



NOTORIOUS PICTURES LAUNCHES NOTORIOUS CINEMAS, NEWCO DEDICATED TO CINEMA MANAGEMENT

Chief Executive Officer Andrea Stratta, a manager with many years' experience in the sector, will be at the helm of the Company.

Milan, 9 January 2019

Notorious Pictures, a company listed on the AIM Italia market, organised and managed by Borsa Italiana, and operating in the entertainment sector for the production, acquisition and sale of film rights (full rights) through all distribution channels (cinema, home video, TV, new media), announces the incorporation, on today's date, of **NOTORIOUS CINEMAS SRL**, a newco with operating headquarters in Milan, wholly-owned by Notorious Pictures, paid-up share capital of EUR 100,000 and dedicated to the direct management of cinemas held exclusively under a lease agreement.

Through the launch of Notorious Cinemas, Notorious Pictures enters the cinema management business, an area of activities linked to the company's core business, to offer the Italian market a new experience-based entertainment model (CINEMA), through an innovative cinema format. The project is developed under the tutelage of Andrea Stratta, a Top Manager with proven experience in the national and international cinema networks.

Notorious Cinemas' plans involve the management of 20 multiplexes in 5 years and target audiences of approximately 5 million in 2023. The launch of this new business is not expected to call for the use of dedicated share capital increases, given that the favourable working capital profile typical of this activity allows the company to self-finance the lion's share of its development.

Notorious Cinemas' business model places the central focus on the user experience, proposing a new offer based on the highest technical standards in terms of audio and video, extremely comfortable seats, hospitality and qualified staff, care for locations, food & beverage quality and variety, computerisation and automation of the ticketing and cinema entrance areas targeted at ensuring quicker entry.

The launch of this project benefits from a particularly favourable context: the new law on cinemas, which provides funding for the renovation and modernisation of cinemas (tax credits); medium-term visibility on the offering of films with significant commercial potential; the offering of blockbuster titles in the summer period by Major and independent film companies, starting from the summer of 2019 (so-called deseasonalisation), of a significant number of films of huge appeal to the public; the new law on the



windows for the different media, for films produced in Italy, which protects cinemas from competition from new digital platforms.

Guglielmo Marchetti, Chairman and CEO of Notorious Pictures and Chairman of Notorious Cinemas, commented:

"Through the creation of Notorious Cinemas, we intend to launch a new integrated and competitive company in the cinema management sector. The company is the product of a favourable general context in conjunction, above all, with an idea shared with Andrea Stratta, a Top Manager with unrivalled experience in the industry who, over the last 18 years, has developed the most important national cinema network. Andrea joins Notorious Cinemas as Chief Executive Officer, bringing more than twenty years' experience, to support an innovative project for the Italian cinema industry, proposing a new experience-based model that enriches the offering for the public. His contribution in the Entertainment sector will be essential and critical. We are excited about this new opportunity and we'll continue resolutely on our path of development, bolstering our presence on the cinema market in an even more structured manner. Our claim will be Notorious Cinemas "Experience"."

Andrea Stratta, Chief Executive Officer of Notorious Cinemas, commented: *"I am extremely happy and proud to be able to start this new professional adventure alongside Guglielmo Marchetti and the whole Notorious Pictures Team.*

Over his long career in the Audiovisual sector, Guglielmo has proven to be an extremely high-profile entrepreneur, helping his Company record extraordinary results in a short time.

Notorious Cinemas will place its central focus on the audience, with the strategic objective of creating the best place to see a film, ensuring the ultimate cinema "Experience".

My main objective will be to make Notorious Cinemas one of the most important players in the Italian cinema sector."

The governance of Notorious Cinemas will see Guglielmo Marchetti as *President*, Andrea Stratta as *Chief Executive Officer*, and Stefano Di Giuseppe, Ugo Girardi and Leonardo Pagni as *Directors*.

Andrea Stratta boasts many years' experience in the Entertainment sector, with recognised leadership in the development of the cinema sector in Italy. Between 2000 and April 2018, he held the position of chief executive officer of UCI CINEMAS ITALY GROUP for the ODEON & UCI CINEMAS Group, developing the largest cinema network in Italy; from 2014 he has held the role of executive director of the Group. He has also worked for FININVEST - RETEITALIA - MEDUSA FILM in the role of Business Development Director for Medusa Multicinema from 1998 to 1999, in the position of Junior Financial Controller for Medusa Film from 1995 to 1998, at Reteitalia as Financial Controller, at Cinema Division, at Fininvest from 1989 to 1994. He also fulfilled the role of Junior Financial Controller for MAGNETI MARELLI from 1988 to 1989.



This press release is available in the Investors/Financial Press Releases section of the website.

Notorious Pictures is an independent company established in July 2012, with registered office in Rome, listed on the AIM Italia market, organised and managed by Borsa Italiana, and it operates in the production, acquisition and sale of film rights (full rights) through all distribution channels (cinema, home video, pay TV and free TV, new media). In 2017, based on the financial data reported in compliance with IAS/IFRS accounting standards, the Company registered revenues of EUR 18 million, an Ebitda margin of 33% and a net profit of EUR 1.5 million. Notorious Pictures has been an innovative SME since July 2017.

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