

GALIL CAPITAL RE SPAIN SOCIMI, S.A

2 de noviembre de 2021

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,



Jerry Zwi Mandel
Presidente del Consejo de Administración
de 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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Executive Summary

Executive Summary

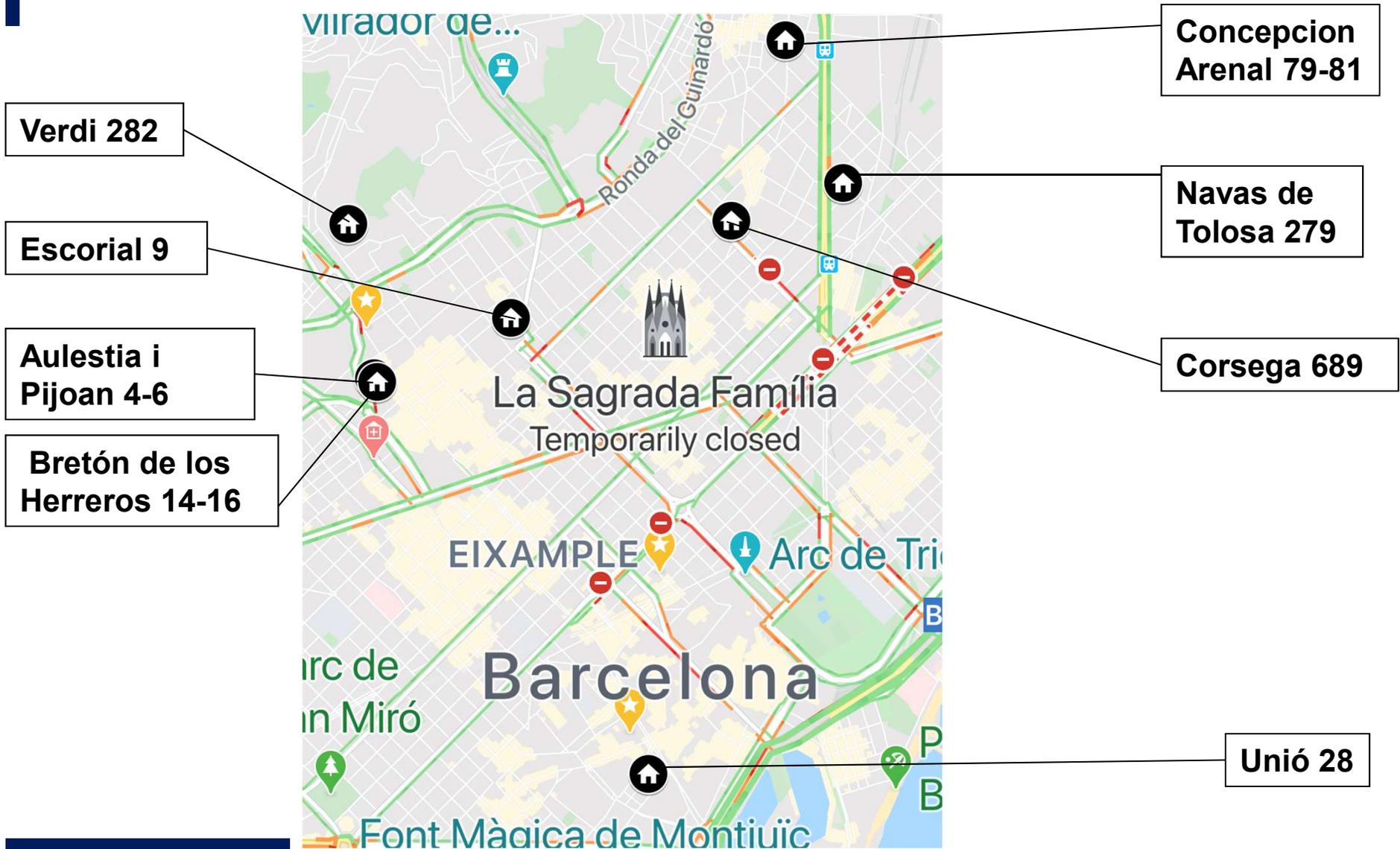
- H1-2021 Rent Income increased 12.4% vs H1-2020, mainly due to the purchase of the Naquera industrial property by Galil RE Naquera 1, SL on 29 April 2021.
- Covid19 has negatively affected the Spain economy and the Spain real estate market since end of March 2020. Although **GCRE** is focused on the residential rental segment which has been less affected than the office, retail or tourism segments, still since Q2-2020 **GCRE** rent income has suffered from covid19 implications.
- Catalunya has introduced rent control laws that have affected the Barcelona rental market. However, at present time, covid19 has greater negative impact on **GCRE** results, than the Catalunya rent control laws.
- While **GCRE** 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.
- However, from Q1-2021, **GCRE** has gradually improved its quarterly rent income of residential buildings.
- As of 30 June 2021, **GCRE** (consolidated) had eur600K cash at the banks and 2 buildings free of any mortgage.
- As of 30 June 2021, **GCRE** (stand alone) was under-levered (26.3% LTV) with eur12.5 million bank debt vs eur47.6 million Total Assets (FMV based on RICs appraisals).

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) – previously 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
- 8 residential buildings owned 3+ years (SOCIMI min hold requirement)
- 2 residential buildings without mortgages
- **GCRE**, via a wholly owned subsidiary, GALIL RE NAQUERA 1 S.L.U. (“**GALIL NAQUERA**”), completed the purchase of an industrial property in Valencia for EUR9,000,000 on 29 April 2021. The property is comprised of 5 separate modules with an aggregate constructed area of approx. 52,103 M2, on a parcel of 83,749 M2.

Overview of Portfolio Barcelona: 8 Buildings Owned*



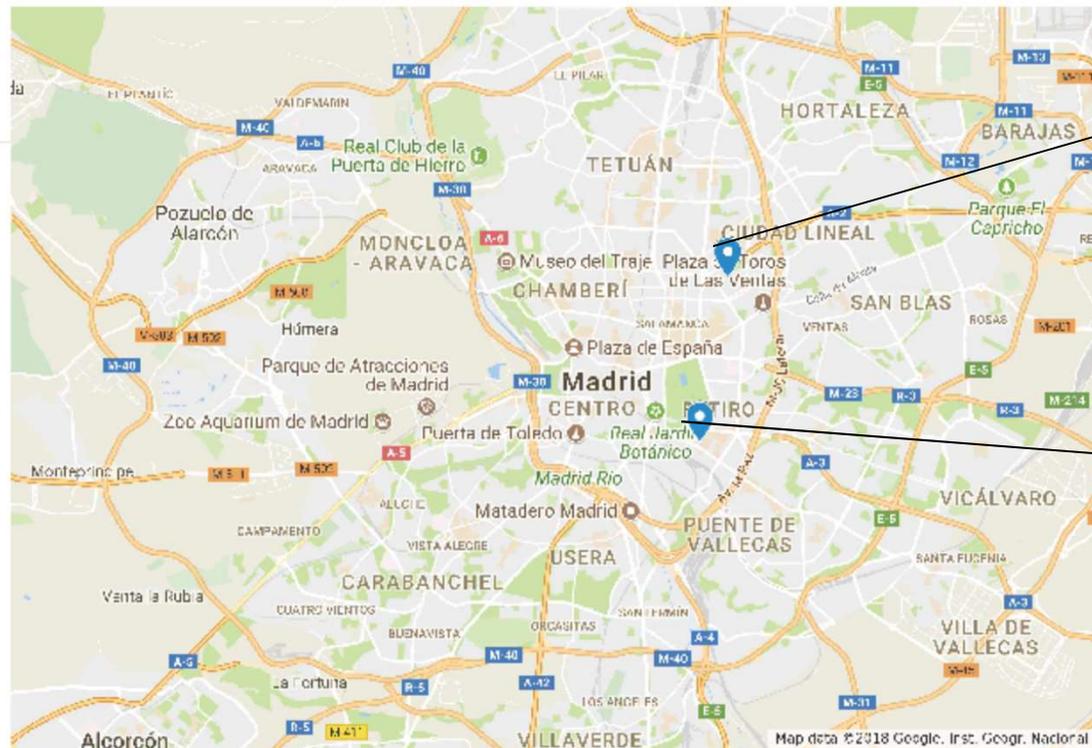
* As of 1 November 2021

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

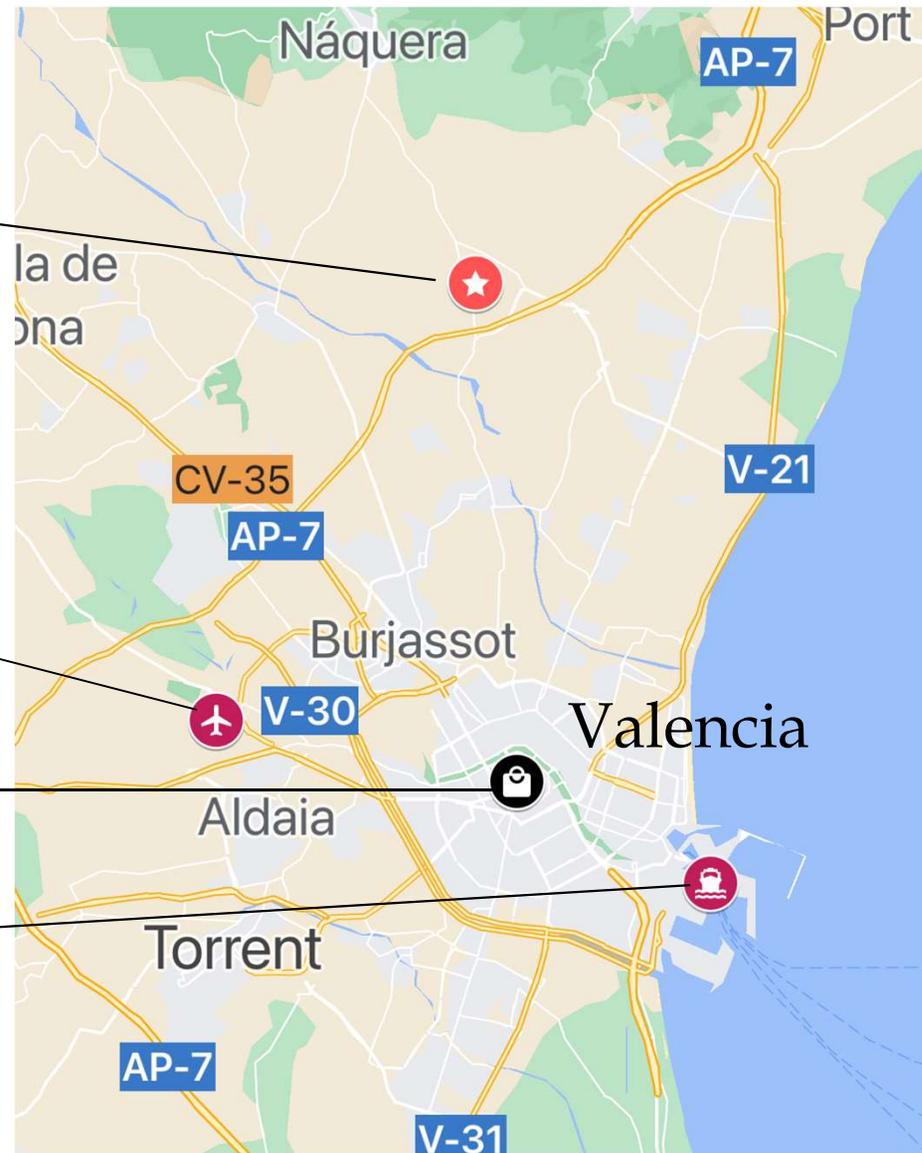
Overview of Portfolio

Valencia - 1 Industrial Property Owned by Galil Naquera

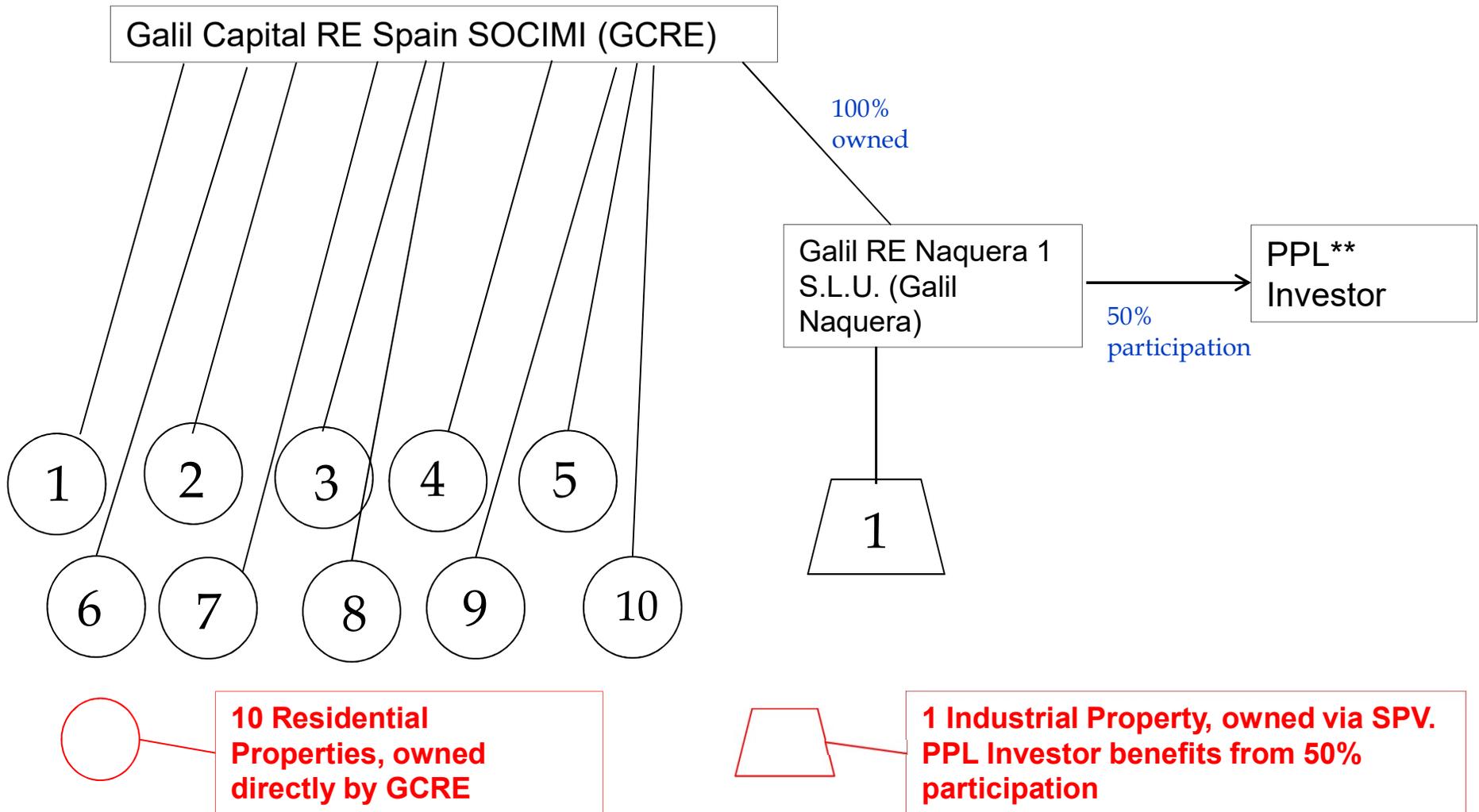
Industrial Property - located at Calle Tramuntana 1, Naquera (Valencia).

Distance & Drive Time to Property:

- 16 minutes to Valencia airport (20 km)
- 24 minutes to Central Market of Valencia (22 km)
- 35 minutes to Port of Valencia (38 km)



GCRE Structure



GCRE Residential 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>	<u>Mortgage</u>
Barcelona						
Unio 28 (100%)	1	05-May-16	1,787	12	4	Yes
Breton de Los Herreros 14-16 (100%)	1	19-Oct-16	1,287	11	4	Yes
Aulestia I Pijoan 4-6 (100%)	1	19-Oct-16	1,281	11	4	Yes
Corsega 689 (100%) - DIVISION HORIZONTAL	15	2-Feb-17	1,539	15	1	Yes
Escorial 9 (100%)	1	17-Jul-18	1,603	14	2	Yes
Verdi 282 (100%)	1	20-Jul-18	851	13	2	No
Navas de Tolosa 279 (100%)	1	16-May-19	707	10	1	No
Concepcion Arenal 79-81 (100%)	1	16-Dec-19	2,873	24	3	Yes
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	Yes
Bejar 23 (100%)	1	27-Dec-17	2,041	21	5	Yes
Total Owned Madrid			4,325	65	7	
GRAND TOTAL			16,253	175	28	

No new purchases in FY2020 and 2021 YTD.

Galil RE Naquera 1, S.L. ("Galil Naquera")

Industrial Property

Module	Constructed Area M2	Status	Description
Module 1	13,557	Leased (pays rent from FEB 22)	Industrial
Module 2	28,742	Leased	Industrial
Module 3	1,305	Leased	Industrial
Module 4	2,578	75% Vacant	Office building
Module 5	5,921	Leased	Industrial
TOTAL	52,103		

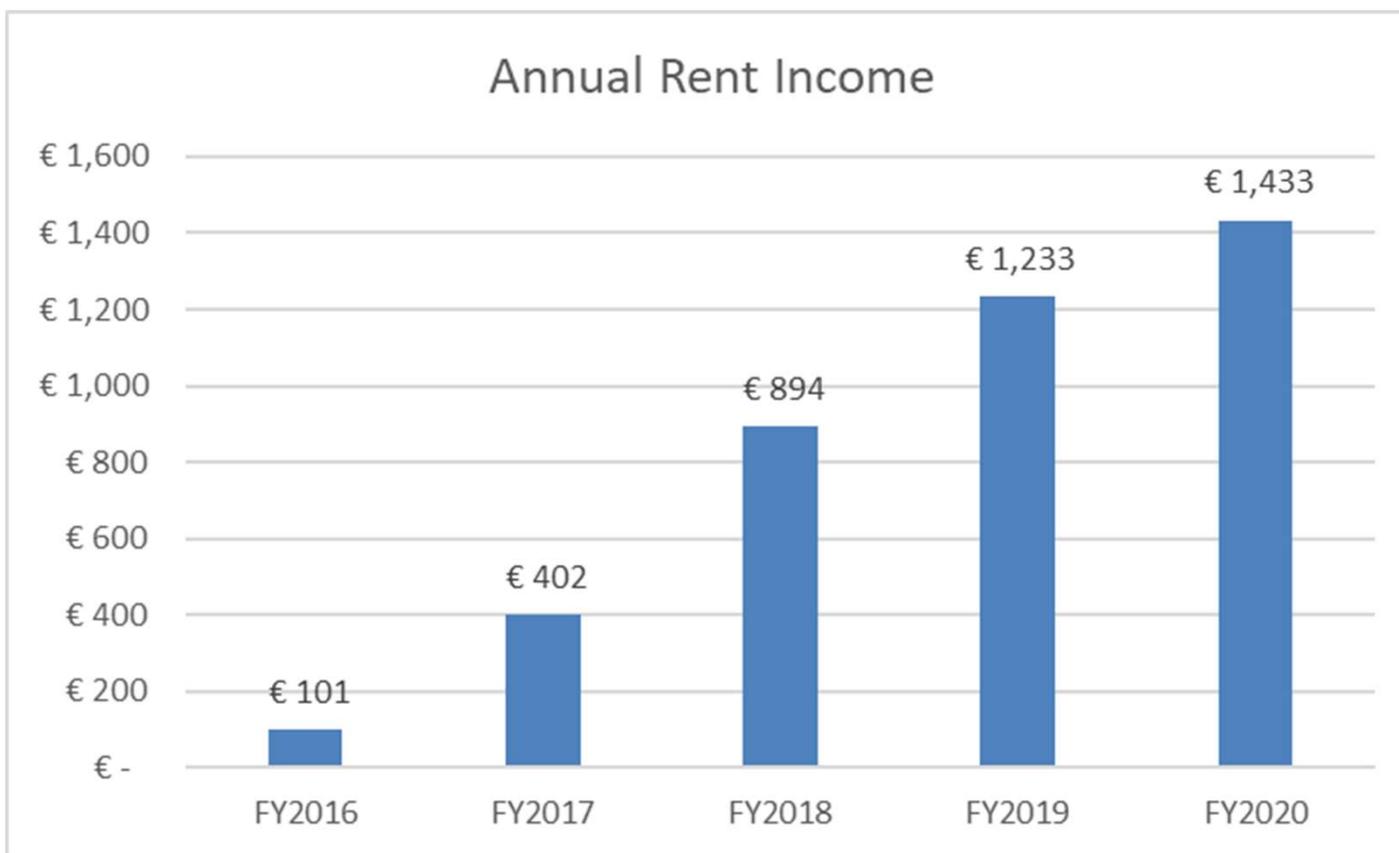
The property is comprised of 5 separate modules with an aggregate constructed area of approx. 52,103 M2, on a parcel of 83,749 M2.

Vacant land (areas 6 & 7) – allows for the construction of additional space (TBD).



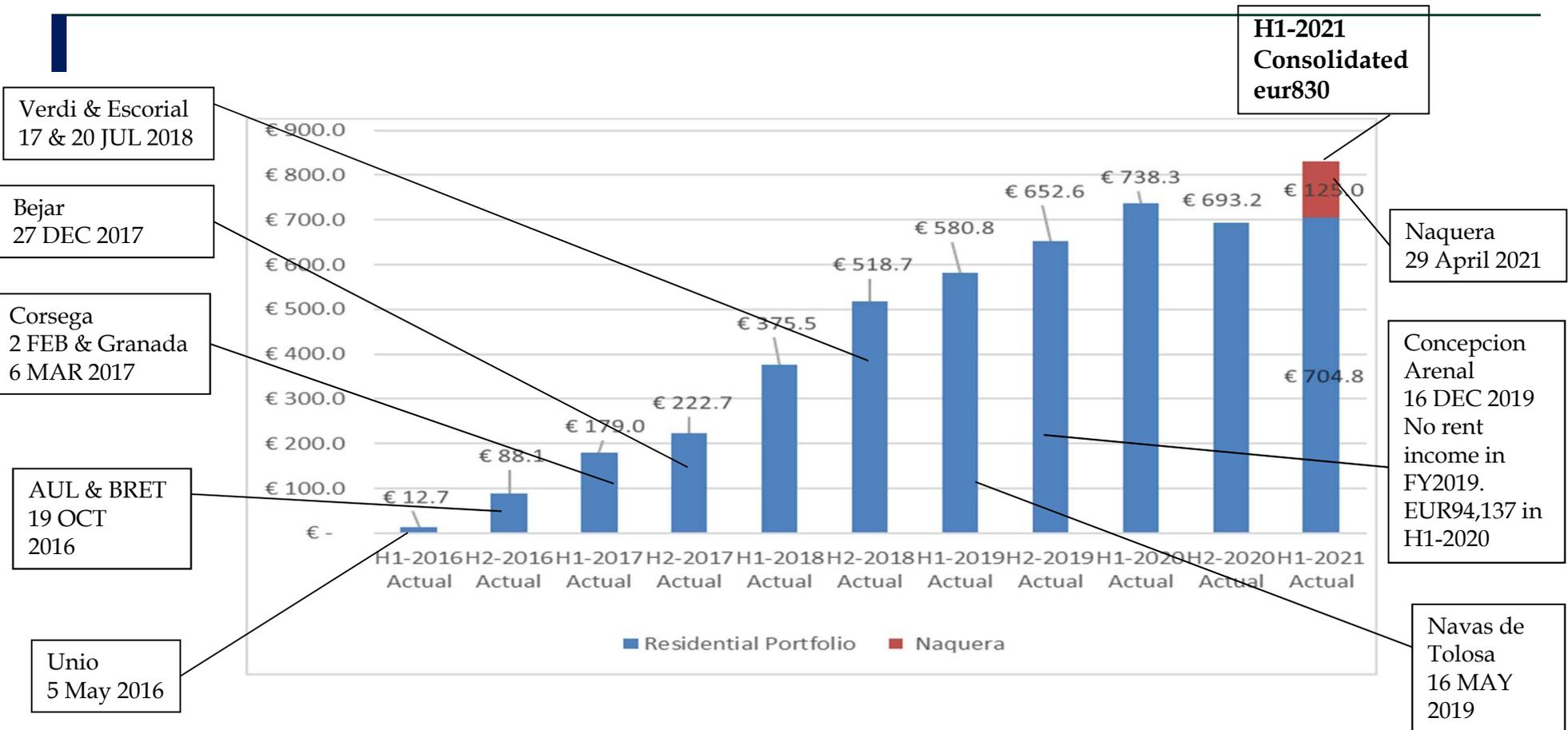
Rent Income Analysis

Annual Rent Income (in thousands of euros)



Rent Income increased 16% in FY2020 vs. FY2019.

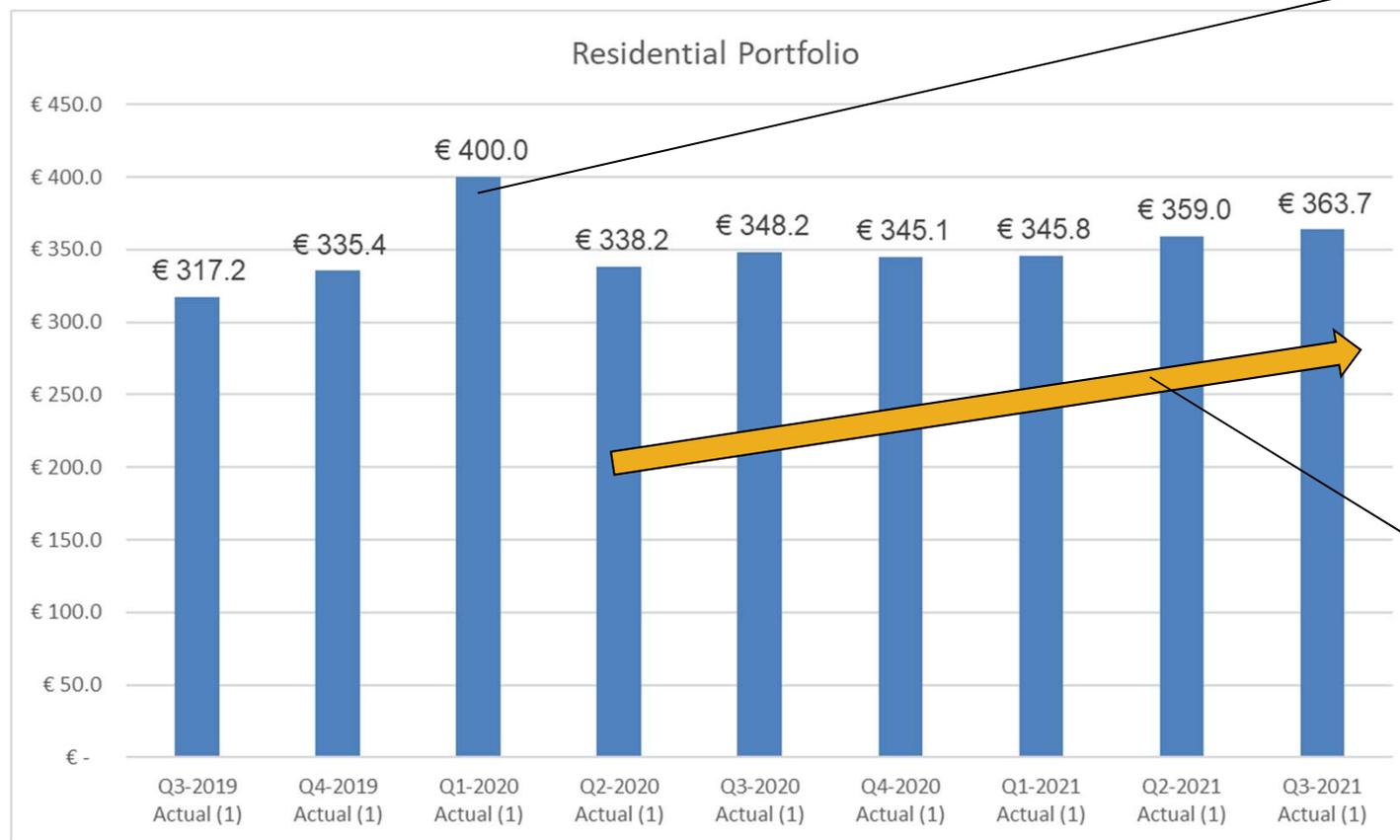
Semi-Annual Rent Income (in thousands of euros)



Rent Income increased 12.4% in H1-2021 vs. H1-2020 and 20% vs. H2-2020, mainly due to the purchase of the Naquera Industrial Property ("NIP").
Excluding NIP, Rent Income decreased 4.4% in H1-2021 vs. H1-2020 and increased 1.7% vs. H2-2020

Quarterly Rent Income (in thousands of euros)

Residential Portfolio Rent Income



Record Rent Income in Q1-2020 - last quarter pre-covid19 impact.

Since Q2-2020 - gradual improvement in rent income

No Residential Buildings purchased since 1 January 2020

Q2-2021 vs Q2-2020: rent income increased 6.1%

Q3-2021 vs Q3-2020: rent income increased 4.5%

Q3-2021 vs Q2-2021: rent income increased 1.3%

Rent Income Analysis in H1-2021 and covid19 impact

- Rent income was eur830K in H1-2021 vs eur738K in H1-2020, an increase of 12.4% mainly due to the purchase of the Naquera industrial property on 29 April 2021 by Galil Naquera.
- Excluding Galil Naquera, Rent income was eur705K in H1-2021 vs eur738K in H1-2020, a decrease of 4.4%. While Q1-2020 rent income was a record quarter for GCRE, covid19 had a significant negative impact on Q2-2020 rent income.
- Excluding Galil Naquera, Rent income (eur705K in H1-2021) increased 1.7% vs eur693K in H2-2020 as rent income gradually improves post covid19.
- Excluding Galil Naquera, Rent Income increased 3.8% from Q1-2021 to Q2-2021
- Excluding Galil Naquera, Rent Income increased 1.3% from Q2-2021 to Q3-2021

GCRE Debt Position as of 30 June 2021

GCRE Liabilities Position

Bank Debt	31-Dec-19	31-Dec-20	30-Jun-21				
Short term	€ 661,601	€ 585,515	€ 767,165				
Long term	€ 8,711,769	€ 10,141,999	€ 11,758,965				
Bridge Loan	€ -	€ -	€ 3,550,000	Galil Naquera			
Total	€ 9,373,370	€ 10,727,514	€ 16,076,130				

<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Original Principal Amount</u>	<u>Principal Amount as of 30-JUN 2021</u>	<u>Interest Rate</u>	<u>Building</u>	<u>FMV 31-DEC-2020**</u>	<u>LOAN TO VALUE (30-JUN-2021)</u>
Sabadell	31-Jul-31	€ 1,100,000	€ 781,347	Euribor + 2.50%	Unio 28	€ 4,343,000	18.0%
Bankinter	18-Nov-36	€ 2,600,000	€ 2,290,561	Euribor + 2.25%	Aulestia i Pijuan 4-6 and Bretonde	€ 9,144,000	25.0%
Bankinter	16-Mar-37	€ 2,926,000	€ 2,564,174	Euribor + 2.25%	los Herreros 14-16	€ 9,400,000	27.3%
Bankinter	09-Jul-38	€ 2,500,000	€ 2,102,935	Euribor + 2.10%	Granada 12	€ 6,757,000	31.1%
Bankinter	16-Dec-39	€ 1,000,000	€ 936,835	Euribor + 1.80%	Bejar 23	€ 3,683,000	25.4%
Abanca	01-Mar-35	€ 1,900,000	€ 1,760,504	Euribor + 1.80%	Corsega 689	€ 4,576,000	38.5%
					Escorial 9	€ 2,281,000	
					Verdi 282	€ 5,384,000	38.8%
Abanca	01-May-36	€ 2,100,000	€ 2,089,829	Euribor + 1.80%	Concepcion Arenal 79-81	€ 2,108,000	
					Navas de Tolosa 279	€ 47,676,000	26.3%
TOTAL		€ 14,126,000	€ 12,526,184				

<u>Post Balance Sheet Date</u>	<u>Maturity Date</u>	<u>Original Principal Amount</u>					
GALIL RE NAQUERA 1 SL							
Bridge Loan*	up to 31 OCT 2022	€ 3,550,000	€ 3,550,000	2.25%-4.50%	Valencia Industrial Property (cost)	€ 9,210,961	38.5%
GRAN TOTAL		€ 17,676,000	€ 16,076,184			€ 56,886,961	28.3%

RICs Appraised Values as of 31 DEC 2020 - EUR47,676,000 (10 residential buildings).

GCRE Stand Alone Loan-To-Value (30 JUN 2020) - 26.3% (based on RICs Appraisals)

GCRE Consolidated (including Galil Naquera) Loan-To-Value (30 JUN 2021) - 28.3% (based on RICs Appraisals of residential buildings and cost of purchase of Galil Naquera).



Financial Statements Review

30 June 2021 Financial Statements English Translation for Convenience Purposes

30 June 2021 Consolidated Financials are published in accordance to IFRS and with the auditor limited review report.

30 June 2021 GCRE Stand Alone Financials are published in accordance to Spain GAAP.

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

30 June 2021 Financial Statements (IFRS) English Translation for Convenience Purposes

Balance Sheet - IFRS - GCRE Consolidated

		Statement of financial position at 30 june 2021 (Expressed in Euros)		
Assets		Notes	30/06/2021	
Non- current				
Investment Property at FMV	Property, plant and equipment		44,028	
	Investment property	4	56,886,961	
	Long-term investments	6.1	229,186	
		Non-current Assets	57,160,174	
Current				
Cash	Trade and other receivables	6.1	201,167	
	<i>Customers</i>		177,338	
	<i>Current tax asset</i>	9	23,830	
	Short- termn Investment	6.1	34,300	
	Cash and cash equivalents		599,831	
		Current Assets	835,298	
Total Assets	Total Assets		57,995,472	

Notes 1 to 17 are an integral part of these financial statements for the period of 6 months ended June 30, 2021

30 June 2021 Financial Statements (IFRS) English Translation for Convenience Purposes

Balance Sheet - IFRS - GCRE Consolidated

Statement of financial position at 30 June 2021

(Expressed in Euros)

Equity Capital
raised



Long term Debt
with banks



Equity and liabilities	Notes	30/06/2021
Equity	8	
Share capital		27,386,960
Share premium		1,317,420
Other reserves		10,749,581
Own shares and equity holdings		(286,850)
Retained earnings		(236,232)
<i>Retained earnings of the parent</i>		<i>(56,449)</i>
<i>Retained earnings of the subsidiary</i>		<i>(179,783)</i>
Total Equity		38,930,879
Liabilities		
Non-current		
Debt with financial institutions	6.2	11,758,965
Other financial liabilities	6.2	6,326,605
Total Non- current liabilities		18,085,570
Current		
Short- term borrowings		836,269
Debt with financial institutions	6.2	767,166
Other financial liabilities	6.2	69,103
Trade and other payables	6.2 y 7	142,754
Creditors		116,988
Tax, Social Security and Government entities	9	25,767
Total Current Liabilities		979,023
Total Liabilities		19,064,593
Total equity and liabilities		57,995,472

Notes 1 to 17 are an integral part of these financial statements for the period of 6 months ended June 30, 2021

30 June 2021 Financial Statements (IFRS) English Translation for Convenience Purposes

Income Statement - IFRS- GCRE Consolidated

Statement of profit or loss for the period of 6 months ended 30 June 2021 (Expressed in Euros)

	Continuing activities	Notes	30/06/2021
RENT INCOME →	Revenue	10	829,796
	Other operating costs	10	(125,229)
	Operating income from real estate operations		704,567
	Change in fair value of investment property	4 y 10	-
	Net result of real estate operations		704,567
	Other income		1,337
	Employee benefits expense		(4,365)
	General and administrative expense	10	(433,287)
	Other taxes		(90,138)
	Impairment losses and changes in trading operations		(192,703)
	Other results		2,116
OPERATING INCOME →	Operating profit		(12,474)
	Finance costs		(223,758)
	Profit before tax from continuing activities		(236,232)
	Income tax expense	9	-
PRE-TAX INCOME →	Profit after tax from continuing activities		(236,232)

Notes 1 to 17 are an integral part of these financial statements for the period of 6 months ended June 30, 2021

30 June 2021 Financial Statements (Spain GAAP) English Translation for Convenience Purposes

Balance Sheet - Spain GAAP - GCRE Stand Alone

Statement of financial position at 30 June 2021
(Expressed in Euros)

Assets		30/06/2021	31/12/2020
Non- current			
Investment Property at cost	Property, plant and equipment	44,028	35,041
	Investment property	34,978,697	34,981,169
Loan provided to Galil RE Naquera	Long- term investments in subsidiaries	3,403,000	-
	Long-term investments	109,186	105,194
		Non-current Assets	38,534,911
		38,534,911	35,121,404
Current			
Trade and other receivables		177,417	115,785
<i>Customers</i>		177,338	115,705
Social Security and Government entities		80	80
Short- term Investment		24,140	17,999
Cash	Cash and cash equivalents	545,347	2,212,912
		Current Assets	2,346,696
		746,904	2,346,696
Total Assets	Total Assets	39,281,816	37,468,100

30 June 2021 Financial Statements (Spain GAAP) English Translation for Convenience Purposes

Balance Sheet - Spain GAAP - GCRE Stand Alone

Statement of financial position at 30 June 2021

(Expressed in Euros)

Equity Capital
raised



Long term Debt
with banks



Equity and liabilities	30/06/2021	31/12/2020
Equity		
Share capital	27,386,960	27,386,960
Share premium	1,317,420	1,317,420
Other reserves	(68,640)	(67,287)
Retained losses from prior years	(1,874,000)	(1,746,465.52)
Own shares and equity holdings	(286,850)	(286,850)
Retained earnings	(62,491)	(127,535)
Total Equity	26,412,399	26,476,243
Liabilities		
Non-current		
Debt with financial institutions	11,758,965	10,141,999
Other financial liabilities	206,605	179,560
Total Non-current liabilities	11,965,570	10,321,559
Current		
Short-term borrowings		
Debt with financial institutions	767,166	585,515
Other financial liabilities	14,196	12,661
Trade and other payables	122,484	72,121
Suppliers, group companies and associates	30,601	3,000
Creditors	85,600	47,110
Personnel (salaries payables)	(30)	(47)
Tax, Social Security and Government entities	6,313	20,258
Advances received from customers	-	1,800
Total Current Liabilities	903,847	670,298
Total Liabilities	12,869,417	10,991,857
Total equity and liabilities	39,281,816	37,468,100

30 June 2021 Financial Statements (Spain GAAP) English Translation for Convenience Purposes

Income Statement - Spain GAAP - GCRE Stand Alone

Statement of profit or loss for the period ended 30 June 2021

(Expressed in Euros)

Continuing activities	30/06/2021	30/06/2020	DELTA (EUR)	DELTA (%)
Revenue	704,796	737,422		
Operating income from real estate operations	704,796	737,422	(32,626)	-4.4%
Other income	1,337	4,026		
Employee benefits expense	(4,365)	(4,365)		
General and administrative expense	(466,252)	(494,993)	28,741	-5.8%
Other results	2,116	353		
Fixed asset depreciation	(131,272)	(126,918)		
Operating profit	106,360	115,525	(9,165)	-7.9%
Finance costs	(168,851)	(154,147)	(14,704)	9.5%
Profit before tax from continuing activities	(62,491)	(38,622)		
Income tax expense	-	-		
Profit after tax from continuing activities	(62,491)	(38,622)	(23,870)	61.8%

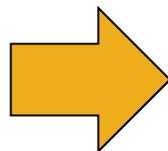


Factors Affecting Returning to “Normality”

Factors Affecting Returning to “Normality”

Critical Factors:

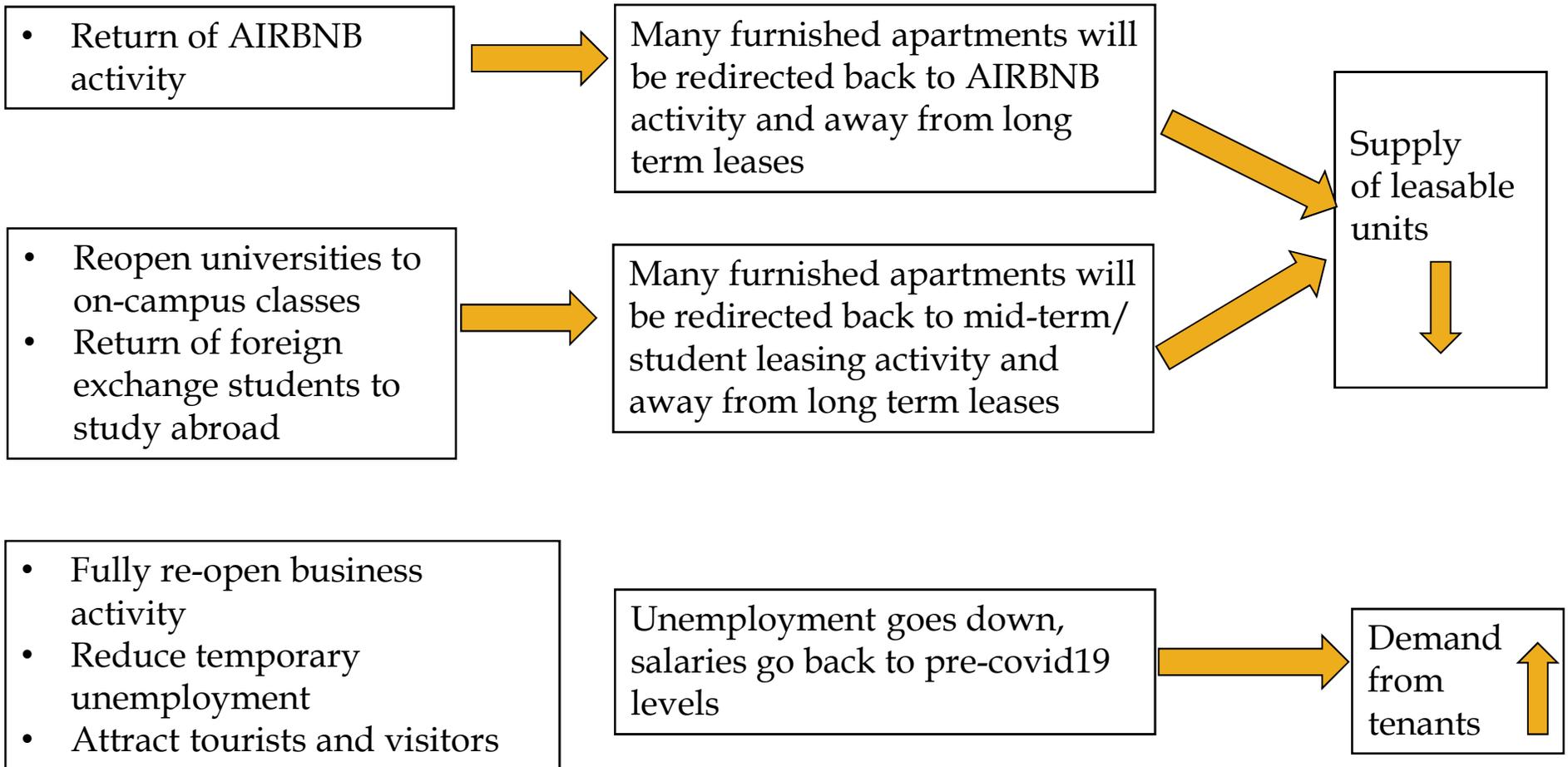
- Most Spain population needs to be vaccinated for covid19 so market can fully reopen.
- Return of AirBNB activity in Madrid and Barcelona.



Market Update:

- Majority of Spain population is already vaccinated
- AirBNB activity is gradually improving

Factors Affecting Returning to "Normality"



Factors Affecting Returning to "Normality"

Most Spain population vaccinated for covid19 and market reopens.

