



PRESS RELEASE

THE BOARD OF DIRECTORS OF ePRICE APPROVES Q1 2019:

THE TREND TOWARDS BREAK-EVEN CONTINUES

- **In the first quarter of 2019, a 40% reduction in losses compared to the first quarter of 2018:** Adjusted EBITDA of €-1.6 million, an improvement compared to €-2.8 million in Q1 2018¹
- **Further improvement in Gross Profit** to 16.7% of revenues compared to 16.2% in Q1 2018
- **Reduction of costs** linked to personnel (-12%), marketing (-40%) and the impact of returned and damaged products (-20%)
- **Revenues of €35.5 million compared to €39.0 million and GMV (Gross Merchandise Volume) of €50.4 million (previously €55.0 million)** in a market context that was weaker than expected, marked by strong promotional pressure
- **Operating Cash Flow of €-1.2 million from €-12.0 million** in Q1 2018
- **Net Profit of €-2.9 million, a 40% improvement** compared to €-4.8 million in Q1 2018
- **Net Financial Position of €4.2 million** as of 31 March 2019 excluding the effects of the application of the international IFRS16 accounting standard

Milan, 14 May 2019

The Board of Directors of ePRICE, Italy's first national e-Commerce platform, listed on the STAR segment of the Italian Stock Exchange, today approved the results as of 31 March 2019.

*"In the first quarter of the year our market was characterized by weak demand, certainly caused by an uncertain economic scenario in Italy. Nevertheless, ePRICE was able to further halve losses in terms of EBITDA and continuing the path to improve profitability. As we demonstrated in 2018, the company has become more efficient and more attentive to the impact of fixed and variable costs, with cash consumption that, as of 31 March 2019, was €11 million lower compared to the previous financial year. Our next objective will be full recovery in the top line, which we expect in the upcoming months, also following a partial recovery in demand,"***commented Paolo Ainio, CEO and Chairman of ePRICE.**

Results as of 31 March 2019

In the first quarter of 2019, Group revenues amounted to approximately €35.5 million, down 9% compared to €39.0 million in the first quarter of 2018 (-14.1% in the first quarter of 2017), mainly due to the weak performance of the "Tech & Appliance" reference market. In this context, in line with the strategy undertaken, ePRICE focused on the recovery of gross and net margins.

The GMV – which represents customers' spending on the Group's e-Commerce sites and on the Marketplace of third parties - decreased at a lower rate than revenues (-8.2% compared to the same period in the previous financial year), amounting to €50.4 million compared to €55.0 million, also as a result of the positive contribution from the Marketplace, whose volumes grew by 3%. The weight of the Marketplace as of 31 March 2019 reached over 20% of GMV compared to 18% in Q1 2018, 13% in Q1 2017, 10% in Q1 2016 and 5% in Q1 2015.

<i>(in millions of Euros)</i>	Q1 2019	Q1 2018	% Change
Revenues	35.5	39.0	-9.0%
GMV	50.4	55.0	-8.2%

¹ Restated according to IFRS16

Revenues and GMV by product type

Revenues (Euro million)	Q118	Q119	% Change	GMV ² (Euro million)	Q118	Q119	% Change
Electronic goods, domestic appliances and other products	35.7	31.9	-10.6%	Electronic goods, domestic appliances and other products	53.3	49.0	-8.1%
Services / other revenues ³	3.3	3.6	+8.7%	Services/other GMV ³	1.7	1.5	-12.6%
Revenues	39.0	35.5	-9.0%	GMV	55.0	50.4	-8.2%

Revenues from product sales, in particular electronics and household appliances, fell by 10.6% compared to the first quarter of 2018.

Revenues from the sale of Services and Other experienced an increase compared to the same period of the previous financial year equal to 8.7%. This result is mainly attributable to the development of “premium” services (delivery, installation and collection of used equipment), which increasingly represent a distinctive factor in ePRICE’s offerings. The contribution generated by Infocommerce and Advertising services was positive.

The Marketplace performance, which reached 2,000 merchants and achieved growth of 3% in the first quarter of 2019, was driven by an increase in the electronics segment. Note that Infocommerce and B2B services are not included in the GMV.

(Key Performance Indicators)

Key Performance Indicators ⁴	Q118	Q119	% Change
Orders (thousands)	191	141	-26.4%
AOV (Euro) ⁵	220	245	+11.4%
Buyers (thousands) ⁶	146	112	-23.2%

In the first quarter of 2019, 141 thousand orders were managed, -26.4% compared with Q1 2018, with an average value (AOV) of €245, up 11.4%, mainly driven by the mix towards high-ticket categories (Large Household Appliances). Lastly, the number of buyers was 112,000, down by 23.2% compared with Q1 2018.

The Adjusted EBITDA amounted to €-1.7 million, an improvement of over 40% compared to €-2.8 million in the first quarter of 2017 (restated in accordance with the IFRS 16 standard)⁷. The positive change is attributable to the significant reduction in operating costs, confirming the announced strategy aimed at the continuous recovery of efficiency in terms of costs.

There was a significant drop in sales and marketing costs by 21.5% compared to the first quarter of 2018, mainly due to the optimisation of spending for customer acquisition through actions aimed at increasing the natural growth of user visits to the site.

Logistics costs were down by about 11% compared to the first quarter of 2018. Due to the impact of the consolidation of Installo, the decrease was equal to 16.7%, net of higher costs, equal to €239 thousand. This

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.

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 Including the 3P marketplace.

⁵ Average order value (excluding VAT).

⁶ Customers with at least 1 order in the period.

⁷ Due to the entry into force of the international IFRS 16 accounting standard, leases were recognised in the balance sheets of the companies with the consequent determination of amortisation and related financial charges. In terms of financial data, due to the international IFRS 16 accounting standard, costs not considered relating to leases amounted to €596 thousand in the first quarter of 2019 compared to €591 thousand in the first quarter of 2018; at the same time, amortisation of €506 thousand of the same amount as that considered in the first quarter of 2018 was calculated in the first quarter of 2019, and, lastly, in the first quarter of 2018 financial charges of €83 thousand were calculated compared to €81 thousand in the first quarter of 2018.



cost item is particularly linked to the trends in sales volumes, which dropped during the quarter excluding this effect. In any case, there was a contraction in these costs due to the optimization of some implementing processes during the previous year.

IT costs grew by around €200 thousand compared to the first quarter of 2018, mainly due to the effect of certain reclassifications of costs relating to platforms previously included among logistics costs.

General and administrative costs experienced a sharp drop compared to the first quarter of 2018 equal to 41.4%. Due to the impact of the consolidation of Installoy, the decrease was equal to 54.8%, net of higher costs, equal to €222 thousand. This cost item benefitted over the course of the quarter from the contribution recorded for research and development relating to investments made in 2018, totalling €770 thousand. The reduction in general and administrative costs amounted to around 8%, net of the aforementioned contribution and the effect of the consolidation of Installoy Srl, confirming the continual cost limitation process started last financial year.

EBITDA for the first quarter of 2019 was €-1.8 million, an improvement of approximately 40% compared to the first quarter of 2018. It includes the costs relating to stock option and stock grant plans of €121 thousand.

EBIT was €-4.3 million, compared to €-5.4 million in the first quarter of 2018, with an improvement of 20.3%. Depreciation and amortisation experienced an increase of 2.8% compared to the first quarter of 2018 and reflect the impact due to the application of the IFRS 16 accounting standard amounting to €506 thousand.

EBT from operating activities was €-4.5 million, compared with €-5.6 million in the first quarter of 2018. Net financial charges totalled €122 thousand, of which €83 thousand due to the application of the IFRS 16 accounting standard. The share of the result of associated companies, amounting to net expenses of €106 thousand, improved on the amount in the corresponding period of 2018, when net charges of €159 thousand were recorded.

Net Profit was €-2.9 million, a 40% improvement compared to one year ago (€-4.8 million).

As of 31 March 2018, the Group had net financial indebtedness of €9.0 million, of which €13.1 million relates to the indebtedness arising from the application of the international IFRS 16 accounting standard. Net of this effect, the Group has a Net Cash Flow of € 4.2 million: the change with respect to 31 December 2018 mainly derives from the resources absorbed by operations of €1.2 million, of which, however, the change in total working capital generated financial resources of €823 thousand. Investing activities absorbed resources amounting to €833 thousand, while cash flow absorbed by financing activities amounted to €490 thousand. During the period, the Group obtained a new financial credit line of €2.5 million, mostly used for the repayment of other expiring credit lines.



Stock Grant Plan

On today's date, the ePrice Board of Directors, having consulted the Remuneration Committee, identified the recipients of the 2019 Stock Grant Plan, established by resolution of the Shareholders' Meeting on 16 April 2019, and assigned to them the rights to which they are entitled for the 2019 financial year, determining the quantity according to the criteria established by the Plan regulations, approved by the Board of Directors.

The terms and conditions of the Plan, as well as the characteristics of the assigned rights, are described in the information document, drawn up pursuant to art. 84-bis of the regulation adopted by Consob by way of resolution no. 11971 of 14 May 1999 as subsequently amended and supplemented, made available to the public at the registered office, on the corporate.eprice.it website and on the authorised storage device (www.1info.it)

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.

Verification of the independence requirements by the Board of Statutory Auditors

It is noted that the new ePrice Board of Statutory Auditors, appointed by the Shareholders' Meeting on 16 April 2019, verified that the independence requirements set forth by the law (article 148, paragraph 3, TUF [Consolidated Finance Act]) and by the Corporate Governance Code (articles 3.C.1 and 8.C.1) were satisfied by all its permanent members (Giorgio Amato, Gabriella Chersicla and Stefania Bettoni).

Appointment of the members of the Control and Risks and Related Parties Committee and Remuneration Committee

The ePrice Board of Directors, which met on today's date, has set up the internal Control and Risks and Related Parties Committee and the Remuneration Committee, appointing the directors called upon to be part of each committee.

The Directors, Chiara Burberi (Chairperson), Arabella Caporello and Annunziata Melaccio, all non-executive and satisfying the independence requirements established by current legislation and by the Corporate Governance Code were called to join the Control and Risks and Related Parties Committee.

The Directors Roberto Mazzei (Chairman), Moshe Sade Bar through the minority list, and Pierluigi Bernasconi, all non-executive directors, were appointed as members of the Remuneration Committee. Roberto Mazzei and Moshe Sade Bar satisfy the independence requirements set forth by current legislation and by the Corporate Governance Code.

The term of the appointment is equal to that of the Board of Directors, or until the approval of the financial statements relating to the financial year ending on 31 December 2021.

Change in the Financial Calendar

The Board of Directors, as permitted by the applicable law, postponed to September 12th the meeting for the approval of the Half-Year Financial Report as of 30 June 2019.

Below the dates of the new 2019 financial calendar.

- 12 September 2019 - Board of Directors meeting for the approval of the Half-Year Financial Report as of 30 June 2019



- 12 November 2019 - Board of Directors meeting for approval of the Interim Directors' Report as of 30 September 2019

ePRICE will promptly communicate any changes with respect to the notified dates.

Following the Board meetings approving the results for the period, conference calls will be held with institutional investors and financial analysts.

- **Filing of the Interim Financial Report as of 31 March 2019 and minutes of the Shareholders' Meeting of ePRICE S.p.A.**

It is noted that the Interim Directors' Report as of 31 March 2019, approved on 14 May and the minutes of the Ordinary Shareholders' Meeting of ePrice S.p.A. on 16 April 2019 are available to the public at the registered office, on the Company's website www.corporate.eprice.it and on the authorised storage device 1Info (www.1Info.it). The excerpt will be published tomorrow in the "Libero" newspaper.

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 €164 million and GMV (Gross Merchandise Volume) of €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&Pay spread across 109 cities, collection and payment points that combine the advantages of buying online with the convenience and security of a neighbourhood store.

ePRICE S.p.A.
Gabriele Colasanto
Corporate Development & Investor Relator
+39 02.30315400
investor.relations@eprice.it

Image Building
Simona Raffaelli, Emilia Pezzini, Vanessa Gloria
Media Relations
+39 02.89011300
eprice@imagebuilding.it



ePRICE Consolidated Statements

ePRICE Reclassified Consolidated Income Statement

in thousands of Euro	31-Mar-2019	% of total revenues	31-Mar-2018 restated IFRS 16	% of total revenues	% Change	31-Mar-2018
Total revenues	35,496	100.0%	38,992	100.0%	-9.0%	38,992
Cost of sales ⁸	(29,551)	-83.3%	(32,683)	-83.8%	-9.6%	(32,683)
Gross profit ⁹	5,944	16.7%	6,309	16.2%	-5.8%	6,309
Sales and marketing costs	(2,189)	-6.2%	(2,789)	-7.2%	-21.5%	(2,789)
Logistics costs	(3,816)	-10.8%	(4,295)	-11.0%	-11.1%	(4,732)
IT costs	(601)	-1.7%	(390)	-1.0%	54.2%	(390)
General and administrative expenses	(972)	-2.7%	(1,659)	-4.3%	-41.4%	(1,814)
Adjusted EBITDA	(1,635)	-4.6%	(2,824)	-7.2%	42.1%	(3,416)
Non-recurring costs and income and stock option plans	(121)	-0.3%	(93)	-0.2%	30.2%	(93)
EBITDA	(1,756)	-4.9%	(2,917)	-7.5%	39.8%	(3,508)
Depreciation, amortisation and impairment	(2,533)	-7.1%	(2,464)	-6.3%	2.8%	(1,958)
EBIT	(4,289)	-12.1%	(5,381)	-13.8%	20.3%	(5,466)
Net financial expenses	(122)	-0.3%	(61)	-0.2%	99.1%	22
Share of the result of associates	(106)	-0.3%	(159)	-0.4%	-33.2%	(159)
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	(4,517)	-12.7%	(5,601)	-14.4%	19.3%	(5,603)
Net profit (loss) from discontinued operations	1,575		785		100.7%	785
NET PROFIT (LOSS)	(2,942)	-8.3%	(4,816)	-12.4%	38.9%	(4,818)

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

⁹ 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)

31 March 2019

31 March 2018

Revenues	35,817	39,891
Other income	820	117
Costs for raw materials and goods for resale	(28,875)	(32,192)
Costs for services	(7,016)	(9,065)
Personnel expenses	(2,241)	(2,164)
Depreciation, amortisation and impairment	(2,533)	(1,958)
Other expenses	(261)	(95)
Operating profit (loss)	(4,289)	(5,466)
Financial expenses	(123)	(21)
Financial income	1	43
Share of the result of associates	(106)	(159)
Profit (loss) before tax from continuing operations	(4,517)	(5,603)
Net profit (loss) from discontinued operations	1,575	785
Profit (loss) for the period	(2,942)	(4,818)
of which:		
Net result pertaining to third parties	(135)	-
Net result pertaining to the Group	(2,807)	(4,818)



ePRICE Consolidated Reclassified Statement of Assets and Liabilities

(thousands of Euros)

31 March 2019

31 December 2018

USES

Net Working Capital	2,563	1,161
Fixed assets	46,832	35,310
Long-term assets	8,757	8,759
Personnel provisions	(2,255)	(2,198)
Long-term liabilities	(360)	(360)
Net Invested Capital	55,537	42,672

SOURCES

Liquidity/Net Financial Debt	(8,980)	6,706
Shareholders' Equity	(46,557)	(49,378)
TOTAL FUNDING SOURCES	(55,537)	(42,672)

ePRICE Consolidated Statement of Assets and Liabilities

(in thousands of Euros)

31 March 2019

31 December 2018

NON-CURRENT ASSETS

Plant and equipment	6,022	6,359
Intangible assets	39,664	27,699
Investments in associates	949	1,055
Non-current financial assets	196	196
Other non-current assets	58	59
Deferred tax assets	8,700	8,700
TOTAL NON-CURRENT ASSETS	55,589	44,068

CURRENT ASSETS

Inventories	15,554	16,091
Trade and other receivables	5,637	6,848
Other current assets	10,668	9,795
Cash and cash equivalents	6,412	8,934
TOTAL CURRENT ASSETS	38,271	41,668

Assets from discontinued operations

TOTAL ASSETS	93,860	85,736
---------------------	---------------	---------------

LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

Share capital	826	826
Reserves	48,509	62,831
Profit (loss) for the period	(2,807)	(14,443)
Shareholders' equity attributable to parent company shareholders	46,528	49,214
Shareholders' equity attributable to minority shareholders	29	164
TOTAL SHAREHOLDERS' EQUITY	46,557	49,378

NON-CURRENT LIABILITIES

Payables to banks and other lenders	11,076	331
Personnel provisions	2,255	2,198

Provisions for risks and charges	360	360
TOTAL NON-CURRENT LIABILITIES	13,691	2,889
CURRENT LIABILITIES		
Trade and other payables	21,410	22,515
Payables to banks and other lenders	5,773	3,952
Other current liabilities	6,191	6,691
Provisions for risks and charges	238	311
TOTAL CURRENT LIABILITIES	33,612	33,469
Liabilities from discontinued operations		
TOTAL LIABILITIES	47,303	36,358
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	93,860	85,736

ePRICE Consolidated Net Financial Position

<i>(thousands of Euros)</i>	31 March 2019	31 December 2018	31 December 2018 restated IFRS 16
(A) Cash	(106)	(93)	(93)
(B) Other cash and cash equivalents	(6,306)	(8,841)	(8,841)
(C) Securities held for trading	-	-	-
(D) Liquidity (A)+(B)+(C)	(6,412)	(8,934)	(8,934)
(E) Current financial receivables	(1,457)	(2,055)	(2,055)
(F) Current financial payables	2,893	276	276
(G) Current portion of non-current debt	709	3,648	3,648
(H) Other current financial payables	2,171	28	2,185
(I) Current financial debt (F)+(G)+(H)	5,773	3,952	6,109
(J) Liquidity/Net current financial debt (D)+(E)+(I)	(2,096)	(7,037)	(4,880)
(K) Non-current bank payables	107	331	331
(L) Bonds issued	-	-	-
(M) Other non-current payables	10,969	0	11,496
(N) Non-current financial debt (K)+(L)+(M)	11,076	331	11,827
(O) (Liquidity)/Net Financial Debt (J)+(N)	8,980	(6,706)	6,947

ePRICE Consolidated Cash Flow Statement

(in thousands of Euros)

31 March 2019

31 March 2018

NET CASH FLOW FROM OPERATIONS

Net result from operations	(4,517)	(5,603)
----------------------------	---------	---------

Adjustments to reconcile profit for the period with cash flow generated by operations:

Depreciation and amortisation	2,533	1,958
-------------------------------	-------	-------

Employee benefit fund provision	112	108
---------------------------------	-----	-----

Inventory write-down	(250)	0
----------------------	-------	---

Employee benefit fund change	(54)	(96)
------------------------------	------	------

Share of the result of associates	106	159
-----------------------------------	-----	-----

Impairment losses on non-current assets	0	0
---	---	---

Change in other non-current liabilities	(73)	2
---	------	---

Other non-monetary items	121	57
--------------------------	-----	----

Changes in working capital

Change in inventories	787	4,978
-----------------------	-----	-------

Change in trade receivables	1,210	431
-----------------------------	-------	-----

Change in other current assets	104	1,187
--------------------------------	-----	-------

Change in trade payables	(1,105)	(14,765)
--------------------------	---------	----------

Change in other payables	(173)	(436)
--------------------------	-------	-------

NET CASH FLOW GENERATED (ABSORBED) BY OPERATIONS	(1,199)	(12,020)
---	----------------	-----------------

NET CASH FLOW FROM INVESTMENT ACTIVITIES

Acquisition of tangible assets	(48)	(103)
--------------------------------	------	-------

Change in other non-current assets	1	6
------------------------------------	---	---

Acquisition of intangible assets	(786)	(1,019)
----------------------------------	-------	---------

Purchase of associates	0	(175)
------------------------	---	-------

NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	(833)	(1,291)
--	--------------	----------------

CASH FLOW FROM FINANCING ACTIVITIES

Financial payables	(1,088)	4,473
--------------------	---------	-------

Current financial receivables	598	873
-------------------------------	-----	-----

NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	(490)	5,346
---	--------------	--------------

(Decrease)/Increase in cash and cash equivalents	(2,522)	(7,965)
--	---------	---------

CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	8,934	21,094
---	--------------	---------------



CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

6,412

13,129
