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

1 January – 31 March 2019

LAMDA Development S.A.

G.E.MI.: 3379701000

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

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

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Statement of financial position

all amounts in € thousands	Note	GROUP 31.03.2019	GROUP 31.12.2018	COMPANY 31.03.2019	COMPANY 31.12.2018
ASSETS					
Non-current assets					
Investment property	4	852.115	852.115	1.840	1.840
Right-of-use assets	15	78.788	-	1.432	-
Property, plant and equipment	5	8.056	5.877	631	648
Investments in subsidiaries	6	-	-	310.283	308.307
Investments in joint ventures and associates	6	32.260	30.529	7.759	7.759
Deferred tax assets		8.443	7.739	7.863	7.185
Derivative financial instruments		285	285	-	-
Receivables		27.195	27.339	8.020	8.013
		1.007.141	**923.885**	**337.829**	**333.754**
Current assets					
Inventories		9.367	9.366	-	-
Trade and other receivables		37.325	40.574	21.713	24.424
Current tax assets		3.049	3.567	2.988	2.987
Financial instruments held at fair value through profit or loss		595	595	-	-
Cash and cash equivalents		69.665	67.875	7.964	12.245
		120.002	**121.976**	**32.665**	**39.656**
Total assets		**1.127.143**	**1.045.861**	**370.494**	**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		7.575	6.900	3.012	3.012
Retained earnings/(Accumulated losses)		(26.270)	(28.447)	(190.612)	(187.233)
		357.968	355.117	189.063	192.442
Non-controlling interests		81.035	79.500	-	-
Total equity		**439.002**	**434.616**	**189.063**	**192.442**
LIABILITIES					
Non-current liabilities					
Borrowings	8	308.181	305.835	-	-
Lease liability	15	78.353	-	632	-
Deferred tax liabilities		107.365	106.683	-	-
Employee benefit obligations		1.191	1.202	812	812
Other non-current liabilities		1.266	1.330	54.044	53.654
		496.356	**415.049**	**55.489**	**54.466**
Current liabilities					
Borrowings	8	139.691	141.006	96.128	96.128
Lease liability	15	425	-	801	-
Trade and other payables		47.667	53.626	29.013	30.374
Current tax liabilities		4.001	1.563	-	-
		191.785	**196.195**	**125.942**	**126.502**
Total liabilities		**688.141**	**611.244**	**181.431**	**180.968**
Total equity and liabilities		**1.127.143**	**1.045.861**	**370.494**	**373.410**

These condensed consolidated and Company interim financial statements of LAMDA Development SA have been approved for issue by the Company's Board of Directors on May 30, 2019.

The notes on pages 8 to 30 form an integral part of this condensed interim financial information.

Income Statement

all amounts in € thousands	Note	GROUP 01.01.2019 to 31.03.2019	GROUP 01.01.2018 to 31.03.2018	COMPANY 01.01.2019 to 31.03.2019	COMPANY 01.01.2018 to 31.03.2018
Revenue		20.215	19.684	347	844
Other direct property operating expenses		(2.044)	(2.620)	-	-
Employee benefits expense		(2.173)	(1.970)	(1.396)	(1.513)
Depreciation of property, plant and equipment		(211)	(192)	(242)	(35)
Other operating income / (expenses) - net		(1.154)	(1.340)	(826)	(973)
Operating profit/(loss)		**14.634**	**13.563**	**(2.117)**	**(1.677)**
Finance income		11	7	279	277
Finance costs		(6.559)	(6.672)	(2.219)	(2.956)
Share of net profit of investments accounted for using the equity method		(769)	(198)	-	-
Profit/(loss) before income tax		**7.317**	**6.700**	**(4.056)**	**(4.356)**
Income tax expense		(2.932)	(3.136)	678	759
Profit/(loss)		**4.385**	**3.564**	**(3.379)**	**(3.597)**
Profit/(loss) attributable to:					
Equity holders of the parent		2.851	2.167	(3.379)	(3.597)
Non-controlling interests		1.534	1.397	-	-
		4.385	**3.564**	**(3.379)**	**(3.597)**
Earnings/(losses) per share attributable to the equity holders of the Parent (expressed in € per share)	14	0,04	0,03	(0,04)	(0,05)

The notes on pages 8 to 30 form an integral part of this condensed interim financial information.

Total Comprehensive Income Statement

all amounts in € thousands	GROUP 01.01.2019 to 31.03.2019	GROUP 01.01.2018 to 31.03.2018	COMPANY 01.01.2019 to 31.03.2019	COMPANY 01.01.2018 to 31.03.2018
Profit/(loss) for the period	**4.385**	**3.564**	**(3.379)**	**(3.597)**
Cash flow hedges, after tax	-	78	-	-
Currency translation differences	-	(2)	-	-
Items that may be subsequently reclassified to profit or loss	**-**	**76**	**-**	**-**
Total comprehensive income for the period	**4.385**	**3.640**	**(3.379)**	**(3.597)**

Profit/(loss) attributable to:				
Equity holders of the parent	2.851	2.219	(3.379)	(3.597)
Non-controlling interest	1.534	1.421	-	-
	4.385	**3.640**	**(3.379)**	**(3.597)**

The notes on pages 8 to 30 form an integral part of this condensed interim financial information.

Statement of changes in equity (Consolidated)

all amounts in € thousands	Attributable to equity holders of the parent					
	Share capital	**Other reserves**	**Retained earnings / (Accumulated losses)**	**Total**	**Non-controlling interests**	**Total equity**
GROUP						
1 January 2018	**376.800**	**6.419**	**(70.378)**	**312.841**	**64.536**	**377.377**
Total Income:						
Profit for the period	-	-	2.167	2.167	1.397	3.564
Other comprehensive income for the period:						-
Cash flow hedges, after tax	-	53	-	53	25	78
Currency translation differences	-	(2)	-	(2)	-	(2)
Total comprehensive income for the period	**-**	**51**	**2.167**	**2.219**	**1.421**	**3.640**
Transactions with the shareholders:						
Statutory reserves	-	28	(28)	-	-	-
	-	**28**	**(28)**	**-**	**-**	**-**
31 March 2018	**376.800**	**6.498**	**(68.239)**	**315.060**	**65.957**	**381.017**
1 January 2019	**376.663**	**6.900**	**(28.447)**	**355.117**	**79.500**	**434.616**
Total Income:						
Profit for the period	-	-	2.851	2.851	1.534	4.385
Other comprehensive income for the period:						
Actuarial gains/(losses), after tax	-	3	(3)	-	-	-
Total comprehensive income for the period	**-**	**3**	**2.848**	**2.851**	**1.534**	**4.385**
Transactions with the shareholders:						
Statutory reserves	-	672	(672)	-	-	-
	-	672	(672)	-	-	-
31 March 2019	**376.663**	**7.575**	**(26.270)**	**357.968**	**81.035**	**439.002**

The notes on pages 8 to 30 form an integral part of this condensed interim financial information.

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	-	-	(3.597)	(3.597)
Total comprehensive income for the period	**-**	**-**	**(3.597)**	**(3.597)**
31 March 2018	**376.800**	**3.007**	**(172.400)**	**207.407**
1 January 2019	**376.663**	**3.012**	**(187.233)**	**192.442**
Total Income:				
Loss for the period	-	-	(3.379)	(3.379)
Total comprehensive income for the period	**-**	**-**	**(3.379)**	**(3.379)**
31 March 2019	**376.663**	**3.012**	**(190.612)**	**189.063**

The notes on pages 8 to 30 form an integral part of this condensed interim financial information.

Cash Flow Statement

all amounts in € thousands	Note	GROUP 01.01.2019 to 31.03.2019	GROUP 01.01.2018 to 31.03.2018	COMPANY 01.01.2019 to 31.03.2019	COMPANY 01.01.2018 to 31.03.2018
Cash flows from operating activities					
Cash generated from / (used in) operations	10	9.422	11.221	(2.779)	307
Interest and other finance costs paid		(4.927)	(6.130)	(1.718)	(7.002)
Interest expense on lease liabilities		(856)	-	(15)	-
Income taxes paid		4	(45)	-	-
Net cash inflow/(outflow) from operating activities		**3.643**	**5.045**	**(4.497)**	**(6.695)**
Cash flows from investing activities					
Purchase of property, plant and equipment and investment property	4,5	(2.490)	(111)	(21)	(12)
Proceeds from sale of investment property	4	-	6.500	-	-
Loans to/from related parties	13	-	(620)	-	(620)
Interest received		11	7	-	2
Proceeds from sale/liquidation of participation		-	1.987	-	1.987
(Purchase)/sale of financial instruments held at fair value through profit or loss		-	1.591	-	1.591
(Increase)/decrease in the share capital of participations	6	(2.500)	-	(1.976)	-
Restricted cash		-	(450)	2.500	5.862
Net cash inflow (outflow) from investing activities		**(4.979)**	**8.904**	**503**	**8.812**
Cash flows from financing activities					
Borrowings	8	3.238	-	-	-
Repayment of borrowings from related parties	13	-	-	(85)	(700)
Repayment of borrowings	8	(2.485)	(4.538)	-	-
Lease payments		(105)	-	(202)	-
Borrowings transaction costs	8	(22)	-	-	-
Restricted cash		2.500	-	-	-
Net cash inflow (outflow) from financing activities		**3.127**	**(4.538)**	**(287)**	**(700)**
Net increase (decrease) in cash and cash equivalents		**1.791**	**9.412**	**(4.281)**	**1.417**
Cash and cash equivalents at the beginning of the period		67.875	86.244	12.245	29.894
Cash and cash equivalents at end of period		**69.665**	**95.656**	**7.964**	**31.311**

The notes on pages 8 to 30 form an integral part of this condensed interim financial information.

Notes to the condensed separate and consolidated interim financial statements

1. General information

These financial statements include the separate financial statements of the company LAMDA Development S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (together "the Group") for the three month period ended March 31, 2019. The names of the subsidiaries are disclosed in note 6 of these financial statements. The annual financial statements of the Company and the consolidated entities for the year ended at 31 December 2018, are available in the parent company's website www.lamdadev.com.

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

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

The Company is incorporated and domiciled in Greece. The 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., which is domiciled in Luxembourg, is the main shareholder of the Company as at 31.03.2019 with interest held at 53.82% of the share capital and therefore the Group's financial statements are included in its consolidated financial statements.

These condensed consolidated and Company interim financial statements of LAMDA Development SA have been approved for issue by the Company's Board of Directors on May 30, 2019.

2. Basis of preparation and summary of significant accounting policies

2.1. Basis of preparation

These separate and consolidated financial statements have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) and Interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union, and specifically in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These separate and consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018 which are available on the Group's website address www.lamdadev.com.

The accounting principles that have been used in the preparation and presentation of these interim financial statements 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 standard, which impact is disclosed in note 15.

These Company and consolidated financial statements present the financial position, results of operations and cash flows on a going concern basis which assumes that the Company has plans in place to avoid material disruptions to its operations and available financial resources to meet its operating requirements. In this respect Management has concluded that (a) the going concern basis of preparation of these financial statements is appropriate, and (b) all assets and liabilities are appropriately presented in accordance with the Company's accounting policies.

The management is undergoing negotiations with the counterparties in relation to the refinancing of the Group short-term loans of €101.4m, a procedure that has not been completed until the date of these financial statements' release (note 8). In relation to the Company's syndicated bond loan, amount of €96.1m, the bond holders have approved an extension until 30.06.2019, following a respective request. The extension was regarded as necessary due to the complicity of the specific syndicate bond loan and will allow a more efficient negotiation for the rest of the programme's terms. The Management expects that the loan will be refinanced successfully.

In addition, regarding the bond loan of the subsidiary PYLAIA SA amount of €64.8m at 31.03.2019, tranches of €23m are included in the short-term borrowings of the Group, the refinancing of which was completed at 19.04.2019. It has a seven-year tenor and the purpose is the repayment of a) the existing loan and b) the overdraft account.

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, evidenced by the official exit from the international bailout programme on August 20, 2018. However uncertainties continue to exist, since the country is under a "post-programme surveillance" programme where it will have to show its progress in meeting budget and reform targets, while economy remains very sensitive to fluctuations in the external environment. The capital controls initially imposed on June 28, 2015 continue to be in place but have been eased over time. 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.

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

As described in detail in note 12 "Contingent liabilities and assets", in January 2014, the Hellenic Council of State approved the petition for annulment of Codified Law 3207/2003, according to the provisions of which the Olympic Press Village (or "Olympiako Chorio Typou") and the Commercial and Leisure Centre "The Mall Athens" were constructed. This decision by the Hellenic Council of State has no direct impact on the operations of "The Mall Athens" and it is anticipated that the operations will continue unhindered for the foreseeable future. Management has assessed the required actions that have been indicated by the Group's legal advisors as imposed following the decision in order to cope with this situation and therefore has undertaken already all necessary actions to this direction. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.

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

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

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. In addition, the use of certain estimates and assumptions is required that affect the balances of the assets and liabilities, the disclosure of contingent assets and liabilities as at date of preparation of the financial statements and the amounts of income and expense during the reporting period. Although these estimates are based on the best knowledge of management in relation to the current conditions and actions, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 of the financial statements for the period ended December 31, 2018.

2.2. New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1.1.2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

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 of this standard on the Group is disclosed in note 15.

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.

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.

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.

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

IFRS 3 "Business combinations"
The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"

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

IAS 12 "Income taxes"

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

IAS 23 "Borrowing costs"

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

Standards and Interpretations effective for subsequent periods

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

The amended definition 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.

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. 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 three month period ended 31 March 2019 were as follows:

	Real estate						
all amounts in € thousands	GREECE			BALKANS	Administrative and Management Services	Eliminations among segments	Total
	Shopping centers	Other investment property and land		Other investment property and land			
Revenue from third parties	19.594	683	-	2	288	(352)	**20.215**
Other direct property operating expenses	(2.917)	(148)	-	-	-	1.021	**(2.044)**
Other	(125)	(101)	-	(80)	(2.351)	(669)	**(3.327)**
Share of profit / (loss) from joint ventures and associates	-	(390)	-	(379)	-	-	**(769)**
EBITDA	16.553	43		(458)	(2.063)	-	**14.076**

The segment results for the three month period ended 31 March 2018 were as follows:

all amounts in € thousands	**Real estate** **GREECE**		**BALKANS**	**Administrative and Management Services**	**Eliminations among segments**	**Total**
	Shopping centers	**Other investment property and land**	**Other investment property and land**			
Revenue from third parties	19.438	268	2	386	(410)	**19.684**
				-		
Other direct property operating expenses	(3.341)	(129)	-	-	850	**(2.620)**
Other	(72)	(76)	(70)	(2.652)	(440)	**(3.310)**
Share of profit / (loss) from joint ventures and associates	-	106	(304)	-	-	**(198)**
EBITDA	16.025	170	(373)	(2.266)	-	**13.556**

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

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

all amounts in € thousands	**Real estate** **GREECE**		**BALKANS**		**Total**
31 March 2019	**Shopping centers**	**Other investment property**	**Other investment property**	**Administrative and Management Services**	
Assets per segment	**958.025**	**61.474**	**36.785**	**70.859**	**1.127.143**
Expenditure of non-current assets	2.052	3	3	101	2.159
Liabilities per segment	**518.367**	**50.112**	**286**	**119.376**	**688.141**

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

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

all amounts in € thousands		
Adjusted EBITDA for reportable segments	**31.03.2019**	**31.03.2018**
EBITDA	14.075	13.556
Depreciation of ppe	(211)	(192)
Finance income	11	7
Finance costs	(6.559)	(6.672)
Profit before income tax	**7.317**	**6.700**
Income tax expense	(2.932)	(3.136)
Profit for the period	**4.385**	**3.564**

B) Geographical segments

The segment information for the three month period ended 31 March 2019 were as follows:

31 March 2019 *all amounts in € thousands*	**Total revenue**	**Non-current assets**
Greece	20.214	977.820
Balkans	2	29.322
	20.215	**1.007.142**

The segment information for the three month period ended 31 December 2018 were as follows:

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

4. Investment property

	GROUP		**COMPANY**	
all amounts in € thousands	**31.03.2019**	**31.12.2018**	**31.03.2019**	**31.12.2018**
Balance at 1 January	852.115	768.415	1.840	1.840
Net gain/(loss) from fair value adjustment on investment property	-	56.836	-	-
Acquisition of investment property	-	30.000	-	-
Subsequent expenditure on investment property	-	264	-	-
Additional property cost	-	3.100	-	-
Disposals	-	(6.500)	-	-
Balance at the end of period	**852.115**	**852.115**	**1.840**	**1.840**

The investment property includes property operating lease that amounts to €181.2m and is related to Mediterranean Cosmos Shopping Centre.

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

Investment property is valued each semester by independent qualified valuers using the Discounted Cash Flows (DCF) method. The cash flows are based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (where possible) external evidence such as current market rents for similar properties in the same location and condition, and using discount rates of the investment property 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 for 2018.

More precisely, at 31.03.2019, 92% of total fair value of the Group's investment property relates to Shopping Centres and 5% to Office Buildings. For both type of property, the valuation was determined using the DCF approach with the following significant assumptions:

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

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

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

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

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

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

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

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

5. Property, plant and equipment

all amounts in € thousands	**Lease hold land and buildings**	**Vehicles and machinery**	**Furniture, fittings and equipment**	**Software**	**Assets under construction**	**Total**
GROUP - Cost						
1 January 2018	**798**	**6.196**	**7.887**	**2.931**	**1.575**	**19.387**
Additions	-	(0)	86	2	23	111
Disposals / Write-offs	-	-	(1)	-	-	(1)
Transfer to income statement	-	-	-	-	(9)	(9)
31 March 2018	**798**	**6.196**	**7.973**	**2.933**	**1.590**	**19.489**
1 January 2019	**836**	**6.379**	**8.550**	**2.978**	**2.742**	**21.484**
Additions	-	-	40	9	2.440	2.490
Disposals / Write-offs	(269)	-	(52)	(11)	-	(331)
31 March 2019	**567**	**6.379**	**8.538**	**2.977**	**5.183**	**23.643**
Accumulated depreciation						
1 January 2018	**(454)**	**(5.051)**	**(6.690)**	**(2.717)**	**-**	**(14.912)**
Depreciation charge	(11)	(89)	(78)	(13)	-	(192)
Disposals / Write-offs	-	-	1	-	-	1
31 March 2018	**(466)**	**(5.140)**	**(6.767)**	**(2.730)**	**-**	**(15.103)**

1 January 2019	**(501)**	**(5.362)**	**(6.963)**	**(2.782)**	**-**	**(15.608)**
Depreciation charge	(10)	(87)	(72)	(15)	-	(183)
Disposals / Write-offs	143	-	50	11	-	204
31 March 2019	**(368)**	**(5.449)**	**(6.985)**	**(2.786)**	**-**	**(15.587)**
Closing net book amount at 31 March 2018	**332**	**1.056**	**1.206**	**203**	**1.590**	**4.386**
Closing net book amount at 31 March 2019	**199**	**930**	**1.553**	**191**	**5.183**	**8.056**

all amounts in € thousands	Lease hold land	Vehicles and machinery	Furniture, fittings and equipment	Software	Total
COMPANY - Cost					
1 January 2018	**367**	**190**	**1.392**	**2.736**	**4.685**
Additions	-	(0)	10	1	12
Disposals / Write-offs	-	-	(1)	-	(1)
31 March 2018	**367**	**190**	**1.402**	**2.737**	**4.696**
1 January 2019	**367**	**190**	**1.507**	**2.774**	**4.838**
Additions	-	(0)	12	9	21
31 March 2019	**367**	**190**	**1.519**	**2.783**	**4.859**
Accumulated depreciation					
1 January 2018	**(252)**	**(82)**	**(1.117)**	**(2.586)**	**(4.038)**
Depreciation charge	(3)	(6)	(14)	(11)	(35)
Disposals / Write-offs	-	-	1	-	1
31 March 2018	**(255)**	**(88)**	**(1.131)**	**(2.597)**	**(4.072)**
1 January 2019	**(264)**	**(102)**	**(1.182)**	**(2.642)**	**(4.190)**
Depreciation charge	(3)	(4)	(18)	(13)	(38)
Disposals / Write-offs	-	-	-	-	-
31 March 2019	**(267)**	**(106)**	**(1.200)**	**(2.655)**	**(4.228)**
Closing net book amount at 31 March 2018	**112**	**102**	**271**	**140**	**624**
Closing net book amount at 31 March 2019	**100**	**84**	**319**	**128**	**631**

6. Investments in subsidiaries, joint ventures and associates

The Group's structure on March 31, 2019 is as follows:

Company	Country of Incorporation		% interest held	Company	Country of Incorporation		% interest held
LAMDA Development SA - Parent	Greece						
Subsidiaries							
PYLAIA SA	Greece	Indirect	68,3%	Robies Proprietati Imobiliare SRL	Romania	Indirect	90,0%
LAMDA Domi SA	Greece	Indirect	68,3%	LAMDA Development Sofia EOOD	Bulgaria		100,0%
LAMDA Malls SA	Greece		68,3%	TIHI EOOD	Bulgaria	Indirect	100,0%
LAMDA Olympia Village SA	Greece		100,0%	LOV Luxembourg SARL	Luxembourg	Indirect	100,0%
LAMDA Estate Development SA	Greece		100,0%	Hellinikon Global I SA	Luxembourg		100,0%
LAMDA Prime Properties SA	Greece		100,0%	LAMDA Development (Netherlands) BV	Netherlands		100,0%
LAMDA ILIDA OFFICE SA	Greece		100,0%	Robies Services Ltd	Cyprus		90,0%
MALLS MANAGEMENT SERVICES SA	Greece		100,0%	**Joint ventures**			
MC Property Management SA	Greece		100,0%	Lamda Dogus Marina Investments SA	Greece		50,0%
KRONOS PARKING SA	Greece	Indirect	100,0%	LAMDA Flisvos Marina SA	Greece	Indirect	32,2%
LAMDA Erga Anaptyxis SA	Greece		100,0%	LAMDA Flisvos Holding SA	Greece	Indirect	41,7%
LAMDA Leisure SA	Greece		100,0%	LAMDA Akinhta SA	Greece		50,0%
GEAKAT SA	Greece		100,0%	Singidunum-Buildings DOO	Serbia	Indirect	72,9%
LAMDA Real Estate Management SA	Greece		100,0%	GLS OOD	Bulgaria	Indirect	50,0%
Property Development DOO	Serbia		100,0%	**Associates**			
Property Investments DOO	Serbia		100,0%	ATHENS METROPOLITAN EXPO SA	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.

(a) Investments of the Company in subsidiaries

The Company's investment in subsidiaries is as follows:

all amounts in € thousands				31.03.2019			31.12.2018	
Name	**Country of incorporation**	**% interest held**	**Cost**	**Impairment**	**Carrying amount**	**Cost**	**Impairment**	**Carrying amount**
LAMDA OLYMPIA VILLAGE SA	Greece	100%	159.365	-	159.365	159.365	-	159.365
LAMDA MALLS SA	Greece	68,3%	51.496	-	51.496	51.496	-	51.496
LAMDA ESTATE DEVELOPMENT SA	Greece	100%	45.461	27.424	18.036	46.184	27.424	18.760
LAMDA PRIME PROPERTIES SA	Greece	100%	9.272	-	9.272	9.272	-	9.272
LAMDA ILIDA OFFICE SA	Greece	100%	300	-	300	100	-	100
GEAKAT SA	Greece	100%	15.023	10.030	4.993	15.023	10.030	4.993
LAMDA ERGA ANAPTYXIS SA	Greece	100%	9.070	-	9.070	9.070	-	9.070
LAMDA REAL ESTATE MANAGEMENT SA	Greece	100%	1.110	1.110	-	1.110	1.110	-
LAMDA LEISURE SA	Greece	100%	1.050	-	1.050	1.050	-	1.050
MC PROPERTY MANAGEMENT SA	Greece	100%	745	-	745	745	-	745
MALLS MANAGEMENT SERVICES SA	Greece	100%	1.224	-	1.224	1.224	-	1.224
LAMDA DEVELOPMENT SOFIA E.O.O.D.	Bulgaria	100%	363	363	-	363	363	-
LAMDA DEVELOPMENT D.O.O. (BEOGRAD)	Serbia	100%	-	-	-	-	-	-
PROPERTY DEVELOPMENT D.O.O.	Serbia	100%	11.685	11.685	-	11.685	11.685	-
PROPERTY INVESTMENTS LTD	Serbia	100%	1	-	1	1	-	1
LAMDA DEVELOPMENT ROMANIA SRL	Romania	100%	741	741	-	741	741	-
ROBIES SERVICES LTD	Cyprus	90%	1.823	1.823	-	1.823	1.823	-
LAMDA DEVELOPMENT (NETHERLANDS) BV	Netherlands	100%	81.678	27.200	54.478	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 SA	Luxembourg	100%	36	-	36	36	-	36
Investment in subsidiaries			**391.458**	**81.175**	**310.283**	**389.482**	**81.175**	**308.307**

The movement in investment in subsidiaries is as follows:

	COMPANY	
all amounts in € thousands	**31.03.2019**	**31.12.2018**
Balance at 1 January	**308.307**	**285.018**
Additions	-	100
Increase/(decrease) in share capital	1.976	25.888
Provision for impairment	-	(2.699)
Balance at end of period	**310.283**	**308.307**

Share capital increase/decrease

The Group's subsidiary LAMDA Estate Development SA decreased its share capital by €0.7m. In the contrary, the Company participated in the share capital increase of the companies Lamda Development (Netherlands) BV and LAMDA ILIDA OFFICE SA by €2.5m and €0.2m respectively.

Non-controlling interest

The non-controlling interest of the Group amounts to €81.0m at 31.03.2019 (31.12.2018: €79.5m) out of which €81.2m are coming from the subsidiary LAMDA MALLS SA which was established in 2017.

Non-controlling interest represents 31.7% of the total equity of LAMDA MALLS SA's Group, which 100% subsidiaries are LAMDA DOMI S.A. and PYLEA S.A.

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

Statement of financial position	**GROUP**	
	31.03.2019	**31.12.2018**
all amounts in € thousands		
Investment property	390.850	390.850
Right-of-use assets	78.560	-
Other non-current assets	16.135	14.055
Receivables	9.754	10.884
Cash and cash equivalents	36.145	31.079
	531.445	**446.868**
Deferred income tax liabilities	47.491	47.294
Long-term borrowings	106.868	104.122
Long-term lease liabilities	78.246	-
Other non-current liabilities	195	259
Short-term borrowings	30.986	30.882
Short-term lease liabilities	314	-
Trade and other payables	11.110	12.925
	275.209	**195.482**
Total equity	**256.236**	**251.386**

Income statement	**GROUP**	
all amounts in € thousands	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**
Revenue	10.902	10.945
Other operating income / (expenses) - net	(2.232)	(3.068)
Finance costs - net	(1.767)	(1.408)
Profit before income tax	**6.904**	**6.469**
Income tax expense	(2.054)	(2.053)
Profit for the period	**4.849**	**4.416**

Comprehensive income statement	**GROUP**	
all amounts in € thousands	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**
Profit for the period	4.849	4.416
Other	-	78
Other comprehensive income for the period	4.849	4.494
Total comprehensive income for the period	**4.849**	**4.494**

Cash flow statement	**GROUP**	
all amounts in € thousands	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**
Cash flows from operating activities	4.514	5.652
Cash flows to investing activities	(2.224)	(16)
Cash flows to financing activities	2.776	(1.739)
Net increase in cash and cash equivalents	**5.066**	**3.897**

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

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

COMPANY			31.03.2019			31.12.2018		
Name	Country of incorporation	% interest held	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
LAMDA AKINHTA SA	Greece	50,00%	4.454	1.883	2.571	4.454	1.883	2.571
LAMDA DOGUS MARINA INVESTMENTS SA	Greece	50,00%	4.022	-	4.022	4.022	-	4.022
Investment in joint-ventures			**8.476**	**1.883**	**6.593**	**8.476**	**1.883**	**6.593**

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

GROUP			31.03.2019			31.12.2018		
Name	Country of incorporation	% interest held	Cost	Share of interest held	Carrying amount	Cost	Share of interest held	Carrying amount
LAMDA AKINHTA SA	Greece	50,00%	4.454	(1.885)	**2.569**	4.454	(1.884)	**2.570**
LAMDA DOGUS MARINA INVESTMENTS SA	Greece	50,00%	4.022	(2.059)	**1.963**	4.022	(1.671)	**2.351**
SINGIDUNUM-BUILDINGS DOO	Serbia	74,66%	43.595	(19.451)	**24.144**	41.095	(19.033)	**22.062**
GLS OOD	Bulgaria	50,00%	55	(3)	**52**	55	(2)	**52**
TOTAL			**52.126**	**(23.398)**	**28.728**	**49.626**	**(22.591)**	**27.035**

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

	GROUP		COMPANY	
all amounts in € thousands	**31.03.2019**	**31.12.2018**	**31.03.2019**	**31.12.2018**
Balance at 1 January	**27.035**	**22.627**	**6.593**	**6.703**
Increase/(decrease) in share capital	2.500	5.567	-	-
Share in profit/(loss)	(806)	(1.159)	-	-
Provision for impairment	-	-	-	(110)
Balance at end of period	**28.728**	**27.035**	**6.593**	**6.593**

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

- The Company starting from 1/1/2014 applies IFRS 11 according to which the Group will account for joint ventures on an equity basis because it provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form
- The Group increased its participation in the joint-venture Singidunum Buildings DOO from 72.94% at 31.12.2018 to 74.66% at 31.03.2019, 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 *all amounts in € thousands*	**31.03.2019**	**31.12.2018**
Inventories	74.774	73.652
Trade and other receivables	200	414
Cash and cash equivalents	227	1.273
	75.201	**75.339**
Long-term borrowings	40.020	40.020
Short-term borrowings	2.500	5.000
Trade and other payables	340	73
	42.860	**45.092**
Total equity	**32.342**	**30.246**
(Group's interest)	**74,66%**	**72,94%**
Total equity	**24.145**	**22.062**

Income statement

all amounts in € thousands	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**
Revenue	-	-
Net loss from fair value adjustment on investment property	-	-
Other operating income / (expenses) - net	(67)	(23)
Finance costs - net	(306)	(335)
Loss before income tax	**(374)**	**(358)**
Income tax expense		
Loss for the period	**(374)**	**(358)**
(Group's interest)	**74,66%**	**68,26%**
Loss for the period	**(279)**	**(244)**

Comprehensive income statement

all amounts in € thousands	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**
Loss for the period	(279)	(244)
Currency translation differences	-	-
Other comprehensive income for the period	(279)	(244)
Total comprehensive income for the period	**(279)**	**(244)**

Cash flow statement

all amounts in € thousands	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**
Cash flows from operating activities	(160)	(481)
Cash flows to investing activities	(887)	-
Cash flows to financing activities	-	450
Net increase/(decrease) in cash and cash equivalents	**(1.046)**	**(31)**

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

The Group participates in the following associates' equity:

GROUP			**31.03.2019**			**31.12.2018**		
Name	**Country of incorporation**	**% interest held**	**Cost**	**Share of interest held**	**Carrying amount**	**Cost**	**Share of interest held**	**Carrying amount**
ATHENS METROPOLITAN EXPO SA	Greece	11,67%	1.167	-	**1.167**	1.167	-	**1.167**
S.C. LAMDA MED SRL (Indirect)	Ρουμανία	40,00%	1.133	1.232	**2.365**	1.133	1.195	**2.328**
TOTAL			**2.300**	**1.232**	**3.531**	**2.300**	**1.195**	**3.494**

The movement of associates is as follows:

	GROUP		**COMPANY**	
all amounts in € thousands	**31.03.2019**	**31.12.2018**	**31.03.2019**	**31.12.2018**
Balance at 1 January	**3.494**	**3.915**	**1.166**	**1.558**
Share in profit/(loss)	37	170	-	-
Decrease in share capital	-	(591)	-	(392)
Balance at end of period	**3.531**	**3.494**	**1.166**	**1.166**

Notes on the above mentioned associates:

- Although the associates do not have a significant impact in the Group's operations and results, they are consolidated with equity method because the Group exercises control over their operations.

7. Financial instruments by category

GROUP - 31.03.2019

all amounts in € thousands	Financial assets at amortized cost	Financial instruments held at fair value through profit or loss
Trade and other receivables	5.345	-
Restricted cash	10.538	-
Cash and cash equivalents	69.665	-
Derivative financial instruments	-	285
Other financial receivables	13.748	595
Total	**99.297**	**880**

GROUP - 31.03.2019

all amounts in € thousands	Liabilities at amortized cost
Borrowings	447.872
Trade and other payables	4.337
Interest payable	2.456
Other financial payables	31.594
Total	**486.259**

COMPANY - 31.03.2019

all amounts in € thousands	Financial assets at amortized cost
Trade and other receivables	37
Restricted cash	10.538
Loans to related parties	7.993
Other financial receivables	7.806
Receivables from related parties	405
Total	**26.779**

COMPANY - 31.03.2019

all amounts in € thousands	Liabilities at amortized cost
Borrowings	96.128
Trade and other payables	630
Loans from related parties	54.177
Other financial payables	25.630
Liabilities to related parties	2
Total	**176.567**

GROUP - 31.12.2018

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

GROUP - 31.12.2018

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

COMPANY - 31.12.2018

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

COMPANY - 31.12.2018

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

8. Borrowings

	GROUP		COMPANY	
all amounts in € thousands	**31.03.2019**	**31.12.2018**	**31.03.2019**	**31.12.2018**
Non-current				
Bond borrowings	308.181	305.835	-	-
Total non-current	**308.181**	**305.835**	**-**	**-**
Current				
Bond borrowings	132.511	133.826	96.128	96.128
Overdraft account	7.180	7.180	-	-
Total current	**139.691**	**141.006**	**96.128**	**96.128**
Total borrowings	**447.872**	**446.841**	**96.128**	**96.128**

The movements in borrowings are as follows:

12 months ended 31 December 2018 *(amounts in € thousands)*	**GROUP**	**COMPANY**
Balance at 1 January 2018	441.887	123.137
Bond borrowings	120.228	25.000
Overdraft account	7.180	-
Borrowings transaction costs - amortization	2.157	767
Borrowings transaction costs	(1.265)	-
Borrowings repayments	(123.345)	(52.776)
Balance at 31 December 2018	**446.841**	**96.128**

3 months ended 31 March 2019 *(amounts in € thousands)*	**GROUP**	**COMPANY**
Balance at 1 January 2019	446.841	96.128
Bond borrowings	3.238	-
Borrowings transaction costs - amortization	299	-
Borrowings transaction costs	(22)	-
Borrowings repayments	(2.485)	-
Balance at 31 March 2019	**447.872**	**96.128**

Borrowings are secured by mortgages on the Group's land and buildings (note 4), and in some cases by additional pledges of parent company's shares as well as and/or by assignment of subsidiaries' receivables (note 6) and insurance compensations. Regarding the Syndicated Bond Loan of the Company, pledges over certain assets and shares of Group companies incur.

Amortization of borrowings transaction costs of €2.0 are included in the total borrowings as at March 31, 2019, out of which €1.0m is applied to current borrowings whereas the rest €1.0m is applied to non-current borrowings.

The maturity of non-current borrowings is as follows:

	GROUP		**COMPANY**	
all amounts in € thousands	**31.03.2019**	**31.12.2018**	**31.03.2019**	**31.12.2018**
Between 1 and 2 years	213.926	216.733	-	-
Between 2 and 5 years	7.407	10.763	-	-
Over 5 years	86.847	78.338	-	-
	308.181	**305.835**	**-**	**-**

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

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

At 31.03.2019, the average base effective interest rate of the Group is -0.03% and the average bank spread is 4.00%. Therefore, the Group total effective borrowing rate stands at 3.97% at 31.03.2019.

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

At Group level, at 31.03.2019 the Company's subsidiary LAMDA DOMI SA's secured syndicated bond loan of current balance €66.8m, granted by the following banking institutions: Eurobank Ergasias, Alpha Bank, Bank of Piraeus and HSBC France has the following covenants: Loan to value <60% and Debt Service Ratio >120%. Also, the secured bond loan of the Company's subsidiary PYLAIA SA granted by Eurobank Ergasias, of current balance €64.8m has the following covenants: Loan to value <80% and Debt Service Ratio >120%. Whereas, LAMDA OLYMPIA VILLAGE SA's secured bond loan of current balance €178.6m, granted by HSBC, Eurobank Ergasias and Apollo Global Management fund's participation has the following covenants: Loan to value <65% and Debt Service Cover ratio >110%.At March 31, 2019, all above mentioned ratios are satisfied at Group and Company level.

At 31.03.2019 the short-term borrowings include the following liabilities:

- The Company's bond loan, amount of approximately €96.1m granted by Alpha Bank, Bank of Piraeus and Eurobank Ergasias.
- The loan of the subsidiary LAMDA Prime Properties SA, amount of approximately €5.3m granted by Alpha Bank.
- Tranches for the bond loan of the subsidiary PYLAIA SA, amount of €23,2m.

At 19.04.2019, the Management has completed the refinancing of PYLAIA SA's bond loan which has a seven-year tenor and the purpose is the repayment of a) the existing loan and b) of the overdraft account. Additionally, the Management is undergoing negotiations with the counterparties in relation to the refinancing of the rest of the above mentioned short-term loans, a procedure that has not been completed until the date of these financial statements' release.

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

9. Income tax expense

The corporate income tax rate in Greece, on the basis of Article 23 of Law 4579/2018, will gradually decrease by 1% per annum as follows:

- 28% for the year 2019
- 27% for the year 2020
- 26% for the year 2021
- 25% for the year 2022 onwards

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

Intragroup dividends distributed from January 1, 2014 onwards are exempt from both income tax, as well as withholding tax provided that the parent entity holds a minimum participation of 10% for two consecutive years.

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

Tax certificate and unaudited tax years

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

Company	Fiscal years unaudited by the tax authorities	Company	Fiscal years unaudited by the tax authorities
LAMDA Development SA	2013-2018		
LAMDA Olympia Village SA	2013-2018	LAMDA ILIDA OFFICE SA	10 Ιούλιος 1905
PYLAIA SA	2013-2018	ATHENS METROPOLITAN EXPO SA	2013-2018
LAMDA Domi SA	2013-2018	METROPOLITAN EVENTS	2013-2018
LAMDA Flisvos Marina SA	2013-2018	Property Development DOO	2010-2018
LAMDA Prime Properties SA	2013-2018	Property Investments DOO	2008-2018
LAMDA Estate Development SA	2013-2018	LAMDA Development Romania SRL	2014-2018
LAMDA Real Estate Management SA	2013-2018	SC LAMDA MED SRL	2014-2018
KRONOS PARKING SA	2013-2018	LAMDA Development Montenegro DOO	2007-2018
LAMDA Erga Anaptyxis SA	2013-2018	LAMDA Development (Netherlands) BV	2008-2018
LAMDA Flisvos Holding SA	2013-2018	Robies Services Ltd	2007-2018
LAMDA Leisure SA	2013-2018	Robies Proprietati Imobiliare SRL	2014-2018
GEAKAT SA	2013-2018	Singidunum-Buildings DOO	2007-2018
MALLS MANAGEMENT SERVICES SA	2013-2018	GLS OOD	2006-2018
MC Property Management SA	2013-2018	LOV Luxembourg SARL	2013-2018
LAMDA Akinhta SA	2013-2018	TIHI EOOD	2008-2018
LAMDA Dogus Marina Investments SA	2015-2018	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 societes anonymes and limited liability companies whose annual financial statements are audited compulsorily, were required to obtain an 'Annual Tax Certificate', which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements.

For fiscal years starting from 1 January 2016 and onwards, the 'Annual Tax Certificate' is optional, however the Group will obtain such certificate. In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the tax paying company.

Regarding the Company, the tax audit for the fiscal year 2013-2017 was completed by PriceWaterhouseCoopers SA 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 currently carried out by PriceWaterhouseCoopers SA., and the relevant tax certificate is expected to be issued after the publication of the financial statements for the first semester of 2019.

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.

The Group provides, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. As a result, the Group's tax obligations have not been defined permanently. At 31.03.2019 no such provisions have been formed for the Group's and Company's unaudited, by the tax authorities, years.

10. Cash generated from operations

all amounts in € thousands	Note	GROUP 01.01.2019 to 31.03.2019	GROUP 01.01.2018 to 31.03.2018	COMPANY 01.01.2019 to 31.03.2019	COMPANY 01.01.2018 to 31.03.2018
Profit/(loss) for the period		4.385	3.564	(3.379)	(3.597)
Adjustments for:					
Tax		2.932	3.136	(678)	(759)
Depreciation	5	211	192	242	35
Impairment of receivables		10	-	-	-
Share of profit from associates	6	769	198	-	-
Provision for impairment of receivables from subsidiaries		-	-	279	(81)
Loss from sale/valuation of financial instruments/derivatives		-	67	-	57
Interest income		(11)	(7)	(279)	(277)
Interest expense		6.559	6.672	2.219	2.956
		14.854	**13.822**	**(1.596)**	**(1.667)**
Changes in working capital:					
(Increase)/Decrease in receivables		903	668	191	(2.072)
(Decrease)/Increase in payables		(6.335)	(3.269)	(1.374)	4.046
		(5.433)	**(2.601)**	**(1.183)**	**1.974**
Cash flows from operating activities		**9.422**	**11.221**	**(2.779)**	**307**

11. Commitments

Capital commitments

At March 31, 2019 there is capital expenditure of €7.4m 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.

12. Contingent liabilities

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	
Liabilities (*all amounts in € thousands*)	**31.03.2019**	**31.12.2018**	**31.03.2019**	**31.12.2018**
Letters of guarantee relating to obligations	34.343	40.182	30.004	30.004
Total	**34.343**	**40.182**	**30.004**	**30.004**
Assets (*all amounts in € thousands*)				
Letters of guarantee relating to receivables (from tenants)	41.265	40.687	-	-
Total	**41.265**	**40.687**	**-**	**-**

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

- The Group provides for unaudited tax years, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. As a result, the Group's tax obligations have not been defined permanently. At 31.03.2019, no such provisions have been formed at Company and Group level. For details regarding the unaudited tax years for the rest of the Group companies, please see note 9.

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

During the whole term of this litigation, LOV has been obliged to pay to the Hellenic Republic the amount of approximately €836k during 2005, €146k during 2006, €27k during 2007, €2.9m in 2012, €2.2m in 2013, €983k in 2014 and €235k in 2015 (which remained as a claim against the Hellenic Republic). Until 31.03.2019 the total amount of €6.5m has been returned to the Company on the basis of the appeals which have been irrevocably accepted. If the outcome of the case is negative, according to the share sale agreement between the Municipality of Amaroussion and the Company, the total obligation will be on the Municipality, as it relates to transfers of properties before the acquisition of LOV's shares.

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

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

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

- Contractor "MICHANIKI SA" undertook a significant part of the construction works for the "Mediterranean Cosmos" shopping centre in Pylaia, Thessaloniki. Both "PYLAIA SA", a subsidiary of the Company, and "MICHANIKI SA" have filed actions and counter-actions against each other, which were jointly heard on 1.4.2009. The Athens Multimember Court of 1st Instance issued decision 8172/2009 according to which the actions of "PYLAIA SA" were rejected whereas an expert was appointed in relation to the actions of "MICHANIKI SA". "PYLAIA SA" appealed against that decision and the hearing of the appeal took place, following postponements, on 28.02.2013 before the Athens Court of Appeal. The Athens Court of Appeal issued decision No. 3977/2013 which rejected the appeal of "PYLAIA S.A.". The Company submitted an appeal on points of law before the Supreme Court, which was heard on 11.05.2015. The Court accepted the appeal of "PYLAIA S.A." by means of its Decision No 208/2016, despite the negative opinion issued by the Judge Rapporteur, and sent the case back to the Court of Appeals for a new hearing. Further to the hearing of the case case 07.02.2019, Court of Appeals issued its decision No 2776/2019, whereby the appeal filed by PYLEA S.A. 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 SA" filed lawsuits No 13132, 13134 and 13129/2010 before the Athens Multi-Member 1st Instance Court against "MICHANIKI SA", the hearing of which took place on 13.02.2013, following a postponement on 14.11.2012. Such lawsuits are identical to the previously presented lawsuits, save that they have been filed jointly with the company "EUROHYPO S.A." to address the event where the Court rules that "PYLAIA SA" is not entitled to file these lawsuits in its name. For this reason, the hearing of such lawsuits was cancelled on 13.02.2013 and had been reenacted so that those lawsuits were scheduled to be heard on 18.03.2015, when hearing was postponed for 25.01.2017 and then again cancelled. A new hearing for these lawsuits was set for 21.02.2018 and then again cancelled.

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

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

13. Related party transactions

The following transactions were carried out with related parties:

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**
i) Sales of goods and services				
- subsidiaries	-	-	302	787
- joint ventures	32	32	15	15
- associates	-	-	17	17
	32	**32**	**334**	**819**

ii) Purchases of goods and services				
- subsidiaries	-	-	238	236
- companies which controlling interests belong to Latsis family	741	-	-	-
	741	**-**	**238**	**236**
iii) Benefits to management				
- salaries and other short-term employment benefits	145	145	145	145
	145	**145**	**145**	**145**
iv) Income from interest				
- subsidiaries	-	2	273	275
	-	**2**	**273**	**275**
v) Cost of interest				
- subsidiaries	-	355	567	513
	-	**355**	**567**	**513**

vi) Period-end balances from sales-purchases of goods/servises

	GROUP		**COMPANY**	
all amounts in € thousands	**31.03.2019**	**31.12.2018**	**31.03.2019**	**31.12.2018**
Receivables from related parties:				
- subsidiaries	-	-	346	1.190
- joint ventures	59	49	18	18
- associates	-	-	41	31
	59	**49**	**405**	**1.239**
Payables to related parties:				
- subsidiaries	-	-	2	3
- companies which controlling interests belong to Latsis family	575	317	-	-
	575	**317**	**2**	**3**

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

vii) Loans to associates:				
Balance at the beginning of the period	**-**	**657**	**7.987**	**8.342**
Loans granted during the period	-	-	-	618
Loan repayments/Transfer to share capital	-	(588)	-	-
Interest repayments/Transfer to share capital	-	(72)	-	-
Loan repayments	-	-	-	(168)
Loan and interest impairment	-	-	(266)	(1.914)
Interest charged	-	2	273	1.109
Balance at the end of the period	**-**	**-**	**7.993**	**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**	
viii) Loans from associates:	**31.03.2019**	**31.12.2018**	**31.03.2019**	**31.12.2018**
Balance at the beginning of the period	-	-	**53.776**	**40.808**
Loans received during the period	-	-	-	11.660
Loan repayments	-	-	(85)	(700)
Borrowings transaction costs - amortization	-	-	-	5
Interest paid	-	-	(82)	(135)
Interest charged	-	-	567	2.139
Balance at the end of the period	**-**	**-**	**54.177**	**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 SA, LOV Luxembourg SARL and LAMDA Ilida Office SA.

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.

14. 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	
all amounts in € thousands	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**	**01.01.2019 to 31.03.2019**	**01.01.2018 to 31.03.2018**
Profit/(loss) attributable to equity holders of the Company	**2.851**	**2.167**	**(3.379)**	**(3.597)**
Weighted average number of ordinary shares in issue	77.856	77.856	77.856	77.856
Basic earnings/(losses) per share *(in € per share)*	**0,04**	**0,03**	**(0,04)**	**(0,05)**

At 31.03.2019 there is no employee share option scheme in force, therefore no diluted earnings/losses have been formed.

15. 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:
- Right-of-use assets – increase by €78.883k
- Lease liabilities – increase by €78.883k

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

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

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

Group

All amounts in € thousands	31 March 2019	1 January 2019
Land plot	78.551	78.615
Motor vehicles	237	268
Total right-of-use assets	**78.788**	**78.883**

Company

All amounts in € thousands	31 March 2019	1 January 2019
Office space	1.289	1.474
Motor vehicles	143	162
Total right-of-use assets	**1.432**	**1.636**

The Group and the Company recognised depreciation of €30k and €204k respectively, in the statement of profit and loss for the period starting from 01.01.2019 to 31.03.2019.

The recognized lease liabilities for the Group and the Company that relate to operating leases at 1 January 2019 and 31 March 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	854	2	856
Lease payments	(918)	(42)	(961)
Lease liability recognised as at 31 March 2019	**78.551**	**228**	**78.778**

Analysis of payables :	
Current lease liabilities	425
Non-current lease liabilities	78.353
Total	**78.778**

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	14	1	15
Lease payments	(190)	(27)	(217)
Lease liability recognised as at 31 March 2019	**1.297**	**136**	**1.433**

Analysis of payables :	
Current lease liabilities	801
Non-current lease liabilities	632
Total	**1.433**

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 four 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. 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.

(b) Group accounting policy for leases

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

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.

16. Events after the balance sheet date

There are no other events after the balance sheet date considered to be material to the financial position of the Company.