



HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2017

Corporate Bodies

BOARD OF DIRECTORS

Executive Chairman	Paolo Ainio
Chief Executive Officer	Pietro Scott Jovane
Non-executive directors	Pierluigi Bernasconi Andrea Biasco Pietro Boroli Matteo Renzulli
Independent directors	Roland Berger Chiara Burberi Serenella Rossano

COMMITTEES

Control and Risks and Related Parties Committee

Independent Director and Chairman	Serenella Rossano
Independent Director	Roland Berger
Independent Director	Chiara Burberi

Remuneration Committee

Independent Director and Chairman	Roland Berger
Non-executive director	Pierluigi Bernasconi
Independent Director	Serenella Rossano

BOARD OF STATUTORY AUDITORS

Chairman	Francesco Perrini
Standing Auditors	Stefania Bettoni Gabriella Chersicla
Alternate Auditors	Luca Zoani Beatrice Galli

SUPERVISORY BODY

Chairman	Jean-Paule Castagno
Members	Fabio Meda Stefania Bettoni

INDEPENDENT AUDITORS

Ernst & Young S.p.A.

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Directors' Report

DIRECTORS' REPORT

COMMENT ON THE RESULTS

ANALYSIS OF KEY OPERATING RESULTS

Following the sale last year of Banzai Media Holding (Vertical Content segment) and BNK4 SaldiPrivati, the revenue from the Vertical Content operating segment and from BNK4 SaldiPrivati business for the half-year as at 30 June 2016 were presented for comparative purposes, classified as net profit (loss) from discontinued operations or assets held for sale.

Revenues

Group revenues totalled Euro 91.2 million in the first half of 2017. The growth in revenues in the first half of 2017 was therefore 9% compared to the same period in 2016, driven by the electronic goods and domestic appliances categories.

GMV¹ – which represents customers' spending on our e-Commerce sites and on the marketplace – grew by 12.8% compared to the previous year, amounting to Euro 121.5 million compared to the pro-forma figure of Euro 107.7 million in the first half of 2016, largely due to the strong contribution from the marketplace, which rose by around +55% over the first half of last year. The weight of the Marketplace, launched in the second quarter of 2015, reached approximately 14% of the GMV in this half, compared to 10% of the GMV in 2016 and 5.6% in 2015.

<i>(in thousands of Euros)</i>	H1 2017	H1 2016	% Change
e-Commerce	91,225	83,716	9.0%
Revenues	91,225	83,716	9.0%
<i>(in millions of Euros)</i>			
GMV	121.5	107.7	12.8%

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

Revenues

<i>(in thousands of Euros)</i>	H1 2017	H1 2016	% Change
Electronic goods, domestic appliances and other products	83,057	76,917	8.0%
Services / Other revenues	8,168	6,799	20.1%
Revenues	91,225	83,716	9.0%

¹ Gross Merchandise Volume: includes revenues from the sale of products, deliveries and the volumes generated by the 3PMarketplace, net of returns and VAT included. It does not include Infocommerce and B2B.

GMV

<i>(in millions of Euros)</i>	H1 2017	H1 2016	% Change
Electronic goods, domestic appliances and other products	117.8	104.4	12.9%
Services / Other revenues	3.7	3.3	10.2%
GMV	121.5	107.7	12.8%

In the first half of 2017, ePRICE recorded Euro 91.2 million in revenues and Euro 83.1 million from product sales. The half was affected by the SAP migration (the new Group ERP system) completed in February, which led to a diminished boost from promotions in the weeks of the migration, and an unfavourable calendar in April. In the second quarter of 2017, growth in revenues accelerated to +9%, also driven by revenues from services and healthy sales in the “air conditioners” category in June. Net of February and April downward trend, double-digit growth was confirmed in the remaining months, in a context of intense promotional activity.

In the first half of 2017, the trend in revenues from product sales was quite different among the categories. In particular, the growth mainly attributable to solely the Major Domestic Appliances category, a core category for ePRICE, was sustained, both in terms of market and ePRICE. In the first half of 2017, the number of installations of major domestic appliances rose by 200% compared to the first half of 2016.

Revenues from services and other revenues, which also include warranties, rose compared to the first half of 2016 (+20,1%), offsetting a lower contribution from transport revenues caused by intense promotional activities in the second quarter and a promotional policy which favoured promotions on transport (free-shipping) over lower discount vouchers with respect to 2016. The Home Service continues to obtain an extremely high NPS, above 70, and continues to represent an important lever for differentiation and a market share driver. Home Service represents a series of installation and waste recycling services, integrated with ePRICE’s proprietary mobile platform and accessible via smartphone apps. Home Service enables our customers to interact continuously with ePRICE from the purchase phase through to installation in their homes. The Home Service concept is also the central focus of a TV campaign launched on 23 September 2016. The TV campaign was not broadcast in the first quarter, but was back on air in May and June 2017.

As at 30 June 2017, the Pick&Pay and Lockers network, a network unique to the Italian market, stood at 133 and 290 (133 and 285 as at 31 March 2017). In December 2016, the Pick&Pay delivery services were also opened to Marketplace merchants and since July 2017 ePRICE started offering free delivery for ePRICE customers who choose this delivery option, for products under 20kg.

GMV grew by 12.8% in 1H17, driven by the performance of the Marketplace, which reached 1,162 merchants and achieved growth of 55% in the half, driven by growth in the electronic goods and mobile segment. Some new categories were also launched. The growth in the GMV is, nonetheless, above the reference market. Note that the services included in the GMV do not comprise Infocommerce and B2B services (instead included under revenues), which recorded double-digit growth. In

addition, as mentioned above, delivery revenues fell as a result of a different mix between free-shipping vs discount vouchers, which saw free-shipping prevail with respect to the previous year.

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

	H1 2017	H1 2016	% Change
<i>Orders (thousand)</i>	427	427	0%
<i>AOV (Euro) ²</i>	233	207	12.5%
<i>Buyers (thousand)³</i>	296	283	4.7%

In the first half of 2017 we managed 427,000 orders, with an average order value (AOV) of Euro 233, up by 12.5%, mainly driven by the shift of the growth mix towards high-ticket categories (Electronic Goods and Domestic Appliances) and the performance in February, which put pressure in particular on the low-ticket categories. Finally, the number of buyers totalled 296 thousand, up by 5% compared to the first half of last year, with strong growth in new customers in the second quarter of 2017.

² Average value of each purchase order (excluding VAT).

³ Buyers who placed at least 1 order in the reference period.

Reclassified consolidated income statement

The table below illustrates the Reclassified Income Statement for the first half of 2017, compared on a like-for-like basis, by destination according to the statements used by the Group's management, with the corresponding period of last year. In the following statement, the Revenue total is stated net of revenues for logistics, IT and administrative services performed in favour of entities sold or discontinued, which have been restated as a reduction in the related costs.

€ thousand	30-Jun-17	% of total revenues	30-Jun-16	% of total revenues	% Change
Total revenues	91,225	100.0%	83,716	100.0%	9.0%
Cost of sales ⁴	(78,029)	-85.5%	(71,198)	-85.0%	9.6%
Gross profit⁵	13,196	14.5%	12,518	15.0%	5.4%
Sales and marketing costs	(6,228)	-6.8%	(4,438)	-5.3%	40.3%
Logistics costs	(9,194)	-10.1%	(8,183)	-9.8%	12.4%
IT costs	(752)	-0.8%	(564)	-0.7%	33.2%
General and administrative expenses	(4,082)	-4.5%	(3,907)	-4.7%	4.4%
Adjusted EBITDA	(7,060)	-7.7%	(4,574)	-5.5%	54.3%
Non-recurring costs and income and Stock Options Plans	(677)	-0.7%	(275)	-0.3%	146.2%
EBITDA	(7,737)	-8.5%	(4,849)	-5.8%	59.5%
Depreciation, amortisation and impairment	(2,993)	-3.3%	(1,741)	-2.1%	72.0%
EBIT	(10,730)	-11.8%	(6,590)	-7.9%	62.8%
Net financial expenses	125	0.1%	16	0.0%	679.7%
Minority interest in income of associates	(412)	-0.5%	(73)	-0.1%	464.4%
Write-downs of financial assets	-		(406)		
EARNINGS BEFORE TAX (EBT) FROM CONTINUING OPERATIONS	(11,017)	-12.1%	(7,053)	-8.4%	56.2%
Income taxes	-				
Net profit (loss) from discontinued operations	683		15,535		N/A
NET PROFIT (LOSS)	(10,334)	-11.33%	8,482	10.13%	N/A

⁴ The **Cost of sales** mainly includes the purchase cost of goods and the cost of some services including the cost of collection fees.

⁵ **Gross profit** is represented by net revenues minus cost of sales and is a management accounts indicator used by the Group to monitor and evaluate 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 measure for evaluating the performance of the Group's gross margin. Since the composition of Gross Profit is not regulated by the reference accounting standards, the calculation criterion applied by the Group may not be the same as that used by others and, as such, may not be comparable. The Group calculates Gross Profit as a percentage of revenues as the ratio of Gross Profit to Total Net Revenues.

Gross profit

Gross profit amounted to Euro 13,196 thousand, up by Euro 678 thousand (+5.4%) compared to Euro 12,518 thousand in the same period last year and equivalent to 14.5% of sales in the period, compared to 15.0% of the corresponding half in 2016.

The trend in profit margins benefits positively from the contribution of the marketplace, Infocommerce activities and advertising. This benefit was more than offset by heavy competitive pressure, in the second quarter in particular, in a market context that has witnessed a slowdown in growth compared to 2016, and which led to significant promotional activities and Free Shipping. In the period, the profit margin was also impacted by certain opportunistic deals, associated in particular with the IT products category.

Adjusted EBITDA

Adjusted EBITDA stood at Euro -7,060 thousand, a decline compared with the pro-forma Euro -4,574 thousand recorded in the first half of 2016.

The variation is mainly attributable to the growth of +40.3% in sales and marketing costs and, to a lesser extent, the increase of +12.4% in logistics costs.

The increase in sales and marketing costs is due to the costs connected with TV ads aired in the second quarter, not present in the first half of 2016, plus the strengthening of the structure and, in part, to the increase in marketing costs due to the acquisition of customers, in order to support the increasing GMV volumes and a different mix related to a shift towards "mobile". In particular, the costs of customer acquisition rose by around 0.1% in terms of percentage of GMV, but by less than expected.

The increase in logistics costs is linked to ePRICE's growth in terms of sale volumes, in particular in the domestic appliance category and, to a lesser extent, the expansion in the Pick&Pay and Lockers network.

The higher IT costs compared to the first half of last year are associated with implementation of the new company ERP system with related maintenance costs.

General and administrative expenses rose by 4.4% compared to the first half of last year, in percentage terms less than half the growth in revenues.

The reconciliation between EBIT and adjusted EBITDA is provided below:

<i>(in thousands of Euros)</i>	30 June 2017	% of revenues	30 June 2016	% of revenues
EBIT	(10,730)	-11.8%	(6,590)	-7.9%
+ Depreciation, amortisation and impairment	2,993	3.3%	1,741	-2.1%
Non-recurring costs and stock option plans	677	0.7%	275	0.3%
Adjusted EBITDA	(7,060)	-7.7%	(4,574)	5.5%
EBITDA	(7,737)	-8.5%	(4,849)	-5.8%

EBITDA for the first half of 2017 was Euro -7,737 thousand and includes costs relating to the stock option plans for Euro 273 thousand. The non-recurring costs of Euro 404 thousand were mainly associated with the logistics costs incurred as a result of the initial implementation phases of the new ERP system (SAP), which called for extra goods handling and customer service activities.

In the first half of 2016, EBITDA had stood at Euro -4,849 thousand and included Euro 275 thousand referring to the stock option plans.

EBIT

EBIT stood at Euro -10,730 thousand compared with Euro -6,590 thousand in the first half of 2016, partly as a result of the lower EBITDA as described above and partly to the higher amortisation and depreciation, up by 72% compared to the first half of 2016 largely due to the effect of major investments made in 2016 and the first half of 2017 to support growth and for implementation of the new company ERP system.

Earnings before tax (EBT) from continuing operations

EBT from continuing operations was Euro -11,017 thousand, compared with Euro -7,053 thousand in the first half of 2016. Financial income, net of expenses, stood at Euro 125 thousand, a marked improvement on the previous year (net income of Euro 16 thousand).

Profit (loss) from discontinued operations

The profit (loss) from discontinued operations refers mainly to the earn-out accrued as a result of certain conditions provided for in the contract for the transfer of the Vertical Content division to the Mondadori Group.

SUMMARY OF DATA FOR THE SECOND QUARTER

The table below shows the reclassified income statement for the second quarter by destination according to the formats used by the Group's management.

€ thousand	Q2 2017	% of total revenues	Q2 2016	% of total revenues	% Change
Total revenues	45,465	100.0%	41,496	100.0%	9.6%
Cost of sales ⁶	(39,469)	-86.8%	(35,384)	-85.3%	11.5%
Gross profit⁷	5,996	13.2%	6,112	14.7%	-1.9%
Sales and marketing costs	(3,610)	-7.9%	(2,478)	-6.0%	45.7%
Logistics costs	(4,362)	-9.6%	(3,996)	-9.6%	9.2%
IT costs	(518)	-1.1%	(269)	-0.6%	92.3%
General and administrative expenses	(2,133)	-4.7%	(1,845)	-4.4%	15.7%
Adjusted EBITDA	(4,627)	-10.2%	(2,476)	-6.0%	86.9%
Non-recurring costs and income and Stock Options Plans	(270)	-0.6%	(159)	-0.4%	69.9%
EBITDA	(4,897)	-10.8%	(2,635)	-6.4%	85.8%
Depreciation, amortisation and impairment	(1,542)	-3.4%	(922)	-2.2%	67.2%
EBIT	(6,439)	-14.2%	(3,557)	-8.6%	81.0%
Net financial expenses	124	0.3%	(1)	0.0%	-12474.9%
Minority interest in income of associates	(223)	-0.5%	43	0.1%	-618.6%
Write-downs of financial assets	-		(406)		
EARNINGS BEFORE TAX (EBT) FROM CONTINUING OPERATIONS	(6,538)	-14.4%	(3,921)	-9.4%	66.7%
Income taxes	-				
Net profit (loss) from discontinued operations	(17)		16,637		N/A
NET PROFIT (LOSS)	(6,555)	-14.42%	12,716	30.64%	N/A

In the second quarter, consolidated revenues stood at Euro 45,465 thousand, a 9.6% rise compared with the second quarter of 2016 (Euro 41,496 thousand), accelerating slightly compared to the growth of 8.4% recorded in the first quarter.

⁶ The **Cost of sales** mainly includes the purchase cost of goods and the cost of some services, including the cost of transportation to customers, the cost of collection fees, agents' commission and sales commission and external publishing costs.

⁷ **Gross profit** is represented by net revenues minus cost of sales and is a management accounts indicator used by the Issuer to monitor and evaluate 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 measure for evaluating the performance of the Group's gross margin. Since the composition of Gross Profit is not regulated by the reference accounting standards, the calculation criterion applied by the Group may not be the same as that used by others and, as such, may not be comparable. The Group calculates Gross Profit as a percentage of revenues as the ratio of Gross Profit to Total Net Revenues.

Gross profit stood at Euro 5,996 thousand, a slight decrease compared to Euro 6,112 thousand in the second quarter of 2016. The percentage impact on revenues was 13.2%, down compared to the 14.7% recorded in the second quarter of 2016. The decrease was largely due to heavy competitive pressure, in a market context that has witnessed a slowdown in growth compared to 2016, and which led to significant promotional activities and Free Shipping as described previously.

Adjusted EBITDA stood at Euro -4,627 thousand, compared with the Euro -2,476 thousand recorded in the second quarter of 2016.

EBIT was Euro -6,439 thousand, after depreciation, amortisation and impairment of Euro 1,542 thousand, compared with Euro -3,557 thousand in the second quarter of 2016.

EBT was Euro -6,538 thousand, compared with Euro -3,921 thousand in the second quarter of 2016.

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>	30 June 2017	31 December 2016
USES		
Net Working Capital	2,316	(4,356)
Fixed assets	39,587	33,554
Long-term assets	10,014	9,996
Personnel fund	(2,078)	(2,131)
Long-term liabilities	(421)	(396)
Net Invested Capital	49,418	36,667
SOURCES		
Net Financial Liquidity/Debt	28,860	56,176
Shareholders' equity	(78,278)	(92,843)
TOTAL FUNDING SOURCES	(49,418)	(36,667)

Net Working Capital

Net Working Capital changed by Euro 6,672 thousand, mainly due to the effect of a decrease of Euro 8,779 thousand in trade payables, partly offset by a decline in inventories and trade receivables. In particular, the net decrease in trade payables was affected by seasonality, which led to significant purchases towards the end of the year, part of which were settled at the beginning of 2017. The decline in inventories was affected by seasonality. An increase in advances to suppliers for Euro 1,395

thousand was recorded in the period, including advance payments for goods received after period end in order to obtain better trade conditions.

The table below provides a breakdown of Net Working Capital:

<i>(in thousands of Euros)</i>	30 June 2017	31 December 2016
Inventories	19,984	22,092
Trade receivables and other receivables	7,626	9,798
Trade payables and other payables	(28,095)	(36,874)
Trade Working Capital	(485)	(4,984)
Other current receivables and payables	2,801	628
Net Working Capital	2,316	(4,356)

Fixed assets

Fixed assets increased by Euro 6,033 thousand, particularly due to investments in intangible assets during the period (Euro 3,811 thousand), most of which for implementation of the new ERP, in property, plant and equipment (Euro 4,121 thousand), mostly relating to equipment and furnishings for the new logistics centre now at preparation stage and for the purchase of an additional interest in Termostore for Euro 300 thousand, as well as a 15% interest in Click&Quick Distribution S.r.l., a shipping company that manages goods transportation and delivery through a logistics and transport network spread throughout Italy, for Euro 593 thousand, to which a Euro 500 thousand loan was granted. The decreases are mainly represented by amortisation and depreciation for Euro 2,893 thousand.

Shareholders' equity

Shareholders' equity decreased from Euro 92,843 thousand to Euro 78,278 thousand in the period, due mainly to comprehensive income, which was negative for Euro 10,326 thousand. Also note a decrease in shareholders' equity of Euro 5,252 thousand due to the payment of dividends agreed by the shareholders' meeting, and of Euro 305 thousand due to the purchase of 81,087 treasury shares during the period. The increases in the period were represented by share capital increases for Euro 1,045 thousand against the exercise of 22 2014-2018 Warrants and for Euro 274 thousand in the stock option reserve against the cost associated with employee incentive plans.

The total number of treasury shares held by the company amounted to 916,512.

The breakdown of the Net Financial Position is provided below, in accordance with the CONSOB Communication of 28 July 2006 and in compliance with the ESMA/2011/81 Recommendation.

Net Financial Position

(thousands of Euros)	30 June 2017	31 December 2016
(A) Cash	(131)	(243)
(B) Other cash and cash equivalents	(30,453)	(54,468)
(C) Stocks held for trading	-	-
(D) Liquidity (A)+(B)+(C)	(30,584)	(54,711)
(E) Current financial receivables	(1,957)	(1,700)
(F) Current financial payables	-	-
(G) Current portion of non-current debt	1,999	-
(H) Other current financial payables	109	109
(I) Current financial debt (F)+(G)+(H)	2,108	109
(J) Net current financial liquidity/debt (D)+(E)+(I)	(30,433)	(56,302)
(K) Non-current bank payables	1,503	-
(L) Bonds issued	-	-
(M) Other non-current payables	70	126
(N) Non-current financial debt (K)+(L)+(M)	1,573	126
(O) Net Financial (Liquidity)/Debt (J)+(N)	(28,860)	(56,176)

The Group reported a Net Cash position of Euro 28,860 thousand as at 30 June 2017. The variation with respect to 31 December 2016 derives mainly from the resources absorbed by operating activities for Euro 16,001 thousand and by investment activities described previously totalling Euro 6,803 thousand. Financing activities absorbed resources of Euro 1,323 thousand, in particular due to the payment of dividends totalling Euro 5,252, partially offset by the obtainment of a loan of Euro 4 million, expiring in 24 months, and the share capital increases following the exercise of warrants. The absorption generated by operational management is largely due to the reduction in especially high trade payables as at 31 December 2016 and the Group's strategy, which provides for a strong acceleration of revenues and market share, including through higher investments in marketing.

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 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 adopts an interdisciplinary approach, the greatest strength of which lies in the close collaboration between development, production and marketing, in order to respond quickly and effectively to the constant changes in the 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. The Group continued to develop the technology platform by integrating the components available on the market as much as possible. The benchmark architectural paradigm

follows a structure which is exposed to services in which the software components can be integrated and cooperate through standard technologies.

The development of a platform for the management of specialist local services related to the world of household appliances (MDA) and the construction/activation of the premium delivery and professional installation network both continued. This network is being developed to provide a system to manage transportation and installation services, designed particularly for sales of Domestic appliances. The platform includes many innovative services: for example, the availability and scheduling of installers can be managed in real time; an operator monitors the customer order end-to-end (and a dedicated call centre is provided); a sequence of blocking questions that are nestable and differentiated by product type is presented to the customer while the features of the service are being defined (e.g. floor, availability and width of lift access, width of staircase, etc.); the customer is informed about the technical installer who will come to their home; and service prices are compared with a standard list.

The expansion of the access infrastructure and DataCenters has continued, specifically the storage has been increased and new security software for access to corporate applications has been purchased.

Logistics software platform development activities continued and a rental agreement was defined for the new fulfilment centre, which will become operational during the year, and initial investments in property, plant and equipment for its fitting out have begun.

The Group is also investing in new management platforms, such as the pricing platform, which will enable better monitoring of competition and customer behaviour, or the new WMS, which will allow for even more proactive management of the entire logistics function.

The Group further invested in the new Group ERP system, which entered into operation in the first quarter of 2017, despite the fact some evolutionary development activities were performed at the same time as its launch.

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 REPORTING PERIOD

In February 2017, the Group invested a further Euro 300 thousand in the capital of Termostore S.r.l., increasing its holding to 43%.

Also in February 2017, the Group completed the sale of the equity investment held in Uollet S.r.l., on which an impairment loss had been recognised in the previous year.

In April 2017, the Group acquired a minority interest of 15% in Click & Quick Distributions S.r.l., a shipping company that manages goods transportation and delivery through a logistics and transport network spread throughout Italy.

The merger of Banzai Commerce into ePRICE S.r.l. became effective from 1 May 2017. At the same time the name was changed to ePRICE Operations S.r.l. This merger had no impact on the Group structure as it involved a 100% subsidiary.

SUBSEQUENT EVENTS

No significant events affecting this financial report occurred between the closing date for the period and the approval of this report.

OUTLOOK

In light of the results of semester and growth trends in the market observed in the months of July and August, still below that of 2016 and below the expectations, we ramped up the strategy targeted at recovering profitability. To this end we expect to ramp up the focus of ePRICE's first party offer on "core" product offerings, to which we associate value-added services and in which we are a leader on the online market. As for the remaining product categories, we foresee a more marked shift towards the marketplace, considering the maturity of the latter. We expect this process to deliver an improvement in results, combined with the optimisation of some company processes, already visible at EBITDA level in 4Q17, when compared to 4Q16.

**Condensed
Consolidated Half-year
Financial Statements
as at 30 June 2017**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Euros)	Note	30 June 2017	Of which related parties	31 December 2016	Of which related parties
NON-CURRENT ASSETS					
Plant and equipment	1	6,661		3,013	
Intangible assets	2	28,242		26,853	
Investments in associates	3	2,949	2,949	2,468	2,468
Non-current financial assets	4	1,735	726	1,220	211
Other non-current assets	5	291		273	
Deferred tax	6	9,723		9,723	
TOTAL NON-CURRENT ASSETS		49,601		43,550	
CURRENT ASSETS					
Inventories	7	19,984		22,092	
Trade receivables and other receivables	8	7,626	952	9,798	309
Other current assets	9	13,342		12,285	
Cash and cash equivalents	10	30,584	2,422	54,711	2,722
TOTAL CURRENT ASSETS		71,536		98,886	
TOTAL ASSETS		121,137		142,436	
LIABILITIES AND SHAREHOLDERS' EQUITY					
SHAREHOLDERS' EQUITY					
Share capital		826		821	
Reserves		87,786		81,954	
Result for the period		(10,334)		10,068	
TOTAL SHAREHOLDERS' EQUITY	11	78,278		92,843	
NON-CURRENT LIABILITIES					
Payables to banks and other lenders	12	1,573		126	
Provisions for personnel	13	2,078		2,130	
Provisions for risks and charges	14	360		360	
Other non-current liabilities	16	61		37	
TOTAL NON-CURRENT LIABILITIES		4,072		2,653	
CURRENT LIABILITIES					
Trade payables and other payables	15	28,095	852	36,874	1,009
Payables to banks and other lenders	12	2,108		109	
Other current liabilities	16	8,584		9,957	
TOTAL CURRENT LIABILITIES		38,787		46,940	
TOTAL LIABILITIES		42,859		49,593	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		121,137		142,436	

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of Euros)	Note	30 June 2017	Of which related parties	30 June 2016*	Of which related parties
Revenues	17	93,986	2,131	86,948	717
Other income	18	471		703	
Costs for raw materials and goods for resale	19	(77,409)		(70,628)	
Costs for services	20	(19,926)	(4,747)	(17,331)	(350)
<i>Of which non-recurring</i>		-		-	
Personnel expenses	21	(4,667)		(4,211)	
<i>Of which non-recurring</i>		-		-	
Depreciation, amortisation and impairment	22	(2,993)		(1,741)	
Other costs	23	(192)		(330)	
EBIT		(10,730)		(6,590)	
Financial expenses	24	(53)		(82)	
Financial income	24	178		98	
Minority interest in income of associates	25	(412)		(73)	
Write-downs of financial assets	26	0		(406)	
Earnings before tax (EBT) from continuing operations		(11,017)		(7,053)	
Income taxes	27	0		0	
Profit (loss) from continuing operations		(11,017)		(7,053)	
Net profit (loss) from discontinued operations	28	683		15,535	
Profit (loss) for the period		(10,334)		8,482	
Other components of comprehensive income					
<i>That will not subsequently be reclassified into profit (loss) for the year</i>					
Employee benefits		8		(4)	
Tax effect		0		0	
Total		8		(4)	
<i>That will subsequently be reclassified into profit (loss) for the year</i>					
Comprehensive profit/(loss) for the period		(10,326)		8,478	
Earnings per share	29	-0.26		0.21	
Diluted earnings per share	29	-0.24		0.21	

* restated pursuant to IFRS 5

INTERIM CONSOLIDATED CASH FLOW STATEMENT

(In thousands of Euros)	30 June 2017	Of which related parties	30 June 2016*	Of which related parties
NET CASH FLOW FROM OPERATING ACTIVITIES				
Net result from operations	(11,017)		(7,053)	
Depreciation and amortisation	2,893		1,741	
Bad debt provision	100		0	
Employee benefit fund provision	275		261	
Inventory write-down	0		20	
Employee benefit fund change	(320)		(144)	
Share of the result pertaining to associated companies	412		73	
Impairment losses on non-current assets	0		406	
Change in other non-current liabilities	25		20	
Other non-monetary items	273		275	
Change in inventories	2,109		710	
Change in trade receivables	2,072	(326)	569	152
Change in other current assets	(1,344)		(4,213)	
Change in trade payables	(10,105)	(157)	(3,319)	123
Change in other payables	(1,374)		150	
Cash flow from discontinued operations	0		(2,101)	
NET CASH FLOW GENERATED (ABSORBED) BY OPERATING ACTIVITIES	(16,001)		(12,605)	
NET CASH FLOW FROM INVESTMENT ACTIVITIES				
Acquisition of tangible assets	(2,794)		(450)	
Disposal of tangible assets	1		0	
Change in other non-current assets	(18)		(128)	
Acquisition of intangible assets	(3,811)		(3,503)	
Provision of financing	(515)	(515)	(100)	(100)
Purchase of associates	(893)	(893)	(793)	(793)
Cash flow from discontinued operations	1,227		31,228	
NET CASH FLOW GENERATED (ABSORBED) BY INVESTMENT ACTIVITIES	(6,803)		26,254	
CASH FLOW FROM FINANCING ACTIVITIES				
Financial payables	3,446		(1,417)	
Share capital increase	1,045		0	
Current financial receivables	(257)		(301)	
Treasury shares	(305)		(535)	
Dividends	(5,252)		0	
NET CASH FLOW ABSORBED BY FINANCING ACTIVITIES	(1,323)		(2,253)	
(Decrease)/Increase in cash and cash equivalents	(24,127)		11,396	
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	54,711		33,543	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	30,584		44,939	

* restated pursuant to IFRS 5

INTERIM 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
Balance as at 31 December 2016	821	124,153	1	(2,585)	554	538	(30,066)	(486)	(86)	92,843
Profit (loss) for the year							(10,334)			(10,334)
Other components of comprehensive income										0
that will not subsequently be reclassified into profit (loss) for the year									8	8
that will subsequently be reclassified into profit (loss) for the year										0
Comprehensive income for the period							(10,334)		8	(10,326)
Transactions on treasury shares				(305)						(305)
Share capital increase	5	1,040								1,045
Share-based payments					274					274
Allocation of profit (loss)			163				(5,415)			(5,252)
Balance as at 30 June 2017	826	125,193	164	(2,890)	828	538	(45,816)	(486)	(78)	78,278

	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 2015	821	124,154	1	(791)	221	538	(39,289)	(1,351)	(171)	84,133
Profit (loss) for the year							8,482			8,482
Other components of comprehensive income										0
that will not subsequently be reclassified into profit (loss) for the year									(4)	(4)
that will subsequently be reclassified into profit (loss) for the year										0
Comprehensive income for the period							8,482		(4)	8,478
Transactions on treasury shares				(535)						(535)
Reclassification pursuant to IFRS 5					(122)		(277)	296	103	0
Share-based payments					275					275
Allocation of profit (loss)										-
Balance as at 30 June 2016	821	124,154	1	(1,326)	374	538	(31,171)	(1,055)	(72)	92,351

EXPLANATORY NOTES

Accounting principles and measurement criteria used to prepare the consolidated financial statements as at 30 June 2017.

The consolidated condensed half-year financial statements of the ePRICE Group as at 30 June 2017 were approved by the Board of Directors on 13 September 2017.

The consolidated condensed half-year financial statements as at 31 December 2016 were prepared in compliance with IAS 34 relating to interim financial reporting. IAS 34 allows the preparation of the financial statements in "summary" form, i.e. based on a minimum level of information significantly less than required by the International Financial Reporting Standards, issued by the International Accounting Standards Board and adopted by the European Union. The condensed half-year financial statements as at 30 June 2017 were prepared in "summary" form and should therefore be read together with the consolidated financial statements for the Group for the year ended 31 December 2016.

Criteria and scope of consolidation

The consolidated condensed half-year financial statements include the consolidated statement of financial position, consolidated statement of comprehensive income for the period, consolidated cash flow statement and consolidated statement of changes in shareholders' equity. The Group has chosen to prepare the statement of comprehensive income, which includes profit (loss) for the period as well as changes in shareholders' equity relevant to income statement items which, by express provision of international accounting standards, are recognised as components of shareholders' equity.

The half-year positions of the subsidiaries used to prepare these consolidated condensed half-year financial statements were drawn up by the respective management structures and reclassified if necessary to make them consistent with those of the Parent Company.

The merger of Banzai Commerce into ePRICE S.r.l. became effective from 1 May 2017. At the same time the name was changed to ePRICE Operations S.r.l. This merger had no impact on the scope of consolidation as it involved a 100% subsidiary.

The scope of consolidation as at 30 June 2017 was as follows:

SUBSIDIARIES

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

Name	Business activity	Registered Office	Ownership percentage
ePRICE S.p.A.	Parent Company	Italy	-
ePRICE Operations S.r.l.	e-Commerce	Italy	100

Seasonality

The e-Commerce market in which the Group operates is characterised by the seasonal trends typical of retail sales. Specifically, sales are typically higher in the second half of each year compared with the first half, with effects which are more than proportional on profit trends.

Accounting principles

The accounting standards used to prepare the consolidated condensed half-year financial statements are consistent with those used to prepare the consolidated financial statements for the year ended 31 December 2016, except for the adoption of the new standards, amendments and interpretations in effect as of 1 January 2017. The Group has not opted for the early adoption of any new standard, interpretation or amendment issued but not yet effective.

The nature and effects of these changes are described below. Although these new principles and amendments apply for the first time in 2017, they do not have a significant impact on the Group's consolidated financial statements or its consolidated condensed half-year financial statements. The nature and impact of each new standard/amendment is listed below:

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments require an entity to provide additional information on changes in liabilities arising from financing activities, including changes arising from cash flows and non-monetary changes. At the time of initial application of this amendment, the entity is not required to present comparative information relating to previous years. The Group does not need to provide the additional information in the consolidated half-year financial statements, but must present it in the consolidated financial statements as at 31 December 2017.

Amendments to IAS 12 - Income taxes

These amendments clarify that an entity must consider whether the tax regulations limit the sources of taxable income against which deductions could be applied in relation to the reversal of deductible temporary differences. In addition, the amendments provide guidance on how an entity should calculate future taxable income and explains the circumstances in which the taxable income could include the recovery of certain assets for a value higher than their carrying amount. Entities must apply these amendments retrospectively. However, on first-time application of the amendments, the change in the opening balance of shareholders' equity in the first comparison period can be recognised under retained earnings (or another item of shareholders' equity, as appropriate), without allocating the change to retained earnings and other shareholders' equity items. Entities applying this option must disclose the fact. These amendments had no impact on the condensed consolidated financial statements of the Group.

2014-2016 annual improvement cycle (not applicable due to lack of EU endorsement)

Amendments to IFRS 12 - Disclosure of Interests in Other Entities

The amendments clarify that the IFRS 12 disclosure requirements, other than that referred to in paragraphs B10-B16, apply to an entity's interests in a subsidiary, joint venture or associate (or to a percentage interest in a joint venture or associate) classified as (or included in a disposal group classified as) available for sale.

Compared to 31 December 2016, in 2017 the IASB has issued the following interpretation which will become effective on 31 December 2017:

IFRIC 23 – Uncertainty over Income Tax Treatment.

On 7 June 2017 the IASB published this interpretation which clarifies the application of IAS 12 recognition and measurement requirements in the event of uncertainty over income tax treatment. This interpretation will be applicable from years starting on or after 1 January 2019.

Information by operating segment

For the purposes of IFRS 8 - Operating Segments, the Group's activity consists of only the e-Commerce operating segment.

No operating segments have been combined to determine the reportable segments.

NOTES TO THE KEY ITEMS OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Plant and equipment

Plant and equipment amounted to Euro 6,661 thousand as at 30 June 2017 (Euro 3,013 thousand as at 31 December 2016). The change in the period is shown below:

<i>(in thousands of Euros)</i>	As at 31 December 2016	Increases	Decreases	Depreciation	As at 30 June 2017
Plant and equipment	103	6	-	(26)	83
Equipment	547	26	-	(72)	501
Electronic machinery	1,134	41	(1)	(233)	941
Electronic machinery under lease	358	-	-	(34)	324
Fixtures and furnishings	218	16	-	(25)	209
Other assets	653	103	-	(82)	674
Fixed assets under development	0	3,929	-	-	3,929
Total	3,013	4,121	(1)	(472)	6,661

The main investments in the period refer to equipment for the new logistics centre, classified as at 30 June as fixed assets under development as operational only from the third quarter of the year.

2. Intangible assets

Intangible assets stood at Euro 28,242 thousand (Euro 26,853 thousand as at 31 December 2016) and break down as indicated below.

Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life consisted entirely of goodwill totalling Euro 14,292 thousand (unchanged compared to 31 December 2016). As at 30 June 2017, there were no signs of impairment compared with 31 December 2016; the Group's directors therefore judged that the conditions existed to confirm the value of goodwill as at 30 June 2017.

Intangible assets with a finite useful life

Intangible assets with a finite useful life came in at Euro 13,950 thousand as at 30 June 2017 (compared with Euro 12,561 thousand as at 31 December 2016). The change in the period is shown below:

<i>(in thousands of Euros)</i>	As at 31 December 2016	Increases	Decreases	Amortisation	Reclassification s	As at 30 June 2017
Software, patents, concessions and licences	1,025	1,571	-	(626)	2,340	4,310
Platform development	6,799	2,090	-	(1,772)	1,414	8,531
Other fixed assets	38	-	-	(24)	-	14
Fixed assets under development	4,699	150	-	-	(3,754)	1,095
Total intangible assets	12,561	3,811	-	(2,422)	-	13,950

The main investments made by the Group in the period involve specific projects with the aim of developing innovative solutions for the creation and management of online platforms. They include internal employee costs and costs for services rendered by third parties. Expenses for research undertaken to obtain new knowledge and make discoveries are recognised in the income statement at the time that they are incurred.

The increase in software - due to increases in the period and to reclassifications from fixed assets under development - is associated with the operational start-up of the new Group ERP in February 2017. Capitalisations relating to the platform refer mainly to the development of proprietary systems to improve customer service and allow interfacing with the new ERP.

Fixed assets under development, equal to Euro 1,095 thousand (Euro 4,699 thousand as at 31 December 2016), relate to projects under development specifically regarding the platform and software for the new logistics centre.

3. Investments in associates

The changes in the year in investments in associates are indicated in the table below:

<i>(in thousands of Euros)</i>	As at 31 December 2016	Share of profit (loss)	Increases due to purchases	As at 30 June 2017
Investments in associates	2,468	(412)	893	2,949
Total investments in associates	2,468	(412)	893	2,949

The breakdown of the item as at 30 June 2017 is as follows:

As at 31 December 2016	Registered Office	% shareholding held directly	Carrying amount
Il Post S.r.l.	Milan	38.16%	1,005
Giornalettismo S.r.l.	Milan	30.00%	0
Ecommerce Outsourcing S.r.l.	Rho	20.00%	205
Installo S.r.l.	Rovigo	39.00%	364
Termostore S.r.l.	Fondi	43.00%	782
Click&Quick Distribution S.r.l.	Milan	15.00%	593
Total investments in associates			2,949

Equity investments in associates are booked in the Consolidated Financial Statements using the equity method, pursuant to IAS 28.

The increases for the year refer to the acquisition of a further 20% interest in Termostore S.r.l. for Euro 300 thousand and 15% in Click&Quick Distribution S.r.l., a shipping company that manages goods transportation and delivery through a logistics and transport network throughout Italy. The equity investment in Uollet, already recorded as a 100% impairment loss as at 31 December 2016, was disposed of during the year.

4. Non-current financial assets

The breakdown of other non-current financial assets is as follows:

Non-current financial assets	As at 30 June 2017	As at 31 December 2016	Change
Investments in other companies	1,009	1,009	-
Loans	726	211	515
Total non-current assets	1,735	1,220	515

Equity investments in other companies were measured at cost, in accordance with IAS 39 paragraph 46c, as these were investments in equity instruments that do not have a price listed in an active market and for which the fair value cannot be reliably measured.

The balance of Euro 1,009 thousand of equity investments in other companies as at 30 June 2017 was unchanged compared with 31 December 2016, and breaks down as follows:

<i>(in thousands of Euros)</i>	As at 30 June 2017	As at 31 December 2016
Interactive Thinking S.r.l.	1,005	1,005
Consortia and collective credit guarantee cooperatives	4	4
Quadrante S.r.l. in liquidation	-	-
Total equity investments in other companies	1,009	1,009

Based on the available information, management believed that as at 30 June 2017 there were no impairment indicators or objective evidence that the equity investments in other companies were impaired.

Quadrante S.r.l. in liquidation was entirely written down in previous years; it is not considered necessary to record the liabilities in the accounts because ePRICE has no legal obligations nor does it intend to provide support for this investee.

Financial receivables of Euro 726 thousand refer to the disbursement of interest-free loans, repayable on request, to associates. Specifically, most of the change during the year relates to the Euro 500 thousand loan disbursed to Click&Quick Distribution S.r.l.

5. Other non-current assets

Other non-current assets, which amount to Euro 291 thousand (Euro 273 thousand as at 31 December 2016), mainly include guarantee deposits for rentals, utilities and purchasing consortia.

6. Deferred tax

This item, unchanged compared to 31 December 2016, amounts to Euro 9,723 thousand and incorporates the balance of prepaid taxes on tax losses which can be reported in future years and on the temporary differences between the value attributed to an asset or a liability in the financial statements and the tax value of the same asset or liability.

The deferred tax assets recorded were considered to be recoverable in the period of the 2017-2021 plan, the guidelines for which were approved by the Board of Directors on 9 November 2016.

The Group has fiscally relevant losses of approximately a further 25 million which may be carried forward to future years, against which no deferred tax assets have been allocated.

7. Inventories

The breakdown of inventories is as follows:

<i>(in thousands of Euros)</i>	As at 30 June 2017	As at 31 December 2016
Goods	19,984	22,092
Total inventories	19,984	22,092

The gross and net amounts of goods inventories break down as follows:

<i>Inventories</i>	<i>As at 30 June 2017</i>	<i>As at 31 December 2016</i>
Goods inventories	20,384	22,492
Provision for obsolete inventories	(400)	(400)
Total inventories	19,984	22,092

Goods inventories comprise goods purchased for subsequent resale on the e-Commerce platforms. The provision for obsolete inventories, unchanged compared to the previous year, represents the obsolescence risk for some slower moving goods.

8. Trade receivables and other receivables

Trade receivables and other receivables totalled Euro 8,947 thousand, compared with Euro 9,798 thousand at the end of the previous year, as indicated below:

<i>(in thousands of Euros)</i>	<i>As at 30 June 2017</i>	<i>As at 31 December 2016</i>
Trade receivables	5,546	6,539
Invoices to be issued	2,364	3,447
Bad debt provision	(284)	(188)
Total trade receivables and other receivables	7,626	9,798

Receivables are recognised net of the relative bad debt provision. Please note that there are no receivables due in more than five years.

Allocations to the bad debt provision are made for specific credit positions which present specific risks in order to reflect their estimated realisable value. The change during the year is shown below:

<i>(in thousands of Euros)</i>	<i>As at 30 June 2017</i>	<i>As at 31 December 2016</i>
Opening provision	188	749
Increases	100	144
Uses/Releases	(4)	(21)
Change in scope of consolidation	-	(684)
Bad debt provision	284	188

The following table shows the clients' bill book before the bad debt provision:

<i>Amounts (in € 000s)</i>	<i>As at 30 June 2017</i>	<i>As at 31 December 2016</i>
Falling due	6,247	8,340
Due for <30 days	273	664
Due for 30-90 days	863	695
Due for 90-180 days	317	31
Due for >180 days	210	256
Total due	1,663	1,646
Total	7,910	9,986

9. Other current assets

The breakdown of other current assets is as follows:

<i>(in thousands of Euros)</i>	<i>As at 30 June 2017</i>	<i>As at 31 December 2016</i>
Tax credits	3,453	3,187
Deferred collection receivables	1,957	1,700
Other receivables	4,053	4,099
Advances to suppliers	1,405	10
Accruals and deferrals	2,474	3,289
Total other current assets	13,342	12,285

Tax credits consist mainly of VAT credits of Euro 2,799 thousand.

Deferred collection receivables include the proceeds from sales made just before the end of the period and paid by credit card but not yet credited at the reporting date since they were finalised soon after the end of the period, and the receivables from logistics operators from whom payment on delivery is required. The increase compared to 31 December 2016 is mainly associated with a number of collection delays from certain logistics operators for payments on delivery.

Other receivables, totalling Euro 4,053 thousand, include a deposit for Euro 2,500 thousand paid by SRP Group into an escrow account against payment of the Retained Amount, which will mature if certain events occur in relation to 2017 profit or loss.

The advances to suppliers include advance payments for goods received after period end in order to obtain better trade conditions.

Prepayments and accrued income include, in particular, multi-year advertising prepayments of Euro 1,650 thousand.

There are no prepayments and accrued income extending beyond five years.

10. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

<i>(in thousands of Euros)</i>	As at 30 June 2017	As at 31 December 2016
Bank and postal deposits	30,453	54,468
Cash	131	243
Total cash and cash equivalents	30,584	54,711

Cash and cash equivalents, denominated entirely in Euros, represents cash and cash equivalents at the reporting dates.

Cash and cash equivalents as at 30 June 2017 were free from any constraints or restrictions on use.

11. Shareholders' equity

Shareholders' equity decreased from Euro 92,843 thousand to Euro 78,278 thousand in the period, due mainly to comprehensive income, which was negative for Euro 10,326 thousand. Also note a decrease in shareholders' equity of Euro 5,252 thousand due to the payment of dividends agreed by the shareholders' meeting, and of Euro 305 thousand due to the purchase of 81,087 treasury shares during the period. The increases in the period were represented by share capital increases for Euro 1,045 thousand against the exercise of 22 2014-2018 Warrants and for Euro 274 thousand in the stock option reserve against the cost associated with employee incentive plans.

The total number of treasury shares held by the company amounted to 916,512.

11.1 Stock option plans

The extraordinary shareholders' meeting held on 22 December 2014 resolved, subject to the start of trading of the Company's shares on the MTA, on the adoption of a stock option plan for executive directors, contract workers and Group company employees (the "2015 Plan"). The 2015 Plan involves the allocation of up to 2,750,000 options, each of which entitles the holder to subscribe to one newly issued ordinary share. With regard to the 2015 Plan, on 14 May 2015 the Board of Directors of the Company approved the 2015 Plan Regulations and assigned a maximum of 1,100,000 options conferring the right to subscribe to one newly issued ordinary share for the amount of Euro 6. After verification of the objectives inferable from the approval of the consolidated financial statements as at 31 December 2015 and the sale of the Vertical Content business, all first tranche options were unassigned or lapsed. On 15 October 2015, the Company's Board of Directors assigned another maximum 1,300,000 options to the Managing Director, conferring the right to subscribe to one newly issued ordinary share for the amount of Euro 5.

The general shareholders' meeting of 14 April 2016 resolved to approve a stock option plan to award up to 1,700,000 warrants, each of which confers the right to subscribe to one newly issued ordinary share of ePRICE S.p.A., referred to as the '2016-2018 Stock Option Plan', and a Stock Grant Plan to award a maximum of 280,000 ordinary shares of ePRICE S.p.A., referred to as the '2016-2018 Stock Grant Plan'. On 9 May 2016, the Company's Board of Directors assigned 363,900 options as the first tranche of the 2016-2018 Stock Option Plan to senior managers with key responsibilities at the Company and the

subsidiaries, setting the strike price at Euro 3.68, and assigned 75,263 shares as the first tranche of the 2016-2018 Stock Grant Plan to employees of the Company and the subsidiaries.

On 10 May 2017, the Company's Board of Directors assigned an additional 708,676 options as the second tranche of the 2016-2018 Stock Option Plan to senior managers with key responsibilities at the Company and the subsidiaries, setting the strike price at Euro 4.08, and assigned 99,959 shares as the second tranche of the 2016-2018 Stock Grant Plan to employees of the Company and the subsidiaries.

The following table shows the number and weighted average prices for the year ('WAP/Y') of the outstanding options:

	<i>June 2017</i>	<i>2017 WAP/Y</i>	<i>December 2016</i>	<i>2016 WAP/Y</i>
Outstanding at 1 January	1,170,375	4.57	1,590,400	5.18
Assigned	708,676	4.08	363,900	3.68
Cancelled / not vested	-		783,925	5.09
Exercised	-		-	
Expired	-		-	
Outstanding	1,879,051	4.38	1,170,375	4.57
Exercisable	308,224	4.57	-	

12. Current and non-current payables due to banks and other lenders

The breakdown of non-current payables due to banks and other lenders as at 30 June 2017 is as follows:

<i>(in thousands of Euros)</i>	<i>As at 30 June 2017</i>	<i>As at 31 December 2016</i>
Due to banks	1,503	-
Due to other lenders	70	126
Total non-current payables due to banks and other lenders	1,573	126

The breakdown of current payables due to banks and other lenders as at 30 June 2017 is as follows:

<i>(in thousands of Euros)</i>	As at 30 June 2017	As at 31 December 2016
Due to banks	1,999	-
Due to other lenders	109	109
Total current payables due to banks and other lenders	2,108	109

In 2017, the Group obtained a Euro 4 million loan from UBI Banca, details of which are summarised in the following table:

(in thousands of Euros)				As at 30 June 2017					
Lending institution	Loan type	Interest rate	Amount disbursed	Year taken out	Year ofAccounting expiry	balance	Within 1 year	From 1 to 5 years	More than 5 years
UBI Banca Commercio e Industria	Unsecured	3M Euribor + spread	4,000	2017	2019	3,501	1,999	1,503	-

During the year, the Group did not take out any loans in any currency other than Euros.

Net financial liquidity/debt

The breakdown of net financial debt as at 30 June 2017 is reported below, in accordance with the Consob Communication of 28 July 2006 and in compliance with the ESMA/2011/81 Recommendations:

Net Financial Position

<i>(thousands of Euros)</i>	30 June 2017	31 December 2016
(A) Cash	(131)	(243)
(B) Other cash and cash equivalents	(30,453)	(54,468)
(C) Stocks held for trading	-	-
(D) Liquidity (A)+(B)+(C)	(30,584)	(54,711)
(E) Current financial receivables	(1,957)	(1,700)
(F) Current financial payables	-	-
(G) Current portion of non-current debt	1,999	-
(H) Other current financial payables	109	109
(I) Current financial debt (F)+(G)+(H)	2,108	109
(J) Net current financial liquidity/debt (D)+(E)+(I)	(30,433)	(56,302)
(K) Non-current bank payables	1,503	-
(L) Bonds issued	-	-
(M) Other non-current payables	70	126
(N) Non-current financial debt (K)+(L)+(M)	1,573	126
(O) Net Financial (Liquidity)/Debt (J)+(N)	(28,860)	(56,176)

13. Provisions for personnel

This item totals Euro 2,078 thousand (Euro 2,130 thousand as at 31 December 2016) and includes the recognition of severance pay related to employees of the Group companies, as provided for in Article 2120 of the Italian Civil Code, discounted according to the procedures governed by IAS 19.

The changes in severance pay during the period were as indicated below.

<i>(in thousands of Euros)</i>	As at 31 December 2016	Service cost	Interest cost	Advances and settlements	Actuarial gains/losses	As at 30 June 2017
Severance pay	2,130	275	18	(353)	8	2,078
Total provisions for personnel	2,130	275	18	(353)	8	2,078

The main assumptions used to determine the current value of employee benefits at the time of retirement in accordance with IAS 19 were the same as those used as at 31 December 2016.

14. Provisions for risks and charges

This item amounted to Euro 360 thousand (unchanged from 31 December 2016) and includes the provision relating to contractual guarantee provisions for risks.

15. Trade payables and other payables

Trade payables stood at Euro 28,095 thousand (Euro 36,874 thousand as at 31 December 2016) and are recorded at their nominal value. All payables mature within the next year, so there are no payables to be discounted. Trade payables include both payables due to suppliers of finished goods and raw materials and to suppliers of services. All payables for significant amounts are denominated in Euros.

The following table provides a breakdown of trade payables by maturity:

<i>Amounts (in € 000s)</i>	As at 30 June 2017	As at 31 December 2016
Falling due	23,621	29,714
Due for <30 days	2,561	5,736
Due for 30-90 days	1,770	1,286
Due for 90-180 days	-	45
Due for >180 days	143	93
Total due	4,474	7,160
Total trade payables and other payables	28,095	36,874

16. Other current and non-current liabilities

Other non-current liabilities stood at Euro 61 thousand, representing directors' remuneration due on expiry of their term of office.

Other current liabilities amounted to Euro 8,584 thousand, broken down as follows:

<i>(in thousands of Euros)</i>	<i>As at 30 June 2017</i>	<i>As at 31 December 2016</i>
Due to employees/directors	996	1,052
Due to social security bodies	693	574
Advances from customers	398	1,506
Tax payables	321	737
Accruals and deferrals	467	527
Other payables	5,709	5,561
Total other current liabilities	8,584	9,957

Other payables to employees/directors include liabilities for pay, unused leave and the relative contributions.

Advances from customers relate to the e-Commerce sales process.

Other payables include the payment on account of Euro 5 million received from SRP Group in respect of the Retained Amount.

Notes on the main items of the consolidated income statement

Following the sale of Banzai Media Holding and BNK4 SaldiPrivati, the revenue from the Vertical Content operating segment and from the Flash Sales business as at 30 June 2016 were classified as net profit (loss) from discontinued operations.

17. Revenues

The breakdown of revenues is as follows:

<i>(in thousands of Euros)</i>	<i>For the period ended 30 June</i>	
	<i>2017</i>	<i>2016</i>
e-Commerce revenues	91,225	83,716
Other	2,761	3,232
Revenues	93,986	86,948

Revenues are recognised net of refunds on sales. Refunds on sales for the period to 30 June 2017 and the period to 30 June 2016 amounted to Euro 3,244 thousand and Euro 2,891 thousand, respectively.

"Other" mainly includes logistics costs charged back to BNK4 SaldiPrivati S.r.l.

In terms of the breakdown of revenues by region, all revenues were generated in Italy.

18. Other income

Other income amounted to Euro 471 thousand (Euro 703 thousand in the first half of 2016) and consisted mainly of charge-backs to companies belonging to the Vertical Content segment and BNK4 Saldiprivati in respect of services carried out by them, including after the sale.

19. Costs for raw materials and goods for resale

The breakdown of the item costs for raw materials and goods for resale is as follows:

	For the period ended 30 June	
<i>(in thousands of Euros)</i>	2017	2016
Raw materials and goods for resale	(74,937)	(69,898)
Change in inventories	(2,472)	(730)
Total costs for raw materials and goods for resale	(77,409)	(70,628)

The increase in purchases of goods relates mainly to the growth in turnover.

20. Costs for services

The breakdown of costs for services is as follows:

Costs for services	As at 30 June 2017	As at 30 June 2016
Sales and marketing costs	5,284	4,381
Transport and logistics	9,088	7,740
Consulting and contract workers	571	411
IT services and technical consulting	979	747
Rentals and leases	1,285	1,274
Deposit fees and bank expenses	1,016	1,159
Travel expenses	111	134
Utilities	171	136
Directors' remuneration	792	661
Other	629	688
Total costs for services	19,926	17,331

Costs for services totalled Euro 19,926 thousand compared with Euro 17,331 thousand for the corresponding period of the previous year.

During the period, due mainly to increased revenues, a proportional increase in costs for related services was recorded, particularly for transport, marketing and logistics.

Sales and marketing costs include, in particular, customer acquisition costs and loyalty promotion activities. The increase compared with the previous year is due mainly to the decision to accelerate the growth in acquiring customers, in line with the strategy announced after the listing.

The costs of rentals and leases mainly reflect lease agreements for offices and warehouses.

Costs for transport and logistics relate to transport expenses incurred to send products to customers and costs incurred to transport products from suppliers to Group warehouses and from the latter to Pick&Pay collection points. Handling, packaging and preparation costs are also included.

21. Personnel expenses

The breakdown of personnel expenses is as follows:

	As at 30 June 2017	As at 30 June 2016
Salaries and wages	3,885	3,232
Social security charges	1,223	1,144
Severance pay	275	261
Capitalised costs	(989)	(701)
Stock option	273	275
Personnel expenses	4,667	4,211

Personnel expenses increased compared to the corresponding period of the previous year due purely to the growth in business activities.

Personnel expenses are shown net of internal costs capitalised under fixed assets for development projects relating to the Group's businesses.

Workforce

The following table shows the average and actual numbers of employees by category as at 30 June 2017 and 31 December 2016:

	30 June 2017		31 December 2016	
	Average	Actual	Average	Actual
Senior managers	7	7	8	6
Middle managers	22	22	31	21
Clerical workers	145	145	241	146
Manual workers	2	2	3	2
Total		176		175

22. Depreciation, amortisation and impairment

The breakdown of depreciation, amortisation and write-downs is as follows:

Depreciation, amortisation and impairment	As at 30 June 2017	As at 30 June 2016
Amortisation of intangible assets	2,421	1,440
Depreciation of property, plant and equipment	472	301
Impairment	100	-
Total amortisation, depreciation and impairments	2,993	1,741

The increase in amortisation and depreciation is associated with investments made by Group companies, in particular for the operational start-up of the new Group ERP and for platform developments.

23. Other costs

Other costs stood at Euro 192 thousand (Euro 330 thousand in the corresponding period of 2016) and consist mainly indirect taxes, subscriptions, membership fees and losses suffered for various reasons.

24. Financial income and expenses

Financial income, net of expenses, stood at Euro 125 thousand, a marked improvement on the corresponding period of the previous year (net income of Euro 16 thousand). Specifically, costs fell from Euro 82 thousand to Euro 53 thousand thanks to the settlement of loans outstanding during 2016; income increased from Euro 98 thousand to Euro 177 thousand due to higher financial discounts and to the dividend of Euro 31 thousand from the associated Installo S.r.l.

25. Minority interest in income of associates

This item amounts to a net expense of Euro 412 thousand (Euro 73 thousand as at 30 June 2016) and includes the Group share relating to the result achieved in the year by associates.

26. Impairment losses on financial assets

This item has a zero value as at 30 June 2017 (Euro 406 as at 30 June 2016).

27. Income taxes

The current tax balance is zero. As at 30 June 2017 the Group did not allocate additional deferred tax assets as the amount recognised is considered to be representative of the taxes that can be recuperated during the 2017-2021 plan period.

28. Profit (loss) from discontinued operations

Profit (loss) from discontinued operations relates mainly to the 2017 earn-out relating to the sale of the Vertical Content segment following disposal of the entire equity investment held in Banzai Media Holding to Arnoldo Mondadori Editore S.p.A.

In addition to the gain on disposal of Banzai Media Holding, the comparison figures include the results of the Flash Sales segment achieved on disposal of the entire investment in BNK4 Saldiprivati in 2016.

Net profit (loss) deriving from discontinued operations is shown below:

<i>(in thousands of Euros)</i>	30 June 2017	30 June 2016
Vertical Content		
Gross capital gain from disposal/Earn out	723	19,301
Net profit (loss)	-	(982)
Transaction costs	(40)	(815)
Vertical Content total	683	17,504
Flash Sales net profit (loss)	-	(1,969)
Profit (loss) from discontinued operations	683	15,535

29. Earnings per share

Basic earnings per share is calculated by dividing the profit (loss) for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the profit (loss) attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period, in addition to potential shares that would be generated by the exercise of warrants existing at the reporting date (in the money).

Earnings per share and the share information used to calculate basic and diluted earnings per share are provided below:

<i>In thousands of Euros</i>	As at 30 June 2017	As at 30 June 2016
Profit (loss) attributable to the parent company's ordinary shareholders (in thousands of Euro)	(10,334)	8,482
Average number of shares outstanding	40,301,382	40,728,763
Dilution effect	2,832,875	0
Average number of outstanding shares for the purposes of calculating diluted earnings	43,134,257	40,728,763
<i>Earnings per share (Euros)</i>	-0.26	0.21
<i>Diluted earnings per share (Euros)</i>	-0.24	0.21

The weighted average number of treasury shares used for basic earnings per share takes into account the weighted average effect of changes due to transactions on treasury shares that took place during the year.

Diluted earnings per share were considered taking into account the potential dilutive effect caused by the exercise of 211 2014-2018 warrants which confer the right to subscribe 2,637,500 shares at Euro 3.67 per share and of 195,375 stock options under the 2016-2018 Stock Option Plan which confer the right to subscribe the same number of shares at Euro 3.55 per share.

Because they are out of the money, the dilutive effect of the stock options in the 2015 plan has not been taken into account.

Segment reporting

Following the disposal of the subsidiaries operating in the Vertical Content segment, the Group's activity consists of only the e-Commerce operating segment.

Other information

Related party transactions

The following table shows details of related party transactions:

In thousands of Euros		as at 30 June 2017					
	Trade receivables	Investments in associates	Non-current financial assets	Cash and cash equivalents	Trade payables	Costs for services	Revenues
Banca Profilo S.p.A.	-	-	-	2,422	-	-	-
Il Post S.r.l.	-	1,005	35	-	-	-	-
Ecommerce Outsourcing S.r.l.	190	205	-	-	-	-	867
Installo S.r.l.	32	364	176	-	490	2,259	12
Termostore S.r.l.	325	782	15	-	-	-	330
Click & Quick Distribution S.r.l.	405	593	500	-	362	2,488	922
Total	952	2,949	726	2,422	852	4,747	2,131
Total balance sheet item	7,626	2,949	1,735	30,584	28,095	19,926	93,986
Weight %	12.5%	100%	41.8%	7.9%	3.0%	2.4%	2.3%

Banca Profilo has been a related party of ePRICE as Sator Fund has indirect control over Banca Profilo and holds an indirect equity investment in the capital of the company, over which it exercises significant influence. In addition, Banca Profilo is a related party of Arepo BZ S.à r.l., a company indirectly controlled by Sator Fund, through which Sator Fund holds the above-mentioned stake in the Issuer. The other companies are related parties because there is a shareholding relationship connecting them to ePRICE Group companies.

Below is the breakdown of related party transactions as at 31 December 2016 as regards equity items and at 30 June 2016 as regards costs and revenues:

In thousands of Euros

as at 31 December 2016

	Trade receivables	Investments in associates	Non-current financial assets	Cash and cash equivalents	Trade payables
Banca Profilo S.p.A.	-	-	-	2,722	-
Il Post S.r.l.	-	1,154	35	-	-
Ecommerce Outsourcing S.r.l.	309	212	-	-	-
Installo S.r.l.	-	399	176	-	1,009
Giornalettismo S.r.l.	-	3	-	-	-
Termostore S.r.l.	-	700	-	-	-
Total	309	2,468	211	2,722	1,009
Total balance sheet item	9,798	2,468	1,220	54,711	36,874
Weight %	3.2%	100.0%	17.3%	5.0%	2.7%

In thousands of Euros

as at 30 June 2016*

	Costs for services	Revenues
Banca Profilo S.p.A.	-	2
Ecommerce Outsourcing S.r.l.	-	711
Installo S.r.l.	350	4
Total	350	717
Total balance sheet item	17,331	86,948
Weight %	2.0%	0.8%

* restated pursuant to IFRS 5

Commitments and guarantees given by the Group

There were no commitments or guarantees given by Group companies in favour of third parties in addition to those issued as part of the sale of the Vertical Content segment and BNK4 Saldiprivati.

For the Vertical Content sale, ePRICE also issued to the purchaser the usual statements and guarantees applicable to sales transactions: specifically, for tax and labour law guarantees, the maximum charge back amount is equals to the total value of the transaction. The best estimate of the risks of enforcement of these guarantees is reflected in the provision for risks and charges provided in the annual report.

For the sale of BNK4 Saldiprivati, the ePRICE Group has also made to the purchaser the representations and warranties which are usual in a sale. The maximum amount which can be repaid in the first 24 months from signature of the contract of sale is Euro 3.5 million, which thereafter becomes Euro 3 million.

Financial risk management policy

The Group's objective is to maximise the return on net invested capital while retaining its ability to operate over time, and guaranteeing adequate shareholder returns and benefits for other stakeholders, with a sustainable financial structure.

To achieve these objectives, as well as generating cash flows and solid results, the Group may adopt measures concerning the dividend policy and the capital configuration.

Types of financial risk

The Group is primarily exposed to financial risks linked to the ability of its customers to meet their obligations to the Group (credit risk), obtaining financial resources on the market (liquidity risk), and interest rate and exchange rate fluctuations (market risk).

Financial risk management is an integral part of Group business management and is carried out centrally based on guidelines developed by the Finance Department as part of the more general risk management strategies defined by the Board of Directors.

- **Liquidity risk**

Liquidity risk refers to the failure to obtain the financial resources needed for the business to function and for the development of operations.

The two main factors that impact the Group's liquidity are the resources generated or absorbed by operations and investment activities, and the contractual maturity of debt or financial investments and market conditions.

- **Credit risk**

Credit risk is exposure to potential losses arising from default by trade counterparties on their obligations.

The Group closely monitors its credit exposure using an internal reporting system. Since receipts for sales are generally obtained in advance, credit risk is marginal with respect to the overall size of the business.

- **Market risk**

With regard to financial assets and liabilities, the Group is primarily exposed to market risk linked to fluctuations in interest rates on floating-rate loans and cash investments, which may affect the cost of borrowing and the return on investments.

- **Currency risk**

As regards currency risk, the Group operates primarily in the euro area.

Disclosure of the carrying amount and fair value of financial instruments

The carrying amount and fair value of financial instruments for the period ended 30 June 2017 are shown below:

(in thousands of Euros)	As at 30 June 2017					
	Financial instruments at fair value held for trading	Held-to-maturity assets	Receivables and loans	AFS financial instruments	Fair value	Fair value hierarchy
Other financial assets						
Equity investments	-	-	-	1,009	1,009	Level 3
Other financial assets	-	-	726	-	726	Level 3
Other assets			291		291	Level 3
Trade receivables						
Trade receivables	-	-	7,626	-	7,626	Level 3
Cash and cash equivalents						
Bank and postal deposits	-	-	30,583	-	30,583	Level 1

(in thousands of Euros)	As at 30 June 2017			
	Financial instruments at fair value held for trading	Liabilities at amortised cost	Fair value	Fair value hierarchy
Non-current financial payables and liabilities				
Payables to banks and other lenders	-	1,573	1,573	Level 3
Current liabilities				
Payables to banks and other lenders	-	109	109	Level 3
Due to suppliers	-	28,095	28,095	Level 3

The carrying amount of financial instruments in the financial year ended 31 December 2016 is shown below:

<i>(in thousands of Euros)</i>	As at 31 December 2016					
	Financial instruments at fair value held for trading	Held-to-maturity assets	Receivables and loans	AFS financial instruments	Fair value	Fair value hierarchy
Other financial assets						
Equity investments	-	-	-	1,009	1,009	Level 3
Other financial assets	-	-	211	-	211	Level 3
Other assets			273		273	Level 3
Trade receivables						
Trade receivables	-	-	9,798	-	9,798	Level 3
Cash and cash equivalents						
Bank and postal deposits	-	-	54,711	-	54,711	Level 1

<i>(in thousands of Euros)</i>	As at 31 December 2016			
	Financial instruments at fair value held for trading	Liabilities at amortised cost	Fair value	Fair value hierarchy
Non-current financial payables and liabilities				
Payables to banks and other lenders	-	126	126	Level 3
Current liabilities				
Payables to banks and other lenders	-	109	109	Level 3
Due to suppliers	-	36,874	36,874	Level 3

Contingent liabilities

No contingent liabilities requiring the allocation of additional provisions for risks with respect to what was set aside or a mention in these explanatory notes were identified.

Atypical or unusual transactions

In compliance with provisions of the Consob Communication of 28 July 2006, in the financial year ended 31 December 2016, there were no atypical and/or unusual transactions as defined in that Communication.

Independent auditor remuneration

The table below, prepared in accordance with Art. 149-duodecies of the Consob Issuer Regulations, shows the fees for auditing and other non-auditing services provided by the independent auditors or by companies belonging to the Ernst & Young network.

Service	Entity providing the service	Beneficiary	Amount
Limited audit of the half-year report	EY S.p.A.	ePRICE S.p.A.	42
Statutory audit as at 31 December	EY S.p.A.	ePRICE S.p.A.	21
Total ePRICE S.p.A.			63
Total ePRICE Group			63

Chairman
Paolo Ainio

Certification of the consolidated financial statements in accordance with Article 81-ter of Consob Regulation No. 11971 of 14 May 1999, as subsequently amended and supplemented.

1. We the undersigned, Paolo Ainio as Chairman and Emanuele Romussi as Manager Responsible for Preparing the Financial Reports of ePRICE S.p.A., hereby certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998, the appropriateness of the description of the company and the effective application of administrative and accounting procedures for the preparation of the consolidated condensed half-year financial statements in the period 1 January-30 June 2017.
2. We further certify that:
 - 2.1. The condensed consolidated half-year financial statements
 - have been prepared in accordance with the international accounting standards adopted by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - accurately reflect the accounting books and records;
 - provide a true and accurate representation of the balance sheet, income statement and financial position of the issuer and of all the companies included in the consolidation;
 - the half-year report on operations includes a reliable analysis of the references to the significant events that took place in the first six months of the year and their impact on the condensed consolidated half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months. The half-year report on operations also includes a reliable analysis of the information about significant transactions with related parties.

Milan, 13 September 2017

Chairman

Paolo Ainio

The Manager Responsible for Preparing the Financial Reports

Emanuele Romussi

ePRICE S.p.A.

Review report on the Condensed Consolidated Half-year
Financial Statements as of June 30, 2017

Review report on the Condensed Consolidated Half-year Financial Statements

To the Shareholders of
ePRICE S.p.A.

Introduction

We have reviewed the condensed consolidated half-year financial statements, comprising the interim condensed consolidated statement of financial position at June 30, 2017, the interim consolidated statement of comprehensive income, the interim consolidated cash flow statement, the interim consolidated statement of changes in shareholders' equity and the related explanatory notes of ePRICE S.p.A. and its subsidiaries (the "ePRICE Group") as of June 30, 2017. The Directors of ePRICE S.p.A. are responsible for the preparation of the condensed consolidated half-year financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated half-year financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of condensed consolidated half-year financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated half-year financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half-year financial statements of ePRICE Group as of June 30, 2017 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, September 25, 2017

EY S.p.A.

Signed by: Paolo Zocchi, Partner

This report has been translated into the English language solely for the convenience of international readers