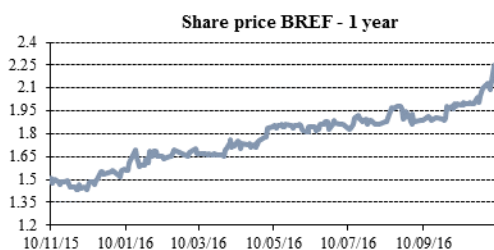


**Shares Information**

Price (BGN)	2.190
52 weeks Price Change	44.55%
52 weeks Price Range	1.431 – 2.25
Market Cap (BGN)	44 128 500
Market Cap (EUR)	22 562 544
Shares Outstanding	20 150 000
Free Float	80.71%
P/E	22.97
P/S	6.61
P/BV	0.65
EV/EBITDA	22.97
Net Profit Margin (ttm)	28.79%
ROA	2.57%
ROE	2.80%

Source: BSE, SIS calculations



Source: BSE

**Shareholder structure**

NN Universal Pension Fund	6.76%
DSK Rodina UPF	6.75%
SEB SICAV 1	5.78%
Free float	80.71%

Source: Company report Q3 2016

**Rental income growth remains stable in Q3**

➔ BREF's total revenues reached BGN 5.23m in the third quarter of the year as rental income climbed 3% YoY to BGN 3.08m. Beside this, income from asset sales (BGN 2.08m) that occurred in H1 drove the impressive annual increase in revenues year-to-date.

➔ No significant changes occurred in the last quarter with respect to the company's operating expenses. The sharp increase in total expenses to BGN 4.07m is driven predominantly by the book value of assets sold in the first half of 2016 (BGN 2.27m), reported as a cost item. Save for this, other expenditures went up marginally. Remuneration for the management company went up by 0.53% YoY to BGN 0.76m, while direct property-related operating costs added 0.43% to BGN 0.639m

➔ Overall, BREF's net profit for the first nine months of the year fell by 7% YoY to BGN 1.17m.

➔ The Fund's total assets continued to grow in the third quarter of the year as the construction of the new office project continues. Non-current assets reached BGN 72.05m, with the cost of acquisition of investment properties going up to BGN 12.6m from just BGN 5.5m reported a year ago.

➔ Current assets decreased even further to BGN 4.4m, as the construction of the new building continues to drain the cash funds of the company. The ongoing implementation of the new project is also the reason behind the observed increase in the outstanding accounts payable.

➔ In August, the company's shareholders voted for decrease in the nominal value of the Fund's shares from BGN 3.00 to BGN 1.00 per share, subject to the approval by the Financial Supervision Commission. However, the regulator did not agree to these amendments and consequently, the proposed changes in BREF's registered capital did not come into effect.

Income statement (BGN '000)	Q3'14	Q3'15	Q3'16
<b>Sales</b>	<b>2 140</b>	<b>3 247</b>	<b>5 154</b>
Other revenues	8	17	32
COGS	1 741	1 968	3 927
Depreciation	2	3	2
<b>EBIT</b>	<b>405</b>	<b>1 293</b>	<b>1 257</b>
Financial income	486	103	47
Financial expenses	209	140	136
EBT	682	1 256	1 168
Taxes	0	0	0
<b>Net income</b>	<b>682</b>	<b>1 256</b>	<b>1 168</b>

Ratios	Q3'14	Q3'15	Q3'16
Current ratio	4.82	2.00	1.09
Debt to Assets	0.07	0.07	0.09
Debt to Equity	0.07	0.07	0.10
Interest coverage	2.01	10.18	10.14
Operating margin	18.85%	39.61%	24.24%
Net margin	31.75%	38.48%	22.52%

Balance sheet (BGN '000)	Q3'14	Q3'15	Q3'16
Cash	7 208	5 586	1 396
Inventory	2 311	1 577	1 470
Receivables	2 378	266	600
Prepaid expenses	20	21	248
<b>Current assets</b>	<b>11 917</b>	<b>7 450</b>	<b>3 714</b>
PP&E	191	4 128	12 615
Investment properties	64 068	60 594	59 436
Other	0	706	0
<b>Non-current assets</b>	<b>64 259</b>	<b>65 428</b>	<b>72 051</b>
<b>Total assets</b>	<b>76 176</b>	<b>72 878</b>	<b>75 765</b>
Short term liabilities to banks	10	6	4
Payables to suppliers	359	433	762
Other	2 101	3 286	2 643
<b>Current liabilities</b>	<b>2 470</b>	<b>3 725</b>	<b>3 409</b>
Bank loans	2 326	482	3 089
Other non-current liabilities	200	620	0
<b>Non-current liabilities</b>	<b>2 526</b>	<b>1 102</b>	<b>3 089</b>
<b>Total liabilities</b>	<b>4 996</b>	<b>4 827</b>	<b>6 498</b>
Share capital	60 450	60 450	60 450
<b>Total equity</b>	<b>71 179</b>	<b>68 051</b>	<b>68 364</b>

Source: Company report Q3 2016

## 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	2009	2010	2011	2012	2013	2014	2015
Gross dividend per share (BGN)	0.039291	0.039604	0.212917	0.06481	0.02396	0.00	0.0798
Yield	12.28%	5.66%	29.21%	10.75%	4.36%	0.00%	4.48%

## Disclaimers and Required Disclosures

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