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PRADA S.p.A.

Registered office at Milan (Italy), Via A. Fogazzaro n. 28

Registry of Companies of Milan, Monza, Brianza, Lodi (Italy): No. 10115350158

(Incorporated under the laws of Italy as a joint-stock company with limited liability)

(Stock Code: 1913)

CONTINUING CONNECTED TRANSACTION

Amendment Agreement to the Luna Rossa Sponsorship Agreement for participation in the XXXVI America's Cup

The Board of Directors (the “**Board**”) of PRADA S.p.A. (the “**Company**”, and together with its subsidiaries, the “**Group**”) announces that on November 20, 2020 (European time), the Company entered into an amendment agreement to the Luna Rossa Sponsorship Agreement (as defined below) with Luna Rossa Challenge S.r.l. (the “**Amended Sponsorship Agreement**”) for the participation of *Luna Rossa* sailing team in the XXXVI edition of the America's Cup (the “**Competition**”).

Luna Rossa Challenge S.r.l. is a company indirectly controlled by Mr. Patrizio Bertelli, who is a Chief Executive Officer, an Executive Director and a substantial shareholder (as defined in the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the Company. Therefore, Luna Rossa Challenge S.r.l. is a connected person (as defined in the Listing Rules) of the Company. As such, the Amended Sponsorship Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the Luna Rossa Sponsorship Agreement, the Amended Sponsorship Agreement and the COR36 Sponsorship Agreement (as defined below) are to be aggregated. Since the relevant applicable percentage ratios (as defined in the Listing Rules) for the aggregation of the above three agreements exceed 0.1% but are less than 5%, the aggregated transactions are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

Introduction

Reference is made to the announcement of the Company dated December 1, 2017 in relation to the sponsorship agreement entered into between the Company and Luna Rossa Challenge S.r.l., (the “**Luna Rossa Sponsorship Agreement**”) for the participation of the *Luna Rossa* sailing team in the Competition (“**Sponsorship**”).

The Amended Sponsorship Agreement

The Board announces that on November 20, 2020 (European time), the Company entered into the Amended Sponsorship Agreement as follows:

Date: November 20, 2020

Parties: (i) the Company, as grantor; and
(ii) Luna Rossa Challenge S.r.l., as grantee for the participation of *Luna Rossa* sailing team in the Competition.

Term: takes effect from November 20, 2020 to June 30, 2021

Additional Sponsorship Contribution to be paid by the Company for Luna Rossa’s participation in the Competition

Under the Luna Rossa Sponsorship Agreement, the total amount of the Sponsorship is Euro 65 million (equal to approximately HK\$ 598.03 million) to be paid in installments over the period from January 2018 to June 2021.

In view of the success of the America’s Cup in promoting Prada’s brand image in previous years and to strive for a better result in the Competition, the *Luna Rossa* sailing team has started training from 2018. Unfortunately, due to the outbreak of the COVID-19 pandemic in 2020, the *Luna Rossa* racing team has been adversely affected far and wide: the preparatory races for the final competition have been cancelled hence preventing the sailing team from having access to further sponsorship. Furthermore, the pandemic has also led to a significant increase in the costs for the supply of the equipment and the re-organization of the activities of the Luna Rossa sailing team to New Zealand, where they moved to last September to participate in the Competition. As a result, Prada as the main and naming sponsor to the *Luna Rossa* sailing team will provide additional financial support for the sailing team to complete this 4-year campaign and participate in the Competition. The Company has agreed to grant an additional sponsorship contribution of Euro 10 million (equal to approximately HK\$ 92.01 million) (the “**Additional Sponsorship Contribution**”). The Additional Sponsorship Contribution will be paid by installment over the period from November 2020 to March 2021.

In determining the basis of the Additional Sponsorship Contribution, the Company has taken into account many factors, including the prestige and the worldwide significance of the Competition and the expected amount of the press coverage of the Competition, which will attract massive attention all around the world and tremendous press coverage from the media, both the traditional ones and the new technological media.

The Additional Sponsorship Contribution has been determined on the basis of the revised budget of the *Luna Rossa* sailing team to complete its 4-year campaign and participate in the Competition.

Save as disclosed above, all other terms and conditions of the Luna Rossa Sponsorship Agreement remain substantially unchanged.

Annual Caps for the Continuing Connected Transaction

Reference is made to the announcement of the Company dated March 1, 2020 in relation to the sponsorship agreement entered into between the Company and Challenger of Record 36 S.r.l. (“**COR36**”), wholly owned by Luna Rossa Challenge S.r.l., for the sponsorship of the management and organization by COR36 of the America’s Cup World Series, the Christmas Race and the Prada Cup in the context of the Competition (the “**COR36 Sponsorship Agreement**”) which constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the Luna Rossa Sponsorship Agreement, the Amended Sponsorship Agreement and the COR36 Sponsorship Agreement are to be aggregated. Since the relevant applicable percentage ratios (as defined in the Listing Rules) for the aggregation of the above three agreements exceed 0.1% but are less than 5%, the aggregated transactions are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The estimated annual caps in respect of the Luna Rossa Sponsorship Agreement and the Amended Sponsorship Agreement for each of the years ending December 31, 2020 and December 31, 2021 (the “**Annual Caps**”) are as follows:

	Annual Cap for the year ending 31.12.2020	Annual Cap for the year ending 31.12.2021
Luna Rossa Sponsorship Agreement	Euro 25 million	Euro 9 million
Amended Sponsorship Agreement	Euro 10 million	Euro 8 million

The Annual Caps represent the maximum amount to be paid by the Company to Luna Rossa Challenge S.r.l. in each financial year. However, the total amount of Additional Sponsorship Contribution over the Term will not exceed Euro 10 million. Under the Amended Sponsorship Agreement, it is not expected that Luna Rossa Challenge S.r.l. will make any payments to the Company.

As a consequence, the estimated annual caps in respect of the aggregation of the maximum amount of sponsorship contribution to be paid under the Amended Sponsorship Agreement, the Luna Rossa Sponsorship Agreement and the COR36 Sponsorship Agreement for each of the years ending December 31, 2020 and December 31, 2021 is as follows:

	Annual Cap for the year ending 31.12.2020	Annual Cap for the year ending 31.12.2021
Amended Sponsorship Agreement, Luna Rossa Sponsorship Agreement and COR36 Sponsorship Agreement	Euro 58 million	Euro 22 million

General description of the principal business activities carried out by the Parties involved in the Continuing Connected Transaction

The Group is one of the world's most prestigious fashion luxury goods groups and the Company is the worldwide exclusive licensee of the design, development, manufacture, advertising, promotion and distribution of, *inter alia*, the trademarks PRADA, MIU MIU and LUNA ROSSA.

Luna Rossa Challenge S.r.l. is the company that manages the *Luna Rossa* sailing team and its participation in international regattas, including the Competition.

Reasons for and benefits of the Continuing Connected Transaction

The Directors of the Company are of the view that the effect of the Sponsorship, in terms of media impact as already demonstrated by the sponsorship of the *Luna Rossa* sailing team in previous editions of the America's Cup, has been very successful and justifies investment made in terms of visibility of Prada's trademark.

In addition, the sponsorship of the Luna Rossa sailing team, in the early 2000s, has significantly contributed to the creation of the sportswear and active wear identity of the Prada brand, through the "Linea Rossa" products. This business – which has later been downsized – starting from the past few seasons is again representing a significant portion of the Prada ready to wear and footwear collections.

The Directors (including the Independent Non-executive Directors) consider that entering into the Amended Sponsorship Agreement for promoting Prada's brand name and trademark is in the ordinary and usual course of business of the Group and that the Amended Sponsorship Agreement was entered on arm's length basis, on normal commercial terms or better, which are fair and reasonable, and in the interests of the Group and the Company's shareholders as a whole.

Listing Rules implications

The entire share capital of Luna Rossa Challenge S.r.l. is indirectly owned by Mr. Patrizio Bertelli, who is a Chief Executive Officer, an Executive Director and a substantial shareholder (as defined in the Listing Rules) of the Company. Therefore, Luna Rossa Challenge S.r.l. is a connected person (as defined in the Listing Rules) of the Company and the Amended Sponsorship Agreement constitutes a continuing connected transaction (as defined in the Listing Rules) of the Company.

Mr. Patrizio Bertelli, who has a material interest in the Sponsorship and the Amended Sponsorship Agreement, did not vote the resolution of the board meeting of the Company approving the Amended Sponsorship Agreement; Mr. Patrizio Bertelli's spouse, Ms. Miuccia Prada Bianchi did not attend the board meeting of the Company approving the Amended Sponsorship Agreement.

Pursuant to Rule 14A.81 of the Listing Rules, the aggregate amount of sponsorship payable by the Company under the Amended Sponsorship Agreement together with the amount payable in accordance with the previous Luna Rossa Sponsorship Agreement and COR36 Sponsorship Agreement, represents more than 0.1% but less than 5% of the applicable percentage ratios (as defined in the Listing Rules) for the Company. Accordingly, the aggregated transactions are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

By Order of the Board
PRADA S.p.A.
Mr. Carlo Mazzi
Chairman

Milan, Italy, November 20, 2020

As at the date of this announcement, the Company's executive directors are Mr. Carlo MAZZI, Ms. Miuccia PRADA BIANCHI, Mr. Patrizio BERTELLI and Ms. Alessandra COZZANI; the Company's non-executive director is Mr. Stefano SIMONTACCHI and the Company's independent non-executive directors are Mr. Gian Franco Oliviero MATTEI, Mr. Giancarlo FORESTIERI, Mr. Sing Cheong LIU and Mr. Maurizio CEREDA.