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Primecity Investment Plc launches convertible bond offering

November 7, 2014 – The Board of Directors of Primecity Investment Plc (the “**Company**”) has decided to issue senior, secured convertible bonds (the “**Bonds**”) convertible into new ordinary shares in the capital of the Company having a par value of EUR 0.01 (the “**Shares**”). The Bonds (each with a denomination of EUR 100,000) will be offered to institutional investors outside the US, Canada, Australia, Japan or any other jurisdiction in which offers or sales of the securities would be prohibited by applicable law.

Bonds with a total placement volume of up to EUR 100 million and initially convertible into up to approximately 32.3 million Shares representing up to approximately 24.4% of the fully diluted share capital of the Company (subject to any adjustment of the conversion ratio pursuant to the terms and conditions of the Bonds), are to be placed.

The Bonds will have a maturity of five years. The Bonds will be issued at 100% of their principal amount. The Bonds will carry a nominal coupon of 4.00% p. a., payable semi-annually in arrear, and will be redeemed at maturity at a price between 108.62% and 111.58% of their principal amount. The proposed conversion price is EUR 3.10 per ordinary share. Pricing for the Bonds will be set through an accelerated bookbuilding and is expected to take place **today** with settlement on or around 13 November, 2014.

The Company intends to apply for the inclusion of the Bonds to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange.

The net proceeds will be used to fund the Company’s acquisition pipeline and investment into the existing hotel portfolio. The Company is in advanced acquisition processes for hotel assets with a total volume of more than EUR 50 million.

Anoa Capital is acting as Sole Bookrunner and KNG Securities as Co-manager in relation to the transaction.

About Primecity Investment

Primecity is a specialist real estate company focused on investing in and repositioning mismanaged hotel properties primarily in Germany. The hotel properties are located in key German locations which enjoy high tourism, business and exhibitions, such as Berlin, North Rhine Westphalia, Frankfurt and Dresden. Primecity Investment (ISIN: CY0104972217) is a public limited liability company incorporated under the laws of Cyprus (HE 151151), having its registered office at 2, Faros Avenue, Spyros Thalassines Alkyonides - Pervolia PC 7560 Larnaca, Cyprus. For more information please refer to the Company's website www.prime-city.com.

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