

**THE ITALIAN HUB OF LUXURY FASHION ENGINEERING CONTINUES TO EXPAND
WITH THE LARGEST M&A SINCE LISTING**

THROUGH ITS SUBSIDIARY SMT S.R.L. (SMT), PATTERN SIGNS A BINDING INVESTMENT AGREEMENT TO ACQUIRE 100% OF UMBRIA VERDE MATTIOLI S.R.L. (UVM), A COMPANY FROM UMBRIA SPECIALIZED IN THE PRODUCTION, PROCESSING AND MARKETING OF THIN AND SUPER THIN LUXURY KNITWEAR IN ITALY AND INTERNATIONALLY

PATTERN GROUP FURTHER INCREASES AND BOLSTERS ITS LEADERSHIP POSITION IN THE HIGH-END KNITWEAR SEGMENT BY CREATING ONE OF THE LARGEST INTERNATIONAL "ONE SUPPLY CHAINS" IN THE LUXURY SEGMENT

Turin, 30 May 2024 - **Pattern S.p.A. (EGM:PTR)**, an Italian company set up in 2000 by **Francesco Martorella and Fulvio Botto**, one of the leading players in the **engineering, development, prototyping and production** of clothing lines for the world's most prestigious high-end brands in the catwalk segment and in men's and women's first lines, announces the signing today of a **binding investment agreement** ("investment agreement") to acquire, through its subsidiary (80%) S.M.T. S.r.l (SMT), **100% of Umbria Verde Mattioli S.r.l. (UVM)**, an umbrian company specialized in the production, processing and marketing of luxury knitwear.

In the words of **Luca Sburlati**, CEO of Pattern Group, along with **Franco Martorella and Fulvio Botto**, Founders and Majority Shareholders of Pattern: *"Today we announce the most significant acquisition made by our company since its listing on the Stock Exchange in 2019: the inclusion of the Mattioli family into our Group, through the Umbria Verde Mattioli knitting mill in Perugia, marks yet another strategic leap in absolute technical excellence, fostering solid industrial and product synergies. Indeed, this acquisition heralds the creation of a "one supply chain" in knitwear, positioned among the largest globally in the Luxury segment. It is guided by 3 primary directives: i) fostering engineering and innovation across 4 inherently complementary sites; ii) establishing a unified internal industrial platform, certified in accordance with ESG principles; iii) driving technological advancements in both products and semi-finished goods within knitwear, a sector anticipated to experience significant evolution in the years ahead. We integrate the rich traditions of Emilia and Umbria - regions where we already hold a robust presence - ensuring an additional layer of excellence".*

Pattern Group continues on its path of accelerated growth, bolstering its districts and hubs of excellence.

The **acquisition of Umbria Verde Mattioli** helps **further expand the Group's foothold in the luxury knitwear segment**, adding, after SMT, Zanni S.r.l. (Zanni) and Nuova Nicol S.r.l. (Nuova Nicol), yet another **technical skill set of excellence in knitwear**.

Pattern Group, the **Italian Hub of Luxury Fashion Engineering & Production**, currently stands as one of the primary hubs and is organized as follows:

1. the **Innovation and R&D Centre** headed by **D-house** based in Milan, the Group's urban innovation and research laboratory;
2. the **Technological Hub for the Production of Semi-finished Products, Accessories and Ready-to-Wear Finished Products** headed by **Dyloan Bond Factory** in the two Abruzzo locations of Chieti and Villamagna;
3. the **Men's and Womenswear Hub**, formed by **Pattern** in Turin, the parent company, specialized in menswear and outerwear engineering, **Roscini Atelier**, specialized in womenswear, haute couture and doubles in Umbria, and **D'Ambrosio Confezioni** in Apulia;
4. the **Luxury Knitwear Hub**, formed by **SMT, Zanni** and **Nuova Nicol** in Emilia-Romagna, now alongside **Umbria Verde Mattioli** in Umbria will be added upon completion of the operation;
5. the **Leather Hub** in Tuscany, formed by **Idee Partners'** three locations in Scandicci with the headquarters dedicated to product development, prototyping and production and the production plants in Bientina and Valdarno.

OVERVIEW OF THE INVESTMENT AGREEMENT

The investment agreement envisages, inter alia, the **acquisition S.M.T. - Società Manifattura Tessile S.r.l. (SMT), of 100% of the share capital of Umbria Verde Mattioli S.r.l. (UVM)** from the two founding partners Simone and Leonardo Mattioli (the "Sellers").

The agreed price is € 20.0 million, to be paid by SMT to the sellers. This includes **€ 8.0 million** upon the execution date, and € 3.0 million distributed in equal annual installments until the third anniversary following the execution date, contingent upon the sellers' continued membership on UVM's board of directors. While the **remaining amount of the consideration, equal to € 9.0 million**, will not be paid, but **will be a credit that the Sellers** on the execution date will use, through **compensation, to subscribe and fully release a capital increase of SMT** reserved for them, for the purposes of the **acquisition, on their part, of a minority stake in SMT, equal to a total of 10%.**

As part of the transaction, Simone and Leonardo Mattioli are anticipated to assume roles as members of UVM's Board of Directors and Managing Directors, commencing from the execution date until the approval of UVM's financial statements for the year ending 31 December 2028.

The Investment Agreement also provides that on the execution date a shareholder agreement will be stipulated between Pattern, Camer S.r.l., Leonardo Mattioli and Simone Mattioli, as shareholders of SMT, which provides, among other things, that: (i) the Board of Directors of SMT is made up of 5 members of which 3 appointed by Pattern, 1 by Camer and 1 by Simone Mattioli; (ii) the right of veto on certain matters of a meeting nature in favor of the Sellers as minority shareholders (iii) there are limitations on the transfer of shares for SMT shareholders to ensure management stability of the company and (iv) a right of option between Pattern and the Sellers ("put" and "call" options) on all SMT shares held by the Sellers.

The **execution date** of the transaction (i.e., the closing of the transaction) is expected to occur no later than June 2024.

OVERVIEW OF THE AGREEMENTS WITH CAMER S.R.L. AND STEFANO CASINI

On today's date, Pattern entered into a binding term sheet ("**Binding Term Sheet**") with Stefano Casini, SMT's CEO and member of Pattern's Board of Directors, and Camer, a wholly-owned subsidiary of Stefano Casini, providing for Pattern's acquisition of SMT shares equal to 8% of SMT's share capital held by Camer through the signing of a deed of sale of shares ("**Sale of Shares**"). The sale will take place at a total price of **€ 6.2 million**, without adjustment, to be paid: (i) **€ 1.2 million** on the signing date of the deed of Sale of Shares; and (ii) **€ 5.0 million** in five installments of **€ 1.0 million** each, to be paid in the five years following the Closing Date by 31 December each year (the first installment to be paid by 31 December 2025).

The Binding Term Sheet also provides for: (i) the renewal (with amendments) of the existing stability agreement between SMT and Stefano Casini in his role as SMT's CEO until the approval of the financial statements for the year ending 31 December 2028 (the "**Stability Agreement**"); (ii) the renewal (with amendments) of the existing shareholders' agreement between Pattern and Camer (the "**Shareholders' Agreement**").

The Shareholders' Agreement provides (in conjunction with the Shareholders' Agreement signed as part of the UVM acquisition transaction), inter alia, that: (i) SMT's Board of Directors be composed of 5 members, of whom 3 appointed by Pattern, 1 by Camer and 1 by Simone Mattioli; (ii) the appointment of Stefano Casini as SMT's CEO; (iii) Camer's veto right as a minority shareholder on certain shareholders' meeting and board matters; (iv) there be restrictions on the transfer of shares for SMT shareholders to ensure managerial stability for the company; and (v) a subscription right between Camer and Pattern ("put" and "call" option) on all SMT shares held by Camer.

The signing date of the deed of Sale of Shares, Stability Agreement and Shareholders' Agreement will take place concurrently between the earlier of (i) the UVM Closing Date and (ii) 30 June 2024.

SMT, following the two transactions, **will be owned as follows**: i) 80% by Pattern; ii) 10% by Camer; iii) and the remaining 10% by UVM's selling partners Simone and Leonardo Mattioli.

The transactions envisaged by the Binding Term Sheet relating to the Share Transfer deed and the Shareholders' Agreement (including put & call options) were assessed overall as "transactions between related parties of greater importance" pursuant to the provisions of the Procedure for Transactions with Related Parties of Pattern, as Stefano Casini, who holds the entire share capital of Camer, is a member of the Board of Directors of Pattern and CEO of SMT.

The favorable opinion on the interest, convenience and substantial correctness of the relevant conditions was given by the Related Parties Committee composed of the two independent directors before the approval of the transactions by the Board of Directors.

The Board of Directors, following the aforementioned opinion of the Related Parties Committee, with the abstention of the director Stefano Casini, unanimously of those present, authorized the completion of the aforementioned operations.

Since both of the aforementioned transactions exceed the materiality thresholds as defined in Annex 2 of the Provisions on Related Parties of Borsa Italiana S.p.A., the Company will proceed to publish, within the terms established by the applicable legislation, the Information Document, drawn up in compliance with the Article 11 of the Procedure for Transactions with Related Parties.

The transaction envisaged by the Binding Term Sheet relating to the stipulation of the Stability Agreement of SMT with Stefano Casini was assessed, however, overall as a "transaction between related parties of minor importance" pursuant to the provisions of the Procedure for Transactions with Parties Related. The Related Parties Committee composed of the two independent directors, gave a favorable opinion on the interest, convenience and substantial correctness of the conditions relating to this transaction, before its approval by the Board of Directors.

UMBRIA VERDE MATTIOLI S.R.L.

The Umbria Verde Mattioli knitting mill has been producing high-end knitwear since 1959. Over the years, UVM has established itself as a leader in Italy, renowned for its specialization in thin and super thin knitwear, underpinned by an unwavering commitment to unparalleled quality. UVM provides customers with its wealth of experience in utilizing premium fibers and exclusive processing methods to bring their creative visions to life. Ongoing research, driven by global customer input, enables the discovery of unique solutions, some of which may be patented or exclusively licensed to customers, resulting in truly original and personalized garments.

The knitting mill is now among the largest in Italy in terms of production capacity for thin knitwear, using English Cotton Machines with gauges of 21gg, 24gg, 27gg, 30gg, 33gg, and 37gg. Linked to this is a significant and meticulously organized electronic machinery department, continuously advancing with the latest generation of technology. The machine called 37gg is UVM's flagship. This handcrafted machine is a testament to the skill in customizing and refining work tools to guarantee precision in processing super thin yarns like 2/80, 2/120, and even 2/150.

UVM S.r.l. closed 2023 as follows:

- Value of Production: approximately € 17.8 million
- EBITDA approximately € 4.2 million
- Cash positive approximately € 3.3 million.

ADVISORS

Pattern S.p.A. and Camer S.r.l. were assisted by Gianni & Origoni and Pedersoli Gattai law firms, respectively.

Società Manifattura Tessile S.r.l. was assisted by Grimaldi Alliance for corporate and contractual matters, and by Studio Baldi & Partners of Reggio Emilia for legal, accounting and tax due diligence.

Selling partners Simone and Leonardo Mattioli and Umbria Verde Mattioli S.r.l. were assisted by PwC TLS Avvocati e Commercialisti for corporate and contractual matters, by STPG Scouting Capital Advisors as financial advisor and Certified Public Accountant, and by Dr. Francesco Giuliani for tax aspects.

Intesa Sanpaolo IMI Corporate e Investment Banking acted as financial advisor in the Umbria Verde Mattioli acquisition transaction.

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, and joined in 2012 by CEO Luca Sburlati, began in 2017 a structured growth process, which ended in 2022 with the creation of the **Italian Hub of Luxury Fashion Engineering and Production**. 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 Engineering and Production in the luxury fashion segment. Pattern Group is therefore present today with **12 companies** (13 locations) in **7 regions of the Italian territory**, and 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.patterngroup.it/>

For further information:

[Euronext Growth Advisor](#)

Invest Italy SIM S.p.A.

e-mail giovanni.tommasi@investitalysim.com

[Pattern Investor and 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