



Company Presentation

DEFAMA Deutsche Fachmarkt AG

January 2022



DEFAMA acquires:

- Well-established retail parks and small shopping centres
- Chain stores with strong solvency as (anchor) tenants
- Little vacancies and/or investment needs
- Purchase price per property usually between €1m and €5m
- Mainly located in small to medium-sized towns

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

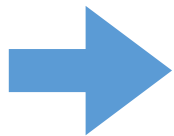


Three good reasons why we pursue this strategy:



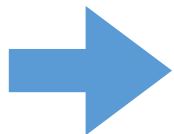
Value creation on several levels (I)

- Acquisition of properties with initial yield of 10% p.a.
- Refinancing of > 80% of investment with app. 2% p.a. possible

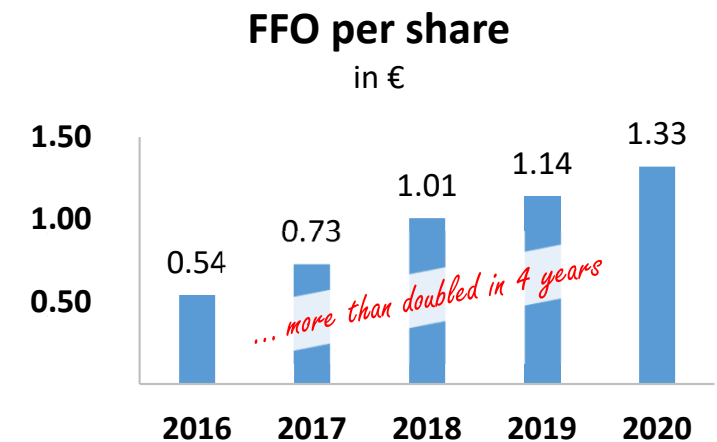


little equity needed,
therefore high return on equity

- Strong growth due to additional acquisitions
- Realisation of earnings and saving potential

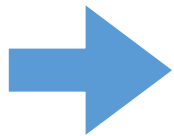


FFO per share
+146% within four years



Value creation on several levels (II)

- Laborious single purchases at favourable prices
- Professionally managed portfolios trade at much higher multiples on net rent



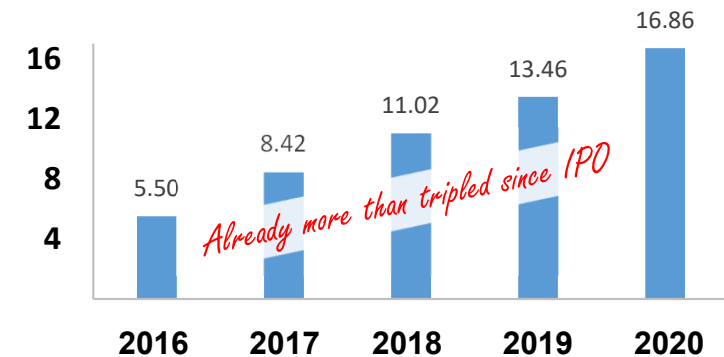
NAV per share +203%
within four years

Shareholders benefit from

- Yearly dividend increase
- Strong and crisis-proof cash flow / FFO
- Continuously rising value of portfolio / NAV

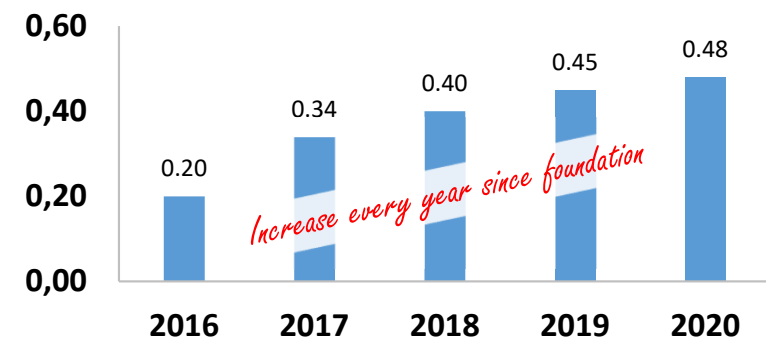
NAV per share

in €



dividend per share

in €



Matthias Schrade (CEO)

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



Matthias Stich (COO)

- More than 20 years working for the BBE/IPH Group
- Specialist in valuation and (re-) development of retail real estate
- Responsible for project developments within the existing portfolio, reconstruction measures and contract negotiations with anchor tenants



Swen Rehwald

- Managing director of IMMA Immobilien Management GmbH
- Broad experience as asset manager and project developer
- Responsible for administration and maintenance of the objects, smaller tenants, accounting/controlling, human resources and IT



Julia Bresch

- Authorised officer of IMMA Immobilien Management GmbH
- LL.M. in real estate law; many years of experience in the areas of center management and projekt planning
- Responsible for takeover/integration of objects, rent disputes and organisation of back office



Supervisory Board



Peter Schropp (Chairman)

- Managing Director of several real estate companies within Primepulse Group
- 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)

- Managing Director of Rücker Immobilien GmbH
- Decades of experience in the real estate industry
- Successful establishment and IPOs of several real estate companies

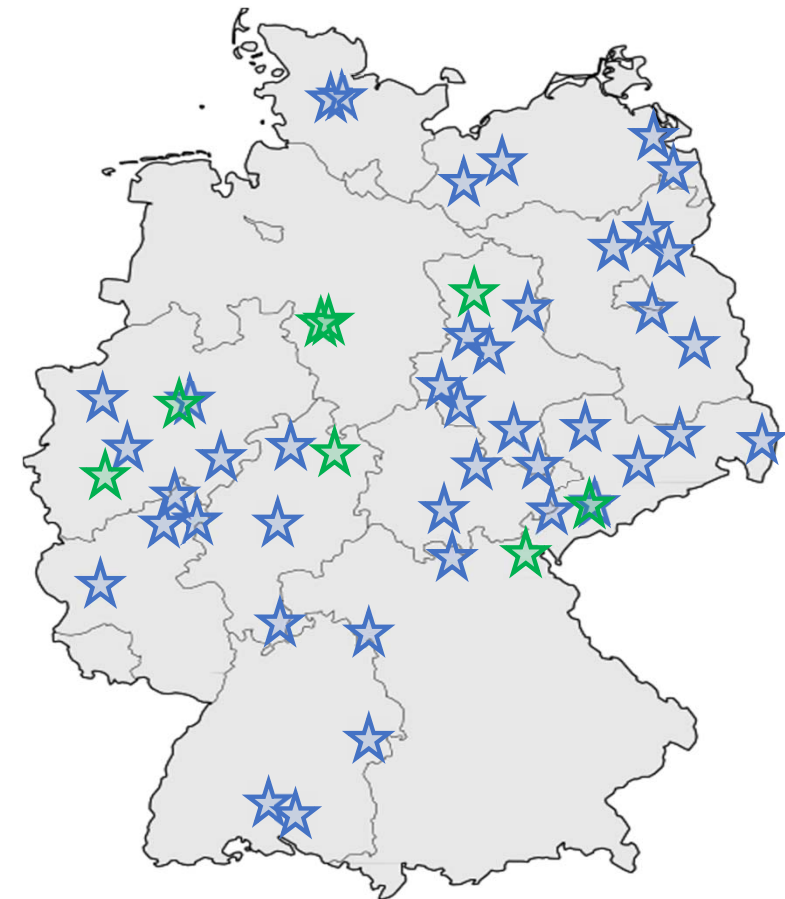


Henrik von Lukowicz


















- Senior Investor Relations Manager at Befesa S.A.
- 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

Key Figures <i>(as of 31 December 2021)</i>	
Locations	50
Net Rent (annualised)	€16.7m
Lettable Space	215,778 sqm
Occupancy Rate	95%
Ø Lease Term (WALT)	4.7 years
Portfolio Value	€210m

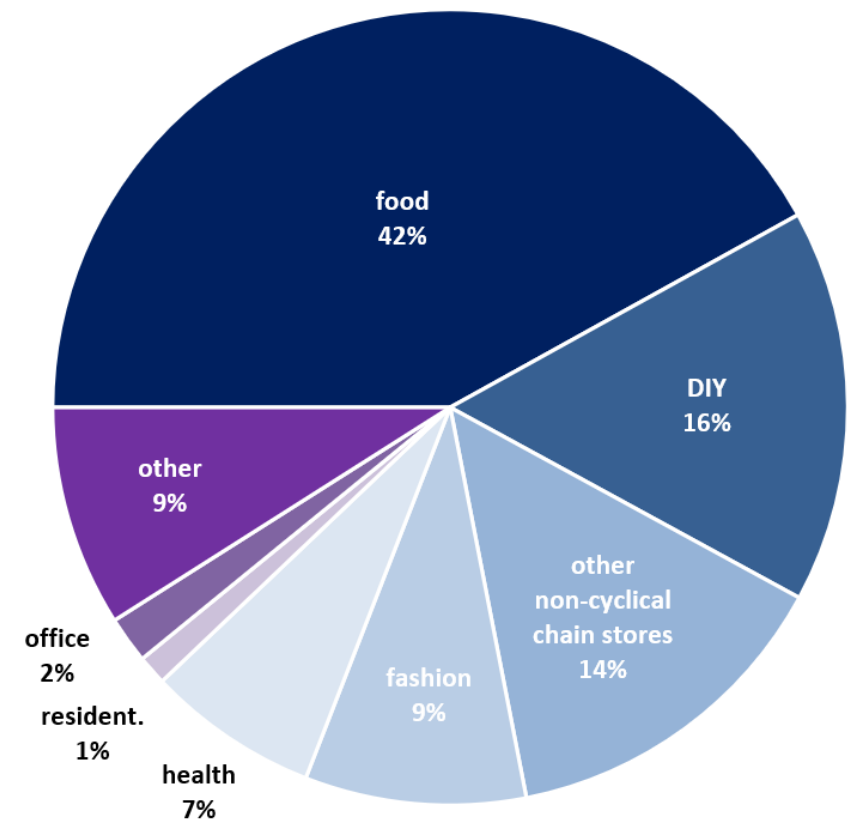
- 80% of total net rent is generated from chain stores with strong credit ratings
- Contracts with anchor tenants have above-average maturity
- Just one contract with > 5% of total net rent and „top 10“ contracts combined just 25%
- In 2021 eight acquisitions for €29.7m



- ★ Existing properties
- ★ Acquired in 2021

Largest Tenants		Contracts	Share
Kaufland/LIDL	 	6	11.6 %
toom/B1	 	5	10.8 %
EDEKA/Netto/trinkgut	  	11	10.1 %
REWE/Penny	 	8	7.3 %
JYSK (= Dän. Bettenlager)		11	5.3 %
Aldi Nord		5	4.2 %
NORMA		7	3.6 %
Herkules (= Edeka Group)		1	2.4 %
KiK		8	2.3 %
TEDi		9	2.1 %
Takko		6	2.1 %
Deichmann		5	1.7 %

Net Rent by Industry



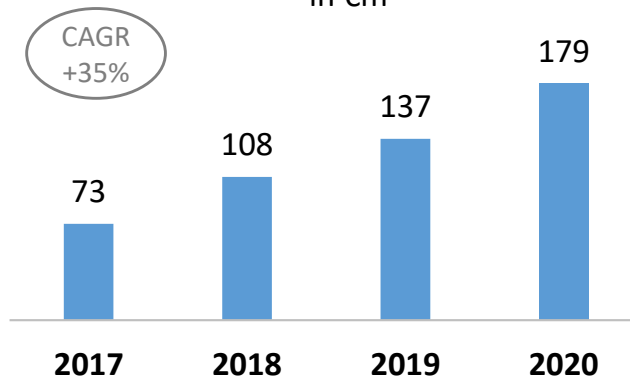
„Top 10“ leases account for just 25% of total net rent

KEY FINANCIALS 2017-2020



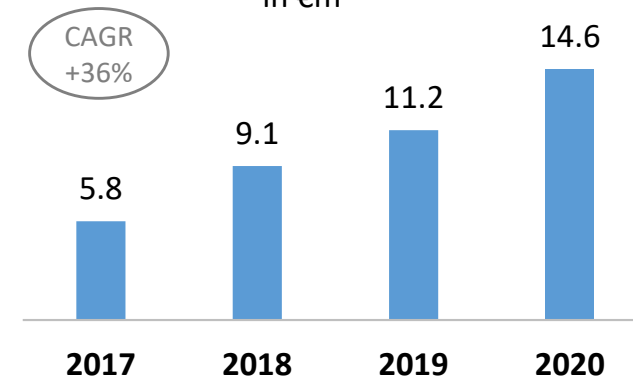
Portfolio Value

in €m



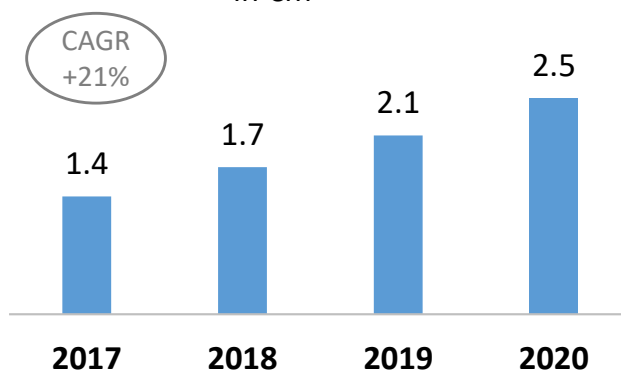
Sales

in €m



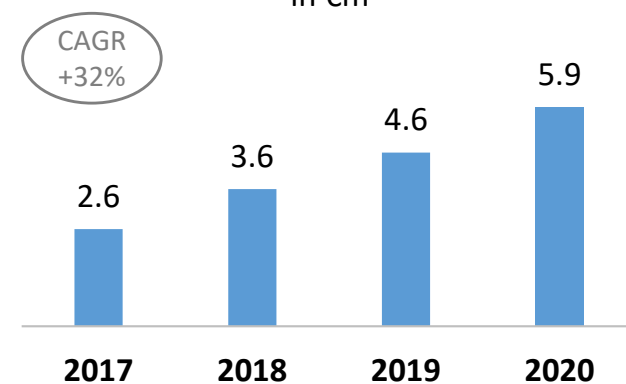
Net Profit

in €m



Funds from Operations (FFO)

in €m

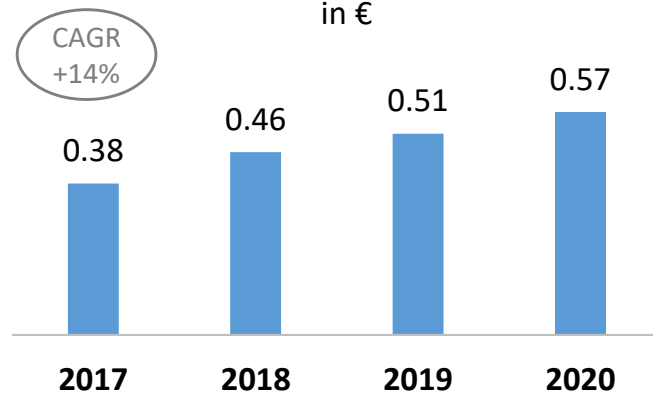


KEY FINANCIALS 2017-2020



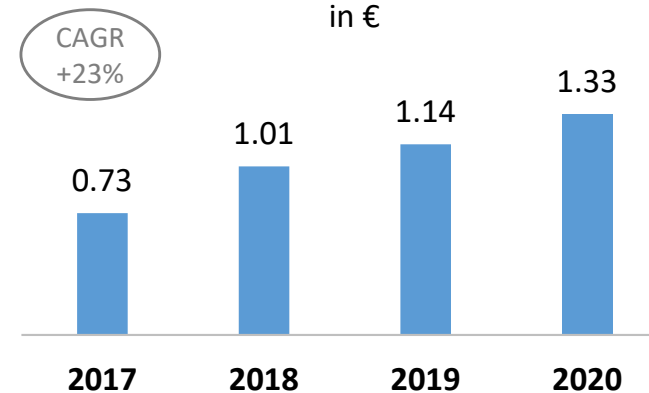
Earnings per share

in €



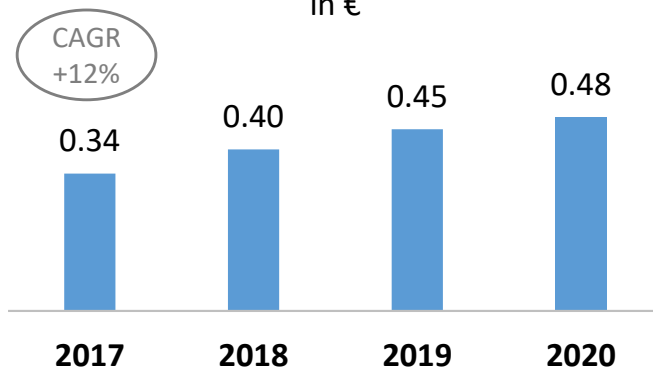
FFO per share

in €



Dividend per share

in €



Guiding principles for expansion

- Company growth not for its own sake, but always with a clear goal of creating shareholder value
- Primary focus on improving FFO per share
- Further FFO increase with existing cash position expected

Impact of coronavirus crisis / current situation

- Collection ratio in Q1/2021 overall about 92%, partly conditional payments
- Collection ratio since April 2021 close to 100%
- Open claims mainly from non-food retail chain stores with strong solvency; only one tenant has declared insolvency; the space has already been re-let
- Suspended rents are just deferred => no effect on results!
... despite this additional precautionary write-offs
- No change in banking lending practices visible

**Advantage: food, drugstores, doctors/pharmacies, DIY stores etc.
account for 70% of our net rents**



Investments within the existing portfolio (*examples*)

Löwenberg

• Acquisition of neighbour parcel	completed	in total app. €2m
• Expansion of ALDI's retail area	completed	

Büdelsdorf

• Adding an elevator at East wing	in process, completion est. 3/2022	in total app. €1.5m
• Expansion of TEDi's area, roof extension, creation of area for a fitness studio	in process, completion est. 8/2022	

Hamm

• Refurbishment fitness studio	completed	in total app. €500k
• Expansion of Penny's area	in process, completion est. 5/2022	

Lübbenau

• Settlement of cardiology surgery	completed	in total > €1m (incl. further measures)
• Expansion of butcher's area	completed	
• Expansion of Amplifon's area	completed	
• Creation of a new rental area for TEDi	in process, completion est. Q2/2022	
• Building application for larger bakery area	in process, completion est. Q2/2022	



Refurbishment for ALDI in Löwenberg (I)

- Expansion and modernisation of the ALDI market
- ALDI was almost continuously open during the renovation
- Reopening has taken place at December 10th, 2021



Total plot before the refurbishment



The driveway was relocated a little to the west

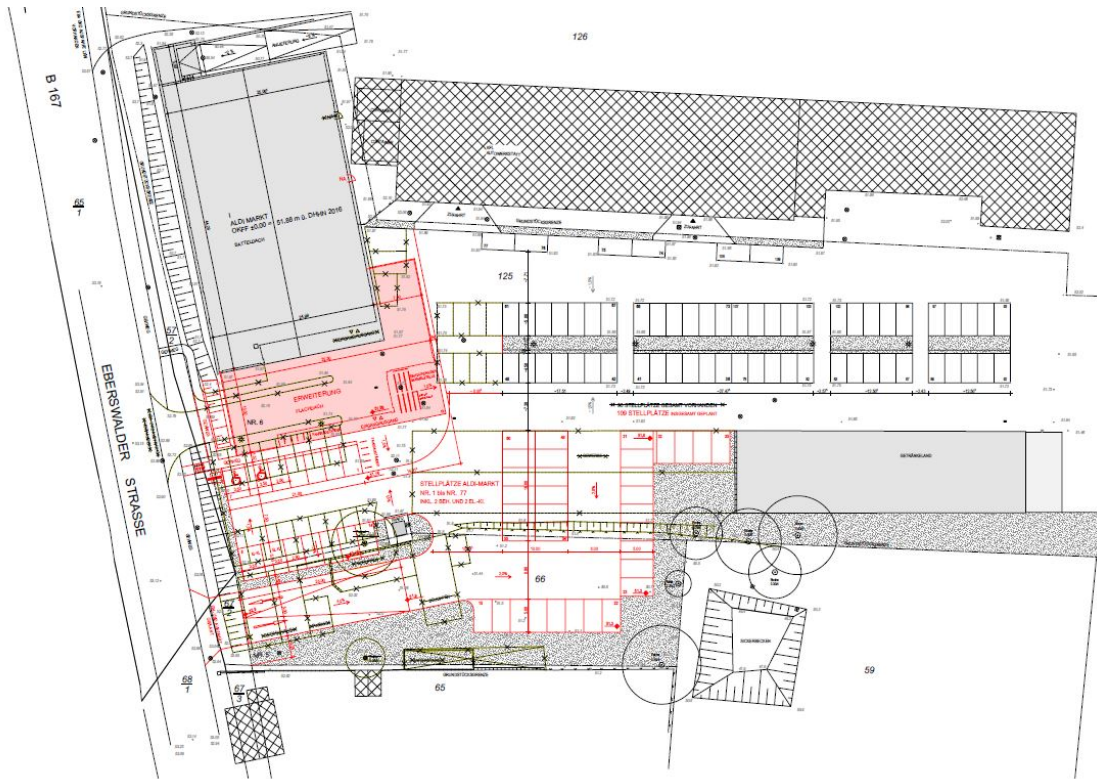


There's still some work to do at the outdoor facilities ...



... but the building was finished just in time

Refurbishment for ALDI in Löwenberg (II)



The ALDI building was enlarged towards the front, the driveway was relocated and parking spots were added



The aging ALDI in Löwenberg ...



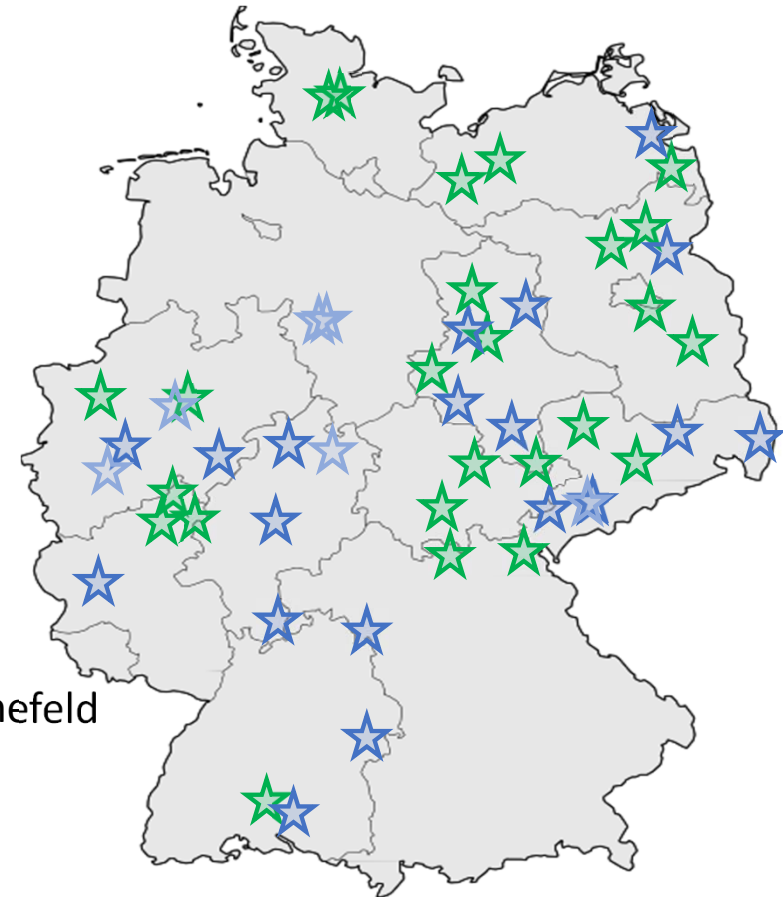
... looks like newly built after the refurbishment.

Prolongation or new contracts signed with important tenants in 2021

ALDI
Edeka
ABC Schuhe
Fitness-Studio
Futterhaus
Gemeinschaftspraxis
KiK
Norma
Penny
REWE
Sanitätshaus
TEDi

etc. etc.

Brand-Erbisdorf
Pasewalk
Staßfurt
Büdelsdorf
Gardelegen
Rendsburg
Dinslaken
Höhn + Puderbach + Sonnefeld
Wildau
Wittenburg
Albstadt
Büdelsdorf + Wurzen



★ Prolongation of contract/investment ¹
★ Acquisition in 2021

1) Locations with important lease term prolongation in 2021 and/or actual plans for investments of > €50k

Transaction/Sale

REWE City Center Bleicherode

Year of construction:	1993
Lettable space:	4,044 sqm
Occupancy rate:	88%
Annual net rent:	€350k
Tenants i.a. REWE, Ernsting's family, pharmacy	

sold on 24th February 2021



Ad hoc announcement dated February 24th, 2021

- First sale in company history of DEFAMA
- Selling price of €5.16m (= 2x purchase price, app. 15x net rent)
- Market value most recently at €4.23m
- Positive one-time effect of €2.6m before taxes
- Disposal leads to cash inflow of €3m after taxes

Transaction/Purchase

HanseCenter Gardelegen

- ☐ Year of construction: 1996
- ☐ Plot size: 41.355 sqm
- ☐ Lettable space: 15.850 sqm
- ☐ Occupancy rate: 67%
- ☐ Purchase price: €8m
- ☐ Annual net rent (target): > €1m
- ☐ Aquisition via foreclosure sale
- ☐ Key tenant is Kaufland, represented are also AWG, Deichmann, Takko, ACTION, Woolworth
- ☐ HanseCenter is the only big retail agglomeration of the entire city
- ☐ Great interest of several potential tenants
- ☐ First considerable contract signed with Futterhaus a good 800 m² in October 2021

acquired on April 22nd, 2021



Transaction/Purchase

Local supply center Barsinghausen

- ☐ Year of construction: 1985 / 2005
- ☐ Plot size: 6.907 sqm
- ☐ Lettable space: 3.385 sqm
- ☐ Occupancy rate: 100%
- ☐ Purchase price: €3.6m
- ☐ Annual net rent: €340k
- ☐ Acquisition at 10.6 times annual net rent
- ☐ Located in the commuter belt of Hanover with suburban railway connection
- ☐ Key tenants are Netto and JYSK, represented are also i.a. bakery, barber, insurance office, vet, martial arts school, care service and two doctor's offices
- ☐ Plot with great visibility next to the main road and embedded in a big residential area

acquired on May 19th, 2021



Transaction/Purchase

Retail Park Hof

- ☐ Year of construction: 1991
- ☐ Plot size: 24.824 sqm
- ☐ Lettable space: 6.685 sqm
- ☐ Occupancy rate: 89%
- ☐ Purchase price: €6.7m
- ☐ Annual net rent (target): > €570k
- ☐ Acquisition at 11.7 times annual net rent
- ☐ Located in a heavily frequented retail agglomeration with Kaufland, LIDL, OBI, dm, KiK, denn's biomarket, Subway and several car dealers not far from the main station
- ☐ Main tenants are Admiral, Detlev Louis Motorrad, Jumpers Fitness, Fressnapf and JYSK
- ☐ Undeveloped complementary plot of > 2,000 sqm offers potential for an additional building

acquired on September 30th, 2021



Transaction/Purchase

Retail Park Melsungen

- ☐ Year of construction: 1999
- ☐ Plot size: 25.834 sqm
- ☐ Lettable space: 8.366 sqm
- ☐ Occupancy rate: 100%
- ☐ Purchase price: €4.5m
- ☐ Annual net rent: €450k
- ☐ Acquisition at 10 times annual net rent
- ☐ Site is located about 25 km south from Kassel
- ☐ Tenants are Herkules DIY store (Edeka Group) and a furniture store
- ☐ Situated at an access road to the highway with great visibility

acquired on October 6th, 2021



Transaction/Purchase

Supermarket in Cologne-Rondorf

- ☐ Year of construction ¹: 1999 / 2021
- ☐ Plot size ²: 4.686 sqm
- ☐ Lettable space: 1.271 sqm
- ☐ Occupancy rate: 100%
- ☐ Purchase price: €2.15m
- ☐ Annual net rent: €162k
- ☐ Acquisition at 13 times annual net rent
- ☐ REWE has taken over the site in sommer of 2021 and completely refurbished
- ☐ Rondorf is located in the South of Cologne and bordered to the north by the A4 motorway und to the east by the A555 motorway
- ☐ The building is embedded in a densely built housing estate with apartment buildings
- ☐ In Rondorf there is just another REWE market and Netto market; besides there are no other bigger retail plots or vacant lots within the whole district

acquired on November 20th, 2021



1) Original year of construction 1999, completely refurbished in 2021

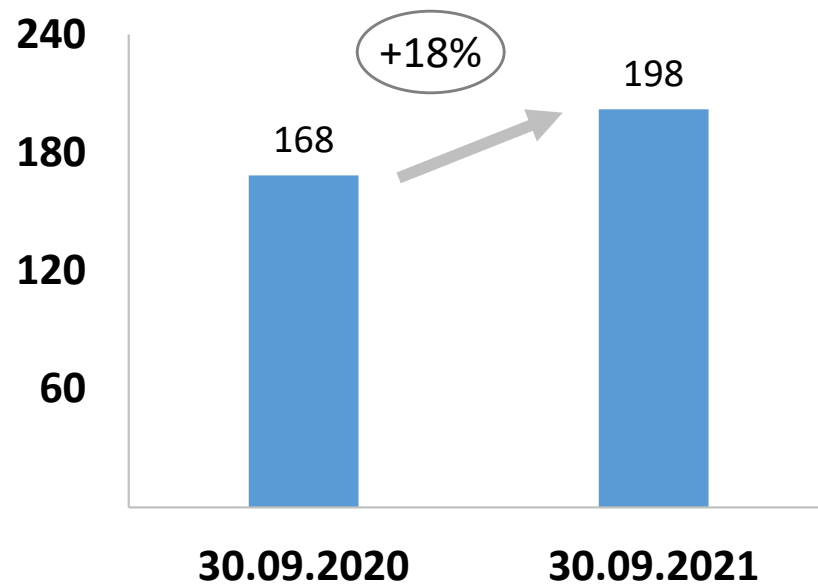
2) Fractional ownership, 2,072/10,000 co-ownership shares

KEY FINANCIALS 9M/2021



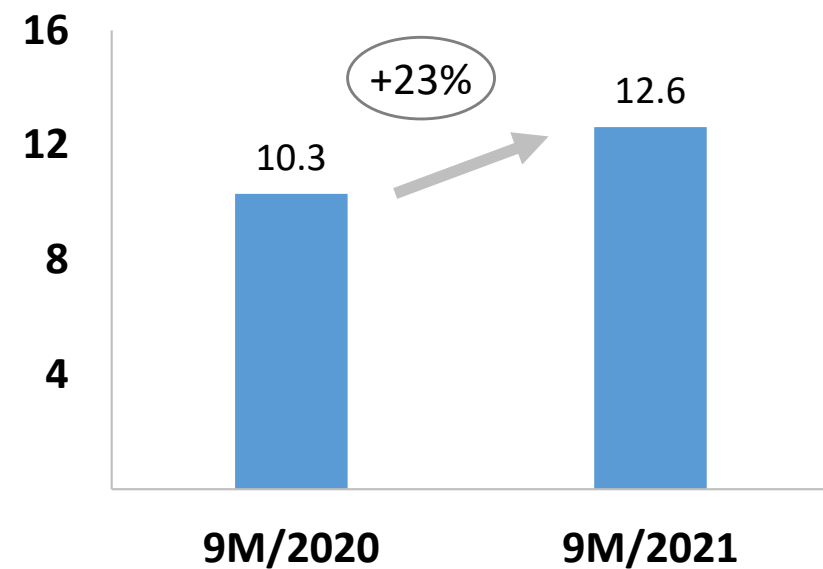
Portfolio Value

in €m



Sales

in €m

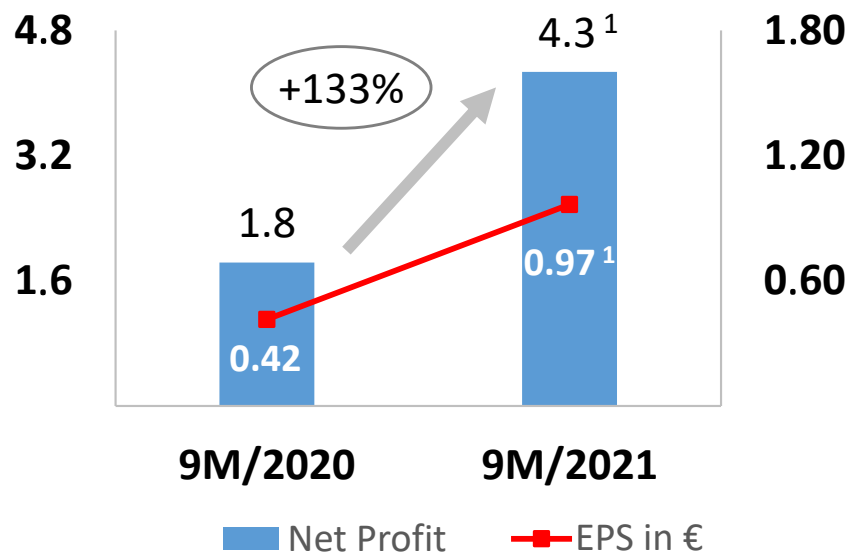


KEY FINANCIALS 9M/2021



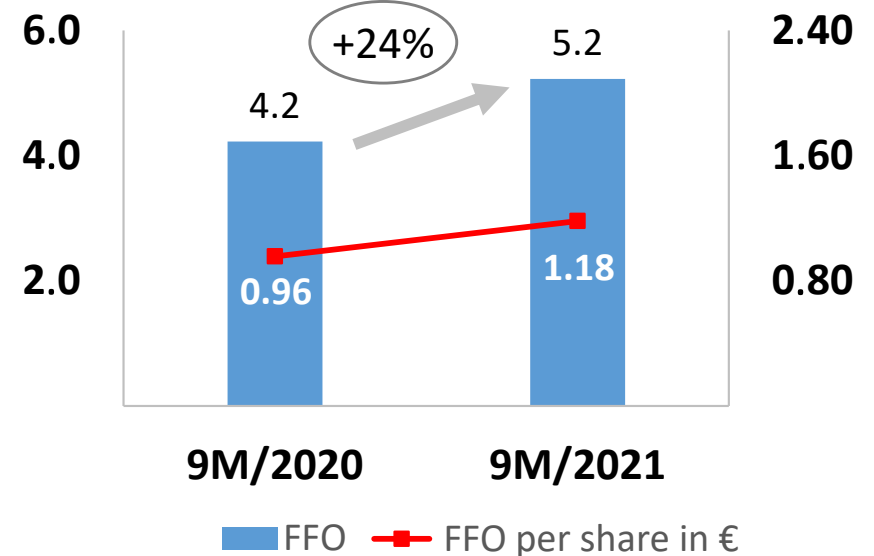
Net Profit

in €m



Funds from Operations (FFO)

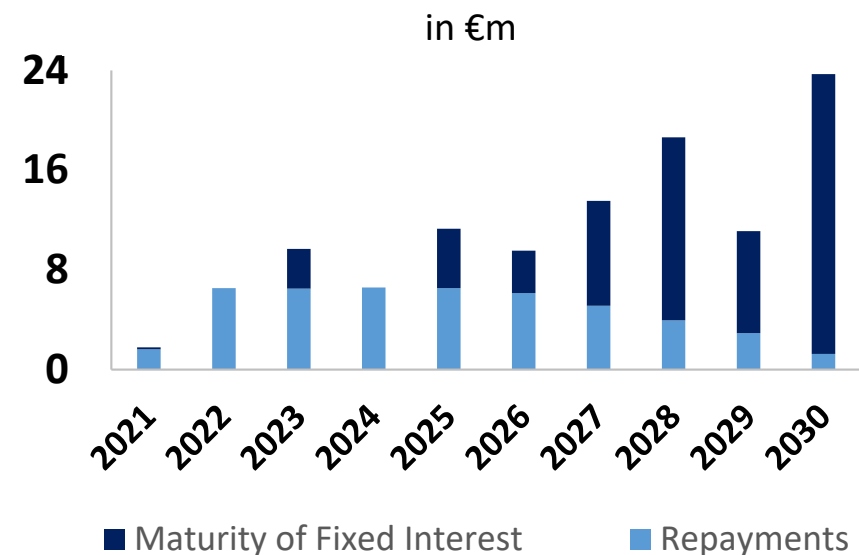
in €m



1) Including profit of sale of Bleicherode, adjusted €2.1m resp. 0.47 € per share

Key Figures <i>(as of 30 September 2021)</i>	
Number of financing partners	34
Bank loans	€117m
Ø Interest rate	2.09%
Ø Initial repayment	4.55%
Ø Fixed interest	7.2 years
Loan-to-value-ratio (LTV)	58.0%

Maturity Profile incl. Repayments



- Financing arranged through local / regional banks and savings banks with strong local knowledge
- Broadly diversified financing structure: no bank with > 17% share of total debt
- Annuity loan with favourable interest rates secured for the long-term

Guidance for 2021

- Net Profit (German GAAP): €3.1m
€0.69 per share
- Funds From Operations (FFO): €7.1m
€1.61 per share
- Annualised FFO: at least €8m
- Dividend: > €0.48 per share
- Increase of existing loans of at least €2m

Prior Year

€2.5m
€0.57 per share

€5.8m
€1.32 per share

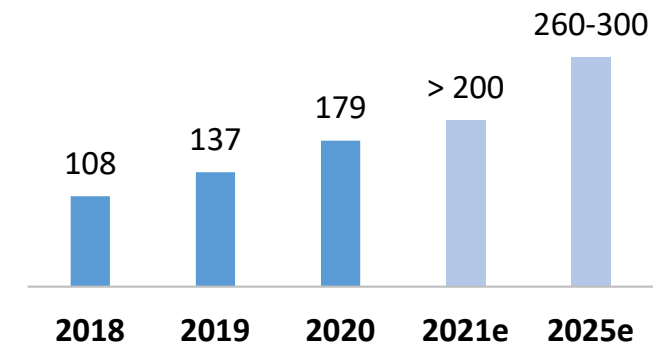
€7.1m

€0.48 per share ¹⁾

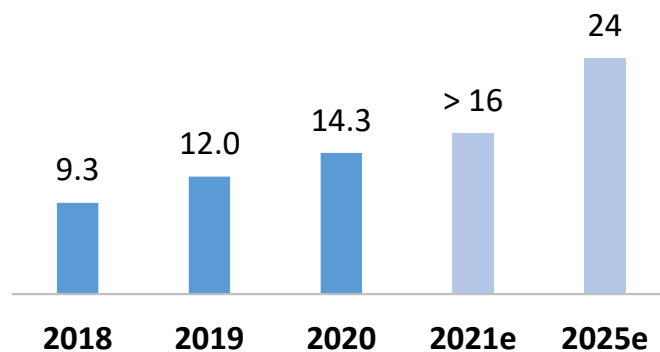
Long-term guidance „DEFAMA 2025“

- Portfolio value reaches €260m to €300m
- Annualised net rents of €24m
- FFO of > €11m resp. > €2.50 per share
- Targets can be achieved without capital increase

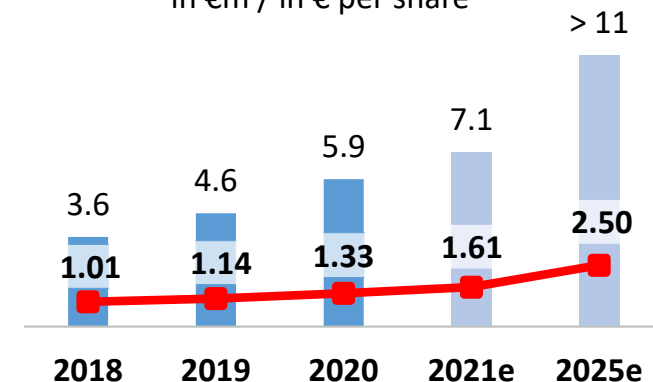
Portfolio Value
in €m



Net Rents (annualised)
in €m



Funds from Operations (FFO)
in €m / in € per share



DEFAMA on track for further growth

- 2021 aquisition volume close to €30m above typical yearly level
- Annualised FFO („run rate“) already €8.4m resp. 1.90 € per share
- Additional employee increased capacity for real estate transactions
- Potentially higher annual aquisition volume in the future
- Review occasional sales, e.g. after signing of long-term leases

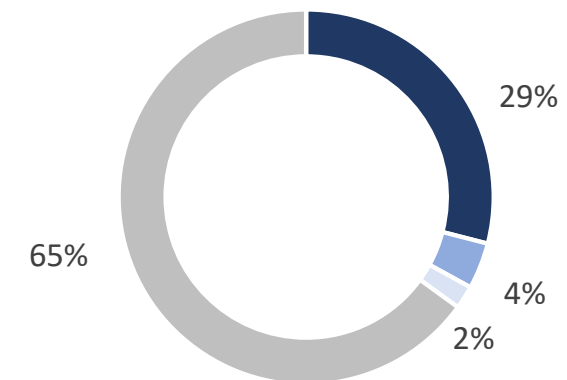
**Our success strategy „we buy to keep“
in the core stays unchanged!**



Share price development since IPO at 13 July 2016



Shareholder structure ²



WKN / ISIN	A13SUL / DE000A13SUL5
Stock exchange	Munich (m:access), Frankfurt, Xetra
Number of shares	4,420,000 ordinary shares
Current share price ¹	€27.60
Market capitalisation	€122.0m

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

²) as of 31 December 2020. According to our knowledge, biggest investors within the freefloat are Ennismore European Smaller Companies Fund, HW Capital GmbH, Lupus Alpha Micro Champions Fonds, Share Value Foundation, Spirit Asset Management and Value Opportunity Fund.

¹) XETRA closing price on 27 January 2022

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 yearly dividend increase

Strong Growth

by focusing on very specific niche with few competitors

CONTACT



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