INVESTMENT HOUSE
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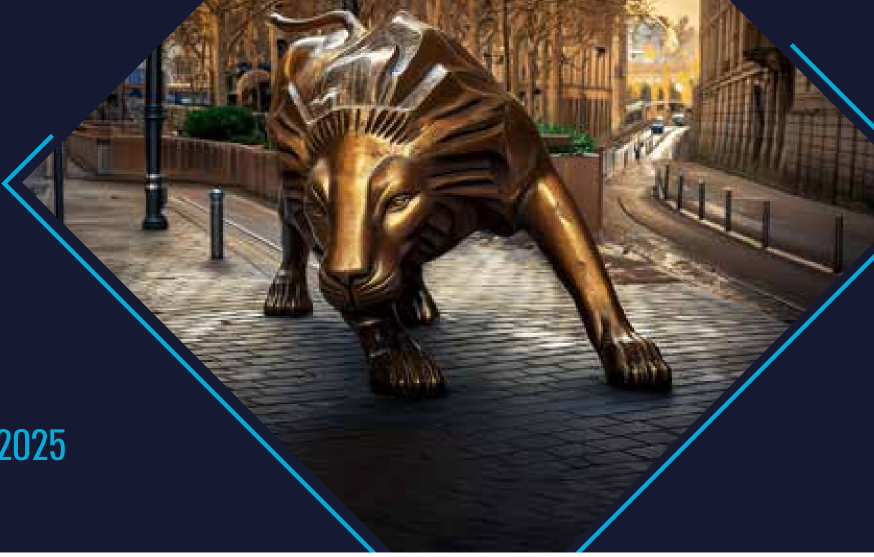

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Investor Update and Real Estate Review | July 2025

Dear Investors,

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 first half of 2025 was turbulent. Global markets experienced sharp declines after Trump's announcement of a tariff plan in April, followed by a sharp correction after the postponement of the tariff hike. The turning point came in May 12, when China and the U.S. announced a "ceasefire" in the trade war and agreed on significant tariff cuts for 90 days and the start of negotiations.

Despite the easing of tensions with China, tensions with the European Union remain. Europe was surprised by the announcement of 50% tariffs on European goods. Here too, the U.S. agreed to postpone the tariff increase until July 9, following Europe's commitment to accelerate negotiations. As of this writing, another extension has been granted until August 1. If no agreement is reached by then, the U.S. universal tariff rate of 10% could spike(1).

Markets responded positively to the reduction in risk, and global equity indices surged, with a notable gap between European and U.S. indices. Germany's DAX and Spain's IBEX35 posted returns of about 20% year-to-date, while U.S. indices underperformed, with the S&P 500 rising by only around 5%.

The European rally was also supported by positive macro data: around 0.6% growth in Q1 and stable inflation of 2% as of June. These led the European Central Bank to continue its interest rate cuts in June, lowering it by another 0.25% to 2.0% – the eighth consecutive cut (2).

The euro also strengthened against the dollar, rising about 13.7% year-to-date to a rate of 1.18 at the end of Q2. ECB President Christine Lagarde noted in a recent speech that the euro's strength reflects not only market conditions but also the strength of the Eurozone economy (3).

Spain's economy continues to thrive, driven by global growth in services and tourism. Recently, it even outpaced Japan and South Korea in per capita GDP. According to the IMF, Spain's per capita GDP surpassed both Asian economies, reaching around €36,000. This milestone marks a remarkable turnaround after a decade of adopting a service-driven growth model(4) .

In European real estate, 2025 is shaping up to be an interesting investment year, backed by macroeconomic momentum, low interest rates, and assets that still yield attractive returns relative to declining financing costs. Major investors have already begun redirecting funds to Europe. In April alone, European real estate companies raised about €2.4 billion, bringing total capital raised year-to-date to over €8.7 billion(5).

According to consulting firm Green Street, landlords have resumed rent hikes due to relatively low construction levels – especially in rental housing and industrial logistics. Green Street estimates that rent increases in Europe could even surpass those seen in the U.S.

(1) https://www.reuters.com/business/trump-announces-30-tariffs-eu-2025-07-12/
(2) As of closing of the trading session on [30/06/2025]: https://www.reuters.com/world/china/global-markets-h1-analysis-pix-2025-06-30/
(3) https://www.reuters.com/world/europe/ecbs-lagarde-says-euros-rise-also-reflects-economic-strength-2025-07-01/
(4) https://www.euronews.com/business/2025/07/03/spain-overtakes-japan-in-gdp-per-capita-what-is-behind-the-numbers
(5) https://www.reit.com/news/articles/european-real-estate-seen-as-compelling-option-for-global-investors

The company's existing portfolio continues to benefit from strong demand, particularly in Valencia, where floods at the end of 2024 sharply reduced the vacancy rate to just about 1%. Consequently, rents are rising.

In July, we made another distribution of approximately 3% to all our investors. The next distribution is expected in or around February 2026, subject to approval by shareholders. Also, in September, we expect to conduct another capital raise, subject to the relevant approvals and authorisations, to fund the potential purchase of new assets. Therefore, all investors will receive a letter from the bank regarding their right to participate in the allocation. If an investor chooses not to exercise the right, it will automatically expire and be deleted from their bank account. Further information will be published through the customary and mandatory channels.

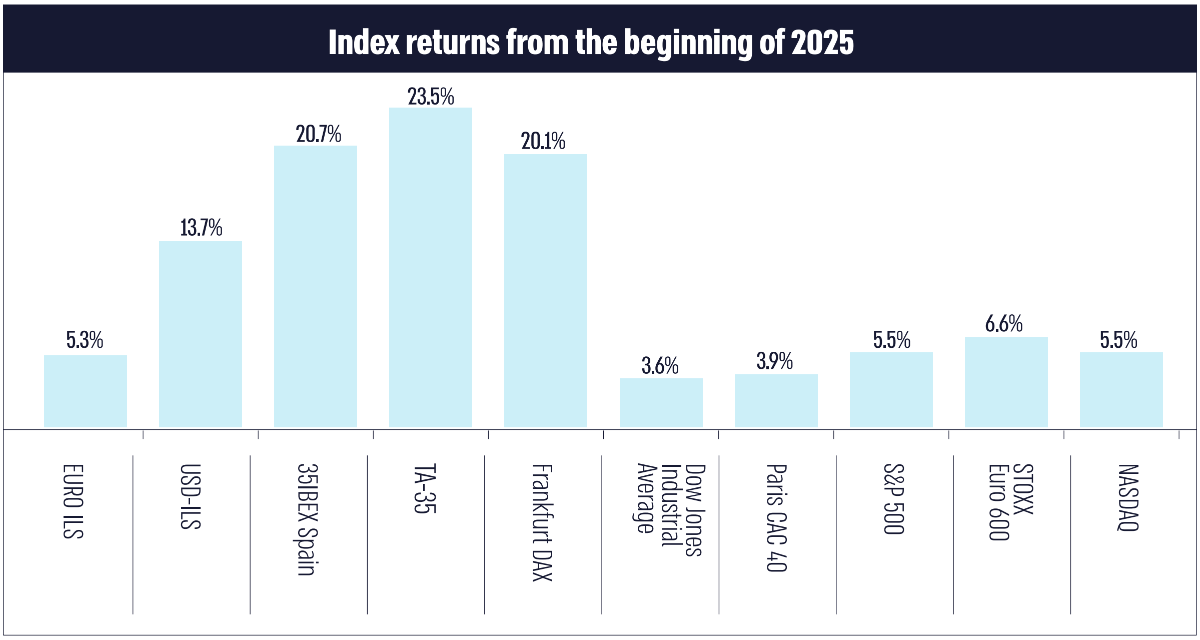
Attached to this letter is a review and forecast for the second half of 2025 regarding European income-producing real estate by Knight Frank

Sincerely,

Nadav Berkowitz, Chairman of the Board of Directors
The IBI Lion Team

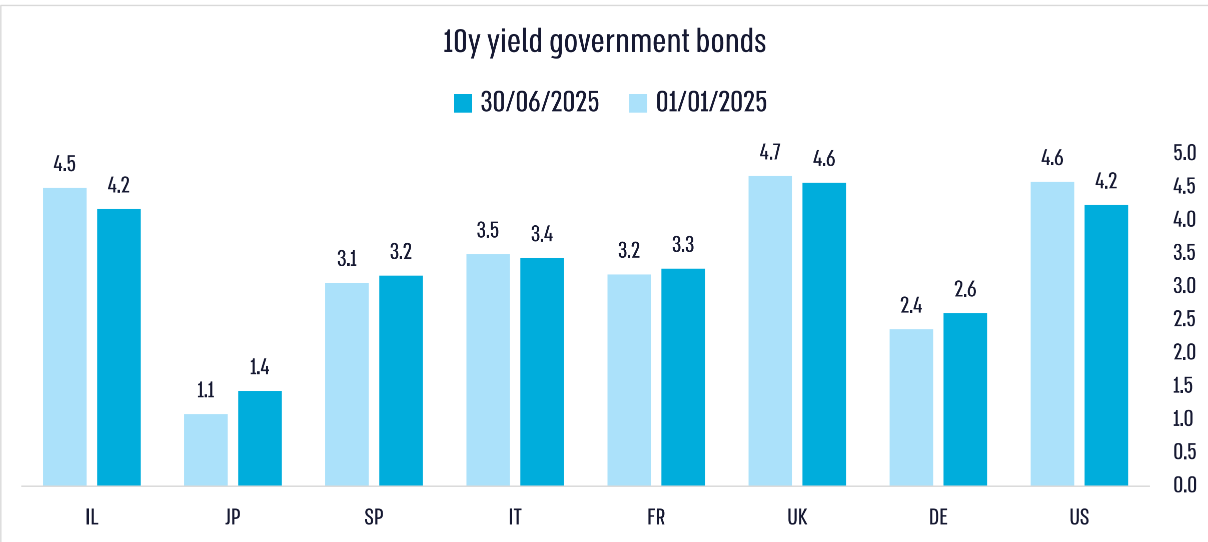
Macro Europe

The first half of 2025 was very volatile, but markets ended with positive returns, mainly European indices. The Tel Aviv 35 Index recorded the highest return compared to major indices, partly due to reduced risk after the end of the war with Iran – it posted a high return of around 24%. The DAX and IBEX35 delivered returns of about 20% YTD, while the S&P500 rose only around 5.5%[6].



*A-ONLINE Trend Data

Bond yields in Europe declined this quarter but remain slightly higher than at the beginning of the year.
The current yield on 10-year German government bonds stands at approximately 2.6%, Spanish bonds yield around 3.1%, while U.S. Treasury bonds yield about 4.3% – reflecting a slight decrease compared to the start of 2025.



[6] As of closing of the trading session on [30/06/2025]

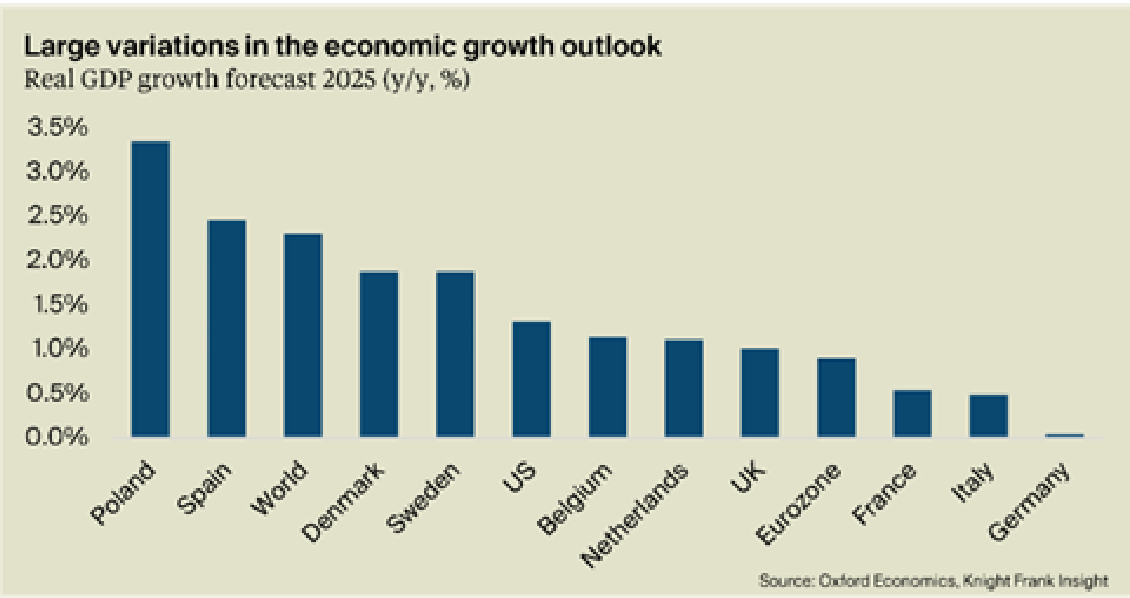
Forecast for the Second Half of 2025 in the Income-Producing Real Estate Sector – Knight Frank[7]

Knight Frank's forecast for the second half of 2025 indicates potential growth in the European income-producing real estate market, with expectations for increased investment.

This optimistic outlook is driven by interest rate differentials between Europe, the U.S., and the U.K., which allow for cheaper financing—while asset yields remain relatively high, as illustrated in the chart below.

Knight Frank identifies **Poland and Spain** as the countries with the **highest projected GDP growth for 2025**, with Poland expected to grow by **over 3%** and Spain by **approximately 2.5%.**

This growth is considered high compared to the rest of Europe and even relative to the United States.



[7] https://content.knightfrank.com/resources/knightfrank.co.uk/commercial/research/european-commercial-outlook-h2-2025_20-june.pdf

According to Knight Frank, the sectors **expected to experience the highest growth in the second half of 2025** are:

- **Residential real estate**, which is suffering from a shortage of new supply;
- **Logistics**, which is seeing growth in rental rates and an increase in asset values in high-demand areas.

Another sector expected to **outperform is industrial real estate.** Knight Frank projects a significant transformation in this sector due to increased investment in defense across Europe. NATO's decision to raise defense budgets to about **5% of GDP** is expected to result in the opening of new factories and logistics centers to store outputs, particularly in areas near seaports and military bases.

In the **office sector,** Knight Frank forecasts that **Class A (premium) office rents** will rise in certain urban centers such as **downtown Paris and Prague**, driven by limited new supply.

The **retail sector** is also regaining strength after several years of repricing. Core locations are expected to see **continued growth in rental income.**

Geographic Outlook:

Knight Frank estimates that **Germany** will remain the country with the **largest investment volume** in Europe, despite less favorable macroeconomic indicators compared to other European countries. Following Germany, **France and Spain** are expected to become **highly attractive destinations for investors**, due to Spain's strong macro data and anticipated **financial easing in France** amid political changes.

Overall Conclusion:

Knight Frank's forecast for the second half of 2025 highlights a **compelling opportunity in the European income-producing real estate market.** Positive macroeconomic trends in select countries, large-scale government investments–particularly in the industrial and logistics sectors–and low interest rates enabling attractive financing terms, combined with **limited supply** due to low construction activity in recent years, together create a highly **promising investment environment** in European real estate.