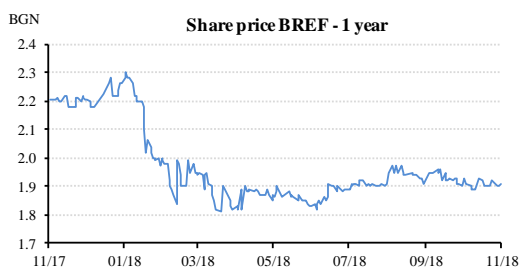


Shares Information

Price (BGN)	1.91
52 weeks Price Change	-13.96%
52 weeks Price Range	1.81 – 2.30
Market Cap (BGN)	66 166 077
Market Cap (EUR)	33 830 178
Shares Outstanding	34 641 925
Free Float	86.85%
P/E	11.60
P/S	5.02
P/BV	0.63
EV/EBITDA	11.70
Net Profit Margin (ttm)	43.24%
ROA	5.61%
ROE	6.44%

Source: BSE, SIS calculations



Source: BSE

Shareholder structure

NN Universal Pension Fund	6.79%
DSK Rodina UPF	6.36%
Free float	86.85%

Source: Company report Q3 2018

Income statement (BGN '000)	Q3'16	Q3'17	Q3'18
Sales	5 154	4 616	5 030
Other revenues	32	16	12
COGS	3 927	1 804	1 900
Depreciation	2	2	7
EBIT	1 257	2 826	3 135
Financial income	47	1	0
Financial expenses	136	270	238
EBT	1 168	2 557	2 897
Taxes	0	0	0
Net income	1 168	2 557	2 897

Ratios	Q3'16	Q3'17	Q3'18
Current ratio	0.74	2.73	14.55
Debt to Assets	0.11	0.18	0.09
Debt to Equity	0.12	0.22	0.10
Interest coverage	10.14	10.70	13.28
Operating margin	24.24%	61.01%	62.18%
Net margin	22.52%	55.20%	57.46%

BREF's performance holds steady in Q3 as the Fund prepares to start a new development project

- ➔ BREF posted 8.4% YoY gain in rental income to BGN 5m for the first nine months of the year. The numbers were flat on q-o-q basis.
- ➔ The Fund made a modest asset disposal in the third quarter, selling an apartment unit in its Sequoia 2 project in Borovets resort. There is a preliminary purchase agreement for another unit in this development.
- ➔ Total expenses reached BGN 2.1m, up by 3.3% on annual basis, with main driver being the fees paid to the management company. These rose 7.3% to BGN 0.85m for the first nine months of the year. The planned fee reduction from 1.5% p.a. to 1.0% p.a. of NAV is expected to kick in from fourth quarter onwards.
- ➔ Other expenses were generally flat or decreasing. Direct property-related operating costs were down 1.6% YoY to BGN 0.8m., while interest expenses decreased on falling outstanding debt balances.
- ➔ The Fund reported net profit of BGN 2.9m, up by 13.3% YoY.
- ➔ Assets increased considerably to BGN 115.1m but this is mostly due to the increase in cash balances. These rose after the successful equity public offering that took place over the summer. Outstanding debt balances, on the other hand, continue to decrease.
- ➔ As of the end of third quarter, the company was still closing the process of issuing 14.5m new shares. The process was closed on 6 November. Following this, the number of issued and outstanding shares rose from 20 150 000 to 34 641 925.
- ➔ NAV per share rose to BGN 3.845 as of 30 September 2018.

Balance sheet (BGN '000)	Q3'16	Q3'17	Q3'18
Cash	1 396	9 123	30 867
Inventory	1 470	8 066	1 490
Receivables	600	323	492
Prepaid expenses	248	22	44
Current assets	3 714	17 534	32 893
PP&E	12 615	1 673	542
Investment properties	59 436	68 966	81 671
Other	1	9	0
Non-current assets	72 052	70 648	82 213
Total assets	75 766	88 182	115 106
Short term liabilities to banks	4	10	7
Payables to suppliers	762	452	682
Other	4 250	5 961	1 571
Current liabilities	5 016	6 423	2 260
Bank loans	3 089	9 294	8 138
Other non-current liabilities	0	0	0
Non-current liabilities	3 089	9 294	8 138
Total liabilities	8 105	15 717	10 398
Share capital	60 450	60 450	20 150
Total equity	68 364	72 465	104 712

Source: Company report Q3 2018

ANNUAL RESULTS

Balance sheet (BGN '000)	2015	2016	2017
Cash	3 510	7 634	3 410
Inventory	1 521	8 074	1 529
Receivables	217	139	163
Prepaid expenses	20	21	20
Current assets	5 268	15 868	5 122
PP&E	0	4	9
Investment properties	66 635	68 965	81 813
Blocked cash	704	-	-
Intangible assets	2	-	7
Non-current assets	67 341	68 969	81 829
Total assets	72 609	84 837	86 951
Short term liabilities to banks	1 886	1 056	1 140
Payables to suppliers	1 874	3 315	1 527
Provisions	1 608	1 487	687
Other	45	-	-
Current liabilities	5 413	5 858	3 354
Bank loans	-	8 917	9 013
Other non-current liabilities	-	154	-
Non-current liabilities	0	9 071	9 013
Share capital	60 450	60 450	60 450
Total equity	67 196	69 908	74 584

Income statement (BGN '000)	2015	2016	2017
Sales	4 243	6 262	12 776
Other revenues	508	2 636	2 227
COGS	2 664	4 542	9 280
Depreciation	3	2	4
EBIT	2 084	4 354	5 719
Financial income	127	53	1
Financial expenses	202	208	357
EBT	2 009	4 199	5 363
Taxes	0	0	0
Net income	2 009	4 199	5 363

Source: BREF audited annual financial statements

DIVIDEND HISTORY

Dividend payment	2012	2013	2014	2015	2016	2017
Gross dividend per share (BGN)	0.06481	0.02396	0.00	0.0798	0.0738	0.034
Yield	10.75%	4.36%	0.00%	4.48%	3.25%	1.80%

Disclaimers and Required Disclosures

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