

**THE BOARD OF DIRECTORS OF PATTERN  
APPROVES THE CONSOLIDATED HALF-YEAR REPORT AS AT 30 JUNE 2021**

**EXCELLENT RECOVERY OF ALL ECONOMIC MARGINS  
DOUBLE-DIGIT GROWTH COMPARED TO H1 2020**

- **Revenues: € 31.1 million (€ 24.5 million)<sup>1</sup> + 26.8%**
- **EBITDA:<sup>2</sup> € 3.4 million (€ 2.5 million) +36.4%; EBITDA Margin 10.9% (10.2%)**
- **Group profit: € 1.2 million (€ 1.0 million) +14%**
- **NFP positive for € 5.0 million (€ 8.8 million), a clear improvement compared to 30 June 2020 (€ 3.9 million)**

Turin, 27 September 2021 – The Board of Directors meeting of **Pattern S.p.A (AIM:PTR)**, an Italian company founded in 2000 by Francesco Martorella and Fulvio Botto, featuring among the leading players **in the pattern-making engineering, development, prototyping and production** of fashion lines for some of the most prestigious brands, exclusively top luxury segment, was held today and it approved the **Consolidated Half-Year Report as at 30 June 2021**.

**CONSOLIDATED ECONOMIC AND FINANCIAL DATA AS AT 30 JUNE 2021**

<i>€ million</i>	1H 2021	1H 2020	Var %
<b>Total Revenues</b>	<b>31.1</b>	<b>24.5</b>	<b>26.8%</b>
<b>Value of Production</b>	<b>33.4</b>	<b>25.1</b>	<b>32.8%</b>
<b>EBITDA</b>	<b>3.4</b>	<b>2.5</b>	<b>36.4%</b>
<i>EBITDA Margin</i>	<i>10.9%</i>	<i>10.2%</i>	
<b>Group's Net Result</b>	<b>1.2</b>	<b>1.0</b>	<b>14.0%</b>

**Total revenues** as at 30 June 2021 stood at € 31.1 million, up 26.8% compared to revenues as at 30 June 2020.

**Value of production** reached € 33.4 million, an increase of 32.8% compared to € 25.1 million last year.

Among the cost items, **raw material consumption** amounted to € 11.1 million (€ 6.8 million), up 62.2% as a result of: an increase in the weight of raw materials in the products made, a rise in the share of Pattern sales - whose garments have a higher raw material content - and a reduction in margins on orders with a high raw material content.

**Costs for services** amounted to € 10.9 million (€ 9.1 million), an increase of 20.4%.

<sup>1</sup> Economic and financial data in brackets refer to 30 June 2020 and 31 December 2019

<sup>2</sup>EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization – 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/amortization policies. This indicator is defined by Pattern as Profit/(Loss) for the period before amortization/depreciation and write-downs of tangible and intangible fixed assets, financial income and expenses and income taxes.

**Lease and rental costs** stood at € 743 thousand, in line with the first half of 2020 of € 733 thousand.

**Personnel costs** rose from € 5.9 million to € 7.1 million at 30 June 2021, an increase of 20.6% linked to the termination of the redundancy fund, which resulted in savings of € 1 million at 30 June 2020, down to € 400 thousand at 30 June 2021.

**Ebitda**, as a result of the items commented above, was positive by € 3.4 million (€ 2.5 million), recording a significant increase of 36.4%. Excluding the tax credit of € 500 thousand from 30 June 2020, the increase in EBITDA at 30 June 2021 would have been 70.7%.

The **Ebitda margin** stood at 10.9%, an improvement on 30 June 2020 (10.2%).

**Depreciation and amortisation** increased by 24.1%, from € 895 thousand to € 1.1 million, due to the new finished goods warehouse in Collegno becoming operational and the increase in the investment in Società Manifattura Tessile from 51% to 80%.

Taxes for the period increased sharply, from € 230 thousand to € 743 thousand, due to the return of the tax rate to pre-2020 levels.

The **Pattern Group's net profit** amounted to € 1.2 million (€ 1.0 million), an increase of 14.0% against last June 2020.

**Net invested capital** rose sharply from € 12.2 million at 31 December 2020 to € 17.2 million at 30 June 2021. This result is due to an increase in fixed assets and net working capital.

**Fixed assets** amounted to € 13.2 million, up 21.5% from € 10.8 million at 31 December 2020, due to the acquisition of 29% of S.M.T.

**Net working capital** rose from € 3.2 million to € 6.1 million. This increase is due to the seasonality effect peculiar to the Pattern Group's sector. At the end of the first half of 2021, the production of autumn-winter orders is in full swing and less than half have been delivered.

**Net equity** increased by 6.1% from € 20.9 million to € 22.2 million. Group equity amounted to € 21.1 million (€ 18.9 million).

The **net financial position** was a positive € 5.0 million, compared to a positive € 8.8 million at 31 December 2020, following the outlay made by Pattern for cash purchase of 19% of S.M.T.; it marked nevertheless an improvement on the € 3.9 million in the first half of 2020.

**As at 31 August, the net financial position was positive at € 5.9 million**, an improvement of 18.8% compared to € 5.0 million at the end of June.

It is important to note the **high level of the Group's cash and cash equivalents**, amounting to approximately € 19 million at 30 June 2021.

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## MAIN SIGNIFICANT EVENTS OCCURRED DURING AND AFTER THE FIRST HALF 2021

**16 February 2021** - Pattern's Board of Directors has officially approved the company's **four-year strategic plan**, in line with the company's mission to create and expand the “**Italian Hub of Luxury Fashion Engineering**”.

Starting from a rapidly changing market scenario, the plan - focusing on the four-year period 2021-24 - aims not only to seize opportunities, but also to make the company's working methods and cultural approach flexible through five key points - called "5E".

**5 March 2021** - Pattern **finalises the closing for the purchase of 29% of Società Manifattura Tessile**.

The 19% was purchased directly from Stefano Casini, founder and CEO of Società Manifattura Tessile, and a further 10% from Camer Srl, a wholly owned subsidiary of Stefano Casini, for a total price of € 3.9 million. For the purchase of 19%, a cash payment of € 2,555,000 was agreed, while for the remaining 10%, the price of which was set at € 1,345,000, a payment in kind was arranged, through the assignment to Camer of newly issued Pattern ordinary shares, to be subscribed as part of a reserved capital increase. The capital increase of €1,345,000 approved on 5 March to service the transaction was carried out as follows: the share capital was increased by €34,754.50; the difference of €1,310,245.50 was booked to the share premium reserve.

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## FORESEEABLE EVOLUTION OF OPERATIONS

Looking at Pattern's reference market as a whole, after a still weak first half of the year, due to a carry-over effect from what happened in 2020, **expectations are for a second half featuring economic recovery** also in Western countries, thanks to the implementation of vaccination campaigns (sales in Far-Eastern markets were also positive in the first part of the year).

As regards the Patten Group specifically, as it is the case every year due to the seasonal nature of the sector, in the period from July to December, production of the autumn-winter collections is completed and delivered, and a significant part of the spring-summer collections is produced.

Orders for autumn-winter 2021-2022 have therefore been acquired in full and deliveries are now being completed, while orders for spring-summer 2022 are being collected. Overall, volumes are higher in the second half of the year.

The Group's backlog suggests that **the second half of the year may improve, albeit moderately**, on the results of the first half, not only in terms of revenues, but also in terms of operating margins and net financial position, on a like-for-like basis.

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## INTRODUCTION OF THE “231 MODEL”/APPROVAL OF THE “231 MODEL”

In 2021, Pattern launched a project aimed at analysing the system of preventive controls to mitigate the offences provided for in Legislative Decree 231, with the aim of adopting an **Organisation and Management Model pursuant to Legislative Decree 231/01** (also known as "Model 231").

On the basis of these documents, the Company's Model 231 was prepared, including specific training for all management. Subsequently, starting in June, the approval phase was started by the Board of Directors, to be followed by the implementation phase. In addition, a **Supervisory Board** was set up, consisting of a number of independent external members, with the task of supervising the operation of and compliance with Model 231.

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## FILING OF DOCUMENTATION

A copy of the Report on Operations as at 30 June 2021, including the Independent Auditors' Report, will be made available to the public within the terms of the law at the Company's registered office in Turin, as well as by publication on the institutional website [www.pattern.it](http://www.pattern.it) in the "Investor/Financial Statements and Periodic Reports" section and on the authorised storage mechanism [www.linfo.it](http://www.linfo.it).

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The Group's results for the first half of 2021 will be presented to the financial community on 28 September 2021 during a conference call at 9.30 a.m. CEST (UTC +02:00). For further information, a list of contacts is provided at the end of this press release.

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### About Pattern Group:

Pattern Spa is a leading company in **engineering, pattern-making and production of runways' collections** of the most **prestigious international fashion luxury brands** and, since 2014, is the owner of the outerwear brand ESEMPLARE. The company, **founded in 2000 by Franco Martorella and Fulvio Botto**, began in 2017 a structured and integrated growing process thanks, first, to the acquisition of **Roscini Atelier Srl**, leader in the pattern-making and production of the women's lines, and then in 2019 to the merger in the group of **Società Manifattura Tessile (S.M.T.)**, historical company specialized into prototype and production of luxury knitwear, giving life to the **Italian hub of luxury fashion engineering**. Pattern Spa listed on the **AIM segment of Borsa Italiana** on 2019 and was the first Italian company in its sector to have obtained in 2013 the **SA8000/Social Accountability** certification and the first Italian signatory in 2019 of the United Nations' Fashion Climate Action Charter. Pattern is also one of the few Italian companies in the sector to have since 2019 an **ESG Rating issued by CDP** (in 2020 it obtained the B- level), confirming the company's strategic choice to invest in sustainability, technology and human resources.

### For further information:

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<b>PATTERN GROUP INCOME STATEMENT</b>	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>Change %</b>
(amounts in euro)			
Revenues from sales	30,869,299	23,808,834	29.7 %
Other revenues	247,186	728,683	-66.1%
<b>Total revenues</b>	<b>31,116,485</b>	<b>24,537,517</b>	<b>26.8 %</b>
Change in inventories of work in progress, semi-finished and finished products	2,242,001	579,998	286.6%
<b>Production value</b>	<b>33,358,486</b>	<b>25,117,515</b>	<b>32.8 %</b>
- Purchases of raw materials	12,180,156	6,969,171	74.8 %
- Change in inventories of raw materials	-1,130,007	-158,310	613.8%
Raw material consumption	11,050,149	6,810,861	62.2%
Costs for services	10,933,048	9,081,648	20.4%
Costs for rents and leases	743,466	732,594	1.5%
Personnel costs	7,121,910	5,906,270	20.6%
Other operating expenses	110,303	94,127	17.2%
<b>Ebitda</b>	<b>3,399,610</b>	<b>2,492,015</b>	<b>36.4%</b>
Amortisation, depreciation, provisions and write-downs	1,110,752	894,868	24.1%
<b>Ebit</b>	<b>2,288,858</b>	<b>1,597,147</b>	<b>43.3%</b>
Net financial income (expense)	-58,379	-60,568	-3.6 %
<b>Pre-tax result</b>	<b>2,230,479</b>	<b>1,536,579</b>	<b>45.2%</b>
Current and deferred taxes	743,385	230,325	222.8%
<b>Profit (loss) for the period</b>	<b>1,487,094</b>	<b>1,306,254</b>	<b>13.8 %</b>
<b>Group profit (loss) for the period</b>	<b>1,172,878</b>	<b>1,028,844</b>	<b>14.0%</b>

<b>PATTERN GROUP RECLASSIFIED BALANCE SHEET</b>	<b>30.06.2021</b>	<b>31.12.2020</b>	<b>Change %</b>	<b>30.06.2020</b>	<b>Change %</b>
(amounts in euro)					
Intangible assets	7,713,734	5,301,429	45.5%	5,668,992	36.1%
Tangible assets	5,249,178	5,354,105	-2.0%	4,566,402	15.0%
Financial assets	219,865	194,234	13.2%	221,788	-0.9%
<b>Total assets</b>	<b>13,182,777</b>	<b>10,849,768</b>	<b>21.5%</b>	<b>10,457,182</b>	<b>26.1%</b>
Inventories	7,660,685	4,288,676	78.6%	5,201,060	47.3%
Receivables from customers	12,738,745	8,682,850	46.7%	9,250,573	37.7%
Other receivables	2,103,632	2,059,491	2.1%	2,659,027	-20.9%
Accrued and deferred assets	579,983	529,684	9.5%	718,877	-19.3%
<b>Working capital</b>	<b>23,083,045</b>	<b>15,560,701</b>	<b>48.3%</b>	<b>17,829,537</b>	<b>29.5%</b>
Payables to suppliers	-13,276,462	-9,664,036	37.4%	-7,291,225	82.1%
Other payables	-3,377,712	-2,512,753	34.4%	-3,170,224	6.5%
Accrued and deferred liabilities	-348,260	-155,091	124.6%	-75,834	359.2%
<b>Net working capital</b>	<b>6,080,611</b>	<b>3,228,821</b>	<b>88.3%</b>	<b>7,292,254</b>	<b>-16.6%</b>
<b>Provisions for risks and TFR (employee severance indemnity)</b>	<b>-2,050,077</b>	<b>-1,923,253</b>	<b>6.6%</b>	<b>-1,751,218</b>	<b>17.1%</b>
<b>Net invested capital</b>	<b>17,213,311</b>	<b>12,155,336</b>	<b>41.6%</b>	<b>15,998,218</b>	<b>7.6%</b>
<b>Shareholders' equity</b>	<b>22,206,419</b>	<b>20,931,499</b>	<b>6.1%</b>	<b>19,930,327</b>	<b>11.4%</b>
<i>of which of the Group</i>	<i>21,076,180</i>	<i>18,932,242</i>	<i>11.3%</i>	<i>18,381,546</i>	<i>14.7%</i>
Financial debt under 12 months	2,815,023	2,096,254	34,3%	4,213,524	-33,2%
Financial debt over 12 months	10,877,547	12,746,586	-14,7%	9,777,713	11,2%
Cash and cash equivalents	-18,685,678	-23,619,003	-20.9%	-17,923,346	4.3%
<b>Net financial position</b>	<b>-4,993,108</b>	<b>-8,776,163</b>	<b>-43.1%</b>	<b>-3,932,109</b>	<b>27.0%</b>
<b>Equity and Net financial position</b>	<b>17,213,311</b>	<b>12,155,336</b>	<b>41.6%</b>	<b>15,998,218</b>	<b>7.6%</b>

<b>CHANGE IN NET FINANCIAL POSITION OF THE PATTERN GROUP (amounts in euro)</b>	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>Change %</b>
<b>NFP of the Group at the end of the previous year (A)</b>	<b>8,776,163</b>	<b>12,385,573</b>	<b>-29.1%</b>
<b>NFP of S.M.T. as at 1.01.2020 (A)</b>		<b>-2,721,311</b>	
Cash flow before changes in nwc	3,999,789	3,003,137	33,2%
Change in net working capital	-3,511,761	-4,370,048	-19,6%
Other changes	-1,060,260	-355,147	198,5%
Cash flow from operating activities (B)	-572,232	-1,722,057	-66.8%
Cash flow from investing activities (C)	-2,835,235	-4,304,095	-34.1%
Cash flow from industrial operations (D=B+C)	-3,407,467	-6,026,153	-43.5%
Cash flow from changes in net equity (E)	-375,588	294,000	-227.8%
<b>Reduction (Increase) of NFP (G=D+E)</b>	<b>-3,783,055</b>	<b>-5,732,153</b>	<b>-34,0%</b>
<b>Final NFP (A-G)</b>	<b>4,993,108</b>	<b>3,932,109</b>	<b>27.0%</b>