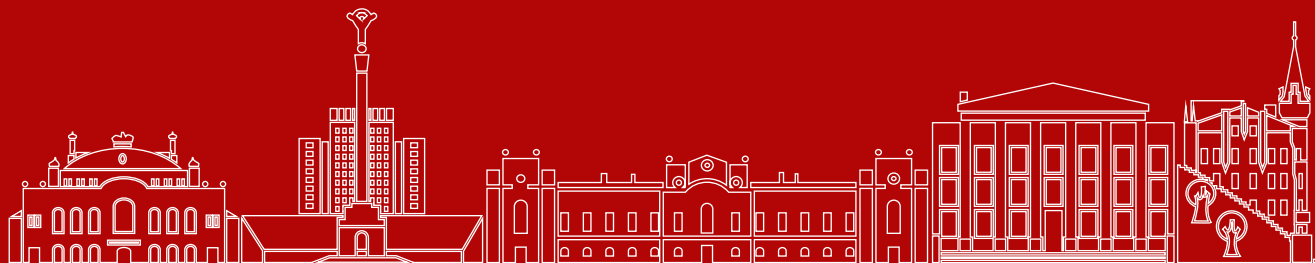


ARRICANO NEWS DIGEST №15



arricano
commercial real estate

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\$ 30 billion within 24 hours



In the modern technological world it is possible. On November, 11 this year Alibaba, the Chinese e-commerce giant, has sold goods to the total amount of \$30.8 billion! This figure is difficult to realize. It is also surprising that one third of the said amount was earned during the first hour. 11.11 - day of sales records and

commercial breakthroughs on the Internet. It is worth noting that since 2009, when sales for Alibaba launched for the first time to celebrate the Bachelor Day and online shopping, the company's financial results have been dynamically growing. In 2018 the figures increased by 27% compared to the last year. It is almost a vertical growing! This is not only about China: about a dozen of people I know in Ukraine also participated in a virtual shopping holiday. You must agree, it's a phenomenon.

Another global retailer has made a "steep pike": at the end of October: the largest British operator, Debenhams, claimed a loss of 500 million pounds, it is going to close 50 stores and cut 4,000 jobs.

During the same period, Amazon has become No.5 retailer in the UK, having increased its turnover by 22% compared to the previous year.

Of course, one may ignore news of the world giants, as something that happens in other galaxies, but it definitely makes sense to pay attention to the trends.

For example, in "Prospekt" shopping mall, both tenants and guests are active participants of changes.

- The number of tenants working with e-commerce has increased almost twice from 39 to 72.
- The number of active subscribers of electronic channels of Prospekt shopping mall for the current period has increased by 34%. It is planned that in 2019 the number of followers will exceed 100,000.
- The penetration of mobile technologies into the entertainment sphere of the mall is also an achievement. A video experiment with "reviving pictures" inspired by Harry Potter films and ghosts flying through the gallery in Prospekt shopping mall scored thousands of views without special advertising. This means that the augmented reality technology has already become the working channel of communication with the consumer and has a huge "selling" potential with a very low contact cost.

The conclusions really inspire. The consumer becomes more technologically advanced, and therefore more demanding. Technologies are improving and become cheaper rapidly. Retail needs to become omnichannelly effective - both offline and

online. It is not easy, but it is possible. It is necessary to choose a development strategy in the digital world, to make plans and to implement them.

We also experience significant changes in Arricano. During the 10 months of this year, digital changes have occurred, the most impressive of which I want to share.

By the end of the year we will launch the "Tenant's Area" - a universal communication portal of a managing company and a tenant, which will facilitate the implementation of digital transformation.

In 2019 we plan to launch a pilot project of the revolutionary omnichannel Prospektus ecosystem, using hi-tech solutions aimed at increasing the retailer's turnover.

Retailly yours,
Mykhailo Merkulov,
CEO Arricano

Tenant-mix changes in the 3rd quarter of 2018 in Arricano shopping malls

In the third quarter of 2018 Arricano shopping malls have strengthened their positions in the category fashion, including the segment “for men”. In each shopping mall 2-3 new stylish clothing stores from Ukrainian and international brands appeared.



- Stylish clothes shop Orsay
- Stylish clothes shop AMO
- Electronics Store Samsung
- Home Goods Store Zugo Home
- Baby products store Bembi
- Stylish accessories shop A-shop
- Handmade Cosmetics Shop Lush



- Stylish clothes shop Week
- Stylish clothes shop DAR
- Accessories and leather goods shop InBag
- Jewelry store “Ukrzoloto”



- Stylish clothes store Moodo
- Stylish clothes store Tally Weijl
- Electronics store Xiaomi
- Accessories Store “Second”
- Coffee Shop Aroma Kava



- Shop of stylish clothes for men a.Tan
- Shop of stylish clothes for men Men season
- Island of electronics Zagg
- Official representative of “Bank Credit Dnipro”

Shopping mall as a social space: Marketing & PR projects in the 3rd quarter of 2018

Activities in Arricano shopping mall are aimed at promoting the categories of “shopping” and “leisure” with emotional and social effects.
Basic communication tools:

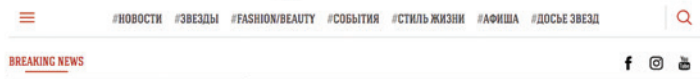
- interactive and entertainment BTL
- SMM-relations
- personalized PR that translates offline experience into an online message and new values of a shopping mall

Fashion opportunities, leisure and socialization	Special medium projects and blogging culture	Fun-content
<p>Test drive in the parking lot of “City Mall”</p> <p>“Creating Animation” - a computer workshop in “Sun Gallery” shopping mall from the Academy “Step”</p> <p>Birthday of “RayON” shopping mall - “Go shopping like children who go to school”</p> <p>Birthday of “Sun Gallery” shopping mall - Neon Fashion Party</p> <p>Presentation of the football club in “Sun Gallery” shopping mall</p> <p>Fashion Day in “Sun Gallery” shopping mall</p> <p>Outer space “Planetarium” in “Sun Gallery” shopping mall</p> <p>“Cool School without study” “RayON” shopping mall in the edutainment format</p> <p>Summer Sale and bike lottery from “Allo” in “Sun Gallery” and “City Mall”</p>	<p>About upbringing of children, creativity and love for shopping in an interview with the singer Bozhena Dar for the editions of “Prospekt” shopping mall</p> <p>Special media project about brands in “Prospekt” shopping mall for “Weekend” entertainment magazine</p> <p>Service Point in “Sun Gallery” and “City Mall”</p> <p>Interviews with journalists of Kryvyi Rih for the website of “Sun Gallery” shopping mall</p>	<p>Video “10 things for her and for him” for YouTube channel in “Sun Gallery” shopping mall and “City Mall”</p> <p>Global Summer Sale - video for YouTube channel of “Prospekt” shopping mall</p> <p>New episodes of “Factoid News” program on YouTube channel of “RayON” shopping mall</p> <p>Video “Become a star in a new season” in “Prospekt” shopping mall</p> <p>Videos with a stylist in “Prospekt” shopping mall</p> <p>Video “Which fashionable look to choose” in “RayON” shopping mall</p> <p>Video series “Survivors of Shopping” in “Prospekt” shopping mall</p>



The main festive events in Arricano shopping mall in the 3rd quarter with the participation of Ukrainian stars and trend themes

VIVA!



Певица MamaRika рассказала, почему предпочитает совершать покупки без своего возлюбленного.

«Успех – это когда можешь беспрепятственно заниматься любимым делом и быть честной сама с собой. А еще ощущать, что удовольствие получают и другие люди, которые разделяют мысли и музыку, которые я транслирую в творчестве», – поделилась своими инсайтами известная украинская певица MamaRika на праздничном концерте в ТРЦ «РайОН». «Классно, когда торгово-развлекательный центр заботится о своих гостях, дарит подарки, приглашает крутых артистов и ведущих, создает приятную атмосферу – это как дарить радость и глобальное добро для всех», – дополняет MamaRika.

Аудитория ТРЦ «РайОН» – это добрые, веселые и отзывчивые люди, которые умеют по-настоящему отдыхать, а также передавать и делиться полученной энергией с другими. Это почувствовали и ведущие, и организаторы, и гости дня рождения торгово-развлекательного центра на Троещине. По-особому позитивно встретили певицу MamaRika. И это вполне логично, ведь на прошлогоднем дне рождения она была звездной ведущей, а в этом – уже звездной певицей. Приятно осознавать, что друзья ТРЦ «РайОН» растут, развиваются и постигают новые вершины.

On September 1, RayON shopping mall celebrated its birthday in the style “Like children who go to school”. The concept of the holiday corresponded to the World Day of Knowledge and school subjects, because the shopping mall was 6 years old.

Marketing and PR support of the event was informational coverage in the media and social networks where the partner of the event – ALLO brand was mentioned.

Communication effects in figures

- More than 500 holiday photos in the album of “RayON” shopping mall on the Facebook page.
- More than 1500 gifts for participants of contests and attractions.
- More than 2500 participants of festive contests in social networks.
- Over 28,000 coverage of publications and stories on Instagram.
- Over 350 leads were collected for Big Data.

Sun Gallery shopping mall has celebrated its 10th anniversary using the brightly resonant concept of Neon Fashion Party.

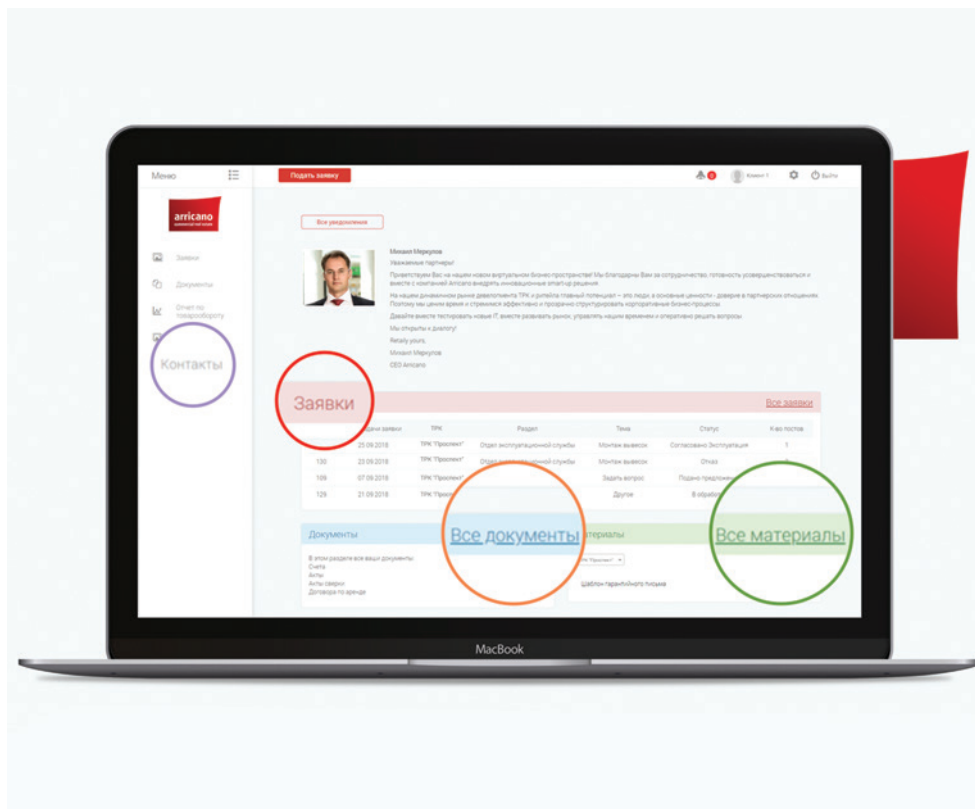
The festive event was preceded by a meeting with journalists, bloggers and Public Opinion Leaders of Kryvyi Rih.

Emotions, responses and figures in social networks of Kryvyi Rih

- More than 150,000 residents of Kryvyi Rih learned about the holiday concert in Sun Gallery shopping mall through posts, stories and live shows on Facebook and Instagram.
- More than 1,500 comments our guests have posted on Facebook and Instagram.



The “Tenant’s Area” is a universal portal of communication between a tenant and a managing company



In 2018 Arricano company decided to make an increase in effectiveness one of the strategic directions improving communication in all areas. The digital transformation and optimization of communication today is the basis for the development of business, when in a unit of time it is necessary to solve many issues. Automation of business processes is one of the ways to solve this problem.

In 2018 Arricano company decided to make an increase in effectiveness one of the strategic directions improving communication in all areas. The digital transformation and optimization of communication today is the basis for the development of business, when in a unit of time it is necessary to solve many issues. Automation of business processes is one of the ways to solve this problem.

In order to optimize business processes, to ease communication, to save time, to personalize interaction with partners, to develop comprehensive awareness and coordination of projects, Arricano launches the Tenant's Area in December 2018 - a universal portal of business communication with tenants.

“Arricano’s policy is aimed at developing of partnerships in all directions. Step by step, we form an ecosystem of relations “a managing company - a shopping mall - a tenant - a guest” for the qualitative development of all participants of the process, **Mykhailo Merkulov, CEO of Arricano Real Estate PLC**, says. - In the interaction of Arricano and tenants, our team has seen an opportunity to improve the document flow, to increase the speed of decision making, to make business communication better. Thus, the idea of the project “Tenant’s Area” appeared. “Tenant’s Area” is a single access point in the communication system between

a landlord and a tenant based on a web solution. It is a portal integrated with 1C accounting program for information related to payments and document flow, as well as for communication with subdivisions of a tenant: marketing, renting, operating and accounting.

It is quite simple to use the portal: you go to the portal, register, get personal access keys (security is provided by special technical solutions), form your profile and use the sections “Applications”, “Documents”, “Report on the goods turnover”, “Materials”, “Contacts”.

“We made a friendly profile to make the use of the Area as simple and convenient as possible,” **Oleksandr Nemer, IT director of Arricano**, says. “This service makes a



Benefits for the landlord

- *automation of the system for presenting and informing about payments and debts required*
- *convenient, unified communication tool with a tenant*
- *automation of filing reports on goods turnover*
- *reduction of risks of distortion of information on the account of formation of a centralized environment, including the centralized distribution of notifications and loading of unified information materials for tenants*
- *reduction of unproductive time, structuring of communication*
- *development of another channel for receipt of information about the needs of tenants*

document flow, the solution of "paper" questions related to implementation of marketing activities or carrying out other works of a tenant as effective as possible. In particular, it solves the key problem of all tenants - the loss of documents: the entire archive, accounts, applications, contracts, materials are stored in the tenant's profile. One can see debts, the status of approval for holding events in real-time environment. The tenants should just try - and they would understand that this service helps to solve many business issues quickly and efficiently."

The Digital Company S Produccion, which is a part of the Monami Group has become Arricano's partner in the development of the "Tenant's Area". Due to the comprehensive approach of S Produccion's to information channels, the company's experience in the development of platforms for communication both with B2C and B2B audiences, a clear understanding of the tasks that need to be solved with the help of the platform, the "Tenant's Area" allows transferring the landlord-tenant communication to the digital space, making it for both parties as efficient and operational as possible.



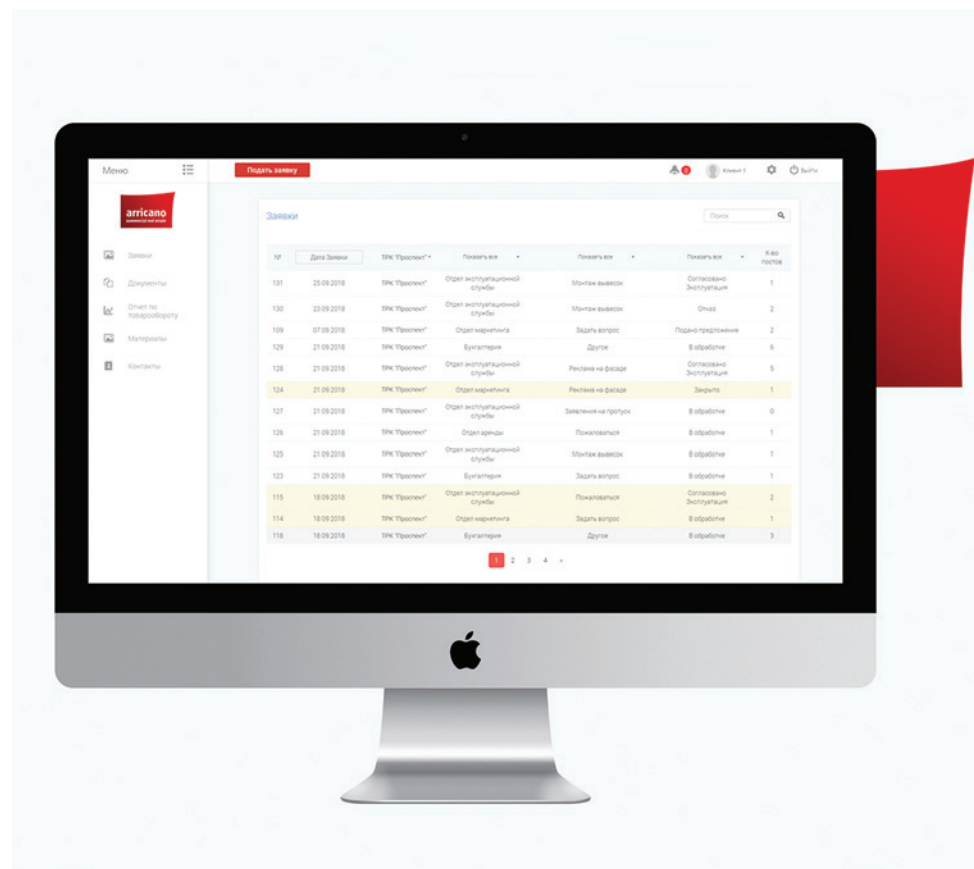
"The Tenant's Area is a custom development which includes the adaptation of a ticket-system for processing of applications and display of information about documents related to business processes of a tenant, specifics of work with data and documents," **Olena Stupak, Monami Group client services director** says. - There are ready-made systems, but they do not take into account the specifics of the company and are mainly aimed at internal document circulation. Our system solves the tasks in the individual functional of both the tenants and the landlord and is based on the principles of mutually beneficial partnership."

The benefits for the tenants

- *increase of convenience and speed of obtaining of necessary information (due to the display of statuses of all applications and documents at the same place with 24/7 access)*
- *payment and debt self-control*
- *request and receipt of accounting information in a user-friendly interface that does not require special knowledge*
- *operative submission and approval of applications on current issues from ordering passes to marketing services*
- *access to information about additional brand promotion, necessary materials, templates and contact information*
- *receipt of notifications*

Technical benefits of the "Tenant's Area"

- The tenant has **24/7** access to all accounts, payment status, acts and data related to contracts
- **Templates** of materials, applications, reports - quick access, quick replacement, always up to date version
- Current **status** and history of applications processing are displayed in the Area
- Submission of reports on goods turnover with display of earlier submitted reports
- **Ticket-system** for processing of applications of tenants by various departments: from ordering a pass to promotions and advertising
- **Document flow** - the portal technically plays the role of a layer, which simplifies the interaction and obtaining information from 1C



**We invite our tenants to join the digital world!
All you need is your gadget and a desire!
Come to register in the "Tenant's Area"!**

Security, one of the key tasks of data storage, in the project is ensured at all stages. Here are some of the security tools:

- protection of servers and data transmission protection - protection from ddos attacks
- protection of information in the process of display to a client - data is transmitted exclusively on request and stored on the server, while additional protection is provided by the use of the secure protocol https
- control module protection - severe restrictions related to access
- protection on the level of the resource itself - modern tools and development methods allow to provide a high level of security, including protection against sql injections, correct work with randomizing data on the device and data storing in cookies.

The "Tenant's Area" is, first of all, a service solution, the creators of the project say. Next month the portal will be tested. We plan to test the portal as a single window, a single mean of communication with the tenants before the end of the year. In the future we plan further development of tools and communication channels, deeper interaction and management of user expectations.

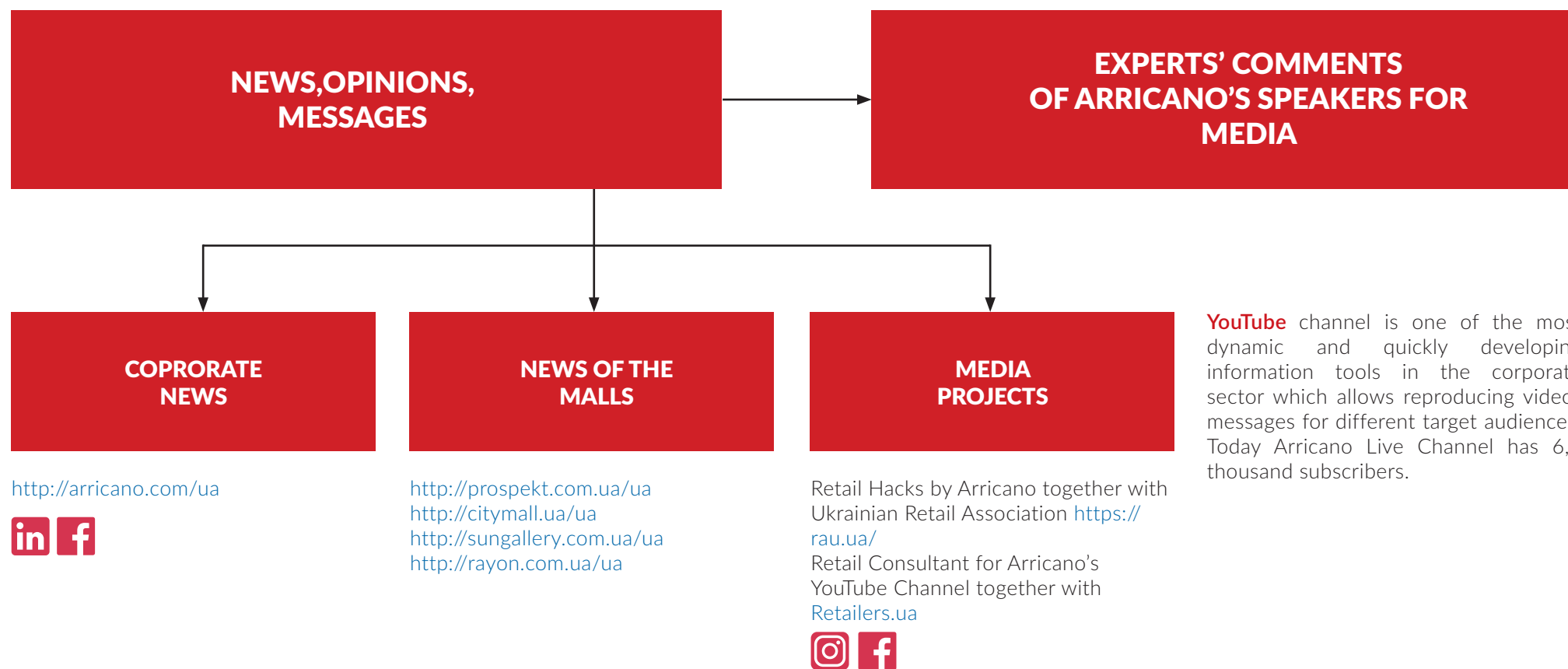
Arricano's communication model

The formation of a professional business community means the interaction of companies, media, industry organizations, authorities, educational institutions. One

of the basic principles of communication policy of Arricano is open and timely communication through its own media resources and independent media.

The company regularly informs its existing and potential partners about corporate achievements, results and plans, shares cases and best practices using both

traditional and innovative channels. News, opinions and corporate messages form the platform for establishing relationships and development of cooperation.



YouTube channel is one of the most dynamic and quickly developing information tools in the corporate sector which allows reproducing video-messages for different target audiences. Today Arricano Live Channel has 6,9 thousand subscribers.

To tell the truth & share news – this is the slogan of Arricano Live YouTube channel

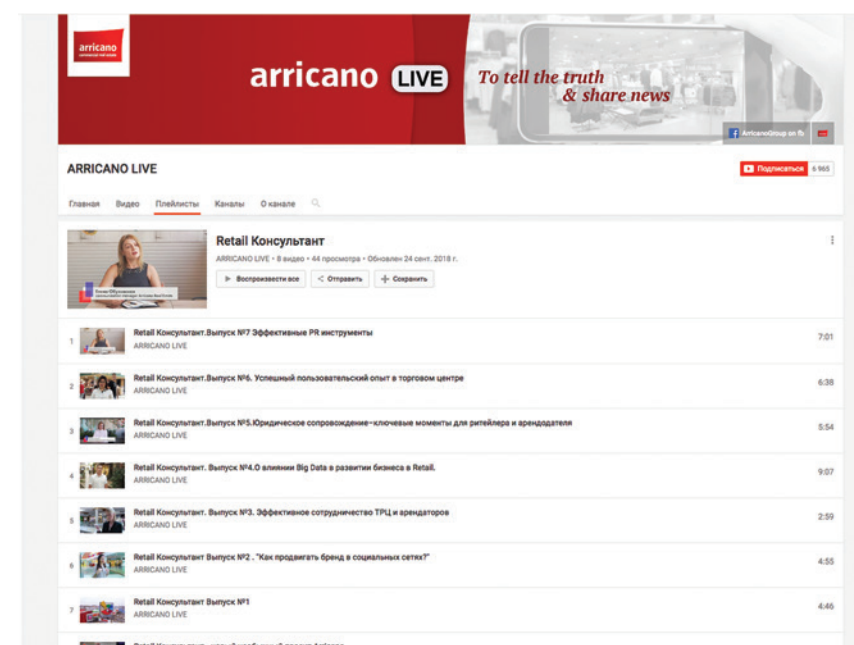
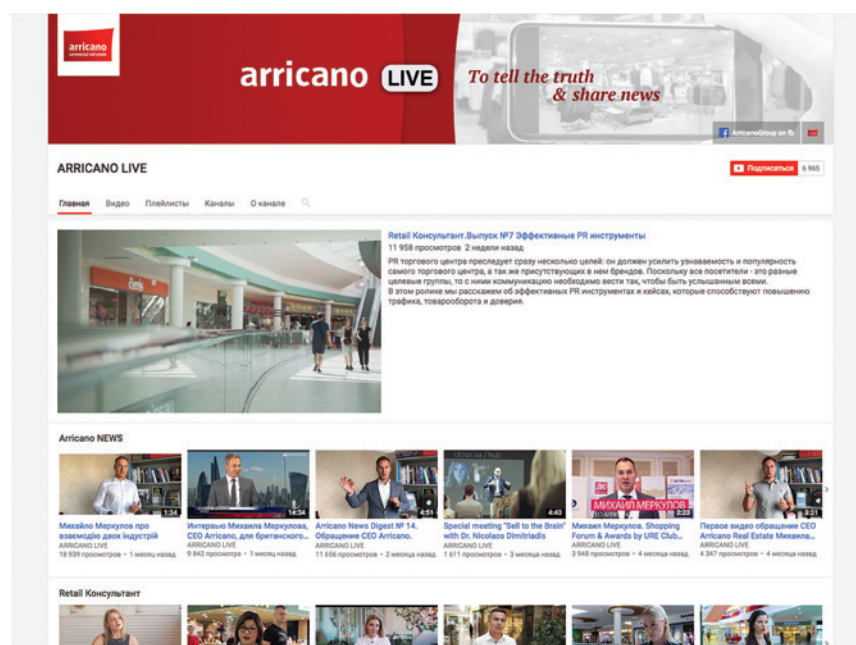
Arricano Live is a corporate informational YouTube channel that generates its own media programs, presentations and speeches of

speakers. One of the most popular programs, demonstrating a high rate of reviews is the Retail Consultant. The purpose of this educational project,

developed together with Retailers.ua, is to share the opinions of the experts of retail industry and to offer effective and functional solutions for tenants

of shopping malls in order to increase brand awareness, loyalty and product sales.

Educational program **Retail Consultant - business hacks** for business partners



The partners events

06.12.2018

Actual topics for this year sessions:

- Women in retail. Success story. Inspiration. Motivation
- Trends in the development of retail space. New concepts and unique formats
- E-Commerce & Digital. Trends and innovations
- Harmony in the family business. Retail synergy
- Effective leader. Business Management Philosophy
- Rules of the game in Ukrainian market. Development strategy of foreign retailers



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