

**PATTERN'S BOARD OF DIRECTORS
APPROVES THE CONSOLIDATED HALF-YEAR REPORT
AS AT 30 JUNE 2022**

More than positive performance of all economic indicators reflecting a significant contribution of all product categories handled by the Group (Clothing, Knitwear, Leather Goods) improving both thanks to buoyant organic growth and as a result of the latest positive acquisitions completed¹

- **Revenues:** € 49.1 million (€ 31.1 million)² + 57.8%
- **EBITDA³:** € 5.5 million (€ 3.4 million) +61.1%; *EBITDA Margin* 11.2% (10.9%)
- **Group profit:** € 1.9 million (€ 1.2 million) +61.6%
- **Negative NFP** for € 2.7 million (positive for € 3.1 million at end of 2021)

Turin, 26 September 2022 – The Board of Directors of **Pattern S.p.A. (EGM: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 apparel lines for the world's most prestigious top brands, in the men's and women's fashion show and first lines segment, held today, approved the **Consolidated Half-Year Report as at 30 June 2022**, subject to limited audit.

CONSOLIDATED FINANCIAL DATA AS AT 30 JUNE 2022

Total revenues as at 30 June 2022 stood at € 49.1 million, up 57.8% compared to the revenues of 30 June 2021 (€ 31.1 million). All business areas improved, both those already included in the scope of consolidation at the end of the first half of last year (clothing and knitwear), and the leather goods segment, which was consolidated as of the close of fiscal year 2021; the contribution by business segment was as follows:

Sales revenue by business segment	30.06.2022	30.06.2021	Var %
Clothing	20,750,084	19,302,379	7.5%
Knitwear	17,795,791	11,566,920	53.9%
Leather Goods ⁴	9,575,814	0	n.d.
Total sales revenues	48,121,689	30,869,299	55.9%

The above highlighted an important contribution from the knitwear sector resulting from both organic growth and the acquisition of Zanni S.r.l.

¹ The like-for-like results in the profit and loss account confirm and even further enhance the growth trend recorded in the first half of the year.

² Figures in brackets refer to economic data as at 30 June 2021 and financial data as at 31 December 2021.

³ EBITDA: Alternative Performance Indicator: EBITDA (Earnings Before Interest Taxes Depreciations and Amortisations) is an alternative performance indicator not defined by Italian GAAP but used by the company's management to monitor and assess its operating performance, as it is not affected by volatility due to the effects of the different criteria for determining taxable income, the amount and characteristics of capital employed as well as the related depreciation and amortisation policies. This indicator is defined by Pattern as Profit/(Loss) for the period before depreciation, amortisation and impairment of tangible and intangible assets, financial income and expenses and income taxes.

⁴ As of 1H2021, leather goods business segment data were not present as the acquisition of Idee Partner was completed in the second half of 2021.

The **value of production** reached € 50.3 million, an increase of 50.7% compared to 30 June 2021 (€ 33.4 million).

Cost items include **costs for services**, which amounted to € 18.7 million (€ 10.9 million), up 70.9% due to the increased use of external production services, which was necessary to cope with the rise in volumes.

Raw material consumption stood at € 13.9 million (€ 11.1 million), an increase of 25.6%.

Lease and rental costs amounted to € 1 million, up 40.1% compared to 1H2021.

Personnel costs stood at € 10.9 million, an increase of 53.5% compared to 30 June 2021 (€ 7.1 million), but two factors must be taken into account: a) the use of the redundancy fund in Pattern in the first half of last year; b) the greater weight of this item in some of the companies that were consolidated for the first time.

Ebitda, as a result of the items commented on above, was positive for € 5.5 million, recording a significant increase of 61.1% compared to 30 June 2021 (€ 3.4 million).

The **Ebitda Margin** stood at 11.2%, an improvement compared to 30 June 2021 (10.9%).

Depreciation and amortisation rose by 49.0%, from € 1.1 million to € 1.6 million, due to both the contribution of the newly consolidated companies and the amortization of goodwill following the acquisition of Idee Partners, Petri & Lombardi and Zanni.

Ebit increased by 67.1%, from € 2.3 million as at 30 June 2021 to € 3.8 million.

Net financial expenses increased by 72.4% from € 58,000 to € 101,000, also due to the first effects of rising interest rates.

The Pattern Group's net profit amounted to € 1.9 million (€ 1.2 million), an increase of 61.6% compared to June 2021.

Net invested capital went up from € 22 million as of 31 December 2021 to € 29 million as of 30 June 2022 also as a result of recent extraordinary transactions.

Fixed assets amounted to € 24.6 million, up 37.6% from € 17.9 million as at 31 December 2021.

In particular, the change in **tangible fixed assets**, which went from € 6.2 million to € 9.3 million, was largely due to the purchase of the building in Spello for € 2.1 million, in addition to the consolidation of Zanni for € 1.3 million.

Financial fixed assets amounted to € 3 million, against € 281 thousand at the end of 2021, due to the purchase of the 70% stake in RGB Srl for € 2.3 million.

Net working capital went from € 7 million to € 8.1 million. It is a negligible increase if one takes into account: a) the growth in volumes; b) the fact that production activities were in full swing at the end of June; c) that the consolidation of Zanni weighed in at over € 600,000 (just under 60% of the overall change).

Equity increased by 6.0% from € 25.1 million to € 26.6 million. Group equity amounted to € 24 million (€ 22.9 million).

The **net financial position** was negative at € 2.7 million, compared to a positive € 3.1 million as at 31 December 2021, as a result of the significant investments made in the first half of 2022.

Liquidity remains high at € 22.2 million (€ 22.8 million at the end of 2021). Given the significant upward trend in interest rates, the orientation for the immediate future is to reduce the stock of liquidity and consequently limit any growth in bank debt for acquisitions.

MAIN SIGNIFICANT EVENTS OCCURRED DURING AND AFTER THE FIRST HALF 2022

7 February 2022 - The acquisition of 100% of Zanni S.r.l., a company from Emilia Romagna specializing in the prototyping and production of seamless wholegarment knitwear and knitted accessories, has been finalized through its 80% subsidiary S.M.T. S.r.l. The agreed price is € 4.3 million and includes the value of the property owned by Zanni Srl and the positive NFP (cash).

16 February 2021 - Signing of purchase agreement to acquire the property where Roscini Atelier is headquartered, located in Spello (PG) and already held by Pattern on a lease basis; the facilities focus on the engineering and pattern-making of the high-end women's lines.

The purchase price is €2 million and includes, in addition to a single building of approximately 5,000 square meters, the photovoltaic system which is currently in operation.

4 April 2022 - Idee Partners S.r.l., a subsidiary of Pattern, which holds 54% of its share capital, has signed a binding investment agreement for the purchase of 70% of the share capital of RGB S.p.A. (benefit company), a Tuscan company specialized in the manufacturing and processing of leather accessories.

4 April 2022 - The Board of Directors of Pattern S.p.A. has verified the achievement of the group's valuation objectives – as defined in the 2019-2022 Stock Grant Plan (the "Plan") approved at the time of listing – and the right to allocate 187,379 ordinary shares to CEO Luca Sburlati, relating to the second and third tranche of the Plan

10 May 2022 - Completion of the purchase by Idee Partners Srl of 70% of RGB Srl, a Tuscan company specializing in the manufacturing and processing of leather accessories. The total price paid was € 2.275 million.

18 July 2022 - Investment agreement signed for the acquisition of 70% of D-Holding S.r.l., the holding company of Bond Factory S.r.l and its subsidiaries. Bond Factory (known as Dyloan) is a company based in the Abruzzo region (between Chieti and Pescara) and a leader in innovative technologies and R&D, as well as an advanced manufacturing hub.

The provisional agreed price for the Acquired Shareholding of approximately € 6.96 million is based on the value of the company adjusted by an estimated Net Financial Position of approximately € 1.04 million. The provisional price will be subject to an adjustment mechanism based on the consolidated Net Financial Position at the closing date.

FORESEEABLE EVOLUTION OF OPERATIONS

As to the foreseeable future of operations, it is difficult to produce reliable forecasts for the second half of 2022, given the uncertainty in the markets and the serious material and economic consequences of the war in Ukraine, which began in February 2022.

The conflict in Ukraine has had limited direct impact on the majority of brands in the luxury sector (Russia's weight on the luxury market is estimated at around 2-3%, a significant but relatively small share), although it will have important consequences worldwide, not only for the serious humanitarian crisis, but also for the possible economic effects on global markets.

However, it should be emphasised that the Group does not operate directly in the countries involved in the conflict and that the brands it works with are not particularly exposed to this market.

Despite a still uncertain economic framework, the Pattern Group managed to develop the **project started in 2017 to build the "Italian Hub of Luxury Fashion Engineering"**, consolidating its growth strategy with the signing of the investment agreement for the purchase of 70% of D-Holding S.r.l.. The Group is therefore now present in the main product categories (men's and women's lines, clothing and accessories, stationary fabrics, knitwear and leather goods) from the research and prototyping phase through to production. It is a strategic partnership, given that over the years Dyloan has been able to internalize the best innovative and R&D technologies applied to luxury, thanks also to the creation and development of D-house, a creative and research laboratory in Milan.

FILING OF DOCUMENTATION

A copy of the Report on Operations as at 30 June 2022, including the 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 "Investors/Financial Documents" section and on the authorised storage mechanism www.linio.it.

The Group's results for the first half of 2022 will be presented to the financial community on 27 September 2022 during a conference call at 11.00 a.m. CEST (UTC +01:00). For further information, a list of contacts is provided at the end of this press release.

About Gruppo Pattern:

Pattern Spa is leading company in prototyping, engineering and production of fashion show collections for the most important international luxury fashion brands.

The company, founded in 2000 by Franco Martorella and Fulvio Botto, began in 2017 a structured growth process, which ended in 2022 with the creation of the **Italian Hub of Luxury Fashion Engineering**.

Following the listing on the Euronext Growth Milan Market of Borsa Italiana in 2019, Pattern continued its strong growth by external lines with the acquisition of 10 companies, each leader in the prototyping and production of different luxury product categories.

Pattern Group is therefore present today with **12 companies** in **7 regions of the Italian territory** (Lombardy, Piedmont, Emilia Romagna, Tuscany, Abruzzo, Umbria and Puglia), it is positioned on the **main luxury product categories** (men's and womenswear, clothing and accessories, still fabric, knitwear and leather goods) starting from the **Research and Engineering phase up to Production**.

Pattern Spa is also the first Italian company in the sector to have obtained the **SA8000 / Social Accountability Certification** in 2013 and an **ESG Rating** from 2019, confirming the company's strategic choice to invest in sustainability, technology and human resources.

<https://www.pattern.it/>

For further information:

Euronext Growth Advisor

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

IR Advisor – CDR Communication

Silvia Di Rosa silvia.dirosa@cdr-communication.it

Claudia Gabriella Messina claudia.messina@cdr-communication.it

Marika Martinciglio marika.martinciglio@cdr-communication.it

In attachment:

Reclassified Consolidated Income Statement

Consolidated Sources and Uses Statement as at 30 June 2022

PATTERN GROUP INCOME STATEMENT	30.06.2022	30.06.2021 Pro forma	Change %
(amounts in euro)			
Revenues from sales	48,121,689	37,964,042	26.8%
Other revenues	980,661	305,724	220.8%
Total revenues	49,102,350	38,269,766	28.3%
Change in inventories	1,159,680	3,035,549	-61.8%
Value of production	50,262,030	41,305,315	21.7%
- Purchases of raw materials	15,050,344	13,462,636	11.8%
- Change in inventories of raw materials	-1,168,352	-941,717	24.1%
Raw material consumption	13,881,992	12,520,919	10.9%
Costs for services	18,685,249	14,066,923	32.8%
Costs for rents and leases	1,041,580	1,105,997	-5.8%
Personnel costs	10,931,759	8,793,140	24.3%
Other operating expenses	243,138	145,162	67.5%
Ebitda	5,478,312	4,673,173	17.2%
Amortisation, depreciation, provisions and write-downs	1,654,717	1,593,857	3.8%
Ebit	3,823,595	3,079,317	24.2%
Net financial expense	-100,641	-76,157	32.1%
Value adjustments of net financial assets	0	0	n.d.
Pre-tax result	3,722,954	3,003,159	24.0%
Current and deferred taxes	1,227,481	1,010,721	21.4%
Profit for the period	2,495,473	1,992,438	25.2%
Group profit for the period	1,895,624	1,368,995	38.5%

PATTERN GROUP RECLASSIFIED BALANCE SHEET	30.06.2022	31.12.2021	Change %
(amounts in euro)			
Intangible assets	12,237,914	11,357,607	7.8%
Tangible assets	9,329,099	6,227,176	49.8%
Financial assets	3,022,789	281,003	975.7%
Total assets	24,589,802	17,865,786	37.6%
Inventories	10,623,021	8,289,580	28.1%
Receivables from customers	17,246,166	15,323,201	12.5%
Other receivables	5,814,795	5,827,980	-0.2%
Accrued and deferred assets	804,598	459,091	75.3%
Working capital	34,488,580	29,899,852	15.3%
Payables to suppliers	-18,451,437	-17,669,125	4.4%
Other payables	-7,343,458	-4,584,035	60.2%
Accrued and deferred liabilities	-608,436	-617,941	-1.5%
Net working capital	8,085,249	7,028,751	15.0%
Provisions for risks and TFR (employee severance indemnity)	-3,398,785	-2,857,431	18.9%
Net invested capital	29,276,266	22,037,106	32.8%
Shareholders' equity	26,623,103	25,123,663	6.0%
<i>of which of the Group</i>	<i>24,022,453</i>	<i>22,922,861</i>	<i>4.8%</i>
Financial debt under 12 months	4,948,396	4,256,718	16.2%
Financial debt over 12 months	19,869,729	15,450,910	28.6%
Cash and cash equivalents	-22,164,962	-22,794,185	-2.8%
Net financial position	2,653,163	-3,086,557	-186.0%
Equity and Net financial position	29,276,266	22,037,106	32.8%

CHANGE IN NET FINANCIAL POSITION OF THE PATTERN GROUP (amounts in euro)	30.06.2022	30.06.2021	Change %
Starting NFP of the Group (A)	3,086,557	8,776,163	-64.8%
NFP of newly consolidated companies, net of cash acquired at the beginning of the year	1,328,851	0	n.d.
Cash flow before changes in nwc	6,364,011	3,999,789	59.1%
Change in net working capital	-2,115,918	-3,463,096	-38.9%
Other changes	-2,121,792	-1,108,925	91.3%
Cash flow from operating activities (B)	2,126,301	-572,232	-471.6%
Cash flow from investing activities (C)	-8,101,070	-2,835,235	185.7%
Cash flow from industrial operations (D=B+C)	-5,974,769	-3,407,467	75.3%
Cash flow from changes in net equity (E)	-1,185,979	-375,588	215.8%
Other changes	92,177	0	n.d.
Reduction (Increase) of NFP (G=D+E)	-7,068,571	-3,783,055	86.8%
Final NFP of the Group (A-G)	-2,653,163	4,993,108	-153.1%