

WITH ITS FIFTH ACQUISITION, THE PATTERN GROUP CONTINUES ALONG ITS STAGGERING GROWTH PATH

ESTABLISHMENT OF THE TUSCAN LEATHER HUB WITHIN THE GROUP

IDEE PARTNERS, A SUBSIDIARY OF PATTERN, SIGNS A BINDING INVESTMENT AGREEMENT FOR THE PURCHASE OF 70% OF RGB S.p.A., A TUSCAN COMPANY SPECIALISED IN THE MANUFACTURING OF LEATHER ACCESSORIES

Turin, 4 April 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 fashion lines for some of the most prestigious brands, exclusively top luxury segment, informs that today Idee Partners S.r.l. ("**Idee Partners**"), a company controlled by Pattern that 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.** (a **benefit company**) ("**RGB**"), a Tuscan company specialised in the manufacturing and production of leather accessories.

After **Idee Partners**, a company based in Scandicci which in turn owns **60% of the historical Tuscan leather goods company Petri & Lombardi**, the Group adds the third Tuscan company in the leather goods sector creating the **Tuscan Leather Goods Hub** within Pattern Group: one of the largest Independent Industrial Poles integrated in both the **Engineering and Production phases Made in Italy**.

Luca Sburlati, CEO of the Pattern Group, together with **Francesco Martorella and Fulvio Botto**, founders and majority shareholders of Pattern, commented: "*With this acquisition we are delighted to announce the establishment of the **Tuscan Leather Hub within our Group**. We are growing while sticking to our values: we believe in the Italian excellence and in the "know-how" of our people, and we have chosen to invest in both **cutting-edge engineering teams** and the best Italian **manufacturing players**. We therefore continue along the path outlined by our industrial project that started in 2017.*"

The strategic path started in **2017** with the acquisition of **Roscini Atelier** in Umbria, then confirmed in **2019** with the Group's entry into the luxury knitwear sector thanks to the purchase of 80% of the **Emilian company S.M.T. S.r.l.**, pursued in **2021** with the entry into the third sector of fashion luxury - that of luxury leather goods - thanks to the acquisition of 54% of **Idee Partners S.r.l.**, and restated once again in **2022** with the acquisition of 100% of **Zanni** by its subsidiary SMT - in the seamless knitwear sector 'Wholegarment' - until today's acquisition of **RGB S.p.A.** in the leather accessories segment.

DESCRIPTION OF THE INVESTMENT AGREEMENT

The Investment Agreement envisages the **purchase by Idee Partners S.r.l. (54% owned by Pattern), of 70% of RGB's share capital** from the three current partners, namely: Paolo Benedetti for **12,857%** of RGB's share capital; Gianluca Tirri for **14,286%** of RGB's share capital; and Tosco Holding 1 S.r.l. for **42,857%** of RGB's share capital.

The **agreed price is €2.275 million** (the "**Provisional Purchase Price**"), set by the parties based on RGB's provisional conventional net financial position. The Provisional Purchase Price may be subject to adjustment at closing based on RGB's conventional Net Financial Position as at April 30, 2022.

The **price will be paid** by Idee Partners to the sellers on the date of execution of the purchase.

In addition, the buyer has agreed to pay the sellers an additional consideration to the final price (the "**Earn-Out**"), contingent and variable, equal in its maximum amount to Euro [1,000,000.00 (one million)] (the "**Cap Earn-Out**") provided that some conditions are met linked to the achievement of certain EBITDA values of RGB with reference to the financial statements for the year ended December 31, 2022 and the purchase by RGB of the business currently leased from Mia Pelletterie S.r.l..

The Investment Agreement envisages that the Parties shall use their best efforts to ensure that the **date of execution of the transaction** (the closing of the Transaction) is no later than 13 May 2022.

In addition, the Investment Agreement sets forth that a shareholders' agreement between Idee Partners and Paolo Benedetti (who will retain a 30% interest in RGB at the closing of the transaction, the "**PB Shareholding**") will be signed at the closing; said agreement regulates the governance of RGB and provides, inter alia, for: (i) a lock-up obligation for the shareholders in respect of the shares of RGB for a period until the approval of the financial statements for the year ended 31 December 2023; (ii) the appointment of a new Board of Directors of RGB consisting of 3 members, of which 2 appointed by Idee Partners (including the Chairman of the Board of Directors) and 1 appointed by PB; (iii) the appointment of PB as CEO of RGB – until the approval of the financial statements for the year ended 31 December 2023 – and as head of production; (iv) a commitment of stability and non-competition with PB.

The above-mentioned shareholders' agreement will also include a call option in favour of Idee Partners on the entire PB Shareholding, which may be exercised for a first period of 6 months from the approval of the financial statements for the year ending 31 December 2022 (for an amount that may not be less than Euro 500,000 and more than Euro 1 million) ("**First Call Option**") and for a second period of 6 months starting from the approval of the financial statements for the year ending 31 December 2023 (subject to the same minimum and maximum amounts) ("**Second Call Option**"). There is also a call option in favour of Idee Partners on the entire PB Shareholding in the event of termination of the relationship with PB for just cause, as well as a put option in favour of PB in respect of Idee on the entire PB Shareholding, which may be exercised by PB for a period of 3 months from the deadline for the exercise of the Second Call Option subject to certain conditions and to the same maximum and minimum amounts as above.

RGB S.p.A. (Benefit Company)

RGB S.p.A., a Tuscan company with around 100 employees specialising in the manufacturing and crafting of leather accessories. The company operates in a modern production plant of 2,500 square metres equipped with solar panels near Florence (Reggello). RGB combines a strong production capacity with very high processing quality thanks to an internal organisation by lines and a modern and innovative production plant.

RGB S.p.A.'s figures as at 31 December 2021 are as follows:

- Value of production: € 2,891,353
- Ebitda: € 335,508

- NFP: € 959,714

It should be noted that since the company has been active since May 2021, the 2021 figures essentially refer to a time span of just over 6 months.

In the first quarter of 2022, RGB reported sales revenues of approximately € 2.3 million. Based on this figure, the current backlog and future prospects, **it is estimated that sales revenue for the full year 2022 could be between € 9 and € 10 million.**

ADVISOR

Idee Partners and Pattern were assisted by Starclx Law Firm and Gianni & Origoni Law Firm for the legal aspects, by Antonino Rindone for the financial due diligence and by Benedetti Accountant Firm for the accounting and fiscal due diligence.

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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