

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 2020

The purpose of this presentation is to provide information on Brack Capital Properties N.V. (hereinafter: the "**Company**"), its operations and financial performance. It does not constitute an offer to purchase or sell securities of the Company or an invitation to receive offers as stated, and is designated only for the provision of information.

The information provided in the presentation is not an alternative to the gathering and analysis of personal information, does not constitute a recommendation or opinion and does not constitute an alternative to the personal discretion of any investor.

This presentation and the information included herein were not intended to replace the need to review the reports published by the Company to the public, including the Company's periodic reports for 2019 (published on March 18, 2019) and for Q2 FY2020 (published on August 17, 2020).

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 2019 annual report and in Q2 FY2020, 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 2019 and in Q2 FY2020. 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 2019 annual report and in Q2 FY2020.

Legal Disclaimer

BCP at Glance

Active in Germany since 2004

Multifamily portfolio
(78% of GAV¹; 12,069 units)

Retail Parks portfolio
(12% of GAV¹; 133K sqm²)

³Residential Development
(10% of GAV¹; 2,300 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



Dutch N.V



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



150 employees



EPRA NAV: EUR 873.5M



Cash balance €27.1M

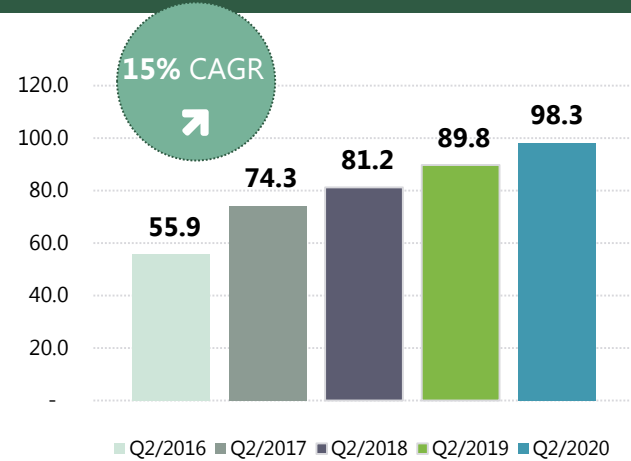
1. Company share. 2. Excluding ca. 6.9K sqm. of a vacant property undergoing repositioning and excluding property of an affiliated company with rental area of ca. 7,254 sqm in Chemnitz. Excluding assets that the company signed an agreement for the sale and the delivery has not yet been carried out.
3. Including residential units of stage E, G and H in Grafental Project due to the implementation of IFRS 15, the Company recognizes revenue according to the construction progresses.

Track Record

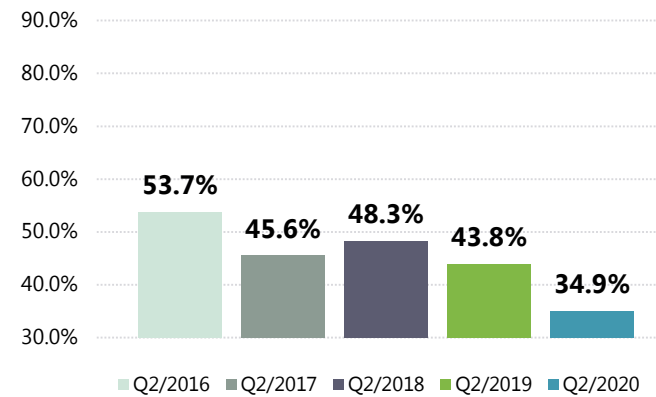


Management and operations are highly scalable

NAV per share (EUR)



LTV* (%)



Operating Segments / Profitability & Growth

1

Multifamily Portfolio (consolidate)



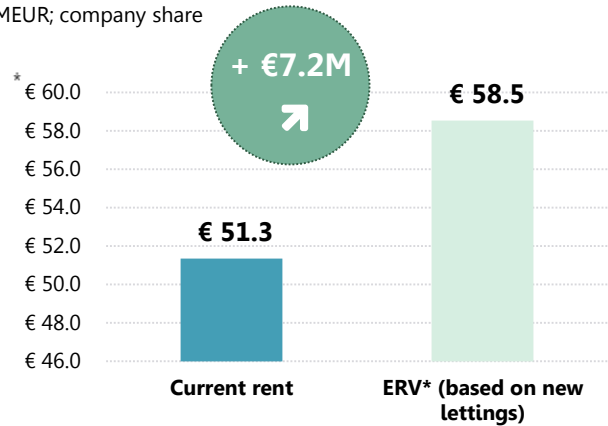
12,069 residential units (78% of GAV)

located in large and growing cities

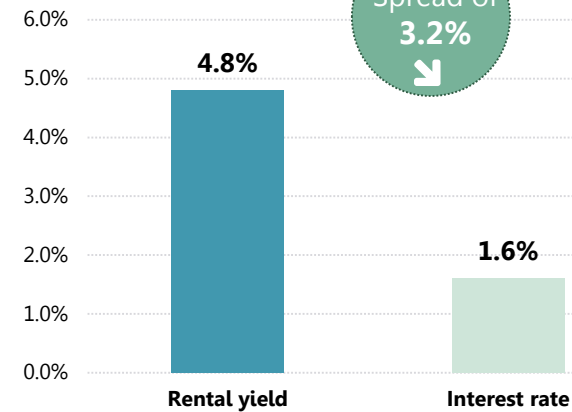
High CF: ~4.8% rental yield

Significant Upside Potential

MEUR; company share



High Cash Flow



Operating Segments / Profitability & Growth

2



Residential Development (consolidate)



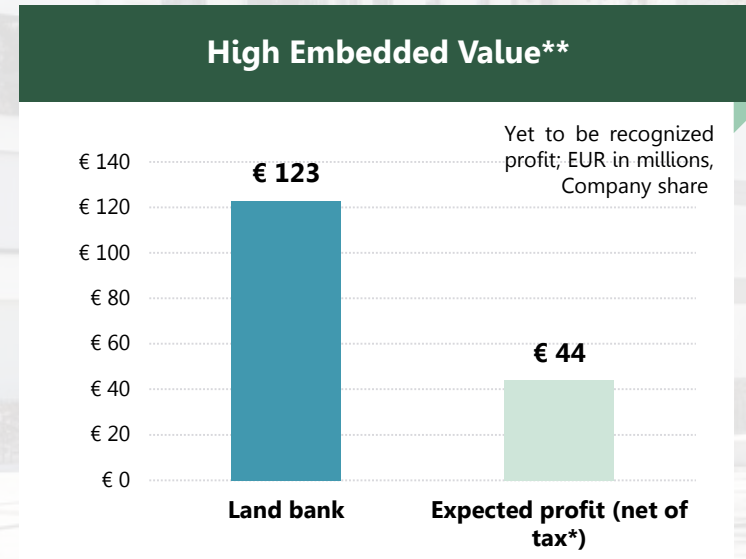
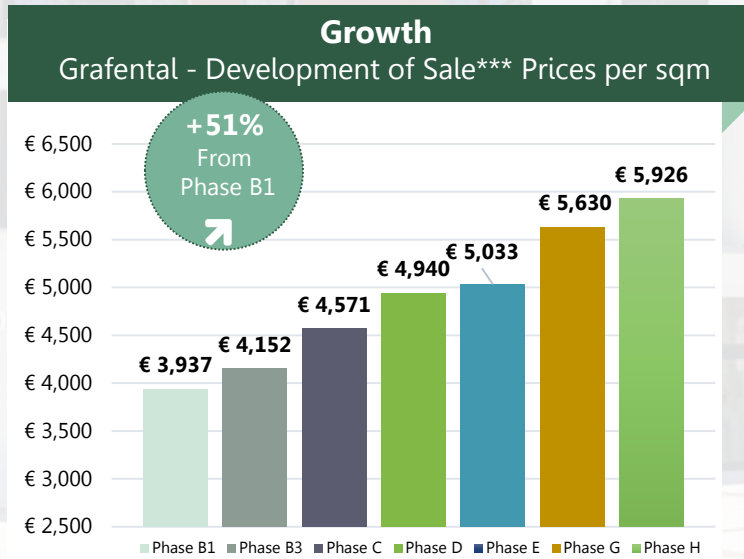
2,300 units under construction or planning (10% of GAV)



Large and well positioned projects



Significant contribution to NAV



Main Developments in 2020



Sale Agreement**

On June 28, 2019, the Company entered into a transaction for the sale of 11 commercial properties for a total consideration of ca.€ 128.6 million.

On December 31, 2019, April 30, 2020 and June 30, 2020, the transaction has been completed except for one commercial property that is expected to be completed during 2020.



Financing*

Average interest rate on bank loans:

June 2020: 1.57%
(4.67y maturity)



Residential development

On 31 March, 2020 the first part of Geresheim sale transaction has completed with a total payment of ca. EUR 126 million while EUR 90 million used for repaid the bank loan.

Grafental – phases under construction-
Performance according to plan.
Approval of the master plan for part of the land of residential uses in Grafental.

Gerresheim



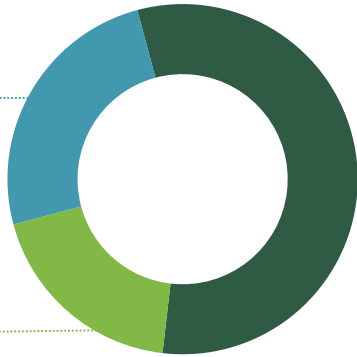
Multifamily Portfolio

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
1,536 units



Low – rise
7,477 units



Town Houses
1,185 units

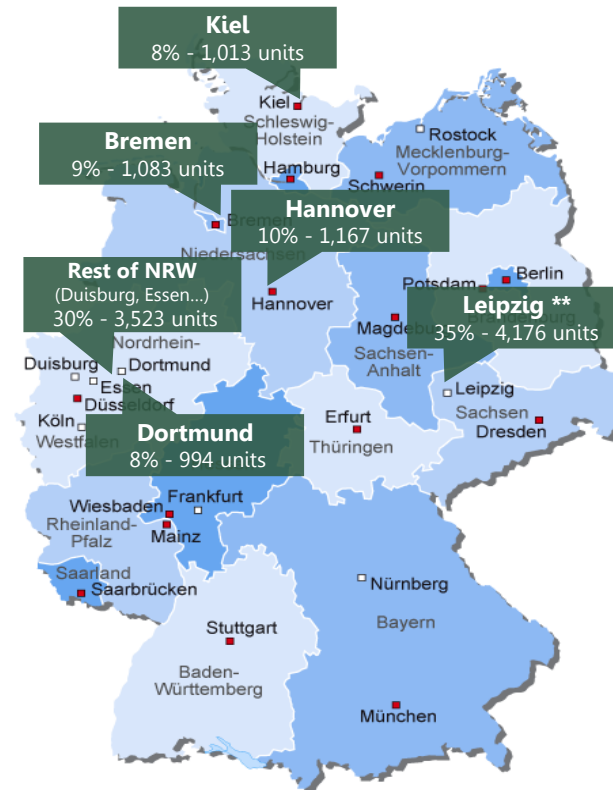


High – rise
1,758 units

Multifamily Portfolio



Attractive Geographic Diversification*



* By no. of units.

** Including 576 units in Magdeburg & Halle

Key parameters (consolidate)

General data

Total lettable area	712k sqm
Occupancy	94%
Rental income p.a.	EUR 52.3m
Average rent psm	EUR 6.50

Current yield

Rental yield	4.8%
NOI yield	4.1%

Potential yield

ERV yield*	5.4%
Adjusted NOI yield**	4.8%

* 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

08.2020

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Rental growth

2.5%



**High proportion of 1 and 2
rooms apartments¹**
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**

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	3,636	12,069
Occupancy	88%	95%	96%	93%	99%	94%	93%	94%
Value per sqm	€ 1,413	€ 1,798	€ 2,050	€ 1,298	€ 1,766	€ 1,501	€ 1,267	€ 1,543
Rent per sqm	€ 5.77	€ 6.38	€ 8.24	€ 6.33	€ 7.23	€ 6.75	€ 6.04	€ 6.50
ERV per sqm in new- lettings **	€ 6.41	€ 7.44	€ 10.35	€ 7.14	€ 9.22	€ 8.07	€ 6.46	€ 7.55
Upside in rent based on ERV*	11%	17%	26%	13%	28%	20%	7%	16%



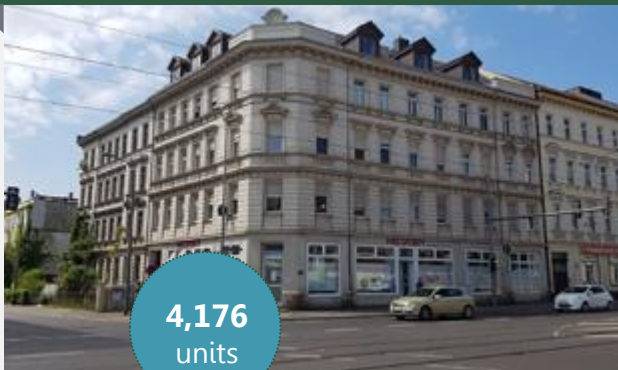
Value per sqm - **EUR 1,543**



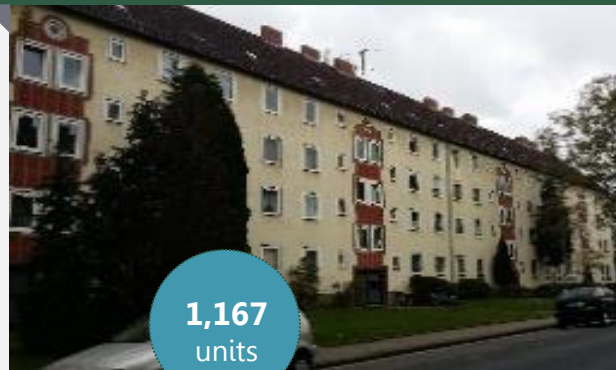
Upside in rent based on ERV* - **16%**

Multifamily Portfolio

Leipzig, Magdeburg & Halle



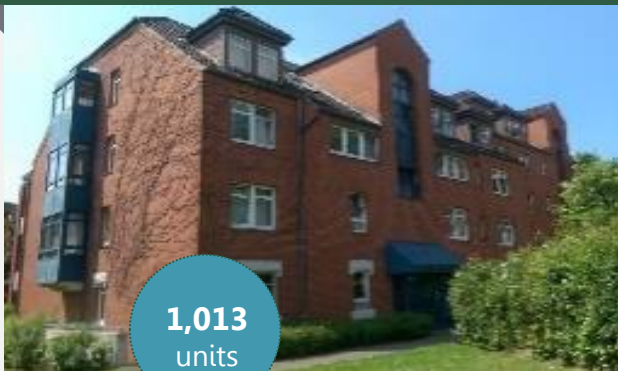
Hannover



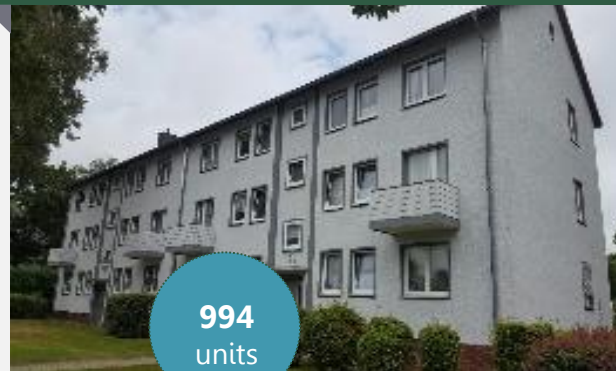
Bremen



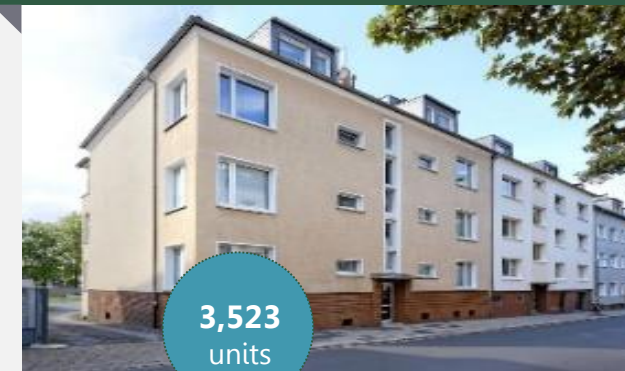
Kiel



Dortmund



NRW





Residential Development

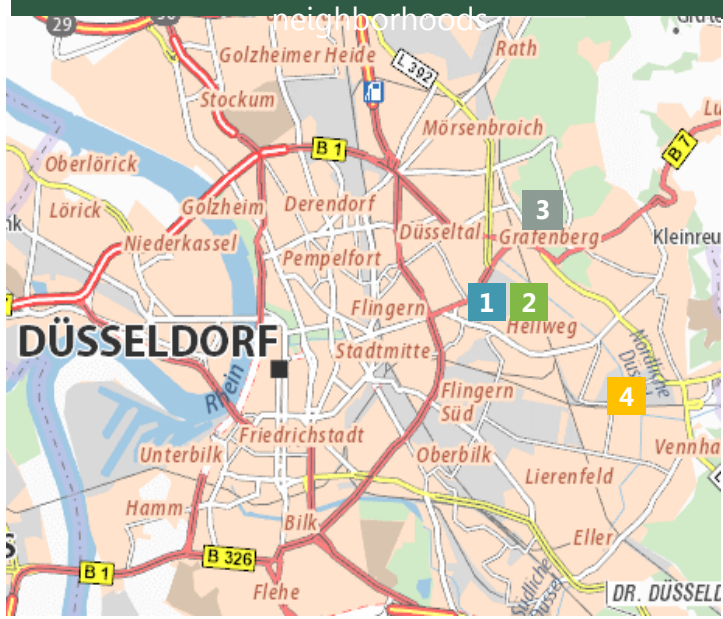
Residential Development in Düsseldorf

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



City of Dusseldorf's target for residential completion during 2017-2020 is 3,000 units per units ²



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
 185 units were sold to date
 313 units forecast to be ready for construction end of 2020/
 beginning of 2021.

Grafental I- successful development track-record



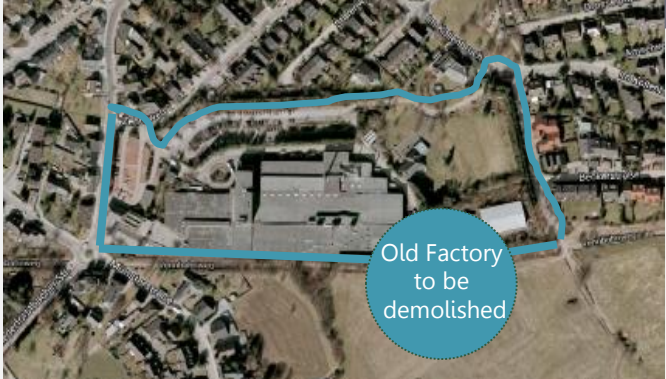
823 units were sold in full to date
Sales of 400 m EUR to date
57% increase in sale prices since project inception

Gerresheim



Land parcel in advanced stages of rezoning to residential use-
 ca. **1,500 residential units and ca. 30,000 sqm commercial area**
 bordering from the south the up market neighborhood "Grafenberg".
 Approval of development scheme expected- **H1 2021³**

Aachen²



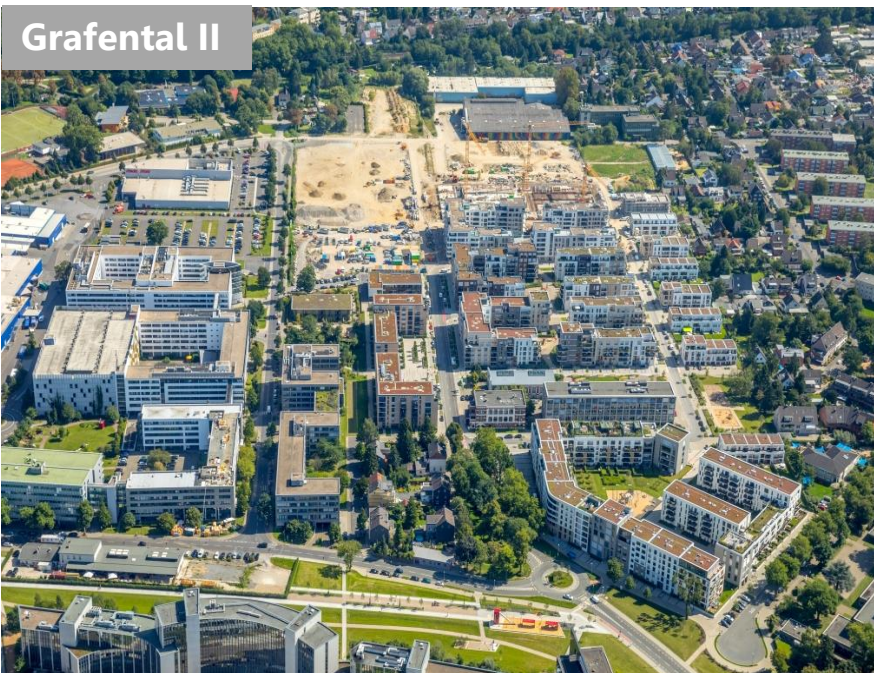
Land under rezoning to residential (BCP share 100%)
84 planned units :
 Mix of town houses and garden/roof apartments
 Zoning Plan was published **at End 2018**
 Received building permit and work has begun

Land in Grafenberg^{1,2}

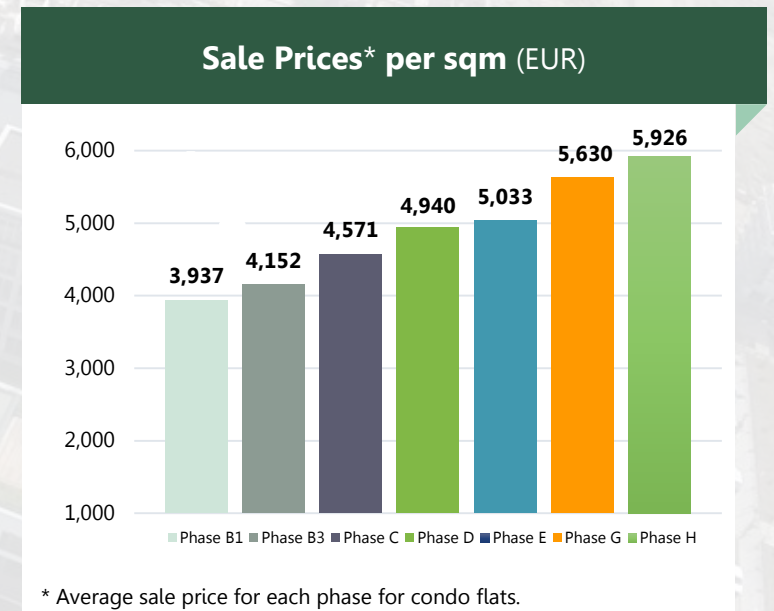


Future Luxury project - **84 units**
 Adjacent to Grafenberg forest
 Approval of development scheme expected **during 2020**
 Building permit expected³ **in 2021**

Residential Development— Grafental, Gerresheim & Aachen



Residential Development in Düsseldorf – Highly Experienced Platform For Continued Growth





Growth Drivers

NAV – Growth Drivers

EPRA NAV (30.6.2020)
EPRA NAV Adjusted* (30.6.2020)
Market Cap (4.08.2020)

€ 873.5M
€ 1,032.7M
€ 588M

* 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
Rental income (MEUR) ¹	€ 51.3	€ 58.5
Rental yield	4.84%	³ 4.69%

Sensitivity Analysis						
Rental income (MEUR)¹	€ 51.3 (current rental income)			€ 58.5 ² (Market Rent Q2/2020)		
Rental yield	5.25%	5.00%	4.65%	5.25%	5.00%	4.65%
Implied Value (MEUR)¹	€ 977	€ 1,025	€ 1,103	€ 1,113	€ 1,169	€ 1,257

→ Portfolio book value – **EUR 1,060.5m¹**

1. Company share.
2. Based on new lettings performed in Q2/2020 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.

Residential Development

Significant contribution to the economic NAV

- Successful track record in Düsseldorf (sales of € 507m to date)
- 100% sold units in completed phases
- Very high marketing rate in phases under construction)
- Continuous price increase (ca. 8% on avg. in every new phase)



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Appendixes



Key Financial Data – Balance Sheet

Balance Sheet Summary (MEUR) – as of 30.6.2020

Income producing properties	€ 1,220
Investment Property- real estate rights	€ 58.6
Land Inventory for development (long-term and short-term)	€ 68.8
Cash and liquid balances	€ 27.1
Total assets	€ 1,485
Total debt	€ 531.9
Equity attributable to company's shareholders	€ 759.0
Total Equity incl. non controlling interests	€ 797.8
EPRA NAV	€ 873.5

Financial Position

Financial Debt Structure – 30.6.2020

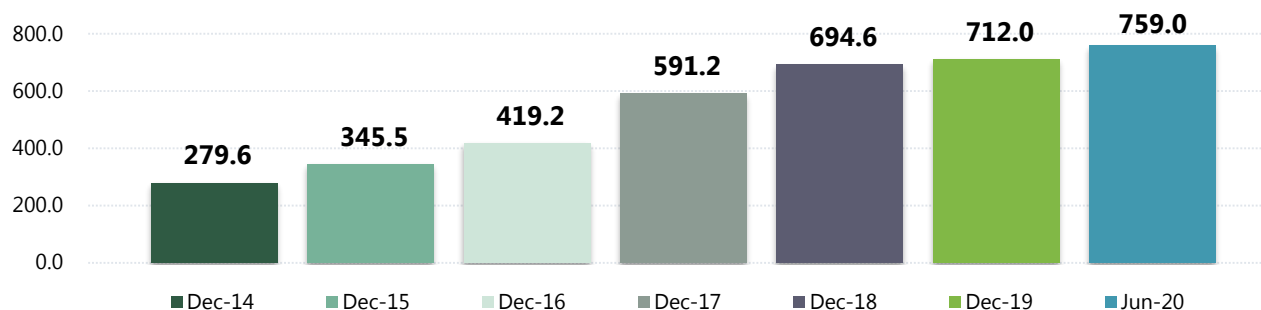
	Bank Loans	Bonds	Total
Outstanding balance in MEUR ⁴	€ 447.7	€ 84.2	€ 531.9
Average maturity ⁴	4.9 years	3.4 years	4.7 years
Average interest ⁴	1.57%	3.29%	1.84%
Market interest ¹	1.68%	2.67%	1.84%

Rating and Leverage Ratios – 30.6.2020

Credit rating	S&P Maalot iIAA-
LTV ²	34.93%
Debt to Capt, net	34.8%
EBITDA to interest (excl. contribution from Grafental) ³	3.95X

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.
4. Excluding Griesheim.

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



EPRA NAV (MEUR) - 30.6.2020

Equity attributable to company's shareholders	759.0
Adding deferred taxes (less minority interest)	109.3
Excluding the fair value of financial derivatives, net (less minority interest)	0.7
Adding yet to be recognized profit from sold units (the company share, net of taxes)	4.5
EPRA NAV	873.5

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

Key Financial Data – Profit and Loss

Profit and Loss (MEUR)

	Q2/ 2020	Q2/2019	
Rental Income	€ 15,606	€ 19,108	
Profit (loss) from condo sale	€ 5,775	€ (736)	← Profits realization due to delivery of apartments.
NOI	€ 12,337	€ 16,024	
NOI yield	4.2%	4.6%	
Adjusted NOI yield*	4.8%	5.4%	
EBITDA	€ 8,904	€ 13,505	← Excl. contribution from Grafental project.
Real estate revaluation	€ 63,222	€ 4,314	
% of real estate revaluation in relation to the total investment property	5.18%	0.4%	
Cash flow interest	€ 2,664	€ 3,758	
FFO	€ 6,399	€ 8,035	← Excl. contribution from Grafental project.
EBITDA to interest (excluding contribution from Grafental)	3.95x	3.59x	

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

Grafental

Ca. 7.7M EUR profit¹ from already sold apartments is not yet recognized in the P&L


Grafental I - sales and profitability data ¹

	Phase E	Phase F ³	Phase G	Phase H
No. of residential units	89	112	89	96
No. of underground parking spaces	86	57	106	101
Built area	18k m ²	12k m ²	9.5k m ²	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	€ 58.0m
Average sales² price per sqm	€ 5,033	N.R	€ 5,630	€ 5,926
Commencement of pre- marketing	5/2018	N.R	11/2018	7/2019
Commencement of construction	4/2018	4/2018	Q4/2018	Q2/2019
Apartments hand -over date	Were handed over	N.R	Were handed over	H2/2021
Expected development profit	€ 12m	€ 3.5m	€ 11.2m	€ 10m
Development profitability	32%	13.7%	26.5%	21%
Development profit already Recognized in the FS (cumulative)	€ 11m	-	€ 9m	-
Free Cash Flow	€ 20m	€ 4m	€ 20m	€ 21.5m

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

3. 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.

Q2/2020 Results



	Q2/2020	Q2/2019	Change	
Rental income (TEUR)	15,606	19,108	-18%*	↓
Net income attributable to BCP's shareholders (TEUR)	57,600	7,852	634%	↑
Total Equity attributable to BCP's shareholders (TEUR)	759,028	694,100	9%	↑
EPRA NAV (TEUR)	873,500	800,400	9%	↑

Q2/2020 Results - Per Sector



Multifamily

	Q2/2020	Q2/2019	
Occupancy rate	94%	94%	↕
Avg. rent psm	€ 6.50	€ 6.34	↑
Avg. rent psm in new leases	€ 7.55	€ 7.51	↑
Rent growth ¹	2.5%	2.6%	↓
Upside to market rent	16%	18%	↓



Residential Development

	Q2/2020	Q2/2019
Sale of apartments (#)	4	15
Avg. sale price (incl. parking) psm	€ 6,204	€ 5,643

➔ Acceleration in Grafental project sale price growth rate

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Thank You

