



## **PRESS RELEASE**

**ePRICE APPROVES THE RESULTS AS AT 31 DECEMBER 2018 WITH HALVED LOSSES, PROGRESSIVE MARGIN INCREASE AND CASH PRODUCTION IN Q4 18 ALSO THANKS TO EXTRAORDINARY INCOME**

**RETURN TO GROWTH EXPECTED THROUGH 2019 WITH NFP SUBSTANTIALLY UNCHANGED AT THE END OF THE YEAR**

**SAME DAY & WEEKEND INSTALLATION AND DELIVERY SERVICE READY TO BE LAUNCHED AT FIRST ON GREATER MILAN AREA**

### **Results for FY 2018:**

- **The Gross Margin at 16.7% of revenues, up c. 2% compared with FY 17** (14.8% of revenues), along with a strong reduction in operating costs (-22% G&A compared with FY 17) and the incidence of damaged goods (down 4% compared with FY 17) leads to an almost consistent reduction of losses on **EBITDA** of Euro -8.8 million in 2018 compared with Euro -15.3 million in 2017.
- **The growth in the core categories of large domestic appliances (+10% YoY) and the further development of the third-party-seller Marketplace by +20% YoY** contribute to containing the planned decrease in GMV<sup>1</sup> to Euro 233.7 million (-7.5% YoY), guided by management as expected in the low-contribution categories. Revenues of Euro 164.4 million, -12% compared with 2017.
- **Cash absorption more than halved** (reduced by Euro 20 million compared with 2017, from Euro 35 million to Euro 14.5 million).
- **Q4 18: Gross Margin up around 3% compared with Q4 17, which corresponds to an increase in margins of Euro 0.3 million.**
- **As at 31 December 2018 the Group has a Net Liquidity of Euro 6.7 million**, an improvement of around Euro 1 million compared with the end of the previous quarter.

### **The execution of the guidelines of the ongoing industrial plan continues defining for FY 2019:**

- **GMV and revenues in high-single-digit growth**, thanks to the strengthening of leadership in core categories, the optimization of the services offered and the growth of the 3P Marketplace.
- **Further and significant improvement of EBITDA, closing around break-even, back-end loaded.**
- **Full effect over 12 months of actions on costs implemented over the course of 2018**, in particular on logistics and marketing.
- **NFP substantially unchanged at the end of the year.**

### **Shareholders' Meeting called for April 16<sup>th</sup>, 2019.**

*Milan, 06 March 2019*

The Board of Directors of ePRICE, Italy's first national e-Commerce platform, listed on the STAR segment of the Italian Stock Exchange, approved today the results as at 31 December 2018 and the update of the strategic guidelines based on FY 2018 results and 2019 budget.

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<sup>1</sup> Gross Merchandise Volume: includes revenues from products, shipments and volume generated by 3PMarketplace net of returns and including VAT. Infocommerce and B2B are not included.



*"In 2018, the company aimed at achieving financial equilibrium and profitability. The adopted measures- according to the statement of Paolo Ainio, Executive Chairman and CEO of ePRICE- from the point of view of both containing costs and increasing efficiency, have gradually been shown to be effective over the course of the year. The results obtained in the second half allow us to look with confidence to 2019 and the coming years. While we had a reduction in revenues led intentionally to categories with lower margins, the Gross Profit rose from 14.7% to 16.7%, losses at the EBITDA level were almost halved and cash consumption was reduced by c. Euro 20 million compared with 2017. ePRICE was able to grow healthily in its Core categories - Major Domestic Appliances - and the actions taken to rationalize costs and control and better manage damaged goods allow us to be optimistic about our targets in 2019. This year we will be concentrating in particular on customer satisfaction and improving service levels: as part of this we are launching a new test in the Milan area: the Weekend Delivery Service will offer installation service on Saturdays and Sundays, and the Same-Day Delivery service will allow customers to receive MDAs and TVs on the same day if they place the order before 2.00 pm."*

## Budget 2019

ePRICE's Board of Directors approved the budget 2019, which is based on development of sales of major domestic appliances, growth of the third party marketplace and increasing revenues deriving from delivery and installation services.

The budget confirms and updates the actions aimed at improving sales margins and reducing the company's cost structure:

- **Leadership in Core categories (Major Domestic Appliances, TV and Climatisation) on a 1st party basis**, increase in volumes supported by the availability of premium delivery and installation services and the capacity to compete with a dedicated offer on marketplaces outside ePRICE.it, such as Amazon and eBay.
- **Expansion of the Marketplace**, thanks to the growth in the number of sellers, with a significant quota of foreign sellers. Penetration of the marketplace on GMV in certain categories is planned to exceed 50%.
- **Improvement of commercial policies and partnerships with vendors**, thanks to increasing volumes of white goods and the capacity to offer marketing and customer-profiling solutions that are unique on the market.
- **Qualitative and quantitative growth of ePRICE as a Services platform**, with service and pricing policies that are clearer for consumers and new offers linked to maintenance and repairs that take advantage of the delivery and installation assets constructed over the course of 2018, directly by the managed subsidiary Installo Srl. From this point of view, the imminent launch, in the Milan area, of the Same Day and Weekend delivery and installation service at customers' homes is very promising.
- **Completion of the efficiency plan for damaged goods and fulfilment**, with the completion of the actions to improve efficiency, which were started in 2018.

## Main Economic and Financial Targets

The strategy described above will enable ePRICE to achieve its **FY19 and medium-term targets**:

### FY 2019:

- **High-single-digit increase in GMV and revenues**, thanks to the consolidation of leadership in Service-driven categories and the solid growth of the Marketplace, to the increasing presence in the Major Domestic Appliances market, new commercial initiatives over the course of the year and an increase in info-commerce activities.
- **Further improvement of EBITA around break-even at the end of 2019**, thanks to the increase in sales margins and the full effect of the actions taken to reduce costs and damaged goods over the course of 2018.
- **NFP unchanged at the end of the year.**



The year just ended was characterized by actions undertaken as a result of the strategy announced on 8 March which planned a strong reduction in cash costs recorded in 2017.

In particular, the actions were focused on three main areas. The first was aimed at the reduction and optimization of staff costs and general and administrative costs, while the second was aimed at increasing gross profit through the strong growth of the Marketplace, the greater margins obtained from the development of sales of Large Domestic Appliances, and the reduction of the negative impact of returns of damaged or broken products. The third area was aimed at recovering the efficiency of the “organizational machine” in the areas of logistics and Information Technology functions. The effect of the work in these three areas led to a recovery in the value of cash costs of around Euro 7.2 million.

### **Main ePRICE reference market trends**

ePRICE's reference market in Large Domestic Appliances is estimated at around Euro 2.1 billion in 2018, out of a total Tech&Appliances retail market of c. Euro 15 billion. The online component counted for 15% of the total market and 17% of the Major Domestic Appliances segment.

The current available estimates project a Tech&Appliances market with further growth of its online component with a CAGR of 10-12% in the coming years, while the total level of retail projects a substantially flat or slightly negative market. In 2018 ePRICE, in the face of a fall in GMV and revenues occurring substantially in non-core segments, recorded a rise in GMV and revenues in Large Domestic Appliances of 10% and 9% respectively.

### **Results as at 31 December 2018**

#### *Revenues and GMV*

<i>(Euro million)</i>	<b>FY17</b>	<b>FY18</b>	<b>% Change</b>
<b>Revenues<sup>2</sup></b>	<b>187.4</b>	<b>164.4</b>	<b>-12.2%</b>
<b>Total GMV<sup>1</sup></b>	<b>253.3</b>	<b>234.4</b>	<b>-7.5%</b>

In FY18 ePRICE's revenues were Euro 164.4 million and recorded a performance of -12.2% compared with 2017.

The Marketplace has continued to grow significantly (+20% YoY in FY18), leading to a GMV - which represents customers' actual spending on our e-Commerce sites and on the marketplace - of Euro 234.4 million. The weight of the Marketplace, launched in 2Q15, reached approximately 20% of GMV, compared to 20% of GMV1 in 2017 and 10% in 2016.

The sales performance in 2018 was affected in the first half of the year by the transition to the marketplace of categories with low margins and by the new commercial policy aimed at improving sales margins by optimizing

<sup>2</sup> Value of revenues for 2018 adjusted according to IAS 15 principles

investments in marketing, in particular in the paid segment. From the second quarter the revenue trends in core categories recovered and grew, ending up recording +10% overall compared with the previous year.

In the fourth quarter total revenues and GMV reduced their deceleration, falling respectively by 5.8% and 1% compared with the fourth quarter of 2017.

### Revenues and GMV by product type

Revenues (Euro million)	4Q18	4Q17	% Change	GMV <sup>3</sup> (Euro million)	4Q18	4Q17	% Change
Electronic goods, domestic appliances and other products	47.2	49.7	-4.9%	Electronic goods, domestic appliances and other products	71.9	72.6	-1.0%
Services / other revenues <sup>3</sup>	4.6	5.4	-14.3 %	Services / other GMV <sup>4</sup>	2.3	2.4	-0.5%
<b>Revenues</b>	<b>55.5</b>	<b>70.7</b>	<b>-5.8%</b>	<b>GMV</b>	<b>74.2</b>	<b>75.0</b>	<b>-1.0%</b>

  

Revenues (Euro million)	FY18	FY17	% Change	GMV <sup>2</sup> (Euro million)	FY18	FY17	% Change
Electronic goods, domestic appliances and other products	149.7	171.0	-12.4 %	Electronic goods, domestic appliances and other products	227.1	245.7	-7.6%
Services / other revenues <sup>3</sup>	14.7	16.4	-10.1%	Services/other GMV <sup>5</sup>	7.3	7.6	-13.2%
<b>Revenues</b>	<b>164.4</b>	<b>187.4</b>	<b>-12.2%</b>	<b>GMV</b>	<b>234.4</b>	<b>253.3</b>	<b>-7.5%</b>

In 2018 ePRICE recorded Euro 164.4 million of revenue, of which Euro 149.7 million from product sales. The performance in 2018 was affected by the switch of sales with a lesser contribution margin from direct to marketplace which occurred in particular in the first half of the year. The fourth quarter confirmed the trend of recovery for revenues and GMV.

The fourth quarter saw a better trend than the previous quarters in terms of revenues and GMV, partly thanks to the positive trend of sales in the Black Friday period, which recorded a double-figures growth in the large domestic appliances segment and a 50% growth in delivery and installation Home Services. The ePRICE marketplace also benefited from the Black Weekend boost, with a growth of more than 50% in products sold by own sellers.

As mentioned above the Large Domestic Appliances category contributed significantly to the recovery in revenues and GMV, and in particular, contrary to the general decline in volumes, the GMV for Large Domestic Appliances grew 10.0% in 2018 compared with 2017, whilst revenues for Large Domestic Appliances increased by 9.0% compared with 2017.

Revenues from the sale of Services and Other, which also includes warranties, fell in comparison to 2017 (10.1%), with a downturn that was less than that of the volumes of product sales. This was due to the positive

<sup>3</sup> Gross Merchandise Volume: includes revenues from products, shipments and volume generated by 3PMarketplace net of returns and including VAT.

<sup>4</sup> Revenue from services include transport services, warranties, B2B revenues and other revenue. The GMV of services does not include B2B, advertising/Infocommerce. Revenues from guarantees were reclassified among service revenues for the entire year.

<sup>5</sup> Revenue from services include transport services, warranties, B2B revenues and other revenue. The GMV of services does not include B2B, advertising/Infocommerce. Revenues from guarantees were reclassified among service revenues for the entire year.



contribution from the Marketplace and warranties. Note that as a result of the entry into force of international accounting standard IFRS 15, revenues from the sale of product warranties were reported net of the related purchase costs with the ePRICE Group acting as agent, insofar as the obligation to take action is fulfilled by third parties. Consequently, the comparison figures were restated. Home Service continued to achieve an NPS of around 60 points and to be an important market share differentiation lever and driver.

Revenues from the sale of Services and Other, which also includes warranties, fell in comparison to 2017 (-13.1%YoY), negatively affected by a general fall in sales in H1 18 in particular.

Please note that Home Service represents a series of installation services and the collection of used appliances, integrated with the ePRICE proprietary mobile platform and accessible via a smartphone app. Home Service allows customers constant interaction with ePRICE from the time of purchase until installation in their home. Home Service is also at the heart of the television campaign that began on 23 September 2016. In 2017, the TV campaign was transmitted only in May and June 2017 and resumed in late October 2017, with a campaign on various media, including radio for the first time.

As at 31 December 2018, ePRICE's network of delivery and payment points consisted of 128 Pick&Pay locations and 305 Lockers. In 2018, ePRICE's Pick&Pay locations counted on a influx of returning clients of more than 30% compared with the simple web channel.

GMV in 2018 fell by less than revenues (-7.5% compared with -12.2% YoY), supported in part by the Marketplace performance, which reached around 1,900 merchants and achieved growth of 20% in the year, driven by good performances in the electronics and mobile phones segment.

#### (Key Performance Indicators)

Key Performance Indicators <sup>6</sup>	Q4 18	Q4 17	% Change	Key Performance Indicators <sup>7</sup>	2018	2017	% Change
Orders (thousands)	231	292	-20.9%	Orders (thousands)	753	919	-18.1%
AOV (euro) <sup>8</sup>	260	209	24.4%	AOV (euro)	252	224	12.5%
Buyers (thousands) <sup>9</sup>	130	225	-9.0%	Buyers ((thousands)	494	573	-14.0%

Over the course of 2018, 753 thousand orders were managed with an average value (AOV) of Euro 252, up 12.5%, 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 494 thousand, down by 14% as compared to 2017, due to lower marketing investments on the paid channel and a pricing policy aimed at safeguarding margins.

**The Gross Profit stood at Euro 27.4 million**, slightly down (-1.2%) compared with 2017 and equivalent to 16.7% of sales for the period compared with 14.8% for 2017, significantly up (190 bps). The improvement in gross margins in percentage terms is due mainly to the development of the Marketplace, to the greater margins

<sup>6</sup> Including the 3P marketplace.

<sup>7</sup> Including the 3P marketplace.

<sup>8</sup> Average order value (excluding VAT).

<sup>9</sup> Customers with at least 1 order in the period.



in the core categories, in particular domestic appliances, where revenues are concentrated, and to the reduction of the incidence of damaged products, all of which confirms the strategy announced during the presentation of the industrial Plan aimed at recovering margins compared with 2017.

**In Q4 18 alone the Gross Profit rose to 17.4% compared with the 14.8% recorded in 2017**, as a result of an improvement in the mix of prices, to a lower incidence of free shipping and to an increase in efficiency in the management of breakages.

**The adjusted EBITDA was Euro -10.2 million, an improvement of 26.5% from Euro 14.0 million in 2017.** The improvement in adjusted EBITDA of Euro 3.7 million recorded in 2018 compared to 2017 was particularly significant in the second half of the year, in which the improvement was Euro 2.3 million.

This significant positive change can be attributed to a reduction in all cost items following the efficiency initiatives conducted over the course of 2018, as announced during the presentation of the Business Plan. In particular, it should be noted that personnel costs, before capitalised expenses and excluding the impact of the Installo consolidation, dropped by 17% in 2018 as compared to the same period of last year and by 24% in the fourth quarter compared to the third quarter of fourth year. This means that we are moving in the right direction as far as the streamlining process for the organisational structure is concerned.

**Sales and marketing costs dropped significantly by 16.8% from 2017**; this reduction is due mainly to the strong reduction in costs to acquire customers, in particular in the second half of the year, as a result of the strategy aimed at improving the efficiency and efficacy of our overall marketing expenditure. With regard to advertising and promotional campaigns, in 2018 we continued with periodic TV advertising campaigns accompanied by sponsoring the Radio Italia concert and FC Internazionale Milano.

Logistics costs were substantially in line with 2017, while the reduction excluding the consolidation of Installo was 3.6%.

**IT costs fell by 17.7% compared to the previous year** due to the process of optimising costs and renegotiating certain supply contracts. The decrease in IT costs is especially evident during the second half of 2018 (around -45% compared to the second half of 2017).

**General and administration expenses decreased by 22.1%** (-23.4% excluding the impact of the Installo consolidation), a particularly significant drop compared to 2017, due to the decline in corporate costs and renegotiation and optimisation of some general costs. This cost item benefit over the course of the year from the contribution recorded for research and development activities for a total amount of Euro 1.9 million (of which Euro 229 thousand on the part of Installo srl) compared to the investments made in 2017/2018. In 2017, a contribution for these activities of Euro 1.6 thousand was recorded, substantially similar to the investments made in 2016.

**The EBITDA for 2018 came to Euro -8.8 million compared to -15.3 million in 2017** an increase of Euro 6.5 million. Stated as a percentage of revenues, it went from -8.2% for 2017 to -5.4% for 2018, an improvement of 280 bps.



**EBIT totalled Euro -17.5 million, compared with -22.9 for 2017.** This improvement was due to the increase in EBITDA, as described above, partly offset by greater amortisation and depreciation, which increased by 15.3% from 2017, as a result of significant investments made over 2017, particularly for the implementation of the new corporate ERP system and the new logistics centre in Truccazzano.

**EBT from operating activities was Euro -17.9 million,** compared with Euro -24.4 million in 2017.

**Net profit (loss) was Euro -14.6 million** (Euro 24.7 million in 2017) and includes the positive contribution relating to the earn-out share already accrued, net of some related costs, after certain contractually planned conditions were satisfied from the sale of the Vertical Content division to the Mondadori Group for Euro 785 thousand and the definition of the carve-out amount for the sale of Bnk4 Saldiprivati for Euro 2.5 million, which was initially dependent on achieving a series of objectives up to a maximum amount of Euro 5 million. Furthermore, the amount had already been paid upon closing, so there was no impact on the net financial position at 31 December 2018. The additional amount of Euro 2.5 million was paid into an escrow account by ShowRoomPrivè Group, recorded amongst the other receivables, as a guarantee whilst the final price was being agreed, with a contra-entry amongst other payables. It was therefore returned once the agreement was reached during the period.

**As at 31 December 2018, the Group has a Net Liquidity of Euro 6.7 million,** an improvement of around Euro 1 million compared with 30 September 2018. The negative difference between this amount and that of 31 December 2017 is due to funds used for operations amounting to Euro 15.9 million, of which the change in working capital absorbed Euro 7.3 million. The change in working capital was made over the course of the first quarter of the year and is due, as described above, to the net reduction in trade payables that was influenced by the calendar dates that led in 2017 to settling some payables at the start of 2018. The investment activities described above generated funds of Euro 1.4 million, benefiting from the sale of Sitonline assets for around Euro 1.8 million, the earn-out for the sale of Banzai Media (Vertical Content division) for Euro 785 thousand and in the fourth quarter the sale of the equity investment in Interactive Thinking Srl for around Euro 2.5 million.

In February, the Group obtained a short-term loan of Euro 5 million, with repayment expected within 12 months. As at 31 December 2018, this funding was repaid for a total of Euro 2.5 million.

#### **Key results of the Parent Company ePRICE S.p.A. as at 31 December 2018**

Revenue in 2018 amounted to Euro 2.4 million, compared with the Euro 3.0 million generated in 2017. This consisted almost exclusively of revenue from charge-backs to Group companies or companies that left the Group during previous years, on market terms and conditions and governed by suitable contracts with variable maturities. EBITDA, which was Euro -2.7 million, is improved by Euro 2.3 million compared with 2017 as a result of the overall cost containment implemented in 2018. EBIT, which was Euro -4.0 million, was influenced by amortisations and depreciation amounting to Euro 1.2 million, slightly down from the previous year. The profit (loss) from discontinued operations relates to the earn-out applicable to 2018 related to the sale of the Vertical Content segment following the sale of the entire equity investment held in Banzai Media Holding to Mondadori Editore S.p.A.





### **Significant events in 2018**

On 8 March 2018, CEO Pietro Scott Jovane resigned effective 15 April 2018. The Board of Directors conferred management powers to the Chairman, Paolo Ainio, who will also take on the role of CEO. The Shareholders' Meeting approved the proposal of the shareholder Paolo Ainio, who owns 22.88% of the Company's share capital, to appoint Roberto Mazzei as a new member of the Board of Directors of ePrice S.p.A. to replace Pietro Scott Jovane following his resignation. Mr. Mazzei will remain in office until the expiry of the current Board's mandate, that is, until the Shareholders' Meeting called to approve the financial statements as at 31 December 2018.

In February 2018, the Group received an unsecured loan of Euro 5 million with a term of 12 months from the banks.

In April, the Group acquired a further 7.8% interest in Apprice Sagl at a price of around Euro 140 thousand, increasing its investment from 17.2% to 25%.

In the month of June, the Group finalised the transfer of Sitonline assets to the Register Group for Euro 1.8 million, with a positive impact on the income statement of Euro 236 thousand and on the net financial position for 1.8 million.

In June 2018, the carve-out amount for the sale of Bnk4 Saldiprivati was established in the amount of Euro 2.5 million. This transfer operation was attendant upon some administrative and management activities currently performed by the assignor being successfully passed across to the sold company so that it is able to stand on its own feet; this amount (falling between Euro 0 and 5 million) had already been paid in the amount of Euro 2.5 million to the ePRICE group upon closing, therefore this transaction did not affect the net financial position.

In July 2018, the Group acquired a further 22% interest in Installo Srl at a price of Euro 160 thousand, bringing its ownership share to 61%.

Also in July 2018, the Group became Official Online Retail Partner of FC Internazionale Milano; this partnership provides ePRICE with considerable brand visibility on all the digital and physical properties of Inter and special events at key points in the years, with targeted initiatives aimed at football supporters.

As from 1 August 2018, the Group began selling Major Domestic Appliances on Amazon.

The Group continued to diversify its sources of financing and in October obtained a medium-term loan of Euro 1 million, an overdraft credit line of Euro 650 thousand, and advances for the sale of a VAT receivable for Euro 587 thousand.

In 2018, the Group also sold its 16% equity investment in Interactive Thinking, making a net capital gain of Euro 1,485 million.





### **Events after the end of the period**

Over the course of February 2019, the Group obtained a new financial line of commercial credit for a total of Euro 2,5 million.

### **Other decisions**

The Board of Directors furthermore approved:

- the Remuneration Report for 2018 prepared pursuant to Art. 123-ter of the legislative decree no. 58 of 24 February 1998.
- the Report on Governance and the Ownership Structure prepared as required by Art. 123-bis of the legislative decree of 24 February 1998, no. 58;
- the proposal to the Shareholders' Meeting to adopt a stock option plan and a stock grant plan, reserved for executive directors, employees and staff of ePrice S.p.A. and its subsidiaries.
- The stock option plan, proposed in order to make a variable payment in the medium-long term, envisages the award free of charge of options for the subscription of ordinary shares in ePrice, resulting from a paid increase in share capital, excluding the option right as provided for by Art. 2441, paragraph 4, second sentence, of the Italian Civil Code.
- The stock grant plan, proposed in order to make a variable payment in the short-medium term, envisages the award free of charge of ePrice shares currently in the Company's possession.
- In both plans the award of the options and/or shares is subject to predetermined and measurable performance targets, to be determined by the Board of Directors.
- The beneficiaries will be identified by the Board of Directors after the plans are approved by the Shareholders' Meeting, if they are approved.
- the proposal to suggest to the Extraordinary Shareholders' Meeting a paid increase in share capital, in tranches, by the final deadline of 31 December 2025, with the maximum nominal values totalling Euro 40,000.00, excluding the option right as provided for by Art. 2441, paragraph 4, of the Italian Civil Code, by the issuance, potentially in several stages, of a maximum of 2,000,000 new ordinary ePrice shares with no nominal value, with their subscription reserved for beneficiaries of the stock option plan.

### **Calling of Ordinary and Extraordinary Shareholders' Meeting**

The Board of Directors has decided to call the combined ordinary and extraordinary shareholders' meeting for **16 April 2019 at 3.00 p.m.**, in order to take, in the ordinary session, decisions regarding the financial statements at 31 December 2018, the Remuneration Report pursuant to Art. 123-ter, paragraph 3, of Legislative Decree no. 58/1998, the appointment of the Board of Directors and Board of Statutory Auditors and corresponding remuneration, and the approval of a stock grant plan and a stock option plan, and in the extraordinary session, a decision regarding a capital increase to service the Stock Option Plan.



For more information please refer to the corresponding directors' report on the agenda items.

As set out by governing regulations, the notice of call as well as the documentation relating to the agenda items and proposals will be made available to the public, as required by law, at the registered office at Via San Marco 29, Milan, and at the Italian Stock Exchange. Shareholders will be able to consult and obtain a copy of the aforementioned documentation, which will also be made available to the public, as required by law, on the Company's website [corporate.eprice.it](http://corporate.eprice.it).

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*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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This press release is available on the websites [corporate.eprice.it](http://corporate.eprice.it) e [www.1info.it](http://www.1info.it)

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## CONFERENCE CALL TO DISCUSS 2018 RESULTS AND THE UPDATE OF STRATEGIC GUIDELINES: 6 MARCH, 3.00 P.M. CET

Today, 6 March, at 3.00 p.m. CET, a conference call will be held to discuss the FY 2018 results and the update of the guidelines for 2019. To participate in the conference call, dial one of the following numbers:

### Analysts/Investors

- Italy: +39 02 802 09 11
- UK: +44 1 212818004
- USA (international local number): +1 718 7058796
- USA (freephone number): +1 855 2656958

Press: +39 02 8020927

A Replay of the conference call will be available until 14 March at the following numbers

- ITALY: +39 02 72495
- UK: +44 1 212 818 005
- USA: +1 718 705 8797
- code: 951#

The presentation will be downloadable before the start of the conference call from the <http://investors.eprice.it/Investors/risultati-presentazioni/> section of the website corporate.eprice.it.

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ePRICE is Italy's leading e-Commerce company. Founded by Paolo Ainio and listed on the STAR segment of the Italian Stock Exchange since 2015, it is one of the leading internet companies in Italy with revenues of Euro 164 million and GMV<sup>10</sup> (Gross Merchandise Volume) of Euro 234 million in 2018. ePRICE is one of the largest online stores in Italy specialised in high-tech products (electronics) and is the leader in the sale of major domestic appliances online. In January, ePRICE launched the Home Service Mobile Platform to manage premium delivery and installation services, which covers 16 million residents. ePRICE manages a network of 128 Pick&Pay locations in 109 cities, which combine the advantages of buying online and the convenience and security of a neighbourhood shop.

### For more details:

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## ePRICE Consolidated Statements

### Reclassified consolidated income statement

<i>(thousands of Euros)</i>	31 December 2018	% of total revenues	31 December 2017*	% of total revenues	% Change
<b>Total revenues</b>	<b>164,436</b>	100.0%	<b>187,303</b>	100.0%	-12.2%
Cost of sales <sup>11</sup>	(137,023)	-83.3%	(159,568)	-85.2%	-14.1%
Gross profit <sup>12</sup>	<b>27,413</b>	<b>16.7%</b>	<b>27,735</b>	14.8%	-1.2%
Sales and marketing costs	(11,467)	-7.0%	(13,789)	-7.4%	-16.8%
Logistics costs	(19,732)	-12.0%	(19,688)	-10.5%	0.2%
IT costs	(1,332)	-0.8%	(1,618)	-0.9%	-17.7%
General and administrative expenses	(5,135)	-3.1%	(6,590)	-3.5%	-22.1%
<b>Adjusted EBITDA</b>	<b>(10,254)</b>	<b>-6.2%</b>	<b>(13,951)</b>	-7.4%	26.5%
Non-recurring costs and income and stock option plans	1,419	0.9%	(1,347)	-0.7%	-205.4%
<b>EBITDA</b>	<b>(8,835)</b>	<b>-5.4%</b>	<b>(15,298)</b>	-8.2%	42.2%
Depreciation, amortisation and impairment	(8,681)	-5.3%	(7,529)	-4.0%	15.3%
<b>EBIT</b>	<b>(17,516)</b>	<b>-10.7%</b>	<b>(22,827)</b>	-12.2%	23.3%
Income/Net financial expenses	1,702	1.0%	95	0.1%	1691.6%
Share of the result of associates	(1,820)	-1.1%	(1,674)	-0.9%	8.7%
Write-down of financial assets	(262)	-0.2%	0	0.0%	N/A
<b>PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(17,896)</b>	<b>-10.9%</b>	<b>(24,406)</b>	-13.0%	26.7%
Income Taxes	0		(1,023)		
Net profit (loss) from discontinued operations	3,259		685		N/A
<b>NET PROFIT (LOSS)</b>	<b>(14,637)</b>	<b>-8.9%</b>	<b>(24,744)</b>	<b>-13.2%</b>	<b>40.8%</b>

\* restated to reflect the effects of the first implementation of IFRS 15

<sup>11</sup> The **Cost of goods sold** mainly includes the purchase cost of goods and the cost of some services, including the cost of collection fees.

<sup>12</sup> 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 Euro)	31 december 2018	31 december 2017*
Revenues	166.973	191.145
Other income	4.354	3.152
Costs for raw materials and goods for resale	(133.300)	(156.779)
Costs for services	(38.085)	(43.532)
<i>Of which non recurring</i>		
Personnel expenses	(8.243)	(8.916)
<i>Of which non recurring</i>		
Depreciation, Amortisation, and impairment	(8.681)	(7.529)
Other expenses	(534)	(368)
<b>Operating profit (loss)</b>	<b>(17.516)</b>	<b>(22.827)</b>
Financial expenses	(125)	(87)
Financial income	1.827	182
Share of the result of associates	(1.820)	(1.674)
Devaluation of financial assets	(262)	0
<b>Profit (Loss) before tax from continuing operations</b>	<b>(17.896)</b>	<b>(24.406)</b>
Income Taxes	0	(1.023)
<b>Profit (Loss) from continuing operations</b>	<b>(17.896)</b>	<b>(25.429)</b>
Net profit (Loss) from discontinued operations	3.259	685
<b>Profit (Loss) for the period</b>	<b>(14.637)</b>	<b>(24.744)</b>
<i>Of which:</i>		
<i>Net result pertaining to third parties</i>	<i>(194)</i>	
<i>Net result pertaining to Group</i>	<i>(14.443)</i>	
<b>Other components of comprehensive income</b>		
<i>That will not subsequently be reclassified into profit (loss) for the year</i>		
Employees benefits	(28)	(187)
Tax effect		
<b>Total</b>	<b>(28)</b>	<b>(187)</b>
<i>That will not subsequently be reclassified into profit (loss) for the year</i>		
<b>Comprehensive profit (loss) for the period</b>	<b>(14.665)</b>	<b>(24.931)</b>
Result per share	-0,36	-0,61
Result per diluted share	-0,36	-0,61



## ePRICE Consolidated Reclassified Statement of Assets and Liabilities

(in thousands of Euros)

31 December 2018

31 December 2017\*

### USES

Net Working Capital	1,161	(5,482)
Fixed assets	35,310	40,996
Long-term assets	8,759	8,992
Personnel provisions	(2,198)	(2,024)
Long-term liabilities	(360)	(438)
Net Invested Capital	<b>42,672</b>	<b>42,044</b>

### SOURCES

Liquidity/Net Financial Debt	6,706	21,340
Shareholders' equity	(49,378)	(63,384)
<b>TOTAL FUNDING SOURCES</b>	<b>(42,672)</b>	<b>(42,044)</b>

\* restated to reflect the effects of the first implementation of IFRS 15



## ePRICE Consolidated Statement of Assets and Liabilities

(in thousands of Euros)

31 December 2018

31 December 2017\*

### NON-CURRENT ASSETS

Plant and equipment	6,359	7,788
Intangible assets	27,699	28,560
Investments in associates	1,055	2,278
Non-current financial assets	196	2,370
Other non-current assets	59	292
Deferred tax assets	8,700	8,700

### TOTAL NON-CURRENT ASSETS

**44,068** **49,988**

### CURRENT ASSETS

Inventories	16,091	20,560
Trade and other receivables	6,848	9,276
Other current assets	9,795	14,312
Cash and cash equivalents	8,934	21,094

### TOTAL CURRENT ASSETS

**41,668** **65,242**

Assets from discontinued operations

### TOTAL ASSETS

**85,736** **115,230**

### LIABILITIES AND SHAREHOLDERS' EQUITY

#### SHAREHOLDERS' EQUITY

Share capital	826	826
Reserves	62,831	87,302
Profit (loss) for the period	(14,443)	(24,744)

#### Shareholders' equity attributable to parent company shareholders

**49,214** **63,384**

Shareholders' equity attributable to minority shareholders

164 0

#### TOTAL SHAREHOLDERS' EQUITY

**49,378** **63,384**

#### NON-CURRENT LIABILITIES

Payables to banks and other lenders	331	536
Personnel provisions	2,198	2,024
Provisions for risks and charges	360	360
Other non-current liabilities	0	78

#### TOTAL NON-CURRENT LIABILITIES

**2,889** **2,998**

#### CURRENT LIABILITIES

Trade and other payables	22,515	37,737
Payables to banks and other lenders	3,952	2,095
Other current liabilities	6,691	8,696
Provisions for risks and charges	311	320

#### TOTAL CURRENT LIABILITIES

**33,469** **48,848**

Liabilities from discontinued operations

#### TOTAL LIABILITIES

**36,358** **51,846**

#### TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

**85,736** **115,230**

\* restated to reflect the effects of the first implementation of IFRS 15



## Consolidated net financial position ePRICE

### Net Financial Position

(thousands Euro)

	31 december 2018	31 december 2017
(A) Cash	(93)	(150)
(B) Other cash and cash equivalents	(8,841)	(20,944)
(C) Securities held for trading	-	-
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>(8,934)</b>	<b>(21,094)</b>
(E) Current financial receivables	(2,055)	(2,877)
(F) Current financial payables	276	-
(G) Current portion of non-current debt	3,648	2,001
(H) Other current financial payables	28	94
<b>(I) Current financial debt (F)+(G)+(H)</b>	<b>3,952</b>	<b>2,095</b>
<b>(J) Liquidity/Current financial debt (D)+(E)+(I)</b>	<b>(7,037)</b>	<b>(21,876)</b>
(K) Non-current bank payables	331	501
(L) Bonds issued	-	-
(M) Other non-current payables	0	35
<b>(N) Non-current financial debt (K)+(L)+(M)</b>	<b>331</b>	<b>536</b>
<b>(O) (Liquidity)/Net Financial Debt (J)+(N)</b>	<b>(6,706)</b>	<b>(21,339)</b>



## ePRICE Consolidated Cash Flow Statement

(in thousands of Euros)

31 December 2018

31 December 2017\*

### NET CASH FLOW FROM OPERATIONS

Net result from operations	(17,896)	(25,429)
<i>Adjustments to reconcile profit for the year with cash flow generated by operating activities:</i>		
Depreciation and amortisation	8,180	6,922
Bad debt provision	501	606
Employee benefit fund provision	440	326
Inventory write-down	0	150
Employee benefit fund change	(470)	(620)
Change in deferred tax assets and liabilities	0	1,023
Change in provisions for risks and charges	134	0
Share of the result of associates	1,820	1,674
Impairment losses on non-current assets	262	0
Sale of financial instruments	(1,762)	0
Change in other non-current liabilities	(78)	41
Other non-monetary items	301	391
<i>Changes in working capital</i>		
Change in inventories	4,182	1,666
Change in trade receivables	2,045	283
Change in other current assets	3,403	(1,763)
Change in trade payables	(16,178)	863
Change in other payables	(770)	(1,262)

### NET CASH FLOW GENERATED (ABSORBED) BY OPERATIONS

**(15,886) (15,129)**

### NET CASH FLOW FROM INVESTMENT ACTIVITIES

Acquisition of tangible assets	(218)	(6,155)
Disposal of tangible assets	138	14
Change in other non-current assets	251	(18)
Change in financial instruments	2,950	0
Acquisition of intangible assets	(3,697)	(7,263)
Disposal of intangible assets	1,756	0
Provision of financing	0	(1,150)
Purchase of associates	(480)	(1,484)
Acquisition of subsidiaries	(104)	0
Cash flow from discontinued operations	759	1,230

### NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES

**1,355 (14,826)**

### CASH FLOW FROM FINANCING ACTIVITIES

Financial payables	1,549	2,397
Share capital increase	0	1,045
Current financial receivables	822	(1,177)
Treasury shares	0	(675)
Dividends	0	(5,252)

### NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES

**2,371 (3,662)**

(Decrease)/Increase in cash and cash equivalents	(12,160)	(33,617)
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Net exchange-rate differences on cash and cash equivalents

**CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD 21,094 54,711**

**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD 8,934 21,094**



## ePRICE S.p.A

### ePRICE S.p.A Income Statement

<i>(in thousands of Euros)</i>	31 December 2018	31 December 2017
Revenues	2,350	3,026
Other income	863	291
Costs for raw materials and goods for resale	(26)	(39)
Costs for services	(3,923)	(5,660)
<i>Of which non-recurring</i>		
Personnel expenses	(1,898)	(2,549)
<i>Of which non-recurring</i>		
Depreciation, amortisation and impairment	(1,253)	(1,375)
Other expenses	(154)	(202)
<b>Operating profit (loss)</b>	<b>(4,040)</b>	<b>(6,509)</b>
Financial expenses	(9)	(14)
Financial income	1,762	0.4
Share of the result of associates	(266)	(1,377)
<b>Profit (loss) before tax from continuing operations</b>	<b>(2,552)</b>	<b>(7,898)</b>
Income Taxes	0	(1,024)
<b>Profit (loss) from continuing operations</b>	<b>(2,552)</b>	<b>(8,921)</b>
Net profit (loss) from discontinued operations	785	686
<b>Profit (loss) for the period</b>	<b>(1,767)</b>	<b>(8,235)</b>
<b>Other components of comprehensive income</b>		
<i>That will not subsequently be reclassified into profit (loss) for the year</i>		
Employee benefits	(5)	(0.7)
Tax effect	0	0
<b>Total</b>	<b>(5)</b>	<b>(0.7)</b>
<i>That will subsequently be reclassified into profit (loss) for the year</i>		
<b>Comprehensive profit/(loss) for the period</b>	<b>(1,772)</b>	<b>(8,236)</b>



## ePRICE S.p.A. Statement of Assets and Liabilities

<i>(thousands of Euros)</i>	31 December 2018	Of which related parties	31 December 2017	Of which related parties
<b>NON-CURRENT ASSETS</b>				
Plant and equipment	682		910,058	
Intangible assets	2,940		3,731	
Investments	61,235	61,234	45,990	45,990
Non-current financial assets	19,853	19,853	35,458	34,453
Other non-current assets	0.2		0.2	
Deferred tax assets	5,093		5,093	
<b>TOTAL NON-CURRENT ASSETS</b>	<b>89,806</b>		<b>91,199</b>	
<b>CURRENT ASSETS</b>				
Trade and other receivables	5,331	5,330	3,298	3,271
Other current assets	1,619		3,030	
Cash and cash equivalents	4,682	183	8,418	421
<b>TOTAL CURRENT ASSETS</b>	<b>11,633</b>		<b>14,747</b>	
<b>TOTAL ASSETS</b>	<b>101,439</b>		<b>105,946</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	826		826	
Reserves	99,077		107,017	
Profit (loss) for the year	(1,767)		(8,236)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>98,137</b>		<b>99,608</b>	
<b>NON-CURRENT LIABILITIES</b>				
Payables to banks and other lenders	0		537	
Personnel provisions	323		286	
Provisions for risks and charges	360		360	
Other non-current liabilities	0		78	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>683</b>		<b>1,260</b>	
<b>CURRENT LIABILITIES</b>				
Trade and other payables	1,123		1,950	
Payables to banks and other lenders	747		2,068	
Other current liabilities	749	108	1,060	245
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,620</b>		<b>5,078</b>	
<b>TOTAL LIABILITIES</b>	<b>3,302</b>		<b>6,338</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>101,439</b>		<b>105,946</b>	

## ePRICE S.p.A. Net Financial Position

<i>(in thousands of Euros)</i>	At 31 December 2018	At 31 December 2017
(A) Cash	-	-
(B) Other cash and cash equivalents	(4,682)	(8,418)
(C) Securities held for trading	-	-
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>(4,682)</b>	<b>(8,418)</b>
(E) Current financial receivables	218	-
(F) Current financial payables	-	-
(G) Current portion of non-current debt	501	2,001
(H) Other current financial payables	28	67
<b>(I) Current financial debt (F)+(G)+(H)</b>	<b>747</b>	<b>2,068</b>
<b>(J) Liquidity/Current financial debt (D)+(E)+(I)</b>	<b>(3,935)</b>	<b>(6,350)</b>
(K) Non-current bank payables	-	501
(L) Bonds issued	-	-
(M) Other non-current payables	-	35
<b>(N) Non-current financial debt (K)+(L)+(M)</b>	<b>-</b>	<b>536</b>
<b>(O) (Liquidity)/Net Financial Debt (J)+(N)</b>	<b>(3,935)</b>	<b>(5,814)</b>



## ePRICE S.p.A. Cash Flow Statement

(in thousands of Euros)

31 December 2018

31 December 2017

### NET CASH FLOW FROM OPERATIONS

Profit (loss) for the year	(2,552)	(8,921)
<i>Adjustments to reconcile profit for the year with cash flow generated by operating activities:</i>		
Depreciation and amortisation	1,253	1,339
Bad debt provision	0	36
Employee benefit fund provision	92	116
Employee benefit fund change	(60)	(98)
Change in deferred tax assets and liabilities	0	1,023
Other non-monetary items	142	341
Share of the result of associates	266	1,377
Capital gains from sale of financial instruments	(1,762)	-
Change in other non-current liabilities	(78)	41
<i>Changes in working capital</i>		
Change in trade receivables	(2,034)	(2,537)
Change in other current assets	1,917	1,021
Change in trade payables	(827)	619
Change in other payables	(817)	124

### NET CASH FLOW GENERATED (ABSORBED) BY OPERATIONS

**(4,460) (5,519)**

### NET CASH FLOW FROM INVESTMENT ACTIVITIES

Acquisition of tangible assets	(6)	(71)
Disposal of tangible assets	0	13
Change in other non-current assets	12	(1)
Acquisition of intangible assets	(227)	(2,210)
Provision of financing	(400)	(25,300)
Acquisition of subsidiaries	(350)	0
Cash flow from discontinued operations	785	686
Change in financial instruments	2,767	0

### NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES

**2,581 (26,883)**

### CASH FLOW FROM FINANCING ACTIVITIES

Financial payables	(1,857)	2,442
Share capital increase	0	1,045
Treasury shares	0	(675)
Dividends paid	0	(5,252)

### NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES

**(1,857) (2,440)**

(Decrease)/Increase in cash and cash equivalents (3,736) (34,842)

Net exchange-rate differences on cash and cash equivalents

**CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR 8,418 43,260**

**CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR 4,682 8,418**