

PATTERN S.P.A. SIGNS A BINDING FRAMEWORK AGREEMENT FOR THE PURCHASE OF A FURTHER 29% OF THE SHARE CAPITAL OF S.M.T., THUS REACHING 80%

THE GROWTH PATH OF THE ITALIAN HUB OF LUXURY FASHION ENGINEERING CONTINUES THROUGH THE AGGREGATION OF THE BEST ITALIAN COMPETENCES

Turin, 24 February 2021- **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, announces that today the Board of Directors of the Company approved the signing of a binding framework agreement for the acquisition 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), thus **reaching, upon closing of the transaction, 80% of the share capital (the "Investment Agreement").**

In addition, also today, Pattern S.p.A, Camer S.r.l. ("**Camer**"), Stefano Casini and Boma Holding S.r.l. ("**Camer**"), Stefano Casini and Boma Holding S.r.l. (limited to certain provisions) signed the Investment Agreement.

The **credibility of Pattern's integration project** and the **quality of SMT** are confirmed by the positive results reported in 2020, results that were achieved despite the COVID19 pandemic that had a strong impact on the industry.

Pattern has therefore chosen to **consolidate its positioning in the luxury knitwear market** and to **continue enhancing the skills featured by SMT**: a company that, thanks to the integration of processes and know-how, has been able to make further improvements in terms of management and business.

Luca Sburlati, CEO of Pattern Group, together with **Francesco Martorella and Fulvio Botto**, founders and majority shareholders, stated: "*Pattern's growth in SMT, announced today, is of remarkable strategic significance: it shows **how valuable the integration project started a year ago was, as proven by SMT's positive results.** In confirmation of the decision to pursue a 'true' integration of skills, the agreement provides for SMT founder and CEO Stefano Casini to be appointed as a member of Pattern's board of directors to support the implementation of our business plan. A plan that will be increasingly based on **excellence, technologies applied to the engineering of "Made in Italy" luxury products as well as "real" and measurable sustainability.***

*The ultimate goal remains the same: to create the Italian Hub of Luxury Fashion Engineering by continuing to aggregate and develop the best know-how of the various Italian districts, and to **bring people together in a long-term industrial process that is not just financial.***

DESCRIPTION OF THE INVESTMENT AGREEMENT

The Investment Agreement provides for **the purchase by Pattern of a further 29% of the share capital of SMT, of which 19% directly from the founder and CEO of S.M.T., Stefano Casini, and 10% from Camer - a wholly-owned subsidiary of Stefano Casini, at a total price of € 3.9 million.** The price will be paid by Pattern as follows: i) € 2,555,000 (65.52% of the total) paid in cash to Stefano Casini; ii) the remaining price of € 1,345,000 (34.48% of the total) will be paid in kind, through the allocation to Camer of newly issued ordinary shares of Pattern, to be subscribed

as part of a capital increase in kind to service the transaction reserved for Camer ("**Capital Increase**").

The subscription price of the newly issued shares was set at **€ 3.87** per share, as **calculated on the basis of the weighted average price of all stock market transactions of Pattern shares on AIM Italia in the six months prior to the date of signing the Investment Agreement**, which coincides with the date of approval of the directors' report pursuant to Article 2441, paragraph 6, of the Italian Civil Code, which took place today.

The equity investment to be contributed was subjected to an appraisal by an independent expert pursuant to Article 2343-ter, paragraph 2, letter b), of the Italian Civil Code, the outcome of which showed a value of the equity investment higher than the value defined in the Investment Agreement.

The Investment Agreement envisages that **the date of execution of the transaction** (the closing of the Transaction) will be **5 March 2021** - subject to notarial approval of the Capital Increase by the Issuer's administrative body on the same date.

Furthermore, the agreement provides for the signing of **two Shareholders' Agreements** at the closing:

- 1) **a pact between Pattern and Camer** - concerning the **SMT shareholdings** - regulating, among other things, i) the appointment of a new SMT Board of Directors made up of three members, two appointed by Pattern and one by Camer; ii) the appointment of the CEO among the members appointed by Camer and the Chairman of the Board among the members appointed by Pattern and iii) a lock-up obligation of four years from the closing on the SMT shareholdings for Pattern and Camer to guarantee the stability of the company, including in its management;
- 2) **a pact between BO.MA. Holding S.r.l. and Camer** - concerning the **shareholdings of Pattern** - regulating among other things i) the right of Camer to designate and appoint a member of the Board of Directors of Pattern, by including a candidate from Camer in the majority list presented by the reference shareholder; **ii) a lock-up obligation of 12 months from the closing concerning the shares of Pattern subscribed by Camer as part of the Capital Increase.**

Finally, also today, the Board of Directors of Pattern approved the Directors' Report pursuant to Article 2441, paragraph 6, of the Italian Civil Code for the exercise of the delegation for the capital increase conferred by the Shareholders' Meeting on 4 December 2020, instrumental to the execution of the Investment Agreement as described above.

For further information on the Capital Increase, reference should be made to the Explanatory Report of the Board of Directors, which will be made available in the manner and within the timeframe prescribed by law.

The Transaction is not a 'related party transaction' within the meaning of the procedure adopted by Pattern.

SOCIETÀ MANIFATTURA TESSILE SRL (S.M.T)

S.M.T. Srl, company based in Correggio (Reggio Emilia) specialising in the prototyping and production of luxury knitwear, has grown over the years with a keen eye **on research and development as well as the well-being of human capital**, two values that have become strategic for the business.

It is a company based on technological innovation combined with heritage and craftsmanship, and these factors have been employed to engineer and manufacture luxury knitwear for the most

important fashion houses. Today SMT has a workforce of over 110 employees with a team of over 20 programmers focusing on the development of new collections for customers.

ADVISOR

Pattern was advised by the law firm Gianni & Origoni on the corporate and regulatory aspects of the Capital Increase, and by Ricci Avvocati Associati for the negotiation and contractual aspects of the transaction, and the team was led by Giuseppe M. Ricci together with Andrea Alloati and Maria Tindara Manganaro.

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.

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