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If you sell or have sold or otherwise transferred all of your Ordinary Shares you should forward this document and the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not constitute an offer or invitation for any person to subscribe for or purchase any securities in Prime Active Capital plc ("PAC"). This document is provided in connection with Shareholder approval, and is not a prospectus, offering circular, placement memorandum or the like containing the information accompanying a securities offering.

Prime Active Capital plc

*(Incorporated in Ireland with limited liability
under the Companies Acts 1963-2013 with registered number 295879)*

Proposed Disposal of Substantially All of PAC's Business and Assets

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of PAC set out on pages 8 to 14 of this document, which explains the purpose of the Resolutions to be proposed at the Extraordinary General Meeting and includes the recommendation from the Board to vote in favour of the Resolutions.

The Notice of the Extraordinary General Meeting of PAC to be held at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland on 22 August 2014, immediately after the Extraordinary General Meeting due to follow the Annual General Meeting that commences at 9:00am, is set out at page 15 of this document.

A Form of Proxy for use at the Extraordinary General Meeting is enclosed. You are requested to complete and return the Form of Proxy as soon as possible whether or not you propose to attend the meeting in person. To be valid, the enclosed Form of Proxy should be completed and returned by hand or by post to PAC's registrars, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland to arrive by no later than 10.00am on 20 August 2014. Completion and return of a Form of Proxy will not preclude you from attending and voting at the Extraordinary General Meeting should you so wish.

Davy, which is regulated in Ireland by the Central Bank of Ireland, is ESM adviser and nominated adviser (pursuant to the ESM Rules and AIM Rules respectively) to PAC. Davy is acting exclusively for PAC in connection with arrangements described in this document and is not acting for any other person and will not be responsible to any person for providing the protections afforded to customers of Davy or for advising any other person in connection with the arrangements described in this document.

This document has not been approved by the Central Bank of Ireland, the Financial Conduct Authority, UK Listing Authority or any other regulator. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons receiving this document should inform themselves about and observe any such restrictions. This document does not constitute, nor is it intended to constitute, investment research or investment advice under the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland (as amended) by PAC or any other person. This document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research (whether pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland or otherwise).

This document contains a number of forward-looking statements relating to PAC with respect to, amongst others, the following: financial conditions; result of operations; economic conditions in which PAC, Express Business Service and Cellular Center, including the Target Business, operate; future benefits of the Disposal; and management plans and objectives. PAC considers any statements that are not historical facts as “forward-looking statements”. They relate to events and trends that are subject to risk and uncertainties that could cause the actual result and financial position of PAC, Express Business Service, Cellular Center and/or the Target Business to differ materially from the information presented in the relevant forward-looking statement. When used in this document the words “estimate”, “project”, “intend”, “aim”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to PAC, Express Business Service, Cellular Center and/or the Target Business or the management of any of them, are intended to identify such forward-looking statements which speak only as at the date of this document. PAC does not undertake any obligation publicly to update or revise any of the forward looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirements under applicable laws, the AIM Rules, the ESM Rules and other applicable regulations.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	7 August 2014
Latest time and date for receipt of Form of Proxy for the Extraordinary General Meeting	10:00am on 20 August 2014
Extraordinary General Meeting	22 August 2014, to commence immediately following the Extraordinary General Meeting, scheduled to commence immediately following the Annual General Meeting at 9:00am
Expected date of completion of the Disposal	29 August 2014

All references in this document are to Dublin times unless otherwise stated.

If any details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

Unless otherwise stated all € amounts referred to in this document have been translated from \$ to € at a rate of \$1:€0.746, being the closing mid-point exchange rate as quoted in the London edition of The Financial Times newspaper on 31 July 2014, the last practicable date prior to the publication of this document. The share capital of PAC is denominated in €, as such the conversion rates do not apply in respect of references to PAC's share capital. The € figures in the table in page 10 are as stated in the accounts of PAC for the relevant years and are not converted from \$, save in respect of underlying accounts of PAC group companies reporting in (including Express Business Service and Cellular Center), in which case the rate of conversion from \$ to € is the prevailing rate at the date of transactions or, in the case of monetary assets and liabilities, the rate of exchange ruling at the relevant balance sheet date.

DEFINITIONS

In this document the following expressions have the following meanings unless the context otherwise requires or unless otherwise provided:

“2013 Annual Report”	the annual report and audited financial statements of PAC and its subsidiaries for the year ended 31 December 2013;
“ABC Phones”	ABC Phones of North Carolina, Inc., trading as A Wireless;
“AGM” or “Annual General Meeting”	the annual general meeting of PAC to be held at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland at 9.00 a.m. on 22 August 2014 or any adjournment thereof, notice of which was circulated to Shareholders on 25 July 2014;
“AIM” or “AIM Market”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the rules governing the admission to and operation of AIM as published by the London Stock Exchange from time to time;
“Asset Purchase Agreement”	the asset purchase agreement proposed to be entered into between (1) ABC Phones; (2) Express Business Service; (3) Cellular Center; (4) PAC Telemedia; and (5) Cellular Center Holdings in respect of the Disposal;
“Board” or “Directors”	the board of directors of PAC;
“Business”	the business of owning and operating the Stores;
“Buyer Indemnities”	the indemnities set out in Section 6.2 of the Asset Purchase Agreement;
“Cellular Center”	Cellular Center GA-AL, LLC;
“Cellular Center Holdings”	Cellular Center Holdings, LLC, a limited liability company organised under the laws of the State of Georgia;
“Circular”	this document;
“Disposal”	the proposed disposal of the Target Business by Express Business Service and Cellular Center;

“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of PAC, to be held at the offices Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland on 22 August 2014;
“ESM” or “ESM Market”	the market of that name operated by the Irish Stock Exchange;
“ESM Rules”	the rules governing the admission to and operation of ESM as published by the Irish Stock Exchange from time to time;
“Excluded Assets”	any and all contracts of Express Business Service and Cellular Center other than contracts which ABC Phones, in its sole discretion, determines at or before closing it will assume under the Asset Purchase Agreement;
“Express Business Service”	Express Business Service, LLC;
“Form of Proxy”	the form of proxy for use at the Extraordinary General Meeting enclosed with this document;
“Fundamental Changes of Business”	a disposal by an ESM company which, when aggregated with any other disposal over the previous twelve months, exceeds 75 per cent. in any of the class tests;
“Irish Stock Exchange”	The Irish Stock Exchange plc;
“London Stock Exchange”	The London Stock Exchange plc;
“Material Contracts”	all contracts, commitments, leases, licenses, plans, and agreements described in Schedule 4.11 to the Asset Purchase Agreement;
“Mosaic Loan Facility”	the loan facility given to PAC by Mosaic Print Management Limited in May 2013;
“Notice”	the notice of Extraordinary General Meeting as set out at the end of this document;
“Ordinary Share”	ordinary shares of 50 cent each in the capital of PAC;
“PAC” or the “Company”	Prime Active Capital plc;
“PAC Group”	PAC and its subsidiaries;
“PAC Telemedia”	PAC Telemedia, LLC, a limited liability company organised under the laws of the State of Delaware;

“Registrar”	PAC’s registrar, being Computershare Investor Services (Ireland) Limited;
“Resolutions”	the resolutions to be proposed in the manner specified in the Notice of Extraordinary General Meeting;
“Shareholder(s)”	holder(s) of Ordinary Shares;
“Stores”	50 Verizon Wireless authorised retailer stores located in the states of Alabama, Georgia, Ohio and Pennsylvania;
“Target Business”	the assets and liabilities comprising the business of the Stores subject to Disposal;
“Termination Date”	31 October 2014;
“UK Listing Authority”	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 of the United Kingdom;
“U.S.”	the United States of America;
“£”	pound sterling, the legal currency of the United Kingdom;
“\$”	U.S. dollar, the legal currency of the U.S.; and
“€”	euro, the legal currency of the participating Member States of the European Union as defined in Recital (2) of Council Regulation 974/98/EC on the introduction of the euro.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors

Dermot Martin – Executive Chairman
Stephen Smith – Non-executive Director
Anthony Gill – Non-executive Director

Company Secretary

Bradwell Limited
Arthur Cox Building
Earlsfort Terrace
Dublin 2

Registered Office

14 The Hyde Building
The Park
Carrickmines
Dublin 18
Ireland

**Stockbrokers, AIM Nominated Advisor
and ESM Adviser**

Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Auditors

Grant Thornton
24-26 City Quay
Dublin 2
Ireland

Solicitors

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

Registrar

Computershare Investor Services (Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18
Ireland

LETTER FROM THE CHAIRMAN OF PRIME ACTIVE CAPITAL PLC

Prime Active Capital plc

*(Incorporated in Ireland with limited liability
under the Companies Acts 1963-2013 with registered number 295879)*

Directors:

Dermot Martin – Executive Chairman
Stephen Smith – Non-executive Director
Anthony Gill – Non-executive Director

Registered Office

14 The Hyde Building
The Park
Carrickmines
Dublin 18
Ireland

7 August 2014

To the Shareholders of Prime Active Capital plc

Dear Shareholder,

1. INTRODUCTION

On 1 August 2014 the Company announced the proposed sale of substantially the entire business of the PAC Group to ABC Phones, trading as A Wireless, for gross proceeds of \$10,000,000. This follows the statement in the 2013 Annual Report, which indicated PAC had engaged with a number of parties with respect to the disposal of part or all of its stores with the intention of applying the proceeds of any disposal towards the repayment in full of the Mosaic Loan Facility.

Express Business Service and Cellular Center are subsidiaries of PAC Telemedia which co-own and operate 56 Verizon Wireless authorised retailer stores in the states of Alabama, Georgia, Ohio and Pennsylvania. PAC Telemedia, a subsidiary of PAC, proposes to enter into the Asset Purchase Agreement in connection with the proposed sale to ABC Phones of 50 of the 56 stores operated by Express Business Service and Cellular Center.

Express Business Service and Cellular Center comprise substantially the entire business of the PAC Group. The sale will comprise the business, assets and certain liabilities of 50 stores for an aggregate consideration of \$10,000,000 (€7,460,000). The net consideration to be received by PAC Telemedia after transaction costs will be approximately \$9,775,000 (€7,292,150). Further details of the consideration are described in Section 6 of this Circular. Following closing of the Disposal, the remaining six Verizon Wireless authorised retailer stores will close and the PAC Group will cease trading activity in the U.S.

The Disposal exceeds 75 per cent. under one or more of the class tests prescribed by both the AIM Rules and ESM Rules. Accordingly, under Rule 15 of the AIM Rules and Rule 15 of the ESM Rules, the Disposal constitutes a disposal resulting in a fundamental change of business and completion of the Disposal is conditional, *inter alia*, on approval by Shareholders at an Extraordinary General Meeting of PAC.

Following the completion of the Disposal and the passing of the Resolutions, under Rule 15 of the AIM Rules and Rule 15 of the ESM Rules the Company will become an investing company with no new material trading activities. The Board is therefore seeking Shareholder approval for the investing policy set out in Section 8 of this Circular.

2. **BACKGROUND TO AND REASONS FOR THE DISPOSAL**

2.1 **Economic Conditions**

While the U.S. operating companies have stabilised somewhat after a number of difficult years, they remain subscale and so find themselves overly susceptible to economic conditions beyond their control. The PAC Group has a number of excellent locations, which dominate the markets in which they operate. However, as a small regional agent in the retail channel, the PAC Group remains too vulnerable to Verizon Wireless' strategic decisions.

2.2 **Mosaic Loan Facility**

In May 2013, PAC took a £1,000,000 loan from Mosaic Print Management Limited (the "**Mosaic Loan Facility**") and two directors of Mosaic, Anthony Gill and Stephen Smith, joined the Board of PAC. Mr. Gill is also the largest Shareholder in PAC. The Mosaic Loan Facility provided the working capital necessary to increase inventory which subsequently led to increased sales. Since then, PAC has generated enough cash to meet all of the interest payments related to this loan and also continue to pay down other interest and non-interest bearing loan notes.

It has been previously noted that the repayment of the Mosaic Loan Facility would be dependent on the trading performance of the PAC Group, the availability of other facilities or the support of Shareholders. Whilst trading conditions improved in the aftermath of the availability of the Mosaic Loan Facility, this improvement was not sustained throughout the period due in the main to the change in Verizon Wireless' upgrade policy as detailed in the Chairman's Statement in the 2013 Annual Report released on 27 June 2014. On 12 June 2014, PAC announced that it had reached agreement with Mosaic on an extension of the Mosaic Loan Facility until 31 August 2014 allowing PAC time to consider its options in relation to the repayment of the Mosaic Loan Facility, including the sale of all or part of the PAC Group's stores.

PAC has been engaged with a number of parties with respect to a disposal of part or all of its stores, with the intention of applying the proceeds of any such disposal to the repayment in full of the Mosaic Loan Facility as well as a further potential distribution to Shareholders.

After conducting negotiations with a number of parties, the Board has negotiated the sale of substantially the entire business of the PAC Group to ABC Phones.

3. **INFORMATION ON THE PURCHASER**

ABC Phones, trading as A Wireless was founded as a partnership by Richard and David Balot in October 1996 in Wilson, North Carolina. ABC was incorporated as ABC Phones of North Carolina, Inc. in 1999. A Wireless is an exclusive National Premium Retailer for Verizon Wireless. This relationship gives A Wireless financial and strategic benefits which it shares with its customers on an ongoing basis. A Wireless is a privately-held company headquartered in Greenville, North Carolina. A Wireless currently employs over 1,200 people at over 200 locations in 14 states.

ABC Phones is not connected with PAC or its Directors.

4. INFORMATION ON THE TARGET BUSINESS AND ITS FINANCIAL PERFORMANCE

The following information on the Target Business has been extracted without material adjustment from the audited accounts of PAC for the 12 months ended 31 December 2011, the audited accounts of PAC for the 12 months ended 31 December 2012 and the audited accounts of PAC for the 12 months ended 31 December 2013.

	FY2011⁽¹⁾ €'000	FY2012⁽²⁾ €'000	FY2013⁽³⁾ €'000
Revenue			
PAC Group*	37,004	41,199	40,570
Target Business	37,004	41,199	40,570
<hr/>			
Gross Profit			
PAC Group*	13,784	11,577	12,942
Target Business	13,784	11,577	12,942
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EBIT⁽⁴⁾			
PAC Group*	(1,034)	(2,692)	(754)
Target Business	(264)	(2,071)	(172)
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PBT⁽⁵⁾			
PAC Group*	(1,238)	(2,759)	(909)
Target Business	(268)	(2,082)	(180)
<hr/>			
Net Assets⁽⁶⁾			
PAC Group*	9,338	6,562	3,271
Target Business	8,853	6,981	4,918

Notes:

(1) twelve months ended 31 December 2011, based on audited accounts

(2) twelve months ended 31 December 2012, based on audited accounts

(3) twelve months ended 31 December 2013, based on audited accounts

(4) earnings before interest, tax and exceptional items

(5) profit before tax and exceptional items

(6) total assets minus total liabilities

* including the Target Business

5. SUMMARY OF THE ASSET PURCHASE AGREEMENT

If approved, the Disposal will be effected in accordance with the terms of the Asset Purchase Agreement. Under the Asset Purchase Agreement, substantially all of the assets of Express Business Service and Cellular Center will transfer to ABC Phones on completion and in consideration for the payment by ABC Phones of \$10,000,000 (€7,460,000) of which 47 per cent. shall be paid to Express Business Service and 53 per cent. shall be paid to Cellular Center. This constitutes substantially all of the business and assets of Express Business Service and Cellular Center, including: the leases to the Stores and the equipment and other assets located at the Stores; all assets used in connection with the Business, whether or not also used in connection with any other business of the PAC Group; the Business and all customers and

goodwill associated with the Business; all intellectual property used in connection with the Business, whether or not also used in connection with any other business of the PAC Group; and all documents, books and records (in any media) related to the assets of Express Business Service and Cellular Center or to the conduct of the Business, except not including the Excluded Assets.

\$8,700,000 of the consideration will be paid at closing, with the balance of \$1,300,000 of the consideration to be held in escrow for a twelve month period following the closing date for the purposes of covering warranty and indemnity claims.

A condition for closing from the ABC Phones side will be the granting of consent from the landlords of 13 key stores for the assignment of the leases relating to those stores to ABC Phones. In respect of the leases for the other 37 stores, to the extent landlord consent to the transfer of the leases to ABC Phones has not been obtained by completion, a second escrow arrangement will be entered into pursuant to which a deduction calculated at a rate of \$50,000 or \$25,000 per Store, depending on the specific Store, will be made from the purchase price and held in a second escrow account until landlord consent has been granted. Funds will be released from this escrow account to Express Business Service and Cellular Center as and when individual landlord consents are obtained (at the rate of \$50,000 or \$25,000 per Store). In the event that landlord consent in respect of any of the Stores has not been forthcoming by 31 March 2015, the \$50,000 / \$25,000 escrow amounts relating to those Stores will be paid to ABC Phones.

Assets of Express Business Service and Cellular Center which will not be transferred by the Asset Purchase Agreement include: cash; inventory (which will be transferred to ABC Phones pursuant a separate inventory purchase agreement to be executed simultaneously with the Asset Purchase Agreement as described below); such leases and equipment in leased stores that did not form part of the transaction (six stores); and certain contracts which ABC Phones have elected to exclude.

Pursuant to the transaction, Express Business Service and Cellular Center will also enter into an agreement with ABC Phones to sell all the inventory of the Target Business to ABC Phones for an amount to be determined based on a physical count and valuation of the inventory immediately prior to closing. Such valuation is expected to be in the range of \$750,000 (€559,500).

ABC Phones will assume certain specified liabilities of Express Business Service and Cellular Center, including all obligations under the Target Business' leases arising from the completion date (including rent) and all liabilities (including those accrued before completion) relating to the Target Business' handset membership programme. All other liabilities of the Target Business, including fax, customer claims and pre-completion accrued rent, will remain liabilities of Express Business Service and Cellular Center (and therefore of the PAC Group).

The Asset Purchase Agreement includes a post-completion consideration price adjustment mechanism to allow for the apportionment of the relevant liabilities of the Target Business accrued or retained by the relevant parties.

Under the Asset Purchase Agreement, each of Express Business Service and Cellular Center undertakes to assume and perform warranties relating to: title and capacity; the accounts payable under the Asset Purchase Agreement; the Material Contracts; legal, tax and environmental compliance; employee benefit plans and employees; litigation; insurance; powers of attorney; brokers; transactions with interested persons; and intellectual property.

The duration of the warranties undertaken by Express Business Service and Cellular Center vary from 90 days after the end of the applicable statutory limitation period in relation to taxes, employee benefit plans, environmental matters and employment matters, to perpetuity in relation

to title to assets. All other warranties apply for a period of 12 months from the closing date.

Under the Asset Purchase Agreement, each of Express Business Service and Cellular Center undertakes to assume and perform indemnities, including the Buyer Indemnities.

The aggregate liability of the PAC Group under the Asset Purchase Agreement is limited to the escrow deposit of \$1,300,000, or in the case of breaches relating to title, employees or taxes, the sum of the cash purchase price and the escrow deposit. The extent of this liability is subject to a requirement that all losses claimed under the agreement exceed \$125,000 before liability is triggered, with the exception of breaches relating to title, employees or taxes.

Under the Asset Purchase Agreement, certain members of the PAC Group have undertaken not to compete with the Target Business in the U.S. states of Georgia, Alabama, Ohio and Pennsylvania for a period of three years from completion of the transaction.

6. FUTURE STRATEGY AND USE OF THE CONSIDERATION BY PAC

The net proceeds of the Disposal will be used to repay the Mosaic Loan Facility, close the remainder of the PAC Group's U.S. stores, and discharge the PAC Group's other liabilities. Following the discharge of such liabilities, it is expected that the PAC Group will retain approximately €1,586,000 cash, and have no other assets and no debt. At this point the Board intends to consider its options for maximising Shareholder value including the making of further investments or a distribution to Shareholders (although any such distribution would only take place following the expiry of the limitation period of the warranties under the Asset Purchase Agreement).

Following the completion of the Disposal, the Company will be classified as an investing company under the AIM Rules and the ESM Rules. Details of the Company's proposed investing policy going forward are set out in Section 8, which is also subject to Shareholder approval.

The Board considers it is in Shareholders' interest to examine possible investment opportunities whilst the process of satisfying residual liabilities continues and the warranty claim period arising from the Asset Purchase Agreement elapses.

7. COMPLETION OF THE DISPOSAL

The Disposal is conditional upon the passing of Resolution 1 set out in the Notice. Further key conditions to the passing of the Disposal contained in the Asset Purchase Agreement include: that there is no material adverse change to the business of Express Business Service and Cellular Center, the receipt of all necessary landlord consents, limited to 13 of the 50 leases, and, in relation to all parties, the representations and warranties remaining correct in all material respects as of the completion date, compliance with any covenants and pre-conditions in the agreement and the absence of any litigation or regulatory proceedings which would prohibit or invalidate the transactions under the agreement.

The Asset Purchase Agreement provides for a target completion date of 29 August 2014, with an obligation for ABC Phones to pay a \$2,000,000 deposit on that date if the transaction has not closed by that date (with the deposit to be secured over the assets of the Target Business), provided that Shareholder approval of the transaction has been obtained by that date. The deposit will be applied towards the purchase price payable at closing. If the closing does not occur prior to the Termination Date of the Asset Purchase Agreement, the deposit will be non-refundable unless Express Business Service or Cellular Center has committed a material breach of any representation, warranty, covenant or other provision of the Asset Purchase Agreement prior to the Termination Date or either Express Business Service or Cellular Center, at the termination

date, or such earlier time (after 29 August 2014) following reasonable notice from ABC Phones that it is ready, willing and able to close the transactions contemplated by the Asset Purchase Agreement, is not ready, willing and able to close, including failure to satisfy the conditions to closing and providing the closing deliveries contemplated by the Asset Purchase Agreement. The Disposal is also subject to ABC Phones procuring sufficient finance facilities to meet the consideration and as such there can be no guarantee that the Disposal will complete by 29 August 2014, or at all.

The remaining business of Express Business Service and Cellular Center will be wound down in the months following completion of the Disposal by the Company.

8. **INVESTING POLICY**

Following completion and the passing of the Resolutions, under Rule 15 of the AIM Rules and Rule 15 of the ESM Rules the Company will become an investing company with no new material trading activities.

The Board is therefore seeking Shareholder approval (Resolution 2 page 15) for the investing policy set out below to examine potential opportunities to be satisfied by cash in a single transaction which will amount to a “reverse takeover”.

The Company’s investing policy is to invest in and/or acquire companies active in the technology, media or entertainment sector. The Directors intend to focus primarily on the UK and Ireland where the Directors believe that there are suitable opportunities, although other countries may also be considered to the extent that the Board considers that value opportunities exist and attractive returns can be achieved.

In selecting investment opportunities, the Board will focus on businesses that are available at attractive valuations and hold opportunities to unlock embedded value over the medium term. The Board will seek to invest in businesses where it may influence the business at a board level. The ability to work alongside a strong management team to maximise returns through revenue growth will be something the Board will focus upon.

These criteria are not intended to be exhaustive; however, PAC may make an investment which does not fulfil all the investment criteria if the Directors believe that it is in the interests of Shareholders as a whole to proceed with such an investment. Any acquisition by PAC will be put to Shareholders for their approval pursuant to Rule 14 of the AIM Rules and the ESM Rules at the appropriate time.

It may be considered appropriate to take an equity interest in any proposed business, which may range from a minority position to 100 per cent. ownership. Any investment is likely to be made into an unquoted company and structured as a direct acquisition. As PAC’s financial resources are likely to be invested in just one investment, this acquisition is also likely to be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules and the ESM Rules. PAC does not currently intend to fund any investment with debt or other borrowings, but may do so if appropriate.

The Company’s primary objective is that of achieving for Shareholders, over time, both capital growth and income through increasing profitability coupled with dividend payments on a sustainable basis. The Directors believe that the collective business experience in the areas of acquisitions and corporate and financial management of both the Directors and of the Company’s advisers and Shareholders will assist the Company in the identification and evaluation of suitable opportunities.

Subject to the approval of the investing policy by the Shareholders at the Extraordinary General Meeting, the Company will be required to make an acquisition or acquisitions which constitute a reverse takeover under the AIM Rules and the ESM Rules or otherwise implement its investing policy within 12 months of the Extraordinary General Meeting, failing which the Ordinary Shares would then be suspended from trading on AIM and ESM.

The PAC Group will maintain the net proceeds of the Disposal (excluding those used for the purposes of discharging the PAC Group's liabilities) during the 12 month time period during which warranty claims under the Asset Purchase Agreement may be made.

At the end of the 12 month period if no investments have been made, the Directors would then propose to convene a general meeting of the Shareholders to consider whether to continue seeking investment opportunities or to wind up the PAC Group and distribute any surplus cash back to Shareholders.

9. **IRREVOCABLE COMMITMENTS**

The Directors, together holding in aggregate 4,910,100 Ordinary Shares, have undertaken to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting. Together these shareholdings represent approximately 21.6 per cent. of the existing issued share capital of PAC.

10. **EXTRAORDINARY GENERAL MEETING**

A notice convening an Extraordinary General Meeting of PAC to be held at the offices of Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland on 22 August 2014, to commence immediately following the Extraordinary General Meeting scheduled to commence immediately after the Annual General Meeting at 9:00am, is set out on page 15 of this Circular (the "**Notice of Extraordinary General Meeting**"). At the EGM you will be asked to approve the Resolutions.

11. **ACTION TO BE TAKEN**

Whether or not you intend to be present at the EGM, you are requested to complete and return the relevant Form of Proxy as soon as possible and in any event so as to be received by the Registrar, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland to arrive by no later than 10.00am on 20 August 2014. Completion and return of a Form of Proxy will not preclude you from attending and voting at the EGM should you so wish.

12. **RECOMMENDATION**

The Directors consider the passing of the Resolutions proposed at the EGM to be in the best interests of PAC and its Shareholders as a whole and, accordingly unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their aggregate shareholdings of 4,910,100 Ordinary Shares representing approximately 21.6 per cent. of the issued share capital of PAC.

Yours sincerely,

Dermot Martin
Executive Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

Prime Active Capital plc

*(Incorporated in Ireland with limited liability
under the Companies Acts 1963-2013 with registered number 295879)*

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Prime Active Capital plc (“PAC”) will be held at Arthur Cox, Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland on 22 August 2014, to commence immediately following the Extraordinary General meeting scheduled to commence immediately following the Annual General Meeting at 9:00am to consider and, if thought fit, pass the following Resolutions:

Special Business of the Meeting

1. That the Disposal of the Target Business by PAC’s subsidiaries, Express Business Service and Cellular Center, each as defined and more particularly described in the circular sent to Shareholders dated 7 August 2014 (the “**Circular**”), on the terms and subject to the conditions of the Asset Purchase Agreement, be and is hereby approved, being a disposal resulting in a fundamental change of business for the purposes of Rule 15 of the ESM Rules and Rule 15 of the AIM Rules. (**Resolution 1**)
2. That, subject to the passing of Resolution 1, the investing policy set out in the paragraph headed “*Investing Policy*” in the Circular be and is hereby approved and that the Directors be empowered to implement the same. (**Resolution 2**)

BY ORDER OF THE BOARD

Dermot Martin
Executive Chairman

Registered Office:
14 The Hyde Building
The Park
Carrickmines
Dublin 18
Ireland

Dated: 7 August 2014

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy (who need not be a member of PAC) to attend, speak and vote in his/her place. Completion of a Form of Proxy will not affect the right of a member to attend, speak and vote at the meeting in person.
2. To be valid, Forms of Proxy duly signed together with the power of attorney or such other authority (if any) under which they are signed (or a certified copy of such power or authority) must be lodged with PAC's registrar, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland to arrive by no later than 10.00am on 20 August 2014.
3. PAC, pursuant to Regulation 14 of the Companies Act 1990 (Uncertified Securities) Regulations, 1996, specifies that only those shareholders registered in the register of members of PAC as at 6.00pm on 20 August 2014 (or in the case of an adjournment as at 6.00pm on the day which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.