

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

March 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.

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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 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.

Legal Disclaimer

BCP at Glance

Active in Germany since 2004

Multifamily portfolio
(84% of GAV¹; 12,069 units)

Retail Parks portfolio
(7% of GAV¹; 75K sqm²)

³Residential Development
(9% of GAV¹; 2,200 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. 0.8M sqm of income producing² plus development properties
(~ EUR 1.2B)



140 employees



EPRA NAV: EUR 915.4 M



Cash balance €34.8M

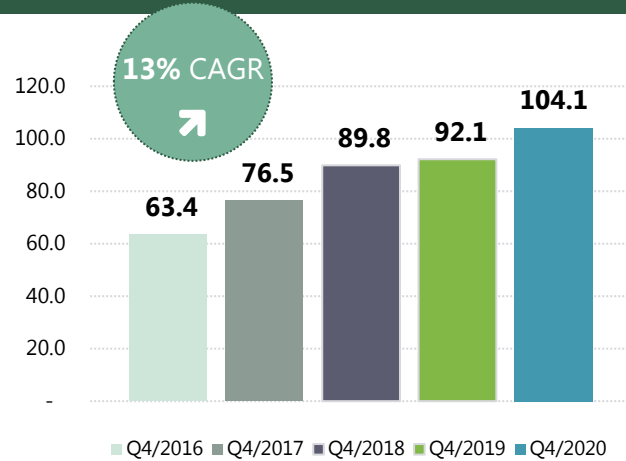
1. Company share.
2. Excluding ca. 6.9K sqm. of a vacant property undergoing repositioning and excluding property of an affiliated company with rental area of ca. 7,254 sqm in Chemnitz.
3. Including residential units of stage d G in Grafental Project due to the implementation of IFRS 15, the Company recognizes revenue according to the construction progresses..

Track Record

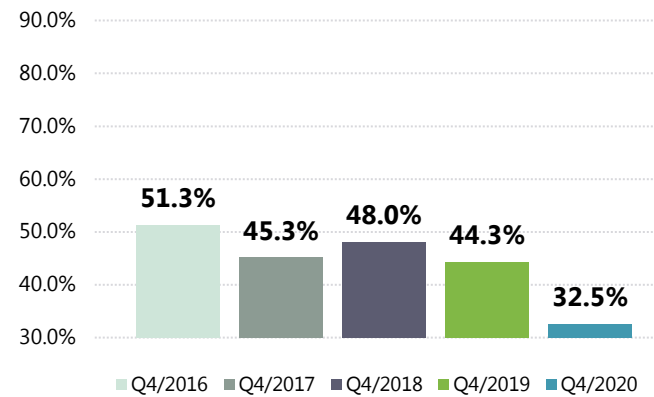


Management and operations are highly scalable

NAV per share (EUR)



LTV* (%)



Operating Segments / Profitability & Growth

1

Multifamily Portfolio (consolidate)



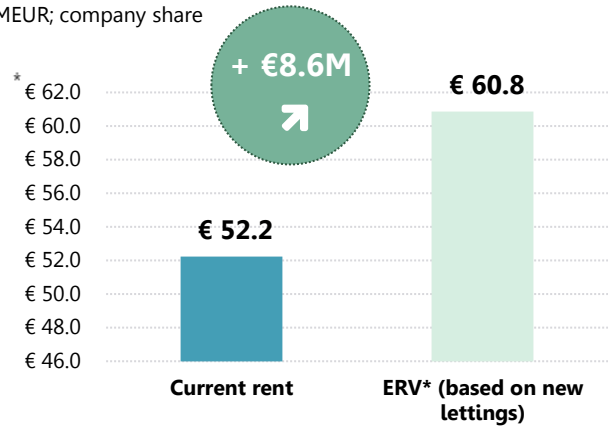
12,069 residential units (84% of GAV)

located in large and growing cities

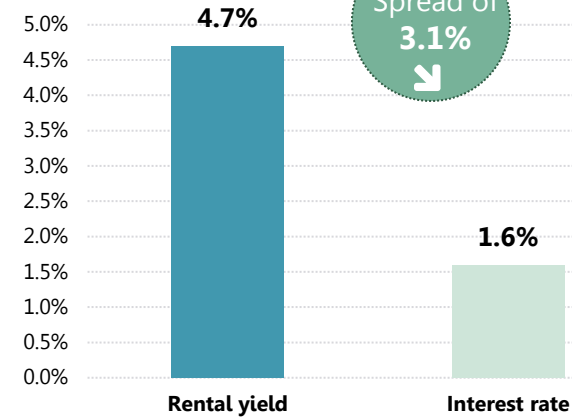
High CF: ~4.7% rental yield

Significant Upside Potential

MEUR; company share



High Cash Flow



Operating Segments / Profitability & Growth

2



Residential Development (consolidate)



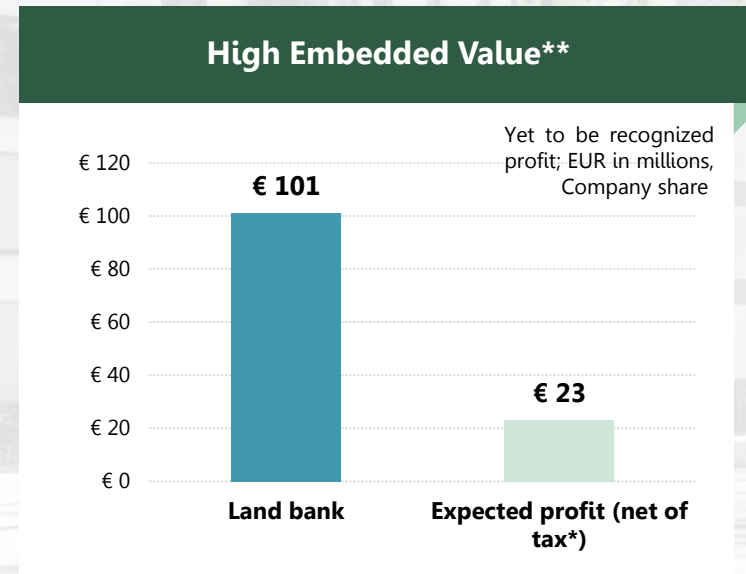
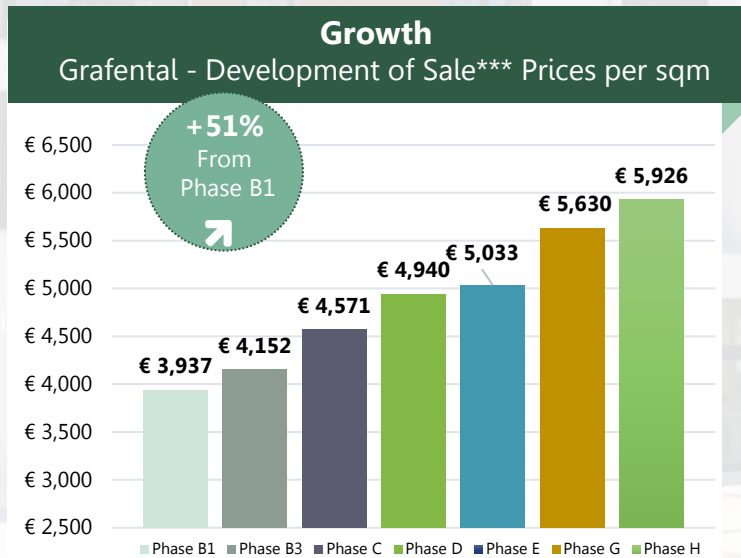
2,200 units under construction or planning (9% of GAV)



Large and well positioned projects



Significant contribution to NAV



Main Developments in 2020



Sale Agreement**

During 2020, the company continued to carry out operations for the sale of additional properties from its commercial income-producing real estate portfolio and sold 6 additional properties for a price of c. 59 m.



Financing*

Average interest rate on bank loans:

December 2020: 1.54%
(4.45y maturity)



Residential development

On 31 March, 2020 the first part of Gerresheim sale transaction has completed* with a total payment of ca. EUR 36 million, (Which originated, as detailed in the immediate report*, in a loan that was taken by the second tier Property company).

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

Gerresheim



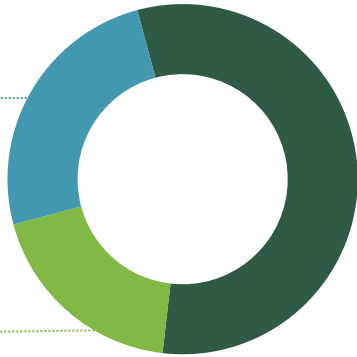
Multifamily Portfolio

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
7,590 units



Town Houses
1,185 units

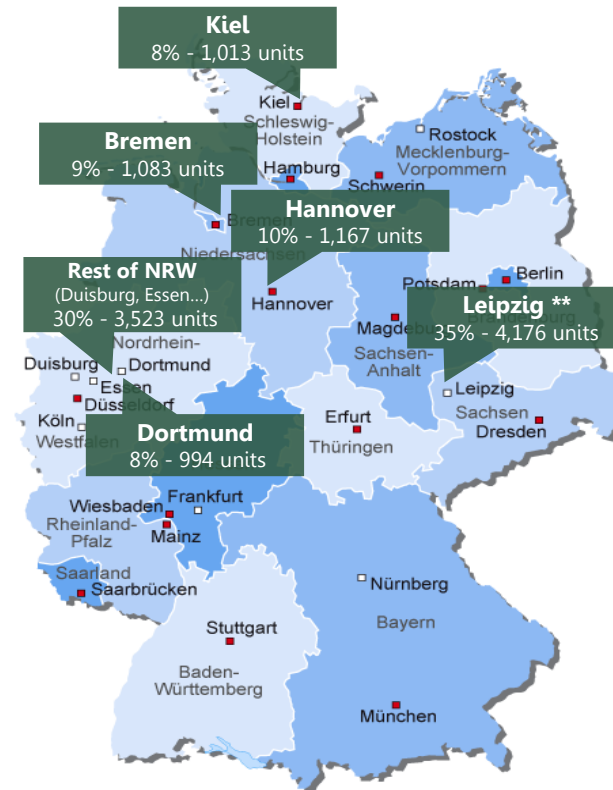


High – rise
1,758 units

Multifamily Portfolio



Attractive Geographic Diversification*



* By no. of units.

** Including 576 units in Magdeburg & Halle

Key parameters (consolidate)

General data

| | |
|---------------------|------------------|
| Total lettable area | 712k sqm |
| Occupancy | 96.1% |
| Rental income p.a. | EUR 53.8m |
| Average rent psm | EUR 6.74 |

Current yield

| | |
|--------------|-------------|
| Rental yield | 4.7% |
| 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

2.2021

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Rental growth

2.1%



**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 | 90% | 96% | 97% | 96% | 99% | 98% | 95% | 96% |
| Value per sqm | € 1,451 | € 1,866 | € 2,143 | € 1,322 | € 1,901 | € 1,592 | € 1,327 | € 1,618 |
| Rent per sqm | € 5.85 | € 6.43 | € 8.24 | € 6.50 | € 7.46 | € 6.89 | € 6.04 | € 6.74 |
| ERV per sqm in new- lettings | € 7.05 | € 7.78 | € 10.15 | € 6.53 | € 9.11 | € 8.06 | € 6.44 | € 7.62 |
| Upside in rent based on ERV* | 21% | 21% | 23% | 0% | 22% | 17% | 6% | 13% |



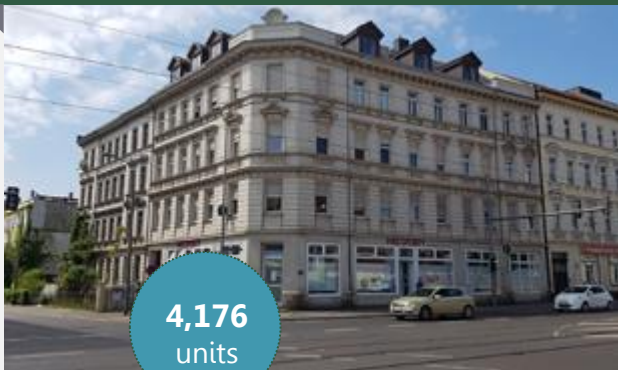
Value per sqm - **EUR 1,618**



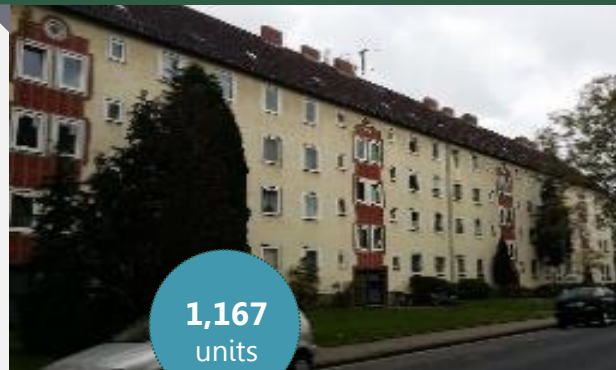
Upside in rent based on ERV* - **13%**

Multifamily Portfolio

Leipzig, Magdeburg & Halle



Hannover



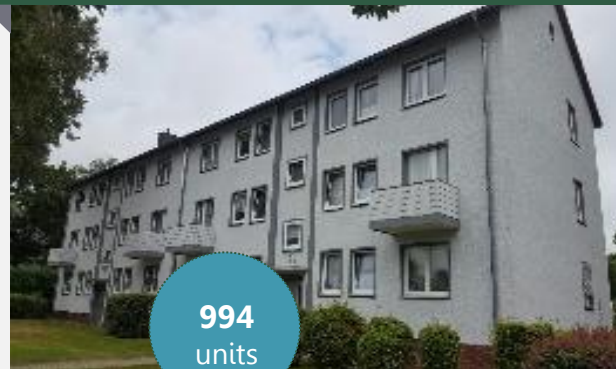
Bremen



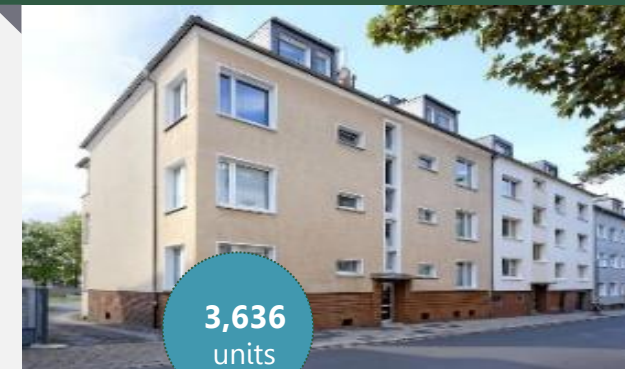
Kiel



Dortmund



NRW





Residential Development

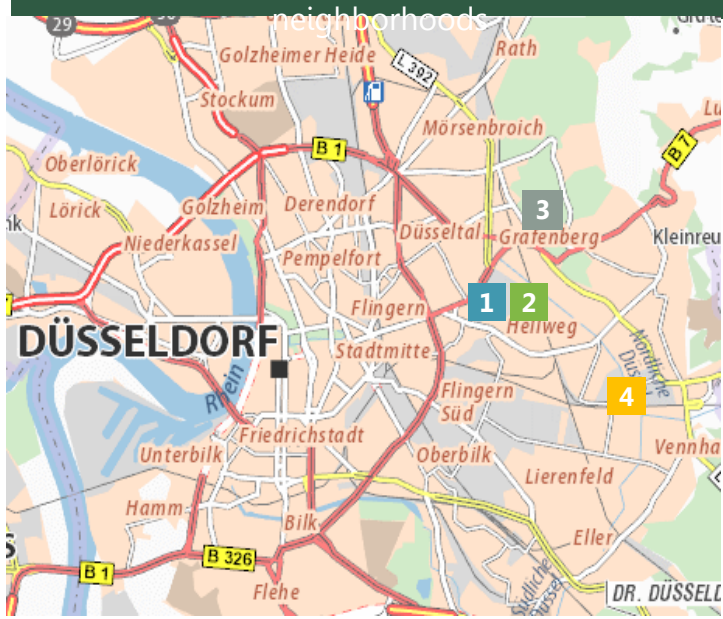
Residential Development in Düsseldorf

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 units²



Residential Development and improvement activities- Profitability & Proven Track Record

Grafental II



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



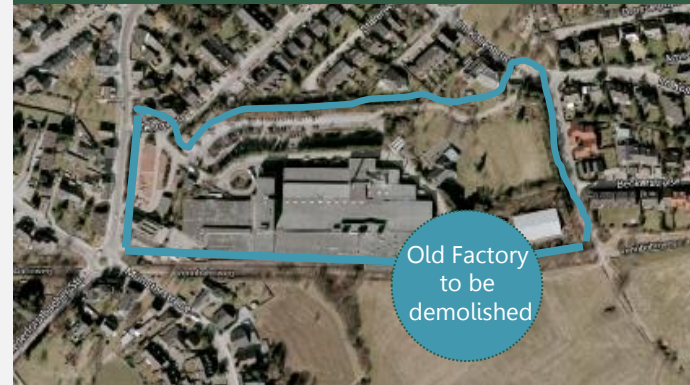
823 units were sold in full to date
Sales of 400 m EUR to date
57% increase in sale prices since project inception

Gerresheim



Land parcel in advanced stages of rezoning to residential use- ca. **1,500 residential units** and ca. **30,000 sqm commercial area** bordering from the south the upmarket neighborhood "Grafenberg".
 Approval of development scheme expected- **H1 2021**²

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 Grafenberg¹

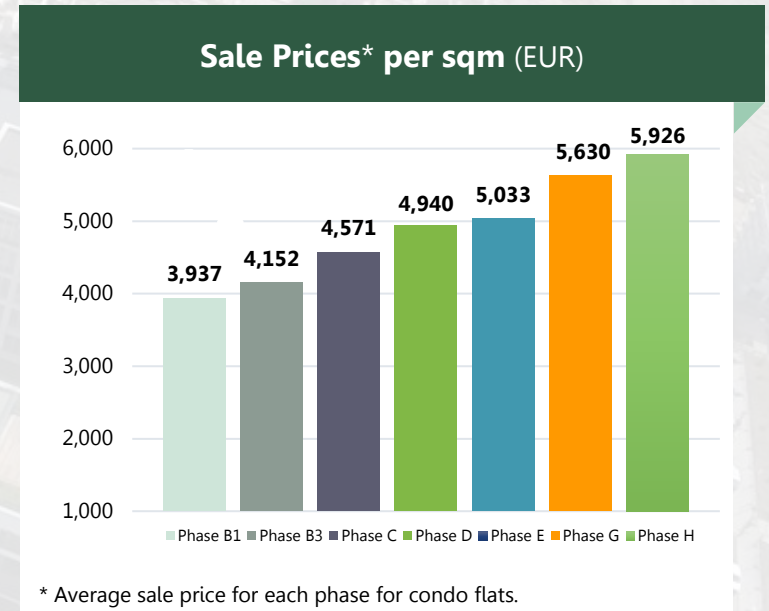


Future Luxury project - **84 units**
 Adjacent to Grafenberg forest
 Approval of development scheme and Building permit expected **during**² **2021**

Residential Development— Grafental, Gerresheim & Aachen



Residential Development in Düsseldorf – Highly Experienced Platform For Continued Growth





Growth Drivers

NAV – Growth Drivers

EPRA NAV (31.12.2020) **€ 915.4M**
EPRA NAV Adjusted* (31.12.2020) **€ 1,101.5M**
Market Cap (19.2.2021) **€ 560.8M**

* 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 | € 52.8 | 61.4€ |
| Rental yield | 4.76% | ³ 4.54% |

→ Portfolio book value – **EUR 1,086.1m¹**

1. Company share.
2. Based on new lettings performed in Q4/2020 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.

| Sensitivity Analysis | | | | | | |
|---|---------------------------------------|---------|---------|--|---------|---------|
| Rental income (MEUR)¹ | € 52.8 (current rental income) | | | € 61.4 ² (Market Rent Q4/2020) | | |
| Rental yield | 5.25% | 5.00% | 4.65% | 5.25% | 5.00% | 4.65% |
| Implied Value (MEUR)¹ | € 1,006 | € 1,056 | € 1,136 | € 1,169 | € 1,227 | € 1,320 |



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 31.12.2020

| | |
|---|----------------|
| Income producing properties | € 1,225 |
| Investment Property- real estate rights | € 60.9 |
| Land Inventory for development (long-term and short-term) | € 55.0 |
| Cash and liquid balances | € 34.8 |
| Total assets | € 1,497 |
| Total debt | € 500.0 |
| Equity attributable to company's shareholders | € 804.7 |
| Total Equity incl. non controlling interests | € 845.4 |
| EPRA NAV | € 915.4 |

Financial Position

Financial Debt Structure – 31.12.2020

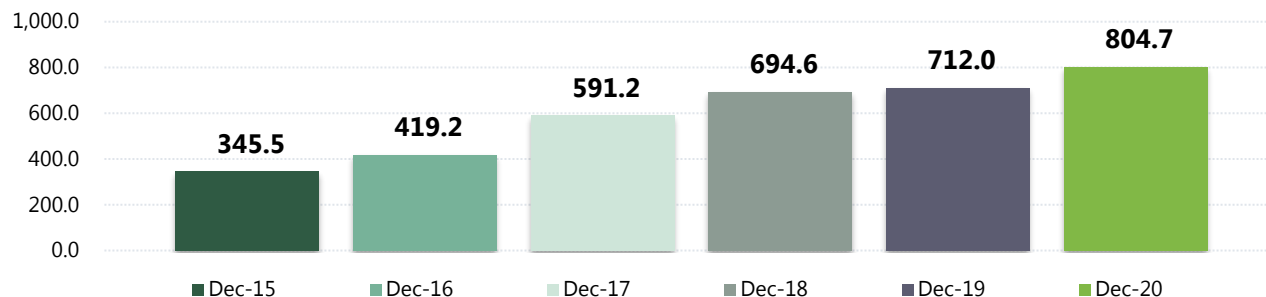
| | Bank Loans | Bonds |
|------------------------------|------------|------------|
| Outstanding balance in MEUR | € 427.7 | € 71.8 |
| Average maturity | 4.45 years | 3.36 years |
| Average interest | 1.54% | 3.29% |
| Market interest ¹ | 1.68% | 1.63% |

Rating and Leverage Ratios – 31.12.2020

| Credit rating | S&P Maalot iIAA- |
|---|------------------|
| LTV ² | 32.5% |
| Debt to Capt, net | 35.47% |
| EBITDA to interest (excl. contribution from Grafental) ³ | 4.32X |

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) - 31.12.2020

| | |
|--|--------------|
| Equity attributable to company's shareholders | 804.7 |
| Adding deferred taxes (less minority interest) | 109.9 |
| Excluding the fair value of financial derivatives, net (less minority interest) | 0.6 |
| Adding yet to be recognized profit from sold units (the company share, net of taxes) | 0.2 |
| EPRA NAV | 915.4 |

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)

| | FY 2020 | FY 2019 | |
|---|--------------|--------------|--|
| Rental Income | € 61,888 | € 73,771 | |
| Profit (loss) from condo sale | € 14,376 | € 13,030 | ← Profits realization due to delivery of apartments. |
| NOI | € 50,105 | € 61,640 | |
| NOI yield | 3.9% | 4.6% | |
| Adjusted NOI yield* | 4.7% | 5.3% | |
| EBITDA | € 36,854 | € 54,603 | ← Excl. contribution from Grafental project. |
| Real estate revaluation | € 83,221 | € 13,338 | |
| % of real estate revaluation in relation to the total investment property | 6.8% | 1.2% | |
| Cash Flow interest | € 10,450 | € 13,730 | |
| FFO | € 25,285 | € 32,676 | ← Excl. contribution from Grafental project. |
| EBITDA to interest (excluding contribution from Grafental) | 4.32x | 4.33x | |

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

Grafental

Ca. 0.4M 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 | € 58m |
| Average sales² price per sqm | € 5,033 | N.R. | € 5,631 | € 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 | Apartments handed over | N.R. | Apartments handed over | Q2/2021 |
| Expected development profit | € 11.5m | N.R. | € 9.9m | 8.5m |
| Development profitability | 30.2% | N.R. | 22.5% | 17.3% |
| Development profit already Recognized in the FS (cumulative) | € 11.5m | N.R. | € 9.9m | € 8.1m |

2020 Results



| | FY2020 | FY2019 | Change | |
|---|----------------|----------------|--------------|---|
| Rental income (TEUR) | 61,888 | 73,771 | -16%* | ↓ |
| Net income attributable to BCP's shareholders (TEUR) | 92,695 | 18,318 | 406% | ↑ |
| Total Equity attributable to BCP's shareholders (TEUR) | 804,729 | 712,034 | 13% | ↑ |
| EPRA NAV (TEUR) | 915,400 | 808,500 | 13% | ↑ |

Q4/2020 Results - Per Sector



Multifamily

| | Q4/2020 | Q4/2019 | |
|-----------------------------|---------------|---------------|---|
| Occupancy rate | 96% | 95% | ↑ |
| Avg. rent psm | € 6.74 | € 6.46 | ↑ |
| Avg. rent psm in new leases | € 7.62 | € 7.45 | ↑ |
| Rent growth ¹ | 2.1% | 3.9% | ↓ |
| Upside to market rent | 13% | 15% | ↓ |



Residential Development

| | FY2020 | FY2019 |
|-------------------------------------|------------|----------------|
| Sale of apartments (#) | 0 | 117 |
| Avg. sale price (incl. parking) psm | N.R | € 5,687 |

→ Acceleration in Grafental project sale price growth rate

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Thank You

