

## Full Company Report

Reason: Initiation of coverage

13 March 2018

### Buy

from

**Share price: EUR 10.45**

closing price as of 12/03/2018

**Target price: EUR 16.00**

**Upside/Downside Potential 53.1%**

Reuters/Bloomberg

BTCGK.DE/BNT1 GR

**Market capitalisation (EURm) 54**

Current N° of shares (m) 5

**Free float 59%**

Daily avg. no. trad. sh. 12 mth 9

Daily avg. trad. vol. 12 mth (m) 234.60

Price high/low 12 months 10.20 / 15.64

Abs Perfs 1/3/12 mths (%) -2.34/-13.42/-8.61

**Key financials (EUR)**

Sales (m) 10/17 5 10/18e 6 10/19e 6

EBITDA (m) 15 15 16

EBITDA margin 291.3% 247.7% 257.2%

EBIT (m) 14 15 16

EBIT margin 285.2% 242.8% 252.5%

Net Profit (adj.)(m) 7 8 9

ROCE 13.2% 14.1% 14.0%

Net debt/(cash) (m) 85 67 66

Net Debt Equity 1.7 1.1 0.9

Net Debt/EBITDA 5.8 4.4 4.0

Int. cover(EBITDA/Fin.int) 2.4 2.8 3.3

EV/Sales 28.9 19.6 22.3

EV/EBITDA 9.9 7.9 8.7

EV/EBITDA (adj.) 7.9 6.2 6.7

EV/EBIT 10.1 8.1 8.8

P/E (adj.) 9.8 8.9 7.7

P/BV 1.4 1.2 1.1

OpFCF yield -31.7% 24.6% -0.9%

Dividend yield 1.9% 2.4% 2.9%

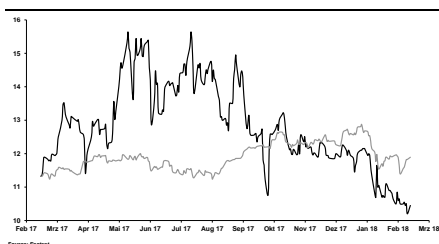
EPS (adj.) 1.30 1.18 1.35

BVPS 8.94 8.61 9.92

DPS 0.20 0.25 0.30

### Shareholders

Dr. Michael Müller 35%; Johann Kowar 5%;



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## Solving the supply crunch for real estate properties

EYEMAXX Real Estate is a real estate development company and holds a small portfolio of real estate properties. The company develops and sells residential, nursing homes and commercial properties with a geographical focus on Germany and Austria. We initiate coverage with a Buy recommendation and a target price of EUR 16.00 as 1) the market environment for project developments should remain attractive, 2) EYEMAXX has experience over different asset classes, 3) its transaction pipeline is expected to further grow, 4) the expansion of its portfolio should ensure stable cash flows and 5) the valuation is attractive (PER 2019e: 7.7x vs. peer group 9.9x).

- ✓ **Market for project developments should remain attractive:** Due to demographic developments such as the refugee crisis there is a need for more residential construction especially in larger cities. During 2015 and 2030 230,000 apartments p.a. are needed in Germany. As there should still be a lack of supply as construction does not cover the high demand we see EYEMAXX well positioned to satisfy the high demand for housing.
- ✓ **Experience over different asset classes:** EYEMAXX acts as a developer for various asset classes in different regions, i.e. the focus is on residential, nursing homes and commercial properties with a geographical focus on Germany, Austria and selected countries in central Europe. Its business combines the pure project development from which revenues are rather volatile with stable cash flows from holding commercial properties in its portfolio.
- ✓ **Further growth of project pipeline:** Since 2007 EYEMAXX has successfully developed and sold 30 projects with an investment volume of around EUR 278m. Its current transaction pipeline amounts to c. EUR 760m and thus offers substantial growth potential for the company's earnings. The increase of its transaction pipeline by profitable new development projects should lead to higher cash flows.
- ✓ **Expansion of portfolio should ensure stable cash flows:** Since 2012 EYEMAXX holds selected commercial properties in its portfolio which enables the company to generate stable cash flows to cover overhead costs. We see additional rent upside for EYEMAXX's own real estate properties from a more active management.
- ✓ **Financials:** On the back of the company's current project pipeline of c. EUR 760m which should further increase and the continued expansion of its portfolio properties EYEMAXX's revenues should grow by c. 11% (CAGR 2016/17-2019/20e) and net profit should increase by around 16%. EYEMAXX targets to pay a stable dividend of EUR 0.20 per share for 2016/2017 and for 2017/2018e we forecast a dividend of EUR 0.25 per share (2018/2019e: EUR 0.30 per share).
- ✓ **Valuation and Recommendation:** We have derived a target price of EUR 16.00 from a peer group analysis and a Dividend Discount Model. Given an upside of around 50% we initiate coverage with a Buy rating.



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## Investment Case in Charts

### Exhibit 1: Investment Case in Charts

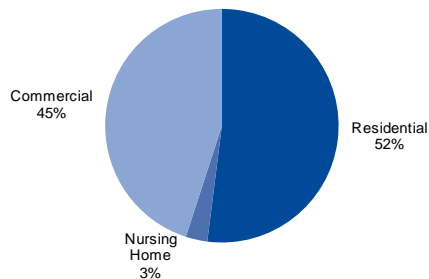
#### Value chain



EYEMAXX covers a broad value chain of a project development: conception, planning, regulatory implementation, construction, rental and finally the sale of the properties.

Source: EYEMAXX, equinet Research

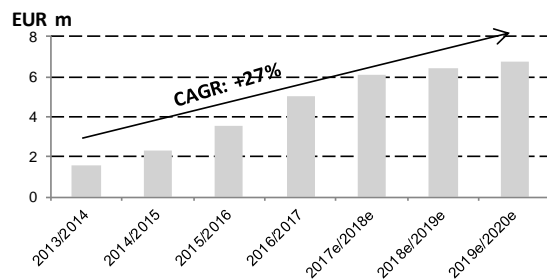
#### Project pipeline by asset class



52% of its project pipeline of c. EUR 760m relates to residential assets with a geographic focus on Germany (81%).

Source: EYEMAXX, equinet Research

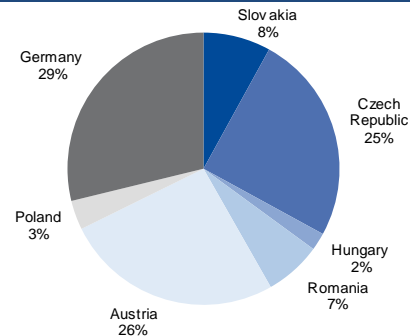
#### Development of Revenues



The further increase of the number of its portfolio properties as well as the project pipeline should lead to revenue growth.

Source: EYEMAXX, equinet Research

#### Track record



Since 2007 EYEMAXX has successfully developed and sold 30 projects in Germany (29%), Austria (26%) and in the Czech Republic (25%) with an ROI of around 16%.

Source: EYEMAXX, equinet Research

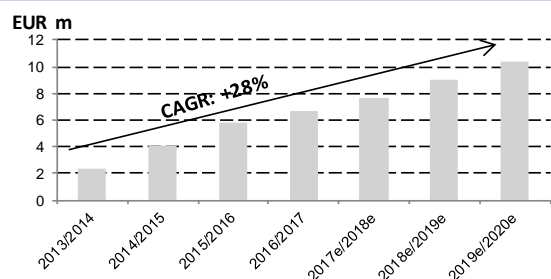
#### Portfolio properties

|                    | Germany   | Austria   | Total     |
|--------------------|-----------|-----------|-----------|
| Number of objects  | 7         | 6         | 13        |
| Vacancy            | 0%        | 0%        | 0%        |
| Value              | EUR 21.2m | EUR 15.9m | EUR 37.1m |
| Rental Income p.a. | EUR 2.2m  | EUR 1.5m  | EUR 3.7m  |

With its portfolio properties the company generates stable cash flows. Asset management activities offer additional upside for rents.

Source: EYEMAXX, equinet Research

#### Development of Net Profit




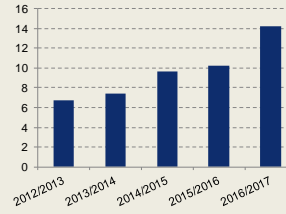
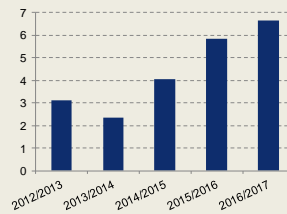



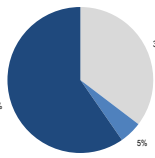
We expect Net Profit to increase by 16% (CAGR 2016/17-2019/20e) with upside potential in case of external growth.

Source: EYEMAXX, equinet Research

Source: EYEMAXX, equinet Research

## At a glance

### Exhibit 2: At a glance

|                                    |  |       |              |        |                    |       |                |       |
|------------------------------------|--|-------|--------------|--------|--------------------|-------|----------------|-------|
| Company Name                       | EYEMAXX Real Estate AG   |       |              |        |                    |       |                |       |
| Company Profile                    | <div><div></div><div>EYEMAXX Real Estate is a real estate development company with a geographical focus on Germany and Austria. Besides the pure project development certain commercial properties remain in the portfolio to generate a steady rental income. The company has its headquarter in Aschaffenburg (Germany) and its operative business is based in Leopoldsdorf near Vienna (Austria). Since 2007 EYEMAXX has successfully developed and sold 30 projects with a transaction volume of around EUR 278m.</div></div>   |       |              |        |                    |       |                |       |
| Business Focus                     | The company's business includes the conception, development, construction and disposal of residential, nursing homes and commercial properties with a geographical focus on Germany and Austria. Additionally the company has developed projects in central Europe (Czech Republic, Poland, Serbia and Slovakia). The strategy is to sell the developed properties for profit which means that the disposal price should be higher than the total investment costs. Besides the pure project development certain commercial properties are not sold after completion and thus remain in EYEMAXX's portfolio to generate stable cash flows. Its current transaction pipeline amounts to c. EUR 760m with a major focus on residential and commercial assets in Germany.   |       |              |        |                    |       |                |       |
| Portfolio properties               | Since 2012 EYEMAXX holds selected commercial properties in its portfolio which were either developed by the company or acquired. Currently, the portfolio comprises of 13 properties which were dominantly acquired.   |       |              |        |                    |       |                |       |
| Value chain                        | EYEMAXX covers the entire value chain of a project development. EYEMEXX is responsible for the conception, planning and regulatory implementation, construction, rental and finally the sale of the properties to institutional investors. Note that the company acts as a project manager and thus assigns service companies for the construction and the sale of the company.  |       |              |        |                    |       |                |       |
| Project Pipeline                   | The transaction pipeline amounts to c. EUR 760m of which 52% of the project volume stems from residential properties and 45% from commercial assets. Geographically, the projects are dominantly located in Germany (81%), CEE (13%) and Austria (6%).   |       |              |        |                    |       |                |       |
| Track Record                       | Since 2007 EYEMAXX has realized 30 project developments with an ROI of around 16%.   |       |              |        |                    |       |                |       |
| Dividend policy                    | Depending on the generated net profit EYEMAXX targets to pay stable and attractive dividends. It has paid EUR 0.20 for 2015/2016 and intends to pay the same amount for 2016/2017.   |       |              |        |                    |       |                |       |
| Drivers                            | The increase of transaction pipeline by profitable new development projects should lead to higher cash flows. EYEMAXX plans to further expand its real estate portfolio which should be positive due to the fact that rental income is expected to increase. Stable cash flows are necessary to cover overhead costs.  |       |              |        |                    |       |                |       |
| Strategy & Guidance                | <div><div>Strategy:</div><div>(I) Increase of transaction pipeline by profitable new development projects<br/>(II) Portfolio expansion<br/>(III) Optimization of financing structure</div></div> <div><div>Guidance 2017/2018e (in EUR):</div><div>n.a.</div></div> <div><div>equinet Estimates</div><div>Revenues 6.1m<br/>Net Profit 7.7m</div></div> <div><div>Consensus</div><div>4.6m<br/>7.8m</div></div>  |       |              |        |                    |       |                |       |
| 2016/2017                          | Revenues (EUR bn)  | 5.0   | EBIT (EUR m) | 14.252 | Net Profit (EUR m) | 6.6   | ROI since 2007 | 16.0% |
|                                    | y/y  | 41.6% |              | 39.2%  |                    | 13.2% |                |       |
| Business development               | <div><div>Development of Revenues (in EUR m)</div></div> <div><div>Development of EBIT (in EUR m)</div></div> <div><div>Development of Net Profit</div></div>   |       |              |        |                    |       |                |       |
| Shareholder structure & management | <div><div><div><div>Dr. Michael Müller</div><div>CEO of EYEMAXX Real Estate AG &amp; founder and major shareholder</div><div><ul style="list-style-type: none"><li>• Founded EYEMAXX in 1996</li><li>• Studied Social and Business sciences in Vienna and received his doctor's degree in 1995</li><li>• Many years of experience in the real estate market</li></ul></div></div></div><div><div><div><div>Mag. Maximilian Pasquali</div><div>Deputy CEO of EYEMAXX Group</div><div><ul style="list-style-type: none"><li>• Joined EYEMAXX in 2006</li><li>• Studied law</li><li>• Many years of experience in the real estate, M&amp;A and corporate law</li></ul></div></div></div><div><div><div><div>Kristian Radosavljevic</div><div>CFO of EYEMAXX Group</div><div><ul style="list-style-type: none"><li>• Working for EYEMAXX since 2011</li><li>• Studied business management and finance</li><li>• Many years of experience in controlling</li></ul></div></div></div><div><div>Shareholder structure</div><div><ul style="list-style-type: none"><li>Dr. Michael Müller 35%</li><li>Johann Kowar 60%</li><li>Free float 5%</li></ul></div></div></div></div></div> |       |              |        |                    |       |                |       |
| # of employees 2016/2017           | 42   |       |              |        |                    |       |                |       |

Source: EYEMAXX, equinet Research

## Valuation

Our valuation is based upon a peer group analysis and a Dividend Discount Model. While we have derived a fair value of EUR 13.45 from the peer group analysis we have calculated a fair value of EUR 18.60 from the Dividend Discount Model. Our target price of EUR 16.00 is derived from the average of the calculated two fair values. Given an upside of around 50% we recommend buying the shares.

### Peer Group Analysis

Our Peer Group Analysis is based upon a multiples comparison of EYEMAXX with other companies with a similar business focus, only taking into account PER multiples as EPS is the only valuation relevant KPI which all companies are publishing. As most of the real estate development companies are private companies our peer group consists of Consus Real Estate, UBM Development and Helma Eigenheimbau. All peer group companies are also active as project development companies.

**Consus Real Estate** (Market Cap: EUR 0.6bn) develops residential and commercial properties in the Top 9 cities in Germany and holds a commercial portfolio with a value of EUR 508m. Its pipeline ranges between EUR 2.1bn and 2.5bn. The company has completed more than 85 projects with a value of more than EUR 1.3bn.

**UBM Development** (Market Cap: EUR 0.3bn) is focused on project developments of hotel, office and residential properties in Germany, Austria and Poland. Its project pipeline (based on current and forecasted sales proceeds for acquired projects) amounts to EUR 1.8bn.

**Helma Eigenheimbau** (Market Cap: EUR 0.2bn) is a building services-provider with a specialization on the development, planning, sale and construction management of turnkey or partially completed detached and semi-detached houses.

Among the selected peers Consus Real Estate is clearly the closest peer as both EYEMAXX and Consus Real Estate are both property developer and hold a commercial portfolio. Note that **Instone Real Estate** (Market Cap: EUR 0.6bn), a residential real estate developer with a focus on metropolitan regions of Germany, is also a peer to EYEMAXX. As the company is trading on the regulated market (Prime Standard) only since February 2018 we have no estimates for the company and thus did not include the company as a peer of EYEMAXX in our peer group analysis.

See Appendix I for more details on the peers.

Taking into account all peers we have derived a target price of EUR 13.45 for EYEMAXX.

#### Exhibit 3: Peer Group Valuation

| Company                         | Share Price (lc) | MC (l.c. m) | PER 2018e    | PER 2019e   | Div Yield 2017e | Div Yield 2018e |
|---------------------------------|------------------|-------------|--------------|-------------|-----------------|-----------------|
| Consus Real Estate              | 7.54             | 602         | 75.4         | 12.6        | 0.0%            | 0.0%            |
| UBM Development                 | 41.00            | 306         | 8.7          | 8.4         | 3.9%            | 4.6%            |
| Helma Eigenheimbau              | 37.50            | 139         | 10.1         | 8.9         | 2.8%            | 3.2%            |
| <b>Average</b>                  |                  |             | <b>31.4x</b> | <b>9.9x</b> | <b>2.2%</b>     | <b>2.6%</b>     |
| EYEMAXX                         | 10.45            | 54          | 8.9x         | 7.7x        | 1.9%            | 2.4%            |
| vs average                      |                  |             | -71.8%       | -22.3%      | -14.9%          | -7.0%           |
| Fair Value based upon 2019e PER | 13.45            |             |              |             |                 |                 |

Source: Factset, equinet Research

## Dividend Discount Model

We have derived a target price of EUR 18.60 from a dividend discount model valuation. The key parameters of the model are as follows:

- Our model is based upon three phases; in phase I (which stands for 8% of the calculated fair value) we have made detailed earnings estimates, in phase II (23%) we have only made estimates for selected P&L lines which are of key importance for the DDM and in phase III (69%) we have calculated the terminal value.
- Average annual EBT-growth of 14% between 2022 and 2025.
- Tax rate of 19%.
- Payout-ratio of 17% (in 2017/2018) which increased gradually to 34% in 2026/2027 starting from 2022 onwards.
- Cost of equity of 9.0%; given EYEMAXX's more volatile business model and its small size we see cost of equity of 9.0% as realistic.

### Exhibit 4: Dividend Discount Model

| EUR m                |        | 2016/17 | 2017/18 | Phase I |         |                | Phase II |                     |                |         |         |         | Phase III |
|----------------------|--------|---------|---------|---------|---------|----------------|----------|---------------------|----------------|---------|---------|---------|-----------|
|                      |        |         |         | 2018/19 | 2019/20 | 2020/21        | 2021/22  | 2022/23             | 2023/24        | 2024/25 | 2025/26 | 2026/27 |           |
| EBT                  | 8      | 10      | 11      | 13      | 15      | 18             | 20       | 23                  | 26             | 30      | 34      |         |           |
| grow th rate         | 25.2%  | 15.9%   | 17.1%   | 14.5%   | 20.5%   | 15.0%          | 14.7%    | 14.4%               | 14.1%          | 13.8%   | 13.6%   |         |           |
| Tax                  | -2     | -2      | -2      | -2      | -2.9    | -3             | -4       | -4                  | -5             | -6      | -6      |         |           |
| Tax rate             | -19.2% | -19.0%  | -19.0%  | -19.0%  | -19.0%  | -19.0%         | -19.0%   | -19.0%              | -19.0%         | -19.0%  | -19.0%  |         |           |
| Minorities           | 0      | 0       | 0       | 0       | 0       | 0              | 0        | 0                   | 0              | 0       | 0       |         |           |
| grow th rate         | 0.0%   | 0.0%    | 0.0%    | 0.0%    | 0.0%    | 0.0%           | 0.0%     | 0.0%                | 0.0%           | 0.0%    | 0.0%    |         |           |
| Net Profit           | 6.6    | 7.7     | 9.0     | 10.3    | 12.4    | 14             | 16       | 19                  | 21             | 24      | 28      |         |           |
| grow th rate         | -35.3% | 16.2%   | 17.1%   | 14.5%   | 20.5%   | 15.0%          | 14.7%    | 14.4%               | 14.1%          | 13.8%   | 13.6%   |         |           |
| Total dividend       | 0.94   | 1.29    | 2.20    | 2.56    | 3.15    | 3.72           | 4.43     | 5.26                | 6.43           | 7.80    | 9.42    | 137     |           |
| payout ratio         | 14.2%  | 16.8%   | 24.4%   | 24.8%   | 25.3%   | 26.0%          | 27.0%    | 28.0%               | 30.0%          | 32.0%   | 34.0%   |         |           |
| ROE                  | 15.2%  | 13.7%   | 13.3%   | 13.5%   | 14.5%   | 14.9%          | 15.2%    | 15.4%               | 15.7%          | 15.8%   | 16.0%   |         |           |
| Present Value Div    | 1      | 1       | 2       | 2       | 2       | 3              | 3        | 3                   | 4              | 4       | 5       | 67      |           |
|                      |        |         |         |         |         |                |          |                     |                |         |         |         |           |
| PV Phase I           |        |         | 8       |         |         |                |          |                     |                |         |         |         |           |
| PV Phase II          |        |         | 22      |         |         |                |          |                     |                |         |         |         |           |
| PV Phase III         |        |         | 67      |         |         |                |          |                     |                |         |         |         |           |
|                      |        |         |         |         |         |                |          |                     |                |         |         |         |           |
| Total Fair Value     |        |         | 96      |         |         |                |          |                     |                |         |         |         |           |
|                      |        |         |         |         |         |                |          |                     |                |         |         |         |           |
| # shares             |        |         | 5.18    |         |         |                |          |                     |                |         |         |         |           |
|                      |        |         |         |         |         |                |          |                     |                |         |         |         |           |
| Fair value per share |        |         | 18.60   |         |         |                |          |                     |                |         |         |         |           |
|                      |        |         |         |         |         |                |          |                     |                |         |         |         |           |
|                      |        |         |         |         |         | Risk premium   |          | 5.0%                | Beta           |         |         | 1.1     |           |
|                      |        |         |         |         |         | Risk free rate |          | 3.5%                | Cost of equity |         |         | 9.0%    |           |
|                      |        |         |         |         |         | Sensitivity    |          | Growth in phase III |                |         |         |         |           |
|                      |        |         |         |         |         |                |          | 1.0%                | 1.5%           | 2.0%    | 2.5%    | 3.0%    |           |
|                      |        |         |         |         |         | 8.1%           |          | 19                  | 21             | 22      | 23      | 25      |           |
|                      |        |         |         |         |         | 8.6%           |          | 18                  | 19             | 20      | 21      | 23      |           |
|                      |        |         |         |         |         | 9.0%           |          | 17                  | 18             | 19      | 20      | 21      |           |
|                      |        |         |         |         |         | 9.5%           |          | 16                  | 17             | 17      | 18      | 19      |           |
|                      |        |         |         |         |         | 9.9%           |          | 15                  | 15             | 16      | 17      | 18      |           |

Source: Company data, equinet Research

Being a project developer EYEMAXX's fair value depends to a large extent on its project pipeline and the ROIs it is able to achieve. Therefore we have tried to calculate the value per share of the project pipeline under different scenarios. As EYEMAXX will win additional projects in the future and as EYEMAXX also holds a real estate portfolio the value of the existing pipeline can only give an idea about EYEMAXX's fair value. To determine a target price we have therefore only taken into account the peer group analysis and the Dividend Discount Model.

Based on the current project pipeline of c. EUR 760m we have calculated four scenarios with different assumptions for ROI. As EYEMAXX is financing larger projects with partners we assume that 60% of the project pipeline relates to EYEMAXX.

In our first scenario we assume EYEMAXX to realize its project pipeline with an expected ROI of 12% (before taxes). We applied a tax rate of 19% and calculate and assume that the project pipeline is realized within the next four years we calculate fair value of EUR 32.05m (EUR 6.19 per share) by using a discount rate of 9%.

In our second scenario we assume EYEMAXX to realize its project pipeline with an expected ROI of 14% (before taxes). We applied a tax rate of 19% and calculate and

assume that the project pipeline is realized within the next four years we calculate fair value of EUR 36.74m (EUR 7.10 per share) by using a discount rate of 9%.

In our third scenario we assume EYEMAXX to realize its project pipeline with an expected ROI of 16% (before taxes). We applied a tax rate of 19% and calculate and assume that the project pipeline is realized within the next four years we calculate fair value of EUR 41.26m (EUR 7.97 per share) by using a discount rate of 9%.

In our fourth scenario we assume EYEMAXX to realize its project pipeline with an expected ROI of 18% (before taxes). We applied a tax rate of 19% and calculate and assume that the project pipeline is realized within the next four years we calculate fair value of EUR 45.63m (EUR 8.81 per share) by using a discount rate of 9%.

#### Exhibit 5: Value of the project pipeline under different scenarios

| Scenario |   | Total in EUR m | Value per share |
|----------|---|----------------|-----------------|
| ROI: 12% | 1 | 32.05          | 6.19            |
|          | 2 | 36.74          | 7.10            |
| ROI: 14% | 3 | 41.26          | 7.97            |
|          | 4 | 45.63          | 8.81            |
| ROI: 18% |   |                |                 |

Source: equinet Research



## Swot Analysis

### Strenghts

- **Good track record:** Since 2007 EYEMAXX has successfully developed and sold 30 properties with an investment volume of around EUR 278m and a ROI of 16% (before taxes) showing that the company is well experienced. Standardized processes ensure fast project realization.
- **Experience over different asset classes:** EYEMAXX acts as a developer for various asset classes in different regions, i.e. the focus is on residential, nursing homes and commercial properties with a geographical focus on Germany, Austria and selected countries in central Europe. Its business combines the pure project development from which revenues are rather volatile with stable cash flows from holding commercial properties in its portfolio.
- **Capital efficient approach:** EYEMAXX develops its real estate projects in SPV's which it accounts for at-equity participations. It provides only around 20% of the funding and the rest comes from external partners. Thus, EYEMAXX is able to leverage its equity and to maximize its profitability.
- **Forward sale:** Through forward sales, i.e. disposal of the development project prior completion at a fixed price, the liquidation risk is limited and thus the cash flow from the sale of the property is realized. Forward Sales also provide better financing conditions.

### Weaknesses

- **Volatile earnings base:** The main focus of EYEMAXX lies on the development of properties. It is not easy to foresee the profit of the developed projects as it depends on the market environment, location and the availability of potential buyers. If no forward sale can be realized the disposal time is also hard to predict. Thus, earnings are volatile in terms of timing and amount.
- **Dependence on partners to realize large-scale projects:** As higher project volumes are generally realized in cooperation with a partner like a joint venture partner or a co-funder who also provide equity those projects can only be conducted if a partner is found.

### Opportunities

- **Higher project volumes:** The increase of the transaction pipeline by profitable new development projects should lead to higher cash flows. For development projects EYEMAXX targets a ROI of at least 10%. As the biggest project in history EYEMAXX started the development of city quarters in Mannheim ("Postquadrat Mannheim") in 2016 with a volume of around EUR 170m. Through the purchase of a 10% stake in the project development company G&S Planwerk EYEMAXX has the chance to further expand its sector focus by micro- and serviced apartments and student residences which should also have a positive effect on its project pipeline and thus on its earnings.
- **Higher proportion of stable revenues:** The expansion of its portfolio of real estate properties should be positive due to the fact that rental income is expected to increase. Stable cash flows are necessary to cover overhead costs.

### Threats

- **Rising interest rates:** In case of a strong increase in interest rates prices for project developments may come under pressure due to lower demand for real estate assets which would have a negative impact on the company's profitability.



- **Availability of suitable projects:** It is possible that EYEMAXX does not find suitable projects to develop. In case of large project development companies entering the market, the market environment should become more competitive as more players start looking for attractive project developments. Consequently, achievable returns would get under pressure.
- **Lack of construction companies:** As demand for newly built properties is still high it is not easy to find construction companies. In case of higher construction costs than calculated it is possible that the expected profit could not be realized as investors are not willing to pay higher prices.

## Company Profile

**EYEMAXX Real Estate is a real estate development company, i.e. conception, development, construction and disposal of residential, nursing homes and commercial properties with a geographical focus on Germany and Austria. Besides the pure project development certain commercial properties remain in the portfolio to generate a steady rental income. The company intends to further expand its segment focus by micro-apartments, student residences and hotels. Since 2007 EYEMAXX has successfully developed and sold 30 projects with a transaction volume of around EUR 278m. Its current transaction pipeline comprises 20 projects and amounts to c. EUR 760m with a major focus on residential and commercial assets in Germany.**

### Company overview

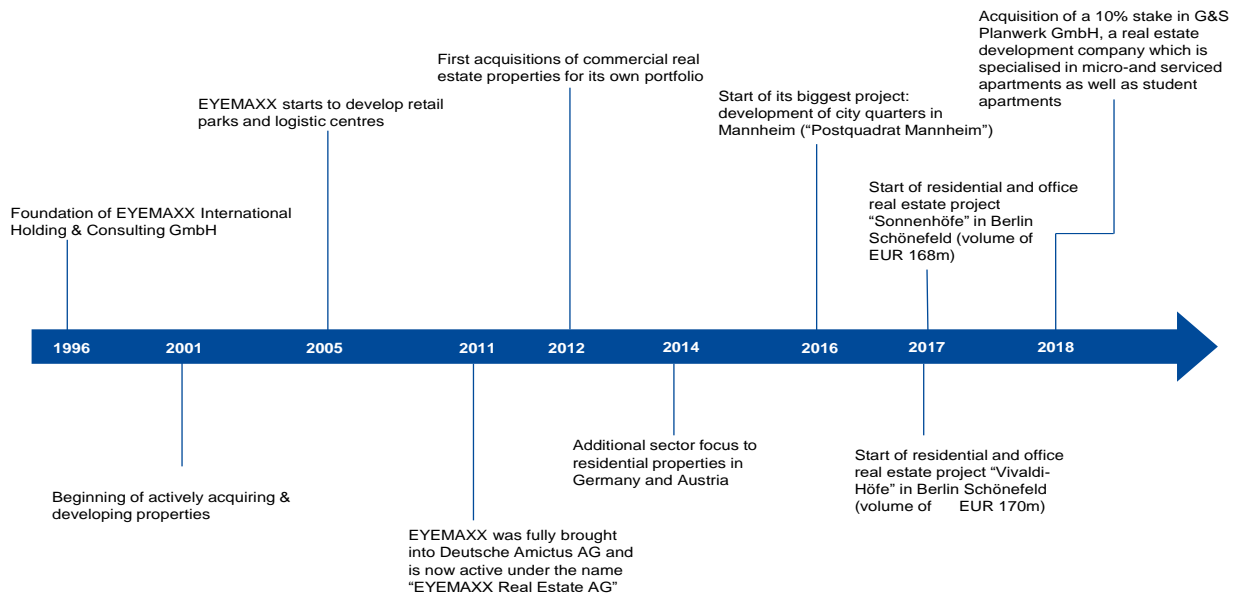
EYEMAXX Real Estate (EYEMAXX) is a real estate development company and a property holder. The company has its headquarter in Aschaffenburg (Germany) and its operative business is based in Leopoldsdorf near Vienna (Austria). In addition, the company has branch offices in every country in which it has active projects, e.g. Poland, Serbia, Slovakia and the Czech Republic. EYEMAXX has a holding company structure (see Appendix II) which is typical for a project development company. EYEMAXX Real Estate AG takes care of all the management and control tasks and is responsible for the funding of the Special Purpose Vehicles (SPV's). Note that each project is structured in a SPV which is not fully consolidated. While EYEMAXX holds 50% of the voting rights the participation rate is higher. Thus, EYEMAXX generates the main part of the profits in case of a successful sale of developed projects. In general, SPV's are responsible for the project management.

In 2016/2017 EYEMAXX employed on average 42 people. Since 2011 the company is listed at the German stock exchange and the shares are trading in the General Standard of the Frankfurt Stock Exchange.

### Recent History

The company was founded in 1996 by Dr. Michael Müller (CEO) under the name "EYEMAXX International Holding & Consulting GmbH". Properties were actively acquired and developed from 2001 onwards. In 2005 EYEMAXX started to develop retail parks and logistic centres in Central and Southeast Europe (CEE/SEE). Note that the first retail parks have been constructed in Slovakia. EYEMAXX International was fully brought into Deutsche Amictus AG in 2011 which is now active under the name "EYEMAXX Real Estate AG". In the same year EYEMAXX became a public listed company. The shares were listed at the German stock exchange and the shares are trading in the General Standard of the Frankfurt Stock Exchange. The company started first acquisitions of commercial real estate properties for its own portfolio in 2012. Its sector focus has been further expanded to residential properties in Germany and Austria and care homes in Germany in 2014. As the biggest project in history EYEMAXX started the development of city quarters in Mannheim ("Postquadrat Mannheim") in 2016 with a volume of around EUR 170m. Residential and commercial units as well as two hotels with a size of 57,000 sqm are planned to be built and realized with a co-investor. Further two large-scale projects in Berlin Schönefeld (project "Vivaldi-Höfe") with a project volume of EUR 170m and project "Sonnenhöfe" with a project volume of EUR 168m) started in 2017. In January 2018 EYEMAXX acquired a stake of 10% in G&S Planwerk GmbH, a real estate development company which is specialised in micro- and serviced apartments as well as student residences.

## Exhibit 6: Corporate development



Source: EYEMAXX, equinet Research

### Management

The board of management consists of three members, Dr. Michael Müller (CEO of EYEMAXX Real Estate AG and EYEMAXX Group, founder and major shareholder), Mag. Maximilian Pasquali, LL.M. (Deputy CEO of EYEMAXX Group) and Kristian Radosavljevic, MA (CFO of EYEMAXX Group).

See Appendix III for detailed information to the management of EYEMAXX.

### Shareholder Structure

With a stake of c. 35% the company's founder and CEO Dr. Michael Müller is the major shareholder. In December 2017 Johann Kowar (Co-founder and former CEO of conwert) increased its shareholding in EYEMAXX to c. 5% and plans to increase its stake further in the medium term.

### Business Model

The company's business includes the conception, development, construction and disposal of residential, nursing homes and commercial properties with a geographical focus on Germany and Austria. Additionally the company has developed projects in central Europe (Czech Republic, Poland, Serbia, Romania and Slovakia). The strategy is to sell the developed properties for profit which means that the disposal price should be higher than the total investment costs.

Besides the pure project development certain commercial properties are not sold after completion and thus remain in EYEMAXX's portfolio to generate stable cash flows.

Thus, the business model can be divided into the two pillars "development & sell" and "portfolio properties".

### Development & sell

The company develops residential, nursing home and commercial properties in Germany, Austria as well as in CEE/SEE. The focus is on turnkey developments and not on speculative developments.

EYEMAXX covers a broad value chain of a project development:

Through its wide network EYEMAXX has access to a vast range of development projects. Following intensive due diligence processes EYEMAXX acquires attractive projects. In general, the company prefers projects which are in an advanced project stage, which means that the building permission is available for example. These projects are less risky. For each project a SPV is created. As a project developer EYEMAXX is responsible for the conception, planning, regulatory implementation, construction, rental and finally the sale of the properties to mainly institutional investors. Note that the company acts as a project manager which controls and monitors the development phase and thus assigns service companies for the construction and the sale of the assets. In general, the construction starts after long-term tenants and the financing is secured. The financing of its projects takes place at SPV level from a combination of own funds from EYEMAXX Holding (15%-30% of total investment volume), debt (bank loans, i.e. non-recourse loans) and mezzanine loans. The financing by bank loans is non-recourse which means that EYEMAXX Holding is not liable. These loans are granted based on the creditworthiness and the availability of lease contracts. If EYEMAXX is not able to realize a project successfully it should negatively affect its reputation. EYEMAXX's good reputation is a key precondition for its project developments.

### **Exhibit 7: Value chain of project developments**



*Source: equinet Research*

EYEMAXX also offers tailor-made solutions for clients, i.e. project developments for its clients from the acquisition of the land plots to the handover of the keys. The development phase takes between 15 and 18 months (since acquisition of the plot).

### Portfolio properties

To generate stable cash flows from rental income EYEMAXX holds selected commercial properties in its portfolio since 2012 which were either developed by the company or acquired. Currently, the portfolio comprises of 13 properties such as logistic and office properties in Nuremberg, Aschaffenburg, Vienna, Innsbruck and Graz which were dominantly acquired. The properties are fully let and generate an annual rental income of c. EUR 3.7m. The current market value is at EUR 37.1m. Note that rents are indexed, i.e. depend on the development of the consumer price index. While EYEMAXX is managing its real estate properties in-house its facility management activities are conducted through external service providers.

**Exhibit 8: Portfolio properties**

|                    | Germany   | Austria   | Total     |
|--------------------|-----------|-----------|-----------|
| Number of objects  | 7         | 6         | 13        |
| Vacancy            | 0%        | 0%        | 0%        |
| Value              | EUR 21.2m | EUR 15.9m | EUR 37.1m |
| Rental Income p.a. | EUR 2.2m  | EUR 1.5m  | EUR 3.7m  |

Source: EYEMAXX, equinet Research

**Sector focus**
Residential properties

EYEMAXX develops residential properties with a focus on metropolitan areas in Germany (such as Rhine-Main-Neckar area, Berlin, Potsdam and Leipzig) and Vienna (Austria) incl. its suburbs. The company acquires non developed plots, invests in projects with project development partners (joint venture partners or co-funders) who also provide equity and is also responsible for projects which are in an advanced project stage. To realize these projects EYEMAXX employs experienced project developers and construction managers. Note that the company prefers projects which are in an advanced project stage as these projects are less risky.

Depending on size and location of the projects the single project volume is at least c. EUR 20m. In special cases EYEMAXX realizes bigger projects such as "Postquadrat Mannheim" with a project volume of EUR 170m. Larger project volumes are normally developed with a joint venture partner or a co-funder. EYEMAXX is focusing on the middle segment with an apartment size of between 45 and 100 sqm. Since the acquisition of the plot the development phase takes between 18 and 24 months. For development projects EYEMAXX targets an ROI of 10% to 15%.

After the construction phase the properties are either sold after construction as asset by asset or the residential complex as a whole or remain part of EYEMAXX's portfolio to generate steady cash flows. Long-term lease agreements are also required to secure stable cash flows. For properties which are part of the portfolio EYEMAXX expects yields of between 8% to 10%.

Nursing and Retirement Homes

Nursing and Retirement Home projects are implemented in cooperation with a provider and local decision makers. Project sizes differ due to local circumstances and specific regulations. Stationary facilities offer 80 to 120 nursing places mainly in single rooms. Depending on the number of nursing places EYEMAXX invests between EUR 10m and EUR 15m for each project. The project period post the acquisition of the plot takes between 15 and 18 months. The properties are sold after construction and the ROI should be 8-12%. Note that projects are only realized in case of the successful closure of lease agreements with high-credit tenants for a term of at least 20 years.

Commercial properties

EYEMAXX develops commercial properties in Germany and Austria as well as in CEE/SEE with a specialisation on project developments of turnkey retail parks and logistic properties.

Project developments of turnkey retail parks comprise 1) the development of turnkey retail parks for tenants coming from the non-food area but hypermarkets and discounters should be close to the property and 2) the development of turnkey retail parks with mixed tenants while anchor tenants should come from the food area.

Investments in retail park projects only take place in small to medium sized cities with a population of between 20,000 inhabitants up to 50,000 inhabitants. Overall, the tenant mix is diversified and consists of c. 8 to 15 tenants with a leasing area of c. 3,000 sqm to 12,000 sqm. Tenants are Hofer (Aldi), EUROSPAR, KIK and DEICHMANN for example. For those projects ROI of 15%-20% is expected.

The development of retail parks takes place in the following steps:

As a first step the SPV identifies and acquires plots before the start of the development planning. Note that the acquisition takes only place in case of a building permission. Next steps include the commission of a general contractor if 50-60% of the planned rental income can be secured. After a short to medium term holding period the project is sold to long-term oriented investors (mainly institutional investors or family offices). Since acquisition of the plot the development phase takes between 15 and 18 months.

In general, retail parks are sold as portfolio transactions which offer higher sales proceeds.

Investment volumes lie in the range of between EUR 5m and EUR 20m. Note that the company has long-term cooperation partnerships with international food, drug, fashion chains and logistic companies.

During the last 10 years EYEMAXX has successfully developed four logistics centres in Romania, Slovakia and Serbia with a total space of around 85,000 sqm. Three of those were already sold, one logistic centre in Belgrad (Serbia) is finished but not sold (international tenants like DP Schenker and Iron Mountain), and the second logistic centre in Belgrad (Serbia), Logcenter Beta, is still in the construction process.

Nine properties from the logistic sector which are located in Germany and Austria are part of the company's real estate portfolio. Its clients consist of international logistic providers. Note that rents of those properties are indexed.

In the case of tailor-made solutions for clients EYEMAXX sets its focus on the development of discount markets, DIY stores, student apartments and hotels. Development returns are lower due to the lack of rental risk as well as liquidation risk. As tenants already exist financing is also cheaper. In addition, long-term lease agreements of at least 15 years are required. Note that ROI is comparably lower as the disposal risk is lower.

#### Entering new segments

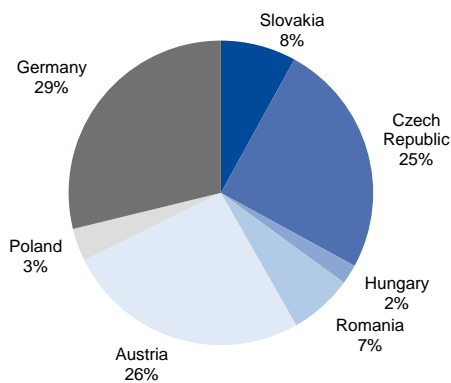
In October 2017 EYEMAXX announced to further expand its sector focus and thus plans to enter the hotel and micro-apartments segment. More precisely, the company intends to develop hotels and seeks to plan, develop and create micro-apartments and student residences. To realize this target EYEMAXX acquired a stake of 10% in G&S Planwerk GmbH, a real estate development company which is specialised in micro-and serviced apartments as well as student residences. The acquired company was founded in 1991 as "Planungsbüro GOCAD" which acted as a shopfitting service provider. With the expansion of its field of business G&S Planwerk GmbH was founded in 2001. The company has planned and realized many building projects for clients such as Weko, Möbel Rück, Poco and IKEA.

Through the participation in the company EYEMAXX has the option to enter in attractive development projects in Germany and Austria which should further boost its project pipeline. The stake was financed by a part of the EYEMAXX capital increase which has been concluded on 30 November 2017. 470,637 shares were placed and the gross proceeds amounted to EUR 5.6m.

### Track record

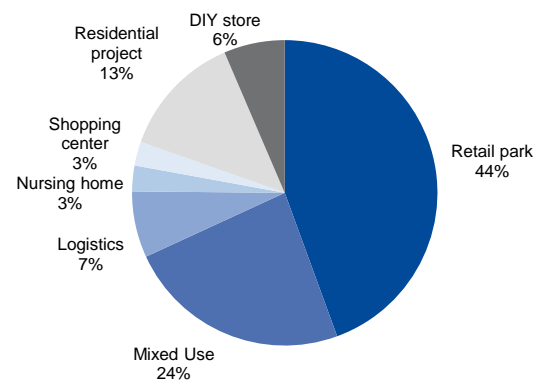
Since 2007 EYEMAXX has realized 30 project developments with an average ROI (before taxes) of 16%. Most of the developed projects (measured by its profit) were located in Germany (29%), Austria (26%) and in the Czech Republic (25%) with retail parks as the dominant asset class.

**Exhibit 9: Profit of realized projects by location**



Source: EYEMAXX, equinet Research

**Exhibit 10: Profit of realized projects by asset class**

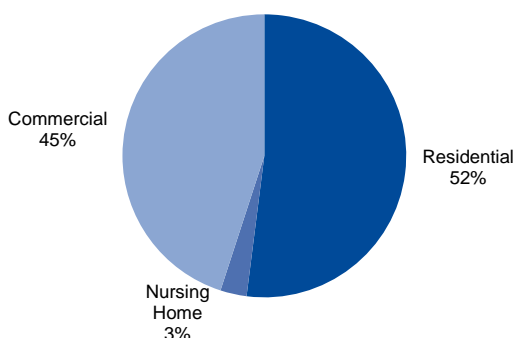


Source: EYEMAXX, equinet Research

### Project Pipeline

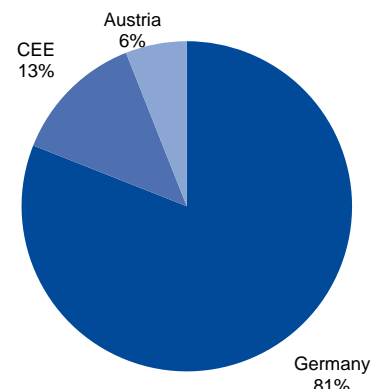
Currently, the transaction pipeline amounts to c. EUR 760m of which 52% of the project volume stems from residential properties and 45% from commercial assets. Geographically, the projects are dominantly located in Germany (81%), CEE (13%) and Austria (6%). Note that c. 60% of the project pipeline relates to EYEMAXX and the remaining part refers to the partners. On the back of the calculated investment volume total ROI (before taxes) of the current project pipeline should be c. 20% which is above the company's ROI targets. See Appendix IV for detailed information about the project pipeline of EYEMAXX. The company expects the project pipeline to increase to EUR 1bn in the mid-term.

**Exhibit 11: Project pipeline by property type**



Source: EYEMAXX, equinet Research

**Exhibit 12: Project pipeline by region**



Source: EYEMAXX, equinet Research

### Current projects

In 2016 EYEMAXX started the development of residential and commercial units as well as two hotels in Mannheim ("Postquadrat Mannheim"). With a project volume of c. EUR 170m



it is the biggest project in the company's history. The project includes the development of c. 245 residential units, commercial units with a gross space of 57,000 sqm as well as two hotels are planned to be realized with a non-operating joint venture partner. The completion is expected in 2019. Depending on the financing structure EYEMAXX estimates Return on Equity (ROE) to be in the mid double-digit range. The project is set up in a SPV which is financed via bank and mezzanine loans. EYEMAXX invested a single digit million Euro amount as investment costs and the project return will be paid to EYEMAXX as well as to the co-investor of the project. Note that Johann Kowar, who holds a stake of c. 5% in EYEMAXX, acts as a co-investor.

A forward sale was realized as the hotel project was sold to Accorinvest Germany GmbH in July 2017. While EYEMAXX is responsible for the construction of the hotels on a property of 3,700 sqm the buyer acts as an operator for an ibis hotel (170 rooms), an ibis budget hotel (155 rooms) and an ADAGIO Access Aparthotel (130 apartments and 80 underground parking spaces). The construction started in autumn 2017 and is expected to be completed until spring 2019.

In November 2017 EYEMAXX announced a further forward sale of two properties with residential and commercial units with 10,600 sqm and 110 underground parking spaces which should be sold to an institutional investor. The price was in the mid double-digit million Euro range which equals around 25% of the total project volume.

#### **Exhibit 13: Project "Postquadrat Mannheim"**



Source: EYEMAXX

A further current large-scale project ("Vivaldi-Höfe") with a volume of c. EUR 170m includes the creation of residential and office properties in Berlin Schönefeld (Germany). For the realization of this project a joint venture company was founded. 17 buildings with 450 residential units and a living space of more than 29,300 sqm as well as office units with a space of 23,400 sqm and 690 parking spaces should be built until 2022. EYEMAXX expects ROE in the mid double-digit range.

**Exhibit 14: Project “Vivaldi-Höfe”**

Source: EYEMAXX

In August 2017, EYEMAXX announced the realisation of a second project in Berlin Schönefeld (“Sonnenhöfe”) with a volume of EUR 168m. In cooperation with DIE Deutsche Immobilien Entwicklungs AG (DIE AG) 559 residential units (living space of 39,000 sqm) and an office space with 12,000 sqm, 475 underground parking spaces and 231 outdoor parking spaces will be created. The construction should start in Q3 2018 and the completion of the project is expected in Q2 2021.

**Exhibit 15: Project “Sonnenhöfe”**

Source: EYEMAXX

## Funding

On 13 April 2017, EYEMAXX issued a 20.4m convertible bond with a coupon of 4.5% and a term until 2019. The conversion price was set at EUR 11.89. The proceeds should be used to fund real estate projects as well as the further growth and modernisation of its own portfolio.

EYEMAXX increased its share capital from EUR 4.3m to EUR 4.7m on 21 September 2017. The shares were placed at EUR 12.00 and the gross proceeds of around EUR 5m should be used to realize the project in Berlin Schönefeld.

In November 2017 the company repaid its 2012/2017 corporate bond (coupon: 7.75%) on schedule with an outstanding volume of EUR 11.6m. The relatively high funding costs of the past were related to the fact that the company was very small when it issued the bonds.

On 30 November 2017 EYEMAXX increased its share capital to EUR 5.2m by placing EUR 470,637 new shares at EUR 12.00. The placement generated proceeds of EUR 5.6m which are intended to be used to finance new real estate project developments as well as the acquisition of a 10% stake in G&S Planwerk which is focused on micro-apartments and student residences. Following the capital increase EYEMAXX's equity ratio will further improve. We forecast an equity ratio of 37% for 2017/2018e and 40% for 2018/2019e.

**Exhibit 16: Overview of corporate bonds and convertible bonds**

|                             | Corporate Bonds |            |                       | Convertibles        |                     |
|-----------------------------|-----------------|------------|-----------------------|---------------------|---------------------|
|                             | Bond 13/19      | Bond 14/20 | Bond 16/21            | Convertible 16      | Convertible 17      |
| Current volume              | EUR 8.7m        | EUR 21.3m  | EUR 30.0m             | EUR 4.2m            | EUR 20.4m           |
| Coupon                      | 7.875%          | 8.0%       | 7.0%                  | 4.5%                | 4.5%                |
| Duration                    | 6 years         | 5.5 years  | 5 years               | 2 years             | 2.5 years           |
| Interest payment date       | March 26th      | Sep 30th   | March 18th & Sep 18th | Jun 16th & Dec 16th | Jun 16th & Dec 16th |
| Collateral                  | no              | no         | yes                   | no                  | no                  |
| Rating/<br>conversion price | BB              | BB         | BBB-                  | EUR 9.80            | EUR 11.89           |

Source: EYEMAXX, equinet Research

As mentioned before projects are financed at SPV level from a combination of own funds from EYEMAXX Holding (15%-30% of total investment volume), debt (bank loans, i.e. non-recourse loans) and mezzanine loans. The financing by bank loans is non-recourse which means that EYEMAXX Holding is not liable.

### Equity Ratio

EYEMAXX ended the FY 2016/'17 with an equity ratio of 30% (Equity excl. minorities/total assets) which we deem as solid. Note that its peer UBM Development had an equity ratio of 30% at the end of FY 2016 compared to EYEMAXX's equity ratio of 30% at the end of FY 2015/16. We expect the equity ratio to increase to 37% in the current year as a result of the capital increase in November 2017. For 2019/20e we forecast a strong increase in the equity ratio to 49% as we expect earnings to increase significantly due to the finalization

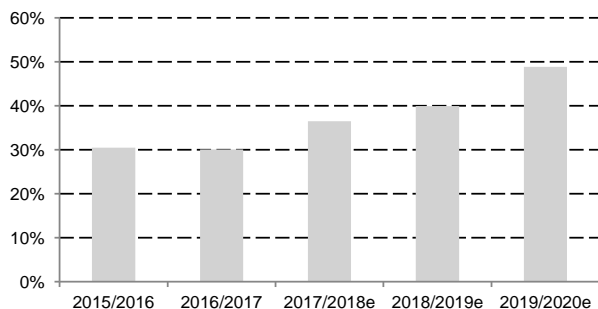


(and sale) of some key projects and as we assume the conversion of the convertible bonds (due in December 2019).

### Gearing

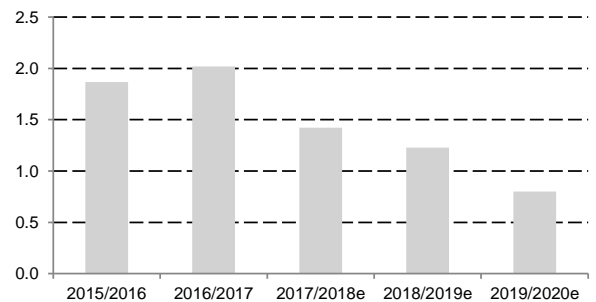
With a gearing (debt/equity) of 2.0x by the end of October 2017, EYEMAXX is relatively highly leveraged. We forecast however this ratio to come down significantly to 1.4x in the current year due to the capital increase in November 2017 as well as the repayment of the 12/17 bond. As of 2016 UBM Development had a gearing of 2.2x (vs. EYEMAXX: 1.87x as of 2015/2016).

**Exhibit 17: Equity ratio development**



Source: EYEMAXX, equinet Research

**Exhibit 18: Gearing development**



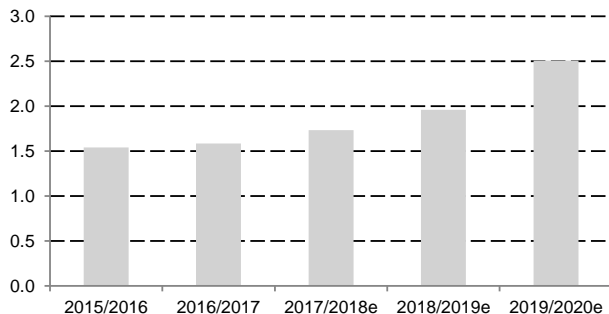
Source: EYEMAXX, equinet Research

### Interest Coverage Ratio

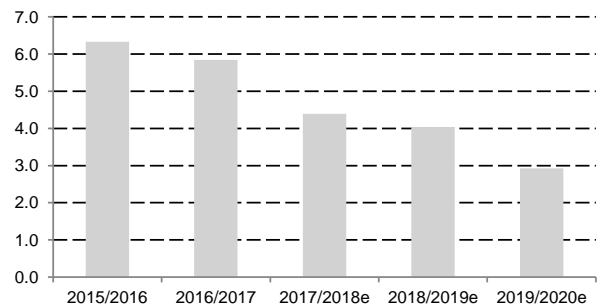
Interest coverage ratio amounted to 1.6x in 2016/'17 which looks relatively low but which should improve with increasing profitability in the next years as EYEMAXX finalizes additional projects. Additionally the ratio should improve as we expect EYEMAXX to be able to place new bonds at lower coupons. Note that the interest coverage ratio of UBM Development was with 2.4x in 2016 comparably higher than at EYEMAXX with 1.5x in 2015/16.

### Net debt to EBITDA

Net debt to EBITDA of 5.8x is also rather high but we expect a significant improvement in the next years as well with increasing profitability. Currently this ratio is negatively impacted by the fact that EYEMAXX had first to raise funds to invest into the projects but the returns are realized with some time delay. In 2016 net debt to EBITDA of UBM Development amounted to 13.9x (vs. EYEMAXX: 6.3x as of 2015/2016).

**Exhibit 19: Interest coverage ratio development**

Source: EYEMAXX, equinet Research

**Exhibit 20: Net debt to EBITDA development**

Source: EYEMAXX, equinet Research

## Strategy

- Increase of transaction pipeline by profitable new development projects

EYEMAXX screens for various development project in different sectors with a focus on new large-scale projects, especially developments of residential units in Germany and Austria. The company also seeks to enter new European markets such as Sweden and the Netherlands. The company also targets to develop hotels and seeks to plan, develop and create micro-apartments and student residences which should be realized through the purchase of a minority interest in G&S Planwerk which is specialised in micro-apartments and student residences.

- Portfolio expansion

As the business of EYEMAXX also includes the holding of certain properties which are either self-developed or acquired the company targets to further expand its portfolio from currently c. EUR 37m to EUR 100m within the next two years. Especially self-developed properties should remain in its portfolio as prices for real estate properties have increased considerably. Note that those properties should be disposed after a certain holding time for profit. In addition, the company plans to increase the value of its portfolio through renovation and modernization measures of selected units. Construction extensions are also likely to ensure long-term leases. The portfolio could also be extended by further acquisitions. These measures should lead to a higher rental income which enables the company to generate stable cash flows to cover overhead costs.

- Optimization of financing structure

The funding structure of EYEMAXX is mainly based upon corporate and convertible bonds with relatively high funding costs of around 6% (EYEMAXX calculation). EYEMAXX targets to improve its financing structure through refinancing measures to reduce its funding costs. The company also plans to improve its Corporate Rating in the direction of investment grade until 2020 (current rating: "BB" from Creditreform).

According to the company the equity ratio should be at least 30%. As mentioned before we forecast an equity ratio (Equity excl. minorities/total assets) of 37% for 2017/2018e and 40% for 2018/2019e.

## Market environment

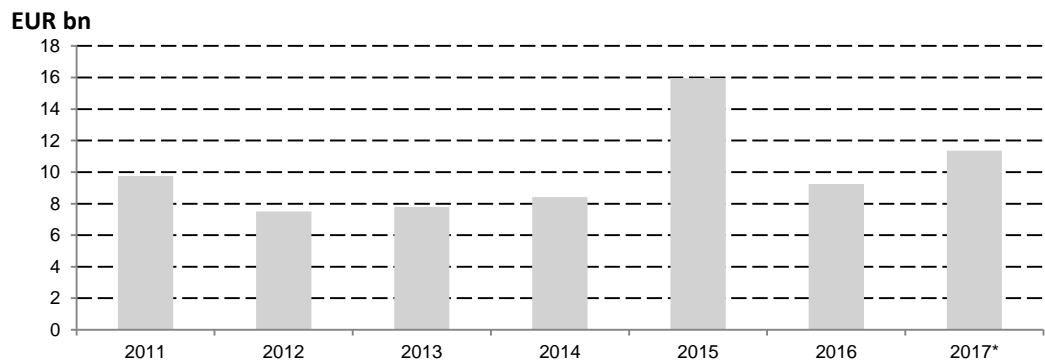
The market environment in EYEMAXX's key market, the residential real estate market, should remain positive. Demand for residential real estate in metropolitan areas should remain high due to immigration, a continuous migration towards larger cities and an intact trend of a growing number of households. At the same time construction of new apartments has in recent years not met the high demand. Although the positive price development has been also fuelled by the low interest rate environment, we do not expect prices to decline if rates slowly rise but rather to consolidate.

EYEMAXX is active in various real estate sectors in different countries. We focus in this section on the most important market segments in Germany, which is the most important country for EYEMAXX. We look at the retail market, the residential and the home care market as these are the most important real estate markets for EYEMAXX.

### Retail

Retail real estate transaction volume has likewise shown hefty growth since 2008, but has proved to be not as consistent as the general commercial market. While there was a dip in growth in 2012-13, the transaction volume in 2015 was almost double the previous year's volume, with foreign investors heavily involved and being responsible for half of the transactions. 2017 showed a normalization with a transaction volume of slightly above EUR 11bn.

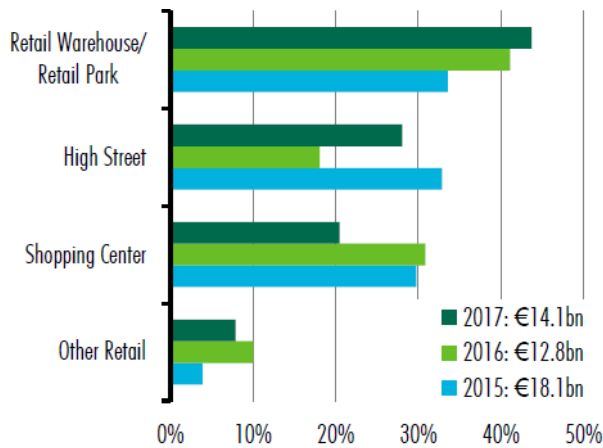
**Exhibit 21: Retail transaction volume in Germany**



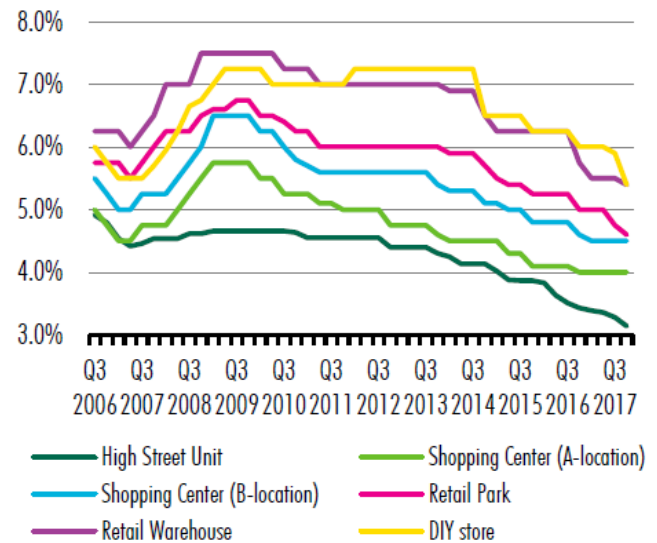
\*Source for retail transaction volume in 2017: JLL

Source: Colliers, JLL, equinet Research

Looking at the sub-segments it can be seen that retail warehouse/retail parks were the sub-segment with the highest transaction volume in 2017 followed by high street and shopping centres. Interestingly the transaction volume of shopping centres has lost relatively in importance in recent years.

**Exhibit 22: Retail investments according to type of property**

Source: CBRE

**Exhibit 23: Prime retail yields**

Source: CBRE

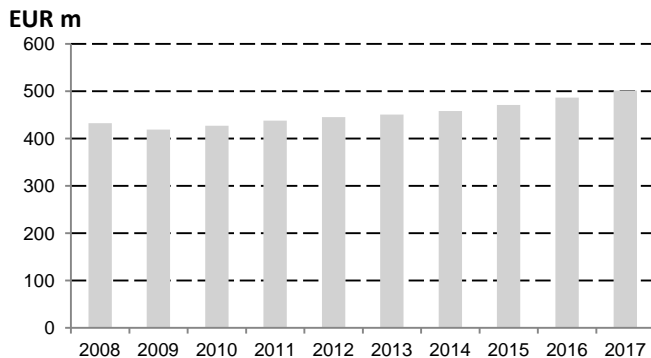
Yields in the TOP-7 locations have further declined during Q4 2017 and now range between 2.96% for high street retail and 5.3% for warehousing units. Like in the office segment yields in the secondary locations are higher by around 120 bp's on average (sources: Colliers / BulwienGesa).

Generally demand for retail properties should remain high because of the positive market environment in Germany, i.e. low unemployment rates and high consumer confidence which led to a continuous rise in retail sales in recent years and should continue to do so.

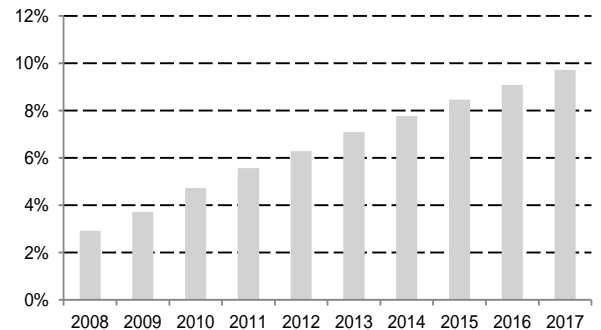
The retail market in general is going through consolidation, with chain operators and online retailers growing. Considering the continuous innovations and increasing efforts to retain customers by the big online retailers, the e-commerce growth trend should continue. It remains to be seen whether online retailers can successfully break into the groceries industry and challenge the supermarkets; on all other retail fronts, especially apparel and electronics, conventional retailers should continue to experience strong competition and might decide to scale back stores and shops in favour of a stronger online presence.

As EYEMAXX has set its focus on logistic centres and retail parks we expect that those assets should remain attractive for investors as spreads between real estate yields and German government bond yields are still on a high level (as of Q4 2017: retail parks: 4.6%, logistic properties: 4.5% vs. German 10Y government bond as of January 2018: c. 0.5%). Thus, demand for those asset class is expected to remain high, i.e. EYEMAXX should find potential buyers.



**Exhibit 24: Retail Sales Development in Germany**

Source: Statista, equinet Research

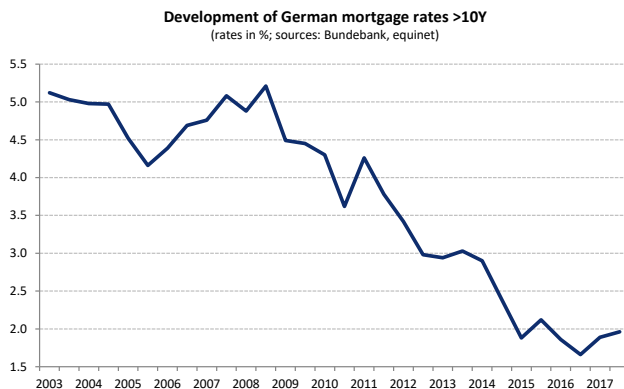
**Exhibit 25: Market Share Development E-Commerce in Germany**

Source: HDE, Statista, equinet Research

**Residential**

Overall we expect the positive market environment for residential real estate to continue for the following reasons:

- Low mortgage rates make investments into residential real estate attractive for many investors

**Exhibit 26: Development of German mortgage rates > 10Y**

Source: Bundesbank, equinet Research

**Exhibit 27: Sum of missing apartments until 2030**

Source: Prognos, equinet Research

- Migration leading to continued high demand for residential real estate property i.e. the number of missing apartments in large cities should remain high
- Construction activity remains low, i.e. demand should remain above the supply

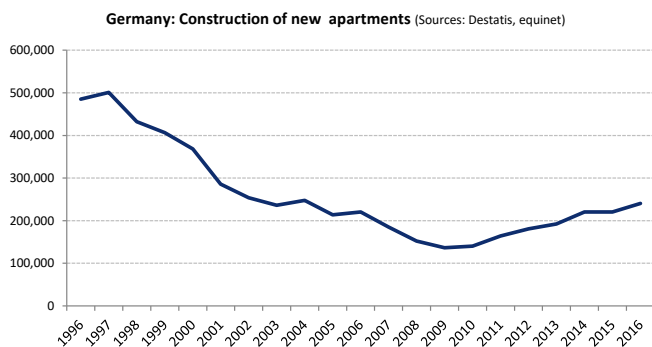
According to Germany's DIW Institute for Economic Research increased land prices should slow down residential construction. While 278,000 apartments were built in 2016 it might have been around 300,000 in 2017. The number could rise to 320,000 in 2018. Residential construction is expected to further increase but to a lower extent. Main reasons are scarce of land, rising construction prices and the lack of craftsmen. Construction prices should have been increased by more than 3% in 2017 and are expected to further increase by more than 3% in 2018 and 2019 due to the high demand and higher prices for energy and raw materials. In addition building permissions are decreasing. Note that at least 350,000

apartments should have been built in 2017 to cover the high demand for housing. During 2015 and 2030 230,000 apartments p.a. are needed.

Despite a forecasted shrinking overall population the number of households should continue to increase. We will see a trend towards smaller households with more space as the living space per person is expected to increase from 46 sqm in 2016 to above 50 sqm until 2030.

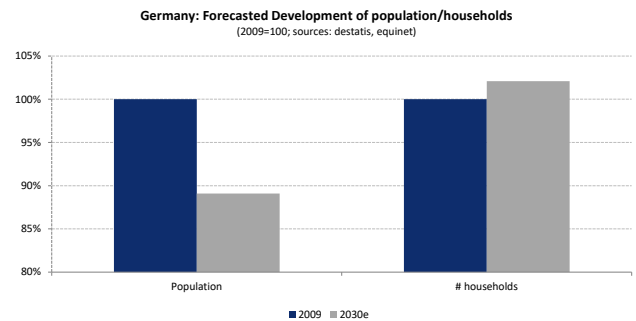
Since 2015 total apartment prices exceed construction costs in EUR per sqm for residential real estate properties in Germany which make construction more attractive than the purchase of existing assets. To satisfy the high demand for housing closing of vacant lots and the building up of buildings could be a solution.

#### Exhibit 28: Construction of new apartments



Source: Destatis, equinet Research

#### Exhibit 29: Forecasted Development of population/households



Source: Destatis, equinet Research

- Prices for real estate properties should further increase

The housing market in Germany is characterized by a strong demand. Thus, the vacancy rate in the German TOP-7 locations (Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg, Munich and Stuttgart) has fallen below 2% in 2017. The transaction volume in the German residential real estate market reached EUR 15.6bn (vs. EUR 13.2bn in 2016). For 2018 the transaction volume should be at a level that is comparable to the last two years.

Due to the ongoing high demand for residential real estate assets we expect prices and rents to further increase in Germany. In 2017 prices for newly built apartments showed the strongest increase in Berlin and Frankfurt (+7.4% yoy each). In 2017 prices for German housing have increased by 6% yoy on average. Compared to 2012 prices for residential real estate properties in the Top 7 locations have increased on average by 37%.

### Exhibit 30: Rents and purchase prices in the Top 7 locations of Germany

|  | Berlin          | Cologne         | Düsseldorf      | Frankfurt       | Hamburg         | Munich          | Stuttgart       | Germany            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Asking rents 2017*<br>(compared with 2012)           | 9.80<br>(+31%)  | 10.55<br>(+17%) | 10.00<br>(+11%) | 12.90<br>(+12%) | 10.95<br>(+9%)  | 16.10<br>(+24%) | 11.90<br>(+19%) | 7.00<br>(+11%)     |
| Purchase prices condo 2017**<br>(compared with 2012) | 3,710<br>(+60%) | 3,240<br>(+58%) | 3,430<br>(+56%) | 4,500<br>(+47%) | 4,130<br>(+37%) | 6,750<br>(+54%) | 3,850<br>(+72%) | 2,470<br>(+37%)*** |

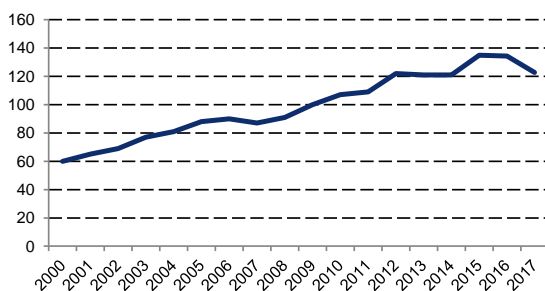
\* Median in €/sq m/month; \*\* Median in €/sq m; \*\*\* compared with 2013

Source: CBRE

- Housing still affordable

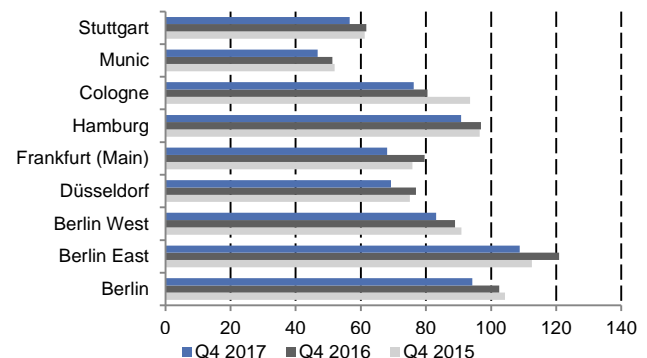
Although real estate prices have increased in recent years home ownership is still affordable in Germany. Housing has in fact become more affordable for a normal family until the financial crisis as can be seen from the graph below. The affordability index which summarizes factors such as real estate prices, salaries and interest rates informs about the possibility to purchase a property for an average household. A high level indicates a good affordability. The current index is with a value of 122.63 roughly on the same level as it was in 2012 (121.92). A peak was reached in the second quarter of 2015 as the affordability index amounted to 134.84. However, in recent years house prices were going up and net income could not keep with the boost. On the scale back to 2000, the ratio stands still on low ground. If we look at the Top-7 locations of Germany Berlin is the most affordable city (94.2) followed by Hamburg (90.8) and Cologne (76.2). Munich stays the most expensive city in Germany. The affordability index was with 46.7 for the first time below the level 50.

### Exhibit 31: Housing affordability in Germany



Source: IVD, equinet Research

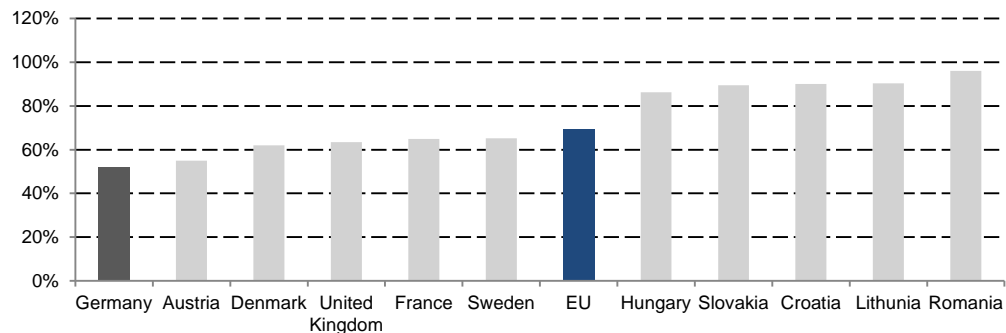
### Exhibit 32: Housing affordability in Germany's Top-7 locations



Source: IVD, equinet Research

- Low home ownership ratio

Compared to other European countries home ownership in Germany is still relatively low with 52% in 2016 compared to almost 69% in the European Union which can be explained by high transaction costs for real estate purchases and stringent requirements. We do not think that the home ownership ratio will increase significantly in the coming years but it may gradually move upwards.

**Exhibit 33: Home ownership ratios in selected European countries**


Source: Eurostat

As EYEMAXX's current transaction pipeline mainly includes residential properties in Germany we are confident that EYEMAXX is able to sell its projects for profit as prices should further increase even if construction costs are also getting more expensive. As there should still be a lack of supply as construction does not cover the high demand we see EYEMAXX well positioned to satisfy the high demand for housing. We also regard it as positive that the company prefers projects which are in an advanced project stage, as these projects are less risky.

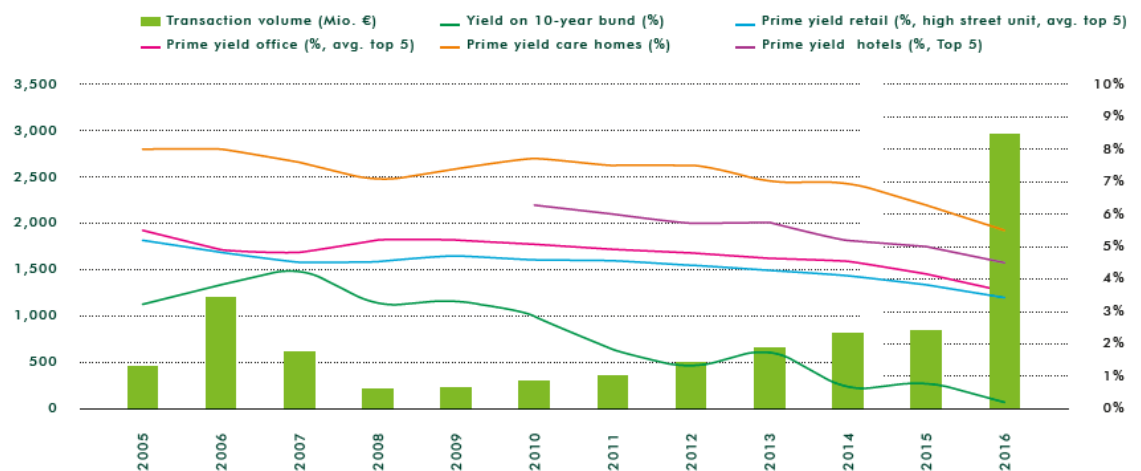
### Care homes

In recent years the number of people requiring nursing cares has increased by 50% yoy between 1999 and 2015 and is forecasted to increase to by around another 50% by 2050 (the 2050 estimate is defined somewhat narrower than the 2015 figure as it does not include those people who need only basic nursing care; source: Barmer Pflegereport 2017).

This trend is clearly driven by a growing number of older people in Germany. While in 2016 the proportion of the people being older than 65 years is at 18%, this ratio is forecasted to increase to 34% by 2050. Taking into account that the number of children per woman has constantly declined in recent years and that the German society has changed, i.e. children do not automatically nurse their parents once they are old, the demand for nursing homes should further increase in the future.

The German market for care homes is characterized by a relatively low concentration level compared to other countries like France or UK, the TOP 10 care home operators have a market share of only 15%. While at the end of the 90s the market share of private care home operators has been still relatively low with 26%, it has increased since then to 38% by 2013 (source: CBRE).

Transaction volumes in the nursing homes sector have been around EUR 500m in recent years but reached a record high with almost EUR 3bn in 2016. In 2017 the transaction volume amounted to around EUR 1bn. Around 1.8% of the total transaction volume for commercial real estate properties was related to the nursing home sector in 2017. With a proportion of 64% foreign investors were mainly active in the German care home market in 2017. As the yields are still relatively attractive (2017: % vs. 5.5% in 2016) and as the underlying trend (a growing demand for care home places) remains intact we expect interest among investors for this niche segment to remain high. For 2018 CBRE estimates a transaction volume of c. EUR 750m.

**Exhibit 34: Transaction volume in the German care property market**

Source: CBRE

### Business Apartments

Business Apartments are mainly used by business people, who either have to temporarily work in different cities (e.g. consultants) or are week-end commuters. In recent years job growth has been particularly strong in large cities. As these jobs have either been only temporary or workers did not want to move their home immediately, demand for business apartments has risen. These so-called “smartments” (as they include all kinds of amenities/services like cleaning, internet use, gym etc.) have also become interesting for project workers as firms have either become more cost efficient and thus prefer these “smartments” which tend to cost less than hotels or as the service level of these smartments is so high that they offer sometimes even a better deal than hotels and have therefore become the preferred choice of the temporary workers.

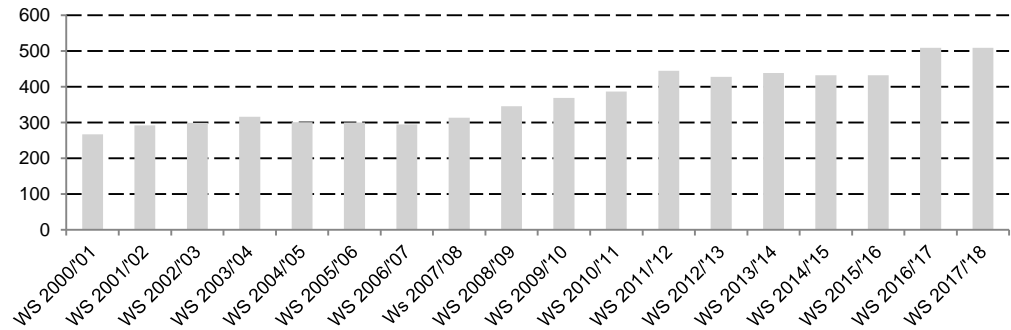
### Student Apartments

The number of university entrants in Germany has increased quite significantly in Germany during the last ten years from 313k to 509k in 2017.

This was driven by the abolition of the mandatory military service and the shortening of the secondary school attendance from nine to eight years which led to a sharp rise in the number of new students. Additionally the number of foreign university entrants has also risen during that time, although the proportion of foreign students is with around 10% still on a relatively low level compared to other countries. Although the number of university entrants is not forecasted to grow further, it should remain more or less on that relatively high level as the proportion of young people graduating from secondary school (and thus being able to attend university) should further increase. Therefore demand for student housing should further increase, particularly as the urbanization (i.e. people moving from rural areas into cities) and the trend towards smaller households (i.e. increasing demand for smaller apartments) should continue. This means that students are competing with a growing number of people for a limited number of suitable apartments.

Students in Germany predominantly (70%) live in rented accommodation, c. 17% live in student halls and around 12% live in their parents' homes. If competition for smaller apartments in larger cities will further increase in the coming years, student apartments should be in high demand as they offer students affordable living. Hence, we see good growth prospects for this subsector, driven both by a high number of students and a growing competition for small apartments in large cities.

**Exhibit 35: Development of Student Freshman in Germany (# students in '000 enrolling in the winter semester)**



Source: DeStatis, equinet Research

## Financials

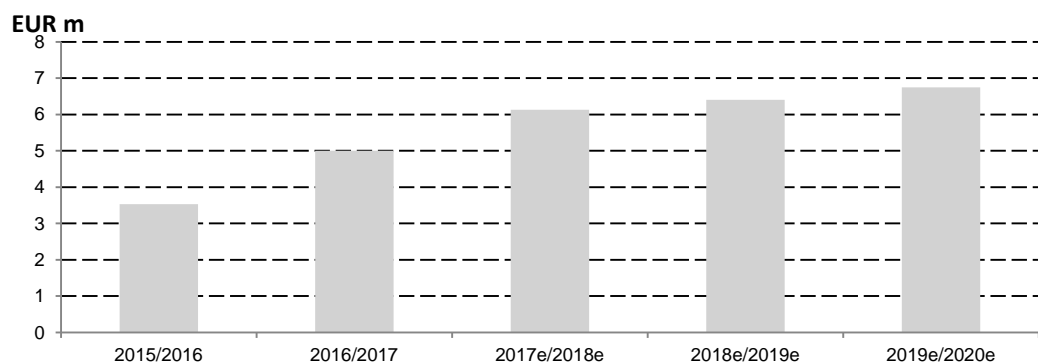
On the back of the company's current project pipeline of c. EUR 760m which should further increase and the continued expansion of its portfolio properties EYEMAXX's revenues should grow by c. 11% (CAGR 2016/17-2019/20e) and net profit should increase by around 16%. EYEMAXX targets to pay a stable dividend of EUR 0.20 per share for 2016/2017 and for 2017/2018e we forecast a dividend of EUR 0.25 per share (2018/2019e: EUR 0.30 per share).

### P&L Development

#### Revenues

EYEMAXX generates revenues mainly from rental income of its portfolio properties as well as revenues from services for which the company is tasked for from its SPVs for project services such as construction management, marketing and tenant acquisition. Note that EYEMAXX's fiscal year starts on 1 November and ends on 31 October.

**Exhibit 36: Development of Revenues**



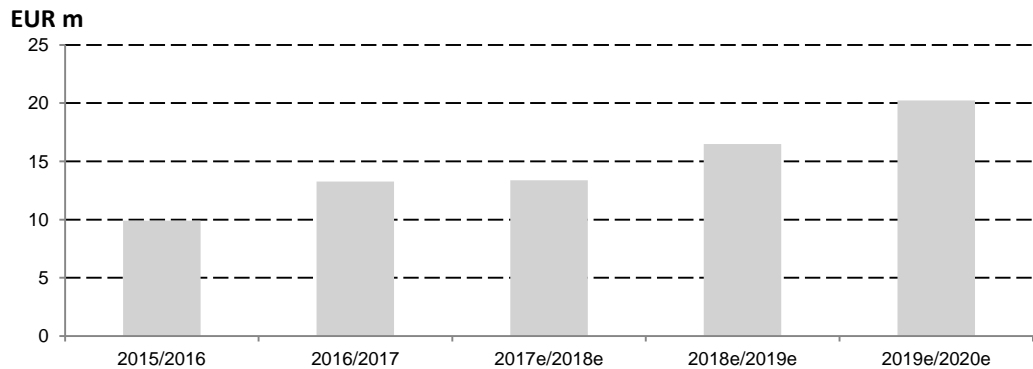
Source: EYEMAXX, equinet Research

We forecast revenues to increase by 23% yoy to EUR 6.1m in 2017/2018e and for 2018/2019e we expect those revenues to amount to EUR 6.4m. Main drivers should be the realization of its transaction pipeline as it should lead to higher cash flows as well as the expansion of its portfolio to generate rental income as stable cash flows.

#### EBIT

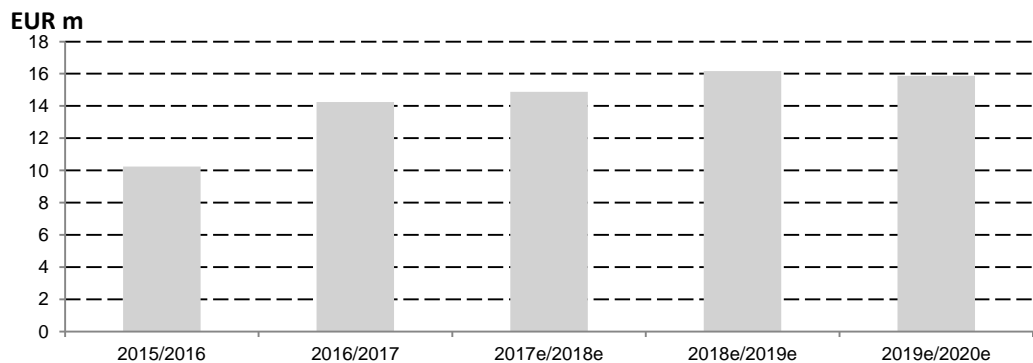
A major part of the company's earnings is realized when projects are sold for profit which can be found under the P&L line "net income from at equity" as projects are clustered in SPVs. Based on EYEMAXX's current pipeline of c. EUR 760m we have calculated net income from at equity. Note that the last projects are expected to be completed until 2022. In the year of completion we expect that EYEMAXX receives around 40% of the project return and the remaining amount should be realized in the previous years. We forecast net income from at equity of EUR 13.4m for 2017/2018e and EUR 16.5m for 2018/2019e.



**Exhibit 37: Development of net income from at equity**


Source: EYEMAXX, equinet Research

EYEMAXX's business is a scalable business. The cost base consists mainly of personnel and other costs of the holding. Note that most of the project costs are booked at the SPVs. With higher revenues and higher net income from at equity EBIT margins should increase more than proportionally. For 2017/2018e we estimate an EBIT of EUR 14.9m (+4% yoy) and for 2018/2019e we forecast an increase by 9% yoy to EUR 16.2m.

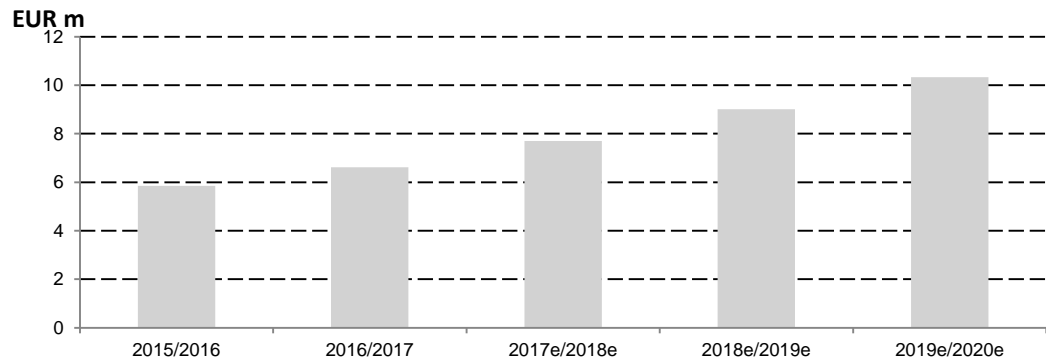
**Exhibit 38: Development of EBIT**


Source: EYEMAXX, equinet Research

**Net profit**

Based upon a tax rate of 19% for 2017/2018e and for the coming years we forecast net profit (after minority interests) to go up by 16% yoy to EUR 7.7m in 2017/2018e and by 17% yoy to EUR 9.0m in 2018/2019e.

### Exhibit 39: Development of net profit



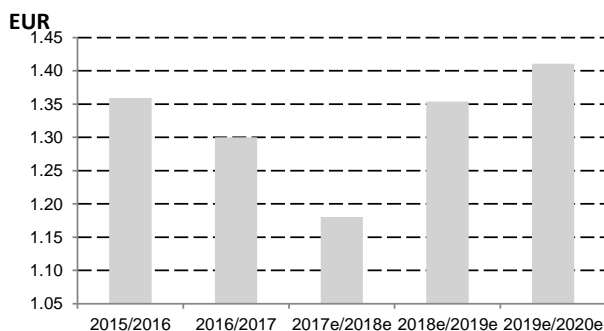
Source: EYEMAXX, equinet Research

### EPS & DPS

For 2017/2018e EPS (diluted) should decline from EUR 1.30 in 2016/2017 to EUR 1.18, which can be explained by the higher number of shares as EYEMAXX issued two convertible bonds and increased its capital in FY 2016/2017. For 2018/2019e we forecast EPS (diluted) of EUR 1.35.

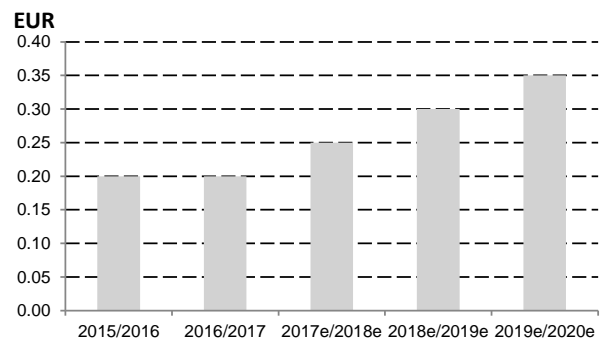
Depending on the generated net profit EYEMAXX targets to pay stable and attractive dividends. It has paid EUR 0.20 for 2015/2016 and intends to pay the same amount for 2016/2017. We assume a DPS of EUR 0.25 per share for 2017/2018e (payout ratio: c. 17%) and for 2018/2019e we expect the company to increase its DPS to EUR 0.30 for 2018/2019e (payout ratio: c. 24%).

### Exhibit 40: Development of EPS



Source: EYEMAXX, equinet Research

### Exhibit 41: Development of DPS



Source: EYEMAXX, equinet Research

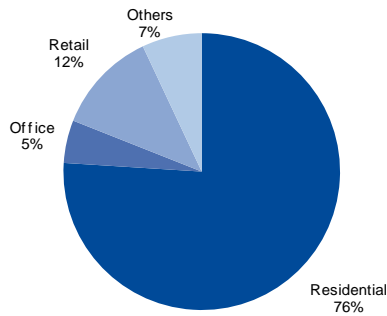
### Equity ratio & Funding

With an equity ratio of 30% (Equity excl. minorities/total assets) and cash of EUR 16m (as of October 2017) EYEMAXX is well capitalized and has sufficient liquidity. We expect EYEMAXX's equity ratio to increase to 37% in 2017/2018e due to the last capital hike. We forecast an equity ratio of 40% for 2018/2019e.

## Appendix I: Overview peer group

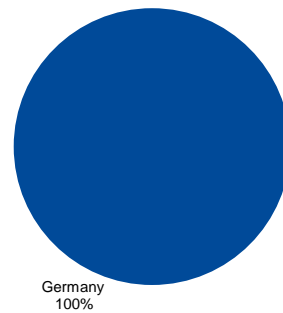
### Exhibit 42: Overview peer group

Consus - Split of Gross Development Value by asset class



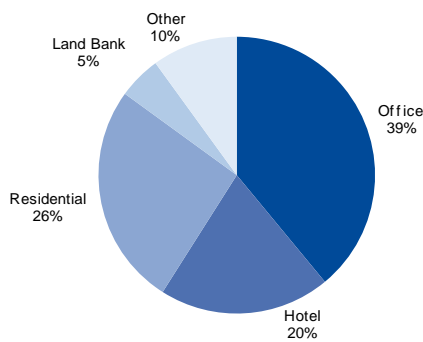
Source: Consus Real Estate, equinet Research

Consus - Split of Gross Development Value by region



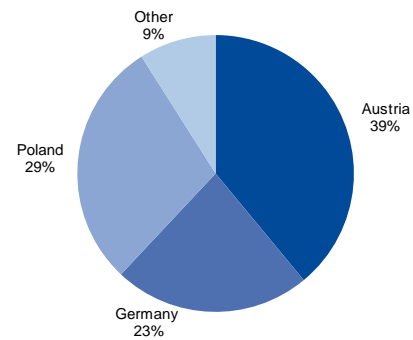
Source: Consus Real Estate, equinet Research

UBM Development - Portfolio split by asset class



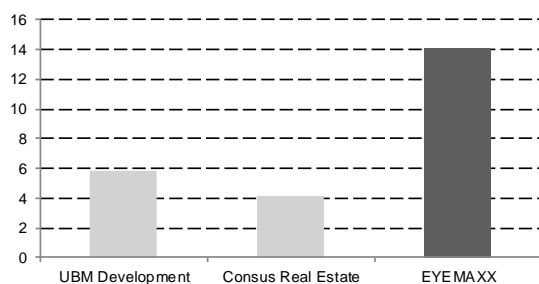
Source: EYEMAXX, equinet Research

UBM Development - Portfolio split by region



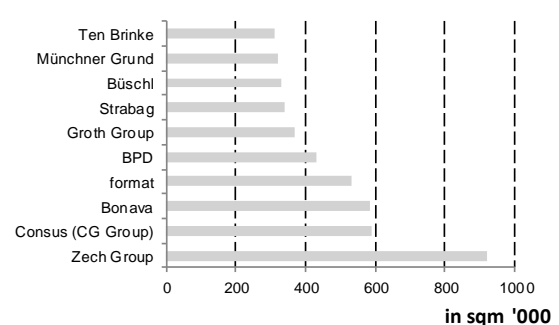
Source: EYEMAXX, equinet Research

Project pipeline as a % of Market Cap



Source: company data, equinet Research

Top 10 Residential Developer in German A cities

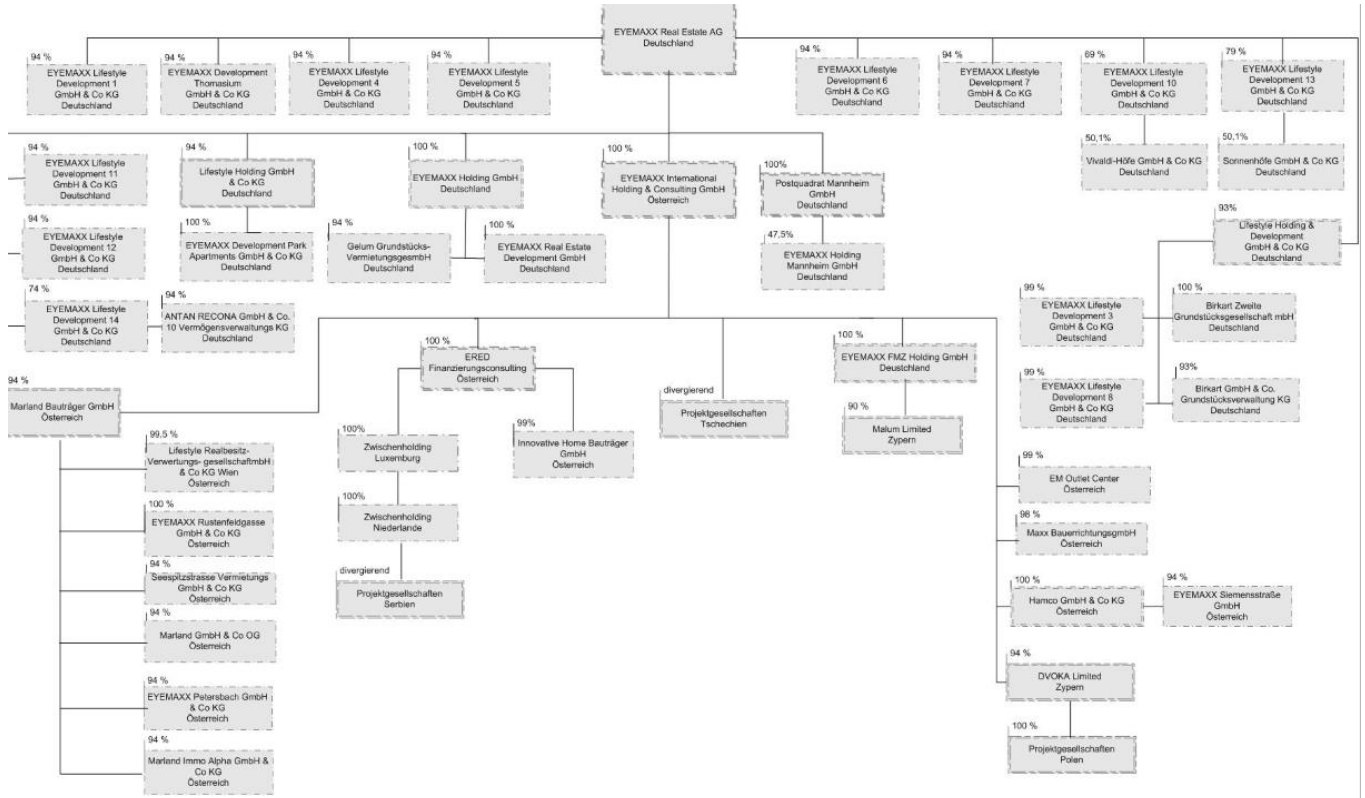


Source: bulwiengesa, equinet Research

Source: company data, equinet Research

## Appendix II: Holding structure

Exhibit 43: Holding structure



Source: EYEMAXX

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## Appendix III: Management

### **Dr. Michael Müller (CEO of EYEMAXX Real Estate AG and EYEMAXX Group)**

Dr. Michael Müller is CEO, founder and major shareholder of EYEMAXX. He studied economics in Vienna and finished his studies in 1983 as magister. He became certified management consultant and beside his profession he passed his doctors degree with distinction. Since 1994 Michael Müller has gained a lot of experience especially in the real estate segments residential properties and logistics. In 1996 he became CEO of "CARRERA-OPTYL" and founded "EYEMAXX International Holding & Consulting GmbH" in 1996.

### **Maximilian Pasquali, LL.M (Deputy CEO of EYEMAXX Group)**

Maximilian Pasquali is deputy CEO of EYEMAXX. He studied law in Vienna and Belgium before he finished his studies at the Duke University in North Carolina where he gained the Master of Laws. Before he joined EYEMAXX in 2006 and became Deputy CEO of EYEMAXX he gained experience in several international law firms.

### **Kristian Radosavljevic, MA (CFO of EYEMAXX Group)**

Kristian Radosavljevic is CFO of EYEMAXX. After his bachelor in business management he gained a master degree in finance. Before he joined EYEMAXX in October 2011 he worked for several companies in the area of controlling.

## Appendix IV: Project pipeline

**Exhibit 44: Project pipeline**

| Project / Location*                       | Type of use             | Status of sale                      | Project volume/ expected sales price in EUR k |
|---|-------------------------|-------------------------------------|---|
| Schönefeld, Komponistenviertel (Germany)  | Residential, Commercial | -                                   | 170,000                                       |
| Schönefeld, Sternenviertel (Germany)      | Residential, Commercial | -                                   | 168,000                                       |
| Offenbach (Germany)                       | Commercial              |                                     | 18,400  |
| Wien, Lainzer Straße (Austria)            | Residential             | Marketing has not started yet       | 10,100  |
| Bonn (Germany)                            | Commercial              |                                     | 18,800  |
| Mixed Use Mannheim (Germany)              | Residential, Commercial | Forward Sales for approximately 50% | 177,000                                       |
| Wien, Siemensstraße (Austria)             | Residential             | Marketing has not started yet       | 23,400  |
| Wien-Vösendorf (Austria)                  | Residential             | Marketing since 1 November 2017     | 9,200   |
| Wien, Rustenfeldgasse (Austria)           | Residential             | Marketing since 1 November 2017     | 7,300   |
| Logistikzentrum Belgrad Phase I (Serbia)  | Commercial              | Sales negotiations                  | 11,500  |
| FMZ Křnov (Czech Republic)                | Commercial              | Marketing has not started yet       | 4,300   |
| FMZ Louny (Czech Republic)                | Commercial              | Marketing has not started yet       | 7,400   |
| FMZ Malbork (Poland)                      | Commercial              | Marketing has not started yet       | 6,200   |
| Logistikzentrum Belgrad Phase II (Serbia) | Commercial              | Marketing has not started yet       | 21,600  |
| FMZ Elk (Poland)                          | Commercial              | Marketing has not started yet       | 9,300   |
| Retail Park Belgrad (Serbia)              | Commercial              | Marketing has not started yet       | 18,100  |
| Factory Outlet Belgrad Phase I (Serbia)   | Commercial              | Marketing has not started yet       | 20,500  |
| Pflegeheim Waldalgesheim (Germany)        | Nursing Home            | Forward Sale                        | 13,500  |
| Wohnbau Potsdam (Germany)                 | Residential             | Forward Sale                        | 18,100  |
| Lindenauer Hafen (Germany)                | Residential             | Forward Sale                        | 25,000  |
|   |                         |                                     | <b>757,700</b>                                |

Source: EYEMAXX

## Upcoming Corporate Events Calendar

### Exhibit 45: Financial calendar

| 28/02/2018 | Publication of annual report 2016/2017                |
|------------|---|
| 19/03/2018 | Interest payment of corporate bond 16/21              |
| 26/03/2018 | Interest payment of corporate bond 13/19              |
| 18/06/2018 | Interest payment of convertible bond 16/19 and 17/19  |
| 31/07/2018 | Publication of half-yearly financial report 2017/2018 |
| 18/09/2018 | Interest payment of corporate bond 16/21              |
| 01/10/2018 | Interest payment of corporate bond 14/20              |
| 17/12/2018 | Interest payment of convertible bond 16/19 and 17/19  |

Source: EYEMAXX, equinet Research



**EYEMAXX Real Estate : Summary tables**

| <b>PROFIT &amp; LOSS (EURm)</b>                   | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
|---|----------------|----------------|----------------|----------------|-----------------|-----------------|
| <b>Sales</b>                                      | <b>1.6</b>     | <b>2.3</b>     | <b>3.5</b>     | <b>5.0</b>     | <b>6.1</b>      | <b>6.4</b>      |
| Cost of Sales & Operating Costs                   | 9.9            | 11.7           | 10.0           | 13.3           | 13.4            | 14.8            |
| Non Recurrent Expenses/Income                     | -3.9           | -4.1           | -3.0           | -3.7           | -4.3            | -4.7            |
| <b>EBITDA</b>                                     | <b>7.6</b>     | <b>9.8</b>     | <b>10.5</b>    | <b>14.6</b>    | <b>15.2</b>     | <b>16.5</b>     |
| <b>EBITDA (adj.)*</b>                             | <b>11.5</b>    | <b>14.0</b>    | <b>13.5</b>    | <b>18.3</b>    | <b>19.5</b>     | <b>21.2</b>     |
| Depreciation                                      | -0.2           | -0.2           | -0.2           | -0.3           | -0.3            | -0.3            |
| <b>EBITA</b>                                      | <b>7.4</b>     | <b>9.6</b>     | <b>10.2</b>    | <b>14.3</b>    | <b>14.9</b>     | <b>16.2</b>     |
| <b>EBITA (adj)*</b>                               | <b>11.3</b>    | <b>13.7</b>    | <b>13.3</b>    | <b>18.0</b>    | <b>19.2</b>     | <b>20.9</b>     |
| Amortisations and Write Downs                     | 0.0            | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             |
| <b>EBIT</b>                                       | <b>7.4</b>     | <b>9.6</b>     | <b>10.2</b>    | <b>14.3</b>    | <b>14.9</b>     | <b>16.2</b>     |
| <b>EBIT (adj.)*</b>                               | <b>11.3</b>    | <b>13.7</b>    | <b>13.3</b>    | <b>18.0</b>    | <b>19.2</b>     | <b>20.9</b>     |
| Net Financial Interest                            | -3.6           | -3.7           | -3.7           | -6.1           | -5.4            | -5.0            |
| Other Financials                                  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             |
| Associates  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             |
| Other Non Recurrent Items                         | 0.0            | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             |
| <b>Earnings Before Tax (EBT)</b>                  | <b>3.9</b>     | <b>5.9</b>     | <b>6.6</b>     | <b>8.2</b>     | <b>9.5</b>      | <b>11.1</b>     |
| Tax   | -1.5           | -1.9           | -0.7           | -1.6           | -1.8            | -2.1            |
| <i>Tax rate</i>                                   | <i>39.5%</i>   | <i>32.0%</i>   | <i>n.m.</i>    | <i>19.2%</i>   | <i>19.0%</i>    | <i>19.0%</i>    |
| Discontinued Operations                           | 0.0            | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             |
| Minorities  | 0.0            | 0.0            | 0.0            | 0.0            | 0.0             | 0.0             |
| <b>Net Profit (reported)</b>                      | <b>2.3</b>     | <b>4.0</b>     | <b>5.8</b>     | <b>6.6</b>     | <b>7.7</b>      | <b>9.0</b>      |
| <b>Net Profit (adj.)</b>                          | <b>2.3</b>     | <b>4.0</b>     | <b>5.8</b>     | <b>6.6</b>     | <b>7.7</b>      | <b>9.0</b>      |
| <b>CASH FLOW (EURm)</b>                           | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
| Cash Flow from Operations before change in NWC    | -3.1           | -1.0           | -5.1           | -7.1           | -3.1            | -8.7            |
| Change in Net Working Capital                     | 0.1            | 0.2            | -0.7           | 0.3            | 0.4             | 0.0             |
| <b>Cash Flow from Operations</b>                  | <b>-3.0</b>    | <b>-0.8</b>    | <b>-5.8</b>    | <b>-6.8</b>    | <b>-2.7</b>     | <b>-8.7</b>     |
| Capex   | -4.3           | -0.3           | -3.8           | -12.2          | 16.0            | 8.0             |
| Net Financial Investments                         | 3.6            | 4.0            | 6.7            | 21.7           | -6.6            | 0.8             |
| <b>Free Cash Flow</b>                             | <b>-3.7</b>    | <b>3.0</b>     | <b>-2.9</b>    | <b>2.7</b>     | <b>6.8</b>      | <b>0.2</b>      |
| Dividends   | 0.0            | -0.7           | -0.9           | -0.9           | -0.9            | -1.3            |
| Other (incl. Capital Increase & share buy backs)  | 1.6            | 1.8            | 4.4            | 4.9            | 6.0             | 2.1             |
| <b>Change in Net Debt</b>                         | <b>-2.1</b>    | <b>4.0</b>     | <b>0.6</b>     | <b>6.7</b>     | <b>11.8</b>     | <b>1.0</b>      |
| NOPLAT  | 6.8            | 9.4            | 14.7           | 14.5           | 15.5            | 16.9            |
| <b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>     | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
| Net Tangible Assets                               | 59.9           | 71.4           | 88.5           | 110            | 110             | 121             |
| Net Intangible Assets (incl. Goodwill)            | 0.0            | 0.1            | 0.1            | 0.1            | -0.2            | -0.5            |
| Net Financial Assets & Other                      | 0.0            | 0.1            | 0.3            | 0.4            | 0.4             | 0.4             |
| <b>Total Fixed Assets</b>                         | <b>60.0</b>    | <b>71.6</b>    | <b>88.8</b>    | <b>110</b>     | <b>111</b>      | <b>121</b>      |
| Inventories                                       | 1.6            | 14.3           | 7.5            | 8.9            | 8.9             | 8.9             |
| Trade receivables                                 | 0.4            | 1.0            | 1.0            | 1.5            | 1.5             | 1.5             |
| Other current assets                              | 4.2            | 7.2            | 21.7           | 29.2           | 28.2            | 27.2            |
| Cash (-)  | -4.4           | -3.9           | -3.3           | -15.8          | -22.5           | -22.7           |
| <b>Total Current Assets</b>                       | <b>10.6</b>    | <b>26.3</b>    | <b>33.6</b>    | <b>55.5</b>    | <b>61.2</b>     | <b>60.4</b>     |
| <b>Total Assets</b>                               | <b>70.6</b>    | <b>97.9</b>    | <b>122</b>     | <b>166</b>     | <b>172</b>      | <b>182</b>      |
| Shareholders Equity                               | 20.1           | 28.3           | 37.3           | 50.0           | 62.7            | 72.6            |
| Minority  | 0.0            | 0.2            | 0.7            | 0.1            | 0.1             | 0.1             |
| Total Equity                                      | 20.1           | 28.5           | 38.0           | 50.1           | 62.9            | 72.7            |
| Long term interest bearing debt                   | 45.6           | 46.8           | 66.4           | 83.4           | 71.8            | 71.8            |
| Provisions  | 0.4            | 0.6            | 1.0            | 0.9            | 2.0             | 2.0             |
| Other long term liabilities                       | 1.7            | 4.8            | 5.0            | 6.9            | 6.9             | 6.9             |
| <b>Total Long Term Liabilities</b>                | <b>47.7</b>    | <b>52.2</b>    | <b>72.4</b>    | <b>91.2</b>    | <b>80.7</b>     | <b>80.7</b>     |
| Short term interest bearing debt                  | 1.8            | 15.7           | 3.1            | 17.4           | 17.4            | 17.4            |
| Trade payables                                    | 0.2            | 0.6            | 0.8            | 0.8            | 0.8             | 0.8             |
| Other current liabilities                         | 0.7            | 0.9            | 8.0            | 6.4            | 10.0            | 10.0            |
| <b>Total Current Liabilities</b>                  | <b>2.8</b>     | <b>17.2</b>    | <b>11.9</b>    | <b>24.7</b>    | <b>28.2</b>     | <b>28.2</b>     |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>70.6</b>    | <b>97.9</b>    | <b>122</b>     | <b>166</b>     | <b>172</b>      | <b>182</b>      |
| <b>Net Capital Employed</b>                       | <b>65.3</b>    | <b>92.5</b>    | <b>110</b>     | <b>143</b>     | <b>138</b>      | <b>148</b>      |
| <b>Net Working Capital</b>                        |                | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>      | <b>0.0</b>      |
| <b>GROWTH &amp; MARGINS</b>                       | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
| <i>Sales growth</i>                               | <i>n.m.</i>    | <i>47.4%</i>   | <i>52.4%</i>   | <i>41.6%</i>   | <i>22.7%</i>    | <i>4.4%</i>     |
| <b>EBITDA (adj.)* growth</b>                      | <b>n.m.</b>    | <b>21.3%</b>   | <b>-3.4%</b>   | <b>35.5%</b>   | <b>6.5%</b>     | <b>8.6%</b>     |
| <i>EBITA (adj.)* growth</i>                       | <i>n.m.</i>    | <i>21.9%</i>   | <i>-3.3%</i>   | <i>35.4%</i>   | <i>6.7%</i>     | <i>8.8%</i>     |
| <i>EBIT (adj.)* growth</i>                        | <i>n.m.</i>    | <i>21.9%</i>   | <i>-3.3%</i>   | <i>35.4%</i>   | <i>6.7%</i>     | <i>8.8%</i>     |

**EYEMAXX Real Estate : Summary tables**

| <b>GROWTH &amp; MARGINS</b>                     | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
|---|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Net Profit growth                               | n.m.           | 74.7%          | 44.9%          | 13.2%          | 16.3%           | 17.1%           |
| EPS adj. growth                                 |                | 105.3%         | 16.2%          | -4.4%          | -9.2%           | 14.7%           |
| DPS adj. growth                                 |                | 0.0%           | 0.0%           | 0.0%           | 25.0%           | 20.0%           |
| EBITDA (adj)* margin                            | 733.0%         | 603.2%         | 382.5%         | 366.0%         | 317.8%          | 330.6%          |
| EBITA (adj)* margin                             | 718.1%         | 593.6%         | 376.4%         | 359.9%         | 312.9%          | 325.9%          |
| EBIT (adj)* margin                              | 718.1%         | 593.6%         | 376.4%         | 359.9%         | 312.9%          | 325.9%          |
| <b>RATIOS</b>                                   | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
| Net Debt/Equity                                 | 2.1            | 2.1            | 1.7            | 1.7            | 1.1             | 0.9             |
| Net Debt/EBITDA                                 | 5.6            | 6.0            | 6.3            | 5.8            | 4.4             | 4.0             |
| Interest cover (EBITDA/Fin.interest)            | 2.2            | 2.7            | 2.8            | 2.4            | 2.8             | 3.3             |
| Capex/D&A                                       | 1855.6%        | 143.0%         | 1779.8%        | 3974.5%        | -5333.3%        | -2666.7%        |
| Capex/Sales                                     | 276.4%         | 13.8%          | 107.4%         | 243.3%         | -261.0%         | -124.9%         |
| NWC/Sales                                       |                | 0.0%           | 0.0%           | 0.0%           | 0.0%            | 0.0%            |
| ROE (average)                                   | 23.0%          | 16.7%          | 17.8%          | 15.2%          | 13.7%           | 13.3%           |
| ROCE (adj.)                                     |                | 13.1%          | 16.6%          | 13.2%          | 14.1%           | 14.0%           |
| WACC  | 0.0%           | 0.0%           | 0.0%           | 0.0%           |                 |                 |
| ROCE (adj.)/WACC                                |                | n.m.           | n.m.           | n.m.           |                 |                 |
| <b>PER SHARE DATA (EUR)***</b>                  | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
| Average diluted number of shares                | 2.9            | 3.3            | 4.3            | 5.6            | 7.3             | 7.3             |
| EPS (reported)                                  | 0.57           | 1.17           | 1.36           | 1.53           | 1.50            | 1.68            |
| EPS (adj.)                                      | 0.57           | 1.17           | 1.36           | 1.30           | 1.18            | 1.35            |
| BVPS  | 6.92           | 8.54           | 8.66           | 8.94           | 8.61            | 9.92            |
| DPS   | 0.20           | 0.20           | 0.20           | 0.20           | 0.25            | 0.30            |
| <b>VALUATION</b>                                | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
| EV/Sales  | 37.1           | 33.1           | 29.5           | 28.9           | 19.6            | 22.3            |
| EV/EBITDA                                       | 7.6            | 7.8            | 10.0           | 9.9            | 7.9             | 8.7             |
| <b>EV/EBITDA (adj.)*</b>                        | <b>5.1</b>     | <b>5.5</b>     | <b>7.7</b>     | <b>7.9</b>     | <b>6.2</b>      | <b>6.7</b>      |
| EV/EBITA  | 7.9            | 8.0            | 10.2           | 10.1           | 8.1             | 8.8             |
| <b>EV/EBITA (adj.)*</b>                         | <b>5.2</b>     | <b>5.6</b>     | <b>7.8</b>     | <b>8.0</b>     | <b>6.3</b>      | <b>6.8</b>      |
| EV/EBIT   | 7.9            | 8.0            | 10.2           | 10.1           | 8.1             | 8.8             |
| <b>EV/EBIT (adj.)*</b>                          | <b>5.2</b>     | <b>5.6</b>     | <b>7.8</b>     | <b>8.0</b>     | <b>6.3</b>      | <b>6.8</b>      |
| <b>P/E (adj.)</b>                               | <b>8.3</b>     | <b>4.4</b>     | <b>6.6</b>     | <b>9.8</b>     | <b>8.9</b>      | <b>7.7</b>      |
| P/BV  | 0.7            | 0.6            | 1.0            | 1.4            | 1.2             | 1.1             |
| Total Yield Ratio                               | 4.6%           | 4.7%           | 2.2%           | 1.9%           | 2.4%            | 2.9%            |
| EV/CE   |                | 1.1            | 1.2            | 1.3            | 1.1             | 1.2             |
| OpFCF yield                                     | -48.3%         | -5.9%          | -25.2%         | -31.7%         | 24.6%           | -0.9%           |
| OpFCF/EV  | -12.6%         | -1.4%          | -9.2%          | -13.1%         | 11.1%           | -0.5%           |
| Payout ratio                                    | 35.1%          | 17.1%          | 14.7%          | 13.1%          | 16.7%           | 17.8%           |
| Dividend yield (gross)                          | 4.2%           | 3.8%           | 2.2%           | 1.9%           | 2.4%            | 2.9%            |
| <b>EV AND MKT CAP (EURm)</b>                    | <b>10/2014</b> | <b>10/2015</b> | <b>10/2016</b> | <b>10/2017</b> | <b>10/2018e</b> | <b>10/2019e</b> |
| Price** (EUR)                                   | 4.76           | 5.20           | 8.91           | 12.71          | 10.45           | 10.45           |
| Outstanding number of shares for main stock     | 3.2            | 3.5            | 4.3            | 4.7            | 5.2             | 7.3             |
| <b>Total Market Cap</b>                         | <b>15</b>      | <b>18</b>      | <b>38</b>      | <b>60</b>      | <b>54</b>       | <b>76</b>       |
| <b>Net Debt</b>                                 | <b>43</b>      | <b>59</b>      | <b>66</b>      | <b>85</b>      | <b>67</b>       | <b>66</b>       |
| <i>o/w Cash &amp; Marketable Securities (-)</i> | <i>-4</i>      | <i>-4</i>      | <i>-3</i>      | <i>-16</i>     | <i>-23</i>      | <i>-23</i>      |
| <i>o/w Gross Debt (+)</i>                       | <i>47</i>      | <i>62</i>      | <i>70</i>      | <i>101</i>     | <i>89</i>       | <i>89</i>       |
| <b>Other EV components</b>                      | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>        | <b>0</b>        |
| <b>Enterprise Value (EV adj.)</b>               | <b>58</b>      | <b>77</b>      | <b>104</b>     | <b>144</b>     | <b>120</b>      | <b>143</b>      |

Source: Company, equinet Bank estimates.

**Notes**

\* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

\*\*Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Financial Services Industrials/FinSvcs Industrials

Company Description: EYEMAXX Real Estate is a real estate development company and holds a small portfolio of real estate properties. The company develops and sells residential, nursing homes and commercial properties with a geographical focus on Germany and Austria.

## European Coverage of the Members of ESN

|                                |               |                         |               |  |               |                                  |               |
|--------------------------------|---------------|-------------------------|---------------|--|---------------|----------------------------------|---------------|
| <b>Aerospace &amp; Defense</b> | <b>Mem(*)</b> | Banco Sabadell          | GVC           | Air Liquide                                  | CIC           | Wendel                           | CIC           |
| Airbus Se                      | CIC           | Banco Santander         | GVC           | Avantium                                     | NIBC          | <b>Food &amp; Beverage</b>       | <b>Mem(*)</b> |
| Dassault Aviation              | CIC           | Bankia                  | GVC           | Brenntag                                     | EQB           | Acomo                            | NIBC          |
| Latecoere                      | CIC           | Bankinter               | GVC           | Fuchs Petrolub                               | EQB           | Atria                            | OPG           |
| Leonardo                       | BAK           | Bbva                    | GVC           | Holland Colours                              | NIBC          | Bonduelle                        | CIC           |
| Lisi                           | CIC           | Bcp                     | CBI           | K+S Ag                                       | EQB           | Campari                          | BAK           |
| Mtu Aero Engines               | EQB           | Bnp Paribas             | CIC           | Kemira                                       | OPG           | Coca Cola Hbc Ag                 | IBG           |
| Ohb Se                         | EQB           | Bper                    | BAK           | Kws Saat                                     | EQB           | Corbion                          | NIBC          |
| Rheinmetall                    | EQB           | Bpi                     | CBI           | Linde  | EQB           | Danone                           | CIC           |
| Safran                         | CIC           | Caixabank               | GVC           | Siegfried Holding Ag                         | EQB           | Ebro Foods                       | GVC           |
| Thales                         | CIC           | Commerzbank             | EQB           | Symrise Ag                                   | EQB           | Enervit                          | BAK           |
| Zodiac Aerospace               | CIC           | Credem                  | BAK           | Tikkurila                                    | OPG           | Fleury Michon                    | CIC           |
| <b>Alternative Energy</b>      | <b>Mem(*)</b> | Credit Agricole Sa      | CIC           | <b>Electronic &amp; Electrical Equipment</b> | <b>Mem(*)</b> | Forfarmers                       | NIBC          |
| Daldrup & Soehne               | EQB           | Creval                  | BAK           | Euromicron Ag                                | EQB           | Heineken                         | NIBC          |
| Siemens Gamesa Re              | GVC           | Deutsche Bank           | EQB           | Neways Electronics                           | NIBC          | Hkscan                           | OPG           |
| Sif Group                      | NIBC          | Deutsche Pfandbriefbank | EQB           | Pkc Group                                    | OPG           | La Doria                         | BAK           |
| Solaria                        | GVC           | Eurobank                | IBG           | Rexel  | CIC           | Lanson-Bcc                       | CIC           |
| <b>Automobiles &amp; Parts</b> | <b>Mem(*)</b> | Intesa Sanpaolo         | BAK           | Vaisala                                      | OPG           | Laurent Perrier                  | CIC           |
| Bittium Corporation            | OPG           | Liberbank               | GVC           | Viscom                                       | EQB           | Ldc                              | CIC           |
| Bmw                            | EQB           | Mediobanca              | BAK           | <b>Financial Services</b>                    | <b>Mem(*)</b> | Lucas Bols                       | NIBC          |
| Brembo                         | BAK           | Merkur Bank             | EQB           | Amundi                                       | CIC           | Massimo Zanetti                  | BAK           |
| Continental                    | EQB           | National Bank Of Greece | IBG           | Anima  | BAK           | Naturex                          | CIC           |
| Daimler Ag                     | EQB           | Natixis                 | CIC           | Athex Group                                  | IBG           | Olvi                             | OPG           |
| Elingklinger                   | EQB           | Nordea                  | OPG           | Azimut                                       | BAK           | Orsero                           | BAK           |
| Faurecia                       | CIC           | Piraeus Bank            | IBG           | Banca Farmafactoring                         | BAK           | Pernod Ricard                    | CIC           |
| Ferrari                        | BAK           | Poste Italiane          | BAK           | Banca Generali                               | BAK           | Raisio                           | OPG           |
| Fiat Chrysler Automobiles      | BAK           | Procredit Holding       | EQB           | Banca Ifis                                   | BAK           | Refresco Group                   | NIBC          |
| Groupe Psa                     | CIC           | Rothschild & Co         | CIC           | Banca Sistema                                | BAK           | Remy Cointreau                   | CIC           |
| Hella Gmbh & Co. Kgaa          | EQB           | Societe Generale        | CIC           | Bb Biotech                                   | EQB           | Suedzucker                       | EQB           |
| Indelb                         | BAK           | Ubi Banca               | BAK           | Bolsas Y Mercados Espanoles Sa               | GVC           | Telepizza                        | GVC           |
| Kamux                          | OPG           | Unicredit               | BAK           | Capman                                       | OPG           | Vidrala                          | GVC           |
| Landi Renzo                    | BAK           | <b>Basic Resources</b>  | <b>Mem(*)</b> | Cir  | BAK           | Vilmorin                         | CIC           |
| Leoni                          | EQB           | Acerinox                | GVC           | Comdirect                                    | EQB           | Viscofan                         | GVC           |
| Michelin                       | CIC           | Altri                   | CBI           | Corestate Capital Holding S.A.               | EQB           | Vranken Pommery Monopole         | CIC           |
| Nokian Tyres                   | OPG           | Arcelormittal           | GVC           | Corp. Financiera Alba                        | GVC           | Wessanen                         | NIBC          |
| Norma Group                    | EQB           | Corticeira Amorim       | CBI           | Digital Magics                               | BAK           | <b>Food &amp; Drug Retailers</b> | <b>Mem(*)</b> |
| Piaggio                        | BAK           | Ence                    | GVC           | Dobank                                       | BAK           | Ahold Delhaize                   | NIBC          |
| Plastic Omnium                 | CIC           | Europac                 | GVC           | Eq   | OPG           | Carrefour                        | CIC           |
| Pwo                            | EQB           | Metka                   | IBG           | Eurazeo                                      | CIC           | Casino Guichard-Perrachon        | CIC           |
| Sogefi                         | BAK           | Metsä Board             | OPG           | Ferratum                                     | EQB           | Ceconomy Ag                      | EQB           |
| Stabilus                       | EQB           | Mytilineos              | IBG           | Ffp  | CIC           | Dia                              | GVC           |
| Stern Groep                    | NIBC          | Outokumpu               | OPG           | Finecobank                                   | BAK           | Jeronimo Martins                 | CBI           |
| Valeo                          | CIC           | Semapa                  | CBI           | Grenke                                       | EQB           | Kesko                            | OPG           |
| Volkswagen                     | EQB           | Ssab                    | OPG           | Hypoport Ag                                  | EQB           | Marr                             | BAK           |
| <b>Banks</b>                   | <b>Mem(*)</b> | Stora Enso              | OPG           | Mlp  | EQB           | Metro Ag                         | EQB           |
| Aareal Bank                    | EQB           | Surteco                 | EQB           | Ovb Holding Ag                               | EQB           | Sligro                           | NIBC          |
| Aktia                          | OPG           | The Navigator Company   | CBI           | Patrizia                                     | EQB           | Sonae                            | CBI           |
| Alpha Bank                     | IBG           | Tubacex                 | GVC           | Rallye                                       | CIC           |                                  |               |
| Banca Carige                   | BAK           | Upm-Kymmene             | OPG           | Tip Tamburi Investment Partners              | BAK           |                                  |               |
| Banca Mps                      | BAK           | <b>Chemicals</b>        | <b>Mem(*)</b> | Unipol Gruppo Finanziario                    | BAK           |                                  |               |

| General Industrials      | Mem(*)        |                               |               | Industrial Transportation                           | Mem(*)        |                           |               |
|--------------------------|---------------|-------------------------------|---------------|---|---------------|---------------------------|---------------|
| 2G Energy                | EQB           | Pihlajalinna                  | OPG           | Bollore   | CIC           | Thermador Groupe          | CIC           |
| Aalberts                 | NIBC          | Recordati                     | BAK           | Ctt   | CBI           | Titan Cement              | IBG           |
| Accell Group             | NIBC          | Silmaasema                    | OPG           | Logwin  | EQB           | Trevi                     | BAK           |
| Ahlstrom                 | OPG           | Wilex                         | EQB           |   |               | Uponor                    | OPG           |
| Arcadis                  | NIBC          |                               |               |   |               | Vicat                     | CIC           |
| Aspo                     | OPG           | <b>Household Goods</b>        | <b>Mem(*)</b> | <b>Insurance</b>                                    | <b>Mem(*)</b> | Vinci                     | CIC           |
| Cembre                   | BAK           | De Longhi                     | BAK           | Allianz   | EQB           | Yit                       | OPG           |
| Huhtamäki                | OPG           | Elica                         | BAK           | Axa   | CIC           |                           |               |
| Kendrion                 | NIBC          | Fila                          | BAK           | Banca Mediolanum                                    | BAK           | <b>Media</b>              | <b>Mem(*)</b> |
| Nedap                    | NIBC          | Maisons Du Monde              | CIC           | Cattolica Assicurazioni                             | BAK           | Alma Media                | OPG           |
| Pöyry                    | OPG           | Philips Lighting              | NIBC          | Generali  | BAK           | Arnoldo Mondadori Editore | BAK           |
| Prelis                   | BAK           | <b>Industrial Engineering</b> | <b>Mem(*)</b> | Hannover Re   | EQB           | Atresmedia                | GVC           |
| Saf-Holland              | EQB           | Accsys Technologies           | NIBC          | Mapfre Sa   | GVC           | Axel Springer             | EQB           |
| Serge Ferrari Group      | CIC           | Aixtron                       | EQB           | Munich Re   | EQB           | Brill                     | NIBC          |
| Tkh Group                | NIBC          | Alstom                        | CIC           | Sampo   | OPG           | Cairo Communication       | BAK           |
|                          |               | Ansaldo Sts                   | BAK           | Talanx Group  | EQB           | Cofina                    | CBI           |
|                          |               | Biesse                        | BAK           | Unipolsai   | BAK           | Cts Eventim               | EQB           |
| <b>General Retailers</b> | <b>Mem(*)</b> | Caf                           | GVC           | <b>Materials, Construction &amp; Infrastructure</b> | <b>Mem(*)</b> | Digital Bros              | BAK           |
| Beter Bed Holding        | NIBC          | Cargotec Corp                 | OPG           | Abertis   | GVC           | Gedi Gruppo Editoriale    | BAK           |
| Elumeo Se                | EQB           | Carraro                       | BAK           | Acs   | GVC           | GI Events                 | CIC           |
| Fielmann                 | EQB           | Cnh Industrial                | BAK           | Aena  | GVC           | Havas                     | CIC           |
| Fnac Darty               | CIC           | Danieli                       | BAK           | Aeroports De Paris                                  | CIC           | Impresa                   | CBI           |
| Folli Follie Group       | IBG           | Datalogic                     | BAK           | Astaldi   | BAK           | IoI                       | BAK           |
| Fourlis Holdings         | IBG           | Deutz Ag                      | EQB           | Atlantia  | BAK           | Ipsos                     | CIC           |
| Hornbach Holding         | EQB           | Duro Felguera                 | GVC           | Boskalis Westminster                                | NIBC          | Jcdecoux                  | CIC           |
| Inditex                  | GVC           | Emak                          | BAK           | Buzzi Unicem  | BAK           | Lagardere                 | CIC           |
| Jumbo                    | IBG           | Envipco                       | NIBC          | Caverion  | OPG           | M6-Metropole Television   | CIC           |
| Ovs                      | BAK           | Exel Composites               | OPG           | Cramo   | OPG           | Mediaset                  | BAK           |
| Rapala                   | OPG           | Fincantieri                   | BAK           | Eiffage   | CIC           | Mediaset Espana           | GVC           |
| Stockmann                | OPG           | Gesco                         | EQB           | Ellaktor  | IBG           | Notorious Pictures        | BAK           |
| Takkt Ag                 | EQB           | Heidelberger Druck            | EQB           | Eitel   | OPG           | Nrj Group                 | CIC           |
| Tokmanni                 | OPG           | Ima                           | BAK           | Ezentis   | GVC           | Publicis                  | CIC           |
| Unieuro                  | BAK           | Indus Holding Ag              | EQB           | Fcc   | GVC           | Rcs Mediagroup            | BAK           |
| Windeln.De               | EQB           | Interpump                     | BAK           | Ferrovial   | GVC           | Relx                      | NIBC          |
| Yoox Net-A-Porter        | BAK           | Kone                          | OPG           | Heidelberg Cement Ag                                | CIC           | Rtl Group                 | EQB           |
| Zalando                  | EQB           | Konecranes                    | OPG           | Heijmans  | NIBC          | Sanoma                    | OPG           |
| <b>Healthcare</b>        | <b>Mem(*)</b> | Manitou                       | CIC           | Imerys  | CIC           | Solocal Group             | CIC           |
| 4Sc                      | EQB           | Manz Ag                       | EQB           | Lafargeholcim                                       | CIC           | Spir Communication        | CIC           |
| Amplifon                 | BAK           | Max Automation Ag             | EQB           | Lehto   | OPG           | Syzygy Ag                 | EQB           |
| Bayer                    | EQB           | Metso Corporation             | OPG           | Lemminkäinen  | OPG           | Telegraaf Media Groep     | NIBC          |
| Biotest                  | EQB           | Outotec                       | OPG           | Maire Tecnimont                                     | BAK           | Teleperformance           | CIC           |
| Diasorin                 | BAK           | Pfeiffer Vacuum               | EQB           | Mota Engil  | CBI           | Tf1                       | CIC           |
| El.En.                   | BAK           | Ponsse                        | OPG           | Obrascon Huarte Lain                                | GVC           | Ubisoft                   | CIC           |
| Epigenomics Ag           | EQB           | Prima Industrie               | BAK           | Ramirent  | OPG           | Vivendi                   | CIC           |
| Genfit                   | CIC           | Prysmian                      | BAK           | Royal Bam Group                                     | NIBC          | Wolters Kluwer            | NIBC          |
| Guerbet                  | CIC           | Smt Scharf Ag                 | EQB           | Sacyr   | GVC           | Xing Ag                   | EQB           |
| Korian                   | CIC           | Talgo                         | GVC           | Saint Gobain  | CIC           |                           |               |
| Merck                    | EQB           | Technotrans                   | EQB           | Salini Impregilo                                    | BAK           |                           |               |
| Oriola-Kd                | OPG           | Valmet                        | OPG           | Sias  | BAK           |                           |               |
| Orion                    | OPG           | Wärtsilä                      | OPG           | Srv   | OPG           |                           |               |
| Orpea                    | CIC           | Zardoya Otis                  | GVC           | Tarkett   | CIC           |                           |               |

|                                |               |  |               |                             |               |                            |               |
|--------------------------------|---------------|--|---------------|-----------------------------|---------------|----------------------------|---------------|
| <b>Oil &amp; Gas Producers</b> | <b>Mem(*)</b> | Realia                                     | GVC           | Asml                        | NIBC          | Kotipizza                  | OPG           |
| Eni                            | BAK           | Sponda                                     | OPG           | Besi                        | NIBC          | Melia Hotels International | GVC           |
| Galp Energia                   | CBI           | Technopolis                                | OPG           | Ericsson                    | OPG           | Nh Hotel Group             | GVC           |
| Gas Plus                       | BAK           | Wcm Ag                                     | EQB           | Gigaset                     | EQB           | Opap                       | IBG           |
| Hellenic Petroleum             | IBG           | <b>Software &amp; Computer Services</b>    | <b>Mem(*)</b> | Nokia                       | OPG           | <b>Snaitech</b>            | <b>BAK</b>    |
| Maurel Et Prom                 | CIC           | Affecto                                    | OPG           | Roodmicrotec                | NIBC          | Snowworld                  | NIBC          |
| Motor Oil                      | IBG           | Akka Technologies                          | CIC           | Slm Solutions               | EQB           | Sodexo                     | CIC           |
| Neste Corporation              | OPG           | Alten                                      | CIC           | Stmicroelectronics          | BAK           | Sonae Capital              | CBI           |
| Qgep                           | CBI           | Altran                                     | CIC           | Suess Microtec              | EQB           | Trigano                    | CIC           |
| Repsol                         | GVC           | Assystem                                   | CIC           | Teleste                     | OPG           | <b>Utilities</b>           | <b>Mem(*)</b> |
| Total                          | CIC           | Atos                                       | CIC           | Va-Q-Tec                    | EQB           | A2A                        | BAK           |
| <b>Oil Services</b>            | <b>Mem(*)</b> | Basware                                    | OPG           | <b>Telecommunications</b>   | <b>Mem(*)</b> | Acciona                    | GVC           |
| Bourbon                        | CIC           | Comptel                                    | OPG           | Acotel                      | BAK           | Acea                       | BAK           |
| Cgg                            | CIC           | Ctac                                       | NIBC          | Bouygues                    | CIC           | Albioma                    | CIC           |
| Fugro                          | NIBC          | Digia Plc                                  | OPG           | Deutsche Telekom            | EQB           | Direct Energie             | CIC           |
| Rubis                          | CIC           | Econocom                                   | CIC           | Dna                         | OPG           | Edp                        | CBI           |
| Saipem                         | BAK           | Esi Group                                  | CIC           | Drillisch                   | EQB           | Edp Renováveis             | CBI           |
| Sbm Offshore                   | NIBC          | Exprivia                                   | BAK           | Elisa                       | OPG           | Enagas                     | GVC           |
| Technipmc Plc                  | CIC           | F-Secure                                   | OPG           | Euskaltel                   | GVC           | Endesa                     | GVC           |
| Tecnicas Reunidas              | GVC           | Gft Technologies                           | EQB           | Freenet                     | EQB           | Enel                       | BAK           |
| Tenaris                        | BAK           | Ict Group                                  | NIBC          | Iliad                       | CIC           | Erg                        | BAK           |
| Vallourec                      | CIC           | Indra Sistemas                             | GVC           | Kpn Telecom                 | NIBC          | Eydap                      | IBG           |
| Vopak                          | NIBC          | Nemetschek Se                              | EQB           | Masmovil                    | GVC           | Falck Renewables           | BAK           |
| <b>Personal Goods</b>          | <b>Mem(*)</b> | Neurones                                   | CIC           | Nos                         | CBI           | Fortum                     | OPG           |
| Adidas                         | EQB           | Nexus Ag                                   | EQB           | Oi                          | CBI           | Gas Natural Fenosa         | GVC           |
| Adler Modemaerkte              | EQB           | Novabase                                   | CBI           | Orange                      | CIC           | Hera                       | BAK           |
| Amer Sports                    | OPG           | Ordina                                     | NIBC          | Ote                         | IBG           | Iberdrola                  | GVC           |
| Basic Net                      | BAK           | Psi Software Ag                            | EQB           | <b>Retelit</b>              | <b>BAK</b>    | Iren                       | BAK           |
| Geox                           | BAK           | Reply                                      | BAK           | Tele Columbus               | EQB           | Italgas                    | BAK           |
| Gerry Weber                    | EQB           | Rib Software                               | EQB           | Telecom Italia              | BAK           | Public Power Corp          | IBG           |
| Hugo Boss                      | EQB           | Seven Principles Ag                        | EQB           | Telefonica                  | GVC           | Red Electrica De Espana    | GVC           |
| Luxottica                      | BAK           | Software Ag                                | EQB           | Telefonica Deutschland      | EQB           | Ren                        | CBI           |
| Marimekko                      | OPG           | Sopra Steria Group                         | CIC           | Telia                       | OPG           | Snam                       | BAK           |
| Moncler                        | BAK           | Tie Kinetix                                | NIBC          | Tiscali                     | BAK           | Terna                      | BAK           |
| Puma                           | EQB           | Tieto                                      | OPG           | United Internet             | EQB           |                            |               |
| Safilo                         | BAK           | Tomtom                                     | NIBC          | Vodafone                    | BAK           |                            |               |
| Salvatore Ferragamo            | BAK           | Visiativ                                   | CIC           | <b>Travel &amp; Leisure</b> | <b>Mem(*)</b> |                            |               |
| Sarantis                       | IBG           | <b>Support Services</b>                    | <b>Mem(*)</b> | Accor                       | CIC           |                            |               |
| Technogym                      | BAK           | Amadeus                                    | GVC           | Aegean Airlines             | IBG           |                            |               |
| Tod'S                          | BAK           | Asiakastieto Group                         | OPG           | Air France Klm              | CIC           |                            |               |
| <b>Real Estate</b>             | <b>Mem(*)</b> | Batenburg                                  | NIBC          | Autogrill                   | BAK           |                            |               |
| Adler Real Estate              | EQB           | Cellnex Telecom                            | GVC           | Beneteau                    | CIC           |                            |               |
| Beni Stabili                   | BAK           | Dpa  | NIBC          | Compagnie Des Alpes         | CIC           |                            |               |
| Citycon                        | OPG           | Ei Towers                                  | BAK           | Elior                       | CIC           |                            |               |
| Demire                         | EQB           | Enav                                       | BAK           | Europcar                    | CIC           |                            |               |
| Deutsche Euroshop              | EQB           | Fiera Milano                               | BAK           | Finnair                     | OPG           |                            |               |
| Hispania Activos Inmobiliarios | GVC           | Lassila & Tikanoja                         | OPG           | I Grandi Viaggi             | BAK           |                            |               |
| Igd                            | BAK           | Openjobmetis                               | BAK           | Ibersol                     | CBI           |                            |               |
| Lar España                     | GVC           | <b>Technology Hardware &amp; Equipment</b> | <b>Mem(*)</b> | Int. Airlines Group         | GVC           |                            |               |
| Merlin Properties              | GVC           | Asm International                          | NIBC          | Intralot                    | IBG           |                            |               |

LEGEND: BAK: Banca Akros; CIC: CM CIC Market Solutions; CBI: Caixa-Banco de Investimento; GVC: GVC Gaesco Beksa, SV, SA; EQB: equinet bank; IBG: Investment Bank of Greece, NIBC: NIBC Bank N.V.; OPG: OP Corporate Bank; as of 1<sup>st</sup> November 2017

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(\*\*) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

## Recommendations and Disclosures

| Coverage                       | Analyst  | Target | Rating     | Disc. | Coverage               | Analyst  | Target | Rating     | Disc. |
|--------------------------------|----------|--------|------------|-------|------------------------|----------|--------|------------|-------|
| 2G Energy                      | Rüzgar   | 19.50  | Neutral    | 2/3/5 | Metro AG               | Bruns    | 29.00  | Buy        | 2     |
| Aareal Bank                    | Häßler   | 42.00  | Accumulate |       | MLP                    | Häßler   | 7.50   | Buy        | 2/3   |
| adidas                         | Josefson | 211.00 | Accumulate |       | MTU Aero Engines       | Rüzgar   | 130.00 | Reduce     | 2     |
| Adler Modemaerkte              | Josefson | 6.00   | Neutral    | 7     | Munich Re              | Häßler   | 210.00 | Accumulate |       |
| ADLER Real Estate              | Mayer    | 15.70  | Buy        |       | Nemetschek SE          | Mildner  | 47.00  | Reduce     | 5     |
| Aixtron                        | Sen      | 11.60  | Accumulate | 2/3   | Nexus AG               | Droste   | 28.00  | Buy        |       |
| Allianz                        | Häßler   | 200.00 | Neutral    |       | Norma Group            | Schuldt  | 61.00  | Neutral    |       |
| Axel Springer                  | Josefson | 66.50  | Reduce     |       | OHB SE                 | Rüzgar   | 40.00  | Neutral    | 7     |
| Bayer                          | Miemietz | 118.00 | Buy        |       | OVB Holding AG         | Häßler   | 20.00  | Accumulate | 2/5/7 |
| BB Biotech                     | Miemietz | 73.00  | Buy        | 7     | Patrizia               | Mayer    | 21.50  | Accumulate |       |
| Biotest                        | Miemietz | 18.00  | Neutral    | 2/3   | Pfeiffer Vacuum        | Sen      | 162.00 | Accumulate | 5     |
| BMW                            | Schuldt  | 100.00 | Accumulate |       | Procredit Holding      | Häßler   | 15.60  | Buy        | 2/3/5 |
| Brenntag                       | Hinkel   | 59.80  | Buy        | 2     | PSI SOFTWARE AG        | Mildner  | 20.00  | Accumulate | 2/3   |
| Ceconomy AG                    | Bruns    | 10.70  | Reduce     |       | Puma                   | Josefson | 430.00 | Buy        |       |
| Cenit                          | Droste   | 22.50  | Buy        |       | PWO                    | Schuldt  | 51.00  | Buy        | 2/3   |
| comdirect                      | Häßler   | 11.20  | Neutral    |       | Rheinmetall            | Rüzgar   | 110.00 | Accumulate |       |
| Commerzbank                    | Häßler   | 13.00  | Neutral    |       | RIB Software           | Mildner  | 16.50  | Buy        | 2/3   |
| Continental                    | Schuldt  | 270.00 | Buy        |       | RTL Group              | Josefson | 72.00  | Accumulate |       |
| CORESTATE Capital Holding S.A. | Mayer    | 69.00  | Buy        | 2/5   | S&TAG                  | Sen      | 21.00  | Buy        | 2/3   |
| CTS Eventim                    | Heilmann | 41.00  | Neutral    |       | SAF-Holland            | Schuldt  | 17.00  | Accumulate | 7     |
| Daimler AG                     | Schuldt  | 80.00  | Accumulate |       | SCOUT24                | Heilmann | 31.00  | Reduce     | 2     |
| Daldrup & Soehne               | Becker   | 14.50  | Buy        | 2/3/5 | Siegfried Holding AG   | Miemietz | 295.00 | Accumulate |       |
| Demire                         | Mayer    | 4.55   | Buy        | 2/5   | SLM Solutions          | Sen      | 24.00  | Sell       |       |
| Deutsche Bank                  | Häßler   | 18.00  | Buy        |       | SMT Scharf AG          | Rüzgar   | 16.70  | Buy        | 2/3   |
| Deutsche EuroShop              | Mayer    | 33.00  | Neutral    |       | Software AG            | Mildner  | 30.00  | Sell       |       |
| Deutsche Pfandbriefbank        | Häßler   | 13.50  | Neutral    |       | Stabilus               | Tanzer   | 89.00  | Buy        |       |
| Deutsche Telekom               | Sen      | 15.50  | Neutral    |       | Suedzucker             | Bruns    | 15.50  | Reduce     |       |
| Drillisch                      | Sen      | 66.00  | Buy        |       | SuessMicroTec          | Sen      | 14.30  | Reduce     | 2/3   |
| Duerr                          | Augustin | 120.00 | Buy        |       | Surteco                | Mildner  | 30.00  | Buy        | 2/3   |
| EhringKlinger                  | Schuldt  | 12.40  | Reduce     |       | Symrise AG             | Hinkel   | 67.00  | Neutral    |       |
| elumeo SE                      | Josefson | 10.90  | Accumulate |       | Syzygy AG              | Heilmann | 12.00  | Accumulate | 2/3   |
| Epigenomics AG                 | Miemietz | 4.72   | Accumulate | 2/3   | TAKKT AG               | Bruns    | 22.30  | Neutral    | 2     |
| Euromicron AG                  | Droste   | 13.00  | Buy        | 2/3/5 | Talanx Group           | Häßler   | 40.00  | Accumulate |       |
| EYEMAXX                        | Mayer    | 16.00  | Buy        | 2/7   | Technotrans            | Becker   | 45.70  | Neutral    | 2/3   |
| Ferratum                       | Häßler   | 30.00  | Buy        |       | TELECOLUMBUS           | Sen      | 11.00  | Buy        |       |
| Fielmann                       | Heilmann | 79.00  | Accumulate |       | Telefonica Deutschland | Sen      | 3.70   | Sell       |       |
| Freenet                        | Sen      | 36.00  | Buy        | 2     | United Internet        | Sen      | 63.00  | Buy        |       |
| Fuchs Petrolub                 | Hinkel   | 47.00  | Neutral    |       | Vapiano                | Bruns    | 26.50  | Buy        | 2/7   |
| Gea Group                      | Augustin | 39.00  | Neutral    |       | va-Q-tec               | Sen      | 17.00  | Neutral    | 2/3/5 |
| Gerresheimer AG                | Rüzgar   | 75.00  | Neutral    |       | Viscom                 | Rüzgar   | 29.50  | Accumulate | 2/3   |
| Gerry Weber                    | Josefson | 8.00   | Neutral    |       | Volkswagen             | Schuldt  | 170.00 | Neutral    |       |
| Gesco                          | Becker   | 36.00  | Accumulate | 2/3/5 | Wacker Neuson SE       | Becker   | 27.20  | Neutral    |       |
| GFT Technologies               | Mildner  | 15.50  | Buy        | 2/3   | windeln.de             | Josefson | 3.10   | Buy        | 2     |
| Gigaset                        | Sen      | 0.85   | Accumulate | 2/3   | XING AG                | Heilmann | 315.00 | Buy        |       |
| Grenke                         | Häßler   | 90.00  | Neutral    |       | Zalando                | Josefson | 44.50  | Neutral    |       |
| Hannover Re                    | Häßler   | 110.00 | Neutral    |       |                        |          |        |            |       |
| Heidelberg Pharma              | Miemietz | 3.50   | Buy        | 2/3   |                        |          |        |            |       |
| Heidelberger Druck             | Augustin | 3.60   | Buy        |       |                        |          |        |            |       |
| HELLA GmbH & Co. KGaA          | Tanzer   | 57.00  | Accumulate |       |                        |          |        |            |       |
| Hornbach Holding               | Bruns    | 89.00  | Buy        |       |                        |          |        |            |       |
| Hugo Boss                      | Josefson | 80.00  | Buy        |       |                        |          |        |            |       |
| Hypoport AG                    | Häßler   | 164.00 | Buy        | 7     |                        |          |        |            |       |
| INDUS Holding AG               | Becker   | 64.50  | Neutral    |       |                        |          |        |            |       |
| K+S AG                         | Hinkel   | 24.40  | Accumulate |       |                        |          |        |            |       |
| Koenig & Bauer                 | Augustin | 67.00  | Accumulate |       |                        |          |        |            |       |
| Krones AG                      | Augustin | 121.00 | Accumulate |       |                        |          |        |            |       |
| KWS SAAT                       | Hinkel   | 348.00 | Neutral    |       |                        |          |        |            |       |
| Lanxess                        | Hinkel   | 83.00  | Buy        |       |                        |          |        |            |       |
| Leoni                          | Schuldt  | 57.00  | Neutral    |       |                        |          |        |            |       |
| Linde                          | Hinkel   | 175.00 | Neutral    |       |                        |          |        |            |       |
| Logwin                         | Mildner  | 148.00 | Neutral    | 2/3/5 |                        |          |        |            |       |
| Manz AG                        | Rüzgar   | 35.00  | Neutral    | 2/3   |                        |          |        |            |       |
| MAX Automation AG              | Becker   | 9.40   | Buy        | 2/3/5 |                        |          |        |            |       |
| Merck                          | Miemietz | 112.00 | Buy        |       |                        |          |        |            |       |
| Merkur Bank                    | Häßler   | 9.30   | Buy        | 2/7   |                        |          |        |            |       |

\* = Coverage suspended

Source: equinet Recommendations



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Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

#### Basis of Valuation

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#### Share prices

Share prices in this analysis are the German closing prices of the last trading day before the publication.

#### Sources

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-BaFin- (Federal Financial Supervisory Authority)  
Graurheindorfer Straße 108, 53117 Bonn and  
Marie-Curie-Str. 24-28, 60439 Frankfurt am Main

### Recommendation history for EYEMAXX REAL ESTATE

| Date       | Recommendation | Target price | Price at change date |
|------------|----------------|--------------|----------------------|
| 13. Mrz 18 | Buy            | 16.00        | 10.45                |

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Katharina Mayer (since 13/03/2018)



## ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



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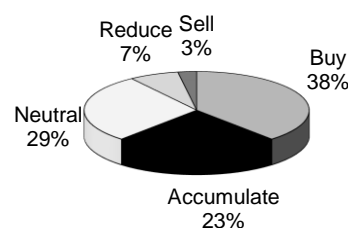
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### Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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### Equinet Bank Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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