

**5 March 2015**

**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 to amend the commercial terms of two existing agreements (the "Transactions").

One of the transactions is between Arricano and Bytenem Co Limited ("Bytenem"). The other transaction is between Arricano and Vunderbuilt S.A ("Vunderbuilt"). The details of these Transactions are set out below.

#### **Amendment to the loan agreement with Bytenem**

On 29 May 2014 the Company and Bytenem agreed the terms of a loan facility of US\$13,051,275 and an additional US\$3,000,000 loan was provided by Bytenem to the Company on 22 July 2014. The existing loan facility of US\$16,051,275 (the "Bytenem Loan") had a maturity date of 14 March 2015.

The Company has now entered into a deed of amendment with Bytenem to extend the maturity date of the Bytenem Loan to 14 March 2016. No other terms or conditions of the Bytenem Loan have been changed.

The transaction has the benefit of enhancing the Company's working capital resources over the period before the Bytenem Loan becomes payable in March 2016.

#### **Amendment to the share exchange agreement with Vunderbuilt**

On 12 September 2013 the Group agreed to pay Vunderbuilt deferred consideration related to the acquisition of shares of Wayfield Limited and its subsidiary LLC Budkhol via a cash payment of US\$20,000,000 (the "Share Exchange Agreement"). This Share Exchange Agreement was amended in May 2014 whereby the payment date for the deferred consideration was extended from 30 April 2014 to 30 April 2015.

The Company has now entered into a deed of amendment with Vunderbuilt to extend the payment of the deferred consideration in the Share Exchange Agreement to 30 April 2016. No other

terms or conditions of the Share Exchange Agreement have been changed.

This transaction has the benefit of enhancing the Company's working capital resources over the period before the deferred consideration becomes payable in April 2016.

### **Related Party Transactions**

Bytenem and Vunderbuilt are ultimately controlled by Hillar Teder who is the Company's majority shareholder and, therefore, is a "Related Party" under the AIM Rules. Consequently, each of the Transactions are considered to be a Related Party Transaction under the 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 Transactions, are fair and reasonable insofar as the shareholders of Arricano are concerned.

Rupert Cottrell, Chairman of Arricano, said, "In the context of the current situation in Ukraine, the Company is indeed fortunate to have the long term financial support of its founder and major shareholder. This underlines our financial strength and has enabled the management team to continue to make decisions to support the growth of the business. We are confident Arricano will emerge, post the current conflict, in as good a market position or potentially even stronger."

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