

GALIL CAPITAL RE SPAIN SOCIMI, S.A.

15 de octubre de 2018

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. (“**Galil Capital**” o la “**Sociedad**”), pone en conocimiento del mercado el siguiente

HECHO RELEVANTE

Mediante el presente, Galil Capital pone en conocimiento del mercado la presentación corporativa elaborada por la Sociedad y dirigida a potenciales inversores, que será realizada en el día de hoy por el presidente del Consejo de Administración y entregada a los asistentes a la misma.

Quedamos a su disposición para cuantas aclaraciones consideren oportunas.

Atentamente,



D. Jerry Zwi Mandel
Presidente del consejo de administración de
GALIL CAPITAL RE SPAIN, SOCIMI, S.A.



Galil Capital RE Spain SOCIMI, S.A.

Corporate Overview

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15 October 2018





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 MARF regulation and 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; (iii) execution of the Company’s vision and growth strategy; (iv) sources and availability of third-party financing for the Company’s projects; (v) 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 MARF regulation and securities laws. The information, opinion and forward-looking statements contained in this presentation will only be valid as of the date of this presentation.



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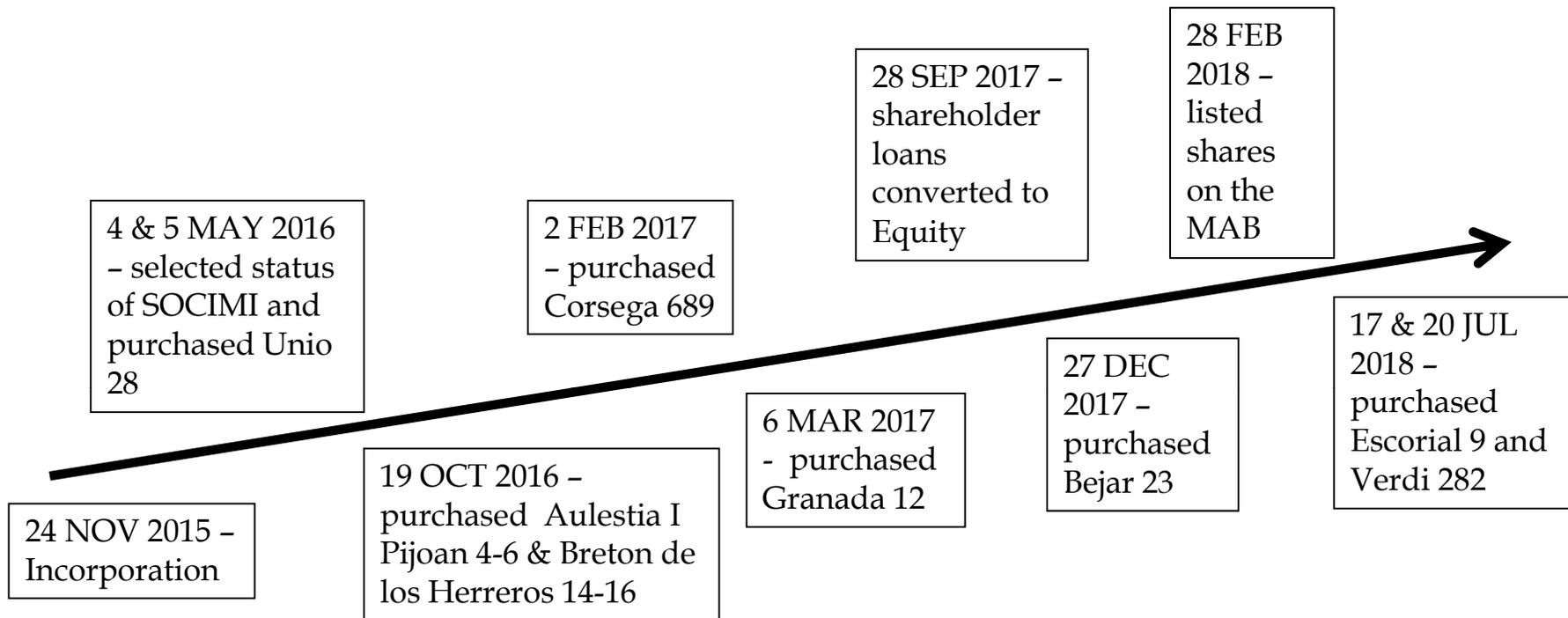
This presentation is not a solicitation to invest in the Company and each investment must be made after the investor has received and read the legal documents.

Executive Summary

- Incorporated on 24 November 2015 in Madrid, Spain
- Elected to become a SOCIMI (similar to US REIT) in May 2016
- Publicly Listed - Shares listed on the MAB since 28 FEB 2018 (Ticker **YGCS**)
- 2,079,986 shares outstanding, EUR10 per share on 28 FEB 2018 – Initial Listing Date
- Focus on Barcelona (6 buildings) and Madrid (2 buildings) residential buildings*
- Hold each property for 3+ years, remodel interior of units and improve buildings, as needed, to be able to increase occupancy, rents and make units more attractive for resale in the future.
- RICs Valuations of 6 buildings owned on 30 June 2018 show value appreciation
- 5 buildings are pledged to banks against mortgages, 3 buildings are free from financing*
- As of 31 August 2018, GCRE has 4 bank loans equal to approx. EUR8.8 MM in aggregate and a Bridge Loan of EUR2.0 MM

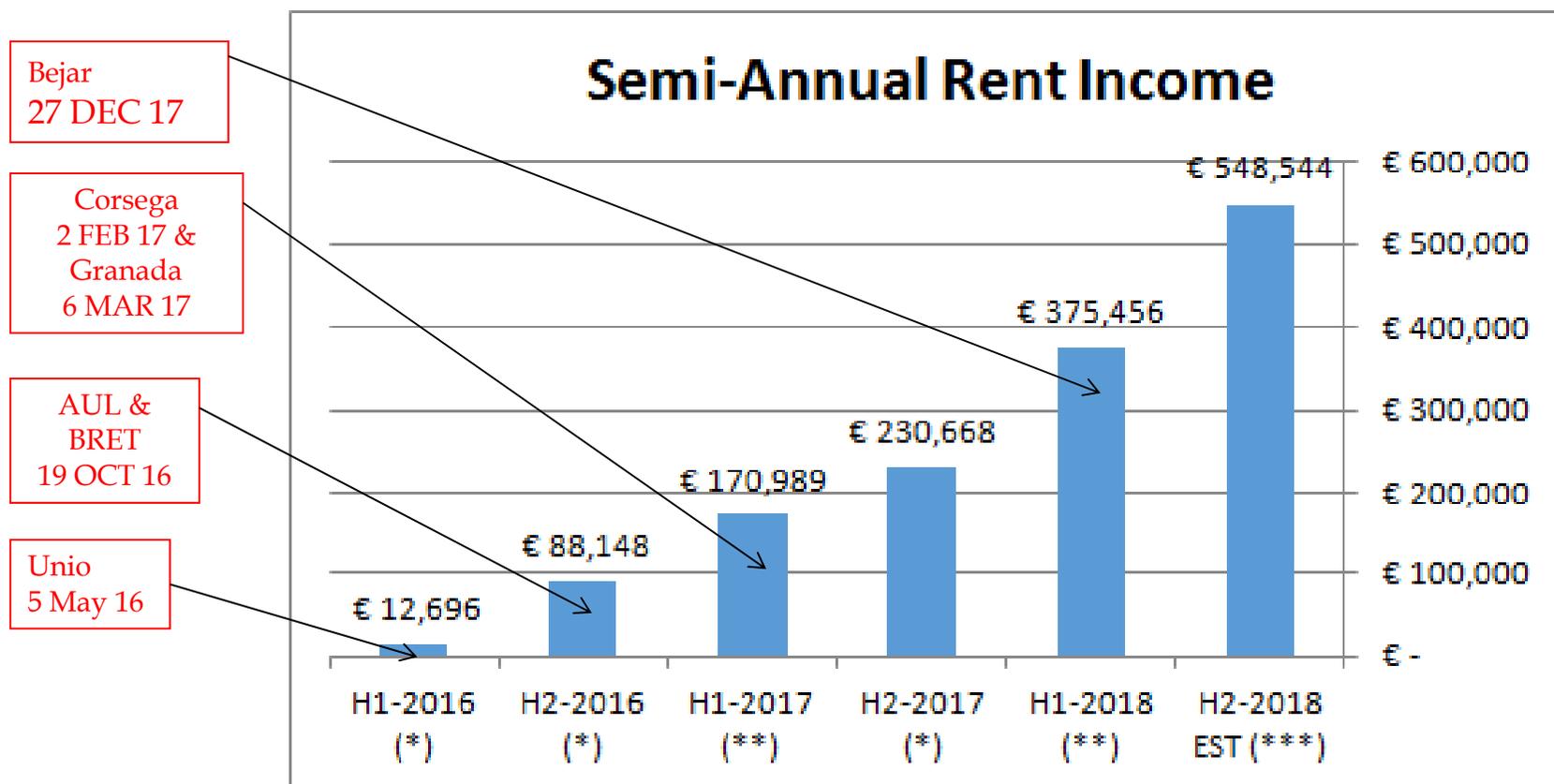
GCRE Overview Milestones Achieved

Galil Capital RE Spain SOCIMI, S.A.



GCRE Overview - Cont'd

Actual Rent Income - H1-2016 to H1-2018



Estimated FY2018 Rent Income - EUR 924,000 (HR published on 8 August 2018)
 Increase in H2 2018 Rent Income expected mainly due to purchase of Escorial 9, Barcelona and Verdi 282, Barcelona in July 2018 and continued leasing of Granada 12 units.

* No audit or limited review by auditor. FY2016 & FY2017 audited financials

** Limited Review by auditor.

*** EST FY2018 less actual H1-2018

GCRE Investment Objectives are as follows:

1. Buy apartment buildings primarily in Barcelona and Madrid.
2. Focus on small – medium size apartment buildings (10-50 units).
3. Aim to obtain 50%-60% bank financing on average in the portfolio.
4. Hold properties for 3+ years, remodel interior of units and improve buildings, as needed, to be able to increase occupancy rates, rents and make units more attractive for resale in the future.
5. Aim to achieve 5% annual yield from leasing operations once occupancy rates and rents in the portfolio are improved.
6. Aim to achieve price appreciation in 3-5 years from the purchase date of each building.

GCRE will be required to distribute annual cash dividends in accordance with SOCIMI requirements as described further in this presentation.

Galil Capital RE Spain SOCIMI, S.A. – Update – Cont'd Value Creation Strategies

Improve interior/ exterior of building – add new elevator, paint, renovate the common areas

Improve property – divide large units into smaller units, renovate units

Increase rents – taking advantage of the property improvements and renovations

DIVISION HORIZONTAL - Buy Apartment Buildings (pay wholesale price) and sell apartments individually (retail price)

Aim to achieve price appreciation in 3-5 years from the purchase date of each building.

Aim to obtain 50%-60% Bank Financing in the portfolio.

+ Benefit from expected continued economic recovery and price appreciation in Spain

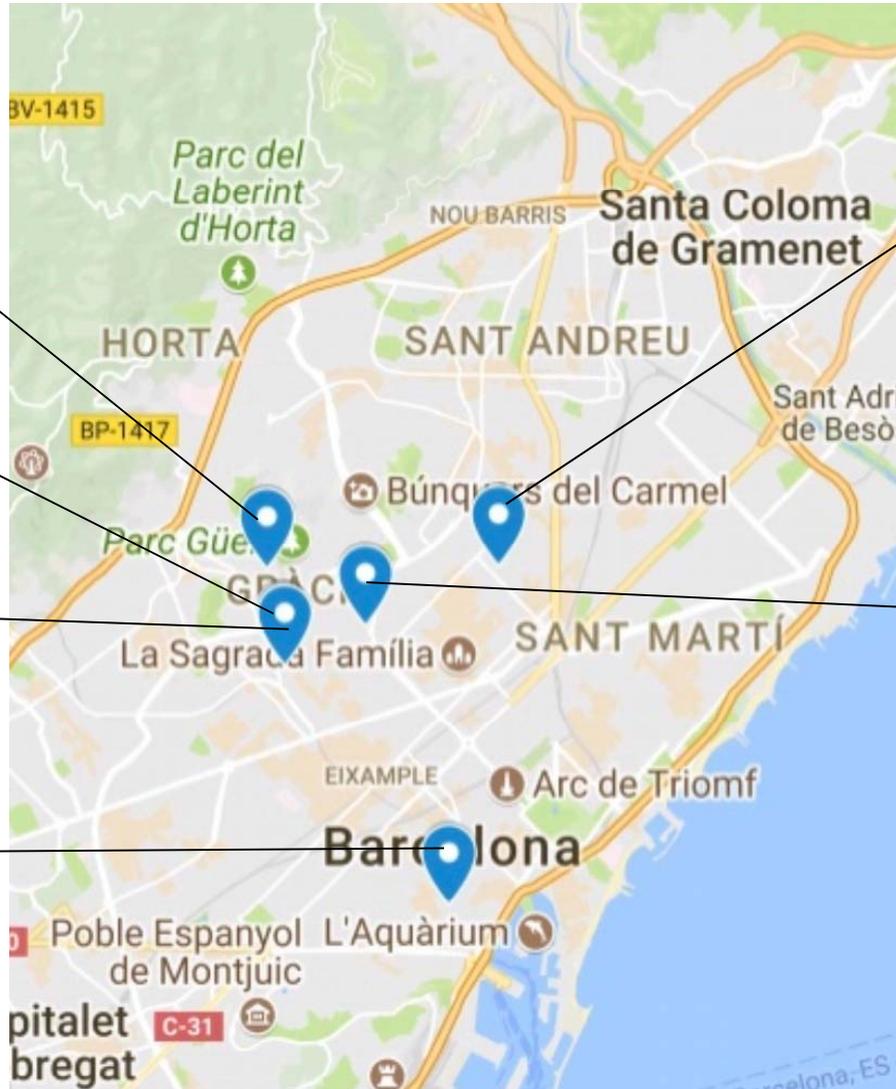
Barcelona - 6 Buildings owned as of 24 July 2018

**Verdi 282 -
Owned**

**Aulestia i Pijoan
4-6 - Owned**

**Breton de Los
Herreros 14-16 -
Owned**

**Unio 28 -
Owned**



**Corsega 689 -
Owned**

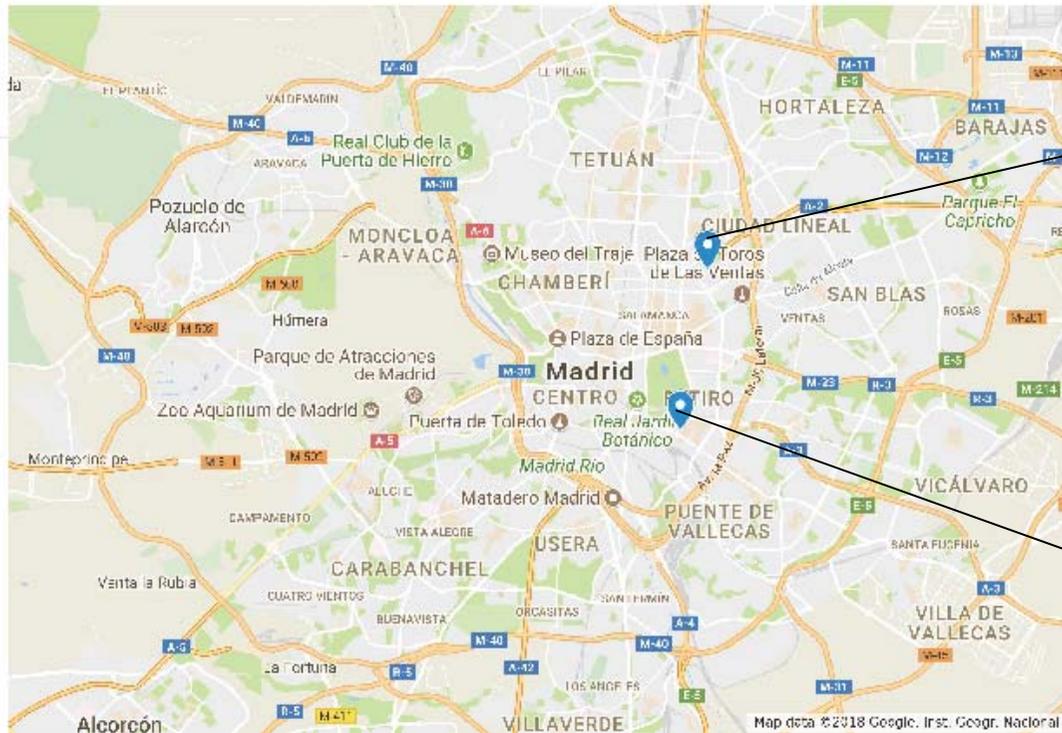
**Escorial 9 -
Owned**

Madrid - 2 Buildings owned as of 24 July 2018

MADRID OWNED PROPERTIES

MADRID OWNED PROPERTIES

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



**Bejar 23
Owned**

**Granada 12
46 Units
Owned
(out of 56
units in
total)**

Overview of GCRE Portfolio

<u>Owned Properties</u>	<u>Date Purchased</u>	<u>Built Area (M2) - Catastro</u>	<u>Number of Viviendas</u>	<u>Number of Locales</u>	<u>Purchase Price (EUR MM) [before closing costs and reforms] *</u>	<u>Purchase Price per M2 (EUR) [before closing costs and reforms] *</u>
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F=E/B</u>
<u>Barcelona</u>						
Unio 28 (100%)	5-May-16	1,787	12	4	€2.75	€1,539
Breton de Los Herreros 14-16 (100%)	19-Oct-16	1,287	11	4	€2.80	€2,176
Alestia I Pijoan 4-6 (100%)	19-Oct-16	1,281	11	4	€2.80	€2,186
Corsega 689 (100%)	2-Feb-17	1,481	14	1	€2.15	€1,452
Escorial 9 (100%)	17-Jul-18	1,603	14	2	€3.85	€2,402
Verdi 282 (100%)	20-Jul-18	851	13	2	€1.40	€1,645
Total Owned		8,290	75	17	€15.75	
<u>Madrid</u>						
Granada 12 (bulk)	6-Mar-17	2,193	44	2	€5.32	€2,427
Bejar 23 (100%)	27-Dec-17	2,041	21	5	€4.50	€2,205
Total Owned		4,234	65	7	€9.82	
GRAND TOTAL		12,524	140	24	€25.57	

* Before Closing Costs (approx 5%).

Summary Terms and Conditions of Loans *

Address of Property	Date Loan Obtained	Principal Amount (EUR MM) Initial Date	Interest Rate	Term (years)	Principal Amort. (years)	Purchase Price ** (EUR MM)	Loan to Value (Purchase Price)
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G = B/F</i>
<u>Barcelona</u>							
Unio 28	26-JUL-16	1.100	Euribor + 2.5%	15	15	2.75	40%
Breton & Aulestia	18-NOV-16	2.600	Euribor + 2.25%	20	20	5.60	46%
<u>Madrid</u>							
Granada 12	6-MAR-17	2.926	Euribor + 2.25%	20	18.5 (interest only until 6-SEP-18)	5.32	55%
Bejar 23	9-JUL-18	2.500	Euribor + 2.10%	20	19 (interest only until 9-JUL-19)	4.50	57%
Bridge Loan	18-JUL-18	2.000	3% Fixed	1.5	Bullet	NA	NA
TOTAL		11,126					

* As of 5 October 2018. ** Before Closing Costs (approx 5%)

The following page includes a summary RICs valuation as of 5 June 2018 prepared by SAVILLS Aguirre Newman on the 6 buildings owned by GCRE on 30 June 2018.

New buildings purchased in July 2018 (Escorial 9 and Verdi 282) not included in RICs valuation.

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 Valuations - Savills Aguirre Newman

<u>Building</u>	<u>Purchase Date</u>	<u>SQR Meter (Catastro)</u>	<u>Book Value of Buildings as of 30 JUNE 2018</u>	<u>Appraised Value (RICS) - Avills Agirre Newman Reports - June 2018</u>	<u>% Value Appreciation based on RICS Appraisals</u>	<u>Appraised Value (RICS) June 2018 (Net Value) - per M2</u>
		A	B	C	D = (C / B) - 1	E = C / A
Unio 28	5-May-16	1,787	€ 2,937,629	€ 4,234,000	44%	€ 2,369
Aulestia I Pijuan 4-6	19-Oct-16	1,281	€ 3,099,732	€ 4,518,000	46%	€ 3,527
Breton de Los Herreros 14-16	19-Oct-16	1,287	€ 3,027,152	€ 4,819,000	59%	€ 3,744
Corsega 689	2-Feb-17	1,481	€ 2,339,975	€ 3,296,000	41%	€ 2,226
Granada 12	6-Mar-17	2,193	€ 6,346,558	€ 8,178,000	29%	€ 3,729
Bejar 27	27-Dec-17	2,041	€ 4,701,696	€ 6,316,000	34%	€ 3,095
TOTAL (6 buildings)			€ 22,452,742	€ 31,361,000	40%	

Source: RICs Valuation reports published on our website and the MAB (HR published on 28 June 2018), Note 5 in our 30 June 2018 financial statements.

Escorial 9, Barcelona, and Verdi 282, Barcelona, were purchased in July 2018.

Spain GAAP, unlike IFRS, does not allow to recognize property value appreciations based on RICs appraisals.

The following pages show comparable sale prices of apartments offered for sale in a radius of 170 meters from the location of each of GCRE buildings, respectively.

Source: www.goolzoom.com as of 14 October 2018.

Please note that none of the comparable sale prices showed on the next pages has been verified by GCRE, and there is no assurance that such comparable sale prices could be achieved by GCRE, when it tries to sell its properties in the future.

Sales Comps* - Unio 28, Barcelona

PROPERTIES

Average price: **357.065 € - 4.180 €/m²**

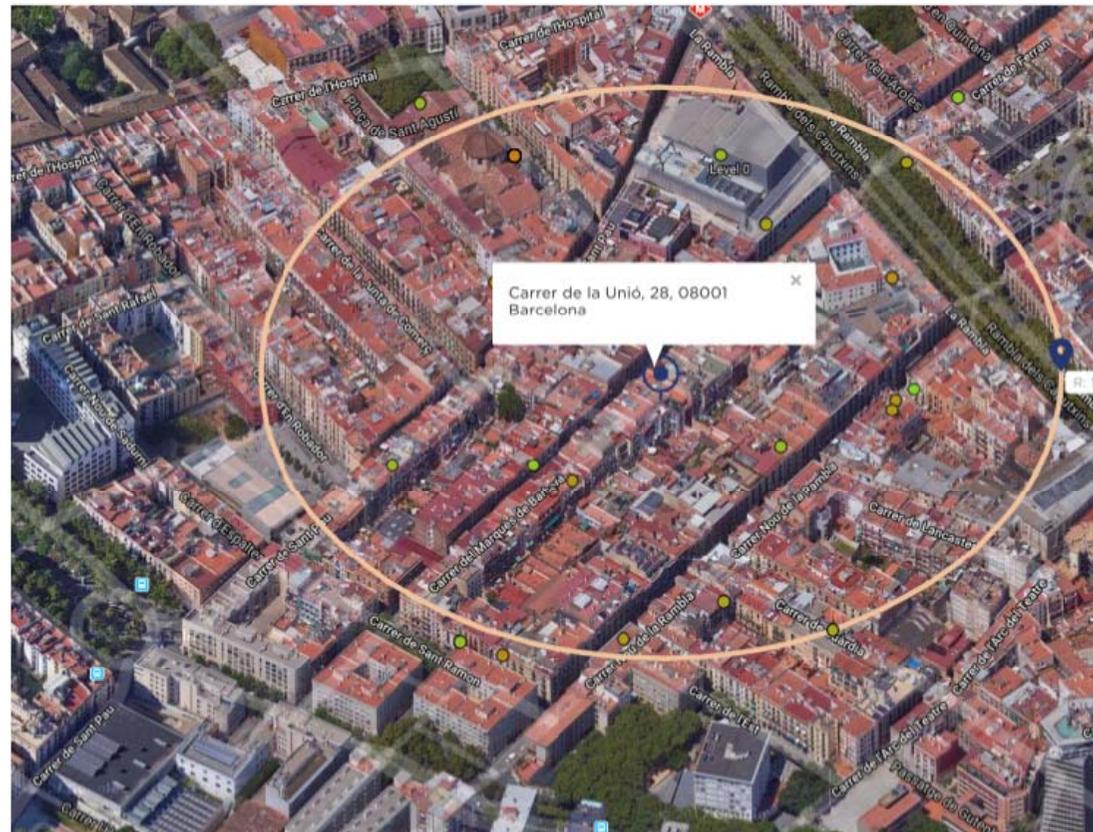
w	m ²	bed	bat	€/m ²	price
fc	150	3	1	2600	390m €
	90	2	2	3855	347m €
	98	3	1	2806	275m €
		1	1		215m €
	132	4		2045	270m €
	102	3	2	4509	460m €
	71	3	1	2957	210m €
	65	3		3415	222m €
fc	54	2	1	4611	249m €
		3	1		69m €

EUR per M2:

GCRE paid Purchase
Price: **1,539**

RICs Appraisal Unio
(June 2018): **2,369**

Average Price published
on goolzoom*: **4,180**



Sales Comps* - Aulestia i Pijuan 4-6, Barcelona

PROPERTIES

Average price: **639.771 € - 5.301 €/m²**

w	m ²	bed	bat	€/m ²	price
fc	100	4	2	11900	1.2M €
🏠	124	4	1	4274	530m €
🏠	77	1	1	4610	355m €
🏠	48	1	1	3439	165m €
🏠	350	5	3	3942	1.4M €
🏠	111	2	1	5090	565m €
🏠	150	4	2	3666	550m €
🏠	155	4	2	3548	550m €
🏠	139	4	2	3812	530m €
🏠	108	4	2	6018	650m €

EUR per M2:

GCRE paid Purchase
Price: **2,186**

RICs Appraisal Aulestia
(June 2018): **3,527**

Average Price
published on
goolzoom*: **5,301**



* Source: Average price within 170m radius as of 14 October 2018 from www.goolzoom.com.

Sales Comps* - Breton de Los Herreros 14-16, Barcelona

PROPERTIES

Average price: **673.852 € - 5.406 €/m²**

w	m ²	bed	bat	€/m ²	price
fc	100	4	2	11900	1.2M €
🏠	124	4	1	4274	530m €
P	174	3	1	3160	550m €
🏠	48	1	1	3439	165m €
🏠	350	5	3	3942	1.4M €
🏠	111	2	1	5090	565m €
fc	95	3	2	4947	470m €
🏠	155	4	2	3548	550m €
🏠	108	4	2	4620	499m €
🏠	108	4	2	6018	650m €

EUR per M2:

GCRE paid Purchase Price: **2,176**

RICs Appraisal Breton (June 2018): **3,744**

Average Price published on goolzoom*: **5,406**



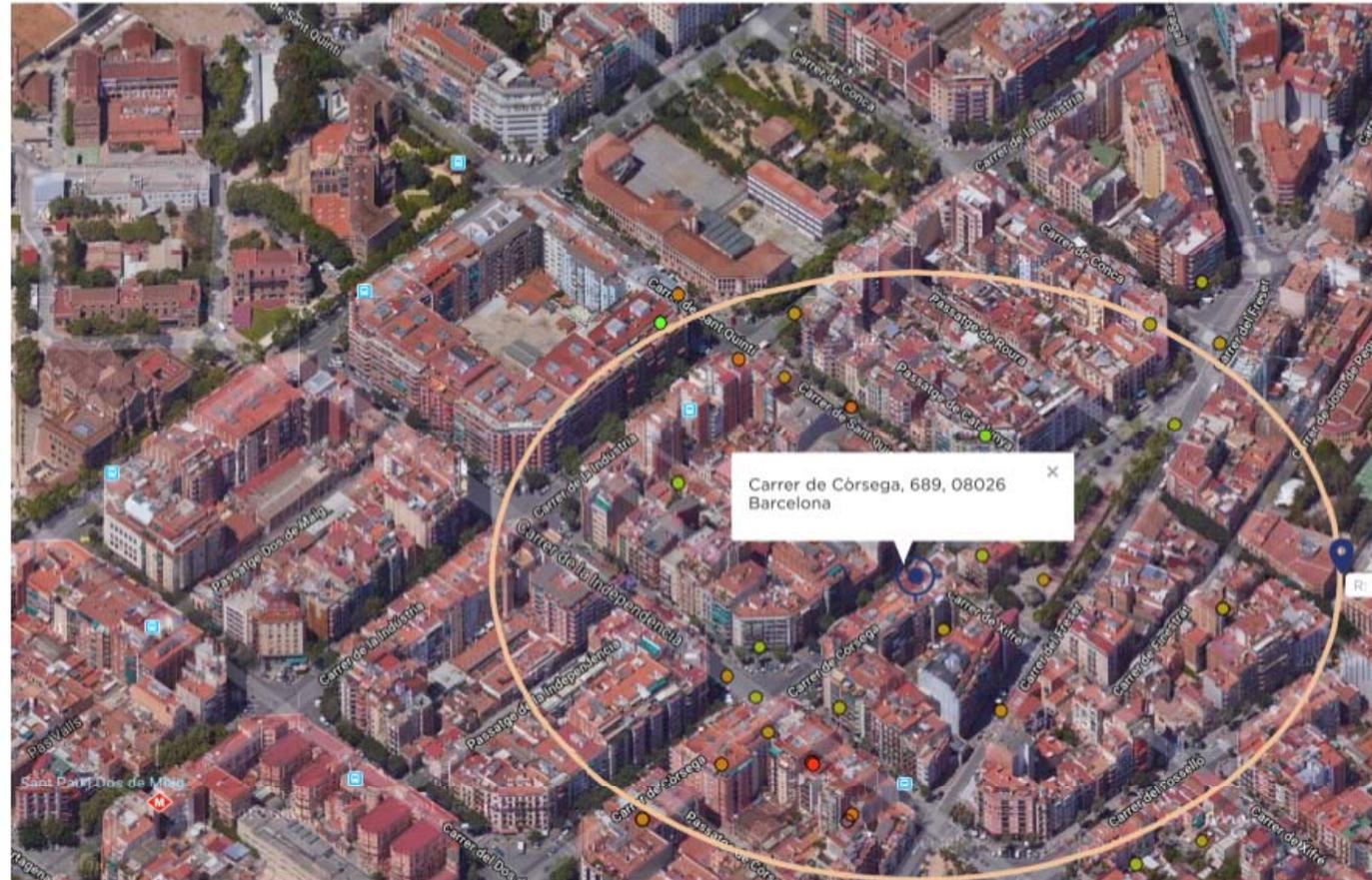
* Source: Average price within 170m radius as of 14 October 2018 from www.goolzoom.com.

Sales Comps* - Corsega 689, Barcelona

PROPERTIES

Average price: **350.200 € - 4.253 €/m²**

w	m ²	bed	bat	€/m ²	price
fc	55	3	1	4181	230m €
✪	42	1	1	5428	228m €
●		3	1		249m €
p	180	3	2	3111	560m €
●	64	2	1	4046	259m €
●	104	2		1778	185m €
✪	60	3	1	4000	240m €
✪	49	2	2	6428	315m €
fc	45	1		5066	228m €
fc	40	1	1	4975	199m €



EUR per M2:

GCRE paid Purchase
Price: **1,452**

RICs Appraisal Corsega
(June 2018): **2,226**

Average Price published
on goolzoom*: **4,253**

* Source: Average price within 170m radius as of 14 October 2018 from www.goolzoom.com.

Sales Comps* - Escorial 9, Barcelona

PROPERTIES

Average price: **514.272 € - 5.112 €/m²**

w	m ²	bed	bat	€/m ²	price
fc	56	3	1	3125	175m €
🏠	60	2	1	5583	335m €
📍	81	3	1	4185	339m €
📍	150	2	2	7333	1.1M €
📍	58	2	1	5586	324m €
🏠	101	2	1	4435	448m €
p	45	1	1	3777	170m €
📍		2	1		324m €
📍		2	1		110m €
🏠	90	3	1	5000	450m €

EUR per M2:

**GCRE paid Purchase Price:
2,402**

**RICs Appraisal Escorial
(June 2018): NA**

**Average Price published on
goolzoom*: 5,112**



* Source: Average price within 170m radius as of 14 October 2018 from www.goolzoom.com.

Sales Comps* - Verdi 282, Barcelona

PROPERTIES

Average price: **362.007 € - 3.660 €/m²**

w	m ²	bed	bat	€/m ²	price
	110	4	2	5136	565m €
	75	3		2933	220m €
fc	90	4	1	2722	245m €
		4	2		565m €
	64	3	1	3906	250m €
	112	4	2	5044	565m €
	63	3	1	3968	250m €
	159	8	3	3270	520m €
	70	1	1	3500	245m €
	111	4	2	2702	300m €

EUR per M2:

**GCRE paid Purchase Price:
1,645**

**RICs Appraisal Verdi (June
2018): NA**

**Average Price published
on goolzoom*: 3,660**



* Source: Average price within 170m radius as of 14 October 2018 from www.goolzoom.com.

Sales Comps* - Granada 12, Madrid

PROPERTIES

Average price: **488.351 € - 4.417 €/m²**

w	m ²	bed	bat	€/m ²	price
	104	2	2	5480	570m €
	114	3	2	4377	499m €
	200	3	2	8500	1.7M €
	65	1	1	4000	260m €
	78	2	1	5115	399m €
	151	3	2	3443	520m €
	51	1	1	5862	299m €
	112	2	2	3481	389m €
	219	5	3	4383	960m €
	48	2	1	4479	215m €

EUR per M2:

GCRE paid Purchase Price: **2,427**

RICs Appraisal Verdi (June 2018):
3,729

Average Price published on
goolzoom*: **4,417**



3250 8500
€/m²

* Source: Average price within 170m radius as of 14 October 2018 from www.goolzoom.com.

Sales Comps* - Bejar 23, Madrid

PROPERTIES

Average price: **609.740 € - 5.351 €/m²**

w	m ²	bed	bat	€/m ²	price
fc	355	5	2	5070	1.8M €
●	45	1	1	7000	315m €
🌈	80	2	1	6250	500m €
🏠	75	3	2	4600	345m €
🏡	111	3	1	8108	900m €
P	45	1	1	2777	125m €
●	65	2	1	4538	295m €
fc	30	1	1	5966	179m €
fc	134	4	1	5261	705m €
fc	330	4	3	5454	1.8M €

EUR per M2:

GCRE paid Purchase Price: 2,205

RICs Appraisal Bejar (June 2018): 3,095

Average Price published on goolzoom*: 5,351



* Source: Average price within 170m radius as of 14 October 2018 from www.goolzoom.com.

Company Projections published in August 2018

P&L (miles €)	2018 EST	2019 EST
Rent Income	€ 924	€ 1,229
Other Operating Expenses	€ (764)	€ (671)
Provision for Performance fee	€ (1,663)	€ -
PPE Amortization and Depreciation	€ (183)	€ (233)
Operating Income	€ (1,686)	€ 325
Financial Income (Expense)	€ (195)	€ (252)
Earnings before Taxes	€ (1,881)	€ 73
Corporate Taxes	€ -	€ -
Net Income	€ (1,881)	€ 73
Operating Income (excl performance Fee)	€ (23)	€ 325

Source: HR published on 8 August 2018 and GCRE website.

Management and Board of Directors

Jerry Mandel - Chairman of the Board

Amit Binderman - Director on the Board

Alberto Antoli - Director on the Board, Real Estate Lawyer

Naiara Bueno Aybar - Secretary of the Board, Partner at J&A Garrigues S.L.P.
(Law Firm)

Book Keeping and Tax Services - Auren Abogados y Asesores Fiscales SP, S.L.P.
(since 1 OCT 2017)

Property Management Firms - GCRE works with 3 firms in Barcelona and 1 firm
in Madrid