiaries (together “the Group”) for the nine month period ended September 30, 2019. The names of the subsidiaries are presented in note 7 of this financial information. The annual financial statements of the Group’s subsidiaries for the year that ended at December 30, 2018, 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 Flisvos Marina in Faliro. Following the transfer to the purchaser of the sold shares of HELLINIKON S.A., the Company will undertake the integrated metropolitan regeneration of Hellinikon Airport 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 30.09.2019 with interest held at 53.82% of the share capital and therefore the Group’s financial statements are included in its consolidated financial statements.

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

This condensed consolidated and Company interim financial information of LAMDA Development SA have been approved for issue by the Company’s Board of Directors on January 9, 2020.

2. Basis of preparation and summary of significant accounting policies

2.1. Basis of preparation

This condensed interim consolidated and company financial information 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”. This condensed interim consolidated and company financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018 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 information are in accordance with those used for the preparation of the Company and Group annual financial statements as of December 31, 2018 apart from the adoption of the new IFRS 16 Leases, which effect is depicted in note 19.

The condensed interim consolidated and company financial information 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 information is appropriate, and (b) all assets and liabilities are appropriately presented in accordance with the Company’s accounting policies.

Condensed Interim Financial information

For the period from January 1- September 30, 2019

As at 30.09.2019, at Group level and Company level, current liabilities exceed current assets by €72m and €148m respectively due to the fact that the Management is in the process of negotiating with the financial institutions regarding the refinancing and/or extension of short-term Group bond loans amounting to a total of €100.1m, a process that has not been completed by the date of this financial information's release as described in note 11 "Borrowing". Specifically, regarding the Company's bond loan of €95.1m, following a request, the bondholders accepted the extension until 30.11.2019 with a simultaneous prepayment of €6m and re-examination of the extension request until 31.03.2020. The extension was deemed necessary in conjunction with the intention to issue a bond loan through a public offering expected to be decided and completed in the first quarter of 2020. In addition, Management is currently in the process of negotiating the bond loan of its subsidiary LAMDA Prime Properties SMSA (which owns the building Cecil at Kefalari) amounting to €5.0m, the maturity of which, upon request, was extended until 28.02.2020. Management estimates that the refinancing and/or maturity extension process will be successfully completed for the two aforementioned loans.

In addition, as described in note 23, the Company successfully completed the share capital increase of €650m on 17.12.2019, which will result in an increase in cash and cash equivalents by €640m excluding the issuance expenses of €10m.

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

The macroeconomic and financial environment in Greece is showing continuous signs of stability, following the successful completion of the third Program and the release of the third enhanced surveillance report by the European Commission on June 5, 2019. Following the elimination of the capital controls from September 1, 2019, initially imposed on June 28, 2015 and to the extent that will be no delays in the completion of key structural reforms, no material negative impact on the Group's Greek operations is anticipated.

Management continually assesses the possible impact of any changes in the macroeconomic and financial environment in Greece so as to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations. Despite the aforementioned uncertainties, the Group's operations continue without any disruption while the Group's shopping centers show further improvement of their profitability and also, there is a positive change in the discount rates; however Management is not able to accurately predict the likely developments in the Greek economy and its impact on the Group activities.

As described in detail in note 15 "Contingent liabilities and contingent assets", in January 2014, the Hellenic Council of State approved the petition for annulment of Codified Law 3207/2003, according to the provisions of which the Olympic Press Village (or "Olympiako Chorio Typou") and the Commercial and Leisure Centre "The Mall Athens" were constructed. This decision by the Hellenic Council of State has no direct impact on the operations of "The Mall Athens" and it is anticipated that the operations will continue unhindered for the foreseeable future. Management has assessed the required actions that have been indicated by the Group's legal advisors as imposed following the decision in order to cope with this situation and therefore has undertaken already all necessary actions to this direction. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.

The factors above have been taken into account by Management when preparing the financial information for the period ended September 30, 2019. In this uncertain economic environment, management continually assesses the situation, in this uncertain economic environment, and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations. In note 3 "Financial risk management" of the financial statements for the period ended December 31, 2018, 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.

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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, 2018.

2.2. Accounting principles

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 01.01.2019. 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 16 “Leases”

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effect from applying the standard to the Group is described in note 19. The adoption of the standard had no effect on leases where the Group is the lessor.

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

The amendments clarify that companies account for long-term interests in an associate or joint venture - to which the equity method is not applied - using IFRS 9. The amendment had no impact on the financial statements of the Group.

IFRIC 23 “Uncertainty over income tax treatments”

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation had no impact on the financial statements of the Group.

IAS 19 (Amendments) “Plan amendment, curtailment or settlement”

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

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs and are not expected to have significant impact on the Group's financial statements.

IFRS 3 “Business combinations”

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

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IFRS 11 “Joint arrangements”

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

IAS 12 “Income taxes”

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

IAS 23 “Borrowing costs”

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

Standards and Interpretations effective for subsequent periods

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

The amended definition 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 amendments have not yet been endorsed by the EU.

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

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

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

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

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 2018 and so they should be read in conjunction with them. There have been no changes in the risk management policies since December 31, 2018.

Regarding the liquidity risk, as of September 30, 2019, the short-term borrowing mainly concerns a) the Company's bond loan (of €95.1m) which, following a request, the bondholders accepted the extension

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to 30.11.2019 with a simultaneous prepayment of €6m and re-examination of the bond loan extension until 31.03.2020 as well as b) the subsidiary LAMDA Prime Properties SMSA (amounting to €5.0m) with due date in September 2019. Management is undergoing negotiations with the financial institutions regarding the refinancing of the above short-term loans, a procedure that has not been completed until the date of these financial information's release. Management expects that the process will be completed successfully.

The Company successfully completed the share capital increase of €650m on 17.12.2019, which will result in an increase in cash and cash equivalents by €640m excluding the issuance expenses of €10m.

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), the derivative financial instruments (note 12) and the financial instruments held at fair value through profit or loss (note 8).

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 nine month period ended 30 September 2019 were as follows:

	<u>Real estate</u>			Administrative and Management Services	Eliminations among segments	Total
	GREECE		BALKANS			
	<u>Shopping centers</u>	<u>Other investment property</u>	<u>Other investment property</u>			
Revenue from third parties	58.126	1.865	6	379	(816)	59.560
Net gains from fair value adjustment on investment property and inventories	44.016	2.680	-	-	-	46.696
Other direct property operating expenses	(10.268)	(928)	-	-	2.837	(8.358)
Expenses related to the development in the Hellinikon area	-	(5.815)	-	-	-	
Other	(262)	904	(196)	(7.684)	(2.021)	(9.259)
Share of profit / (loss) from joint ventures and associates	-	(206)	(804)	-	-	(1.010)
EBITDA	91.613	(1.499)	(994)	(7.305)	-	81.814

all amounts in € thousands

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The segment results for the nine month period ended 30 September 2018 were as follows:

<i>all amounts in € thousands</i>	<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	57.026	734	125	1.058	(1.235)	57.709
Net gains/(losses) from fair value adjustment on investment property and inventories	45.650	(135)	(100)	-	-	45.415
Other direct property operating expenses	(12.417)	(597)	-	-	2.565	(10.449)
Other	(746)	(200)	(461)	(7.760)	(1.330)	(10.497)
Share of profit / (loss) from joint ventures and associates	-	418	(1.580)	789	-	(373)
EBITDA	89.513	220	(2.016)	(5.913)	-	81.805

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

<i>all amounts in € thousands</i>	<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	19.602	604	2	75	(235)	20.049
Net gains/(losses) from fair value adjustment on investment property and inventories	(5.091)	2.100	-	-	-	(2.991)
Other direct property operating expenses	(3.992)	(506)	-	-	862	(3.636)
Expenses related to the development in the Hellinikon area	-	(5.815)	-	-	-	-
Other	(217)	1.073	(53)	(2.827)	(627)	(2.651)
Share of profit / (loss) from joint ventures and associates	-	318	(196)	-	-	122
EBITDA	10.302	(2.227)	(246)	(2.752)	-	5.078

The segment results for the three month period ended 30 September 2018 were as follows:

<i>all amounts in € thousands</i>	<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	18.905	255	122	358	(413)	19.228
Other direct property operating expenses	(4.686)	(354)	-	-	893	(4.147)
Other	(549)	(58)	(211)	(2.481)	(480)	(3.779)
Share of profit / (loss) from joint ventures and associates	-	232	(1.055)	829	-	6
EBITDA	13.671	75	(1.144)	(1.294)	-	11.309

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 30.09.2019, revised valuations on the investment property were carried out which affected the last interim quarter of 2019 (note 5).

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

<i>all amounts in € thousands</i>	<u>Real estate</u>				Total
	GREECE		BALKANS	Administrative and Management Services	
	<u>Shopping centers</u>	<u>Other investment property</u>	<u>Other investment property</u>	<u>Administrative and Management Services</u>	
30 September 2019					
Assets per segment	1.022.219	77.789	33.458	41.765	1.175.231
Expenditure of non-current assets	11.558	12	-	1.031	12.602
Liabilities per segment	536.023	47.390	208	121.261	704.882

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

Certain figures for the comparative period of 2018 have been reclassified for comparability purposes.

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

<i>all amounts in € thousands</i>	30.09.2019	30.09.2018
Adjusted EBITDA for reportable segments	30.09.2019	30.09.2018
EBITDA	81.814	81.805
Depreciation of ppe	(642)	(550)
Finance income	27	299
Finance costs	(20.344)	(19.628)
Profit before income tax	60.856	61.926
Income tax expense	(20.878)	(23.304)
Profit	39.977	38.623

B) Geographical segments

The segment information for the nine month period ended 30 September 2019 was as follows:

30 September 2019 <i>all amounts in € thousands</i>	Total revenue	Non-current assets
Greece	59.554	1.044.758
Balkans	6	30.074
	59.560	1.074.832

The segment information for the annual period ended 31 December 2018 was as follows:

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

5. Investment property

<i>all amounts in € thousands</i>	Note	GROUP		COMPANY	
		30.09.2019	31.12.2018	30.09.2019	31.12.2018
Balance at 1 January		852.115	768.415	1.840	1.840
Right-of-use assets	19	78.615	-	-	-
Net gain/(loss) from fair value adjustment on investment property		46.696	56.836	-	-
Acquisition of investment property		-	30.000	-	-
Subsequent expenditure on investment property	6	13.415	264	-	-
Additional property cost		11.003	3.100	-	-
Disposals		-	(6.500)	-	-
Balance at the end of period		1.001.844	852.115	1.840	1.840

The investment property includes property operating lease that amounts to €183.8m and is related to the Mediterranean Cosmos Shopping Centre. The right-of-use of this property is recognized at 01.01.2019 and corresponds to the respective amount in lease liability of €78.6m (note 19). In addition, the subsidiary LAMDA OLYMPIA VILLAGE SMSA in the process of issuance of a presidential decree for the approval of the City Building Plan of the area where the mall under the trade name "The Mall Athens" is situated, was committed to the payment of the amount of €11.0m.

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

Investment property is valued each semester or more often given that the market conditions or the terms of any existing lease and other contracts show differ significantly from those in the previous reporting period. The valuations are prepared by independent qualified valuers using the Discounted Cash Flows (DCF) method. The cash flows are based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (where possible) external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect each tenant's sector (food and restaurants, electronic appliances, apparel etc.) as well as the current market assessments of the uncertainty in the amount and timing of the cash flows. In some cases, where necessary, the valuation is based on the Comparative Method. The aforementioned valuation methods come under hierarchy level 3 as described in note 3 of the annual financial statements as at 31 December 2018.

At 30.09.2019, revised valuations on the investment property were carried out as the discount rates fell resulting to a change of the fair value of the Group's investment property and mainly of the shopping centers. The other primary assumptions of the valuations remained basically the same as those of 30.06.2019.

More precisely, at 30.09.2019, 93% of total fair value of the Group's investment property relates to Shopping Centres and 5% to Office Buildings. For both type of property, the valuation was determined using the DCF approach with the following significant assumptions:

- With regards to the Shopping Centres, The Mall Athens has a freehold status, Mediterranean Cosmos is held under a lease that expires in 2065 and Golden Hall is held under a lease that expires in 2103. As far as the office buildings are concerned, they are owned by the Group.
- In short, the yields according to the latest valuations at September 30, 2019 are as follows:

	Discount rate	
	30.09.2019	31.12.2018
Malls		
The Mall Athens	8,40%	9,00%
Med.Cosmos	9,40%	9,75%
Golden Hall	9,15%	9,50%
Office buildings		
Ilida, Maroussi	8,50%	9,00%
Cecil, Kefalari	8,65%	9,25%

- In relation to the annual consideration that every tenant of the Malls pays (Base Consideration – fixed consideration that is set in the contract), it is adjusted annually according to the CPI plus a slight indexation which is differentiated between the tenants. The average CPI that has been used over the period is 1.50%.

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

<i>all amounts in € thousands</i>	Discount rate	Discount rate
	+0,25%	-0,25%
The Mall Athens	-6,9	7,1
Med.Cosmos	-2,8	2,9
Golden Hall	-4,1	4,2
Malls	-13,8	14,2
Ilida, Maroussi	-0,5	0,5
Cecil, Kefalari	-0,2	0,2
Office buildings	-0,7	0,7
Total	-14,5	14,9

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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. 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.

There are real estate liens and pre-notices over the total investment property.

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 2018	798	6.196	7.887	2.931	1.575	19.387
Additions	38	187	324	28	1.158	1.735
Disposals / Write-offs	-	-	(1)	-	-	(1)
Transfer to income statement	-	-	-	-	(335)	(335)
30 September 2018	836	6.383	8.211	2.959	2.398	20.787
1 January 2019						
1 January 2019	836	6.379	8.550	2.978	2.742	21.484
Additions	-	26	710	16	11.849	12.601
Disposals / Write-offs	(269)	-	(43)	(9)	-	(321)
Transfer to investment property	-	-	-	-	(13.414)	(13.414)
30 September 2019	567	6.404	9.217	2.984	1.178	20.349
Accumulated depreciation						
1 January 2018	(454)	(5.051)	(6.690)	(2.717)	-	(14.912)
Depreciation charge	(35)	(260)	(207)	(48)	-	(550)
Disposals / Write-offs	-	-	1	-	-	1
30 September 2018	(489)	(5.311)	(6.896)	(2.765)	-	(15.461)
1 January 2019						
1 January 2019	(501)	(5.362)	(6.963)	(2.782)	-	(15.608)
Depreciation charge	(22)	(259)	(226)	(47)	-	(553)
Disposals / Write-offs	143	-	41	9	-	194
30 September 2019	(380)	(5.621)	(7.148)	(2.819)	-	(15.968)
Closing net book amount at 30 September 2018	346	1.073	1.315	194	2.398	5.326
Closing net book amount at 30 September 2019	187	783	2.069	165	1.178	4.382
COMPANY - Cost						
1 January 2018	367	190	1.392	2.736	-	4.685
Additions	-	(0)	72	27	-	99
Disposals / Write-offs	-	-	(1)	-	-	(1)
30 September 2018	367	190	1.464	2.763	-	4.783
1 January 2019						
1 January 2019	367	190	1.507	2.774	-	4.838
Additions	-	(0)	84	13	989	1.086
30 September 2019	367	190	1.591	2.788	989	5.924
Accumulated depreciation						
1 January 2018	(252)	(82)	(1.117)	(2.586)	-	(4.038)
Depreciation charge	(9)	(15)	(46)	(42)	-	(113)
Disposals / Write-offs	-	-	1	-	-	1
30 September 2018	(261)	(97)	(1.163)	(2.628)	-	(4.150)
1 January 2019						
1 January 2019	(264)	(102)	(1.182)	(2.642)	-	(4.190)
Depreciation charge	(9)	(13)	(56)	(39)	-	(117)
30 September 2019	(272)	(114)	(1.239)	(2.681)	-	(4.306)

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Closing net book amount at 30 September 2018	106	93	301	135	-	634
Closing net book amount at 30 September 2019	94	75	352	106	989	1.618

7. Investments in subsidiaries, joint ventures and associates

The Group's structure on September 30, 2019 is as follows:

<u>Company</u>	<u>Country of incorporation</u>	<u>% interest held</u>	<u>Company</u>	<u>Country of incorporation</u>	<u>% interest held</u>
LAMDA DEVELOPMENT S.A. - Parent	Greece				
<u>Subsidiaries</u>					
			Robies Proprietati Imobiliare SRL	Romania	Indirect 90,0%
PYLAIA S.M.S.A.	Greece	Indirect 68,3%	LAMDA Development Sofia EOOD	Bulgaria	100,0%
LAMDA DOMI S.M.S.A.	Greece	Indirect 68,3%	TIHI EOOD	Bulgaria	Indirect 100,0%
LAMDA MALLS A.E.	Greece	68,3%	LOV Luxembourg SARL	Luxembourg	Indirect 100,0%
L.O.V. S.M.S.A.	Greece	100,0%	Hellinikon Global I SA	Luxembourg	100,0%
LAMDA Estate Development S.M.S.A.	Greece	100,0%	LAMDA Development (Netherlands) BV	Netherlands	100,0%
LAMDA Prime Properties S.M.S.A.	Greece	100,0%	Robies Services Ltd	Cyprus	90,0%
LAMDA ILIDA OFFICE S.M.S.A.	Greece	100,0%	<u>Joint ventures</u>		
Malls Management Services S.M.S.A.	Greece	100,0%	LAMDA DOGUS MARINA INVESTMENTS S.A.	Greece	50,0%
MC Property Management S.M.S.A.	Greece	100,0%	LAMDA Flisvos Marina S.A.	Greece	Indirect 32,2%
KRONOS PARKING S.M.S.A.	Greece	Indirect 100,0%	LAMDA Flisvos Holding A.E.	Greece	Indirect 41,7%
LAMDA ERGA ANAPTYXIS S.M.S.A.	Greece	100,0%	LAMDA AKINITA S.A.	Greece	50,0%
LAMDA LEISURE A.E.	Greece	100,0%	Singidunum-Buildings DOO	Serbia	Indirect 75,6%
GEAKAT S.A.	Greece	100,0%	GLS OOD	Bulgaria	Indirect 50,0%
LAMDA Real Estate Management S.A.	Greece	100,0%	<u>Associates</u>		
Property Development DOO	Serbia	100,0%	ATHENS METROPOLITAN EXPO S.A.	Greece	11,7%
LAMDA Development Montenegro DOO	Montenegro	100,0%	METROPOLITAN EVENTS	Greece	Indirect 11,7%
LAMDA Development Romania SRL	Romania	100,0%	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.

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(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	30.09.2019			31.12.2018		
			Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
L.O.V. S.M.S.A.	Greece	100%	159.368	-	159.368	159.365	-	159.365
LAMDA MALLS A.E.	Greece	68,3%	51.496	-	51.496	51.496	-	51.496
LAMDA Estate Development S.M.S.A.	Greece	100%	45.461	27.599	17.861	46.184	27.424	18.760
LAMDA Prime Properties S.M.S.A.	Greece	100%	9.272	-	9.272	9.272	-	9.272
LAMDA ILIDA OFFICE S.M.S.A.	Greece	100%	300	-	300	100	-	100
GEAKAT S.A.	Greece	100%	15.023	10.030	4.993	15.023	10.030	4.993
LAMDA ERGA ANAPTYXIS S.M.S.A.	Greece	100%	9.070	390	8.680	9.070	-	9.070
LAMDA Real Estate Management S.A.	Greece	100%	1.210	1.210	-	1.110	1.110	-
LAMDA LEISURE A.E.	Greece	100%	1.050	-	1.050	1.050	-	1.050
MC Property Management S.M.S.A.	Greece	100%	745	-	745	745	-	745
Malls Management Services S.M.S.A.	Greece	100%	1.224	-	1.224	1.224	-	1.224
LAMDA DEVELOPMENT SOFIA E.O.O.D.	Bulgaria	100%	363	363	-	363	363	-
PROPERTY DEVELOPMENT D.O.O.	Serbia	100%	11.685	11.685	-	11.685	11.685	-
PROPERTY INVESTMENTS D.O.O	Serbia	100%	-	-	-	1	-	1
LAMDA DEVELOPMENT ROMANIA SRL	Romania	100%	741	741	-	741	741	-
ROBIES SERVICES LTD	Cyprus	90%	1.823	1.823	-	1.823	1.823	-
LAMDA DEVELOPMENT (NETHERLANDS) BV	Netherlands	100%	82.528	27.200	55.328	79.178	27.200	51.978
LAMDA DEVELOPMENT MONTENEGRO D.O.O.	Montenegro	100%	800	800	-	800	800	-
LOV LUXEMBOURG SARL (έμμεσα)	Luxembourg	100%	218	-	218	218	-	218
HELLINIKON GLOBAL I S.A.	Luxembourg	100%	36	-	36	36	-	36
Investment in subsidiaries			392.411	81.840	310.571	389.482	81.175	308.307

The movement in investment in subsidiaries is as follows:

all amounts in € thousands

	30.09.2019	31.12.2018
Balance at 1 January	308.307	285.018
Additions	-	100
Increase/(decrease) in share capital	2.929	25.888
Provision for impairment	(665)	(2.699)
Balance at the end of period	310.571	308.307

Increase/Decrease in share capital

The subsidiary LAMDA Estate Development S.A. decreased its share capital by €0.7m. On the contrary, the Company participated in the share capital increase of the companies Lamda Development (Netherlands) BV, LAMDA Real Estate Management SA and LAMDA ILIDA OFFICE SA by €3.4m, by €0.1m and €0.2m respectively. During the first semester of the liquidation of the company Property Investments DOO was completed.

Non-controlling interests

The Group's non-controlling interests amount to €85.8m at 30.09.2019 (31.12.2018: €79.5m) out of which €86.0m (31.12.2018: €79.7m) comes from the subsidiary LAMDA MALLS SA. Non-controlling interests represent 31,7% on the LAMDA MALLS SA Group's equity, which subsidiaries by 100% are LAMDA DOMI SMSA and PYLAIA SMSA.

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

Statement of financial position	GROUP	
	30.09.2019	31.12.2018
<i>all amounts in € thousands</i>		
Investment property	506.306	390.850
Other non-current assets	11.044	14.055
Receivables	4.663	10.884
Cash and cash equivalents	43.814	31.079
	565.827	446.868
Deferred income tax liabilities	53.371	47.294
Long-term borrowings	145.556	104.122
Long-term lease liability	78.175	-
Other non-current liabilities	2.143	259
Short-term borrowings	534	30.882
Short-term lease liability	330	-
Trade and other payables	14.384	12.925
	294.494	195.482
Total equity	271.334	251.386
Income statement	GROUP	
	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
<i>all amounts in € thousands</i>		
Revenue	33.015	32.484
Net gains from fair value adjustment on investment property	23.418	37.100
Other operating income / (expenses) - net	(8.282)	(11.186)
Finance costs - net	(5.694)	(4.219)
Profit before income tax	42.457	54.179
Income tax expense	(11.688)	(16.223)
Profit	30.769	37.956
Comprehensive income statement	GROUP	
	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
<i>all amounts in € thousands</i>		
Profit for the period	30.769	37.956
Other	(1.193)	-
Other comprehensive income for the period	29.576	37.956
Total comprehensive income for the period	29.576	37.956
	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
<i>all amounts in € thousands</i>		
Cash flows from operating activities	1.336	7.638
Cash flows to investing activities	4.637	(1.440)
Cash flows to financing activities	6.762	(570)
Net increase in cash and cash equivalents	12.735	5.628

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

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

COMPANY	30.09.2019			31.12.2018				
Name	Country of incorporation	% interest held	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
LAMDA AKINITA S.A.	Greece	50,00%	4.454	1.883	2.571	4.454	1.883	2.571
LAMDA DOGUS MARINA INVESTMENTS S.A.	Greece	50,00%	4.022	-	4.022	4.022	-	4.022
Investment in joint-ventures			8.476	1.883	6.593	8.476	1.883	6.593

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

GROUP Name	Country of incorporation	% interest held	30.09.2019			31.12.2018		
			Cost	Share in profit/(loss)	Carrying amount	Cost	Share in profit/(loss)	Carrying amount
LAMDA AKINITA S.A.	Greece	50,00%	4.454	(1.893)	2.561	4.454	(1.884)	2.570
LAMDA DOGUS MARINA INVESTMENTS S.A.	Greece	50,00%	4.022	(1.868)	2.154	4.022	(1.671)	2.351
SINGIDUNUM-BUILDINGS DOO	Serbia	75,61%	45.145	(20.037)	25.108	41.095	(19.033)	22.062
GLS OOD	Bulgaria	50,00%	55	(4)	51	55	(2)	52
TOTAL			53.676	(23.803)	29.874	49.626	(22.591)	27.035

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

	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
<i>all amounts in € thousands</i>				
Balance at 1 January	27.035	22.627	6.593	6.703
Increase/(decrease) in share capital	4.050	5.567	-	-
Share in profit/(loss)	(1.211)	(1.159)	-	-
Provision for impairment	-	-	-	(110)
Balance at the end of period	29.874	27.035	6.593	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, through a share capital increase of €4.1m, from 72.94% at 31.12.2018 to 74.85% at 30.09.2019, 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	75,61%	72,94%
	30.09.2019	31.12.2018
<i>all amounts in € thousands</i>		
Inventories	75.344	73.652
Receivables	479	414
Cash and cash equivalents	259	1.273
	76.081	75.339
Long-term borrowings	-	40.020
Short-term borrowings	42.520	5.000
Trade and other payables	356	73
	42.876	45.092
Total equity	33.206	30.246
(Group's interest)	75,61%	72,94%
Total equity	25.108	22.062
Income statement		
<i>all amounts in € thousands</i>		
	01.01.2019 to	01.01.2018 to
	30.09.2019	30.09.2018
Revenue	-	-
Net gains/(loss) from fair value adjustment on inventory	-	-
Other operating income / (expenses) - net	(168)	(86)
Finance costs - net	(924)	(1.028)
Loss before income tax	(1.092)	(1.114)
Income tax expense	-	-
Loss for the period	(1.092)	(1.114)
(Group's interest)	75,61%	69,19%
Loss for the period	(825)	(771)

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Comprehensive income statement

<i>all amounts in € thousands</i>	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
Loss for the period	(825)	(771)
Currency translation differences	-	-
Other comprehensive income for the period	(825)	(771)
Total comprehensive income for the period	(825)	(771)

Cash flow statement

<i>all amounts in € thousands</i>	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
Cash flows from operating activities	(1.156)	(1.147)
Cash flows to investing activities	(1.409)	(240)
Cash flows to financing activities	1.550	1.400
Net increase/(decrease) in cash and cash equivalents	(1.015)	13

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

The Group participates in the following associates' equity:

GROUP	Country of incorporation	% interest held	30.09.2019			31.12.2018		
			Cost	Share in profit/(loss)	Carrying amount	Cost	Share in profit/(loss)	Carrying amount
Name								
ATHENS METROPOLITAN EXPO AE	Greece	11,67%	1.167	-	1.167	1.167	-	1.167
S.C. LAMDA MED SRL (Indirect)	Romania	40,00%	1.133	1.260	2.393	1.133	1.195	2.328
TOTAL			2.300	1.260	3.560	2.300	1.195	3.494

The movement of associates is as follows:

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Balance at 1 January	3.494	3.915	1.166	1.558
Share in profit/(loss)	201	170	-	-
Decrease in share capital	-	(591)	-	(392)
Dividend contribution	(135)	-	-	-
Balance at the end of period	3.560	3.494	1.166	1.166

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

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Money market funds	593	595	-	-
	593	595	-	-

Above financial instruments relate to the placement of the Company's cash in various financial counterparties with high ratings and are measured at fair value through income statement. During 2019, the Group did not made any liquidation of bonds whereas a loss of €2k has been recognized in the income statement from the above mentioned money market fund.

The above mentioned financial instruments are categorized under hierarchy 1 as described in note 3.

9. Cash and cash equivalents

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Cash at bank	65.062	66.898	9.255	12.192
Cash in hand	769	976	51	53
Total	65.831	67.875	9.306	12.245

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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:

Moody's Rating	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Caa1	56.623	37.184	8.298	12.069
Caa2	852	11.478	852	8
Aa3	7.162	17.448	105	115
N/A	426	786	-	-
Total	65.062	66.898	9.255	12.192

10. Financial instruments by category

GROUP - 30.09.2019		GROUP - 30.09.2019		
	Financial assets at amortized cost	Financial instruments held at fair value through profit or loss	Financial liabilities at amortized cost	Interest rate swaps - cash flow hedges (IRS)
<i>all amounts in € thousands</i>				
Trade and other receivables	5.480	-	Borrowings	436.184
Cash and cash equivalents	65.831	-	Trade and other payables	5.742
Other financial receivables	-	593	Interest payable	3.545
Total	71.311	593	Derivative financial instruments	-
			Loans from related parties	10.034
			Liabilities to related parties	599
			Other financial payables	32.850
			Total	488.954
				1.591

COMPANY - 30.09.2019		COMPANY - 30.09.2019	
	Financial assets at amortized cost		Financial liabilities at amortized cost
<i>all amounts in € thousands</i>			
Trade and other receivables	42	Borrowings	95.128
Loans to related parties	8.007	Trade and other payables	585
Other financial receivables	5.625	Loans from related parties	65.071
Receivables from related parties	425	Other financial payables	16.102
Total	14.099	Total	176.886

GROUP - 31.12.2018		GROUP - 31.12.2018		
	Financial assets at amortized cost	Financial instruments held at fair value through profit or loss	Financial liabilities at amortized cost	
<i>all amounts in € thousands</i>				
Trade and other receivables	5.166	-	Borrowings	446.841
Restricted cash	13.038	-	Trade and other payables	8.404
Cash and cash equivalents	67.875	-	Interest payable	2.143
Derivative financial instruments	-	285	Other financial payables	32.249
Other financial receivables	13.385	595	Total	489.638
Total	99.463	881		

COMPANY - 31.12.2018		COMPANY - 31.12.2018	
	Financial assets at amortized cost		Financial liabilities at amortized cost
<i>all amounts in € thousands</i>			
Trade and other receivables	29	Borrowings	96.128
Restricted cash	13.038	Trade and other payables	1.339
Loans to related parties	7.987	Loans from related parties	53.776
Other financial receivables	7.443	Other financial payables	25.442
Receivables from related parties	1.239	Liabilities to related parties	3
Total	29.736	Total	176.688

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11. Borrowings

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Non-current				
Bond borrowings	329.938	305.835	-	-
Total non-current	329.938	305.835	-	-
Current				
Bond borrowings	106.246	133.826	95.128	96.128
Overdraft account	-	7.180	-	-
Total current	106.246	141.006	95.128	96.128
Total borrowings	436.184	446.841	95.128	96.128

The movements in borrowings are as follows:

<i>12 months ended 31 December 2018 (amounts in € thousands)</i>	GROUP	COMPANY
Balance at 1 January 2018	441.887	123.137
Bond borrowings	120.228	25.000
Overdraft account	7.180	-
Borrowings transaction costs - amortization	2.157	767
Borrowings transaction costs	(1.265)	-
Borrowings repayments	(123.345)	(52.776)
Balance at 31 December 2018	446.841	96.128
<i>9 months ended 30 September 2019 (amounts in € thousands)</i>	GROUP	COMPANY
Balance at 1 January 2019	446.841	96.128
Bond borrowings	85.350	-
Recognition of interest at fair value	540	-
Borrowings transaction costs - amortization	865	-
Borrowings transaction costs	(824)	-
Borrowings repayments	(96.588)	(1.000)
Balance at 30 September 2019	436.184	95.128

Borrowings are secured by mortgages on the Group's 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.

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

On 29.07.2019 the subsidiary LOV SMSA voluntarily prepaid an amount of €15.0m of its bond loan which contract provides the option of an extension for one year until 28.07.2021 subject to certain terms and conditions. In addition, on 27.07.2019 the subsidiary LAMDA Prime Properties S.M.S.A. proceeded to prepayment of capital amounting to €300k and on 31.12.2019 to prepayment of €100k under extended maturity until 28.02.2020.

Amortization of borrowings transaction costs of €2.3m are included in the total borrowings as at September 30, 2019, out of which €0.9m is applied to current borrowings whereas the rest €1.4m is applied to non-current borrowings.

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The maturity of non-current borrowings is as follows:

<i>all amounts in € thousands</i>	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Between 1 and 2 years	156.292	216.733	-	-
Between 2 and 5 years	16.917	10.763	-	-
Over 5 years	156.730	78.338	-	-
	329.938	305.835	-	-

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

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

At 30.09.2019, the average base effective interest rate of the Group is 0.05% and the average bank spread is 4.21%. Therefore, the Group total effective borrowing rate stands at 4.26% at 30.09.2019.

The Company's secured syndicated bond loan of current balance €95.1m 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 30.09.2019 the Company's subsidiary LAMDA DOMI SMSA's secured syndicated bond loan of current balance €75.7m, 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 €159.8m (€157.9m 29.07.2019), granted by HSBC, Eurobank Ergasias and Apollo Global Management ACRE DEBT 1 LIMITED fund's participation has the following covenants: Loan to value <65% and Debt Service Cover ratio >110%. At September 30, 2019, all above mentioned ratios are satisfied at Group and Company level.

At 30.09.2019 the short-term borrowings include the following liabilities:

- The Company's bond loan, amount of approximately €95.1m granted by Alpha Bank, Bank of Piraeus and Eurobank Ergasias.
- The loan of the subsidiary LAMDA Prime Properties SMSA, amount of approximately €5.0m granted by Alpha Bank.

The Company has agreed for an extension of its €95.1m bond loan to 31.03.2020, a process that has not been completed in its contractual arm's request for an extension of maturity to 31.03.2020 until the date of publication of the financial information. Specifically, following requests, the bondholders accepted the extension until 30.11.2019 and then until 31.03.2020.

The procedures regarding the loan of LAMDA Prime Properties S.M.S.A. (which owns the building Cecil at Kefalari) are currently at an advanced stage of contractual processing and Management estimates that the loan will be successfully refinanced within the first quarter of 2020.

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12. Derivative financial instruments

	GROUP				COMPANY			
	30.09.2019		31.12.2018		30.09.2019		31.12.2018	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<i>all amounts in € thousands</i>								
Derivatives held at fair value through profit or loss (Cap)		-	285	-	-	-	-	-
Interest rate swaps - cash flow hedges (IRS)	-	1.591	-	-	-	-	-	-
Total		1.591	285	-	-	-	-	-
Non-current		1.591	285	-	-	-	-	-
Current		-	-	-	-	-	-	-
Total		1.591	285	-	-	-	-	-

The nominal value of interest rate swaps that are hedged (IRS) as at 30.09.2019 is €45m, for the Company's subsidiary LAMDA DOMI SMSA, and their maturity date is 2025. The interest rate swaps have been measured at fair value stated by the counterpart bank. As at 30.09.2019 the long-term borrowings floating rates are secured with interest risk derivatives (IRS) ranged according to 3-month Euribor plus 3.03%. In relation to derivatives at fair value through profit or loss, a Cap instrument as a hedging strategy for the Interest Rate Risk has been selected for the subsidiary's, LOV S.M.S.A., bond loan at a notional amount of €160m and their maturity date is 2020. The movement of the fair value is recognized in the income statement.

The total fair value of the derivative financial instrument, which is described under hierarchy 2 in note 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.

13. Cash generated from operations

	Note	GROUP		COMPANY	
		01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
<i>all amounts in € thousands</i>					
Profit/(loss) for the period		39.977	38.623	(14.126)	(7.970)
<u>Adjustments for:</u>					
Tax		20.878	23.304	(645)	(1.690)
Depreciation	6,19	642	550	734	113
Share of profit from associates	7	1.145	373	-	-
Dividends income		(135)	-	(2.393)	(3.262)
Provision for impairment of receivables from subsidiaries	16	-	-	826	869
Provision for impairment of investments in subsidiaries, joint ventures and associates	7	-	-	665	-
Impairment of receivables		(250)	-	(150)	-
Loss from sale/valuation of financial instruments/derivatives		287	92	-	267
Loss from disposal of property, plant & equipment	6	128	-	-	-
Interest income		(27)	(299)	(846)	(1.113)
Interest expense		20.344	19.628	7.130	8.306
Provision for inventory impairment		-	170	-	-
Net gain from fair value adjustment on investment property	5	(46.696)	(45.585)	-	-
Other non cash income / (expense)		-	233	(8)	2
		36.294	37.088	(8.812)	(4.477)

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Changes in working capital:

Increase in inventories	(1)	120	-	-
(Increase)/decrease in receivables	4.801	(27.727)	1.453	(6.685)
(Decrease)/increase in payables	(5.148)	2.490	(1.893)	1.550
	(348)	(25.118)	(440)	(5.135)
Cash flows from operating activities	35.946	11.970	(9.252)	(9.612)

14. Commitments

Capital commitments

At September 30, 2019 there is capital expenditure of €5.6m that has been contracted for but not yet incurred at the balance sheet date.

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 bank guarantees, other guarantees and other matters arising in the ordinary course of business, for which no significant additional liabilities are expected to arise as follows:

	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Liabilities (all amounts in € thousands)				
Letters of guarantee relating to obligations	33.513	40.182	30.004	30.004
Total	33.513	40.182	30.004	30.004

Assets (all amounts in € thousands)

Letters of guarantee relating to receivables (from tenants)	41.378	40.687	-	-
Total	41.378	40.687	-	-

In addition to the issues mentioned above there are also the following particular issues, which are not required under IAS 37 to formulate provisions as in accordance with the relevant opinions of the Group companies' legal advisors and the estimates of the Group's Management, are not considered likely that outflow of resources will be required to settle the matter:

- The Group provides, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. As a result, the Group's tax obligations have not been defined permanently. At 30.09.2019 no such provisions have been formed for the Group's and Company's unaudited, by the tax authorities, years. For a detailed reference to the unaudited, by the tax authorities, years see note 18.
- The affiliate company L.O.V. S.M.S.A. (hereinafter "LOV") had to pay for the transfer of specific real property in the past (on 2006), property transfer tax of approximately €13,7m, reserving its rights with regard to this tax and finally taking recourse to the administrative courts against the silent rejection of its reservations by the competent Tax Authority. In 2013 the said recourse was accepted in part and the re-calculation of the owed property tax was ordered, which led to the returning to LOV of an amount of approximately €9,5m. Further to appeals on points of law filed by both parties, the Council of State rejected LOV's appeal and accepted the Hellenic Republic's appeal; consequently the case was referred back to the Administrative Court of Appeals, which initially postponed the issue of a final decision and obliged the parties to adduce evidence for the determination of the market value of the property; after resuming hearing of the case, the Administrative Court of Appeals finally rejected the recourse, determined the taxable value of the property and obliged the competent Tax Authority to re-calculate the transfer tax due upon the new taxable value. Following this decision, LOV had to pay transfer tax of approximately €16,3m. An appeal on points of law has been filed and is estimated by the legal counsels of the Company to have high chances of success. In specific, grounds of appeal challenging re-calculation of transfer tax upon the market value of the property, to the extent it exceeds the objective value, are expected to succeed with very high probability.

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- Five (5) petitions for annulment have been filed and were pending before the Council of State related to LOV, regarding the plot of land where the Maroussi Media Village (or “Olympiako Chorio Typou”) and the Commercial and Leisure Centre “The Mall Athens” were built. More specifically: the first of these petitions was heard on 03.05.2006 and the decision no 391/2008 of the Fifth Chamber of the Council of State was issued committing for the Plenary Session of the Council of State. Further to successive postponements the case was heard on 05.04.2013. By virtue of its decision No 376/2014, the Plenary Session accepted the said petition and the Court annulled the silent confirmation by the competent planning authority of the Ministry of Environment, Planning & Public Works (namely, DOKK) that the studies of the project submitted to such authority were compliant with article 6 paragraphs 1 and 2 of Law 3207/2003. The Council of State annulled the aforementioned act, because it identified irregularities of a procedural nature in the issuance of the licenses required for the project. In light of such nature of the identified irregularities, it is estimated that they may be rectified, and LOV has already initiated the procedure required further to the issuance of the said decision. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.
- The second petition was heard on 02.04.2014, further to successive postponements, and the Fifth Section issued its Decision No. 4932/2014, whereby the Court cancelled the proceedings. The hearing for the third and fourth petitions took place on 24.04.2018 (again, further to successive postponements). The third and fourth petitions for annulment seek the annulment of a series of pre-approvals and operating licenses respectively, issued by the Municipality of Maroussi to a number of stores operating in the aforementioned Shopping Center, on the basis that the law on which said pre-approvals and licenses were issued is not compatible with the provisions of the Constitution. The Council of State issued decisions No. A1963 and A1964/2019, by means of which said proceedings appear to have been cancelled. However, the exact content of these decisions has not yet been made known to the Company, because they haven’t been certified yet. The fifth petition for annulment, which was heard on 21.03.2017, will probably be rejected on the grounds that the matter falls outside of the Court’s jurisdiction (since the decision under annulment is the decision of the Board of Directors of OEK (Worker’s Housing Organization or “Organismos Ergatikis Katoikias”) which is not an enforceable administrative act.
- Contractor “MICHANIKI SA” undertook a significant part of the construction works for the “Mediterranean Cosmos” shopping centre in Pylaia, Thessaloniki. Both “PYLAIA S.M.S.A.” (hereinafter “PYLAIA”), a subsidiary of the Company, and “MICHANIKI SA” have filed actions and counter-actions against each other, which were jointly heard on 1.4.2009. The Athens Multimember Court of 1st Instance issued decision 8172/2009 according to which the actions of PYLAIA were rejected whereas an expert was appointed in relation to the actions of “MICHANIKI SA”. PYLAIA appealed against that decision and the hearing of the appeal took place, following postponements, on 28.02.2013 before the Athens Court of Appeal. The Athens Court of Appeal issued decision No. 3977/2013 which rejected the appeal of PYLAIA. The Company submitted an appeal on points of law before the Supreme Court, which was heard on 11.05.2015. The Court accepted the appeal of PYLAIA by means of its Decision No 208/2016, despite the negative opinion issued by the Judge Rapporteur, and sent the case back to the Court of Appeals for a new hearing. Further to the hearing of the case on 07.02.2019, Court of Appeals issued its decision No 2776/2019, whereby the appeal filed by PYLEA was accepted and the Court ordered the carrying out of an expert opinion. The case will be heard once the experts submit their opinion. Moreover, on 28.12.2010 the PYLEA filed lawsuits No 13132, 13134 and 13129/2010 before the Athens Multi-Member 1st Instance Court against "MICHANIKI SA", the hearing of which took place on 13.02.2013, following a postponement on 14.11.2012. Such lawsuits are identical to the previously presented lawsuits, save that they have been filed jointly with the company “EUROHYPO S.A.” to address the event where the Court rules that PYLAIA is not entitled to file these lawsuits in its name. For this reason, the hearing of such lawsuits was cancelled on 13.02.2013 and had been reenacted so that those lawsuits were scheduled to be heard on 18.03.2015, when hearing was postponed for 25.01.2017 and then again cancelled. A new hearing for these lawsuits was set for 21.02.2018 and then again cancelled.

Additionally, further to the submission before the Court of the expert’s report, which is favorable to PYLAIA, the hearing of the actions of “MICHANIKI SA” had been set (after postponements) for 10.10.2018 when was finally heard and the respective decision is expected to be issued. Moreover,

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

- Public (already private) law entity under the trade name "Hellenic Olympic Committee" ("HOC") has filed a lawsuit under reference number 71731/2263/2019 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 30.04.2007-30.06.2019. The abovementioned 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 a procedural invitation-notice under reference number 93608/2970/2019, ETAD has invited LAMDA DOMI to file an intervention to the abovementioned litigation process in support to ETAD against HOC's lawsuit. LAMDA DOMI has indeed filed a "supporting intervention" under reference number 103790/2019 in favor of ETAD. The parties have already filed their submissions before the competent Court but no hearing of the case has been scheduled so far in the context of the new framework of the Greek Code of Civil Procedure. According to the estimation of the Company's Legal Counsels, there is reasonable ground for the Court to dismiss the HOC's lawsuit.

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

16. Related party transactions

The following transactions were carried out with related parties:

	GROUP		COMPANY	
	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018	01.01.2019 to 30.09.2019	01.01.2018 to 30.09.2018
<i>all amounts in € thousands</i>				
i) Sales of goods and services				
- subsidiaries	-	-	888	2.363
- joint ventures	95	95	44	44
- associates	-	-	51	51
	95	95	984	2.458
ii) Purchases of goods and services				
- subsidiaries	-	-	733	717
- companies which controlling interests belong to Latsis family	2.056	1.119	-	-
	2.056	1.119	733	717
iii) Dividend income				
- subsidiaries	-	-	2.228	3.262
- associates	135	-	135	-
	135	-	2.363	3.262

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iv) Benefits to management

- salaries and other short-term employment benefits	546	444	546	444
	546	444	546	444

v) Income from interest

- subsidiaries	-	2	826	831
	-	2	826	831

vi) Cost of interest

- parent company	34	-	-	-
- subsidiaries	-	-	1.758	1.544
	34	-	1.758	1.544

vii) Period-end balances from sales-purchases of goods/services

	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
<i>all amounts in € thousands</i>				
Receivables from related parties:				
- subsidiaries	-	-	348	1.190
- joint ventures	77	49	16	18
- associates	-	-	61	31
	77	49	425	1.239
Payables to related parties:				
- subsidiaries	-	-	-	3
- companies which controlling interests belong to Latsis family	599	317	-	-
	599	317	-	3

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

	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
viii) Loans to associates:				
Balance at the beginning of the period	-	657	7.987	8.342
Loans granted during the year	-	-	-	618
Loan repayments/Transfer to share capital	-	(588)	-	-
Interest repayments/Transfer to share capital	-	(72)	-	-
Loan repayments	-	-	-	(168)
Loan and interest impairment	-	-	(806)	(1.914)
Interest charged	-	2	826	1.109
Balance at the end of the period	-	-	8.007	7.987

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

	GROUP		COMPANY	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
ix) Loans from associates:				
Balance at the beginning of the period	-	-	53.776	40.808
Loans received during the period	10.000	-	10.000	11.660
Loan repayments	-	-	(254)	(700)
Borrowings transaction costs - amortization	-	-	-	5
Interest paid	-	-	(209)	(135)
Interest charged	34	-	1.758	2.139
Balance at the end of the period	10.034	-	65.071	53.776

At Company level, the loans from associates refer to loans of initial capital €47.5m that the parent company has granted to the companies LAMDA Prime Properties SMSA, LOV Luxembourg SARL and LAMDA Ilida Office SA. During 2019, the Company signed a bond loan agreement up to €23.0m,

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without securities, with its shareholder Consolidated Lamda Holdings SA aiming to cover general business needs in the scope of the Company's activities, out of which the Company has used €10.0m.

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

BASIC

	GROUP		COMPANY	
	01.01.2019 έως 30.09.2019	01.01.2018 έως 30.09.2018	01.01.2019 έως 30.09.2019	01.01.2018 έως 30.09.2018
<i>all amounts in € thousands</i>				
Profit/(loss) attributable to equity holders of the Company	30.233	26.601	(14.126)	(7.970)
Weighted average number of ordinary shares in issue	77.856	77.856	77.856	77.856
Basic earnings/(losses) per share (in € per share)	0,39	0,34	(0,18)	(0,10)

At 30.09.2019 there is no employee share option scheme in force, therefore no diluted earnings/losses have been formed.

Following the successful completion of the Company's share capital increase, the Company's share capital amounts to €53.021.014,50, divided into 176.736.715 common registered voting shares, with a nominal value of €0.30 each (note 24).

18. Income tax expense

The corporate income tax rate in Greece, as in force on 30.09.2019, had been set under article 23 of Law 4579/2018 at 28% for 2019 per year reduced gradually to 25% by 2022:

The effective tax rate at consolidated and company level based on the results of the nine-month period of 2019 and 2018 is mainly affected by the non-recognition of deferred tax assets on 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.

Pursuant to Article 22 of Law 4646/2019, passed at 12.12.2019, the corporate income tax rate in Greece has been set at 24% from 28% for the year 2019 and at 24% for the year 2020 onwards. Taking into account the decrease in the corporate income tax rate, the deferred tax liability at Group level, would be lower by €3.4m approximately whereas at Company level the deferred tax asset would be lower by €1.1m approximately. In addition, at Group level, the provisions for the corporate income tax for the period and the corresponding recognized income tax liability, would be lower by €1.1m approximately.

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

For the year ended 31 December 2011 and onwards as the Law 4174/2013 (article 65A) currently stands (and as Law 2238/1994 previously provided in article 82), up to and including fiscal years starting before 1 January 2016, the Greek 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).

Regarding the Company, the tax audit for the fiscal year 2013-2017 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.

Pursuant to the following provisions: (a) para. 1 art. 84 of Law 2238/1994 (unaudited cases of Income taxation), (b) para. 1 art. 57 of Law 2859/2000 (unaudited cases of Value Added Tax), and, (c) para. 5 art. 9 of Law 2523/1997 (imposition of penalties for income tax cases) the right of the State to impose the tax for the fiscal years up to 2012 has been suspended until 31.12.2018, subject to special or exceptional provisions which may provide for a longer limitation period and under the conditions that they define. Moreover, according to standard case-law of the Council of State and Administrative Courts, in the absence of a limitation provision in the Stamp duty code, the State's claim for the imposition of stamp duty is subject to the twenty-year limitation period subjected to the Article 249 of the Civil Code. Therefore, the Group provides, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. As a result, the Group's tax obligations have not been defined permanently. At 30.09.2019 no such provisions have been formed for the Group's and Company's unaudited, by the tax authorities, years.

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19. Changes in accounting policies

(a) Adjustments recognized on adoption of IFRS 16

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

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

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

As at 1 January 2019, the Group and the Company had not entered into a contract classified as finance lease.

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

Group:

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

Company:

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

The right-of-use of Mediterranean Cosmos Shopping Centre has been classified as investment property and is leased under operating lease (note 5).

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

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

Group

All amounts in € thousands

	30 September 2019	1 January 2019
Land plot	78.499	78.615
Motor vehicles	171	268
Total right-of-use assets	78.670	78.883

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Company

All amounts in € thousands

	30 September 2019	1 January 2019
Office space	921	1.474
Motor vehicles	98	162
Total right-of-use assets	1.019	1.636

For the period starting from 01.01.2019 to 30.09.2019, the Company recognised depreciation of €617k in the statement of profit and loss whereas the Group recognised depreciation of €89k in the statement of profit and loss and €116k as net gain/(loss) from fair value adjustment on investment property.

The recognized lease liabilities for the Group and the Company that relate to operating leases at 1 January 2019 and 30 September 2019 are as follows:

Group

All amounts in € thousands

	Land plot	Motor vehicles	Total
Lease liability recognised as at 1 January 2019	78.615	268	78.883
Accrued interest expense	2.588	6	2.594
Lease payments	(2.704)	(102)	(2.806)
Derecognition of leases	-	(8)	(8)
Lease liability recognised as at 30 September 2019	78.499	163	78.662

Analysis of payables :

Current lease liabilities			420
Non-current lease liabilities			78.242
Total			78.662

Company

All amounts in € thousands

	Office space	Motor vehicles	Total
Lease liability recognised as at 1 January 2019	1.474	162	1.636
Accrued interest expense	36	4	40
Lease payments	(570)	(65)	(635)
	-	(8)	(8)
Lease liability recognised as at 30 September 2019	940	93	1.033

Analysis of payables :

Current lease liabilities			808
Non-current lease liabilities			225
Total			1.033

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

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

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

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

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

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

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

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

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

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

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

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

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

20. Number of employees

Number of employees at the end of the period: Group 211, Company 76 (nine month period ended 30 September 2018: Group 234, Company 83) from which there are no seasonal (nine month period ended 30 September 2018: Group 0, Company 0).

21. Development of the property in the Hellinikon area

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.

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Under the Agreement, the development of the Property will commence after the transfer to the Purchaser of the Sold Shares of HELLINIKON S.A. The said transfer is contingent upon fulfillment of conditions precedent and more particularly of those pending.

The total consideration for the acquisition of the shares as described in the agreement amounts to €915m. An amount of €300m will be paid on the date of transfer, with the remainder paid at a depth of 10 year period from the date of transfer in the manner specified in the contract.

The Extraordinary General Meeting of the Shareholders of the Company, held on 10.10.2019, decided the share capital increase, which was completed on 17.12.2019, in cash and pre-emption right in favor of existing shareholders for raising of funds up to the amount of €650m (note 23) to finance the investment.

In addition, the Company has entered into an agreement (in the form of final, unsigned, drafts) with Banks "Eurobank Ergasias S.A." and "Piraeus Bank" which cover the basic business financing terms for investment in the Project up to €1.182m, as well as the issuance of a Letter of Guarantee of Credited Consideration up to €345m as well as the issuance of a Letter of Guarantee of €150m.

Until the date of the financial information release of 30.09.2019, the transfer of HELLINIKON S.A.'s shares has not taken place.

22. Expenses related to the development in the Hellinikon area

According to the Company's announcement on September 18, 2019, no agreement was reached with the investment scheme of Global Investment Group, for undertaking the development in the Hellinikon area. Therefore, LAMDA DEVELOPMENT SA took over 100% of the visionary Hellinikon Project. This resulted in a transfer of €5.8m and €3.5m respectively to the Group and Company income statement which relates to part of the preliminary development costs of the property's development, which cannot be charged on individual developments. This amount was included as a receivable from the investment scheme of Global Investment Group in the financial information as at 30.06.2019.

23. Significant variations in comparatives

Regarding the significant variations in comparatives, the following are mentioned:

At Company and Group level, with respect to the "Trade and other receivables", the variation is mainly due to the release of €13.1m restricted cash in the Company and its transfer to "Cash and cash equivalents". In addition, as described in note 22, part of the variation is due to the transfer of €5.8m and €3.5m respectively to the Group and Company income statement which relates to part of the preliminary development costs of the development in the Hellinikon area, which cannot be charged on individual developments.

At Company and Group level, with respect to the "Trade and other payables", the variation is mainly due to: a) increase of €10m that the Company received as a loan from shareholder Consolidated Lamda Holdings SA (note 16), b) decrease of €9m following the Company's payment towards the Municipality of Maroussi as part of the consideration for the acquisition of the subsidiary LOV SMSA and c) decrease by €4.0m and €1.7m as a decrease in liabilities to suppliers, insurance organizations and taxes-charges.

At Group level, in addition to the above mentioned, there is a committed payment of the amount of €11.0m from the subsidiary LOV SMSA (note 5).

At Company level, an amount of €43.4m corresponding to loans from related parties is reclassified in "Trade and other payables" from the long-term liabilities as they are recognized in short term liabilities as at 30.09.2019.

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24. 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:

- On 06.11.2019 the sale of the Company's remaining treasury shares corresponding to 546.167 shares, amounting approximately at 0.685% of the total shares, to the company under the commercial name "ORYMIL S.A." ("Orymil"), has been completed. The sale was made at the price of €7.27 per share. According to the result of the aforementioned process, the Group's cash increased by €3.96m (excluding the transaction costs) with positive effects on the Group's working capital. The transaction is regarded as a transaction with related parties.
- On 22.10.2019 the sale of the Company's remaining treasury shares corresponding to 1.319.840 shares and 1.66% of the total Company's shares and voting rights, to the company under the name "Aegean Airlines S.A."), has been completed. The sale was made at the price of €7.00 per share. According to the result of the aforementioned process, the Group's cash increased by €9.19m (excluding the transaction costs) with positive effects on the Group's working capital. The transaction is regarded as a transaction with related parties.
- In December 2019, the Company's the share capital increase in cash and pre-emption right in favor of existing shareholders, which was decided by the Extraordinary General Meeting of the Company's shareholders held on 10.10.2019, as was further specified by the resolution of the Company's Board of Directors adopted on 21.11.2019 (hereinafter "the SCI") and took place from 02.12.2019 until 16.12.2019, was successfully completed by raising funds of €650m through the exercise of pre-emption rights and over-subscription rights. As a result, the Company's share capital has been increased by €29m through the issue of 97.014.940 new common registered voting shares, with a par value of €0.30 each and an amount equal to €621m has been credited to the "share premium" account. Following the above, the Company's share capital amounts to €53m, divided into 176.736.715 common registered voting shares, with a nominal value of €0.30 each. On 23.12.2019 the Company announces the commencement of trading on the Athens Exchange of its 97.014.940 new common registered with voting rights shares of the Company, of nominal value of €0.30 each, as resulted from the Company's share capital increase.
- Pursuant to Article 22 of Law 4646/2019, passed at 12.12.2019, the corporate income tax rate in Greece has been set at 24% from 28% for the year 2019 and at 24% for the year 2020 onwards. The impact from the change of the corporate income tax rate is described in note 18.