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Arricano Real Estate PLC  
20 February 2015

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

### **EBRD Subordination and Share Retention Deed**

Arricano (AIM:ARO), a leading retail real estate developer and operator in Ukraine, provides the following update relating to its current loan facilities with the European Bank for Reconstruction and Development (the "EBRD").

The Company's subsidiaries entered into a loan agreement with the EBRD on 27 March 2008 (as amended from time to time, the "EBRD loan agreement"). Details of which are contained in the Company's admission document. On 31 January 2014, in connection with changes to the EBRD Loan Agreement, the Company entered into an amended subordination and share retention deed (the "SSRD") with EBRD and, *inter alia*, Hillar Teder, Retail Real Estate S.A. ("RRE" a company ultimately controlled by Hillar Teder) and Dragon-Ukrainian Properties & Development Plc ("DUPD"). The SSRD contained a provision requiring that DUPD, Hillar Teder and RRE must hold, together, at least 75% of the issued and outstanding capital of Arricano. The SSRD terminates on repayment of the borrowings under the EBRD Loan Agreement which is scheduled to occur by 17 September 2018.

As announced on 29 December 2014, the Company's subsidiary, Comfort Market Luks LLC entered into a further EBRD loan agreement on 23 December 2014 (the "2014 EBRD Loan"). As a result of the 2014 EBRD Loan, the Company has entered into a new subordination and share retention deed with EBRD and, *inter alia*, Hillar Teder and DUPD (the "2015 SSRD"). The 2015 SSRD, *inter alia*, requires DUPD and Hillar Teder to hold, together, at least 50% plus one share of the issued and outstanding capital of Arricano. Their current combined holding is 76.3% (Hillar Teder: 63.8%, of which 24.5% is held through RRE, DUPD: 12.5%). The 2015 SSRD terminates on repayment of the 2014 EBRD Loan which is scheduled to occur by 20 December 2020.

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