



PRESS RELEASE

NOTORIOUS PICTURES: the Ordinary Shareholders' Meeting approves the Buy-Back plan

Milan, Italy, 8 November 2017

The ordinary shareholders' meeting 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 under the chairmanship of Guglielmo Marchetti, approved the proposal of a plan for the purchase and disposal of treasury shares (Buy-Back), in accordance with Articles 2357 and 2357 *ter* of the Italian Civil Code, granting the Board of Directors every power for the purpose of proceeding with the execution.

The reasons for the meeting's resolution can be summed up in short in the appropriateness of purchasing, maintaining and availing of treasury shares in a quantity greater than that currently available:

- as payment in extraordinary transactions, including exchanges of equity investments, with other parties as part of transactions of strategic interest for Notorious Pictures;
- within the sphere of share incentive plans for Notorious Pictures' directors, employees and collaborators, which include the assignment of purchase options or free allocation of shares;
- in order to carry out, in compliance with current provisions, activities supporting the share's liquidity and the stabilisation of trading prices, without prejudice to the equal treatment of shareholders.

Note that the authorisation for the purchase of treasury shares is not intended for transactions to reduce share capital by cancelling purchased treasury shares.

MAIN CHARACTERISTICS OF THE BUY-BACK PLAN

The shareholders' meeting has authorised the Board of Directors to purchase and avail of ordinary Notorious Pictures shares, on one or more occasions, within the limits of distributable profits and available reserves resulting from the latest approved financial statements, equal to EUR 7,817,030 (envisaged by Article 2357 of the Italian Civil Code).

Notorious Pictures S.p.a.

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The authorisation includes the faculty to subsequently dispose of the treasury shares in the portfolio, even before having reached the maximum quantity that can be bought, and possibly to repurchase said shares to the extent that the treasury shares do not exceed the limit established by the resolution, according to the matters envisaged by Article 2357 *ter*, paragraph 1, of the Italian Civil Code

The duration of the authorisation is 18 months as from said shareholders' resolution. Notorious Pictures' Board of Directors may proceed with the transactions at any time, on one or more occasions, and without time limits.

MINIMUM AND MAXIMUM PURCHASE PRICE

The purchases will have to be carried out under price conditions compliant with the matters envisaged by Article 5 of (EU) Regulation No. 596/2014 of the European Commission dated 16 April 2014 ("MAR") and the related implementing regulation No. 2016/1052 dated 8 March 2016. In detail, these provisions envisage that the issuer does not purchase shares at a price higher than the price of the last independent transaction or the price of the highest current independent offer on the AIM Italia market, whichever is the higher.

The conveyance of the treasury shares in cash cannot be carried out at a price lower than 90% of the weighted average purchase price and in any event at a price lower than the lowest of the purchase prices.

If the treasury shares are subject to exchange, conferral or any other act of disposal not in cash, the economic terms of the transaction will be determined in relation to the nature and the characteristics of the transaction, also taking into account the market trend of Notorious Pictures stock.

If the treasury shares are used for the purpose of performing activities to support the liquidity of the market, the sales will have to be carried out in observance of the criteria laid down by legislation, including regulatory (Consob resolution on permitted market practices), as well as by current practices.

METHOD OF EXECUTION OF THE TRANSACTIONS

The purchase transactions will be carried out on the market in accordance with Article 144 *bis*, letter b) of the Consob Regulation, concerning the discipline of the issuers, adopted by means of resolution No. 11971/99 and subsequent amendments, in observance of the matters established by Article 132 of Italian Legislative Decree No. 58 dated 24 February 1998 as well as in observance of the MAR, EU Regulation No. 2016/1052 and the Consob guidelines.

Without prejudice to the matters envisaged by current legislation, the disposals of the shares may be carried out, on one or more occasions, also before having reached the quantity of treasury shares which can be purchased and taking into account the matters envisaged by Article 2357 *ter*, section 1 of the Italian Civil Code.

The disposal can take place in the manner deemed most appropriate in the interest of the Company, and in any event in observance of applicable legislation. The shares serving the share incentive plans will be assigned by means of the formalities and under the terms indicated in the regulations of said plans.

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In accordance with Article 2357 *ter*, section 2 of the Italian Civil Code, while the shares acquired in accordance with the resolution in question remain under the ownership of the Company, the related right to the profits and the option right are assigned in proportion to the other shares. The related voting right is suspended, even if the treasury shares are reckoned for the purpose of the calculation of the establishment and resolution quorums of the shareholders' meetings. The purchase of treasury shares involves a reduction of the shareholders' equity by an equal amount via the recording of a specific item in the balance sheet liabilities, with a negative sign.

As of today's date, the Company holds 231,200 treasury shares corresponding to 1.0279% of the share capital, equal to EUR 562,287, represented by 22,491,480 ordinary shares lacking par value.

This press release is available in the Investors/Press Releases section of the Notorious Pictures 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.

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