



Credit Research

Issue of a secured corporate bond, yielding 7.0 %



„The secured corporate bond is particularly convincing, because of the solid business development in combination with the well-filled project pipeline“

**Rating: Outstandingly attractive
(5 GBC-falcons)**



IMPORTANT NOTICE:

**Please see our disclaimer/risk disclosure,
also see the disclosure of potential conflicts of interest according to §34b WpHG from page 3 onwards**

EYEMAXX Real Estate AG^{*5a;5b;6a;11}

Outstandingly attractive



Key information:

ISIN: DE000A2AAKQ9
WKN: A2AAKQ
Coupon: 7.00 %

Issue volume:
Up to 30.0m €
Bond rating: BBB

Denomination: 1,000 €

Minimum investment: 1,000 €

Maturity: 18/03/16 – 17/03/21

Interest payments: Semi-annual on the 18/03. and on the 18/09.

Issuing price: 100 %

Redemption rate: 100 %

Market segment:
Open Market of Deutsche Börse AG

Accounting standard:
IFRS

Fiscal year: 31/10

Analysts:

Cosmin Filker
filker@gbc-ag.de

Felix Gode, CFA
gode@gbc-ag.de

* disclosure of potential conflicts of interest on page 3 onwards

Company Profile

Sector: Real estate

Specialty: Development of retail parks, housing projects and nursing homes

Number of employees: 30 as of 31/10/2015

Founded: 1996

Registered office: Aschaffenburg

CEO: Dr. Michael Müller

The business activities of the corporate bond issuer are based on two pillars: The first pillar is the project development division, which includes the conception, the development, the construction and the sale of commercial properties. The commercial properties consist of retail properties (retail parks), logistics properties and custom build properties ("Taylormade Solutions"). Furthermore, the first pillar includes the development and sale of nursing homes in Germany, and of residential properties in Germany and Austria. The regional focus is set on established markets, such as Austria and Germany, as well as promising growth markets in the CEE region, particularly Poland, Czech Republic, Slovakia, Croatia and Serbia. EYEMAXX is pursuing the strategy of "develop and sell", except for the project in Serbia. The second pillar consists of portfolio maintenance of properties in Austria and Germany to generate regular rental income. The portfolio maintenance of properties has been established in 2012 and expanded by investing in market opportunities as well as keeping self-developed properties.

P&L in million EUR \ Full year	31/10/2015	31/10/2016e	31/10/2017e	31/10/2018e
Total sales	16.21	17.44	19.75	21.15
EBITDA	9.84	11.11	11.36	12.72
EBIT	9.61	10.91	11.16	12.52
Net profit	4.03	5.00	6.73	8.93

Ratios	31/10/2015	31/10/2016e	31/10/2017e	31/10/2018e
EBITDA - interest coverage ratio	1.76	1.48	1.88	2.32
EBIT- interest coverage ratio	1.72	1.45	1.85	2.28
Equity ratio	30.3%	33.5%	40.5%	46.6%
Total Debt/EBITDA	6.35	5.95	5.76	5.17
Total Net Debt/EBITDA	5.96	5.58	4.67	3.78
Risk Bearing Capital	25.7%	30.3%	34.3%	38.2%
Total Debt/Capital	72,2%	67,4%	63.2%	59.3%

Financial dates

June 2016: General meeting

29/07/2016: Half-year report 2015/2016

28/02/2017: Annual report 2015/2016

EXECUTIVE SUMMARY

- The EYEMAXX Real Estate AG is currently in the process of issuing a secured 7.0% corporate bond, to refinance two outstanding bonds issued 2011 and 2012. According to the corporate bond prospectus, the majority of the net proceeds is used for the redemption of the 7.50% corporate bond (2011/2016) and the 7.75% corporate bond (2012/2017). Both outstanding corporate bonds together are currently valued at €24.58m.
- The comprehensive security concept grants first-class collaterals valued at €24.63m and secondly accessory securities valued at €10.28m, which will be pledged as security. In total, the planned corporate bond volume of €30m will be secured by €34.92m of collaterals.
- The EYEMAXX Real Estate AG uses the corporate bonds to finance its real estate projects. EYEMAXX focuses on project development primarily in the area of commercial properties (retail centers, logistics properties, 'Taylormade Solutions') in Austria, Germany and in the SEE / CEE region. Since 2014, EYEMAXX also develops residential properties and nursing homes in Germany and Austria. Since 2006, EYEMAXX has finalized projects with a total of over €230m. Additionally, EYEMAXX has built up a real estate portfolio, with a total of 13 properties that generate an annual rental income of approximately €3.9m. Only recently, in February 2016, the property portfolio has been significantly expanded through the acquisition of fully let logistics properties with an effective area of 42,500 sqm.
- The current project pipeline has a project volume of around €200m. The projects are structured in special purpose vehicles that are financed between 70 % - 80 % through non-recourse bank loans, which allows EYEMAXX to realize high investment volumes through leverage. The equity of the special purpose vehicles can be provided either through internal financing (using cash flows from the sale of completed projects), equity financing (capital increase) or debt financing (bank or partner loans at holding level, or corporate bonds).
- Based on the current project pipeline, and also taking the real estate portfolio into account, we expect total sales of €17.44m (FY 15/16e), €19.75m (FY 16/17e), and €21.15m (FY 17/18e). EYEMAXX Real Estate AG has generally a high EBIT margin, because most costs already are incurred in the project companies. Hence, for the coming fiscal years, we expect the EBIT margin to be consistently above 55%. Based on the increasing overall performance and an associated improvement in EBIT, the relevant credit metrics for bond holders should gradually improve.
- **The 7.0% corporate bond is offered for subscription from the 08/03/2016 on and according to our market comparison as well as taking the Creditreform bond rating (BBB) into consideration, we rate the corporate bond as "Outstandingly attractive". Both the collateral security concept of the corporate bond and the solid balance sheet in combination with the companies' consistently positive development are important factors for us to award the best investment opinion (5 GBC falcons).**

ANNEX

Section 1 Disclaimer and exclusion of liability

This document is intended solely for information purposes. All data and information in this study come from sources that GBC regards as reliable. In addition, the authors have taken every care to ensure that the facts and opinions presented here are appropriate and accurate. Nevertheless, no guarantee or liability can be accepted for their correctness – whether explicitly or implicitly. In addition, all information may be incomplete or summarised. Neither GBC nor the individual authors accept liability for any damage which may arise as the result of using this document or its contents, or in any other way in this connection.

We would also point out that this document does not constitute an invitation to subscribe to nor to purchase any securities and must not be interpreted in this way. Nor may it nor any part of it be used as the basis for a binding contract of any kind whatsoever, or be cited as a reliable source in this context. Any decision relating to the probable offer for sale of securities for the company or companies discussed in this publication should be taken solely on the basis of information in the prospectuses or offer documents which are issued in relation to any such offer.

GBC does not provide any guarantee that the indicated returns or stated target prices will be achieved. Changes to the relevant assumptions on which this document is based can have a material impact on the targeted returns. Income from investments is subject to fluctuations. Investment decisions should always be made with the assistance of an investment advisor. This document cannot replace the role of an advisor.

Sale outside the Federal Republic of Germany:

This publication, if sold in the UK, may only be made available to those persons who, in the meaning of the Financial Services Act 1986 are authorised and exempt, or persons as defined in section 9 (3) of the Financial Services Act 1986 (Investment Advertisement) (Exemptions) Decree 1988 (amended version) and must not be transmitted directly or indirectly to other persons or groups of persons.

Neither this document nor any copy of it may be taken into, transferred to or distributed within the United States of America or its territories and possessions. The distribution of this document in Canada, Japan or other jurisdictions may be restricted by law, and persons who come into possession of this publication should find out about any such restrictions and respect them. Any failure to respect these restrictions may represent a breach of the US, Canadian or Japanese securities laws or laws governing another jurisdiction.

By accepting this document you accept all disclaimers of liability and the restrictions cited above.

You can find the details of this disclaimer/exclusion of liability at:

<http://www.gbc-ag.de/de/Disclaimer.htm>

Legal information and disclosures as required by section 34b para. 1 of Securities Trading Act (WpHG) and Financial Analysis Directive (FinAnV)

This information can also be found on the internet at the following address:

<http://www.gbc-ag.de/de/Offenlegung.htm>

Section 2 (I) Updates

A detailed update of the present analysis/analyses at any fixed date has not been planned at the current time. GBC AG reserves the right to update the analysis without prior notice.

Section 2 (II) Recommendation/ Classifications/ Rating

Since 1/7/2006 GBC AG has used a 3-level absolute share rating system. Since 1/7/2007 these ratings relate to a time horizon of a minimum of 6 to a maximum of 18 months. Previously the ratings related to a time horizon of up to 12 months. When the analysis is published, the investment recommendations are defined based on the categories described below, including reference to the expected returns. Temporary price fluctuations outside of these ranges do not automatically lead to a change in classification, but can result in a revision of the original recommendation.

The recommendations/ classifications/ ratings are linked to the following expectations:

Outstandingly attractive (5 GBC falcons)	The corporate bond is in comparison to the market outstandingly attractive.
Well above average (4 GBC falcons)	The corporate bond is in comparison to the market well above average.
attractive (3 GBC falcons)	The corporate bond is in comparison to the market attractive.
Below average (2 GBC falcons)	The corporate bond is in comparison to the market below average.
Significantly below average (1 GBC falcon)	The corporate bond is in comparison to the market significantly below average.

GBC AG's target prices are determined using the fair value per share, derived using generally recognised and widely used methods of fundamental analysis, such as the DCF process, peer-group benchmarking and/or the sum-of-the-parts process. This is done by including fundamental factors such as e.g. share splits, capital reductions, capital increases, M&A activities, share buybacks, etc.

Section 2 (III) Past recommendations

Past recommendations by GBC on the current analysis/analyses can be found on the internet at the following address:

<http://www.gbc-ag.de/de/Offenlegung.htm>

Section 2 (IV) Information basis

For the creation of the present analysis/analyses publicly available information was used about the issuer(s) (where available, the last three published annual and quarterly reports, ad hoc announcements, press releases, share prospectuses, company presentations, etc.) which GBC believes to be reliable. In addition, discussions were held with the management of the company/companies involved, for the creation of this analysis/these analyses, in order to review in more detail the information relating to business trends.

Section 2 (V) 1. Conflicts of interest as defined in section 34b para. 1 of the Securities Trading Act (WpHG) and Financial Analysis Directive (FinAnV)

GBC AG and the analysts concerned hereby declare that the following potential conflicts of interest exist for the company/companies described. at the time of this publication, and in so doing meet the requirements of section 34b of the Securities Trading Act (WpHG). A detailed explanation of potential conflicts of interest is also listed in the catalogue of potential conflicts of interest under section 2 (V) 2.

In relation to the security or financial instrument discussed in this analysis the following possible conflict of interest exists: (5a;5b;6a;11)

section 2 (V) 2. Catalogue of potential conflicts of interest

- (1) GBC AG or a legal person connected to them holds shares or other financial instruments of this company at the time of publication.
- (2) This company holds over 3% of the shares in GBC AG or a legal person connected to them.
- (3) GBC AG or a legal person connected to them is a market maker or designated sponsor for the financial instruments of this company.
- (4) GBC AG or a legal person connected to them has, over the previous 12 months, organised or played a leading role in the public issue of financial instruments for this company.
- (5) a) GBC AG or a legal person connected to them has over the last 12 months agreed to create research reports for this company in return for payment. As part of this agreement the issuer was shown the draft of this analysis (excluding the evaluation section) prior to publication.
- (5) b) After receiving valid amendments by the analysed company, the draft of this analysis was changed.
- (6) a) GBC AG or a legal person connected to them has over the last 12 months agreed with a third party to create research reports about this company in return for payment. As part of this agreement the issuer was shown the draft of this analysis (excluding the evaluation section) prior to publication.
- (6) b) After receiving valid amendments by the third party, the draft of this analysis was changed.
- (7) The analyst responsible for this report holds shares or other financial instruments of this company at the time of publication.
- (8) The analyst responsible for this company is a member of the company's Executive Board or Supervisory Board.

(9) The analyst responsible for this report received or purchased shares in the company analysed by said analyst, prior to the time of publication.

(10) GBC or a related legal party has closed an agreement with the underlying company regarding consulting services during the previous 12 months.

(11) GBC or a related legal party has a significant financial interest in the analysed company, for example to get mandated by the analysed company or to provide any kind of services (such as the organization of fairs, roundtables, road shows, etc.).

Section 2 (V) 3. Compliance

GBC has defined internal regulatory measures in order to prevent potential conflicts of interest arising or, where they do exist, to declare them publicly. Responsibility for the enforcement of these regulations rests with the current Compliance Officer. Susanne Klebl. Email: klebl@gbc-ag.de

Section 2 (VI) Responsibility for report

The company responsible for the creation of this/these analysis/analyses is GBC AG, with registered office in Augsburg, which is registered as a research institute with the responsible supervisory authority (Federal Financial Supervisory Authority or BaFin. Lurgiallee 12, 60439 Frankfurt, Germany).

GBC AG is currently represented by its board members Manuel Hölzle (Chairman) and Jörg Grunwald.

The analysts responsible for this analysis are:

Cosmin Filker, Dipl. Betriebswirt (FH), Finanzanalyst

Felix Gode, CFA, Dipl. Wirtschaftsjurist (FH), Deputy Head of research

Other person involved:

Manuel Hölzle, Dipl. Kaufmann, Head of research

Section 3 Copyright

This document is protected by copyright. It is made available to you solely for your information and may not be reproduced or distributed to any other person. Any use of this document outside the limits of copyright law shall, in principle, require the consent of GBC or of the relevant company, should the rights of usage and publication have been transferred.

GBC AG
Halderstraße 27
D 86150 Augsburg
Tel.: 0821/24 11 33-0
Fax.: 0821/24 11 33-30
Internet: <http://www.gbc-ag.de>

E-Mail: compliance@gbc-ag.de



GBC AG®
- RESEARCH & INVESTMENT ANALYSEN -

GBC AG
Halderstraße 27
86150 Augsburg
Internet: <http://www.gbc-ag.de>
Fax: ++49 (0)821/241133-30
Tel.: ++49 (0)821/241133-0
Email: office@gbc-ag.de