In accordance with the provisions of article 228 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015, of 23 October and 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. In light of the new year, we have decided to share with our shareholders an update gathering public information on the company's activities and on the European real estate market with an emphasis on Spain. We hope that these updates will strengthen the relationship with our shareholders beyond the ongoing reports and presentations.

The year 2023 opened strongly with great optimism in the markets, despite continued interest rate increases, with the US Federal Reserve increasing the federal funds rate by 0.25 percent at the end of January and the European Central Bank increasing the interest rate by 0.5 percent. The markets recorded sharp increases with the US and Europe leading the trend. The change in the markets, compared with 2022, came in the light of a warm winter that lowered electricity prices in Europe and contributed greatly to the weakening of inflation, the reopening of China to the world, and above all, the general expectation that the global interest rate increases will be lower than initially expected.

In the European real estate market (as in most of the world), there were few transactions in the last quarter in view of the change in the macro environment and the increase in the interest rate. As far as we have seen, the sharp change in the interest rate has not yet changed the margin in which loans are taken, but the euribor (to which loans are generally indexed) increased in the past year from zero to almost 3 percent. This means, on the one hand, that buyers see higher financing costs and, on the other hand, that sellers are not yet ready to significantly reduce the price.

Looking ahead, 2023 could be a year of opportunities. The increase in financing costs increases the pressure on sellers, and it can already be seen today that companies with high leverage or high financing costs, are willing to compromise on the price. According to most market assessments[1], the interest rate in Europe could most probably begin to decline in 2024, which means that in the medium term (of up to 5 years), the purchases made at an opportunistic price in 2023 could be the profits of 2027-2028.

Currently, we are looking at a number of new high-yield properties while maintaining our investment criteria that includes long-term contracts linked to inflation and strong tenants. In addition, at the beginning of the year, the rentals in our properties were updated in accordance with market inflation (about 7% on average) and may also decide to promote the construction of solar panels in our logistics center in Valencia in the future.

Therefore, our target is to continue to raise capital and increase our portfolio of assets, which as of December 31, 2022 stands at 9 properties valued at EUR 93,052,000 according to the latest valuation reports as of 31 December 2022. In recent weeks, information has been published (or you may have received a call from your depositary bank) about the new funding we made during February. These announcements are also expected to come in any future funding we may make in the future as part of the regulatory obligation we have in Spain to update investors on any new funding and offer them to participate, where applicable. Of course, if an investor does not wish to participate or does not proceed as set forth in the relevant documentation, the right to participate will expire and there will be no change for existing investors. It should be noted that the latest new funding was carried out at a price of EUR 1.11 per share while the share price in the market now stands at EUR 1.15[2]. That share price in the market represents an increase of about 15% since admission to trading in 2022, considering a distribution of about 4% that was carried out at the end of December.

We have attached to this email a brief overview of the European market and we will of course be happy to answer any questions and update on the company's progress.

[1] ***according to prices of forward and bond prices***
[2] As of closing of the trading session on 26/2/2023

Real Estate Review Europe

The year 2023 opened with optimism in the markets that boosted equity indices around the world. Europe, which just a few months ago estimated that it would have difficulty surviving the winter, was the main beneficiary of the winds of change and even ended 2022 with growth higher than China and the US[3] after an assessment at the end of last year that a recession in Europe was inevitable. The graph below shows the gaps between Israel and abroad, with an emphasis on European equity indices, which have increased by about 8%-10% since the beginning of the year.

So, what changed? Among others, a warm winter that lowered electricity prices and greatly contributed to the weakening of inflation, the reopening of China to the world, and above all, the expectation that the global interest rate increases will be lower than initially expected. Goldman Sachs[4] was the first to announce that it no longer expects the eurozone to contract this year, but rather estimates that it will grow by 0.6 percent. A series of other analysts have also replaced the forecast for the current year, moving from recession forecasts to estimates of estimated growth of 1.4 percent for the EU as a whole in 2023[5]. The optimism is also expressed in the currency's exchange rate, which stands at about 1. 1euro to the dollar[6] and bond yields declined markedly, with the yield of German bonds declining from 2.5 percent at the beginning of the year to about 2.3 as of 1/2/2023.

For the EU, the positive signs now enter into the European Central Bank's (ECB) considerations in the interest rate decisions it faces. The Consumer Price Index (CPI) for the eurozone declined in December, to 9.2 percent, and in January there was already a new decline to 8.5 percent, marking the third consecutive month of decline after inflation reached a peak of 10.7 percent

[3] ***European Union's statistics agency - https://ec.europa.eu/eurostat/databrowser/bookmark/4eef75c1-4ab8-4e39-865e-6301e3390d28?lang=en***
[4] ***https://www.goldmansachs.com/insights/podcasts/episodes/01-11-2023-hatzius-wilson.html***
[5] ***https://www.scmp.com/economy/global-economy/article/3211265/taiwan-cuts-2023-gdp-forecast-global-electronics-demand-showing-no-signs-recovery***
[6] ***as of 1/2/2023***

in October[7]. The ECB clarified that it will continue with "significant" interest rate increases, partly because the core interest rate on the continent continues to increase and partly due to it concern about the spread of inflation in the service sector.

Growth data (GDP) published this month were also positive, with Europe recording growth of 3.5% in 2022[8], a higher figure compared to the US and China, that managed to surprise investors.

City rankings - Overall prospects

Rank	City	Score
1 (1) —	London	2.15
2 (3) ↑	Paris	1.72
3 (2) ↓	Berlin	1.69
4 (6) ↑	Madrid	1.54
5 (3) ↓	Munich	1.49
6 (7) ↑	Amsterdam	1.48
7 (3) ↓	Frankfurt	1.30
8 (8) —	Hamburg	1.19
9 (9) —	Barselona	1.12
10 (11) ↓	Milan	1.10

The real estate consulting firm, Knight Frank[9], estimates that Europe will experience a volume of investments in income-producing real estate this year that is similar in level to 2022, in view of the investors' desire to be in "safer" markets during a period of interest rate increases. It is estimated that smaller assets, of up to 100 million euros, will be the main beneficiaries of the flow of funds to Europe by private investors. In terms of sectors, notes Knight Frank from a long-term perspective, there are a number of large-scale infrastructure projects currently being carried out in Europe, including the connection of Germany and Denmark and a shortcut tunnel between France and the Netherlands and Belgium, which are expected to significantly improve transportation on the continent and create demand for logistics centers in new regions.

[7] ***https://ec.europa.eu/eurostat/documents/2995521/15131964/2-31102022-AP-EN.pdf/9a37ec66-2f69-5b3c-a791-662cec2f439b***
[8] ***https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2023-economic-forecast-eu-economy-set-avoid-recession-headwinds-persist_en#:~:text=Growth%20for%202022%20is%20now,in%202024%20in%20the%20EU.***
[9] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***

Knight Frank also updates the ranking of the most interesting cities for investment in Europe. London remains first in the table, despite the state of the UK economy. Paris is the second city on the list and it has swapped places with Berlin which was second last year. In fourth place is Madrid which has risen two stages (compared to 6 the previous year).

Spain

Spain's economy is expected to be the fastest-growing country in the eurozone in 2023 with forecasted growth of 1.2 percent and low inflation of 3.7 percent[10]. Like other European countries, Spain's labor market continues its trend of improvement with a decline in unemployment and a higher savings rate in the population. This means that today there is a high volume of funds in the public for investments. In the field of commerce and hotels, Knight Frank estimates that the improvement in the sector will continue together with the end of the coronavirus, the improvement in tourism and the improvement in the consumer situation.

According to Knight Frank’s mentioned report in the logistics sector, the expectation is for an increase in rents, while demand in the sector remains high with relatively low supply. In addition, the airport in the capital, Madrid, is undergoing significant expansion, including 2.1 square meters of hotel, office and logistics in a project that is expected to make Madrid the most important logistics center in Spain. In the office sector as well, the expectation is for a slight increase in the rent of the apartment, which has not increased in recent years as in other European countries, and therefore no negative impact and decrease in occupancy is expected as in other countries.

The bottom line is that Knight Frank estimates that the volume of investments in the country is not expected to be affected, although price adjustments are expected in some properties.

France

[10] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***

The French economy is expected to slip out of recession in 2023 with a growth forecast of 0.1% and inflation of 4.8%[11]. The forecast for the office sector is still unclear and therefore investors are choosing a strategy of waiting when the demand for offices in the periphery and low-quality offices is more negatively impacted mainly due to demand for quality assets that meet environmental standards. In the area of commerce, it is expected that we will not see a significant change in the value of assets, especially in properties in Paris where the demand for properties remains high in view of the increase in the number of tourists after the end of the COVID-19 pandemic. Sectors that are expected to develop positively in France for 2023 are the industrial structures sector, in view of the strong data of the country's industrial companies and small supply[12]. The area of assisted living and student housing rentals is also expected to record an increase in rents in 2023[13].

Germany

Germany is the country with the highest dependence on Russian gas and therefore the country suffers from relatively high inflation compared to the rest of Europe. Despite this, the German labor market remains very strong with an unemployment rate of about 5.5% and therefore the demand for offices in Germany also continues to be high, especially in high-quality properties in central locations, with the percentage of non-occupancy in Berlin and Munich standing at only about 3.0% and 5.0%, respectively[14]. Looking at the coming year, it is expected that the percentage of non-occupancy will increase slightly but will remain low, rents will continue to increase in quality properties, but the capitalization rate of assets is also expected to increase slightly in view of the increase in interest rates. In the field of logistics, the road project to connect with Denmark is expected to increase the demand for properties in the Hamburg area[15].

United Kingdom

[11] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***
[12] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***
[13] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***
[14] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***
[15] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***

The UK has had a year full of events including a change of governments, a change in economic plans, and high inflation in light of leaving the European Union. But precisely because of these events, it is estimated that there are currently a lot of opportunities in the real estate sector which continues to present higher returns compared to other European countries along with high liquidity[16].

Knight Frank estimates that the areas that are expected to see improvement in the coming year are commerce, life sciences, data centers, and housing. On the other hand, in light of the increase in financing costs, Knight Frank estimates that we will see gaps between asset types as quality assets continue to be an anchor for investments while less quality properties and less attractive locations are likely to be more negatively impacted[17].

Pursuant to the provisions of Circular 3/2020 of BME Growth, it is hereby stated that the information provided herein has been prepared under the sole responsibility of the Company and its directors.

In Madrid, on 2 March 2023

Mr. Rafael Goldfeld
Secretary and member of the Board of Directors

[16] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***
[17] ***https://www.knightfrank.com/research/article/2022-12-15-european-real-estate-outlook-2023***

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