

**19 September 2014**

**Arricano Real Estate plc**  
("Arricano" or the "Company")

**Related Party Transactions**

Arricano (AIM:ARO), a leading retail real estate developer and operator in Ukraine, has agreed the commercial terms of a loan with Retail Real Estate OU ("RRE OU").

RRE OU and the Company have entered into an agreement under which the Company will receive through RRE OU a loan in amount of up to US\$10,000,000. This proposed loan facility is to be used by the Company to finance working capital requirements.

The key terms of the proposed loan are set out below:

- Loan amount: up to US\$10,000,000;
- The loan is repayable in full within 60 months of the date of the loan disbursement or earlier if agreed by RRE OU and the Company;
- The loan carries an annual interest rate of up to 10.5%; and
- Interest for the loan use is charged upon expiration of each 6 month period as of the date of actual disbursement in line with the interest payment schedule.

RRE OU is ultimately controlled by Hillar Teder. Consequently, the transaction described above is considered to be a "Related Party Transaction" under AIM Rule 13. The independent directors of Arricano (Rupert Cottrell, Philip Scales and Michael Zampelas) consider, having consulted with Smith & Williamson Corporate Finance Limited in its capacity as the Company's nominated adviser, that the terms of the loan agreement with RRE OU as described above are fair and reasonable insofar as the shareholders of Arricano are concerned.

Rupert Cottrell, Chairman of Arricano, said, "It is a key point of differentiation for this Company to have the long term support of its founder and major shareholder. This announcement further confirms the strength of the Company's financial position which together with the trading update set out in the Company's recent interim results announcement positions the business well for the future."

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