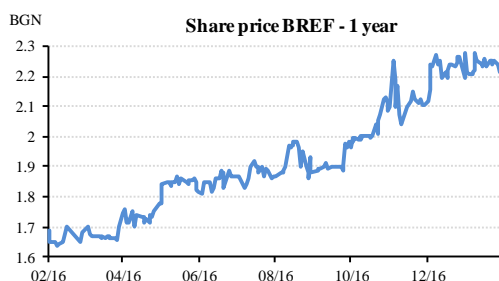


**Shares Information**

Price (BGN)	2.210
52 weeks Price Change	30.85%
52 weeks Price Range	1.638 – 2.277
Market Cap (BGN)	44 531 500
Market Cap (EUR)	22 768 594
Shares Outstanding	20 150 000
Free Float	86.88%
P/E	19.03
P/S	6.33
P/BV	0.65
EV/EBITDA	19.14
Net Profit Margin (ttm)	33.27%
ROA	3.01%
ROE	3.45%

Source: BSE, SIS calculations



Source: BSE

**Shareholder structure**

NN Universal Pension Fund	6.76%
DSK Rodina UPF	6.36%
Free float	86.88%

Source: Company report Q4 2016

**Stable rental growth and positive revaluation effects drive profitability in Q4 2016**

➔ In 2016, BREF's rental revenue grew by 5.1% to BGN 4.19m YoY, accelerating in the final three months of the year. On full-year basis, the Fund reported BGN 2.08m in revenues from asset sales that occurred in the second quarter of 2016. Beside this, net positive results from property revaluation added another BGN 0.74m to the company's revenues in the last quarter and thus, total revenue for 2016 grew by 45.28% YoY to BGN 7.09m.

➔ The Fund's total operating expenses for the year reached BGN 4.55m. The main driver behind the 70.6% increase on annual basis is the book value of assets sold in the first half of 2016 (BGN 2.27m), reported as a cost item. Save for this, other cost categories remained largely unchanged on year-on-year basis. Fees paid to the management company were in the amount of 1.02m, up by only 0.2% YoY. Other expenses picked up slightly in the fourth quarter of the year in relation to the construction of the latest office project of the company.

➔ Overall, BREF's net income for the year rose by 16.5% to BGN 2.34m, or BGN 0.116 per share.

➔ In 2016, the Fund's total assets grew to BGN 83.08m, up by 14.4% on annual basis. Investment properties held for sale rose on reclassification of properties, as BREF signed preliminary contracts to sell some of the land plots it owns in Mladost district, Sofia. The cash position almost doubled to BGN 6.93m as of 31 December, on further investment loan utilization.

➔ With respect to the latter, BREF reported long-term bank liabilities of BGN 8.9m and another BGN 1.05m as short-term portion of the loan.

➔ The Fund set aside BGN 1.42m for dividend payments for 2016. This translates into gross dividend of BGN 0.0707 per share or 11.4% less than the 2015 dividend.

Income statement (BGN '000)	2014	2015	2016	Balance sheet (BGN '000)	2014	2015	2016
<b>Sales</b>	<b>3 113</b>	<b>4 243</b>	<b>6 263</b>	Cash	8 272	3 510	6 931
Other revenues	90	508	771	Inventory	1 618	1 522	8 077
COGS	7 152	2 664	4 548	Receivables	93	216	159
Depreciation	2	3	3	Prepaid expenses	22	20	21
<b>EBIT</b>	<b>-3 951</b>	<b>2 084</b>	<b>2 483</b>	Current assets	10 005	5 268	15 892
Financial income	532	127	53	PP&E	140	5 483	4
Financial expenses	283	202	196	Investment properties	60 887	61 152	67 182
EBT	-3 702	2 009	2 340	Non-current assets	61 027	66 635	67 186
Taxes	0	0	0	<b>Total assets</b>	<b>71 032</b>	<b>71 903</b>	<b>83 078</b>
<b>Net income</b>	<b>-3 702</b>	<b>2 009</b>	<b>2 340</b>	Short term liabilities to banks	1 790	1 886	1 060
				Payables to suppliers	401	497	696
				Provisions	0	1 608	1 424
				Other	165	1 422	2 873
				Current liabilities	2 356	5 413	6 053
				Bank loans	1 877	0	8 913
				Other non-current liabilities	712	0	0
				Non-current liabilities	2 589	0	8 913
				Share capital	60 450	60 450	60 450
				<b>Total equity</b>	<b>66 795</b>	<b>67 196</b>	<b>68 112</b>

Source: Company report Q4 2016

Please see the disclaimer and company disclosure on the last page of this report.

## ANNUAL RESULTS

Balance sheet (BGN '000)	2013	2014	2015
Cash	25 569	8 272	3 510
Inventory	2 367	1 618	1 521
Receivables	288	93	217
Prepaid expenses	9	22	20
<b>Current assets</b>	<b>28 233</b>	<b>10 005</b>	<b>5 268</b>
PP&E	3	1	0
Investment properties	49 711	61 026	66 635
Blocked cash	-	704	704
Intangible assets	-	4	2
<b>Non-current assets</b>	<b>49 714</b>	<b>61 735</b>	<b>67 341</b>
<b>Total assets</b>	<b>77 947</b>	<b>71 740</b>	<b>72 609</b>
Short term liabilities to banks	13	1 790	1 886
Payables to suppliers	195	566	1 874
Provisions	1 448	-	1 608
Other	1 828	-	45
<b>Current liabilities</b>	<b>3 484</b>	<b>2 356</b>	<b>5 413</b>
Bank loans	3 646	1 877	-
Other non-current liabilities	320	712	-
<b>Non-current liabilities</b>	<b>3 966</b>	<b>2 589</b>	<b>0</b>
Share capital	60 450	60 450	60 450
<b>Total equity</b>	<b>70 497</b>	<b>66 795</b>	<b>67 196</b>

Income statement (BGN '000)	2013	2014	2015
<b>Sales</b>	<b>2 151</b>	<b>3 113</b>	<b>4 243</b>
Other revenues	170	90	508
COGS	1 967	7 152	2 664
Depreciation	4	2	3
<b>EBIT</b>	<b>350</b>	<b>-3 951</b>	<b>2 084</b>
Financial income	1 698	532	127
Financial expenses	363	283	202
EBT	1 685	-3 702	2 009
Taxes	0	0	0
<b>Net income</b>	<b>1 685</b>	<b>-3 702</b>	<b>2 009</b>

Source: BREF audited annual financial statements

## DIVIDEND HISTORY

Dividend payment	2010	2011	2012	2013	2014	2015	2016*
Gross dividend per share (BGN)	0.039604	0.212917	0.06481	0.02396	0.00	0.0798	0.0707
Yield	5.66%	29.21%	10.75%	4.36%	0.00%	4.48%	3.20%

\* Based on provisions for dividend payments, reported as short-term liability in BREF's preliminary financial reports for 2016. The final amount of the dividend would be voted for on the AGM and could be higher.

## Disclaimers and Required Disclosures

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