

Arricano Real Estate plc

("Arricano" or the "Company" or, together with its subsidiaries, the "Group")

**Tenants' revenues in Arricano shopping malls
grows by 31% for the first 6 months of 2017**

For the six months ended 30th June 2017, Arricano shopping malls network tenants' revenues increased by 31% compared to the same period in 2016. In addition, footfall across Arricano's shopping malls increased by 14.6% to 22 million visitors (H1 2016: 19.2 million visitors).

A key factor behind the significant increase in their tenants' revenues, in the opinion of the Arricano management team, is the Company's partnership approach to the tenant / landlord relationship. This approach includes positioning the shopping mall as a new social space in an innovative way, implementing marketing initiatives with tenant partners, improving customer service and customer experience, and promoting the professionalism of the shops' front-staff within B2B Upgrade through Arricano's social and educational project.

Mykhailo Merkulov, CEO of Arricano Real Estate PLC, attributed some of the increase in tenants' revenues in 2017 to Arricano's systematic activities over the last two years, he commented, "Between 2015-2017, we have consistently introduced a service business model which has produced the results intended and seen significant changes in both quantitative and qualitative indicators."

The Company's service business model is aimed at the development of a Retailer-Shopping Mall-Consumer ecosystem. Arricano's management team constantly strives to improve the tenant mix to ensure it is relevant to and attracts the shopping malls' target audiences. Alongside this, each tenant's operations is analysed in order to identify areas for development, including: studying the guests' expectations and needs; implementing marketing activities both in shopping malls in general, as well as specifically for individual tenants; and creating comfortable social spaces in each shopping mall.

Mykhailo Merkulov said, "I believe in working collaboratively with tenants to increase their business indicators, primarily, their revenues has led to the creation of a business model in which everyone benefits. The consumer receives products, best offers, and best service. Tenants receive revenue growth and improvement of business indicators and the shopping mall experiences high-quality traffic as well as satisfied retailers and consumers. We can see that the Retailer-Shopping Mall-Consumer ecosystem works truly effectively when all residents participate in its improvement".

For the first 6 months of 2017, the retail trade revenues in Ukraine were 7.3% higher than the figures for the same period of 2016 (Data from the State Statistics Service <http://www.ukrstat.gov.ua>).

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