

May 1, 2017



Prime Reports 2016 Year-End Financial Results

Company Announces Timely Filing of 2016 Annual Report on Form 20-F

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 year ended December 31, 2016.

Financial Highlights

- Cash generated from operations was \$1.3 million for the year ended December 31, 2016, compared to \$486,263 for the year ended December 31, 2015.
- The Company reported operating profit of \$724,931 for the year ended December 31, 2016, which compares to an operating loss of \$221,109 for the year ended December 31, 2015.
- The Company's cash and cash equivalents were \$55,393 at December 31, 2016, compared to \$134,574 at December 31, 2015.

Management Commentary

Mr. William Yu, Interim Chief Executive Officer and Director of Prime, stated, "2016 was a significant turning point for our Company. Following our reorganization and successful lender negotiations in early 2016, we were able to triple cash from operations and had an operating profit for the year as opposed to an operating loss for the prior year. With Prime in a much stronger operating and financial position, we are focused on exploring opportunities to grow our portfolio of high-quality assets and build shareholder value in 2017."

Year-End 2016 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 above 95% average occupancy rate at its 10 properties during the year ended December 31, 2016. During the quarter, the Company delivered its highest leasing revenue run rate since inception, driven primarily by improvements in tenant mix.

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)
				Various

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	Various Italian firms	10
8	Via Emilia, Buccinasco	Commercial	200	\$0.35	Italian commercial co.	10
9	Via Mulino, Buccinasco	Commercial	360	\$1.37	Sisal	8
10	Milanofiori, Building Q5	Office	400	\$1.26	Various Italian firms	10
Total:			<u>25,816</u>	<u>\$49.56</u>		

Year-End 2016 Financial Summary

Below is a summary of Prime's audited financial results for the year ended December 31, 2016.

Income Statement Highlights

	Year ended December 31, 2016 (audited)	Year ended December 31, 2015 (audited)
Rental income	2,636,846	2,829,417
Total revenues	\$ 3,122,765	\$ 3,036,198
Total operating expenses	(2,397,834)	(3,257,307)
Operating profit (loss)	724,931	(221,109)
Profit (loss) before tax	(730,686)	(7,585,983)

Profit (loss) from continuing operations	(565,144)	(7,256,549)
Net loss from discontinued operations	—	(305,137)
Net profit (loss)	\$ (565,144)	\$ (7,561,686)

Revenues increased to \$3.1 million for the year ended December 31, 2016, from \$3.0 million in the prior year. The increase was attributable to the previously announced legal settlement with an unrelated third party, pursuant to which Prime received €200,000 (approximately \$221,440).

Total operating expenses decreased by 26.4% to \$2.4 million for the year ended December 31, 2016, from \$3.3 million for the year ended December 31, 2015, primarily due to a decrease in daily operating costs associated with professional fees and expenses and as a result of reduced stock options issued to executives and directors.

For the year ended December 31, 2016, the Company reported a net loss of \$565,144, which compares to a net loss of \$7.6 million for the year ended December 31, 2015.

Balance Sheet Highlights

As of December 31, 2016, Prime had total non-current assets of \$35.9 million; current trade and other receivables, net of allowance for bad debts, of \$756,940, with non-current other receivables of \$143,137; and cash and cash equivalents of \$55,393; compared to \$37.4 million, \$842,879, \$0 and \$134,574, respectively, as of December 31, 2015.

Filing of 2016 Annual Report

Prime also announced that it has filed its annual report on Form 20-F for the year ended December 31, 2016, with the U.S. Securities and Exchange Commission (“SEC”). The annual report can be accessed under Company Filings at the SEC’s website www.sec.gov.

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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