

August 15, 2016



Prime Provides First Half 2016 Financial Update

Company reports improved financial position and cash flows related to Italian real estate operations

SHIJIAZHUANG, China-- Prime Acquisition Corp. ("Prime" or the "Company") (OTCQB: Common Stock: "PACQF", Units: "PAQUF", Warrants: "PAQWF") today provided a financial update on the six months ended June 30, 2016.

Financial Highlights

- The Company reported positive cash flow of \$156,498 for the six months ended June 30, 2016; the Company had negative cash flow of \$30,517 for the year ended December 31, 2015.
- The Company reported operating profit of \$458,779 for the six months ended June 30, 2016; the Company had an operating loss of \$221,109 for the year ended December 31, 2015.
- Portfolio net operating income (NOI) of \$141,914 for Prime and \$691,558 for its Italian subsidiaries for the six months ended June 30, 2016
- The Company's cash and cash equivalents increased to \$291,072 at June 30, 2016, compared to \$134,574 at December 31, 2015.

Management Commentary

Mr. William Yu, Chief Executive Officer and Director of Prime, stated, "We made substantial progress in reorganizing the Company and renegotiating financing terms for our properties in the first half of 2016, and are pleased to report the positive impacts these efforts had on our financial position. In addition to significantly reducing our losses in relation to our Italian operations, we were able to increase cash generated from operations and improve our overall cash position. We continue to improve Prime's financial position while exploring opportunities to scale our business and grow shareholder value. We expect to provide investors with regular updates on our progress going forward."

First Half 2016 Operating Summary

Prime owns the following properties, which include office, logistics, commercial and industrial real estate assets located in Milan, Italy, and the surrounding areas. The Company maintained an above 95% average occupancy rate at its portfolio of 10

properties during the six months ended June 30, 2016.

Over the past several months, Prime continued to improve operations through the eviction and replacement of legacy non-paying tenants and also improved the Company's cash position through the successful recovery of unpaid rent from certain legacy tenants.

Real Estate Portfolio Summary

Property Name/Location	Type	Approx. Gross Leasable Area (in sq. meters)	Purchase Price on 9/30/2013 (\$ in millions)	Tenant	Average Lease Duration (Years)
1 Corso Europa 22, Milano	Office	560	\$8.57	Italian firms	10
2 Milanofiori, Building A5	Office	865	\$3.13	Various int'l and Italian firms	10
3 Milanofiori, Building Q7	Office	586	\$1.27	Various int'l and Italian firms	10
4 Milanofiori, Building N	Office	1,750	\$4.48	Various int'l and Italian firms	10
5 Viale Lucania, Buccinasco	Office, Industrial	16,230	\$22.27	Microelettrica Scientifica	18
6 Via Buozzi 22, Buccinasco	Office	545	\$1.85	Various int'l and Italian firms	10
7 Via Lazio 95, Buccinasco	Office, Warehouse	4,320	\$5.01	Italian firms	10
8 Via Emilia, Buccinasco	Commercial	200	\$0.35	Italian commercial co.	10
9 Via Mulino, Buccinasco	Commercial	360	\$1.37	Merkur	8
10 Milanofiori, Building Q5	Office	400	\$1.26	Italian firms	10
		<u>25,816</u>	<u>\$49.56</u>		

First Half 2016 Financial Summary

Below is a summary of Prime's unaudited financial results for the six months ended June

30, 2016.

Income Statement Highlights

**Six months
ended
June 30, 2016
(unaudited)**

Rental income		1,307,324
Total revenues	\$	1,718,681
Total operating expenses		(1,259,901)
Operating profit (loss)		458,779
Profit (loss) before tax		(1,844,422)
Profit (loss) from continuing operations		(1,829,391)
Profit (loss) from discontinued operations		-
Profit (loss)	\$	(1,829,391)

Revenues increased to \$1.7 million for the six months ended June 30, 2016, compared to approximately \$1.5 million for the first six months of 2015. The increase was largely attributable to the previously announced one-time Auchan S.p.A. litigation settlement.

Total operating expenses decreased to \$1.3 million for the six months ended June 30, 2016, from \$1.65 million for the first six months of 2015, primarily due to a decrease in depreciation of tangible assets and bad debt provision.

For the six months ended June 30, 2016, net loss was \$1.8 million, which compares to an estimated \$3.8 million loss for the first six months of 2015.

Balance Sheet Highlights

As of June 30, 2016, Prime had total non-current assets of \$38.0 million; trade and other receivables, net of allowance for bad debts, of \$708,564; and cash and cash equivalents of \$291,072, compared to \$37.4 million, \$842,879, and \$134,574, as of December 31, 2015, respectively.

About Prime Acquisition Corp.

Prime Acquisition Corp. is a Cayman Islands company that owns and operates office, commercial and industrial properties in Italy. Prime is focused on building a portfolio of high yield-producing assets.

Forward-looking Statements

This press release may contain forward-looking statements within the meaning of the

Private Securities Litigation Reform Act of 1995 about Prime Acquisition Corp. Forward-looking statements are statements that are not historical facts. Such forward-looking statements, based upon the current beliefs and expectations of Prime's management, are subject to risks and uncertainties, which could cause actual results to differ from the forward-looking statements. The following factors, among others, could cause actual results to meaningfully differ from those set forth in the forward-looking statements:

- Continued compliance with government regulations;
- Changing legislation or regulatory environments;
- Requirements or changes affecting the businesses in which Prime is engaged;
- Industry trends, including factors affecting supply and demand;
- Labor and personnel relations;
- Credit risks affecting the combined business' revenue and profitability;
- Changes in the Italian real estate industry;
- Changing interpretations of generally accepted accounting principles;
- General economic conditions; and
- Other relevant risks detailed in Prime's filings with the Securities and Exchange Commission.

The information set forth herein should be read in light of such risks. Prime does not assume any obligation to update the information contained in this press release.

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