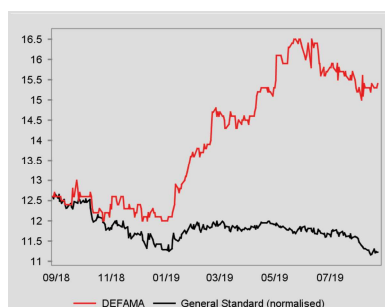


Buy EUR 19.30 Price EUR 15.40 Upside 25.3 %	Value Indicators: EUR NAV (WRe) 21e: 19.36 FFO-Yield 21e: 19.16	Share data: Bloomberg: DEF GR Reuters: DEF.MU ISIN: DE000A13SUL5	Description: Commercial real estate company focused on retail parks in Northern and Eastern Germany
	Market Snapshot: EUR m Market cap: 60.06 No. of shares (m): 3.90 Freefloat MC: 36.64 Ø Trad. Vol. (30d): 29.71 th	Shareholders: Freefloat 61.0 % MSC Invest GmbH 32.4 % Geminus GmbH 4.8 % Supervisory board 1.9 %	Risk Profile (WRe): 2019e LTV: 62.6 % Equity Ratio: 16.6 %

Capital increase announced; Attractive growth opportunities ahead

- DEFAMA today announced its intention to conduct a capital increase. This announcement did not come as a surprise as management had already flagged the possibility of a cap raise in June. The capital increase is with subscription rights and a subscription ratio of 15 to 2. The subscription price will be EUR 15 which represents a discount of 8% compared with the last share price before the announcement on June 14. The proceeds from the capital increase will be approx. EUR 7.8m. The estimated value of a subscription right would be very low and would be ~EUR 0.05 based on share price of last Friday of EUR 15.40. The subscription period starts August 29 and will last two weeks. The ex-date will be August 27.
- As already mentioned in our report dated July 1, there are three core reasons for DEFAMA to carry out a capital increase. **Firstly**, there are attractive growth opportunities for DEFAMA at the moment. The company is still on its growth path and could probably achieve an acquisition volume at the upper end of its annual target range of EUR 15 to EUR 20m. With the recent purchase of a retail park in Remscheid (North Rhine Westphalia), DEFAMA has bought three properties so far in 2019 with a total investment volume of EUR 11.5m. DEFAMA paid an acquisition price of EUR 3m for Remscheid (~1560 EUR/sqm) which will contribute a rental income of EUR 290k p.a. The acquisition multiple of 10.3 is well within DEFAMA's target range. The anchor tenant is Netto, a supermarket discounter, which (together with EDEKA) previously accounted for ~8.2% of total rental income. Including this **acquisition the annualized net rent improved to EUR 10.3m** and annualized **FFO stands now at EUR 4.9m** (or FFOPS of 1.25-8.3% FFO yield). The management target of EUR 5m at year-end is well within reach.
- Several roadshows with the CEO have confirmed our positive view of DEFAMA's growth opportunities. The CEO referred to a "pipeline", as in the weeks before (e.g. AGM), but he remained cautious on closing dates, which reduces the risk of over-paying for offered retail parks. The CEO wants to remain disciplined as regards size (up to EUR 10m), price (~10 x annual rent benchmark), "sound building quality" and a ROE target of nearly 20%. Given these remarks, a capital increase would facilitate somewhat faster growth by providing for greater flexibility in the acquisition process. Taking 5m from the cap raise proceeds, FFO could improve by 30%.
- Secondly**, DEFAMA's focus on the optimisation of the existing portfolio has increased as the CEO has been supported by an appointed project manager since January. A smaller share of the proceeds from the cap raise would be used for expansion, refurbishment and tenant incentives which should lead to further FFO improvement.
- Thirdly**, a possible exit from Radeberg after expected building permission by the end of 2019 would provide for significant flexibility in DEFAMA's growth strategy: This could also minimise additional capital hikes in the future as more flexible cash flows would support top-line growth. Furthermore, a cap raise would increase DEFAMA's flexibility in negotiations as regards an exit from Radeberg at a possible multiple of 18/19. We estimate a multiple of 16 which would lead to a disposal gain of EUR 6.5m.
- The capital increase is a good opportunity to build up a stake in an attractive growth company with a disciplined approach to acquisitions. We confirm our Buy recommendation.



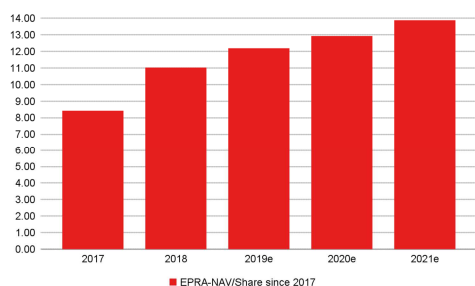
Rel. Performance vs General

1 month:	1.2 %
6 months:	11.8 %
Year to date:	28.9 %
Trailing 12 months:	32.4 %

Company events:

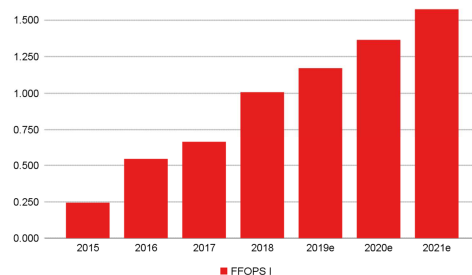
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
Rental income		1.01	3.44	5.83	9.09	11.56	13.60	15.59
Change yoy		n.a.	240.6 %	69.5 %	55.9 %	27.2 %	17.7 %	14.6 %
EBIT		0.46	1.67	2.67	3.59	4.89	12.25	6.75
FFO I		0.53	1.59	2.58	3.65	4.57	5.32	6.14
FFO I-margin		52.2 %	46.2 %	44.3 %	40.1 %	39.5 %	39.1 %	39.4 %
EBT		0.36	1.11	1.77	2.25	2.89	9.90	4.05
Net income		0.30	0.89	1.36	1.68	2.26	7.80	3.18
EPS		0.14	0.30	0.38	0.46	0.58	2.00	0.81
FFOPS I		0.24	0.54	0.66	1.01	1.17	1.36	1.57
DPS		0.10	0.20	0.34	0.40	0.52	0.59	0.67
Dividend Yield		n.a.	3.8 %	3.8 %	3.4 %	3.3 %	3.8 %	4.3 %
Book Value / Share		2.57	3.00	3.18	4.10	4.16	5.58	5.72
P / E		n.a.	17.2 x	23.2 x	25.0 x	26.6 x	7.7 x	18.9 x
Price / Book		n.a.	1.4 x	3.1 x	2.6 x	3.7 x	2.8 x	2.7 x
P / NAVPS		n.a.	1.0 x	1.2 x	1.2 x	1.4 x	1.3 x	1.2 x
FFO I-Yield		n.a.	10.4 %	7.4 %	8.7 %	7.6 %	8.9 %	10.2 %
ROE		n.a.	10.9 %	12.4 %	12.3 %	14.0 %	41.1 %	14.4 %
LTV		50.8 %	40.5 %	55.7 %	59.9 %	62.6 %	62.3 %	64.2 %
Guidance:	2019e: FFO of EUR ~4.4m, Net profit (HGB) of EUR 2.2m							

EPRA-NAV per share development in EUR



Source: Warburg Research

FFO per share development in EUR



Source: Warburg Research

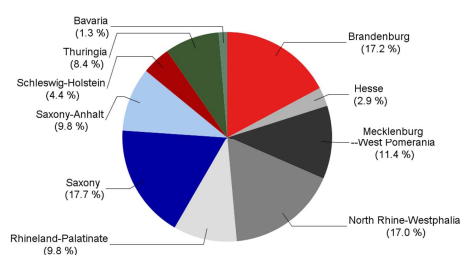
Company Background

- Founded in 2014 and headquartered in Berlin, DEFAMA focuses on the acquisition, ownership and management of retail parks in German small and medium-sized cities, predominantly in Northern and Eastern Germany.
- The investment strategy is to "buy and hold" assets with high occupancy and minor capex needs for a maximum purchase price of 9x annual rent.
- Investment volumes are EUR 1 - 5 million per asset. Anchor tenants are nationwide retailers.

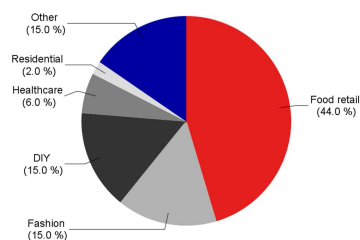
Competitive Quality

- Real estate competence: founder, major shareholder and CEO Matthias Schrade, previously a board member responsible for acquisitions at a non-listed real estate company based in Munich.
- Unique focus: the company competes for assets that are too large for individual investors and too small for institutional investors and can "buy low".
- Strong access to local public banks networks, for whom real estate financing for DEFAMA projects are large and important deals. They in turn know smaller tenants well.
- Focus on leading centres in smaller cities ("big fish in a small pond").

Geographical breakdown of rental income % of total rental income



Rental income by sector % of rental income



Source: Warburg Research

Valuation							
	2015	2016	2017	2018	2019e	2020e	2021e
P / E	n.a.	17.2 x	23.2 x	25.0 x	26.6 x	7.7 x	18.9 x
P / NAVPS	n.a.	1.0 x	1.2 x	1.2 x	1.4 x	1.3 x	1.2 x
Price / Book	n.a.	1.4 x	3.1 x	2.6 x	3.7 x	2.8 x	2.7 x
P / FFOPS I	n.a.	9.6 x	13.5 x	11.5 x	13.1 x	11.3 x	9.8 x
FFO I-Yield	n.a.	10.4 %	7.4 %	8.7 %	7.6 %	8.9 %	10.2 %
ROE	n.a.	10.9 %	12.4 %	12.3 %	14.0 %	41.1 %	14.4 %
Equity Ratio	32 %	32 %	21 %	19 %	17 %	19 %	17 %

Company Specific Items							
	2015	2016	2017	2018	2019e	2020e	2021e
EPRA-NAV/Share since 2017	3.28	5.14	8.42	11.02	12.18	12.92	13.87
Vacancy Rate	2.5 %	2.7 %	2.7 %	4.3 %	5.0 %	5.0 %	4.0 %

Consolidated profit and loss

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Total Sales	1.01	3.44	5.83	9.09	11.56	13.60	15.59
Rental income	1.01	3.44	5.83	9.09	11.56	13.60	15.59
Change yoy	n.a.	240.6 %	69.5 %	55.9 %	27.2 %	17.7 %	14.6 %
Property operating costs	0.15	0.60	1.24	2.21	2.72	3.20	3.66
Property management costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rental profit	0.86	2.84	4.58	6.87	8.84	10.40	11.93
Income from property sales	0.00	0.00	0.00	0.00	0.00	6.50	0.00
Other revenues	0.00	0.11	0.12	0.08	0.12	0.00	0.00
Gross profit	0.87	2.95	4.70	6.95	8.96	16.90	11.93
Administration expenses	0.12	0.38	0.35	0.70	0.70	0.82	0.94
Personnel expenses	0.05	0.20	0.47	0.72	0.95	1.12	1.28
Other operating income/expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unfrequent items	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0.69	2.36	3.89	5.53	7.20	14.97	9.71
Valuation result	0.00	0.00	0.00	0.00	0.00	6.50	0.00
Depreciation of fixed assets	-0.23	0.69	1.22	1.95	2.31	2.72	2.96
EBITA	0.46	1.67	2.67	3.59	4.89	12.25	6.75
Amortisation of intangible assets/Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBIT	0.46	1.67	2.67	3.59	4.89	12.25	6.75
Interest income	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Interest expenses	0.11	0.56	0.90	1.34	2.00	2.35	2.70
Other financial income (loss)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial result	-0.11	-0.56	-0.90	-1.34	-2.00	-2.35	-2.70
EBT	0.36	1.11	1.77	2.25	2.89	9.90	4.05
Margin	35.4 %	32.2 %	30.4 %	24.8 %	25.0 %	72.8 %	26.0 %
Total taxes	-0.06	-0.22	-0.41	-0.55	-0.61	-0.61	-0.61
thereof cash taxes	-0.06	-0.22	-0.41	-0.55	-0.61	-2.08	-0.85
Net income from continuing operations	0.30	0.89	1.36	1.70	2.28	7.82	3.20
Income from discontinued operations (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income before minorities	0.30	0.89	1.36	1.70	2.28	7.82	3.20
Minority interest	0.00	0.00	0.00	0.02	0.02	0.02	0.02
Net income	0.30	0.89	1.36	1.68	2.26	7.80	3.18
Number of shares, average	2.16	2.92	3.90	3.62	3.90	3.90	3.90
FFO (II)	0.53	1.59	2.58	3.65	4.57	5.32	6.14
FFO I-margin	52.2 %	46.2 %	44.3 %	40.1 %	39.5 %	39.1 %	39.4 %
FFOPS I	0.24	0.54	0.66	1.01	1.17	1.36	1.57
EPS	0.14	0.30	0.38	0.46	0.58	2.00	0.81
EPS adj.	0.14	0.30	0.38	0.43	0.58	2.00	0.81

*Adjustments made for:

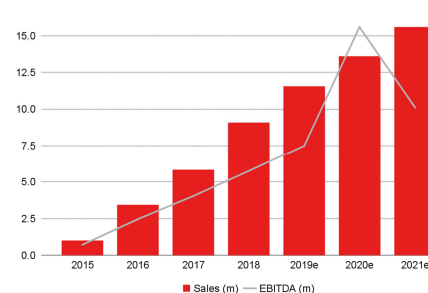
Guidance: 2019e: FFO of EUR ~4.4m, Net profit (HGB) of EUR 2.2m

Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Property operating costs / Rental Income	14.4 %	17.3 %	21.4 %	24.4 %	23.5 %	23.5 %	23.5 %
Operating Leverage (Real Estate)	n.a.	1.3 x	2.3 x	2.5 x	4.6 x	6.6 x	7.9 x
Rental profit / interest expenses	7.5 x	5.1 x	5.1 x	5.1 x	4.4 x	4.4 x	4.4 x

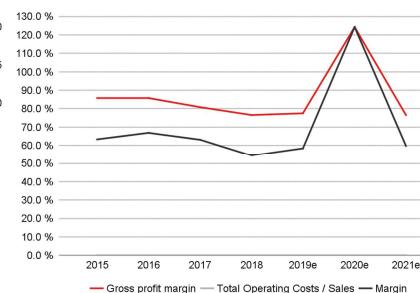
Sales, EBITDA

in EUR m



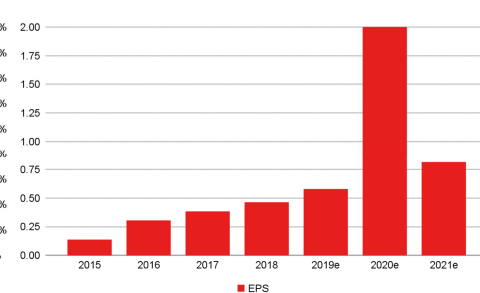
Operating Performance

in %



Performance per Share

in EUR



Source: Warburg Research

Source:

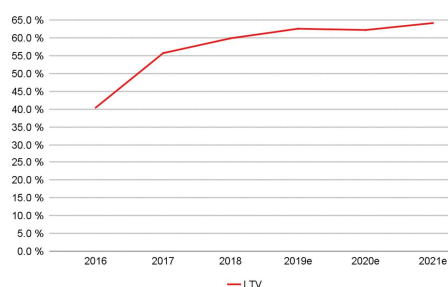
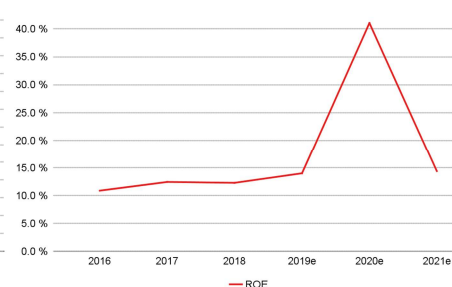
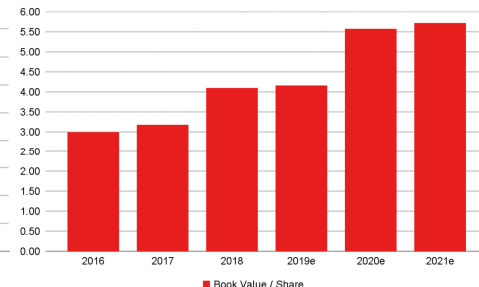
Source: Warburg Research

Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Assets							
Goodwill and other intangible assets	0.00	0.01	0.01	0.01	0.00	0.00	0.00
thereof other intangible assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
thereof Goodwill	0.00	0.01	0.01	0.01	0.00	0.00	0.00
Property, plant and equipment	0.00	0.03	0.03	0.08	0.08	0.08	0.08
Investment properties	14.23	31.41	51.96	81.10	96.29	105.57	120.11
Financial assets	0.04	0.05	0.24	0.26	0.26	0.26	0.26
Other long-term assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed assets	14.28	31.50	52.24	81.44	96.63	105.91	120.45
Inventories	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts receivable	0.04	0.12	0.22	0.51	0.00	0.51	0.51
Liquid assets	3.71	1.46	2.49	2.80	2.12	12.36	12.08
Other short-term assets	0.08	0.17	0.46	1.04	1.11	0.60	0.60
Current assets	3.83	1.75	3.17	4.34	3.23	13.47	13.19
Total Assets	18.10	33.25	55.41	85.79	99.86	119.38	133.64
Liabilities and shareholders' equity							
Subscribed capital	2.23	3.55	3.55	3.90	3.90	3.90	3.90
Capital reserve	2.21	6.15	6.15	10.03	10.03	10.03	10.03
Retained earnings	1.28	0.94	1.59	2.06	2.31	7.82	8.39
Other equity components	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shareholders' equity	5.72	10.64	11.29	15.99	16.24	21.75	22.32
Minority interest	0.00	0.00	0.10	0.38	0.38	0.38	0.38
Provisions	0.06	0.20	0.36	1.01	0.43	0.43	0.43
thereof provisions for pensions and similar obligations	0.03	0.10	0.18	0.21	0.21	0.21	0.21
Financial liabilities (total)	12.24	20.83	43.07	67.79	80.96	94.83	108.35
thereof short-term financial liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts payable	0.02	0.08	0.19	0.30	0.30	0.30	0.30
Other liabilities	0.07	1.51	0.51	0.70	1.93	2.07	2.25
Liabilities	12.38	22.61	44.13	69.79	83.62	97.63	111.32
Total liabilities and shareholders' equity	18.10	33.25	55.41	85.79	99.86	119.38	133.64

Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Return on Capital							
ROA	n.a.	3.5 %	3.1 %	2.4 %	2.4 %	7.1 %	2.5 %
ROE	n.a.	10.9 %	12.4 %	12.3 %	14.0 %	41.1 %	14.4 %
FFO I / Equity	n.a.	0.2 x	0.2 x	0.3 x	0.3 x	0.3 x	0.3 x
Solvency							
Net Debt	8.56	19.46	40.76	65.20	79.06	82.68	96.48
Net Financial Debt	8.53	19.37	40.58	64.99	78.84	82.47	96.27
Net Fin. Debt / EBITDA	12.3 x	8.2 x	10.4 x	11.7 x	11.0 x	5.5 x	9.9 x
LTV	50.8 %	40.5 %	55.7 %	59.9 %	62.6 %	62.3 %	64.2 %
Equity Ratio	31.6 %	32.0 %	20.5 %	19.1 %	16.6 %	18.5 %	17.0 %

LTV**ROE**
in %**Book Value per Share**
in EUR

Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

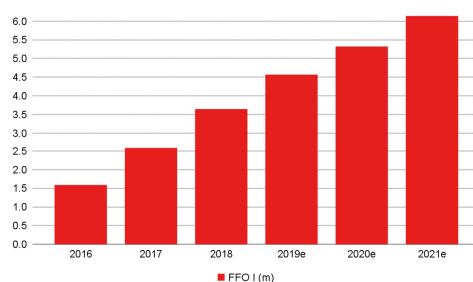
Consolidated cash flow statement

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Net cash provided by operating activities [1]	0.36	1.65	2.76	3.42	4.69	10.66	6.31
Net cash provided by investing activities [2]	-14.32	-17.92	-21.95	-31.12	-17.50	-6.50	-17.50
Net cash provided by financing activities [3]	3.71	14.02	20.23	28.01	12.12	6.09	10.91
Change in liquid funds [1]+[2]+[3]	n.a.	-2.25	1.03	0.31	-0.68	10.25	-0.28
Effects of exchange-rate changes on cash	n.a.	0.00	0.00	0.00	0.00	0.00	0.00
Cash and cash equivalent at end of period	n.a.	1.46	2.49	2.80	2.12	12.36	12.08

Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Cash Flow							
FFO (II)	0.53	1.59	2.58	3.65	4.57	5.32	6.14
FFOPS I	0.24	0.54	0.66	1.01	1.17	1.36	1.57
FFOPS I diluted	0.24	0.45	0.73	1.01	1.17	1.36	1.57
FFO I-Yield	n.a.	10.4 %	7.4 %	8.7 %	7.6 %	8.9 %	10.2 %
FFO I-margin	52.2 %	46.2 %	44.3 %	40.1 %	39.5 %	39.1 %	39.4 %
Interest Paid / Avg. Debt	n.a.	3.4 %	2.8 %	2.4 %	2.7 %	2.7 %	2.7 %
Management of Funds							
Capex/Investment Properties	n.a.	-57.0 %	-42.3 %	-38.4 %	-18.2 %	-6.2 %	-14.6 %
Avg. Working Capital / Sales	n.a.	0.9 %	0.7 %	1.4 %	-0.4 %	-0.3 %	1.4 %
Dividend Payout Ratio	72.8 %	65.7 %	97.4 %	85.1 %	88.2 %	29.2 %	81.5 %

FFO



Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Potential, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All data and consensus estimates have been obtained from FactSet except where stated otherwise.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934.
3. Any recipient of the Report should effect transactions in the securities discussed in the Report only through J.P.P. Euro-Securities, Inc., Delaware.
4. J.P.P. Euro-Securities, Inc. does not accept or receive any compensation of any kind for the dissemination of the research reports from Warburg.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6- Companies affiliated with Warburg Research **regularly trade** financial instruments of the analysed company or derivatives of these.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
DEFAMA Deutsche Fachmarkt AG	4, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A13SUL5.htm

INVESTMENT RECOMMENDATION

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

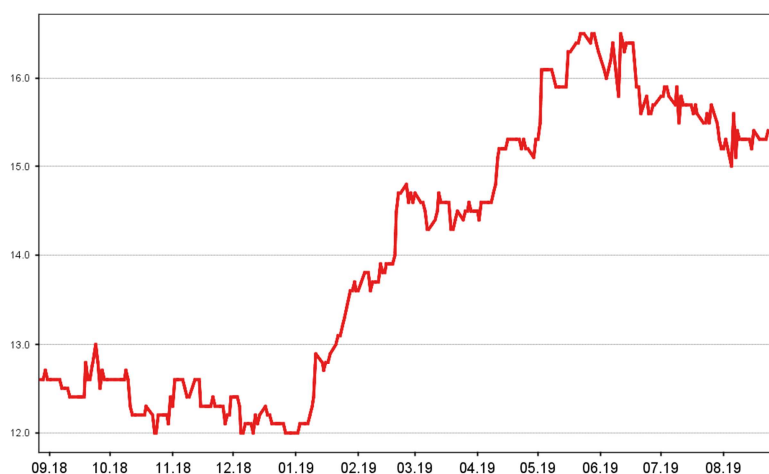
WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	119	60
Hold	68	34
Sell	7	4
Rating suspended	5	3
Total	199	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	32	76
Hold	8	19
Sell	0	0
Rating suspended	2	5
Total	42	100

PRICE AND RATING HISTORY DEFAMA DEUTSCHE FACHMARKT AG AS OF 26.08.2019

Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemeyer +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Jan Bauer +40 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +40 40 309537-240
Telco, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Franz Schall +40 40 309537-230
Automobiles, Car Suppliers fschall@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Patrick Schmidt +49 40 309537-125
Leisure, Internet pschmidt@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lyubka Bogdanova +49 69 5050-7411
Ireland, Poland, Australia lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany aeschweiler@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Michael Kriszun +49 40 3282-2695
United Kingdom mkriszun@mmwarburg.com

Julia Fesenberg +49 69 5050-7417
Roadshow/Marketing jfesenberg@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

Jan Walter +49 40 3282-2662
Sales Trading jwalter@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg MMWA GO
FactSet www.factset.com

Thomson Reuters www.thomsonreuters.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com