

# BCP

BRACK CAPITAL PROPERTIES N.V.



**Balanced  
Business Model,  
Stable Cash  
Flow, Growth**

May 2021

# Legal Disclaimer

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The presentation includes plans for operations and/or moves and/or evaluations of the Company in relation to its assets and/or expected yields based on the Company's operations as of today constitutes forward-looking information, as the term is defined in the Securities Law, 5728-1968 (hereinafter: the "**Securities Law**"), including forecasts, business goals, evaluations and standards, and including information presented through drawings, graphs, surveys and any other information, in any manner provided, relating to the future events or matters, the realization of which is uncertain and not under the Company's control. The realization and/or non-realization of the forward-looking information as stated will be impacted by factors that cannot be evaluated from the outset and are not under the Company's control, including risk factors characterizing the Company's operations, as detailed in the Company 2020 annual report and Q1 FY2021, and from developments in the general and financial environment in the Company's areas of business, and external factors impacting its operations, including the impact of the spread of Coronavirus (COVID-19) and the measures taken by world governments to eliminate the pandemic and handle with its effects. It shall be clarified that this presentation shall not, in any manner limit the Company from taking any business decisions, including with respect to the purchase or sale of any assets, including in a manner that may differ from this presentation or the forecasts presented in it.

This presentation includes data of expected profits, sales, income and expected rate of development profit, as detailed in these slides is forward-looking information, inter alia, regarding expected profits, sales, income and expected rate of development profit, that is not under the Company's full control and the fulfillment of which is not certain. The information based on the current information existing that currently exists in the Company, regarding: the demand for residential areas in the city, market prices of the residential areas in the city in general and in the area of the projects specifically (including comparable competing projects), accumulated knowledge and experience of the Company's management and forecasts and estimates of the Company regarding the construction, development, marketing costs, etc, and additional assessments that were made by the Company. There is no certainty that the procedures for land designation change will take place and / or be completed, if any, as their completion is subject to planning and construction procedures that are governed by German law, which is not under the Company's control. Furthermore, even if the required approvals shall be obtained, the Company will decide to establish the projects on its own and the construction of projects will take place, a change in circumstances or an increase in construction costs and / or extraordinary conditions may materially change the Company's detailed evaluations and may materially impact the expectations of income from the projects and their overall profitability. Similarly, there is not any certainty that the processes of the zoning change of the real estate sites will take place and/or will be completed, if at all, since their completion is subject to the planning and construction proceedings required according to the German law, the completion of which is not under the Company's control. In addition, it should be noted that the Company's reference to after-tax profitability is based on the Company's assessment, in accordance with the opinion received from the tax advisers, of the tax rate applicable to the various transactions, and the tax authorities may disagree with these estimates. It should be emphasized that the profit from supervised-rent apartments is the expected profit under the assumption that subsidized rental housing and affordable rental housing will be sold as income producing properties upon completion of their construction and is not comparable to the profit with respect to the stages in which Condo apartments are being built for sale in the free market.

It should be noted that the images attached to this presentation, as well as certain data included in this presentation were not included in past reports of the Company and are provided for the first time in this presentation or presented in a different manner than it was presented in the Company's reports or were updated in accordance with the statements of the Company's annual report for 2020. In addition, information included in the presentation may be considered to be presented differently than the manner it is presented in the Company's reports. The Company is of the opinion that the information included in the presentation, is available for calculation from the data included in the said reports, or alternatively, has no material influence with respect to a reasonable investor which may consider the purchase or sale of the Company's securities.

The information and assessments presented in this presentation with respect to the future results of the Company's development field are presented under the assumption that this field of activity will continue in its current structure as detailed in the Company 2020 annual report and Q1 FY2021.

# BCP at Glance

Active in Germany since 2004

**Multifamily portfolio**  
(78% of GAV; 12,075 units)

**Retail Parks portfolio**  
(5% of GAV; 76K sqm<sup>1</sup>)

**<sup>2</sup>Residential Development**  
(10% of GAV; 2,281 units)



**Three  
Operating  
Segments**

**Capital Markets**

Constituent of the TA 125 and TA-Real Estate index  
30% free float

**Credit rating: iLAA-** by S&P Maalot



**Dutch N.V**



**Ca. 0.8M sqm of income producing<sup>2</sup> plus development properties**  
(~ EUR 1.5B)



**140 employees**



**EPRA NAV: EUR 951.0 M**



**Cash balance €42.7M**

1. Excluding property of an affiliated company with rental area of ca. 7,254 sqm in Chemnitz.  
2. Including residential units of stage d G in Grafental Project due to the implementation of IFRS 15, the Company recognizes revenue according to the construction progresses.

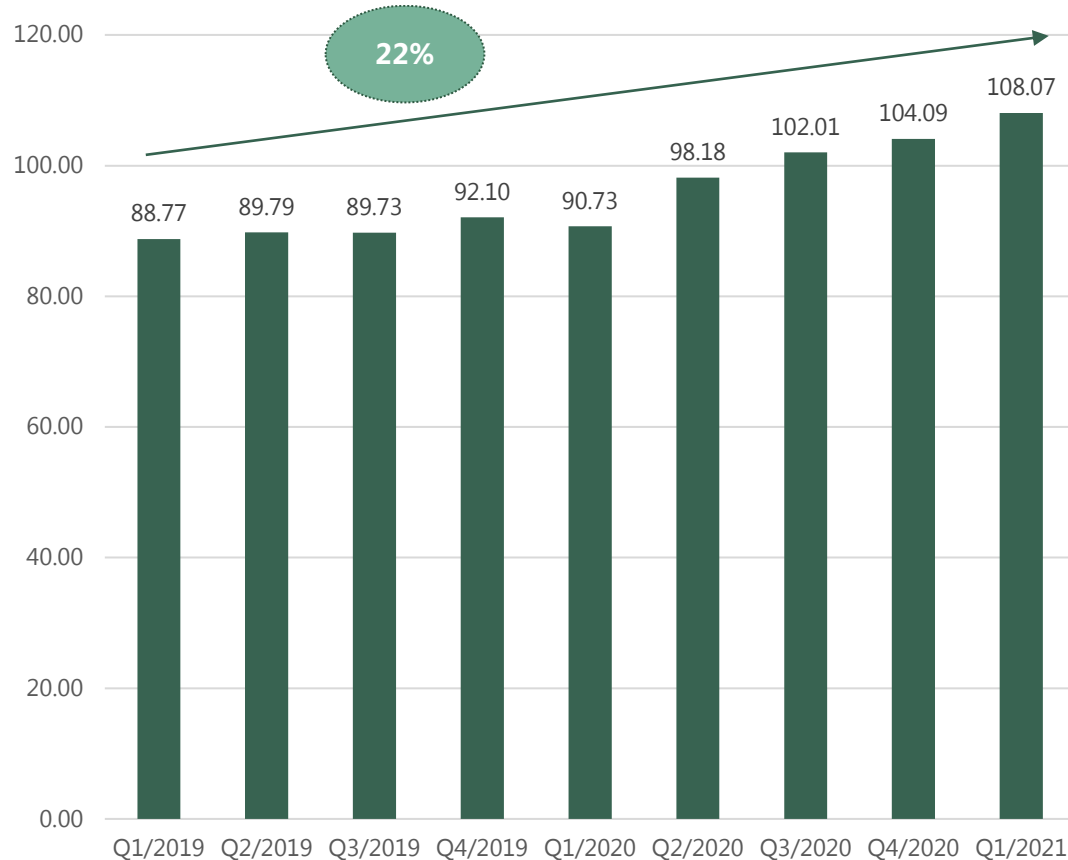
# NAV PER SHARE AND LTV RATIO

An increase of about 22% in the ratio of NAV per share (in euros) in the last two years

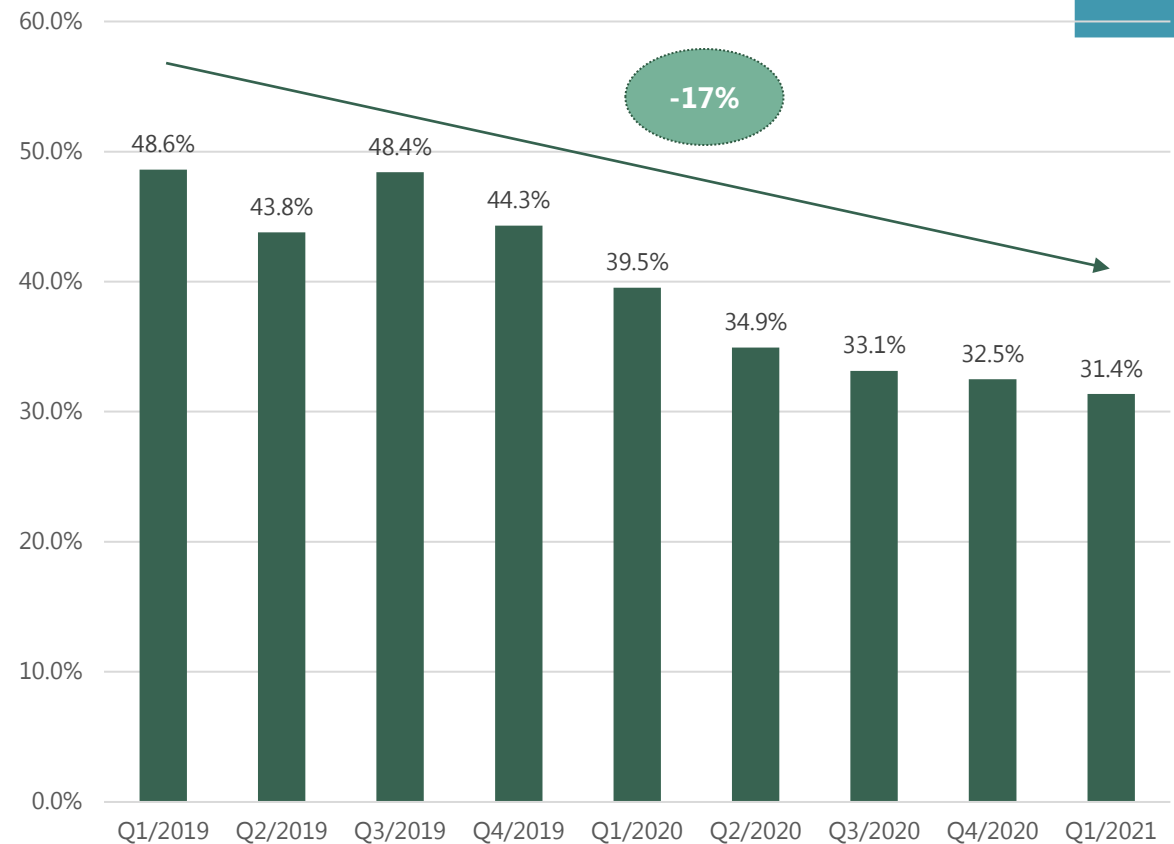
A decrease of about 17% in the level of leverage (LTV) of the company in the last two years



## NAV per share (EUR)



## LTV(%)\*



# Operating Segments / Profitability & Growth

1

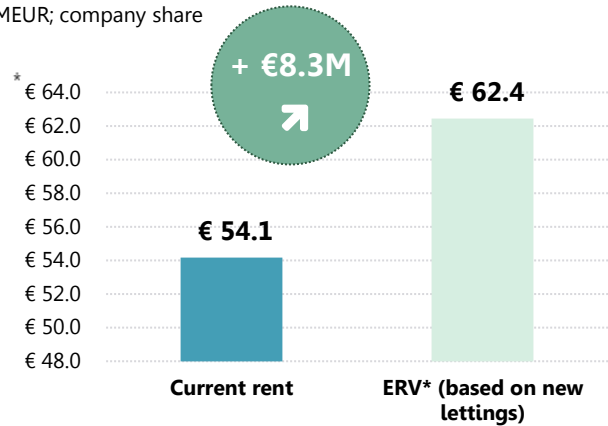
## Multifamily Portfolio (consolidate)



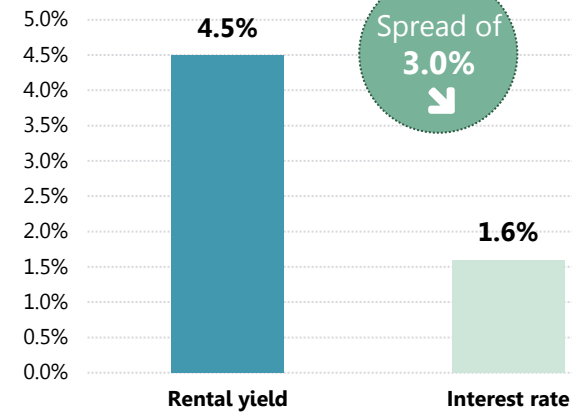
- 🔑 12,075 residential units
- 📍 located in large and growing cities
- ☰ High CF: ~4.5% rental yield

### Significant Upside Potential

MEUR; company share



### High Cash Flow



# Operating Segments / Profitability & Growth

2



## Residential Development (consolidate)



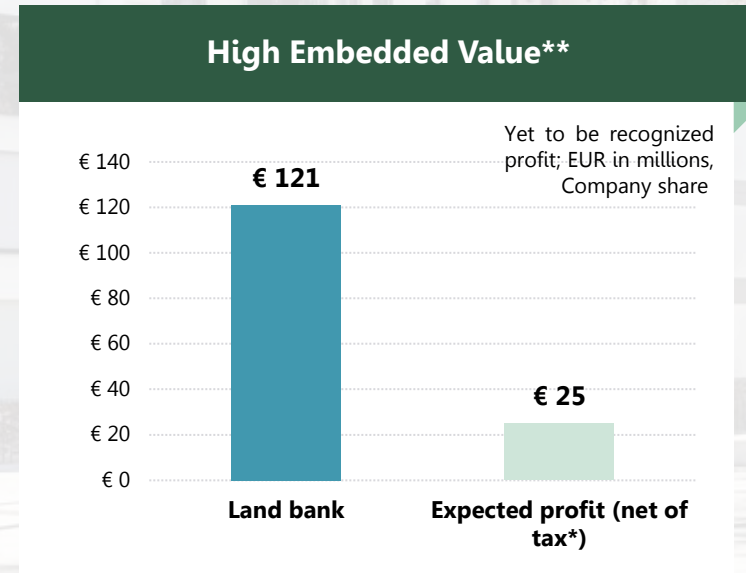
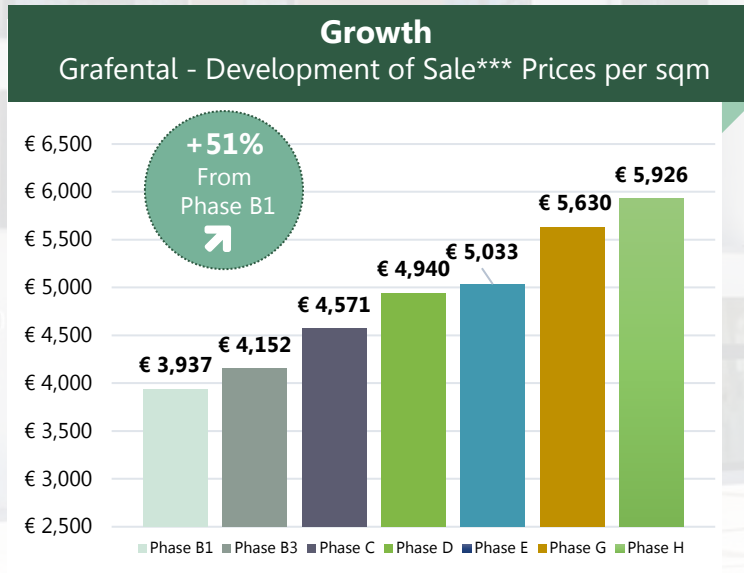
2,281 units under construction or planning



Large and well positioned projects



Significant contribution to NAV



# Main Developments in 2021



## Sale Agreement\*

During 2021, the company continued to carry out operations for the sale of additional properties from its commercial income-producing real estate portfolio and sold 2 additional properties for a price of 20 M. EUR



## Financing

**Average interest rate on bank loans:**

March 2021: 1.58%  
(3.95y maturity)

Refinancing a loan of approximately EUR 100.5M that finances assets worth approximately EUR 243.3M



## Residential development

Grafental - Continued construction of Phase H (sold in full) and Phase I (intended for rent). Building permits for phases J and K is expected by the end of 2021

Achen - Continued construction of the rental housing project. Construction is expected to be completed by the end of 2022

Gerresheim



## Multifamily Portfolio

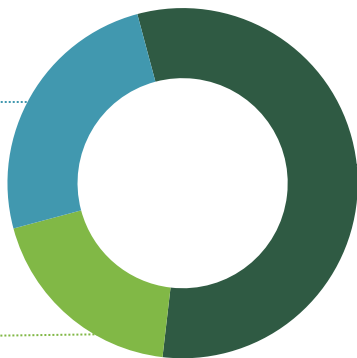


100% in large cities\*

250 to 500 thousand residents, **25%**

More than 500 thousand residents, **58%**

100 to 250 thousand residents, **17%**



\*Based on book value

Well maintained portfolio,  
Diverse building types



**Buildings for conservation**  
1,543 units



**Low – rise**  
7,590 units



**Town Houses**  
1,185 units

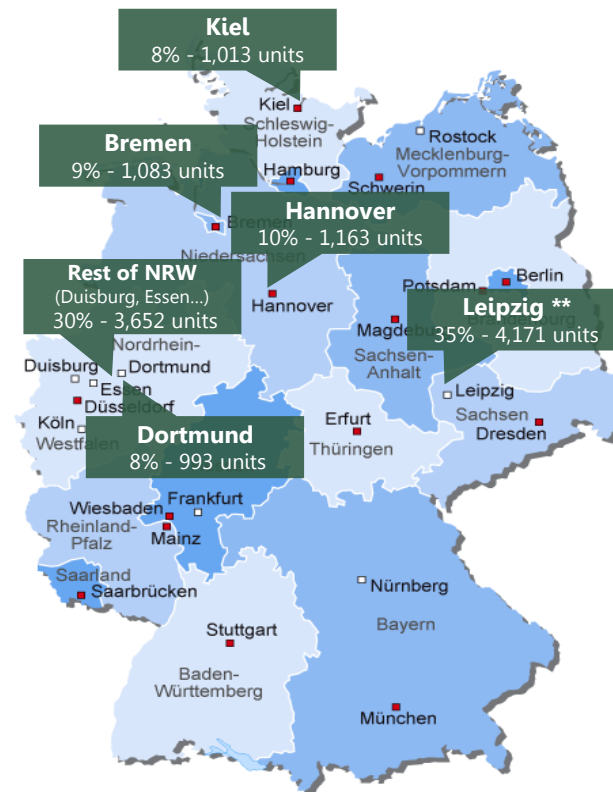


**High – rise**  
1,758 units

# Multifamily Portfolio



Attractive Geographic Diversification\*



\* By no. of units.

\*\* Including 576 units in Magdeburg & Halle

Key parameters (consolidate)

## General data

Total lettable area	<b>714k sqm</b>
Occupancy	<b>95.7%</b>
Rental income p.a.	<b>54.1m EUR</b>
Average rent psm	<b>6.60 EUR</b>

## Current yield

Rental yield	<b>4.5%</b>
NOI yield	<b>4.1%</b>

## Potential yield

ERV yield*	<b>5.2%</b>
Adjusted NOI yield**	<b>4.8%</b>

\* ERV - rental income based on avg. new lettings

\*\* Adjusted NOI – under the assumption that all properties are let at ERV.

# Multifamily Portfolio - Quality Play



## Consistently Outperforming the Market

4.2021

BCP

Rental growth

2.0%



**High proportion of Studio  
and 2 rooms apartments<sup>1</sup>**  
the fastest growing market segment in  
the major cities



**100% of the portfolio  
in large cities**



**Focusing on cities with high population growth rates**  
benefiting from robust rental growth.

# Multifamily Portfolio -



	Magdeburg & Halle	Leipzig	Hannover & Gottingen	Bremen	Kiel	Dortmund	NRW	Total
<b>No. of units</b>	572	3,599	1,163	1,083	1,013	993	3,652	12,075
<b>Occupancy</b>	91%	96%	96%	97%	99%	97%	94%	96%
<b>Value per sqm</b>	€ 1,496	€ 1,965	€ 2,161	€ 1,381	€ 1,936	€ 1,645	€ 1,284	€ 1,668
<b>Rent per sqm</b>	€ 5.95	€ 6.46	€ 8.09	€ 6.52	€ 7.49	€ 6.89	€ 6.17	€ 6.60
<b>ERV per sqm in new- lettings</b>	€ 6.66	€ 7.84	€ 10.10	€ 6.54	€ 9.06	€ 8.20	€ 6.45	€ 7.61
<b>Upside in rent based on ERV*</b>	12%	21%	25%	0%	21%	19%	5%	15%



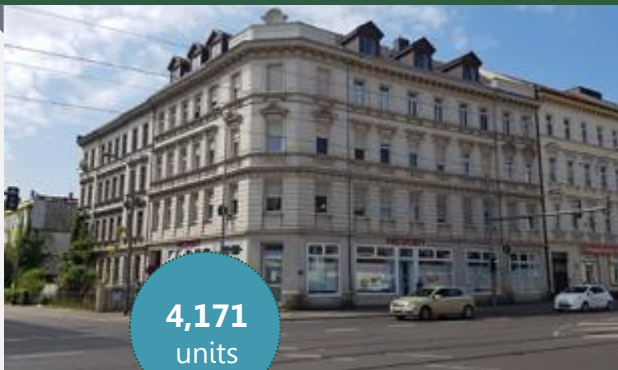
Value per sqm - **EUR 1,668**



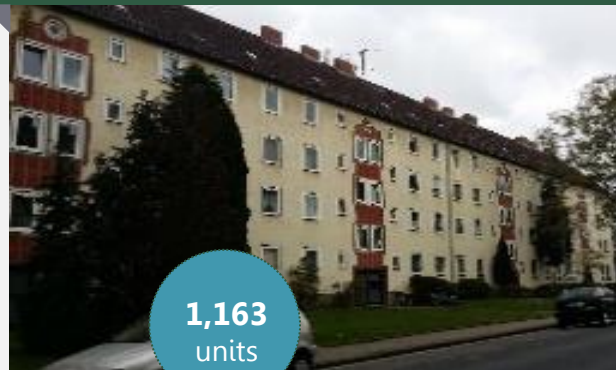
Upside in rent based on ERV\* - **15%**

# Multifamily Portfolio

Leipzig, Magdeburg & Halle



Hannover



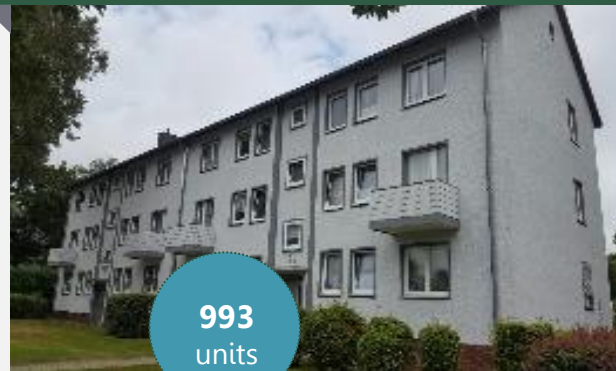
Bremen



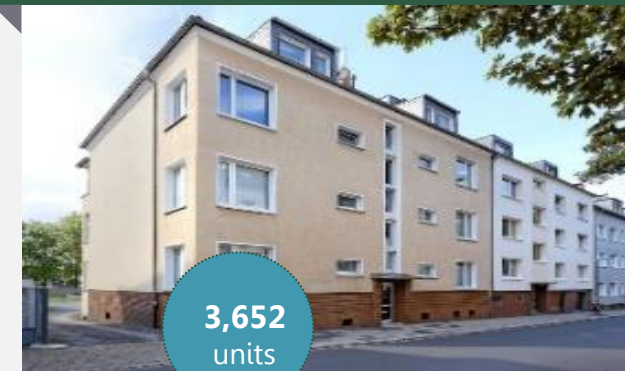
Kiel



Dortmund



NRW





# Residential Development

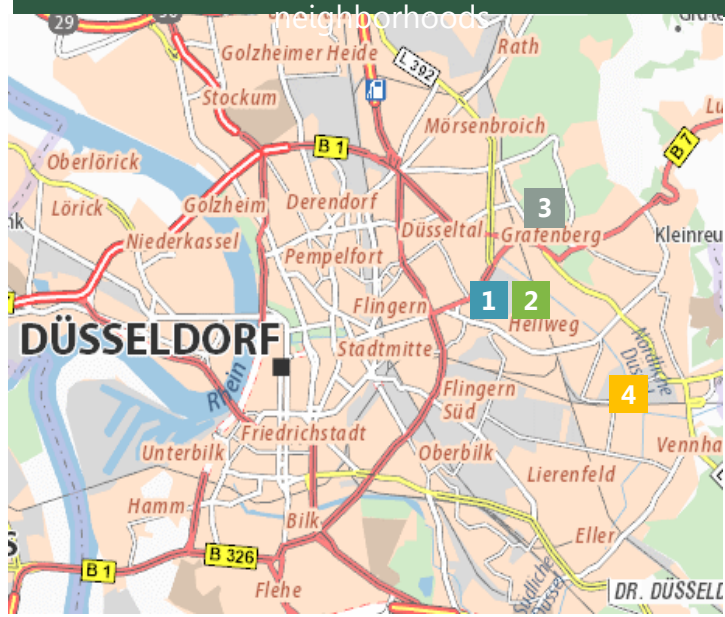
# Residential Development in Düsseldorf

An International economic center,  
6th in Quality of Life Worldwide<sup>1</sup>



## Attractive Locations

Central locations within the city, in upper class neighborhoods



- 1 Grafental I
- 2 Grafental II
- 3 Grafenberg
- 4 Gerresheim



City of Dusseldorf's target for residential completion during 2017-2025 is 3,000 units per year <sup>2</sup>



# Residential Development and improvement activities- Profitability & Proven Track Record

## Grafental II + OST (Starting From Phase G)



Phase G - Construction has been completed. All **89 units** have been sold and handed over to the buyers  
 Phase H - construction in progress. All **96 units** were sold and will be delivered upon completion of construction during **Q2 2021**.  
 Phase I - under construction. **204 units** will be rented at the end of the construction at a supervised rent (subsidized housing and affordable housing)  
 Phase J + L - **313 units** included under the Grafental Ost master plan e construction permit is expected to be received **during 2021**.

## Grafental I- successful development track-record



**823 units were sold in full** to date  
**Sales of 400 m EUR** to date  
**57% increase** in sale prices since project inception

## Gerresheim



Land parcel in advanced stages of rezoning to residential use- **1,500 residential units and about 30,000 sqm commercial area** bordering from the south the upmarket neighborhood "Grafenberg".  
 Approval of development scheme expected- **end of 2021<sup>2</sup>**

## Aachen



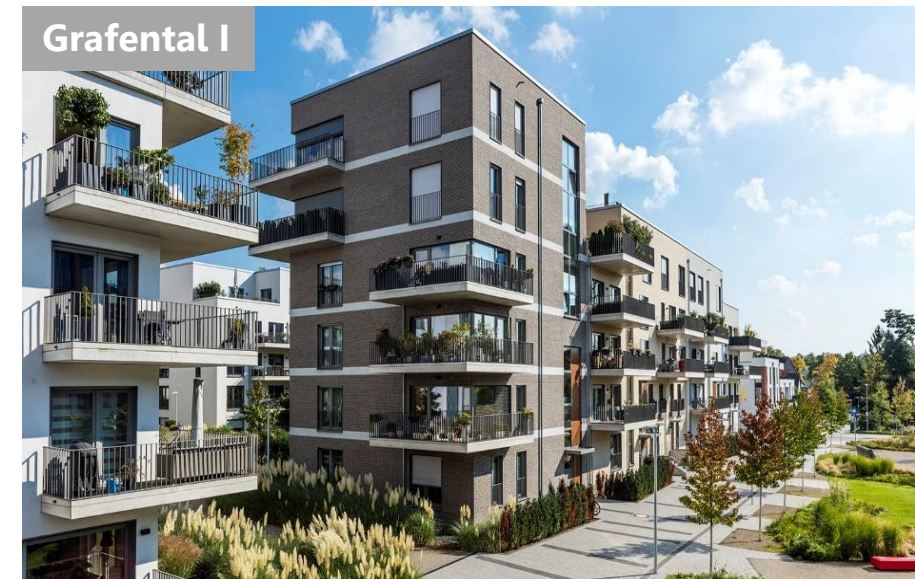
A residential project in progress., **82 housing units** will be built for rent in supervised housing (subsidized housing and affordable housing). The apartments will be handed over to tenants upon completion of construction expected in **Q4 2022**

## Land in Grafenberg<sup>1</sup>



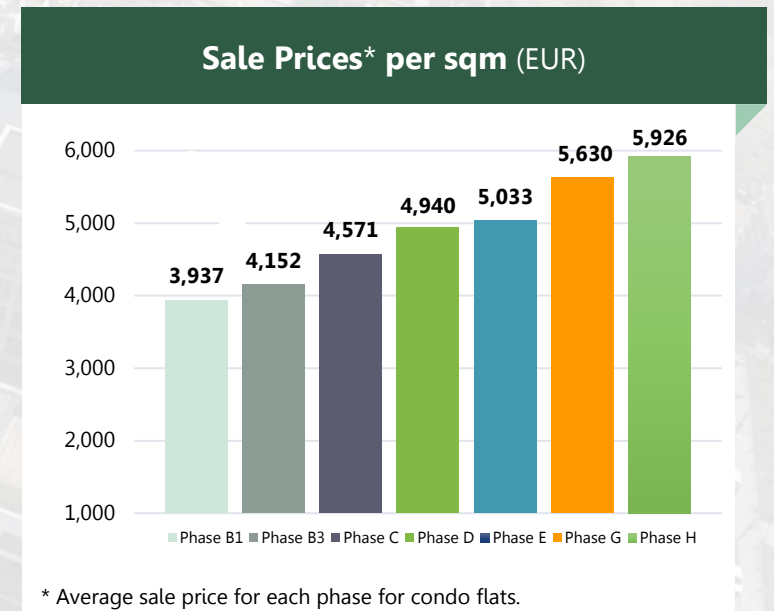
Future Luxury project - **84 units**  
 Adjacent to Grafenberg forest  
 Approval of development scheme and Building permit expected **during 2021<sup>2</sup>**

# Residential Development— Grafental, Gerresheim & Aachen





# Residential Development in Düsseldorf – Highly Experienced Platform For Continued Growth





## Growth Drivers

# NAV – Growth Drivers

**EPRA NAV** (31.03.2021)  
**EPRA NAV Adjusted\*** (31.03.2021)  
**Market Cap** (30.04.2021)

**€ 951.0M**  
**€ 1,134.3M**  
**€ 603.7M**

\* Impact of the Geresheim transaction considering 100% of the land value according to the price that is reflected in the company's Sale agreement less a corporate tax of 15.825% (without local trade tax which in accordance to the tax advice the company received, will not apply on the transaction).

## Multifamily

	Current status	ERV <sup>1</sup>
Rental income (MEUR)	€ 54.1	€ 62.3
Rental yield	4.5%	<sup>2</sup> 5.20%

→ Portfolio book value – **EUR 1,190.2m**

1. Based on new lettings performed in Q1/2021 without assuming ERV growth. According to current occupancy rates.
2. Rental yield according to new rentals..



## Residential Development

**Significant contribution to the economic NAV**

- Successful projects in Düsseldorf, phases completed were sold in full.
- 100% marketing rate in phases under construction.
- High reputation in the Garfandel neighborhood that leads to continued construction and interest in renting apartments in Garfandel and Achen.
- Promotion of the Gersheim project with the support of the Düsseldorf municipality



# BCP

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## Appendixes



# Key Financial Data – Balance Sheet

## Balance Sheet Summary (MEUR) – as of 31.03.2021

Income producing properties	€ 1,251
Investment Property- real estate rights	€ 66.0
Land Inventory for development (long-term and short-term)	€ 60.4
Cash and liquid balances	€ 42.7
<b>Total assets</b>	<b>€ 1,533</b>
<b>Total debt</b>	<b>€ 498.7</b>
Equity attributable to company's shareholders	€ 835.5
Total Equity incl. non controlling interests	€ 877.2
<b>EPRA NAV</b>	<b>€ 915.0</b>

## Financial Position

### Financial Debt Structure – 31.03.2021

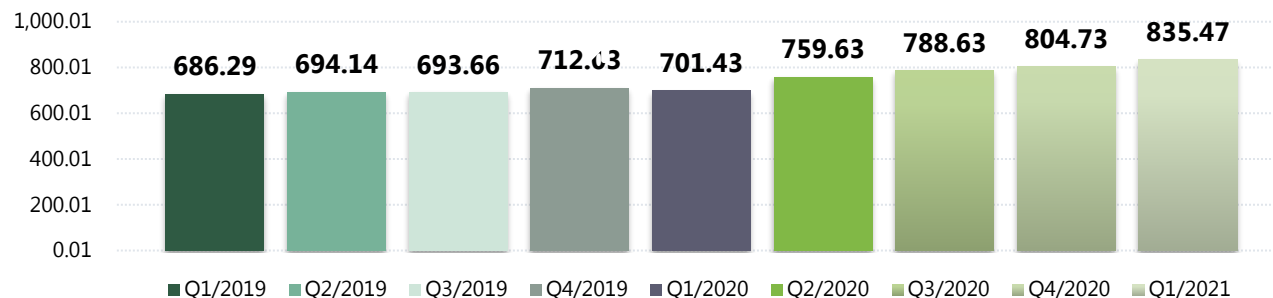
	Bank Loans	Bonds
Outstanding balance in MEUR	€ 425.1	€ 73.6
Average maturity	4.61 years	3.14 years
Average interest	1.58%	3.29%

### Rating and Leverage Ratios – 31.03.2021

Cr edit rating	S&P Maalot iIAA-
LTV	31.35%
Debt to Cap,net	34.15%
EBITDA to interest (excl. contribution from Grafental) <sup>1</sup>	3.98X

1. Net debt to real estate portfolio.

## Development of Equity Attributable to Company's shareholders (MEUR)



## EPRA NAV (MEUR) - 31.03.2021

Equity attributable to company's shareholders	835.5
Adding deferred taxes (less minority interest)	114.9
Excluding the fair value of financial derivatives, net (less minority interest)	0.5
Adding yet to be recognized profit from sold units (the company share, net of taxes)	0.2
<b>EPRA NAV</b>	<b>951.0</b>

Due to units already sold but not yet recognized in the P&L Phases H

# Key Financial Data – Profit and Loss

Profit and Loss (MEUR)		
	Q1/2021	Q1/2020
Rental Income	€ 15,053	€15,897
Profit (loss) from condo sale	€ 117	€ 2,882
NOI	€ 12,652	€ 12,921
NOI yield	4.0%	4.5%
Adjusted NOI yield*	4.7%	5,2%
EBITDA	€ 9,375	€ 9,677
Real estate revaluation	€ 33,669	€(10,935)
% of real estate revaluation in relation to the total investment property	2.6%	(0.96)%
Cash Flow interest	€ 2,713	€ 2,966
FFO	€ 6,258	€ 6,631
<b>EBITDA to interest (excluding contribution from Grafental)</b>	<b>3.98x</b>	<b>3.58x</b>

\* Adjusted NOI - NOI under the assumption that the properties are leased at market prices.

Profit's realization due to delivery of apartments.

Excl. contribution from Grafental project.

Excl. contribution from Grafental project.

## Grafental

Grafental I - sales and profitability data <sup>1</sup>				
	Phase E	Phase F	Phase G	Phase H
<b>No. of residential units</b>	<b>89</b>	<b>112</b>	<b>89</b>	<b>96</b>
No. of underground parking spaces	86	57	106	101
Built area	18k m <sup>2</sup>	12k m <sup>2</sup>	9.5k m <sup>2</sup>	9.8k m
Sold units (#)	89	N.R	89	96
Sold units (%)	100%	N.R	100%	100%
Total sales to the signing date of the report	€ 49.6m	N.R	€ 53.7m	€ 58m
<b>Average sales<sup>2</sup> price per sqm</b>	<b>€ 5,033</b>	N.R	<b>€ 5,631</b>	<b>€ 5,926</b>
Commencement of pre- marketing	5/2018	N.R	11/2018	7/2019
Commencement of construction	4/2018	4/2018	Q4/2018	Q2/2019
Apartment's hand -over date	Apartments handed over	N.R	Apartments handed over	Q2/2021
<b>Expected development profit</b>	<b>€ 11.5m</b>	N.R	<b>€ 9.9m</b>	<b>8.5m</b>
<b>Development profitability</b>	<b>30.2%</b>	N.R	<b>22.5%</b>	<b>17.3%</b>
Development profit already Recognized in the FS (cumulative)	€ 11.5m	N.R	€ 9.9m	€ 8.1m

# Q1 2021 Results



	Q1/2021	Q1/2020	Change	
<b>Rental income</b> (TEUR)	<b>15,053</b>	<b>15,897</b>	<b>-5%*</b>	↓
<b>Net income attributable to BCP's shareholders</b> (TEUR)	<b>30,799</b>	<b>(10,606)</b>	<b>390%</b>	↑
<b>Total Equity attributable to BCP's shareholders</b> (TEUR)	<b>835,528</b>	<b>701,428</b>	<b>19%</b>	↑
<b>EPRA NAV</b> (TEUR)	<b>951,000</b>	<b>792,400</b>	<b>20%</b>	↑

# BCP

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Thank You

