

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

November 2019

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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 2018 annual report and in Q3 FY2019, and from developments in the general and financial environment in the Company's areas of business, and external factors impacting its operations. 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 around 14% - 16%, 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 periodic reports for 2018 and Q3 FY2019. 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 2018 annual report and in Q3 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 806M



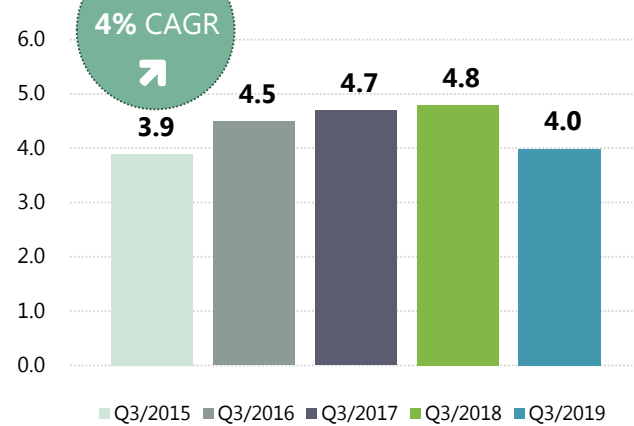
Cash balance €30.7M

Track Record

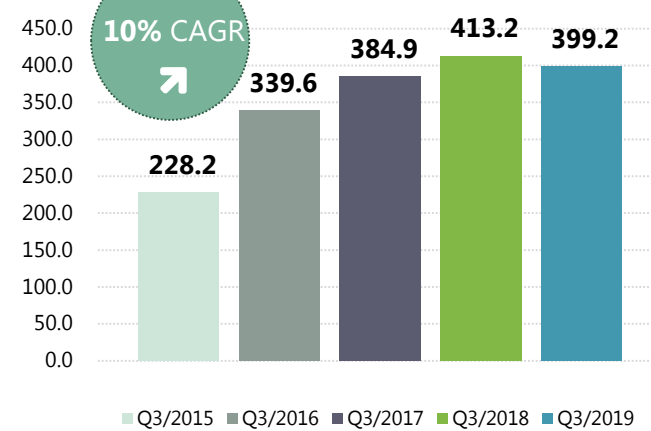


Management and operations are highly scalable

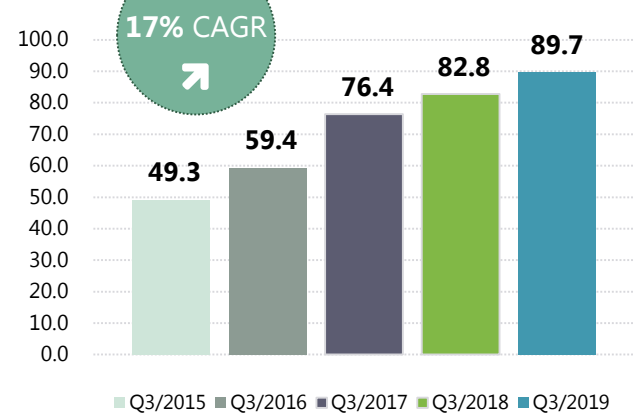
FFO per share (in annual terms; EUR)



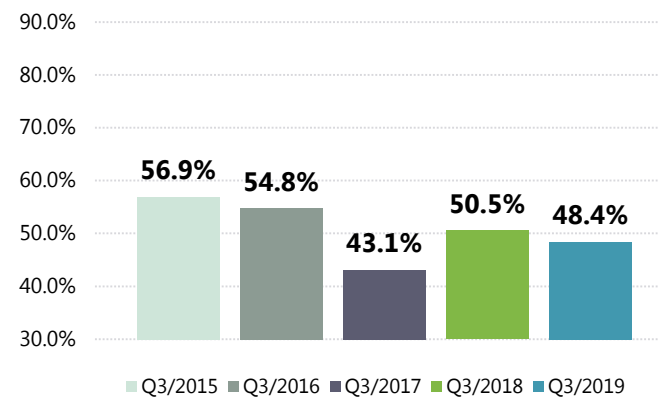
Price per share at quarter end (NIS)



NAV per share (EUR)



LTV* (%)



Operating Segments / Profitability & Growth

1

Multifamily Portfolio (consolidate)



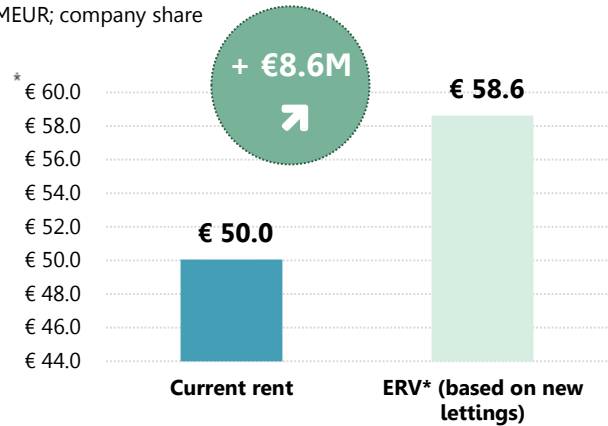
11,956 residential units (64% of GAV)

located in large and growing cities

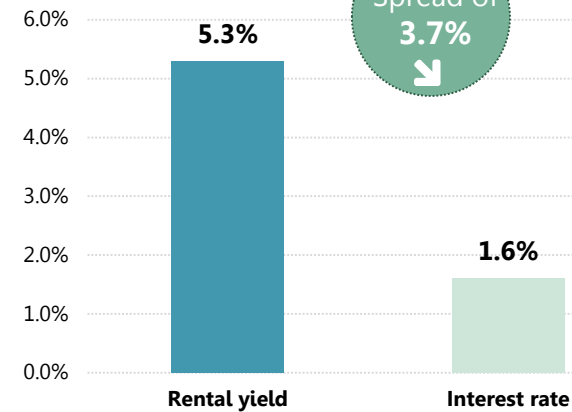
High CF: ~5.3% rental yield

Significant Upside Potential

MEUR; company share



High Cash Flow



Operating Segments / Profitability & Growth

2



Residential Development (consolidate)



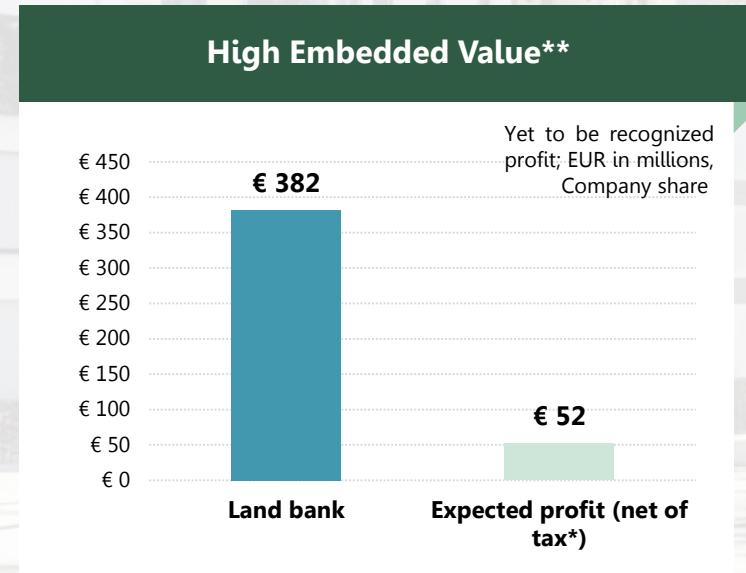
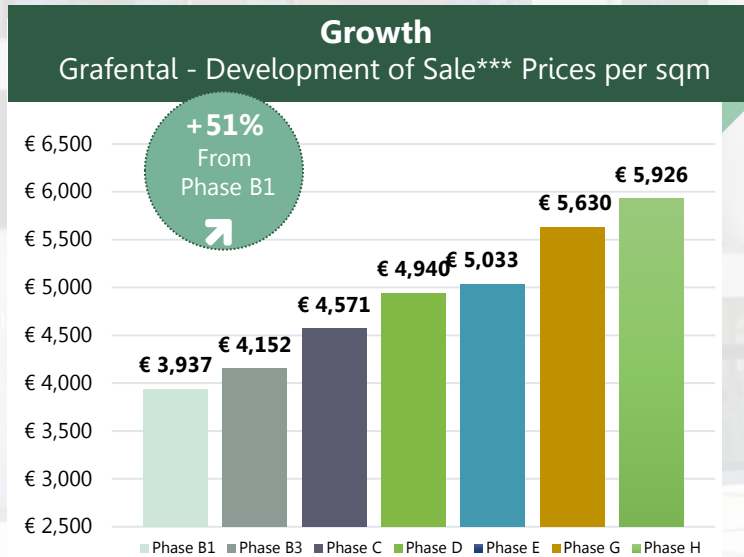
2,640 units under construction or planning (22% of GAV)



Large and well positioned projects



Significant contribution to NAV



Operating Segments / Profitability & Growth

3



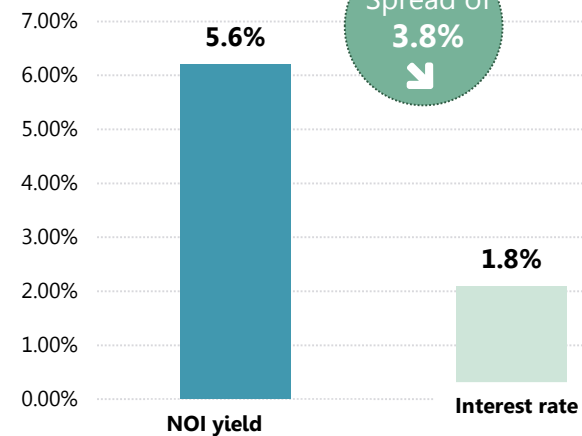
Retail Parks Portfolio (consolidate)

- 216,000 sqm² (14% of GAV)
- Dominant properties in growing cities
- High CF: ~5.6% NOI yield

Good Operating Parameters

High occupancy rate ²	96%
Long WALT	~5.5 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.

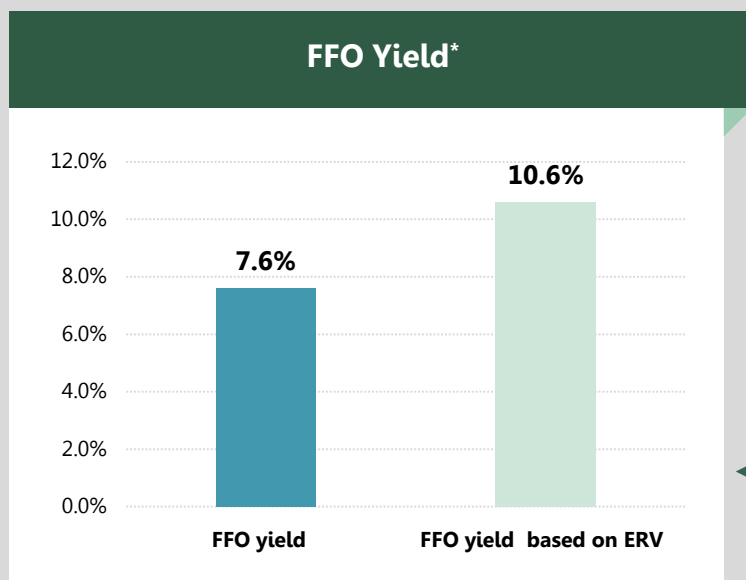
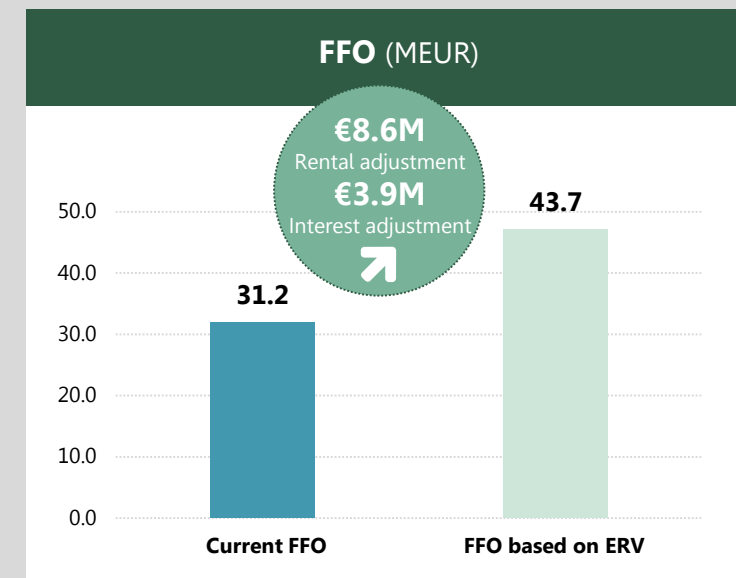
FFO Yield - Income-Producing Portfolio



4

**Profitability/
FFO Yield/
Growth**

≡ Cash balance: €31m



Market value attributable to Income-producing portfolio (MEUR)

Market value (28/10/2019)	823.8
Excl. Land bank (company share)	382.2
Excl. cash balances	30.7
Market value attributable to Income-producing portfolio	410.9

Land bank breakdown (MEUR)

Inventory of real estate	210.7
Plus expected profit from Gereesheim transaction, net**	197
Investment property – real estate rights	62.1
Inventory of buildings under construction	26.0
Excl. loans	(113.6)
Land bank (company share)	382.2

* 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.

** Impact of the Gereesheim 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).

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. EUR 128.7 million (subject to deal condition).



Financing

Average interest rate on bank loans:

September 2019: 1.72%
(4.1y maturity)

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



Residential development

On September 22, 2019, the Company entered into a sale agreement of 75% of its holding in the Geresheim development Company in Dusseldorf for a total consideration of ca. EUR 375 million that reflect the whole value compared with a book value of EUR 142 million.

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.



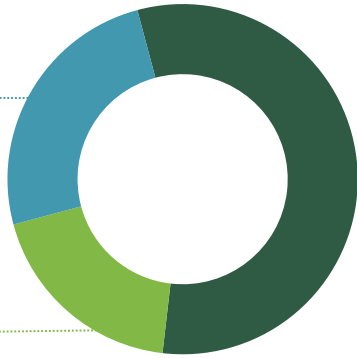
Multifamily Portfolio

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

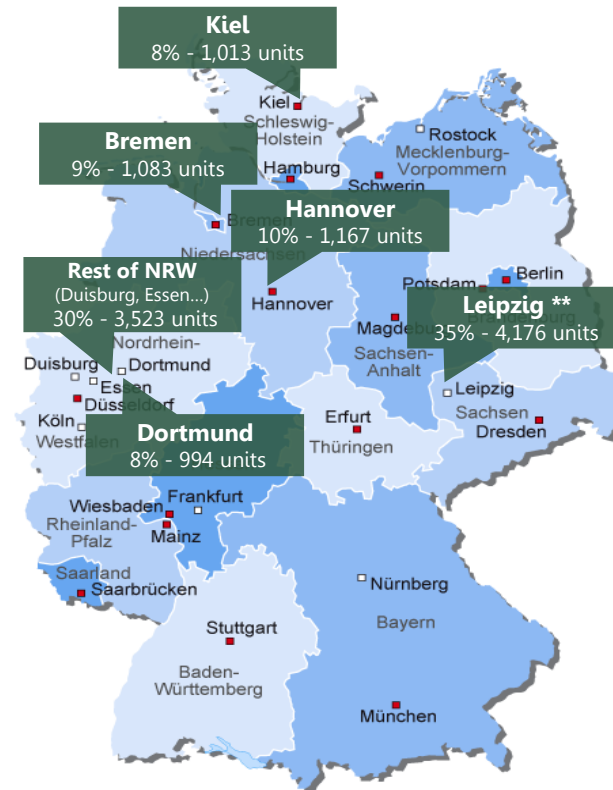


High – rise
1,758 units

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	95%
Rental income p.a.	EUR 51m
Average rent psm	EUR 6.37

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 different transactions
and managed by the company over a long period of time

Consistently Outperforming the Market

11.2019	BCP
Rental growth	2.2%




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**

1. 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	89%	95%	96%	95%	99%	96%	94%	94.8%
Value per sqm	€ 1,336	€ 1,579	€ 1,901	€ 1,219	€ 1,526	€ 1,317	€ 1,080	€ 1,365
Rent per sqm	€ 5.75	€ 6.28	€ 8.20	€ 6.24	€ 7.09	€ 6.60	€ 5.86	€ 6.37
ERV per sqm in new- lettings	€ 6.52	€ 7.49	€ 10.41	€ 7.11	€ 9.33	€ 8.18	€ 6.40	€ 7.47
Upside in rent based on ERV*	13%	19%	27%	14%	32%	24%	9%	17%



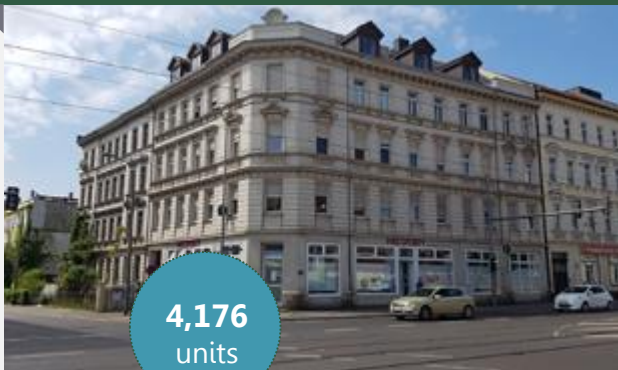
Value per sqm - **EUR 1,365**



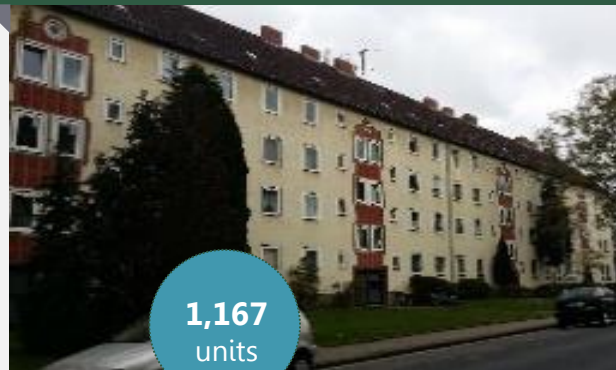
Upside in rent based on ERV* - **17%**

Multifamily Portfolio

Leipzig, Magdeburg & Halle



Hannover



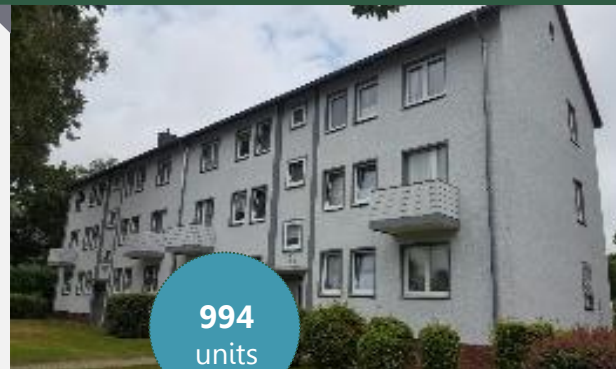
Bremen



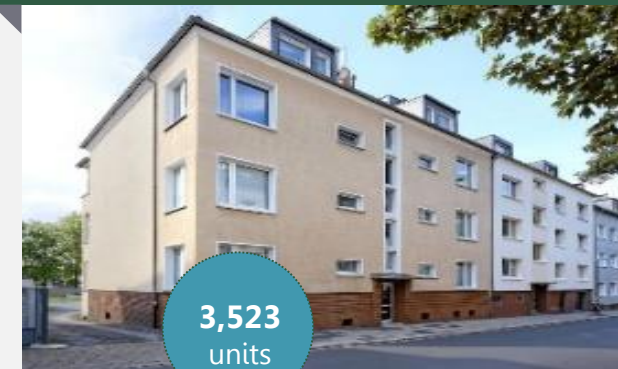
Kiel



Dortmund



NRW





Residential Development

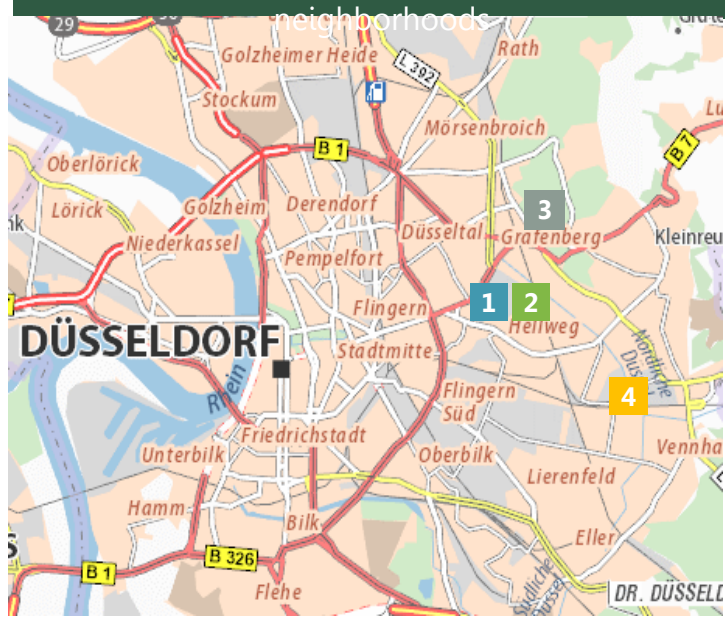
Residential Development in Düsseldorf

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}

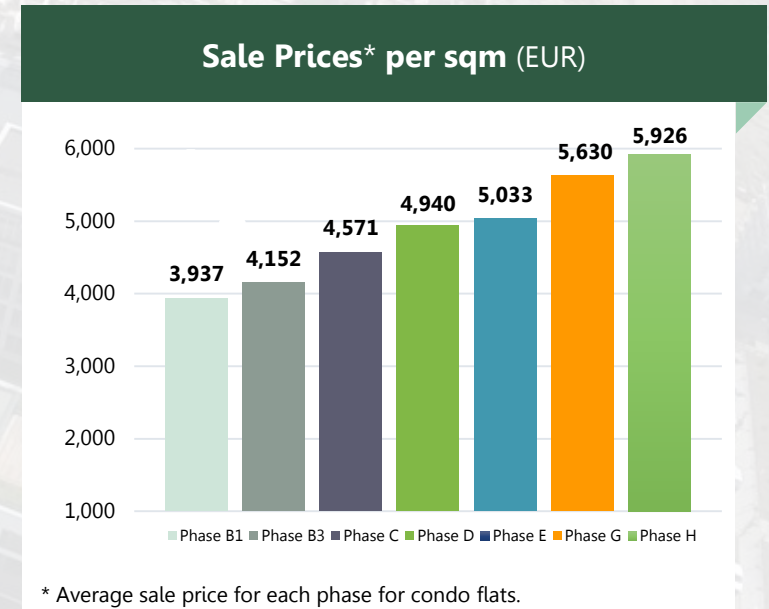


Future Luxury project - **84 units**
 Adjacent to Grafenberg forest
 Approval of development scheme expected **during 2019**
 Building permit expected **during 2019**

Residential Development— Grafental, Gerresheim & Aachen



Residential Development in Düsseldorf – Highly Experienced Platform For Continued Growth





Retail Parks Portfolio

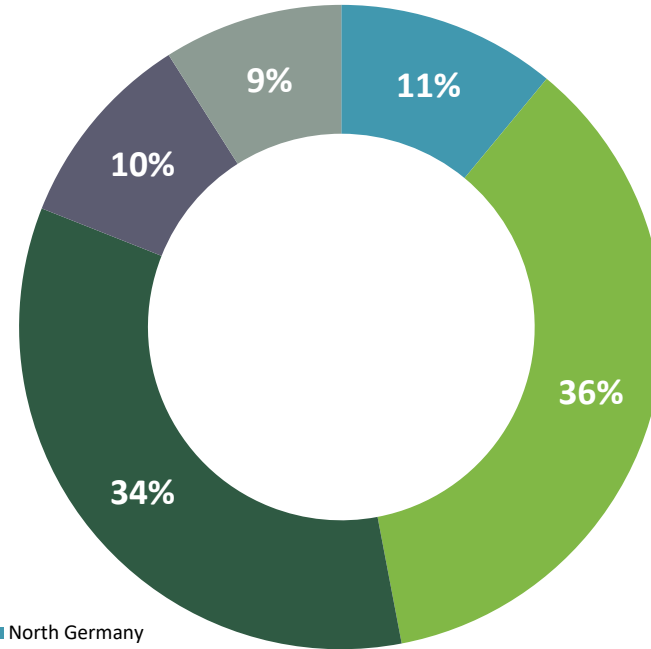


Additional Data Regarding the Retail Portfolio



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**	~ 5.5 years

Current yield

Rental yield	6.8%
NOI yield	5.6%

Potential yield

ERV yield***	6.9%
Adjusted NOI yield****	5.7%

* 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 (30.9.2019)
EPRA NAV Adjusted* (30.9.2019)
Market Cap (28.10.2019)

€ 806M
€ 1,003M
€ 823.8M

* Impact of the Gereesheim 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	€ 50.0	€ 58.6
Rental yield	5.33%	³ 4.90%

Sensitivity Analysis						
Rental income (MEUR) ¹	€ 50.0 (current rental income)			€ 58.6 ² (Market Rent Q3/2019)		
Rental yield	5.50%	5.00%	4.75%	5.50%	5.00%	4.75%
Implied Value (MEUR) ¹	€ 909	€ 1,000	€ 1,053	€ 1,065	€ 1,171	€ 1,233

→ Portfolio book value – **EUR 938.1m¹**

- 1. Company share.
- 2. Based on new lettings performed in Q3/2019 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.

Retail Parks

→ Portfolio book value – **EUR 269.9 m¹**

→ Portfolio book value after expected completion of the Sale agreement – ca. **EUR 150 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
- Continuous price increase (ca. 8% on avg. in every new phase)

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

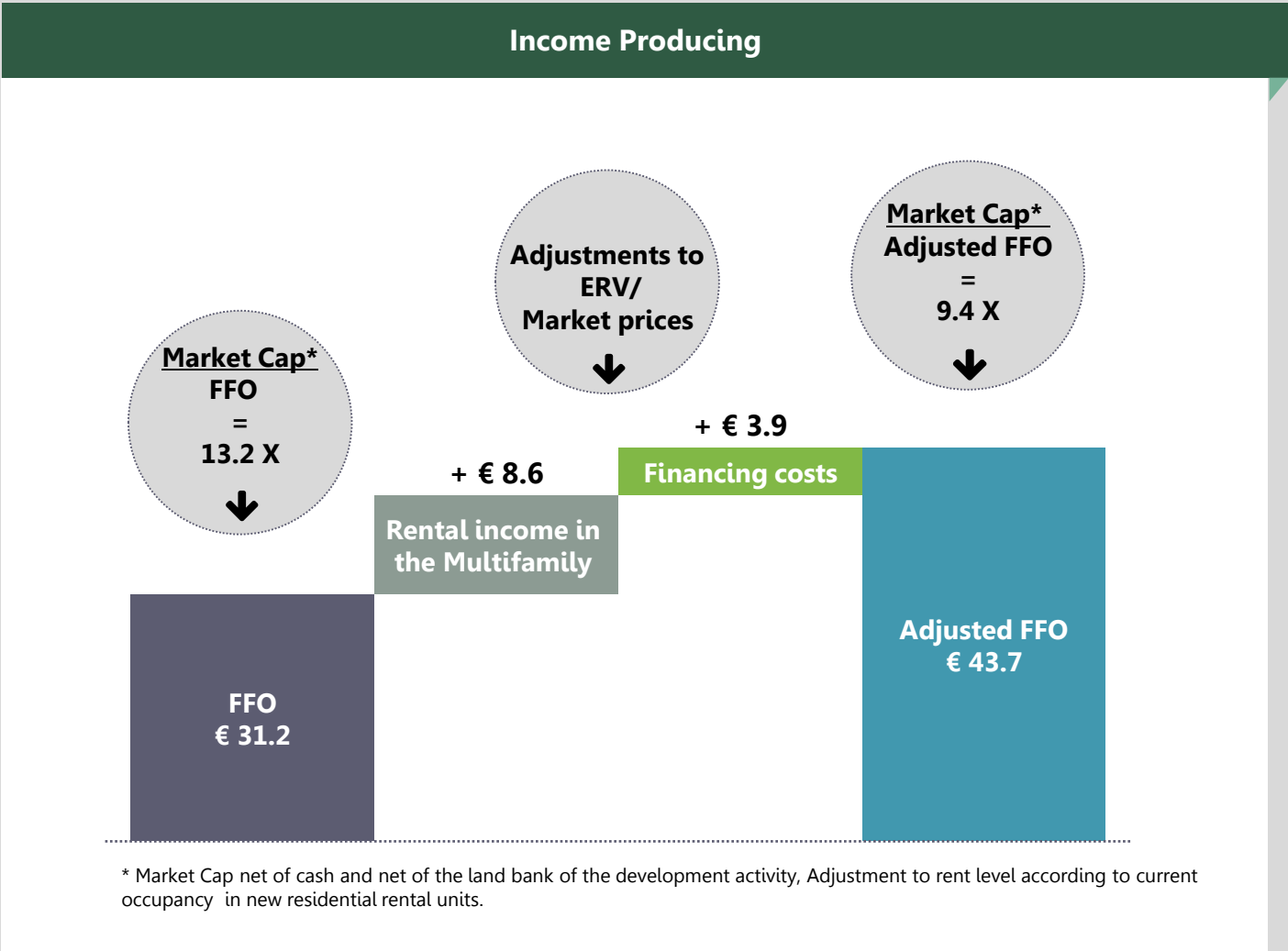
Discount rate	Annual growth rate in sales price		
	4%	7%	10%
8%	€ 62.8	€ 80.1	€ 98.9
9%	€ 60.8	€ 77.3	€ 95.2
10%	€ 58.8	€ 74.6	€ 91.7
11%	€ 57.0	€ 72.0	€ 88.3

Excl. profit from:

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

- 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 Gereesheim, Dusseldorf projects.
- 3. The projects' time span assumed in the calculation: Grafental – 7 years, Grafenberg – 6 years.

FFO / Growth Drivers (company share, MEUR)



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Appendixes



Key Financial Data – Balance Sheet

Balance Sheet Summary (MEUR) – as of 30.9.2019

Income producing properties	€ 1,124
Investment Property- real estate rights	€ 64.7
Land Inventory for development (long-term and short-term)	€ 246.7
Cash and liquid balances	€ 30.7
Total assets	€ 1,682
Total debt	€ 762.9
Equity attributable to company's shareholders	€ 694
Total Equity incl. non controlling interests	€ 736
EPRA NAV	€ 806

Financial Position

Financial Debt Structure – 30.9.2019

	Bank Loans	Bonds	Total
Outstanding balance in MEUR	€ 657.7	€ 105.2	€ 762.9
Average maturity	4.1 years	3.56 years	4.0 years
Average interest	1.72%	3.51%	2.00%
Market interest ¹	1.72%	0.18 %	1.5%

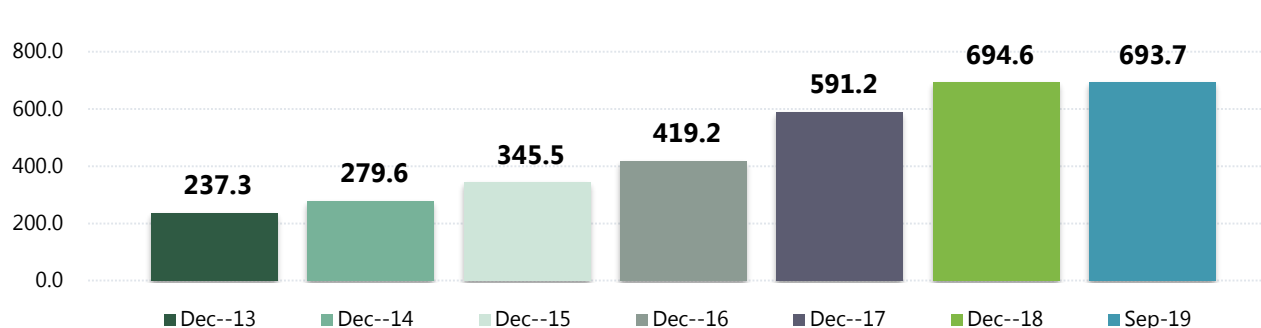
Rating and Leverage Ratios – 30.9.2019

Credit rating	S&P Maalot iIAA-
LTV ²	48.4%
Debt to Capt, net	45.9%
EBITDA to interest (excl. contribution from Grafental) ³	3.46 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.

Refinancing based on market interest implies additional ca. EUR 3.9 M to the annual FFO

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



EPRA NAV (MEUR) - 30.9.2019

Equity attributable to company's shareholders	693.7
Adding deferred taxes (less minority interest)	103.9
Excluding the fair value of financial derivatives, net (less minority interest)	0.1
Adding yet to be recognized profit from sold units in Phase E+G (the company share, net of taxes)	8.3
EPRA NAV	806

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)

	Q3/2019	Q3/2018	
Rental Income	€ 17,315	€ 19,837	
Profit (loss) from condo sale	€ 6,353	€ 2,863	← Profits realization due to delivery of apartments.
NOI	€ 14,392	€ 17,224	
NOI yield	4.7%	4.9%	
Adjusted NOI yield*	5.4%	6.3%	
EBITDA	€ 11,812	€ 15,053	← Excl. contribution from Grafental project.
Real estate revaluation	€ (1,309)	€ 1,200	
% of real estate revaluation in relation to the total investment property	-0.01%	0.09%	
Cash flow interest	€ 3,411	€ 3,829	← Average interest of 1.72% p.a. on bank loan.
FFO	€ 7,785	€ 9,208	← Excl. contribution from Grafental project.
EBITDA to interest (excluding contribution from Grafental)	3.46x	3.93x	

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

Grafental

Ca. 14.1M 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	51	33
Sold units (%)	100%	N.R	53%	32.9%
Total sales as of September 2019	€49.6m	N.R	€28.5m	€19.1m
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	Q1/2020	Q1/2020	Q1/2021	H2/2021
Expected development profit	€12.1m	€3.5m	€11.2m	10M
Development profitability	32%	13.7%	26.5%	21%
Development profit already Recognized in the FS (cumulative)	€ 7.1m	-	€ 4.2m	-
Free Cash Flow	€ 20m	€ 7m	€ 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.

Q3/2019 Results



	Q3/2019	Q3/2018	Change	
Rental income (TEUR)	17,315	19,837	-13%*	↓
Net income attributable to BCP's shareholders (TEUR)	440	11,788	-96%	↓
FFO – (Q3 annualized) (TEUR)	32,100	36,800	-13%*	↓
Total Equity attributable to BCP's shareholders (TEUR)	693,656	639,858	8%	↑
EPRA NAV (TEUR)	806,000	743,000	8.5%	↑

Q3/2019 Results - Per Sector



Multifamily

	Q3/2019	Q3/2018	
Occupancy rate	95%	95%	↔
Avg. rent psm	€ 6.37	€ 6.26	↑
Avg. rent psm in new leases	€ 7.47	€ 7.49	↓
Rent growth ¹	2.2%	3.9%	↓
Upside to market rent	17%	25%	↓



Residential Development

	Q3/2019	Q3/2018
Sale of apartments ² (#)	57	34
Avg. sale price (incl. parking) psm	€ 5,693	€ 5,163

➔ Acceleration in Grafental project sale price growth rate

BCP

BRACK CAPITAL PROPERTIES N.V.



Thank You

