

May 2, 2018



# Prime Reports 2017 Year-End Financial Results, Announces Filing of 2017 Annual Report on Form 20-F

SHIJIAZHUANG, 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 year ended December 31, 2017.

## Financial Highlights

- Cash generated from operations before payment of corporate taxes and finance costs was \$2.2 million for the year ended December 31, 2017, a 72.7% improvement when compared to \$1.3 million for the year ended December 31, 2016.
- Operating profit increased 6.9% to \$794,347 for the year ended December 31, 2017, from \$742,904 for the year ended December 31, 2016.
- The Company reported a loss of \$3.7 million for the year ended December 31, 2017, compared to a loss of \$565,144 for the year ended December 31, 2016, as a result of a significant decrease in gain on revaluation of promissory notes to shareholders.
- The Company’s cash and cash equivalents were \$58,143 at December 31, 2017.

## Management Commentary

Mr. William Yu, Chief Executive Officer and Director of Prime, stated, “In 2017, we were pleased to nearly double cash flow generated from operations year over year, a direct result of our restructuring efforts and financing negotiations in early 2016. We continued working to strengthen our Company’s operating and financial position during the year, divesting of the NOVA S.r.l. subsidiary in late 2017 and selling a portion of a property under our Ellegi S.r.l. subsidiary in February 2018, strategic transactions intended to streamline our portfolio of properties and improve our ability to generate positive cash flow. Our focus remains on right-sizing our existing portfolio of real estate assets, while exploring opportunities to grow our business with accretive acquisitions that will increase shareholder value over the long term.”

## Year-End 2017 Operating Summary

Prime’s portfolio of properties includes office, logistics, commercial and industrial real estate assets located in Milan, Italy, and the surrounding areas. The Company maintained

an average occupancy rate of approximately 93% for the 10 properties it owned during the year ended December 31, 2017. With the closing of the Corsa Europa transaction on November 10, 2017, and the via Lazio transaction on February 8, 2018, Prime's real estate portfolio consists of the following nine properties, which includes the remaining ownership position in the via Lazio property.

#### 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 on 9/30/2013 (Years)
1 Milanofiori, Building A5	Office	865	\$3.13	Various int'l and Italian firms	10
2 Milanofiori, Building Q7	Office	586	\$1.27	Various int'l and Italian firms	10
3 Milanofiori, Building N	Office	1,750	\$4.48	Various int'l and Italian firms	10
4 Viale Lucania, Buccinasco	Office, Industrial	16,230	\$22.27	Microelettrica Scientifica	18
5 Via Buoizzi 22, Buccinasco	Office	545	\$1.85	Various int'l and Italian firms	10
6 Via Lazio 95, Buccinasco (portion of building)	Office, Warehouse	2,050 <sup>1</sup>	\$2.55 <sup>2</sup>	Italian firms	10
7 Via Emilia, Buccinasco	Commercial	200	\$0.35	Italian commercial co.	10
8 Via Mulino, Buccinasco	Commercial	360	\$1.37	Merkur	8
9 Milanofiori, Building Q5	Office	400	\$1.26	Italian firms	10
		22,986	\$38.53		

<sup>1</sup> Represents remaining ownership in the via Lazio building after closing of the sale transaction on Feb. 8, 2018

<sup>2</sup> Proportional amount of current ownership

#### Year-End 2017 Financial Summary

Below is a summary of Prime's audited financial results for the year ended December 31, 2017.

### *Income Statement Highlights*

	<b>Year ended December 31, 2017 (audited)</b>	<b>Year ended December 31, 2016 (audited)</b>
Rental income	2,561,322	2,508,586
<b>Total revenues</b>	<b>\$ 2,937,871</b>	<b>\$ 2,991,738</b>
Total operating expenses	(2,143,524)	(2,248,834)
Operating profit	794,347	742,904
Loss before tax	(2,758,561)	(427,636)
<b>Loss for the period</b>	<b>\$ (3,687,136)</b>	<b>\$ (565,144)</b>

Total revenues decreased 1.8% to \$2.9 million for the year ended December 31, 2017, from \$3.0 million in the prior year, primarily due to a settlement payment the company received in connection with a litigation during 2016.

Total operating expenses decreased 4.7% to \$2.1 million for the year ended December 31, 2017, from \$2.2 million in the prior year.

For the year ended December 31, 2017, the Company reported a loss of \$3.7 million, which compares to a loss of \$565,144 in 2016, largely due to a significant decrease in gain on revaluation of promissory notes to shareholders. These adjustments are non-cash in nature and resulted from a derivative component embedded in the promissory notes.

### *Balance Sheet Highlights*

As of December 31, 2017, Prime had total non-current assets of \$33.8 million; current trade and other receivables, net of allowance for bad debts, was \$407,010 with no non-current other receivables; and cash and cash equivalents was \$58,143; compared to \$35.9 million, \$756,940, \$143,137, and \$55,393, as of December 31, 2016, 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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