

## **Remuneration Report 2020 according to article 11 of L. 4548/2018**

LAMDA DEVELOPMENT S.A. According to article 112 of L. 4548/2018, companies whose shares are listed in a regulated market are required to draft a clear and understandable remuneration report, which includes a complete overview of the total remuneration regulated by the remuneration policy of article 110 of L. 4548/2018 regarding the last fiscal year.

This remuneration report outlines the implementation of the Lamda Development Group Remuneration Policy during the fiscal year 2020. The report shall be submitted for an advisory vote to the Ordinary General Meeting of the Shareholders (“AGM”) of June 23<sup>rd</sup>, 2021.

### **Overview of LAMDA DEVELOPMENT S.A. performance during 2020**

2020 has been a year of unprecedented challenges for the performance of the Company, due to the COVID-19 coronavirus pandemic. The suspension of the operation of the Shopping Centers, the additional restrictive measures during their operation, the legally required discounts on rents, as well as the additional rent discounts provided by the Company lead to a decrease in operating profitability (EBITDA) of the Shopping Centers by 43% compared to the year 2019. Despite the unprecedented adverse conditions, the Company maintained very high average occupancy of the Shopping Centers for 2020 approximating 99% and high average rent collection rate at 93%.

2020 was also a very successful year for the emblematic Hellinikon Project as the Company managed to complete important preparatory works of the project.

Some additional highlights include:

- The issuance of a Common Bond Loan with Public Offering, amounting to €320 million, with a record participation of over 10 thousand private Greek investors.
- The gradual implementation of the business plan including a strategic agreement with the TEMES SA group, for the joint development of two modern, luxury hotels and the respective tourist-residential complexes in coastal front of Hellinikon of € 300 million total investment.
- The agreement on the main terms for the syndicated bank loans to be provided to the Company for the €1.1bn financing of the Hellinikon Project at very favorable terms.
- Numerous preparatory works (design preparation, construction permits preparation, demolitions, commercial development agreements).

### **Remuneration Report details**

**A. Total remuneration granted or paid, with a breakdown into their individual components, the relevant fixed and variable remuneration percentages, including the remuneration of paragraph 2 of article 109, and an explanation of the way of implementing the performance criteria and of way by which total remuneration complies with the approved Remuneration Policy.**

The annual gross fixed and variable remuneration, compensation and other benefits which were paid during the fiscal year 2020 (and 2019) to the CEO and the Members of the Board of Directors, are set out in detail in Tables 1 to 4 below.

It is clarified that Tables 1 to 4 show the gross remuneration, while net remuneration is determined on the basis of the deductions and contributions burdening each beneficiary.

**B. Annual change in the remuneration of the Members of the Board of Directors, the Company's performance and the average remuneration of the company's full-time employees, excluding executives, over the last five (5) financial years.**

Table 3 sets out the annual change in the remuneration of the Members of the Board of Directors, indicators and figures concerning the performance and financial position of the Company, as well as the average of the gross annual remuneration, including benefits and variable remuneration, of the Company's average of employees, excluding the CEO, regarding the Company's 2020, 2019, 2018, 2017 and 2016 fiscal years.

It is clarified that Table 3 shows gross remuneration.

With regards to the employees' average remuneration, this has been calculated as the total gross remuneration, including benefits and bonus, of full-time employees divided by the average of full-time employees each year.

Finally, it is noted that the financial data are based on the audited and published Annual Financial Statements of the group in respect of the 2016-2020 fiscal years that are posted on the Company's website [www.lamdadev.com](http://www.lamdadev.com).

**C. Any remuneration of any kind from any company belonging to the same group, as stated in article 32 of L. 4308/2014.**

No remuneration by any Group Subsidiary has been granted or paid to members of the Company's Board of Directors.

**D. Number of shares and options in respect of shares granted or offered to Members of the Board of Directors and the main conditions for exercising those rights, including the price and date of exercise, as well as any change.**

The Extraordinary General Meeting of the Shareholders ("EGM") of December 22<sup>nd</sup>, 2020, approved the introduction of a stock incentive plan. Under this plan, stock options have been conditionally awarded to a selection of key employees, including the Company's CEO. No stock options have been awarded to other Members of the Board of Directors.

Table 2 presents the number of stock options awarded to the CEO during 2020 under the Company's Stock Options Incentive Plan, including the exercise price, possible vesting dates and the maximum number of options that might vest.

Before 2020, no shares or stock options have been granted to the CEO or to the Members of the Board of Directors.

**E. Any options exercised on the part of the Board of Directors in the context of the Company's Stock Option Plans.**

The stock options have been awarded on December 23<sup>rd</sup>, 2020 under the Company's Stock Options Plan, and the first (partial) vesting might occur on December 22<sup>nd</sup>, 2022. Before 2020, no shares or stock options have been granted to the CEO or to the Members of the Board of Directors.

As a result, no stock options have been exercised yet.

**F. Information on making use of the possibility to recover variable remuneration.**

No such case exists.

**G. Information on any derogations from implementing the remuneration policy, pursuant to paragraph 7 of article 110 of L. 4548/2018.**

The Company complies with the Remuneration Policy fully, except from the total remuneration granted to the Board of Directors (BoD) for their participation to the BoD meetings. The amount exceeds by €9.183 the respective remuneration for fiscal year 2020 approved by the Annual General Meeting of shareholders, held on June 24<sup>th</sup>, 2020. The excess amount was due to the replacement of 2 members and the addition of 1 during the year.

A revised remuneration policy is work in progress, that will include the new Long Term and Short-Term Incentive Plans introduced during 2020.

**H. Information on the way the result of the voting on the Remuneration Report of the financial year 2019-2018 was taken into consideration by the BoD.**

During the General Meeting of the Company's Shareholders dated 24/06/2020, the Remuneration Report of the financial year 2019 was submitted for discussion and voting according to par. 3 of art. 112 of L.4548/2018. The Board of Directors informs in accordance with the above provision that the advisory vote of the shareholders on the Remuneration Report was positive by a percentage of 99.98%

The remuneration package of the CEO was set by the Board of Directors following relevant recommendations of the Remuneration & Nomination Committee and consists of a fixed salary and variable remuneration.

The table below presents each of the remuneration elements paid out to the CEO in respect of Fiscal year 2020 (and 2019).

**Table 1 – Total CEO remuneration 2020 (and 2019)**

Name	Title	Year	Annual fixed remuneration	Annual variable remuneration	Long-term incentive *	Other compensation **	Other benefits ***	Total	% fixed ****	% variable ****
Odiseas Athanasiou	CEO	2020	€ 650,000	€ 650,000	€ 45,969	€ 10,000	€ 60,563	€ 1,416,532	50.9%	49.1%
		2019	€ 448,050	€ 550,000	n/a	€ 10,000	€ 59,764	€ 1,067,814	48.5%	51.5%

\* Long-term incentive amounts represents the part of the value (accounting cost) allocated to fiscal year 2020 in relation to the 2020 stock incentive award

\*\* "Other compensation" refers to remuneration as Member of the Board of Directors

\*\*\* "Other benefits" refers, inter alia, to car allowance and to a pension and medical scheme

\*\*\*\* Fixed elements include "annual fixed remuneration", "other compensation" and "other benefits", whereas variable elements include "annual variable remuneration" and "long-term incentive"

### **Annual variable remuneration**

The annual variable remuneration (bonus), depends primarily on the Hellinikon Project milestones and also the company's financial performance which is driven by the Malls. The Hellinikon Project milestones were over-achieved in terms of financing arrangements, construction permits and design preparation and progress on commercial agreements.

### **Long-term incentive**

During the Extraordinary General Meeting of the Shareholders ("EGM") of December 22<sup>nd</sup>, 2020, the Company's Stock Incentive Plan, was adopted. Under this plan, stock options have been conditionally awarded to a selection of key employees, including the Company's CEO.

This long-term incentive plan has been introduced to drive the Company forward with speed and focus, and to realize the ambitious goals for the Company's performance over the next two to six years. Naturally, these are closely linked to successfully developing and commercializing the Hellinikon Project.

The plan consists of an Initial Award of stock options that will vest in equal parts after two and after three years from the award date. Next to that, an Additional Award – equal to (at maximum) 50% of the initially awarded number of stock options – will become available if the weighted average share price amounts to or exceeds a pre-determined share price after three or four years from the award date.

The vested stock options could be exercised until December 22<sup>nd</sup>, 2026, after which unvested stock options will lapse. The exercise price of the stock options is €6.70, which equals the share price of the 2019 rights issue.

**Table 2 – Overview of shares and options awarded to the CEO**

Name	Title	Instrument	Award date	Number of stock options	Exercise price	Share price at grant date	Vesting date	Expiry date
Odiseas Athanasiou	CEO	Stock options – Initial Award	23/12/2020	637,500	€ 6.70	€ 7.11	22/12/2022	23/12/2026
			23/12/2020	637,500	€ 6.70	€ 7.11	22/12/2023	23/12/2026
		Stock options – Additional Award*	23/12/2020	*	€ 6.70	€ 7.11	22/12/2023 – 22/12/2025	23/12/2026

\* Timing and amount of vesting of the Additional Award is based on achievement of pre-defined weighted average share price after three or four years from the award date

### Five-year overview

The table below presents the development of the actual total remuneration package of the CEO and of the other Members of the Board of Directors over a five-year period, compared to the financial performance (in terms of EBITDA) and to the development of the total remuneration package of the average employee population.

**Table 3 – Five-year overview**

	2016	2017	2018	2019	2020
<b>Remuneration / Annual change</b>					
Odiseas Athanasiou CEO (appointed in May 2009)	€ 856,529 10%	€ 846,559 - 1%	€ 863,362 + 2%	€ 1,067,814 + 24%	€ 1,416,532 +33%
BoD Members' remuneration	€ 150,000 3%	€ 241,700 + 61%	€ 289,500 + 20%	€ 310,000 + 7%	€ 329,183 +6%
<b>Total Remuneration</b>	<b>€ 1,006,529</b> <b>9%</b>	<b>€ 1,088,259</b> <b>+ 8%</b>	<b>€ 1,152,862</b> <b>+ 6%</b>	<b>€ 1,377,814</b> <b>+ 20%</b>	<b>€ 1,745,715</b> <b>+27%</b>
<b>Company performance</b>					
Key Performance Indicators (KPIs) defining variable remuneration (in mln €)					
Net Asset Value (NAV)	€ 403.7	€ 395.1	€ 438.9	€ 1155	€1101.1
EBITDA before valuations	€ 33.8 13%	€ 41.4 + 22%	€ 46.8 + 13%	€ 50.5 + 8%	€ 24.1 -52.3%
<b>Average remuneration on a full-time equivalent basis of employees</b>					
Average employee remuneration	€ 76,265 4%	€ 72,893 - 4.4%	€ 72,052 - 1.2%	€ 91,606 + 27.1%	€ 83,356 -9.0%
Average number of employees	70	77	82	72	139

The main driver for the variation in total and average pay levels during the five-year period is on one hand the variation in the annual variable remuneration element (bonus) and on the other the remarkable increase in headcount over the years 2019 and 2020 due to the needs of the Hellinikon Project.

More specifically, during 2019, relatively higher bonuses were paid to the Company's personnel. At the same time, in order to cover the needs of the Hellinikon Project, the Company hired Directors at Top Management level and highly specialized and consequently highly remunerated people. In 2020, the Company's headcount doubled, similarly with highly qualified and specialized people for the Hellinikon Project. However, people hired in 2020 were lower in the hierarchy and consequently with pay levels lower than the respective ones of 2019

During the five (5) year period there was no salary decrease to any of the Company's employees.

The average annual increase in the CEO's base salary over the five-year period was 12.1%.

### **Outlook 2021**

During the General Meeting of December 2020, the introduction of the long-term incentive plan was approved. At the General Meeting of June 2021, the revised remuneration policy will be submitted for adoption by the shareholders, in line with the underlying (anticipated) Greek implementation principles and the guiding principles of the Shareholder Rights Directive II.

### **Remuneration of Non-Executive Directors**

The gross amounts that were paid to Non-Executive Directors in 2020 (and 2019) are as follows:

**Table 4- Total remuneration of Non-Executive Directors in 2020 (and 2019)**

<b>Name</b>	<b>2020</b>	<b>2019</b>	<b>Start Date</b>	<b>End Date</b>
Anastasios Giannitsis	<b>€190,008</b>	€ 160,000	26.03.2015	
Evangelos Chronis	€10,000	€ 10,000	17.12.1999	
Fotis S. Antonatos	-	-	16.06.2004	
Dimitris Afendoulis	€5,834	€ 10,000	22.03.2018	30.07.2020
Eftichios Vassilakis	€20,000	€ 20,000	30.05.2017	
George Gerardos	€20,000	€ 20,000	24.05.2007	
Ioannis Karagiannis	€5,000	€ 20,000	22.03.2018	24.06.2020
Chariton (Harry) Kyriazis	€40,008	€ 40,000	14.06.2018	
Ulysses Kyriacopoulos	€10,000	€ 20,000	17.03.2010	
Evgenia Paizi	€10,000	€ 10,000	26.03.2015	
Ioannis Zafeiriou	€10,000	-	24.06.2020	
Vasileios Katsos	€5,000	-	24.06.2020	
Aris Serbetis	€3.333	-	07.09.2020	
Calypso-Maria Nomikou	-	-	22.12.2020	

Ioanna Papadopoulou	-	-	22.12.2020	
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Non-Executive Directors do not receive variable compensation linked to Company results or other performance criteria. More specifically, non-Executive Directors are not entitled to annual bonuses, share awards or stock options, or to any supplemental pension scheme.