

**THE BOARD OF DIRECTORS OF PATTERN
APPROVES THE DRAFT FINANCIAL STATEMENTS AND
CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021**

**THANKS TO CONTINUED ORGANIC AND EXTERNAL GROWTH, THE PATTERN GROUP
CONFIRMS DOUBLE-DIGIT REVENUE PERFORMANCE (+32.2%)**

IMPROVED MARGINS OF 11%

**PROPOSED DIVIDEND OF € 0.071 PER SHARE
DIVIDEND YIELD UP FROM 0.6% IN 2020 TO 1.4% IN 2021**

**ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING CONVENED
FOR 28 APRIL 2022**

- **Revenues from sales:** € 69.5 million (€ 52.6 million)¹**+32,2%**
- **EBITDA²:** € 7,7 million (€ 5,4 million) **+42,8%**
- **EBITDA Margin:** 11% (10%)
- **Net profit for the year:** € 3.7 million (€ 3.0 million) **+22,6%**
- **NFP Cash positive** for € 3.1 million (cash positive for € 8.8 million)

Turin, 28 March 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 fashion lines for some of the most prestigious brands, exclusively top luxury segment, held today, approved the **Parent Company's draft Financial Statements** and **Consolidated Financial Statements as at 31 December 2021**.

CONSOLIDATED FINANCIAL DATA AS AT 31 DECEMBER 2021

Revenues from sales at 31 December 2021 stood at € 69.5 million compared to € 52.6 million at 31 December 2020, thus showing a significant increase, **equal to 32,2%**.

As regards the breakdown of the value of production by sector of activity and the relative changes compared to the previous year, the knitwear segment is the one that reported the most remarkable increase (41.5%), but the clothing sector also showed a notable recovery (25.9%). The leather sector cannot be assessed at the moment as last year it was not part of the Group and this year only one month of the financial year has been consolidated.

Inventories of semi-finished and finished products rose considerably, from € 0.2 million to € 2.5

¹ Economic and financial data in brackets refer to 31 December 2020

² 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.

million, due to some delays in deliveries, which in turn were the result of delays in the delivery of raw materials and the slowdown in the production activities of external manufacturing workshops due to the pandemic.

As a result of the latter, the **value of production** surged by 34.2% from € 54 million at 31 December 2020 to € 72.5 million at the end of 2021.

The noteworthy swelling of 43.6% in **raw material consumption**, from € 15.5 million to € 22.3 million as at 31 December 2021, is partly due to the product mix with a higher raw material content in terms of value.

Costs for services amounted to € 25.6 million against € 19.0 million in the 2020 financial year, a rise of 34.4 % and in line with the increase in value of production.

Personnel costs went from € 12.4 million to € 15.2 million as at 31 December 2021, an increase of 22.3%. This is mainly due to the confinement measures adopted last year, when total savings of € 2 million were achieved, compared to € 0.5 million this year, when limited use was made of the furlough scheme in the first half of 2021.

EBITDA, as a result of the items commented above, amounted to € 7.7 million versus € 5.4 million at 31 December 2020, up 42.8%; the **EBITDA margin** stood at around 11% compared to around 10% at 31 December 2020.

Net profit for the year went up by 22.6% to € 3.7 million against € 3.0 million at 31 December 2020. The **Group's** share increased by 32.1% to € 3.0 million from € 2.3 million, partly due to the enlarged scope of consolidation of Società Manifattura Tessile, which went from 51% to 80%.

Fixed assets totalled € 17.9 million, up significantly from € 10.9 million at 31 December 2020, mainly due to the goodwill arising from the consolidation of S.M.T. and Idee Partners.

Net working capital - at € 7 million - soared by 117.7% compared to € 3.2 million as at 31 December 2020. This is partly due to the enlargement of the consolidation area, but mainly to the increase in tax receivables (from € 1.6 to 5.2 million) and in particular VAT receivables, which amounted to € 3.8 million at year-end.

The **cash positive net financial position** fell from € 8.8 million to € 3.1 million, partly as a result of the major investments made during the year. The **level of cash and cash equivalents remains very high**, amounting to € 22.8 million at the end of 2021 against € 23.6 million at the end of 2020.

MAIN SIGNIFICANT EVENTS OCCURRED DURING 2021

5 March 2021 - Closing for the purchase of an additional 29% of the share capital of S.M.T. S.r.l. (Società Manifattura Tessile or "SMT"), a company based in Reggio Emilia operating in the luxury knitwear sector, already 51% owned (see press release dated 31 March 2020), to reach 80% of the share capital (see press release dated 24 February 2020).

26 April 2021 - New composition of the share capital resulting from the allotment of 12,621 ordinary shares following the exercise of 12,621 rights relating to the second tranche of the 2019-2022 Stock Grant Plan.

16 November 2021 - Acquisition of 54% of Idee Consulting S.r.l. (which became Idee Partners on 1 January 2022), a Tuscan company operating in the luxury leather goods sector (mainly bags and small accessories).

MAIN SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSE OF THE YEAR 2021

7 February 2022 - The acquisition of 100% of Zanni S.r.l., a company from Emilia Romagna specialising in the prototyping and production of seamless wholegarment knitwear and knitted accessories, has been finalised 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 metres, the photovoltaic system which is currently in operation.

FORESEEABLE EVOLUTION OF OPERATIONS

The fashion market will increasingly be characterised by some of the **new trends** highlighted for the luxury business. Companies will have to be able to react to the current uncertain environment, a situation in which flexibility and quick decision-making will be key.

Strategically, the imperative for 2022 will therefore be to **keep seizing commercial opportunities in segments, markets and channels other than** the current ones, also possibly with M&A transactions.

As far as economic trends are concerned, the outlook for 2022 is still for a "disrupted" market, with a first half of the year still showing good growth and a second half that is still uncertain due to the political situation in Ukraine.

In the medium to long term, **the outlook for 2023 and 2024 appears entirely positive**. In general, greater sensitivity is expected for manufacturing quality and product and supply chain sustainability, also in light of the current reshoring to Italy of activities previously carried out abroad, with a consequent expansion of Made in Italy in the luxury segment.

This scenario will further benefit the *maisons* belonging to the large foreign groups operating in this sector - especially the French ones - as their supply chain has never left Italy.

ECONOMIC AND FINANCIAL DATA OF THE PARENT COMPANY PATTERN S.P.A.

The Parent Company's **sales revenue** is € 43.1 million (€ 34.2 million in 2020), while the value of production at the end of 2021 equals € 44.4 million (€ 35.2 million in 2020). EBITDA stands at € 2.2 million (€ 2.5 million in 2020). The Net Financial Position is positive by € 0.6 million (positive by € 8.7 million at 31 December 2020), with a **very high liquidity** component of almost € 13.8 million.

ALLOCATION OF THE OPERATING RESULT

Together with the approval of the financial statements as at 31 December 2021, the proposal is to allocate the profit for the year of € 1,745,970.73 as follows:

- €252.42 to the legal reserve, up to the legal limit pursuant to Article 2430 of the Italian Civil Code;
- € 999,364.05 as a dividend to shareholders, corresponding to € 0.071 for each of the 14,075,550 ordinary shares making up the Company's share capital at the current date. The dividend will be paid as of 25 May 2022, with ex-dividend date on 23 May 2022 and record date on 24 May 2022;
- the residual amount of € 746,354.26 to the extraordinary reserve.

In the event of the allocation of new shares in relation to the "2019-2022 Stock Grant Plan" to the maximum extent of 187,379 shares prior to the shareholders' meeting to approve the financial statements, the proposed allocation of the profit for the year of €1,745,970.73 would be as follows:

- € 252.42 to the legal reserve, up to the legal limit pursuant to Article 2430 of the Italian Civil Code
- € 1,012,667.96 as a dividend to Shareholders, corresponding to € 0.071 for each of the 14,262,929 ordinary shares making up the Company's share capital at the current date. The dividend will be paid as of 25 May 2022, with ex-dividend date on 23 May 2022 and record date on 24 May 2022;
- the residual amount of € 733,050.35 to the extraordinary reserve.

The proposed dividend of € 0.071 per ordinary share corresponds to a dividend yield of approximately 1.4%, calculated on the basis of the closing price of Pattern shares on 25 March 2022.

NOTICE OF ORDINARY AND EXTRAORDINARY GENERAL MEETING

The Board of Directors resolved to convene the Ordinary and Extraordinary Shareholders' Meeting in first call on **28 April 2022** at the Company's registered office in Collegno (Turin), via Italia 6/A, to discuss and resolve on the following agenda:

Ordinary session

1. Approval of the financial statements as at 31 December 2021.
2. Allocation of the result for the year.
3. Appointment of the Board of Directors:
 - a. decision on the number of members;
 - b. decision on the term of office;
 - c. appointment of directors;
 - d. appointment of the chairman of the board of directors;
 - e. decision on the remuneration of the Board of Directors.
4. Appointment of the Board of Statutory Auditors:
 - a. appointment of the members of the board of auditors and its chairman;
 - b. decision on the remuneration of the statutory auditors.

Extraordinary session

1. Approval of the project for the merger of Pattern Project S.r.l. into Pattern S.p.A.; related and consequent resolutions.

FILING OF DOCUMENTATION

A copy of the Consolidated Financial Report as at 31 December 2021, 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.lininfo.it.

About Pattern Group:

Pattern Spa, **founded in 2000 by Franco Martorella and Fulvio Botto**, is a leading company in **engineering, pattern-making and production of runways' collections** for the most **prestigious fashion luxury brands** and, since 2014, is the owner of ESEMPLARE, excellence in research and innovation.

The company began in 2017 a structured and **integrated growing process**: thanks to the acquisition of Roscini Atelier srl, leader in luxury womenswear, followed in 2019 by the entry in the Group of Società Manifattura Tessile (S.M.T.), Emilian company specialized in luxury knitwear, in 2021 of Idee Partners, Tuscan excellence in leather goods, and in 2022 of Zanni, Emilian specialist in wholegarment knitwear technique, giving birth to **The Italian Hub of luxury fashion engineering**.

Pattern Spa listed in 2019 on Euronext Growth Milan segment of Borsa Italiana and was the first Italian company of the sector to achieve in 2013 the SA8000/Social Accountability Certification and in 2019 a ESG rating, confirming the company's strategic choice to **invest in sustainability, technology and human resources**.

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

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Statements annexed:

Reclassified Income Statement - Consolidated and of the Parent Company

Sources and Uses Prospectus - Consolidated and of the Parent Company as at December 31, 2021

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AS AT 31 DECEMBER 2021

PATTERN GROUP INCOME STATEMENT	31.12.2021	31.12.2020	Var %
(values in euro)			
Revenues from sales	69,505,795	52,584,370	32.2%
Other revenues	519,908	1,279,351	-59.4%
Total revenue	70,025,703	53,863,721	30.0%
Change in product inventories	2,495,576	156,150	1498.2%
Value of production	72,521,279	54,019,871	34.2%
- Purchases of raw materials	22,590,632	15,183,869	48.8%
- Change in inventories of raw materials	-307,450	330,226	-193.1%
Raw material consumption	22,283,182	15,514,095	43.6%
Cost of services	25,602,896	19,048,678	34.4%
Lease and rental costs	1,476,263	1,470,197	0.4%
Personnel costs	15,166,325	12,405,697	22.3%
Other operating expenses	302,688	196,420	54.1%
Ebitda	7,689,925	5,384,785	42.8%
Depreciation, provisions and write-downs	2,423,902	1,819,224	33.2%
Ebit	5,266,023	3,565,561	47.7%
Net financial charges	-125,014	-111,622	12.0%
Value adjustments of financial assets, net	0	-2,140	n.d.
Profit before tax	5,141,009	3,451,799	48.9%
Current and deferred taxes	1,467,453	455,655	222.1%
Profit (loss) for the period	3,673,556	2,996,144	22.6%
Group profit (loss) for the period	2,998,895	2,269,894	32.1%

RECLASSIFIED BALANCE SHEET OF THE PATTERN GROUP AS AT 31 DECEMBER 2021

PATTERN GROUP RECLASSIFIED BALANCE SHEET	31.12.2021	31.12.2020	Var %
(figures in euro)			
Intangible fixed assets	11,357,607	5,301,429	114.2%
Tangible fixed assets	6,227,176	5,354,105	16.3%
Financial fixed assets	281,003	194,234	44.7%
Total fixed assets	17,865, 867	10,849,768	64.7%
Inventory	8,289,580	4,288,676	93.3%
Receivables from customers	15,323,201	8,682,850	76.5%
Other receivables	5,827,980	2,059,491	183.0%
Accrued and deferred assets	459,091	529,684	-13.3%
Working capital	29,899,852	15,560,701	92.1%
Accounts payable to suppliers	-17,669,125	-9,664,036	82.8%
Other payables	-4,584,035	-2,512,753	82.4%
Accrued and deferred liabilities	-617,941	-155,091	298.4%
Net working capital	7,028,751	3,228,821	117.7%
Provisions for risks and employee severance indemnity	-2,857,431	-1,923,253	48.6%
Net invested capital	22,037,106	12,155,336	81.3%
Shareholders' equity	25,123,663	20,931,499	20.0%
- of which of the Group	22,922,861	18,932,242	21.1%
Financial debt under 12 months	4,256,718	2,096,254	103.1%
Financial debt over 12 months	15,450,910	12,746,586	21.2%
Cash and cash equivalents	-22,794,185	-23,619,003	-3.5%
Net financial position	-3,086,557	-8,776,163	-64.8%
Equity and Net financial position	22,037,106	12,155,336	81.3%

RECLASSIFIED INCOME STATEMENT OF THE PARENT COMPANY AT 31 DECEMBER 2021

PATTERN SPA INCOME STATEMENT	31.12.2021	31.12.2020	Var %
(values in euro)			
Revenues from sales	43,145,451	34,224,487	26.1%
Other revenues	122,323	698,837	-82.5%
Total revenues	43,267,774	34,923,324	23.9%
Change in product inventories	1,125,600	261,390	330.6%
Value of production	44,393,374	35,184,714	26.2%
- Purchases of raw materials	15,348,335	11,068,792	38.7%
- Change in inventories of raw materials	28,695	139,447	-79.4%
Raw material consumption	15,377,030	11,208,239	37.2%
Cost of services	16,522,641	12,804,240	29.0%
Lease and rental costs	795,040	713,288	11.5%
Personnel costs	9,279,326	7,775,262	19.3%
Other operating expenses	182,884	139,235	31.3%
Ebitda	2,236,453	2,544,450	-12.1%
Depreciation, provisions and write-downs	572,971	421,828	35.8%
Ebit	1,663,482	2,122,622	-21.6%
Net financial income (charges)	435,578	6,068	7078.3%
Value adjustments to financial assets, net	0	0	n.d.
Profit before tax	2,099,060	2,128,690	-1.4%
Current and deferred taxes	353,089	177,928	98.4%
Profit (loss) for the period	1,745,971	1,950,762	-10.5%

RECLASSIFIED BALANCE SHEET OF THE PARENT COMPANY AS AT 31 DECEMBER 2021

PATTERN SPA RECLASSIFIED BALANCE SHEET	31.12.2021	31.12.2020	Var %
(figures in euro)			
- Intangible assets	718,173	650,042	10.5%
- Tangible assets	2,701,933	2,663,956	1.4%
- Financial assets	13,637,470	5,706,266	139.0%
Total fixed assets	17,057,576	9,020,264	89.1%
Inventories	4,653,803	3,556,896	30.8%
Receivables from customers	7,672,126	5,045,077	52.1%
Other receivables	2,792,495	1,078,640	158.9%
Accrued and deferred assets	303,467	380,164	-20.2%
Working capital	15,421,891	10,060,777	53.3%
Payables to suppliers	-8,587,736	-6,692,290	28.3%
Other payables	-1,817,319	-1,484,103	22.5%
Accrued and deferred liabilities	-224,446	-31,278	617.6%
Net working capital	4,792,390	1,853,106	158.6%
Provisions for risks and employee severance indemnity	-1,227,160	-1,127,495	8.8%
Net invested capital	20,622,806	9,745,875	111.6%
Shareholders' equity	21,219,763	18,477,799	14.8%
- Financial debt under 12 months	2,843,335	1,587,097	79.2%
- Financial debt over 12 months	10,324,630	9,647,451	7.0%
- Cash and cash equivalents	-13,764,922	-19,966,472	-31.1%
Net financial position	-596.957	-8,731,924	-93.2%
Equity and Net financial position	20,622,806	9,745,875	111.6%