

BANZAI: THE BOARD OF DIRECTORS APPROVES THE RESULTS AS AT 31 MARCH 2015

- **Significant revenue growth**
 - +20% in 1Q15 vs. 1Q14 (€49.7 million compared with €41.3 million 1Q14) compared with the +12%¹ growth recorded in 1Q14 over 1Q13
 - E-Commerce revenues +21% (€44.7 million compared with €36.8 million in 1Q14)
 - Vertical Content revenues +12% (€5.0 million compared with €4.5 million in 1Q14)
- **FY2015 outlook: growth of approximately 25% in revenues in line with the consensus²**

Milan, 14 May 2015

The Board of Directors of Banzai, Italy's first e-Commerce platform and one of the largest Italian digital publishers, listed on the STAR segment of the Italian Stock Market, approved the Interim Report as at 31 March 2015.

Paolo Ainio, Chairman and CEO of Banzai, stated: *"The positive results of the first quarter of 2015, specifically the 30% growth recorded in March, demonstrate the effectiveness of the growth strategy announced during the IPO. In 2015, the resources from the listing will enable us to accelerate the growth process and achieve our strategic objectives: specifically, we expect to significantly outperform the market and increase our market share in both e-Commerce and digital advertising. With regard to e-Commerce, we are aiming to develop high ticket products (appliances and electronics) of the 3P Marketplace (reaching 200 suppliers already in the second quarter) and the Pick&Pay points and Lockers distribution network. Under the scope of private sales, the launch of Vico42 – the e-Commerce website dedicated to men - will be followed in the second quarter by the new vertical dedicated to Mothers. In this context, we believe that the results for FY 2015 will be in line with the consensus which predicts revenue growth of around 25%."*

Main consolidated results as at 31 March 2015

Revenues stood at €49.7 million, +20% compared with €41.3 million in 1Q14.

(€ million)	1Q15	1Q14	Change %
e-Commerce	44.7	36.8	+21%
Vertical Content	5.0	4.5	+12%
Revenues	49.7	41.3	+20%

With revenues of €44.7 million (up 21%), the e-Commerce division is the main driver of growth for the Group. The Vertical Content division, with revenues of €5.0 million, recorded 12% growth. The Group over-performed in the national e-commerce and digital advertising context and increased its market share.

e-Commerce (Revenues broken down by product type and KPI)

(€ million)	1Q15	1Q14	Change %	Key Performance Indicators	1Q15	1Q14	Change %
Electronics	19.9	16.8	+18%	Orders (thousands)	333	279	+19%
Appliances	9.3	5.3	+76%	AOV (Euro) ³	128	124	+3%
Apparel & Other	11.7	10.2	+14%	Buyers (thousands) ⁴	220	185	+19%
Services	3.8	4.5	-14%	Items per order (#)	2.2	2.3	-3%
Revenues	44.7	36.8	+21%				

The e-Commerce division recorded an increase of 26% in core categories (Electronics, Appliances, Apparel & Other) Specifically, Electronics revenues of €19.9 million rose 18%, while Appliances, reporting €9.3 million, grew 76% following the extension of the product range and the development of the "premium" delivery, installation and used goods collection services, in addition to the continued deployment of Pick&Pay points and Lockers, which reached 70 and 100, respectively, as at 31 March 2015 (66 and 90 as at 31 December 2014).

¹ Organic growth excluding revenues from the acquisition of the Terashop business unit.

² Source: S&P Capital IQ

³ Average amount of individual purchase orders (excluding VAT)

⁴ Buyers that placed at least one order during the reporting period.

There was also an improvement in the division's Key Performance Indicators: the total number of orders was 333,000, +19% [vs. 1Q14]; Average Order Value was €128, up 3% and the number of buyers reached 220,000, up 19%.

Vertical Content (KPI)

Key Performance Indicators (average monthly data) ⁵	Feb 2015	Feb 2014	Change %
Unique Monthly Visitors (000's)	18,327	17,254	+6%
Time Spent per Unique Monthly Visitor (minutes, 000's) ⁶	27	21	+29%
Active Reach ⁷	64.5%	59.0%	+9%

The Vertical Content division also recorded an improvement in Key Performance Indicators: according to Audiweb, in February 2015, the audience of Monthly Unique Visitors stood at 18.3 million, +6% vs. February 2014; time spent per Monthly Unique Visitor was 27 minute, an increase of 29% compared with February 2014, the Active Reach stood at 64.5% (59.0% in February 2014).

Gross margin was equal to €10.2 million +7.5%, compared with €9.5 million in 1Q14, corresponding to a 20.6% margin, which as expected is below 23.0% in Q14.

Gross Margin for the e-Commerce division stood at 15.1% of revenues, the expected change since 1Q14 (17.1%) being attributed mainly to the effect of greater recourse to free shipping promotions aimed at accelerating revenue growth in core categories as confirmation of the strategy outlined in the IPO process. Notwithstanding this, there was an improvement in Gross Margin compared with 4Q14 (14.6%), which demonstrates the endurance of the gross profit trend.

The Gross Margin of the Vertical Content division stood at 68.7%, the change compared with 1Q14 (71.6%) and 4Q14 attributable to the increase in sales commission paid to media centres for their activities supporting revenue growth.

Adjusted EBITDA stood at -€0.9 million; the change compared with 1Q14 (€0.4 million) was affected mainly by greater sales and marketing costs (+34.9%) to acquire customers for the e-Commerce division and increased logistics costs (+25.3%) related to increased sales volumes of Appliances, where revenues increased by 76%. Other cost items recorded lower growth overall than the increase in revenues, confirming the good scalability of the operational structure. The increase in corporate general and administrative costs for Banzai S.p.A. (+24%) was mainly due to greater expenses related to the new corporate governance and control structure established following listing on the STAR segment of the Italian Stock Exchange.

EBITDA of -€1.7 million (€0.4 million in 1Q14) includes non-recurring costs of €0.8 million relating to incentives paid to employees and associates for achieving the target of listing.

EBIT totalled -€2.9 million (-€0.8 million in 1Q14) as a result of the lower EBITDA, with amortization and depreciation overall in line with 1Q14.

Pre-tax profit was -€3.0 million (-€1.0 million in 1Q14). Net financial expenses fell by 27.5% thanks to less recourse to financial debt given the use of proceeds from the listing.

The Group had a **Net Cash Position of €41.0 million**: the significant increase compared with 31 December 2014 (Net Cash Position of €0.8 million) is attributable to the inflow from the IPO, net of financial resources absorbed by investing activities (€4.4 million) and operational management (€4.2 million). This absorption is partly due to the Group strategy announced at the time of the listing which involves a strong acceleration in revenues and market share also thanks to greater investments in marketing and partly due to non-recurring expenses related to the IPO process (€0.8 million). During the quarter, the Group also repaid a €2.5 million loan which had reached maturity, reduced the use of short-term lines of credit and signed new medium/long-term loan agreements for a more efficient financial structure.

⁵ Audiweb Srl, powered by Nielsen, is the source of Unique Monthly Visitors, Time Spent and Active Reach; Google Analytics is the source of Page Views.

⁶ Time spent by each user on a specific web page.

⁷ % of active users who visited a site or used an application, over total internet users in Italy.

Investments mainly involved the purchase of hardware and equipment for the operational sites and logistics centre, the development of the marketplace platform and the development of the new ERP accounting and management system.

Other resolutions of the Board of Directors

The Board of Directors, on the proposal of the Remuneration Committee, approved the Regulation of the Stock Option Plan Banzai 2015-2019 (the "Plan") whose guidelines were approved during the Shareholders' Meeting of December 22, 2014.

The Plan aims to align the interests of the management with those of the Company and its shareholders, encouraging loyalty and favouring to stay within the Group.

The beneficiaries of the Plan are associates, directors, executives and employees of the Company and its subsidiaries (the "Beneficiaries") identified and named each time by the Board of Directors, after a proposal of the Remuneration Committee among the subjects included in the key people of the Company and its subsidiaries.

The Plan sets the free allocation of stock options (the "Options") that, under the conditions of the Regulation, to subscribe for newly issued Banzai shares. Each 1 assigned Option entitles the Beneficiary to subscribe for one share with standard dividend, in return for payment of the Strike Price.

The Plan provides for the allocation of a maximum number of 1,750,000 Options, in two tranches: the first tranche is made by 1,100,000 Options, the second by 1,650,000 Options. The Options may be exercised by the Beneficiaries in one or more tranches in relationship with the achievement of the performance targets set by the Board of Directors within each deadline specified in the Plan for each tranche.

The Stock Option Plan Banzai 2015-2019, expires on July 31, 2019, last deadline for the subscription of the capital increase to serve the Plan.

The right to exercise the Options is connected to the permanence of the relationship between the beneficiaries and the Company or its Subsidiaries.

The options are granted to the Beneficiaries on a personal basis and may not be transferred to another party, nor it will be possible to make, directly or indirectly, sales transactions, disposals and / or creation of collateral and / or other operations that have as their object or effect, directly or indirectly, the assignment or transfer to third parties, for any reason or in any form, of the Options, which will result in the loss of all rights.

The Board of Directors has also allocated the first tranche of options, in particular the 8 Key Management Personnel of the Company were granted a total of 470,000 Options.

The Plan will be available to the public at the registered office, on the company website www.banzai.it and on the authorized storage system 1Info (www.1info.it).

As set out in the Code of Conduct of listed companies, the Board of Directors verified the requirements of independence, required by the Code of Conduct of listed companies as well as the combined provisions of Articles 147-ter paragraph 4 and 148 paragraph 3 of the Consolidated Finance Act and, more generally, pursuant to existing articles of association and regulations, pertaining to the new Director, Stefano Quintarelli, appointed by the Shareholders' Meeting of 27 April. The findings were successful. The Board of Directors also confirmed Stefano Quintarelli as member of *Committee for control and risks and related parties* and Chairman of *Committee for remuneration*.

Business outlook

The Group expects increasing revenues for 2015 in both business areas and an increase in its share in the reference markets. The IPO proceeds will allow us to accelerate our growth, enabling us to achieve our strategic objectives. With regard to the e-Commerce business, growth in the reference product categories such as Appliances and Electronics is expected to accelerate. The development of the "3P Marketplace" will expand the range of products offered capable of satisfying an increasingly wider range of customers.

A rapid expansion of our Pick&Pay points and Lockers network is also expected in order to reach an increasingly larger portion of the national population.

Further growth acceleration will come from the new vertical under the scope of private sales dedicated to Men (Vico42, launched in March) and a new vertical under the scope of private sales, dedicated to Mothers.

As far as the Vertical Content business area is concerned, more contained growth is forecasted due to the general advertising market conditions, while still increasing market share thanks to the strategy of focusing on the vertical segments of Cooking, Women, Youth and News.



PRESS RELEASE

The Interim Financial Report as at March 31st, 2015 is available to the public at the registered office, on the company website www.banzai.it and on the authorized storage system 1Info (www.1info.it).

The Executive Officer Responsible for the preparation of the corporate accounting documents, Emanuele Romussi, declares, in accordance with Article 154-bis, paragraph 2 of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the underlying accounting documents, records and accounting entries.

This Press Release is available on the Company's website www.banzai.it and www.1info.it

Banzai is the number 1 Italian e-Commerce platform and one of the largest digital publishers in Italy. Founded by Paolo Ainio, one of the pioneers of Internet in Italy, Banzai today employs more than 440 professionals and is one of the leading Internet companies in Italy with revenues of €185 million in 2014. Every month, 18 million unique users visit Banzai's e-Commerce and media websites including, among others, ePRICE, SaldiPrivati, Giallo Zafferano, Pianeta Donna, Studenti, ilPost and Liquidia. ePRICE is one of the major Italian online stores, specialising in the sale of high-tech products (electronics) and large appliances. With over two million registered users, SaldiPrivati is one of the most important online outlets for clothing, shoes, accessories and household products. The two brands share a network of 70 Pick&Pay locations in 60 cities. These are pick-up and payment points that combine the advantages of online buying with the ease and security of a store on your doorstep. Due to its unique and innovative products, Banzai is a distribution channel for thousands of brands and a communications channel for over 450 advertising investors. The company is growing rapidly with a 100% focus on the growth of digital technology in our country.

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PRESS RELEASE

Banzai Group reclassified Income Statement

(€ thousand)	31 March 2015	%	31 March 2014	%	% Change
Total Revenue	49,732	100.0%	41,286	100.0%	20.5%
Cost of sales ⁸	(39,511)	-79.4%	(31,778)	-77.0%	24.3%
Gross Profit⁹	10,221	20.6%	9,508	23.0%	7.5%
Sales and marketing costs	(3,111)	-6.3%	(2,306)	-5.6%	34.9%
Content production costs	(1,557)	-3.1%	(1,467)	-3.6%	6.1%
Logistics costs	(2,748)	-5.5%	(2,193)	-5.3%	25.3%
IT costs	(1,017)	-2.0%	(842)	-2.0%	20.8%
General and administrative expenses	(1,857)	-3.7%	(1,642)	-4.0%	13.1%
Banzai S.p.A. general and administrative expenses ¹⁰	(824)	-1.7%	(662)	-1.6%	24.4%
Adjusted EBITDA	(891)	-1.8%	396	1.0%	n.m.
Non-recurring costs	(784)	-1.6%	0	0.0%	n/a
EBITDA	(1,675)	-3.4%	396	1.0%	n.m.
Depreciation, amortization and write-downs	(1,204)	-2.4%	(1,229)	-3.0%	-2.0%
EBIT	(2,879)	-5.8%	(833)	-2.0%	n.m.
Net financial expenses	(118)	-0.2%	(164)	-0.4%	-28.0%
Share of the result pertaining to associated companies	(27)	-0.1%	0	0.0%	n/a
Earnings Before Tax (EBT)	(3,024)	-6.1%	(997)	-2.4%	n.m.

⁸ The **Cost of sales** mainly includes the purchase cost of goods and the cost of some services including the cost of transport to customers, the cost of collection fees, agent's commission and sales commission and external publishing costs.

⁹ This is a measure used by the Issuer's management controls to monitor and assess its commercial performance. Gross profit is not identified as an accounting measurement either by the Italian GAAP or by international IFRS accounting standards and, therefore, should not be considered an alternative measurement for assessing the Group's business profit performance. Since the composition of gross profit is not regulated by the applicable accounting standards, the methods employed by the Group may not be consistent with those adopted by others and therefore are not comparable. The Group calculates gross profit as a percentage of revenue as the ratio of gross profit to total net revenue.

¹⁰ **Banzai S.p.A.'s general and administrative expenses** are the aggregate value of the following income statement items: intra-sectorial revenues, other income, cost of raw materials and goods, cost of services, personnel costs and other expenses, which cannot be allocated in the other sectors in which the Group operates, like the "Other" column in the sector information, prepared in accordance with IFRS 8.

Banzai Group Income Statement

(€ thousand)	31 March 2015	31 March 2014
Revenues	49,732	41,286
Other income	46	22
Costs for raw materials and goods for resale	(36,006)	(28,916)
Costs for services	(10,999)	(8,574)
Employee costs	(4,166)	(3,228)
Depreciation, amortisation and impairment	(1,203)	(1,229)
Other expenses	(283)	(194)
Operating profit (EBIT)	(2,879)	(833)
Financial expenses	(137)	(173)
Financial income	19	9
Profits from associated companies attributable to shareholders	(27)	-
Loss in value of financial assets	-	-
Profit before tax	(3,024)	(997)

Banzai Group reclassified Statement of Assets and Liabilities

(€ thousand)	31 March 2015	31 December 2014
Net working capital ¹¹	(3,165)	(5,746)
Fixed assets ¹²	47,274	43,548
Long-term assets ¹³	9,126	7,837
Provision for employee benefits	(3,400)	(3,315)
Long-term liabilities ¹⁴	(450)	0
NET INVESTED CAPITAL¹⁵	49,385	42,324
Liquidity/Net financial debt ¹⁶	40,952	790
Shareholders' equity	(90,337)	(43,114)
TOTAL SOURCES OF FUNDING	(49,385)	(42,324)

¹¹ Net working capital is calculated as the sum of inventories, trade receivables and other current non-financial assets, net of trade payables and other current liabilities excluding financial assets and liabilities. Net working capital is not identified as an accounting measurement under either the Italian GAAP, or by international IFRS accounting standards.

¹² Fixed assets are the total of plant assets and equipment, intangible assets, investments in associated companies and non-current financial assets.

¹³ Long-term assets are composed of other non-current assets and deferred tax assets. Long-term liabilities consist of deferred tax liabilities and provisions for risks and charges.

¹⁴ Long-term liabilities consist of deferred tax liabilities and provisions for risks and charges.

¹⁵ Net invested capital is calculated as the sum of net working capital, fixed assets and other long-term assets, net of provisions for employee benefits, provisions for risks and charges and deferred tax liabilities. Net invested capital is not identified as an accounting measurement under either the Italian GAAP, or by international IFRS accounting standards.

¹⁶ In accordance with the provisions of CONSOB communication No. DEM/6064293 dated 28 July 2006, it should be clarified that **net financial debt** is calculated as the sum of cash and of cash equivalents, current and non-current financial liabilities and the fair value of any hedging instruments and has been calculated in accordance with Recommendation ESMA/2013/319 dated 20 March 2013.

Banzai Group Statement of Assets and Liabilities

(€ thousand)	31 March 2015	31 December 2014
Plant and machinery	2,549	2,540
Intangible assets	42,141	38,547
Equity investments in associates	823	779
Non-current financial assets	1,761	1,682
Other non-current assets	117	125
Deferred tax assets	9,009	7,712
TOTAL NON-CURRENT ASSETS	56,400	51,385
Inventories	14,816	13,027
Trade and other receivables	12,055	13,081
Other current assets	4,994	5,634
Cash and cash equivalents	50,798	9,379
TOTAL CURRENT ASSETS	82,663	41,121
TOTAL ASSETS	139,063	92,506
Share capital	807	647
Reserves	92,555	44,543
Profit (loss) for the period	(3,025)	(2,076)
TOTAL SHAREHOLDERS' EQUITY	90,337	43,114
Payables due to banks and other lenders	6,704	152
Provisions for employee benefits	3,400	3,315
Other non-current liabilities	450	-
TOTAL NON-CURRENT LIABILITIES	10,554	3,467
Trade and other payables	25,946	28,781
Payables due to banks and other lenders	3,528	8,725
Other current liabilities	8,698	8,419
TOTAL CURRENT LIABILITIES	38,172	45,925
TOTAL LIABILITIES	48,726	49,392
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	139,063	92,506

Banzai Group Net Financial Position

(€ thousand)	31 March 2015	31 December 2014
(A) Cash	(114)	(128)
(B) Other cash equivalents	(50,684)	(9,250)
(C) Securities held for trading	-	-
(D) Liquidity (A)+(B)+(C)	(50,798)	(9,379)
(E) Current financial receivables	(386)	(288)
(F) Current financial payables	2,720	8,510
(G) Current portion of non-current debt	756	159
(H) Other current financial payables	51	56
(I) Current financial debt (F)+(G)+(H)	3,527	8,725
(J) Liquidity/current net financial debt (D)+(E)+(I)	(47,657)	(942)
(K) Non-current bank borrowings	6,589	23
(L) Bonds issued	-	-
(M) Other non-current payables	114	129
(N) Non-current financial debt (K)+(L)+(M)	6,703	152
(O) (Liquidity)/net financial debt (J)+(N)	(40,954)	(790)

Banzai Group Financial Statement

(€ thousand)	31 March 2015	31 March 2014
Net profit (loss) from continuing operations	(3,024)	(997)
Net profit (loss) from assets held for sale	0	0
Profit (loss) for the year	(3,024)	(997)
<i>Adjustments to reconcile profit (loss) with cash flow from operations</i>		
Depreciation and amortisation	1,204	1,179
Provision for bad debts	0	50
Increase in provision for employee benefits	174	177
Provision for obsolete inventory	(3)	23
Change in provision for employee benefits	(101)	(19)
Change in prepaid and deferred taxes	0	122
Share of profit (loss) for the year of associates	27	0
<i>Change in working capital</i>		
Change in inventories	(1,787)	175
Change in trade receivables	1,151	940
Change in other current assets	737	(899)
Change in trade payables	(2,882)	(5,248)
Change in other payables	280	738
NET CASH FLOW GENERATED FROM (ABSORBED BY) OPERATIONS	(4,225)	(3,759)
Purchase of property, plant and equipment	(229)	(115)
Change in other non-current assets	7	(7)
Purchase of intangible assets	(2,423)	(1,508)
Disbursement of loans	(150)	(35)
Purchase of subsidiaries	(1,642)	0
NET CASH FLOW GENERATED FROM (ABSORBED BY) INVESTMENT ACTIVITIES	(4,437)	(1,665)
Financial payables	1,354	1,704
Capital increase	48,824	0
Current financial receivables	(98)	37
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	50,080	1,741
(Decrease)/increase in cash and cash equivalents	41,419	(3,682)
Net exchange differences on cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	9,379	9,379
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	50,798	5,697