

2019 Lamda Development S.A. Remuneration Report according to article 112 of L. 4548/2018

According to article 112 of L. 4548/2018, companies whose shares are listed in a regulated market are under the obligation to draw up a 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.

The present remuneration report sets out the remuneration policy's implementation. This report shall be annually submitted to the Annual Ordinary General Shareholders' Assembly for an advisory vote.

The present remuneration report concerns fiscal year 2019 and shall be submitted for discussion at the Ordinary General Assembly of the Company's shareholders, which will take place on 24 June 2020.

The company's performance in 2019

2019 was the 7th consecutive year of growing profitability with EBITDA increasing by 8% compared to 2018. Strong cash flow generation was observed by Malls, with zero bad debt provision and a collection rate of > 99%. Malls recorded high levels in footfall, collections, occupancy, net rent and advertising income.

In addition to strong financial results, 2019 was an exceptional year due to the Hellinikon Project and the implementation of other strategic projects, such as the loan issue, share capital increase and the SAP upgrade.

- Hellinikon Project: Secured finance of € 1.7 billion, with a spread at 3.25%
- Share capital increase: Successful approval of the Prospectus by the HCMC and on target for completion in December 2019; the fastest ever achieved in a rights issue
- SAP implementation: project initiated for the maximization of operational efficiencies and to address the Hellinikon project needs, involving a team of over 60 members. The project is expected to be completed the first semester of 2020.
- Moreover, the Golden Hall extension was opened in December 2019. In spite of the project's complexity, it was completed in less than a year.

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 2018 and 2019 fiscal periods to the CEO and the members of the Board of Directors, are set out in detail in Tables 1 and 3 below.

It is clarified that Tables 1 and 3 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 2 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 bonus, of the Company's full-time employees, excluding the CEO, regarding the Company's 2015, 2016, 2017, 2018 and 2019 fiscal periods.

Remuneration in Table 2 is gross remuneration, while net remuneration is determined on the basis of the deductions and contributions burdening each beneficiary.

With regard 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 2015 – 2019 fiscal periods that are posted on the Company's website 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.

With the exception of a €100,000 goals' achievement bonus to the CEO by the subsidiary "LAMDA MALLS Real Estate Exploitation & Services S.A.", no remuneration by any Group company 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.

Up to 31.12.2019, no shares or stock options have been granted to any member of the Board of Directors.

E. Any options exercised on the part of the Board of the Directors in the context of the Company's stock option plans.

Up to 31.12.2019, no shares or stock options have been granted to any member of the Board of Directors.

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.

Remuneration of Executive Directors

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

The table below presents each of the remuneration elements paid out to the CEO in respect of 2019 (and 2018).

TABLE 1 – Total CEO remuneration in 2018-2019

Name	Title	Year	Annual fixed remuneration	%	Annual variable remuneration	%	Long-term incentive	Other compensation *	%	Other benefits**	%	Total
Odiseas Athanasiou	CEO	2019	448,050 €	42,0%	550.000 €	51,5%	δ/υ	10.000€	0,9%	59.764 €	5,6%	1.067.814€
		2018	435,000 €	50,4%	360.000 €	41,7%	δ/υ	10.000€	1,2%	58.362 €	6,7%	863.362€

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

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

Base salary

In 2019, the base salary paid to Mr. Athanasiou was 448,050 Euros.

Annual variable remuneration

The annual variable remuneration (bonus) depends on the company's financial performance, based on EBITDA before valuations, as well as on the completion of milestones in relation to the Hellinikon Project. In 2019, LAMDA performed slightly above the (retail) EBITDA budget and showed solid performance on the initiated strategic

projects. This resulted in an annual variable remuneration of an amount of 450,000€ being paid to Mr. Athanasiou. Furthermore, an amount of 100,000€ relates to the payment of a goals' achievement bonus by the CEO by the subsidiary "LAMDA MALLS Real Estate Exploitation & Services S.A."

Long-term incentives

LAMDA currently does not operate any long-term incentive for its Executive Directors. When a new policy is submitted to the General Assembly in the future, a long-term incentive element will be also included.

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 2 Annual Changes

Annual Change	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Remuneration					
Odisseas Athanasiou CEO (appointed in May 2009)	776,571 €	856,529 € + 10%	846,559 € - 1%	863,362 € + 2%	1,067,814 € + 24%
BoD Members' remuneration	145,360 €	150,000 € + 3%	241,700 € + 61%	289,500 € + 20%	310,000 € + 7%
Total Remuneration	921,931 €	1,006,529 € + 9%	1,088,259 € + 8%	1,152,862 € + 6%	1,377,814 € + 20%
Company Performance					
EBITDA before valuations (in min) (as key performance indicator (KPI) regarding variable remuneration)	30.0 €	33.8 € 13%	41.4 € 22%	46.8 € 13%	50.5 € 8%
Average remuneration on a full-time equivalent basis of employees					
Average company employee remuneration (excluding CEO)	73,663 €	76,265€ 3,5%	72,893€ -4,4%	€ 72,052 -1,2%	€ 91,606 + 27,1%
Average Number of employees	67	70	77	82	72

The main driver for the variation in actual (EUR) pay levels during the five-year period is the outcome of the (short-term) variable remuneration element (bonus). In addition, the average employee remuneration is also impacted by the number of employees being newly hired and leaving the company over such period of time. The average annual increase in the CEO's base salary over the five-year period was 3.9%.

Outlook 2020

The Compensation & Nomination Committee of the Board of Directors of LAMDA is currently in the process of reviewing the remuneration policy for the Executive Directors. When the remuneration policy is finalized and approved by the Board, the policy will be submitted to the General Assembly 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 the non-Executive Directors

The gross amounts that were paid to non-Executive Directors in 2019 (and in 2018) are as follows:

TABLE 3 – Total remuneration of the Non-Executive Directors in 2018-2019

Name	2019	2018
Anastasios Giannitsis	160,000 €	160,000 €
Evangelos Chronis	10,000 €	10,000 €
Fotis S. Antonatos	-	-
Dimitris Afendoulis	10,000 €	7,500 €
Eftichios Vassilakis	20,000 €	20,000 €
George Gerardos	20,000 €	20,000 €
Ioannis Karagiannis	20,000 €	15,000 €
Chariton (Harry) Kyriazis	40,000 €	27,000 €
Ulysses Kyriacopoulos	20,000 €	20,000 €
Evgenia Paizi	10,000 €	10,000 €

Non-Executive Directors do not receive variable compensation linked to results or other performance criteria. More specifically, non-Executive Directors are not entitled to annual bonuses, stock option or performance share units, or to any supplemental pension scheme.