PRESS RELEASE

ePRICE: OUTPERFORMS MARKET AND IMPROVES GROSS MARGIN IN 1Q17

- **+14% growth in GMV[1] in 1Q17 to Euro 60.5 million,** Marketplace at +75% YoY and Revenues at +8% YoY to Euro 45.8 million, adversely affected by the planned transition to SAP in February
- **Improvement in Gross Margin to 15.7% of revenues**, at Euro 7.2 million, +12% YoY. Adjusted Ebitda before non recurring items at Euro -2.4 million
- **Net Loss of Euro -3.8 million and Net cash position of Euro 40.7 million as of 31 March 2017**

- **Launch of the plan to Purchase and/or Sell Treasury shares**
- **2017 guidance confirmed**

Milan, 10 May 2017

The Board of Directors of ePRICE (operating under the name of BANZAI until 30 January 2017), Italy's first national e-Commerce platform, listed on the STAR segment of the Italian Stock Exchange, has approved the results as of 31 March 2017.

"In the first quarter of the year, we confirmed our ability to act faster than the market, thus acquiring additional market share in spite of the slow-down in the month of February, brought about by the planned transition of our ERP to SAP" **– said Pietro Scott Jovane, ePRICE Chief Executive Officer –** *"In the quarter, we achieved further gross margin growth thanks to the contribution from the marketplace and through closer collaboration with suppliers. The effect of higher volumes is reflected in improved commercial conditions and in further infocommerce and advertising activities on ePRICE. In light of the first quarter performance, the 2017 guidance disclosed last March is therefore confirmed forecasting double-digit growth in revenues and GMV, as well as improved margins, both expected to accelerate in the second half of the year."*

Results as at 31 March 2017

In 1Q17, the revenues of ePRICE (formerly Banzai) amounted to Euro 45.8 million. The growth in revenues in 1Q17 was therefore 8.4% on the pro-forma figures for 1Q16, net of the Vertical Content and Saldiprivati divisions sold in 2016. Growth was uneven during the quarter, affected by a weak performance in February due to the planned migration to SAP, which led to temporary suspension of promotions during the weeks of the transition. On top of this, the retail market posted negative growth in the month. These activities were back to normal in March, recording growth in the top end of the 2017 target range.

The GMV[1] – which represents customers' spending on our e-Commerce sites and on the marketplace - grew by 13.8% compared to the previous year, amounting to Euro 60.5 million compared to the pro-forma figure of Euro 53.1 million in 1Q16, most of which due to the strong contribution from the marketplace, which rose by around +75% YOY. In this quarter the weight of the Marketplace, launched in 2Q15, reached approximately 13% of GMV, compared to 10% of GMV[1] in 2016 and 5.6% in 2015.

(Euro million)	1Q17	1Q16 Pro-forma	% Change	1Q16	% Change
ePRICE	**45.8**	**42.2**	***8.4%***	**42.2**	***8.4%***
Other divisions sold during the year	n.a.	n.a.	*n.m.*	**17.3**	*n.m.*
Revenues	**45.8**	**42.2**	***8.4%***	**59.5**	***-23.1%***
Total GMV[1]	**60.5**	**53.1**	***13.8%***	**67.0**	***-9.4%***

[1] [1] Gross Merchandise Volumes: includes revenues from the sale of products, deliveries and the volume generated by the 3PMarketplace, net of returns and VAT included. Infocommerce and B2B are not included.

Revenues and GMV by product type[3]

Revenues (Euro million)	1Q17	1Q16	% Change
Electronic goods, domestic appliances and other products	41.5	38.5	7.6%
Services/other revenues3	4.3	3.7	16.4%
Revenues	**45.8**	**42.2**	***8.4%***

GMV[2] (Euro million)	1Q17	1Q16	% Change
Electronic goods, domestic appliances and other products	58.4	51.4	13.5%
Services/other revenues [3]	2.1	1.7	22.6%
GMV	**60.5**	**53.1**	***13.8%***

In 1Q17, ePRICE recorded Euro 41.5 million in revenues from product sales. The 8.4% growth on 1Q16 was affected by the previously mentioned SAP migration completed in February, which led to a diminished boost from promotions.

The growth, mainly attributable to the domestic appliances category, was in any event better than that of the market for the quarter, as a result of the expansion of the product mix offered and the development of "premium" services (delivery, installation and recycling). The number of domestic appliance delivered with premium services in 1Q17 was up by 29% on 1Q16.

Revenues from services and other revenues, which also include warranties, rose strongly compared to 2016 (+16.4% vs. 1Q16). In January 2016, in fact, the company launched the new generation of customised services for delivery (Home Service), installation and recycling, integrated with a proprietary mobile platform, accessible via app from smartphones, which enables our customers to have a continuous interaction with ePRICE from the purchase phase through to installation in their homes. The Home Service has a NPS of above 75 and was also the focus of the TV campaign that began on 23 September 2016 and which has contributed to accelerating the service adoption rate, with an impact even in January 2017. No TV campaigns were broadcast in the first quarter of 2017.

In addition to development of Home Services, in 2016 ePRICE completed and optimised the Pick&Pay and Lockers network, a network unique to the Italian market which as of 31 March 2016 stood at 133 and 285 (133 and 309 respectively as of 31 December 2016). The Pick&Pay delivery services have been opened to Marketplace merchants from December 2016.

The GMV grew by 13.8% in 1Q17, driven by the performance of the Marketplace, which reached 1,038 merchants and achieved a 75% growth in the quarter, driven by electronic goods and telecoms. Note that Infocommerce and B2B services are not included in the GMV.

(Key Performance Indicators)

Key Performance Indicators[4]	1Q17	1Q16	% Change
Orders (thousand)	224	221	*1.2%*
AOV (Euro)[5]	221	197	*12%*
Buyers (thousand)[6]	171	164	*4.3%*

In 1Q17 we managed 224 thousand orders, up +1.2% compared with 1Q16, with an average value (AOV[5]) of Euro 221, up 12% YoY, mainly driven by the shift of the growth mix towards high-ticket categories (Electronic Goods and Domestic Appliances) and the performance in February, which put pressure in particular on the low-ticket categories.

[2] Gross Merchandise Volume: includes revenues from the sale of products, deliveries and the volume generated by the 3PMarketplace, net of returns and VAT included.
[3] Service revenues include transport services, warrantees, B2B revenues and other revenues. The GMV of services does not include B2B, advertising/Infocommerce Revenues from guarantees were reclassified among service revenues for the entire year.
[4] Including the 3P marketplace.
[5] Average value of each purchase order (excluding VAT).
[6] Buyers who placed at least 1 order in the reference period.

Finally, the number of buyers totalled 171 thousand, up by 4.3% compared to 1Q16 despite the limited promotions during the quarter.

Gross Profit was Euro 7.2 million, +12.4% compared to 6.4 million in 1Q16, accounting for 15.7% on the revenues for the period, versus 15.2% of the same quarter of 2016.

The improvement in gross margin was achieved thanks to the higher contribution from the marketplace, to the increase in infocommerce and advertising activities and, in part, from the higher rebates obtained from "direct" suppliers thanks to the increased purchase volumes.

Adjusted EBITDA was Euro -2.4 million vs. Euro -2.1 million in the 1Q16 pro-forma figures. The increase in commercial and marketing costs is partly due to the strengthening of the structure and partly to the increase in marketing costs for customer acquisition, in order to support growing volumes of GMV.

In particular, customer acquisition costs increased in percentage terms over GMV by approximately 0.2 percentage points, but they were lower than expected. The increased fulfilment costs is tied to the growth in terms of sale volumes, in particular in the major domestic appliances category and to a lesser extent to the expansion of the Pick&Pay and Lockers network.

EBITDA was Euro -2.8 million (-2.2 million in 1Q16) and includes non-recurring costs of approximately Euro 0.1 million related to the Stock Option Plan and Euro 0.3 million related to the activities in support of the initial stages of implementation of the new ERP system to SAP.

EBIT totalled Euro -4.3 million (Euro -3.0 million in 1Q16) by effect of the lower EBITDA and higher amortisation, depreciation and write-downs. The latter increased by 77.3% compared to 1Q16 mostly as a result of the sizeable investments made in 2016 and 1Q17 in support of growth and for the implementation of the company's new ERP system.

Earnings Before Tax (EBT) from continuing operations amounted to Euro -4.5 million (Euro -3.1 million in 1Q16).

The **Net loss amounted to Euro -3.8 million** (Euro -4.2 million in 1Q16) thanks to the positive contribution related to the earn-out portion already accrued as a result of the fulfilment of certain conditions prescribed contractually within the sale of the Vertical Content division to the Mondadori Group and collected in April 2017, after the end of the quarter.

As of 31 March 2017, the Group had a Net Cash Position of Euro 40.7 million: net of the group's investment activities (Euro 3.8 million) and of the resources absorbed by operations (Euro 11.5 million), as well as by buy-back activities (Euro 0.2 million) and by acquisitions (Euro 0.3 million). In particular, the net reduction in trade receivables was influenced by the seasonality that had led to significant purchases in the final part of the year, partly settled in early 2017. The reduction in inventories was only partly influenced by seasonality as, due to the commissioning of the new Group ERP and to the related organisational impacts, the decision was made to keep adequate stocks to mitigate disruptions to customer services; the level of inventory has also been partly impacted by the planned increase in direct purchases from brands.

Investments pertained mainly to new management platforms like the pricing platform, which will allow better monitoring of the competition and customer behaviour, or the new WMS, which will allow yet more proactive management of the entire fulfilment function. The group further invested in the new group ERP system, which became operational during the first quarter of 2017 although some evolutionary development activities were carried out together with its entry into service.

Authorization to the purchase and sale of Treasury shares

The Shareholders' Meeting of April 27, 2017 authorized the renewal of the plan for the purchase and disposal of treasury shares, following revocation of the authorization given by the Shareholders' Meeting of April 14, 2016.

The main features of the plan are as follows:

- maximum time window for the purchase permitted by the current regulation (18 months from Shareholders' Meeting resolution), whereas for the disposal no time limits are requested;

- 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, par. 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 at 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 offer to shareholders an additional way to monetize their investments, and (iv) 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 of Directors 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.

The Board of Directors resolved to launch the plan for the purchase and disposal of treasury shares up to 20% of the share capital, in keeping with the authorization given on April 27, 2017 by the Shareholders' Meeting.

As of today's date, Treasury shares in the portfolio are 903,512, equal to 2.19% of the share capital.

Other Events

- **Acquisition of a minority stake in Termostore S.r.l.**

On 2 February, ePRICE finalised the Euro 1 million investment in Termostore S.r.l., after which ePRICE held 43% of Termostore capital. Termostore was the first start-up in Italy to develop a full-service model for the installation and maintenance of heating and air-conditioning systems. Through an extensive network of installers and expansion of the online catalogue for this product category, it is able to offer a turnkey service to customers with the marked price guaranteed and a purchasing and after-sales process simplified through a one-stop contact.

- **Acquisition of minority stake in Click&Quick Distribution S.r.l.**

On 5 April 2017, ePRICE finalised its investment in Click&Quick Distribution S.r.l., after which ePRICE held 15% of Click&Quick capital.

Click&Quick is a shipping company that manages goods transportation and delivery through a logistics and transport network spread throughout Italy, allowing customers to monitor every stage of their shipment, avoid delays and setbacks, and cover that final mile to the end consumer's home. Click&Quick customers are mainly businesses that require prompt, secure shipping and final-mile delivery flexibility.

- **Francesca Reich is new Chief Marketing Officer of ePRICE from 31 March**

A graduate in Management Engineering from Milan Polytechnic and with an MBA in Finance from Columbia University, New York, Francesca began her career with international experience at Boston Consulting Group in Milan and Boston. She joins ePRICE after covering the Digital Market Director role for Telecom Italia (now TIM), guaranteeing results from 2011 associated with the entire customer journey on digital channels and coordinating investments in digital communications and the development of new digital services.

- **Buy Back Programme**

ePRICE (previously Banzai) launched a Buy Back programme in 2016. Treasury shares held totalled 903,512 as of 9 May 2017, equal to approximately 2.1902% of the share capital.

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.

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

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ePRICE (previously BANZAI) is the leading e-Commerce platform in Italy. Founded by Paolo Ainio and listed on the STAR segment of the Italian Stock Exchange since 2015, it changed its name from BANZA to ePRICE on 30 January, 2017. ePRICE is one of the leading Internet companies in Italy with revenues of Euro 198 million and a GMV[7] (Gross Merchandise Volume) of Euro 254 million in 2016, up 23% YoY in the 2016. ePRICE is one of the main online stores in Italy specialized in high-tech products (electronic goods) and is the Italian e-Commerce leader in the segment of large domestic appliances. ePRICE launched in 2016 the Home Service Mobile Platform to manage premium delivery and installation services, which covers around 14 million Italians. ePRICE has a network of 133 Pick&Pay locations in 109 cities, which combine the advantages of buying online and the convenience and security of a proximity shop.

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

ePRICE Consolidated Statements

Reclassified consolidated income statement

(Thousands of euros)	31/03/2017	% of total	31/03/2016	% of total	Change
Total Revenues	**45,760**	100.0%	**42,220**	100.0%	8.4%
Cost of sales[8]	(38,560)	-84.3%	(35,814)	-84.8%	7.7%
Gross profit[9]	**7,200**	**15.7%**	**6,407**	**15.2%**	**12.4%**
Sales and marketing costs	(2,618)	-5.7%	(1,960)	-4.6%	33.6%
Logistics costs	(4,832)	-10.6%	(4,187)	-9.9%	15.4%
IT costs	(234)	-0.5%	(295)	-0.7%	-20.7%
General and administrative expenses	(1,947)	-4.3%	(2,063)	-4.9%	-5.6%
Adjusted EBITDA	**(2,431)**	**-5.3%**	**(2,098)**	**-5.0%**	**15.9%**
Non-recurring costs and income and stock option plans	(407)	-0.9%	(116)	-0.3%	250.6%
EBITDA	**(2,838)**	**-6.2%**	**(2,214)**	**-5.2%**	**28.2%**
Depreciation, amortisation and impairment	(1,452)	-3.2%	(819)	-1.9%	77.3%
EBIT	**(4,290)**	**-9.4%**	**(3,033)**	**-7.2%**	**41.4%**
Net financial expenses	1	0.0%	17	0.0%	-94.1%
Share of the result pertaining to associates	(189)	-0.4%	(116)	-0.3%	62.9%
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**(4,478)**	**-9.8%**	**(3,132)**	**-7.4%**	**43.0%**
Net profit (loss) from discontinued operations	699		(1,102)		**N/A**
NET PROFIT (LOSS)	**(3,779)**	**5.1%**	**(4,234)**	**-6.4%**	**-10.7%**

8 The **Cost of sales** mainly includes the purchase cost of goods and the cost of some services, including the cost of collection fees.

9 Gross Profit is represented by net revenues minus cost of goods sold and is a management accounts indicator used by the Group's management 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 the one adopted by others and, as such, not comparable. The Group calculates gross profit as a percentage of revenue as the ratio of Gross Profit to Total Net Revenue.

ePRICE consolidated income statement

(In thousands of Euros)	31 March 2017	31 March 2016[10]
Revenues	**47,266**	**44,058**
Other income	42	62
Costs for raw materials and goods for resale	(38,266)	(35,659)
Costs for services	(9,524)	(8,479)
Personnel expenses	(2,252)	(2,030)
Depreciation, amortisation and impairment	(1,452)	(819)
Other fees	(104)	(166)
Operating profit (loss)	**(4,290)**	**(3,033)**
Financial expenses	(28)	(40)
Financial income	29	57
Share of the result pertaining to associates	(189)	(116)
Profit (loss) before tax from continuing operations	**(4,478)**	**(3,132)**
Net profit (loss) from discontinued operations	699	(1,102)
Profit (loss) for the period	**(3,779)**	**(4,234)**

ePRICE Reclassified Statement of Consolidated Assets and Liabilities

(In thousands of Euros)	31 March 2017	31 December 2016
USES		
Net Working Capital	5,023	(4,356)
Fixed assets	35,762	33,554
Long-term assets	9,992	9,996
Personnel fund	(2,023)	(2,131)
Long-term liabilities	(412)	(396)
Net Invested Capital	**48,342**	**36,667**
SOURCES		
Net Financial Liquidity/Debt	40,713	56,176
Net Equity	(89,055)	(92,843)
FUNDING SOURCES TOTAL	**(48,342)**	**(36,667)**

10 restated pursuant to IFRS 5

ePRICE Consolidated Statement of Assets and Liabilities

(In thousands of Euros)	31 March 2017	31 December 2016
NON-CURRENT ASSETS		
Plant and equipment	3,848	3,013
Intangible assets	28,115	26,853
Investments in associates	2,579	2,468
Non-current financial assets	1,220	1,220
Other non-current assets	269	273
Deferred tax assets	9,723	9,723
NON-CURRENT ASSETS TOTAL	**45,754**	**43,550**
CURRENT ASSETS		
Inventories	21,621	22,092
Trade receivables and other receivables	8,208	9,798
Other current assets	11,911	12,285
Cash and cash equivalents	44,391	54,711
CURRENT ASSETS TOTAL	**86,131**	**98,886**
ASSETS TOTAL	**131,885**	**142,436**
LIABILITIES AND NET EQUITY		
NET EQUITY		
Share capital	821	821
Reserves	92,013	81,954
Profit (loss) for the year	(3,779)	10,068
TOTAL NET EQUITY	**89,055**	**92,843**
NON-CURRENT LIABILITIES		
Payables to banks and other lenders	2,096	126
Personnel funds	2,022	2,130
Provisions for risks and charges	360	360
Other non-current liabilities	53	37
TOTAL NON-CURRENT LIABILITIES	**4,531**	**2,653**
CURRENT LIABILITIES		
Trade and other payables	25,413	36,874
Payables to banks and other lenders	2,391	109
Other current liabilities	10,495	9,957
TOTAL CURRENT LIABILITIES	**38,299**	**46,940**
TOTAL LIABILITIES	**42,830**	**49,593**
TOTAL NET EQUITY AND LIABILITIES	**131,885**	**142,436**

ePRICE Consolidated Net Financial Position

(thousands of Euros)	31 March 2017	31 December 2016
(A) Cash	(200)	(243)
(B) Other cash and cash equivalents	(44,191)	(54,468)
(C) Stocks held for trading	-	-
(D) Liquidity (A)+(B)+(C)	**(44,391)**	**(54,711)**
(E) Current financial receivables	(809)	(1,700)
(F) Current financial payables	280	-
(G) Current portion of non-current debt	2,003	-
(H) Other current financial payables	109	109
(I) Current financial debt (F)+(G)+(H)	**2,391**	**109**
(J) Net current financial liquidity/debt (D)+(E)+(I)	**(42,808)**	**(56,302)**
(K) Non-current bank payables	1,997	-
(L) Bonds issued	-	-
(H) Other non-current payables	98	126
(N) Non-current financial debt (K)+(L)+(M)	**2,095**	**126**
(O) Net Financial (Liquidity)/Debt (J)+(N)	**(40,713)**	**(56,176)**

ePRICE Consolidated Cash flow Statement

(In thousands of Euros)	31 March 2017	31 March 2016[11]
NET CASH FLOW FROM OPERATIONS		
Net result from operations	(4,478)	(3,132)
Adjustments to reconcile profit for the year with cash flow generated by operating activities:		
Depreciation and Amortisation	1,452	819
Bad debt provision	0	0
Employee benefit fund provision	124	110
Inventory write-down	200	(50)
Employee benefit fund change	(235)	(73)
Share of the result pertaining to associated companies	189	116
Change in other non-current liabilities	16	12
Other non-monetary items	102	116
Changes in working capital		
Change in inventories	271	4,009
Change in trade receivables	1,590	1,028
Change in other current assets	182	1,245
Change in trade payables	(11,461)	(8,094)
Change in other payables	538	35
Cash flow from discontinued operations	-	692
NET CASH FLOW GENERATED (ABSORBED) BY OPERATIONS	**(11,510)**	**(3,167)**
NET CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of tangible assets	(1,046)	(73)
Disposal of tangible assets	0	0
Change in other non-current assets	5	0
Acquisition of intangible assets	(2,503)	(1,401)
Provision of financing	0	(100)
Purchase of associates	(300)	0
Cash flow from discontinued operations	0	(1,815)
NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	**(3,844)**	**(3,389)**
CASH FLOW FROM FINANCING ACTIVITIES		
Financial payables	4,252	(591)
Share capital increase	47	0
Current financial receivables	891	14
Treasury shares	(156)	0
Cash flow from discontinued operations	-	0
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	**5,034**	**(577)**
(Decrease)/Increase in cash and cash equivalents	(10,320)	(7,133)
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**54,711**	**33,543**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**44,391**	**26,410**

[11] restated pursuant to IFRS 5