

A photograph of a modern, multi-story office building at night. The building has a light-colored facade with large windows that are illuminated from within, creating a warm glow. The word "PATTERN" is visible on the building's facade, with the "T" stylized inside a circle. In the foreground, there is a low concrete wall and some greenery. A street lamp is visible on the right side of the image. The sky is dark blue.

FY2021 Results

Conference Call

March 29, 2022

Today's speakers

**Luca
Sburlati**



CEO

- 7 years in Pattern
- 13 years of Fashion & Luxury industry experience as a Top Manager
- Education: Executive MBA Bocconi / Graduated International Political Sciences



**Innocenzo
Tamborrini**



CFO

- 10 years in Pattern
- 18 years as CFO and Senior Controller
- Education: Graduated in Economics



**Sara
De Benedetti**



*Investor Relations
Manager*

- Joined Pattern in July 2018
- 9 years in communication, last 5 years focused on the International Fashion Industry
- Education: MSc Bocconi in Economics



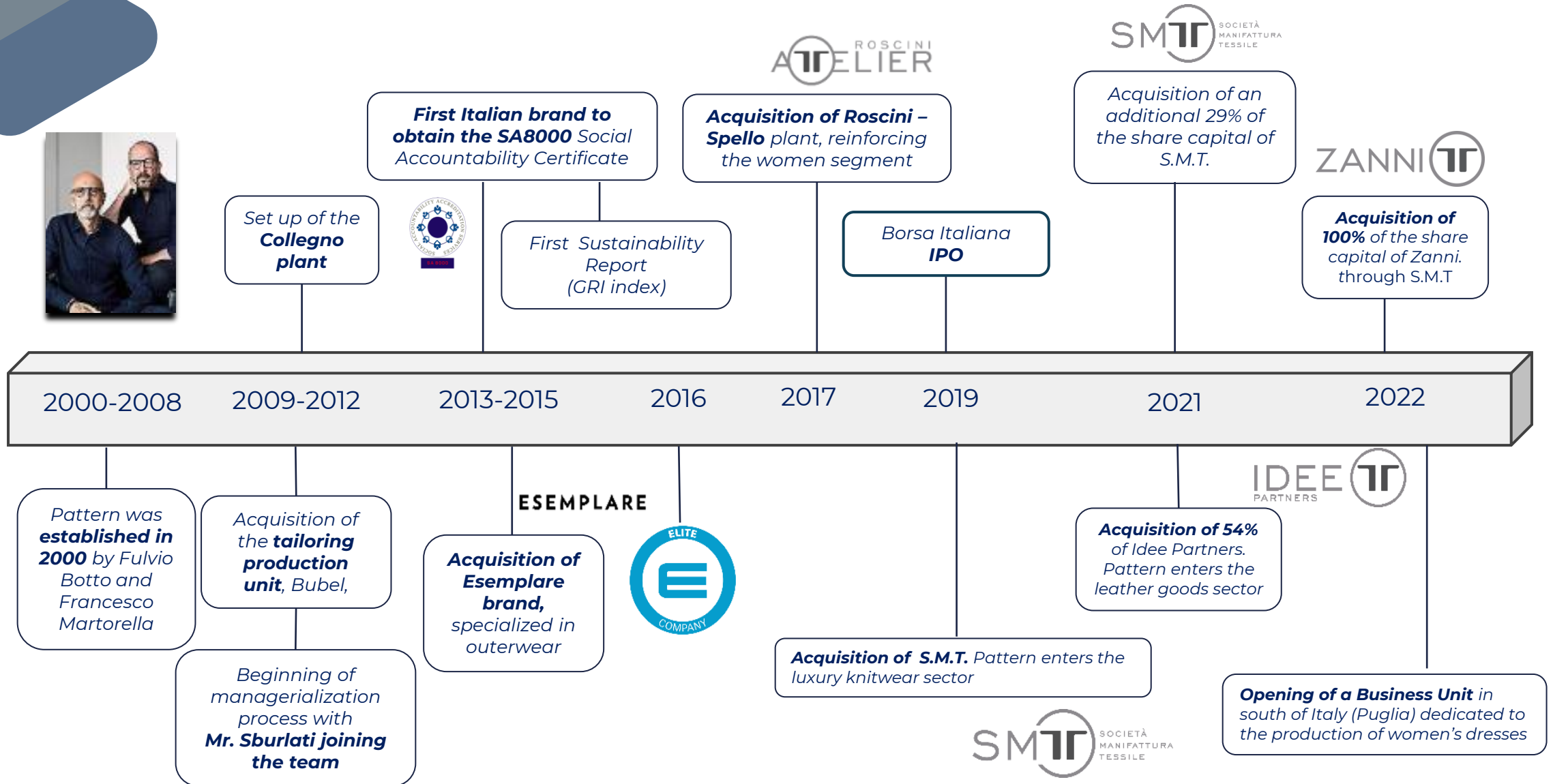


Group at a glance & Updates



is a
**landmark for top-end
Luxury Fashion
Engineering**

Pattern Timeline



The Italian Hub of Luxury Fashion Engineering



Torino, Piemonte
Luxury menswear
Outerwear, sportswear and tailoring



Reggio Emilia, Emilia Romagna
Luxury knitwear



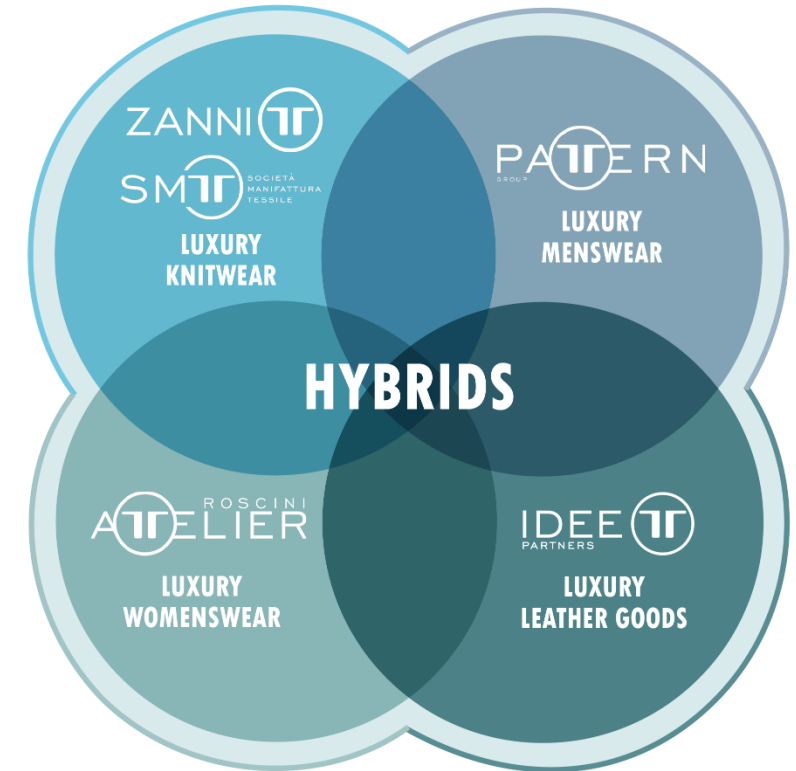
Reggio Emilia, Emilia Romagna
Wholesale seamless knitwear



Scandicci (FI), Toscana
Luxury leather accessories



Spello, Umbria
Luxury womenswear
Soft fabrics and jersey, dresses and tailoring



The Italian Hub of Luxury Fashion Engineering

Luxury Menswear Engineering

Pattern

(2000)

- **Casual and technical menswear, outerwear** specialist for men and women
- Focus on new **technologies applied to pattern-making**
- Attention to **Research & Development and innovation**
- A business model based on **sustainability**



Luxury Leather Goods Accessories

Idee Partners

(2021)

- **Leather goods** (mainly accessories)
- Focus on **Product Development**
- Flexibility
- **Customized** partnership with clients: from engineering to production depending on clients need

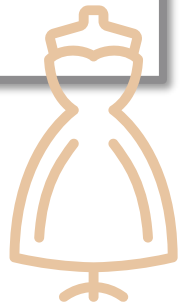


Luxury Womenswear Engineering

Roscini Atelier

(2017)

- **Dresses and tailoring**, soft fabrics and jersey
- **Double construction**
- Flexibility and Reputation
- A solid focus on **craftsmanship and innovation**

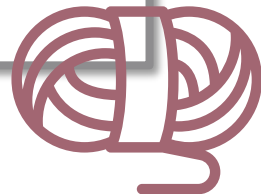


The Italian Hub of Luxury Fashion Engineering

Luxury Knitwear

Società Manifattura Tessile (2019)

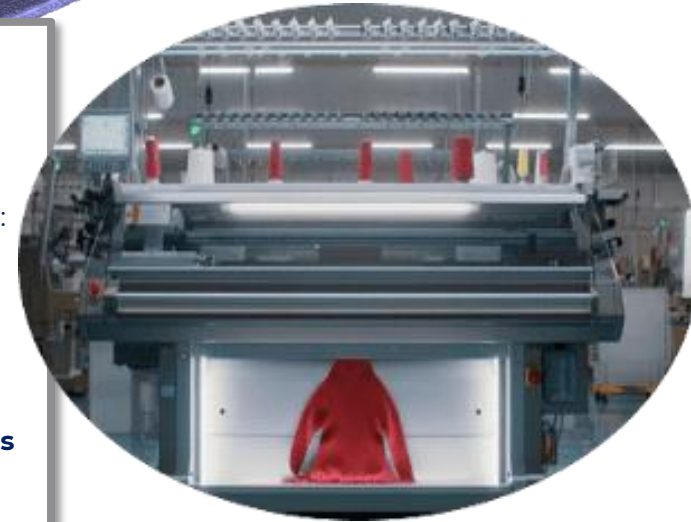
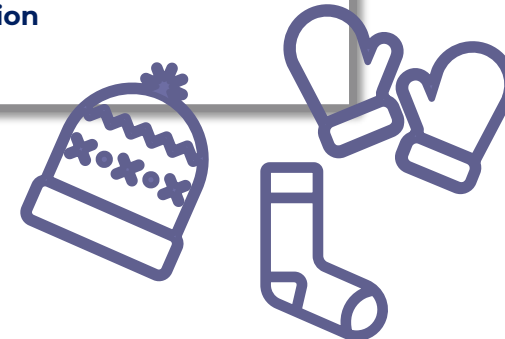
- Both **SHIMA SEIKI** and **STOLL** production technologies
- More than 100 weaving machines, 20 programmer technicians and a chain of external laboratories
- **Excellence, Quality**
- **Proactivity**
- A solid focus on **Research & Development**



Wholegarment Seamless Knitwear + Knitted Accessories

Zanni (2022)

- Advanced technical know-how: **3D seamless Wholegarment**
- Focus on **knitted accessories**
- **SHIMA SEIKI** technology
- Focus on **Knitwear Accessories**
- A solid focus on **Technology & Innovation**



WHOLEGARMENT®

January 2022 – Purchased the 100% of Zanni, through its subsidiary S.M.T.

Zanni is an over 60 years historic knitwear weaving company. At the forefront of the use of **WHOLEGARMENT technology of the Japanese SHIMA SEIKI**, Zanni represents excellence in the engineering and production of **Made in Italy** seamless knitwear, with a specific focus on **knitted accessories**.

- The Investment Agreement comprises the purchase by Pattern, through S.M.T. S.r.l. (80% controlled by Pattern) of **100% of Zanni S.r.l.** directly from the two founders Marco and Mauro Zanni.
- **The agreed price is € 4.3 million** and is paid by Società Manifattura Tessile Srl. to the sellers for 70% on the date of execution of the purchase and for the remaining 30% in three annual instalments starting from 31 January 2023.
- **The acquisition price of € 4.3 million includes the production property and positive NFP (Cash).**
- Closing on February 2022.



WHOLEGARMENT®

November 2021 – Purchased the 54% of Idee Partners S.r.l

Idee Partners S.r.l, Italian company founded in 2008 and based in Scandicci (Florence), is specialized in **Product Development, Engineering and Production in the luxury leather goods sector** (mainly **handbags and small accessories**).

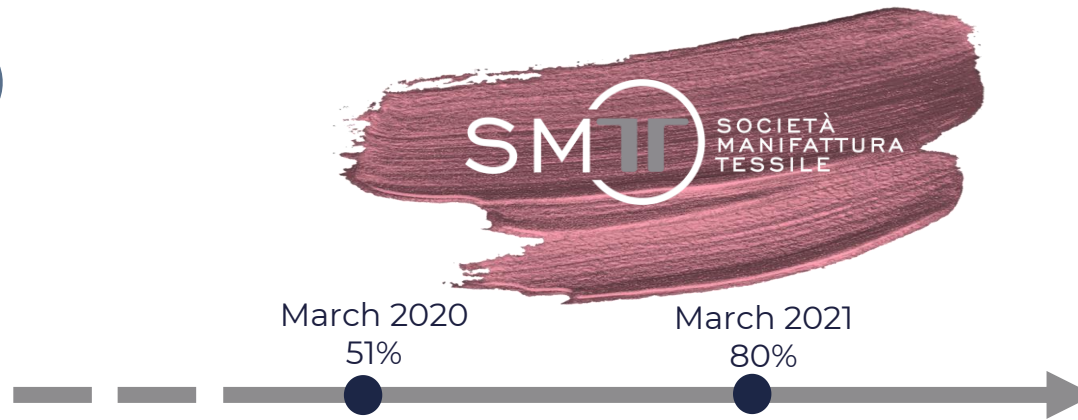
Idee Partners today engineers and produces for the most important international fashion and luxury brands. This is possible thanks to its **structured internal organization**, made up of around 120 people, capable of **managing** a strong engineering and production capacity **internally**.

In 2021 Idee Partners has also finalized the acquisition of **60% of Petri&Lombardi**, historical Tuscan leather goods company consisting of 25 people, an investment that has allowed Idee Partners to strengthen its internal production line and expand its presence in Tuscany.

- Purchase by Pattern of **54% of Idee Partners S.r.l.** of which 50.9% from Idee Holding S.r.l. (a company that holds 96.9% of Idee Partners) and 3.1% directly from one of Idee Partners's historical figures Alex Albini.
- The **total price of € 4,031,434.00** paid to the Sellers in proportion to their respective shares in the share capital and, specifically, as follows: (i) an amount equal to € 3.8 million in favour of Idee Holding; (ii) an amount equal to € 231,434,000 in favour of Alex Albini.
- **The closing was signed on November 16, 2021.**



March 2021 – Purchased an additional 29% of S.M.T



On **March 5, 2021**, acquisition of an additional 29% of the share capital of S.M.T., thus reaching, 80% of the share capital.

OPERATION DESCRIPTION

- Purchase by Pattern of a further 29% of the share capital of SMT, of which **19% directly** from Stefano Casini, the founder and CEO of S.M.T., and **10% from Camer** - a wholly-owned subsidiary of Stefano Casini, at a **total price of € 3.9 million**
- The closing of the transaction was achieved through: i) the signing of the deed of sale having as its object the **transfer of 19% of SMT by Stefano Casini to Pattern** against payment through cash of € 2,555,000; ii) the signing of the deed of contribution concerning the contribution of **10% of STM by Camer to Pattern against the assignment to Camer**, on the effective date of the contribution, of newly issued ordinary shares of Pattern, as part of a capital increase in kind reserved to Camer to service the transaction, at a total price of € 1,345,000.
- **€ 3.87**: the subscription price of the newly issued shares, calculated on the basis of the weighted average price of all stock market transactions of Pattern shares on AIM Italia in the six months prior to the date of signing the Investment Agreement.





FY2021



PATTERN GROUP FY2021 Highlights

SALES REVENUES

€ 69.5 M

€ 52.6M FY2020

EBITDA

€ 7.7 M

€ 5.4M FY2020

EBITDA MARGIN

11 %

10 % FY2020

NET INCOME

€ 3.7 M

€ 3.0M FY2020

POSITIVE NFP

€ 3.1 M

€ 8.8M FY2020

DIVIDEND YIELD

1.4%

0.6% FY2020

FY2021 Income Statement

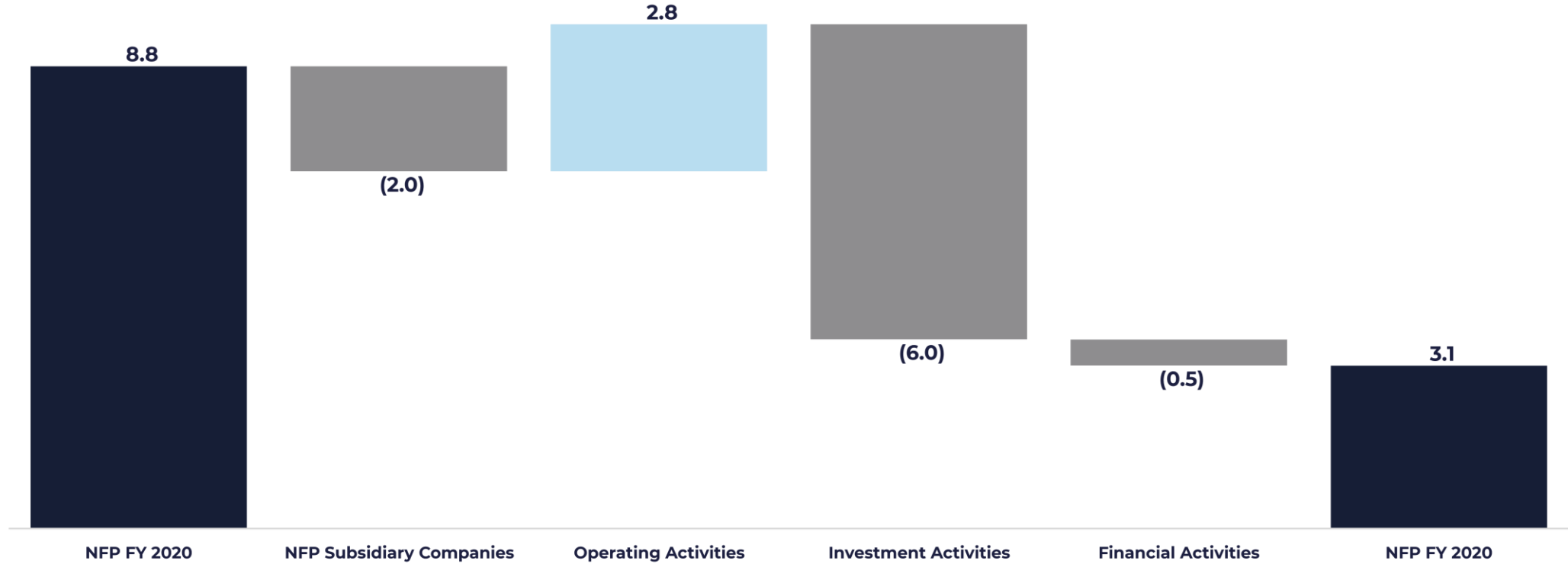
(€ 000)	FY 2021	FY 2020	%
Sales revenues	69,505	52,584	32.2%
Other revenues	519	1,279	-59.4%
Total Revenues	70,025	53,863	30.0%
Increase in fixed assets for internal work	-	-	-
Change in inventories	2,495	156	1499.4%
Value of production	72,521	54,019	34.3%
Raw materials	(22,283)	(15,514)	43.6%
Cost of services	(25,602)	(19,048)	34.4%
Leases and rentals	(1,476)	(1,470)	0.4%
Personnel Expenses	(15,166)	(12,405)	22.3%
Other operating expenses	(303)	(196)	54.6%
EBITDA	7,689	5,384	42.8%
<i>EBITDA margin</i>	<i>11.0%</i>	<i>10.0%</i>	
D&A	(2,423)	(1,819)	33.2%
EBIT	5,266	3,565	47.7%
<i>EBIT margin</i>	<i>7.5%</i>	<i>6.6%</i>	
Net financial income	(125)	(112)	11.6%
Value adjustments to net financial assets		(2)	
EBT	5,141	3,451	49.0%
Taxes	(1,467)	(455)	222.4%
Net income	3,673	2,996	22.6%
Group Net income	2,998	2,269	32.1%

FY2021 Balance Sheet (Use and Sources)

(€ 000)	31-dic-21	31-dic-20	%
Fixed Assets	17,865.9	10,849.8	64.7%
Warehouse	8,289.6	4,288.7	93.3%
Trade Receivables	15,323.2	8,682.9	76.5%
Other Receivables	5,828.0	2,059.5	183.0%
Prepayments and accrued income	459.1	529.7	-13.3%
Working Capital	29,899.9	15,560.7	92.2%
Trade Payables	(17,669.1)	(9,664.0)	82.8%
Other Payables	(4,584.0)	(2,512.8)	82.4%
Accrued expenses and deferred income	(618.0)	(155.1)	298.5%
Net Working Capital	7,028.8	3,228.8	117.7%
Funds	(2,857.4)	(1,923.3)	48.6%
Net Invested Capital	22,037.1	12,155.3	81.3%

(€ 000)	31-dic-21	31-dic-20	%
Shareholders' Equity	25,123.7	20,931.5	20.0%
Group Shareholders' Equity	22,922.0	18,932.2	21.1%
Cash and Cash equivalents	(22,794.2)	(23,619.0)	-3.5%
Short term bank debt	4,256.7	2,096.3	103.1%
Medium term financial debt	15,450.9	12,746.6	21.2%
Bank Debt	19,707.6	14,842.8	32.8%
Net Debt/(Cash)	(3,086.6)	(8,776.2)	-64.8%
Total Sources	22,037.1	12,155.3	81.3%

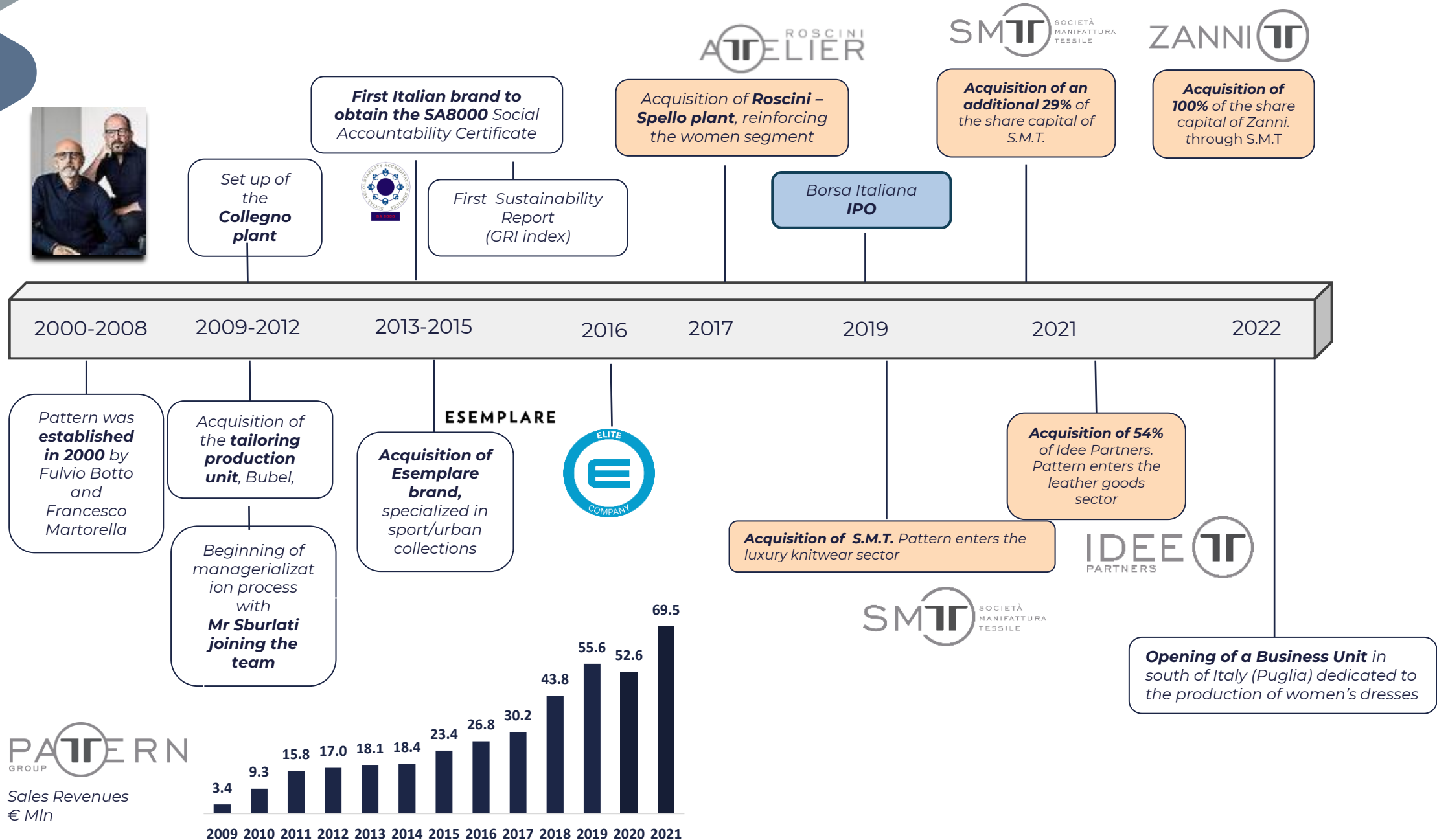
NFP bridge





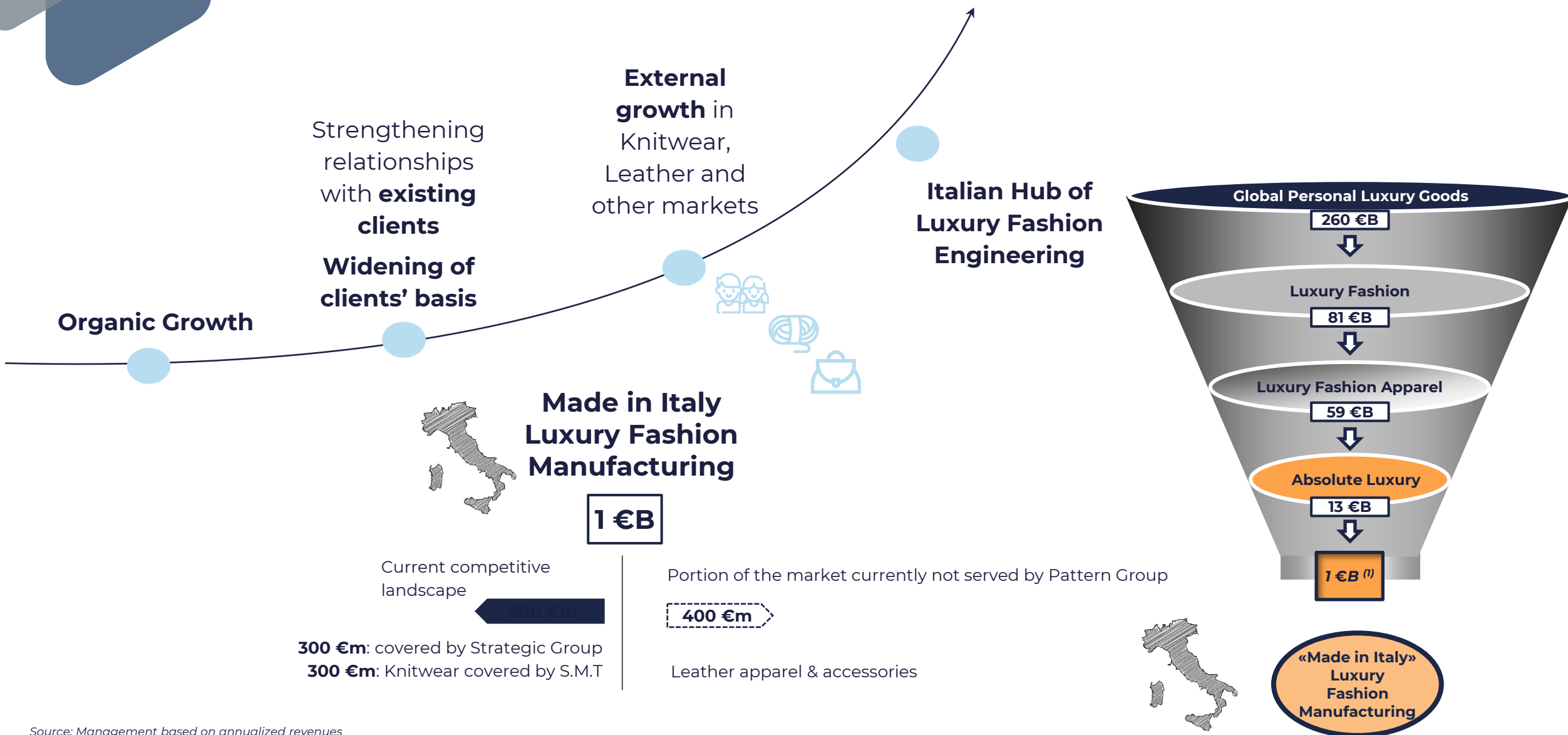
Group Strategy & Outlook

M&A Strategy



Group Strategy

Proceed with the growth of the Italian Hub of Luxury Fashion Engineering



Pattern Group Strategic Plan 2021-24



September 2021
Introduction of the Organisational Model
«231»: the supervisory infrastructure required
under Legislative Decree 231/2001

- TRASPARENCY and REPUTATION
- IMPROVEMENT of the Internal Control System
- RELIABILITY



Outlook 2022

Fashion market is featuring some of the **new trends** that already emerged in the luxury business: companies should be prepared to an extremely uncertain context where **flexibility and decision-making promptness** will be essential. “Expect the unexpected” is the pay-off.

Strategically, for Pattern the driver of 2022 is to **continue to take advantage of business opportunities** in segments, markets and channels different from those we belong, even possibly with M&A.

As for the economic trend, the **prospects for 2022** give still evidence of a **disturbed market** with a growing first semester and a second one characterized by insecurity due to the actual political situation. In the medium-long term, the prospects for 2023 and 2024 appear entirely positive. In general, the market will be more and more sensible to the **quality of manufacturing** and **sustainability** of products and supply chain. Important will be also the theme of the ongoing **reshoring** of those activities previously carried out abroad, with a consequent expansion of the Made in Italy in the luxury segment.





Pattern: Innovation

New Digital Warehouse 4.0

Completed in autumn 2020, the new warehouse is an **innovative system state-of-the-art** in the logistic field.

A cutting-edge warehouse, 100% digitalized, where, thanks to **RFID technology**, every single garment is unequivocally identified and traced.





Pattern: Sustainability

ESG RATING 2021

C

Pattern confirms its participation to the **Climate Change Reporting** managed by the international organization CDP and achieves a **2021 ESG Rating, referring to the year 2020, of level C.**

CATEGORY SCORES



2021 CDP SUPPLIER ENGAGEMENT LEADERBOARD

B-

Pattern joins the other 400 international companies (7% of top companies) nominated into the CDP “2020 Supplier Engagement Leaderboard”, companies that are annually assessed with total transparency by CDP on the Supplier Engagement Rating (SER).



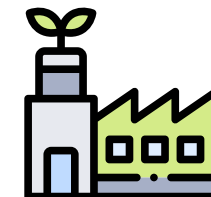


GEO THERMAL PLANT

In 2020 the 140-kW **geothermal plant**, designed to meet the **energy needs required for heating and cooling of a new warehouse and part of the existing laboratory**, has become operational. The important savings on operating costs and the elimination of fuel will be accompanied by a **reduction of about 25,000 kg / year of carbon dioxide**.

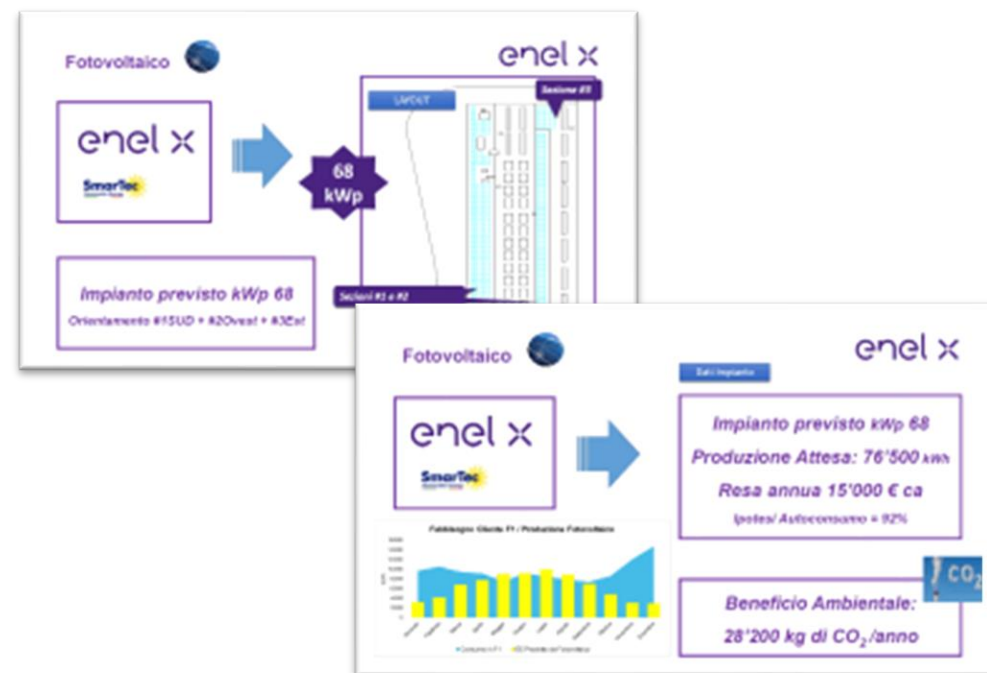


2 PHOTOVOLTAIC PLANTS: TURIN AND SPELLO



At the end of 2020, a **photovoltaic system** designed for self-consumption became operational in Pattern Turin allowing the company to be **almost completely self-sufficient**, fully covering the energy needs in the warmer months. By achieving this goal, the plant of Turin will **avoid CO2 emissions for 28 tons per year**, pursuing the path to become totally sustainable and zero emissions by 2023.

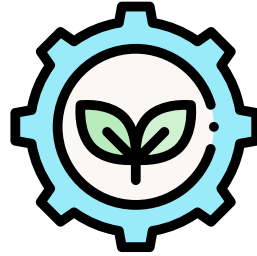
In addition, in 2022 Pattern signed the **acquisition of Roscini Atelier plant** including the installed and operative photovoltaic plant.



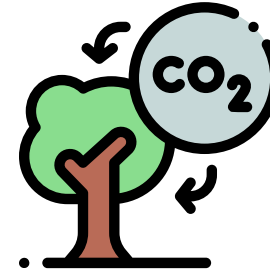
FROM RED TO GREEN CARPET

5 year plan announced in 2018 by Pattern.

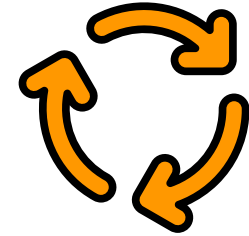
3 main goals to achieve:



**ECONOMIC & SOCIAL
SUSTAINABILITY**



**BEING
CARBON
NEUTRAL**



**CIRCULAR ECONOMY &
REVALUE WASTE**

PATTERN PARTICIPANT OF THE UNITED NATIONS GLOBAL COMPACT

Global Compact's Ten Principles on Human Rights, Labour, Environment and Corruption and work together in order to take strategic actions to promote broader social objectives

PATTERN ADHERES TO THE ONU'S "FASHION INDUSTRY CHARTER FOR CLIMATE ACTION"

Pattern is the first Italian company to join the **UNFCCC's Fashion for Global Climate Action** initiative as a signatory to the **Fashion Industry Charter for Climate Action**.




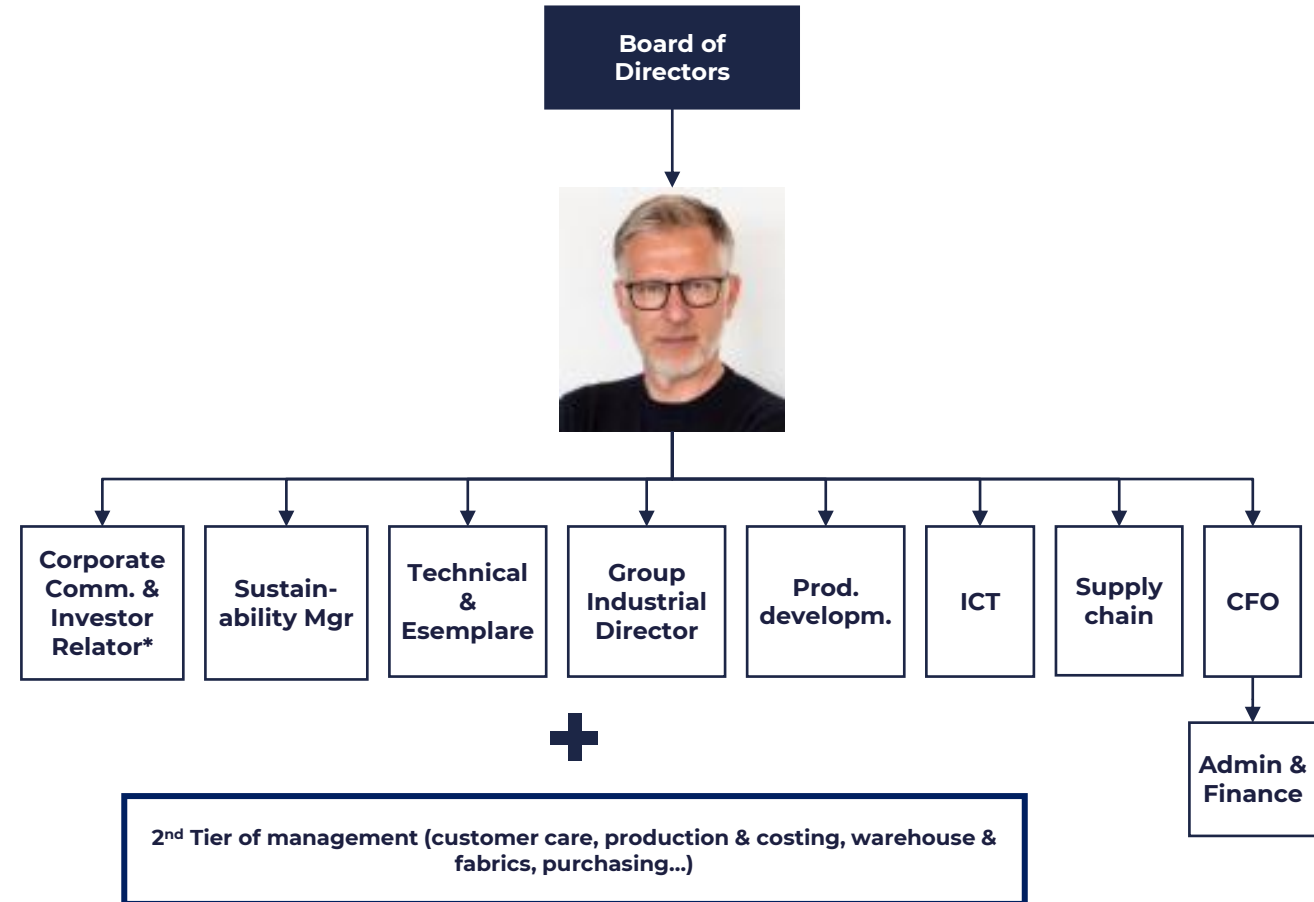
Appendix

HR - Highly Experienced and Committed Management Team



F. Botto and F. Martorella, founders and owners, are **recognized and valued professionals among fashion industry**, having cooperated with some of the most **prestigious brands** (i.e. Armani, Valentino)

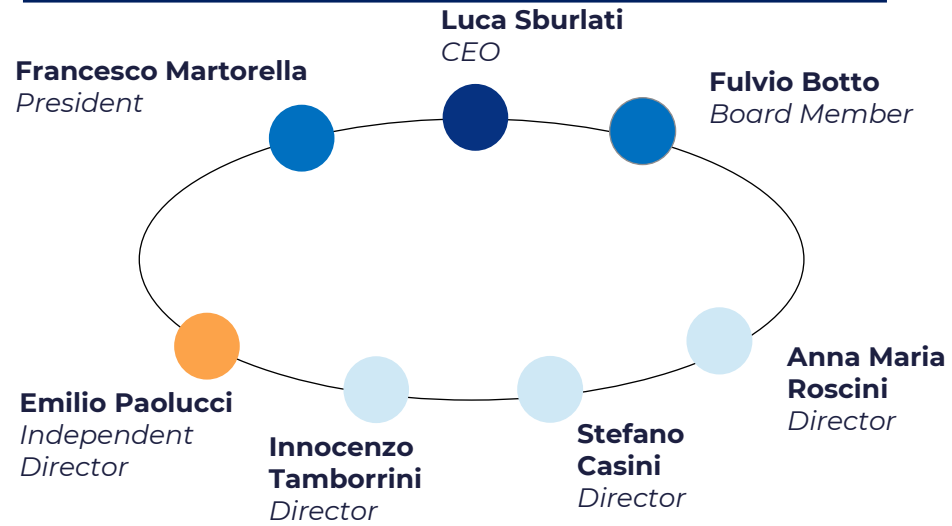
 The two have **rapidly built a team of highly skilled personnel** thanks to a constant knowledge sharing approach and internal training of staff which ensure protection and leverage of their heritage



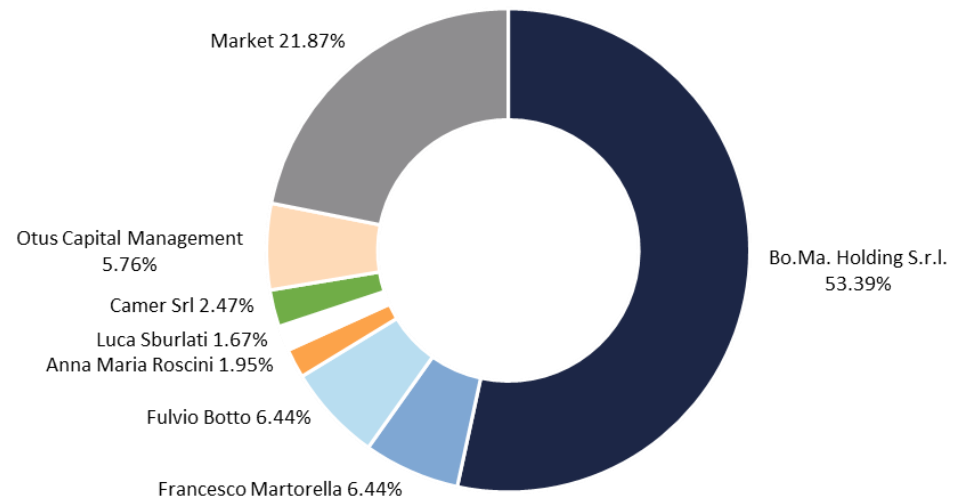
Sole player, in its competitive arena, to have adopted a modern management structure as a key competitive advantage

Corporate Governance

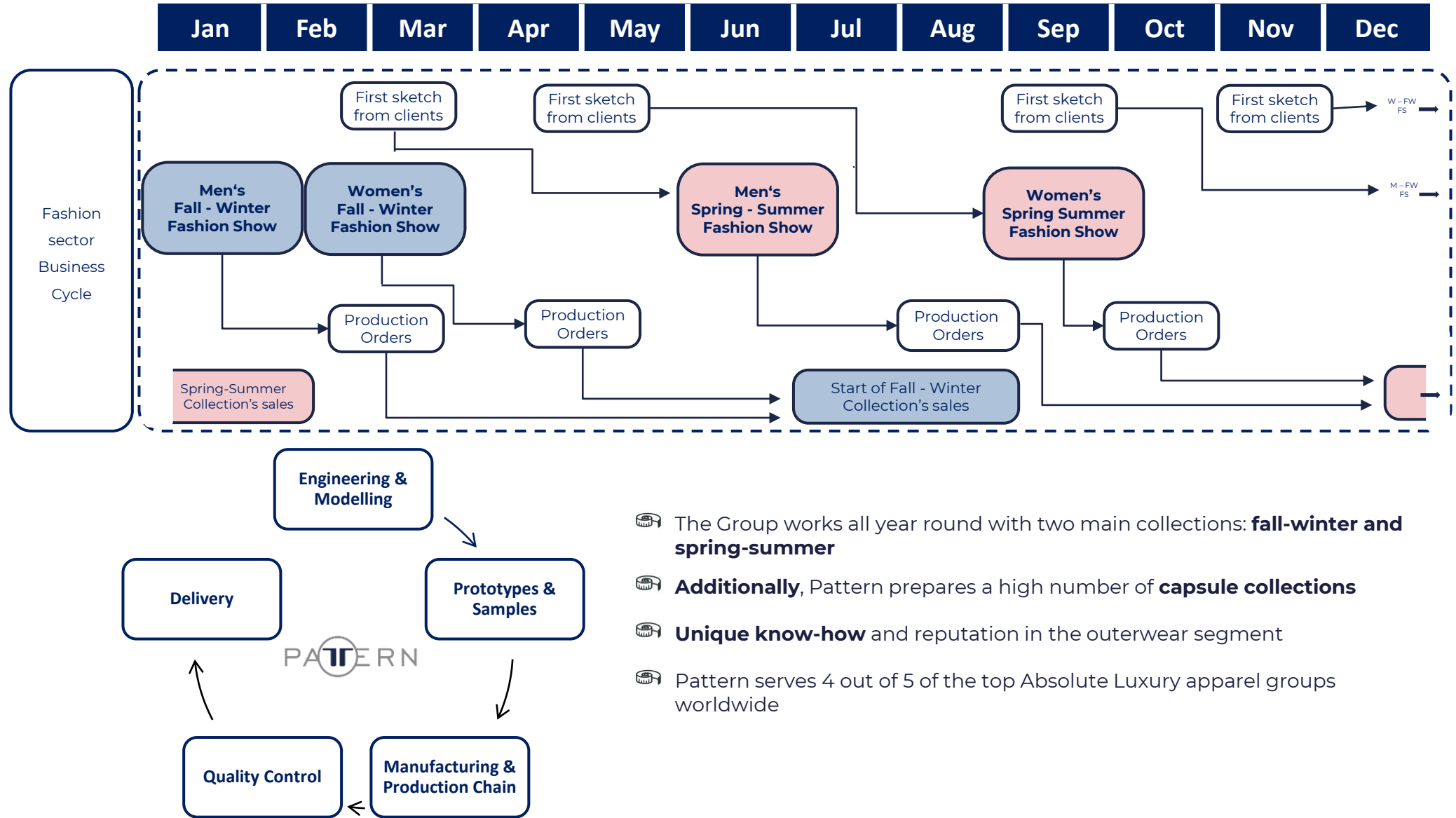
Board of Directors



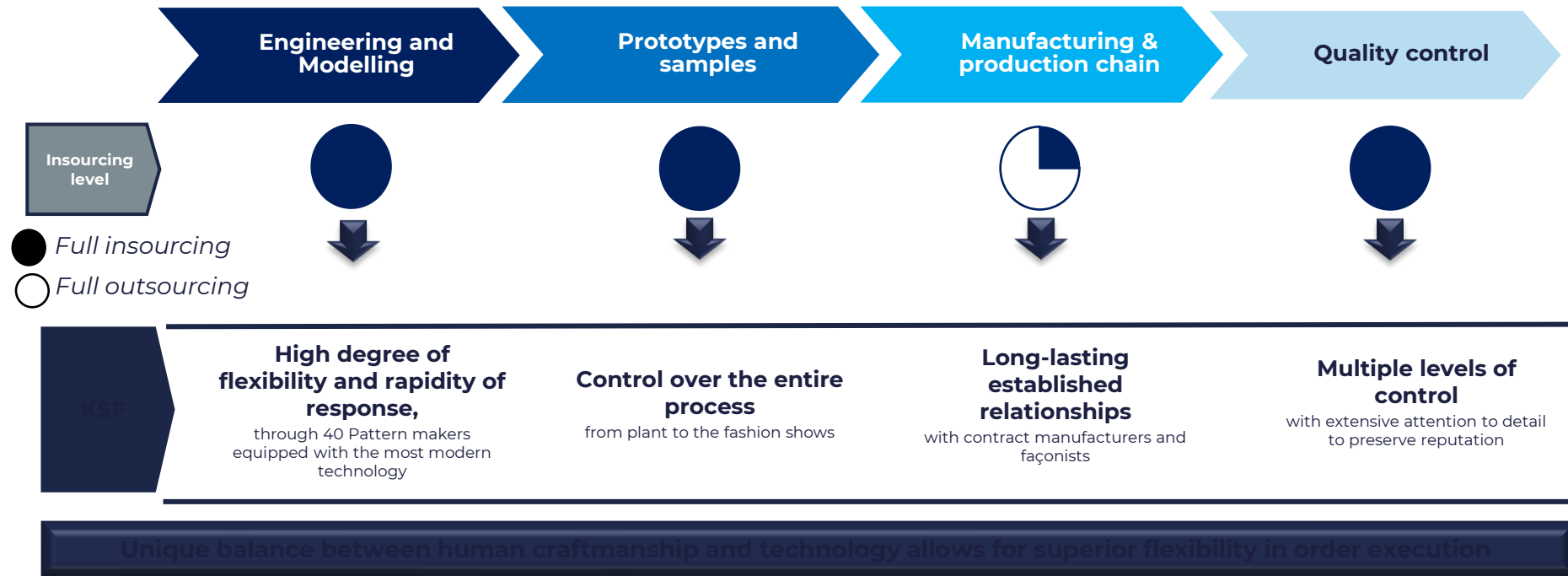
Shareholder Structure



How the fashion sector works



Pattern's business model

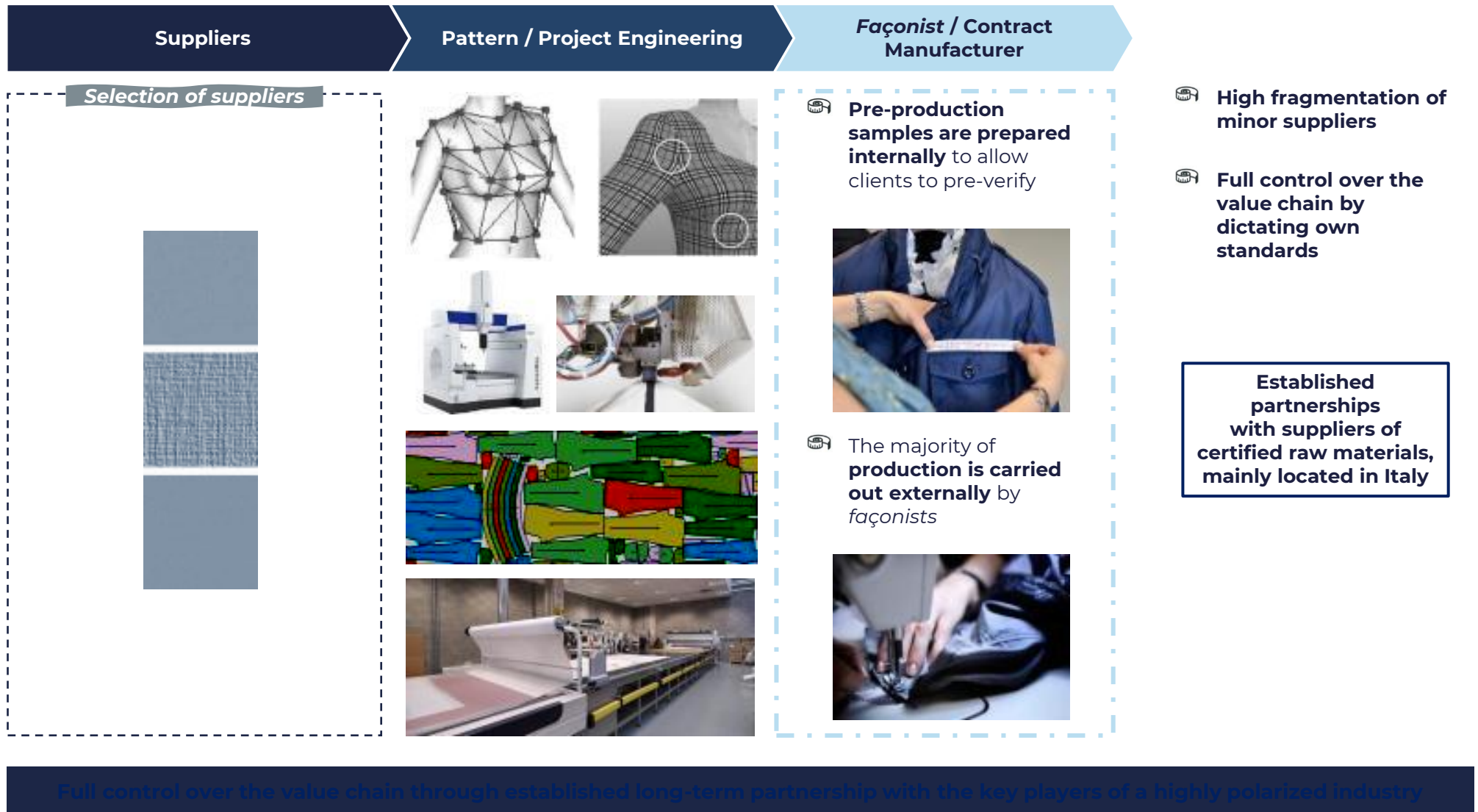


Competitive Advantages

Quality	Flexibility	Speed	Reputation
Highest quality through technology, human resources and control of the supply chain	Flexible organizational structure with vertical integration	Superior time-to-market, thanks to newest technologies and proven procedures	20 years heritage of a fine-tuned business model for the luxury apparel industry

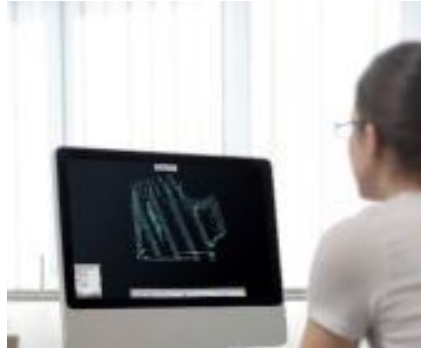
Pattern operates in a strategic stage of the process, the "Formula 1"

Pattern is fully integrated with Italy's Best Suppliers and Façonists



Pattern's Key Business Values

Technology and R&D



*Unique
laborations*

Human Resources



Quality assurance

Sustainability



Circular economy



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