PRESS RELEASE

ePRICE APPROVES FY17 RESULTS AND UPDATES 2018-2023 STRATEGIC GUIDELINES

THE PLAN FORESEES CONSOLIDATION OF THE LEADING POSITION IN THE CORE CATEGORIES, GROWTH OF THE MARKETPLACE AND SETS OUT PATH TO PROFITABILITY

FOUNDER PAOLO AINIO, APPOINTED CEO, GRANTED ALL OPERATING POWERS

Results FY 2017:

- **GMV[1] stable at Euro 253.3 million** driven by strong growth of the Marketplace at +44% YoY. Revenues at Euro 188.7 million, -4.6% vs. 2016.
- **Gross profit** at 14.7% of revenues, combined with intense promotional activities, brings Ebitda to Euro -14 million.
- **Net Loss** at Euro 24.8 million
- **Improvement in the Net cash position to Euro 21.3 million** from Euro 15.7 million as at 30 September 2017.

Pietro Scott Jovane, after completing the refocalisation of the company on eCommerce, resigns to take on a new professional challenge.

The updated business plan envisages:

FY 2018:

- **Mid-single digit growth of GMV,** thanks to strengthening of the leading position in Service-driven categories and solid growth of the Marketplace.
- **Strong improvement in EBITDA**
- **Efficiencies equal** up to 15-20% of the recurring cash costs base
- **Positive NFP at year-end.**

2018-2023 Plan:

- **Doubling of GMV and Revenues, EBITDA margin at 5-6% and positive Cash flows from 2019, including earn-outs and disposals.**

Milan, 8 March 2018

The Board of Directors of ePRICE (known as BANZAI until 30 January 2017), Italy's first national e-Commerce platform listed on the STAR segment of the Italian Stock Exchange, today approved the results as at 31 December 2017 and the update to the guidelines of the 2018-23 plan.

*"2017 was the most challenging year to date since the company listing. The Tech and Appliance has market performed worse than the expectations, with growth more than halved when compared to the previous year, and has experienced an intense promotional context, which has witnessed a crisis at some historical Italian chains and has also impacted ePRICE's margins. Nonetheless, we've managed to post a solid performance in the "core" categories (major domestic appliances, TVs and Clima), consolidate our market share of major domestic appliances, which remains at around 30%, also thanks to service." **- states Paolo Ainio, Executive Chairman and CEO of ePRICE** – "In order to address this new context, in the last few months, we have also conducted an in-depth review of our operating model and we have committed to a project which will see us focus on efficiency and effectiveness. The result of this work, outlined in the 2018-2023 Plan, is a more streamlined organisation – already in place - and a focus on cost control and service quality.*

[1] Gross Merchandise Volume: it includes revenues from the sale of products, deliveries and the volume generated by the 3PMarketplace, net of returns and VAT included. It excludes Infocommerce and B2B.

We must not forget market share growth, but we want to build a company able to generate profits also in weaker than expected market conditions like those registered last year and which allows us to double GMV and Revenues, to reach Ebitda of between 5% and 6%, generating positive cash flows from 2019. The growth drivers for the next few years confirm the growth of the marketplace which, in 2017, grew by 44% and which becomes a central element in meeting the demand for products which is not driven by service. For the "core" categories, we confirm the development of the local installation and assistance network and the growth of premium services.

I would like to thank, on behalf of the Board of Directors as well, Pietro for the important contribution he has given in this period, during which he steered the company through a refocusing process and achieved two important disposals, Banzai Media and Saldiprivati, at top multiples vs peers. I am back, with renewed enthusiasm, to a fully operative role in ePRICE, to lead a team of great value and to drive an acceleration towards profitability."

2018-2023 Strategic Guidelines

ePRICE's Board of Directors has approved the updated guidelines of ePRICE's strategic plan, which is based on strong organic growth in large domestic appliance sales, on the strong growth of the marketplace and on the opening of our proprietary platform to new services, targeting Italian consumers and their families.

The 2018-2023 strategic plan confirms and updates the 4 strategic guidelines outlined in the plan presented to the market in November 2016:

- **Leadership in the "Core" categories (Large Domestic Appliances, TVs and air conditioners) based on a 1st party approach.** ePRICE expects to more than double its sales of the "Core" categories, also increasing its importance to the brands, with positive effects on profitability and by exploiting service leverage, a distinctive factor of ePRICE. The new logistics centre, which entered operation in Q3 17, increased available capacity by 50%.
- **Expansion of the Marketplace**, also thanks to the more marked shift of the categories uncoupled from service and the introduction of new categories. The penetration of the marketplace on the GMV of these categories - therefore excluding "core" categories, is destined to reach 50%.
- **Strengthening of the Pick&Pay network**, which currently covers around 92% of the population and has a Net Promoter Score (NPS)[2] of around 80 (best sales channel according to this criterion). The Pick&Pay channel has proved to be a customer retention factor, fuelling repeat purchases thanks to the possibility for the customer to benefit from free delivery. It is also a profitability driver on logistics costs, now that it has reached saturation as a channel.
- **Gradual growth of ePRICE as a Service platform** to complete the existing offering of products in the Core categories (**Large Domestic appliances, TVs and air conditioners** and, looking forward, Smart Home products), but also as a maintenance and repair services platform, leveraging the existing installers network. The Home Service platform, with a Net Promoter Score of around 70, is in fact proving to be an extremely effective customer retention factor. The aim is to double the installers network from around 600 at present to reach an MDA attach rate of around 40%.

Main Economic and Financial Targets

The strategy described above will allow ePRICE to achieve its **FY18 medium-term objectives**:

FY 2018:

- **Mid-single digit growth of GMV,** thanks to strengthening of the leading position in Service-driven categories and solid growth of the Marketplace. Slight decrease in revenues, linked to the shift of some categories to the marketplace, where revenues are accounted for on a commission basis and IFRS 15 accounting for warranties.

[2] The Net Promoter Score (or NPS) is calculated by subtracting the percentage of detractors from the percentage of promoters obtained.

- **Significant improvement in EBITDA,** accelerating in the second semester, also thanks to a more streamlined organisation and a plan of efficiencies which is already underway equal to 15-20% of the cash costs base.
- **Positive NFP at year-end.**

2018-23 Plan:

- **Doubling of GMV and Revenues, driven by Large Domestic Appliances, Services and 3P Marketplace.**
- **Ebitda margin at 5-6% in the medium-term** thanks to the plan of efficiencies implemented in 2018, strong growth in the MDA and increased penetration of the Marketplace and Services.
- **EBITDA and Operating Cash Flow break even in 2019.**
- **Positive cash flows in 2019, including potential earn-outs, in 2020** on an organic basis.
- **Up to Euro 18 million cash-in in the 2018-19 period** from the disposals and earn-outs on the sales of BMH and Saldiprivati.

Main trends in the ePRICE reference market

ePRICE's reference market - Tech&Appliance online - is estimated at around Euro 1.8 billion in 2017[3] for the online component, representing 12% of a total retail market (offline + online) of Euro 14 billion, marking growth of close to 10% in 2017 and is below the expectations. Forecasts now indicate growth that will almost double by 2023, recovering the delay accumulated in 17 and 18, reaching a value of Euro 3.4 billion. The market could expand further, to around Euro 0.6-0.8 billion, again by 2023, thanks to the new Smart Home products (smart thermostats, security systems, energy monitoring, etc.). It should be pointed out that service, integrated with a strong logistics component, also allows ePRICE to look to other markets, closer in terms of customer needs, such as the domestic appliance repairs and maintenance market which is currently highly fragmented and completely offline. It is estimated that this market is worth around Euro 4.9 billion[4], and that a share of over Euro 1 billion could gradually open up to online in 2023.

Results as at 31 December 2017

Revenues and GMV

(Euro million)	FY17	FY16	Change %
Revenues	**188.7**	**197.9**	***-4.6%***
Total GMV[1]	**253.3**	**254.5**	**-0.4%**

In FY17, ePRICE reported revenues of Euro 188.7 million with a performance down 4.6% compared to 2016, net of the Vertical Content and Saldiprivati divisions, sold in 2016.

The Marketplace continued to grow significantly (+44%YoY in FY17), leading to a GMV – which represents customers' actual spending on our e-Commerce sites and on the marketplace - amounting to Euro 253.3 million, essentially in line with 2016. The weight of the Marketplace, launched in 2Q15, reached approximately 15% of the GMV, compared to 10% of the GMV[1] in 2016 and 5.6% in 2015.

The performance in 2017 was affected by the SAP migration completed in February, and an unfavourable calendar in April. Starting from the third quarter, the growth in revenue was negative, as a partial result of the more marked shift of some categories towards the marketplace; the fourth quarter was confirmed as especially weak in terms of revenues and GMV, despite the brilliant results achieved in the "Black Friday" period. This negative trend was also a consequence of the slowdown in market growth in the period. In FY17, the trend in

[3] ePRICE processing of data from GFK, Forrester and other sources
[4] ePRICE processing of estimates of ASAP, Findomestic and Assolombarda 2016

the Tech and Appliance online market was actually below the expectations, despite the intense promotional activities of all operators and growth of the online segment down by more than half compared to 2016, equal to +9.6% YOY, with respect to +15/+16% predicted at the start of the year.

However, in 2017, ePRICE's "core" categories (Major Domestic Appliances, TVs and Clima) made a more significant contribution in terms of revenues with respect to the other categories (Electronics, TLC, Components and other) at both market level and for ePRICE. ePRICE's market share of the "core" categories was sustained by the development of "premium" services (warranty, delivery, installation and recycling).

Starting from the third quarter, ePRICE intensified the focus of its first party offer on the products in the "core" categories (MDAs, TVs and Clima), with a more marked shift towards the marketplace for the remaining categories. This action involved a slowdown in revenues, in favour of more marked growth of the GMV, with a subsequent widening of the performance gap between the two in 2018, then realigning with one another in 2019.

Revenues and GMV by product type

Revenues (Euro million)	4Q17	4Q16	% Change
Electronic Goods and Domestic Appliances & Other Products	49.7	64.6	-23.1%
Services/Other revenues[3]	5.9	6.1	-3.5%
Revenues	**55.5**	**70.7**	***-21.4%***

GMV[5] (Euro million)	4Q17	4Q16	% Change
Electronic Goods and Domestic Appliances & Other Products	72.3	88.3	-17.8%
Services/Other GMV[6]	2.3	2.9	-20.8%
GMV	**74.9**	**91.2**	***-17.9%***

Revenues (Euro million)	FY17	FY16	% Change
Electronic Goods and Domestic Appliances & Other Products	171.0	108.8	-5.4%
Services/Other revenues[3]	17.7	17.1	3.8%
Revenues	**188.7**	**197.9**	***-4.6%***

GMV[2] (Euro million)	FY17	FY16	% Change
Electronic Goods and Domestic Appliances & Other Products	245.8	246.5	-0.2%
Services/Other GMV[7]	7.5	8.0	-7.0%
GMV	**253.3**	**254.4**	***-0.4%***

In 2017, ePRICE recorded Euro 188.7 million in revenues, of which Euro 171.0 million from product sales. The performance in 2017 was affected by the already mentioned SAP migration completed in February, and an unfavourable calendar in April. The fourth quarter was confirmed as especially weak in terms of revenues and GMV, despite the brilliant results achieved in the "Black Friday" period. This negative performance is the result of both a further slowdown in the market growth in the period (particularly in October), and the already mentioned transition to the Marketplace. The latter continued to grow considerably also in the fourth quarter (+26.5%). It should also be underlined that intense promotional activities continued, especially on the part of some traditional "retailers".

In the second half of the year, ePRICE's "core" categories (MDAs, TVs and Clima) registered better performances than the other categories (Electronics, TLC, Components and other) at both market level and for ePRICE. ePRICE's market share of the "core" categories was sustained by the development of "premium" services (warranty, delivery, installation and recycling). In 2017, the number of installations of large domestic appliances rose by 51% compared to 2016.

[5] Gross Merchandise Volume: it includes revenues from the sale of products, deliveries and the volume generated by the 3PMarketplace, net of returns and VAT included.
[6] Revenues from services include transportation services, warranties, B2B revenues and other revenues. The GMV of services does not include B2B, advertising/Infocommerce. Revenues from warranties were reclassified as revenues from services for the entire year.
[7] Revenues from services include transportation services, warranties, B2B revenues and other revenues. The GMV of services does not include B2B, advertising/Infocommerce. Revenues from warranties were reclassified as revenues from services for the entire year.

Revenues from Services and Other revenues, which also include warranties, rose compared to 2016 (+3.8% YoY), offsetting a lower contribution from transport revenues, reduced by intense promotional activities and a promotional policy which favoured promotions on transport (free-shipping) over lower discount vouchers with respect to 2016. The Home Service continues to obtain an extremely high NPS, which returned to elevated levels (68) in the weeks following the relocation of the warehouse and continues to represent an important lever for differentiation and a market share driver.

It should be noted that the Home Service represents a series of installation and waste recycling services, integrated with ePRICE's proprietary mobile platform and accessible via smartphone apps. Home Service enables our customers to interact continuously with ePRICE from the purchase phase through to installation in their homes. The Home Service concept is also the central focus of a TV campaign launched on 23 September 2016. The TV campaign was only broadcast in May and June in 2017, but was back on air at the end of October 2017, with a campaign on various media, including radio for the first time.

As at 31 December 2017, **the Pick&Pay and Lockers network**, a network unique to the Italian market, stood at 134 and 309 (133 and 190 as at 30 September 2017). In December 2016, the Pick&Pay delivery services were also opened to Marketplace merchants and since July 2017 ePRICE started offering free delivery for ePRICE customers who choose this delivery option, for products under 20kg.

In 2017 GMV was essentially stable with respect to 2016, sustained partly by the performance of the **Marketplace, which reached around 1,500 "merchants" and achieved growth of 44% in the year**, driven by growth in the electronic goods and mobile phone segment and, from the second half, by the already mentioned accelerated migration of some categories towards the marketplace. Note that the GMV does not include Infocommerce or Advertising services, which recorded notable growth. In addition, as mentioned above, delivery revenues fell as a result of a different mix between free-shipping vs discount vouchers, which saw free-shipping prevail with respect to the previous year.

(Key Performance Indicators)

Key Performance Indicators[8]	4Q17	4Q16	% Change
Orders (thousand)	293	332	*-12%*
AOV (euro)[9]	210	225	*-7%*
Buyers (thousand)[10]	221	238	*-7%*

Key Performance indicators[5]	FY17	FY16	% Change
Orders (thousand)	919	962	*-4.4%*
AOV (Euro)	225	217	*+3.9%*
Buyers (thousand)	573	563	*2.0%*

In 2017 we managed 919 thousand orders, with an average value (AOV) of Euro 225, up around 4%, mainly due to the mix in favour of "core" and high-ticket categories. Finally, the number of buyers totalled 573 thousand, up by around 2.0% compared to 2016, with growth of 7% in terms of new customers.

Gross Profit was Euro 27.7 million, down -8.1% compared to the previous year and equal to 14.7% of sales for the period compared to 15.3% in 2016.

The trend in profit margin benefits from the contribution of the marketplace and Infocommerce and advertising activities. This benefit was more than offset by heavy competitive pressure, in a market context that has witnessed a slowdown in growth compared to 2016, and which led to significant promotional activities and Free Shipping. In addition, 2017 recorded an increase in returns due to damaged products related to the large domestic appliance category which negatively impacted gross profits, also through inventory write-down. The phenomenon was particularly relevant in the second part of the year, also connected to the transfer of the warehouse to the new Truccazzano logistics centre. Lastly, profit margins in 2017 were also impacted by some opportunistic deals, connected in particular to the IT products category.

In 4Q17 alone, the gross margin stood at 14.7%, compared to 15.1% recorded in 2016, due among others to the worse price mix, and a greater incidence of free shipping.

[8] Including the 3P marketplace.
[9] Average value of each purchase order (excluding VAT).
[10] Buyers who placed at least 1 order in the reference period.

Adjusted EBITDA was Euro -14.0 million vs. Euro -8.5 million in the 2016 pro-forma figures. The variation is mainly attributable to the growth of +23.1% in sales and marketing costs and, to a lesser extent, the increase of +3.8% in logistics costs and +28.6% in IT costs.

The increase in sales and marketing costs is also the result of the focus, particularly in 4Q17, on the **strengthening of the ePRICE brand in the medium/long-term**. This led to an increase in costs related to the TV campaign and, in the fourth quarter, also to the use, for the first time, of a Radio campaign connected to the "Black Hour". On top of this, we strengthened the marketing structure and, partly, increased costs for customer acquisition, in order to support GMV growth; lastly, the growing shift to "mobile" also had an impact. It should be noted that the costs of customer acquisition rose by around 0.3 percentage points in terms of percentage of GMV, nonetheless less than expected.

The increase in logistics costs is related to ePRICE's growth in the domestic appliance category, while the rise in IT costs compared to the previous year is connected with the implementation of the new company ERP system with the associated maintenance costs.

General and administrative expenses fell compared to the previous year, thanks in particular to the greater contribution of research and development activities in relation to 2016 amounting to Euro 1.6 million, compared to Euro 1 million recorded in the previous year. Net of the above, general and administrative expenses fell slightly by -0.7% compared to the previous year.

EBITDA came to Euro -15.3 million (Euro -9.7 million in 2016) and includes non-recurring costs connected to the Stock Options Plan for roughly Euro 0.4 million and Euro 0.9 million linked to support for the initial phases of implementation of the migration of the new ERP system to SAP, and the relocation of goods to the new Truccazzano logistics centre.

EBIT was Euro -22.8 million (Euro -14.0 million in 2016) due to the lower EBITDA and higher amortisation/depreciation. The latter rose by 77% compared to 2016, especially due to the significant investments made in 2016 and 2017 to boost growth and for the implementation of the new company ERP system. Amortisation/depreciation was registered in September relating to investments in equipment and tangible assets for the new Truccazzano logistics centre.

EBT from continuing operations stood at Euro -24.4 million (Euro -14.7 million in 2016).

The Net loss stood at Euro -24.8 million (Euro 10.1 million in 2016) and includes the positive contribution linked to the earn-out already accrued as a result of the verification of certain conditions provided for in the contract for the transfer of the Vertical Content division to the Mondadori Group and collected in April 2017. By contrast, 2016 benefitted from the results of discontinued activities for Euro 24.8 million, including the capital gain on the sale of Banzai Media and Saldiprivati. This positive contribution was offset by an expense of Euro 1.0 million for the year, represented by the partial cancellation of deferred tax assets recorded in previous years.

The Group recorded a Net Cash Position of Euro 21.3 million as at 31 December 2017. The variation with respect to 31 December 2016 derives mainly from the resources absorbed by operational management for Euro 15.1 million and the investment activities described previously totalling Euro 14.8 million. Financing activities absorbed resources of Euro 3.6 million, in particular due to the payment of dividends totalling Euro 5.2 million, partially offset by the obtainment of a loan of Euro 4 million, expiring in 24 months, and the share capital increases following the exercising of warrants.

During the period, the Group continued to invest in improving the quality of services offered to customers, in existing processes and in platform components to make them scalable for increasing volumes. The company continued with the development of the platform for the management of specialist local services connected to the world of domestic appliances (MDA), the construction/activation of the premium delivery network and professional installations. **Investments** mainly concerned new management platforms like the new WMS, which allows even more proactive management of the whole logistics function. The Group further invested in the new Group ERP system, which entered into operation in the first quarter of 2017, despite the fact some evolutionary development activities were performed at the same time as its launch. Property, plant and equipment largely related to equipment and furnishings for a new logistics centre.

Main results of the Parent Company ePRICE S.p.A. as of 31 December 2017

Revenues of the Parent Company as of 31 December 2017 amounted to Euro 3.0 million compared to Euro 2.8 million in 2016 and mostly relate to recharges to group companies or companies that left the group during the year. EBITDA was Euro -5.1 million and improved by Euro 0.5 million compared to 2016 mainly due to lower service costs. Operating profit (EBIT) was impacted by the notable increase in amortisation/depreciation of Euro 1.4 million and the entry into operation of the new group ERP system. Net profit benefitted from the earn-out pertaining to 2017, relating to the transfer of the Vertical Content segment.

Subsequent Events

CEO Pietro Scott Jovane Resigns

The Board of Directors of ePRICE SPA informs that the Chief Executive Officer Pietro Scott Jovane has decided to resign with effect from April 15, 2018, to take on a new professional challenge. The Board of Directors of ePRICE S.p.A. has accepted his resignation. To date, Pietro Scott Jovane holds n. 14,000 Company shares and 975,000 stock options.

Pietro Scott Jovane led the Company through a period of rationalization and refocus in which Banzai group became ePRICE, achieving notably two major divestments, Banzai Media and Saldiprivati, which were made at the top of the multiples of the reference peer group and started the process, launched in 2017, aimed at consolidating the leadership position in the online major domestic appliance market.

The Board of Directors thanks Pietro Scott Jovane for his leadership during these years and for driving the Company through the transformation process. The Board of Directors has granted all management powers to the Chairman, Paolo Ainio, who also assumes the position of Chief Executive Officer.

The agreement with Pietro Scott Jovane was approved by the Company's Board of Directors, with the favorable opinion of the Remuneration Committee, the Related Parties Committee and the Board of Statutory Auditors. Under the agreement, Mr. Jovane will retain n. 975,000 stock options already accrued on the last day with the company.

The Board of Directors verifies that the independent directors meet the independence requirements

The Board of Directors has assessed the independence of the Independent Directors appointed by the Shareholders' Meeting of 14 April 2016 and 20 December 2016. Based on the statements made by the Directors and the information available to the Company, Directors Roland Berger, Chiara Burberi and Serenella Rossano were found to meet the independence requirements pursuant to art. 148, paragraph 3, of Law Decree no. 58/1998 (the "Consolidated Finance Act") as provided in art.147 ter, paragraph 4, of the Consolidated Finance Act, and application criterion no. 3 of the Corporate Governance Code of Borsa Italiana (Italian Stock Exchange).

Convening of Ordinary Shareholders' Meeting

The Board of Directors resolved to convene the ordinary Shareholders' meeting on **17 April 2017 at 15:00 CET**, **in a single call**, in order to resolve upon the appointment of a new Board member, the approval of the financial statements as of 31 December 2017, the first section of the Remuneration Report provided by Article 123-ter, Paragraph 3 of Legislative Decree no. 58/1998 and the approval of a stock grant program.

For further information please refer to the relevant Directors' Report on the items on the agenda.

The documentation required by applicable laws in relation to the items and proposals on the agenda will be made available to the public, by the legally required deadlines, at the Company's registered offices at Via San Marco 29, Milan and at Borsa Italiana S.p.A.. Shareholders may view and obtain copies of the above documentation, which will also be made available, by the legally required deadlines, on the Company's website corporate.eprice.it.

The Executive Officer in charge of preparing the corporate accounting documents, Emanuele Romussi, declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Finance Act, that the accounting information contained in this press release is in keeping with the underlying accounting documents, records and accounting entries.

***

The press release is available on the websites corporate.eprice.it and www.1info.it.

***

FY17 RESULTS AND BUSINESS PLAN GUIDELINES UPDATE CONFERENCE CALL: MARCH 9TH, 12.00 CET

ePRICE reminds that a conference call is scheduled tomorrow - March 9th - at 12.00 CET to discuss FY17 results and updated business plan targets.

To join the conference call, please dial one of the following numbers:

Analysts and Investors

- Italy: +39 02 802 09 11
- UK: +44 1 212818004
- USA (local international number): +1 718 7058796
- USA (toll-free number): 1 855 2656958

Media

- +39 02 8020927

A Replay Service will be available until March 17th:

- ITALY: +39 02 72495
- UK: +44 1 212 818 005
- USA: +1 718 705 8797
- code: 908#

The presentation can be downloaded prior to the start of the conference call from the Investor Relations / Results and Presentations section of the website corporate.eprice.it

***

ePRICE (previously BANZAI) is the leading e-Commerce platform in Italy. Founded by Paolo Ainio and listed on the STAR segment of the Italian Stock Exchange since 2015, it changed its name from BANZAI to ePRICE on 30 January, 2017. ePRICE is one of the leading Internet companies in Italy with revenues of Euro 189 million and a GMV[11] (Gross Merchandise Volume) of Euro 253 million in 2017. ePRICE is one of the main online stores in Italy specialized in high-tech products (electronic goods) and is the Italian e-Commerce leader in the segment of large domestic appliances. ePRICE launched in 2016 the Home Service Mobile Platform to manage premium delivery and installation services, which covers around 14 million Italians. ePRICE has a network of 134 Pick&Pay locations in 109 cities, which combine the advantages of buying online and the convenience and security of a proximity shop.

For more details:

ePRICE S.p.A.
Micaela Ferruta
Head of Investor Relations and Strategic Planning
+39 02.30315400
investor.relations@eprice.it

Community Strategic Communication Advisers
Marco Rubino di Musebbi
Media Relations
Tel. +39 0289404231
marco@communitygroup.it

[11]Gross Merchandise Volume: it includes revenues from the sale of products, deliveries and the volume generated by the 3PMarketplace, net of returns and VAT included.

ePRICE Consolidated Statements

ePRICE Reclassified Consolidated Income Statement

(thousands of Euros)	As at 31 December 2017	% of total revenues	As at 31 December 2016	% of total revenues	% Change
Total revenues	188,715	100.0%	197,894	100.0%	-4.6%
Cost of sales	(160,986)	-85.3%	(167,707)	-84.7%	-4.0%
Gross profit	27,729	14.7%	30,187	15.3%	-8.1%
Sales and marketing costs	(13,589)	-7.2%	(11,038)	-5.6%	23.1%
Logistics costs	(19,688)	-10.4%	(18,962)	-9.6%	3.8%
IT costs	(1,818)	-1.0%	(1,414)	-0.7%	28.6%
General and administrative expenses	(6,590)	-3.5%	(7,274)	-3.7%	-9.4%
Adjusted EBITDA	(13,957)	-7.4%	(8,501)	-4.3%	64.2%
Non-recurring costs and income and stock option plans	(1,347)	-0.7%	(1,223)	-0.6%	10.1%
EBITDA	(15,303)	-8.1%	(9,724)	-4.9%	57.4%
Depreciation, amortisation and impairment	(7,529)	-4.0%	(4,259)	-2.2%	76.8%
EBIT	(22,833)	-12.1%	(13,983)	-7.1%	63.3%
Net financial expenses	95	0.1%	34	0.0%	179.4%
Share of the result pertaining to associates	(1,674)	-0.9%	(79)	0.0%	2,019.0%
Write-downs of financial assets	-		(668)		
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(24,412)	-12.9%	(14,696)	-7.4%	66.1%
Income taxes	(1,023)		(18)		
Net profit (loss) from discontinued operations	685		24,782		N/A
NET PROFIT (LOSS)	(24,750)	-13.1%	10,068	5.09%	N/A

ePRICE Consolidated Income Statement

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016[12]
Revenues	192,567	205,398
Other income	3,152	2,280
Costs for raw materials and goods for resale	(158,207)	(166,297)
Costs for services	(43,532)	(40,669)
Personnel expenses	(8,916)	(9,852)
Depreciation, amortisation and impairment	(7,529)	(4,259)
Other fees	(368)	(584)
Operating profit (loss)	(22,833)	(13,983)
Financial expenses	(87)	(182)
Financial income	182	216
Share of the result pertaining to associates	(1,674)	(79)
Write-downs of financial assets	0	(668)
Profit (loss) before tax from continuing operations	(24,412)	(14,696)
Income taxes	(1,023)	(18)
Profit (loss) from continuing operations	(25.435)	(14,714)
Net profit (loss) from discontinued operations	685	24,782
Profit (loss) for the period	(24,750)	10,068

ePRICE Reclassified Statement of Consolidated Assets and Liabilities

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016
USES		
Net Working Capital	(5,452)	(4,356)
Fixed assets	40,996	33,554
Long-term assets	8,992	9,996
Personnel fund	(2,024)	(2,131)
Long-term liabilities	(438)	(396)
Net invested capital	**42,074**	**36,667**
SOURCES		
Net Financial Liquidity/Debt	21,340	56,176
Net Equity	(63,414)	(92,843)
TOTAL FUNDING SOURCES	**(42,074)**	**(36,667)**

12 restated pursuant to IFRS 5

ePRICE Consolidated Statement of Assets and Liabilities

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016
NON-CURRENT ASSETS		
Plant and equipment	7,788	3,013
Intangible assets	28,560	26,853
Investments in associates	2,278	2,468
Non-current financial assets	2,370	1,220
Other non-current assets	292	273
Deferred tax assets	8,700	9,723
TOTAL NON-CURRENT ASSETS	**49,988**	**43,550**
CURRENT ASSETS		
Inventories	20,270	22,092
Trade receivables and other receivables	8,908	9,798
Other current assets	14,680	12,285
Cash and cash equivalents	21,094	54,711
TOTAL CURRENT ASSETS	**64,952**	**98,886**
TOTAL ASSETS	**114,940**	**142,436**
LIABILITIES AND NET EQUITY		
NET EQUITY		
Share capital	826	821
Reserves	87,338	81,954
Profit (loss) for the year	(24,750)	10,068
TOTAL NET EQUITY	**63,414**	**92,843**
NON-CURRENT LIABILITIES		
Payables to banks and other lenders	536	126
Personnel funds	2,024	2,130
Provisions for risks and charges	360	360
Other non-current liabilities	78	37
TOTAL NON-CURRENT LIABILITIES	**2,998**	**2,653**
CURRENT LIABILITIES		
Trade and other payables	37,737	36,874
Payables to banks and other lenders	2,095	109
Other current liabilities	8,696	9,957
TOTAL CURRENT LIABILITIES	**48,528**	**46,940**
TOTAL LIABILITIES	**51,526**	**49,593**
TOTAL LIABILITIES AND NET EQUITY	**114,940**	**142,436**

ePRICE Consolidated Net Financial Position

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016
(A) Cash	(150)	(243)
(B) Other cash and cash equivalents	(20,944)	(54,468)
(C) Stocks held for trading	-	-
(D) Liquidity (A)+(B)+(C)	**(21,094)**	**(54,711)**
(E) Current financial receivables	(2,877)	(1,700)
(F) Current financial payables	-	-
(G) Current portion of non-current debt	2,001	-
(H) Other current financial payables	94	109
(I) Current financial debt (F)+(G)+(H)	**2,095**	**109**
(J) Net current financial liquidity/debt (D)+(E)+(I)	**(21,876)**	**(56,302)**
(K) Non-current bank payables	501	-
(L) Bonds issued	-	-
(H) Other non-current payables	35	126
(N) Non-current financial debt (K)+(L)+(M)	536	126
(O) Net Financial Liquidity/Debt (J)+(N)	**(21,339)**	**(56,176)**

ePRICE Consolidated Cash Flow Statement

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016[13]
Net result from operations	(25,435)	(14,714)
Depreciation and Amortisation	6,922	4,105
Bad debt provision	606	155
Employee benefit fund provision	326	544
Inventory write-down	150	276
Employee benefit fund change	(620)	(394)
Change in deferred tax assets and liabilities	1,023	17
Share of the result pertaining to associated companies	1,674	79
Impairment losses on non-current assets	0	668
Change in other non-current liabilities	41	35
Other non-monetary items	391	455
Changes in working capital		
Change in inventories	1,672	(6,853)
Change in trade receivables	283	(4,787)
Change in other current assets	(1,763)	(1,291)
Change in trade payables	863	12,263
Change in other payables	(1,262)	1,282
NET CASH FLOW GENERATED BY OPERATIONS	**(15,129)**	**(8,160)**
NET CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of tangible assets	(6,155)	(1,370)
Disposal of tangible assets	14	24
Change in other non-current assets	(18)	(121)
Acquisition of intangible assets	(7,263)	(6,219)
Provision of financing	(1,150)	(270)
Purchase of associates	(1,484)	(1,499)
Other investments	0	(2,150)
Cash flow from discontinued operations	1,230	52,228
NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	**(14,826)**	**40,623**
CASH FLOW FROM FINANCING ACTIVITIES		
Financial payables	2,397	(8,539)
Share capital increase	1,045	
Current financial receivables	(1,177)	(962)
Treasury shares	(675)	(1,794)
Dividends	(5,252)	
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	**(3,662)**	**(11,295)**
(Decrease)/Increase in cash and cash equivalents	(33,617)	21,168
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**54,711**	**33,543**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**21,094**	**54,711**

[13] restated pursuant to IFRS 5

ePRICE S.p.A – 2017 figures

ePRICE S.p.A Income Statement

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016[14]
Revenues	3,026	2,826
Other income	291	7
Costs for raw materials and goods for resale	(39)	(45)
Costs for services	(5,660)	(5,864)
Personnel expenses	(2,549)	(2,355)
Depreciation, amortisation and impairment	(1,376)	(415)
Other fees	(202)	(236)
Operating profit (loss)	**(6,509)**	**(6,082)**
Financial expenses	(13)	(84)
Financial income	0	43
Share of the result pertaining to associates	(1,377)	0
Profit (loss) before tax from continuing operations	**(7,898)**	**(6,123)**
Income taxes	(1,023)	0
Profit (loss) from continuing operations	**(8,921)**	**(6,123)**
Net profit (loss) from discontinued operations	686	11,718
Profit (loss) for the period	**(8,236)**	**5,596**

ePRICE S.p.A. Reclassified Statement of Consolidated Assets and Liabilities

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016
USES		
Net Working Capital	3,319	2,582
Fixed assets	86,090	61,189
Long-term assets	5,109	6,130
Personnel fund	(286)	(267)
Long-term liabilities	(437)	(397)
Net invested capital	**93,975**	**69,237**
SOURCES		
Net Financial Liquidity/Debt	5,813	43,097
Net Equity	(99,608)	(112,334)
TOTAL FUNDING SOURCES	**(93,795)**	**(69,237)**

14 restated pursuant to IFRS 5

ePRICE S.p.A Statement of Consolidated Assets and Liabilities

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016
NON-CURRENT ASSETS		
Plant and equipment	910	1,109
Intangible assets	3,731	2,604
Equity investments	45,991	32,317
Non-current financial assets	35,458	25,158
Other non-current assets	15	14
Deferred tax assets	5,093	6,116
TOTAL NON-CURRENT ASSETS	**91,199**	**67,319**
CURRENT ASSETS	-	
Trade receivables and other receivables	3,298	798
Other current assets	3,031	4,052
Cash and cash equivalents	8,418	43,260
TOTAL CURRENT ASSETS	14,747	48,109
TOTAL ASSETS	**105,946**	**115,428**
LIABILITIES AND NET EQUITY	-	
NET EQUITY		
Share capital	826	821
Reserves	107,017	105,919
Profit (loss) for the year	(8,236)	5,596
TOTAL NET EQUITY	**99,608**	**112,335**
NON-CURRENT LIABILITIES		
Payables to banks and other lenders	537	96
Personnel funds	286	267
Provisions for risks and charges	360	360
Other non-current liabilities	78	37
TOTAL NON-CURRENT LIABILITIES	**1,260**	**760**
CURRENT LIABILITIES		
Trade and other payables	1,950	1,331
Payables to banks and other lenders	2,068	67
Other current liabilities	1,060	936
TOTAL CURRENT LIABILITIES	**5,078**	**2,334**
TOTAL LIABILITIES	**6,338**	**3,093**
TOTAL LIABILITIES AND NET EQUITY	**105,946**	**115,428**

ePRICE S.p.A Statement of Net Financial Position

(In thousands of Euros)	As at 31 December 2017	As at 31 December 2016
(A) Cash	-	(1)
(B) Other cash and cash equivalents	(8,418)	(43,259)
(C) Stocks held for trading	-	-
(D) Liquidity (A)+(B)+(C)	**(8,418)**	**(43,260)**
(E) Current financial receivables	-	-
(F) Current financial payables		
(G) Current portion of non-current debt	2,001	-
(H) Other current financial payables	67	67
(I) Current financial debt (F)+(G)+(H)	**2,068**	**67**
(J) Net current financial liquidity/debt (D)+(E)+(I)	**(6,350)**	**(43,193)**
(K) Non-current bank payables	501	-
(L) Bonds issued	-	-
(H) Other non-current payables	35	96
(N) Non-current financial debt (K)+(L)+(M)	**536**	**96**
(O) Net Financial Liquidity/Debt (J)+(N)	**(5,814)**	**(43,097)**

ePRICE S.p.A Cash Flow Statement

(thousands of Euros)	As at 31 December 2017	As at 31 December 2016[15]
NET CASH FLOW FROM OPERATIONS		
Profit (loss) for the year	(8,921)	(6,280)
Adjustments to reconcile profit for the year with cash flow generated by operations:		
Depreciation and Amortisation	1,339	371
Bad debt provision	36	43
Employee benefit fund provision	116	109
Employee benefit fund change	(98)	(65)
Change in deferred tax assets and liabilities	1,023	0
Other non-monetary items	341	394
Share of the result pertaining to associated companies	1,377	157
Change in other non-current liabilities	41	37
Changes in working capital		
Change in trade receivables	(2,537)	38
Change in other current assets	1,021	1,139
Change in trade payables	619	(55)
Change in other payables	124	487
NET CASH FLOW GENERATED (ABSORBED) BY OPERATIONS	**(5,519)**	**(3,625)**
NET CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of tangible assets	(71)	(1,051)
Disposal of tangible assets	14	0
Change in other non-current assets	(3)	7
Acquisition of intangible assets	(2,209)	(1,007)
Provision of financing	(25,300)	(480)
Repayments of financing	0	0
Cash flow from discontinued operations	686	29,857
Other investments	0	(2,150)
NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	**(26,883)**	**25,176**
CASH FLOW FROM FINANCING ACTIVITIES		
Financial payables	2,442	(7,707)
Share capital increase	1,045	
Treasury shares	(675)	(1,794)
Dividends paid	(5,252)	
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	**(2,440)**	**(9,501)**
(Decrease)/Increase in cash and cash equivalents	(34,842)	12,051
Net exchange rate differences on cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	**43,260**	**31,209**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8,418**	**43,260**

[15] restated pursuant to IFRS 5