

STRATEGIC GUIDELINES
2017-2021

MILAN, 10TH NOVEMBER 2016

banzai^o

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TODAY'S AGENDA

- 9 MONTHS 2016 REPORTING
- STRATEGIC GUIDELINES 2017-2021
- FINANCIAL TARGETS

REPORTING: 9M 2016

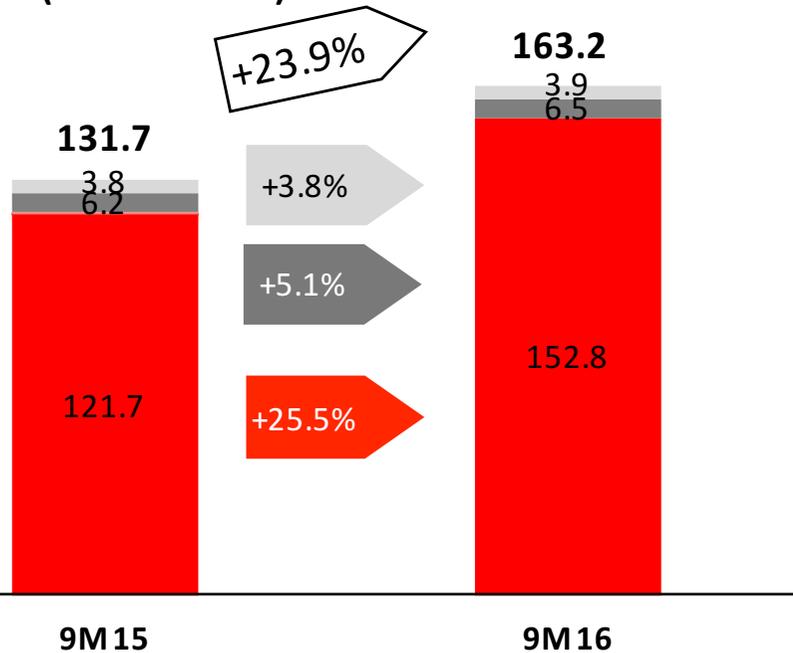
9M 16 GMV ⁽¹⁾

CORE Market Tech & Appliances in Italy (YoY % growth)

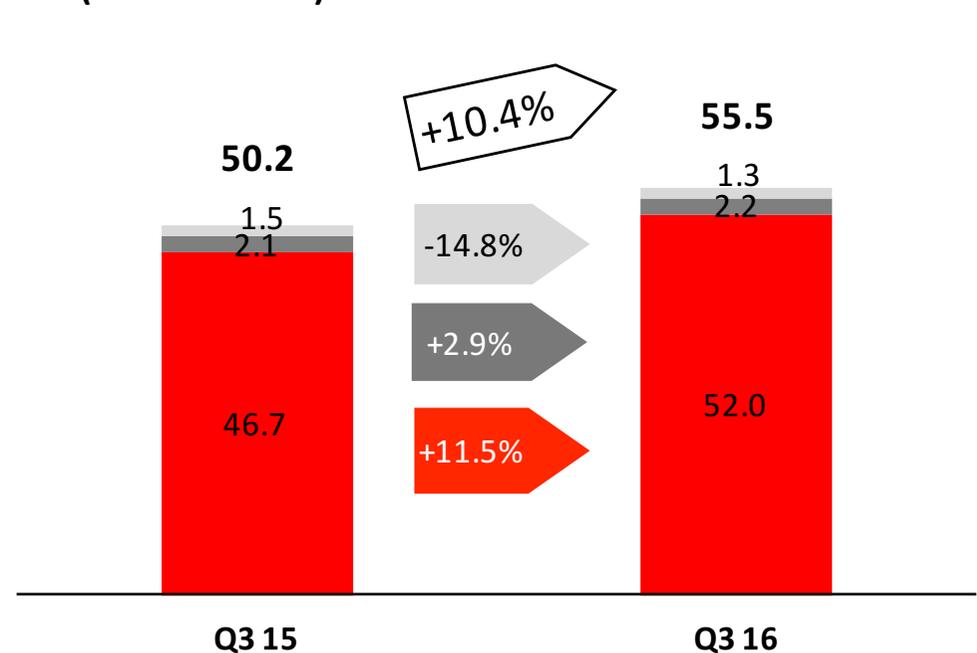
Traditional Tech&Appliances Market 9M 2016	Online Tech&Appliances Market 9M 2016	Banzai Tech&Appliances 9M GMV 2016
+4.2%	+24.0% ⁽²⁾	+25.5%

- ✓ Overall: Slower top line growth in Q3, partially due to unreplicated Q3 FY15 Home Comfort spike (~3.4 pp)
- ✓ Category: Solid growth for Appliances over first 9 months
- ✓ Competition: Q3 Significant Offline Competition.
- ✓ Current Trading Indications: October growth improved

(GMV ⁽¹⁾ in €M)



(GMV ⁽¹⁾ in €M)



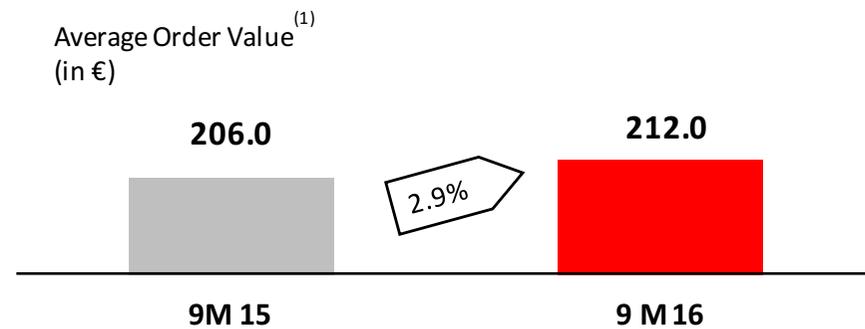
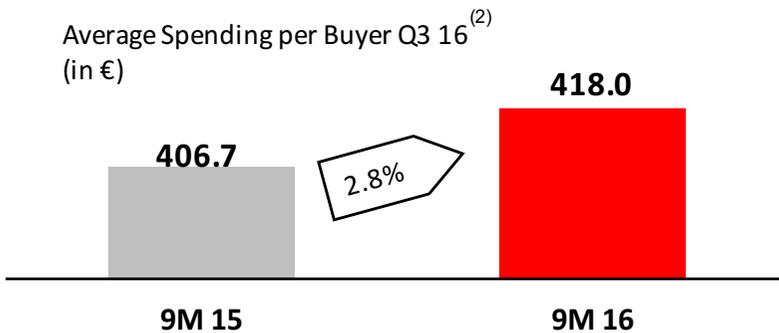
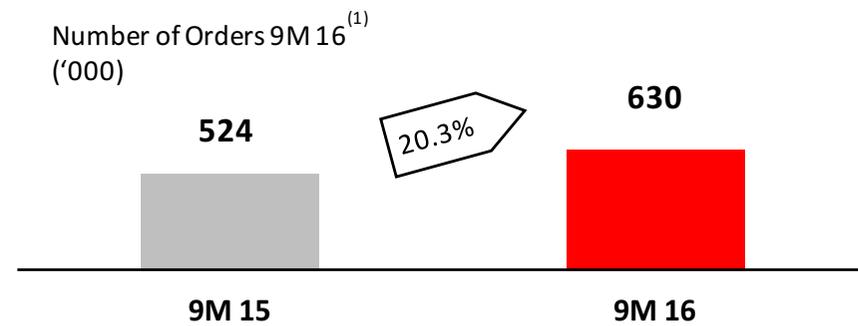
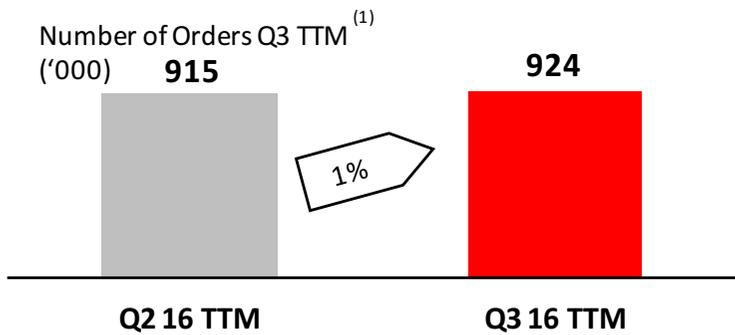
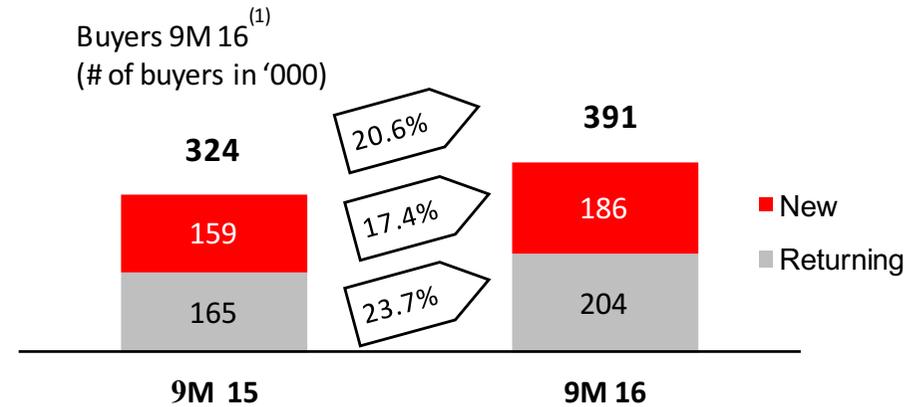
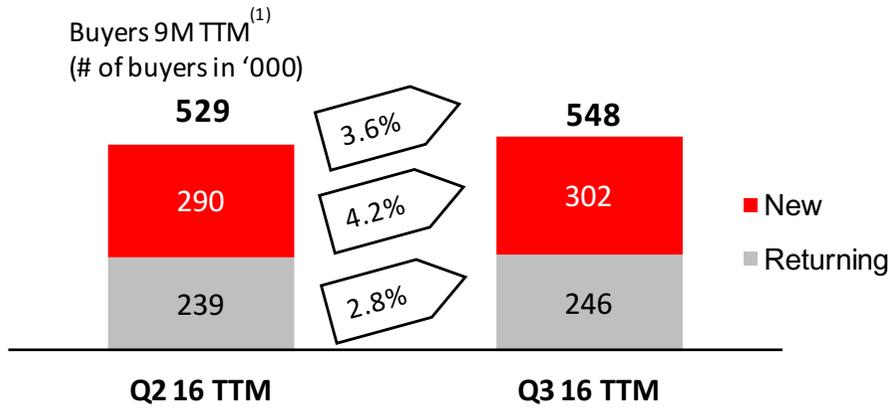
■ Electr.&Appliances ■ Other ■ Services

■ Electr.&Appliances ■ Other ■ Services



(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. Infocommerce and Advertising and B2B revenues not included.
 (2) Market 2016 includes one off online revenues restatement by a retail player

9M 16: HEALTHY CUSTOMER KPIs DRIVE GROWTH



(1) 3P Marketplace Included

(2) Spending per Buyer is calculated on revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included

€ M

CONSOLIDATED P&L 9M 16

Profit & Loss	Q3'15 PF	Q3 '16	Q3 YOY	9M '15 PF	9M '16	9M YoY
Total Revenues	40,2	43,5	8,2%	106,7	127,2	19,2%
Cost of Revenues	-34,5	-36,5	6,0%	-91,7	-107,6	17,4%
Gross Profit (1)	5,7	7,0	21,3%	15,1	19,5	29,3%
<i>Gross Margin %</i>	<i>14,3%</i>	<i>16,0%</i>		<i>14,1%</i>	<i>15,3%</i>	
Sales & Marketing	-1,6	-2,7	67,4%	-4,9	-7,1	44,9%
Contents	0,0	0,0				
Fulfilment	-3,5	-4,1	17,4%	-9,2	-12,3	34,4%
IT	-0,3	-0,4	37,5%	-0,8	-1,0	35,0%
G&A & Holding	-1,6	-2,1	30,3%	-4,6	-6,0	28,7%
EBITDA ADJUSTED	-1,3	-2,3	83,3%	-4,4	-6,9	57,6%
<i>Ebitda Adjusted %</i>	<i>-3,2%</i>	<i>-5,4%</i>		<i>-4,1%</i>	<i>-5,4%</i>	
Non recurring costs	0,0	-0,4	718,6%	-0,4	-0,7	66,4%
EBITDA	-1,3	-2,7	103,8%	-4,8	-7,6	58,3%
<i>Ebitda %</i>	<i>-3,3%</i>	<i>-6,2%</i>				
EBIT	-2,1	-3,8	86%	-7,1	-10,5	
<i>Ebit %</i>	<i>-5,1%</i>	<i>-8,8%</i>		<i>-6,7%</i>	<i>-8,2%</i>	
EBT from continuing operations	-2,2	-3,9		-7,3	-11,0	
<i>Ebt %</i>	<i>-5,4%</i>	<i>-8,9%</i>		<i>-6,9%</i>	<i>-8,6%</i>	
EBT from discontinued activities		-3,6			13,9	
EBT	-2,2	-7,5	245,5%	-7,3	3,0	
<i>Ebt %</i>	<i>-5,4%</i>	<i>-17,1%</i>		<i>-6,9%</i>	<i>2,3%</i>	

Gross Margin: significant growth in 9M thanks to product category mix, marketplace, infocommerce

Ebitda: impacted by higher S&M investments

€ 3M 9M 16 net profit not including Saldiprivati
€7.5M capital gain, booked in Q4

ePRICE

(1) Restatement: Gross Profit/Margin now defined net of delivery cost, booked under fulfilment (in line with peers)

2016 PRE-CLOSING GUIDANCE

GMV¹ GROWTH IN 20-22% RANGE

GROSS MARGIN IMPROVEMENT YOY

NET FINANCIAL POSITION IN € 50-55 M RANGE

NET PROFIT IN 2016, INCLUDING CAPITAL GAIN FROM DISPOSALS

(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included.

STRATEGIC GUIDELINES 2017-2021

*“from e-Commerce
to e-Service”*

OUR BUSINESS GOALS, LOOKING FORWARD

STRATEGIC GUIDELINES

LEAD e-COMMERCE DEVELOPMENT BY PUSHING MDAs & OTHER SERVICE-CENTRIC HOME PRODUCTS

EXPAND CATEGORY RANGE THROUGH 3P MARKETPLACE TO ADD REVENUES AND MARGIN

BUILD A SERVICE-CENTRIC PLATFORM: PICK&PAY, INSTALLATION, SETUP, PROTECT, SUPPORT & REPAIR

CAPTURE STRATEGIC AND TACTICAL OPPORTUNITIES

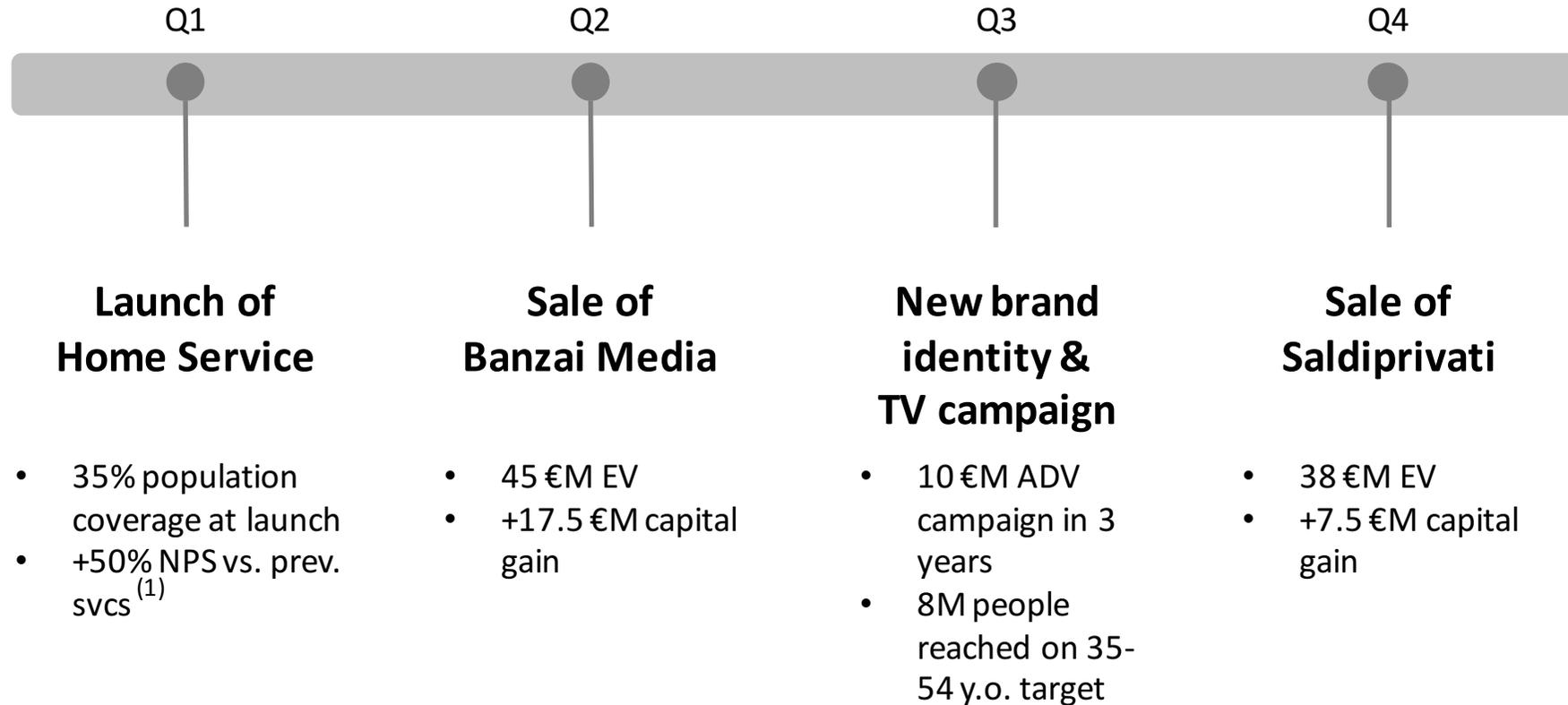
STRATEGIC PLAN TARGETS

3x GMV

**4%-6%
Ebitda Margin**

**Cash positive
from 2019**

WE SIMPLIFIED AND FOCUSED THE COMPANY ON THE MOST PROMISING MARKET



(1) Net Promoter Score is a management tool that can be used to gauge the loyalty of a firm's customer relationships. It can be as low as -100 (everybody is a detractor) or as high as +100 (everybody is a promoter). An NPS that is positive (i.e., higher than zero) is felt to be good, and an NPS of +50 is excellent.

**TODAY WE CHANGE NAME
BANZAI BECOMES ePRICE**



CUSTOMERS NOW NEED MORE THAN PRODUCTS DELIVERED AT HOME

OUR NEW, SERVICE-DRIVEN MISSION

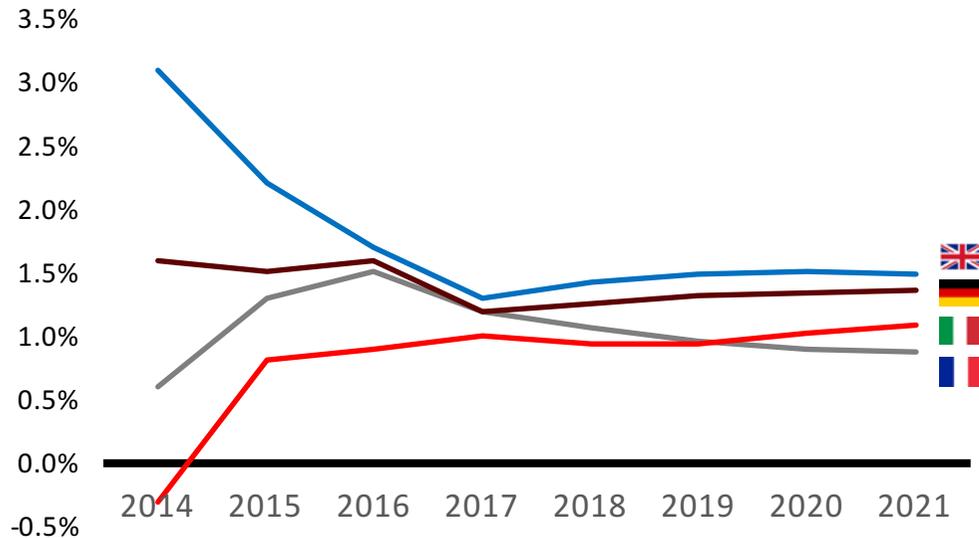
“To serve the technological evolution of Italian households”



TODAY: 19M ITALIANS BUY ONLINE BY 2021: +7M MORE ARE EXPECTED TO DO SO

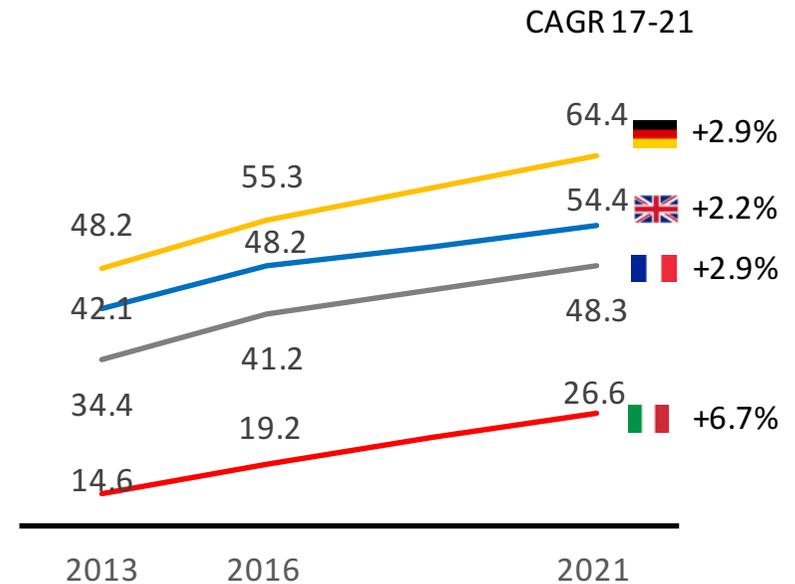
SOFT ECONOMY MAKES CUSTOMERS SMARTER

GDP YoY Growth, Actual and Forecast, 2014-2021, %



ITALIAN CUSTOMERS ARE MOVING ONLINE

Online Buyers (M)



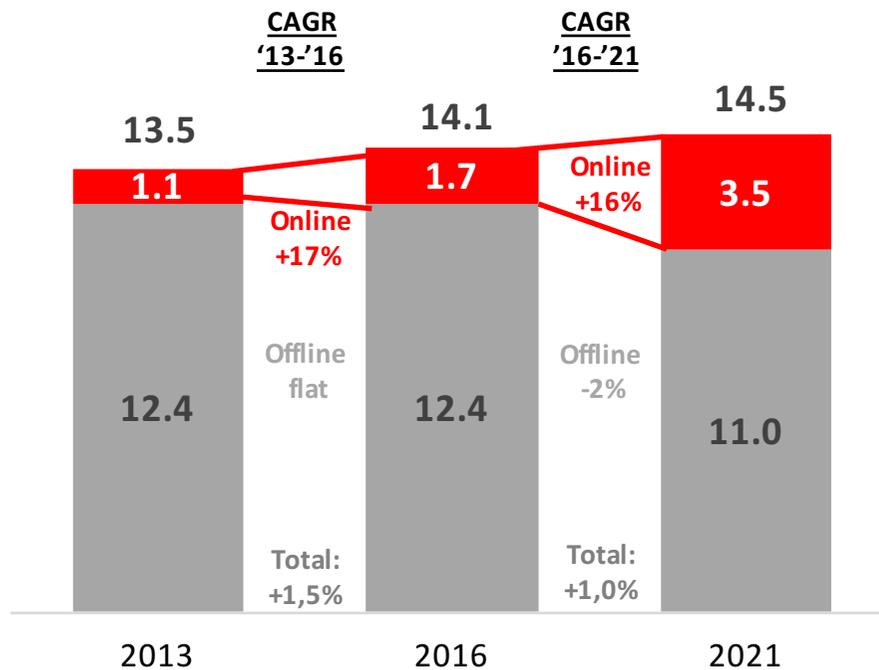
STRATEGIC TAKEAWAYS

- Economic stagnation drives online growth opportunity
- 7M of new buyers are coming: marketing & fulfilment investment is still a critical factor
- Brick & mortar weakened by extended slow sales. Hence Consolidation / M&A

14 €BN PER YEAR OF TECH PRODUCTS. TODAY 1.7 €BN ARE ONLINE, DOUBLING IN 5 YEARS.

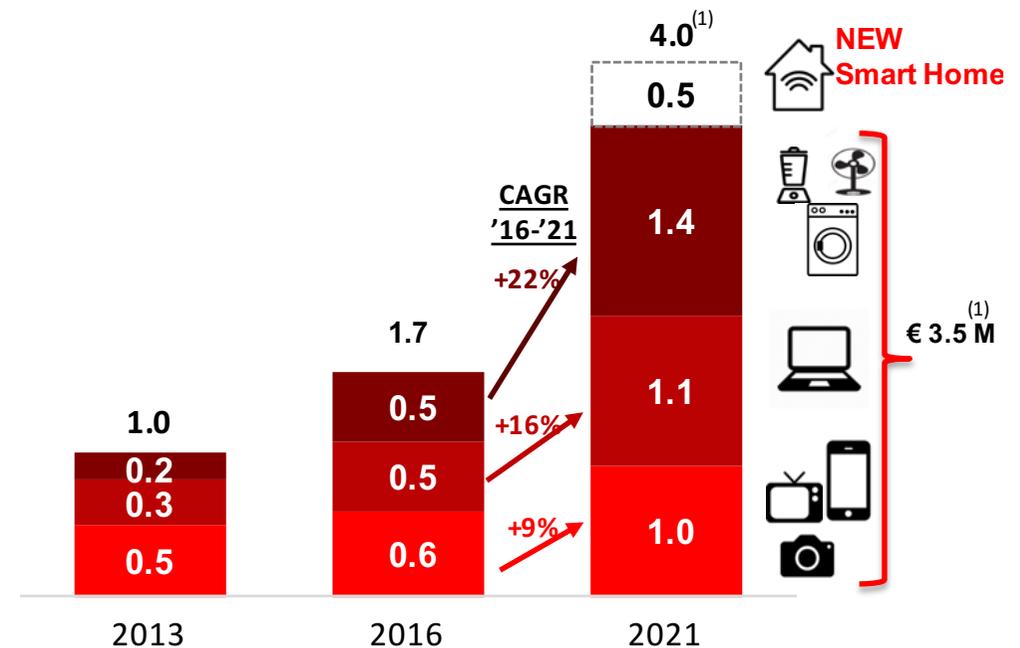
HUGE OPPORTUNITY SHIFTING ONLINE

Tech & Appliances Retail in Italy B2C Sales
(market €BN)



APPLIANCES GROWING FASTER

Tech & Appliances Online Retail in Italy B2C Sales
(category €BN)



STRATEGIC TAKEAWAYS

- Offline still huge, but online is the only growing segment
- Offline traditional players will invest in Omnichannel
- Higher margin categories (e.g. MDA) shifting to Online
- New categories (e.g. Smart Home) represent further growth opportunity

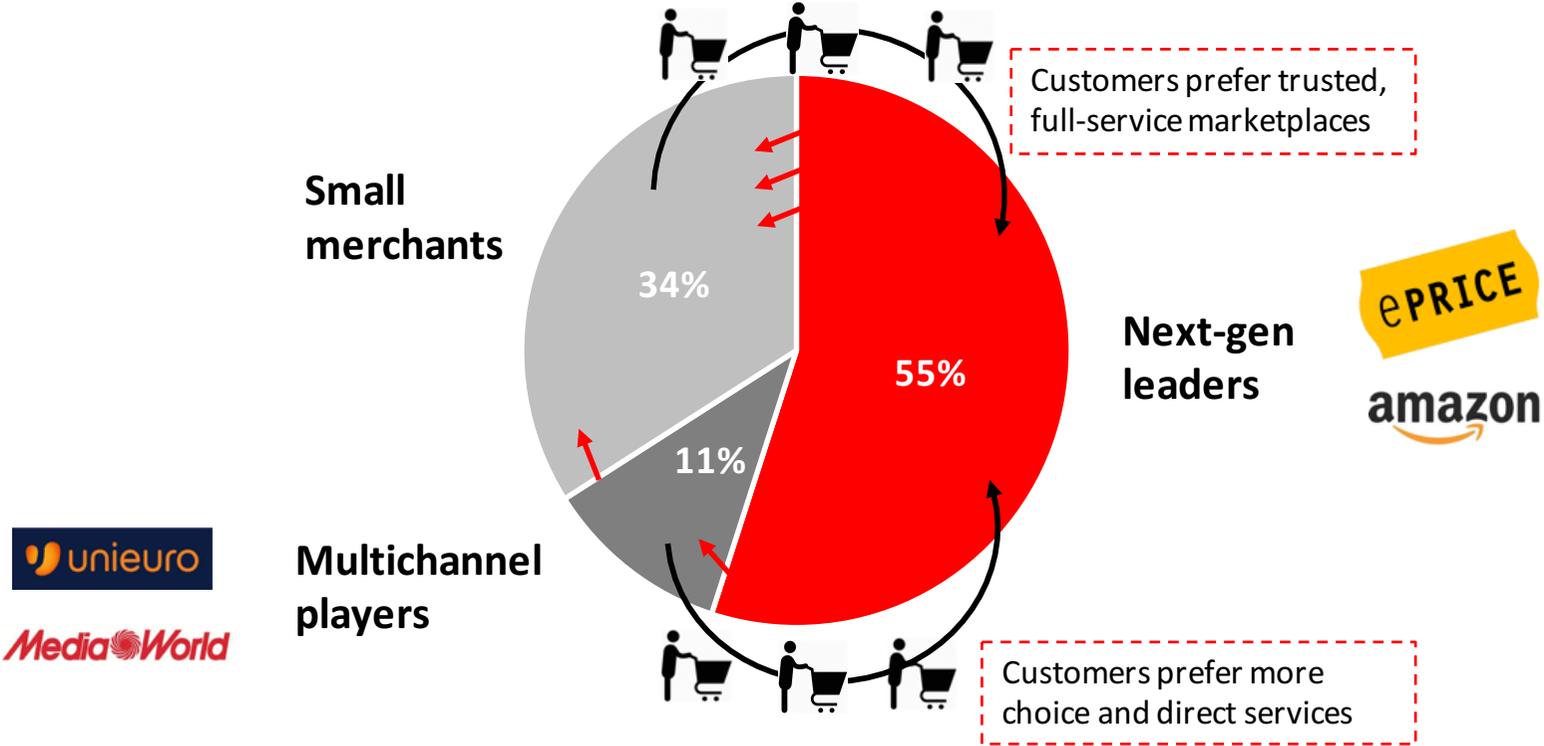


(1) €3.5M Market size for current Technology & Appliances perimeter. Smart Home market estimate (€0.5M) not included.
Source: Banzai re-elaboration on Forrester Research, GfK, other public sources and internal estimates, 2016.

CUSTOMERS CONVERGING ON NEXT-GEN ONLINE RETAILERS. CHOICE & PRICE AS WELL AS SERVICE & CONVENIENCE.

NEXT-GENERATION TOP PLAYERS ARE POSITIONED TO CAPTURE MARKET SHARE

Market Shares in Online Tech & Appliance Retail in Italy (% Total B2C Sales, 2016 estimate)



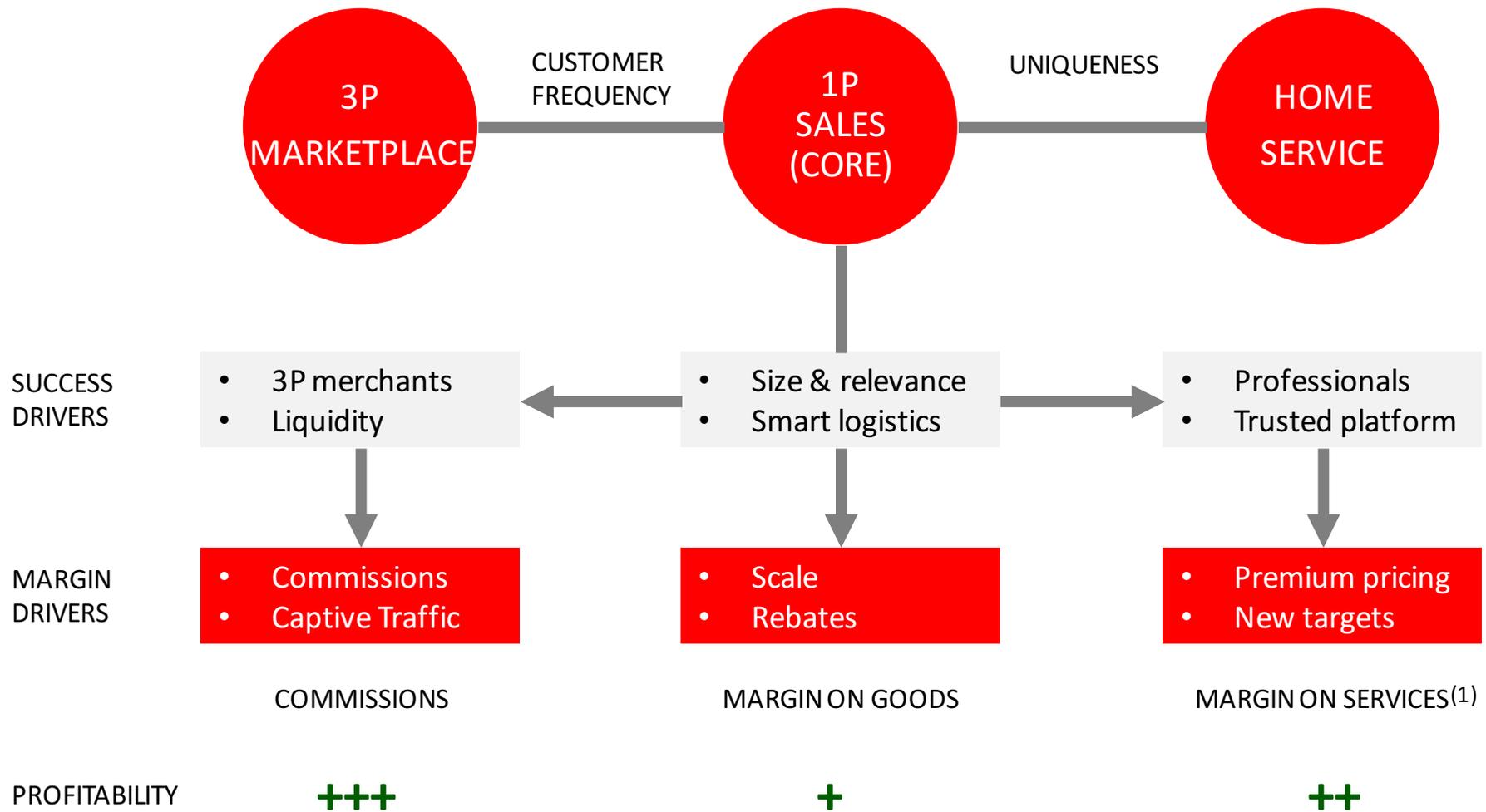
STRATEGIC TAKEAWAYS

- Consumer demand is changing, looking also for services
- Small merchants to convert in “smarter sourcing” for online marketplaces



Source: Banzai re-elaboration on internal estimates and GFK market data, 2016

ePRICE: 3P MARKETPLACE AND SERVICES ARE KEY DRIVERS FOR GROWTH AND PROFITABILITY

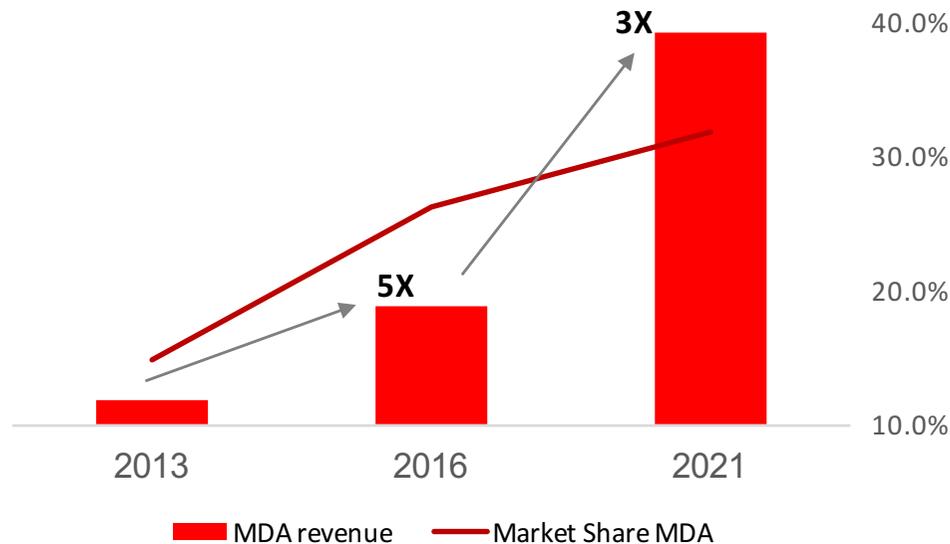


LEADERS IN MDAs 1P SALES, WE PLAN TO MULTIPLY OUR SIZE AND RELEVANCE VS. MAJOR BRANDS

APPLIANCES LEADERSHIP = RELEVANCE

2021 TARGETS

ePRICE MDA Sales 2015-2021 projections



Double
direct purchases from key vendors

+200 bps
Margin on B2C Goods due to relevance

>6x
Purchasing power with key vendors

>40%
EBITDA generated by 1P B2C goods

NEW FULFILMENT CENTRE WILL ENABLE GROWTH



STRATEGIC TAKEAWAYS

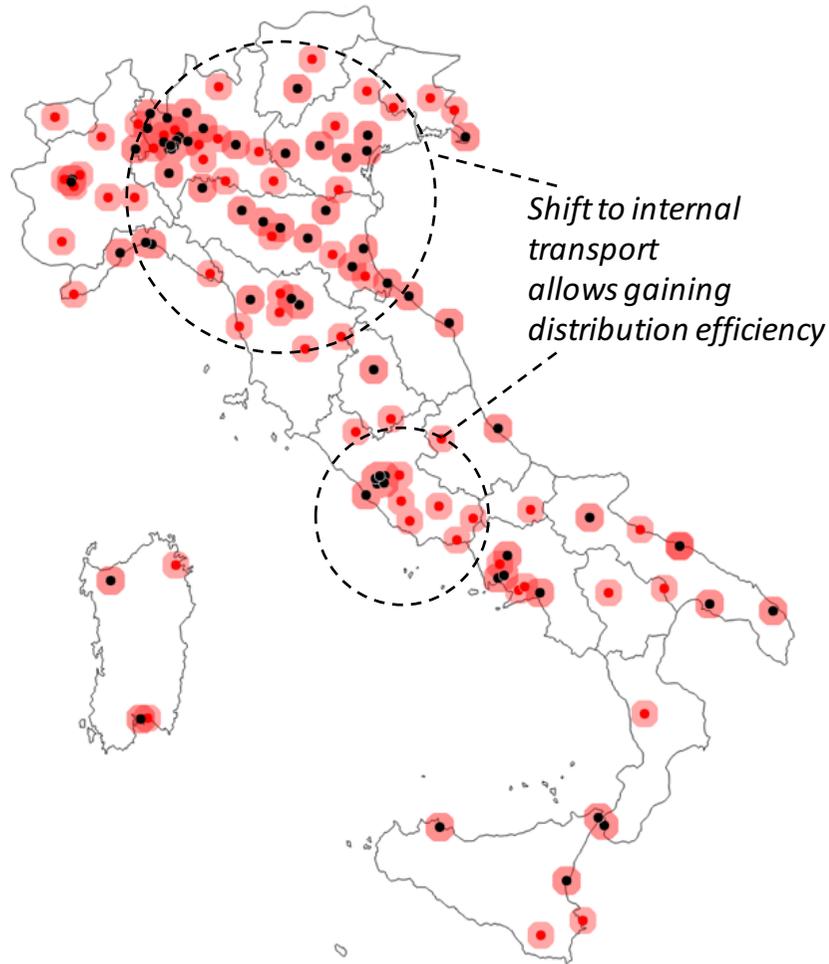
- Service-driven sales optimize 1P-3P sales allocation
- Relevance vs. brands drives higher margins & better SLAs
- New fulfilment center improves metrics & service



125 PICK&PAY AND 295 LOCKERS IN 109 CITIES ARE NOW READY TO BECOME A MARKETING PLATFORM

PLATFORM EXPANSION HAS BEEN COMPLETED

Stores distribution (red dots opened after IPO)



CURRENT AND 2021 TARGETS

Free

VIP Programs launch in 2017

Test

“Next Gen” Pick&Pay format in 2017

2X

Order frequency vs. courier

⁽¹⁾
NPS > 80

Higher customer satisfaction

STRATEGIC TAKEAWAYS

- Saturation drives distribution efficiency
- Loyalty drives frequency and marketing savings
- Synergy with services (returns, fix & repairs, demo)
- Segmentation opportunity, P&P fit specific needs

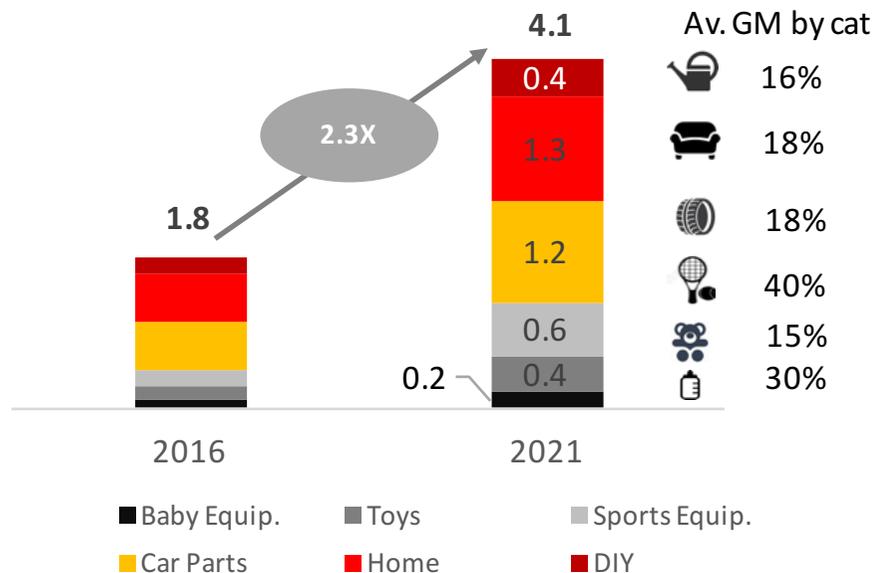
MARKETPLACE DRIVES GROWTH, MARGINS AND ENABLES LAUNCH OF NEW CATEGORIES

1P SERVICE-DRIVEN PRODUCTS + 3P PRICE-DRIVEN PRODUCTS + BEST SERVICES = THRIVING & PROFITABLE MARKETPLACE



SMART EXPANSION IN “ePRICE CONSISTENT” NEW CATEGORIES

e-Commerce projections for selected product categories (€BN)



2021 TARGETS

10M

marketplace product range up from 3M

8,000

3P merchants (1K today)

>30%

on B2C Goods GMV from 3P merchants

>20%

EBITDA generated by 3P marketplace

STRATEGIC TAKEAWAYS

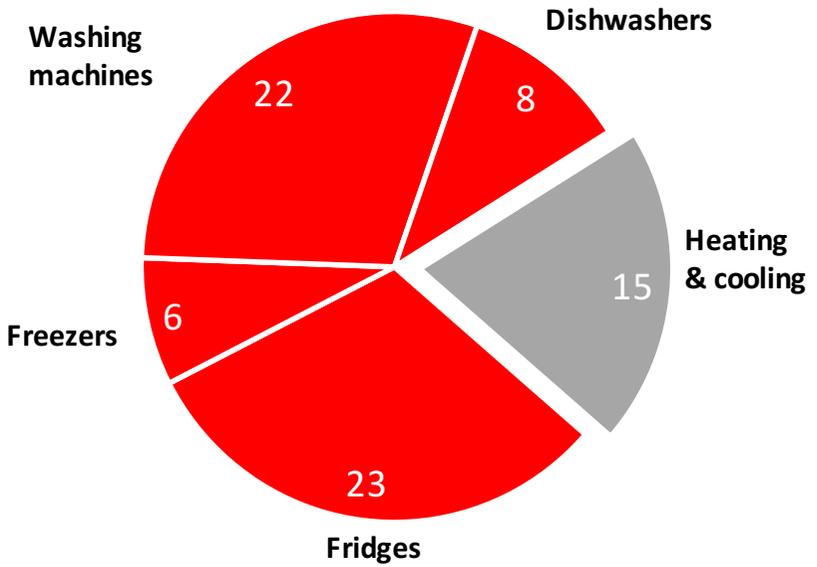
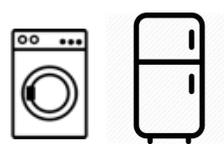
- 3P marketplace is commission-based, margin driver
- Opportunity to cross-sell services (i.e logistics, P&P, VAS)
- Improves customer loyalty & frequency

A NEW PROFITABLE OPPORTUNITY: SELLING SERVICES

€1BN ONLINE DEMAND FOR INSTALLATION AND MAINTENANCE

75 MILLION PRODUCTS REQUIRE INSTALLATION AND MAINTENANCE

MDAs & Home Comfort Devices Installed in Italy by Device (M units)



0.7 €BN
home appliances services
(low frequency)

4.9 €BN
heating & cooling services
(recurring)

Assuming 1/3 online potential

Assuming 15% online potential

~1 €BN
addressable market

STRATEGIC TAKEAWAYS

- Growing attention by vendors, players and utility on service segment
- ePRICE to enter boilers and heating Installation and Maintenance market
- Extend Services and protection potentially to all MDAs in Italian households



Source: Banzai re-elaboration on ASAP, Findomestic, Assolombarda and internal estimates

HOME SERVICE IS ALREADY A WINNER ON MDAs. WE ARE ADDING NEW CATEGORIES & SERVICES.



HOME SERVICE WILL BE EXPANDED SIGNIFICANTLY



		MDA	TVs	Smart home	PC mobile
INSTALLATION & RECYCLING	Professional delivery	Active	Active	Active	
	Hardware installation	Active	Active	Active	
	Wall mount & built-in	Migrating	Migrating	Migrating	
	Cleanup & recycling	Active	Active	Active	
	Energy checkup	New	New	New	
SETUP & CONFIGURE	Network connection	New	New	New	New
	Accessories setup		New	New	New
	Demo & tutorials		New	New	New
	SW setup & upgrades			New	New
SUPPORT & REPAIR	Remote support			New	New
	Onsite support		New	New	New
	Repair	New	New	New	New

■ Active on Home Service ▨ Migrating on Home Service ■ New services

2021 TARGETS

~40%
attach rate in
Home Service on MDAs

>20%
Ebitda by 2021

70 NPS
Maintain higher
customer satisfaction

1,000
Multi-skilled
professionals by 2021

STRATEGIC TAKEAWAYS

- Wider service range sets us apart from competitors
- Services drive higher conversion rate
- Services can be sold bundled / unbundled & B2C / B2B
- Services are key to sell “smart home” products

ADDING PURCHASE SOLUTIONS AND PRODUCT PROTECTION IMPROVES CONVERSION AND MARGINALITY.

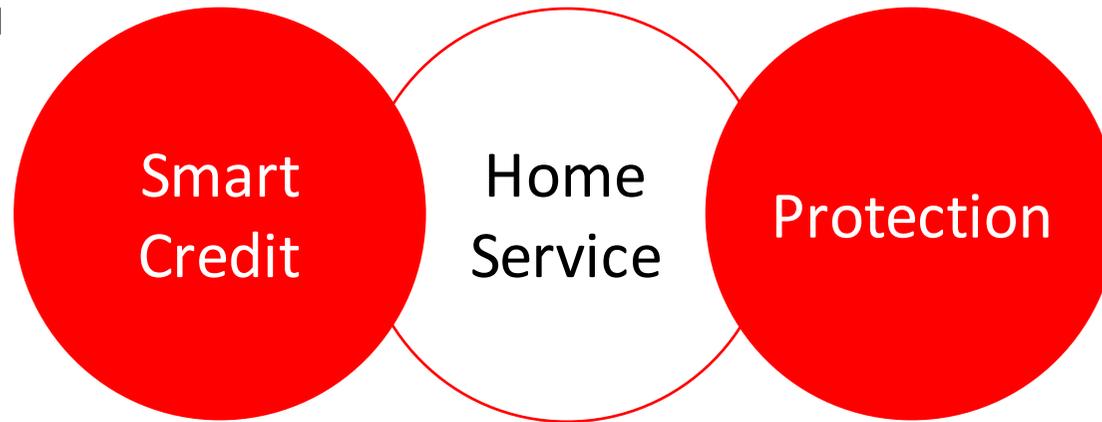
Real-time approval

Rent to buy

Always new

Flexible plans

Personal wallet



Extended warranty

Damage protection

Remote assistance

Bundled protection

EXAMPLES OF ADVANCED SOLUTIONS



Always New dishwasher

- + Installation
- + Extended warranty
- + Change every 5 years

MONTHLY SUBSCRIPTION



Time & Energy Saver

- + Installation
- + Warranty & damage
- + Yearly maintenance

MONTHLY INSTALLMENTS



Built-in Home Package

- + Full set of built-in MDAs
- + Installation & setup
- + Total family protection

MONTHLY INSTALLMENTS

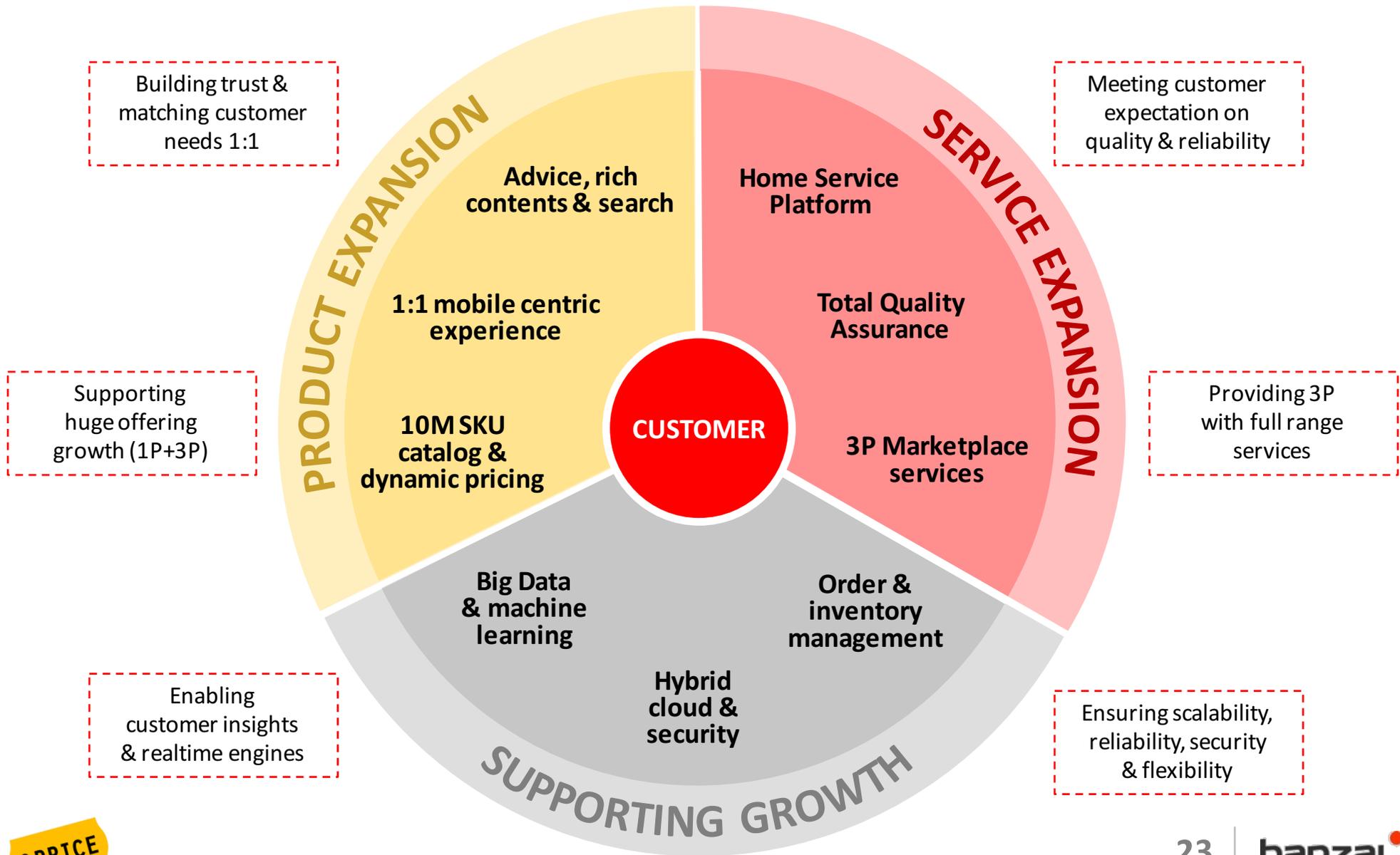


Gimme 5

- + Choose an MDA
- + Deposit 5% upfront
- + Free total protection

10 INSTALLMENTS

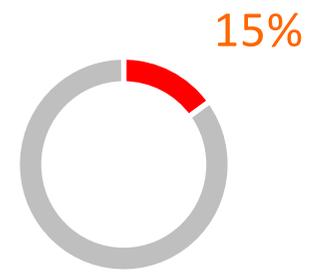
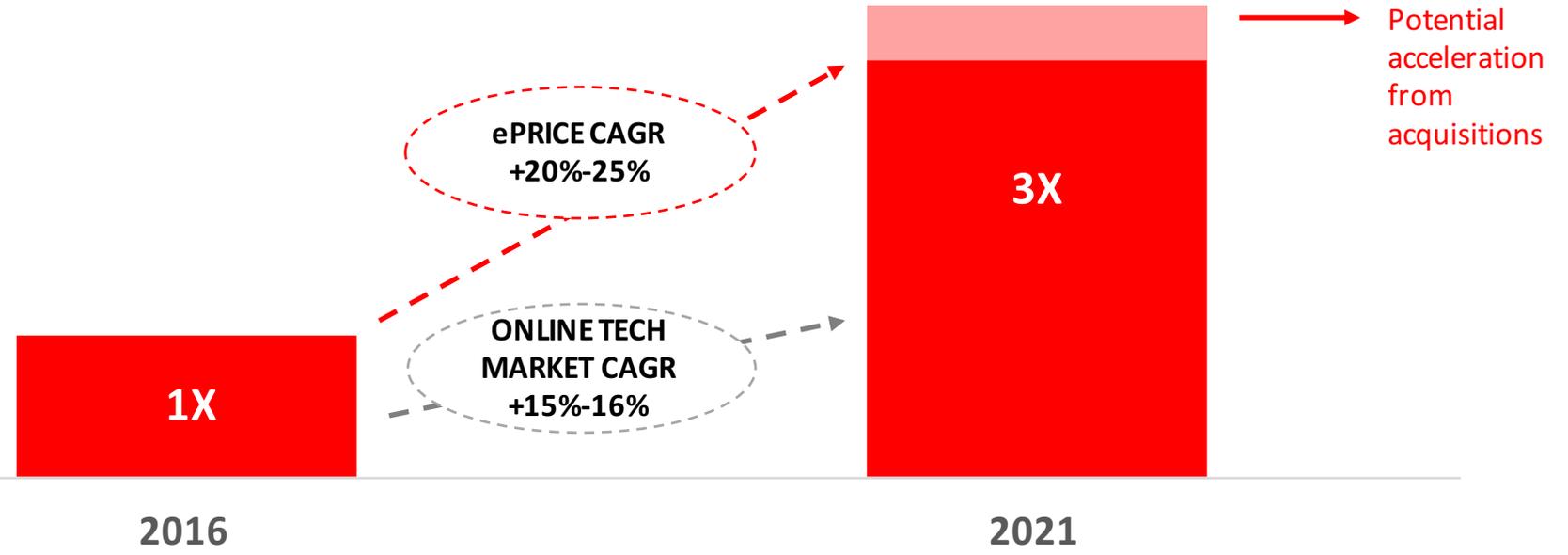
SUPPORTING 3P MARKETPLACE & SERVICE EXPANSION WITH A CUSTOMER-CENTRIC PLATFORM



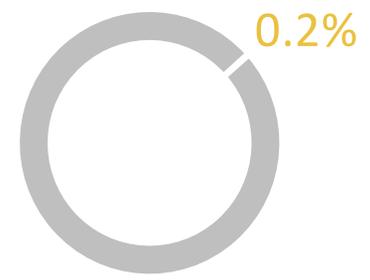
ePRICE

FINANCIAL TARGETS

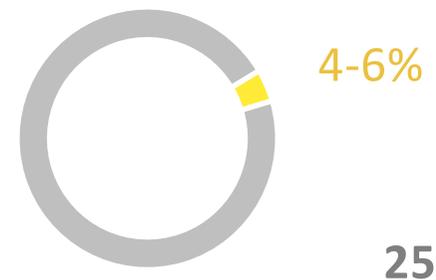
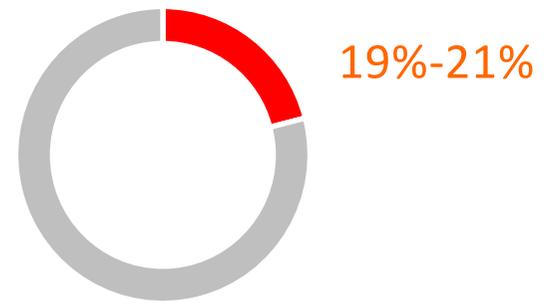
ePRICE GMV EVOLUTION OVER NEXT YEARS



Online Tech Market share



Online Home Services Market share



RECAP: OUR BUSINESS GOALS, LOOKING FORWARD

STRATEGIC GUIDELINE

TARGET METRICS

1

LEAD e-COMMERCE DEVELOPMENT BY PUSHING MDAs & OTHER SERVICE-CENTRIC HOME PRODUCTS

>30% MDAs
online market share,
+1ppt per year

2

EXPAND CATEGORY RANGE THROUGH 3P MARKETPLACE TO ADD REVENUES AND MARGIN (E.G. SPORTS EQUIPMENT, HOME IMPROVEMENT, GARDENING, PARTS)

>30% GMV
from 3P merchants

3

BUILD A CUSTOMER CENTRIC SERVICE PLATFORM WITH TOTAL QUALITY IN MIND: PICK&PAY, INSTALLATION, SETUP, PROTECT, SUPPORT & REPAIR

> 10% GMV from
services

4

ESTABLISH A RECOGNIZED BRAND BY ITALIAN HOUSEHOLDS, BUILT AROUND SOLID, CONSISTENT VALUES

>30%
unsolicited brand
awareness

5

CAPTURE STRATEGIC AND TACTICAL OPPORTUNITIES THROUGH M&A AND SMART ACQUI-HIRING

Accelerate
plan progress

TARGET MODEL

	2015	TTM ⁽³⁾ 2016	TARGET	DRIVERS
MARKET GROWTH TECH&APPLIANCES	20%	24%	15%-16% >2X	Secular shift from offline, mobile, innovation
GMV ⁽¹⁾	€ 207M	€240M	>3X	Market Growth, MDA, 3P Marketplace
REVENUES	€168M	€188M	>2.5X	Market Growth, B2B, ADV, Infocommerce
GROSS MARGIN ⁽²⁾	13.8%	14.7%	20%-22%	Mix&sourcing, Rebates, 3P Marketplace, Infocommerce
MARKETING ⁽²⁾	5.3%	5.9%	4.5%-5.0%	Brand Awareness, Returning Customers
FULFILMENT TRANSPORT ⁽²⁾	3.5%	4.0%	5.0%-5.5%	Now including Transport&Installation service
FULFILMENT INTERNAL ⁽²⁾	5.0%	5.2%	3.8%-4.3%	New fulfilment center, scale & efficiency program
IT + G&A ⁽²⁾	4.6%	4.9%	1.8%-2.5%	Efficiencies and scalability
EBITDA adj. ⁽²⁾	-4.8%	-5.3%	4%-6%	 #1 specialty player, enhanced by services
CAPEX ⁽²⁾	3.4%	4.5%	1.5%-2.0%	2017 new fulfilment, €5M



(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. Infocommerce and Advertising and B2B revenues not included., representing c. 6% of revenues in 9M16

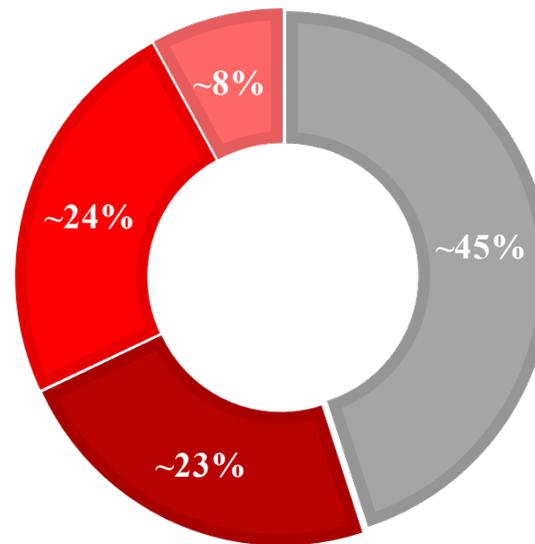
(2) % of revenues

(3) Trailing twelve months at 30/9/2016

EBITDA EVOLUTION AND BREAKDOWN

- Progressive improvement of EBITDA towards the 4%-6% goal powered by:
 - Margin on goods 1P sales improvement
 - Service & Marketplace to represent close to 50% of Ebitda
 - Cost scale optimization (>10% 2021 Ebitda)

Ebitda 2021 breakdown



■ 1P B2C Goods ■ 3P MARKETPLACE ■ SERVICES&OTHER ■ EFFICIENCIES

CF PROJECTIONS & POTENTIAL ACQUISITIONS

- Solid Net Cash position throughout 5y plan
- Operating Cash Flow positive in 2018
- Cash Flow positive in 2019
- Additional up to €18 M from executed disposal earn-out between 2017-2019
- € 40M available for opportunistic acquisitions, to speed up targets achievement
 - Current core categories
 - Last mile services
 - Home service
 - Smart Home & Remote Support services
- Target Model Ebitda Conversion to Operating Cash Flow >80%



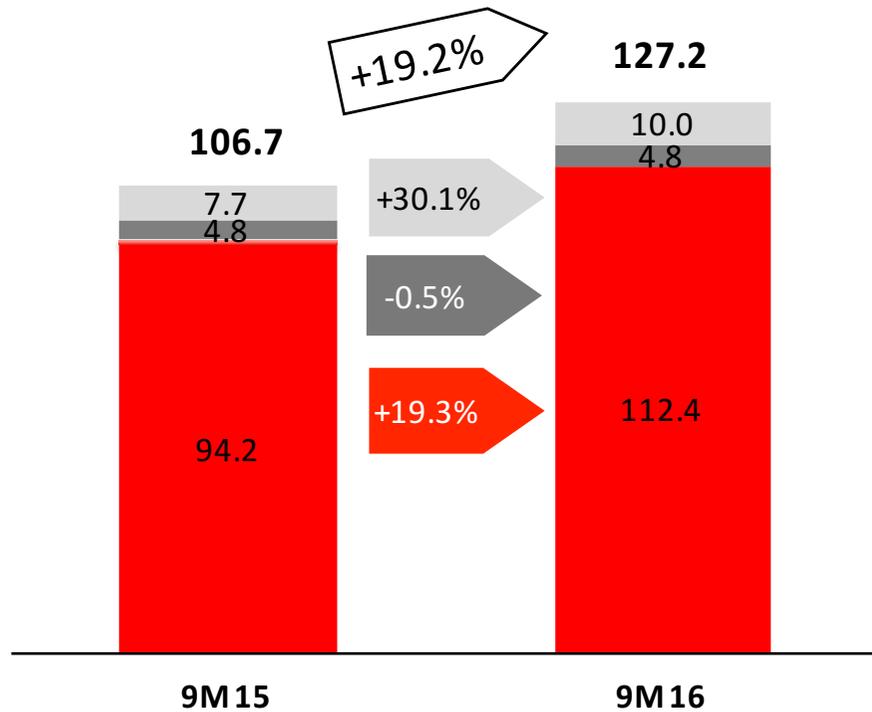
DEFINITIONS

- **GMV:** Gross Merchandise Volume, it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. Infocommerce and Advertising and B2B revenues not included.
- **Net Promoter Score:** is a management tool that can be used to gauge the loyalty of a firm's customer relationships
- **TTM GMV/Revenues:** Trailing/Last Twelve Months Results
- **Gross Margin:** since 30.9.2016 Gross Profit/Margin has been restated and is now net of delivery cost, booked under fulfilment (in line with peers)
- **Fulfilment Transport Cost:** delivery cost (courier, premium)
- **Fulfilment Internal Cost:** all other fulfilment
- **G&A:** also includes costs previously booked as “holding”

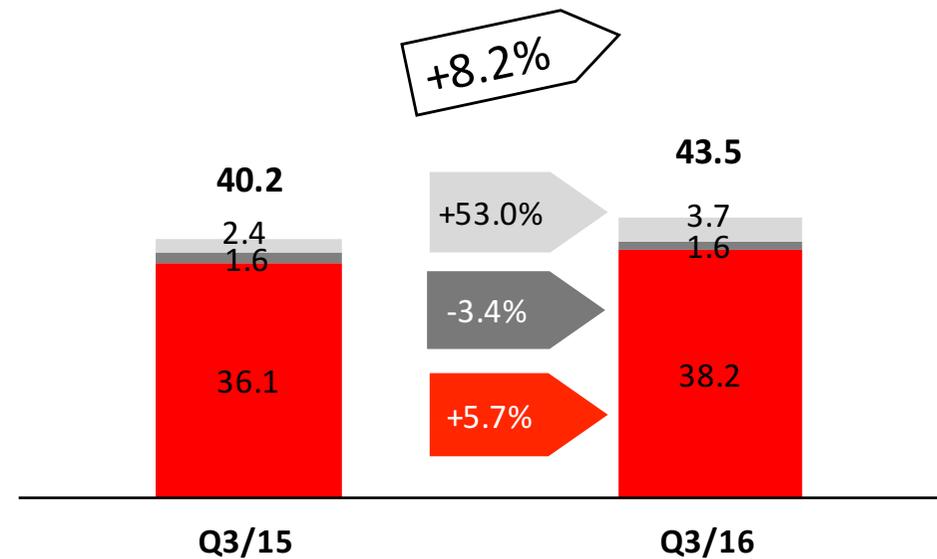
BACKUP: 9M 16 REVENUES

- Significant slow down in top line growth in Q3
- Tough comparison in Home Comfort and Climatization vs. an extraordinary 2015 hot summer
- Appliances solid growth over 9 months: +28% YoY
- Competitive pressure: tough Q3 in Tech & Appliances, slightly improving in October

(Revenues in € M)



(Revenues in € M)



■ Electr.&Appliances ■ Other ■ Services

■ Electr.&Appliances ■ Other ■ Services



BACKUP: CASH FLOW 9M 16

€ M

Cash flow	9M 2016	9M 2015
Net result	-11.0	-7.3
D&A	2.9	1.9
Other non cash items	1.3	0.4
Change in WC	-8.2	-4.7
Cash flow from operations	-15.0	-9.8
Cash flow operating from discontinued activities (SP)	-4.8	-0.4
Net capex	-5.8	-5.8
Other non current	-0.2	-0.5
Acquisition	-0.8	-0.3
Cash flow from investing activities	-6.8	-6.5
Cash flow investing from discontinued activities (Bmedia)	31.2	-4.6
Cash flow investing from discontinued activities (SP)	-0.7	
Change in net equity	0	48.6
Treasury stock	-1.1	0
Change in bank debt	-8.7	3.5
Cash flow from financing activities	-9.8	52.1
Cash flow financing from discontinued activities	0.0	-4.0
CASH FLOW	-6.0	26.8

+€ 25.7 M cash-in from discontinued activities:
 ✓ +€ 31.2 M from Banzai Media
 ✓ -€ 5.5 M from Saldiprivati

Treasury Stock -€1.1M
 -€21.8 M from continuing activities, including c.-€5M advanced payment ePRICE TV Campaign, VAT included

