

EXPLANATORY REPORT
OF THE BOARD OF DIRECTORS OF
“LAMDA DEVELOPMENT – SOCIETE ANONYME HOLDING AND REAL ESTATE DEVELOPMENT”
ON THE DRAFT DEMERGER AGREEMENT OF
“LAMDA OLYMPIA VILLAGE SINGLE-MEMBER SOCIETE ANONYME
FOR REAL ESTATE DEVELOPMENT AND MANAGEMENT”
BY ABSORPTION AND
WITH THE ESTABLISHMENT OF A NEW COMPANY

PURSUANT TO ARTICLE 61 OF LAW 4601/2019

TO THE GENERAL MEETING OF ITS SHAREHOLDERS

Pursuant to article 61 of L. 4601/2019, which applies to the common demerger of paragraph 4 of article 55 of L. 4601/2019, the Boards of Directors of the companies participating in the demerger are under the obligation to submit to the General Meeting of their shareholders, which will be convened for the purposes of the approval of the proposed demerger, a detailed written report, in which they explain and justify from a legal and financial point of view the demerger by absorption and with the establishment of a new company.

In light of the above obligation, the Board of Directors of the company **“LAMDA Development – Société Anonyme Holding and Real Estate Development”** (the **“Company”**) prepared the present Report, which is submitted to the General Meeting of its shareholders.

The process of the proposed common demerger of the company under the corporate name **“LAMDA OLYMPIA VILLAGE Single-Member Société Anonyme for Real Estate Development and Management”** with the distinctive title **“L.O.V. S.M.S.A.”** (the **“Demerged Company”**), a wholly-owned (100%) subsidiary of the Company, by absorption and with the establishment of a new company, was initiated by virtue of the relevant decision of the respective Boards of Directors of the companies involved in said demerger dated 31.05.2023.

The above common demerger shall be effected in accordance with the provisions of article 55 par. 4 and of articles 75, 59-74 and 83-87 of L. 4601/2019 (on corporate transformations), L. 4548/2018 (on sociétés anonymes) and the provisions of article 54 of L. 4172/2013 in conjunction with article 61 of L. 4438/2016, as in force (the **“Demerger”**) and up to this date all actions provided for in the relevant legislation have been followed.

In particular, the Demerger shall be effected:

- (a) through the transfer of part of the assets of the Demerged Company related to its investment, namely its 31,7% participation, in the company under the corporate name **“LAMDA MALLS SOCIETE ANONYME FOR REAL ESTATE SERVICES AND MANAGEMENT”** with the distinctive title **“LAMDA MALLS S.A.”** to the Company (the **“Beneficiary Company A by Absorption”**), by means of absorption by the latter (the **“Corporate Contribution A”**);
- (b) through the transfer of part of the assets and liabilities of the Demerged Company related to its investments in the limited liability company under the corporate name **“Athens Outlet Village Single-Member Limited Liability Company”** and with distinctive title **“Designer Outlet Athens SMLLC”**, on the one hand, and in **“LOV LUXEMBOURG S.à R.L.”**, on the other hand, which is incorporated and operates under

the laws of Luxembourg, and in particular of: (aa) of the 100% and 50% participation of the Demerged Company in the companies “Designer Outlet Athens SMLLC” and “LOV LUXEMBOURG S.à R.L.” respectively; (bb) the loans granted to the aforementioned companies; (cc) the cash equivalent to the obligations under (dd); and (dd) the obligations towards the company “MGE Hellenic Investment SaRL”, which is the previous partner of the company “Designer Outlet Athens SMLLC” to the company under the corporate name “LAMDA MALLS SOCIETE ANONYME FOR REAL ESTATE SERVICES AND MANAGEMENT” and with distinctive title “LAMDA MALLS S.A.” (the “**Beneficiary Company B by Absorption**”), by means of absorption by the latter (the “**Corporate Contribution B**”); and

(c) through the transfer of part of the assets and liabilities of the Demerged Company mainly related to the entire activity of the sector of operation of the shopping centre under the name “The Mall Athens” (at 35, Andrea Papandreou street, Maroussi, 151 22), as well as of the liabilities and the legal relationships of the Demerged Company related to any bank loans (including bond loans) or credits (the “**Corporate Contribution C**”), to a new société anonyme to be incorporated specifically for this purpose under the corporate name “THE MALL ATHENS REAL ESTATE DEVELOPMENT AND MANAGEMENT SINGLE-MEMBER SOCIETE ANONYME” and with distinctive title “THE MALL ATHENS S.M.S.A”, which will have its registered seat in the Municipality of Maroussi, Attica, at 37^A Kifissias Avenue, Maroussi 151 23 (inside Golden Hall) (the “**Beneficiary Company by Incorporation**”).

The Beneficiary Company A by Absorption, the Beneficiary Company B by Absorption and the Beneficiary Company by Incorporation shall be collectively referred to as the “**Beneficiary Companies**”.

The resolution of the Board of Directors of the Company related to the Demerger was adopted in the context of the implementation of the broader strategy of the group of companies of “Lamda Development”, to which both the Demerged Company and the Beneficiary Companies belong. In particular, the present Demerger is being implemented in the context of a broader corporate transformation aiming at the creation of a corporate structure of shopping centres, which will simplify the existing structure and may facilitate the raising of funds from the Capital Markets. Furthermore, the present Demerger is considered to be appropriate and beneficial to all companies participating in the Demerger and their respective shareholders, as it will contribute to the creation of an enhanced corporate structure at a financial, business, and administrative level. In summary, the Demerger aims to optimize and simplify the organizational structure of the group of companies of “Lamda Development”, which is a prerequisite in order to achieve the objectives of the strategy set at group level for the following years, through the better organization and more effective operation of the activities of the companies within the group.

The preparation of the valuation report of the assets and liabilities of the Demerged Company, in accordance with article 17 of L. 4548/2018 (the “**Valuation Report**”), as such are reflected in the transformation balance sheet with reference date 31.12.2022 (the “**Transformation Balance Sheet**”), as well as the review of the terms of the draft demerger agreement of “LAMDA OLYMPIA VILLAGE Single-Member Société Anonyme for Real Estate Development and Management” by absorption and with the establishment of a new company (the “**Draft Demerger Agreement**”) and the preparation of the respective independent expert’s report in accordance with article 62 of L. 4601/2019, as in force (the “**Expert’s Report**”), have been carried out by the independent audit firm under the corporate name “**KPMG AUDITING S.A.**”, having its registered offices in Athens, at 44, Siggrou Ave., with ACCA Registration No. 186. The Board of Directors of the Company declares that no particular difficulties have arisen in the course of the process of valuation of the assets and liabilities of the Demerged Company in accordance with article 17 of L. 4548/2018.

All assets and liabilities of the Demerged Company shall be allocated to each of the Beneficiary Companies in accordance with the allocation provided for in the Draft Demerger Agreement, the Transformation Balance Sheet and the Valuation Report, as such will be formed at the date of completion of the Demerger, namely at the time of registration of the final demerger agreement that will be notarized (the “**Final Demerger Agreement**”) and of the Articles of Association of the Beneficiary by Incorporation, along with the relevant approval decision of the General Meetings of the Demerged Company, of the Beneficiary Company A by Absorption and of the Beneficiary Company B by Absorption, as required pursuant to paragraph 3 of article 68, paragraph 4 of article 74, article 69 of L. 4601/2019 in conjunction with articles 25-26 of L. 4919/2022, even prior to the de-registration of the Demerged Company from the General Commercial Register (GEMI), in accordance with paragraph 1 of article 70 of L. 4601/2019 (the “**Completion Date**”).

All actions and transactions of the Demerged Company from the day following the preparation of the Transformation Balance Sheet, i.e. from 01.01.2023, up to the Completion Date of the Demerger process, relating to each of the parts of the assets and liabilities of the Demerged Company, according to the allocation described in the Transformation Balance Sheet, are considered, from an accounting perspective, to be made in the name and on behalf of the Demerged Company.

On the basis of the Valuation Report, the net value of the Demerged Company’s assets and liabilities transferred to each of the Beneficiary Companies and the share capital of the Beneficiary Companies will be formed as follows:

With respect to our Company (namely the Beneficiary Company A by Absorption), the net value of the assets transferred by the Demerged Company to our Company amounts to Euro one hundred nine million (€109,000,000), while, due to the fact that the entire (100%) share capital of the Demerged Company is held by our Company, the transfer of said part of the assets of the Demerged Company through absorption by our Company, will not result in any increase of the share capital of the latter, due to confusion.

With respect to the Beneficiary Company B by Absorption, the net value of the assets transferred by the Demerged Company to the Beneficiary Company B by Absorption amounts to Euro eighty-one million seven hundred thirty-seven thousand eight hundred twenty-eight (€81,737,828). In particular, the value of the capitals being contributed to the Beneficiary Company B by Absorption is detailed as follows: an amount of Euro four hundred twenty-nine thousand four hundred sixty (€429,460) will be contributed to the share capital of Beneficiary Company B by Absorption and the remaining amount of Euro eighty-one million three hundred eight thousand three hundred sixty eight (€81,308,368) to a net position account, pursuant to the International Financial Reporting Standards (IFRS), related to a reserve or to a retained earnings’ account pursuant to the applicable tax legislation and depending on the applicable IFRS treatment for financial statements’ purposes. Therefore, at Completion Date, the share capital of Beneficiary Company B by Absorption will be formed as follows: Euro one hundred sixty-five million twenty-nine thousand four hundred sixty (€165,029,460), divided into one hundred sixty-five million twenty-nine thousand four hundred sixty (165,029,460) registered shares, with a nominal value of Euro one (€1) each.

With respect to the Beneficiary Company by Incorporation, the net value of the assets transferred by the Demerged Company to the Beneficiary Company by Incorporation amounts to Euro forty-five million one hundred ninety-six thousand two hundred ninety-eight (€45,196,298). In particular, the value of the capitals being contributed is detailed as follows: an amount of Euro three million six hundred twenty thousand seven hundred seventy-one (€3,620,771) will be contributed to the share capital of the

Beneficiary Company by Incorporation and the remaining amount of Euro forty one million five hundred seventy five thousand five hundred twenty-seven (€41,575,527) will be allocated to regular reserves' accounts, other net position accounts and/or retained earnings' accounts pursuant to the applicable tax legislation and depending on the applicable IFRS treatment for financial statements' purposes. Therefore, at Completion Date, the share capital of the Beneficiary Company by Incorporation will be formed as follows: Euro three million six hundred twenty thousand seven hundred seventy-one (€3,620,771), divided into three million six hundred twenty thousand seven hundred seventy-one (3,620,771) registered shares, with a nominal value of one Euro (€1) each.

Our Company (and sole shareholder of the Demerged Company) will receive all (100%) shares that will be issued due to the share capital increase of the Beneficiary Company B by Absorption as a result of the Demerger, and all (100%) shares of the Beneficiary Company by Incorporation at the Completion Date.

In particular, upon completion of the Demerger, the Company shall acquire:

- four hundred twenty-nine thousand four hundred sixty (429,460) registered shares, with a nominal value one Euro (€1) each, issued by Beneficiary Company B by Absorption; and
- three million six hundred twenty thousand seven hundred seventy-one (3,620,771) registered shares, with a nominal value one Euro (€1) each, issued by the Beneficiary Company by Incorporation.

Given that, in exchange for the transfer to the Beneficiary Companies of all the assets and liabilities of the Demerged Company, our Company (and sole shareholder of Demerged Company) will receive all shares that will be issued as a result of the share capital increase of the Beneficiary Company B by Absorption and of the incorporation of the Beneficiary Company by Incorporation, the terms of the Demerger can only be considered as being fair and reasonable.

The new shares of the Beneficiary Company B by Absorption and of the Beneficiary Company by Incorporation, which will be acquired, in accordance with the above, by our Company, constituting the sole shareholder of the Demerged Company, will confer any right granted by law and by virtue of the Articles of Association of each company, including the right of participation in the profits of the Demerged Company as of the Completion Date.

As a result of the Demerger, upon its completion:

- (a) The Demerged Company is dissolved and ceases to exist without being placed under liquidation.
- (b) The Beneficiary Company by Incorporation will be established by virtue of the Articles of Association approved by the General Assembly of the shareholders of the Demerged Company and of the Beneficiary Company A by Absorption and will be included in the Final Demerger Agreement that will be notarized.
- (c) Our Company (namely the Beneficiary Company A by Absorption), constituting the sole shareholder of the Demerged Company, shall be the sole shareholder of the Beneficiary Company by Incorporation, acquiring the shares issued by the latter, as detailed above.
- (d) In particular, Beneficiary Company A by Absorption, Beneficiary Company B by Absorption and Beneficiary Company by Incorporation shall be substituted automatically and without any other formality,

in accordance with the law, subject to any special formalities that may be required for the transfer of certain assets (e.g. real estate, vehicles, trademarks, etc.) as universal successors in the property transferred to them (assets and liabilities) as reflected in the relevant sections of the Demerged Company's Transformation Balance Sheet and the Draft Demerger Agreement and as such will be formed until the Completion Date and will be further specified in the Final Demerger Agreement.

(e) Finally, it is noted that the Demerged Company does not employ any employees that are transferred, as a result of the Demerger, to any of the Beneficiary Companies.

It is noted that it is not necessary to provide any additional information on the legal and financial position of other affiliated companies of the "Lamda Development" group (other than the companies involved in the Demerger), since their legal and financial position is not necessary for the explanation and justification of the Draft Demerger Agreement.

The Board of Directors considers that, by virtue of this Demerger, the position of the Company will be strengthened, and the benefit of its shareholders will be great. For all of the above reasons, it submits to the General Meeting of its shareholders the present explanatory report and requests the approval of the proposed Demerger, as well as the approval of the relevant Draft Demerger Agreement, its accompanying documents and in general of all relevant acts, announcements, and documents concluded for this purpose.

Maroussi, 27 July 2023

The Board of Directors of the company

"LAMDA DEVELOPMENT – SOCIETE ANONYME HOLDING AND REAL ESTATE DEVELOPMENT"