



PRESS RELEASE

APPROVAL OF HALF-YEAR REPORT AT JUNE 30, 2019

UPDATE OF THE COMPANY'S BUSINESS PLAN

PROPOSAL OF CAPITAL INCREASE IN OPTION FOR MAXIMUM EURO 20 MILLION

COMMITMENTS SUBSCRIBED FOR EURO 10 MILLION BY SOME CURRENT SHAREHOLDERS

CALL OF EXTRAORDINARY SHAREHOLDERS 'MEETING

Approval of the half-year report at 30 June 2019, drawn up on the basis of the going concern assumption, subject to limited audit:

- Revenues of Euro 63.0M (-15.8% compared with H1 18) and GMV¹ of Euro 88.9M (-16.7% compared with H1 18), as anticipated in the Press Release of 1 August 2019
- Adjusted EBITDA at Euro -4.5M compared with -4,3M in H1 18
- Net Profit of Euro -23.8M (Euro -5.7M in H1 18). In Q2 at Euro -20.8M compared with Euro -0,9M in Q2 18
- Improvement of 170 bps in the Gross Profit as a % of revenues (18.1% of revenues compared with 16.4% in H1 18)
- Net Financial Position, net of effects of IFRS 16, positive at Euro 13.0M (debt) while net of IFRS 16 effect at Euro -0,5M (net liquidity)
- Significant effect of impairment, depreciation and amortisation on EBIT, which worsened from Euro -8.1M to Euro -19.9M in H1 19

Approval of updated guidelines of the 2019-2024 Business Plan, calling for:

- Downward revision of 2019 guidelines: the company confirms that the deviation with respect to the targets announced in March 2019 and the events that took place in the second quarter, projected over total results for the year 2019, will not make it possible to reach the objective of high single digit growth in GMV and revenues, or the objective of EBITDA around the break-even point, as previously communicated on 1 August 2019.
- Considerable focus on margins through the plan's years, even to the detriment of low-mid single digit average annual growth, reduced compared with the previous plan but with a boosting effect on 2020 and 2021, thanks to new B2B revenue lines and the strengthening of the ePRICE marketplace on a European scale (International Marketplace Network project)
- Break-Even EBITDA from FY 2020
- Overall cash requirement to support the execution of the plan of around Euro 10M by the end of 2020.

Capital increase and call of the Extraordinary Shareholders' Meeting

- In support of the Plan, a share capital increase will be proposed in option to the Shareholders for a maximum of Euro 20 million
- Commitments to subscribe the capital increase already collected for Euro 10 million

¹ Gross Merchandise Volume: includes revenues from the sale of products, deliveries and the volume generated by the 3P Marketplace, net of returns and VAT included. Infocommerce and B2B are not included.



- Extraordinary Shareholders' Meeting scheduled for November 12, 2019 at the Company's offices in Via San Marco 29, Milan

Milan, September 30, 2019

The Board of Directors of ePRICE, the first national e-Commerce platform listed on the STAR segment of the Italian Stock Exchange, met today, examined and approved: i) the consolidated half-year financial statements as at 30 June 2019, ii) the updates of the guidelines for the 2019-2024 Business Plan, iii) the proposal of a capital increase in option for a maximum of Euro 20 million (including any premium).

The Board of Directors also resolved to call the Shareholders' Meeting, in extraordinary session, for November 12, 2019, at 4.00 pm, on single call at the Company's offices in Via San Marco 29, Milan.

Approval of Results at 30 June 2019

The directors carefully examined the causes of the results achieved in the half-year, and in particular in the second quarter of 2019, the remedial actions taken and the first effects shown in the moderate recovery trends in the months following June 30, the financial situation at end of September and existing relationships with suppliers and banks.

On the basis of the analysis carried out, the directors, despite the presence of significant uncertainties that may give rise to significant doubts about the Company's ability to continue to operate as an operating entity relating to (i) the completion of the operation of recapitalization of the Group, necessary for the prosecution of operating activities, (ii) the manifestation of one or more of the resolutive conditions described below regarding the effectiveness of the commitments undertaken by some shareholders, as well as (ii) the Group's capacity to implement the forecasts contained in the updated business plan updated for the period 2019-2024, characterized by the typical uncertainties of each forecasting activity based on future events for which the effects of the programmed actions could concretely manifest themselves in different ways and times compared to the current forecasts, prepared the consolidated half-year financial statements as at 30 June 2019 on the basis of the going concern assumption.

For H1 19, ePRICE revenues amount to Euro 63.0 million compared with Euro 74.8 million in H1 18. Revenues therefore declined by 16% in H1 19.

The GMV¹ – which represents customers' spending on our e-Commerce sites and on the Marketplace - declined by 17% compared with the previous year, amounting to Euro 88.9 million compared with Euro 106.6 million in H1 18. The weight and contribution on volumes increased for the Marketplace which was launched in Q2 15 and now accounts for almost 20% of the GMV as compared to 13.6% of the GMV¹ for H1 17 and 10% for H1 16.

Revenues and GMV

<i>(Euro million)</i>	H1 18	H1 17	% Change
Revenues	63.0	74.8	-15.8%
GMV¹	88.9	106.6	-16.6%

Revenues and GMV by product type

Revenues (Euro million)	Q2 19	Q2 18	% Change	GMV ² (Euro million)	Q2 19	Q2 18	% Change
Electronic goods, domestic appliances and other products	24.1	32.1	-24.7%	Electronic goods, domestic appliances and other products	36.6	50.0	-26.6%

² Gross Merchandise Volume: includes revenues from the sale of products, deliveries and the volume generated by the 3P Marketplace, net of returns and VAT included.



Services / other revenues ³	3.4	3.7	-9.6%
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Revenues	27.5	35.8	-23.1%
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Revenues (Euro million)	H119	H118	% Change
Electronic goods, domestic appliances and other products	56.0	67.8	-17.3%
Services / other revenues ³	7.0	7.0	-1.0%
Revenues	63.0	74.8	-15.8%

Services/other revenues ³	1.7	1.7	3.2%
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GMV	38.4	51.7	-25.6%
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GMV ² (Euro million)	H119	H118	% Change
Electronic goods, domestic appliances and other products	85.7	103.2	-17.1%
Services/other revenues ⁴	3.2	3.4	-4.6%
GMV	88.9	106.6	-16.7%

Revenues from product sales, in particular electronics and household appliances, fell by 17.3% compared with the first half of 2018 due to the effects described above. Revenues from the core category of large domestic appliances (a sub-group of the domestic appliances category) recorded a decline of just 7% in the first half of the year compared with the same period of last year, significantly lower than the overall decrease in revenues in the first half of the year.

Revenues from the sale of Services and Other were basically stable compared to the same period of the previous year, this being due in particular to the development of “premium” services (delivery, installation and collection of used equipment), which increasingly represent a distinctive factor in ePRICE’s offerings; in addition, there was a positive contribution generated by Infocommerce and Advertising services.

At 30 June 2019, the Pick&Pay and Lockers network was optimised to 116 Pick&Pays and 313 automatic lockers. Pick&Pay delivery services have been extended to all Marketplace merchants.

The **GMV shrank by 17.1% in H1 19**, impacted by the decrease in **Marketplace volumes which in any event reached no. 2,100 merchants** in the half-year period.

(Key Performance Indicators)

Key Performance Indicators ⁵	Q2 19	Q2 18	% Change
Orders (thousands)	117.7	168.9	-27.9%
AOV (Euro) ⁶	263	250	+5.2%
Buyers (thousands) ⁷	94.1	131	-28.2%

Key Performance Indicators ⁵	H1 19	H1 18	% Change
Orders (thousands)	259	360	-28.2%
AOV (Euro)	273	242	+15.0%
Buyers (thousands)	229	310	-26.4%

Over the course of the first half of the year, 259 thousand orders were managed with an average value (AOV⁵) of Euro 273, up 15%, mainly driven by the mix towards high-ticket categories for large domestic appliances and the switch of long-tail categories to the Marketplace. Lastly, the number of buyers came to 228 thousand, down by 12% as compared to the previous half-year, due to more limited marketing investments.

Gross Profit was Euro 11,391 thousand, down Euro 892 thousand, equal to 7.3% compared with the corresponding period of the previous year (Euro 12,283 thousand), presenting a significantly lower decline than that of revenues. In percentage terms, the ratio of Gross Profit to Revenues is equal to 18.1%, a considerable improvement of 170 bps compared to the 16.4% recorded in the first half of 2018, confirming the application of the new strategy announced last year aimed at the continual recovery of margins, also to the detriment of revenue growth. In particular, the percentage profits increased significantly in the first half of the year due to the greater contribution by margins on sales of products including premiums granted by suppliers,

³ Service revenues include transport services, warranties, B2B revenues and other revenues. Services GMV does not include B2B, advertising/Infocommerce. Revenues from guarantees were reclassified among service revenues for the entire year.

⁴ Service revenues include transport services, warranties, B2B revenues and other revenues. Services GMV does not include B2B, advertising/Infocommerce. Revenues from guarantees were reclassified among service revenues for the entire year.

⁵ Including the 3P marketplace.

⁶ Average order value (excluding VAT).

⁷ Customers with at least 1 order in the period.

the reduction in the impact of returned and damaged products and lastly to the contribution by the services rendered by Installo Srl.

The marked improvement in gross profit is especially obvious in the second quarter where, in percentage terms, the Gross Profit to Revenues ratio came to 19.8%, an additional and significant improvement (310 bps) as compared to 16.7% recorded in the second quarter of 2018. This confirms the increasing effectiveness of the improvement actions highlighted in the previous paragraph.

The Adjusted EBITDA amounted to Euro -4,483 thousand⁸, basically aligned with the recalculated effect for the first half of 2018 (Euro 4,343 thousand restated in accordance with the IFRS 16 standard). Note that net of the consolidation of the Installo equity investment (not included in the scope of consolidation in the first half of last year, as it has been a subsidiary since August 2018), the Adjusted EBITDA is Euro -4,339 thousand. The performance of Adjusted EBITDA in the first half of 2019 compared to the first half of 2018 was negatively influenced by the decrease in Gross Profit of Euro 892 thousand as described above, partially offset by a contraction in operating costs of Euro 752 thousand, equal to 4.5% of total operating costs in the first half of last year.

In terms of operating costs, there was a significant drop in sales and marketing costs by about -23.1% compared to the first half of 2018, mainly due to the significant reduction in spending for customer acquisition.

Logistics costs were substantially stable as compared to the first half of 2018⁹. This cost item is particularly linked to the performance of sale and revenue volumes in household-appliance categories which showed a decline in the first half of the year significantly lower than the general decline in revenues, as described above. In addition, fixed warehouse costs increased in the first half of 2019 due to the failure to renew the agreement with Saldiprivati, the effect of which is estimated at around 400k in higher costs in the half-year.

IT costs grew by around Euro 230 thousand compared to the first half of 2018, especially due to the effect of certain reclassifications of costs relating to platforms previously considered to be among logistics costs. General and administrative costs experienced an increase compared to the first half of 2018 equal to 41.4% due to the impact of the consolidation of the equity investment in Installo Srl.

Net of the higher costs deriving from the consolidation of Installo, equal to Euro 449 thousand, **the decline in general and administrative costs came to roughly Euro 180 thousand** compared to the first half of the previous year, representing -7.8%. In addition, during the half-year this cost item recorded a contribution for research and development activities of Euro 770 thousand, down by roughly Euro 90 thousand compared to what was recorded for the same contribution in the first half of 2018. Also net of this effect, the reduction in general and administrative costs amounted to around 11.7%, confirming the continual cost limitation process started last financial year.

The EBITDA for the first half of 2017 come to Euro -4,972 thousand as compared to Euro -2,610 thousand in 2018, and includes non-recurring costs relating to stock option and stock grant plans of € 241 thousand and reorganization charges of € 248 thousand. The first half of 2018 included the non-recurring income of € 2,000 thousand relating to the agreement signed with the SRP group (Showroomprivè) relating to the early termination for the logistics activities carried out in favor of Bnk4-Saldiprivati and also included the costs relating to stock option plans amounting to € 51 thousand and other non-recurring costs equal to € 216 thousand

⁸ As a result of the entry into force of IFRS 16, at 2019 leases were shown in the balance sheets of the companies, with the resulting determination of the relative depreciation and financial expenses. In terms of income statement data, due to the introduction of the international IFRS 16 accounting standard, the reduction in costs for lease payments and rents no longer recognised in the financial statements relating to lease agreements amounted to roughly Euro 1,363 thousand in the first half of 2019 (compared to around Euro 1,337 thousand recalculated for the first half of 2018); at the same time, higher depreciation of around Euro 1,160 thousand was recorded in the first half of 2019 (for comparative purposes the higher depreciation would have been roughly Euro 1,132 thousand in the first half of 2018) and lastly, also in the first half of 2019, higher financial expenses of around Euro 173 thousand were recognised (also for comparative purposes, the higher financial expenses would have equalled Euro 174 thousand in the first half of 2018).

⁹ Due to the impact of the consolidation of Installo, the decrease was equal to 7.6%, net of higher costs, equal to Euro 588 thousand.



The EBIT totalled Euro -19,908 thousand compared to Euro -8,146 thousand in the first half of 2018, the change is due, in addition to the aforementioned, to an increase in amortizations, and non-recurring write-downs of non-current assets of € 9.4 million. The tangible fixed assets referring to the Truccazzano warehouse were written down by 4 million to take into account the probable disposal following the early termination of the rental contract in the first quarter of 2020. Goodwill was subject to impairment of Euro 5.4 million following an impairment test, revised based on the new business plans reviewed and approved by the Board of Directors on 30 September 2019.

The EBT totalled Euro -18,006 thousand, compared with Euro -9,010 thousand in first half of 2018.

This item reflected an expense for the period of Euro 4,950 thousand representing the partial reversal of deferred tax assets posted in previous years so that total deferred tax assets recorded in the consolidated financial statements would represent the tax benefit that can be recovered during the period of the 2019-2024 plan.

The result from assets held for sale and discontinued operations refers to the earn-out share accrued following the occurrence of certain contractually-planned conditions from the sale of the Vertical Content division to the Mondadori Group for Euro 1,597 thousand.

At 30 June 2019, the Group had net financial debt of Euro 13,025 thousand, of which Euro 11,047 thousand relates to non-current financial debt and Euro 2,459 thousand to current financial debt accounted for in 2019 due to the application of the international IFRS 16 accounting standard. Excluding this effect due to the introduction of the new IFRS, the Group would have a Net Cash Flow of Euro 481 thousand at 30 June 2019.

At 30 June 2019, the Group reported liquidity of Euro 3,770 thousand. The difference between this amount and that of 31 December 2018 is mainly due to funds used for operations amounting to Euro 4,892 thousand. The investment activities described previously absorbed resources totalling Euro 1,835 thousand, offset by the collection of the earn-out accrued following the occurrence of certain contractually-planned conditions from the sale of the Vertical Content division to the Mondadori Group. During the period, the Group obtained a new financial credit line of Euro 2.5 million, mostly used for the repayment of other expiring credit lines.

Approval of the Updated Guidelines of the Business Plan 2019-2024

The updated guidelines approved by the Company following the negative trend in the first half of 2019 and the strategic options considered in August provide for a return to a prudential growth of GMV and revenues in the years 2019-2024, with a boost effect in particular in 2020 and 2021 thanks to the activation of the new B2B business lines in partnership with some large general retailers, started in April-May, and the internationalization project of the 3rd party merchant marketplace (*International Marketplace Network*, announced to the markets last 26 September) that ePRICE is activating together with three leading companies in European e-Commerce: Cdiscount, eMAG and Real.de.

B2C revenues are expected to grow to just over half of the growth expected for the whole online Tech&Appliances market, to maintain focus on margins throughout the period, up to eventually achieving robust cash production.

The update of the Plan is based on a prudential forecast of growth of the online market. B2C revenues are expected to grow just over half of the growth expected for the online market as a whole, as the Plan expects a strong focus on margins.

The growth of the Margin On Goods mainly comes from the focus on the increase of the average ticket and on the integrated installation services to the shopping cart, that will be progressively extended to the regions not already covered.

Over the next few years the company will aim to a further recovery of efficiency on costs and to reduce the level of damaged products, also recovering some value of variable costs related to shipments.



The purchase of traffic, despite the expected growth in organic traffic resulting from the restructuring of the website, will remain consistent in terms of incidence on revenues.

At the Ebitda adjusted level, the updated Plan calls for a worsening of 2019 compared to the guidance given in March, with a negative Ebitda but with an improvement vs. previous year. It is expected in 2020 Ebitda around break-even, and in 2021 cash production. The cash forecasts of the updated Plan provide for a cash requirement of up to 10 million by the end of 2020.

Capital Increase and call of the Extraordinary Shareholders' Meeting

The capital increase operation proposed by the Board of Directors is part of the actions to support the update of the Business Plan. In particular, the Board of Directors resolved to submit to the Extraordinary Shareholders' Meeting to increase the share capital by payment and in a divisible manner, for a maximum total amount of Euro 20 million, including any surcharge, by issuing ordinary shares with no nominal value and having the same characteristics as those in circulation to be offered in option to those entitled, attributing to the Board of Directors all broader powers to establish, in compliance with the above mentioned limits, methods, terms and conditions of the transaction (including the issue price, including any share premiums), which will subsequently be determined, as per market practice, in the near future of the offer.

The proposed capital increase will be used mainly to support the cash requirements expected in the Plan, the development of new business lines and the general growth of revenues, with the aim of:

- Maintaining the necessary investment levels for the competitiveness of the core business, in terms of stock, marketing and commercial policies;
- Supporting the investments necessary for new actions to develop new business lines, in particular the acceleration of B2B revenues and the participation in the *International Marketplace Network* initiative
- Strengthen the Company's financial and capital structure

As part of the proposed capital increase transaction, some shareholders (among which Paolo Ainio and Vis Value Partecipazioni) have made commitments to the Company to exercise their option rights for a total amount of Euro 4,380,577; as well as to subscribe shares that will be unopted at the end of the offer on Stock Exchange for a total value equal to maximum Euro 5,619,423.

The aforementioned subscription commitments are subject to the following conditions:

- suspensively conditioned by the existence at any time of valid irrevocable commitments to underwrite the capital increase for an amount of at least Euro 10 million and resolutely conditioned by the fact that, for whatever reason, this amount falls below Euro 10 million (until today this condition is met);
- resolutely conditioned by the fact that the Extraordinary Shareholders' Meeting of ePrice does not approve the capital increase by November 15, 2019;
- if the aforementioned Shareholders' meeting resolved to increase the share capital by the deadline specified above, resolutely conditioned by the fact that the option period relating to the capital increase commences, subject to publication of the prospectus and a possible offering circular following authorization from Consob, after March 31, 2020;
- resolutely conditioned by the fact that the commitments (individually or taken as a whole) involve or may involve, for whatever reason, an obligation to promote a mandatory public tender offer pursuant to art. 106 of the TUF;
- resolutely conditioned by the fact that the shares of the company are not withdrawn from the Stock Exchange or suspended for a period exceeding 3 consecutive months.

It has also to be noted that the subscription of commitments for any unopted share is also conditioned by the fact that the issue price of the new shares resulting from the capital increase does not exceed Euro 0.10 per share.



To meet the foreseeable cash needs of the Company while awaiting completion of the aforementioned capital increase, some of the aforementioned shareholders have also undertaken to supply payments for future capital increase for a total amount of Euro 3,150,000.

Following the approval of the capital increase by the Shareholders' Meeting and the release of the necessary authorizations from the competent Authorities, it is expected that the capital increase in option may be completed by the first quarter of 2020.

Other Events

- **Commercial agreement with Carrefour Italy**

On 8 April, ePRICE announced that it had entered into an agreement to supply and support the Large Household Appliance offer at the 50 Carrefour Italy Hypermarkets spread across 11 Italian regions.

- **Ordinary Shareholders' Meeting of ePRICE, appointment of the Board of Directors and the Board of Statutory Auditors**

The Shareholders' Meeting, called upon to decide, inter alia, on the appointment of the Board of Directors, established that it would have a total of 11 members. The new BoD elected for the company includes: Paolo Ainio, Roberto Mazzei, Pietro Boroli, Matteo Renzulli, Chiara Burberi, Piero Galli, Annunziata Melaccio, Roberta Vercellotti, Arabella Caporello, Pierluigi Bernasconi, Moshe Sade Bar (minority lists representant). The Shareholders' Meeting also appointed the Board of Statutory Auditors who will remain in office until the approval of the financial statements at December 31, 2021, which is composed of: Giorgio Amato - Chairman - and Stefania Bettoni and Gabriella Chersicla - Statutory Auditors -. On 18 July 2019, in place of Ms. Roberta Vercellotti, who resigned on May 14, 2019, , Ms. Paola Mungo was appointed by the Board of Directors, with a resolution approved by the board of statutory auditors as independent and non-executive director.

Significant events after the end of the period

On August 1, the Company announced a significant drop in sales concentrated in May and June, with a deviation from the revenue and profitability targets set by the Update of the Strategic Guidelines approved in March 2019. This difference, due to unforeseeable events, which occurred during the second quarter, projected on the overall results for the FY 2019, will not allow the achievement of the goal of a high single digit growth of GMV and of revenues, nor of the EBITDA target around break-even .

The Board of Directors, in consideration of the necessary in-depth analyzes and ongoing assessments, resolved to postpone the approval of the half-year report at 30 June 2019 to 13 September 2019 (subsequently further postponed to 30 September), and conferred the CEO with a mandate Paolo Ainio, with the support of external advisors, to proceed with the preparation of an update of the business plan and of the consistent financial structure, also evaluating all the other strategic and corporate options and adjusting the forecasts for the current year downwards.

In August, the Company received an expression of interest from a fund available to evaluate an investment in the company. In light of this expression of interest, the Board of August 7th resolved to grant to this fund, subject to the signing of confidentiality commitments, the possibility of carrying out a due diligence process aimed at formulating a proposal, then received in a non-binding offer on 28 August. Following a further improved offer on September 18th, the Company granted to the fund an exclusivity, which expired and was not renewed on September 23th 2019.

During the months of July and August, corrective actions aimed at recovering user traffic were implemented. On September 24th, a formal cancellation of the lease contract of the fulfilment center located in Truccazzano was presented. On September 26th, the Company communicated the launch of "International Marketplace Network", jointly with the European marketplaces CDiscount, eMAG and Real.de.



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.eprice.it and www.1info.it websites

ePRICE is Italy's leading e-Commerce company. It was founded by Paolo Ainio, and has been listed on the STAR segment of the Italian Stock Exchange since 2015. ePRICE is one of the country's most important Internet companies, with revenues of Euro 164 million and GMV (Gross Merchandise Volume) of Euro 234 million in 2018. It is one of the leading online Italian stores specialising in the sale of high-tech products (electronics), and a leader in the segment of large appliances sold online. It has launched the Home Service integrated mobile platform on the Italian market, which smartly manages deliveries and installations of large household appliances, with coverage of 16 million inhabitants. ePRICE manages a network of 130 Pick&Pays spread across 109 cities, collection and payment points that combine the advantages of buying online with the convenience and security of a neighbourhood store.

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ePRICE Consolidated Statements

ePRICE Reclassified Consolidated Income Statement

in thousands of Euro	30-Jun-19	% of total revenues	30-Jun-18 restated IFRS 16	% of total revenues	% Change	30-Jun-18
Total revenues	63.018	100,0%	74.800	100,0%	-15,8%	74.800
Cost of goods sold ¹⁰	(51.627)	-81,9%	(62.518)	-83,6%	-17,4%	(62.518)
Gross profit ¹¹	11.391	18,1%	12.283	16,4%	-7,3%	12.283
Sales and marketing costs	(4.199)	-6,7%	(5.463)	-7,3%	-23,1%	(5.463)
Logistics costs	(7.562)	-12,0%	(7.549)	-10,1%	0,2%	(8.577)
IT costs	(1.546)	-2,5%	(1.315)	-1,8%	17,5%	(1.315)
General and administrative expenses	(2.568)	-4,1%	(2.299)	-3,1%	11,7%	(2.608)
Adjusted EBITDA	(4.483)	-7,1%	(4.343)	-5,8%	3,2%	(5.680)
Non-recurring costs and income and stock option plans	(489)	-0,8%	1.733	2,3%	-128,2%	1.733
EBITDA	(4.972)	-7,9%	(2.610)	-3,5%	90,5%	(3.947)
Depreciation, amortisation and impairment	(14.936)	-23,7%	(5.536)	-7,4%	169,8%	(4.404)
EBIT	(19.908)	-31,6%	(8.146)	-10,9%	144,4%	(8.351)
Net financial expenses	(240)	-0,4%	(184)	-0,2%	30,7%	(10)
Share of the result of associates	(97)	-0,2%	(680)	-0,9%	-85,7%	(680)
Write-down of financial assets	(161)	-0,3%			#DIV/0!	
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(20.406)	-32,4%	(9.010)	-12,0%	126,5%	(9.041)
Income Taxes	(4.950)	-7,9%				
Net profit (loss) from discontinued operations	1.597	2,5%	3.285		-51,4%	3.285
NET PROFIT (LOSS)	(23.759)	-37,7%	(5.725)	-7,7%	315,0%	(5.756)

¹⁰ The **Cost of goods** sold mainly includes the purchase cost of goods and the cost of some services, including the cost of collection fees.

¹¹ The **Gross Profit** is represented by net revenues minus cost of goods sold and is a management control indicator used by the Group's management to monitor and evaluate its sales performance. Gross Profit is not identified as an accounting measure 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 Group sales performance. 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, is 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)	30-Jun-19	30-Jun-18
Revenues	63.343	76.480
Other income	882	3.336
Costs for raw materials and goods for resale	(49.748)	(61.740)
Costs for services	(14.544)	(17.862)
<i>Of which non-recurring</i>		
Personnel expenses	(4.675)	(3.975)
<i>Of which non-recurring</i>		
Depreciation, amortisation and impairment	(14.936)	(4.404)
Other expenses	(230)	(186)
Operating profit (loss)	(19.908)	(8.351)
Financial expenses	(261)	(63)
Financial income	21	53
Share of the result of associates	(97)	(679)
Write-downs of financial assets	(161)	0
Profit (loss) before tax from continuing operations	(20.406)	(9.040)
Income Taxes	(4.950)	0
Profit (loss) from continuing operations	(25.356)	(9.040)
Net profit (loss) from discontinued operations	1.597	3.285
Profit (loss) for the period	(23.759)	(5.755)
Net result pertaining to the Group	(23.532)	(5.755)
Net result pertaining to third parties	(227)	-
Other components of comprehensive income		
<i>That will not subsequently be reclassified into profit (loss) for the year</i>		
Employee benefits	(1)	(2)
Tax effect	0	0
Total	(1)	(2)
<i>That will subsequently be reclassified into profit (loss) for the year</i>		
Comprehensive profit/(loss) for the period	(23.760)	(5.757)
Earnings per share	-0,52	-0,14
Diluted earnings per share	-0,52	-0,14



ePRICE Consolidated Reclassified Statement of Assets and Liabilities

<i>(thousands of Euros)</i>	30 June 2019	31dicembre 2018
USES		
Net Working Capital	1.220	1.161
Fixed assets	36.528	35.310
Long-term assets	3.807	8.759
Personnel provisions	(2.311)	(2.198)
Long-term liabilities	(360)	(360)
Net Invested Capital	38.885	42.672
SOURCES		
Liquidity/Net Financial Debt	(13.025)	6.706
Shareholders' Equity	(25.860)	(49.378)
TOTAL FUNDING SOURCES	(38.885)	(42.672)

ePRICE Consolidated Statement of Assets and Liabilities

	(in thousands of Euros)	30 June 2019	31 December 2018
NON-CURRENT ASSETS			
Plant and equipment		1.612	6.359
Intangible assets		20.686	27.699
Rights of use on third-party assets		13.236	0
Investments in associates		958	1.055
Non-current financial assets		36	196
Other non-current assets		57	59
Deferred tax assets		3.750	8.700
TOTAL NON-CURRENT ASSETS		40.335	44.068
CURRENT ASSETS			
Inventories		15.034	16.091
Trade and other receivables		5.857	6.848
Other current assets		8.779	9.795
Cash and cash equivalents		3.770	8.934
TOTAL CURRENT ASSETS		33.440	41.668
TOTAL ASSETS		73.775	85.736
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
Share capital		826	826
Reserves		48.629	62.831
Profit (loss) for the period		(23.532)	(14.443)
Shareholders' equity attributable to parent company shareholders		25.923	49.214
Shareholders' equity attributable to minority shareholders		(63)	164
TOTAL SHAREHOLDERS' EQUITY		25.860	49.378
NON-CURRENT LIABILITIES			
Payables to banks and other lenders		11.047	331
Personnel provisions		2.311	2.198
Provisions for risks and charges		360	360
TOTAL NON-CURRENT LIABILITIES		13.718	2.889
CURRENT LIABILITIES			
Trade and other payables		20.118	22.515
Payables to banks and other lenders		6.914	3.952
Other current liabilities		6.977	6.691
Provisions for risks and charges		188	311
TOTAL CURRENT LIABILITIES		34.197	33.469
TOTAL LIABILITIES		47.915	36.358
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		73.775	85.736

ePRICE Consolidated Net Financial Position

<i>(thousands of Euros)</i>	30 June 2019	31 December 2018	31.12.18 restated IFRS 16
(A) Cash	(92)	(93)	(93)
(B) Other cash and cash equivalents	(3.677)	(8.841)	(8.841)
(C) Securities held for trading	-	-	-
(D) Liquidity (A)+(B)+(C)	(3.769)	(8.934)	(8.934)
(E) Current financial receivables	(1.167)	(2.055)	(2.055)
(F) Current financial payables	3.800	276	276
(G) Current portion of non-current debt	655	3.648	3.648
(H) Other current financial payables	2.459	28	2.599
(I) Current financial debt (F)+(G)+(H)	6.914	3.952	6.523
(J) Liquidity/Net current financial debt (D)+(E)+(I)	1.978	(7.037)	(4.466)
(K) Non-current bank payables	0	331	331
(L) Bonds issued	-	-	-
(M) Other non-current payables	11.047	0	12.285
(N) Non-current financial debt (K)+(L)+(M)	11.047	331	12.616
(O) (Liquidity)/Net Financial Debt (J)+(N)	13.025	(6.706)	8.150

ePRICE Consolidated Cash Flow Statement

(in thousands of Euros)	30-Jun-19	30-Jun-18
NET CASH FLOW FROM OPERATIONS		
Net result from operations	(25.356)	(9.040)
<i>Adjustments to reconcile profit for the period with cash flow generated by operations:</i>		
Depreciation, amortisation and impairment	14.630	4.024
Bad debt provision	300	380
Employee benefit fund provision	255	238
Inventory write-down	(250)	0
Employee benefit fund change	(143)	(217)
Change in provisions for risks and charges	(124)	0
Share of the result of associates	97	680
Impairment losses on non-current assets	161	0
Change in deferred tax assets	4.950	0
Other non-monetary items	241	51
<i>Changes in working capital</i>		
Change in inventories	1.307	4.214
Change in trade receivables	638	701
Change in other current assets	127	1.172
Change in trade payables	(2.858)	(15.736)
Change in other payables	1.127	(1.108)
Cash flow from discontinued operations		
NET CASH FLOW GENERATED (ABSORBED) BY OPERATIONS	(4.892)	(14.641)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		
Acquisition of tangible assets	(27)	(135)
Disposal of tangible assets	4	135
Change in other non-current assets	1	244
Acquisition of intangible assets	(1.814)	(2.100)
Disposal of intangible assets	0	1.170
Cash flow from discontinued operations	1.597	785
NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	(239)	(217)
CASH FLOW FROM FINANCING ACTIVITIES		
Financial payables	(922)	3.944
Share capital increase	0	0
Current financial receivables	889	1.455
Cash flow from discontinued operations		
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	(33)	5.399
(Decrease)/Increase in cash and cash equivalents	(5.164)	(9.459)
Net exchange-rate differences on cash and cash equivalents		
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	8.934	21.094
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3.770	11.635