



PRESS RELEASE

BANZAI: BOARD OF DIRECTORS APPROVES RESULTS AS AT 31 DECEMBER 2015

2015 growth targets exceeded.

Strong growth to continue in 2016, with a focus on gross margin improvement.

- **+ 27% revenue growth in FY15 (Euro 234.8 million vs Euro 185.0 million in FY14):**
 - +37.5% increase of GMV (Gross Merchandise Volume¹) to Euro 260 million
 - +28.5% in e-Commerce revenues (ePRICE and Saldiprivati), with core categories² growing at 33%;
 - +15.0% revenue in the *Vertical Content* area (including GialloZafferano, PianetaDonna, Studenti.it).
- **+28% revenue growth in 4Q15 (Euro 82.6 million vs Euro 64.7 million in 4Q14); GMV¹ Q415 +37.4%**
- **Adjusted EBITDA of Euro -5.45 million in FY15 vs Euro 3.75 million in FY14** mostly due to accelerated marketing initiatives to boost e-Commerce, which exceeded 700,000 customers (up 30%YoY), in line with the strategy announced at the IPO, as well as to the ePRICE TV campaign in 4Q15.
- **Euro 23.2 million net liquidity** vs. Euro 0.8 million as at 31 December 2014 after investments and acquisitions of about Euro 15 million.
- **Guidance 2016:**
 - GMV¹ growth in the upper part of the 25-30% range and of 20-25% for revenues.
 - Significant increase of the Gross Margin driven by improved e-Commerce performance.
 - Operating Cash Flow achieving a significant improvement compared with Euro -12.6 million in 2015.
 - Capex at Euro 15 million, including one-off investments for the new fulfilment center.

Milan, 2 March 2016

Today, the Board of Directors of Banzai, Italy's first national e-Commerce platform and one of the leading Italian digital publishers, listed on the STAR segment of the Italian Stock Exchange, has approved results as at 31 December 2015.

*"Our first year on the Italian Stock Exchange ends better than expected in terms of revenue growth"- stated **Paolo Ainio, Executive Chairman** "Banzai has significantly increased its market share in all segments, in particular in the domestic appliances and consumer electronics categories, in which it confirms its leadership position in the online channel."*

*"4Q15 revenue trend confirms the outstanding growth achieved in the previous nine months also thanks to the growth of the Pick&Pay® distribution network, which has hit the milestone of 100 stores, and the launch of the Merchant Marketplace". – said **Pietro Scott Jovane, Chief Executive Officer** – "At the end of this quarter ePRICE launched its first TV campaign with positive effects on our brand awareness. In 2016 we will focus on further expanding our market shares in the reference markets (e-commerce and digital advertising) and continuing to develop the Merchant Marketplace for ePRICE, which is set to boost even more our GMV¹. In 2016 we will also focus on improving the gross margin, driven by the e-commerce, with positive impacts on EBITDA. Finally, we expect to end the year with a positive net cash position, after a CAPEX of about Euro 15 million."*

Consolidated results as at 31 December 2015

FY15 revenues amount to Euro 234.8 million, +27,0% compared with Euro 185.0 million in 2014.

(Euro mn)	FY15	FY14	% Ch
e-Commerce	210.6	163.9	28.5%
Vertical Content	24.2	21.1	15.0%
Revenues	234.8	185.0	27.0%
GMV ¹	259.6	188.8	37.5%

¹ GMV 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. Vertical Content Revenues are not included.

² They include product revenues excluding revenues from deliveries and other services

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With revenues of Euro 210.6 million, up 28.5% versus FY14, the *e-Commerce* division confirms to be the main growth driver of the Group, driven by the core categories².

The *Vertical Content* division, which posted revenues of Euro 24.2 million mainly generated from advertising sales, grew 15% in 2015 reporting a further acceleration in 4Q15 compared with the previous quarters (+22.4% on 4Q14), also thanks to the full consolidation of AdKaora. This company was acquired in October and has a remarkable know-how in the mobile advertising business.

As a whole, Banzai reported a better performance compared with its direct competitors on both the e-commerce (particularly in the domestic appliances category) and the digital advertising domestic markets with a further expansion of its market share.

*e-Commerce (revenues by product and key performance indicators)*³

(Euro million)	4Q15	4Q14	%Ch	Key Performance Indicators ³	4Q15	4Q14	%Ch
<i>Electronic Goods and Domestic Appliances</i>	53.5	39.4	35.6%	<i>GMV (Euro million)</i> ¹	92.3	67.2	37.4%
<i>Apparel / other</i>	16.7	14.0	18.8%	<i>Orders (thousand)</i>	485	383	26.6%
<i>Services</i>	4.3	4.6	-6.5%	<i>AOV (Euro)</i> ⁴	156	146	6.6%
Revenues	74.4	58.1	28.2%	<i>Buyers (thousand)</i> ⁵	321	245	31.0%
"Core" Revenues	70.1	53.5	31.2%	<i>Items per order (#)</i>	2.1	2.2	-7.6%

(Euro million)	FY15	FY14	%Ch	Indicatori di Performance ³	FY15	FY14	%Ch
<i>Electronic Goods and Domestic Appliances</i>	147.6	107.0	38.0%	<i>GMV (Euro million)</i> ¹	259.6	188.8	37.5%
<i>Apparel / other</i>	48.6	40.5	20.0%	<i>Orders (thousand)</i>	1.489	1.161	28.3%
<i>Services</i>	14.3	16.3	-12.2%	<i>AOV (Euro)</i> ⁴	143	135	6.2%
Revenues	210.6	163.9	28.5%	<i>Buyers (thousand)</i> ⁵	707	545	29.8%
"Core" Revenues	196.3	147.6	33.0%	<i>Items per order (#)</i>	2.1	2.3	-8.7%

The *e-Commerce* division reported a 33.0% revenue growth in the core categories² (Electronic Goods and Domestic Appliances, Apparel/other) compared with FY14. In particular, revenues from the "*Electronic Goods and Domestic Appliances*" category - amounting to Euro 147.6 million in FY15 - show a 38% growth, mainly attributable to the expansion of the product range and to the development of "premium" services (delivery, installation and used goods pick-up), in addition to the expansion of the Pick&Pay® and Lockers network, which stood at 100 and 305 respectively as at 31 December (87 and 280 as at 30 September 2015).

Lastly, in December, the first TV campaign ever of ePRICE was launched on the main Italian TV networks with over 2,500 ads aired on the main terrestrial and satellite TV channels, including Mediaset, RAI, Sky and La7. The first results of this campaign are positive, as it has contributed to boosting brand awareness. The *Key Performance Indicators* are also accelerating: GMV¹ (Gross Merchandise Volume) reported a 37.5% growth in FY15, also thanks to the good performance of the volumes generated in the period by the Merchant Marketplace, where the number of merchants exceeded the 330 milestone.

In 2015 this division managed close to 1.5 million orders achieving a +28.3% growth versus FY14 with an average order value (AOV⁴) of Euro 143, up 6.2%, thanks to the shift of the growth mix towards Electronic Goods and Domestic Appliances, which are high-ticket categories. Lastly, the number of buyers was about 707,000, up 29.8% over 2014. Yet the number of items per order decreased (-8.7% YoY in 2015), as a result of the same effect mentioned above related to the growth mix with a growing weight of Electronic Goods and Domestic Appliances.

³ Including the 3P marketplace.

⁴ Average value of each purchase order (excluding VAT).

⁵ Buyers who placed at least 1 order in the reference period.



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Vertical Content (Key Performance Indicators)

Key Performance Indicators (average monthly data) ⁶	4Q15	4Q14	%Ch
Unique Monthly Visitors (.000)	18.1	18.4	-1.4%
Time Spent per Unique Monthly Visitor (minutes, .000) ⁷	24.0	26.6	-9.7%
Active Reach ⁸	62.2%	63.7%	-2.4%

Key Performance Indicators (average monthly data) ⁶	FY15	FY14	Var%
Unique Monthly Visitors (.000)	17.6	17.5	0.3%
Time Spent per Unique Monthly Visitor (minutes, .000) ⁷	24.1	23.0	4.6%
Active Reach	61.0%	63.3%	-3.6%

In November, according to comScore (including visits from mobile apps of social networks), Banzai was the second digital property in Italy, after Google, with 23.8 million users/month. According to Audiweb data (which does not consider visits from social networks mobile apps), the *Vertical Content* division attracted on average 18.1 million Unique Monthly Visitors in 4Q15, confirming the leadership of Banzai among the Italian digital properties. Also according to Audiweb, the *Time Spent* per Unique Monthly Visitor was 24 minutes and the *Active Reach* was 62.2% of the Italian Internet population.

The **Gross Margin** was Euro 44.2 million, +6.0% compared to Euro 41.7 million in FY14, accounting for 18.8% of the revenues for the period. The margin drop from FY14 is mainly attributable to the growing weight of the *e-Commerce* division vs the *Vertical Content* division and greater use of free-shipping promotions to boost sales.

In particular, the Gross Margin of the *e-Commerce* division grew 7.3% YoY and accounted for 13.3% of revenues, down from 16.0% of FY14. The margin decline is due to a different sales mix with a growing weight of “core” categories for the Group, i.e. Electronic Goods and Domestic Appliances, but also to a significant use of free-shipping promotions, as already reported in 9M15.

The Gross Margin of the *Vertical Content* division was 66.2%. The difference over FY14 (73.1%) is attributable to increased sales commissions paid to media centres for their activities supporting the revenue growth, which accelerated significantly, and to a lesser extent to the consolidation of AdKaora in 4Q15.

Adjusted EBITDA stood at Euro -5.45 million versus Euro 3.75 million in FY14. This drop was mainly due to the already anticipated increase in sales and marketing costs (+68%) particularly impacted by the first TV campaign for ePRICE in 4Q15 and higher fulfilment costs (+32.5%) aimed in both cases at sustaining the strong growth of the *e-Commerce* division in terms of customers and sales volumes, as announced to the market at the IPO. Sales and marketing costs excluding the cost for the TV campaign show proportionally a more limited growth and amounted to 44.5% YoY. Particularly relevant is also the more modest increase of fulfilment costs compared with the significant acceleration of Electronic Goods and Domestic Appliances (+38% YoY in FY15), mainly in the category of large domestic appliances.

Other cost items, in particular content production costs, IT costs and general and administrative costs rose 11% compared to 2014, well below the increase in revenues, confirming, therefore, the scalability of our operational structure. Corporate general and administrative costs for Banzai S.p.A. were up +10% YoY, mainly due to the higher costs incurred for the new corporate governance and control structure which was set up following the listing on the Italian Stock Exchange.

EBITDA was Euro -6.56 million (Euro 3,75 million in FY14) including non-recurring costs of Euro 1.1 million, Euro 0.89 million of which for bonuses paid to employees and associates for accomplishing the IPO target, and costs of Euro 0.22 million related to the Stock Option Plan.

⁶ Audiweb Srl, powered by Nielsen, is the source of Unique Monthly Visitors, Time Spent and Active Reach; data as at December 2015.

⁷ Time spent by each user on a specific web page.

⁸ % of active users who visited a site or used an application out of the total internet users in Italy.

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EBIT amounted to Euro -13.1 million (-1.9 million in FY14), as a result of the lower EBITDA; depreciation, amortization and write offs were Euro 6.6 million, +16.1% vs FY14, due to increased investments over the period.

EBT totalled Euro -13.6 million (Euro -2.6 million in FY14), with net financial expenses falling significantly (-66.9% YoY), as financial leverage was reduced due to the use of proceeds from the IPO.

The **Net Result** came to Euro -10.76 million (Euro -2.1 million in FY14), impacted by the strategic choice of expanding the size of the Group and includes Euro 3.1 million of deferred taxes.

As at 31 December 2015 the Group reported a **liquidity of Euro 33.5 million** and a **Net Cash Position of Euro 23.2 million**: the significant increase compared to €0.8 million as at 31 December 2014 is attributable to the proceeds from the IPO, net of investments (Euro 15 million) and cash outflows from operating activities (Euro 12.6 million). This level of liquidity absorption results from the Group's strategy to strongly accelerate revenues and market share through more investments in marketing activities and partly also from the use of liquidity for increased purchases carried out by the Group to complete the *virtual* reseller model. Lastly non-recurring expenses related to the IPO process (Euro 0.89 million) also impacted the cash position at the end of the year.

In 2015, the Group repaid a Euro 2.5 million loan, which had reached maturity. It also paid off in advance two loans amounting to a total of Euro 1.3 million and reduced the use of short-term lines of credit. At the same time, in order to enhance the efficiency of its financial structure, the Group underwrote new medium/long-term loan agreements for a total of Euro 8.5 million. One of them, in particular, worth Euro 6 million, is secured by an equal amount of cash.

Investments were mainly targeted to purchase hardware and equipment for the operational sites and the fulfilment centre, the development of the *marketplace* platform and the new ERP accounting and management system as well as some acquisitions, including AdKaora.

Main consolidated results of the fourth quarter 2015

The 4Q15 performance shows a strong growth in both absolute and relative terms: revenues amounted to Euro 82.6 million with a +27.6% increase versus Euro 64.7 million in 4Q14. GMV¹ was up 37.4% YoY.

In particular in the *e-Commerce* core categories², Banzai, with its ePRICE and Saldiprivati platforms, reported a +31.2% increase compared with the previous year (+44.5% in 3Q15, +33.7% in 2Q15 and +26.4% in 1Q15), therefore confirming the trend of 9M15, net of the 3Q15 peak resulting from the sales of air conditioners. During 4Q15, Banzai continued to develop the Merchant Marketplace.

Lastly, in 4Q15, the *Vertical Content* division outperformed its reference market in organic terms, thus reaffirming its leadership, which was corroborated by the consolidation of AdKaora, the newly-acquired mobile advertising company.

(Euro mn)	4Q15	4Q14	% Ch
e-Commerce	74.4	58.1	28.2%
Vertical Content	8.1	6.6	22.4%
Revenues	82.6	64.7	27.6%
GMV ¹	92.3	67.2	37.4%

Gross Profit amounted to Euro 14.1 million, +4.1% compared with Euro 13.6 million in 4Q14. As a percentage of revenues, Gross Margin was 17.1% with a modest increase from 17.0% of 3Q15, but declining compared with 21.0% of 4Q14 due greater free-shipping promotions and the evolution of the mix with a strong growth of the *e-commerce* business, in particular of ePRICE.



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Adjusted EBITDA stood at Euro -2.2 million versus Euro 2.5 million in 4Q14. This drop was mainly due to the ePRICE TV campaign mentioned above which led to a significant increase of the sales and marketing costs, as well as to the fulfilment costs associated with the eCommerce business. As previously highlighted, the company reported less than proportional increase in fulfilment costs when compared with the significant acceleration of the Electronic Goods and Domestic Appliances category (+36%YoY in the quarter).

EBIT was Euro -4.5 million (Euro 0.8 million in 4Q14) after amortization and depreciation of Euro 2.0 million in line compared with the previous year.

EBT totalled Euro -4.7 million (Euro 0.6 million in 4Q14).

Main results of the Parent Company Banzai SpA as at 31 December 2015

Banzai SpA revenues, equal to Euro 1.8 million, exclusively refer to amounts charged back to companies belonging to the Group and are substantially in line with the previous year (Euro 1.6 million). EBITDA was Euro -4.3 million with a drop of Euro 1.1 million versus 2014 due to greater costs for services required to improve the corporate processes in preparation for the IPO process. These higher costs impacted the performance down to the Net Result.

The Board of Directors resolved to propose to the Shareholders' Meeting to carry forward the net loss for the period of Euro -3.51 million.

Other key events

- **Opening of the 100th Pick&Pay® Store**

In December, we completed the first expansion phase of the Pick&Pay® network reaching 100 stores in 89 towns and 305 lockers in 152 towns which amount to a total of 405 pick-up points in 189 towns. The target of 135-150 stores by the end of 2016 is confirmed.

- **Launch of ePRICE Service Platform**

In January 2016, ePRICE launched the first release of a new service platform, which can efficiently the work coordinate the work of the technicians who deliver and install "turn-key" large domestic appliances and other "complex" products, also taking care of the collection of used goods. This Service Platform is based on a mobile-centric operational approach. As examples, this platform enables customers to see the available day and time for the product installation already in the cart, to view technician's profile ahead of the installation, to give useful information online for the delivery, to receive real-time updates and alerts and to give a feedback after the installation. The Service Platform is currently available in the area of Milan and the first results show significantly higher attach rates and NPS compared with the "standard" service.

Business outlook

In 2016 the Company expects Revenues to grow in both businesses and to continue to increase market share in the reference markets. In particular, revenues are expected to grow in the upper part of the 20-25% range, driven by e-commerce, while GMV¹ is expected to grow in the upper part of the 25-30% range.

With regards to the e-Commerce business, growth is expected to accelerate in the reference product categories, such as domestic appliances and consumer goods, boosting, therefore, the market share of the company compared to the reference market. The development of the 3P Marketplace is set to lead to an expansion of the product range which will be able to meet the needs of an ever broader and more complex customer base. Also the Pick&Pay® and Lockers distribution network will keep expanding rapidly up to about 150 points and 400 respectively, so as to gain more coverage of the domestic population.

As to the *Vertical Content* business, its market share is expected to continue to increase thanks to relentless product innovation and a strategy targeting the vertical segments of Cooking, Women, Youth and News.

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The group expects an improvement of the gross margin with positive impacts on the group EBITDA and an Operating Cash Flow with a far better performance compared with 2015. Investments of about Euro 15 million are confirmed, as was announced at the IPO, including extraordinary investments for the new fulfilment centre. The Group also expects to end the year with a positive net cash position.

Other Resolutions by the Board of Directors

The Board approved the *Report on Corporate Governance and Ownership Structure* for the 2015 financial year envisaged by art. 123-bis TUF [Consolidated Financial Law] and the *Report on Remuneration* envisaged by art. 123-ter TUF, which will be submitted to the Shareholders' Meeting for approval.

Authorization to buy and sell treasury shares

The Board resolved to request authorization from the Shareholders' Meeting to renew the plan for the purchase and disposal of treasury shares, following revocation of the authorization given by the Shareholders' Meeting of 6 November 2014. The main features of the programme are:

- maximum time window for the purchase permitted by current laws (18 months from Shareholders' Meeting resolution), whereas for the disposal it is request without time limits;
- purchase of a maximum number of ordinary shares for a nominal value not exceeding one fifth of the entire capital, including shares held by the Company and its subsidiaries (without prejudice to the limits of the distributable profits and the available reserves as of the last financial statement approved at the moment of each transaction, pursuant to art. 2357, paragraph 3 of the Italian Civil Code);
- purchase price no more than 20% lower or 10% higher than the reference price reported by the security on the dealing day on the Stock Exchange preceding each purchase.

Authorization is requested for the following purposes: i) to support market liquidity and efficiency and to set up the so-called "securities pool" including the use of the treasury shares purchased; ii) to use treasury shares as payment in extraordinary transactions, including the exchange of shareholdings, with other entities in the context of transactions in the interest of the Company; iii) to allocate treasury shares for distribution plans free of charge or otherwise of stock options or shares of the Company to directors, employees and collaborators of the Company or its subsidiaries, and for plans for the assignment of shares free of charge to beneficiaries identified within these plans.

The Board may sell the purchased shares, setting the price and arrangements for disposal and making all accounting entries necessary or worthwhile, in compliance with laws and regulations and with the accounting principles applicable to each case.

As of today's date, own shares in the portfolio are 282,250, equal to 0.68% of the share capital.

Stock-Option Plan 2016-2018, Stock Grant Plan and capital increase

The Board resolved to convene the Shareholders' Meeting in order to make certain resolutions concerning the remuneration of the Company top management. In particular, the Agenda of the Shareholders' Meeting to be convened will include:

- approval of a Stock Option Plan involving ordinary Banzai shares, called "**Stock-Option Plan 2016-2018**", reserved for executive directors, employees and collaborators of Banzai and its subsidiaries;
- approval of an **increase of corporate capital against payment, in tranches, ruling out the right of option as of art. 2441, paragraph 4, second period of the Italian Civil Code**, for an overall maximum nominal aggregate of Euro 34,000, through issue, also in several tranches, of a maximum of 1,700,000 ordinary shares without nominal value, reserved for beneficiaries of the "**Stock Option Plan 2016-2018**", with consequent amendment of art. 5 of the Corporate By-laws, following revocation, for the part not exercised, of the increase in capital resolved at the Extraordinary Shareholders' Meeting of 22 December 2014;
- approval of a Stock Grant Plan, called "**Stock Grant Plan 2016-2018**", having as its object ordinary Banzai S.p.A. shares reserved for executive administrators, employees and collaborators of Banzai S.p.A. and its subsidiaries.

These two Plans are intended to align top management interests with those of the shareholders, pursuing the primary goal of creating value and safeguarding the company assets over the medium-long term, as well as favouring the retention of key resources in the organization and the continuity of company results, avoiding excessive focus on short-term results.



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Convening of Ordinary and Extraordinary General Meeting

In partial amendment of the calendar of company events, the Board resolved to convene the ordinary and extraordinary Shareholders' meeting at Centro Congressi Palazzo Stelline, Corso Magenta 61, Milan, on **14 April 2016 at 03:00 p.m., in a single call.**

The items on the agenda of the Shareholders' Meeting called, in addition to the approval of the financial statements as at 31 December 2015, are:

- the appointment of nomination of the new Board of Directors and new Board of Statutory Auditors;
- the consultation in relation to the first section of the Remuneration Report provided by Article 123-ter, Paragraph 3 of Legislative Decree no. 58/1998;
- the authorisation to buy and sell treasury shares;
- the approval of a stock-option plan and of a stock grant plan;
- the approval of the share capital increase for the "Stock Option plan 2016-2018"

Notice of convening, dated 4 March 2016, will be published in a concise format in the newspaper "Il Giornale", while the full version will be made available to the public on the website www.banzai.it (Investor / Governance / Shareholders' Meeting section) and on the authorized storage system 1info (www.1info.it). Similarly, and within the terms envisaged by current laws, documentation relating to the items on the Agenda will be made available to the public.

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.

This press release is available on the corporate websites www.banzai.it and www.1info.it

Banzai is the leading Italian e-Commerce platform and one of the main digital publishers in Italy. Founded by Paolo Ainio, one of the Internet pioneers in Italy, Banzai has over 470 employees and associates. It is one of the leading Internet companies in Italy with revenues of €235 million in 2015. Every month, 17.5 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 specialized in high-tech products (electronic goods) and large domestic appliances. With over two million registered users, SaldiPrivati is one of the most important online outlets selling apparel, footwear, accessories and household products. The two brands share a network of 100 Pick&Pay locations in 89 cities. These pick-up and payment points combine the advantage of buying on line with the convenience and security of a proximity store. Due to its unique and innovative product range, Banzai is a distribution channel for thousands of brands and a communication channel for over 450 advertising investors. Banzai is growing rapidly with a 100% focus on the growth of digital technology in Italy.

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Banzai Group reclassified Income Statement

Euro thousand	31 Dec 2015	%	31 Dec 2014	%	%Change
Total revenues	234,839	100.0%	184,956	100.0%	27.0%
Cost of sales	(190,669)	-81.2%	(143,277)	-77.5%	33.1%
Gross profit	44,170	18.8%	41,679	22.5%	6.0%
Sales and marketing costs	(15,974)	-6.8%	(9,510)	-5.1%	68.0%
Content production costs	(6,333)	-2.7%	(5,799)	-3.1%	9.2%
Fulfilment costs	(12,571)	-5.4%	(9,487)	-5.1%	32.5%
IT costs	(3,372)	-1.4%	(3,381)	-1.8%	-0.3%
General and administrative expenses	(11,368)	-4.8%	(9,751)	-5.3%	16.6%
Adjusted EBITDA	(5,448)	-2%	3,751	2.0%	n.m.
Non-recurring costs and Stock Option Plan	(1,115)	-0.5%	0	0.0%	n.a.
EBITDA	(6,563)	-2.8%	3,751	2.0%	n.m.
Depreciation, amortization and write-downs	(6,588)	-2.8%	(5,672)	-3.1%	16.1%
EBIT	(13,151)	-5.6%	(1,921)	-1.0%	n.m.
Net financial expenses	(181)	-0.1%	(547)	-0.3%	-66.9%
Share of the result pertaining to associated companies	(243)	0.1%	(93)	0,1%	161,3%
Impairment of financial assets	(40)	0.0%			
EARNINGS BEFORE TAX (EBT)	(13,615)	-5.8%	(2,561)	-1.4%	n.m.
Tax	2,859	1.2%	485	0.3%	n.a.
NET PROFIT (LOSS)	(10,756)	-4.6%	(2,076)	-1.1%	n.m.

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Banzai Group Income Statement

Euro thousand	2015	2014
Revenues	234,839	184,956
Other income	242	291
Costs for raw materials and goods	(171,763)	(130,525)
Costs for services	(53,670)	(37,200)
Employee costs	(15,245)	(12,861)
Depreciation, amortisation and impairment	(6,588)	(5,672)
Other expenses	(966)	(910)
Operating profit (loss)	(13,151)	(1,921)
Financial expenses	(406)	(633)
Financial income	225	86
Share of profit (loss) from associated companies attributable to shareholders	(243)	(93)
Impairment of financial assets	(40)	-
Earnings before tax (EBT)	(13,615)	(2,561)
Income tax expense	2,859	485
NET PROFIT (LOSS)	(10,756)	(2,076)

Banzai Group reclassified Statement of Assets and Liabilities

Euro thousand	31 December 2015	31 December 2014
Net working capital ⁹	776	(5,746)
Fixed assets ¹⁰	55,648	43,548
Long-term assets ¹¹	12,120	7,837
Provision for employee benefits	(3,741)	(3,315)
Long-term liabilities ¹²	(3,877)	0
Net Invested Capital¹³	60,928	42,324
SOURCES		
Liquidity/Net Financial Debt ¹⁴	23,205	790
Shareholders' Equity	(84,133)	(43,114)
SOURCES OF FUNDING	(60,928)	(42,324)

⁹ **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 in the international IFRS accounting standards.

¹⁰ **Fixed assets** are equal to the sum of plants and equipment, intangible assets, investments in associated companies and non-current financial assets.

¹¹ **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.

¹² **Long-term liabilities** consist of deferred tax liabilities and provisions for risks and charges.

¹³ **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 the international IFRS accounting standards.

¹⁴ As per 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 was calculated in accordance with Recommendation ESMA/2013/319 dated 20 March 2013.

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Banzai Group Statement of Assets and Liabilities

Euro thousand	31 December 2015	31 December 2014
NON CURRENT ASSETS		
Plants and machinery	3,113	2,540
Intangible assets	49,475	38,547
Equity investments in associated company	1,114	779
Non-current financial assets	1,946	1,682
Other non-current assets	214	125
Deferred tax assets	11,906	7,712
TOTAL NON-CURRENT ASSETS	67,768	51,385
CURRENT ASSETS		
Inventories	24,425	13,027
Trade and other receivables	17,081	13,081
Other current assets	7,594	5,634
Cash and cash equivalents	33,543	9,379
TOTAL CURRENT ASSETS	82,643	41,121
TOTAL ASSETS	150,411	92,506
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	815	647
Reserves	94,074	44,543
Profit (loss) for the period	(10,756)	(2,076)
TOTAL SHAREHOLDERS' EQUITY	84,133	43,114
NON-CURRENT LIABILITIES		
Payables due to banks and other lenders	6,691	152
Provisions for employee benefits	3,741	3,315
Other non-current liabilities	3,876	-
TOTAL NON-CURRENT LIABILITIES	14,308	3,467
CURRENT LIABILITIES		
Trade and other payables	39,121	28,781
Payables due to banks and other lenders	4,385	8,725
Other current liabilities	8,464	8,419
TOTAL CURRENT LIABILITIES	51,970	45,925
TOTAL LIABILITIES	66,278	49,392
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	150,411	92,506

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Banzai Group Net Financial Position

Euro thousand	31 December 2015	31 December 2014
(A) Cash	(199)	(129)
(B) Other cash equivalents	(33,434)	(9,250)
(C) Securities held for trading	-	-
(D) Liquidity (A)+(B)+(C)	(33,543)	(9,379)
(E) Current financial receivables	(738)	(288)
(F) Current financial payables	3,081	8,510
(G) Current portion of non-current debt	1,250	159
(H) Other current financial payables	54	56
(I) Current financial debt (F)+(G)+(H)	4,385	8,725
(J) Liquidity/current net financial debt (D)+(E)+(I)	(29,896)	(942)
(K) Non-current bank borrowings	6,619	23
(L) Bonds issued	-	-
(M) Other non-current payables	72	129
(N) Non-current financial debt (K)+(L)+(M)	6,691	152
(O) (Liquidity)/net financial debt (J)+(N)	(23,205)	(790)

PRESS RELEASE

Banzai Group Financial Statement

Euro thousand	31 December 2015	31 December 2014
Net profit (loss) from continuing operations	(10,756)	(2,076)
Net profit (loss) from assets held for sale	0	0
Profit (loss) for the year	(10,756)	(2,076)
Adjustments to reconcile profit (loss) with cash flow from operations		
Depreciation and amortisation	6,488	5,370
Provision for bad debts	100	302
Increase in provision for employee benefits	951	781
Provision for obsolete inventory	257	(19)
Change in provision for employee benefits	(367)	(170)
Change in prepaid and deferred taxes	(3,016)	(938)
Share of profit (loss) for the year of associated companies	243	93
Change in working capital	221	0
Change in inventories		
Change in trade receivables	(11,656)	(5,376)
Change in other current assets	(3,006)	(1,200)
Change in trade payables	(1,510)	(3,312)
Change in other payables	9,380	4,415
Other changes of non-monetary items	46	846
NET CASH FLOW GENERATED FROM OPERATIONS	(12,625)	(1,284)
NET CASH FLOW GENERATED FROM INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	(1,519)	(1,155)
Change in other non-current assets	(40)	25
Purchase of intangible assets	(10,285)	(7,546)
Disbursement of loans	(700)	(535)
Purchase of associated companies	(311)	(316)
Purchase of subsidiaries	(2,190)	0
NET CASH FLOW GENERATED FROM (ABSORBED BY) INVESTMENT ACTIVITIES	(15,046)	(9,527)
CASH FLOW GENERATED FROM FINANCING ACTIVITIES		
Financial payables	2,200	(1,009)
Capital increase	50,086	7,268
Current financial receivables	(451)	90
Capital contribution payments		151
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	51,835	6,500
(Decrease)/increase in cash and cash equivalents	24,164	(4,311)
Net exchange differences on cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	9,379	13,690
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	33,543	9,379

PRESS RELEASE

Banzai SpA

Banzai SpA Income Statement

Euro thousand	2015	2014	Var %
Revenues	1,833	1,568	16.9%
Other income	2	48	-95.8%
Costs for raw materials and goods	(191)	(47)	306.4%
Costs for services	(3,933)	(3,240)	21.4%
Employee costs	(1,856)	(1,382)	34.3%
Other expenses	(146)	(128)	14.1%
Gross Margin (EBITDA)	(4,291)	(3,181)	34.9%
Depreciation, amortisation and impairment	(276)	(260)	6.2%
Operating Profit (Loss) (EBIT)	(4,567)	(3,441)	32.7%
Financial expenses	(136)	(242)	-43.8%
Financial income	121	25	384.0%
Profit before tax (EBT)	(4,582)	(3,658)	25.3%
Income tax expense	1,071	998	7.3%
NET PROFIT (LOSS)	(3,511)	(2,660)	32.0%

Banzai SpA Reclassified Statement of Assets and Liabilities

Euro thousand	31 December 2015	31 December 2014
Net working capital ¹⁵	2,085	236
Fixed assets ¹⁶	76,741	51,246
Long-term assets ¹⁷	6,137	3,783
Provision for employment benefits	(214)	(188)
Long-term liabilities ¹⁸	2,085	236
Net Invested Capital¹⁹	84,749	55,077
SOURCES		
Liquidity/Net financial debt ²⁰	23,339	4,912
Shareholders' Equity	(108,088)	(59,989)
TOTAL SOURCES OF FUNDING	(84,749)	(55,077)

¹⁵ II **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 the international IFRS accounting standards.

¹⁶ **Fixed assets** are equal to the sum of plants and equipment, intangible assets, investments in associated companies and non-current financial assets.

¹⁷ Le **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.

¹⁸ **Long-term liabilities** consist of deferred tax liabilities and provisions for risks and charges.

¹⁹ **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 the international IFRS accounting standards.

²⁰ As per 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 was calculated in accordance with Recommendation ESMA/2013/319 dated 20 March 2013.

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Banzai SpA Statement of Assets and Liabilities

Euro thousand	31 December 2015	31 December 2014
NON-CURRENT ASSETS		
Plants and machinery	255	324
Intangible assets	1,884	913
Equity investments in associates	42,662	22,541
Non-current financial assets	31,939	27,468
Other non-current assets	21	20
Deferred tax assets	6,116	3,763
TOTAL NON-CURRENT ASSETS	82,877	55,029
CURRENT ASSETS		
Inventories		
Trade and other receivables	879	1,129
Other current assets	3,041	2,440
Cash and cash equivalents	31,209	8,014
TOTAL CURRENT ASSETS	35,129	11,582
TOTAL ASSETS	118,006	66,611
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	815	647
Reserves	110,784	62,002
Profit (loss) for the period	(3,511)	(2,660)
TOTAL SHAREHOLDERS' EQUITY	108,088	59,989
NON-CURRENT LIABILITIES		
Payables due to banks and other lenders	6,620	0
Provision for employee benefits	213	188
Other non-current liabilities	6,833	188
TOTAL NON-CURRENT LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,385	2,927
Payables due to banks and other lenders	1,250	3,102
Other current liabilities	450	405
TOTAL CURRENT LIABILITIES	3,085	6,434
TOTAL LIABILITIES	9,918	6,622
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	118,006	66,611



PRESS RELEASE

Banzai SpA Net Financial Position

Euro thousand	31 December 2015	31 December 2014
(A) Cash	(1)	(2)
(B) Other cash equivalents	(31,208)	(8,012)
(C) Securities held for trading		-
(D) Liquidity (A)+(B)+(C)	(31,209)	(8,014)
(E) Current financial receivables	(1,592)	-
(F) Current financial payables		-
(G) Current portion of non-current debt	1,250	3,102
(H) Other current financial payables		-
(I) Current financial debt (F)+(G)+(H)	1,250	3,102
(J) Liquidity/current net financial debt (D)+(E)+(I)	(31,551)	(4,912)
(K) Non-current bank borrowings	6,620	-
(L) Bonds issued		-
(M) Other non-current payables		-
(N) Non-current financial debt (K)+(L)+(M)	6,620	-
(O) (Liquidity)/net financial debt (J)+(N)	(24,931)	(4,912)

PRESS RELEASE

Banzai SpA Financial Statement

Euro thousand	31 Dec 2015	31 Dec 2014
Profit (loss) for the year	(3,511)	(2,660)
<i>Adjustments to reconcile profit (loss) with cash flow from operations</i>		
Depreciation and amortisation	276	252
Provision for bad debts		8
Increase in provision for employee benefits	91	74
Change in provision for employee benefits	(47)	(79)
Change in prepaid and deferred taxes	(1,065)	(920)
Other non-monetary items	99	
<i>Change in working capital</i>		
Change in trade receivables	249	163
Change in other current assets	(601)	(1,528)
Change in trade payables	(994)	1,981
Change in other payables	(503)	6
NET CASH FLOW GENERATED FROM OPERATIONS	(6,006)	(2,703)
Purchase of property, plant and equipment	(49)	(192)
Change in other non-current assets	(12)	
Purchase of intangible assets	(1,128)	(926)
Disbursement of loans	(24,941)	(2,368)
Repayment of loans	480	0
NET CASH FLOW GENERATED FROM (ABSORBED BY) INVESTMENT ACTIVITIES	(25,650)	(3,486)
Financial payables	4,768	(2,435)
Capital increase	50,086	7,267
Capital contribution payments		151
Own shares	(3)	
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	54,851	4,983
(Decrease)/increase in cash and cash equivalents	23,195	(1,206)
Net exchange differences on cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	8,014	9,219
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	31,209	8,013