

Company Presentation

## DEFAMA Deutsche Fachmarkt AG

November 2017



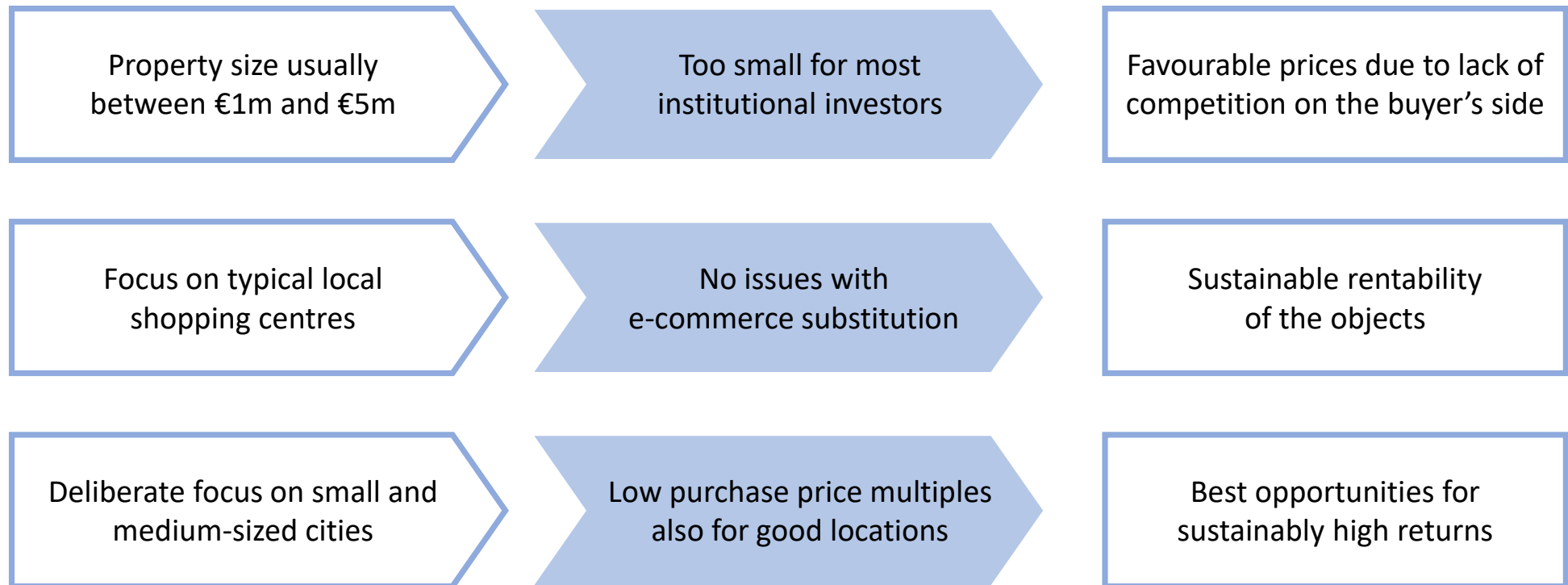
DEFAMA invests in:

- Well-established retail parks and small shopping centres
- With at least two chain stores with strong solvency as (anchor) tenants
- Without larger vacancies and/or investment needs
- Purchase for maximum 9 times annual net rent
- Purchase price per property usually between €1m and €5m
- Located in small to medium-sized towns in Northern and Eastern Germany

We pursue a buy-and-hold strategy with the aim of generating a sustainable double-digit return on equity for our shareholders.



Three good reasons why we pursue this strategy:





**Matthias Schrade**  
Member of the  
Management Board

- Many years of experience as a financial analyst and entrepreneur
- Excellent network in the areas of retail, real estate and banking
- Great know-how in due diligence, valuation and financing of real estate
- Responsible for property selection, purchase negotiations, financing, main tenants and PR / IR



**Dr. Carsten Müller**  
Member of the  
Management Board

- For decades working as an architect, property manager, project manager and entrepreneur
- As a graduate in administrative management extensive specialist knowledge in the field of construction / administrative law
- Responsible for constructional inspection and maintenance of the objects, (re) construction measures, smaller tenants and back office
- Short distances to objects in NRW / Lower Saxony / Hessen from Home Office near Dortmund

## Supervisory Board



### **Peter Schropp (Chairman)**

- Until 9/2014 Member of the Management Board of VIB Vermögen AG responsible for Real Estate
- Significantly involved in the expansion of the portfolio to just under €1bn
- Great financing know-how as a trained banker



### **Ulrich Rücker (Deputy Chairman)**

- until 9/2016 Member of the Management Board of Rücker Immobilien Portfolio AG
- decades of experience in the real estate industry
- successful development and stock exchange listings of real estate companies



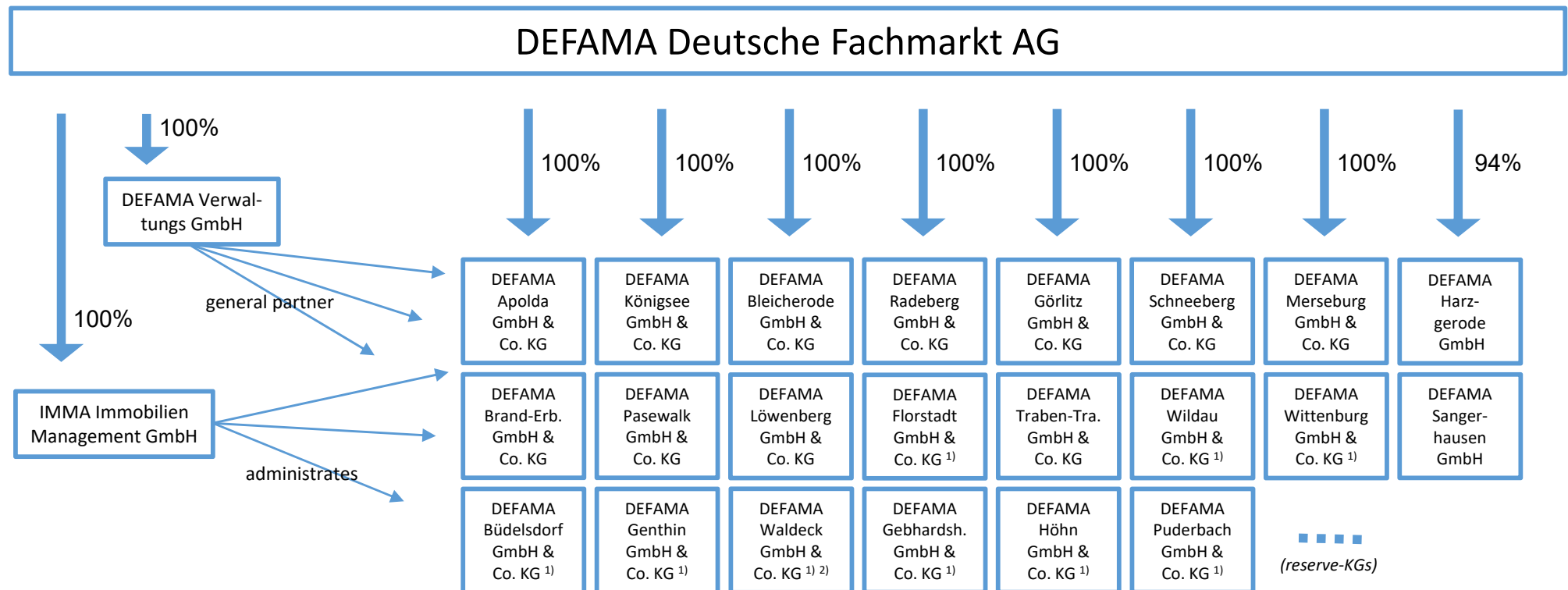
### **Henrik von Lukowicz**

- Senior Investor Relations Manager at METRO AG
- Comprehensive capital market and retail expertise
- Strong network in the retail sector and with banks, asset managers and investment funds

# GROUP STRUCTURE



- Acquisition and financing always in object subsidiaries
- DEFAMA AG as a holding company provides the equity required for the acquisitions
- 22 real estate acquisitions so far



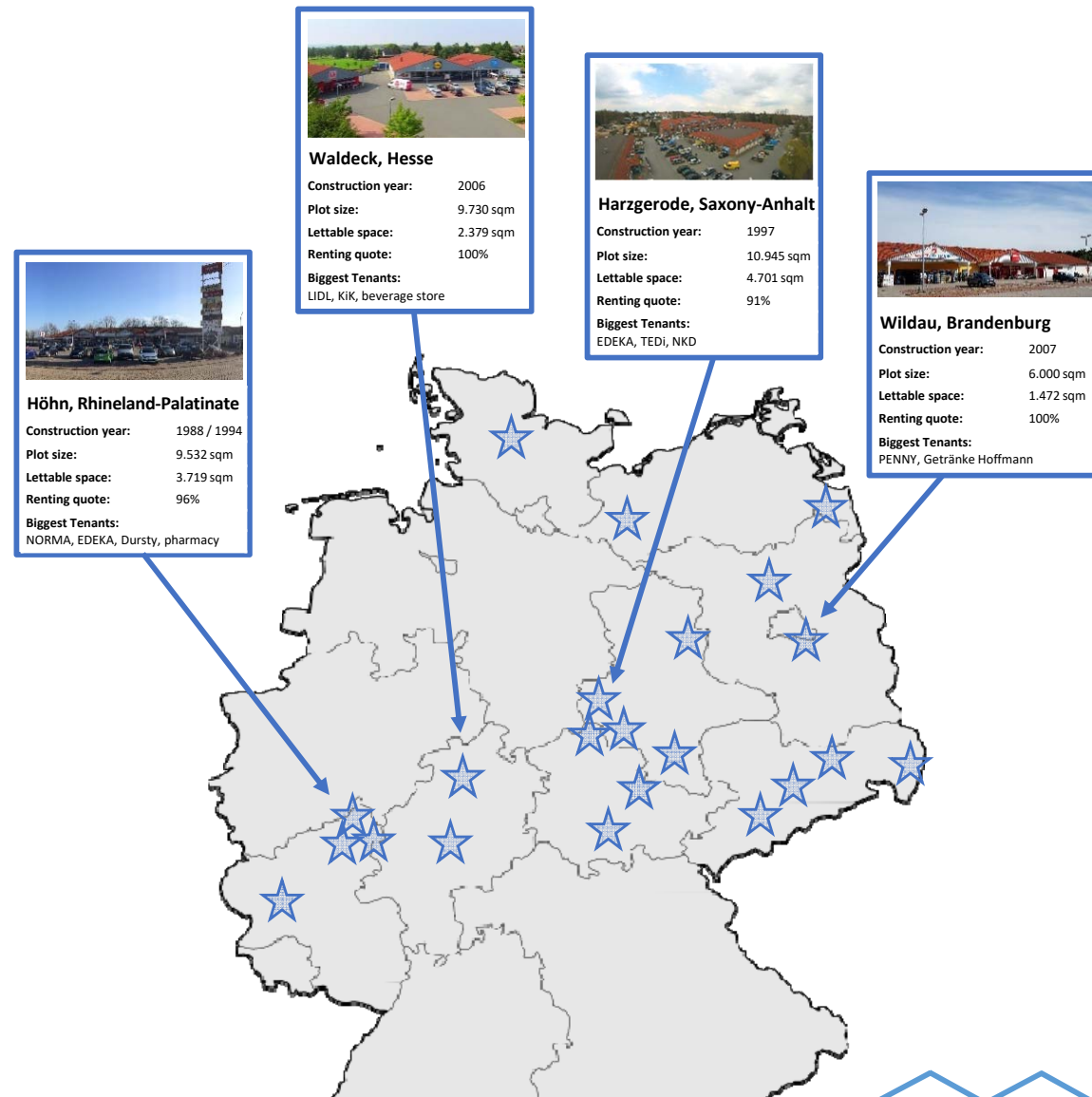
<sup>1)</sup> Currently still DEFAMA Elfte/13.-20. Immobilien GmbH & Co. KG















<sup>2)</sup> Benefits-costs-change not happened yet



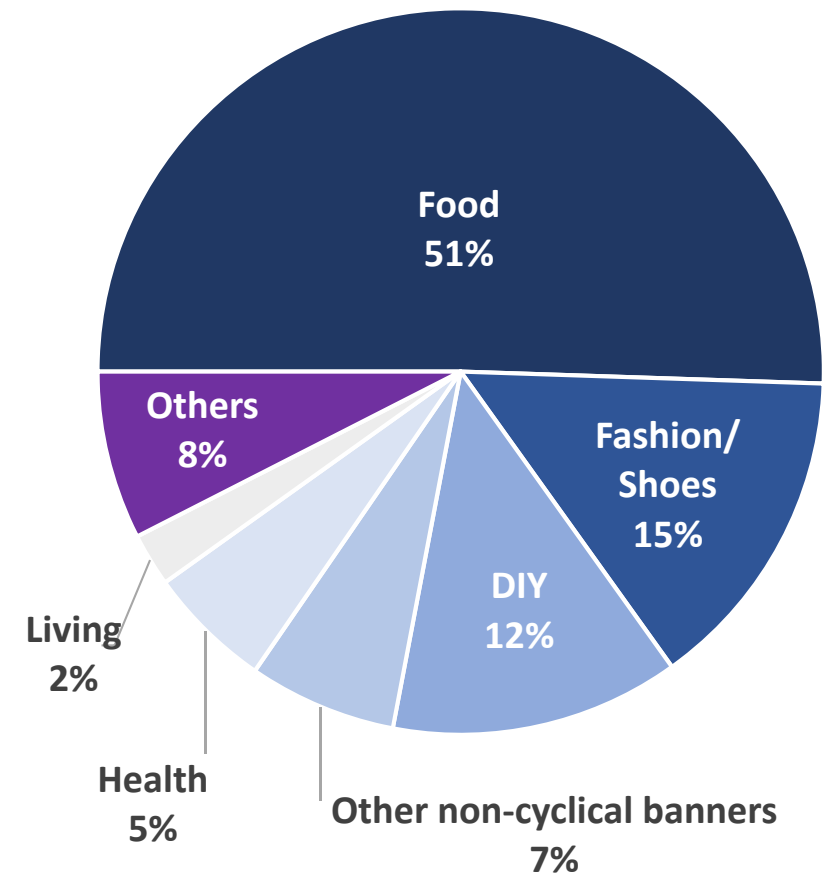
Key Figures <i>(as of 31 October 2017)</i>	
Locations	22
Net Rent (annualised)	€6.3m
Lettable Space	85.308 sqm
Occupancy Rate	97%
Ø Lease Term (WALT)	3.9 years

- 80% of total net rent comes from chain stores with strong solvency
- Contracts with anchor tenants have above-average maturity
- No tenant with > 10% share of total net rent



Largest Tenants		Share
REWE/Penny/Sky	  	13.0 %
EDEKA/Netto	 	9.7 %
toom DIY stores		9.0 %
NORMA		7.2 %
Tengelmann Group	 	4.7 %
Aldi Nord		4.5 %
LIDL		4.4 %
Dän. Bettenlager		4.0 %
TAKKO		3.1 %
Hammer		3.0 %

Net Rent by Industry





## Retail Park Wittenburg

- ❑ Construction Year: 1992
- ❑ Plot Size: 16,221 sqm
- ❑ Lettable Space: 4,768 sqm
- ❑ Occupancy Rate: 100%
- ❑ Purchase Price: €3.6m
- ❑ Annual Net Rent: > €420k
- ❑ Acquisition for 8.5 times annual net rent
- ❑ Key Tenants are Sky/Coop, Dänisches Bettenlager, Deichmann and Takko
- ❑ Strong position as only retail park in town

acquired on 23 December 2016



## „Westerwald-Portfolio“

- ❑ Three retail parks in Gebhardshain, Höhn and Puderbach (Rhineland-Palatinate)
- ❑ Construction Year: 1993/94
- ❑ Plot Size: 24,807 sqm
- ❑ Lettable Space: 6,298 sqm
- ❑ Occupancy Rate: 99%
- ❑ Purchase Price: €6.2m
- ❑ Annual Net Rent: €680k
- ❑ Acquisition for 9.0 times annual net rent
- ❑ Key tenants are each NORMA and Dursty (a big beverage chain store) besides smaller tenants like bakery, butcher, pharmacy, hairdresser, savings bank etc.
- ❑ Strong position as only retail park in each specific place

acquired on 13 April 2017



## Retail Park Wildau

- ☐ Construction Year: 2007
- ☐ Plot Size: 6,000 sqm
- ☐ Lettable Space: 1,472 sqm
- ☐ Occupancy Rate: 100%
- ☐ Purchase Price: €1.8m
- ☐ Annual Net Rent: €195k
- ☐ Acquisition for 9.2 times annual net rent
- ☐ Key Tenants are Penny and Getränke Hoffmann
- ☐ Further specialist retailers like Fressnapf, TEDI and KiK are located next door
- ☐ Located best visible on the exit road to the motorway directly opposite the A10 Centre

acquired on 23 August 2017



## Retail Park Waldeck

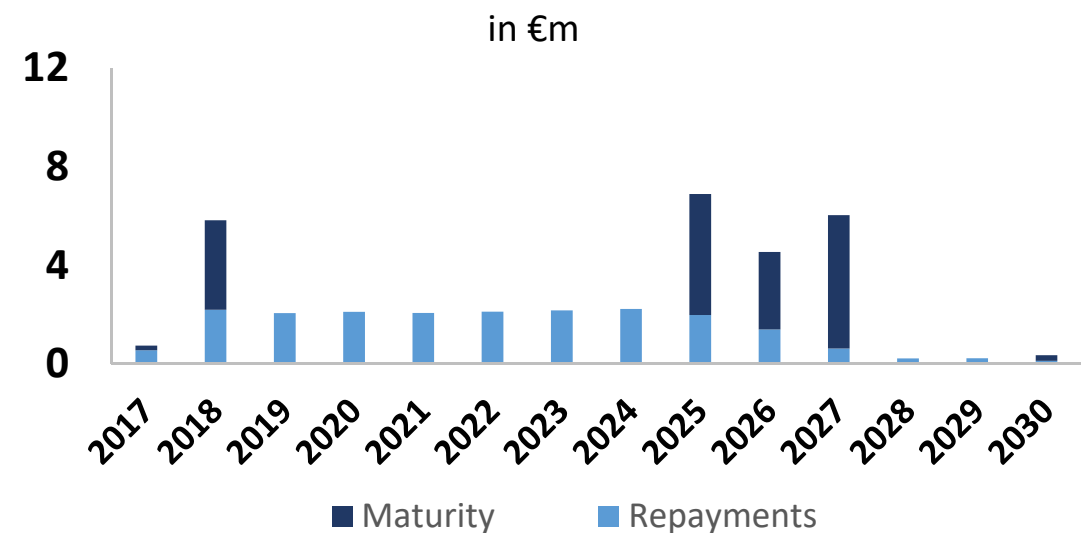
- ☐ Construction Year: 2006
- ☐ Plot Size: 9,730 sqm
- ☐ Lettable Space: 2,379 sqm
- ☐ Occupancy Rate: 100%
- ☐ Purchase Price: €1.85m
- ☐ Annual Net Rent: > €200k
- ☐ Acquisition for 9.1 times annual net rent
- ☐ Key tenants are LIDL, KiK and a beverage store
- ☐ Ideally positioned as the only retail park within a radius of more than 10 km

acquired on 20 October 2017



Key Figures <i>(as of 30 September 2017)</i>	
Number of Financing Partners	15
Bank Loans	€41.3m
Ø Interest Rate	2.45%
Ø Initial Repayment	5.64%
Ø Fixed Interest	8.4 years
Loan-To-Value Ratio (LTV)	65.0%

## Maturity Profile incl. Repayments



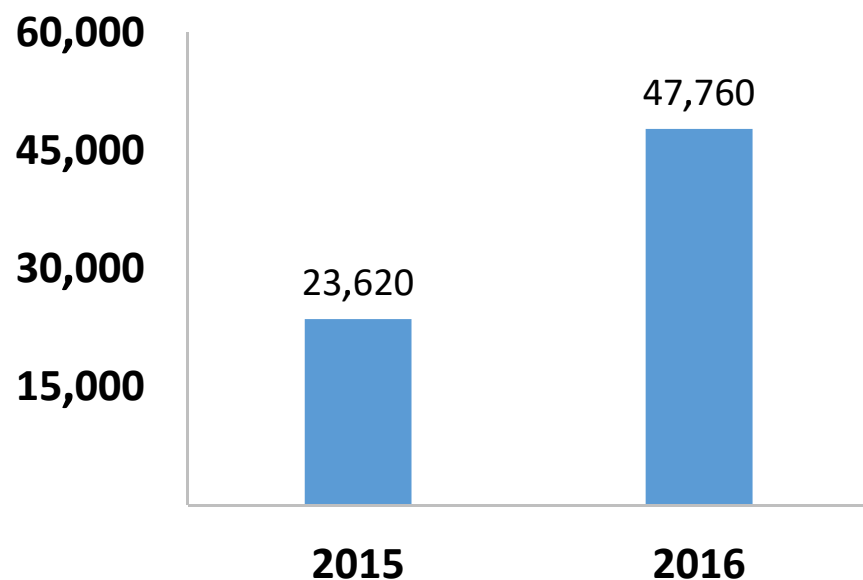
- Financing arranged through local / regional banks and savings banks with strong local knowledge
- Broadly diversified financing structure: no bank with >15% share of total debt
- Annuity loan with favourable interest rates secured for the long-term

# KEY FINANCIALS 2016



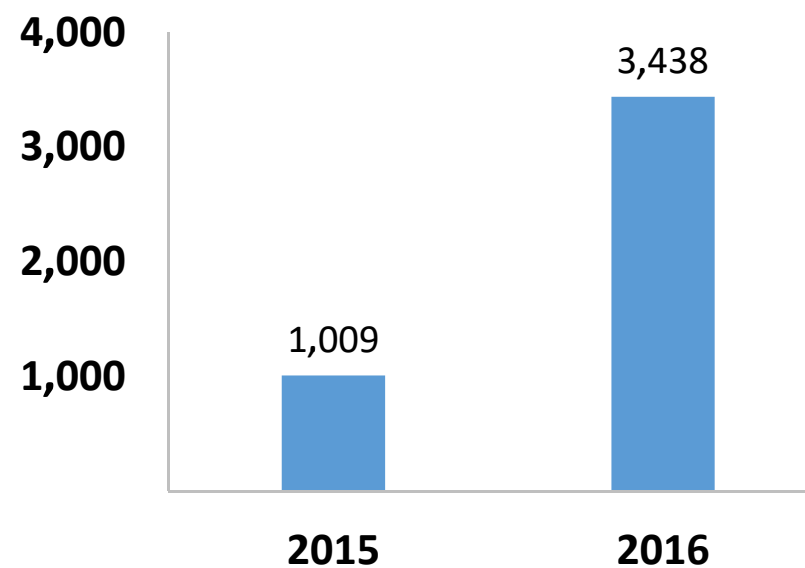
## Portfolio Value

in €k



## Rental Income

in €k



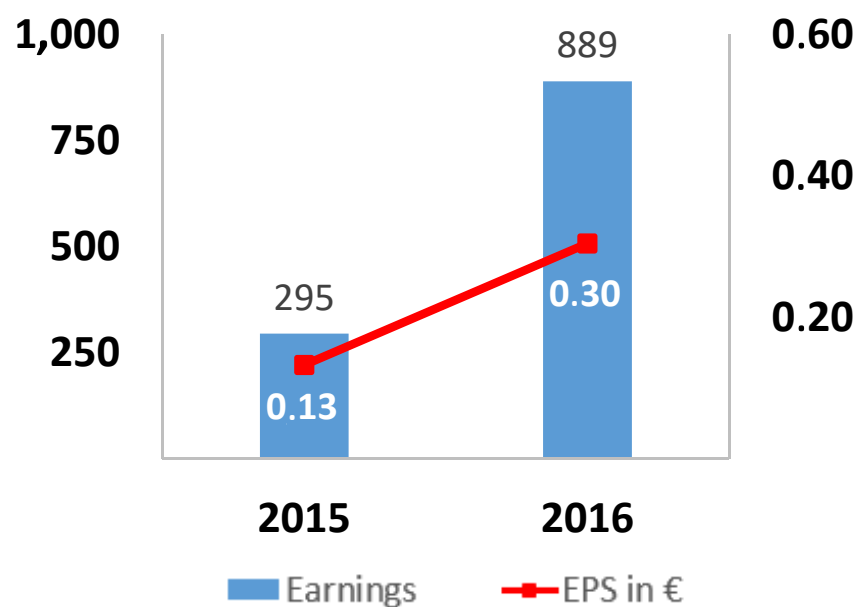


# KEY FINANCIALS 2016



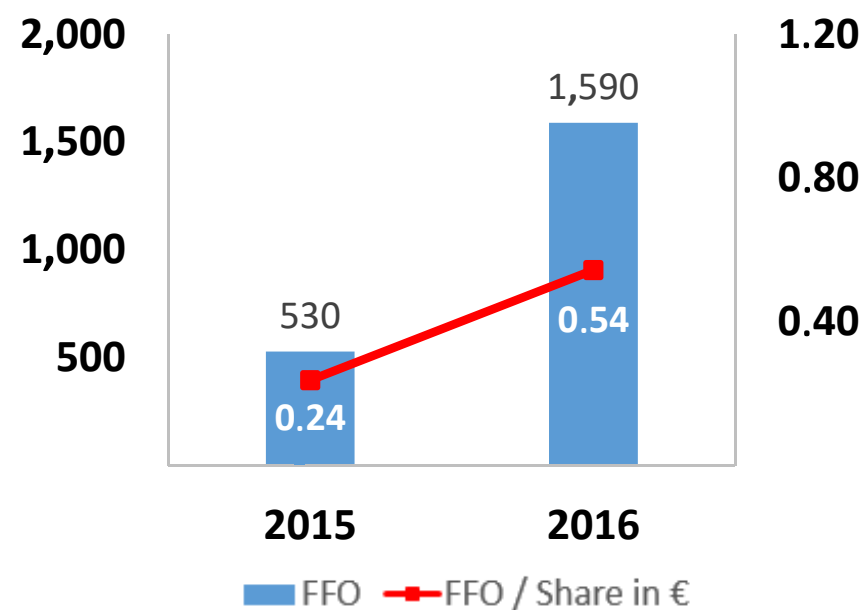
## Net Profit

in €k



## Funds from Operations (FFO)

in €k

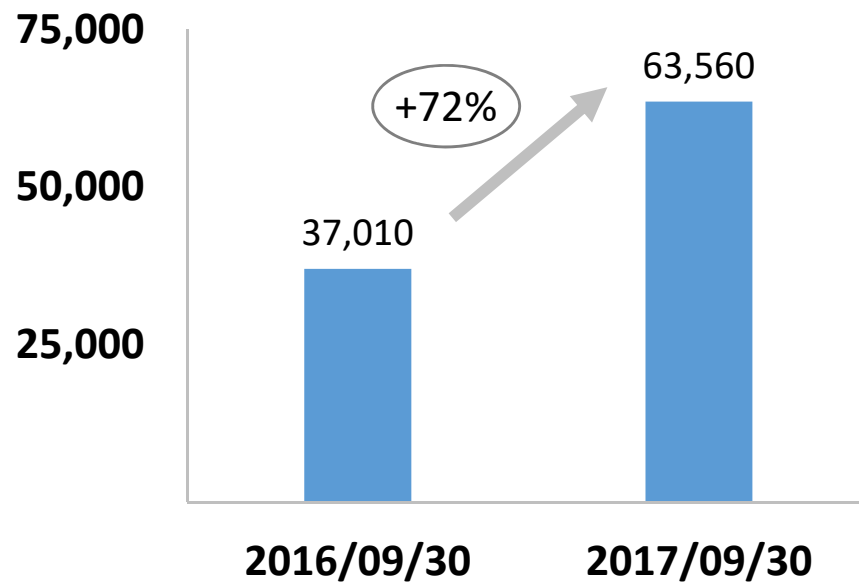


# KEY FINANCIALS 9M/2017



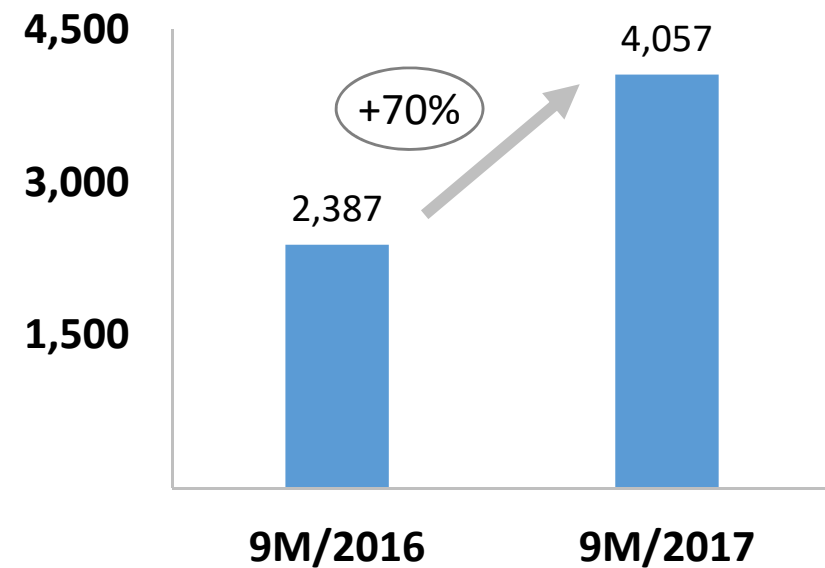
## Portfolio Value

in €k



## Rental Income

in €k

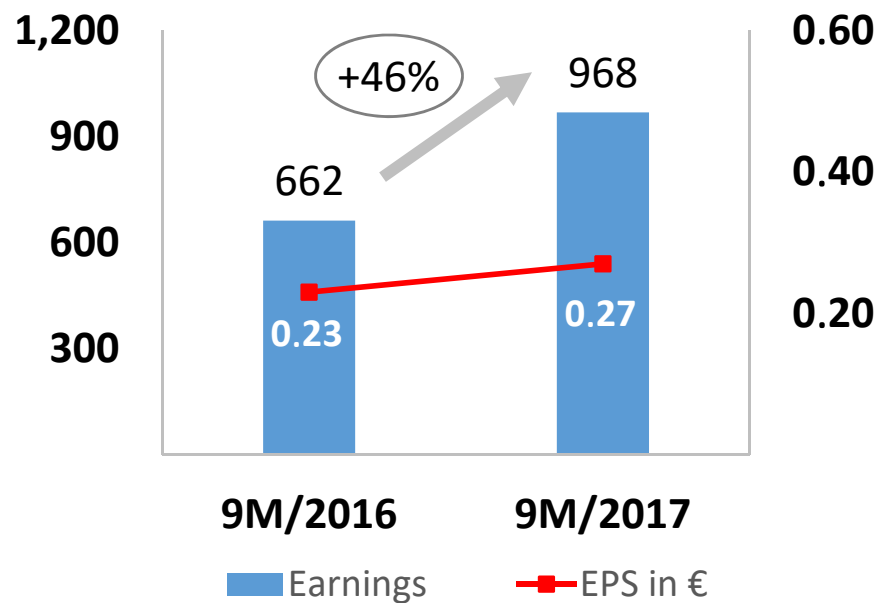


# KEY FINANCIALS 9M/2017



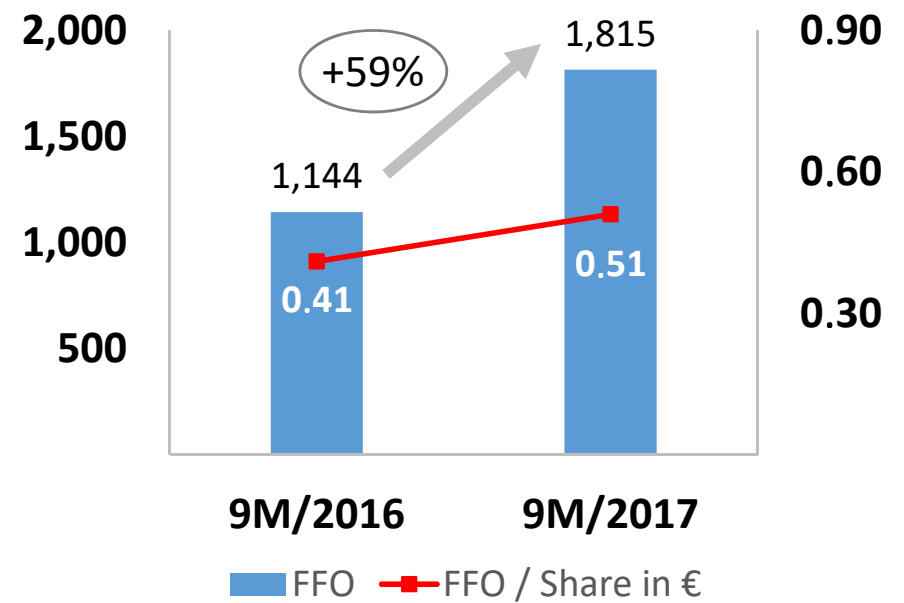
## Net Profit

in €k



## Funds from Operations (FFO)

in €k



## Guidance for 2017

- Net Profit (according to German GAAP): €1.4m resp €0.40 per share
- Funds From Operations (FFO): €2.6m resp €0.73 per share
- Again, significant dividend increase
- Additional high one-off result from joint venture Radeberg

## Annualised portfolio key figures (before effects from JV Radeberg)

- Total Net Rent: €6.3m
- Funds From Operations (FFO): €3.2m resp €0.90 per share
- Significant increase with existing liquid funds possible



## Joint-Venture Radeberg

- Letter of Intent (LOI) with HD Gruppe, Berlin, signed
- HD will acquire a 50% stake in the retail park Radeberg
- Strong partner with great retail experience for project development
- Completion of the transaction expected by the end of 2017

## Effects on financials by closing according to schedule

- Net Income 2017: €2.3m resp €0.65 per share
- Annualised FFO: > €2.9m resp €0.83 per share
- Liquidity inflow of €2m for DEFAMA from the sale of the stake



## Share price development since IPO at 13 July 2016



WKN / ISIN                      A13SUL / DE000A13SUL5

Stock Exchange                  Munich (open market)

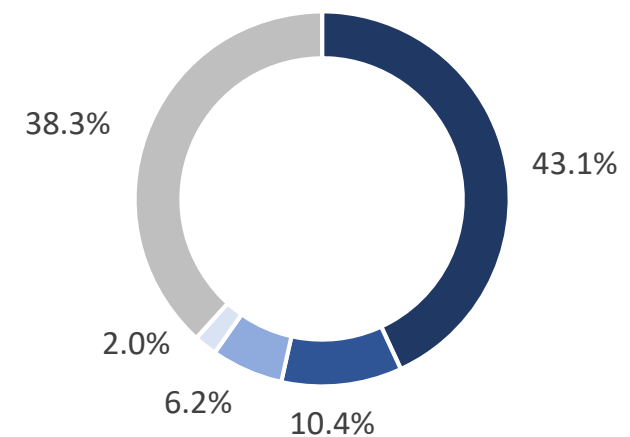
Number of Shares                3,547,000 bearer shares

Current Share Price <sup>1)</sup>        €11.60

Market Capitalisation          €41.1m

1) closing price on 7 November 2017

## Shareholder Structure



- MSC Invest GmbH / M. Schrade
- ABCON Vermögensverwaltung
- Geminus GmbH / C. Müller
- Supervisory Board
- Freefloat



# WHY TO INVEST



Highly Profitable

thanks to favourable purchase prices and lean structures

Solid Financing

via object subsidiaries with local and savings banks

Down-to-Earth Team

with great experience in the real estate and retail sector

Shareholder-friendly

with high transparency and attractive dividend policy

Strong Growth

by focusing on very specific niche with few competitors

## **DEFAMA Deutsche Fachmarkt AG**

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D 13469 Berlin

[www.defama.de](http://www.defama.de)

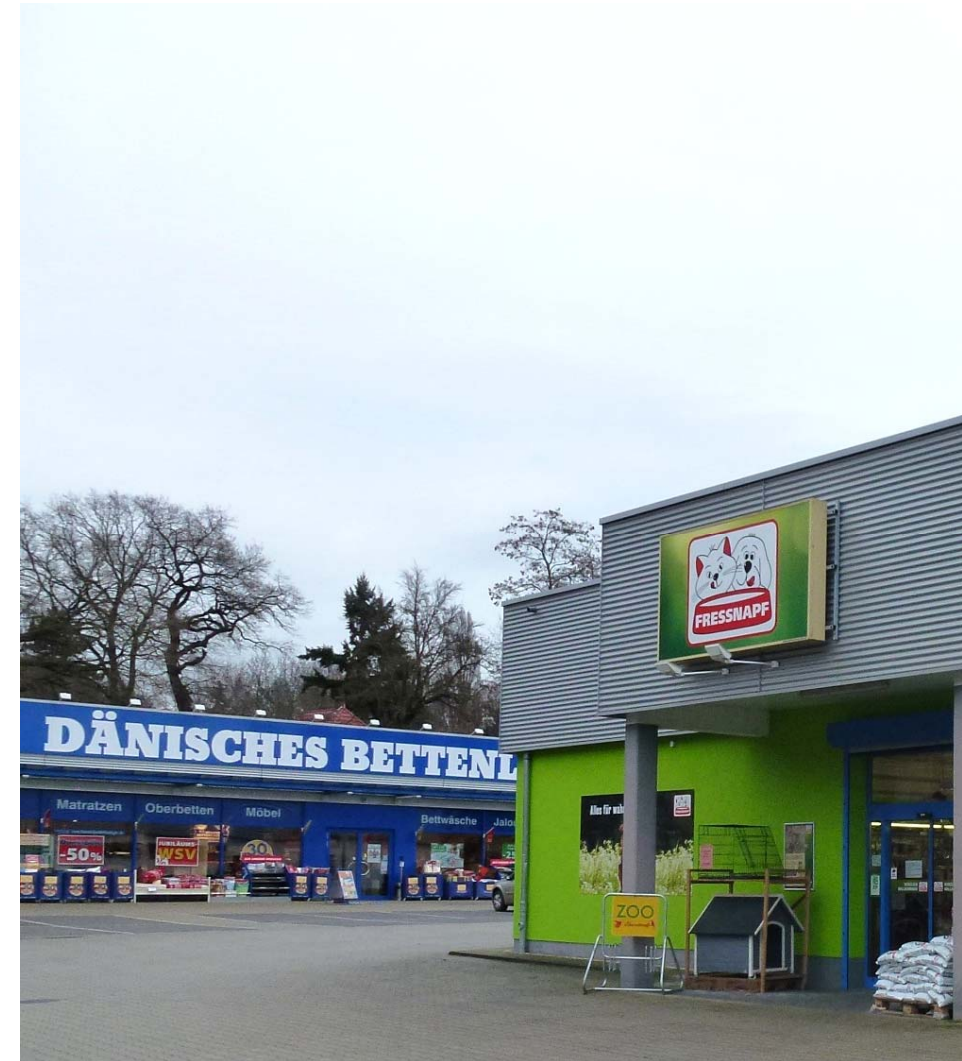
## **Matthias Schrade**

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