

Prime Active Capital plc
(“PAC” or the “Company”)

Possible Acquisition of C7 Brands Limited

PAC announces that it is in advanced discussions with the shareholders of C7 Brands Limited (öC7 Brandsö), in relation to the possible acquisition by PAC of the entire issued share capital of C7 Brands. No agreement has been reached and there can be no certainty that these discussions will lead to a transaction, or as to the terms on which a transaction, if any, might be agreed.

At an annual general meeting of PAC held on 25 September 2015, shareholder approval was obtained for a 12 month period in which to continue to seek investment opportunities in accordance with the investing policy adopted at the extraordinary general meeting of PAC held on 22 August 2014. PAC has considered a number of investment opportunities in line with the investing policy approved by PAC shareholders on 22 August 2014. For a variety of reasons, a transaction was not concluded in respect of any of these opportunities.

The strategy in relation to the PAC group as enlarged by the C7 Brands acquisition would involve using PAC as an investment vehicle to grow a brands company by acquiring brand assets which will be held as wholly-owned subsidiaries of PAC and using the existing expertise available to PAC to further the development of the acquired company.

Information on C7 Brands Limited

C7 Brands was established in 2013 and is engaged in the acquisition, manufacture, sale and distribution of beverages in the fast moving consumer goods sector. C7 Brands' product line has a particular focus on low alcohol by volume (öabvö) alcoholic beverages, including low abv flavoured wines, and well-being soft drinks, including flavoured coconut waters. C7 Brands is headquartered in Dorking, Surrey, in the United Kingdom and currently has five full-time and three part-time employees.

Existing Brands and Distribution Arrangements

C7 Brands has several own brand products which it sells into a number of international markets. In addition, C7 Brands is involved in the distribution of a number of established third party brands into international markets including Ireland, the UK, Scandinavia and Hong Kong.

In 2014, C7 Brands launched its own brand of low abv wines öLight Lipsö, öBellasetteö, öVinelloö and öSeven Cellarsö into the Irish market, delivering approximately 204,000 bottle sales. öLight Lipsö is also distributed across 120 grocery outlets in Southern Spain, as well as in retail outlets in New York and Colorado and will launch in California in September 2016.

C7 Brands works closely with WSK Ostrau (the third largest bulk wine bottler in Germany) and has developed and is developing a number of key retail led initiatives across major UK, Irish and European grocery retail outlets. C7 Brands is also in the advanced stages of developing its expansion into Asia and expects to make a further announcement in this regard in the last quarter of 2016.

One of the key areas of growth, focus and investment for C7 Brands has been the rapidly developing coconut water market which is forecast to grow globally from \$1.36billion in 2014 to \$4.19billion in 2019¹. C7 Brands has the exclusive distribution rights outside of North America for USA produced öCoco5ö, a fruit flavoured coconut water. Coco5 is distributed in the UK through Palmer and Harvey and LTT, the largest independent vending firm, selling across 3,500 leisure and gym outlets. In Ireland, C7 Brands has entered into a distribution partnership with one of the largest and longest established sales marketing and distribution companies operating on the island of Ireland. C7 Brands also has a number of planned coconut water initiatives being finalised in key international markets including South Africa and the UAE.

¹ Source: Technavio Report: öGlobal Coconut Water Market 2015 – 2019ö, available at www.technavio.com.

C7 Brands Management Team

The C7 Brands management team have a proven track record in the fast moving consumer goods sector, both in the UK and internationally, and have significant experience in the distribution and supply of brands to these markets.

- Steve Barton ó Chief Executive Officer and Founder, C7 Brands

Mr. Barton commenced his career in the fast-moving consumer goods sector with Gallo, Hardy's Wines and Canandaigua (now Constellation). In 2002 he co-founded Brand Phoenix which created and built the 'First Cape' wine brand which grew to sales of 660million bottles in the UK within 10 years and became the third largest selling wine brand in the UK.

Mr. Barton stepped down from Brand Phoenix to establish C7 Brands in 2013.

- Richard Dell ó UK Sales Director, Coco5

Mr. Dell has worked in the fast-moving consumer goods sector since 1990. He joined Palmer & Harvey Group in 1989. As an area sales controller for Palmer & Harvey he managed the largest revenue generating team in the UK for a period of nine years, selling a core branded portfolio including the Mars, Pepsi, Nestle, Coke and Walkers brands.

In 2015, Mr. Dell joined C7 Brands and has responsibility for overseeing the rollout of distribution of Coco5 by Palmer & Harvey in the UK.

It is currently envisaged that any acquisition of C7 Brands will be by way of an 'all share' transaction, whereby PAC will acquire 100% of C7 Brands in consideration for the issue of Ordinary Shares in PAC to the current shareholders of C7 Brands, which will result in the C7 Brands shareholders holding 60% of the post-acquisition Ordinary Shares of PAC.

While the acquisition of C7 Brands remains subject to the finalisation of a share purchase agreement (and there cannot therefore be any certainty that the proposed transaction will proceed), the board of PAC expects to agree terms of the proposed acquisition in the coming weeks. Once the final transaction terms of the acquisition of C7 Brands are agreed, an extraordinary general meeting of PAC will be convened by the board of PAC in order to seek the approval of PAC shareholders for such transaction.

If the acquisition of C7 Brands is not approved by PAC shareholders at such an extraordinary general meeting, a proposal will be put to shareholders to approve the continuance of PAC as an unlisted investing company. If that resolution is not approved by shareholders, the board of PAC will consider the options for an efficient winding up of PAC and revert with a proposal for shareholder approval in due course.

A copy of this announcement is available on the Company's website: <http://www.pacplc.com/investor.html>

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Responsibility Statement

The Directors of Prime Active Capital plc accept responsibility for the information contained in this announcement other than that relating to C7 Brands Limited and, to the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The director of C7 Brands Limited accepts responsibility for the information contained in this announcement relating to C7 Brands Limited and, to the best of the knowledge and belief of the director (who has taken all reasonable care to ensure that such is the case), the information contained in this announcement for which he accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.