

PATTERN GROUP INVESTS AGAIN IN THE HUB OF LUXURY KNITWEAR IN EMILIA ROMAGNA: THE KNITWEAR VALLEY IS BORN

PATTERN, THROUGH ITS SUBSIDIARY SMT S.R.L., HAS SIGNED A BINDING INVESTMENT AGREEMENT FOR THE PURCHASE OF 100% OF NUOVA NICOL S.R.L., A COMPANY BASED IN EMILIA SPECIALISING IN THE PRODUCTION OF LUXURY KNITWEAR FOR WOMEN

Turin, 21 December 2022 – **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, announces that today it has signed a **binding investment agreement** for the purchase, through its subsidiary (80%) S.M.T. – Società Manifattura Tessile S.r.l., of **100% of Nuova Nicol S.r.l.**, a company based in Emilia specialising in the **production of luxury knitwear for women**.

Luca Sburlati, CEO of the Pattern Group, together with **Franco Martorella and Fulvio Botto**, Founders and Majority Shareholders of Pattern, commented:

*"We are delighted to announce this transaction that aims to **strengthen and optimize the excellence hubs set up** in the first phase of the Pattern Group's growth. Today the Emilia district is further extended to become what we have named the **"Knitwear Valley"** of the Group, i.e. the Hub of Luxury Knitwear Engineering and Production located between Reggio Emilia and Bologna."*

Pattern Group continues its second phase of growth, that of strengthening its districts and hubs of excellence. This second phase, which began with the acquisition of RGB in 2022 and aimed at further strengthening the leather goods hub in Tuscany, has now been consolidated through the inclusion of the Emilian knitwear factory Nuova Nicol within the Knitwear Hub.

This gave rise to what the Group has named the "Knitwear Valley", **an area specialised in the engineering and production of luxury knitwear located between Reggio Emilia and Bologna** and formed by S.M.T. (Società Manifattura Tessile) S.r.l., Zanni S.r.l. and Nuova Nicol S.r.l..

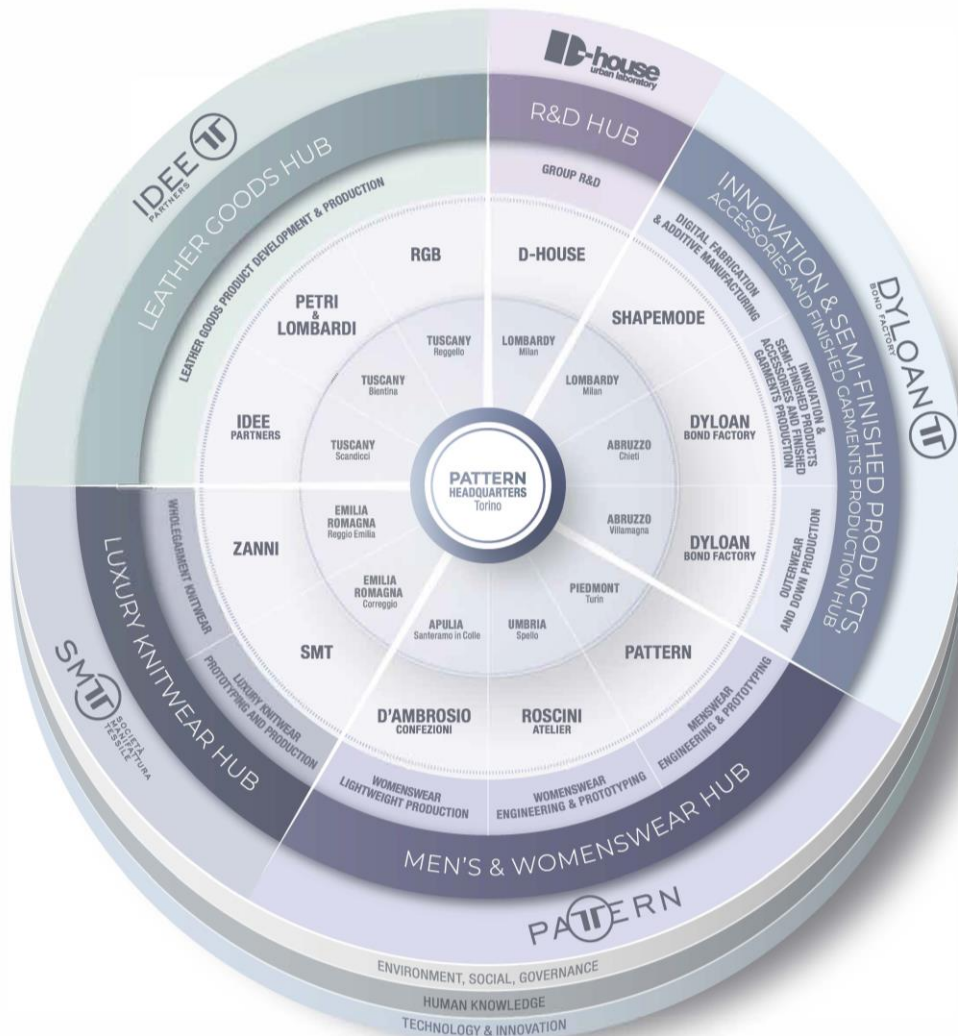
The Pattern Group to date represents the first **Italian Hub of Luxury Fashion Engineering & Production** and is structured around 5 hubs:

1. The Milan-based **R&D Hub** headed by D-house, the Group's urban innovation and research laboratory.
2. The **Hub of Innovation and Production of Semi-finished Products, Accessories and Finished Products** headed by **Dyloan Bond Factory** in the two Abruzzo plants of Chieti and Villamagna, and **ShapeMode**, based in Milan, specialising in "Digital Fabrication & Additive Manufacturing".
3. The **Men's and Womensweaer Hub** consisting of **Pattern** in Turin, the parent company, specialising in the engineering of menswear and outerwear, **Roscini Atelier** in Umbria and **D'Ambrosio Confezioni** in Apulia.

4. The **Hub of Luxury Knitwear** in Emilia-Romagna, consisting of **S.M.T** and **Zanni**, now joined by **Nuova Nicol**.
5. The **Leather goods Hub** in Tuscany, made up of **Idee Partners**, **RGB** and **Petri&Lombardi**.

Pattern Group

Luxury Engineering & Production



Technology and Innovation, ESG, Human Knowledge remain the Group's core values as well as the identifying values of each individual company and will continue to guide the future of the Group.

The addition of Nuova Nicol S.r.l. contributes to **further expanding the Group's presence in the luxury knitwear sector**, bringing in, after SMT and after Zanni, a distinct **set of technical skills of excellence in women's knitwear**. The inclusion of Nuova Nicol S.r.l. will therefore strengthen the Luxury Knitwear Hub by integrating **important technical know-how** and further enhancing the **production capacity**.

DESCRIPTION OF THE INVESTMENT AGREEMENT

The Investment Agreement provides for **the purchase by Pattern, through S.M.T. S.r.l. (an 80% subsidiary of Pattern), of 100% of the share capital of Nuova Nicol S.r.l.** – net of a series of non-core assets currently present in the Company's assets, which will be part of a spin-off subject to a demerger that will be finalised prior to the Closing – directly from the three shareholders Gianluca Nicoli, Michele Marchi and Rita Nanni, holders of, respectively, a stake equal to 99.636%, 0.182% and 0.182% of the share capital of Nuova Nicol S.r.l..

The established price is € 6 million based on the following assumptions agreed upon between the parties:

- a) the Shareholders' Equity of Nuova Nicol S.r.l. as at 31 December 2022, reduced by all components referred to in the Demerger, is not less than € 1.4 million;
- b) the gross profit of Nuova Nicol S.r.l., before taxes, without considering any impacts arising from the Demerger and therefore based on ordinary operations, recorded for the year 2022, is not less than € 1.5 million;
- c) the Net Financial Position, as of the date of the Closing, is positive and is not less than € 700,000.00.

This price will be paid by S.M.T. - Società Manifattura Tessile S.r.l. to the sellers for 80% on the date of Closing and for the remaining 20% after the approval of the financial statements of Nuova Nicol S.r.l. as at 31 December 2025, assuming the existence of certain conditions.

The Agreement provides that **the date of execution of the transaction**, meaning the date on which SMT – Società Manifattura Tessile S.r.l. will acquire the entire share capital of Nuova Nicol S.r.l. (the so-called "Closing") shall occur - subject to the fulfilment of certain conditions precedent, including the completion of the demerger - no later than 30 April 2023.

In addition, it is also envisaged that the management of Nuova Nicol S.r.l., as from the Closing, will be entrusted to a board of directors made up of 5 (five) members appointed by SMT Srl, two of whom will be Mrs. Luisa Rinaldi and Mr. Valerio Nicoli.

NUOVA NICOL S.R.L.

Nuova Nicol S.r.l., an Emilian company specialising in the production **of luxury knitwear for women** with a **top luxury customer portfolio**, is characterised by a specific **focus on the quality** of yarns, fabrics and details that stand out in the finishing, as well as by a **large pool of machinery** that allows for **a significant production capacity**.

FY2021 highlights for Nuova Nicol S.r.l.:

- Value of production: about €8.3 million
- EBITDA about 1.9 € million
- NFP positive for about €0,236 million

ADVISORS

Società Manifattura Tessile Srl was assisted by Grimaldi Studio Legale on corporate and contractual aspects and by Studio Baldi & Partners of Reggio Emilia for legal, accounting and tax due diligence.

About Pattern Group:

Pattern Spa is a 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/>

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