

Company Presentation

DEFAMA Deutsche Fachmarkt AG

August 2018



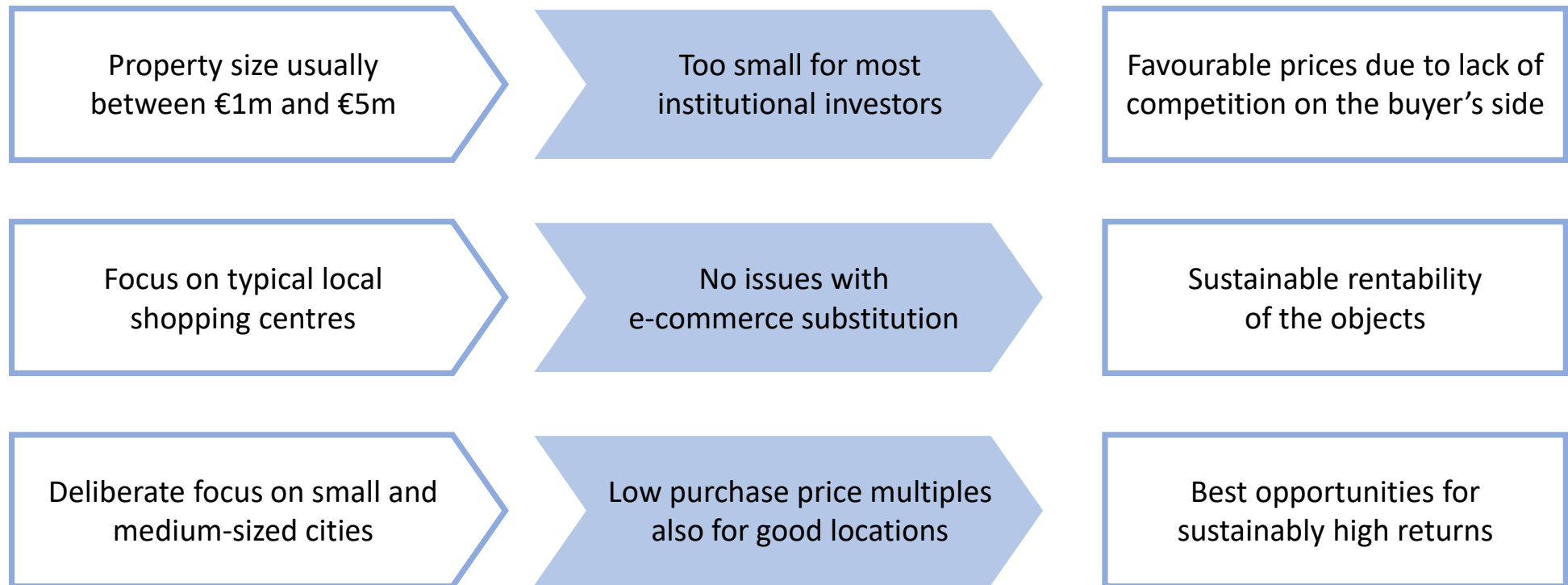
DEFAMA invests in:

- 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



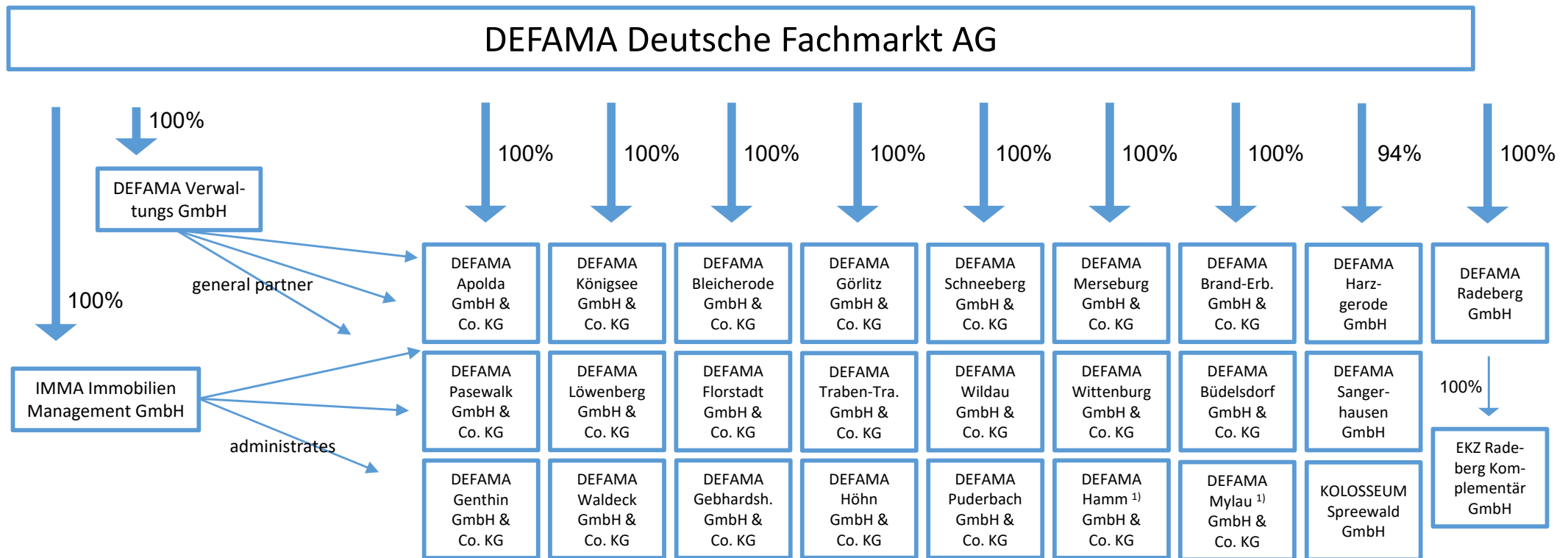
Henrik von Lukowicz

- until 3/2018 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
- 26 real estate acquisitions so far



¹⁾ Currently still DEFAMA 21./22. Immobilien GmbH & Co. KG

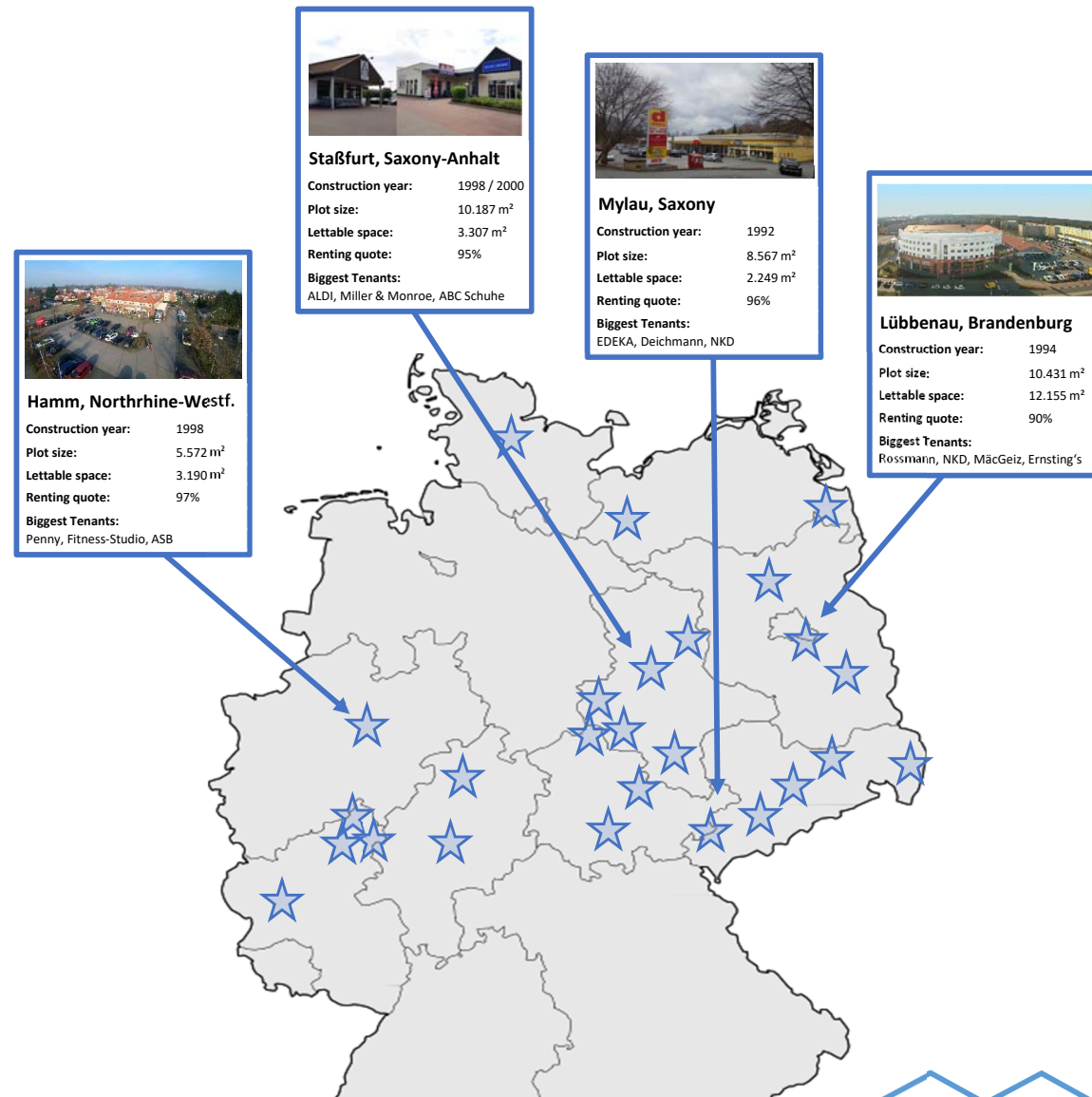
²⁾ Benefits-costs-change not happened yet
















PORTFOLIO



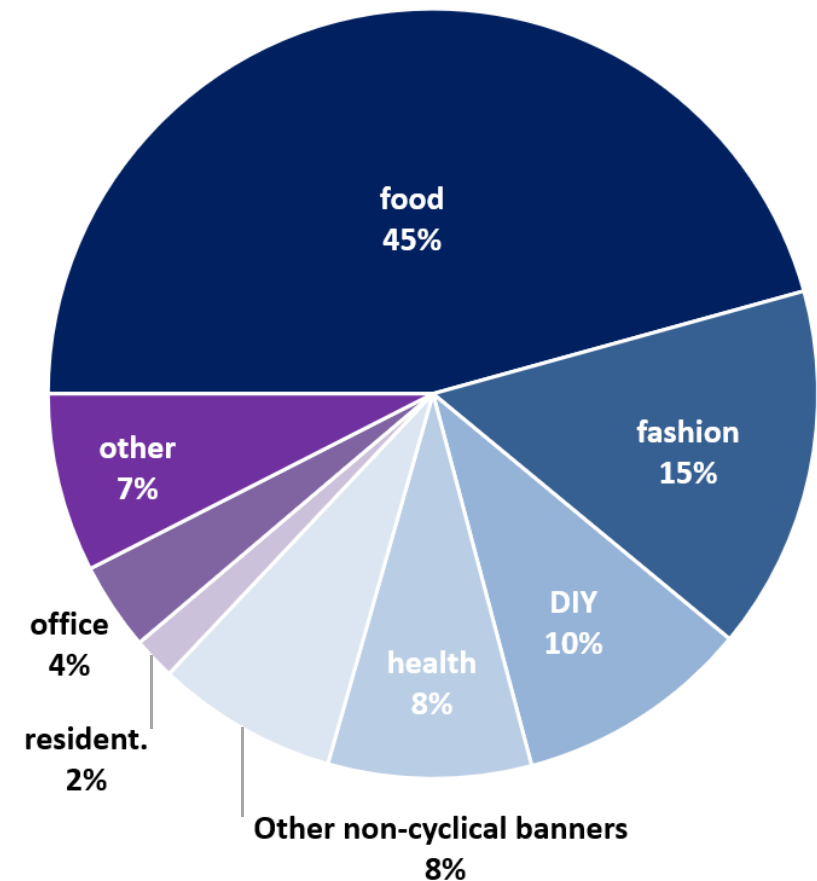
Key Figures <i>(as of 31 July 2018)</i>	
Locations	26
Net Rent (annualised)	€8.0m
Lettable Space	106.344 sqm
Occupancy Rate	96%
Ø Lease Term (WALT)	3.4 years

- 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	  		12.0 %
EDEKA/Netto	 		8.5 %
toom DIY stores			7.2 %
NORMA			5.8 %
Aldi Nord			4.0 %
Tengelmann Group	 		4.9 %
LIDL			3.4 %
Dän. Bettenlager			3.2 %
Deichmann			3.0 %
Hoffmann Beverages	 		2.9 %

Net Rent by Industry



Local Supply Centre Hamm

- ☐ Construction Year: 1998
- ☐ Plot Size: 5,572 sqm
- ☐ Lettable Space: 3,190 sqm
- ☐ Occupancy Rate: 97%
- ☐ Purchase Price: €3.1m
- ☐ Annual Net Rent (fully let): €330k
- ☐ Acquisition for 9.4 times annual net rent
- ☐ Key Tenants are Penny, a gym and Workers' Samaritan Foundation
- ☐ Good location in a residential area at a main road in the east of Hamm

acquired on April 7th 2018



Retail Park Mylau

- ❑ Construction Year: 1992
- ❑ Plot Size: 8,567 sqm
- ❑ Lettable Space: 2,249 sqm
- ❑ Occupancy Rate: 96%
- ❑ Purchase Price: €1.5m
- ❑ Annual Net Rent (fully let): €170k
- ❑ Acquisition for 9 times annual net rent
- ❑ Key Tenants are Edeka, Deichmann, NKD and a regional beverages banner
- ❑ Biggest agglomeration of chain stores within 10 km

acquired on April 25th 2018



KOLOSSEUM Spreewald, Lübbenau

- ☐ Construction Year: 1994
- ☐ Plot Size: 10,431 sqm
- ☐ Lettable Space: 12,155 sqm
- ☐ Occupancy Rate: 90%
- ☐ Purchase Price: app. €8m
- ☐ Annual Net Rent: €900k
- ☐ Acquisition for 9 times annual net rent
- ☐ Key Tenants are Rossmann, NKD, MäcGeiz, Ernsting's family, KiK, drugstore, savings bank, gym, several doctors' offices and the Job Centre
- ☐ LIDL market is located next door
- ☐ Biggest retail, health and service centre in the town of Lübbenau

acquired on May 12th 2018



Retail Park Staßfurt

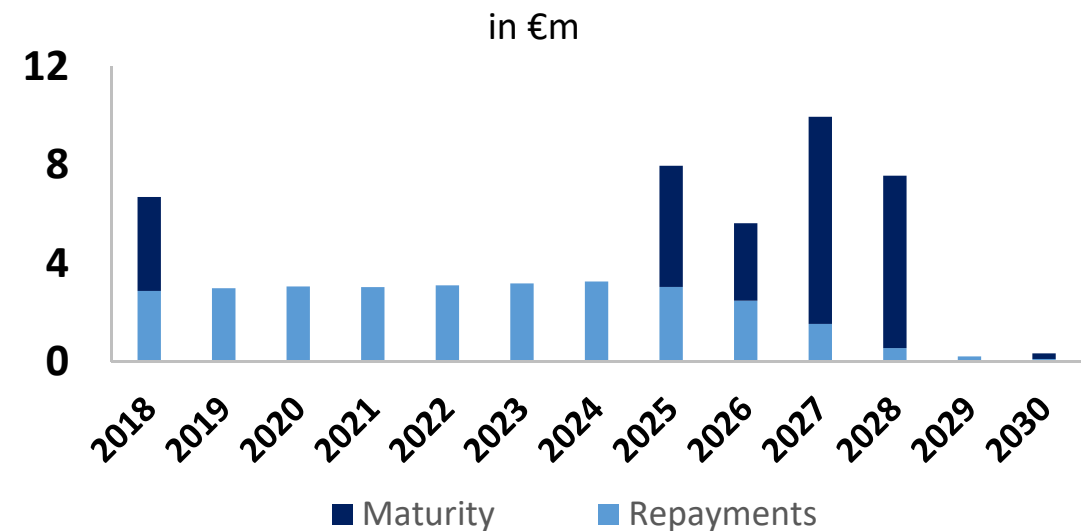
- ❑ Construction Year: 1998 / 2000
- ❑ Plot Size: 10,187 sqm
- ❑ Lettable Space: 3,307 sqm
- ❑ Occupancy Rate: 95%
- ❑ Purchase Price: €2.6m
- ❑ Annual Net Rent (fully let): €290k
- ❑ Acquisition for 9 times annual net rent
- ❑ Key Tenants are ALDI, Miller & Monroe and ABC Shoes
- ❑ Perfectly visible at a crossing of two main roads

acquired on August 1st 2018



Key Figures <i>(as of 30 June 2018)</i>	
Number of Financing Partners	16
Bank Loans	€54.7m
Ø Interest Rate	2.45%
Ø Initial Repayment	5.12%
Ø Fixed Interest	8.2 years
Loan-To-Value Ratio (LTV)	61.4%

Maturity Profile incl. Repayments



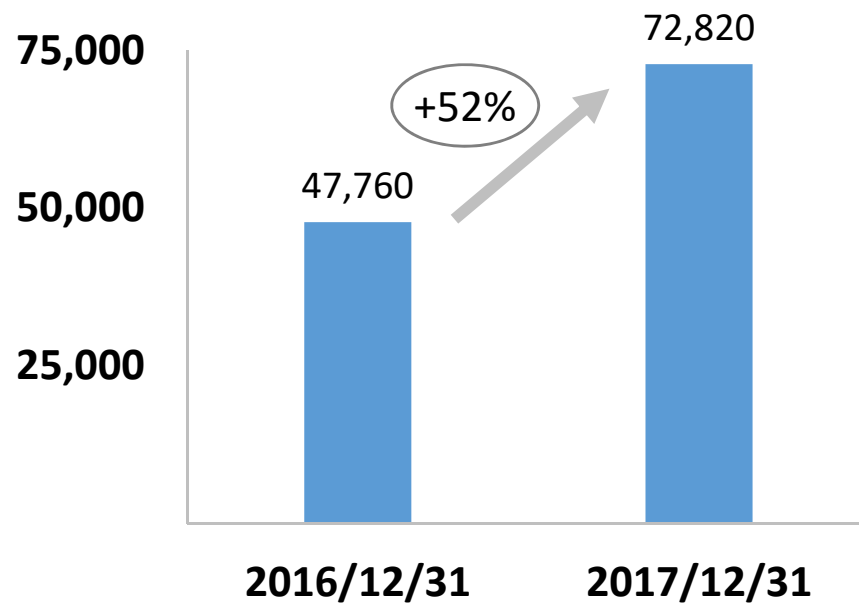
- Financing arranged through local / regional banks and savings banks with strong local knowledge
- Broadly diversified financing structure: no bank with >20% share of total debt
- Annuity loan with favourable interest rates secured for the long-term

KEY FINANCIALS 2017



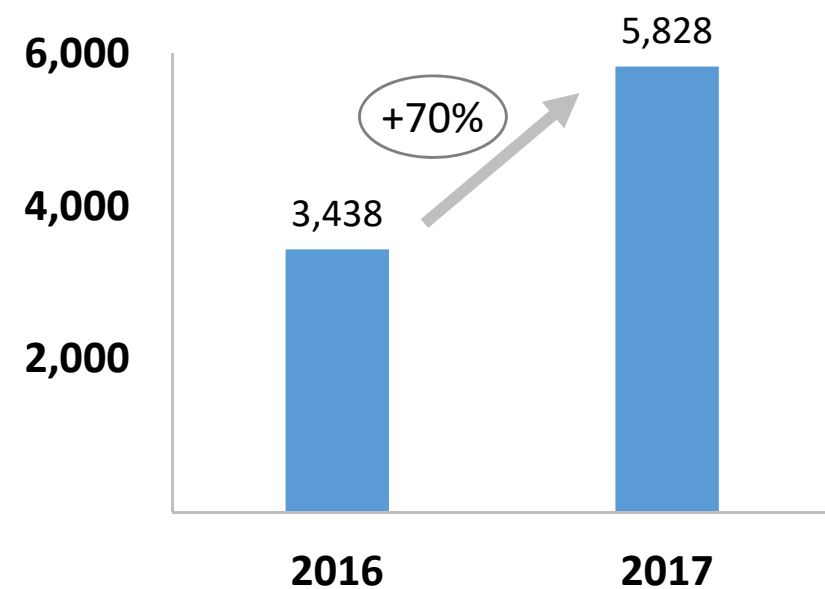
Portfolio Value

in €k



Sales

in €k

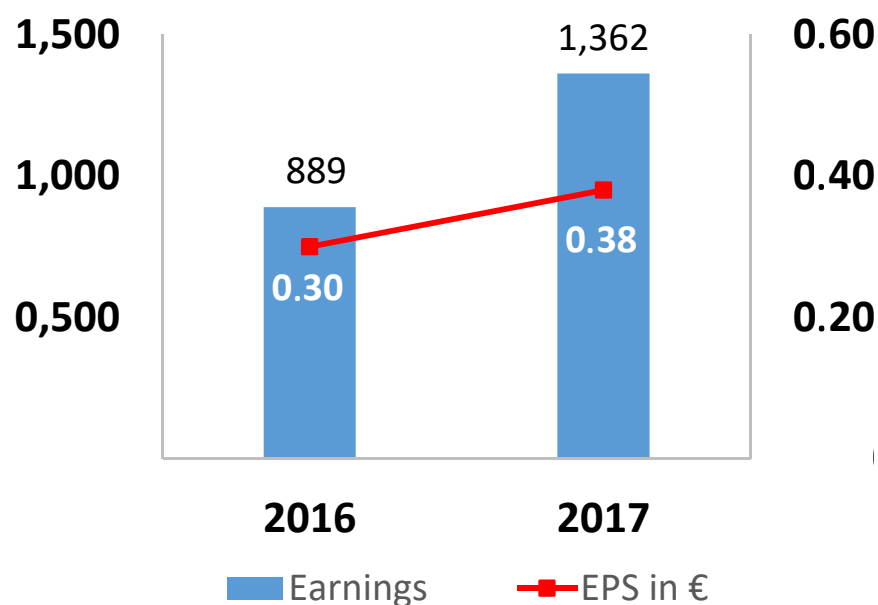


KEY FINANCIALS 2017



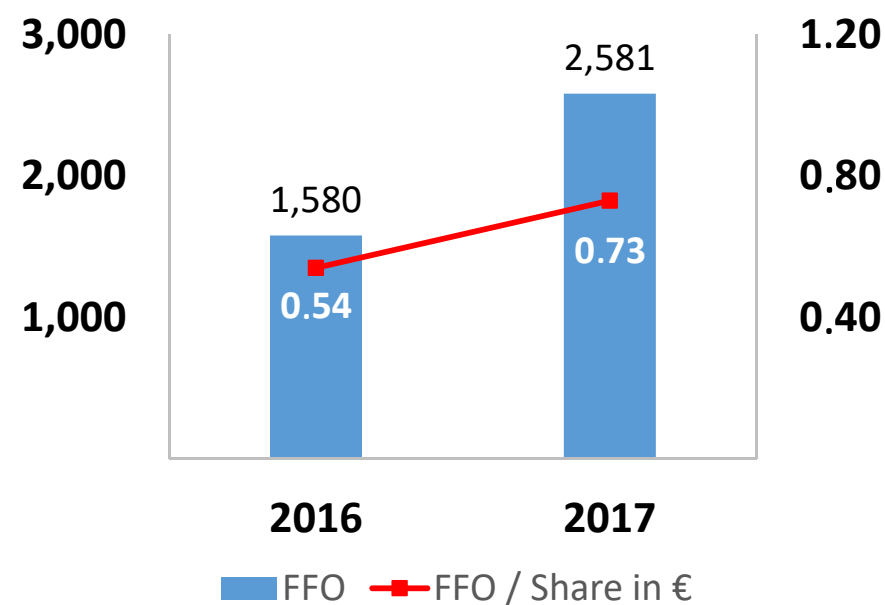
Net Profit

in €k



Funds from Operations (FFO)

in €k

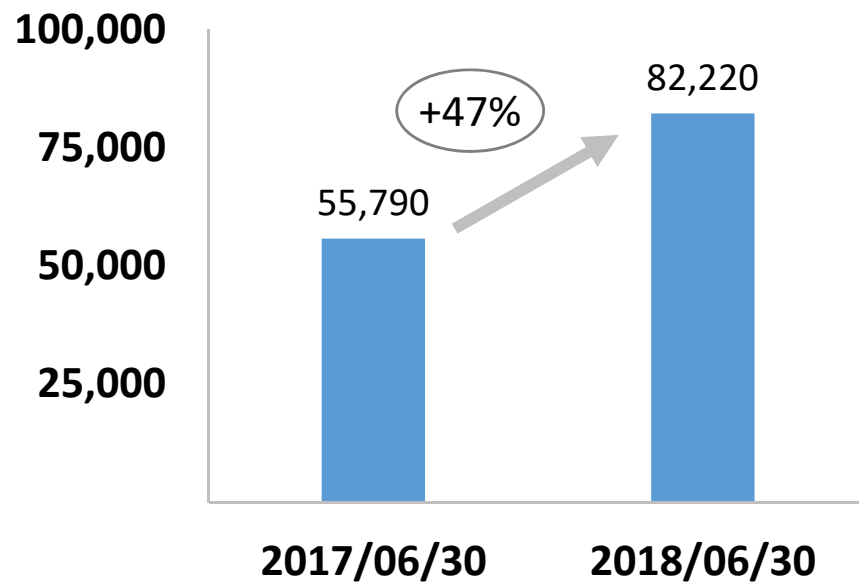


KEY FINANCIALS 6M/2018



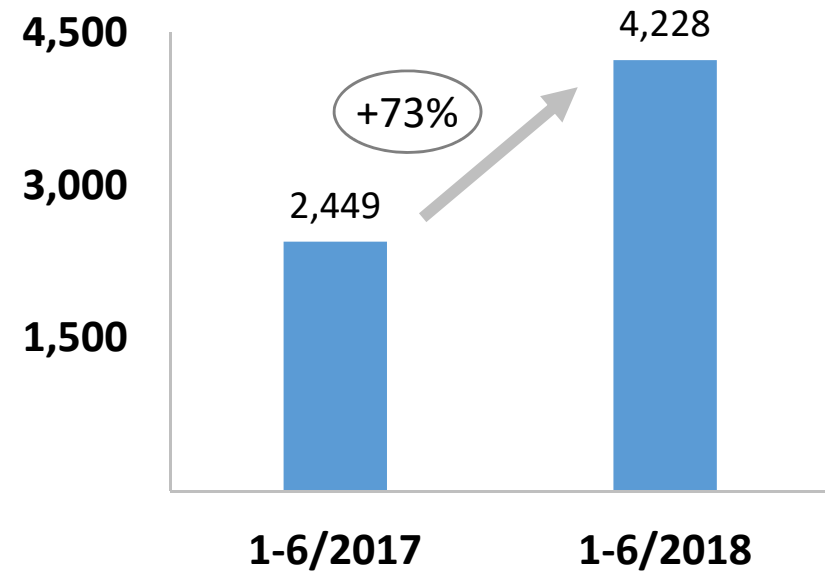
Portfolio Value

in €k



Sales

in €k

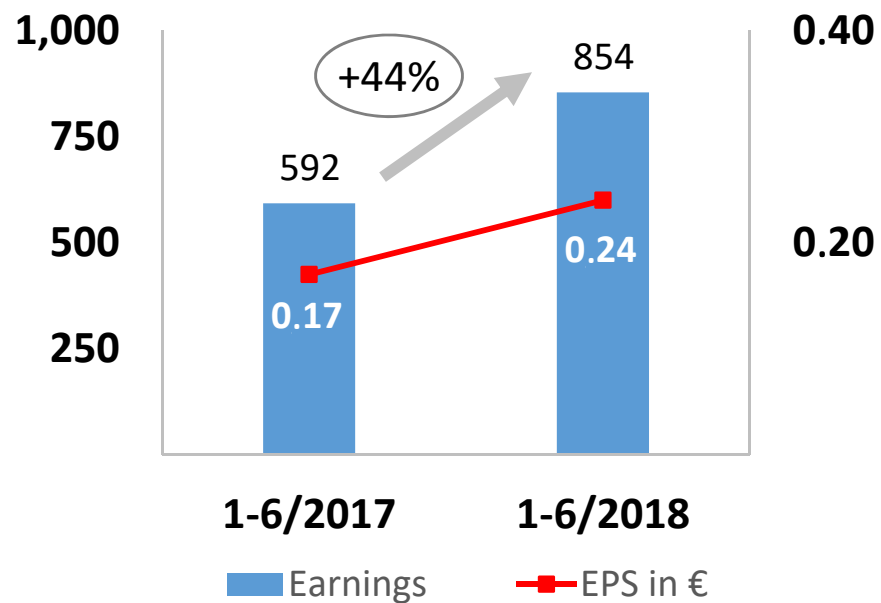


KEY FINANCIALS 6M/2018



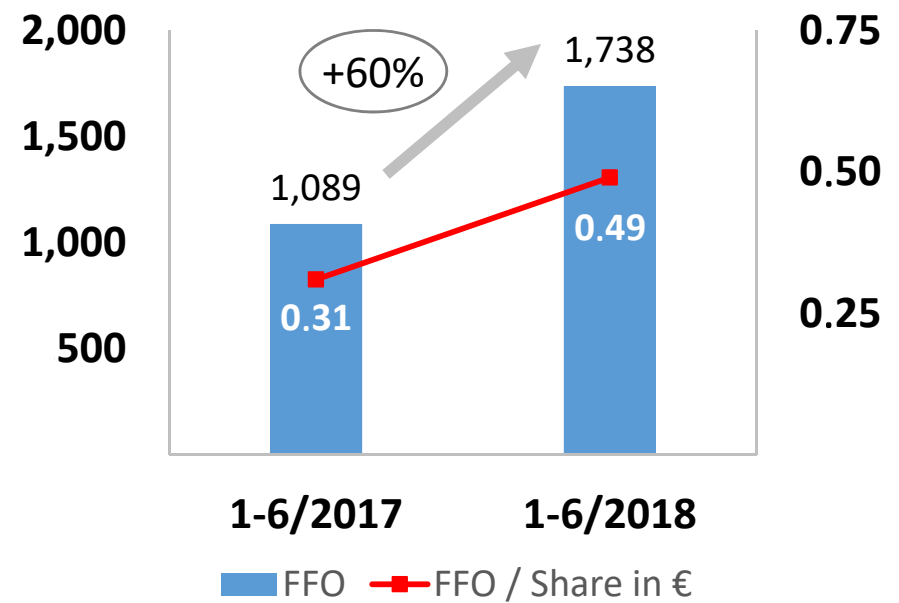
Net Profit

in €k



Funds from Operations (FFO)

in €k



Guidance for 2018

- Net Profit (according to German GAAP): €1.75m resp €0.49 per share
- Funds From Operations (FFO): €3.4m resp €0.96 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: €8.0m
- Funds From Operations (FFO): €3.9m resp €1.10 per share
- Further increase with existing liquid funds possible



Share price development since IPO at 13 July 2016



WKN / ISIN A13SUL / DE000A13SUL5

Stock Exchange Munich (m:access), Frankfurt, Xetra

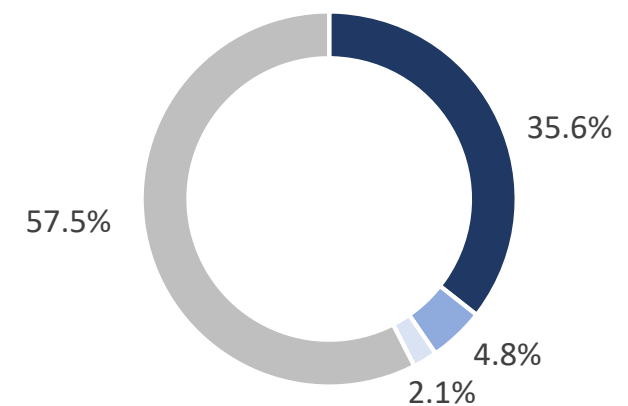
Number of Shares 3,547,000 bearer shares

Current Share Price ¹⁾ €12.10

Market Capitalisation €42.9m

1) closing price on 1 August 2018

Shareholder Structure ²⁾



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

²⁾ as of 30 June 2018. According to our knowledge biggest investors within the freefloat are Ennismore European Smaller Companies Fund, Share Value Foundation and the ABCON Vermögensverwaltung with a combined stake of approx. 15%.

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

Nimrodstr. 23
D 13469 Berlin

www.defama.de

Matthias Schrade

Member of the Management Board

Telephone +49 (0) 30 / 555 79 26 - 0

Fax +49 (0) 30 / 555 79 26 - 2

E-mail schrade@defama.de



Important Notice: Forward Looking Statement

The information or opinions contained in this document have not been independently verified and no express or implied warranty or representation is made as to their suitability, accuracy or completeness or the recipient may not rely on them.

This document may contain statements about future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results and events to differ materially from the results deviating from the forward-looking statements.

Neither DEFAMA Deutsche Fachmarkt AG nor any affiliated company or its advisers or agents may be held liable (in the case of negligence or otherwise) for any loss or damage arising out of the use of this document, its contents or any other connection with this document.

This document does not constitute an offer or an invitation to buy or subscribe for shares nor does it constitute any basis or reliance on any contract or commitment of any kind.

Please note: in case of doubt the German version shall prevail.