

GALIL CAPITAL RE SPAIN SOCIMI, S.A.

20 de octubre 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 3/2020 del segmento BME Growth de BME MTF Equity (BME MTF Equity), sobre información a suministrar por empresas incorporadas a negociación en el segmento BME Growth de BME MTF Equity (la “**Circular 3/2020 del BME MTF Equity**”), en sus redacciones vigentes, Galil Capital Re Spain, SOCIMI, S.A. (“**Galil Capital**” o la “**Sociedad**”), 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.

En cumplimiento de lo dispuesto en la Circular 3/2020 del BME MTF Equity se deja expresa constancia de que la información comunicada por la presente ha sido elaborada bajo la exclusiva responsabilidad de la Sociedad y sus administradores.

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.

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20 October 2020



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.



Table of Contents

1. Executive Summary
2. Overview of GCRE Spain
3. Rent Income Analysis
4. Financial Statements Review
5. Covid19 Impact

Executive Summary

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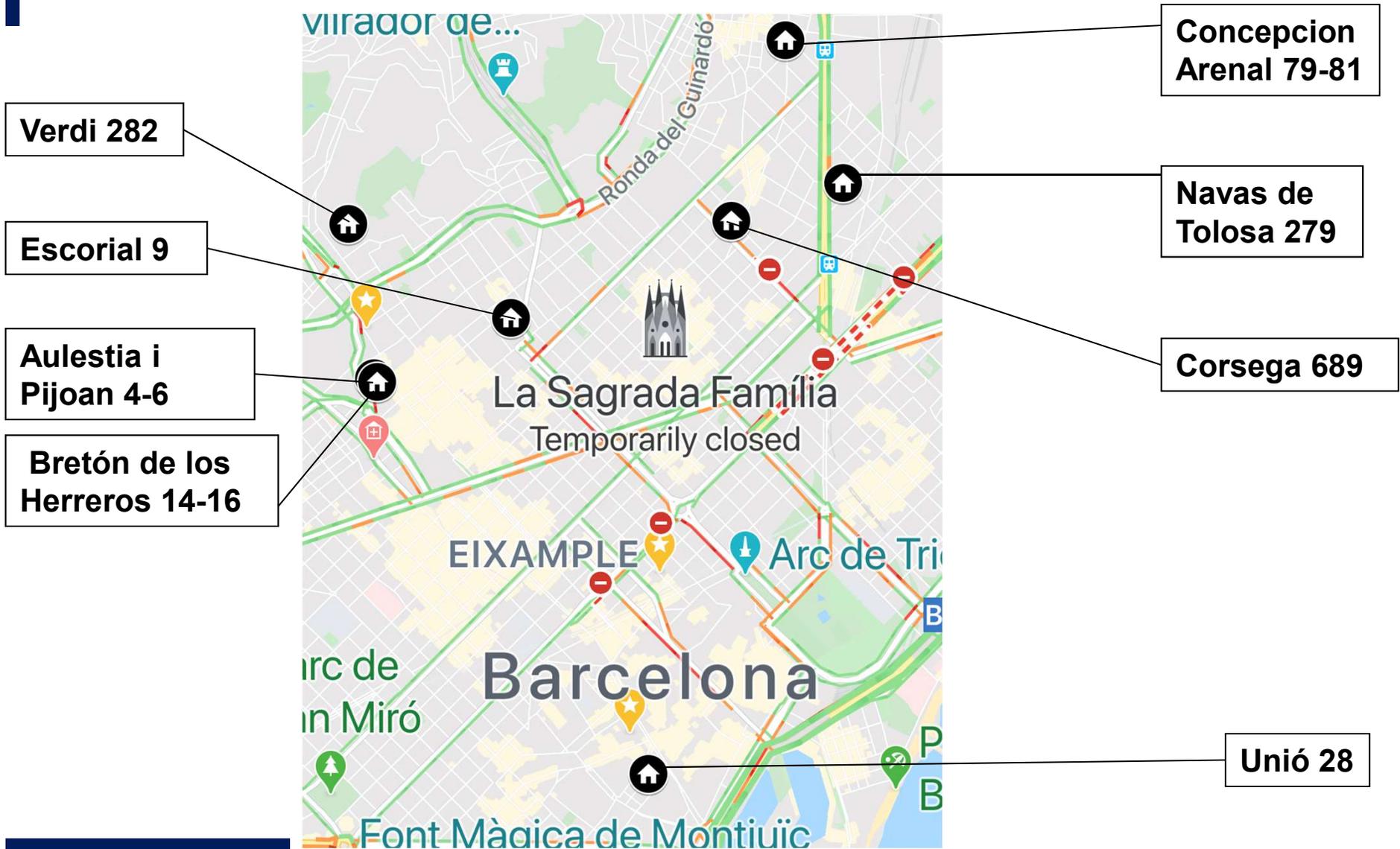
- H1-2020 Rent Income increased 27% vs H1-2019
- Covid19 has negatively affected the Spain economy and the Spain real estate market since end of March 2020.
- Although GCRE is focused on the residential rental segment which has been less affected than the office, retail or tourism segments, still our Q2-2020 rent income did suffer from covid19 implications.
- While we started 2020 very strong and achieved record rent income in Q1-2020, covid19 impacted our Q2-2020 results, and Q2-2020 rent income decreased 15% vs Q1-2020.
- Rent Income decreased mainly due to temporary rent discounts and higher vacancy rate
- Q3-2020 rent income is similar to Q2-2020 rent income.
- As of 30 June 2020, GCRE had eur2.6 million cash at the bank and 3 buildings free of any mortgage.
- As of 30 June 2020, GCRE was under-levered with eur11.0 million bank debt vs eur35.1 million Total Assets (Spain GAAP based on historical costs). GCRE is even less levered if we consider its eur52.1 million Total Assets (IFRS based on RICs appraisals) on 31 December 2019.
- **With our low leverage and strong cash on hand, GCRE is well positioned to overcome the current challenges in the market due to covid19**

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 BME Growth (Spain), formerly named MAB
- 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

Overview of Portfolio Barcelona: 8 Buildings Owned*



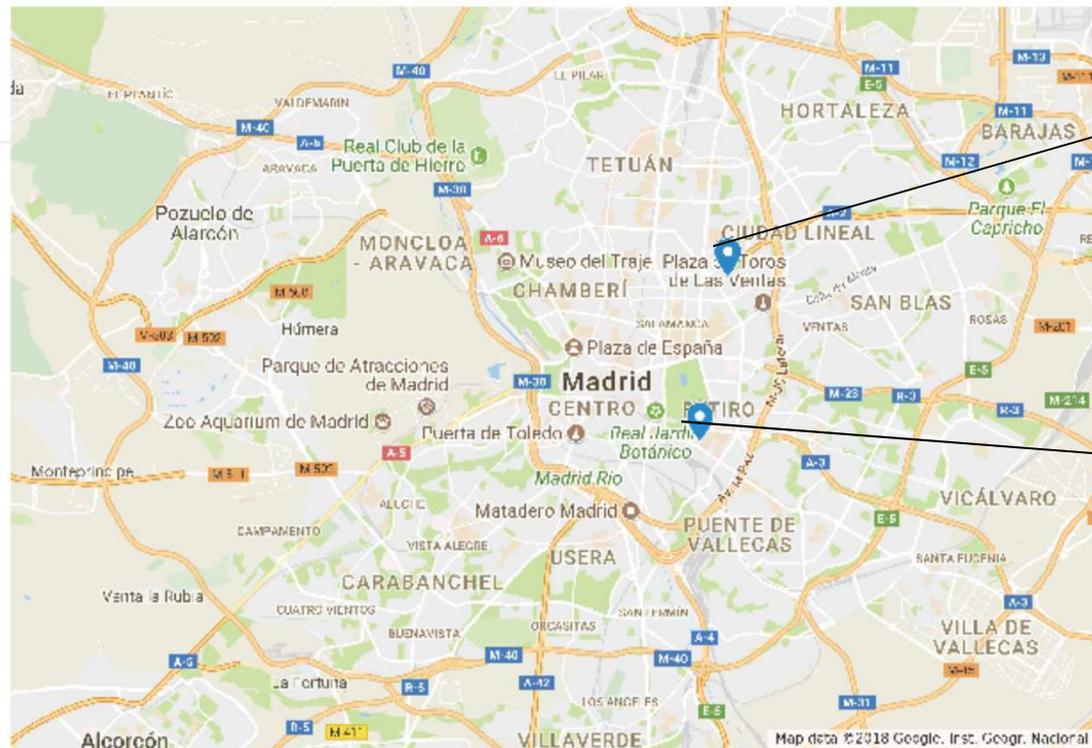
* As of 13 October 2020

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

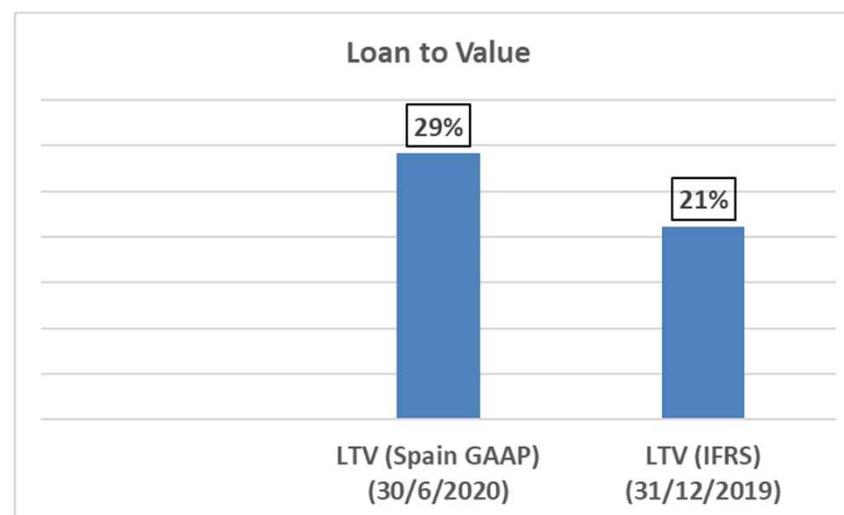
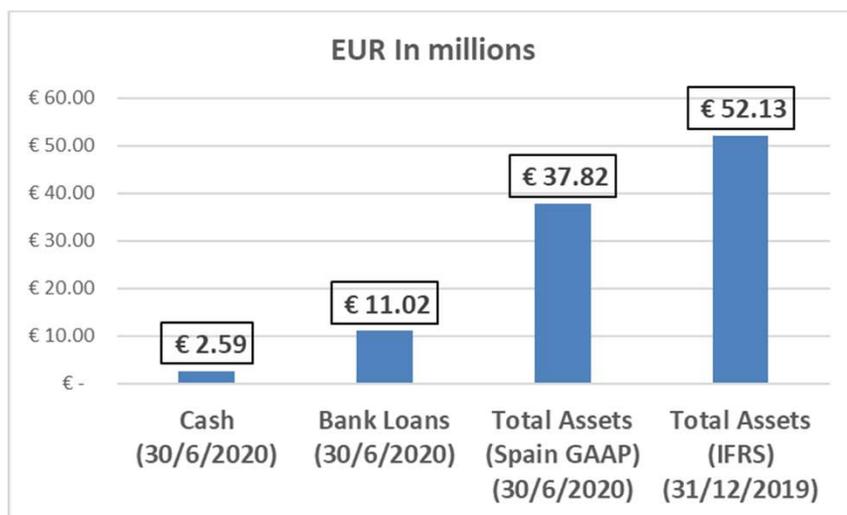
* As of 13 October 2020

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

Low Leverage and Strong Cash Position

Loan to Value

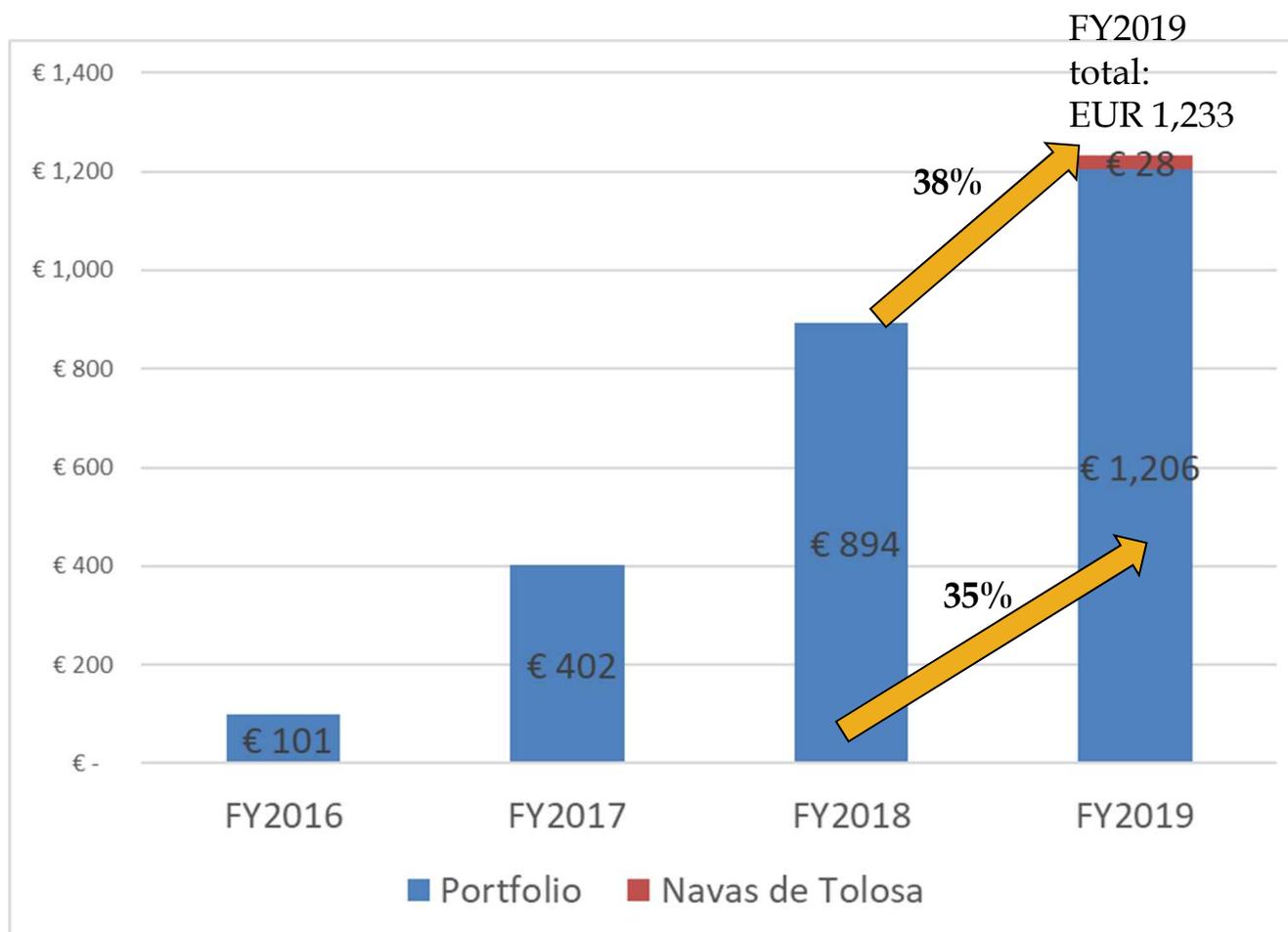


With our low leverage and strong cash on hand, GCRE is well positioned to overcome the current challenges in the market due to covid19



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)

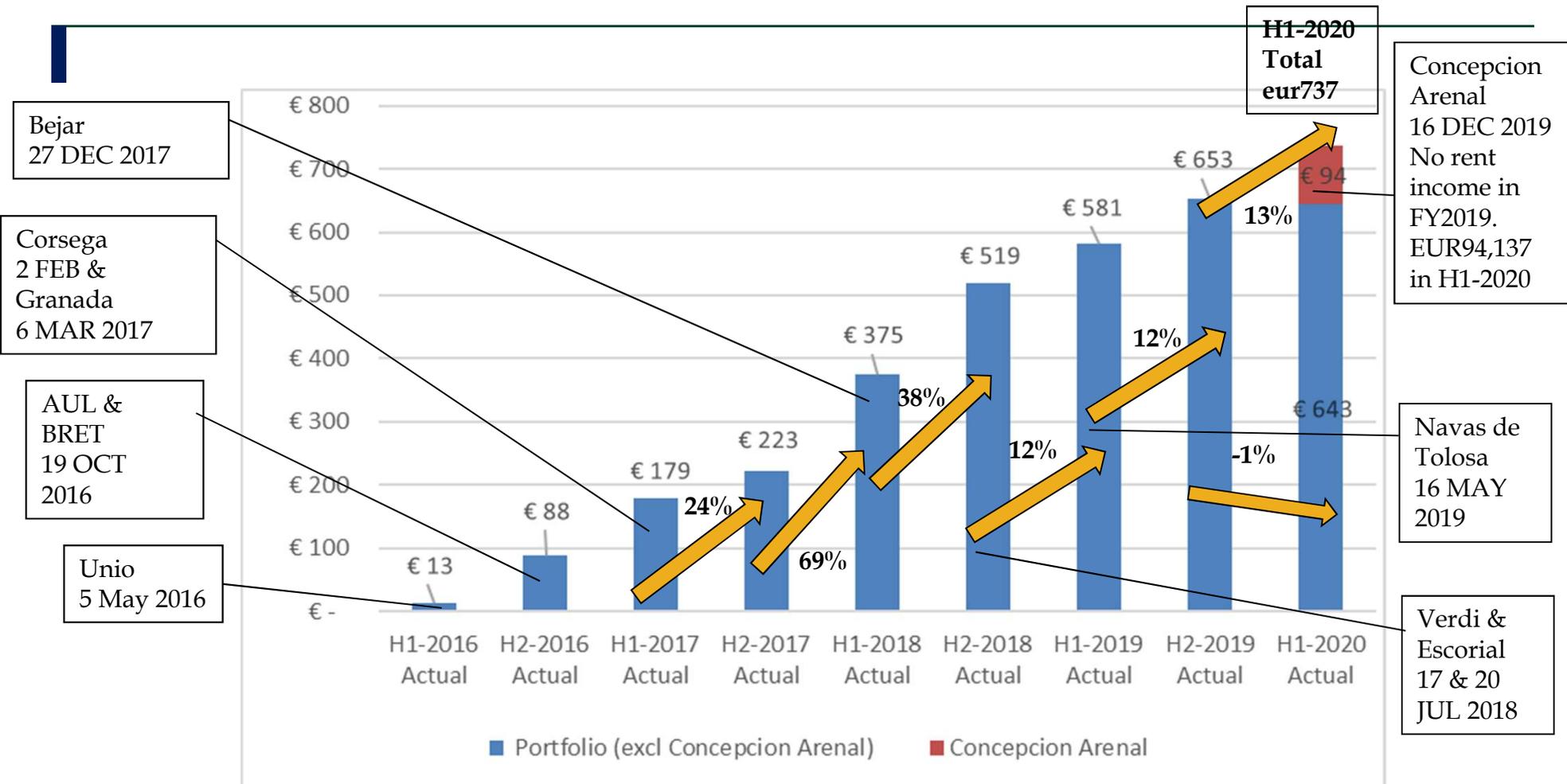
Concepcion Arenal purchased on 16 DEC 2019.

No rent income in FY2019

Rent Income increased 38% in FY2019 vs. FY2018.

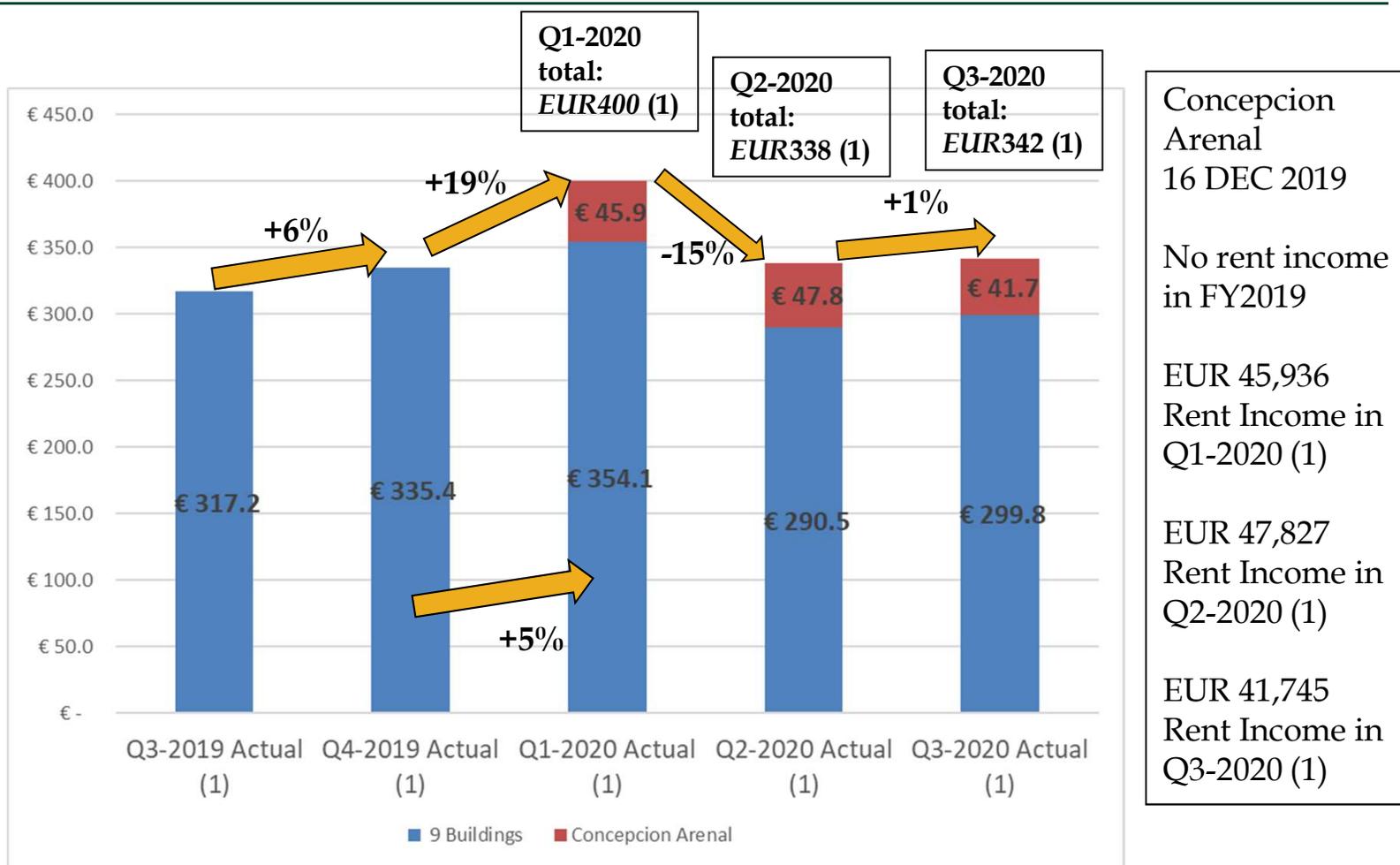
35% Organic Growth in FY2019 Rent Income (excluding Navas de Tolosa) vs. FY2018.

Semi-Annual Rent Income (in thousands of euros)



Rent Income increased 13% in H1-2020 vs. H2-2019 and 12% H2-2019 vs. H1-2019.
Excluding Concepcion Arenal, Rent Income decreased 1% in H1-2020 vs. H2-2019 due to covid19

Quarterly Rent Income (in thousands of euros)



Q3-2020 vs Q2-2020: rent income stable (+1% increase)
 Q2-2020 vs Q1-2020: rent income decreased 15% due to covid19
 Q1-2020 vs. Q4-2019: rent income increased 19% (+5% organic growth excluding Concepcion Arenal)
 Q4-2019 vs. Q3-2019: rent income increased 6% (organic growth)

Rent Income Analysis in H1-2020 and covid19 impact

- Rent income was eur737.4K in H1-2020 vs eur580.8K in H1-2019, an increase of 27%
- Rent income of Concepcion Arenal in H1-2020 was eur94.1K. Concepcion Arenal was purchased in December 2019, and hence did not have any rent income in 2019.
- Rent income, excluding Concepcion Arenal, was eur643.3K in H1-2020 vs eur580.8K in H1-2019, an increase of 11%
- While Q1-2020 rent income was a record quarter for GCRE, covid19 had a significant negative impact on Q2-2020 rent income.
- Rent income was eur400.0K in Q1-2020 vs eur335.4K in Q4-2019, an increase 19% (5% increase excluding Concepcion Arenal)
- Rent income was eur338.4K in Q2-2020, a decrease of 15% vs Q1-2020 rent income
- Rent income was eur341.6K in Q3-2020, an increase 1% vs Q2-2020 rent income



Financial Statements Review

30 June 2020 Financial Statements (Spain GAAP) English Translation for Convenience Purposes

30 June 2020 financials are published in accordance to Spain GAAP.

FY2019 annual accounts were published in accordance to IFRS guidelines (in addition to Spain GAAP accounts which are mandatory).

Spanish GAAP Accounts

- Investment properties are recorded at cost.
- Required by:
- Hacienda (Taxes)
 - SOCIMI (dividend calculations)

IFRS Accounts

- 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

30 June 2020 Financial Statements (Spain GAAP) English Translation for Convenience Purposes

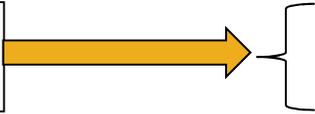
Balance Sheet - Spain GAAP

		Abridged balance sheet 30 June, 2020 (stated in Euros)		
		Notes	30/06/2020	31/12/2019
ASSETS				
NON-CURRENT ASSETS			35,071,035	34,878,359
Investment Property at cost	Investments in property and real estate	5	34,960,117	34,780,128
	Land		22,679,564	22,679,564
	Buildings		12,253,980	12,091,615
	Technical installations and other items		26,573	8,949
	Long-term investments		110,919	98,231
	Other financial assets	7	110,919	98,231
CURRENT ASSETS			2,751,016	1,345,004
Stocks			3,800	91,074
Advances to suppliers			3,800	91,074
Accounts receivable - commercial and other			139,583	128,723
Customers		7	116,052	74,131
Social Security and Government entities		7, 10	23,530	54,593
Short-term Investment		7	13,097	7,924
Other financial assets			13,097	7,924.08
Cash	Cash and equivalent liquid assets		2,594,536	1,117,283
	Cash resources		2,594,536	1,117,283
Total Assets			37,822,051	36,223,363

30 June 2020 Financial Statements (Spain GAAP) English Translation for Convenience Purposes

Balance Sheet - Spain GAAP

Equity Capital
raised



Long term Debt
with banks



Abridged balance sheet 30 June, 2020 (stated in Euros)			
PATRIMONIO NETO Y PASIVO NET EQUITY	Nota	31/12/2019	31/12/2018
Shareholders' funds	9	26,585,115	26,623,737
Capital		27,386,960	27,386,960
Authorised share capital		27,386,960	27,386,960
Share premium		1,317,420	1,317,420
Reserves		(47,328)	(47,327.79)
Other reserves		(47,328)	(47,328)
(Own shares and equity holdings)	9.3	(286,850.00)	(286,850.00)
Prior year results		(1,746,466)	(1,666,664)
(Retained losses from prior years)		(1,746,466)	(1,666,664)
Result for the year		(38,622)	(79,802)
NON-CURRENT LIABILITIES		10,579,361	8,863,235
Long-term borrowings	7	10,579,361	8,863,235
Debt with financial institutions		10,417,956	8,711,768.55
Other financial liabilities		161,404	151,467
CURRENT LIABILITIES		657,575	736,391
Short-term borrowings	7	605,887	674,117
Debt with financial institutions		597,724	661,601
Other financial liabilities		8,162	12,516
Accounts payable - commercial and other	7 y 8	51,689	62,275
Suppliers, group companies and associates	12	3,000	3,000
Other payables		44,944	55,997
Personnel (salaries payables)		-	933
Tax, Social Security and Government entities	10	3,745	1,620
Advances received from customers		-	725
TOTAL NET EQUITY AND LIABILITIES		37,822,051	36,223,363

30 June 2020 Financial Statements (Spain GAAP) English Translation for Convenience Purposes

Income Statement - Spain GAAP

Abridged Income Statement
30 June, 2020
(stated in Euros)

	Notes	30/06/2020	30/06/2019
RENT INCOME From EUR581K To EUR737K (+27%)			
Continuing operations			
Net turnover	5, 6, 7	737,422	580,796
Services Rendered		737,422	580,796
Other operating income		4,026	2,184
Ancillary income and other income from normal operations		4,026	2,184
Personnel expenses		(4,365)	(4,365)
Salaries and wages		(3,200)	(3,200)
Employee benefits expense		(1,165)	(1,165)
Other operating costs	11	(494,993)	(413,619)
External services		(447,900)	(389,375)
Base and IR fee	12	(228,457)	(186,947)
Other external service expenses		(219,443)	(202,428)
Taxes		(46,390)	(22,524)
Losses, impairment and changes in trade provisions	7.1, 11	(673)	(1,713)
Other normal operating costs		(31)	(7)
Depreciation of fixed assets	5	(126,918)	(100,964)
Other results		353	(2,227)
OPERATING RESULT		115,525	61,805
Finance income		-	185
Dividends		-	185
Group companies and associates			185
Financial expenses		(154,147)	(112,073)
Other	7.2.1	(154,147)	(112,073)
NET FINANCE INCOME/(EXPENSE)		(154,147)	(111,888)
PROFIT/(LOSS) BEFORE INCOME TAX		(38,622)	(50,082)
PROFIT/(LOSS) FOR THE PERIOD (A.4+18)		(38,622)	(50,082)
OPERATING INCOME From EUR62K To +EUR116K (+87%)			
PRE-TAX INCOME From -EUR50K To -EUR37K			

Financial Statements Highlights

- Rent Income was eur737,422 in H1-2020 compared to eur580,796 in H1-2019, an increase of 27%
- Operating Income was eur115,525 in H1-2020 compared to eur61,805 in H1-2019, an increase of 87%
- Net Loss was eur38,622 in H1-2020 compared to net loss of eur50,082 in H1-2019
- On 30 June 2020, Cash on hand was eur2,594,536 compared to eur1,117,283 on 30 June 2019
- On 30 June 2020, Total Assets was eur37,822,051 compared to eur36,223,363 on 30 June 2019
- On 30 June 2020, Total bank Loans was eur11,015,681 compared to eur9,373,369 on 30 June 2019
- Loan to Total Assets (Spain GAAP) on 30 June 2020 was 29%
- Loan to Total Assets (IFRS) on 31 December 2019 was 21%

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 & Q3-2020 rent income. Barcelona and Madrid are in process of reopening so market conditions expected to gradually improve.	Q3-2020 rent income is stable compared to Q2-2020 rent income
Short Term Leases (less than 30 days/ AIRBNB) – Practically no tourism in Spain at present time.	Most AIRBNB units (short term leases) are vacant and many are offered to medium term tenants who look for furnished units. Increased supply of vacant furnished units results in increased down pressure on rent prices. Some down pressure spills over to the general ordinary residential leases	We are not in short term leases segment. However, we see negative impact on our medium-term leasing business.
Practically no US and Latin exchange students in Spain at present time – significantly lower demand for medium term leases of furnished apartments	Increased supply of & reduced demand for furnished units (medium Term Leases (30 days up to 11 months) – resulted in approx. 20% rent/unit decrease for 2020/2021 school year compared to pre-covid19 rents	We currently have 8 furnished units in Madrid. Since 1 September, 2020, we leased 6 of these units.
Limited ability to show and rent lease-ready vacant units during the closure period	Longer vacancy periods due to covid19 - delay in rent income. We now own 10 anti-okupa doors in Barcelona to protect our vacant units until we lease them. Until June 2020, we owned 2 anti-okupa doors which served us well.	

Covid19 Impact (cont'd)*

Negative Factors:	Impact	Mitigating Factor
One tenant that leased 10 units and worked with US Exchange Students went out of business end of July 2020	We got back keys to 10 units, 2 of which are occupied by non-paying tenants. Before going out of business, we offered this tenant significant rent discounts in April, May, and to a lesser extent in June and July 2020.	We kept their security deposits and furniture of the 10 units.
Weak economy and increased unemployment resulting in higher vacancy rates and longer time to lease vacant units	Some Tenants have difficulties in paying their rents and either ask for voluntary rent discounts or decide to vacate unit as they are unable to pay rent. This results in increased number of vacant units.	