



INTERIM DIRECTORS' REPORT AS OF 31 MARCH 2019

Corporate Officers

BOARD OF DIRECTORS*

Chairman and Chief Executive Officer

Paolo Ainio

Non-executive Directors

Pierluigi Bernasconi
Pietro Boroli
Matteo Renzulli

Independent Directors

Chiara Burberi
Arabella Caporello
Piero Galli
Roberto Mazzei
Annunziata Melaccio
Moshe Sade Bar

* Roberta Vercellotti resigned from her position as director on May 14, 2019

BOARD OF STATUTORY AUDITORS

Chairman

Giorgio Amato

Standing Auditors

Stefania Bettoni
Gabriella Chersicla

Alternate Auditors

Luca Zoani
Sonia Ferrero

SUPERVISORY BOARD

Chairman

Jean-Paule Castagno

Members

Fabio Meda
Stefania Bettoni

INDEPENDENT AUDITORS

Ernst & Young S.p.A.

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Directors'

Report

DIRECTORS' REPORT

Basis of preparation of the Interim Directors' Report

On 18 March 2016, Italian Legislative Decree no. 25 of 15 February 2016 (the "Decree") came into force, implementing Directive 2013/50/EU containing amendments to Directive 2004/109/EC on disclosures of listed issuers (the Transparency Directive). The Decree eliminated the compulsory publication of interim directors' reports in order to reduce the administrative costs of listed issuers and to mitigate issuers' and investors' tendency to rely on short-term results.

By notice dated 21 April 2016, Borsa Italiana specified that provisions of the Market Regulations on publication of interim financial reports, particularly article 2.2.3, paragraph 3, will continue to apply to issuers with shares listed in the Star segment.

Consequently, this Interim Directors' Report was prepared in continuity with previous interim reports, in accordance with the provisions of article 154-ter, paragraph 5 of the Consolidated Finance Law. The provisions of IAS 34 on Interim Financial Reporting were therefore not adopted.

For the assessment and measurement of the accounting items included in this Interim Directors' Report, the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) were applied, as endorsed by the European Commission and in force at the time of approval of this Report. The accounting standards and criteria are the same as those used to prepare the financial statements as at 31 December 2018, to which reference should be made for further details. As a result of the entry into force of the international IFRS 16 accounting standard which establishes, innovating with respect to the past, that leases are to be represented in the balance sheets of the companies, thereby increasing the visibility of respective assets and liabilities, the company has recognised multi-year rights of use of Euro 13.3 million and financial payables associated with these rights of use of Euro 13.7 million. The income statements in this Interim Directors' Report shows only the profit (loss) before tax.

As ePRICE S.p.A. (hereinafter also "ePRICE") possesses controlling interests, the Interim Report was prepared on a consolidated basis. All information in this Report refers to the consolidated figures of the ePRICE Group.

The Interim Directors' Report as at 31 December 2019 was approved by the Board of Directors on 14 May 2019.

The quarterly results of the subsidiaries, used to draft this Consolidated Interim Directors' Report, were prepared by the respective administrative departments and reclassified where necessary to standardise them with those of the parent company.

The figures in this report are expressed in thousands of Euros, unless otherwise indicated.

The scope of consolidation as at 31 March 2019 remains unchanged from 31 December 2018 and is as follows:

(With an explanation of the activity conducted and percentage owned)

Name	Activity	Registered office	Ownership percentage
ePRICE S.p.A.	Holding Company	Italy	Holding Company
ePRICE Operations S.r.l.	e-Commerce	Italy	100%
Installo S.r.l.	Logistics services	Italy	61%

COMMENT ON THE RESULTS

ANALYSIS OF KEY OPERATING RESULTS

REVENUES AND PROFITABILITY ANALYSIS

Revenues

In the first quarter of 2019, Group revenues amounted approximately to Euro 35.5 million. The drop in revenues in the first quarter of 2019 is therefore equal to 9.0% compared to the corresponding period of 2018, mainly due to the weak performance of the “Tech & Appliance” reference market, which in the quarter generally experienced slightly lower growth rates. In this market context, ePRICE favoured gross and net profits, as described below, to the detriment of revenue growth.

The GMV – which represents customers’ spending on our e-Commerce sites and on the Marketplace - decreased at a lower rate than revenues, equivalent to 8.2% compared to the corresponding period in the previous year, amounting to Euro 50.4 million from Euro 55.0 million in first quarter of 2018, as a result of the positive contribution from the Marketplace, which grew approximately +3% compared to the corresponding period in the previous year. In this quarter, the weight of the Marketplace, launched in 2Q15, reached approximately 20% of GMV, compared to 19% in 2018, 14.7% in 2017, and 10% in 2016.

<i>(in thousands of Euros)</i>	Q1 2019	Q1 2018	% Change
Revenues	35,496	38,992	-9.0%
<i>(in millions of Euros)</i>			
GMV	50.4	55.0	-8.2%

The breakdown of Revenues and GMV by product type is as follows:

Revenues

<i>(in thousands of Euros)</i>	Q1 2019	Q1 2018	% Change
Electronics, Domestic Appliances and other products	31,896	35,680	-10.6%
Services / Other revenues	3,600	3,312	+8.7%
Revenues	35,496	38,992	-9.0%

GMV

<i>(in millions of Euros)</i>	Q1 2019	Q1 2018	% Change
Electronics, Domestic Appliances and other products	49.0	53.3	-8.1%
Services / Other revenues	1.4	1.7	-12.6%
GMV	50.4	55.0	-8.2%

Revenues from product sales, in particular electronics and household appliances, fell by 10.6% compared to the first quarter of 2018 due to the weak performance of the reference market as described above.

Revenues from the sale of Services and Other experienced an increase compared to the same period of the previous year of 8.7%, 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.

The Pick&Pay and Lockers network as of 31 March 2019 has been optimized to 122 Pick&Pays and 321 automatic collection points. Pick&Pay delivery services are now extended to all Marketplace merchants.

The Marketplace performance, which reached 2,007 merchants and achieved growth of 3% in the quarter, was driven by an increase in the electronics segment. Note that Infocommerce and B2B services are not included in the GMV.

In terms of Key Performance Indicators the following trends can be identified:

	Q1 2019	Q1 2018	% Change
<i>Orders (thousands)</i>	141	191	-26.4%
<i>AOV (euro) ¹</i>	245	220	+11.4%
<i>Buyers (thousands)²</i>	112	146	-23.2%

In the first quarter of 2018, 141 thousand orders were managed, -26.4% compared with 1Q18, with an average value (AOV)

¹ Average order value (excluding VAT).

² Customers with at least 1 order in the period.

of Euro 245, up 11.4%, mainly driven by the mix towards high-ticket categories (Large Household Appliances). Lastly, the number of buyers was 112 thousand, down by 23.2% compared with 1Q18.

Reclassified consolidated income statement

The table below illustrates the Reclassified Income Statement for the first quarter of 2019, compared with the corresponding period of the previous year, by destination according to the formats used by Group management control. In the following statement, the Revenues total is stated net of revenues for logistics, IT and administrative services performed in favour of entities sold and restated as a reduction in related costs. Due to the entry into force of the international IFRS 16 accounting standard, applied by the group with the “modified retrospective” method, which does not require the recalculation of the comparative data, the following table shows both the comparison dated 31 March 2018 and a proforma column demonstrating the impacts of the application of IFRS 16 in the first quarter of 2018 relating to the same agreements that were considered leases in the first quarter of 2019.

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 ³	(29,551)	-83.3%	(32,683)	-83.8%	-9.6%	(32,683)
Gross profit ⁴	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)

Gross Profit

Gross Profit was Euro 5,944 thousand, down Euro 365 thousand, equal to 5.8% compared with the corresponding period of the previous year (Euro 6,309 thousand), presenting a lower decline than that of revenues. In percentage terms, the ratio of Gross Profit to Revenues is equal to 16.7%, an improvement of 50 bps compared to the 16.2% recorded in the first quarter of 2018, confirming the announced strategy aimed at the continual recovery of profits. In particular, the percentage profits

³ The **Cost of goods sold** mainly includes the purchase cost of goods and the cost of some services, including the cost of collection fees.

⁴ The **Gross Profit** is represented by net revenues minus cost of goods sold and is an indicator used by the Group's management control 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.

increased in the first quarter of the year compared to the first quarter of 2018 due to the greater contribution by Marketplace, to the reduction in the impact of returned and damaged products and lastly to the contribution by the services rendered by Installo Srl.

Adjusted EBITDA

As highlighted above, 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 Euro 596 thousand in the first quarter of 2019 compared to Euro 591 thousand in the first quarter of 2018; at the same time, amortisation of Euro 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 Euro 83 thousand were calculated compared to Euro 81 thousand in the first quarter of 2018.

The Adjusted EBITDA amounted to Euro -1,635 million, a significant improvement of over 40% compared to Euro -2,824 million in the first quarter of 2017 (restated in accordance with the IFRS 16 standard).

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.

In particular, there was a significant drop in sales and marketing costs by about -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 Euro 239 thousand. This cost item is particularly linked to the trends in sales volumes and revenues in the category of household appliances, which experienced significant growth during 2018 compared to the previous year; in any case, excluding this effect, there was a drop in these costs due to the efficiency of some processes implemented during the previous year.

IT costs grew by around Euro 200 thousand compared to the first quarter of 2018, mainly due to the effect of certain reclassifications of costs relating to platforms previously considered to be 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 Installo, the decrease was equal to 54.8%, net of higher costs, equal to Euro 222 thousand. This cost item benefit over the course of the quarter from the contribution recorded for research and development relating to investments made in 2018, totalling Euro 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 Installo Srl, confirming the continual cost limitation process started last financial year.

The breakdown of operating profit (loss) and adjusted EBITDA is provided below:

<i>(in thousands of Euros)</i>	31-Mar-2019	% of total revenues	31-Mar-2018 restated IFRS 16	% of total revenues	% Change	31-Mar-2018
Operating profit (loss)	(4,289)	-12.1%	(5,381)	-13.8%	20.3%	(5,466)
+ Depreciation, amortisation and impairment	2,533	-7.1%	2,464	-6.3%	2.8%	1,958
Non-recurring costs and stock option plans	(121)	-0.3%	(93)	-0.2%	30.2%	(93)
Adjusted EBITDA	(1,635)	-4.6%	(2,824)	-7.2%	42.1%	(3,416)
EBITDA	(1,756)	-4.9%	(2,917)	-7.5%	39.8%	(3,508)

EBITDA for the first quarter of 2019 was Euro -1,756 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 Euro 121 thousand. In the first quarter of 2017, non-recurring costs of around Euro 93 thousand were recorded, which included costs related to stock option plans of Euro 57 thousand and non-recurring costs of Euro 36 thousand, relating to reorganization charges.

EBIT

EBIT was Euro -4,289 million, compared to Euro -5,381 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, as described above, amounting to Euro 506 thousand.

Earnings before tax from continuing operations

EBT was Euro -4,517 thousand, compared with Euro -5,601 thousand in the first quarter of 2018. Net financial charges totalled Euro 122 thousand, of which Euro 83 thousand due to the application of the IFRS 16 accounting standard, as described above. The share of the result of associated companies, amounting to net expenses of Euro 106 thousand, improved on the amount in the corresponding period of 2018, when net charges of Euro 159 thousand were recorded.

Profit (loss) from discontinued operations

The result from assets held for sale and discontinued operations, equal to Euro 1,575 thousand, refers mainly to the earn-out share already accrued after certain contractual conditions were satisfied from the sale of the Vertical Content division to the Mondadori Group, collected in April 2019 after closing of the reporting period.

ANALYSIS OF KEY RESULTS FROM THE STATEMENT OF FINANCIAL POSITION

The following table presents the statement of financial position reclassified by sources and uses:

<i>(thousands of Euros)</i>	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)

Net Working Capital

Net working capital posted a change of Euro 1,402 thousand, mainly due to the recognition of receivables from the Mondadori group for the earn-out collected in April following the sale of the Vertical Content division. In the first quarter of 2019 there was also a reduction in inventories, trade receivables and trade payables, due to the seasonality affecting the end of the year. Overall, in the first quarter, the commercial working capital decreased by Euro 642 thousand compared to 31 December 2018, contributing positively to the cash flow of the period.

The table below provides a breakdown of Net Working Capital:

<i>(in thousands of Euros)</i>	31 March 2019	31 December 2018
Inventories	15,554	16,091
Trade and other receivables	5,638	6,848
Trade and other payables	(21,410)	(22,515)
Trade Working Capital	(218)	424
Other current receivables and payables	2,781	737
Net Working Capital	2,563	1,161

Fixed assets

Fixed assets increased by Euro 11,522 thousand. This increase mainly results from the first application of the international IFRS 16 accounting standard, which establishes, innovating with respect to the past, that the leases are to be represented in the balance sheets of companies, thus increasing the visibility of their assets and liabilities. The group applied the standard

with the “modified retrospective” method, which does not require the recalculation of comparative data and therefore recognised multi-year rights of use of Euro 13,327 thousand. During the period, investments were made in intangible assets of Euro 786 thousand and in tangible fixed assets of Euro 48 thousand, all excluding amortisation and depreciation of Euro 2,533 thousand.

Shareholders' Equity

Shareholders' equity decreased during the period from Euro 49,378 thousand to Euro 46,557 thousand mainly due to the comprehensive income, negative for Euro 2,942 thousand. An increase of Euro 121 thousand was also seen in the stock option reserve against costs associated with the incentive plans for employees and directors.

The total number of treasury shares held by the company was 1,011,372, unchanged compared to 31 December 2018.

The breakdown of the Net Financial Position is shown below, in accordance with the Consob Communication of 28 July 2006 and in compliance with the ESMA/2011/81 Recommendations; for a better representation, the column, “31 December restated IFRS 16”, has been added, which highlights the impact on the opening balances of the application of the new international IFRS 16 accounting standard.

<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

As of 31 March 2019, the Group had net financial indebtedness of Euro 8,980 million, of which Euro 13,140 million relates to the indebtedness arising from the application of the international IFRS 16 accounting standard. Excluding this effect as of 31 March 2019, the Group would have a Net Cash Flow of Euro 4,160 thousand.

As at 31 March 2019, the Group reported Liquidity of Euro 6,412 thousand. The change with respect to 31 December 2018 mainly derives from the resources absorbed by operations of Euro 1,119 million, of which, however, the change in total working capital generated financial resources of an amount equal to Euro 823 thousand. Investing activities previously described absorbed resources amounting to Euro 833 thousand, while cash flow absorbed by financing activities amounted to Euro 490 thousand. 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.

RESEARCH, DEVELOPMENT AND INNOVATION

Development activities are of particular importance for the Group: the aim is to conceive new solutions and new products and services to be included in the commercial range offered by ePRICE, and to continuously innovate existing products and services, including with regard to the introduction of new technologies and new business development models. The Group takes an interdisciplinary approach, whose greatest strength lies in the close collaboration between development, production and marketing, in order to respond quickly and effectively to constant changes in preferences expressed by consumers.

During the period, the Group continued to invest in improving the quality of services offered to customers, in existing processes and in platform components to make them scalable for increasing volumes.

Team development activities aimed at the mobile-phone sector and geared to optimising customer experience continued; one of the first objectives was to substantially improve the mobile APP by creating distinctive elements that put it in a class of its own and make it markedly different to the desktop site. Specifically, a new cart for the mobile APP was released, the graphic interface was upgraded and the usability of the product pages was improved, thus emphasising the value-added content of the services offered by ePrice.

Development work continued on new features aimed at improving the integrated management system. In particular, the purchasing-cycle flow and supplier-invoice checking was automated, which will lead to optimised management and control of the procurement procedures.

The internal procedures for handling customer requests and the impact of the GDPR on handling their personal data were defined. Consequently, all relevant management systems were also adapted for the new requirements.

The development of a platform for the management of specialist local services related to the household appliances (MDA) segment and the construction/activation of the premium delivery and professional installation network both continued. Improvements were made to the courier-tracking system both for products sent by ePrice and products sent by the Marketplace. A monitoring system to check the saturation capacity of the team of installers was released

Right to waive the obligation to publish an information document in the event of material transactions

The Issuer has exercised the option to waive the obligation provided for in Art. 70, para. 6 and Art. 71, para. 1 of the Issuer Regulations, as defined by Art. 70, para. 8 and Art. 71, para. 1-bis of the Issuer Regulations.

SIGNIFICANT EVENTS IN THE PERIOD

The meeting of 16 April appointed the Board of Directors for the 2019-2021 period.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

No significant events affecting this interim report occurred between the closing date for the period and the approval of this report. In any case, it is worth mentioning the important agreement signed in April between ePRICE and Carrefour Italy, which provides for the supply and support for the Large Household Appliance offer in the 50 Carrefour Italy Hypermarkets spread across 11 Italian regions.

OUTLOOK

As illustrated in the financial statements as at 31 December 2018, on 6 March 2019 the ePRICE Board approved the updating of the ePRICE strategic guidelines for the 2019-2024 period, which, in line with that stated in the plans of the previous year, provide for strong, coordinated development in the sale of large household appliances, progressive growth of the marketplace and the opening of the company's own platform for new services aimed at Italian consumers and their families.

In particular, for 2019, the budget confirms and updates the actions according to the following guidelines:

- Strengthening of leadership in the categories defined as “Core” (Large Household Appliances, TV and climate) with an increase in premium delivery and installation services and new dedicated offers also on marketplaces external to ePRICE.it, such as Amazon and eBay.
- Expansion of the Marketplace, due to the growth in the number of sellers, in particular abroad.
- Improvement of commercial policies and partnerships with vendors, thanks to increasing volumes of Large Household Appliances and the capacity to offer marketing and customer-profiling solutions that are unique on the market.
- Qualitative and quantitative growth of ePRICE as a service platform and new offerings related to maintenance and installation through the Installo Srl subsidiary.
- Completion of the efficiency plan on breakages and logistics management.

Business plans for the coming years reviewed by the Board of Directors on 6 March 2019 show an improvement in EBITDA, a sustainable evolution of cash flow and a positive financial position at the end of 2019.

The strategy described above will enable ePRICE to achieve its FY19 targets:

- 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 Large Household Appliance market, new commercial initiatives and an increase in info-commerce activities.

- Further improvement of EBITDA to roughly a break-even level at the end of 2019, thanks to the increase in sales margins and the full effect of the actions underway regarding relations with suppliers.
- NFP substantially unchanged at the end of the year.

Consolidated Financial Statements as of 31 March 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(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

CONSOLIDATED STATEMENT OF PROFIT (LOSS) BEFORE TAX

(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)

CONSOLIDATED STATEMENT OF CASH FLOW

(in thousands of Euros)

31 March 2019

31 March 2018

NET CASH FLOW FROM OPERATIONS

Net result from operations	(4,517)	(5,603)
<i>Adjustments to reconcile profit for the period with cash flow generated by operations:</i>		
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
<i>Changes in working capital</i>		
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)
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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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Legal reserve	Treasury shares	Stock option reserve	Other capital reserves	Retained earnings (losses)	FTA Reserve	Employee benefits	Total SE attributable to Group	SE attributable to third parties	Total
Balance as at 31 December 2018	826	125,194	164	(3,166)	1,052	538	(74,606)	(487)	(301)	49,214	164	49,378
Profit (loss) for the period							(2,807)			(2,807)	(135)	(2,942)
Other components of comprehensive income										0		0
that will not subsequently be reclassified in profit (loss) for the period										0		0
that will subsequently be reclassified in profit (loss) for the period										0		0
Comprehensive income							(2,807)		0	(2,807)	(135)	(2,942)
Share-based payments					121					121		121
Balance as at 31 December 2018	826	125,194	164	(3,166)	1,173	538	(77,413)	(487)	(301)	46,528	29	46,557

	Share capital	Share premium	Legal reserve	Treasury shares	Stock option reserve	Other capital reserves	Retained earnings (losses)	FTA Reserve	Employee benefits	Total
Balance as at 31 December 2017	826	125,194	164	(3,211)	796	538	(60,132)	(487)	(273)	63,415
Profit (loss) for the period							(4,818)			(4,818)
Other components of comprehensive income										0
that will not subsequently be reclassified in profit (loss) for the period										0
that will subsequently be reclassified in profit (loss) for the period										0
Comprehensive income							(4,818)			(4,818)
Share-based payments					57					57
Balance as of 31 March 2018	826	125,194	164	(3,211)	853	538	(64,950)	(487)	(273)	58,654

STATEMENT PURSUANT TO ART. 154-BIS, PARA. 2, ITALIAN
LEGISLATIVE
NO. 58/1998
DECREE

The Manager Responsible for Preparing the Financial Reports of ePRICE S.p.A., Emanuele Romussi, declares, pursuant to Article 154-bis of the Consolidated Finance Law, that the accounting information contained in this Consolidated Interim Directors' Report of the ePRICE Group as at 31 March 2019 corresponds to the underlying accounting documents, records and accounting entries.

The Manager Responsible for Preparing the Financial Reports
Emanuele Romussi