



## PRESS RELEASE

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### **NOTORIOUS PICTURES: THE BoD EXAMINES THE PRELIMINARY RESULTS FOR 2017**

- **Revenues: EUR 18.2 million (EUR 23.0 million as at 31 December 2016)**
- **EBITDA: EUR 6.1 million (EUR 6.6 million as at 31 December 2016)**
- **Positive Net Financial Position (net cash): EUR 6.2 million (EUR 3.3 Million as at 30 June 2017)**

*Milan, Italy, 5 February 2018*

The Board of Directors of **Notorious Pictures**, a company listed on the AIM Italia market, organised and managed by Borsa Italiana (Italian stock exchange company), involved in the production, acquisition and marketing of film rights (full rights) via all the distribution channels (cinema, home video, tv, new media), meeting as of today's date, examined the preliminary results relating to 2017, not yet submitted for the checks and assessments by the independent auditing firm.

#### **Main UNAUDITED economic -financial results as at 31 December 2017**

Preliminary revenues amount to EUR 18.2 million, compared with EUR 23.0 million at 31 December 2016. According to the figures of the 2015-2017 Business Plan communicated to the market on 22 September 2016, the expected revenues in 2017 amounted to EUR 28.6 million. The performance of the preliminary revenues is in line with the cinema market trend that came about in 2017 which saw a generalised drop in box office takings. Notorious Pictures was then affected by the extraordinary events surrounding the Weinstein scandal, which caused a postponement in the release of two important films already scheduled for the fourth quarter of 2017 as per the Business Plan. Furthermore, also the formalisation of new contracts for executive production were postponed until 2018 with consequent effects on the corresponding line of the revenues.

Preliminary EBITDA amounts to EUR 6.1 million, down slightly compared with EUR 6.6 million at 31 December 2016 (EUR 14.5 million for the whole of 2017 as estimated in the 2015-2017 Business Plan). The margins therefore improved in relative terms (% incidence) with respect to 2016, while the reduction in the turnover and in particular the postponement of the release of several films featuring a high added value had an impact with respect to the result envisaged in the Business Plan.

The positive Net Financial Position (net cash) amounts to EUR 6.2 million, improving significantly with respect to 30 June 2017, equal to EUR 3.3 million (a positive EUR 8.0 million was estimated in the 2015-



2017 Business Plan). This result is mainly attributable to the accomplished stability of the investment cycle linked to the launch of the cinema production activities which is permitting the company to generate consistent net cash flows.

**Guglielmo Marchetti**, Chairman and CEO of Notorious Pictures, commented: *"Consolidation of the Italian production and international co-production activities continues, generating consistent net cash flows and will permit a greater diversification of the business. In 2018, new contracts, already in the pipeline, will be formalised for executive production with consequent positive effects on the revenues of Notorious Pictures. The company has confirmed its ability to achieve profits, generate a consistent net cash flow and invest in projects which lay the bases for future development. These qualities and the confirmed equity and financial solidity of the company permit us to look to the future with confidence."*

*This press release is available in the Investors/Financial disclosures section of the website.*

**Notorious Pictures**, an independent company established in July 2012 with headquarters in Rome, operates in the production, acquisition and marketing of Film Rights (full rights) via all the distribution channels (cinema, home video, pay tv and free tv, new media). In 2016, the Company - on the basis of the financial information stated in accordance with the IAS/IFRS accounting standards, reported revenues for EUR 23 million, an EBITDA margin of 29% and net profit totalling EUR 2.8 million. During the 1st half of 2017, it reported revenues for EUR 9.1 million, an EBITDA margin of 41.5% and net profit totalling EUR 1.2 million. Notorious Pictures has been an Innovative SME since July 2017.

**For further information:**

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