IBI LION SOCIMI S.A

In accordance with the provisions of article 228 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, as well as Circular 3/2020 of the BME Growth trading segment of BME MTF Equity ("BME Growth"), and ancillary regulations, IBI Lion SOCIMI, S.A. (the "Company") hereby informs of the following

OTHER RELEVANT INFORMATION

The following is a trading update containing information of the Company and its group and the macroeconomic situation.

The year 2025 began with global changes that are influencing, and will continue to influence, the future of Europe for many years to come.The entry of Donald Trump into the White House brought about a dramatic change in relations with the United States, starting with the issue of trade balances between the countries that led to tariff threats, continuing with the damage to cooperation and abandoning existing agreements And culminated in a tarrif plan that threatens to change the global economy as we know it.. These events, among other things, led European leaders to the conclusion that they must make huge investments in security and infrastructure in order to be able to deal with future threats.

The consequences of these events were not long in coming. Germany announced an investment plan of about 1 trillion euros for the next decade, which will raise the country's debt rate from 63% to 84% (as part of annual GDP). This is the largest budget investment in modern German history and sent a message to all of Europe – it is time to invest.

Financial investors also understood the significance of the change, and began to price rapid growth and higher valuations for European companies. During the first quarter, and before the tarrif plan announced on April 2nd, the German DAX index had risen by about 11 percent, and the Spanish IBEX index had risen by about 14 percent, compared with a decline of about 10 percent in the Nasdaq index.[1]

These increases also continued in light of another interest rate cut in Europe that took place at the beginning of March. This is the sixth consecutive interest rate cut to 2.5 percent. Looking ahead to the rest of the year, market assessments are that the pace of interest rate cuts will slow down, with the central bank examining the implications of global changes before further interest rate cuts[2].

But all that changed with the announcement of the US tarriffs plan. In the days following the announcement, the markets experienced sharp declines in light of the introduction of cross-border

[1] As of closing of the trading session on [31/03/2025]

[2] https://www.ft.com/content/52f9d379-8178-4778-be5b-ef18fc232e75

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customs on all US trading countries[3], with Europe being penalized by 20% and additional tariffs on iron and aluminum of 25%.[4]

At the time of writing, President Trump has announced a 90-day freeze on tariffs and markets have responded with a sharp daily increase.

The President of the European Central Bank (ECB), Christine Lagarde, noted in her recent speech that the new path taken by the new administration in Washington leads to high levels of uncertainty in the field of global trade and could harm global growth. Nevertheless, an analysis by the ECB shows that the current tariff on European goods is expected to reduce GDP growth in the eurozone by only about 0.3% per year[5]

Beyond the increases in the markets, these changes are also affecting the world of income-producing real estate, especially the logistics sector. Diverting resources to the construction of factories, infrastructure, and local growth are increasing the need for logistics centers and industrial assets. DAA Capital Partners, which specializes in logistics in Europe, estimates that Germany will be the main beneficiary of investments in new factories, while Spain and Italy are expected to benefit from increased demand in the field of logistics in light of the cheaper labor in the countries[6].

This can also be seen in the volume of foreign investment by city[7]. London remains the leading European city in investments, although the volume is down 19% year-over-year. Madrid, Barcelona, and Milan recorded significant investments, mainly due to the increase in tourism and positive immigration from South America. German cities, which have historically enjoyed considerable cross-regional investments, have yet to see demand fully rebound.

As far as IBI Lion is concerned, as we noted in the last investor letter, we signed a significant deal at the beginning of January, for the purchase of a cold logistic center for about 25 million euros. Following the acquisition, the company's exposure to the logistics sector currently amounts to about 80%, with the remaining 20% attributed to the portfolio of banks and supermarkets. We continue to invest in logistics and estimate that this sector will continue to grow and outperform in the coming years.

At the beginning of March, we made an additional distribution of about 3% to all of our investors. In addition, during the past quarter we raised additional capital that will be used to purchase new

[3] https://www.usatoday.com/story/money/2025/04/07/stock-market-change-since-trump-tariff-announcement/82976333007/

[4] https://www.reuters.com/markets/europe/eu-countries-set-approve-first-retaliation-against-us-tariffs-2025-04-09/#:~:text=The%2027%2Dnation%20bloc%20faces,high%20barriers%20to%20U.S.%20imports.

[5] https://www.euronews.com/business/2025/03/20/trade-tariffs-could-push-up-eurozone-inflation-by-05-ecbs-lagarde-warns

[6] https://www.daacap.com/europes-defense-and-infrastructure-spending-reinforcing-structural-tailwinds-in-industrial-and-logistics-real-estate/

[7] https://www.cbre.com/insights/reports/h2-2024-global-real-estate-capital-flows

properties, and therefore all of our investors received a letter from the bank regarding the right to participate in the allotment.

Attached to this letter is a brief overview of the European markets and C&W's analysis of the European logistics sector.

We wish all our investors Happy holidays and prosperity.

Nadav Berkowitz

Chairman of the Board of Directors

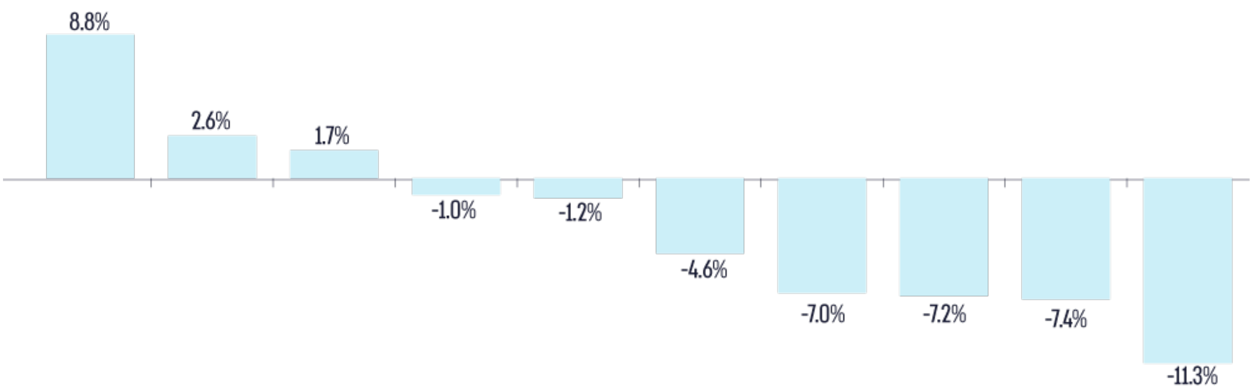
The IBI Lion Team

Macro Europe

The first quarter of 2025, before the announcement of the tariff plan, had a very positive development for European stock indices, with the German DAX index ending the quarter with a return of about 11% and the Spanish IBEX index recording an increase of about 14% in the quarter.[8] The gains in Europe come despite declines in US stock indices, with the Nasdaq index recording a decline of about 10% since the beginning of the year.

However, after the announcement of the tariff plan, the markets experienced sharp declines, led by US indices, and as of the writing of this letter[9], And after a sharp correction in light of the freeze on tariffs the Nasdaq index has completed a decline of approximately 11% since the beginning of the year, while the Euro Stoxx 600 index has fallen by approximately 7% and the German DAX index by approximately 1%.

Index returns from the beginning of 2025



*A-ONLINE Trend Data

Government bond yields were volatile during the quarter, while here too, the trend was the opposite between Europe and the US. US government bond yields (10-year) declined during the year from 4.6% to about 4.2 percent, while the yields on Spanish and German bonds increased in the quarter from 3.0 percent to 3.3 percent in Spain, and from 2.4 percent to about 2.7 percent in Germany.The gaps between the stock indices in Europe and the US, and the mirror image in government bonds, are of course due to the changes we noted at the beginning of the review, first and foremost the tariffs

[8] As of closing of the trading session on [31/12/2024]
[9] As of closing of the trading session on [09/04/2025]

and the fear of inflation on the part of Europe and the risk of entering a recession on the part of the United States.

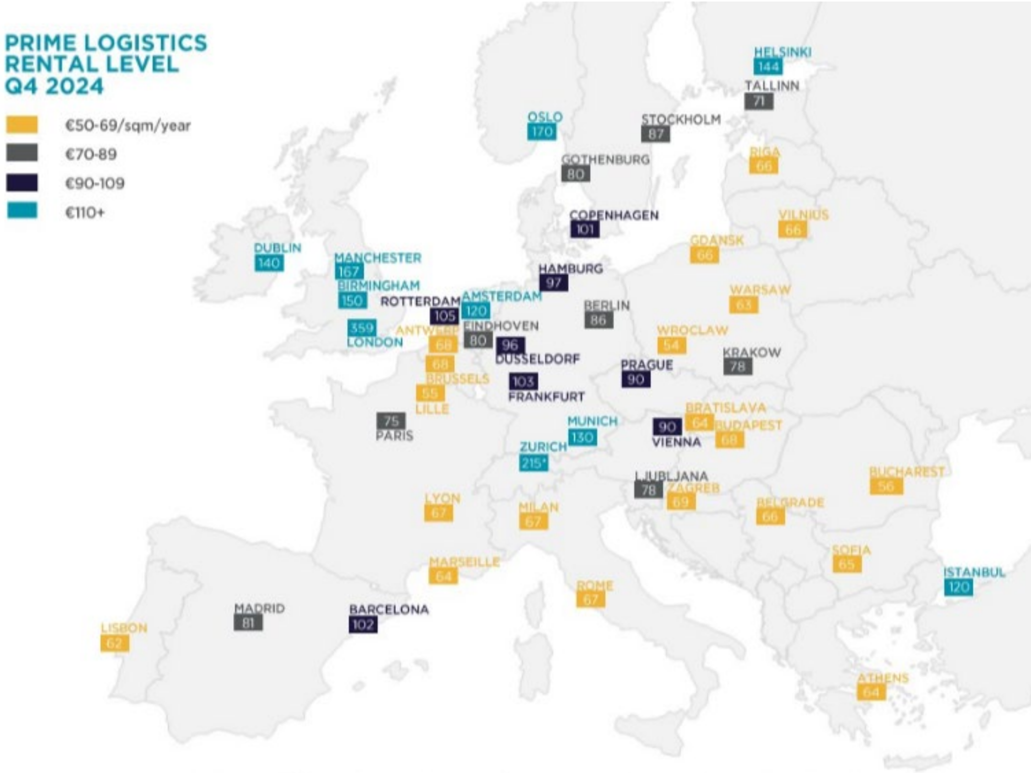
Analysis of the European Logistics Market – Cushman & Wakefield [10]

In recent years, the logistics sector has experienced a wave of transformation fueled by positive trends and technological advancements. These changes gained exceptional momentum during the COVID-19 pandemic, but even after the pandemic, the logistics industry continued to grow. E-commerce continues to be the main driver of demand. Manufacturers are becoming more sophisticated and adopting a "close to the shore" strategy. This means moving production closer to where consumers are. This is partly due to supply chain disruptions caused by the pandemic, but also because the benefits of manufacturing in far-flung countries are reduced, transportation costs are rising, and due to geopolitical uncertainties, there is now a need for transparency in the supply chain.

In the map below[11], you can see the average rent for prime properties by countries and cities in Europe. You can see that the highest rent is currently paid in the UK, the Netherlands and Germany, with the rent for logistics properties in London reaching up to 359 euros per square meter annually (about 30 euros per square meter monthly). The lowest rent in Europe is found in the Eastern and Southern European regions. Spain, in this context, has the highest rent, with an average rent of about 81 euros per square meter annually in Madrid and about 102 euros per square meter annually in Barcelona.

[10] https://www.cushmanwakefield.com/en/ireland/insights/the-future-of-logistics-asset-optimisation

[11] https://cushwake.cld.bz/marketupdate-03-2025-emea-regional-en-content-logistics/6/#zoom=true



Source: Cushman & Wakefield Research; *Time series for Zurich has been revised, the new rental value corresponds to rent growth of 0% QoQ
Exchange rates (average for Q4 2024): EUR-GBP = 0.82; EUR-DKK = 7.46; EUR-SEK = 11.56; EUR-NOK = 11.76; EUR-CHF = 0.93; EUR-USD = 1.05

Beyond the location of assets, the sector has also undergone a change in trends in recent years. While in 2010, the logistics sector focused on supply chain optimization, labor availability, globalization, warehouse consolidation, and outsourcing. In 2024, the picture has completely changed and today logistics players are focusing on reducing costs against the backdrop of economic uncertainty, automation and technology that mainly includes artificial intelligence and investments in technology to improve operational efficiency.

As the industry becomes more sophisticated, logistics property owners also need a strategic approach to asset management.This means the need to keep pace with the changing needs of the resident and to deal with increased regulatory requirements.C&W lists the most significant challenges:

1. **Sustainability compliance and emissions management (ESG)** – As environmental regulations tighten and stakeholder expectations rise, property managers prioritize meeting sustainability standards. Scope 3 emissions managementis a key issue, especially given the logistics sector's carbon footprint.
2. **Financial constraints for upgrading infrastructure**— Reinstalling obsolete assets is essential for maintaining competitiveness. However, limited financial resources can interfere with necessary upgrades, and can leave asset managers at a disadvantage.
3. **Retaining tenants and building a community** – nurturing relationships with tenants and understanding the needs of each tenant is very important to improve satisfaction and desire to extend the contract.

4. **Technology Adoption** – Adopting innovations such asartificial intelligence, automation, and data analytics improves operational efficiency. Incorporating these technologies into existing infrastructures requires careful planning and investment.

In previous years, investments in properties and the need to keep the property new and up-to-date were easier due to the macro environment and especially the low capitalization rates, which enabled an increase in the value of the property even without new investments. However, today's property owners encounter the opposite pattern: an increase in operating expenses alongside the need for significant capital investments against the background of expensive financing and a non-increase in the value of the property in light of the high interest rates that have occurred in recent years. The increase in rents provides some relief but does not fully offset the decrease in value. The cost of debt increased by 350-400 basis points, with capital and operating costs increasing by 20-25% and 10-20%, respectively. Despite an average increase of 37% in prime rents in Europe over five years, capitalization rates in major markets have fallen by 126 basis points since the first quarter of 2022.

Looking ahead, and in light of the challenging operating environment, logistics property owners are facing a difficult task. Careful analysis and strategic planning are essential throughout the life of the investment. Properties require custom maintenance and investment plans to stay relevant.The older the assets are, the higher the cost of investment, and the need for technological investments also becomes important in order to remain relevant.