



Credit Research
Issue of a corporate bond, yielding 5.5 %



Issue of the sixth corporate bond planned to finance further projects; two bonds already repaid; company has an extensive Project pipeline of more than € 750 million

Rating: Well above average
(4 GBC-falcons)



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also see the disclosure of potential conflicts of interest according to §85 and Art. 20 MAR WpHG from page 3

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EYEMAXX Real Estate AG^{*4,5a;6a;10;11}

Well above average



Key information:

ISIN: DE000A2GSSP3
WKN: A2GSSP
Coupon: 5.50 %

Issue volume:
Up to 30.0m €
Bond rating: BB (Company
Rating)

Denomination: 1,000 €
Minimum investment: 1,000 €
Maturity: 26/04/18 – 25/04/23

Interest payments: Semi-
annual on the 26/04. and on
the 26/10.

Issuing price: 100 %
Redemption rate: 100 %

Market segment:
Open Market of Deutsche
Börse AG

Accounting standard:
IFRS

Fiscal year: 31/10

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* disclosure of potential con-
flicts of interest on page 3
onwards

Company Profile

Sector: Real estate

Specialty: Residential and commercial real estate

Number of employees: 30 as of 31/10/2017

Founded: 1996

Registered office: Aschaffenburg

CEO: Dr. Michael Müller

EYEMAXX Real Estate AG is a real estate company with a long-standing successful track record, focussing on residential properties in Germany and Austria. In addition, EYEMAXX also realizes nursing homes in Germany and commercial properties in central Europe. In the company's recent past its corporate strategy has also included developing urban districts in Germany. EYEMAXX' business activities take a dual-pronged approach. These include high-margin projects and also the continued expansion of its stocks of let commercial properties, which generate ongoing rental income and thus constant cash flows. In so doing, EYEMAXX uses the expertise offered by its experienced management team together with a strong team of real estate professionals, and also a well-established and broad network which opens up additional access to attractive properties and projects. The current project pipeline has thus been expanded to about EUR 760 million. Shares of EYEMAXX Real Estate AG are listed in the General Standard of the Frankfurt Stock Exchange. The company has also issued several bonds, which are also listed on the stock exchange.

P&L in million EUR \ Full year	31/10/2017	31/10/2018e	31/10/2019e	31/10/2020e
Total sales	23.58	26.48	26.99	28.30
EBITDA	14.56	17.25	17.58	18.70
EBIT	14.25	16.95	17.28	18.40
Net profit	6.62	8.98	11.95	12.31

Ratios	31/10/2017	31/10/2018e	31/10/2019e	31/10/2020e
EBITDA - interest coverage ratio	1.62	1.84	2.00	2.58
EBIT- interest coverage ratio	1.58	1.81	1.96	2.54
Equity ratio	33.4%	40.0%	51.2%	69.8%
Total Debt/EBITDA	6.92	6.25	4.95	3.27
Total Net Debt/EBITDA	5.84	5.30	4.43	1.68
Risk Bearing Capital	27.4%	34.4%	47.2%	56.8%
Total Debt/Capital	69.7%	63.0%	49.4%	38.3%

Financial dates

31/07/2018: Half-Year Report 2017/2018

EXECUTIVE SUMMARY

- EYEMAXX is currently in the issuance phase of a 5.5% corporate bond with a volume of up to € 30 million. In parallel, the company is offering the holders of the already issued 7.875% corporate bond (outstanding volume: € 8.66 million) to exchange their bond holdings so that, if fully accepted, the issue proceeds could amount to up to € 21.34 million. We have benchmarked the planned corporate bond with the market and awarded the rating "Well above average".
- With the new bond funds, EYEMAXX plans to primarily finance new projects. Large-scale residential property projects as well as mixed-use projects have already been identified, for which the financing of subordinate funds for the purchase of real estate still has to be raised. Around € 12.0 million should be used to purchase the land. In addition, a further € 15.0 million could be used for the further expansion of the project pipeline.
- The project financing takes place at the level of the respective project company. The equity of the project company amounts to 15-30% of the total investment, of which EYEMAXX can raise both equity and debt at the level of the parent company. Based on these investment data, the projected investment in identified projects amounting to € 12.0 million will boost a project scope of up to € 80 million. This would significantly increase the existing and already extensive project pipeline of € 757.7 million.
- On the basis of the planned investments and the projects that are already acquired, we expect a further increase in total output, which should establish itself well above a level of € 26.00 million. At the same time, we expect that the group's high profitability continues, with EBIT margins of more than 60%. Although the issue of the new € 30.0 million corporate bond is expected to result in an increase in interest expenses, this increase could be disproportionately lower if there is a high acceptance rate for the exchange offer. In addition, the complete placement of the 5.5% coupon corporate bond should further reduce average interest rate. The three outstanding corporate bonds all have a coupon of more than 7.0% each.
- This should have a positive impact on credit metrics, which are important for bond creditors. In the past fiscal years the EBITDA as well as the EBIT interest cover ratio had stabilized at a level between 1.5 and 1.8. We expect a significant improvement in the interest coverage ratio to over 2.5 (2019/2020e). The positive earning after-tax results and the expected conversion of the outstanding convertible bonds, amounting to € 24.57 million, should also lead to a significant increase in the equity ratio to over 50% in the coming fiscal years.
- The 5.5% corporate bond offered for subscription from 26/04/2018 is classified as " Well above average " according to our market benchmark and including the Creditreform rating (BB). We therefore award 4 out of 5 GBC Falcons.

ANNEX

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Outstandingly attractive (5 GBC falcons)	The corporate bond is in comparison to the market outstandingly attractive.
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attractive (3 GBC falcons)	The corporate bond is in comparison to the market attractive.
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