

GALIL CAPITAL RE SPAIN SOCIMI, S.A.

12 de junio de 2020

En virtud de lo previsto en el artículo 17 del Reglamento (UE) nº 596/2014 sobre abuso de mercado y en el artículo 228 del texto refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre, y disposiciones concordantes, así como en la Circular 6/2018 del Mercado Alternativo Bursátil (“**MAB**”), Galil Capital Re Spain SOCIMI, S.A. (la “**Sociedad**” o “**Galil**”), pone en conocimiento del mercado la siguiente

OTRA INFORMACIÓN RELEVANTE

Mediante la presente, se pone en conocimiento del mercado la presentación corporativa elaborada por la Sociedad dirigida a los actuales accionistas y, en su caso, a potenciales inversores.

Quedamos a su disposición para cuantas aclaraciones consideren oportunas.

Atentamente,



D. Jerry Zwi Mandel
Presidente del Consejo de Administración
Galil Capital Re Spain SOCIMI, S.A.

Galil
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Disclaimer - Future Looking Statement

Certain information set forth in this presentation contains “forward-looking information”, including “future oriented financial information” and “financial outlook”, under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of the Company; (ii) the expected development of the Company’s business; (iv) execution of the Company’s vision and growth strategy; (v) sources and availability of third-party financing for the Company’s projects; (vi) completion of the Company’s projects that are currently underway, in development or otherwise under consideration; (vi) renewal of the Company’s current customer, supplier and other material agreements; and (vii) future liquidity, working capital, and capital requirements.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this presentation are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.



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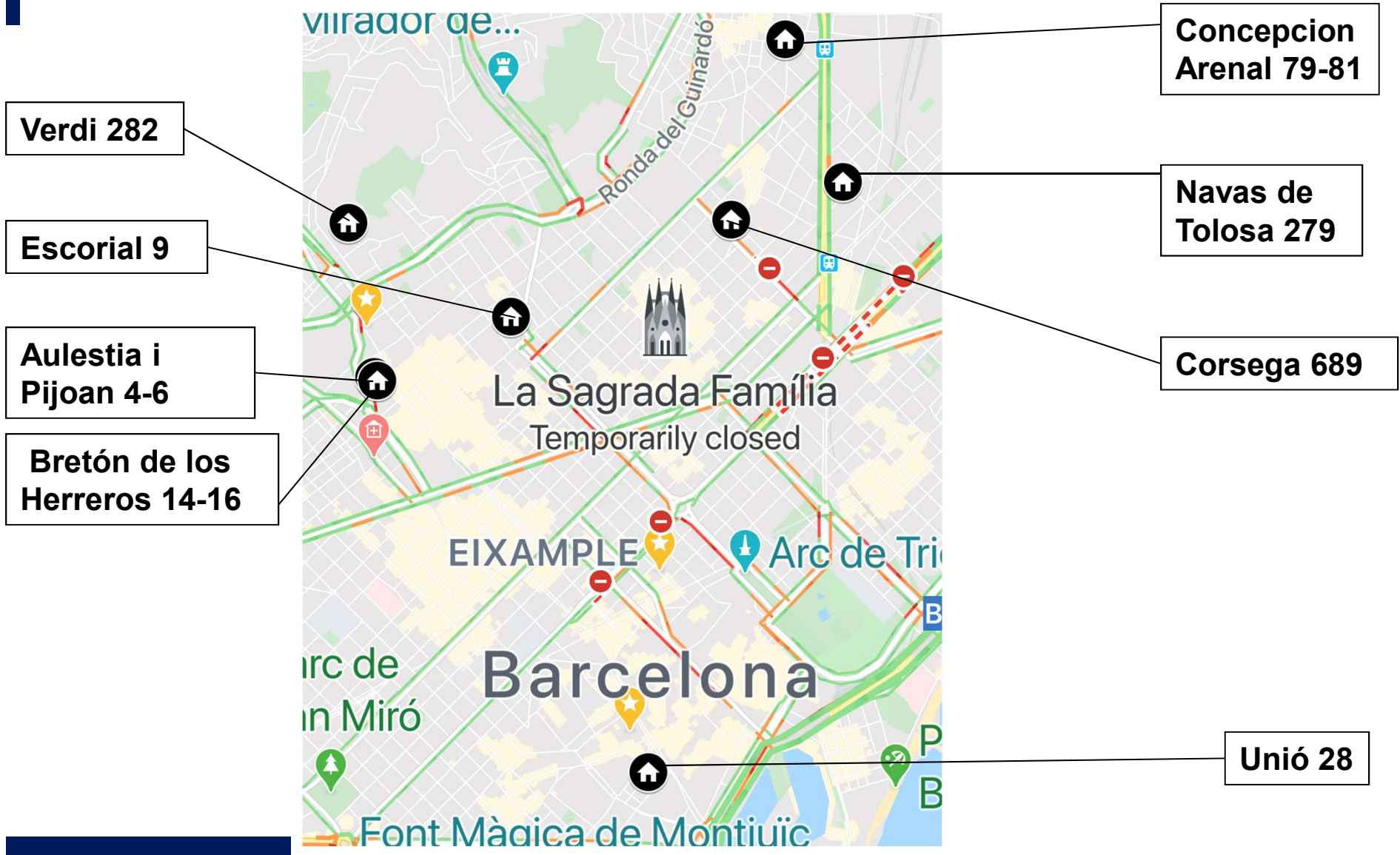
Galil Capital

Overview of GCRE Spain

Overview of GCRE*

- Founded in December 2015
- Structured as SOCIMI (similar to US REIT) – significant Tax benefits.
- Shares listed on the MAB (Spain)
- Focus on Barcelona and Madrid Residential Buildings
- Hold properties for 3+ years, remodel interior of units and improve buildings, as needed, to be able to increase rents and make units more attractive for resale in the future
- Owns 10 residential buildings (8 in Barcelona and 2 in Madrid)
 - 16,253 M2 constructed area
 - 175 viviendas and 28 locales
- 5 buildings owned 3+ years (SOCIMI min hold requirement)
- 3 buildings without mortgages + *EUR*1.9MM mortgage taken in on 27 FEB 2020 (cash on hand).

Overview of Portfolio Barcelona: 8 Buildings Owned

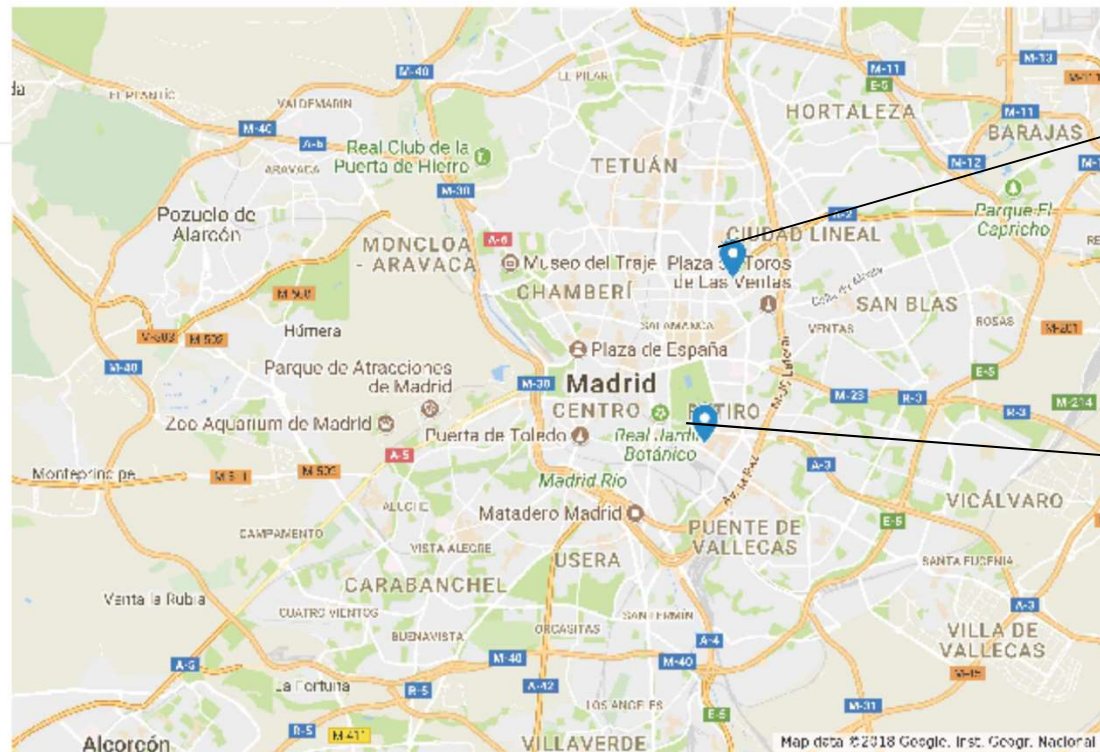


Overview of Portfolio Madrid (inside M30) – 2 Buildings Owned

MADRID OWNED PROPERTIES

MADRID OWNED PROPERTIES

-  Calle de Granada, 12
-  Calle de Béjar, 23



Bejar 23

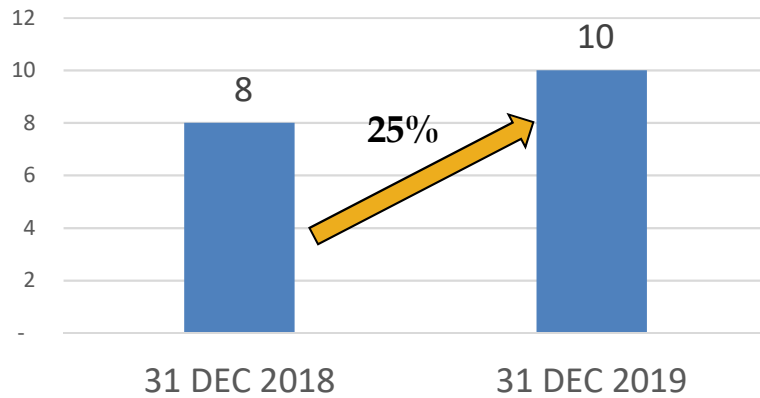
Granada 12

GCRE Portfolio Overview

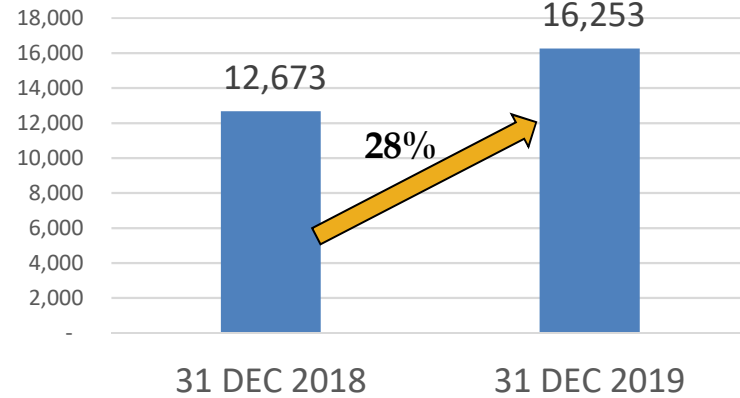
<u>Owned Properties</u>	<u># of Properties</u>	<u>Date Purchased</u>	<u>Built Area (M2) - Catastro</u>	<u>Number of Viviendas</u>	<u>Number of Locales</u>
Barcelona					
Unio 28 (100%)	1	05-May-16	1,787	12	4
Breton de Los Herreros 14-16 (100%)	1	19-Oct-16	1,287	11	4
Aulestia I Pijoan 4-6 (100%)	1	19-Oct-16	1,281	11	4
Corsega 689 (100%) - DIVISION HORIZONTAL	15	2-Feb-17	1,539	15	1
Escorial 9 (100%)	1	17-Jul-18	1,603	14	2
Verdi 282 (100%)	1	20-Jul-18	851	13	2
Navas de Tolosa 279 (100%)	1	16-May-19	707	10	1
Concepcion Arenal 79-81 (100%)	1	16-Dec-19	2,873	24	3
Total Owned Barcelona			11,928	110	21
Madrid					
Granada 12 (bulk - 46 units out of 56 units - DIVISION HORIZONTAL)	46	06-Mar-17	2,284	44	2
Bejar 23 (100%)	1	27-Dec-17	2,041	21	5
Total Owned Madrid			4,325	65	7
GRAND TOTAL			16,253	175	28

GCRE Portfolio: 31 DEC 2018 vs. 31 DEC 2019

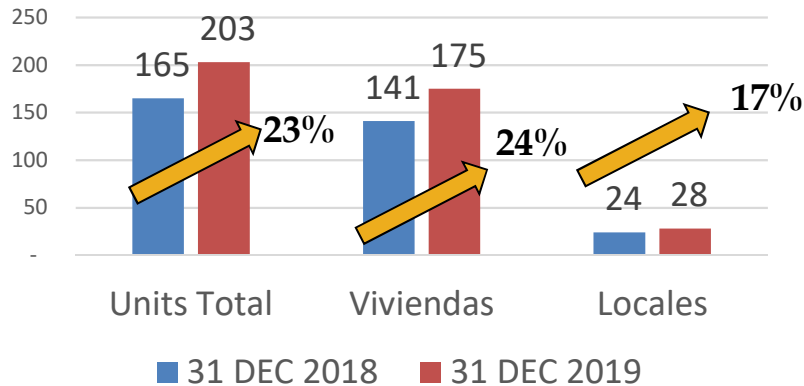
Number of Buildings - Total



Gross Leasable Area (M2)



Data on Units



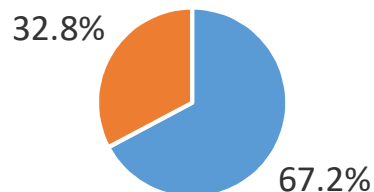
FY2019 Highlight (2019/2018):

- Purchased 2 buildings in Barcelona
- 25% increase in number of buildings
- 28% increase in gross leasable area
- 23% increase in number of units

GCRE Spain - Portfolio Location Mix

As of 31 December 2019

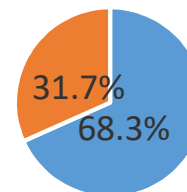
Portfolio Location - BV (Spain GAAP)



■ Barcelona City ■ Madrid - inside M30

Total BV: EUR34,771,104

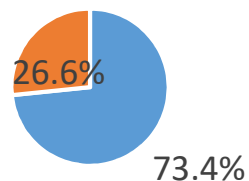
Portfolio Location - FMV (RICs)



■ Barcelona City ■ Madrid - inside M30

Total MV: EUR 50,681,731

Portfolio Location - Leasable Area (M2)



■ Barcelona City ■ Madrid - inside M30

Total Leased Area: 16,253 M2



RICs Valuation of Portfolio

The following pages are based on RICs valuations prepared on buildings owned by GCRE on 31 DEC 2019.

Please note that none of the value estimates mentioned on the next page has materialized yet, and there is no assurance that such estimated values could be achieved by GCRE, when it tries to sell its properties in the future.

RICs Valuation of Portfolio

31-DEC-2019 RICs Appraisals vs. Book Value, and vs. 31-DEC-2018 RICs Appraisals

Building	Purchase	SQR Meter	Appraised	Book Value of	Appraised Value	Appraised	FMV	FMV/ BV
	Date	(Catastro)	Value (RICS)	Buildings (Spain	(RICS) (Gross	Value (RICS)	31DEC19 vs	
			(Gross Value)	GAAP)	Value)	per M2	31DEC18	31DEC19
			FMV	BV	FMV	FMV/ M2		
			31-Dec-18	31-Dec-19	31-Dec-19	31-Dec-19		31-Dec-19
		A	B	C	D	E = D/A	F = D/B	G = D/C
Unio 28	05-May-16	1,787	€ 4,706,000	€ 2,948,887	€ 4,902,000	€ 2,743	4.2%	66.2%
Aulestia I Pijuan 4-6	19-Oct-16	1,281	€ 4,943,000	€ 3,265,004	€ 4,987,000	€ 3,893	0.9%	52.7%
Breton de Los Herreros 14-16	19-Oct-16	1,287	€ 5,186,000	€ 3,160,307	€ 5,240,000	€ 4,071	1.0%	65.8%
Corsega 689	02-Feb-17	1,539	€ 3,733,000	€ 2,526,551	€ 3,817,000	€ 2,480	2.3%	51.1%
Granada 12	06-Mar-17	2,284	€ 8,512,000	€ 6,348,019	€ 9,475,000	€ 4,148	11.3%	49.3%
Bejar 23	27-Dec-17	2,041	€ 6,548,000	€ 5,053,397	€ 6,586,000	€ 3,227	0.6%	30.3%
Escorial 9	17-Jul-18	1,603	€ 5,049,000	€ 4,067,677	€ 5,216,000	€ 3,254	3.3%	28.2%
Verdi 282	20-Jul-18	851	€ 1,682,000	€ 1,654,273	€ 2,464,000	€ 2,895	46.5%	48.9%
Navas de Tolosa 279 + Malet 40	16-May-19	707	€ -	€ 1,468,446	€ 2,029,000	€ 2,870	NA	38.2%
Concepcion Arenal 79-81	16-Dec-19	2,873	€ -	€ 4,278,543	€ 5,965,731	€ 2,076	NA	39.4%
TOTAL (10 buildings)		16,253	€ 40,359,000	€ 34,771,104	€ 50,681,731	€ 3,118		45.8%

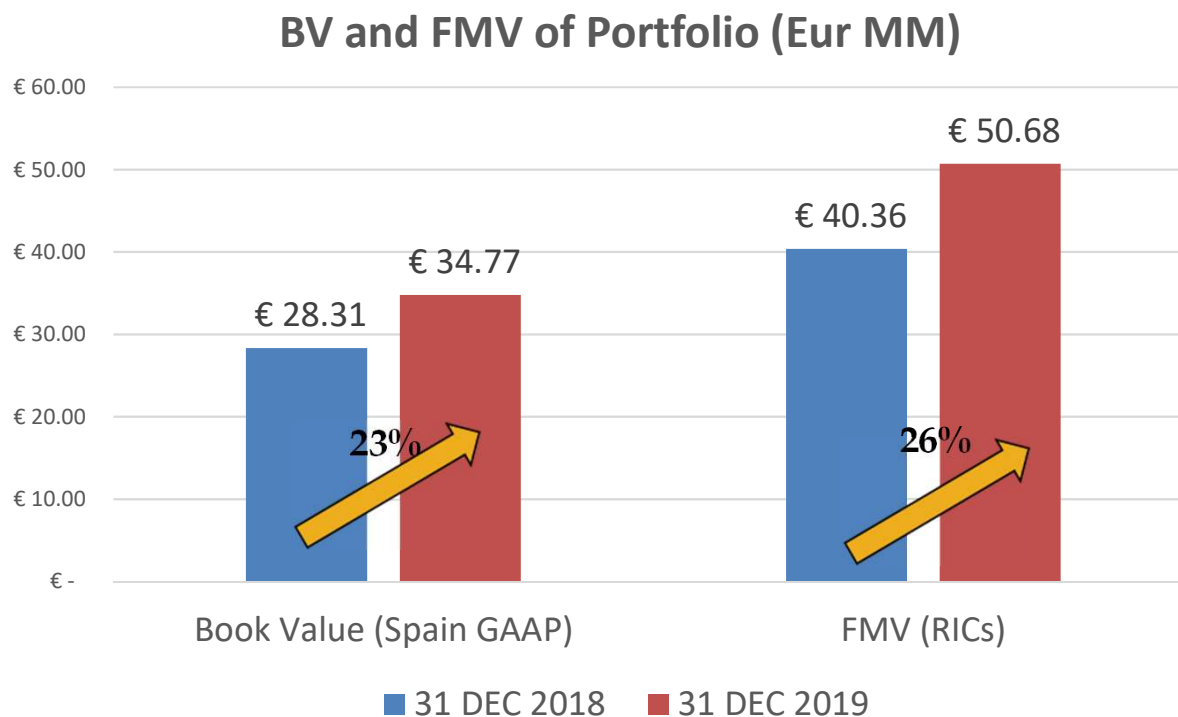
RICs Appraised Values as of 31 DEC 2019 show an average value appreciation of 46% vs the Book Value (Spain GAAP) of our 10 building portfolio on same date.

RICs Appraised Values on 8 buildings owned on 31 DEC 2018 (excluding 2 buildings purchased in 2019), show an average value appreciation of 6% 31DEC2019 vs. 31DEC2018.

Spain GAAP does NOT reflect property value appreciations based on RICs appraisals - unlike IFRS.

RICs Valuation of Portfolio

GCRE Portfolio: 31 DEC 2019 vs. 31 DEC 2018



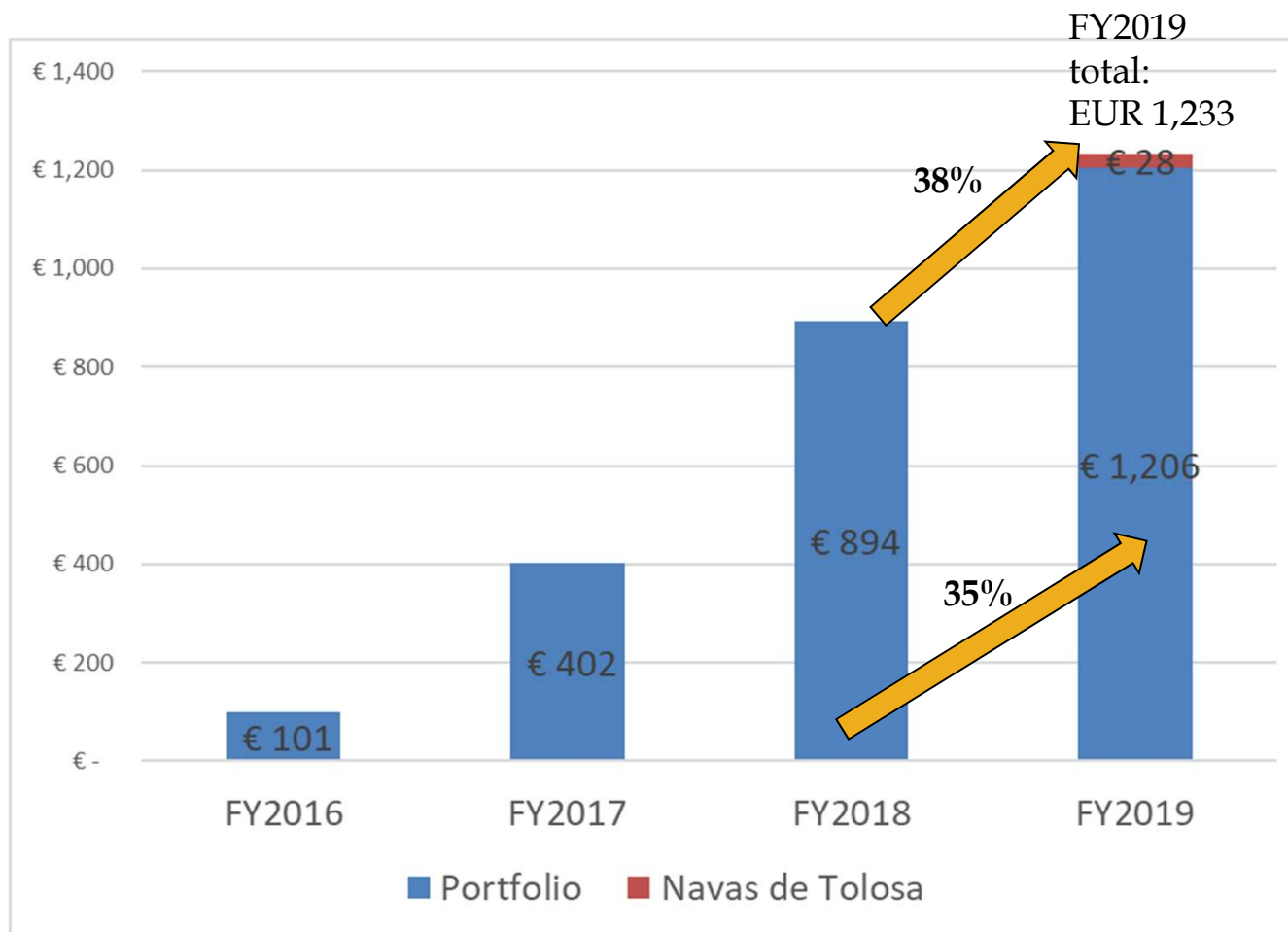
FY2019 Highlight (2019/2018):

- Purchased 2 buildings in Barcelona in FY2019
- 23% increase in book value of Property (actual cost)
- 26% increase in Fair Market Value of Property (RICs appraisals)



Rent Income Analysis

Annual Rent Income (in thousands of euros)



Navas de Tolosa purchased on 16 MAY 2019.

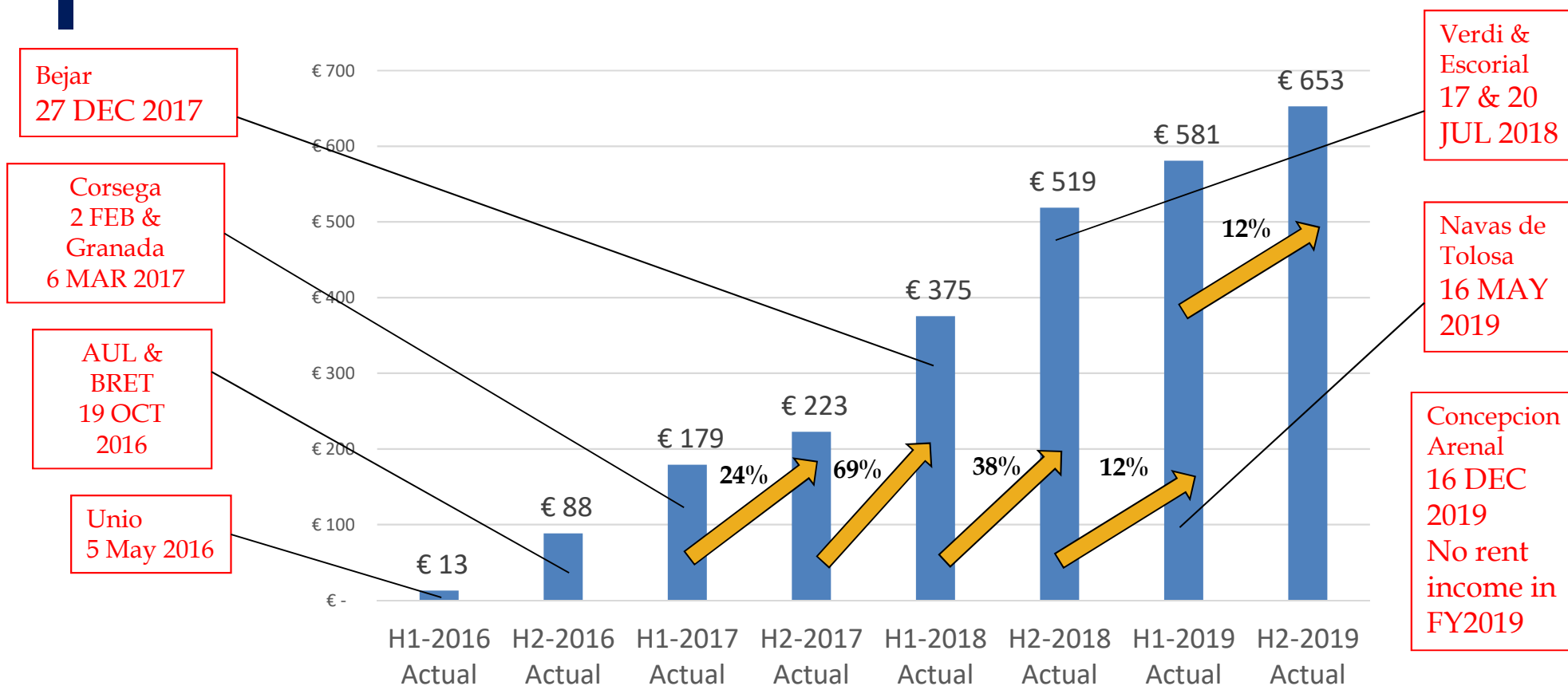
FY2019 Rent Income of EUR27,776 (6.5 months)

Concepcion Arenal purchased on 16 DEC 2019.

No rent income in FY2019

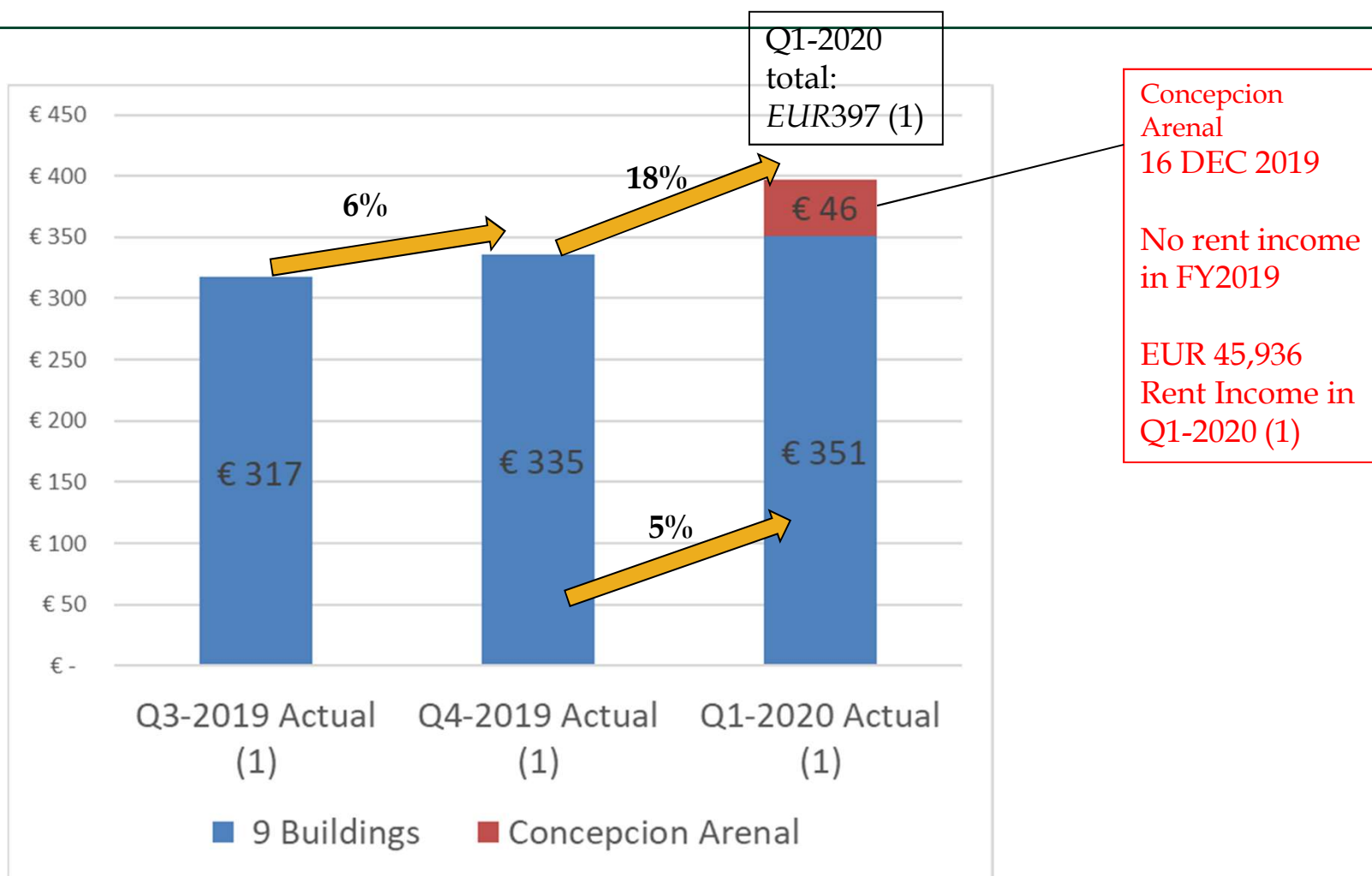
Rent Income increased 38% in FY2019 vs. FY2018.
 35% Organic Growth in FY2019 Rent Income (excluding Navas de Tolosa) vs. FY2018.

Semi-Annual Rent Income (in thousands of euros)



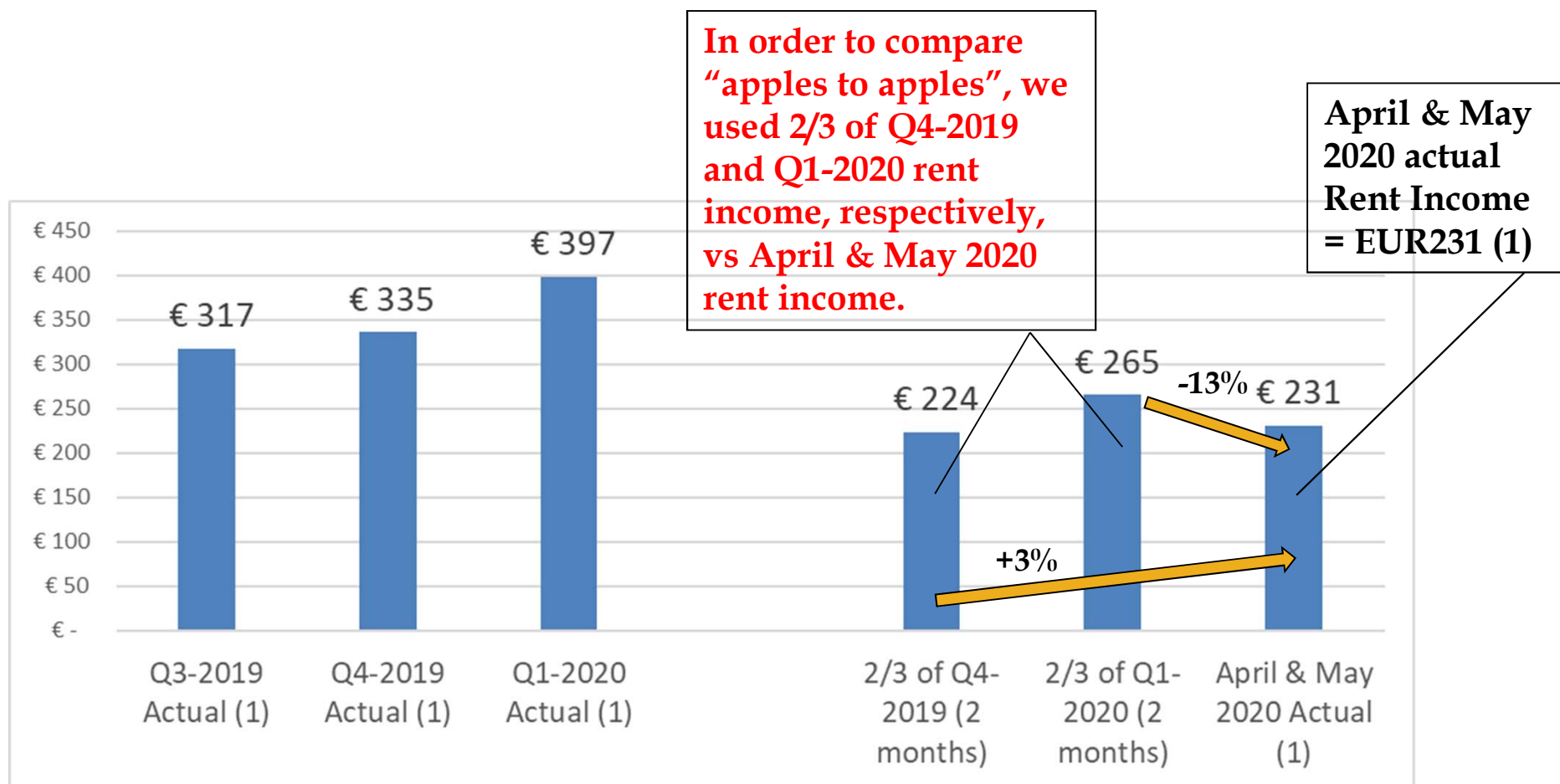
Rent Income increased 12% in H2-2019 vs. H1-2019 and H1-2019 vs. H2-2018

Quarterly Rent Income (in thousands of euros)



Q1-2020 vs. Q4-2019 – 18% rent income growth (5% organic growth excluding Concepcion Arenal)
 Q4-2019 vs. Q3-2019 – 6% rent income (organic growth)

“Covid19” Rent Income Analysis (in thousands of euros)



April & May 2020 actual rent income decreased 13% compared to 2/3 of Q1-2020 actual rent income. April & May 2020 actual rent income still 3% higher than 2/3 of Q4-2019 rent income.

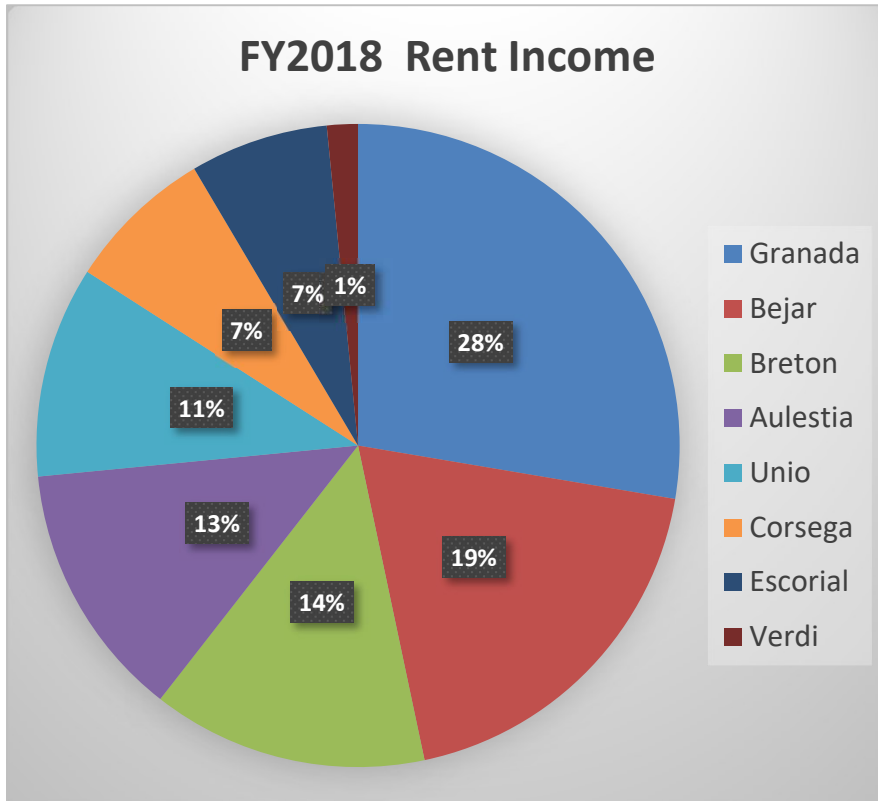
Rent Income per Building FY2018 & FY2019

<u>Owned Properties</u>	<u>Date Purchased</u>	<u>FY2018 Rent Income</u>	<u>FY2019 Rent Income</u>	<u>FY2019/ FY2018</u>	<u>Comments</u>
Barcelona					
Unio 28 (100%)	05-May-16	€ 94,990	€ 116,062	22%	Principal unit (currently vacant) to be split into 4 and leased
Breton de Los Herreros 14-16 (100%)	19-Oct-16	€ 123,958	€ 136,112	10%	new elevator
Aulestia I Pijoan 4-6 (100%)	19-Oct-16	€ 115,450	€ 126,956	10%	new elevator
Corsega 689 (100%) - DIVISION HORIZONTAL	2-Feb-17	€ 66,295	€ 95,833	45%	evicted 5 okupas, completely reformed 8 units
Escorial 9 (100%)	17-Jul-18	€ 62,169	€ 142,078	129%	2018 partial year
Verdi 282 (100%)	20-Jul-18	€ 13,910	€ 65,560	371%	2018 partial year, completely reformed 5 units
Navas de Tolosa 279 (100%)	16-May-19	NA	€ 27,776	NA	completely reformed 4 units
Concepcion Arenal 79-81 (100%)	16-Dec-19	NA	NA	NA	1 local/basement vacant. 1 local to vacate end of June-2020
Madrid					
Granada 12 (bulk - 46 units out of 56 units - DIVISION HORIZONTAL)	06-Mar-17	€ 247,379	€ 377,558	53%	building fully reformed
Bejar 23 (100%)	27-Dec-17	€ 169,999	€ 145,490	-14%	8 units completely reformed, 4 units to be reformed, 7 units fully furnished
TOTAL		€ 894,150	€ 1,233,425	38%	

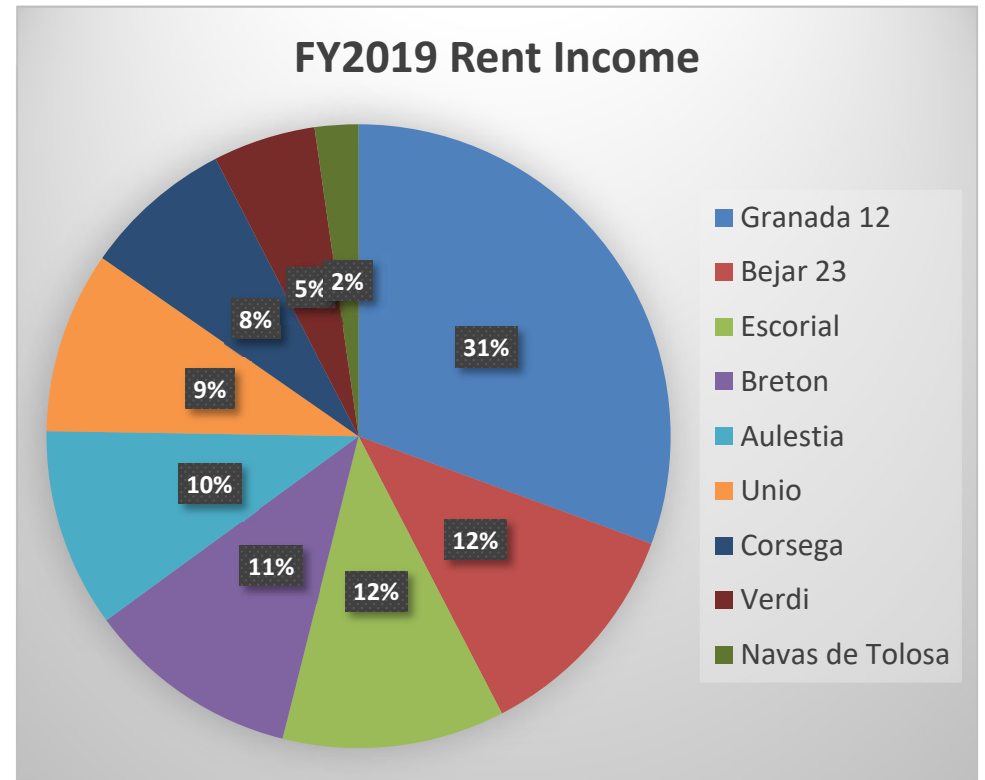
Rent Income Analysis

Rent Income - Mix

FY2018 Rent Income = EUR 894,150



FY2019 Rent Income = EUR 1,233,425





Financial Statements Review

FY2019 Audited Financial Statements

We decided to also publish our FY2019 annual accounts in accordance to IFRS guidelines (in addition to Spain GAAP accounts which are mandatory).

Spanish GAAP Accounts	<ul style="list-style-type: none"> Investment properties are recorded at cost. <p><u>Required by:</u></p> <ul style="list-style-type: none"> Hacienda (Taxes) SOCIMI (dividend calculations)
IFRS Accounts	<ul style="list-style-type: none"> Investment properties are recorded at fair market value (RICs). NAV (IFRS) – better indication of theoretical share value Does not have tax implications or affect dividend calculations

FY2019 Audited Financial Statements (**Spain GAAP**) English Translation for Convenience Purposes

Balance Sheet - Spain GAAP

Abridged balance sheet
31 December, 2019
(stated in Euros)

	Notes	31/12/2019	31/12/2018
ASSETS			
NON-CURRENT ASSETS			
Investment Property at cost	5	34,780,128	28,309,892
		22,679,564	18,694,964.05
		12,091,615	9,614,927.86
		98,231	54,694
CURRENT ASSETS			
		91,074	106,951
		128,723	148,940
	7	7,924.08	2,278.00
		1,117,283	1,152,739
Total Assets		36,223,363	29,775,493
NET EQUITY			
		26,623,737	18,832,566
Equity Capital raised	9	26,623,737	18,832,566
		27,386,960	20,799,860
		1,317,420	-
		(47,328)	(31,630.34)
	9.3	(286,850.00)	(269,000.00)
		(1,666,664)	(1,084,039)
		(79,802)	(582,625)
NON-CURRENT LIABILITIES			
Long term Debt with banks	7	8,863,235	8,464,684
		8,711,768.55	8,373,437.22
		151,467	91,247
CURRENT LIABILITIES			
		736,391	2,391,176
	7	674,117	2,358,823
		661,601	349,324
		12,516	2,009,499
	7 y 8	62,275	32,353
TOTAL NET EQUITY AND LIABILITIES		36,223,363	29,688,426

FY2019 Audited Financial Statements (Spain GAAP) English Translation for Convenience Purposes

Income Statement - Spain GAAP

Abridged balance sheet
31 December, 2019
(stated in Euros)

RENT INCOME
From EUR894K
To EUR1,233 K
(+38%)

OPERATING INCOME
From -EUR375K
To +EUR131K

PRE-TAX INCOME
From -EUR583K
To -EUR79K

(stated in Euros)	Notes	31/12/2019	31/12/2018
Continuing operations			
Net turnover		1,233,426	894,150
Services Rendered	5, 11	1,233,426	894,150
Other operating income		6,181	3,504
Ancillary income and other income from normal operations		6,181	3,504
Personnel expenses		(9,714)	(47,467)
Salaries and wages		(7,384)	(42,515)
Employee benefits expense		(2,330)	(4,952)
Other operating costs	5, 11	(886,072)	(1,066,558)
External services		(828,842)	(952,042)
Taxes		(55,090)	(103,326)
Losses, impairment and changes in trade provisions	7	(2,024)	(6,023)
Other normal operating costs		(116.40)	(5,166.90)
Depreciation of fixed assets	5	(213,695)	(170,140)
Other results		1,373	11,229
OPERATING RESULT		131,499	(375,281)
Finance income		185	247
Dividends		-	232.10
Group companies and associates			232.10
Marketable securities and other financial instruments	12	185	14
Others		185	14.42
Financial expenses		(211,486)	(210,578)
Other	7.2.2 y 9	(211,486)	(210,578)
Exchange gains/(losses)		-	(12)
Impairment and gains/(losses) on disposal of financial instruments		-	3,000.00
Gains/(losses) on disposal and other		-	3,000.00
NET FINANCE INCOME/(EXPENSE)		(211,301)	(207,344)
PROFIT/(LOSS) BEFORE INCOME TAX		(79,802)	(582,625)
Income tax expense			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		-	-
Operaciones interrumpidas netas de impuestos			
PROFIT/(LOSS) FOR THE PERIOD (A.4+18)		(79,802)	(582,625)

FY2019 Audited Financial Statements (IFRS) English Translation for Convenience Purposes

Balance Sheet - Assets - IFRS

Statement of financial position at 31 december 2019

(Expressed in Euros)

Assets	Notes	31 dec 2019	31 dec 2018 (*)	01 Jan 2018 (*)
Non- current				
Investment Property at FMV (RICs)	Property, plant and equipment	8,949	-	-
	Investment property	4	40,359,000	23,530,000
	Long-term investments	6.1	98,231	54,694
Non-current Assets		50,788,911	40,413,694	23,573,898
Current				
	Prepayments and othershort-term assets	6.1	91,074	106,951
	Trade and other receivables	6.1	128,723	148,940
	<i>Customers</i>		74,131	44,310
	Social Security and Government entities	9	54,593	104,630
	Short- termn Investment	6.1	7,924	2,278
	Cash and cash equivalents		1,117,283	1,152,739
	Current Assets	1,345,004	1,410,908	4,212,047
Total Assets	Total Assets	52,133,915	41,824,602	27,785,945

Notes 1 to 18 are an integral part of these financial statements for the year ended December 31, 2019

(*) Figures homogenized under IFRS but not audited

FY2019 Audited Financial Statements (IFRS) English Translation for Convenience Purposes

Balance Sheet - Equity and Liabilities - IFRS

Statement of financial position at 31 december 2019
(Expressed in Euros)

Equity and liabilities	Notes	31 dec 2019	31 dec 2018	01 Jan 2018
Equity	8			
Share capital		27,386,960	20,799,860	20,599,860
Share premium		1,317,420	-	-
Other reserves		12,001,780	1,749,681	1,772,018
Retained losses from prior years		(1,666,664)	(1,084,039)	(510,053)
Own shares and equity holdings		(286,850)	(269,000)	(300,000)
Retained earnings		3,781,642	9,685,172	(573,986)
Total Equity		42,534,288	30,881,674	20,987,839
Liabilities				
Non-current				
Debt with financial institutions	6.2	8,711,769	8,373,437	6,222,818
Other financial liabilities	6.2	151,467	91,247	64,774
Total Non-current liabilities		8,863,236	8,464,684	6,287,592
Current				
Short-term borrowings				
Debt with financial institutions	6.2	661,601	349,324	202,694
Other financial liabilities	6.2	12,516	2,009,499	206,214
Trade and other payables	6.2 y 7	62,274	119,421	101,606
Total Current Liabilities		736,391	2,478,244	510,514
Total Liabilities		9,599,627	10,942,928	6,798,106
Total equity and liabilities		52,133,915	41,824,602	27,785,945

Notes 1 to 18 are an integral part of these financial statements for the year ended December 31, 2019

(*) Figures homogenized under IFRS but not audited

Equity Capital
raised

Long term Debt
with banks

31-DEC-2019

23% Debt / Equity

18% Debt / Assets

FY2019 Audited Financial Statements (IFRS) English Translation for Convenience Purposes

Income Statement - IFRS

Statement of profit or loss for the period ended 31 December 2019			
(Expressed in Euros)			(*)
(Expressed in Euros)	Notes	31 dec 2019	31 dec 2018
Rent Income	10	1,233,426	894,150
Other operating costs	10	(1,901,166)	(2,128,065)
Operating income from real estate operations		(667,740)	(1,233,915)
Change in fair value of investment property	4 y 10	4,892,731	11,579,000
Net result of real estate operations		4,224,991	10,345,085
Other income		6,181	3,504
Employee benefits expense		(9,714)	(47,467)
General and administrative expense	10	(229,888)	(419,836)
Other results		1,373	11,229
Operating profit		3,992,943	9,892,515
Finance costs		(211,486)	(210,578)
Finance income	6.2 y 11	185	247
Other financial items		-	3,000
Exchange gains/(losses)		-	(12)
Profit before tax from continuing activities		3,781,642	9,685,172
Income tax expense	9	-	-
Profit after tax from continuing activities		3,781,642	9,685,172
Notes 1 to 18 are an integral part of these financial statements for the year ended December 31, 2019			
(*) Figures homogenized under IFRS but not audited			

Change in FMV:
FY2018: +EUR11,579K
FY2019: +EUR4,893K

OPERATING
INCOME
FY2018: +EUR9,893K
FY2019: +EUR3,993K

PRE-TAX
INCOME
FY2018: +EUR9,685K
FY2019: +EUR3,782K

Covid19 Impact

Royal Decree Law during State of Alarm (covid19) in Spain:

- Viviendas (residential) – Decreto-Lay 11/2020 effective from 1 April 2020 rent for up to 4 months
- Locales (commercial) – Decreto Ley 15/2020 effective for tenants that requested it from 23 April 2020 and until 23 May 2020, and up to 4 months.
- Applies to eligible tenants that can prove they were economically affected by covid19 and did not already reach a prior agreement with owner
- Decree applies for up to 4 months, as long as tenant is economically affected
 - 50% discount on monthly rent, or
 - No charge of monthly rent during covid19 period, but unpaid rent will be paid in full in installments over the remaining term of the lease up to 3 years (residential tenants) or 2 years (commercial tenants)

Covid19 Impact *

Negative Factors:	Impact	Mitigating Factor
Temporary rent discounts given to tenants that were economically affected by covid19	Decrease in Q2-2020 rent income. Barcelona and Madrid are in process of reopening so market conditions expected to gradually improve.	
Unable to show and rent lease-ready vacant units during the closure period	Longer vacancy periods due to covid19 - delay in rent income	
Unable to perform reform projects during the closure period	Delay in getting units to lease- ready condition - delay in rent income	Reform project on-hold had positive impact on cash flow during the closure period
Medium Term Leases (30 days up to 11 months / University students) - Fully furnished reformed apartments	Unable to rent few lease ready furnished units during the closure period. Some tenants had to vacate units as they moved back to their home town - delay in rent income	We expect that universities will reopen in September 2020
Short Term Leases (less than 30 days/ AIRBNB) - No tourism during closure period	AIRBNB units (short term leases) are vacant and could be increasing down pressure on rent prices due to over supply	We are not in short term leases segment so little impact on our business, however could put pressure on medium term leases



NAV (IFRS) per Share Analysis

NAV (IFRS) per Share Analysis

<u>Share Issue Date</u>	<u>Number of Shares</u>	<u>Share Price</u>	<u>Equity Capital Raised</u>	<u>Comments</u>
28-Sep-17	2,079,986	€ 10.00	€ 20,799,860	(Pre-Listing - approx 39% in FY2016 and 27% in FY2017)
14-Feb-19	658,710	€ 12.00	€ 7,904,520	Public Rights Offering (34%)
			€ 28,704,380	
	31-Dec-18	31-Dec-19		
NAV (IFRS)	€ 30,881,674	€ 42,534,288		
Number of Shares Outstanding	2,079,986	2,738,696		
Shares Owned by the Company (Liquidity Provider)	26,900	28,685		
Number of Shares - NET	2,053,086	2,710,011		
NAV/ Share	€ 15.04	€ 15.70		

Weighted Average Share Purchase Price of Investor who fully subscribed to FEB-2019 Rights Offering = **EUR10.59**

31 DEC 2019 NAV/ Share = EUR15.70

2020-2021 Goals



2020-2021 Goals*

Goals for 2020 & 2021*:

- Buy 1-2 additional buildings with unused leverage (3 owned buildings without mortgages + *EUR*1.9MM mortgage taken on 27 FEB 2020 cash on hand)
- Continue property improvement projects
- Increase rent income by leasing newly reformed units at higher rents
- Achieve positive Net Income under Spain GAAP and start paying dividends
- Evaluate sale opportunities of matured properties that may arise, if the offered price is right