

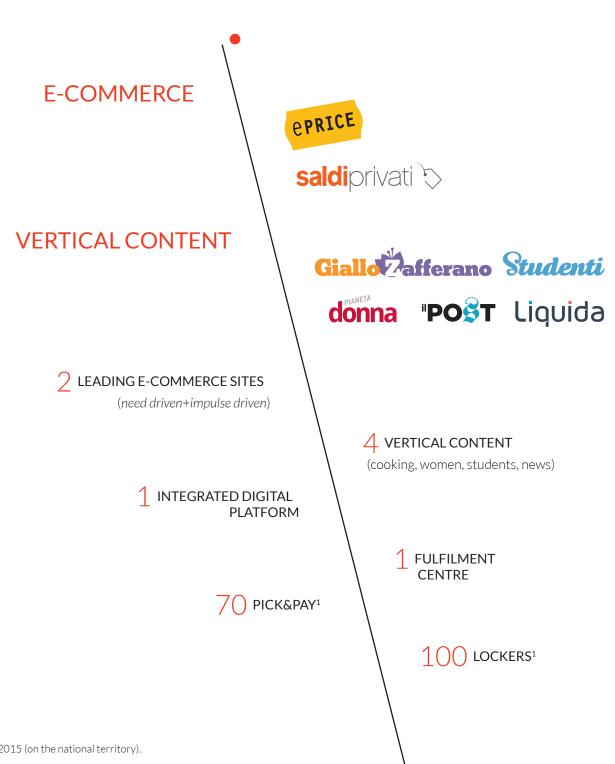
# INTERIM FINANCIAL STATEMENTS

**AS AT 31 MARCH 2015** 

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## THE LEADING ITALIAN E-COMMERCE OPERATOR AND THE MOST INNOVATIVE DIGITAL PUBLISHER IN THE COUNTRY



<sup>&</sup>lt;sup>1</sup> At March 2015 (on the national territory).





#### **BOARD OF DIRECTORS**

Chairman and Chief Executive Officer Paolo Guglielmo Luigi Ainio

Non-executive Directors Andrea Biasco

Pietro Boroli Ezilda Mariconda Matteo Renzulli

Independent Directors Anna Gatti

Stefano Quintarelli

#### **COMMITTEES**

#### Control and Risks and Related-Parties Committee

Independent Director and Chairman Anna Gatti

Independent DirectorStefano QuintarelliNon-executive DirectorEzilda Mariconda

#### **Remuneration Committee**

Independent Director and ChairmanStefano QuintarelliIndependent DirectorAnna GattiNon-executive DirectorAndrea Biasco

#### **BOARD OF STATUTORY AUDITORS**

Chairman Francesco Perrini

Regular Auditors Stefania Bettoni

Giuliano Foglia

Alternate Auditors Luca Zoani

Beatrice Galli

#### SUPERVISORY BODY

Chairman Jean-Paule Castagno

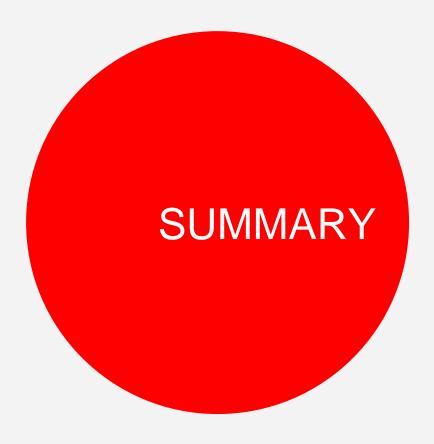
Members Fabio Meda

Giuliano Foglia

#### INDEPENDENT AUDITORS

Reconta Ernst & Young S.p.A.





## **SUMMARY**

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#### DIRECTORS' REPORT ON FINANCIAL STATEMENTS

#### Preparation of the interim financial statements

This Interim Directors' Report, pursuant to Article 154-*ter* of Legislative Decree 58/1998, has been prepared in compliance with the aforementioned Legislative Decree and subsequent amendments.

For assessing and measuring the accounting growth, the principles of the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), approved by the European Commission and in force at the time of the approval of this Report, were applied. The accounting principles and criteria are consistent with those used in preparing the financial statements as at 31 December 2014 to which, for further details, reference is made. In the economic prospects recorded in the Interim Directors' Report, only the profit before taxes has been highlighted.

In consideration of the fact that Banzai S.p.A. (hereinafter also known as "Banzai") holds controlling interests, the Interim Report has been prepared on a consolidated basis. All of the information included in this report refers to the consolidated data of the Banzai Group.

The Interim Directors' Report as at 31 March 2015 was approved by the Board of Directors on 14 May 2015.

The quarterly positions of subsidiaries, used in the preparation of this Consolidated Interim Directors' Report, were prepared by the respective administrative structures and possibly reclassified to make them consistent with those of the Parent Company.

The scope of consolidation as at 31 March 2015, adjusted in relation to 31 December 2014 for the inclusion of MyTrainerCommunity S.r.l. purchased during the period, is represented below:

#### **SUBSIDIARIES**

(with an explanation of the activity conducted and percentage owned)

Name	Activity	Registered offices	Ownership percentage
Banzai Media Holding S.r.l.	Vertical Content branch subholding	Italy	100
Banzai Commerce S.r.l.	E-Commerce branch subholding	Italy	100
Banzai Ventures S.r.l.	Equity investment branch subholding	Italy	100
Banzai Media S.r.l.	Vertical Content branch	Italy	100
Banzai Direct S.r.l.	Vertical Content branch	Italy	100
MyTrainerCommunity S.r.l.	Vertical Content branch	Italy	100
ePRICE S.r.l.	E-Commerce branch	Italy	100
BNK4 Saldi Privati S.r.l.	E-Commerce branch	Italy	100

The data in this document are expressed in thousands of Euros, unless otherwise stated.

# COMMENT ON THE RESULTS FOR THE PERIOD ANALYSIS OF KEY OPERATING RESULTS

Banzai is the first Italian e-Commerce platform and one of the main digital publishers in Italy, listed on the STAR segment of Borsa Italiana since 16 February 2015.

Even in the first quarter of 2015, the Group continued to grow in e-Commerce and digital publishing in Italy. The capital collected in the IPO will enable us to accelerate our revenue growth to and reinforce our leadership position.

#### Revenue

Total Revenues in the first quarter of 2015 stood at €49,732 thousand, +20.5% compared with €41,286 thousand in the first quarter of 2014. Growth for the period proved to be robust and accelerating, in consideration of the fact that in the first quarter of 2014 organic growth (net of the effects of the purchase of the Terashop business unit) was approximately 12% compared with the corresponding period of 2013. The acceleration in growth in the first quarter was confirmed by the excellent performance in March 2015, when revenues increased by approximately 30% compared with March 2014, a demonstration of the effectiveness of the growth strategy announced during the IPO.

The e-Commerce division, with revenues of €44,683 thousand, up 21.4%, is the main driver of growth for the Banzai Group, while the Vertical Content division, albeit in a very unfavorable advertising market context in Italy, recorded revenues of €5,049 thousand, a rise of 12.4%. In the first quarter, the Group over-performed in the fields of e-Commerce and digital advertising in Italy and increased its market share.



Revenue	First quarter		
(€ thousand)	Q1 2015	Q1 2014	% Change
Electronics	19,905	16,825	18.3%
Appliances	9,293	5,276	76.1%
Apparel & Other	11,639	10,203	14.1%
Services	3,846	4,491	-14.4%
E-Commerce revenues	44,683	36,795	21.4%
Vertical Content	5,049	4,491	12.4%
Vertical Content revenues	5,049	4,491	12.4%
Revenue	49,732	41,286	20.5%

The e-Commerce division recorded a significant increase in core categories: specifically, Electronics revenues of €19,905 thousand rose 18.3%, while Appliances, reporting €9,293 thousand, recorded a considerable growth of 76.1%, following the extension of the product range and the development of the "premium" delivery, installation and used goods collection services, as well as the continued deployment of Pick&Pay points and Lockers which, as at 31 March 2014, amounted to 70 and 100, respectively (as at 31 December 2014, 66 and 90, respectively).

The Apparel/Other category also recorded growth of 14%, although it is more subject to impulse purchases and the unfavorable economic situation.

Overall, revenues in the core categories described above grew by 26% in the first quarter of 2015 compared with the first quarter of 2014.

As far as the services category is concerned, the 14.4% drop is mainly due to the negative performance of BtB activity by business partners; specifically, as far as the activity of Saldiprivati is concerned, the reseller Stilago which operates mainly in Eastern European countries, greatly reduced its turnover.

The services category also recorded a fall in revenues for deliveries as a result of greater recourse to promotional free shipping, aimed at increasing sales volumes in core categories.

The following trends with regard to Key Performance Indicators should be noted:

e-Commerce	Q1 2015	Q1 2014	Growth %
Orders (thousands)	333	279	+19%
AOV (Euro) <sup>1</sup>	128	124	+3%
Buyers (thousands) <sup>2</sup>	220	185	+19%
Items per order (#)	2.2	2.3	-3%

With reference to e-Commerce, the total number of orders was 333 thousand, with an increase of 19%; Average Order Value was €128, up 3% and number of buyers amounted to 220,00, up 19%.

Vertical Content	Q1 2015	Q1 2014	Growth %
Unique Monthly Visitors (000's)	18,327	17,254	+6%
Time Spent per UMV (minutes, .000) <sup>3</sup>	27	21	+29%
Active Reach <sup>4</sup>	64.5%	59.0%	+9%

With regard to the Vertical Content division, it is noted that, based on the data available at the end of February 2015, the trend was towards improvement: according to Audiweb figures, Unique Monthly Visitors stood at 18.3 million, a further growth of 6% compared with the corresponding period in 2014; Time Spent per Unique Monthly Visitor was 27 minutes, up 29%, Active Reach stood at 64.5% (59.0% in February 2014).

<sup>&</sup>lt;sup>1</sup> Average order value (excluding VAT).

<sup>&</sup>lt;sup>2</sup> Buyers who have placed at least one order in the period.

<sup>&</sup>lt;sup>3</sup> Time spent by each user on a specific web page.

<sup>4 %</sup> of active users who visited a site or used an application on total internet users in Italy.



The table below illustrates the Reclassified Income Statement by destination according to the statements used by the Group's management.

(€ thousand)	31 March 2015	% of profits	31 March 2014	% of profits	% Change
Total Revenue	49,732	100.0%	41,286	100.0%	20.5%
Cost of sales <sup>5</sup>	(39,511)	-79.4%	(31,778)	-77.0%	24.3%
Gross profit <sup>6</sup>	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 costs	(1,857)	-3.7%	(1,642)	-4.0%	13.1%
Banzai S.p.A. general and administrative costs <sup>7</sup>	(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, amortisation 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.

#### **Gross Profit**

Gross profit stood at €10,221 thousand, an increase of €713 thousand, equal to 7.5% compared with the first quarter of 2014 (€9,508 thousand). In percentage terms, the ratio between Gross Profit and Revenues decreased from 23.0% as at 31 March 2014 to 20.6% as at 31 March 2015.

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

<sup>&</sup>lt;sup>6</sup> The Gross Profit is represented by net revenues minus cost of goods sold and is a management accounts indicator used by the Issuer to monitor and evaluate sales performance. Gross profit is not identified as an accounting method either under the scope of Italian Accounting Principles or under IFRS (International Financial Reporting Standards) and, therefore, it should not be considered as an alternative method for evaluating the performance of the Group's gross margin. Since the composition of the Gross Profit is not regulated by reference accounting standards, the calculation criterion applied by the Group may not be standardised with that adopted by others and, therefore, it is not comparable. The percentage of Gross Profit over revenues is calculated by the Group as the ratio between Gross Profit and net Total Revenues.

<sup>&</sup>lt;sup>7</sup> Banzai S.p.A. 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.

The table below illustrates the comparison between the percentage of gross profit in the first quarter of 2014, the fourth quarter of 2014 and the first quarter of 2014 by business area and consolidated total.

Gross Profit %	Q1 2014	Q4 2014	Q1 2015
e-Commerce	17.1%	14.6%	15.1%
Vertical Content	71.6%	76.1%	68.7%
Consolidated	23.0%	21.0%	20.6%

Gross Profit for the e-Commerce division stood at 15.1% of revenues, the change since 31 March 2014 (17.1%) being attributed mainly to the effect of greater recourse to free shipping promotional policies aimed at accelerating the growth of revenues in core categories as confirmation of the strategy outlined in the IPO. Compared with the fourth quarter of 2014, an increase of 0.5 percentage points was recorded for gross profit, demonstrating the endurance of gross profit trend.

Gross Profit for the Vertical Content division amounted to 68.7%, a decrease compared with the figure of 71.6% recorded in the first quarter of 2014 and compared with 76.1% in the fourth quarter of 2014, due to the effect of the increase in sales commission paid to media centres for their negotiations supporting revenue growth.

#### Adjusted EBITDA

Adjusted EBITDA stood at -€891 thousand, a decline compared with €396 thousand in the first quarter of 2014.

The performance of adjusted EBITDA in the first quarter was affected by marketing policies supporting the growth strategy announced during the listing.

By analysing the individual cost items, it can be seen that sales and marketing costs increased by 34.9% compared with the first quarter of 2014, mainly as a result of increased costs incurred in the acquisition of customers in the e-Commerce division. The rise in logistics costs of 25.3% over the first quarter of 2014 was mainly due to greater sales volumes in appliances, where revenues increased by 76%.

Other cost items recorded lower overall growth than increase in revenues, confirming the good scalability of the operational structure.

An increase is noted in Banzai S.p.A.'s general and administrative corporate costs of €162 thousand (+24%) compared with the first quarter of 2014, mainly due to greater expenses connected with the new corporate governance and control structure established following listing on the STAR segment of *Borsa Italiana* [Italian Stock Exchange].



The breakdown of adjusted EBITDA for the first quarter of 2015 and the first quarter of 2014 is provided below:

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(€ thousand)	31-March-15	% of revenues	31-March-14	% of revenues
Operating result	(2,879)	-5.8%	(833)	-2.0%
+ Depreciation, amortisation and write-downs	1,204	2.4%	1,229	3.0%
Non-recurring costs	784	1.6%	-	-
Adjusted EBITDA	(891)	-1.8%	396	1.0%

The adjusted EBITDA by business area is provided below with an indication of the impact on the revenues of the business unit:

e-Commerce

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(€ thousand)	31-March-15	% of revenues	31-March-14	% of revenues
Operating result	(1,517)	-3.4%	126	0.3%
+ Depreciation, amortisation and write-downs	615	1.4%	543	1.5%
Non-recurring costs	430	1.0%	-	-
Adjusted EBITDA	(472)	-1.1%	669	1.8%

Vertical Content

#### First quarter

(€ thousand)	31-March-15	% of revenues	31-March-14	% of revenues
Operating result	(133)	-2.6%	(256)	-5.7%
+ Depreciation, amortisation and write-downs	509	10.1%	645	14.4%
Non-recurring costs	29	0.6%	-	-
Adjusted EBITDA	405	8.0%	389	8.7%

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#### First quarter

(€ thousand)	31-March-15	% of revenues	31-March-14	% of revenues
Operating result	(1,229)	n.a.	(703)	n.a.
+ Depreciation, amortisation and write-downs	80	n.a.	41	n.a.
Non-recurring costs	325	n.a.	-	n.a.
Adjusted EBITDA	(824)	n.a.	(662)	n.a.

<sup>\*</sup> Includes the activity of the Holding

**EBITDA**, for the first quarter of 2015, stood at -€1,675 thousand and included non-recurring costs of €784 thousand relating to incentives paid to employees and associates for achieving the target of listing on Borsa Italiana.

#### **EBIT**

EBIT stood at -€2,879 thousand compared with -€833 thousand in the first quarter of 2014 as a result of the lower EBIDTA as described above. Amortisation and depreciation were in line overall with the first quarter of 2014.

### Earnings Before Tax (EBT)

Earnings before tax were at -€3,024 thousand, compared with -€997 thousand in the first quarter of 2014. Net financial expenses of €118 thousand were recorded compared with €164 thousand in the first quarter of 2014, a fall of €46 thousand (-28.0%); this reduction is due to less recourse to financial debt following income from the listing.

## ANALYSIS OF KEY RESULTS FROM THE STATEMENT OF FINANCIAL POSITION

The table below provides the reclassified statement for sources and uses of the statement of financial position.

#### Statement of financial position

(€ thousand)	31 March 2015	31 December 2014	
USES			
Net working capital <sup>8</sup>	(3,165)	(5,746)	
Fixed assets <sup>9</sup>	47,274	43,548	
Long-term assets <sup>10</sup>	9,126	7,837	
Personnel fund	(3,400)	(3,315)	
Long-term liabilities <sup>11</sup>	(450)	0	
Net Invested Capital <sup>12</sup>	49,385	42,324	
SOURCES			
Net Financial Liquidity / Debt <sup>13</sup>	40,952	790	
Shareholders' Equity	(90,337)	(43,114)	
FUNDING SOURCES TOTAL	(49,385)	(42,324)	

<sup>8</sup> Net Working Capital is calculated as the sum of inventories, trade receivables and other non-financial current assets excluding trade payables and other current liabilities with the exception of financial assets and liabilities. Net working capital is not identified as an accounting method either under the scope of Italian Accounting Principles or IFRS (International Financial Reporting Standards).

<sup>9</sup> Fixed assets are the total of plant and machinery, intangible assets, equity investments in associate companies and non-current financial assets.

<sup>10</sup> Long-term assets are composed of other non-current assets and deferred tax assets. Long-term liabilities are composed of liabilities for deferred taxes and provision for risks and charges

<sup>&</sup>lt;sup>11</sup> Long-term liabilities are composed of liabilities for deferred taxes and provision for risks and charges.

<sup>&</sup>lt;sup>12</sup> **Net Invested Capital** calculated from the sum of net working capital, fixed assets and other long-term assets excluding personnel funds, provision for risks and charges and liabilities for deferred taxes. Net invested capital is not identified as an accounting method either under the scope of Italian Accounting Principles or IFRS (International Financial Reporting Standards).

<sup>&</sup>lt;sup>13</sup> Pursuant to CONSOB communication No. EM/6064293 of 28 July 2006, **Net Financial Debt** is calculated as the sum of cash and cash equivalents, current and non-current financial liabilities, the fair value of hedging financial instruments and has been determined in accordance with the requirements of ESMA Recommendation /2013/319 of 20 March 2013.



### Net working capital

Net working capital increased by €2,581 thousand mainly through the effect of the increase in Inventories which increased from €13,027 thousand as at 31 December 2014 to €14,816 thousand with an increase of €1,789 thousand and a fall in trade payables of €2,835 thousand. The change in inventories was mainly due to the growth in revenues and to the greater acquisitions that the Group made on an opportunistic basis and to complement its virtual reseller model to seize a greater number of advantageous opportunities and improve service levels relating to products where procurement may take a long time.

The table below provides a breakdown of Net working capital:

#### Net working capital

(€ thousand)	31 March 2015	31 December 2014	Change
Inventories	14,816	13,027	1,789
Trade receivables and other accounts receivable	12,055	13,081	(1,026)
Trade and other payables	(25,946)	(28,781)	2,835
Commercial Working capital	925	(2,673)	3,598
Other current receivables and payables	(4,090)	(3,073)	(1,017)
Net working capital	(3,165)	(5,746)	2,581

#### Fixed assets

As at 31 March 2015, fixed assets increased by  $\in 3,726$  thousand compared with 31 December 2014 in the light of net investments of  $\in 229$  thousand for purchasing hardware and equipment for our operational sites and our logistics centre, of  $\in 2,423$  thousand for investments in the marketplace platform, the development of the new ERP accounting and management system and of  $\in 2,154$  thousand related to the accounting of intangible fixed assets and goodwill through the acquisition of MyTrainerCommunity S.r.l. Fixed assets mainly fell as a result of amortisation and depreciation of  $\in 1,204$  thousand recorded in the period.

The Group, in accordance with the provisions of IFRS 3, has carried out a provisional allocation of the cost of the business combination to the fair value of the acquired assets and of the liabilities and contingent liabilities assumed. The provisional allocation is shown in the table below:

(€ thousand)	Fair value measured at purchase
FIXED ASSETS	
Intangible Fixed Assets	464
CURRENT ASSETS	
Receivables	124
Cash and cash equivalents	88
TOTAL ASSETS	676
Personnel funds	(12)
Deferred taxes	(127)
Payables	(47)
TOTAL LIABILITIES	(186)
Total net assets identified at fair value	490
Goodwill from the acquisition	1,690
FEES	2,180

The fees paid at the acquisition date amounted to €1,730 thousand. The estimate of the liabilities related to the earn-out to be paid as at 31 March 2017 were also taken into account.

The cash flows related to the acquisition are illustrated below:

(€ thousand)	Cash flows from the acquisition
Net cash and cash equivalents	88
Payments made	1,730
Net cash flows from the acquisition	(1,642)

## Shareholders' equity

Shareholders' equity increased in the period by €50,247 thousand, due to the effect of resources which came in at the time of the listing of the Company on the Star segment of Borsa Italiana totalling €54 million, minus expenses related to the collection and net of the tax effect of €1,423 thousand.



The breakdown of the Net Financial Position is provided below, in accordance with the CONSOB Communication of 28 July 2006 and in compliance with the ESMA/2011/81 Recommendation.

#### Net financial position

(€ thousand)	31 March 2015	31 December 2014
(A) Cash	(114)	(128)
(B) Other cash and 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) Net current financial liquidity / debt (D)+(E)+(I)	(47,657)	(942)
(K) Non-current bank borrowings	6,589	23
(L) Bonds issued	-	-
(H) Other non-current payables	114	129
(N) Non-current financial debt (K)+(L)+(M)	6,703	152
(O) Net Financial (Liquidity) / Debt (J)+(N)	(40,954)	(790)

As at 31 March 2015, the Group reported a Net Cash Position of  $\le 40,954$  thousand. The net increase stems from the resources collected through the listing operation, net of financial resources absorbed by the investing activities described previously equal to  $\le 4,437$  thousand and the absorption of financial resources with regard to operational management of  $\le 4,225$  thousand. 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 of  $\le 784$  thousand. During the quarter, the group also repaid a loan of  $\le 2.5$  million which became due and reduced the use of short-term lines of credit and signed new medium/long-term loan agreements for a more efficient financial structure. A medium/long-term loan of  $\le 6$  million is guaranteed by liquidity of the same amount.

#### RESEARCH, DEVELOPMENT AND INNOVATION

Development is particularly important for the Group: it is aimed at conceiving new solutions, new products and services to be integrated in the range offered by Banzai as well as the continuous innovation of existing ones, also with regard to the introduction of new technologies and new business development models (for example, in relation to the use of mobile devices or social networks). The Group adopts an interdisciplinary approach, the greatest strength of which lies in the close collaboration between development, production and marketing, in order to respond quickly and effectively to the constant changes in the preferences expressed by consumers.

In the first quarter of 2015, 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 technological platform by integrating the components available on the market as much as possible. The benchmark architectural paradigm follows a structure which is exposed to services in which the software components can be integrated and cooperate through standard technologies.

The main investments of the e-Commerce branch involved the completion of the development of an online platform (3P marketplace) in which third-party suppliers - typically other online stores and retailers - promote or sell their own products directly to customers. The service became operational in April 2015, following the installation of the final software release.

New developments were made in the back office systems, specifically the customer order tracking and goods status systems, enabling a significant improvement in delivery forecasts and customer estimate monitoring and communication. Consolidation of the catalogues systems and development of business intelligence also continued.

The company implemented the new "Vico42" portal for flash sales and stock entirely dedicated to a male target audience. It involved creating a new front end site which included a themed sales instrument which can be replicated for new vertical channels. A new specific framework was developed, also used in the "mother" vertical, the development of which was started during the period.

#### SIGNIFICANT EVENTS IN THE REPORTING PERIOD

On 20 January 2015, the subsidiary Banzai Media S.r.l. completed the acquisition of MyTrainerCommunity S.r.l, which owns the www.my-personaltrainer.it, www.vivailfitness.it and www.abodybuliding.it websites and is considered a strategic and complementary asset of the Banzai Group. The transaction value, fully paid in cash at the date of purchase, amounted to €1.7 million. The agreement includes an earn-out to be settled by 31 March 2017.

In January 2015, My Personal Trainer (www.my-personaltrainer.it), the leading Italian health and wellbeing website with 3.9 million Unique Monthly Visitors (Audiweb View – Total Audience figures, November 2014), hit a new record with over 37 million monthly page views, up 98% on January 2014 (Google Analytics). My Personal Trainer is part of the Pianeta Donna portal, the female market leader with over 10 million Unique Monthly Visitors and 920 thousand daily users (Audiweb View – Total Audience figures, November 2014).

On 12 February 2015, Banzai S.p.A. concluded the placement of its ordinary shares for listing on the *Mercato Telematico Azionario* [Italian Telematic Stock Market], organised and managed by Borsa Italiana S.p.A. - STAR segment. The Stock Exchange capitalisation of the Issuer, calculated according to the Offer Price (€6.75 per share) amounted to €274 million. On 16 February 2015, trading of the stock began with the entire placement of the 8,000 thousand shares in the capital increase, worth a total of €54 million.

#### SUBSEQUENT EVENTS

Between the closing date of the first quarter and the approval of this Interim Directors' Report, there have been no significant events.



#### **OUTLOOK**

For 2015, the Group expects revenue growth in both business areas and an increase in the reference market share. Proceeds deriving from an increase in capital following the listing will allow for the acceleration of the growth process and achievement of strategic goals. With regard to the e-Commerce business area, growth is expected to accelerate in the reference product categories, such as household appliances and electronics. The development of the "3P Marketplace" will expand the range of products offered, thus being able to satisfy an increasingly wider and comprehensive customer base.

A further rapid expansion of our Pick& Pay eLockers distribution network is also expected, in order to reach an increasingly larger portion of the national population.

A further boost to growth will come from the new "vertical" in the context of private sales dedicated to Men (Vico42, launched in March) and from the launch of the new "vertical" in the context of private sales dedicated to Mothers.

As regards the Vertical Content business area, lower growth is expected due to the general conditions of the advertising market, whilst, however, the market share is expected to increase thanks to the strategy of focusing on the vertical segments of Cookery, Women, Young People and News.





## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ thousand)	31 March 2015	31 December 2014
NON-CURRENT ASSETS		
Plant and machinery	2,549	2,540
Intangible assets	42,141	38,547
Equity investments in associate companies	823	779
Non-current financial assets	1,761	1,682
Other non-current assets	117	125
Deferred tax assets	9,009	7,712
NON-CURRENT ASSETS TOTAL	56,400	51,385
CURRENT ASSETS		
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
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
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
NON-CURRENT LIABILITIES		
Payables 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
CURRENT LIABILITIES		
Trade and other payables	25,946	28,781
Payables 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

# CONSOLIDATED COMPREHENSIVE PRE-TAX PROFIT/(LOSS) FOR THE PERIOD

(€ thousand)	31 March 2015	31 March 2014
Revenue	49,732	41,286
Other income	46	22
Costs for raw materials and goods for resale	(36,006)	(28,916)
Cost of 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 (loss)	(2,879)	(833)
Financial expense	(137)	(173)
Financial income	19	9
Share of profit (loss) of associates	(27)	-
Impairment of financial assets	-	-
Profit (loss) before tax	(3,024)	(997)



## CONSOLIDATED CASH FLOW STATEMENT

(€ thousand)	31 March 2015	31 March 2014
NET CASH FLOW FROM OPERATIONS		
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)
Adjustments to reconcile profit (loss) with cash flow from operations		
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 deferred tax assets and liabilities	0	122
Share of the result pertaining to associated companies	27	0
Changes in working capital		
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)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	(229)	(115)
Change in other non-current assets	7	(7)
Purchase of intangible assets	(2,423)	(1,508)
Provision of financial assets	(150)	(35)
Purchase of subsidiaries	(1,642)	0
NET CASH FLOW GENERATED FROM (ABSORBED BY) INVESTMENT ACTIVITIES	(4,437)	(1,665)
CASH FLOW FROM FINANCING ACTIVITIES		
Financial payables	1,354	1,704
Capital increase	48,824	0
Current financial receivables	(98)	37
NET CASH FLOW ABSORED BY FINANCING ACTIVITIES	50,080	1,741
(Decrease)/Increase in cash and cash equivalents	41,419	(3,682)
Net exchange rate 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

# CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	J	Other capital reserves	Retained earnings/(losses)	Reserve	FTA Assets Employee Reserve benefits	Total
Balance as at 31 December 2014	647	74,822	1	538	(31,193)	(1,350)	(351)	43,114
Profit (loss) for the year					(3,024)			(3,024)
Items of other comprehensive income								
that will subsequently not be reclassified into profit (loss) for the year that will subsequently be reclassified into profit (loss) for the year								-
Comprehensive income	-	-	-	-	(3,024)	-		(3,024)
Capital increase	160	50,087						50,247
Other capital transactions				-				-
Purchase and sale of treasury shares								-
Change in scope of consolidation		(2,660)			2,660			-
Balance as at 31 March 2015	807	122,249	1	538	(31,557)	(1,350)	- (351)	90,337

	Share capital	Share premium	Ŭ	Other capital reserves	Retained earnings/(losses)	Reserve	FTA Assets Employee Reserve benefits	Total
Balance as at 31 December 2013	608	67,593	1	387	(29,117)	(1,350)	(144)	37,978
Profit (loss) for the year					(997)			(997)
Items of other comprehensive income								
that will subsequently not be reclassified into profit (loss) for the year that will subsequently be reclassified into profit (loss) for the year							(134	(134)
Comprehensive income	-	-	-	-	(997)	-	- (134	(1,188)
Balance as at 31 March 2014	608	67,593	1	387	(30,114)	(1,350)	- (278)	36,847

Chairman and Chief Executive Officer
Paolo Guglielmo Ainio



# DECLARATION PURSUANT TO ARTICLE 154-BIS P.2 OF LEGISLATIVE DECREE 58/1998

The undersigned, Emanuele Romussi, the Director in charge of preparing the corporate accounting documents of Banzai S.p.A., hereby certifies, in accordance with Article 154-bis, paragraph 2 of the TUF [Consolidated Finance Act], that the consolidated interim financial statements as at 31 March 2015 for Banzai Group correspond to the entries made in the accounting documents, ledgers and records.

Director in charge of preparing the corporate accounting documents

Emanuele Romussi

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