

Arricano Real Estate Plc - ARO

Refinancing of Loan Facility

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31 July 2018

Arricano Real Estate Plc

("Arricano" or the "Company")

Refinancing of Loan Facility

Arricano (AIM: ARO) announces the refinancing of existing loans from PJSC Bank 'Saint-Petersburg' ("BSPB") with its wholly owned subsidiary Livoberezhzhiainvest PJSC ("LBI"), which operates the RayOn Shopping and Entertainment Center, located in Kyiv, Ukraine.

On 3 April 2013, LBI entered into two term loan agreements with BSPB for an aggregate amount of USD 25 million. Under the first loan agreement, BSPB provided to LBI a loan of USD 14 million (the "First Loan Agreement") and under the second loan agreement BSPB provided to LBI a loan of USD 11 million (the "Second Loan Agreement"), together the "BSPB Loan Agreements". As at 31 December 2017, the BSPB Loan Agreements had a carrying value of USD 16.1 million at an interest rate of 10.5 per cent.

On 30 July 2018, LBI entered into a loan agreement with TASCOMBANK JSC, VS Bank PJSC and Universal Bank PJSC (the "TAS Loan Agreement"). The TAS Loan Agreement was secured under a mortgage charge of the RayOn Shopping and Entertainment Center property and a pledge of the issued shares of LBI.

The main terms of the TAS Loan Agreement, *inter alia*, are as follows:

- Amount: USD 15.2 million;
- Term: 60 months;
- Interest rate: 11.25 per cent. from month 1 to month 18 increasing to 13 per cent. from month 19 to month 60;
- Other commercial terms of the TAS Loan Agreement are broadly in line with the Company's existing loans from other banks; and

- The proceeds of the TAS Loan Agreement to be deployed by LBI to repay its existing loans from BSPB under the BSPB Loan Agreements.

Mykhailo Merkulov, CEO of Arricano, said: *"The management of Arricano are pleased with the refinancing of the existing BSPB Loans. We are pleased to be partnering with TASCOMBANK JSC as the lead syndicate bank, which is one of the leading financial institutions in Ukraine."*

This is an exciting period for Arricano, helped by an improvement in the Ukrainian economy with GDP in 2018 forecast to increase by 3.5% reversing a negative trend in previous years."

This announcement is inside information for the purposes of Article 7 of EU Regulation 596/2014.

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