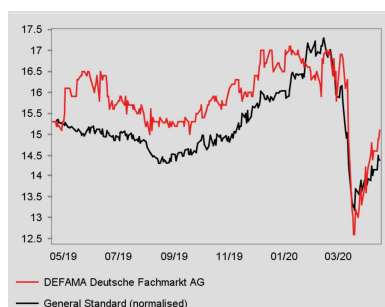


<b>Buy</b>  <b>EUR 18.20</b>  Price <b>EUR 15.10</b> Upside <b>20.5 %</b>	<b>Value Indicators:</b> EUR NAV (WRe) 21e: 19.60 FFO-Yield 21e: 16.80	<b>Share data:</b> Bloomberg: DEF GR Reuters: DEF.MU ISIN: DE000A13SUL5	<b>Description:</b> Commercial real estate company focused on retail parks in Northern and Eastern Germany
	<b>Market Snapshot:</b> EUR m Market cap: 66.74 No. of shares (m): 4.42 Freefloat MC: 43.38 Ø Trad. Vol. (30d): 53.40 th	<b>Shareholders:</b> Freefloat 65.0 % MSC Invest GmbH 29.0 % Geminus GmbH 4.0 % Supervisory board 2.0 %	<b>Risk Profile (WRe):</b> 2019e LTV: 57.3 % Equity Ratio: 23.7 %

## Guidance 2020 confirmed despite headwind from Covid-19 headwind

- Management confirmed its 2020 guidance for FFO of EUR 5.7m (FFOPS of EUR 1.30) and net profit (German GAAP) of EUR 2.5m (EPS of EUR 0.56). The positive effect of the acquisition in Zeitz in February (announcement) is expected to compensate for possible rental defaults.
- In April DEFAMA received ~80% of its monthly rental income. Some tenants – mostly those directly affected by the closure of their shops – decided to postpone their rental payments. With the decision of the government to allow the re-opening of many shops from April 20 onwards, nearly all of the shops can open again. Nevertheless, there is still some uncertainty about the further development of COVID-19 and the impact on the business development of several tenants. We feel comfortable with our earnings revision from March 25. We included a 4% rental default in our estimate. Against the background of the confirmed guidance, our cautious estimate includes an adequate buffer and leaves some upside (WRe 2020 FFO 5.44m/guidance EUR 5.7m).
- The AGM planned for June 18 will be postponed. Nevertheless, management plans to pay the maximum possible regulatory amount of EUR 0.20 (50% of 2018) to its shareholders on this date. For FY 2019, management still intends to pay out a total dividend of EUR 0.45 per share. As company was able to strengthen its liquidity with banks due to the suspension of repayments and as operating cash flow development is still strong, we assume that the remaining dividend will be paid at a later AGM in autumn.
- We confirm our Buy recommendation with a price target of EUR 18.20.



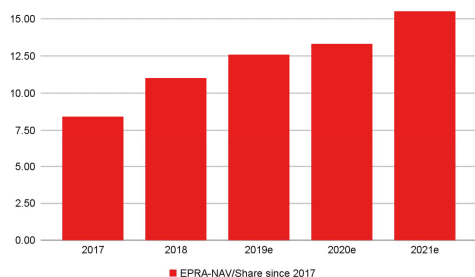
### Rel. Performance vs General

1 month:	7.6 %
6 months:	-2.5 %
Year to date:	1.8 %
Trailing 12 months:	4.6 %

### Company events:

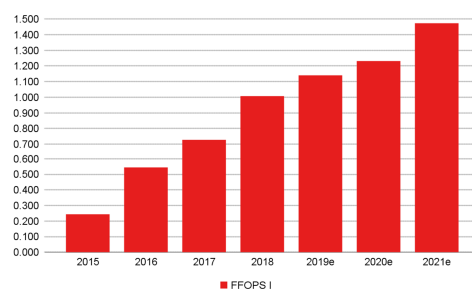
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
<b>Rental income</b>		1.01	3.44	5.83	9.09	11.23	12.30	16.30
Change yoy		n.a.	240.6 %	69.5 %	55.9 %	23.6 %	9.6 %	32.5 %
<b>EBIT</b>		0.46	1.67	2.67	3.59	4.51	4.44	12.92
<b>FFO I</b>		0.53	1.59	2.58	3.65	4.63	5.44	6.51
FFO I-margin		52.2 %	46.2 %	44.3 %	40.1 %	41.2 %	44.2 %	40.0 %
<b>EBT</b>		0.36	1.11	1.77	2.25	2.80	2.49	10.64
<b>Net income</b>		0.30	0.89	1.36	1.68	2.13	1.89	8.06
<b>EPS</b>		0.13	0.25	0.38	0.46	0.52	0.43	1.82
<b>FFOPS I</b>		0.24	0.54	0.73	1.01	1.14	1.23	1.47
<b>DPS</b>		0.10	0.20	0.34	0.40	0.46	0.49	0.59
Dividend Yield		n.a.	3.8 %	3.8 %	3.4 %	3.0 %	3.3 %	3.9 %
<b>Book Value / Share</b>		2.57	3.00	3.18	4.10	5.57	5.50	6.74
<b>P / E</b>		n.a.	20.9 x	23.2 x	25.0 x	28.8 x	35.3 x	8.3 x
<b>Price / Book</b>		n.a.	1.4 x	2.8 x	2.6 x	2.7 x	2.7 x	2.2 x
<b>P / NAVPS</b>		n.a.	1.0 x	1.1 x	1.2 x	1.3 x	1.3 x	1.1 x
<b>FFO I-Yield</b>		n.a.	10.4 %	8.2 %	8.7 %	7.6 %	8.2 %	9.8 %
<b>ROE</b>		n.a.	10.9 %	12.4 %	12.3 %	10.5 %	7.7 %	29.8 %
<b>LTV</b>		50.8 %	38.9 %	55.7 %	59.9 %	57.3 %	59.4 %	58.4 %
<b>Guidance:</b>	2020e: FFO of EUR ~5.7m, Net profit (HGB) of EUR 2.5m							

**EPRA-NAV per share development**  
in EUR



Source: Warburg Research

**FFO per share development**  
in EUR



Source: Warburg Research

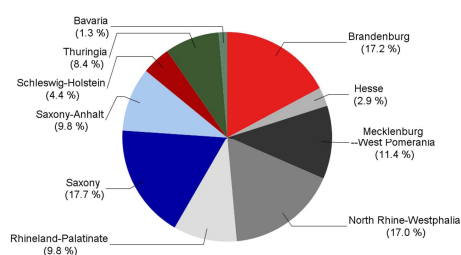
## Company Background

- 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 purchase price of ~10x annual rent.
- Investment volumes are EUR 1 - 5 million per asset. Anchor tenants are nationwide retailers.

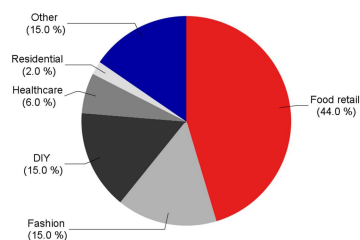
## Competitive Quality

- Real estate competence: founder, major shareholder and CEO Matthias Schrade, previously oversaw as a board member responsible for acquisitions for 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 financings for DEFAMA projects are large and important deals. They in turn know smaller tenants well.
- Focus on leading centers 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.	20.9 x	23.2 x	25.0 x	28.8 x	35.3 x	8.3 x
P / NAVPS	n.a.	1.0 x	1.1 x	1.2 x	1.3 x	1.3 x	1.1 x
Price / Book	n.a.	1.4 x	2.8 x	2.6 x	2.7 x	2.7 x	2.2 x
P / FFOPS I	n.a.	9.6 x	12.2 x	11.5 x	13.2 x	12.3 x	10.2 x
FFO I-Yield	n.a.	10.4 %	8.2 %	8.7 %	7.6 %	8.2 %	9.8 %
ROE	n.a.	10.9 %	12.4 %	12.3 %	10.5 %	7.7 %	29.8 %
Equity Ratio	32 %	32 %	21 %	19 %	24 %	21 %	21 %

Company Specific Items							
	2015	2016	2017	2018	2019e	2020e	2021e
EPRA-NAV/Share since 2017	3.28	5.14	8.42	11.02	12.60	13.32	15.52
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
<b>Total Sales</b>	<b>1.01</b>	<b>3.44</b>	<b>5.83</b>	<b>9.09</b>	<b>11.23</b>	<b>12.30</b>	<b>16.30</b>
<b>Rental income</b>	<b>1.01</b>	<b>3.44</b>	<b>5.83</b>	<b>9.09</b>	<b>11.23</b>	<b>12.30</b>	<b>16.30</b>
Change yoy	n.a.	240.6 %	69.5 %	55.9 %	23.6 %	9.6 %	32.5 %
Property operating costs	0.15	0.60	1.24	2.21	2.49	2.91	3.65
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	8.74	9.39	12.65
<b>Income from property sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.50</b>
<b>Other revenues</b>	<b>0.00</b>	<b>0.11</b>	<b>0.12</b>	<b>0.08</b>	<b>0.09</b>	<b>0.10</b>	<b>0.13</b>
<b>Gross profit</b>	<b>0.87</b>	<b>2.95</b>	<b>4.70</b>	<b>6.95</b>	<b>8.83</b>	<b>9.49</b>	<b>19.28</b>
Administration expenses	0.12	0.38	0.35	0.70	0.70	0.84	0.98
Personnel expenses	0.05	0.20	0.47	0.72	1.08	1.31	1.47
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.
<b>EBITDA</b>	<b>0.69</b>	<b>2.36</b>	<b>3.89</b>	<b>5.53</b>	<b>7.05</b>	<b>7.34</b>	<b>16.83</b>
Valuation result	0.00	0.00	0.00	0.00	0.00	0.00	6.50
Depreciation of fixed assets	-0.23	0.69	1.22	1.95	2.55	2.90	3.91
<b>EBITA</b>	<b>0.46</b>	<b>1.67</b>	<b>2.67</b>	<b>3.59</b>	<b>4.51</b>	<b>4.44</b>	<b>12.92</b>
Amortisation of intangible assets/Goodwill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>EBIT</b>	<b>0.46</b>	<b>1.67</b>	<b>2.67</b>	<b>3.59</b>	<b>4.51</b>	<b>4.44</b>	<b>12.92</b>
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	1.71	1.95	2.28
Other financial income (loss)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Financial result</b>	<b>-0.11</b>	<b>-0.56</b>	<b>-0.90</b>	<b>-1.34</b>	<b>-1.71</b>	<b>-1.95</b>	<b>-2.28</b>
<b>EBT</b>	<b>0.36</b>	<b>1.11</b>	<b>1.77</b>	<b>2.25</b>	<b>2.80</b>	<b>2.49</b>	<b>10.64</b>
<i>Margin</i>	<i>35.4 %</i>	<i>32.2 %</i>	<i>30.4 %</i>	<i>24.8 %</i>	<i>24.9 %</i>	<i>20.2 %</i>	<i>65.3 %</i>
Total taxes	-0.06	-0.22	-0.41	-0.55	-0.64	-0.64	-0.64
thereof cash taxes	-0.06	-0.22	-0.41	-0.55	-0.64	-0.57	-2.55
<b>Net income from continuing operations</b>	<b>0.30</b>	<b>0.89</b>	<b>1.36</b>	<b>1.70</b>	<b>2.15</b>	<b>1.91</b>	<b>8.08</b>
Income from discontinued operations (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net income before minorities</b>	<b>0.30</b>	<b>0.89</b>	<b>1.36</b>	<b>1.70</b>	<b>2.15</b>	<b>1.91</b>	<b>8.08</b>
Minority interest	0.00	0.00	0.00	0.02	0.02	0.02	0.02
<b>Net income</b>	<b>0.30</b>	<b>0.89</b>	<b>1.36</b>	<b>1.68</b>	<b>2.13</b>	<b>1.89</b>	<b>8.06</b>
Number of shares, average	2.16	2.92	3.55	3.62	4.06	4.42	4.42
<b>FFO (II)</b>	<b>0.53</b>	<b>1.59</b>	<b>2.58</b>	<b>3.65</b>	<b>4.63</b>	<b>5.44</b>	<b>6.51</b>
<i>FFO I-margin</i>	<i>52.2 %</i>	<i>46.2 %</i>	<i>44.3 %</i>	<i>40.1 %</i>	<i>41.2 %</i>	<i>44.2 %</i>	<i>40.0 %</i>
<b>FFOPS I</b>	<b>0.24</b>	<b>0.54</b>	<b>0.73</b>	<b>1.01</b>	<b>1.14</b>	<b>1.23</b>	<b>1.47</b>
<b>EPS</b>	<b>0.13</b>	<b>0.25</b>	<b>0.38</b>	<b>0.46</b>	<b>0.52</b>	<b>0.43</b>	<b>1.82</b>
EPS adj.	0.13	0.25	0.38	0.43	0.48	0.43	1.82

\*Adjustments made for:

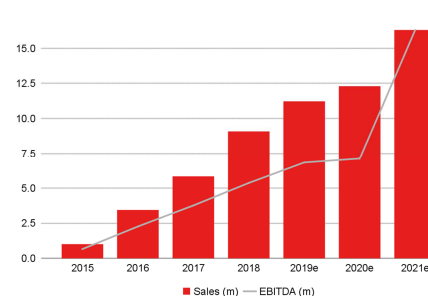
Guidance: 2020e: FFO of EUR ~5.7m, Net profit (HGB) of EUR 2.5m

## Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Property operating costs / Rental Income	14.4 %	17.3 %	21.4 %	24.4 %	22.1 %	23.7 %	22.4 %
Operating Leverage (Real Estate)	n.a.	1.3 x	2.3 x	2.5 x	5.4 x	12.3 x	3.7 x
Rental profit / interest expenses	7.5 x	5.1 x	5.1 x	5.1 x	5.1 x	4.8 x	5.5 x

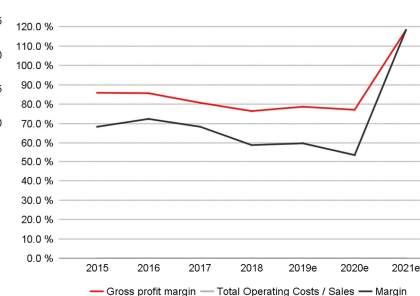
## Sales, EBITDA

in EUR m



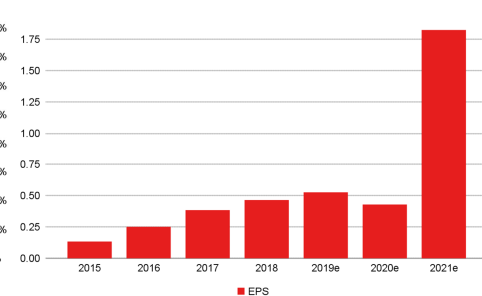
## Operating Performance

in %



## Performance per Share

in EUR



Source: Warburg Research

Source:

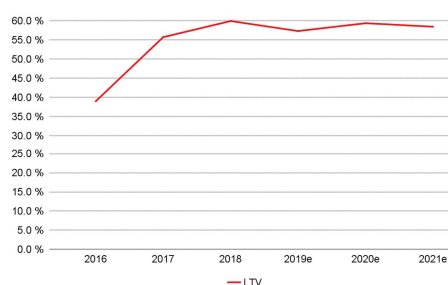
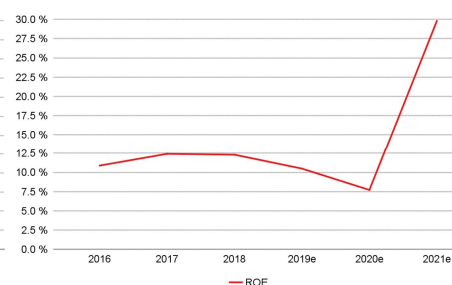
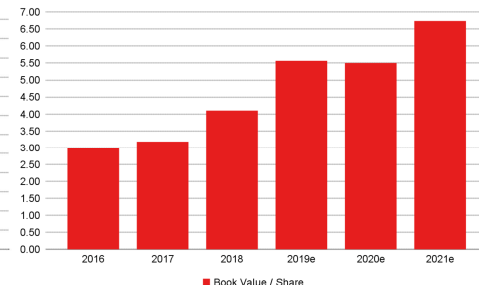
Source: Warburg Research

**Consolidated balance sheet**

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
<b>Assets</b>							
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	98.55	110.15	126.24
Financial assets	0.04	0.05	0.24	0.26	0.52	0.52	0.52
Other long-term assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Fixed assets</b>	<b>14.28</b>	<b>31.50</b>	<b>52.24</b>	<b>81.44</b>	<b>99.16</b>	<b>110.75</b>	<b>126.84</b>
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	4.53	8.50	13.10
Other short-term assets	-1.52	1.97	0.83	0.59	-0.11	-4.59	-9.19
<b>Current assets</b>	<b>3.83</b>	<b>1.75</b>	<b>3.17</b>	<b>4.34</b>	<b>6.12</b>	<b>9.65</b>	<b>14.24</b>
<b>Total Assets</b>	<b>18.10</b>	<b>33.25</b>	<b>55.41</b>	<b>85.79</b>	<b>105.28</b>	<b>120.40</b>	<b>141.09</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	2.23	3.55	3.55	3.90	4.42	4.42	4.42
Capital reserve	2.21	6.15	6.15	10.03	17.31	17.31	17.31
Retained earnings	1.28	0.94	1.59	2.06	2.88	2.59	8.04
Other equity components	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Shareholders' equity</b>	<b>5.72</b>	<b>10.64</b>	<b>11.29</b>	<b>15.99</b>	<b>24.61</b>	<b>24.32</b>	<b>29.78</b>
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	78.10	93.37	108.24
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	1.85	1.99	2.34
<b>Liabilities</b>	<b>12.38</b>	<b>22.61</b>	<b>44.13</b>	<b>69.79</b>	<b>80.67</b>	<b>96.08</b>	<b>111.31</b>
<b>Total liabilities and shareholders' equity</b>	<b>18.10</b>	<b>33.25</b>	<b>55.41</b>	<b>85.79</b>	<b>105.28</b>	<b>120.40</b>	<b>141.09</b>

**Financial Ratios**

	2015	2016	2017	2018	2019e	2020e	2021e
<b>Return on Capital</b>							
ROA	n.a.	3.5 %	3.1 %	2.4 %	2.2 %	1.7 %	6.2 %
ROE	n.a.	10.9 %	12.4 %	12.3 %	10.5 %	7.7 %	29.8 %
FFO I / Equity	n.a.	0.2 x	0.2 x	0.3 x	0.2 x	0.2 x	0.2 x
<b>Solvency</b>							
Net Debt	8.56	19.46	40.76	65.20	73.78	85.08	95.36
Net Financial Debt	8.53	19.37	40.58	64.99	73.57	84.86	95.14
Net Fin. Debt / EBITDA	12.3 x	8.2 x	10.4 x	11.7 x	10.4 x	11.6 x	5.7 x
LTV	50.8 %	38.9 %	55.7 %	59.9 %	57.3 %	59.4 %	58.4 %
Equity Ratio	31.6 %	32.0 %	20.5 %	19.1 %	23.7 %	20.5 %	21.4 %

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

Source: Warburg Research

Source: Warburg Research

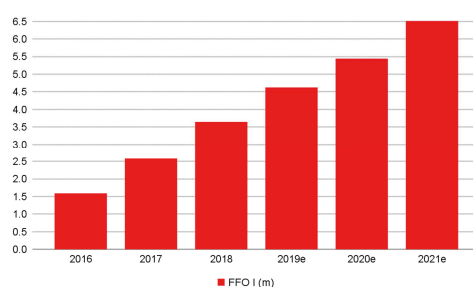
Source: Warburg Research

**Consolidated cash flow statement**

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
<b>Net cash provided by operating activities [1]</b>	<b>0.36</b>	<b>1.65</b>	<b>2.76</b>	<b>3.42</b>	<b>4.68</b>	<b>4.94</b>	<b>12.14</b>
<b>Net cash provided by investing activities [2]</b>	<b>-14.32</b>	<b>-17.92</b>	<b>-21.95</b>	<b>-31.12</b>	<b>-20.00</b>	<b>-9.00</b>	<b>-20.00</b>
<b>Net cash provided by financing activities [3]</b>	<b>3.71</b>	<b>14.02</b>	<b>20.23</b>	<b>28.01</b>	<b>17.05</b>	<b>8.04</b>	<b>12.45</b>
Change in liquid funds [1]+[2]+[3]	n.a.	-2.25	1.03	0.31	1.73	3.97	4.59
Effects of exchange-rate changes on cash	n.a.	0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash and cash equivalent at end of period</b>	<b>n.a.</b>	<b>1.46</b>	<b>2.49</b>	<b>2.80</b>	<b>4.53</b>	<b>8.50</b>	<b>13.10</b>

**Financial Ratios**

	2015	2016	2017	2018	2019e	2020e	2021e
<b>Cash Flow</b>							
FFO (II)	0.53	1.59	2.58	3.65	4.63	5.44	6.51
FFOPS I	0.24	0.54	0.73	1.01	1.14	1.23	1.47
FFOPS I diluted	0.24	0.45	0.73	0.94	1.05	1.23	1.47
FFO I-Yield	n.a.	10.4 %	8.2 %	8.7 %	7.6 %	8.2 %	9.8 %
FFO I-margin	52.2 %	46.2 %	44.3 %	40.1 %	41.2 %	44.2 %	40.0 %
Interest Paid / Avg. Debt	n.a.	3.4 %	2.8 %	2.4 %	2.3 %	2.3 %	2.3 %
<b>Management of Funds</b>							
Capex/Investment Properties	n.a.	-57.0 %	-42.3 %	-38.4 %	-20.3 %	-8.2 %	-15.8 %
Avg. Working Capital / Sales	n.a.	0.9 %	0.7 %	1.4 %	-0.4 %	-0.3 %	1.3 %
Dividend Payout Ratio	72.8 %	65.7 %	88.6 %	85.1 %	86.0 %	113.7 %	32.2 %

**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 Value Potential, NAV, 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 GmbH 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.
- 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	2, 4, 5	<a href="http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A13SUL5.htm">http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A13SUL5.htm</a>



**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-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	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	128	63
Hold	61	30
Sell	9	4
Rating suspended	6	3
<b>Total</b>	<b>204</b>	<b>100</b>

**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	34	81
Hold	5	12
Sell	0	0
Rating suspended	3	7
<b>Total</b>	<b>42</b>	<b>100</b>

**PRICE AND RATING HISTORY DEFAMA DEUTSCHE FACHMARKT AG AS OF 17.04.2020**

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** +49 40 309537-155  
Renewables jbauer@warburg-research.com

**Jonas Blum** +49 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

**Mustafa Hidir** +49 40 309537-230  
Automobiles, Car Suppliers mhidir@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** +49 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

**Simon Stippig** +49 40 309537-265  
Real Estate sstippig@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, Luxembourg aeschweiler@mmwarburg.com

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

**Tobias Hald** +49 40 3282-2695  
United Kingdom thald@mmwarburg.com

**Maximilian Martin** +49 69 5050-7413  
Austria, Poland mmartin@mmwarburg.com

**Christopher Seedorf** +49 69 5050-7414  
Switzerland cseedorf@mmwarburg.com

**Sophie Hauer** +49 69 5050-7417  
Roadshow/Marketing shauer@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

**Marcel Magiera** +49 40 3282-2662  
Sales Trading mmagiera@mmwarburg.com

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

**Jörg Treptow** +49 40 3282-2658  
Sales Trading jtreptow@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