

REPORT ISSUED BY THE BOARD OF DIRECTORS OF IBI LION SOCIMI, S.A. IN RELATION WITH THE PROPOSAL TO REDUCE ITS SHARE CAPITAL WITH THE AIM OF REPAYING SHAREHOLDER CONTRIBUTIONS BY REDUCING THE NOMINAL VALUE OF THE SHARES

1. PURPOSE OF THE REPORT

This report is issued by the board of directors of IBI Lion SOCIMI, S.A. (the “**Company**”), in accordance with articles 286 and 318 of the consolidated text of the Spanish companies law approved by Royal Legislative Decree 1/2010 of 2 July (“**Spanish Companies Law**”), to justify the proposal submitted to the general shareholders meeting for its approval under item One of its agenda related to the share capital reduction in the amount of 0.0449 euros of the nominal value of the Company’s shares in the amount, considering the number of shares currently in circulation, of 1,908,713.23 euros, in accordance with the provisions of article 317 of the Spanish Companies Law, and the subsequent amendment of article 6 of the Company’s articles of association (the “**Capital Reduction**”).

Pursuant to the aforementioned articles, the board of directors must issue a report providing the rationale of the proposal submitted to the general meeting, due to the fact that the Capital Reduction entails the amendment of the article of association that determines the share capital.

2. RATIONALE FOR THE PROPOSAL

The board of directors’ decision to submit to the general meeting the Capital Reduction is intended to remunerate the Company’s shareholders by reducing the nominal value of the Company’s shares and subsequently repaying the contributions made, as well as optimizing and rationalizing the Company’s own resources after the process of listing all of the Company’s shares in the BME Growth segment of BME MTF Equity.

The board of directors has analyzed the different alternatives to compensate shareholders of the Company, and has considered that the most appropriate way is to reduce the nominal value of the shares, with which the shareholders are refunded part of the contributions that were made to the Company.

It is hereby stated that there is no differentiated treatment among the Company’s shareholders, since this reduction in share capital affects each and every one of the shares that are in circulation in the same way.

3. MAIN TERMS AND CONDITIONS OF THE CAPITAL REDUCTION

Article 317.1 of the Spanish Companies Law, when regulating capital reduction modalities, establishes that the purpose of the reduction may be to refund the value of contributions, and under article 317.2 it specifies that the capital reduction may be carried out by reducing the nominal value of the shares.

In accordance with the provisions of article 318.1 of the Spanish Companies Law, the capital reduction must be approved by the general meeting with the requirements established for the amendment of the articles of association, which, for public limited companies, as established in article 286, include the drafting by the directors of the full text of the proposal and a written report justifying it.

In addition to these general requirements, article 318.2 of the Spanish Companies Law details the minimum content of the general meeting’s resolution, and establishes it must determine, at least, the

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amount of the share capital reduction, the purpose of the reduction, the procedure through which the Company has decided to execute it, the term for execution and the amount to be paid, where applicable, to shareholders.

In this regard, the capital reduction submitted by the board of directors to the general meeting includes the minimum content required by the aforementioned articles of the Spanish Companies Law. Therefore, the amount of the proposed Capital Reduction is, considering the number of shares currently in circulation, 1,908,713.23 euros; its purpose is to refund shareholder contributions; the proposed procedure consists in reducing the nominal value of the shares outstanding in an amount of 0.0449 euros per share; and the amount that, where applicable, must be paid to shareholders, which is equal to the amount in which the nominal value of the shares in the Company would be reduced in the Capital reduction, i.e. 0.0449 euros. The proposed resolution also includes the term for executing the Capital Reduction.

4. RESOLUTION PROPOSAL

The resolution proposal submitted for approval by the general shareholders meeting of the Company is the following:

“ITEM ONE ON THE AGENDA

Review and, where appropriate, approval of a share capital reduction with the aim of refunding shareholder contributions by reducing 0.0449 euros the nominal value of the shares, in an amount, considering the number of shares currently outstanding, of 1,908,713.23 euros and subsequent amendment of article 6 of the articles of association.

To reduce the share capital of IBI Lion SOCIMI, S.A, by reducing 0.0449 euros the nominal value of the shares, with the aim of refunding shareholder contributions, all in accordance with the provisions of article 317 of the consolidated text of the Spanish companies law approved by Royal Legislative Decree 1/2010 of 2 July (the “LSC”). As a consequence of this reduction, the nominal value of the shares will change from 1.00 euro to 0.9551 euros and the difference of 0.0449 euros per share will be paid to the shareholders of IBI Lion SOCIMI, S.A.

Consequently, considering that at the time of calling this general meeting there are 42,510,317 outstanding shares of the Company, the amount of the capital reduction object of this resolution amounts to 1,908,713.23 euros.

The execution of this capital reduction resolution must be carried out within the month following the end of the term for the exercise of the creditors’ right of opposition established in article 334 of the LSC, as set forth in article 336 of such law. Notwithstanding the above, the capital reduction provided for in this resolution must be executed within a maximum period of one year from the date of this resolution.

In accordance with article 334 of the LSC, Company’s creditors whose credits arose prior to the date of the last announcement of the capital reduction resolution, have not matured at that time and until such credits are secured, will have the right to oppose the capital reduction.

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Once the capital reduction provided for in this resolution has been executed, article 6 of the Company's articles of association, related to the share capital, shall be amended as to reflect the resulting share capital and number of shares outstanding. Consequently, article 6 of the articles of association will be drafted as follows: "The share capital amounts to forty million, six hundred and one thousand, six hundred and three euros and seventy-seven cents (40,601,603.77 €), divided into forty-two million, five hundred and ten thousand, three hundred and seventeen (42,510,317) registered shares, each with a nominal value of nine thousand five hundred fifty-one ten thousandths of an euro (0.9551 €), fully subscribed and paid up, of a single series and class. All shares are fully subscribed and paid up and grant their holders the same rights".

Payment of the amount of 0.9551 euros per share will be paid to shareholders in accordance with applicable legislation on depositories entities and through the mechanisms made available to participating entities by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

Furthermore, it is resolved to jointly and severally delegate to the board of directors, its chairman, the secretary member of the board of directors, and the rest of the members of the board so that any of them, jointly and severally and indistinctly, as broadly as required by the law, may proceed to the execution of this resolution and may determine the points that have not been expressly set out in this resolution or which are a consequence of it. In particular, including but not limited to, it is resolved to jointly and severally delegate to the aforementioned persons, as broadly as required by the law, the following powers:

- i) in the event that, prior to the execution of the capital reduction object of this resolution, the number of outstanding shares of the Company had increased as a result of the implementation of any capital increase, adjust the aggregate total amount of the capital reduction covered by this resolution, taking into account the new number of shares outstanding at the time of its implementation;*
- ii) to extend and develop this resolution, establishing the terms and conditions of the reduction in all matters not provided for herein and in particular, the exact date on which the return of the shareholders' contributions will become effective;*
- iii) to carry out any actions needed to meet the requirements set by the LSC, the Securities Market Law, approved by Royal Legislative Decree 4/2015, of 23 October, the Royal Decree 878/2015 of 2 October, on clearing, settlement and registration of tradable securities in the form of book entries, on the legal regime of central securities depositories and central counterparty entities, and on transparency requirements in relation to information about issuers whose securities are admitted to trading in an official secondary market, and other applicable regulations;*
- iv) to carry out any actions and procedures that may be necessary to obtain the consent and authorizations required for the full effectiveness of this resolution;*
- v) to carry out, on behalf to the Company, any act, statement or procedure that may be required by the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores,*

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“CNMV”), BME Growth segment of BME MTF Equity, the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), Sociedades Receptoras de las Bolsas, Servicio de Liquidación y Compensación de Valores and any other body, entity or register, public or private, national or foreign, in relation to the capital reduction provided for in this resolution;

- vi) to amend the article of the articles of association related to share capital, as to reflect the new share capital and nominal value of the shares, in particular, amending the wording of article 6 of the articles of association referred to in the text of this resolution of the general meeting in the event that prior to the implementation of the capital reduction covered by this resolution a capital increase had been implemented;
- vii) to draft and publish all the notices that are required or convenient in relation to this share capital reduction;
- viii) to declare, in due course, the expiry of the period for creditors to lodge objections, as well as, where appropriate, to attend to the exercise of the right of objection of those creditors who may exercise it in accordance with the terms provided for in the Law;
- ix) to grant, on behalf of the Company, as many public or private documents may be necessary or convenient for the capital reduction;
- x) to declare the capital reduction closed and implemented and to establish any other circumstances necessary to implement it;
- xi) to make, if appropriate, the corresponding tax withholdings on the amount of the value of the contributions refunded to the shareholders in respect of the capital reduction, to be paid on behalf of the shareholders to the competent Spanish tax authorities, in particular, and by way of illustration only, those derived from the Tax on Capital Transfers and Documented Legal Acts in the form of Corporate Transactions;
- xii) to correct, clarify, interpret, specify or supplement this resolution, or those in the deeds or documents executed to implement it, and in particular, those faults, omissions or errors, in the form or substance, which may prevent the access of the resolutions and their consequences to the Commercial Registry, to the official register of the CNMV, BME Growth segment of BME MTF Equity or to any others; and
- xiii) to carry out, in general, as many actions as may be necessary or convenient for the successful execution of this resolution and the effective capital reduction.”

In Madrid, 6 October 2022

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