

**MEMORANDUM
(SUMMARY IN ENGLISH)**

DATED: 9 MARCH 2017

**In accordance with Article 5 of the “The Cyprus Securities and Exchange
Commission Directive CSE 01 OF 2015 (R.A.A. 392/2015)”**



MEMORANDUM OF PRIMETEL PLC FOR THE SUBMISSION OF A RESOLUTION FOR APPROVAL BY THE COMPANY'S SHAREHOLDERS FOR FOR THE DELISTING OF THE COMPANY'S SHARES FROM THE CYPRUS STOCK EXCHANGE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 4C) OF THE "DIRECTIVE CSE 01 OF 2015 OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION (R.A.A. 392/2015) FOR THE DELISTING OF SECURITIES FROM THE CYPRUS STOCK EXCHANGE FOLLOWING AN APPLICATION BY THE ISSUING COMPANY FOR THE SHAREHOLDERS' INFORMATION IN VIEW OF THE FOLLOWING SPECIAL RESOLUTION WHICH SHALL BE SUBMITTED FOR APPROVAL AT THE EXTRAORDINARY GENERAL MEETING OF 6 APRIL 2017:

SPECIAL RESOLUTION

THE SUBMISSION OF AN APPLICATION TO THE BOARD OF DIRECTORS OF THE CYPRUS STOCK EXCHANGE FOR THE DELISTING OF THE TOTAL OF THE COMPANY'S SHARES FROM THE CYPRUS STOCK EXCHANGE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 4C) OF THE "DIRECTIVE CSE 01 OF 2015 OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION (R.A.A. 392/2015) FOR THE DELISTING OF SECURITIES FROM THE CYPRUS STOCK EXCHANGE FOLLOWING AN APPLICATION BY THE ISSUING COMPANY", IS APPROVED

A. INTRODUCTION – REASON FOR THE DESPATCH OF THE MEMORANDUM

The present document is important and demands your immediate attention and should you need explanations you should consult appropriate qualified financial advisors. The present document was prepared based on the provisions of the above Directive and by definition it DOES NOT comprise an Information Memorandum for investment within the realm of the relative Law.

The Memorandum is sent to all the shareholders of the Company to explain the reasons why they are called to approve the above resolution, the advantages and risks which may result following the approval of the Resolution, the plans of the Company after the delisting of the Company's shares and the option of those shareholders who choose not to vote in favour of the proposed Resolution. In other words, to make an informed decision with regard to the proposed resolution.

The proposed resolution needs to be approved by a majority of over 90% of the votes represented in the General Meeting.

The Company's shares are registered shares duly issued with ISIN code CY0100710710.

The date of this Memorandum is 9th March 2017.

B. DETAILS OF THE SHARES THE PROPOSED RESOLUTION FOR DELISTING REFERS TO

The proposed resolution concerns the delisting of the total of 712.439.656 ordinary shares of the Company with nominal value €0,01 each which are traded in the Cyprus Stock Exchange. All shares belong to one class and have the same rights.

Share capital development:

- July 2008 issue of 15.102.000 new ordinary shares of €0,17 nominal value each and 1 WARRANT 2008/2011 for each 6 shares to all shareholders all listed on 24th July 2008.
- On 1st January 2011, the Company's issued share capital was €9.560.991 divided into 191.219.828 ordinary shares of €0,05 nominal value each.
- On 28th March 2011 following the exercise of warrants on the basis of the Information Memorandum dated 4th January 2011, 191.219.828 ordinary shares of €0,05 nominal value were issued at par.
- On 27th February 2014, the Company's issued share capital was reduced from €19.121.982,80, divided into 382.439.656 ordinary shares of €0,05 nominal value each to €3.824.396,56 divided into 382.439.656 ordinary shares of €0,01 each. With the reduction of the Company's issued share capital by €15.297.586,24 a respective amount was written-off from the Company's accumulated losses.
- On 19th May 2014, 258.000.000 new ordinary shares of €0,01 nominal value each were issued at the total value of €2.580.000 and at €0,015 premium per share for a total of €3.870.000. Of these shares 198.000.000 were allotted to main shareholders and to companies related to them as repayment of loans and other dues (or part thereof) that the Company owed to them at €0,025 per share for a total of €4.950.000. The remaining 60.000.000 shares were allocated to an existing shareholder for cash at €0,025 each for a total of €1.500.000.
- On 9th September 2014, 72.000.000 new ordinary shares of €0,01 each were issued of which 12.000.000 were allotted to a main shareholder as capitalisation of loans and other dues at €0,025 each for a total of €300.000. The remaining 60.000.000 shares were allotted to an existing shareholder for cash at €0,025 each for €1.500.000.

All ordinary shares issued as above were listed on the Cyprus Stock Exchange in accordance with the provisions of the Law and of which the delisting form C.S.E. is proposed.

C. EVOLUTION AND REASONS FOR WHICH THE SUBMISSION FOR DELISTING OF SHARES FROM C.S.E. IS PROPOSED

Primetel Plc was incorporated in Cyprus on 18th June 2003 as a private Limited Liability Company with registration number 139104. On 4th June 2007 through a special resolution the Company was converted into a Public Company in accordance with the Companies' Law Cap. 113 and was renamed Primetel Public Company Limited. Subsequently, on 30th August 2007 it was renamed Primetel PLC. On 14th July 2008 the Company was listed in the Alternative Market of the Cyprus Stock Exchange (CSE).

Evolution

By investing significant capital Primetel created the first autonomous private telecommunications network in Cyprus offering telephony, internet and television services. The Company commenced operations in November 2005.

The Company went into cooperation with international television programme companies enriching its TV platform and became a pioneer in 2006 with the introduction of the then new IPTV service and interactive TV technology.

On 19th September 2008, Primetel made a Public Offer to acquire 100% of the issued share capital of SpiderNet Services Public Limited («SpiderNet») and the whole project was completed in April 2009.

In June 2009 it completed the landing of the fiber optic cable system «Hawk» at the Company's private cable landing station.

In 2011, the Company provides for the first time mobile telephony services as a Mobile Virtual Network Operator (MVNO) and acquires exclusive TV rights for the home football games of OMONIA Nicosia and of Apollon Limassol .

In 2012, the Company cooperates with Sonus Networks for the provision of new generation systems and network solutions end-to-end VoIP and installs and operates new generation telephony backbone system and provision of digital ISDN BRI telephone lines and VoIP Services (SIP). It also completes the landing of the marine fiber optic cable system named TAMARES connecting Israel with Cyprus and Europe. In this year the Customer Service Department of the Company was awarded the certification «Investors In People» (IIP).

In 2013, η Primetel invests in new technologies, improves its infrastructure and provides tv service throughout Cyprus. In addition, it cooperates with MTN in the areas of network and provides economy packages of fixed and mobile telephone, internet, tv and wifi.

In 2014, η PrimeTel secured the third Imobile telephony license in Cyprus and develops from being a Mobile Virtual Network Operator (MVNO) to a Mobile Network Operator (MNO). In addition, the Company extends cooperation with OMONIA Nicosia and of Apollon Limassol for the three-year period 2016-2019 and secures the tv rights for the Spanish Football League “La Liga”.

As from March 2015, the Company offers 4G mobile service with network speeds over 70 Mbps.

Reasons for the proposed delisting:

As it is clear from the preceding historic background, for the Company’s infrastructure and development of services provided, enormous investment was required which was mainly financed by the Company’s major shareholders or by third parties due to the lack of liquidity both in the general market and the banks and especially following the 2013 crisis. In the course of time and in order to reduce the Company’s financial cost as well as to bring the economic indicators within those required for public companies the said loans were capitalised though the due process provided for by the Law.

During recent years and especially after the 2013 crisis the Company on a continuous basis is taking actions targeting the reduction of operating costs and the application of more productive methods of operation.

It is not anticipated that in the near future there will be a possibility of drawing capital from the wider market due to its continuing thin liquidity.

The result of the above is the very narrow spread of shareholding and especially the small holding by the wider public which is below 5% and at the same time transactions are very limited both in terms of number and volume.

The listing of the Company’s shares in the Stock Exchange has economic cost without any real benefit.

In addition, the limited spread and the resulting limited volume of transactions exposes the share price to the risk of abrupt fluctuations with very small volumes.

Due to the above, the Company considers that it is not beneficial to maintain its shares listed on the C.S.E.

The suggested date of delisting is the **24th April 2017** subject to the approval of the Board of C.S.E..

D. ADVANTAGES AND RISKS AS A RESULT OF THE DELISTING OF THE COMPANY’S SHARES FROM C.S.E.

Advantages:

As it follows from above the Company shall achieve significant savings in its operating expenses and internal procedures and taking into consideration given in E below any costs savings achieved shall have a very positive effect on the Company’s results and operations.

Risks:

Under the current circumstances, no risks are anticipated for the Company since it will continue to operate on the same basis, targeting the continuous improvement of its operational procedures so that they become more efficient and it will certainly continue to apply the principles of Good Corporate Governance.

E. OTHER INFORMATION

The Company continues to present increase in its customer base and turnover, mainly in the areas of mobile telephony, retail client services and sales to other providers. The rate of increase of its subscriber base continues in accordance with the management’s strategic plan. Due to the nature of the Company’s business, a large part of the cost is fixed and therefore with the increase in the number of subscribers, the cost per subscriber is reduced and the operational profitability is improved.

Nevertheless, the non-existence of real improvement in liquidity and in bank finance continue to negatively affect the underlying results of the Company and to take advantage of its real potential both with regard to its customer base and its revenues.

The Company continues to enrich its TV content with most significant being the recent addition of the Nova Platform with Nova Cinema and Nova Sports.

The Company continues the negotiations with its lender for the restructuring of its loans. During the last three years the Company did not conform with its lending obligations since it did not proceed with the payment for the instalments due (capital and interest). The Company continues negotiations with its bank for the restructuring of banking facilities, The target of the restructuring is the better and efficient management of the Company's liquidity.

On the date of the present Memorandum there are pending legal proceedings against the Cyprus Telecommunications Authority at the Nicosia District Court for significant damages as result of abusive dominant position exploitation by CYTA.

F. INTENTIONS OF THE COMPANY AFTER DELISTING

The Company does not intend to differentiate its strategy due to its delisting from the Cyprus Stock Exchange.

The Company's main targets are:

1. The positive result of the negotiations with its lenders for the restructuring of its loans.
2. The continuation of the expansion of its customer base.
3. The continuation of the efforts for the reduction its operational as well as its other costs.
4. The continuing enrichment of its mobile telephony services and TV content.
5. The finding of strategic partners for developing its business both for local and international services.

With regard to the management of the Company's shareholder register and the facility for share trading, the Company intends to proceed with an agreement with the Cyprus Stock Exchange for using the service "Maintenance of the Register of non-listed companies". Therefore, the shareholders of the Company will be able to continue to execute any transactions needed and the Company will be in a position to have the necessary information in relation to its shareholders and will be able to provide any relative services.

G. CHANGES IN MANAGEMENT AND PERSONNEL AFTER DELISTING

No changes are planned in the Board of Directors or personnel as a result of the delisting.

H. BOARD OF DIRECTORS' STATEMENT

The members of the Board of Directors unanimously state that the delisting of the Company's shares from the Cyprus Stock Exchange is to the benefit of all holders of ordinary shares of the Company.

I. OFFER TO THE SHAREHOLDERS WHO WILL NOT VOTE IN FAVOUR OF THE RESOLUTION

After the decision of the Board of Directors to suggest to the shareholders the delisting of the shares, Lametus Holdings Limited, a shareholder of the Company holding 8,88%, decided to propose to the shareholders who will attend the Extraordinary General Meeting and will not vote in favour of the proposed resolution for the delisting of the Company's shares from C.S.E., the cash purchase of their total shareholding at the price of €0,0207, i.e. at 2,07 cent (two cent and 7/100) per share.

To this effect enclosed is a report of the independent firm BDO as to whether the above proposed consideration is fair in accordance with the provisions of the relevant Directive of the Cyprus Securities and Exchange Commission.

For the shareholders' facilitation and subject to the approval of the Resolution, the relevant forms shall be available at the place of the Extraordinary General Meeting for immediate completion and fast processing and as well as a Certifying Officer will be present, as required, for the completion of the C.S.E. documents.

The whole process is expected to be completed by 15th April 2017.

Board of Directors

The Company's Board of Directors is the following:

Pericles Manglis	- Chairman
Hermes Stephanou	- Managing Director
Philippos Vatiotis	- Member
Nicos Ellinas	- Member
Andreas Christodoulides	- Member
Ioannis Tirkides	- Member
Andreas Eleftheriades	- Member

Secretary

AAA Regent Consultants Limited, Armenias 39a, 2003 Strovolos

By order and on behalf of the Board of Directors of the Company

AAA Regent Consultants Limited

Secretary

NOTE:

This is an unofficial translation for information purposes only.

AAA REGENT CONSULTANTS LIMITED

SECRETARY