

November 14, 2016



# Prime Reports Financial Results for the First Nine Months of 2016

*Italian Real Estate Assets Drive Increased Operating Income and Cash Flow During Period*

*Continued Focus on Maximizing Portfolio Performance Drives Highest Revenue Since Inception*

*Registration Statement Went Effective September 29, 2016*

SHIJIAZHANG, China--(BUSINESS WIRE)-- Prime Acquisition Corp. (“Prime” or the “Company”) (OTCQB: Common Stock: “PACQF”, Units: “PAQUF”, Warrants: “PAQWF”), an owner and operator of office, commercial and industrial properties in Italy, today provided a financial update on the nine months ended September 30, 2016.

## **Management Commentary**

Mr. William Yu, Chief Executive Officer and Director of Prime, stated, “Our entire management team is extremely proud of what we have accomplished over the past 18 months. The past three quarters’ results exemplify our achievements. Prime generated strong growth in operating profit, and free cash flow. We secured more favorable terms from our financial partners, and were very pleased that the Company’s registration statement went effective during the period. Having established a cost-effective operating structure and developed a pipeline of attractive assets, we now plan to explore raising capital to leverage our platform for growth.”

## **Financial Highlights**

- The Company reported positive cash flow of \$32,394 for the nine months ended September 30, 2016; the Company had negative cash flow of \$30,517 for the year ended December 31, 2015.
- Cash generated from operations was \$984,760 for the first nine months of September 30, 2016, and \$486,262 for the year ended December 31, 2015.
- The Company reported operating profit of \$690,482 for the nine months ended September 30, 2016; the Company had an operating loss of \$221,109 for the year ended December 31, 2015.
- The Company’s cash and cash equivalents increased to \$166,968 at September 30, 2016, compared to \$134,574 at December 31, 2015.

## Nine Months Ended September 30, 2016 Operating Summary

Prime owns the properties listed below, 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 nine months ended September 30, 2016.

Over the past several months, Prime continued to improve operations through the eviction and replacement of certain legacy non-paying tenants and also improved the Company's cash position through the successful recovery of unpaid rent from those and other legacy tenants. During the quarter, the Company delivered its highest revenue run rate since inception.

### 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 Buoizzi 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
		<b>25,816</b>	<b>\$49.56</b>		

## First 9 Months ended 2016 Financial Summary

Below is a summary of Prime's unaudited financial results for the nine months ended September 30, 2016.

### *Income Statement Highlights*

	<b>9 months ended September 30, 2016 (unaudited)</b>	<b>12 months ended December 31, 2015 (unaudited)</b>
Rental income	1,938,252	2,829,417
<b>Total revenues</b>	<b>\$ 2,409,577</b>	<b>\$ 3,036,196</b>
Total operating expenses	(1,800,095)	(3,257,307)
Operating profit (loss)	690,482	(221,108)
Profit (loss) before tax	(2,037,806)	(7,585,983)
Profit (loss) from continuing operations	(2,151,958)	(7,256,549)
Profit (loss) from discontinued operations	(0)	(305,137)
<b>Profit (loss)</b>	<b>\$ (2,151,958)</b>	<b>\$ (7,561,686)</b>

Revenues were \$2.4 million for the nine months ended September 30, 2016, which is in line with the \$3.0 million reported for the year ended December 31, 2015.

Total operating expenses were \$1.8 million for the nine months ended September 30, 2016. Total operating expenses were \$3.2 million for the year ended December 31, 2015. The reduction in operating expenses is primarily due to a decrease in finance costs related to the non-cash fair value adjustment on certain derivative financial liabilities.

For the nine months ended September 30, 2016, the Company reported a net loss of \$2.2 million. Net loss was \$7.5 million for the year ended December 31, 2015.

### *Balance Sheet Highlights*

As of September 30, 2016, Prime had total non-current assets of \$38.7 million; trade and other receivables, net of allowance for bad debts, of \$847,127; and cash and cash equivalents of \$166,968, compared to \$37.4 million, \$842,878, 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.

View source version on businesswire.com:

<http://www.businesswire.com/news/home/20161114005197/en/>

Prime Acquisition Corp.  
+39 02 89773668

Source: Prime Acquisition Corp.