

PATTERN'S BOARD OF DIRECTORS
APPROVED THE CONSOLIDATED HALF-YEAR REPORT AS AT JUNE 30, 2019:
POSITIVE DOUBLE-DIGIT GROWTH OF ALL ECONOMIC INDICATORS
POSITIVE NET FINANCIAL POSITION IMPROVED COMPARED TO DECEMBER 31, 2018
POSITIVE GENERATION OF OPERATING CASH FLOW

- **Revenues:** € 21.6 million (€ 18.4 million)¹ **+17%**
- **EBITDA²:** € 2.0 million (€ 1.7 million) **+21%**
- **Net profit:** € 1.2 million (€ 1.1 million) **+17%**
- **Positive NFP** at € 4.1 million (€ 3.9 million)

Turin September 25, 2019 – the Board of Directors of **Pattern S.p.A (AIM:PTR)** an Italian company among the most important operators in the field of **design, engineering, development, prototyping and production** of fashion lines for the most prestigious brands worldwide exclusively for the top luxury range, in the segment of fashion shows and main lines for men and women, met today and approved the **consolidated half-year report as at June 30, 2019**.

Luca Sburlati, CEO of Pattern S.p.A. commented: *“We are pleased to formalize the **revenue growth in the first half of the year of about 17% and EBITDA growth of 21%**. These results make us optimistic about our company's future development plans.”*

CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET DATA AT JUNE 30, 2019

In order to allow a better comparison between the figures as at 30 June 2019 and the respective income statement and balance sheet data at 30 June 2018 and 31 December 2018, these were adjusted to include: Pattern Immobiliare and Roscini Atelier (transaction concluded in May 2019) in Pattern's consolidated perimeter.

Revenues at 30 June 2019 amount to € 21.6 million compared to € 18.4 million at 30 June 2018, showing an increase of around 17%. The value of production also rose from € 21.3 million to € 25.1 million at 30 June 2019, with an increase of around 18% in value.

EBITDA, amounting to € 2.0 million compared to € 1.7 million in the first half of 2018, marked a significant increase of around 21% and the **EBITDA margin** was equal to 9.5% compared to 9.2%. These are the results of the marginality consolidation resulting from the containment of fixed costs, synergies and economies of scale generated with the acquisition of Studio Roscini, which, together with the containment of fixed costs, allowed to improve the profitability more than proportionally.

¹ Figures in brackets refer to financial statements at June 30, 2018 for income statement data and financial statements at December 31, 2018 for balance sheet data

² EBITDA: Alternative performance indicator: EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation – Gross Operating Profit) is an alternative performance indicator not defined by Italian accounting standards but used by company management to monitor and evaluate the company's operating performance, as it is not influenced by volatility due to the effects of the different criteria for calculating taxable income, the amount and the characteristics of capital employed as well as the relevant depreciation/amortisation policies. This indicator is defined by Pattern as Profit/(Loss) for the period before amortisation/depreciation and write-downs of tangible and intangible fixed assets, financial income and charges and income taxes.

Depreciation, amortizations and write-downs remained in line with those of the previous year.

Net profit at € 1.2 million compared to € 1.1 million at 30 June 2018, also showing an increase of 17% despite a greater weight of current taxation. The incidence of net profit on revenues remained constant at 5.8%.

The amount of **fixed assets**, € 2.8 million, increased 53% compared to € 1.8 million at December 31, 2018. The investments concerned intangible and tangible fixed assets related to operating activities, the listing process and the purchase of the Modalis Srl business unit. In more detail, the sum of the acquisitions for intangible assets amounted to € 0.7 million, while that for tangible assets was € 0.2 million.

Working capital at € 16.2 million is improving, compared to € 8.6 million at 31 December 2018, essentially due to the dynamics linked to the seasonality of production and sales that characterizes Pattern, therefore a structural part of the business.

Seasonality of production and sales also explain the high level of the warehouse, equal to € 8.7 million, against the € 3.3 million recorded at 31 December 2018, as well as the receivables from customers, amounting to € 6.4 million against € 3.9 million at December 31, 2018, and trade payables, up to € 12.7 million compared to € 4.4 million at December 31, 2018.

The item "other payables" is instead increasing, from € 2.2 million to € 3.2 million, mainly due to the taxes for the period

The trend in working capital did not have an impact on **net invested capital**, which actually decreased from € 3 million to € 2.3 million. This data meant that there was no cash absorption, despite the increase in volumes and a dividend distribution of almost € 1.8 million.

The **net financial position** improved slightly from positive € 3.9 million at December 31, 2018 to positive € 4.1 million at June 30, 2019.

SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2019

On May 27, 2019, Pattern Immobiliare Srl and Roscini Atelier Srl were incorporated into Pattern, with administrative and tax effects backdated to January 1, 2019.

On June 27, 2019, the acquisition of the Modalis Srl business unit was completed, which had previously been leased by Roscini Atelier and then by Pattern itself, after merging the first into the second.

SIGNIFICANT EVENTS AFTER THE FIRST HALF 2019

On 17 July, Pattern was admitted to trading ordinary shares on the multilateral exchange system AIM Italia, organized and managed by Borsa Italiana Spa.

For the IPO, 2,615,384 shares were issued and underwritten at a price of 3.25 euros, of which 3.15 as share premium, for a total value of 8,499,998 euros.

The transaction also provided for:

- a) the sale by the shareholders of Pattern of 769,230 shares, on the admission listing day;
- b) a *greenshoe* option for sale by the selling shareholder for additional 461,538 shares.

Following the full exercise of the *greenshoe* option, the free float reached 28.2% of the company's share capital.

On 19 July 2019 Pattern officially joined the **UNFCCC Fashion for Global Climate Action initiative** as a signatory of the **Fashion Industry Charter for Climate Action**. The objective of the initiative is to support the fashion industry in identifying the possible actions to be taken to achieve climate neutrality.

On September 3, 2019 Pattern received from the **United Nations Climate Action Secretariat Executive Secretary**, as the **first Italian company to have joined the initiative**, a significant **letter of thanks** which attests to the active role of Pattern in achieving climate neutrality. The letter is published on the institutional website of Pattern.

BUSINESS OUTLOOK

Historically, due to the structure of the business and the seasonality of production, the second half of the year has a greater weight on the performance of the entire year of the company, in terms of revenues and margins.

The orders already acquired for the autumn-winter 2019 and those in the acquisition phase for the spring-summer 2020 period, will make it possible to reach the budget targets illustrated in the admission document, net of the non-recurring internal and external charges linked to the listing process.

Moreover, Pattern is working to increase the volumes of orders, in subsequent seasons, coming from more recently acquired customers.

The company's objective is to continue along the path of growth and, at the same time, improve profitability and consequently the operating cash generation.

DOCUMENTATION DEPOSIT

Copy of the Consolidated Financial Report as at June 30, 2019, including the Report of the Independent Auditors, will be made available to the public in accordance with the law at the registered office in Turin, as well as by publication on the institutional website www.pattern.it "Investors / Financial Documents" and on the authorized storage mechanism www.1info.it

About Pattern Group:

Pattern is a leading company in the design and production of fashion shows for the most important international luxury fashion brands. The company, which has more than tripled consolidated revenues in the last 6 years, now exceeding 40 million euros, is SA 8000 / Social Accountability certified, confirming the choice to invest in technologies, innovation and human resources. Since 2014 the company has also been the owner of the Esemplare brand dedicated to urbanwear and, in 2017, signed an agreement, which was then concluded in 2019, for the acquisition of Roscini Atelier Srl, a leader in modeling and production of the women's segment, to give further strength to a structured and integrated growth process.

For further information:

Nominated Adviser

CFO SIM S.p.A.

e-mail ecm@cfosim.com

tel. +39 02 30343 1

Pattern Investor e Media Relations

Sara De Benedetti sara.debenedetti@pattern.it

RECLASSIFIED INCOME STATEMENT	30/06/2019		30/06/2018		Var %
			Pro-forma		
Sales revenues	21,520,384		18,322,390		17%
Other revenues	33,292		123,649		-73%
Total revenues	21,553,676		18,446,039		17%
Change in inventories	3,565,794		2,816,386		27%
Value of production	25,119,470		21,262,425		18%
- <i>Raw materials purchases</i>	10,461,118		8,657,207		21%
- <i>Change in raw materials inventories</i>	-1,841,026		-1,101,282		67%
Raw materials consumption	8,620,092		7,555,925		14%
Service costs	9,845,795		8,027,814		23%
Leases and rentals costs	259,811		300,037		-13%
Personnel costs	4,288,631		3,651,487		17%
Other operating expenses	66,879		37,081		80%
Ebitda	2,038,262		1,690,080		21%
Depreciation, provisions and write-downs	215,375		213,649		1%
Ebit	1,822,887		1,476,431		23%
Net financial income/(loss)	-37,485		-12,905		190%
Value adjustments to net financial assets	0		0		n.d.
Ebt	1,785,402		1,463,526		22%
Current and deferred taxes	544,491		401,254		36%
Net result	1,240,911		1,062,272		17%

BALANCE SHEET	30/06/2019		31/12/2018		Var %
(in euros)			Pro-forma		
Assets					
Fixed assets	2,767,177		1,807,569		53%
Current assets	23,796,516		14,721,726		62%
Prepayments and accrued income	532,263		270,456		97%
Total	27,095,956		16,799,751		61%
Liabilities					
Shareholders' Equity	6,341,989		6,914,898		-8%
Provisions for risks and charges	11,499		36,683		-69%
employee termination indemnity	814,309		791,225		3%
Financial debts	4,009,482		2,472,772		62%
Trade and other payables	15,902,638		6,569,913		142%
Accrued expenses and deferred income	16,039		14,260		12%
Total	27,095,956		16,799,751		61%

FINANCIAL SITUATION	30/06/2019		31/12/2018		Var %
(in euros)			Pro-forma		
Liquidity	8,091,294		6,391,972		27%
Short-term bank debts	793,986		1,144,388		-31%
Medium-term bank debts	2,815,496		1,328,384		112%
Bank debt	3,609,482		2,472,772		46%
Other medium-term financial debts	400,000		0		n.d.
Net financial position	4,081,812		3,919,200		4%

Sources and Uses Prospectus	30/06/2019		31/12/2018		Var %
(in euros)			Pro-forma		
Fixed assets	2,767,177		1,807,569		53%
Warehouse	8,684,712		3,277,892		165%
Accounts receivable	6,360,183		3,861,349		65%
Other receivables	660,327		1,190,513		-45%
Prepayments and accrued income	532,263		270,456		97%
Working capital	16,237,485		8,600,210		89%
Accounts payable	-12,745,645		-4,412,655		189%
Other payables	-3,156,993		-2,157,258		46%
Accrued expenses and deferred income	-16,039		-14,260		12%
Net working capital	318,808		2,016,037		-84%
Funds	-825,808		-827,908		0%
Net invested capital	2,260,177		2,995,698		-25%
Shareholders' Equity	6,341,989		6,914,898		-8%
Net financial position	-4,081,812		-3,919,200		4%
Total sources	2,260,177		2,995,698		-25%