

**6 December 2017**

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

**Arbitration Update**

Further to the announcement on 30 August 2016, the Company announces that the High Court of Justice in London has dismissed the claims filed by Stockman Interhold S.A. ("Stockman") challenging the Fourth, Fifth and Seventh Awards (the "Awards") rendered in the London Court of International Arbitration proceedings between Arricano and Stockman (the "LCIA Arbitration").

The LCIA Arbitration concerns a dispute over the ownership of Assofit Holdings Limited ("Assofit"), a holding company, which held the Sky Mall shopping centre and in particular, the transfer of Stockman's shares in Assofit (the "Option Shares") to Arricano pursuant to a Call Option Agreement dated 25 February 2010 (the "COA"). By an award dated 19 August 2014 (the "Second Award"), the tribunal ruled that Arricano had validly exercised its call option under the COA prior to its termination. By an award dated 5 May 2016 (the "Seventh Award"), the tribunal ruled that Stockman must transfer, or procure the transfer of the Option Shares to Arricano within 30 days of the award, and Arricano shall pay Stockman the Option Price minus damages, which nets out to nil.

Stockman's failed challenges to the Awards were brought on numerous grounds under s.67 and s.68 of the English Arbitration Act 1996 (the "Act"). The High Court of Justice's judgment is summarized as follows:

- The court agreed with the tribunal's determinations on jurisdiction and found that it did have jurisdiction to order the relief it did in the Seventh Award; namely that Stockman was to transfer the Option Shares to Arricano and that Arricano was entitled to damages in addition or in lieu to such transfer. In doing so, the court rejected Stockman's various challenges to tribunal's jurisdiction.
- The court rejected Stockman's applications under s.68 of the Act to set aside or remit the Fifth and Seventh Awards.

Commenting on the High Courts decision, Mykhailo Merkulov, CEO of Arricano, said: "This result wholly vindicates our position and the previous Awards made by the High Court. Stockman's challenges have all failed and it is now in the interests of all parties in Ukraine to put an end to this matter."

Further announcements will be made in due course.

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