

Remuneration Report 2021 according to article 112 of Law 4548/2018

LAMDA DEVELOPMENT S.A.

According to article 112 of Law 4548/2018, companies listed on a regulated market are required to prepare a clear and comprehensible remuneration report, which must include a complete overview of the total remuneration regulated by the remuneration policy of article 110 of Law 4548/2018 regarding the last fiscal year.

This remuneration report outlines the implementation of the Remuneration Policy adopted by LAMDA DEVELOPMENT SA (the "Company") during the fiscal year 2022. The report shall be submitted for an advisory vote to the Annual General Meeting of Shareholders (the "AGM") of June 21st, 2023.

Overview of LAMDA DEVELOPMENT S.A. performance during 2022

In 2022, the Group's Shopping Centers recorded historically high results. Shopping Centers EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 51% compared to 2021 and exceeded, in absolute terms, the levels of 2019 (i.e. last year before the COVID-19 outbreak). The valuations of the shopping centers also exceeded the historically high levels of 2019, signaling 2022 as the year of full recovery to pre-Covid levels for the Group's shopping centers as a whole.

The landmark project of Ellinikon continued its trajectory towards its implementation through 2022, making significant progress in terms of implementation of infrastructure works, completion of designs, tendering of building construction projects and mainly in sales. It is worth noting that 2022 is a milestone year for the project, as the first sales were recorded in the Financial Statements. Finally, the Gross Asset Value of Ellinikon increased to nearly €2 billion.

In terms of ESG, 2022 also marked a milestone year for the Group, with the successful issuance of the first green bond of 230 million euros, issued by Lamda Development on 12.07.2022, in order to finance its strategy in green buildings, green energy and smart city investments, as described in the relevant prospectus.

Furthermore, in the context of the implementation of its strategy for the strengthening of its shopping center portfolio, the Company:

A) acquired, through its subsidiary L.O.V. S.M.S.A., the 31.7% interest in LAMDA MALLS S.A., held by Wert Blue SarL, for a consideration of €109 million, thus acquiring full control of the subsidiary LAMDA MALLS S.A, which holds all the shares of LAMDA DOMI S.M.S.A. and PYLAIA S.M.S.A., owners of the Golden Hall and Mediterranean Cosmos Shopping Centers respectively;

B) acquired on 05.08.2022 through its subsidiary, L.O.V. S.M.S.A., 100% of the shares in McArthurGlen Hellas Unipersonal Ltd, owner of the McArthurGlen Designer Outlet Athens located in Spata, Attica, from MGE Hellenic Investments S.à.r.l.

At the same time, the Company, through its subsidiary LAMDA Energy Investments S.M.S.A., SA, entered into a transaction that constitutes the first green energy investment financed by the proceeds of the green bond loan, with the signing of a share transfer agreement for the acquisition of a 20% stake in R Energy 1 Holding for a cash consideration of €5 million. At the same time, R Energy 1 Holding issued a €10 million convertible bond loan with a three-year maturity, which will be fully subscribed by Lamda Energy Investments SMSA. Upon conversion of the aforementioned convertible bond loan, Lamda Energy Investments SMSA will have the right to acquire 50.1% of the share capital of R Energy 1 Holding.

Remuneration Report Information

This remuneration report includes:

- A. Total remuneration granted or paid to the Members of the Board of Directors, with a breakdown into the 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 the manner in 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 2022 (and 2021) 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 taking into consideration 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, the 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, excluding those applicable to the CEO, regarding the Company's 2022, 2021, 2020, 2019 and 2018 fiscal years.

It is clarified that Table 3 shows gross remuneration.

As regards the employees' average remuneration, it has been calculated as the total gross remuneration, including benefits and bonuses, of full-time employees divided by the average of full-time employees in each year.

Finally, it is noted that the financial data are based on the audited and published Annual Financial Statements of the Group for the fiscal years 2018-2022, as published on the Company's www.lamdadev.com.

- C. Any remuneration of any kind from any company belonging to the same group, within the meaning of 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, for the fiscal year 2022.

- 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 with respect thereto.**

The Extraordinary General Meeting of the Shareholders ("EGM") of December 22nd, 2020, approved the introduction of a stock incentive plan in the form of stock options. 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 shows the number of stock options awarded to the CEO during 2020 under LAMDA's Stock Options Incentive Plan, including the exercise price, possible vesting dates and the maximum number of options that might vest.

Prior to 2020, no shares and no options had been granted to the CEO or 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 were awarded on December 23rd, 2020 under the Company’s Stock Options Plan, and the first vesting date was set on December 22nd, 2022. Prior to 2020, no shares and no options had been granted to the CEO or the Members of the Board of Directors.

No options were exercised by the CEO for the year 2022.

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

Non-applicable.

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

The Company fully complies with the Remuneration Policy.

H. Information on the way the result of the voting on the Remuneration Report of the financial year 2021 was taken into consideration by the BoD.

The Remuneration Report for the financial year 2021 was submitted for discussion and voting at the General Meeting of the Company’s Shareholders on 22/06/2022, in accordance with article 112, par. 3 of Law 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 **99.45%**.

Remuneration of Executive Directors

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 shows each of the remuneration elements granted or paid out to the CEO in respect of Fiscal year 2022 (and 2021).

Table 1 - Total CEO remuneration for 2022 (and 2021)

Name	Title	Year	Annual fixed remuneration	Annual variable remuneration	Long-term incentive *	Other compensation **	Other benefits ***	Total	% fixed ****	% variable *****
Odiseas Athanasiou	CEO	2022	€650,000	€933,400	-	-	€83,124	€1,666,524	44.0%	56.0%
		2021	€650,000	€650,000	-	-	€104,201	€1,404,201	53.7%	46.3%

* The amount of long-term incentive schemes represents the value of share options exercised during the fiscal year and can be determined as the difference between the closing price of the share on the stock exchange on the day the option is exercised and the exercise price of the option. This value is different from the book value reported in the annual financial statements, where the fair value (at the time of acquisition) of share options is expensed over the period of the long-term incentive scheme in accordance with IFRS 2 (2022: €1.6 million, 2021: €1.7 million). The amount of long-

term incentive schemes for the year 2020 is different from the figure reported in the 2021 Remuneration Report (i.e. €1,654,896), in order to reflect in a more faithful manner the benefits related to stock options exercised.

** "Other compensation" refers to remuneration received by the CEO as a member of the Board of Directors;

*** The term "Other benefits" refers, inter alia, to car allowance and to a pension and health plan;

**** 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 Ellinikon Project milestones as well as on the company's financial performance which is driven by the Shopping Centers. The Ellinikon Project milestones were achieved and relate mainly to the preparation of architectural and construction designs, the progress of commercial agreements, the significant increase in bookings of residential apartments and the recording of the first sales effected by notarial deed, as well as the preparation for securing the required construction permits. Shopping center performance improved significantly compared to 2021, surpassing even the historic high levels of the pre-pandemic 2019 year.

Long-term incentive

The Extraordinary General Meeting of the Shareholders ("EGM") of December 22nd, 2020, approved the Company's Stock Incentive Plan in the form of stock options. Under this plan, stock options have been conditionally awarded to a selection of key employees, including the Company's CEO.

This long-term incentive scheme was introduced to promote the Company's interests in a direct and targeted manner, and to achieve ambitious goals for the Company's performance over the next two to six years. These goals are closely linked to the successful development and commercial operation of the Ellinikon Project.

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

The vested stock options may be exercised until December 22nd, 2026, after which any unvested stock options will lapse. The exercise price of the stock options is set to €6.70, which equals the share price of the 2019 options 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	Fair Value of the option at grant date **	Vesting date	Expiry date
Odiseas Athanasiou	CEO	Stock options – Initial Award	23/12/2020	637,500	€6.70	€7.11	€3.33	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.

**The fair value of the share options (23.12.2020: € 4.2 million) is estimated based on the Monte Carlo market valuation model, taking into account the terms and conditions under which the options were granted. The above amount corresponds to the theoretical fair value of the options at the date of grant and may differ materially from the actual value at the date of exercise of the options.

Five-year overview

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

Table 3 – Five-year overview

	2018	2019	2020	2021	2022
Remuneration / Annual change					
Odisseas Athanasiou CEO (appointed in May 2009)	€863,362	€1,067,814 + 24%	€1,370,563 ** +28%	€1,404,201 ** +2%	€1,666,524 +19%
BoD Members' remuneration	€289,500	€310,000 + 7%	€329,183 +6%	€592,714 +78%	€571,881 -4%
Total Remuneration	€1,152,862	€1,377,814 + 20%	€1,699,746 +23%	€1,996,915 +17%	€2,238,405 +12%
Company performance					
Key Performance Indicators (KPIs) defining variable remuneration (in mio €)					
Net Asset Value (NAV)	€438.9	€1,155 +163%	€1,102* -5%	€1,362 +24%	€1,357 -0.4%
EBITDA before valuations	€46.8	€50.5 +8%	€24.2 -52%	€39.6*** +64%	€54.4 +38%
Average remuneration on a full-time equivalent basis for employees					
Average employee remuneration	€72,052	€91,606 + 27%	€82,021 ** -10%	€67,832 ** -17%	€75,634 +12%
Average number of employees	82	72	139	214	133

*Figures for the year 2020 have been revised following the change in accounting policy brought by the change in IAS 19

**Figures for the years 2020 and 2021 have been restated in order to reflect in a more faithful manner the benefits related to the value of stock options exercised.

***"EBITDA before depreciation and other adjustments excluding the Ellinikon project" for 2021 has been restated in order to reflect the Group in a more faithful manner after the recent developments of the Ellinikon project.

The average annual increase of the CEO's base salary over the five-year period was 10.3%

Average employee remuneration

The main driver for the variation in 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 hand, the remarkable increase in headcount over the years 2019 through to 2021 due to the needs of the Ellinikon Project.

More specifically, during 2019, relatively higher bonuses were paid to the Company's personnel. During the same year, in order to cover the needs of the Elinikon Project, the Company hired senior, highly qualified, and therefore highly remunerated, management officers. In 2020, the Company's headcount doubled, however, the 2020 hires consisted of lower ranking personnel and therefore the corresponding remuneration levels are lower. In 2021 the average number of employees appears increased due to the fact that, although there was a significant transfer of employees to subsidiaries of the group, this took place at the end of the year (October 2021). The transfer of employees involved a significant number of senior officers, so the average number of employees appears to be reduced. The year 2022 reflects a decrease in the number of employees due to the transfer, while the increase in average employee remuneration in the same year is due to the following reasons: a) Universal implementation of the already approved pay structure/bonus scheme, and harmonization of remuneration and benefit packages based on the labor market research; b) Increase of the corporate performance index - which increases the total bonus amount for employees (corporate index: 1.25) - based on the company's results (increase in EBITDA & NAV/GAV compared to the previous year).

During the five-year period, there was no reduction in the salaries of the Company's employees.

Outlook for 2023

Despite the economic implications of the current geopolitical crisis, the Company is optimistic about the prospects of the Group's Shopping Centers and is steadily moving forward with the implementation of the Ellinikon Project.

I. Remuneration of Non-Executive Directors

The gross remuneration amounts paid to non-executive members of the Board of Directors in 2022 and 2021 were as follows:

Table 4- **Total remuneration of Non-Executive Directors in 2022 (and 2021)**

Name	2022	2021	Date of joining the Board:	Date of leaving the Board:
Giannitsis Anastasios	227,627	227,627	26.03.2015	
Chronis Evangelos	25,000	25,000	17.12.1999	
Antonatos S. Fotis	10,417	25,000	16.06.2004	25.05.2022
Vassilakis Eftichios	25,000	25,000	30.05.2017	
Kyriazis (Harry) Chariton	83,004	83,004	14.06.2018	
Kyriakopoulos Odisseas	6,250	25,000	17.03.2010	28.03.2022
Paizi Evgenia	35,000	35,000	26.03.2015	
Zafeiriou Ioannis	45,000	45,000	24.06.2020	
Katsos Vasileios	25,000	25,000	24.06.2020	
Serbetis Aris	22,917	25,000	07.09.2020	23.11.2022
Nomikos Calypso Maria	25,000	25,000	22.10.2020	
Papadopoulou Ioanna	25,000	25,000	22.10.2020	
Bussetil L. Emmanuel	14,583		25.05.2022	
Kotsolis Stefanos	2,083		23.11.2022	
Gerardos Georgios		2,083	24.05.2007	28.01.2021
Totals	571,881	592,714		

According to the Remuneration Policy approved by the General Meeting of Shareholders of June 23, 2021, a company car is provided to the Chairman of the Board. Moreover, under the same Policy, certain members of the Board receive remuneration for their participation in company committees.

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 allotment incentives or stock options, or to any supplemental pension scheme.