CORPORATE PRESENTATION

STAR Conference
Milan, 24-25 March 2015

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The Leading Italian E-Commerce Platform

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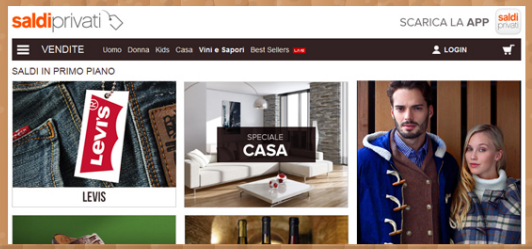
E-COMMERCE

ePRICE

MARKETPLACE
NEED-DRIVEN

saldiprivati

SHOPPING PLEASURE
IMPULSE-DRIVEN



VERTICAL CONTENT

Giallo Zafferano — #1 in COOKING

Pianeta donna — #1 in WOMAN-TARGET

Studenti — #1 in YOUTH-TARGET

il POST | Liquida — LEADING ITALIAN NEWS 2.0

PLATFORM

HIGHLY FLEXIBLE WAREHOUSING PROCESS

HIGHLY EFFICIENT "OWNED" DELIVERY NETWORK

SMART VERTICAL CONTENT FACTORY

#1
Italian e-Commerce Player(1)

€185m
Revenues FY 2014

+21%
Revenues Growth 2014

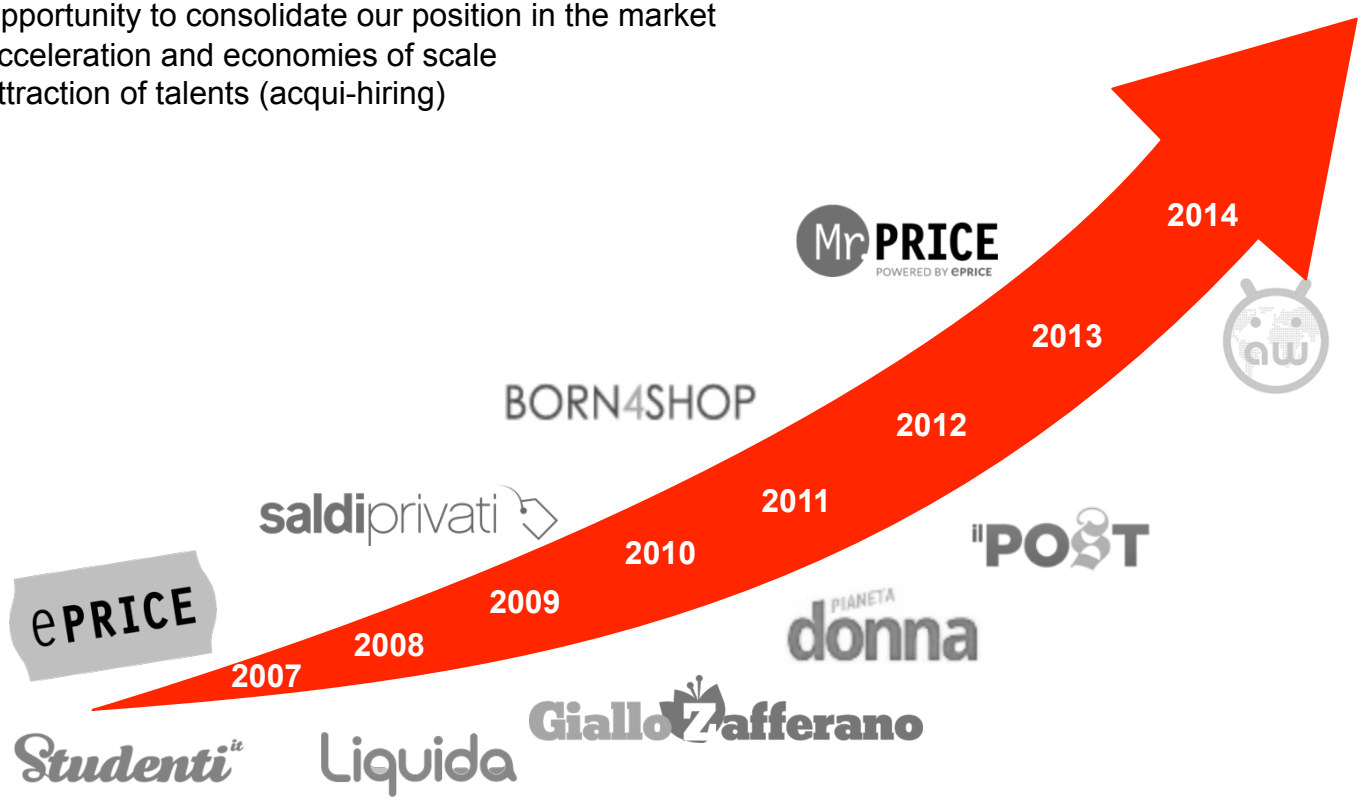
(1) Ranking based on official Italian company reports, B2C only. Consider only physical goods sold in Italy.

We Have Built Something Unique in Italy

SIGNIFICATIVE TRACK RECORD VS. TO CATCH AND INTEGRATE NEW DIGITAL OPPORTUNITIES

ACQUISITIONS

- Opportunity to consolidate our position in the market
- Acceleration and economies of scale
- Attraction of talents (acqui-hiring)



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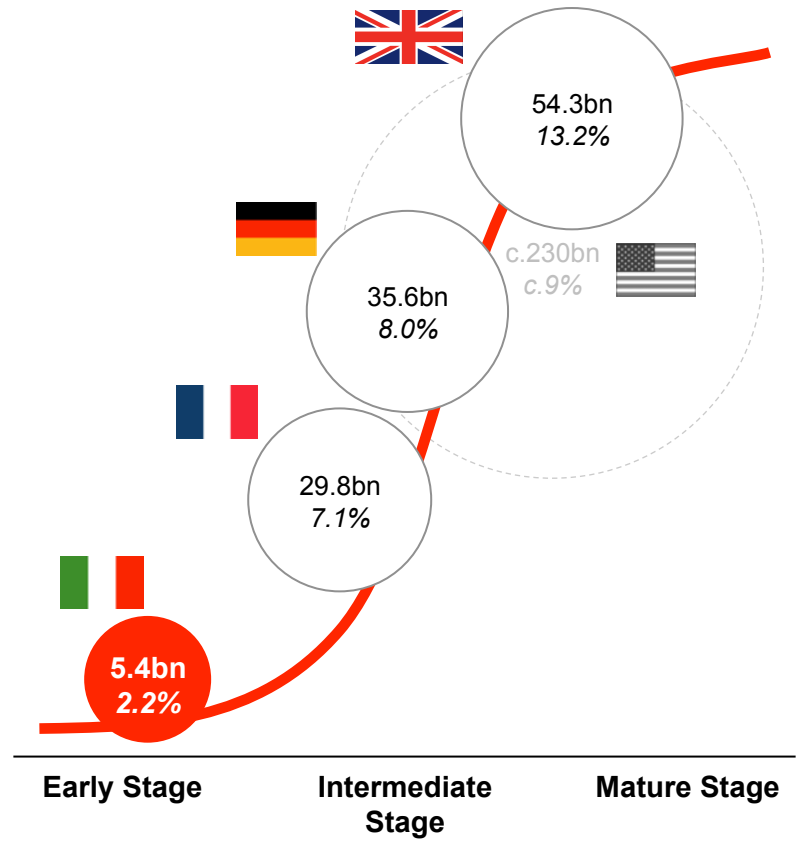
Italian E-Commerce Has The Highest Growth Potential In Western Europe

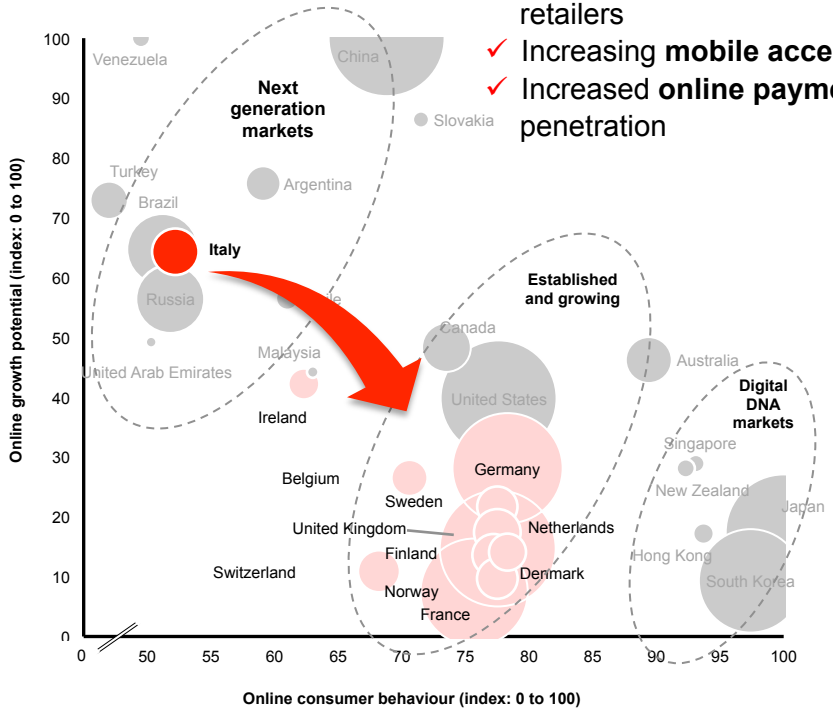
E-COMMERCE PENETRATION AT AN EARLY STAGE

2014E e-Commerce Penetration (%) and e-Commerce Goods Market Size (€bn)



"EMERGING MARKET" GROWTH PROSPECT

Online Growth Potential vs. Consumer Behaviour(1)



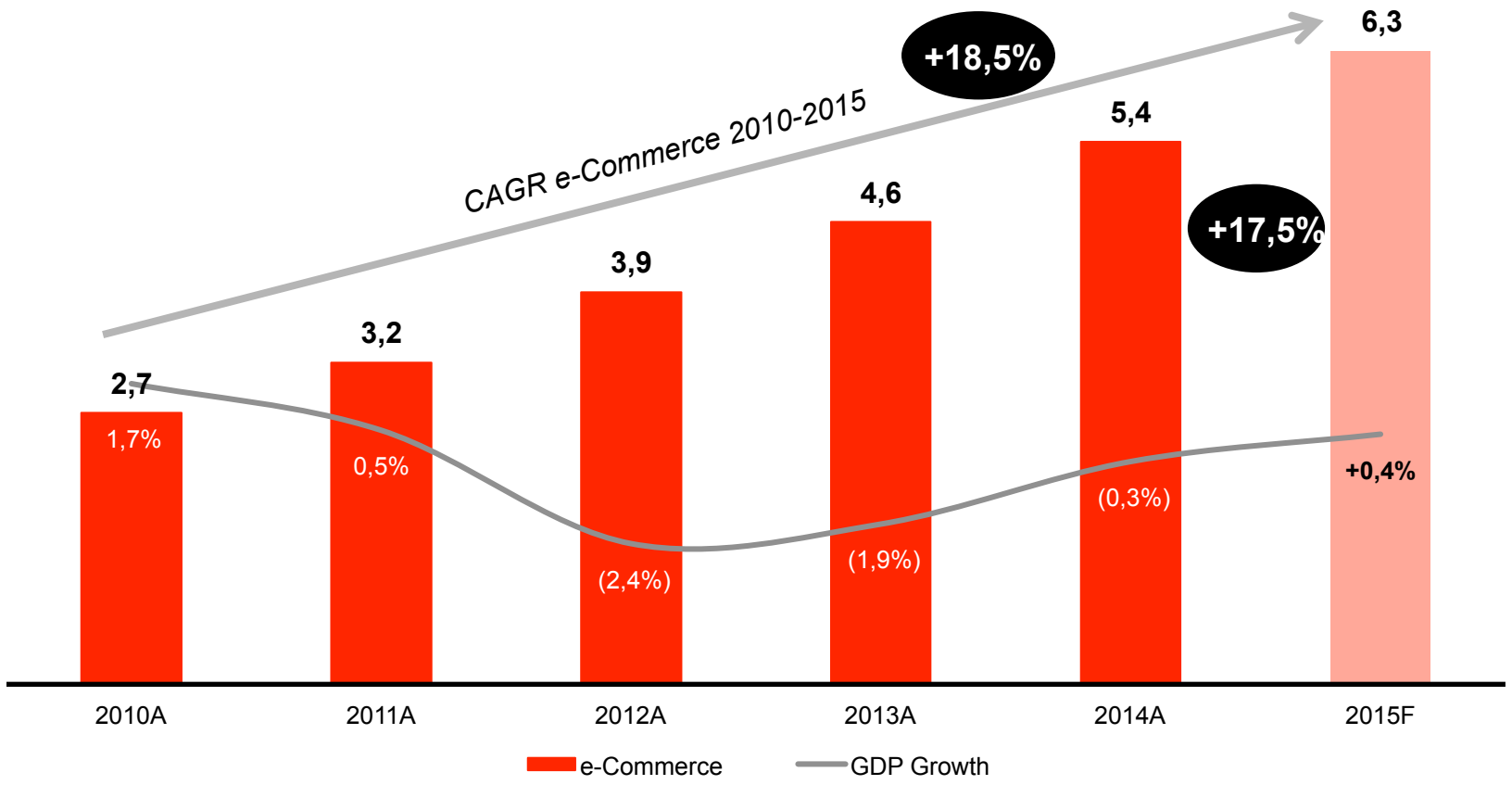
Unlocking growth potential

- ✓ Collapse of traditional retailers
- ✓ Increasing **mobile access**
- ✓ Increased **online payment** penetration

Source: Callcredit Report commissioned by Banzai based on Forrester Research, GFK, A.T. Kearney – The 2013 Global Retailer e-Commerce Index.
(1) As per AT Kearney analysis, consumer behaviour is based on Internet penetration, online purchase penetration, mobile purchase per capita and fixed broadband subscriptions per 1,000 inhabitants.

E-Commerce Resilience During The Crisis: Strong Downside Protection

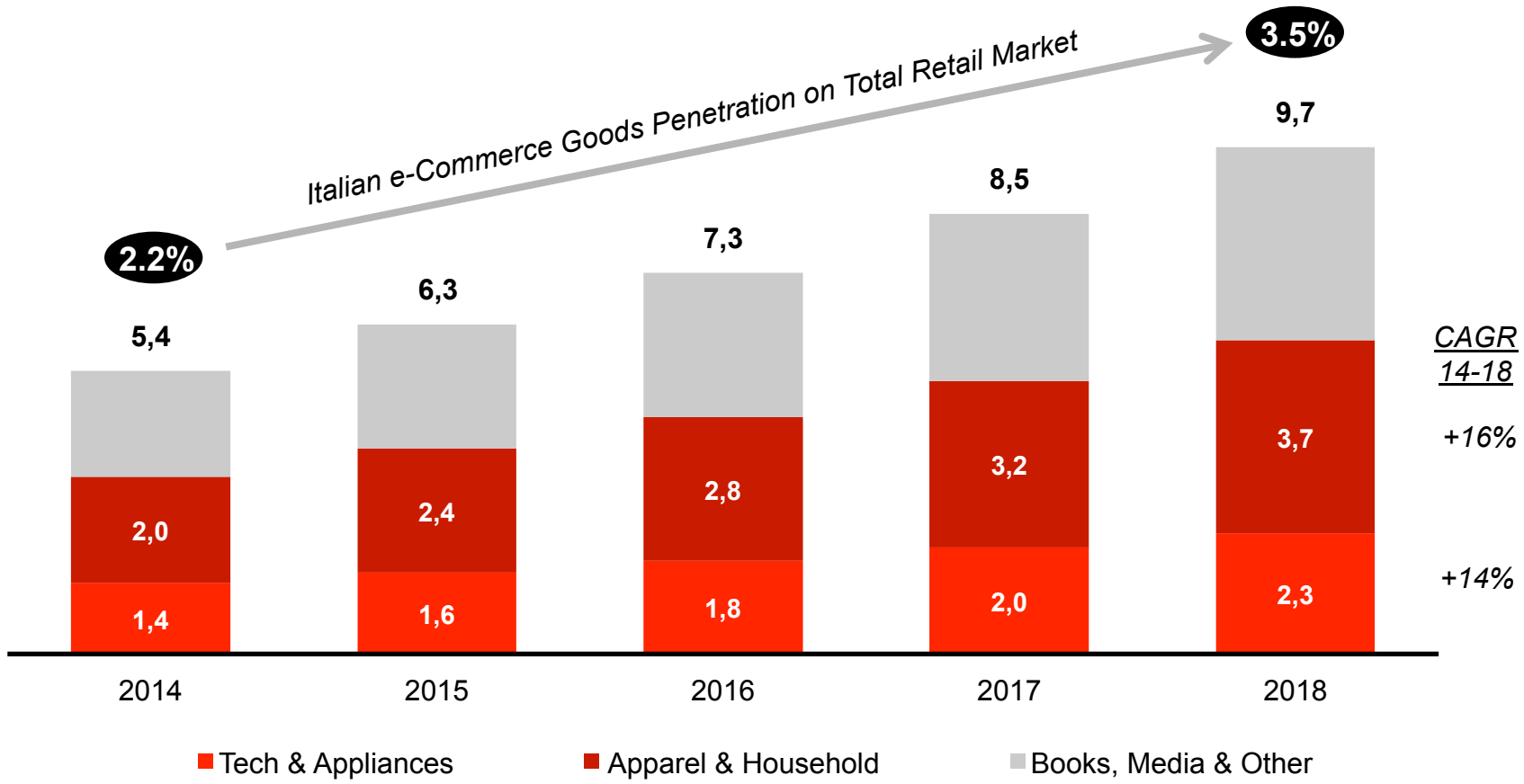
E-COMMERCE MARKET IN ITALY (GOODS) (€bn) AND GDP GROWTH (%)



Source: Callcredit Information Group, 2014, IMF 2015.

Market Forecasts on Italian e-Commerce: A Future Of Growth

ITALIAN E-COMMERCE GOODS PENETRATION ON TOTAL RETAIL MARKET (%) AND E-COMMERCE MARKET (€BN)



Source: Callcredit Information Group, 2014.

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The Italian E-Commerce Market At A Tipping Point

INVESTMENTS ON THE MARKET

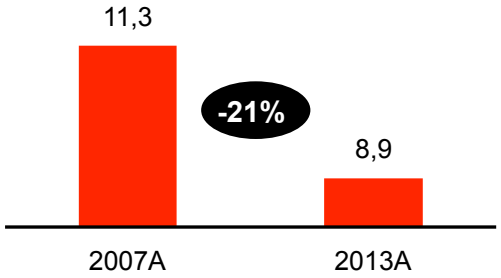
In Italy, weak level of investments until 2010

amazon
zalando
privalia
ebay
saldiprivati
ePRICE
YOOX

DECLINING TRADITIONAL OFFLINE RETAIL

Italian Density is 2X-3X France, Germany and UK

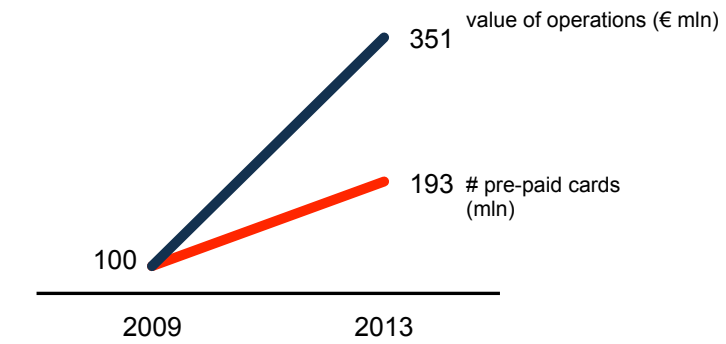
Traditional Stores Selling IT, C.E. and Appliances ('000s)



ONLINE PAYMENTS

Pre-paid Cards + Pick&Pay model

Pre-paid cards in Italy (2009=100)

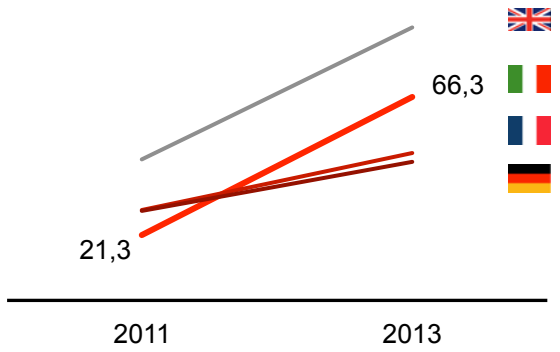


Source: GFK, Assofin and Euromonitor, 2014.

MOBILE BROADBAND

Among the "top mobile" countries in the world

Mobile Broadband Subscriptions per 100 Inhabitants



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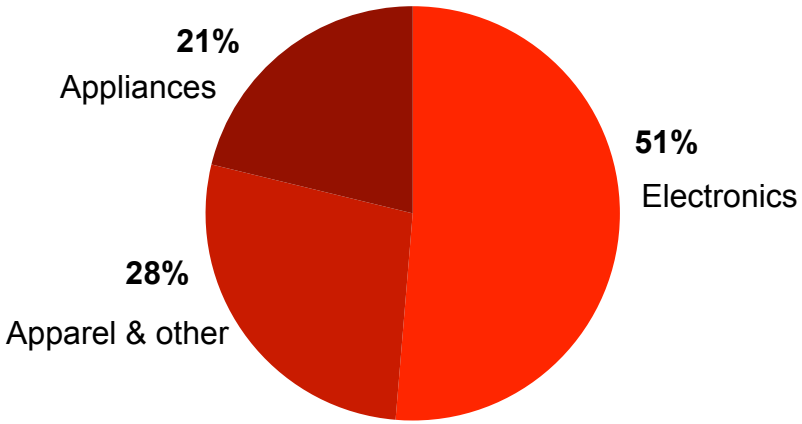
Banzai Is Focused 100% on the Italian Market…

ITALIAN LEADER IN E-COMMERCE

Ricavi Banzai per categoria



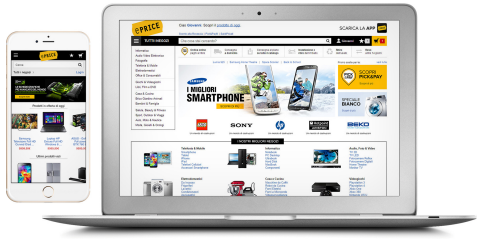
- **#1** **Italian e-commerce player by revenues in the Country**
- **#1** **Major Domestic Appliances (AOV c.€402(1))**
- **#2** **Electronics (AOV c.€248(1))**

TAILOR MADE FOR LOCAL CUSTOMERS

Close to Italian Customers	• **Mobile: 44% sales** of SP • Net Promoter Score > 70
"Endless" Choice	• **>800K SKUs(2)** • 7 payment methods
Smart inventory	• **>200 "live" suppliers(3)** • **3P Marketplace**
Home Delivery	• Next day on MI-RM-TO • 2-3 days all over Italy
Pick&Pay	• **66 shops** • **86 automated lockers**
Premium Services	• **Installation and removal** • **Network of Professionals**

Source: Company Information
(1) Rankings for MDA and Electronics based on a 24% and 7% market share, based on Company's Elaboration on GFK Data. Approximate AOV figures (only goods) as per management estimates given the existence of orders with mixed categories. AOV calculated on orders that contain at least one product of the related categories.
(2) Refers to ePRICE and SaldiPrivati; books and media SKUs included.
(3) Refers to ePRICE only.

ePRICE: Need-driven, Multi-Specialist



- 257k Buyers
- 628k SKUs
- c.3,000 brands
- c.80% male

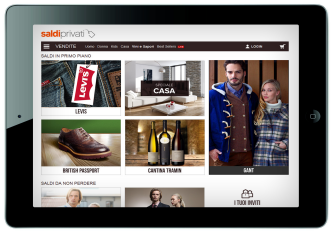
- **Multi-specialist approach**
- **High-value tickets**
- **Complex products**
- **Pick&Pay**
- **Premium services**

24% market share of MDAs, fastest growing category (1)

7% market share of electronics, in a highly fragmented market (1)

Source: Company Information
(1) Company elaboration on Callcredit, Forrester, GFK Data. Approximate AOV figures (only goods) as per management estimates given the existence of orders with mixed categories. AOV calculated on orders that contain at least one product of the related categories.

SaldiPrivati: Impulse-driven, Everyday Deals



- 215k Buyers
- c.60% female
- 189k SKUs
- c.1,000 brands
- c.1,500 sale events
- 157k new SKUs

- **Every day deals**
- **Multiple categories**
- **Theme sales**
- **Strong on mobile**
- **Pick&Pay**

Largest Italian flash sales club

Sophisticated 1:1 engagement platform

Source: Company Information

…With A Strong Value Proposition

		banzai	amazon	MediaWorld
Categories	Appliances	#1	#2	✓
	Electronics	#2	#1	✓
	Apparel	✓	✓	✗
	Low-Value Items	Just started 3P Marketplace	✓✓✓	✗
AOV & Specialization		High, multi-specialist	Low, not in model	Medium, declining
Inventory Model		Virtual reseller & consignment	Large inventory	Store-centric inventory
Delivery Options	Pick&Pay	✓	✗	Limited to store selection
	Next day	✓	✓	✗
	Late & weekend	✓	✓	✗
Premium Services	Floor delivery	✓	✓	✓
	Installation	✓	✗	✓
Content Oriented Strategy		Info-commerce + vertical contents	Limited	✗

WITH NO "HEADQUARTER CONSTRAINS" OUR MODEL IS 100% BUILT ON ITALIAN CUSTOMERS

banzai VS. amazon & online players

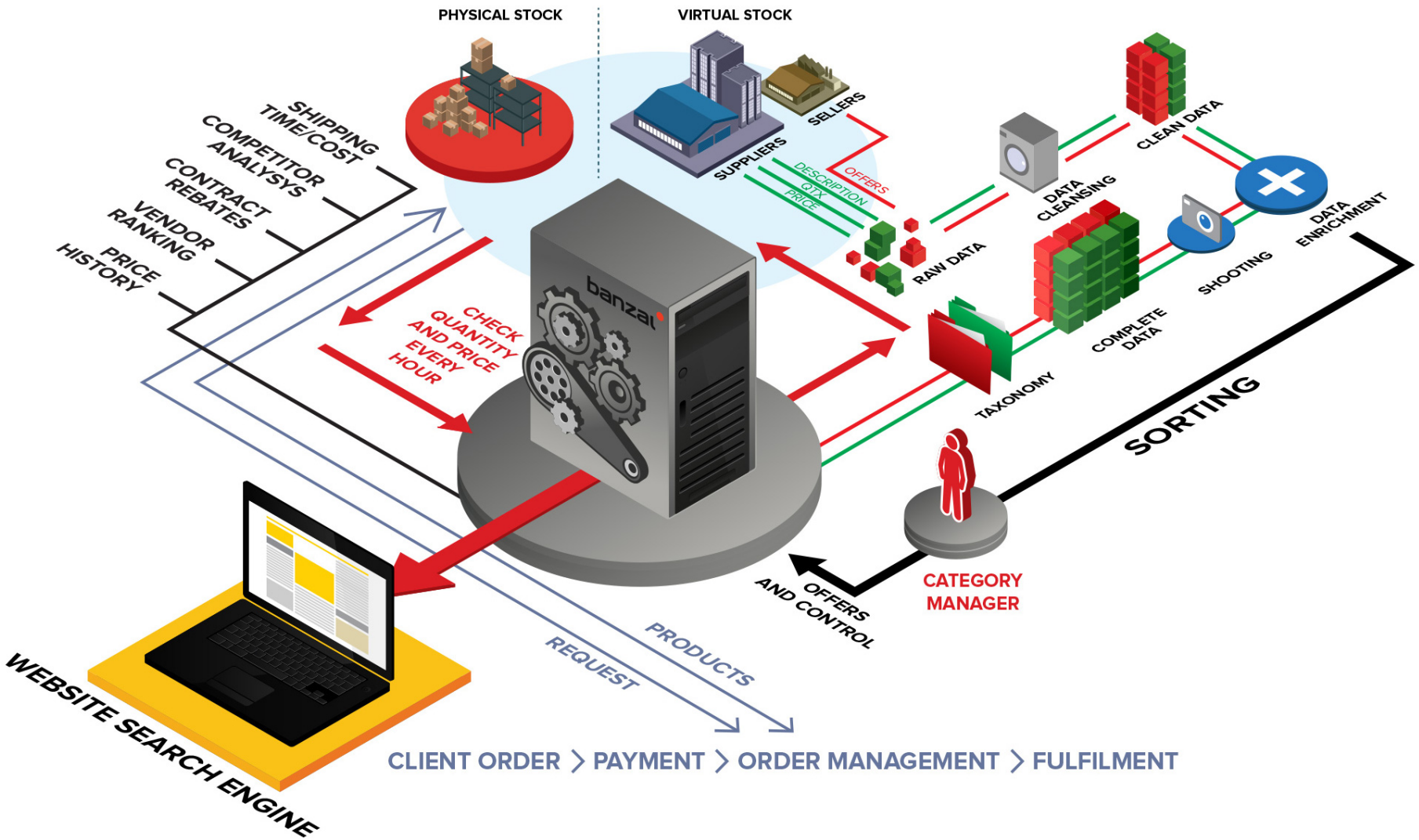
- Multi-specialist approach, richer contents
- Focus on higher-value, higher-touch products
- Comparable pricing & service levels
- More payment & delivery options
- Friendlier relationships with brands

banzai VS. MediaWorld & traditional retailers

- Richer, superior online experience
- Lower prices & wider selection
- Better last-mile services for online customers
- Better convenience at the Pick&Pay
- Info-commerce packages for brands

Source: Company Information.

We Offer More Products And Deals Through An Innovative “Market-Maker” Approach



66 Pick&Pay Stores In Over 50 Cities, And Automated Lockers For 24/7 Pickups

Unique Feature

PICK&PAY STORES (LAUNCHED IN 2007)

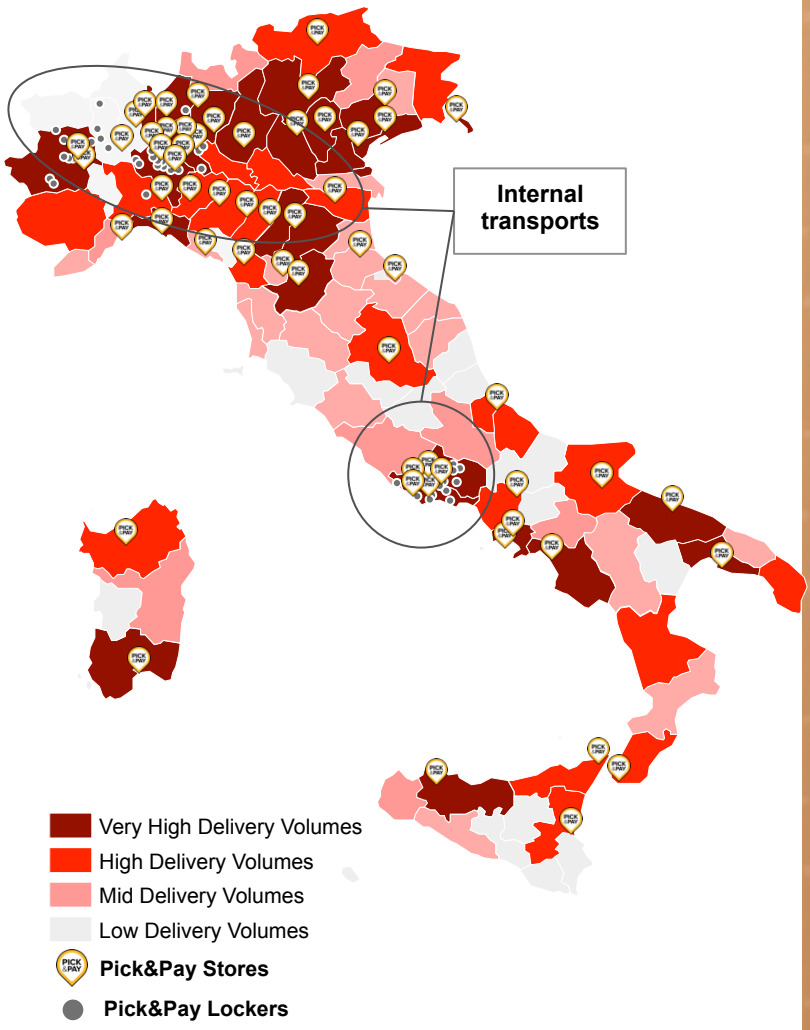
- **Collection and payment points** located in third-party, “host” shops
  - **Commission-based flexible network**
  - **No inventory (products sold already)**
  - **Increasing scalability on delivery costs**
  - **End-2-end “retail-like” experience**

BENEFITS FOR CONSUMERS

- ✓ **Freedom** from couriers’ hours
- ✓ **Savings** on lower delivery charges
- ✓ **Pay on site** also with cash
- ✓ **Richer** experience

PICK&PAY LOCKERS (DAL 2014)

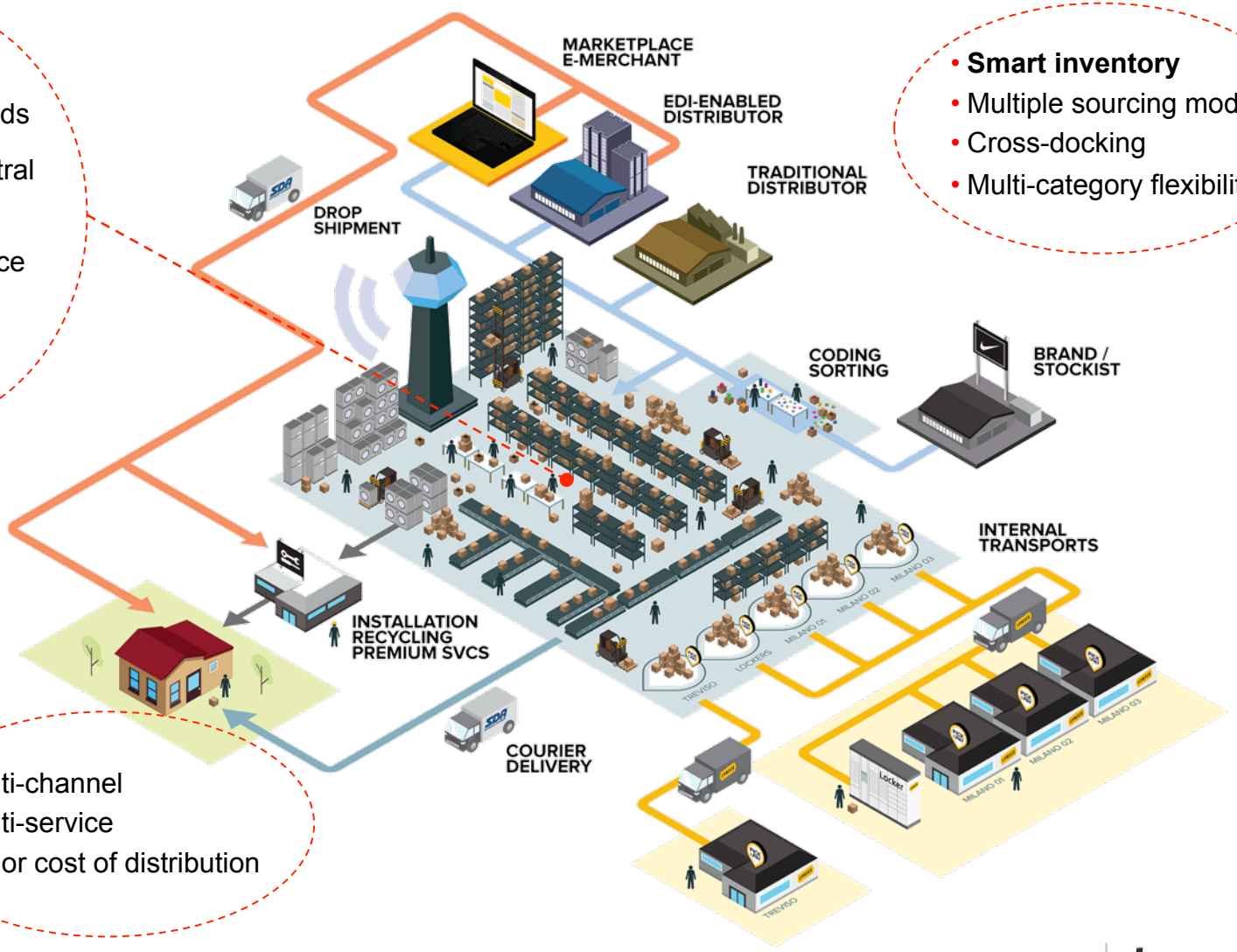
- **Highly secure, 24/7** pay and collection **automated** parcel lockers positioned in supermarkets, gas and railways stations.
- **Installed and operated by Inpost** (no CAPEX for Banzai)
- Strong partnership



Highly Flexible & Scalable Logistics And Delivery Platform

Unique Feature

- One platform for multiple brands
- One leased central warehouse
- Flexible workforce
- Surface area of c.13,000sqm



- **Smart inventory**
- Multiple sourcing models
- Cross-docking
- Multi-category flexibility

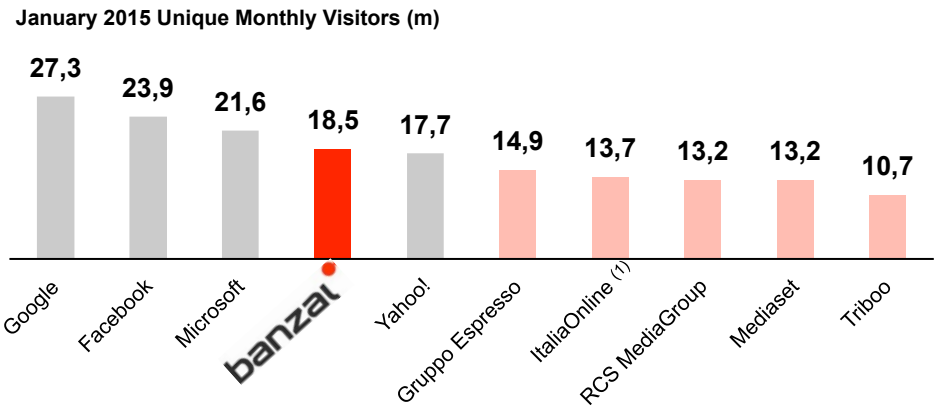
- Multi-channel
- Multi-service
- Minor cost of distribution

5

Accretive Content-Oriented Strategy…

Unique Feature

#1 ITALIAN ONLINE PUBLISHER



SYNERGETIC ASSET

TODAY

- **Financially accretive**
- Effective incubator of **info-commerce**
- **Halo effect** on e-Commerce brands and suppliers
- **Inventory enriched by e-Commerce data: 400m** data per month over **60m** of tracked devices, **click through +80%**

TOMORROW

- **Behavioural data commerce =** source of business
- Cost efficient **content production for e-Commerce**
- **Vertical Audience = Vertical Shops**

HIGHLY VALUABLE SELECTED AUDIENCES(2)

Giallo Zafferano

#1 IN COOKING

171m PVs/month (+14% YoY)
7.8m Unique Visitors
8.2m Video-views/month(3)

PIANETA donna

#1 IN FEMALE AUDIENCE

184m PVs/month (+118% YoY)
9.6m Unique Visitors
6.1m Video-views/month(3)

Studenti.it

#1 IN STUDENT AUDIENCE

62m PVs/month (+33% YoY)
5.4m Unique Visitors
1.7m Video-views/month(3)

il POST Liquida

ONLINE NEWS PIONEER

92m PVs/month (+15% YoY)
4.7m Unique Visitors
2.4m Video-views/month(3)

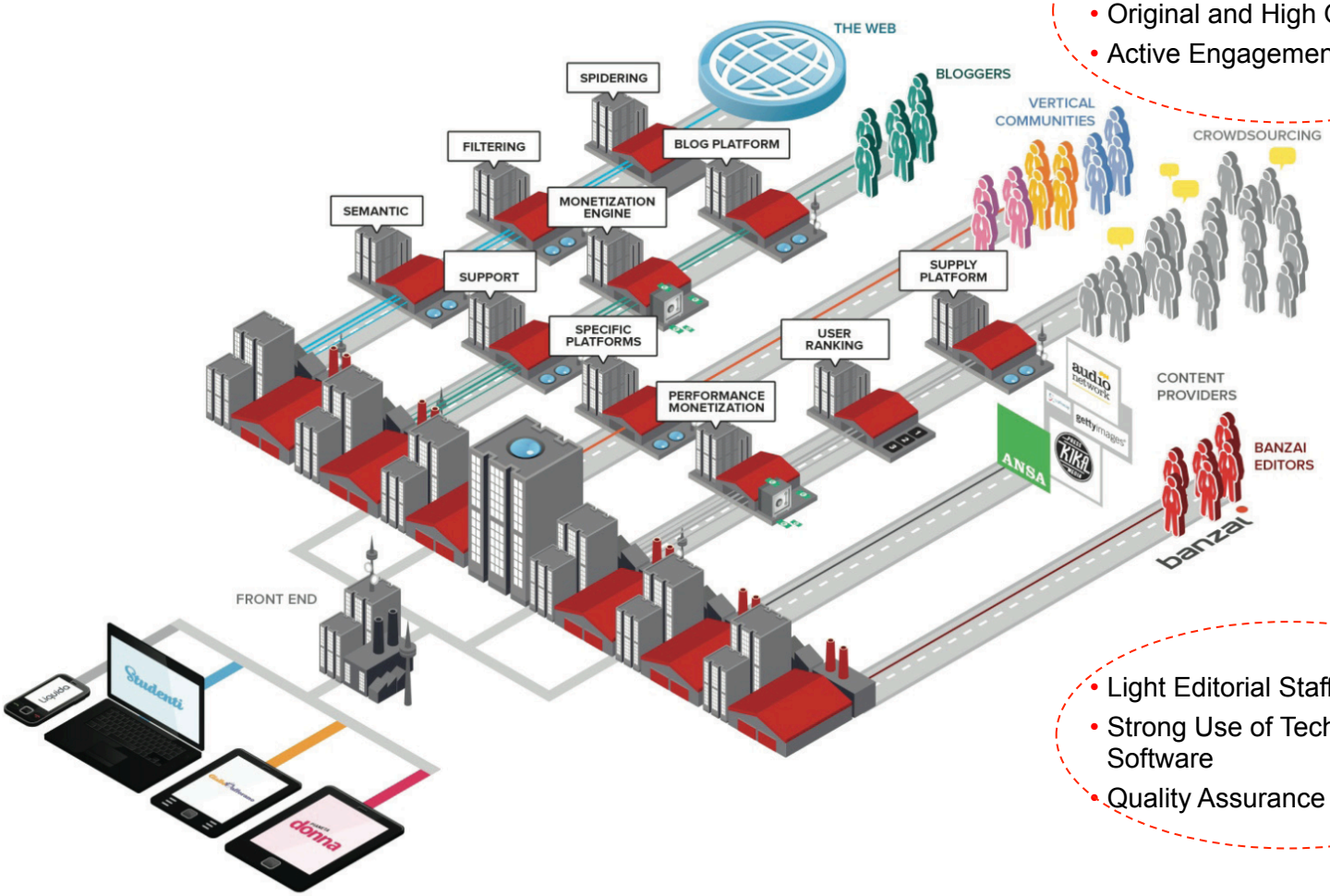
(1) Available data as of January 2015 (IOL does not include mobile Uvs, as not available).
(2) Source: Audiweb View, January 2015 (includes mobile audience).
(3) Source for Video views: Company information.

5

…With a Smart Content Factory Highly Scalable and Cost Effective

Unique Feature

- Smart Content Production
- Original and High Quality Content
- Active Engagement of Audience



- Light Editorial Staff
- Strong Use of Technology & Software
- Quality Assurance

An Internal Sales Team Capable Of Creating Strong Relationship With Advertisers

- An internal Sales Team provides Banzai with the capability to deliver **Special Advertising Projects** by employing a wide range of innovative communication tools (including Native Advertising)
- Such projects allow to **both maximise revenues and leverage relationship with top advertisers**

PRODUCT PLACEMENT

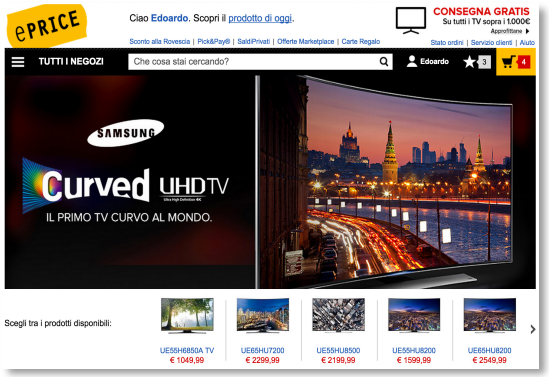
Barilla
The Italian Food Company. Since 1877.

SPONSORSHIP OF EDITORIAL CONTENT

Carlsberg

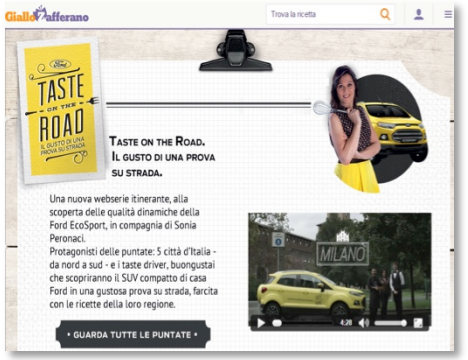
iNFO-COMMERCE

SAMSUNG



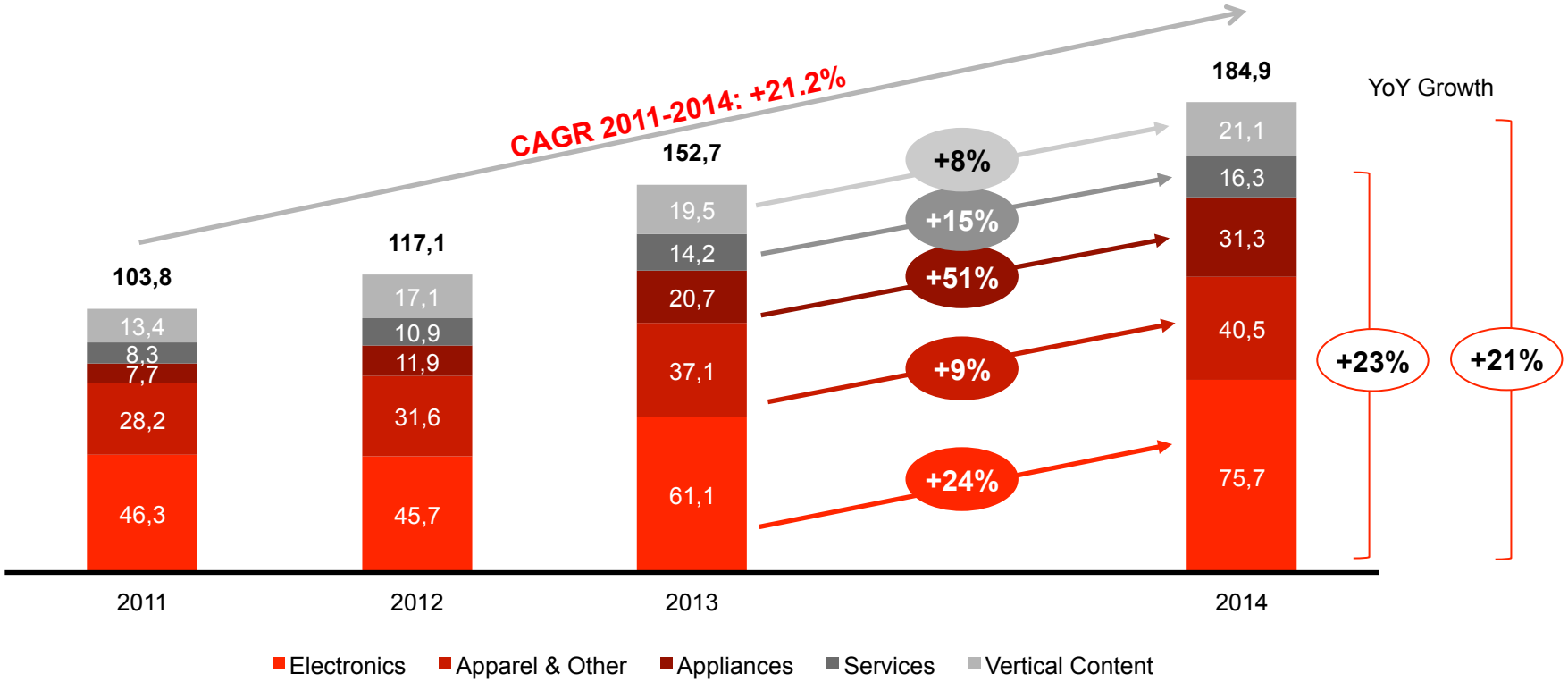
BRANDED WEB-SERIES

Ford
Go Further



Strong Revenue Growth Driven By Largest Categories

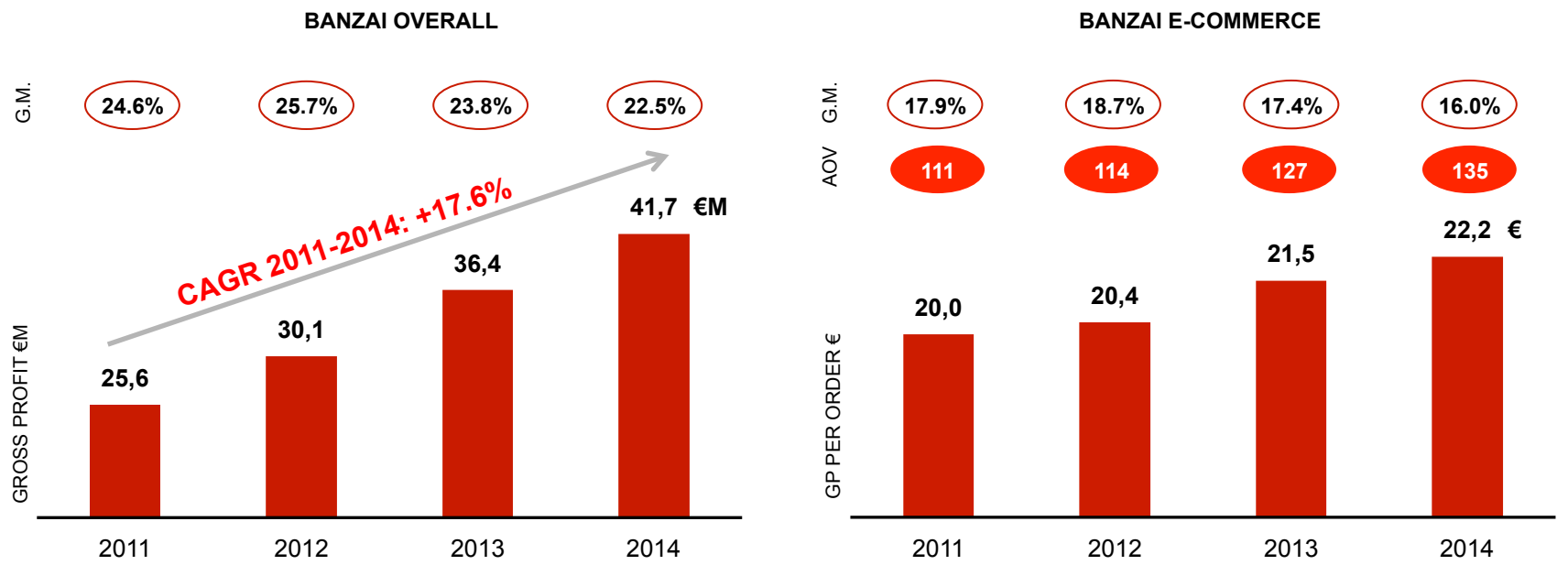
TOTAL REVENUE BY CATEGORY (€M)[1]



Source: As per management based on audited accounts.
(1) E-Commerce and Vertical Content only. does not include revenue from discontinued operations.

Strong Gross Profit Growth
Helped by High Tickets and Accretive Vertical Content

GROSS PROFIT (€M), GROSS PROFIT ON PRODUCTS PER ORDER (€)(1) ,GROSS MARGIN (%) AND AOV (€)



Source: As per management based on audited accounts.
(1) Gross Profit on Products is calculated as revenues for goods and web services less related costs of revenues.

FY 2014 – Consolidated P&L

Profit & Loss Consolidated (€M)*	2014	2013	14/13
Total Revenues eCommerce - Vertical Content	**184,9**	**152,7**	**21,1%**
Cost of Revenues	-143,3	(116,3)	23,2%
Gross Profit	**41,7**	**36,4**	**14,6%**
Gross Margin %	*22,5%*	*23,8%*	
Sales & Marketing	(9,5)	(9,3)	1,8%
Contents	(5,8)	(4,9)	18,5%
Fullfilment	(9,5)	(7,7)	23,5%
IT	(3,4)	(3,1)	7,4%
G&A	(9,8)	(8,8)	10,2%
EBITDA	**3,8**	**2,5**	**52,6%**
Ebitda %	***2,0%***	***1,6%***	
EBIT	**(1,9)**	**(2,4)**	**20,0%**
Ebit %	***-1,0%***	***-1,6%***	
EBT	**(2,6)**	**(3,2)**	**19,0%**
EBT%	***-1,4%***	***-2,1%***	
Net result	**(2,1)**	**(2,9)**	**28,0%**

Gross profit +14,6%
Gross margin% 22,5% vs. 23,8% related to a different product mix

Overall incidence of OPEX on revenues from 22.2% in 2013 to 20.5% in 2014 = significant scalability of the operating structure

EBITDA +53%
EBIT +20% increase in EBITDA partially offset by higher depreciation compared to new investments
Net result +28%

** Management accounts*

FY 2014 – Consolidated Financial Statements

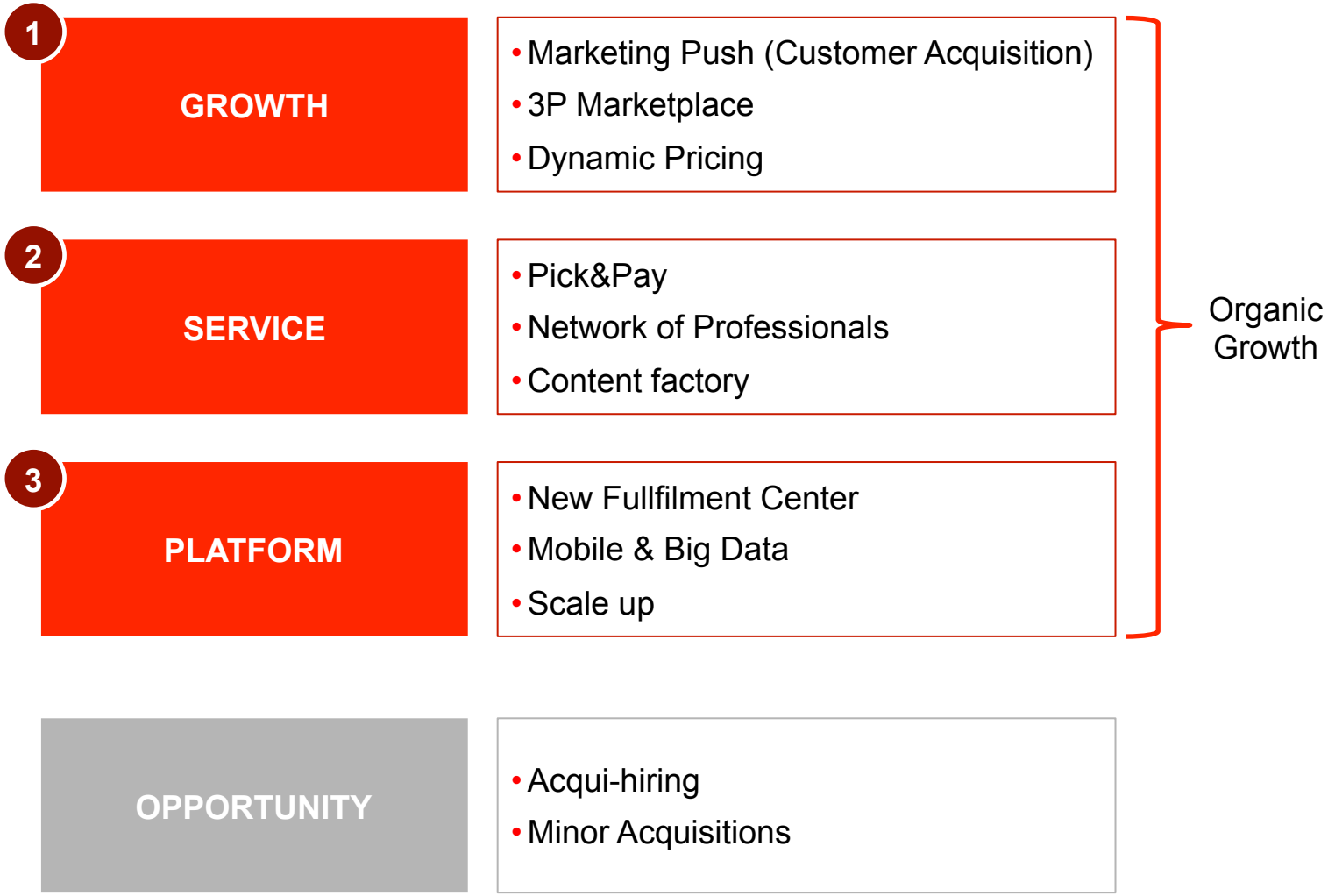
Balance Sheet consolidated (€M)	2014	2013
TOTAL ASSETS	**43,7**	**39,6**
Inventories	13,0	7,6
NET WORKING CAPITAL	**(5,8)**	**(10,1)**
Deferred tax assets	**7,7**	**6,8**
Provisions	**(3,3)**	**(2,5)**
Net Invested Capital	**42,3**	**33,8**
Net Equity	**43,1**	**38,0**
Net Financial Position	**(0,8)**	**(4,2)**
Total Sources	**42,3**	**33,8**

At the end of 2014 Cash Positive = 0.8 mln confirming the absence of financial debt

Contained financing needs with negative working capital

Strong net equity and absence of financial debt

Strategy: Capture Italian E-Commerce Growth



Banzai Investment Opportunity: A Unique Way To Approach E-Commerce, Creating Barriers To Entry

1

"SMART INVENTORY" MODEL

- ✓ **Virtual Stock Model:** products from our suppliers available in real time
- ✓ **Fast packing+shipping**
- ✓ No inventory **3P marketplace**

2

PICK&PAY NETWORK

- ✓ **66 collection and payment points**
  - ✓ Reserved area iin a **third-party "host" shop**
    - ✓ Increased **convenience** for customers
  - ✓ **100 lockers** active **24/7**

4

CONTENT-ORIENTED STRATEGY

- ✓ **Vertical Communities**
- ✓ **Vertical properties** on targeted high-value audiences
- ✓ **"Info-commerce"**

3

LAST MILE PREMIUM SERVICES

- ✓ **Strategic Partnership** with third-party provider
- ✓ **Multiple options** for payments, delivery and installation

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