

BCP

BRACK CAPITAL PROPERTIES N.V.



Balanced Business Model, Stable Cash Flow, Growth

- ✓ Quality player in the German Multifamily sector
- ✓ Leading Condo developer in Düsseldorf

August 2019

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The data detailed on slides 7 through 21, 23, 25, 28 and 30 of the presentation regarding data of expected profits, sales, income and expected rate of development profit, as detailed in these slides is forward-looking information 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 in the Company, regarding: the demand for residential areas in the city, market prices of the residential areas in the city, accumulated knowledge and experience of the Company's management and forecasts and estimates of the Company regarding the construction, development, marketing costs, etc. A change in circumstances may 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.

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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 2018 annual report and in Q2 FY2019

BCP at Glance

Active in Germany since 2004

Multifamily portfolio
(64% of GAV¹; 11,956 units)

Retail Parks portfolio
(14% of GAV¹; 216,000 sqm²)

³Residential Development
(22% of GAV¹; 2,640 units)



**Three
Operating
Segments**

Capital Markets

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

Credit rating: iIAA- by S&P Maalot

FFO: EUR 31.2M annual rate



Dutch N.V



Ca. 0.9M sqm of income producing² plus development properties
(~ EUR 1.2B)



150 employees



EPRA NAV: EUR 800.4M



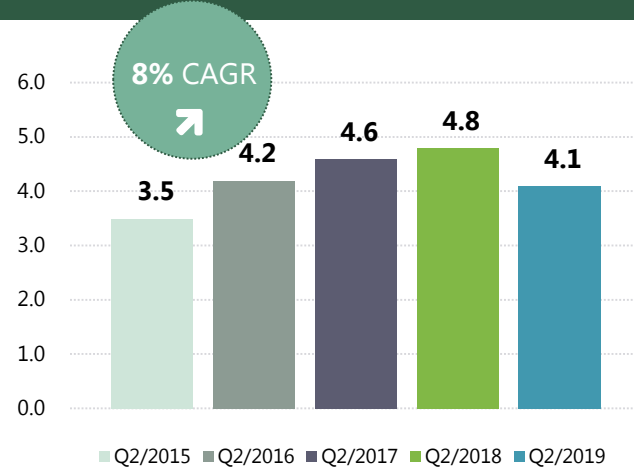
Cash balance €98.9M

Track Record

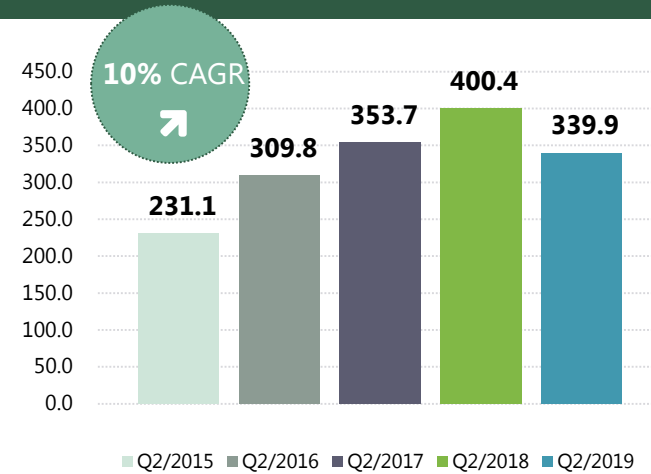


Management and operations are highly scalable

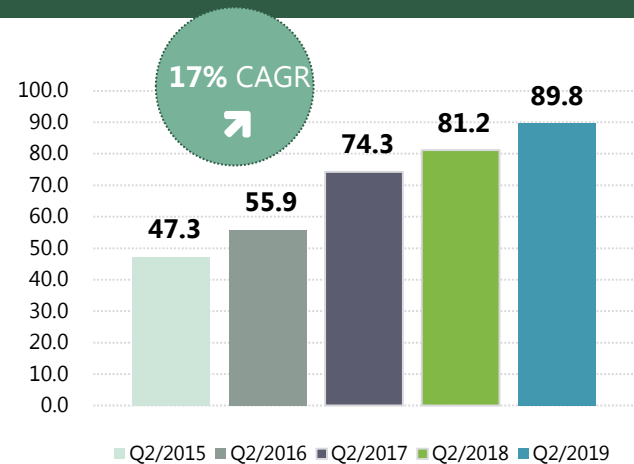
FFO per share (in annual terms; EUR)



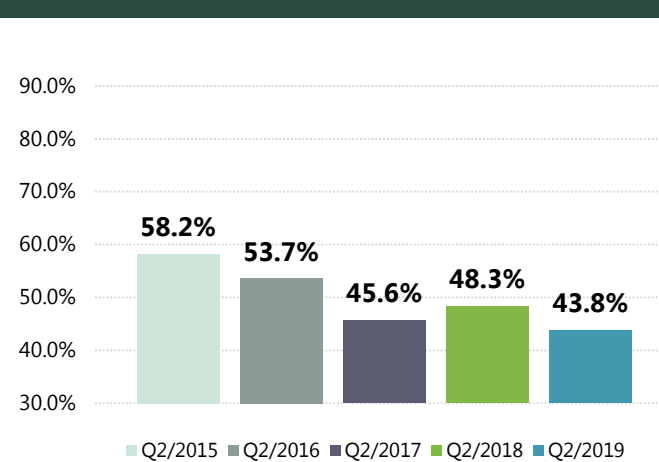
Price per share at quarter end (NIS)



NAV per share (EUR)



LTV* (%)



Operating Segments / Profitability & Growth

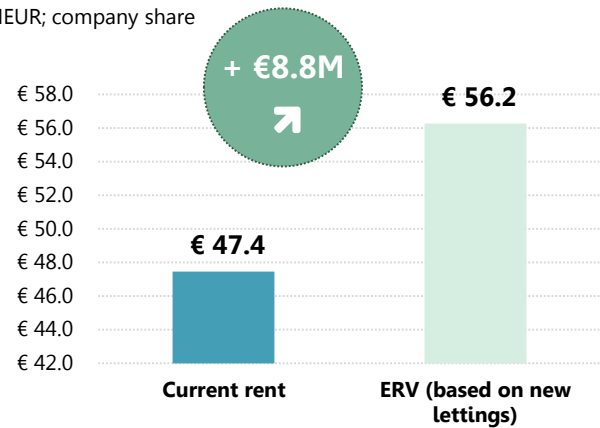


1
Multifamily Portfolio
(consolidate)

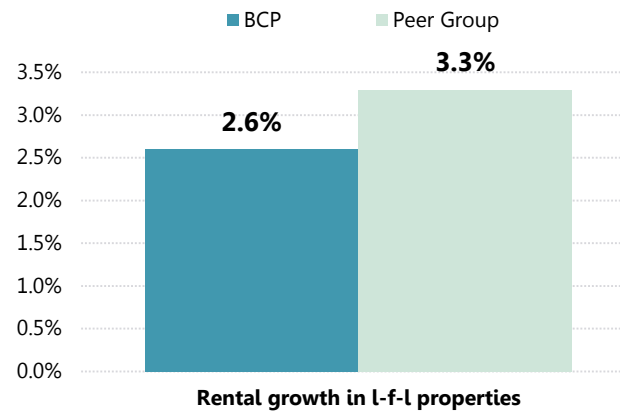
- 11,956 residential units** (64% of GAV)
- located in large and growing cities**
- High CF: ~5.3% rental yield**

Significant Upside Potential

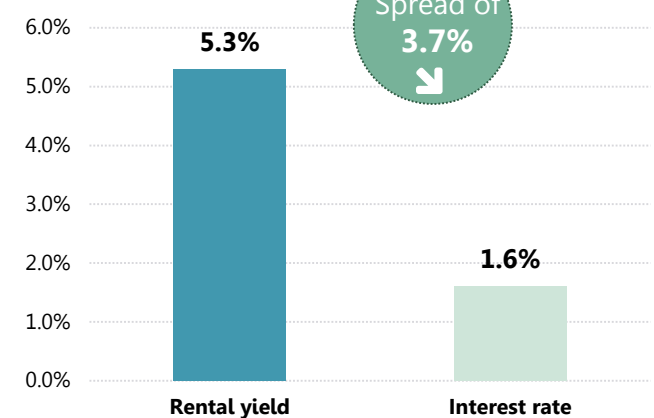
MEUR; company share



Sustainable High Growth*



High Cash Flow



Operating Segments / Profitability & Growth

2



Residential Development (consolidate)



2,640 units under construction or planning (22% of GAV)



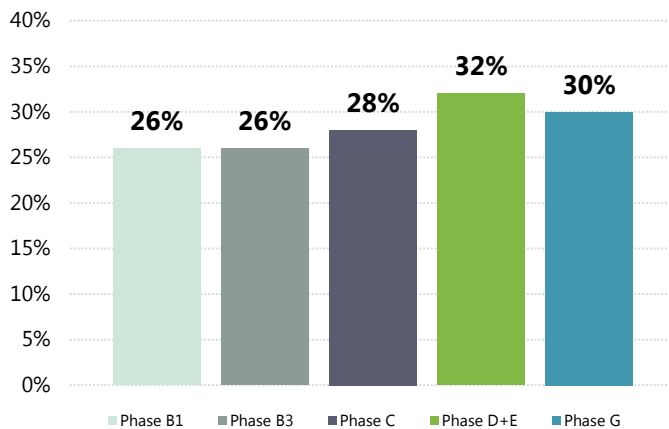
Large and well positioned projects



Significant contribution to NAV

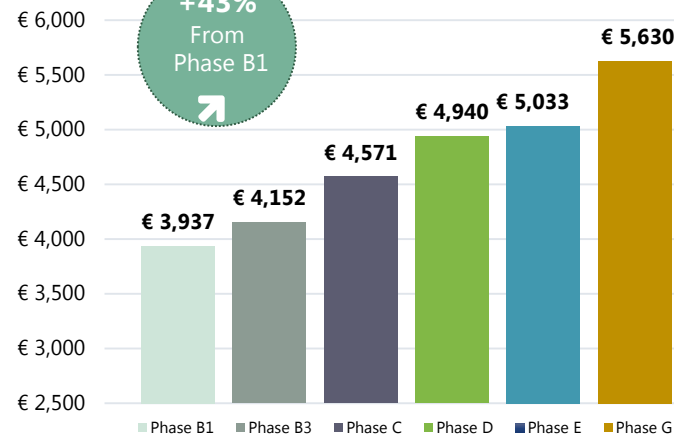
High Developer's Profit

Grafental – Development of Developer's Profitability



Growth

Grafental - Development of Sale** Prices per sqm



High Embedded Value

€ 250

Yet to be recognized profit; EUR in millions, Company share

€ 200

€ 199

€ 150

€ 100

€ 50

€ 0

€ 80

Land bank

Expected profit (net of tax*)

Operating Segments / Profitability & Growth

3



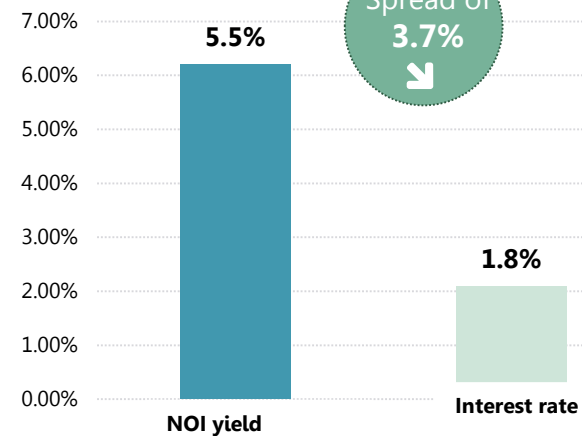
Retail Parks Portfolio (consolidate)

- 216,000 sqm² (14% of GAV)
- Dominant properties in growing cities
- High CF: ~5.5% NOI yield

Good Operating Parameters

High occupancy rate ²	96%
Long WALT	~5.75 years¹
Quality tenants	Approx. 90% of the space are leased to national chains
Low rental burden	4% - 5% of turnover

Large Spread



¹ With anchor tenants, leasing ca. 50% of total rentable areas

² Excluding ca. 9,391 sqm. of a vacant property undergoing repositioning and excluding property of an affiliated company with rental area of ca. 7,254 sqm in Chemnitz. Excluding assets that the company signed an agreement for the sale and the delivery has not yet been carried out.

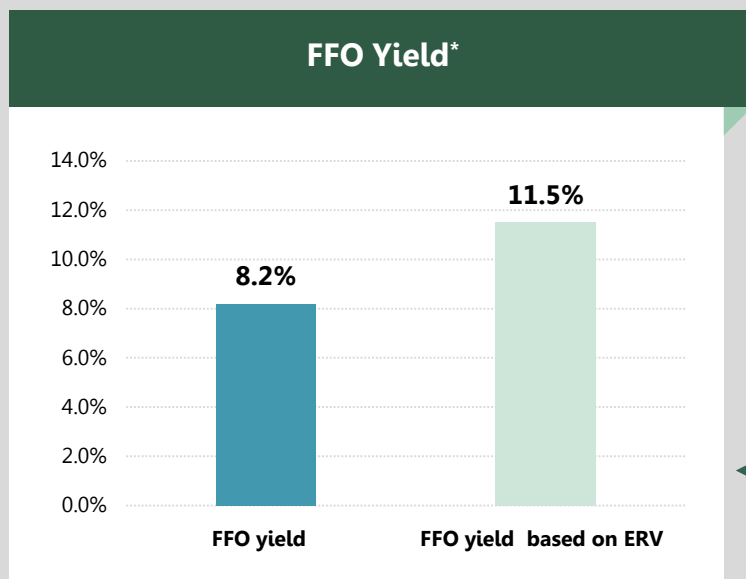
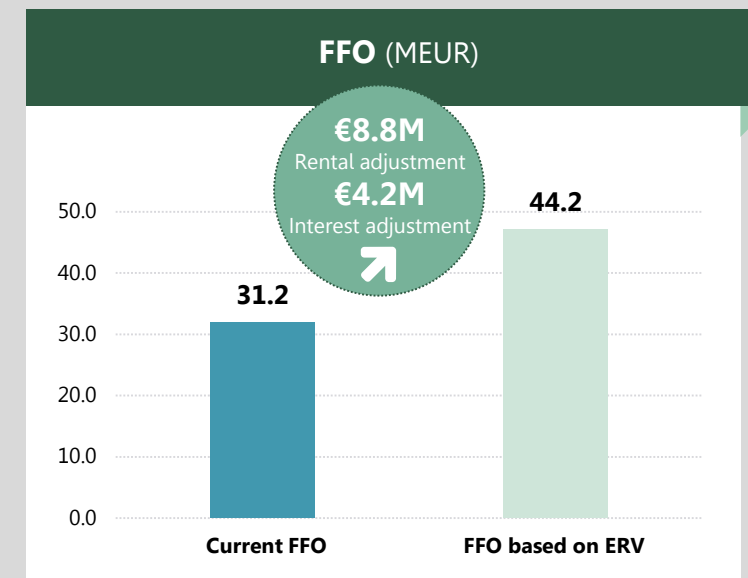
FFO Yield - Income-Producing Portfolio



4

**Profitability/
FFO Yield/
Growth**

☰ Cash balance: €98.9m



Market value attributable to Income-producing portfolio (MEUR)

Market value (1/8/2019)	680.8
Excl. Land bank (company share)	199.2
Excl. cash balances	98.9
Market value attributable to Income-producing portfolio	382.7

Land bank breakdown (MEUR)

Inventory of real estate	217.9
Investment property – real estate rights	62.5
Inventory of buildings under construction	26.4
Excl. loans	(107.6)
Land bank (company share)	199.2

* Market value net of cash and net of the land bank of the development activity, Adjustment to rent level according to current occupancy in new residential rental units.

Main Developments in 2019



Sale Agreement

On May 31, 2019, the Company concluded the sale of its holdings (89.9%) in three companies in Castrop, Rostock and Celle.

(indirectly held by the Company through certain subsidiaries of the Company), which is 40% of the Company's commercial real estate portfolio. The consideration is based on gross assets value of ca.€ 175 million (subject to price adjustments**).

On June 28, 2019, the Company entered into a sale agreement of the Company's holdings in 11 cities in Germany, held by the Company through certain subsidiaries. The consideration of the deal is a value of ca.€ 128.7 million (subject to deal condition***).



Financing

Average interest rate
on bank loans:

June 2019: **1.72% (4.4y maturity)**

Further interest rates reduction potential
In planned refinances during the next year



Residential development

Completion of acquisition of ca. 193,000 sqm land parcel in Gerresheim, Dusseldorf to be developed with ca. 1,400 residential units and ca. 30,000 sqm commercial area for a total consideration of ca. EUR 141.9M*.

Grafental – phases under construction-
Performance according to plan.
Approval of the master plan for part of the land of residential uses in Grafental, and continued work on rezoning on the rest of the land plot of the Company.



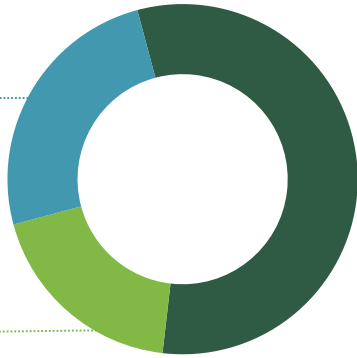
Multifamily Portfolio

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
1,536 units



Low – rise
7,477 units



Town Houses
1,185 units

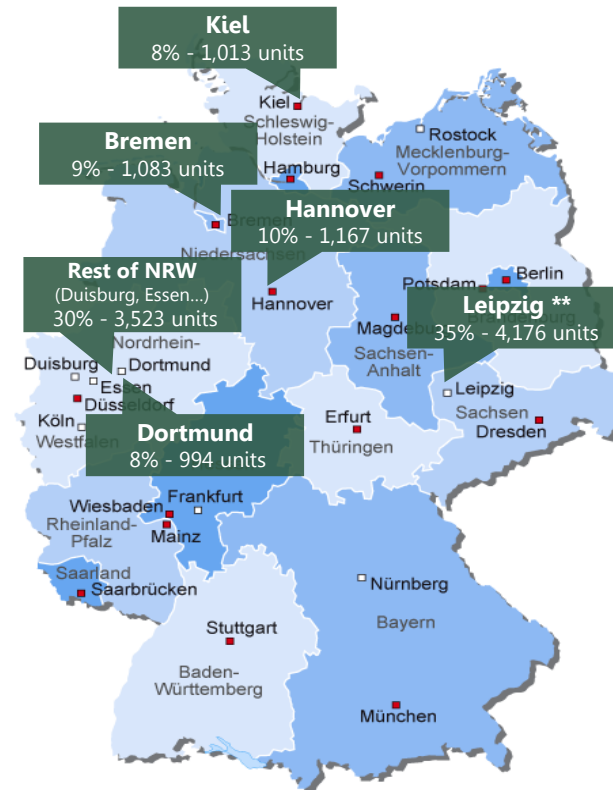


High – rise
1,758 units

Multifamily Portfolio



Attractive Geographic Diversification*



* By no. of units.

** Including 576 units in Magdeburg & Halle

Key parameters (consolidate)

General data

Total lettable area	704k sqm
Occupancy	94%
Rental income p.a.	EUR 50m
Average rent psm	EUR 6.34

Current yield

Rental yield	5.3%
NOI yield	4.4%

Potential yield

ERV yield*	6.2%
Adjusted NOI yield**	5.3%

* ERV - rental income based on avg. new lettings

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



Multifamily Portfolio - Quality Play



11,956 residential units in 18 cities
 purchased over the last 13 years in 23 difference transactions
 and managed by the company over a long period of time

Consistently Outperforming the Market

8.2019	BCP	Peer group average ¹
Rental growth in L-f-l properties	2.6%	3.3%
Adjustment of occupancy rate of rental growth in L-f-l is 3%		

High proportion of 1 and 2 rooms apartments³
 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.

Rent control
 BCP: **3% of units**
 German peers: **11%-29% of units**

1. Public companies operating in the German residential market. Data taken from Credit Suisse research reports and from the companies' publications.
 2. Average flat size in BCP portfolio is 58 sqm compared to 61-64 sqm among the competitors.

Multifamily Portfolio -



	Magdeburg & Halle	Leipzig	Hannover & Gottingen	Bremen	Kiel	Dortmund	NRW	Total
No. of units	576	3,600	1,167	1,083	1,013	994	3,523	11,956
Occupancy	87%	93%	96%	95%	99%	96%	93%	94%
Value per sqm	€ 1,332	€ 1,576	€ 1,897	€ 1,217	€ 1,523	€ 1,313	€ 1,058	€ 1,362
Rent per sqm	€ 5.70	€ 6.22	€ 8.10	€ 6.20	€ 7.06	€ 6.58	€ 5.84	€ 6.34
ERV per sqm in new- lettings	€ 6.52	€ 7.63	€ 10.24	€ 7.15	€ 9.48	€ 8.04	€ 6.45	€ 7.51
Upside in rent based on ERV*	14%	23%	26%	15%	34%	22%	10%	18%



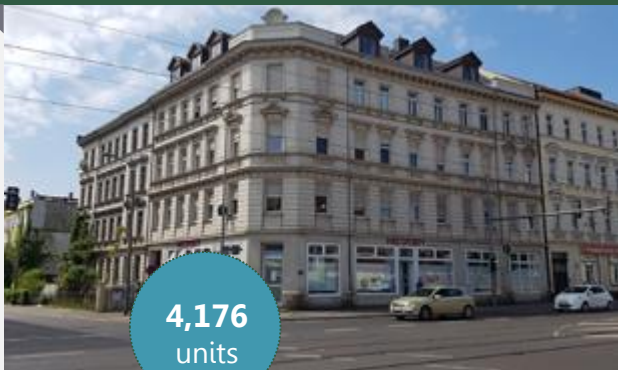
Value per sqm - **EUR 1,362**



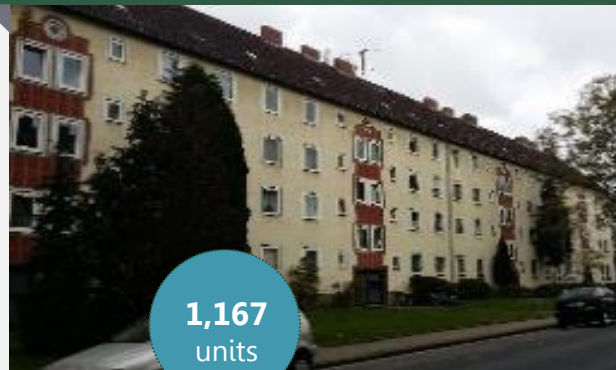
Upside in rent based on ERV* - **18%**

Multifamily Portfolio

Leipzig, Magdeburg & Halle



Hannover



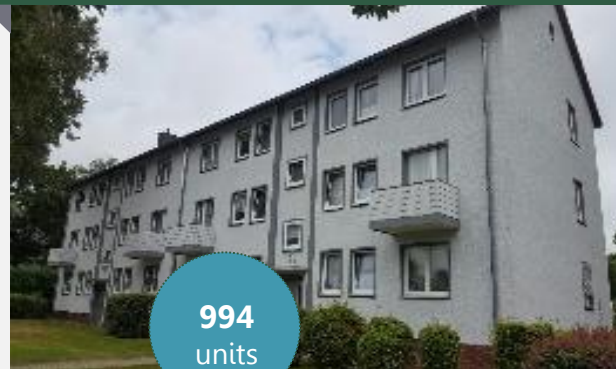
Bremen



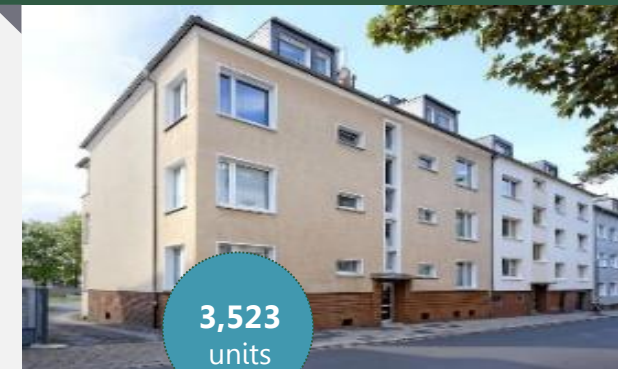
Kiel



Dortmund



NRW





Residential Development

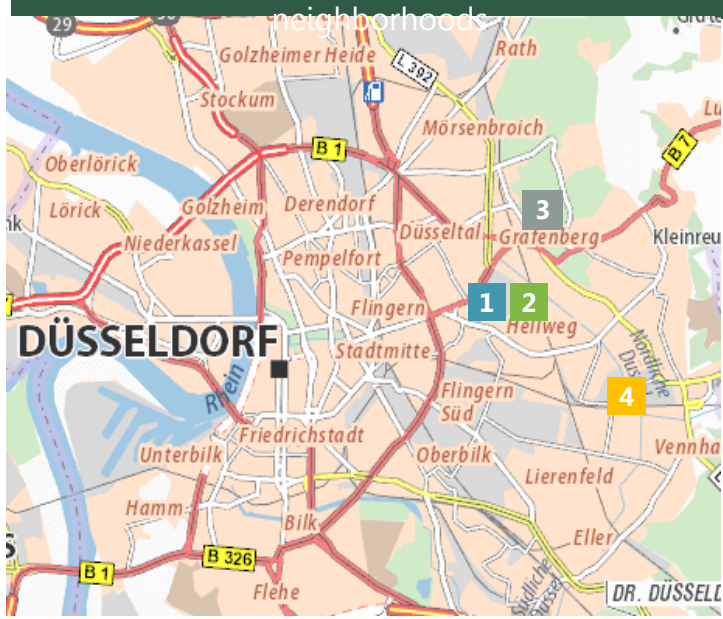
Residential Development in Düsseldorf

An International economic center, 6th in Quality of Life Worldwide¹



Attractive Locations

Central locations within the city, in upper class neighborhoods



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



Increase of apartment prices of ca. 94% during 2009-2017²



Household Growth of (will affect on the demand) ca. 50,000 until 2020²



Residential Development and improvement activities- Profitability & Proven Track Record

Grafental II²



Land for office under advanced rezoning to residential
 Adjacent to Grafental I project
 900units - expected project size³
 500 units - ready for construction from July 2018
 400 units forecast to be ready for construction during 2019

Grafental I- successful development track-record



Project under construction
823 units were sold in full to date
Sales of 400 m EUR to date
Developer's profitability of 32%
57% increase in sale prices since project inception

Gerresheim



Land parcel in advanced stages of rezoning to residential use-
 ca. **1,400 residential units** and ca. **30,000 sqm commercial area**
 bordering from the south the up market neighborhood "Grafenberg".
 Approval of development scheme expected- **during 2019³**

Aachen²



Land under rezoning to residential (BCP share 50%)
280 planned units :
 Mix of town houses and garden/roof apartments
 Zoning Plan was published **at End 2018**
 Building permit expected **during 2019**

Land in Grafenberg^{1,2}

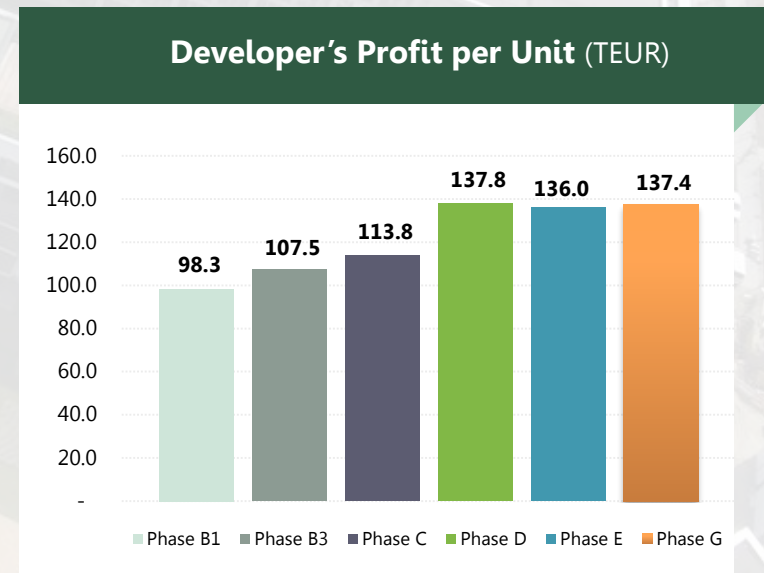
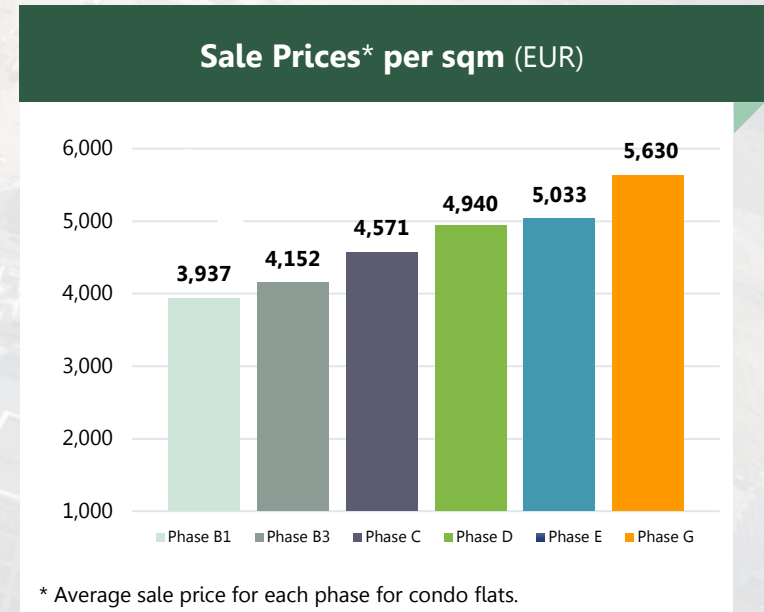


Future Luxury project - **84 units**
 Adjacent to Grafenberg forest
 Approval of development scheme expected **during 2019**
 Building permit expected **during 2019**

Residential Development— Grafental, Gerresheim & Aachen



Residential Development in Düsseldorf – Highly Experienced Platform For Continued Growth





Retail Parks Portfolio

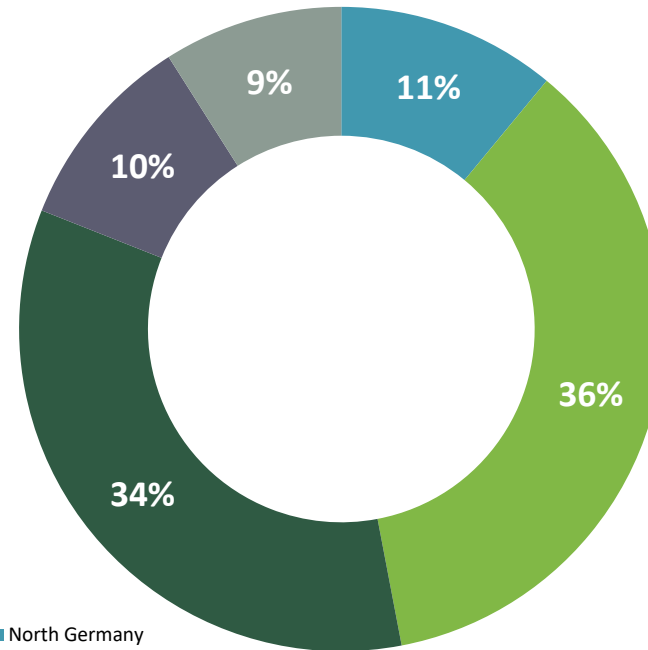


A Leading Player in the German Retail Parks Sector



Diversified portfolio with **Stable cash flow**

Well diversified portfolio*
with a significant presence in urban and affluent areas



- North Germany
- NRW
- Bavaria & Baden-Württemberg
- Hessen
- Other

* Breakdown by geographical locations (based on book value).

Key parameters (consolidate)

*General data

Number of tenants	~ 165
Total lettable area	216k sqm
Occupancy	96%
Rental income p.a.	19 m EUR
Average WALT**	~ 5.75 years

Current yield

Rental yield	6.8%
NOI yield	5.5%

Potential yield

ERV yield***	6.9%
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Adjusted NOI yield****	5.6%
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* Excluding ca. 9,391 sqm of a vacant property undergoing repositioning. BCP owns additional property of an affiliated company with rental area of ca. 7,254 sqm in Chemnitz

** Contracts with anchor tenants.

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

**** under the assumption that all properties are let at ERV.



Growth Drivers

NAV – Growth Drivers

EPRA NAV (30.6.2019)
Market Cap (1.8.2019)

€ 800.4M
€ 680.8M

Multifamily

	Current status	ERV
Rental income (MEUR) ¹	€ 47.4	€ 56.2
Rental yield	5.32%	³ 5.06%

→ Portfolio book value – **EUR 891.7m¹**

Sensitivity Analysis						
Rental income (MEUR)¹	€ 47.4 (current rental income)			€ 56.2 ² (Market Rent Q2/2019)		
Rental yield	5.50%	5.25%	5.00%	5.50%	5.25%	5.00%
Implied Value (MEUR)¹	€ 863	€ 904	€ 949	€ 1,022	€ 1,071	€ 1,124

1. Company share.
2. Based on new lettings performed in Q2/2019 without assuming ERV growth.
3. Rental yield in the market - average of the multifamily sector in Germany according to Morgan Stanley, Credit Suisse and companies' publications.

The premiums in relation to the EPRA NAV of the public companies reflect an implied rental yield of 5.13%.

The rental growth rate in L-f-l properties is expected to close the gap between the current rent and the ERV within the next four years, assuming that the ERV ceases to grow.

Retail Parks

→ Portfolio book value – **EUR 197.7 m¹**

→ Portfolio book value after expected completion of the Sale agreement – ca. **EUR 69 m²**

1. Company share.
2. For further details, please refer the immediate report of the Company dated on June 30, 2019 (Ref. No. 2019-01-055230).

Residential Development

Significant contribution to the economic NAV

- Successful track record in Düsseldorf (sales of € 400m to date)
- 100% sold units in completed phases
- Very high marketing rate in phases under construction
- High developer's profit (28%-32% of phases under construction)
- Continuous price increase (ca. 8% on avg. in every new phase)

Sensitivity Analyses – discounted profit^{1,2,3} after tax (company share, MEUR)

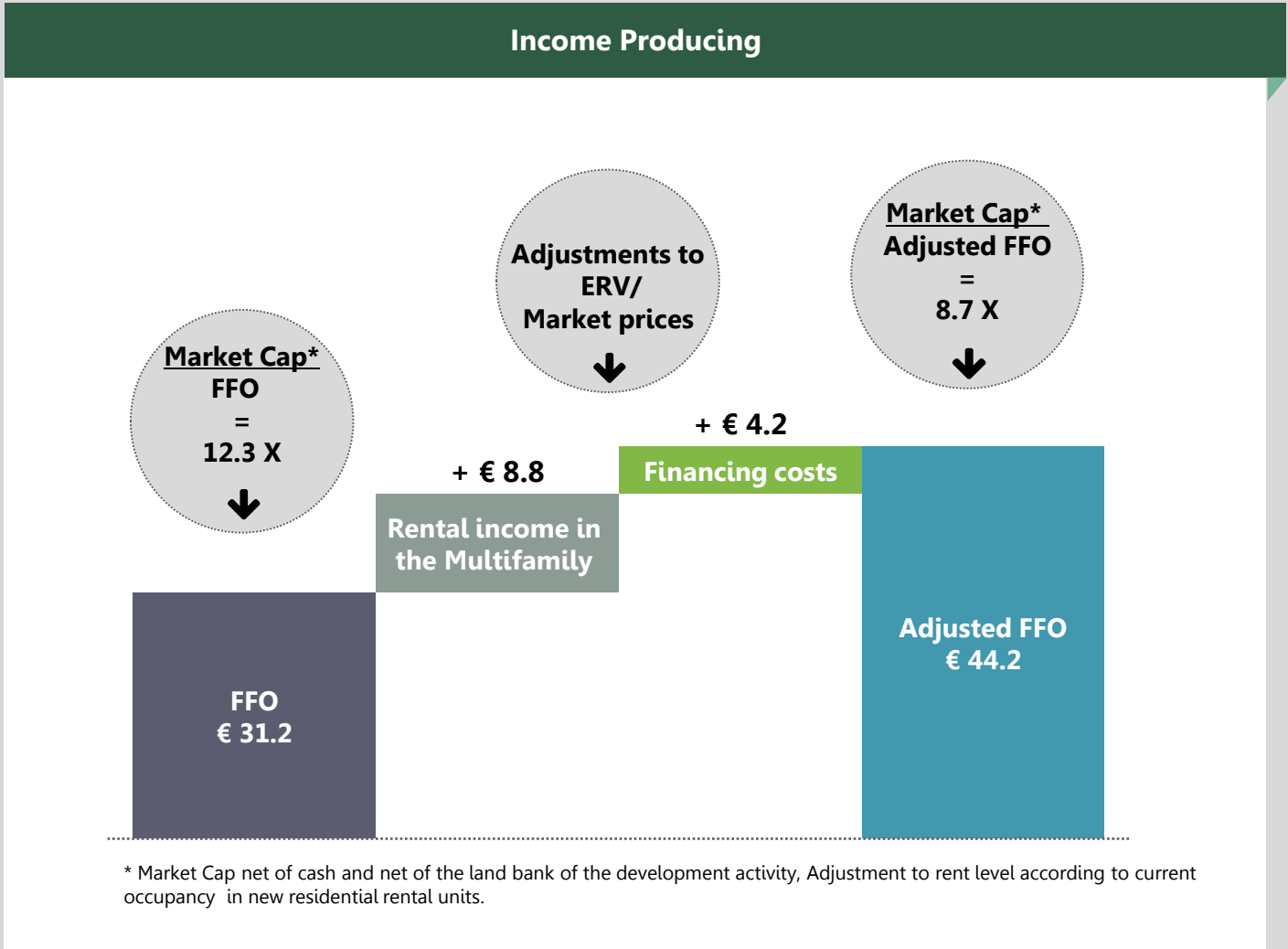
Discount rate	Annual growth rate in sales price		
	4%	7%	10%
8%	€ 100.9	€ 128.8	€ 159.1
9%	€ 97.0	€ 123.5	€ 152.4
10%	€ 93.3	€ 118.6	€ 146.1
11%	€ 89.8	€ 113.9	€ 140.1

Excl. profit from:
→

1. Excl. units already sold, the profit of which is not yet recognized in the FS.
2. Incl. projects that the company has not yet decided to develop. Excl. income and profit expected from Aachen and Gerresheim, Dusseldorf projects.
3. The projects' time span assumed in the calculation: Grafental – 7 years, Grafenberg – 6 years.

Project in early planning stage		
Project name	Gerresheim	Aachen
Company share	100%	50%
Land plot size	193,000 sqm	53,000 sqm
# of planed units	1,400	280

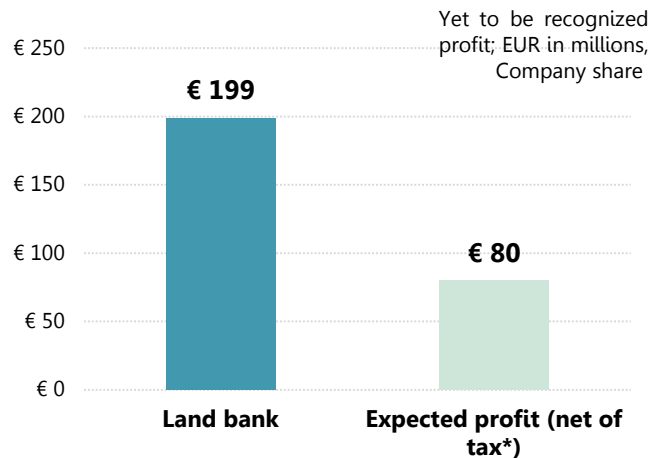
FFO / Growth Drivers (company share, MEUR)



FFO / Growth Drivers (company share, MEUR)

Residential Development

High Embedded Value



מנועי צמיחה נוספים



Residential Development

Continuous growth in demand for apartments contributes to **Ongoing increase in sale prices in phases under construction**

Existing capacity can allow for doubling the current construction volume

New projects are already under planning

BCP

BRACK CAPITAL PROPERTIES N.V.



Appendixes



Key Financial Data – Balance Sheet

Balance Sheet Summary (MEUR) – as of 30.6.2019

Income producing properties	€ 1,120
Investment Property- real estate rights	€ 65.3
Land Inventory for development (long-term and short-term)	€ 256.6
Cash and liquid balances	€ 98.9
Total assets	€ 1,760
Total debt	€ 771.7
Equity attributable to company's shareholders	€ 694
Total Equity incl. non controlling interests	€ 799
EPRA NAV	€ 800.4

Financial Position

Financial Debt Structure – 30.6.2019

	Bank Loans	Bonds	Total
Outstanding balance in MEUR	€ 656.8	€ 114.9	€ 771.7
Average maturity	4.4 years	3.3 years	4.2 years
Average interest	1.72%	3.87%	2.00%
Market interest ¹	1.72%	0.22 %	1.5%

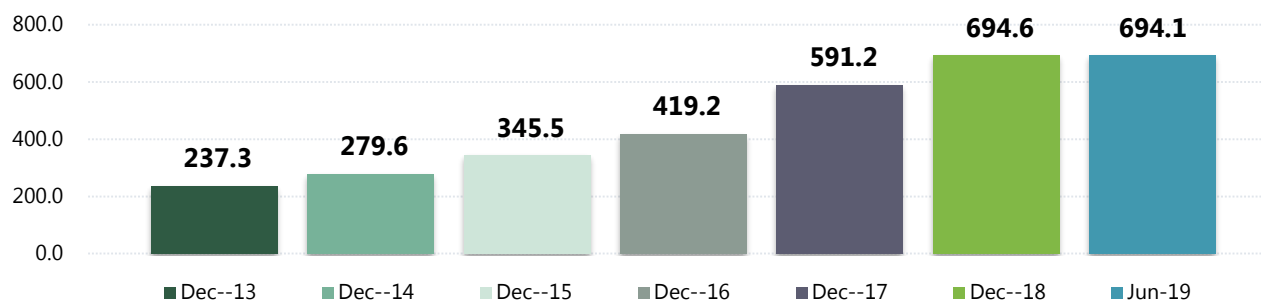
Refinancing based on market interest implies additional ca. EUR 4.2 M to the annual FFO

Rating and Leverage Ratios – 30.6.2019

Credit rating	S&P Maalot iIAA-
LTV ²	43.8%
Debt to Capt, net	41.8%
EBITDA to interest (excl. contribution from Grafental) ³	3.59 X

1. Market interest – recent refinancing interest of senior loans with 10 years duration fix / weighted average bonds YTM at which the bonds are traded.
2. Net debt to real estate portfolio.
3. Based on the reported quarter.

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



EPRA NAV (MEUR) - 30.6.2019

Equity attributable to company's shareholders	694.1
Adding deferred taxes (less minority interest)	96.7
Excluding the fair value of financial derivatives, net (less minority interest)	0.4
Adding yet to be recognized profit from sold units in Phase D (the company share, net of taxes)	9.1
EPRA NAV	800.4

Due to units already sold but not yet recognized in the P&L Phases E+G

Key Financial Data – Profit and Loss

Profit and Loss (MEUR)

	Q2/2019	Q2/2018	
Rental Income	€ 19,108	€ 19,668	
Profit (loss) from condo sale	€ (736)	€ 2,522	← Profits realization due to delivery of apartments.
NOI*	€ 16,024	€ 16,901	
NOI yield	4.6%	4.9%	
Adjusted NOI yield**	5.4%	6.4%	
EBITDA	€ 13,505	€ 15,113	← Excl. contribution from Grafental project.
Real estate revaluation	€ 4,314	€ 27,775	
% of real estate revaluation in relation to the total investment property	0.4%	2%	
Cash flow interest	€ 3,758	€ 4,040	← Average interest of 1.72% p.a. on bank loan from q2 2019.
FFO	€ 8,035	€ 9,237	← Excl. contribution from Grafental project.
EBITDA to interest (excluding contribution from Grafental)	3.59x	3.7x	

*Incl. income from management fees that is not consolidated in the the financial statements.

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

Grafental

Ca. 15.6M EUR profit¹ from already sold apartments is not yet recognized in the P&L


Grafental I - sales and profitability data ¹

	Phase A	Phase B1	Phase B2	Phase B3	Phase C	Phase D	Phase E	Phase F ³	Phase G
No. of residential units	202	118	79	107	109	119	89	112	89
No. of underground parking spaces	244	130	101	121	125	125	86	57	106
Built area	30k m ²	18k m ²	11k m ²	16k m ²	16k m ²	18k m ²	18k m ²	12k m ²	9.5k m ²
Sold units (#)	202	118	79	107	109	119	89	N.R	51
Sold units (%)	100%	100%	100%	100%	100%	100%	100%	N.R	53%
Total sales as of June 2019	€ 80.9m	€ 56.4m	€ 30.0m	€ 55.1m	€ 56.1m	€ 67.6m	€ 49.6m	N.R	€ 28.5m
Average sales² price per sqm	€ 3,585	€ 3,937	€ 3,523	€ 4,152	€ 4,571	€ 4,940	€ 5,033	N.R	€ 5,630
Commencement of pre marketing	5/2012	9/2013	7/2013	1/2015	5/2016	5/2017	5/2018	N.R	11/2018
Commencement of construction	7/2012	4/2014	4/2014	4/2015	4/2016	4/2017	4/2018	4/2018	Q4/2018
Apartments hand-over date	Ended	Ended	Ended	Ended	Ended	Q4/2018	Q1/2020	Q1/2020	Q1/2021
Expected development profit	€ 14.0m	€ 11.6m	€ 6.3m	€ 11.5m	€ 12.3m	€ 16.4m	€ 12.1m	€ 3.5m	€ 12.2m
Development profitability	21%	26%	26%	26%	28%	32%	32%	13.7%	29.5%
Development profit already recognized in the FS (cumulative)	€ 14.0m	€ 11.6m	€ 6.3m	€ 11.5m	€ 12.7m	€ 16.4m	€ 4m	-	-
Free Cash Flow	€ 31m	€ 19m	€ 14m	€ 21m	€ 21m	€ 24.5m	€ 20m	€ 7m	€ 20m

1. Data according to 100% the Company share in the project is 84.98%. 2. Average sale price for each phase for condo flats.

It should be noted that the expected profit of Phase F is under assumption that the asset (subsidized rental apartments and affordable housing under supervised rent) will be sold as a rental property upon completion of construction. Therefore, it is not comparable to development profitability in stages in which Condo apartments are being built for sale in the free market.

Q2/2019 Results



	Q2/2019	Q2/2018	Change	
Rental income (TEUR)	19,108	19,668	-3%*	↓
Net income attributable to BCP's shareholders (TEUR)	7,852	22,646	-65%	↓
FFO – (Q2 annualized) (TEUR)	32,100	36,800	-13%*	↓
Total Equity attributable to BCP's shareholders (TEUR)	694,100	628,070	11%	↑
EPRA NAV (TEUR)	800,400	728,500	10%	↑

Q2/2019 Results - Per Sector



Multifamily

	Q2/2019	Q2/2018	
Occupancy rate	94%	95%	↓
Avg. rent psm	€ 6.34	€ 6.18	↑
Avg. rent psm in new leases	€ 7.51	€ 7.48	↑
Rent growth ¹	2.6%	6.2%	↓
Upside to market rent	18%	26%	↓



Residential Development

	Q2/2019	Q2/2018
Sale of apartments (#)	15	40
Avg. sale price psm	€ 5,643	€ 4,889

➔ **Acceleration in Grafental project sale price growth rate**

BCP

BRACK CAPITAL PROPERTIES N.V.



Thank You

