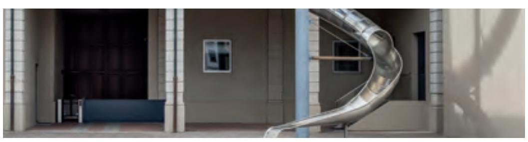
ANNUAL REPORT 2024

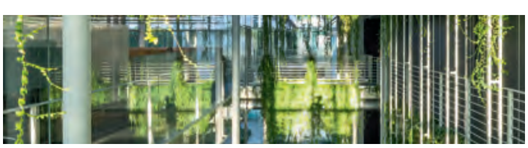
PRADA Group

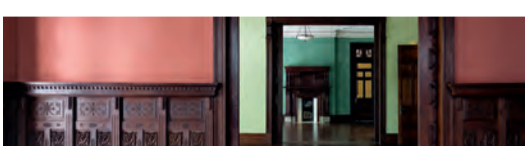
Prada store
Galleria Vittorio Emanuele II
Milano

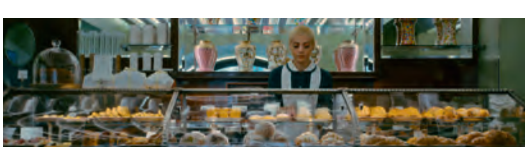

PRADA

Prada store
Dallas NorthPark Center









CHAPTER 1

2024 Overview

Message to the Stakeholders

2024 marks another year of progress for the Prada Group and we are pleased with the results delivered in a world where geopolitical instability is the new normal.

Despite the challenging sector dynamics, we have continued to generate above market growth and improved profitability, further validating our strategy and execution.

These results underscore the strength of our brands, which draws on a relentless focus on quality and innovation, together with the industrial know-how that we continue to enrich and pass on to young generations thanks to the work of the Prada Group Academy.

Our manufacturing platform, rooted on vertical integration and longstanding relationships with suppliers and partners, continue to be a differentiator in an ever-evolving sector that demands quality, agility and efficiency.

The innovative mindset and the ability to read contemporaneity are further distinctive elements that nurture the creative dynamism characterising our products and strategic vision.
The strong link with culture and the desire to broaden boundaries have always animated the spirit of the Group. I think, for instance, to Prada Rong Zhai, the historical villa from 1918 at the heart of Shanghai, which we restored and renovated blending our aesthetics with the extraordinary heritage of the Chinese culture: today the building hosts a multidisciplinary venue which will soon be enriched by new experiences for the public.
We could go on mentioning Luna Rossa's participation to the 37th America's Cup, which resulted in the victory of the Women and Youth teams, and the design of the new NASA spacesuit in partnership with Axiom Space.

Finally, I would like to thank our people for the results achieved this year; looking forward, we remain confident in the Group's ability to continue to grow and evolve, drawing on our values, with discipline and rigour, and fostering the talents within our organisation.

Patrizio Bertelli
Chairman of the Board
and Executive Director

Message from the CEO

We farewell 2024 delivering a set of solid results. Our brands continue to carve the cultural landscape creating an ever-evolving language to interpret contemporaneity: this ability to read the spirit of the time will be key to our long-term growth journey.
Looking ahead, while recognising the sector dynamics remain complex, we continue to see opportunities for our brands and are more committed than ever to execute our strategy.

We are pleased to report a set of solid results which are a testament to the strength of our strategy and represent another step forward in the journey we have laid out for our Group and its brands. The macroeconomic environment has been challenging and the sector dynamics have certainly become more complex, but our brands have demonstrated resilience thanks to their dynamic creativity and polyhedric soul.

With 2024 we achieved four consecutive years of double-digit growth, with net revenues up 17% to reach Euro 5.4 billion. Underlying this result was a very healthy performance of the Retail channel, up 18% yoy driven by full price volumes.

Prada confirmed its positive growth trajectory and Miu Miu gained a whole new level of visibility and scale.

In a context of ongoing investments behind the brands, we delivered further margin expansion with EBIT margin reaching 23.6%.

Steadfast progress was also made in the strategic investment plan, as we deployed close to Euro 500 million: retail, industrial initiatives and technology will continue to be instrumental to the growth of tomorrow. Finally, we closed the year with a healthy balance sheet with a net cash position of Euro 600 million.

We live in times where borders are blurring and brands must embrace multidisciplinary conversations, bringing to the table an ever-evolving language to interpret contemporaneity. This ability to read the spirit of the time is essential, and Prada and Miu Miu have continued to carve the cultural landscape building up their own universe in the way they engage with customers. Through immersive events, exclusive experiences and a further improved retail network, we have provided our brands with powerful dimensions to express their distinctive identities and connect with their communities.

While we are proud of what has been achieved so far, we recognise this is the time to work even harder to capitalise on the efforts of the past years, fostering desirability with a long-term mindset and raising the bar higher on retail execution, striving for excellence.

In parallel, we shall continue to elevate our retail network and to strengthen our industrial infrastructure, building on years of investments and know-how, and reinforcing the foundations for our journey.

We are aware that the sector headwinds are likely to persist, at least for a little longer. Nonetheless, we continue to see opportunities for our brands, and we are more committed than ever to our execution and strategic vision, always keeping in mind our primary and most important objective: creating products worth dreaming on, longing for, falling in love with.

Andrea Guerra
Chief Executive Officer
and Executive Director

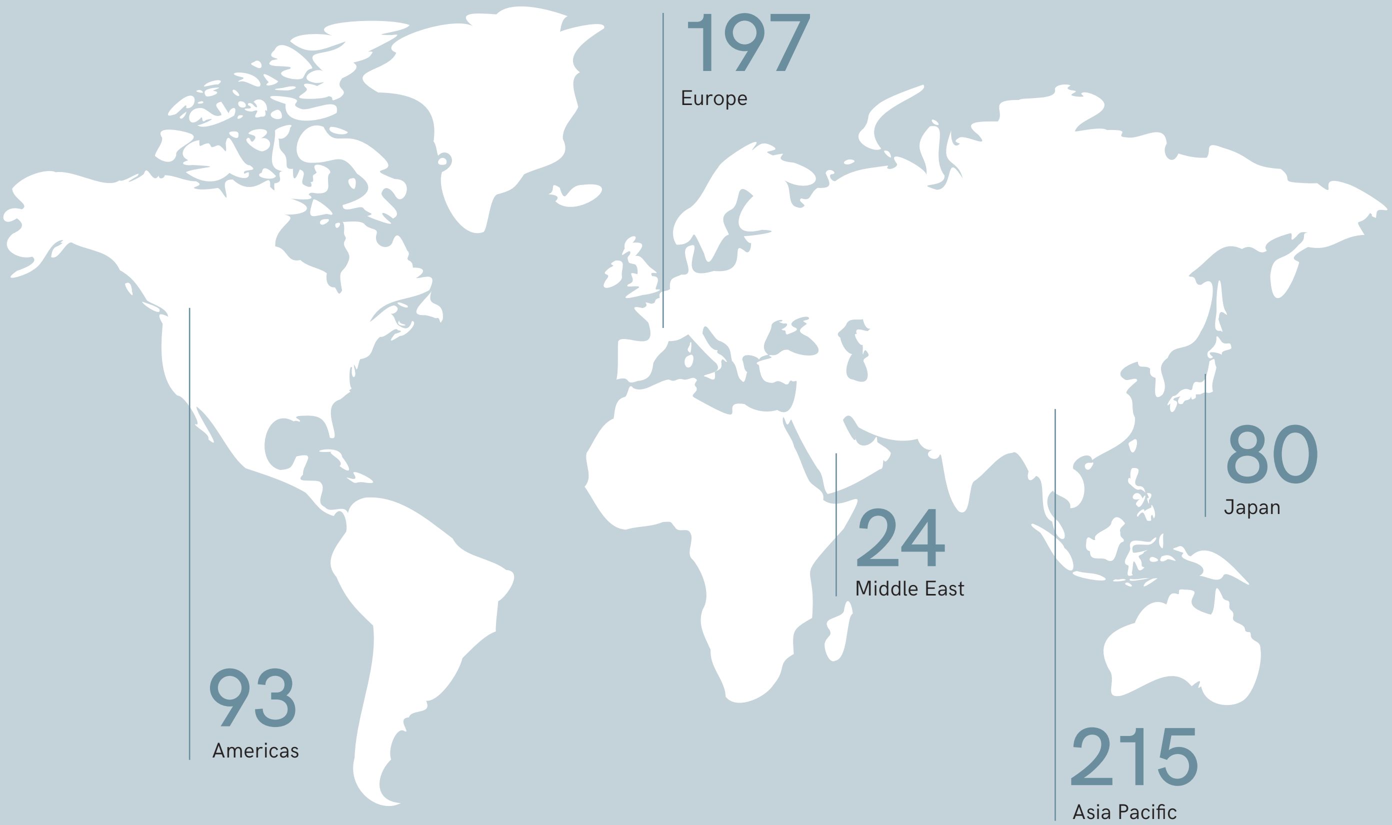
2024 Overview

Euro 5.4 bn **Revenues**	+17% Growth at constant exchange rates	
Euro 4.8 bn **Retail sales**	+18% Growth at constant exchange rates	
Euro 1,280 m **EBIT**	23.6% EBIT margin	+21% Growth at current exchange rates
Euro 839 m **Group net income**	+25% Growth at current exchange rates	
Euro 1,213 m **Net operating cash flow**		
Euro 600 m **Net financial position**		

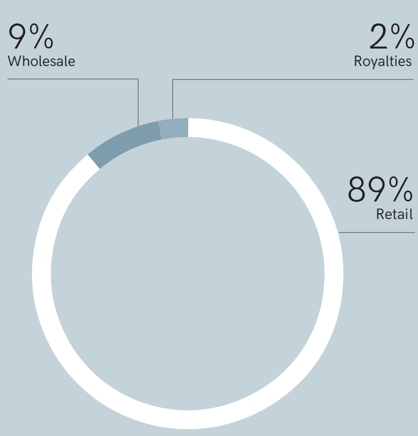
Key business figures

6 **brands**	15,216 **employees**	26 **factories** (of which 23 in Italy)

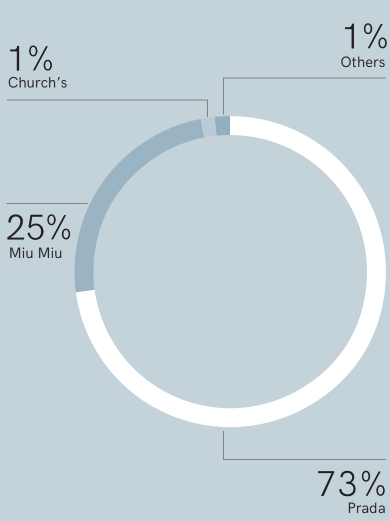
Retail footprint: 609 Directly Operated Stores worldwide



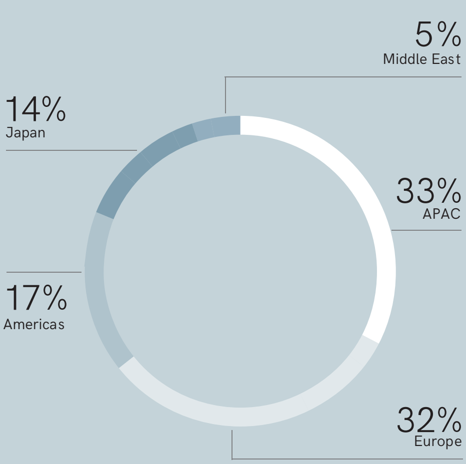
Net revenues by channel



Retail sales by brand



Retail sales by geography



CHAPTER 2

The Prada Group

Who we are

The Prada Group is a global leader in the luxury industry and a pioneer in its unconventional dialogue with contemporary society across diverse cultural spheres.

Home to prestigious brands as Prada, Miu Miu, Church's, Car Shoe, Marchesi 1824 and Luna Rossa, the Group remains committed to enhancing their value by increasing their visibility and desirability over time. Promoting creativity and sustainable growth, the Group offers its brands a shared vision that gives each of them the opportunity to stand out and express their essence.

With 26 owned factories and over 15,200 employees, the Group designs and produces ready-to-wear, leather goods, footwear and jewellery collections, and distributes its products in more than 70 countries, through 609 Directly Operated Stores (DOS), e-commerce channels and selected e-tailers and department stores.

Prada Group also operates in the eyewear and beauty sectors through licensing agreements with industry leaders.
Prada S.p.A. is listed on the Hong Kong Stock Exchange as 1913.

The Group's Purpose and Values

"Thorough observation and curiosity for the world around us have always been at the heart of the creativity and modernity of the Prada Group.
In society, and thus in fashion, which is somehow a reflection of it, the only constant is change.
The transformation and innovation of references, at the core of any evolution, lead us to interact with different cultural disciplines, at times apparently far from our own, allowing us to capture and anticipate the spirit of the times.
Today this is no longer enough: we must be the Drivers of Change, with the flexibility required to translate the demands of the market and society into tangible actions that inform our way of doing business."

Miuccia Prada and Patrizio Bertelli

RE-THINK
THE RULES

UNIQUENESS
OF TALENTS

INNOVATIVE
TRADITION

BEYOND
BOUNDARIES

SPIRIT OF
EXCELLENCE

SUSTAINABLE
PATHS

Be
DRIVERS OF CHANGE
PRADA Group

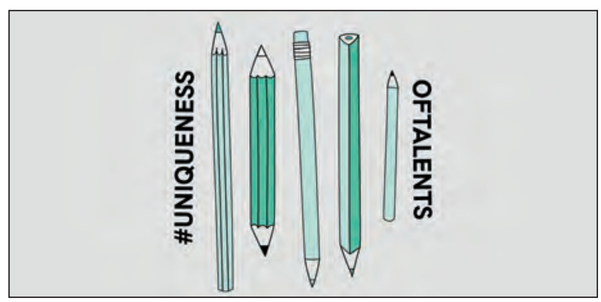
for PLANET **for PEOPLE** **for CULTURE**

Prada Group's Purpose is to be a Driver of Change, for PLANET, PEOPLE and CULTURE.

Company Values:

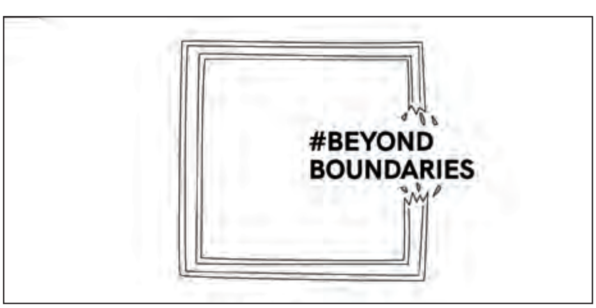
1. Re-think the rules: Synonymous with innovation, transformation and independence, the Prada Group provides its brands with a shared vision. Fearlessly challenging norms and perceptions, the Group embraces contradictions.

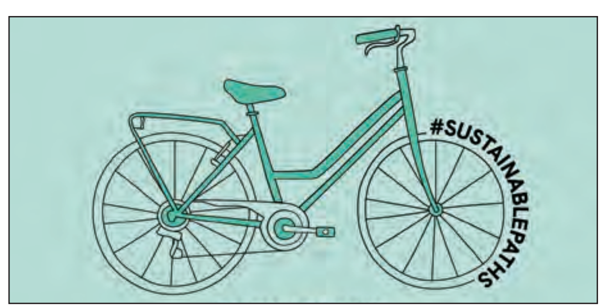
2. Innovative tradition: Rooted in over a century of history, the Group is propelled by a unique spirit of research and innovation. Prada's heritage combines with unrivalled production know-how and expertise.



3. Spirit of excellence: Prada Group's people are constantly seeking perfection, pursuing excellence by refining and surpassing previous achievements.

4. Uniqueness of talents: Passion, curiosity, attention to detail and expertise are the distinctive qualities of everyone working at Prada. An inclusive work environment encourages cooperation, intellectual vitality and the ability to interpret the evolving nature of society.





5. Beyond boundaries: Drawing inspiration from art, philosophy, and cinema, the Group establishes bold connections that broaden perspectives and enable the emergence of unexpected ideas and solutions.

6. Sustainable paths: Sustainability is at the core of the Group's corporate strategy, with a value creation model that operates in harmony with places and with people and which enables the Group to contribute to contemporary societal and cultural debates.

Prada fashion show
S/S 2025

Prada Group History

1913
Fratelli Prada was founded in Milan by Mario Prada. Renowned for its use of premium materials and sophisticated craftsmanship, the Company swiftly gained popularity across Europe and soon opened a store in Milan's Galleria Vittorio Emanuele II.

1919
Prada obtained the title of Official Supplier to the Italian Royal Family; since then, Prada has been able to display the House of Savoy coat of arms and knotted rope design in its trademark logo.

1975
Mario Prada's granddaughter, Miuccia Prada, began her collaboration with the entrepreneur Patrizio Bertelli, founder of his own leather goods company.

1977
Patrizio Bertelli founded IPI S.p.A. to concentrate the production resources built up over previous years of business in the leather goods industry. In the same year, IPI S.p.A. obtained a license from Miuccia Prada for the exclusive production and distribution of Prada brand leather goods. In the following years, the two family businesses gradually merged into a single Group.

1979
In response to demand, the Prada leather goods range was expanded to include the first women's footwear collection.

1983
Prada opened a second store in Milan, showcasing the brand's new image, a concept dominated by a special shade of light green, which became known as 'Prada green'. Green stores soon followed in New York, Madrid, London, Paris and Tokyo.

1988
Prada's first women's clothing collection was launched in Milan.

1993
Prada made its debut in menswear and Miu Miu is founded as an experimental, alternative expression of Miuccia Prada personal vision. Miuccia Prada and Patrizio Bertelli founded 'Fondazione Prada'.

1997
The Prada Challenge sailing team was founded to compete for the 2000 America's Cup, and Prada launched its Linea Rossa activewear collection.

1999
The Prada Group acquired the classic English footwear brand Church's, founded in 1873 and a symbol of British handcraft tradition and sophisticated elegance.

2000
Prada's Luna Rossa sailing team won the Challenger Selection Series of the America's Cup in Auckland, New Zealand.

2001
The first Prada Epicenter store, designed by Rem Koolhaas, was opened in New York. This was the first of a series of stores created to redefine the concept of shopping. A second Epicenter store was inaugurated in Aoyama, Tokyo, followed by a third one on Rodeo Drive, Beverly Hills. In the same year, Prada also acquired Car Shoe, the classic Italian footwear brand, founded in 1963 and known for its iconic driving loafers.

2003
Prada entered into a licensing agreement with Luxottica, the world's leading eyewear company, which currently produces and distributes Prada and Miu Miu eyewear.

2006
Miu Miu landed in Paris Fashion Week with Fall Winter 2006 collection after travelling the world and and presenting its collections in New York, London and Milan.

2007
The launch of the Prada phone by LG, the world's first touchscreen mobile phone. The LG/Prada partnership achieved further success with new models in 2008 and 2011.

2011
Prada S.p.A. was successfully listed on the Hong Kong Stock Exchange.

2015

The Prada Group introduced the first Miu Miu fragrance in partnership with the multinational beauty company Coty and opened its second Marchesi 1824 location in Milan, having acquired the historic Milanese patisserie the year before.

2017

Prada S.p.A. was admitted to the Cooperative Compliance regime with the Italian tax authorities, introduced by Italian Law Decree 128/2015.

2018

Prada officially unveiled its factory in Valvigna, designed by Guido Canali, architect of the Group's pioneering 'garden factories' and extended its fashion season to present pre-collections in Paris and in New York.

2019

The Prada Group announced the adoption of a fur free policy for all its brands, joined The Fashion Pact, and set up its Diversity & Inclusion Advisory Council, as well as launching the first collection made of recycled nylon, Prada Re-Nylon.

2020

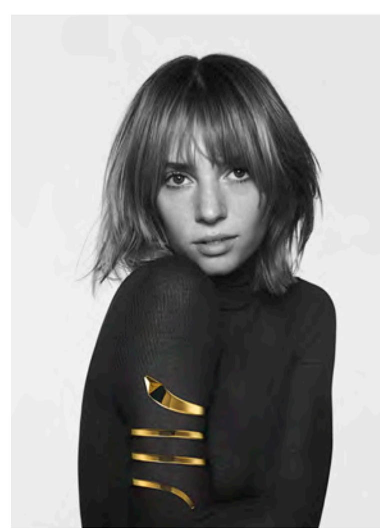
Raf Simons joined Miuccia Prada as co-creative director of the Prada design office and the italian Custom Agency recognized Prada S.p.A. as an Authorized Economic Operator ("AEO full").

2021

Prada's Luna Rossa sailing team won the America's Cup Challenger Selection Series - Prada Cup - for the second time. The Group founded the Aura Blockchain Consortium with LVMH and Cartier.

2022

Andrea Guerra was announced as the new Group CEO.
A new Group-wide Code of Ethics and Human Rights Policy was implemented and Prada launched Eternal Gold, the first jewellery collection made of 100% recycled gold.



2023

Following on from its innovative single-dose skincare in 2000, in 2023 Prada reaffirmed its presence in the beauty sector with a new line of make-up and skincare.

The first Prada Caffè opens in London.

2024

Miu Miu and L'Oreal signed a worldwide licence agreement for luxury beauty products.

The Group continued to strengthen its manufacturing capabilities, unveiling a new knitwear factory in Torgiano (Umbria).

Prada presented the new lunar spacesuits designed in partnership with Axiom Space for NASA's Artemis III mission.

Luna Rossa Prada Pirelli battled for the 37th America's Cup and won the competitions reserved to the Youth and the Women's sailing teams.

Lunar spacesuits
Prada | Axiom Space

The Group's Brands

The Prada Group constantly works to enhance the value of its brands, fostering their visibility and desirability.

Prada

Since 1913, Prada has been synonymous with cutting-edge style. Its intellectual universe combines concept, structure and image through codes that go beyond trends.
Its fashion transcends products, translating conceptuality into a universe that has become a benchmark to those who dare to challenge conventions.
With its collections, today Prada embodies and spreads the vision and intellectual curiosity of co-creative directors Miuccia Prada and Raf Simons.

Miu Miu

Miu Miu is founded in 1993 as an experimental, alternative and subversive expression of Miuccia Prada's singular vision.
The designer's distinctive interpretation and decoding of the world today, her understanding of culture and the depth of her research, are the brand's driving force.
Miu Miu is immediate, instinctive and irreverent. With a light but always sophisticated touch, Miu Miu leads fashion, representing the courage to take risks and a razor-sharp instinct to respond to shifts in contemporary fashion and culture.

Church's

Church's handcrafted shoes represent timeless elegance and artisanal quality. With a history dating back to 1617, Church's combines the finest leather and superb craftsmanship with impeccable English style, redefining contemporary luxury by centuries-old tradition.

Car Shoe

Since 1963, Car Shoe has been known for its iconic loafers with rubber studs and deconstructed soles. Stemming from a passion for race cars and fine handmade shoes, this timeless accessory has become part of the common imagery of travel and motors.

Marchesi 1824

Pasticceria Marchesi, a Milanese icon since 1824, is renowned for its elegant ambience, its impeccable service and exceptional patisserie. Locations include the historic Via Santa Maria alla Porta, Via Monte Napoleone, Galleria Vittorio Emanuele II in Milan, and a store in London's Mayfair.

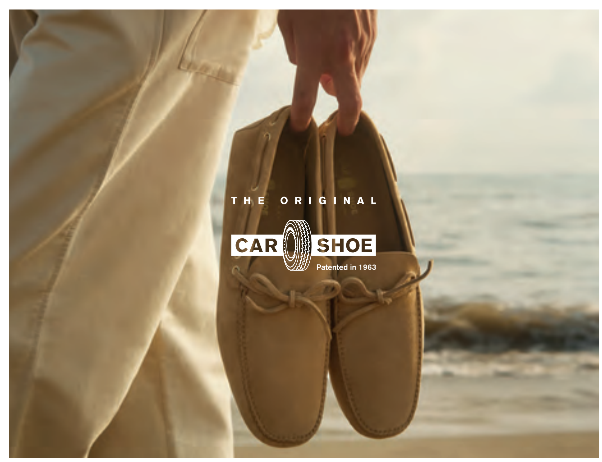
Luna Rossa

Luna Rossa is the Italian sailing team that has competed in six America's Cup, starting in 2000. Going beyond the definition of team, Luna Rossa represents the highest expression of sportsmanship and technological innovation whose project, throughout the years, has won the hearts of Italians and of all sailing enthusiasts around the world.


PRADA


MIU MIU


Church's
English shoes


THE ORIGINAL
CAR SHOE
Patented in 1963


Marchesi
1824

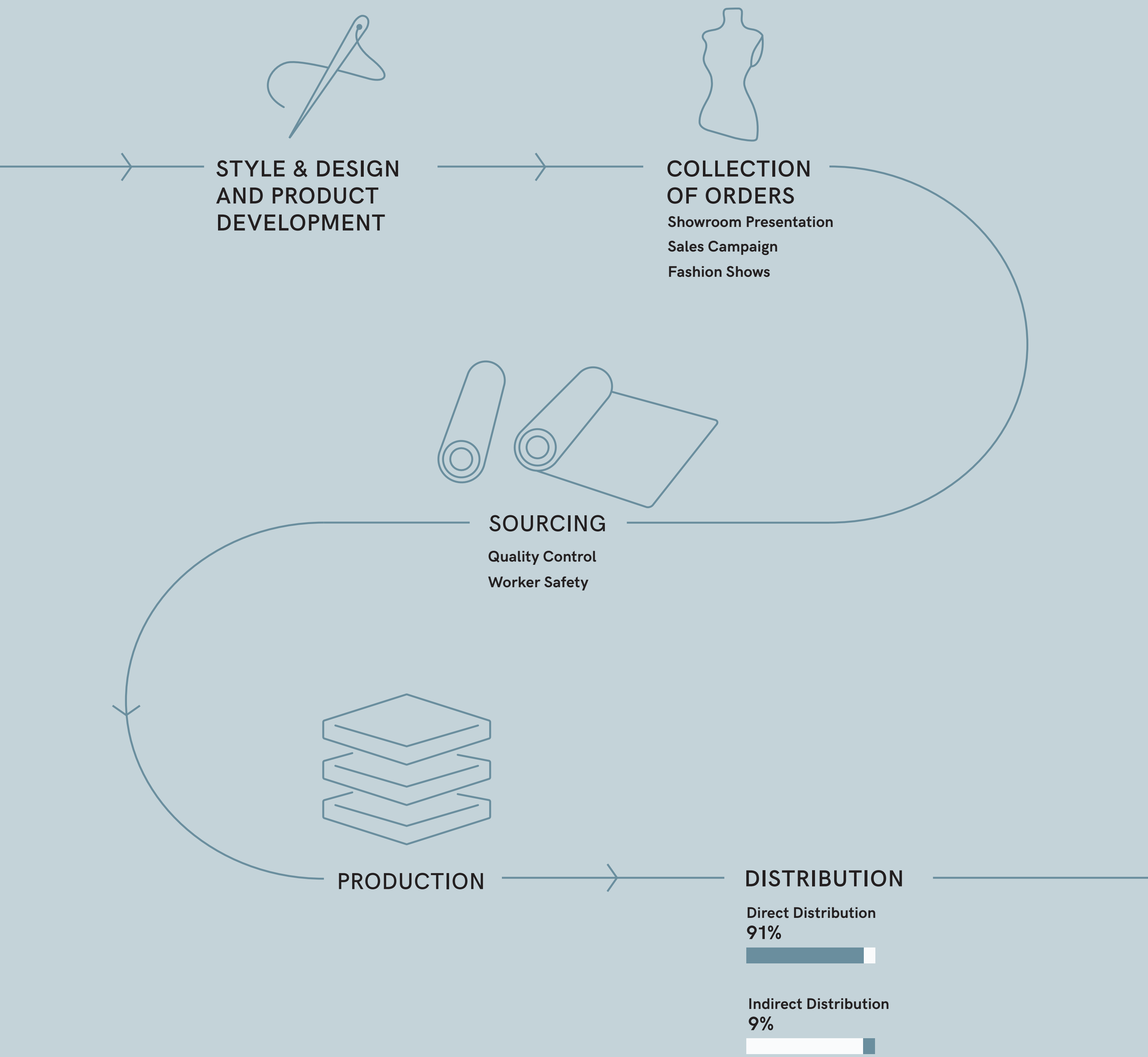

LUNA ROSSA
PIRELLI
PRADA


miu
miu

Advertising campaign
Miu Miu Holiday 2024

Business model

The success of the Prada Group's brands is based on a business model that combines skilled heritage craftsmanship with innovative industrial manufacturing processes. This enables the Group to translate new ideas into successful products, while retaining flexibility and control over know-how, quality and sustainability standards, as well as production.



Creativity

Miuccia Prada's intellectual curiosity, her constant pursuit of new ideas, and her unique understanding and interpretation of culture and society underpin the Prada Group's creative process. Her singular vision has made it possible to establish a genuine design culture, based on method and discipline, which guides everyone who contributes to the Group's creative development.

The appointment in 2020 of Raf Simons alongside Miuccia Prada as Creative Co-Director of the Prada brand produced a new creative dynamic, reiterating the importance and power of dialogue and cooperation.

Constant experimentation and idea-sharing are the essential components of the design process. The time spent at the drawing board, in the testing room and on research and development, is fundamental to creating each collection.
The Prada Group's creative spirit continues to attract talented people from all over the world.

Raw materials and production process

The Group's manufacturing approach is built on two pillars: continuous innovation, which advances skills and expertise, and a deep commitment to craftsmanship, vital for the production and value of each brand.

The quality of raw materials is fundamental to product excellence. Often, fabrics and leathers are custom-made for the Group's brands, meeting strict technical and style specifications to ensure superior quality.

The Group's products are crafted in 26 owned industrial facilities (23 in Italy, 1 in the UK, 1 in France and 1 in Romania) and by a network of carefully selected and monitored industrial manufacturers, which are supplied with raw materials, patterns and prototypes from the Group, allowing close oversight at every stage of production. This approach is designed to achieve outstanding workmanship and provide considerable flexibility in production organization.

Product quality gives the Group a competitive edge, which is reinforced by continuous research and experimentation with materials and techniques. Investments along the supply chain and in the workforce also play a crucial role. A significant number of the Company's production employees have been with the Prada Group for many years, ensuring both a high level of expertise and deep organizational knowledge. Through the Prada Group Academy, the Company is committed to passing on its manufacturing techniques and craftsmanship to future generations, thus preserving the values at the heart of its corporate heritage.

Distribution

Over the years, the Prada Group has strategically evolved its distribution network to include 609 DOS in key prestigious international shopping destinations, enhancing the image of each brand.

These stores do more than just sell products: they act as vital ambassadors, conveying each brand's image consistently, clearly and effectively.

Continuously updated, the Group's extensive network of stores remains a cornerstone of the Company's strategy, showcasing new collections and anchoring the omnichannel approach. E-commerce platforms complement the physical stores, offering a dynamic and integrated shopping experience.

The Group's deep interest in architecture is reflected in a number of revolutionary retail concepts developed with leading architectural firms such as Rem Koolhaas and Herzog & de Meuron. These unique stores, known as Epicenters, are located in New York, Los Angeles and Tokyo and also host cultural debates and events.

In recent years, the Group has selectively streamlined its wholesale channel, which includes department stores, multi-brand stores, franchisees and e-tailers, to ensure maximum quality of the partners and a more focused approach.

Image and communication

It is essential for the Prada Group's communication to go beyond commercial objectives and to involve stakeholders in the brands' ideas and values. A consistent and strong image, in line with the identity of each brand, is central to the Group's strategy. Fashion shows, advertising campaigns and media coverage are the main platforms for presenting the brands and for gaining visibility among international audiences and industry critics.

The Group leverages social networks, brand e-commerce sites, the corporate website, and digital platforms for direct and immediate engagement with its audience.

The brands' innovative and extraordinary special events are another important communication tool for the Group, enabling direct interaction with consumers in different local markets.

Moreover, Luna Rossa's participation in the prestigious America's Cup since 2000 has significantly increased Prada's visibility in the international sporting community, helping to build the brand's credibility in activewear and enhancing its technological expertise.

Advertising campaign
Prada Leathergoods
2024


unesco
SEA BEYOND
PIRELLI
Unipol
GROUP
PANERAI
LUNA ROSSA


PRADA
WOOLMARK
OAKLEY
PRADA

Sustainability

The Prada Group's strategic choices have always been guided by the desire to achieve success also for the benefit of all its stakeholders, be they shareholders, employees, customers or the communities in which the Group operates.

Over time, sustainability has been progressively integrated into the Group's business model and operations. Together with a continuous and transparent dialogue with stakeholders, sustainability has become a key to strengthening the Group's identity and competitive edge.

In 2021, the Prada Group developed its sustainability strategy based on three pillars - Planet, People and Culture - to consolidate its commitment to these issues and to set medium and long-term goals.

The sustainability landscape is changing rapidly, as are the resulting risks and opportunities for the business. As such, the sustainability strategy is evolving, to be improved and updated constantly in order to respond to the needs and expectations of the Group's stakeholders and the changing market conditions in which it operates.

In order to meet current and future challenges and to ensure long-term sustainable development across the entire value chain, the Prada Group has also strengthened its ESG governance, in particular by establishing a Sustainability Committee in early 2022, which plays an active advisory role and assists the Board of Directors in assessing and making decisions on sustainability issues.

The Group publishes an annual Sustainability Report that communicates its progress on its sustainability roadmap. The Sustainability Report is prepared in accordance with GRI Standards.

Planet

The Planet pillar sets goals for reducing environmental impact, including the targets approved by the Science-Based Targets initiative (SBTi) for the reduction of Scope 1, 2 and 3 greenhouse gas emissions, the extensive use of alternative, low-impact materials for both finished products and packaging, and a more circular approach to materials used in production and for other purposes such as shows and events.

People

This pillar includes initiatives to promote and enhance diversity, equality and inclusion, and to foster an inclusive culture based on respect for each individual at all levels of the organisation. It also includes a long-term investment plan to preserve craftsmanship and develop new talent, positioning the Prada Group as a beacon of excellence for new generations. Respect for and protection of the Group's employees is another key element, along with greater monitoring of employee engagement levels to improve their personal and professional wellbeing.

DRIVERS OF CHANGE
PRADA Group

for PLANET

We commit to shaping our operations to reduce our footprint

Mitigate our impact on climate change

Preserve the ecosystems

Embrace circular thinking

for PEOPLE

We commit to an inclusive, creative and fair workplace

Champion diversity and promote inclusion

Foster creativity and know-how preservation

Ensure wellbeing and fair workplace

for CULTURE

We commit to sharing our values and to build a sustainable society

Contribute to cultural debate

Further sustainability literacy

Inspire scientific evolution

with PARTNERS

we commit to engaging with our partners to strengthen our sustainability paths

Prada industrial Headquarter
Valvigna, Terranuova Bracciolini (AR)
by architect Guido Canali

Culture

The Culture pillar reflects the Group's ongoing commitment to preserving and sharing Italian and international cultural heritage, as well as supporting nature and science, and highlights the Group's important ongoing role as an educator and promoter of new ideas.

Miuccia Prada and Patrizio Bertelli's passion for art and culture have inspired the Group to support the multidisciplinary activities of Fondazione Prada[1] from 1993 to the present. In its first two decades of activity, Fondazione Prada commissioned utopian projects and monographs in Italy and abroad to recognized international figures, as well as established and emerging artists. Since 2002, it has undertaken research studies of subjects which had previously been unexplored, through conferences of philosophical nature, exhibitions about architecture and initiatives focused on cinema. A vast network of collaborations with artists, curators, scientists, scholars, filmmakers, architects, musicians, and intellectuals, offering an extensive cultural program within its three Italian venues, two in Milan and one in Venice, opened respectively in 2015 and 2011, as well as Shanghai, Tokyo, and New York since 2018, establishes a dialogue with an international and plural audience. Fondazione Prada fosters participation and inclusivity by embracing a multiplicity of identities, sensibilities and paradigms raised by communities and individuals. Particular attention is paid to youth and their development through a series of projects conceived for children and students, as well as educational and exhibition activities created in collaboration with Italian and international schools, universities, and research centers in the fields of visual arts, science, and humanities.

[1] Fondazione Prada is an external entity of the Prada Group. The collaboration between the two parties is active in the form of sponsorship.

SEA BEYOND Kindergarten of the Lagoon
Courtesy of IOC UNESCO

Prada Group Structure

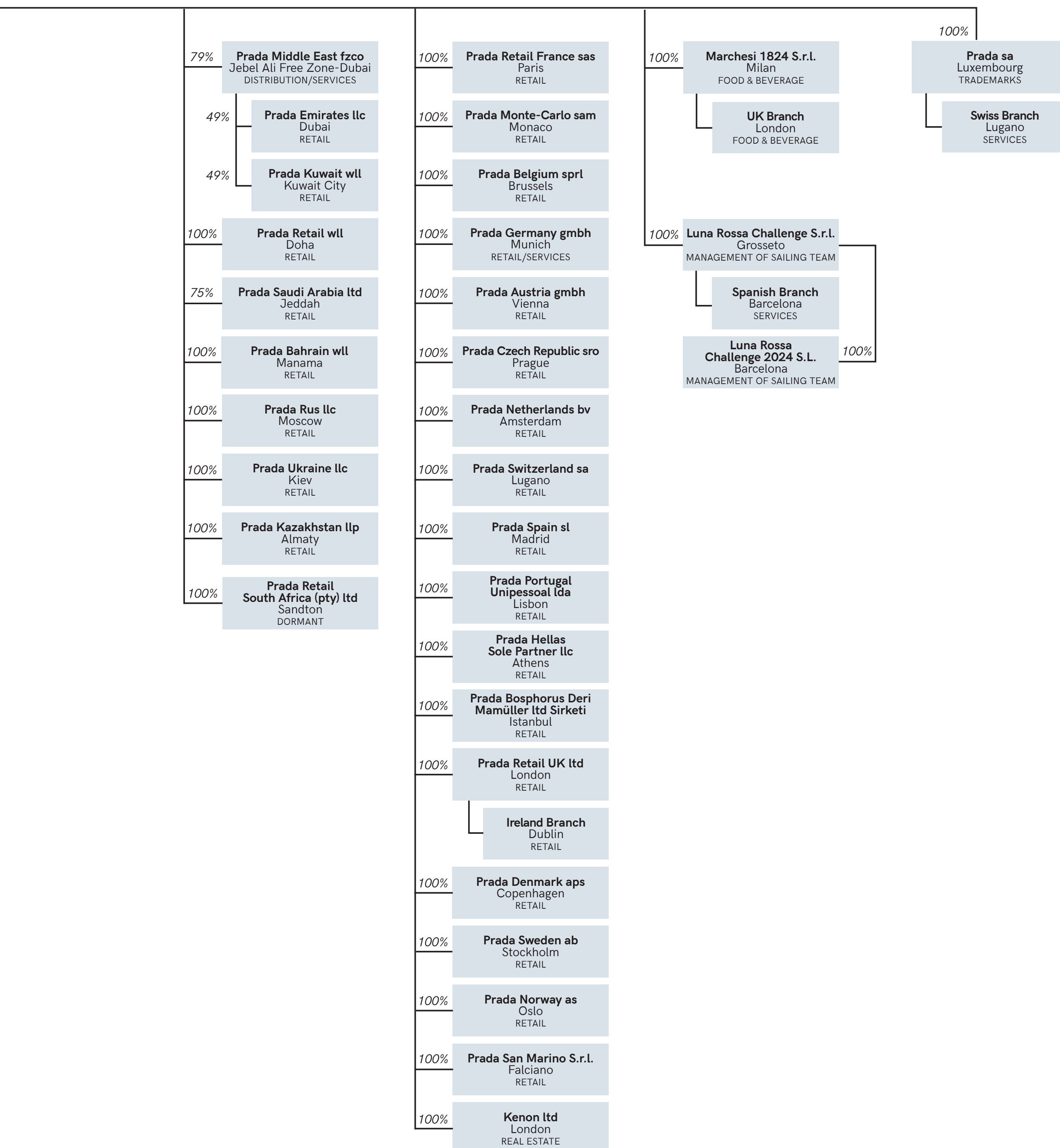
Prada S.p.A.
Milan
HOLDING/MANUFACTURING/DISTRIBUTION SERVICES/RETAIL

- 100% **Church & Co ltd** – Northampton – MANUFACTURING/ SERVICES
  - 100% **Church & Co (Footwear) ltd** – Northampton – TRADEMARKS
  - 100% **Church UK Retail ltd** – Northampton – UNDER LIQUIDATION
  - 100% **Church Germany gmbh** – Münich – UNDER LIQUIDATION
  - 100% **Church Hong Kong Retail ltd** – Hong Kong – DORMANT

- 100% **IPI Logistica S.r.l.** – Milan – SERVICES
- 100% **Hipic Prod Impex S.r.l.** – Sibiu – PRODUCTION
- 100% **Figline S.r.l.** – Milan – PRODUCTION
- 100% **Pelletteria Scandicci S.r.l.** – Terranuova B.ni – DORMANT
- 66.7% **Artisans Shoes S.r.l.** – Montegranaro – PRODUCTION
- 60% **Tannerie Limoges sas** – Isle – PRODUCTION
- 40% **Les Femmes S.r.l.** – Porto S. Elpidio – PRODUCTION
- 44.98% **Filati Biagioli Modesto S.r.l.** – Montale – PRODUCTION
- 43.65% **Conceria Superior S.p.A.** – Santa Croce sull'Arno – PRODUCTION
- 15% **Luigi Fedeli e Figlio S.r.l.** – Monza – PRODUCTION
- 40% **Effepì S.r.l.** – Senigallia – PRODUCTION

- 100% **Prada Canada Corp** – Toronto – DISTRIBUTION/RETAIL
- 100% **Post Development Corp** – New York – REAL ESTATE
- 100% **Prada USA Corp** – New York – DISTRIBUTION/SERVICES/RETAIL
  - 100% **Prada Guam llc** – Guam – RETAIL
  - 100% **Prada Retail Mexico S. de R.L. de C.V.** – Mexico City – RETAIL
  - 100% **Prada USA Cafe Corp** – New York – DORMANT
- 100% **Prada Brasil Importação e Comércio de Artigos de Luxo ltda** – São Paulo – RETAIL
- 100% **Prada Panama sa** – Panama – DORMANT
- 100% **Prada Retail Aruba nv** – Oranjestad – RETAIL
- 100% **Prada Saint Barthelemy sarl** – Gustavia – RETAIL

- 100% **Prada Australia pty ltd** – Sydney – RETAIL
- 100% **Prada Korea llc** – Seoul – RETAIL
- 100% **Prada Singapore pte ltd** – Singapore – RETAIL
- 100% **Prada Retail Malaysia sdn bhd** – Kuala Lumpur – RETAIL
- 100% **Prada Japan Co ltd** – Tokyo – RETAIL
- 100% **Prada (Thailand) Co ltd** – Bangkok – RETAIL
- 100% **Prada New Zealand ltd** – Wellington – RETAIL
- 100% **Prada Vietnam Limited Liability Company** – Hanoi – RETAIL
- 100% **Prada Saipan llc** – Saipan – RETAIL
- 60% **Prada Philippines Inc.** – Manila – RETAIL
- 100% **Prada Asia Pacific ltd** – Hong Kong – SERVICES/RETAIL
  - 100% **Prada Taiwan ltd** – Hong Kong – RETAIL
    - **Taipei Branch** – Taipei – RETAIL
  - 100% **Prada Trading (Shanghai) Co ltd** – Shanghai – DORMANT
  - 100% **Prada Fashion Commerce (Shanghai) Co ltd** – Shanghai – RETAIL
  - 100% **Prada Macau Co ltd** – Macau – RETAIL
  - 100% **Prada Dongguan Trading Co ltd** – Dongguan – SERVICES


79%
Prada Middle East fzco
Jebel Ali Free Zone-Dubai
DISTRIBUTION/SERVICES
49%
Prada Emirates llc
Dubai
RETAIL
49%
Prada Kuwait wll
Kuwait City
RETAIL
100%
Prada Retail wll
Doha
RETAIL
75%
Prada Saudi Arabia ltd
Jeddah
RETAIL
100%
Prada Bahrain wll
Manama
RETAIL
100%
Prada Rus llc
Moscow
RETAIL
100%
Prada Ukraine llc
Kiev
RETAIL
100%
Prada Kazakhstan llp
Almaty
RETAIL
100%
Prada Retail South Africa (pty) ltd
Sandton
DORMANT
100%
Prada Retail France sas
Paris
RETAIL
100%
Prada Monte-Carlo sam
Monaco
RETAIL
100%
Prada Belgium sprl
Brussels
RETAIL
100%
Prada Germany gmbh
Munich
RETAIL/SERVICES
100%
Prada Austria gmbh
Vienna
RETAIL
100%
Prada Czech Republic sro
Prague
RETAIL
100%
Prada Netherlands bv
Amsterdam
RETAIL
100%
Prada Switzerland sa
Lugano
RETAIL
100%
Prada Spain sl
Madrid
RETAIL
100%
Prada Portugal Unipessoal lda
Lisbon
RETAIL
100%
Prada Hellas Sole Partner llc
Athens
RETAIL
100%
Prada Bosphorus Deri Mamüller ltd Sirketi
Istanbul
RETAIL
100%
Prada Retail UK ltd
London
RETAIL
Ireland Branch
Dublin
RETAIL
100%
Prada Denmark aps
Copenhagen
RETAIL
100%
Prada Sweden ab
Stockholm
RETAIL
100%
Prada Norway as
Oslo
RETAIL
100%
Prada San Marino S.r.l.
Falciano
RETAIL
100%
Kenon ltd
London
REAL ESTATE
100%
Marchesi 1824 S.r.l.
Milan
FOOD & BEVERAGE
UK Branch
London
FOOD & BEVERAGE
100%
Luna Rossa Challenge S.r.l.
Grosseto
MANAGEMENT OF SAILING TEAM
Spanish Branch
Barcelona
SERVICES
Luna Rossa Challenge 2024 S.L.
Barcelona
MANAGEMENT OF SAILING TEAM
100%
100%
Prada sa
Luxembourg
TRADEMARKS
Swiss Branch
Lugano
SERVICES

Prada S.p.A. - Corporate information

Registered Office	Via A. Fogazzaro, 28 - 20135 Milan, Italy
Head Office	Via A. Fogazzaro, 28 - 20135 Milan, Italy
Place of business in Hong Kong registered under Part 16 of the Hong Kong Companies Ordinance	8th Floor, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong S.A.R. (P.R.C.)
Company Corporate website	www.pradagroup.com
Hong Kong Stock Exchange Identification Number	1913
Share Capital	Euro 255,882,400 (represented by 2,558,824,000 shares of Euro 0.10 each)
Board of Directors	Patrizio Bertelli (Chairman of the Board & Executive Director) Paolo Zannoni (Executive Deputy Chairman of the Board & Executive Director) Andrea Guerra (Chief Executive Officer & Executive Director) Miuccia Prada Bianchi (Executive Director) Andrea Bonini (Chief Financial Officer & Executive Director) Lorenzo Bertelli (Executive Director) Yoël Zaoui (Lead Independent Director & Independent Non-Executive Director) Marina Sylvia Caprotti (Independent Non-Executive Director) Cristiana Ruella (Independent Non-Executive Director) Pamela Yvonne Culpepper (Independent Non-Executive Director) Anna Maria Rugarli (Independent Non-Executive Director)
Audit and Risk Committee	Yoël Zaoui (Chairman) Cristiana Ruella Anna Maria Rugarli

Remuneration Committee	Anna Maria Rugarli (Chairwoman) Paolo Zannoni Yoël Zaoui
Nomination Committee	Cristiana Ruella (Chairwoman) Lorenzo Bertelli Pamela Yvonne Culpepper
Sustainability Committee	Pamela Yvonne Culpepper (Chairwoman) Lorenzo Bertelli Anna Maria Rugarli
Board of Statutory Auditors	Roberto Spada (Chairman) Maria Luisa Mosconi Patrizia Arienti
Organismo di Vigilanza **(Supervisory Body)** (Italian Leg. Decree 231/2001)	Stefania Chiaruttini (Chairwoman) Armando Simbari Roberto Spada
Main Shareholder	Prada Holding S.p.A. Corso Italia, 22 - 20122 Milan, Italy
Company Secretary	Wendy Pui-Ting Tong 8th Floor, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong S.A.R. (P.R.C.)
Authorized Representatives **in Hong Kong S.A.R.**	Patrizio Bertelli Via A. Fogazzaro, 28 - 20135 Milan, Italy Wendy Pui-Ting Tong 8th Floor, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong S.A.R. (P.R.C.)
Alternate Authorized Representative **to Patrizio Bertelli in Hong Kong S.A.R.**	Annie Man Wai Au 8th Floor, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong S.A.R. (P.R.C.)
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong S.A.R. (P.R.C.)
External Auditor	Deloitte & Touche S.p.A. Via Santa Sofia, 28 - 20122 Milan, Italy

CHAPTER 3

Financial Review

Basis of preparation

The Board of Director's Financial Review refers to the group of companies controlled by Prada S.p.A. ("Prada" or the "Company"), the operating parent company of the Prada Group (the "Group" or "Prada Group"). This Financial Review should be read in conjunction with the Consolidated Financial Statements and related explanatory Notes, which are an integral part thereof.

The tables reported in the Financial Review have been prepared in accordance with the measurement and classification criteria of the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. Some "non-IFRS measures" are also used within the Financial Review in order to represent some financial aspects of the period from a management perspective.

Consolidated Statement of Profit or Loss (includes Non-IFRS Measures)

(amounts in thousands of Euro)	twelve months ended December 31 2024	% on net revenues	twelve months ended December 31 2023	% on net revenues	change	% change
Net sales	5,310,026	97.8%	4,622,882	97.8%	687,144	14.9%
Royalties	121,531	2.2%	103,529	2.2%	18,002	17.4%
Net revenues	5,431,557	100%	4,726,411	100%	705,146	14.9%
Cost of goods sold	(1,094,865)	-20.2%	(924,640)	-19.6%	(170,225)	18.4%
Gross margin	4,336,692	79.8%	3,801,771	80.4%	534,921	14.1%
Product design and development costs	(158,084)	-2.9%	(150,616)	-3.2%	(7,468)	5.0%
Advertising and communications costs	(473,095)	-8.7%	(420,288)	-8.9%	(52,807)	12.6%
Selling costs	(2,082,752)	-38.3%	(1,872,626)	-39.6%	(210,126)	11.2%
General and administrative costs	(343,211)	-6.3%	(296,549)	-6.3%	(46,662)	15.7%
Total operating expenses	(3,057,142)	-56.3%	(2,740,079)	-58.0%	(317,063)	11.6%
Operating income - EBIT	1,279,550	23.6%	1,061,692	22.5%	217,858	20.5%
Interest and other financial income / (expenses), net	(21,315)	-0.4%	(32,031)	-0.7%	10,716	-33.5%
Interest expenses on lease liabilities	(69,623)	-1.3%	(58,825)	-1.2%	(10,798)	18.4%
Dividends from investments	111	0.0%	627	0.0%	(516)	-82.3%
Total financial expenses	(90,827)	-1.7%	(90,229)	-1.9%	(598)	0.7%
Income before taxation	1,188,723	21.9%	971,463	20.6%	217,260	22.4%
Taxation	(345,323)	-6.4%	(298,071)	-6.3%	(47,252)	15.9%
Net income for the year	843,400	15.5%	673,392	14.2%	170,008	25.2%
Net income - Non-controlling interests	4,493	0.1%	2,366	0.1%	2,127	89.9%
Net income - Group	838,907	15.4%	671,026	14.2%	167,881	25.0%

Key financial information

Key economic indicators (amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Net revenues	5,431,557	4,726,411
EBIT (*)	1,279,550	1,061,692
% incidence on net revenues	23.6%	22.5%
Net income of the Group	838,907	671,026
Earnings per share (Euro)	0.328	0.262
Net operating cash flow (**)	1,212,784	725,596

(*) Non-IFRS measure equal to Earnings before Interest and Taxation
(**) Non-IFRS measure equal to net cash flow from operating activities less repayment of lease liabilities

Key financial position indicators (amounts in thousands of Euro)	December 31 2024	December 31 2023
Net operating working capital (*)	808,278	734,742
Net invested capital (right of use assets included) (**)	6,194,941	5,790,789
Net financial surplus (***)	599,602	196,908
Group shareholders' equity	4,399,365	3,853,795

(*) Non-IFRS measure equal to the sum of trade receivables (net), inventories (net) and trade payables
(**) Non-IFRS measure equal to the sum of the total consolidated shareholders' equity, the lease liabilities and the net financial surplus
(***) Non-IFRS measure equal to short-term and long-term financial payables due to third parties and related parties, net of cash and cash equivalents and short-term and long-term financial receivables due from third parties and related parties

2024 Highlights

The Prada Group reports another year of sound results and solid progress in its evolutionary journey, as high brand desirability and disciplined execution drove a positive trajectory on both revenue and margins.

Group's net revenues grew by 17.0% at constant exchange rates compared to 2023, a well above-market performance marking four consecutive years of double-digit, like-for-like growth.

At brand level, Prada confirmed its solid growth trajectory with retail net sales up 4.2% in the 12 months. Miu Miu retail net sales grew by 93.2% in 2024, a record year which brings the brand to a new level of visibility and scale.

The EBIT margin (23.6%) showed further expansion, coupled with substantial investments behind the brands. The Group closes the year with a net cash position of Euro 600 million, which reflects capex cash-out of Euro 460 million.

As for Prada, the brand continued to carve the cultural landscape leveraging its distinctive identity and polyhedric DNA. The creative dialogue translated once again into acclaimed menswear and womenswear fashion shows.

The consistent like-for-like growth trajectory was supported by a well-balanced category mix. Leather goods offering was further enriched, with very good reception of newness and ongoing celebration of icons, while creative dynamism continued to generate high appreciation of ready-to-wear collections.

Signature events and collaborations fostered the brand's multifaceted universe, highlighting its cultural relevance; unconventional activations in exclusive venues further elevated the customer experience worldwide and enriched the brand's narrative.

At Miu Miu, the irreverent and subversive aesthetics continued to captivate the audience and kept the brand in the spotlight, cementing its positioning. Its immediate and instinctive creativity drove a widespread appreciation across all categories and regions; new and ongoing exclusive collaborations continued to resonate and reach new audiences.

Miu Miu’s deep connection with culture resulted in artistic collaborations and special events that fueled contemporary debate with a distinctive voice to be reckoned with. The brand's fashion shows increasingly featured crossovers with various artistic disciplines, offering a new layer of reflection on contemporary society.

Good progress at Church’s as the strategic efforts of the past years continued to keep the brand on a positive topline trajectory.

The upgrade of the retail network remained a key area of effort and focus, as the Group completed c. 90 renovation and relocation projects over the year, in line with the strategic objective of elevating the customer experience. Following 38 openings and 35 closures over the period, the Group ends the year with 609 Directly Operated Stores.

Steadfast progress was also made with the Group’s digital transformation plan aimed at enhancing technology capabilities across a wide spectrum of activities.

On the industrial front, the Group kept investing in the enrichment of its manufacturing skills, expanding its production premises. The recent enlargement of the Torgiano hub, unveiled in May 2024, is a testament to the Group’s commitment to create well-rounded facilities where craftmanship and heritage meet agility, innovation and efficiency. The plant also hosted a new edition of the Prada Group Academy in September 2024 as the organisation maintains its pledge to preserve tradition and know-how across generations.

The Group also continued to execute on its sustainability strategy across all pillars: Planet, People and Culture.

Working on climate change remains a key focus, with progress being made in reducing GHG emissions thanks to the constant investment in green energy and the launch of an ambitious raw materials conversion plan towards lower impact solutions. The scope of the work expanded during the year to include the understanding of the impact of the Group's upstream value chain on the main dimensions of biodiversity.

The Group’s purpose to be Drivers of Change shaped the People agenda, with a very strong focus on inclusion and equality, achieving 46% female representation in top and senior management positions and defining a new global parental policy to also promote work-life balance.

The Culture pillar continues to be distinctive for the Group, which reaffirmed its strong commitment to water conservation with the funding and multiple activities in support of the SEA BEYOND project.

Analysis of net revenues

(amounts in thousands of Euro)	twelve months ended December 31 2024		twelve months ended December 31 2023		% change current exc. rates	% change constant exc. rates (*)	Q4-24 vs Q4-23 % change constant exc. rates (*)
Net revenues							
Retail net sales (Directly Operated Stores and e-commerce)	4,849,208	89.3%	4,189,676	88.6%	15.7%	18.0%	17.5%
Wholesale net sales (independent customers and franchisees)	460,818	8.5%	433,206	9.2%	6.4%	7.1%	4.0%
Royalties	121,531	2.2%	103,529	2.2%	17.4%	17.4%	2.2%
Total net revenues	5,431,557	100%	4,726,411	100%	14.9%	17.0%	15.8%
Retail net sales by brand							
Prada	3,563,376	73.5%	3,488,276	83.3%	2.2%	4.2%	4.0%
Miu Miu	1,228,053	25.3%	648,936	15.5%	89.2%	93.2%	84.2%
Church's	31,659	0.7%	28,555	0.7%	10.9%	10.1%	7.5%
Other	26,120	0.5%	23,909	0.6%	9.2%	9.0%	7.8%
Total retail net sales	4,849,208	100%	4,189,676	100%	15.7%	18.0%	17.5%
Retail net sales by geographic area							
Asia Pacific	1,604,413	33.1%	1,446,146	34.5%	10.9%	13.1%	15.9%
Europe	1,531,622	31.6%	1,312,023	31.3%	16.7%	17.5%	16.2%
Americas	829,809	17.1%	767,365	18.3%	8.1%	8.9%	11.0%
Japan	656,431	13.5%	483,838	11.5%	35.7%	45.8%	30.6%
Middle East	226,933	4.7%	180,304	4.3%	25.9%	26.0%	30.2%
Total retail net sales	4,849,208	100%	4,189,676	100%	15.7%	18.0%	17.5%

(*) calculated excluding the effect of the hyperinflation in Turkey

In the comments below the growth percentages are at constant exchange rates, unless differently specified.

The Prada Group generated net revenues of Euro 5,431.6 million in the twelve months ended December 31, 2024, up by 17.0% compared to 2023. Exchange rate fluctuations reduced growth by 2.1%, to 14.9%.
During the twelve months of 2024, retail net sales increased by 18.0% against the same period of 2023, driven by full price like-for-like sales, with a strong and consistent performance in the fourth quarter with +17.5% yoy. Over the period, retail net sales accounted for 89.3% of total net revenues, therefore in line with 2023 level.
As of December 31, 2024, the Group operated 609 stores, following 38 openings and 35 closures over the period.
Sales in the wholesale channel rose by 7.1% compared to the corresponding period of 2023, with a controlled evolution of independent wholesale, in line with the Group strategy, and an increase in the duty-free stores channel.
Royalty income grew by 17.4% compared to 2023, driven by the contribution of both eyewear and fragrances.

Number of stores

	December 31, 2024		December 31, 2023		December 31, 2022	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Prada	425	17	428	20	422	21
Miu Miu	147	6	141	5	145	5
Church's	28	-	28	-	37	-
Car Shoe	2	-	2	-	2	-
Marchesi 1824	7	-	7	-	6	-
Total	609	23	606	25	612	26

	December 31, 2024		December 31, 2023		December 31, 2022	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Europe	197	-	200	-	209	-
Asia Pacific	215	21	196	23	190	21
Americas	93	-	102	-	104	-
Japan	80	-	85	-	86	-
Middle East	24	2	23	2	23	5
Total	609	23	606	25	612	26

Brands

Prada retail net sales increased by 4.2% over the year, showing solid growth driven by full price like-for-like sales, with the fourth quarter accelerating vs. the third quarter.

Miu Miu reported a remarkable organic performance in the twelve-month period at +93.2% yoy, with strong growth across regions and product categories.

The net revenues by brand amounted to Euro 3,988.1 million for Prada, Euro 1,377.9 million for Miu Miu, Euro 37.6 million for Church's, and Euro 27.9 million for the other brands:

(amounts in thousands of Euro)	twelve months ended December 31 2024		twelve months ended December 31 2023		% change current exc. rates	% change constant exc. rates (*)	Q4-24 vs Q4-23 % change constant exc. rates (*)
Net revenues by brand							
Prada	3,988,090	73.4%	3,912,309	82.8%	1.9%	3.8%	3.0%
Miu Miu	1,377,934	25.4%	753,234	15.9%	82.9%	86.4%	76.3%
Church's	37,628	0.7%	35,791	0.8%	5.1%	4.6%	-5.7%
Other	27,905	0.5%	25,077	0.5%	11.3%	11.0%	6.5%
Total net revenues	5,431,557	100%	4,726,411	100%	14.9%	17.0%	15.8%

(*) calculated excluding the effect of the hyperinflation in Turkey

Markets

Over the period the Group delivered double-digit growth in Asia Pacific, Europe, Japan and Middle East, while Americas reported high single-digit growth with a sequential improvement during the year.
In Asia Pacific, retail net sales rose by 13.1%, despite the more challenging market conditions in the region, with a broad-base improvement in the fourth quarter.
In Europe, retail net sales rose by 17.5%, with consistent growth supported by demand from both local clients and tourists.
The Americas retail net sales rose by +8.9%, entering double-digit territory in the second half of the year.
Japan remained the top performing region, with an outstanding growth of 45.8% in retail net sales, driven by solid domestic demand and strong touristic flow. The fourth quarter continued to deliver high growth, albeit in further moderation vs. the third quarter.
Retail net sales in the Middle East also delivered a solid performance (+26.0%), including the fourth quarter, fuelled by both domestic demand and tourist spending.

Wholesale net sales by geographic area amounted to Euro 219.2 million in Europe, Euro 135.5 million in Asia Pacific, Euro 92.8 million in Americas, Euro 6 million in Middle East, Euro 5 million in Japan and Euro 2.4 million in other countries.

The royalties are entirely attributable to Europe.

Operating results

The gross margin for the twelve-month period ended December 31, 2024 corresponded to 79.8% on net revenues, compared with 80.4% in 2023. Excluding the effect of exchange rate differences, gross margin was substantially stable.

Operating expenses totaled Euro 3,057.1 million, up by Euro 317.1 million versus 2023. The increase was attributable primarily to variable costs resulting from the sales increase, higher marketing spend, personnel expenses, and IT spend for the advancement of the technological and digital roadmap in the retail, manufacturing, and corporate areas.

The operating income for the period, or EBIT, was Euro 1,279.6 million, 23.6% of net revenues, compared to the Euro 1,061.7 million (22.5% of net revenues) of 2023.

Financial expenses and taxation

The net financial expenses of Euro 90.8 million were substantially in line with 2023, due to lower exchange rate losses offset by higher interest expense on the lease liabilities.

The taxation for the twelve months ended December 31, 2024 was Euro 345.3 million, corresponding to 29.0% of the profit before tax.

Net income

The net income for the year amounted to Euro 843.4 million (15.5% of net revenues), versus Euro 673.4 million (14.2% of net revenues) reported in 2023.

Analysis of the Statement of financial position

Net invested capital

The following table reclassifies the statement of financial position to provide information on the composition of the net invested capital:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Right of use assets	2,278,955	2,024,552
Non-current assets (excluding deferred tax assets), net	3,260,523	3,006,998
Trade receivables, net	423,733	405,151
Inventories, net	866,160	782,978
Trade payables	(481,615)	(453,387)
Net operating working capital	808,278	734,742
Other current assets (excluding items of financial position)	248,971	276,123
Other current liabilities (excluding items of financial position)	(567,332)	(422,541)
Other current assets / (liabilities), net	(318,361)	(146,418)
Provisions for risks and charges	(64,284)	(49,867)
Long-term employee benefits	(81,749)	(60,875)
Other long-term liabilities	(53,976)	(57,459)
Deferred taxation, net	365,555	339,116
Other non-current assets / (liabilities), net	165,546	170,915
Net invested capital	6,194,941	5,790,789
Shareholder's equity - Group	(4,399,365)	(3,853,795)
Shareholder's equity - Non-controlling interests	(20,065)	(23,014)
Total consolidated shareholders' equity	(4,419,430)	(3,876,809)
Long-term financial, net surplus / (deficit)	(220,572)	(338,422)
Short-term financial, net surplus / (deficit)	820,174	535,330
Net financial surplus	599,602	196,908
Net financial surplus to consolidated shareholders' equity ratio	-13.6%	-5.1%
Lease liabilities - non-current	(1,940,978)	(1,699,599)
Lease liabilities - current	(434,135)	(411,289)
Total lease liabilities	(2,375,113)	(2,110,888)
Net financial surplus, including lease liabilities	(1,775,511)	(1,913,980)
Shareholders’ equity and net financial surplus, including lease liabilities	(6,194,941)	(5,790,789)

The net invested capital as of December 31, 2024 amounts to Euro 6,195 million, with equity of Euro 4,419 million and lease liabilities of Euro 2,375 million; the net financial position at the end of the period is a surplus of Euro 599.6 million.

The right of use assets increased by Euro 254.4 million, mainly as a result of new leases and remeasurements of existing leases totaling Euro 667.7 million, net of depreciation of Euro 454.2 million, termination of contracts of Euro 0.4 million, writedowns of Euro 8.6 million and foreign exchange differences impact of Euro 42.8 million.

The non-current assets (net) rose by Euro 253.5 million (Euro 3,261 million as of December 31, 2024 versus Euro 3,007 million as of December 31, 2023) following capital expenditures of the year amounting to Euro 493.3 million, net of depreciation, amortisation and writedowns of Euro 296.7 million, and foreign exchange differences impact of Euro 41.2 million.

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Retail	324,039	215,884
Real estate	30,855	381,711
Industrial, logistics and corporate	138,360	155,106
Total	493,254	752,701

The Group continued to invest in the store network and in the industrial area, as well as in the advancement of the technological and digital roadmap in the retail, manufacturing, and corporate areas.

The net operating working capital as of December 31, 2024 equalled Euro 808.3 million, up by Euro 73.5 million from December 31, 2023: trade receivables increased by Euro 18.6 million, inventories increased by Euro 83.2 million, and trade payables increased by Euro 28.2 million.

The other current liabilities (net) amount to Euro 318.4 million as of December 31, 2024, up by Euro 171.9 million from December 31, 2023, mainly due to the increase of the income tax liability and the increase of the fixed assets payables, in line with the higher capex of 2024.

The other non-current assets (net) of Euro 165.5 million as of December 31, 2024 decreased by Euro 5.4 million from December 31, 2023.

Net financial position

The following table provides details of the net financial position:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Bank borrowing – non-current	(220,941)	(338,422)
Financial payables and bank overdrafts - current	(183,247)	(148,338)
Payables to related parties - current	(8,149)	(5,853)
Total financial payables – current	(191,396)	(154,191)
Total financial payables	(412,337)	(492,613)
Cash and cash equivalents	1,011,563	689,519
Financial receivables from related parties - non-current	369	-
Financial receivables from related parties - current	7	2
Total financial receivables and cash and cash equivalents	1,011,939	689,521
Net financial surplus	599,602	196,908

The net operating cash flow for the twelve-month period, after the payment of the lease liabilities (Euro 438.8 million), was positive for Euro 1,212.8 million. After the cash outflows for investing activities (Euro 462.5 million), dividend payments (Euro 350.8 million), net of the revaluation of the items of the net financial position (Euro 4.8 million) and other minor items, the net financial surplus reached Euro 599.6 million at the end of the period.

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Cash flow from operating activities	1,998,769	1,694,951
Net cash interest received (paid)	(6,977)	5,863
Lease liabilities: interest paid	(69,623)	(58,825)
Tax paid	(270,552)	(486,708)
Net cash flow from operating activities	1,651,617	1,155,281
Repayment of lease liabilities	(438,833)	(429,685)
Net operating cash flow	1,212,784	725,596
Net cash flow utilized by investing activities	(462,453)	(759,191)
Free cash flow	750,331	(33,595)

To provide greater financial flexibility, on April 17, 2024 Prada S.p.A. signed a new Euro 800 million Sustainability-Linked Revolving Credit Facility (5-year duration), replacing the existing Euro 400 million facility. This new Revolving Credit Facility is undrawn as of December 31, 2024.

As of December 31, 2024, the Group had undrawn cash credit lines of Euro 1,296 million available at banks (Euro 768 million as of December 31, 2023), of which Euro 861 million were committed credit lines and Euro 435 million were uncommitted ones.

All financial covenants were fully complied with as of December 31, 2024 and they are expected to be complied with within the next 12 months as well.

The following table sets forth the lease liabilities:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Lease liabilities – non-current	1,940,978	1,699,599
Lease liabilities - current	434,135	411,289
Total	2,375,113	2,110,888

The lease liabilities increased from Euro 2,111 million as of December 31, 2023 to Euro 2,375 million as of December 31, 2024, primarily as a result of new contracts and remeasurements for lease extensions or modifications for Euro 658.9 million, net of the payments of the period for Euro 438.8 million, termination of contracts of Euro 4.1 million, and the foreign exchange differences impact for the period for Euro 48.2 million.

The lease liabilities were concentrated mainly in the following countries: U.S.A., Italy and Japan.
The net financial indebtedness, including the lease liabilities, amounted to Euro 1,776 million as of December 31, 2024 (Euro 1,914 million as of December 31, 2023).

Further information on the Group's debt maturities and obligations, currency and interest rate risk management, commitments and contingent liabilities is provided in Notes 21, 26 and 28 of the Notes to the Consolidated Financial Statements.

Risk factors and management

The Prada Group's business is exposed to various risks that, if they materialize, could adversely affect its operations, results and financial situation, or reputation.

Some of these risks depend on the constantly changing and highly competitive environment for the luxury industry, which primarily concern the desirability of the Group's products. For this reason, some of the main strategies of the Group are (i) guaranteeing constant recognition of the brands as reference points in the industry, (ii) supporting and developing retail sales, as well as (iii) the continuous identification, monitoring and mitigation of the main Group risks. In order to manage, anticipate and mitigate its risk exposure, and to ensure that it can develop its business sustainably over the long term, the Group has set up a risk management system.

Risk factors are presented as follows:

1. Operational and ESG Risks

1.a. Intellectual property and brand protection

Description	What we do
The Group's brands and other intellectual property rights are fundamental assets. Infringements of the Group's intellectual property rights can have significant negative impacts on its results and damage its image.	The Group pursues an active anti-counterfeiting policy involving both preventive measures and legal actions. Its strategy is based on the following pillars: – the Group's brands, designs, patents and websites are registered to obtain legal protection in all countries throughout the world; – an Intellectual Property Team is responsible for brand protection efforts globally, online and offline, through - among others - monitoring actions (in both traditional markets and on the internet), inspections, contacts with competent local and international authorities and custom agencies, legal actions; for all such actions, the team can act directly or with the support of external consultants. In addition, all products have been equipped with a remote frequency identification (RFID) tag, using a technology that makes it possible to verify the authenticity of the products and track them. All retail and wholesale products bearing the RFID tag have also been registered on the blockchain of the Aura Consortium.

1.b. Commercial attractiveness and desirability	
Description	**What we do**
The Group's success is reliant on its ability to create and influence fashion and product trends, to timely anticipate shifts in consumer taste and trends, and to meet and exceed customer expectations. Failure to timely perceive fashion needs or to translate them into the styling, design and development phase could negatively impact the appeal of the Group's brands and, therefore, its results and financial situation.	The Group addresses the risk – first of all – by investing in strong and structured style and design teams, capable of fine-tuning with cultural and consumer changes. The teams – guided by Miuccia Prada and Raf Simons, as for the "Prada" brand, and by Miuccia Prada for the "Miu Miu" brand – are composed of professionals of different nationalities, cultures and talents, to foster creativity. In addition, they are invited to combine a strong sense of fashion with intellectual curiosity, the pursuit of new and unconventional ideas, as well as cultural and social interests. Secondly, the Group pursues cutting edge communication strategies, to be in-tune with – and even to anticipate or create – fashion trends. In addition, the Group invests in regular store renovations (both brick-and-mortar and online) to channel the brands' images and guarantee enhanced customer experiences. Brand attractiveness and customer satisfaction are also pursued through regular training and professional qualification programs for its employees, especially those working in stores.

1.c. Talent management and retention	
Description	**What we do**
The Group's operations require managers, employees and artisans having the right qualifications in the design, product development, production, marketing, merchandising, management and corporate functions. It is therefore key for the Group to retain skilled workforce and to train new generations, especially in a dynamic and evolving job market. Loss of talented and skilled people, high turnover rate, departure of senior executives and disappearance of craftsmanship heritage may impact on the Group's operations, product quality and, consequently, results.	The Group proactively addresses the risk by: (i) carrying out training initiatives, such as through the Prada Academy, where knowledge is shared and skills, techniques, and innovative ideas are shaped in a way to foster talent and hand down the professional expertise essential for the Group; (ii) monitoring the market, to acquire the best, and most fitting, professional skills and métiers; and (iii) setting up retention initiatives, such as a performance management process based on individual goals and leadership development, as well as adequate incentive schemes.

1.d. Real Estate

Description	What we do
Should the Group lose strategic retail places, due to difficulties in finding fitting locations or in negotiating new leases at adequate terms and conditions, the Group's strategy could be undermined, with negative consequences for its results. Conversely, should the Group be compelled to carry out significant construction/renovation projects to align facilities to its standards, or unable to carry out projects timely and on budget, its financial situation could be negatively impacted.	Specific teams are responsible to handle real estate activities, such as market monitoring, conducting negotiations concerning real estate assets (leases and acquisitions) and construction and renovation projects for retail places. Moreover, the Group performs periodical reviews of contracts, site visits and "ad-hoc" counterparty due diligence.

1.e. Corporate image

Description	What we do
The Group's success in the international luxury goods business is linked to the image and distinct character of its brands, in a highly competitive environment. These features depend on many factors, such as the style and design of the products, the quality of the materials used and production techniques, image and locations of directly operated stores, careful selection of business partners, communication activities and the corporate profile in general. The Group is also mindful of the transparency and accountability demanded by its stakeholders in the rapidly evolving environmental, social and governance landscape in which it operates. Negative events concerning the above – such as unfavourable or inaccurate media coverage, negative campaigns on social network, individual behaviour contrary to the Group's values of ethics and integrity – can affect the Group's image and reputation and, consequently, negatively impact results.	The Group pursues the preservation of the image and prestige of the brands by (i) maintaining its innovative features for style, product and communication; (ii) monitoring each internal and external phase of the value chain to reduce the risk of inadequate performance; and (iii) oversight of external communication concerning the brands, including through social media. The Group also undertakes ESG specific initiatives, through Prada S.p.A.'s Sustainability Committee, as well as its Board members with significant professional ESG experience, as well as corporate and industrial sustainability dedicated functions.

1.f. Fraud

Description	What we do
Frauds may be perpetrated to obtain money or – among others – property or services, personal or business advantage. Lack of controls and insufficient segregation of duties could lead to fraud and, consequently, economic losses and reputational damages.	The Group has equipped itself with various control tools, preventive and deterrent processes, aimed at improving the efficiency and the monitoring of its treasury activities, such as: (i) various Group procedures in place (Code of Ethics, Anti-corruption policy, Corporate Finance & Treasury policy); (ii) the set up of the Whistleblowing system and its related policy; (iii) providing banking Power of Attorney to a limited number of people, regularly updated and duly approved by Board of Directors; and (iv) strengthening Segregation of Duties, access controls to Corporate systems and its internal controls over treasury activities.

1.g. Supply Chain Management

Description	What we do
Inability to source raw materials, manufacture, procure and distribute finished products on a timely basis at the required quality, quantity and cost from suppliers who meet quality and the Group's ethics standards could lead to disruptions in production, negative effects on the Group's results and/or damages to the Group's reputation. Although the Group does not significantly depend on any façon manufacturer, the suspension or termination of a relationship with some of the most significant façon manufacturers could adversely affect the Group's business and, as a consequence, its results.	The Group contracts with several suppliers, to avoid concentration of supply. The fact that production is mainly located in Europe, especially in Italy, grants an adequate level of competence, quality and reliability. In addition, sensitive processes – such as the creation of prototypes and samples, the cutting of hides and controls over raw materials and semifinished goods – take place at the Group's own manufacturing facilities. The Group's technical staff carries out controls to ensure that products meet quality standards and that the entire supply chain complies with Prada S.p.A.'s Code of Ethics, which must be signed by business partners. Moreover, the Group demands – and monitors (including through inspections) – compliance by manufacturers with applicable regulations concerning labor law, social security and occupational health and safety, as well as with the Group's regulations on brand ownership and other intellectual property rights.

1.h. Business resilience	
Description	**What we do**
Business interruption can occur due to a variety of factors, including escalations in geopolitical or social tensions, restrictions to people movement or to exports, cyberattacks, property damages caused by an extreme weather event, public health events, machinery breakdowns, labor disputes and quality control failures on the operations. The resulting losses can be economic (e.g., decreased sales, increased labor costs, need to substitute a key supplier, decreased revenue potential due to natural disasters) and reputational.	The Group addresses these risks through a balanced geographical distribution of its stores, to avoid high concentration; operations/production mainly located in Italy, but in several facilities; operations/production located in new/renewed premises; continuous development of online sales activities; strengthening of the Information System department; insurance programs aimed at mitigating such risks.

1.i. Health, security and safety	
Description	**What we do**
The Group is exposed to risks related to (i) workers' health and safety, such as injuries, occupational diseases and accidents that could lead to physical harm to people; and (ii) non-compliance with quality and security standards of products. Such risks can lead to litigation, and related costs affecting the Group's financial situation, as well as damage to the Group's image.	To mitigate these risks, the Group (i) conducts periodic safety training and refresher courses; (ii) undergoes renovations and new constructions; and (iii) carries out fire risk assessments on high-risk premises; and with respect to product quality, carries out quality control on manufacturing used in the production process (from sourcing to finishing touches).

1.j. Environmental	
Description	**What we do**
The financial situation and the reputation or the Group could be affected by (i) extreme climatic phenomena, cost increases for raw materials and other similar environmental circumstances capable of affecting its production, (ii) new regulations aimed at containing pollution and climate change, which may trigger compliance costs or failures for the Group; and (iii) changes in customer purchasing habits related to evolutions of the environmental context.	To prevent or mitigate these risks, the Group adopted ad hoc internal processes, including the sustainability policy which laid the foundations for the Company's sustainability focus based on three pillars - Planet, People and Culture - where the Group firmly believes it can make the greatest contribution in terms of value creation in its own industry and for the benefit of society as a whole. The Group formalized a sustainability strategy with a clear roadmap for the reduction of greenhouse gas emissions, extensive use of alternative, low impact materials for both finished products and packaging, and a more circular approach to materials used in production and for other purposes such as shows and events, where waste is recycled and reused. The strategy also focuses on the traceability of raw materials and the continuous improvement of social and environmental standards along the supply chain through close collaboration with suppliers.

Description	What we do
	The strategy is an evolving plan that will be improved and updated over time to respond to the needs and expectations of the Group's stakeholders and the changing market conditions in which it operates. The organization identified and formalised medium-term targets and internal Key Performance Indicators (KPIs) to monitor the progress, with a particular focus on the decarbonization of its operations and the transition to lower impact materials for its finished products. In addition, the Group enforced the sustainability culture through the promotion of internal and external initiatives (e.g. Sea Beyond, Forestami Academy, corporate on/off-line dedicated trainings).

2. Financial risks

2.a. Credit risk

Description	What we do
Credit risk is defined as the risk of financial loss caused by the failure of a counterparty to meet its contractual obligations. The maximum risk to which an entity is exposed is represented by all the financial assets recognized in the financial statements. The Group considers its credit risk to involve primarily trade receivables generated from the wholesale channel and other commercial partners, and liquid assets. As part of Credit risk, the financial counterparty risk is managed through a proper diversification of financial counterparties, considering their creditworthiness and solvency: the risk of default of liquid assets substantially relates to bank deposits, which represent the Group's most widely-used financial product for investing surplus operating cash flows. Default risk is mitigated by the allocation of cash holdings to bank deposits that are diversified in terms of counterparties (always investment grade), country and currency, and by the consistently short-term period. The residual portion of liquid assets consists of cash and bank accounts.	The Group manages credit risk and mitigates the related effects through a control system based on the monitoring of the creditworthiness and solvency of customers, the stipulation of insurance contracts and the use of safe solutions such as advance payments. The Group considers no significant risk to exist on these kinds of liquid assets given that they are used for operating activities and business processes and, consequently, the number of independent parties involved is fragmented. However, there is a potential risk related to cash shortages at stores. The Group has equipped itself with various control tools, preventive and deterrent, aimed at improving the efficiency of cash management activities.

2.b. Liquidity risk

Description	What we do
Liquidity risk refers to difficulty that the Group could have in securing new funds, leading to a failure in meeting its financial obligations. The Directors are responsible for managing liquidity risk, whereas the Group CFO, supported by the Deputy Group CFO, is responsible for optimizing financial resources.	The Directors consider the currently available funds and lines of credit, in addition to the funding that will be generated by operating and financing activities, to be sufficient for enabling the Group to meet its requirements in terms of working capital management, investing activities, punctual loan repayment and the payment of any dividends as planned.

2.c. Foreign exchange risk

Description	What we do
The Group has a vast international presence, and therefore is exposed to the risk that changes in currency exchange rates could adversely impact revenue, expenses, margins and profit. In order to hedge foreign exchange risk, the Group enters into derivative contracts designed to fix the value in Euro (or other functional currency) of identified future cash flows. The future cash flows consist primarily of intercompany inflows of trade and financial receivables and intercompany outflows of trade payables. They refer mainly to Prada S.p.A., the Group's parent company and worldwide distributor of Prada and Miu Miu brand products.	The management of foreign exchange risk is described in more detail in the Notes to the Consolidated Financial Statements.

2.d. Interest rate risk

Description	What we do
Interest rate risk is the risk that future cash flows could be affected by interest rate fluctuations. In order to hedge this risk, which refers mainly to Prada S.p.A., the Group uses derivatives (such as interest rate swaps or collar) to convert variable-rate debt into fixed-rate debt or debt at rates within a specified range.	The management of interest rate risk is described in more detail in the Notes to the Consolidated Financial Statements.

3. Legal and regulatory risks

3.a. Risks related to the evolution of the regulatory framework

Description	What we do
In the various jurisdictions where it operates, the Group is subject to laws and regulations and, therefore, exposed to the risk of non-compliance, which – in the case of a major breach – could have a material impact on the business and performance of the Group. In addition, new legislation imposing more stringent standards may entail increased compliance or may limit the Group's operations, with negative consequences for its financial performance. This can concern, in particular, the following: — risks associated to non-compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or with other laws or regulations in force in Hong Kong S.A.R. that Prada S.p.A. must observe as it is listed on The Stock Exchange of Hong Kong Limited; — risks associated with occupational health and safety under Italian Legislative Decree 81/2008 and equivalent regulations in force in other countries; — possible legal penalties for wrongful acts pursuant to Italian Legislative Decree 231/2001, as subsequently amended; — events that could adversely affect the accuracy of the annual financial statements and the protection of assets; — manufacturing compliance risks with respect to Italian and international laws and regulations regarding finished goods distributed and raw materials and consumables used.	The Group involves various divisions and uses external experts as necessary to keep its processes and procedures constantly updated in order to comply with changing rules and regulations in a timely manner, thereby mitigating the risk of non-compliance. Monitoring activities are performed by division managers, auditors, special entities and committees such as the Supervisory Body and the Audit and Risk Committee. Prada S.p.A. holds the status of Authorized Economic Operator ("AEO full"). This recognition, issued by the Customs Agency, is granted to companies that prove to be competent and virtuous in the management of their business processes, in compliance with both customs regulations and safety standards for goods.

3.b. Tax risk	
Description	**What we do**
The Prada Group's tax strategy is based on the prevention of tax risks and on tax certainty, both of which are pursued through ongoing dialogue and long-term, principled interaction with the tax authorities in the countries where it operates.	The Group's tax risks, which could arise from compliance errors or incorrect interpretation of regulations, are constantly monitored within the scope of an extensive internal control system, incorporated into the tax control framework. The effectiveness of the tax risk management system has made Prada S.p.A. eligible to participate in the Cooperative Compliance Tax Regime in Italy (under Italian Legislative Decree 128/2015), enhancing its tax control framework. Within such regime, the Group has expanded a systematic, open communication channel with the Italian and the foreign tax authorities of the most strategically important countries where it operates, based on reciprocal transparency and trust, with the purpose of minimizing the level of uncertainty about potentially risky situations.

Other information

Information on related-party transactions
Information on the Group's transactions and balances with related parties is provided in the Notes to the Consolidated Financial Statements, insofar as required by IFRS, and in the Directors' Report and Corporate Governance Report, insofar as required by the Hong Kong Stock Exchange rules.

Non-IFRS measures
The Group uses certain financial measures ("non-IFRS measures") to measure its business performance and to help readers understand and analyse its financial situation. Although they are used by the Group's management, such measures are not universally or legally defined and are not regulated by the IFRS adopted to prepare these Consolidated Financial Statements. Other companies operating in the luxury goods industry might use the same measures, but with different calculation criteria. For this reason, it is important for non-IFRS measures to always be read in conjunction with the related explanatory notes, and for readers to be aware that such measures may not be directly comparable with those used by other companies.

The Prada Group uses the following non-IFRS measures in this Annual Report:
Net revenues at constant exchange rates: current year net revenues calculated considering the prior year exchange rates.

Net sales at constant exchange rates: current year net sales calculated considering the prior year exchange rates.

Operating income - EBIT: Earnings before Interest and Taxation, i.e. "Consolidated net result for the period" adjusted to exclude "Total financial income / (expenses)" and "Taxation".

Other non-recurring income / (expenses): transactions qualified by the Directors as non-recurring when their nature, materiality or frequency requires separate disclosure in order to give readers additional information of the Group's operating results. Other non-recurring transactions could include, for example, impairment losses or reversal of impairment losses of fixed assets, restructuring costs, litigation costs, and gains and losses on disposals of fixed assets only when they are related to unusual material transactions considered outside the normal course of business.

Recurring operating income - EBIT Adjusted: the difference between the "Operating income - EBIT" and the "Other non-recurring income / (expenses)".

The reconciliation of Prada Group's EBIT Adjusted and EBIT with the nearest IFRS measure (Net income for the year) is reported below:

(amounts in thousands of Euro)	twelve months ended December 31 2024	% on net revenues	twelve months ended December 31 2023	% on net revenues
Net income for the year	843,400	15.5%	673,392	14.2%
Taxation	345,323	6.4%	298,071	6.3%
Total financial expenses	90,827	1.7%	90,229	1.9%
Operating income - EBIT	1,279,550	23.6%	1,061,692	22.5%
Other non-recurring (income) / expenses	-	-	-	-
Recurring operating income – EBIT Adjusted	1,279,550	23.6%	1,061,692	22.5%

Net financial position surplus / (deficit): Short-term and long-term financial payables due to third parties and related parties, net of cash and cash equivalents and short-term and long-term financial receivables due from third parties and related parties.

Net financial position surplus / (deficit), including lease liabilities: Net financial position surplus / (deficit) including lease liabilities.

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Net financial surplus	599,602	196,908
Lease liabilities - current	(434,135)	(411,289)
Lease liabilities - non-current	(1,940,978)	(1,699,599)
Total lease liabilities	(2,375,113)	(2,110,888)
Net financial surplus, including lease liabilities	(1,775,511)	(1,913,980)

Net operating working capital: the sum of trade receivables (net), inventories (net) and trade payables.
Net invested capital (right of use assets included): the sum of the total consolidated shareholders' equity, the lease liabilities and net financial surplus.
Net operating cash flow: net cash flow generated by operating activities, less the repayment of lease liabilities.
Free cash flow: net operating cash flow after the net cash flows used for the investing activities.

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Cash flow from operating activities	1,998,769	1,694,951
Net cash interest received (paid)	(6,977)	5,863
Lease liabilities: interest paid	(69,623)	(58,825)
Tax paid	(270,552)	(486,708)
Net cash flow from operating activities	1,651,617	1,155,281
Repayment of lease liabilities	(438,833)	(429,685)
Net operating cash flow	1,212,784	725,596
Net cash flow utilized by investing activities	(462,453)	(759,191)
Free cash flow	750,331	(33,595)

Research and development activities

The research and development activities are described in the introductory section "The Prada Group" of this Annual Report, in the paragraph regarding creativity. The design and product development costs for the twelve months ended December 31, 2024 amount to Euro 158.1 million, as reported in the Consolidated Statement of Profit or Loss prepared in accordance with IFRSs.

Treasury shares

As of December 31, 2024, the Company did not hold any treasury shares, as reported in the "Directors' Report" section.

Events after the reporting date

No significant events to be reported.

Outlook

While being mindful that the complex industry dynamics are likely to persist, we continue to see clear opportunities for our brands and we remain committed to our investment plan across retail, industrial capabilities and technology to continue to support our growth and the organisation in its evolutionary journey. For the year ahead, we retain our ambition to deliver solid, sustainable, and above-market growth.

Milan, March 4, 2025

CHAPTER 4

Directors and Senior Management

Directors

Our Board of Directors (the "Board") consists of eleven Directors: six executive Directors, and five independent non-executive Directors. The Board is appointed for a term of three years.

Executive Directors

PATRIZIO BERTELLI
Chairman of the Board and
Executive Director

BERTELLI, Patrizio, aged 78, is the Chairman of the Board of the Company with effect from April 24, 2024. He was first appointed to the Board in 2003 and held the role of Co-Chief Executive Officer along with Ms. Miuccia Prada until January 26, 2023. He was appointed Chairman of the Board for the first time on April 27, 2023. His partnership with Miuccia Prada began at the end of the '70s. He combines entrepreneurial activity with a range of cultural and sporting interests that he shares with Ms. Miuccia Prada Bianchi. Mr. Bertelli received an honorary degree in Business Economics from the University of Florence in 2000 and the "University Seal" from the University of Bologna in 2021. In 2006, Time Magazine cited him with Miuccia Prada as among the 100 most influential couples in the world and in 2012 he became the first Italian in history to be inducted into the America's Cup Hall of Fame.
Mr. Bertelli holds directorships in subsidiaries of the Company. He holds directorship in PA BE 1 S.p.A., which is a substantial shareholder of the Company. Mr. Bertelli is the husband of Ms. Prada, Executive Director, and is the father of Mr. Lorenzo Bertelli, Executive Director, Chief Marketing Officer and Head of Corporate Social Responsibility. Mr. Bertelli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

MIUCCIA PRADA BIANCHI
Executive Director

PRADA BIANCHI, Miuccia, aged 76, is Executive Director of the Company, Miu Miu Creative Director, and Prada Co-Creative Director with Raf Simons. She served as Chairwoman of the Board from 2003 to 2014 and as Co-Chief Executive Officer with her husband Mr. Patrizio Bertelli, until January 26, 2023. She was re-elected as Executive Director on April 24, 2024. After obtaining a degree in Political Science from Milan University, Ms. Prada began designing for the exclusive family business, founded by her grandfather in 1913. At the end of the '70s, she formed a partnership with Patrizio Bertelli, an entrepreneur, and the owner of two high quality leather goods companies. Under the direction of Ms. Prada and Mr. Patrizio Bertelli, Prada has become one of the leading luxury companies worldwide. Ms. Prada has received several awards for her original vision, innovation, and contribution to international fashion. In 2000, she received an Honorary Doctorate from the Royal College of Art in London. In 2006, Ms. Prada was named Officier dans l'Ordre des Arts et des Lettres by the French Ministry of Culture. In 2015, she was granted the title of Knight of the Grand Cross, the highest Order of Merit of the Italian Republic, in recognition of her international success and contribution to the fields of creativity, fashion and style. Ms. Prada is the wife of Mr. Patrizio Bertelli, Chairman of the Board, and is the mother of Mr. Lorenzo Bertelli, Executive Director, Chief Marketing Officer and Head of Corporate Social Responsibility.
Ms. Prada holds directorships in Prada Holding S.p.A., Bellatrix S.p.A. and Ludo S.p.A., which are substantial shareholders of the Company. Ms. Prada is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

PAOLO ZANNONI
Executive Deputy Chairman of the Board and Executive Director

ZANNONI, Paolo, aged 76, is the Executive Deputy Chairman of the Board with effect from May 11, 2023. He was re-elected as an Executive Director on April 24, 2024. He was first appointed as Chairman of the Board on May 27, 2021, and conferred in his executive role on June 4, 2021. He has been an international advisor at Goldman Sachs since 2019, providing advice to the firm's business across Italy and the rest of Europe. He is currently secretary of the Board of Directors of Beretta Holding S.p.A. and a Board Member of Holland & Holland Limited. He served as Chairman of the Board of Autogrill S.p.A., listed on the Italian Stock Exchange, from 2019 to January 2023, Chairman of Dolce & Gabbana Holding S.r.l. from 2007 to 2021, and Chairman of Prysmian Group S.p.A. from 2005 to 2012. Prior to this, Mr. Zannoni spent several years working with the Goldman Sachs investment banking franchise in Italy. He joined Goldman Sachs in 1994, was named managing director in 1997, partner in 2000 and was Chairman of the Italian investment banking business between 2000 and 2013. He also spent a period as co-chief executive officer of Goldman Sachs Russia. Prior to joining Goldman Sachs, Mr. Zannoni was a vice president at Fiat S.p.A. and a lecturer at Yale University. He continues to be an executive fellow at the Yale School of Management, an advisory board member of the International Center for Finance (ICF) and a board member of the Jackson Institute for Global Affairs. Mr. Zannoni earned an MA and an MPhil in Political Science from Yale University. He also earned a BA from the University of Bologna.
Mr. Zannoni holds directorships in subsidiaries of the Company and was appointed as the Chairman of the Board of Prada Holding S.p.A. in June 2023. Mr. Zannoni is a member of the Remuneration Committee. Save as disclosed herein, Mr. Zannoni has not held any directorship in any other listed companies in Hong Kong or abroad in the last three years.

ANDREA GUERRA
Chief Executive Officer and Executive Director

GUERRA, Andrea, aged 59, has been appointed Chief Executive Officer and Executive Director of the Company since January 26, 2023, and re-elected on April 24, 2024. Prior to joining Prada, Mr. Guerra was the strategic advisor of LVMH, the Chief Executive Officer of Hospitality Excellence at LVMH Moët Hennessy Louis Vuitton SE (September 2020 to May 2022), Executive Chairman of the high-end food emporium Eataly (September 2015 to May 2019), Chief Executive Officer of the eyewear company Luxottica Group S.p.A. (July 2004 to September 2014), and was the Chief Executive Officer of Merloni Elettrodomestici, now Indesit Company (2000 to 2004). Mr. Guerra obtained a degree in Business Administration from Sapienza University of Rome in 1989. From December 2014 to October 2015, he was senior strategic advisor for business, finance, and industry to the Italian Government's Prime Minister. He was a member of the boards of directors of Bocconi University (November 2014 – October 2018) and Save the Children Italy and is a shareholder of online newspaper Linkiesta. Over the years, Mr. Guerra was a member of the strategic committee of the Italian Strategic Fund (Fondo Strategico Italiano S.p.A.). He was also a member of the board of directors of Amplifon S.p.A., and a member of the strategic committee of Ariston Thermo S.p.A., both companies listed on the Italian Stock Exchange. He held the position of director on the boards of Parmalat S.p.A. and DeA Capital S.p.A., both companies listed on the Italian Stock Exchange, and of Banca Nazionale del Lavoro S.p.A..
Mr. Guerra holds directorships in subsidiaries of the Company. Save as disclosed herein, Mr. Guerra has not held any directorship in any other listed companies in Hong Kong or abroad in the last three years.

ANDREA BONINI
Chief Financial Officer and
Executive Director

BONINI, Andrea, aged 45, is the Chief Financial Officer of the Company since May 2, 2022. He was appointed to the Board as Executive Director on November 8, 2022, confirmed as Executive Director on April 27, 2023, and re-elected on April 24, 2024. Mr. Bonini has 19 years of experience in corporate finance and relevant experience in the luxury industry. He started his professional career in Milan-based M&A firm Boutique Gallo & C. S.p.A. in 2003. In 2005, Mr. Andrea Bonini joined the Investment Banking Division of Goldman Sachs International, based in London where he became Managing Director in 2015. At Goldman Sachs, he was part of the Italy Coverage team until 2013 and subsequently joined the Consumer Retail Group, with responsibility for Luxury and Brands in Europe. Mr. Bonini graduated in Business Administration from Bocconi University in Milan in 2003.

Mr. Bonini holds directorships in subsidiaries of the Company. Mr. Bonini is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

LORENZO BERTELLI
Executive Director

BERTELLI, Lorenzo, aged 36, joined the Board of Directors as Executive Director in May 27, 2021 and was re-elected on April 24, 2024. Mr. Bertelli has been Chief Marketing Officer since 2019 and was appointed Head of Corporate Social Responsibility in 2020. He is responsible both for the Group's Marketing and Communication strategy and for the Group's overall approach to sustainability. He joined the Group in 2017 as Head of Digital Communication. Lorenzo Bertelli obtained a degree in Philosophy at San Raffaele University in Milan in 2008. He is the son of Ms. Miuccia Prada Bianchi, Executive Director and Mr. Patrizio Bertelli, Chairman of the Board of the Company.

He holds directorship in Prada Holding S.p.A., which is a substantial shareholder of the Company, as well as directorships in subsidiaries of the Company. Mr. Lorenzo Bertelli is a member of the Nomination Committee and the Sustainability Committee. Mr. Bertelli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

Independent Non-Executive Directors

YOËL ZAOUI
Lead Independent Director and Independent Non-Executive Director

ZAOUI, Yoël, aged 64, was first elected as an Independent Non-Executive Director on May 27, 2021, and appointed as Lead Independent Director on May 11, 2023. He was re-elected on April 24, 2024. He is a co-founder of Zaoui & Co., a firm established in 2013 to advise select clients on mergers, acquisitions, and other strategic and financial transactions, as well as major investment decisions. Mr. Zaoui began his investment banking career at Goldman Sachs in 1988, and, over a 24-year career at Goldman Sachs, was responsible for some of Europe's largest and more significant corporate transactions in a period of unprecedented growth. Mr. Zaoui was the first European investment banker to have joined Goldman Sachs's top governing body, the management committee, a position he held from 2008 until his retirement in 2012. Prior to Goldman Sachs, Mr. Zaoui worked at Arthur Andersen in Paris (1983 - 1986). Mr. Zaoui was educated in France and the US: he obtained a diploma from the Ecole des Hautes Etudes Commerciales (HEC, 1982), a DEA doctoral degree in Finance from Universite Paris-Dauphine (1983) and an MBA from Stanford University (1988). Mr. Zaoui continues to be actively involved with his alma maters, serving as a member of the Cercle des Grands Donateurs de la Fondation HEC. Mr. Zaoui was conferred with the Order of Muhammad by His Majesty the King of Morocco Mohamed VI.
Mr. Zaoui is the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee. Mr. Zaoui is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

MARINA SYLVIA CAPROTTI
Independent Non-Executive Director

CAPROTTI, Marina Sylvia, aged 47, was first elected as Independent Non-Executive Director on May 27, 2021, and re-elected on April 24, 2024. She has been Executive Chairwoman of Esselunga S.p.A. since 2019. Prior to this, she was a member of Esselunga S.p.A. Board of Directors starting from June 1998 and Vice President from 2016 to 2019. She is currently a director in the Board of Fondazione Accademia Teatro alla Scala of Milan. Ms. Marina Sylvia Caprotti obtained a degree in Law at Università Cattolica del Sacro Cuore in Milan in 2004.
Ms. Caprotti is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

CRISTIANA RUELLA
Independent Non-Executive Director

RUELLA, Cristiana, aged 62, was elected as Independent Non-Executive Director on April 24, 2024. She is currently an industrial partner of FSI SGR S.p.A., an investment company, and a member of the Board of Directors of Missoni S.p.A.. She is also Chief Executive Officer of TFC srl and of the Holding Company Exor srl since October 2021. From July 1991 to August 2017, she was Managing Director of the Dolce & Gabbana Group where she also carried out duties typically undertaken by the chief financial officer. In a global leadership role at Dolce & Gabbana, she has been a member of all the Boards of Directors of the central and local companies as well as Chief Executive Officer of the latter ones. Ms. Ruella previously spent four years at ICR (Istituto di Revisione e Certificazione) from 1985 to 1989, where she was involved in accounting and audit activities on financial statements of companies aimed at issuing certifications of the relevant financial and economic results. She was a member of the Advisory Board of DGPA & Co, an Italian investment fund. She was also a member of the Advisory Board of SDA Bocconi University from 2003 to 2005. Ms. Ruella devotes her time and passion to the VIDAS Foundation, where she is a member of the Board of Directors and Treasurer. Ms. Ruella earned a MA Economics and Finance from Cattolica University of Milan.
Ms. Ruella is the Chairwoman of the Nomination Committee and a member of the Audit and Risk Committee. Save as disclosed herein, Ms. Cristiana Ruella has not held any directorship in any other listed companies in Hong Kong or abroad in the last three years.

PAMELA YVONNE CULPEPPER
Independent Non-Executive Director

CULPEPPER, Pamela Yvonne, aged 60, was first appointed as Independent Non-Executive Director on January 28, 2022, and re-elected on April 24, 2024. Ms. Culpepper's former name was JORDAN, Pamela Yvonne. In January 2023, Ms. Culpepper joined Hanold Associates Llc (which was acquired by Creative Artists Agency Llc in October 2024), as Managing Partner of their Leadership Advisory Practice under its Executive Search and Leadership Advisory team. Ms. Culpepper was one of three co-founders of Have Her Back Llc, a female-owned, female-led culture consultancy focused on advancing equality for all. Before that, Ms. Culpepper was the Chief Human Resources Officer at Cboe Global Markets, Inc., one of the world's largest exchange holding companies, offering cutting-edge trading and investment solutions to investors around the world. At Cboe, Ms. Culpepper served as an advisor to the executive team and Board of Directors with regard to talent management, compensation, and benefits and to the acquisition, and subsequent merger, of a global exchange by Cboe. Ms. Culpepper has over 25 years of experience as an HR executive. She joined Cboe from Golin, where she was the company's Chief People Officer. Prior to her work at Golin, Ms. Culpepper held various leadership roles with PepsiCo, Inc., including Chief Global Diversity and Inclusion Officer, Vice President, Human Resources for Quaker Foods and Snacks; Vice President, Human Resources for PepsiCo's Beverages Supply Chain; and Vice President, Talent Management and Diversity for Quaker, Tropicana and Gatorade. Before PepsiCo, Ms. Culpepper held roles with McKesson Corporation, Clorox and Wells Fargo. Ms. Culpepper is a former Board Trustee of VSO International, based in the United Kingdom, and was a Board member for Navy Pier of Chicago, and in March 2023, she was appointed to Cambia Health Solutions' Board of Directors as an Independent Director. Ms. Culpepper has a B.A. in Psychology from the University of Arkansas at Little Rock and an MPA (Master of Public Administration) in Organizational Change, from California State University, Eastbay.
Ms. Culpepper is the Chairwoman of the Sustainability Committee and member of the Nomination Committee. Ms. Culpepper is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

ANNA MARIA RUGARLI
Independent Non-Executive Director

RUGARLI, Anna Maria, aged 52, was first appointed as Independent Non-Executive Director on January 28, 2022, and re-elected on April 24,2024. Ms. Rugarli is the Corporate Sustainability Vice President of Japan Tobacco International, where she is responsible for developing business-integrated strategy at a global level. Ms. Rugarli has been appointed as an Independent Non-Executive Director and the Chair of the ESG Committee at ASOS plc, a company listed on the London Stock Exchange, on June 26, 2023. Ms. Rugarli is a Sustainability & CSR expert with more than twenty years' experience specializing in designing innovative programs and in developing strategies. She initiated and launched Nike's Sustainability & CSR programs in Europe, the Middle East & Africa regions and was with the company for 12 years pioneering this work at industry level. Ms. Rugarli then led VF Corporation's Circular Economy strategy at global level as well as Sustainability, Purpose, and I&D strategy at regional level for 10 years. During this time, she managed broad networks of stakeholders and cross-sector partners and led Sustainability & CSR programs integration across the business. While at VF Corporation she was a Board member and then President of European Outdoor Conservation Association for a total of seven years. Since February 2022 Ms. Rugarli has been a board member of JT International S.A.. Ms. Rugarli graduated in Political Sciences and is a certified broker in Cross-Sector Partnerships at Cambridge University.
Ms. Rugarli is the Chairwoman of the Remuneration Committee and a member of the Audit and Risk Committee and the Sustainability Committee. Saved as disclosed herein, Ms. Rugarli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

Senior Management

Our senior management is responsible for the day-to-day management of the business of the Group.

AGOSTINI, Cristiano, aged 51, has been Group Chief Information Officer since July 2021. He is primarily responsible for overseeing worldwide Transformation and Innovation Technology of the IT Department. After earning a degree in Communication Sciences at the University of Turin, Mr. Agostini has gained many years of experience in the Information Technology sector at prestigious companies and consulting firms. He has managed complex projects of transformation and technological innovation in international contexts, first at the Telecom Italia Research Center and subsequently at Deloitte and Accenture. In 2006 he joined Accenture to cover the role of Managing Director in the Technology Strategy & Advisory area.

BERTELLI, Lorenzo, aged 36 and Executive Director of the Company, is the Chief Marketing Officer and Head of Corporate Social Responsibility. Please refer to the paragraph "Executive Directors" of the Directors and Senior Management section of this Annual Report for details of his bio.

BERTONCINI, Francesca, aged 54, has been Chief Corporate Officer North Central Europe and Prada President central Europe since December 2023. Ms. Bertoncini is primarily responsible for overseeing the Group's operations in the United Kingdom, Ireland, Denmark, Sweden, Norway, Germany, Austria, The Netherlands and in the Czech Republic, where she covers several managerial roles at the Company's subsidiaries. She joined the Group in 2001. Until 2018, her managerial roles included product development, collection, and retail merchandising. In 2018 she was appointed as Worldwide Prada Woman Shoes Collection/Retail Merchandising Director and from 2018 to 2019, she worked as Senior Vice President Global Merchandising and Product Development for Stuart Weitzman in New York.

BONINI, Andrea, aged 45 and Executive Director of the Company, is the Chief Financial Officer of the Company. Please refer to the paragraph "Executive Directors" of the Directors and Senior Management section of this Annual Report for details of his bio.

BRINI, Giulio, aged 56, has been APAC Managing Regional Director since July 2022. He is primarily responsible for overseeing the Group's strategies and operations in Asian countries, coordinating with the Prada and Miu Miu brands in order to provide cross-brand services within the local markets. He was also appointed as Outlets Division Director in October 2017. Mr. Brini joined the Group in 1995. Before being appointed to his current position, he covered different managerial roles in the commercial and industrial area, including Prada Retail Director and Miu Miu General Manager. Mr. Brini obtained a degree in Economics and Banking from the University of Siena in 1993.

BUONCOMPAGNI, Fabrizio, aged 57, was appointed as Indirect Procurement and General Services Director in June 2023. Mr. Fabrizio Buoncompagni is primarily responsible for centrally managing the indirect procurement process in terms of negotiations, the management of contracts, the technical qualification of vendors, and the loading and monitoring of purchase orders. After obtaining a degree in Economics and Commerce from the University of Florence, he joined the Group in 1995 in the Controlling Department, becoming Industrial Controlling Director in 2002 and Organization Director in 2016.

CAROLA, Pablo, aged 57, has been Chief Corporate Officer Middle East since December 2023. Mr. Carola is primarily responsible for overseeing the Group's operations in the Middle East area, where he covers several managerial roles at the Company's subsidiaries. Mr. Carola obtained a degree in Business Administration at Universidad de Politecnica de Catalunya (Spain). He joined the Group in 2011 to manage human resources of both Miu Miu and Prada stores worldwide, and from 2013 to 2017 he was Regional Director for the Iberian Peninsula and North Africa. Prior to joining the Group, he worked for almost twelve years as Human Resources Director at Louis Vuitton.

CASTELLANI, Valeria, aged 51, was appointed as Head of Security in June 2022. She is primarily responsible for ensuring the protection and security of the physical assets of the Group through actions aimed at preventing risks and protecting the company's physical goods. After obtaining a degree in law at the University of Bologna, Valeria Castellani has worked in government and in the private sector, both in Italy and abroad. From 2006 to 2012 she was Security Manager at Hilton Worldwide, before becoming Asset & Profit Protection Regional Manager at Burberry and then Security Manager Corporate and Retail at Bottega Veneta in 2017.

CHOI, Moonyoung, aged 62, has been Chief Executive Officer Korea since 2007. She is primarily responsible for overseeing the Group's commercial operations in Korea. She started her career at Louis Vuitton, as the first Louis Vuitton Store Manager in Korea (1991 – 1999). From 1999 to 2007, Ms. Choi worked at Celine Korea, LVMH Group, first as Retail Manager and then as Country Manager for Korea.

CIABATTI, Maurizio, aged 60, was appointed as Chief Real Estate Officer in 2016. Mr. Ciabatti is primarily responsible for overseeing the acquisition of new real estate and managing the organisation's real estate development portfolio, finding new potential buildings or property to develop for the Group's portfolio and to engage in contract negotiations. He joined the Group in 1989 in the Engineering Department, with managerial roles including Group Engineering Director from 2006 to 2016.

D'ATTIS, Gianfranco, aged 49, was appointed as Prada Chief Executive Officer in January 2023. In his role, he is primarily responsible for the strategic development of the Prada brand in every market. Gianfranco D'Attis holds a bachelor's degree from Zurich Graduate School of Business Administration and completed his education by attending the Senior Executive Program at Columbia Business School in New York. During his career, Gianfranco D'Attis has held a number of senior management positions, including most recently as President for Christian Dior Americas.

DULIGA, Janet, aged 58, was appointed as Chief Corporate Officer Americas in December 2023. Janet is responsible for managing corporate functions for the Americas market, liaising with the Prada and Miu Miu brands in order to provide cross-brand services. Ms. Duliga joined the Group in December 2023, with over 20 years of experience in Human Resources and in law in public and private companies. She most recently served as the Chief Administrative Officer at JOANN, Inc. and prior to that was Senior Vice President of Human Resources for Sunglass Hut & Luxury Retail, North America, a division of Luxottica. She holds a Bachelor of Arts degree in Psychology from Pomona College, a Masters of Arts degree in Clinical Psychology from Antioch University, a juris doctorate from the University of San Diego School of Law, and a doctorate in Organizational Learning from the University of Pennsylvania.

GUERRA, Andrea, aged 59 and Executive Director of the Company, is the Chief Executive Officer. Please refer to the paragraph "Executive Directors" of the Directors and Senior Management section of this Annual Report for details of his bio.

HUET, Emmanuel, aged 47, has been Regional Director and Prada President France, Belgium, and Monte Carlo since February 2022. He is primarily responsible for overseeing the Group's operations in France, Belgium, and Monte Carlo and for the development of Prada and the Miu Miu business within the local markets. His previous roles with Louis Vuitton, included Director of La Maison Champs Elysées and General Manager of Benelux & Nordics.

MALETTO, Diego, aged 46, has been Internal Auditing Director since February 2022. He is responsible for defining and monitoring compliance with rules, procedures, and processes within the Group. Mr. Maletto obtained a Master's Degree in Economics and Business from Turin University. After a career in consulting in Italy and the USA for Ernst & Young (2006 – 2017), he became Head of Internal Audit for Italy, Greece, Albania, and Malta at Vodafone (2017 – 2020) and Audit Director at Autostrade per l'Italia (2020 – 2022).

MANZATTO, Denni, aged 40, was appointed as Church's Chief Executive Officer in January 2022. He is responsible for overseeing Church's brand operations worldwide. Prior to this appointment, Mr. Manzatto was Group Commercial and License Director with responsibility for the commercial development of the wholesale and marketplace channels of the Prada, Miu Miu and Car Shoe brands. He directly managed the Prada wholesale channel as well as the eyewear and fragrance licenses for both Prada and Miu Miu. He was also responsible for leading Group and brand-level business development opportunities, strategic partnerships, and collaborations. Mr. Manzatto obtained an Executive

Master's degree in Business Administration from INSEAD and Tsinghua University in 2018. He is a Business and Management graduate of Bocconi University (2007, 2009) and Fudan University (2009), and participated in an exchange program with the Wharton School of the University of Pennsylvania (2006). Prior to joining the Group in 2013, Mr. Manzatto worked as an Associate at private equity firm Vision Capital and in the Investment Banking division of Goldman Sachs.

MARSICOLA, Alessandra, aged 65, was appointed as President and CEO Japan, Guam, Saipan and Hawaii in September 2023. She was Japan, Guam, Saipan, and Hawaii Regional Director since May 2022. She is primarily responsible for overseeing the worldwide Prada retail functions and strategy of Prada, Miu Miu and Church's. Ms. Marsicola joined the Group in 1991. Before being appointed to her current position, she covered a range of different managerial roles in the commercial area, including Prada Retail Director, Regional Director North West Europe, Retail Development Director for Japan and Asia, Chief Executive Officer of Prada Fashion Commerce (Shanghai), Prada Worldwide Store Operation Director and Prada Retail Director for Prada Japan. From 2006 to 2009, she worked first as Sales Director for La Rinascente then as Asia Pacific Retail Director for Fendi.

MASSARDI, Roberto, aged 60, has been Chief Business Development Officer since May 2022. He is primarily responsible for the Group's strategic development through the assessment of new business opportunities. He is also responsible for managing the Group's eyewear and fragrances licenses. After obtaining a degree in Business Economics from Bocconi University in Milan, Mr. Massardi covered several roles within the Pirelli Group. In 1996 he joined the Prada Group as Business Development Director and later as General Director for Jil Sander. In 2005 he joined Sportswear Company S.p.A. (Stone Island) as General Manager.

MENICATTI, Andrea, aged 35, was appointed as General Manager for the Marchesi Brand in February 2023. Mr. Menicatti has held managerial positions in Italy, the USA and in the Middle East for the Boston Consulting Group, developing growth strategies and implementing transformation programs for companies in the Food and Fashion sectors. He began his professional career at JPMorgan and the DeA Capital group's Taste of Italy investment fund.

SANTAMARIA MAURIZIO, Rosa, aged 51, was appointed as Chief People Officer Prada Group in September 2023. She is responsible for taking an active part in the Group's culture and organisational evolution and for the development of the Human Resources role within the Group. Before joining the Group, she obtained a degree in Engineering from Sapienza University in Rome and gained experience as a Human Resources Officer at Valentino. She worked in HR at American Express for 14 years in several senior roles, most recently as Chief Human Resources Officer Italy, Spain, Nordics, Netherlands, Belgium, and Turkey. Her professional experience began at Ernst & Young and continued at multinational pharmaceutical company Bristol Myers Squibb.

SCAPECCHI, Andrea, aged 53, was appointed as Store Planning and Special Projects Director in October 2024. Mr. Scapecchi is responsible for leading the executive signoff of final store plans for new store openings and for capital projects in existing stores, working closely with the Real Estate Director. Mr. Scapecchi obtained a degree in Mechanical Engineering from the University of Florence. He joined the Group in 1998. His previous managerial roles in the Engineering Area included Group Engineering Director, Asia Pacific Business Development Director in Hong Kong, and Engineering Retail Director.

SECONDARI, Francesca, aged 47, was appointed as General Counsel and Chief Legal Officer Prada Group in May 2023. She holds a Law degree from Università di Perugia and an Executive MBA from the American University in Cairo. She is a qualified lawyer in Italy and Spain since 2005. She trained at Studio Legale BonelliErede where she became equity partner in 2019. Ms. Secondari has extensive experience in M&A, extraordinary finance, and in corporate governance with a string ESG focus. She has also led major transactions in the luxury sector. For seven years, she was based in BonelliErede's Cairo office, heading business development for Africa and the Middle East until July 2022. She joined Prada as acting Group General Counsel before formally taking on her current role.

SIMONS, Raf, aged 57, was appointed as Prada Co-Creative Director in April 2020, working in partnership with Miuccia Prada Bianchi. Mr. Simons launched his own menswear label in 1995. He was creative director at Jil Sander from 2005 to 2012, at Christian Dior from 2012 to 2015, and at Calvin Klein from 2016 to 2018. He contributes to the brand image, to the conception, preparation, and development of Prada brand products, and in the development of creative strategies for marketing, advertising, and branding campaigns. Mr. Simons graduated in Industrial Design at SHIVKV in Genk in 1991.

VIGNOLO LUTATI, Ugo Camillo Lodovico Maria, aged 46, was appointed as Chief Information Security Officer in April 2023. Mr. Vignolo Lutati is responsible for ensuring the integrity, availability, and confidentiality of information in accordance with the Prada Group's business needs and information security policies. Mr. Vignolo Lutati is an ex-partner of a leading professional services company, with experience covering managerial and international roles, mainly in the area of governance and risk management in both IT and Finance.

WANG, Chen-Chen, aged 52, has been China General Manager since 2019. She is primarily responsible for overseeing the Group's commercial operations in China, where she covers several managerial roles at the Company's subsidiaries. She joined the Group in 2015 as Miu Miu Retail Director. Ms. Wang obtained a Master's Degree in Science from Auburn University. She started her career at Guilford Mills New York (1997 - 2000) before working at SilverStream Software New York (2000 - 2002). Most recently, she was Merchandising Director at Christian Dior China (2007 - 2015).

ZENKOVSKAYA, Vera, aged 48, has been Russian area Regional Director since 2013. Ms. Zenkovskaya is primarily responsible for overseeing the Group's operations in Russia and Kazakhstan, where she covers several managerial roles at the Company's subsidiaries. Ms. Zenkovskaya obtained a Foreign Languages Degree at the Language University of Kazakhstan. Prior to joining the Group in 2011 as Russia Country Manager, she worked within the beauty sector (L'Oréal, Temtrade) in marketing and retail. From 2006 to 2011, she worked in managerial roles for Louis Vuitton in Russia and Ukraine.

Company Secretary

TONG, Pui Ting Wendy, aged 40, first joined the Company as Asia Corporate Affairs Counsel in January 2013 and was appointed as Asia Pacific Corporate Affairs Counsel and Company Secretary on December 31, 2023. Since joining she has been involved in managing the corporate secretarial and other corporate matters, listing rules compliance, and data privacy matters in the Asia Pacific region. Prior to joining the Company, she worked as an associate in the corporate department of Slaughter and May, Hong Kong. She was admitted as a solicitor of Hong Kong by the High Court of Hong Kong in 2011. Ms. Tong graduated from the University of New South Wales in Sydney with a Bachelor of Commerce and Law degree with Distinction in 2007 and obtained the Postgraduate Certificate in Laws with Distinction from the University of Hong Kong in 2008.

CHAPTER 5

Directors' Report

Principal activities and business review

Prada S.p.A. (the "Company"), together with its subsidiaries (the "Group"), is a leading global luxury group active in the design, production and distribution of high-end leather goods, footwear, ready-to-wear, accessories, and jewelry. It also operates, under licensing agreements, in the eyewear and beauty sectors, as well as in the food and beverage sector. Through its Directly Operated Stores network, e-commerce channels and selected e-tailers, franchise stores, and a selected number of luxury department stores and independent retailers, the Group operates in all major international markets worldwide.

The Company is a joint-stock company with limited liability, incorporated and domiciled in Italy. Its registered office is at Via Antonio Fogazzaro 28, 20135 Milan (MI), Italy.

Further discussion and analysis of these activities, as required by section 388(2) and Schedule 5 to the Hong Kong Companies Ordinance, including a review of the business of the Company, a discussion and analysis of the Group's performance during the year ended December 31, 2024 (the "2024 Year"), and the material factors underlying its economic results and financial position, a description of the risks and uncertainties facing the Group, and the future development of the business of the Company, are set out in the Financial Review section of this annual report. Details of material events affecting the Group that have occurred since the end of the reporting period are set out in Note 44 to the 2024 Year Group's consolidated financial statements (the "Consolidated Financial Statement"). These discussions form part of this directors' report (the "Directors' Report").

Compliance with the relevant laws and regulations

The Group has adopted specific compliance procedures aimed at ensuring compliance with all applicable laws, rules, and regulations, in particular those that have a significant impact at a worldwide level, as the Group's products are distributed and sold across more than 70 countries.
A detailed analysis of the legal and regulatory risks to which the Group is exposed is set out in the paragraph headed "Legal and regulatory risks" of the Financial Review section of this Annual Report, which forms part of this Directors' Report.

Environmental policies and performance

The Group aims to enhance value creation for its stakeholders by combining economic profitability with employee and customer satisfaction, respecting ethical and environmental values, and ensuring sustainability.
Environmental protection is one of the main drivers of the Group, which is being engaged in implementing and enforcing virtuous behaviors that contribute to its sustainable growth.
Commitment to environmental protection is a key element of the Code of Ethics, which was updated in July 2022, applied both within the Group's organisation, by implementing staff awareness, and to the third parties working with the Group.

An analysis of the Group's environmental policies and performance, as well as of the relationships with the key stakeholders (employees, customers, suppliers, and shareholders), will be included in the Group's Sustainability Report, which will be published at the same time of this Annual Report.
Further information on the environmental policies and performance of the Group is also set out in "The Prada Group" section to this Annual Report.

Relationships with key stakeholders

The Group's success also depends on the support from key stakeholders, such as employees, customers, suppliers, and shareholders.

Employees

The Group is built on people. The Group has always considered human capital to be the key to its competitive edge and it makes every effort to promote and reward professional skills and teamwork, with an emphasis on results. The employees' enthusiasm, craft skills and intellectual curiosity are the indispensable elements that underpin the innovation and quality of the Group's products. The Company searches for people that can combine these outstanding qualities with the values of the Group.

As of December 31, 2024, the Group had 15,216 employees (headcount), 42% of whom are in Italy, with women representing 63% of the total workforce.

The Group's remuneration policy aims to attract, reward, and retain skilled personnel and expert managers, while bringing the interests of the management in line with the primary objective of creating value for the shareholders over the medium and long term.

Further analysis on the value of human resources of the Group is set out in the "The Prada Group" section to this Annual Report, while further analysis on the remuneration policy of the Group is set out in the "Corporate Governance" section of this Annual Report, both of which form part of this Directors' Report.

Customers

The Group is globally recognized as a trend-setter in the fashion industry.
The distinctive features and the prestige of the Group place the Group in a position to offer customers worldwide unique products, characterized by creativity, quality, and identity. In addition, the Group believes that effective communication with customers is crucial to build and convey an image of strong and consistent brand identity.

The result of the Group's approach to its customers is the unique relationship between each customer and the Group's brands, its products, and its stores.

Suppliers

The Group regards its relationship with its suppliers, built through years of day-to-day collaboration and directed towards continuous improvement, as fundamental to its success. The Group has a wide range of raw materials suppliers and external manufacturers. About 92% of them are located in the European Union, the vast majority of which are in Italy.

The Group requires that its suppliers act responsibly, and that each of them undertakes and acknowledges the Group's Code of Ethics, which sets forth the inalienable rights of employees, such as proper working conditions, equal opportunities, freedom of association, health insurance coverage, and protection of the environment in the collection of materials and during the production processes.

In order to achieve the highest quality standards, the Group has put in place procedures for the selection and retention of its suppliers, with the aim of establishing long-term business relationships. The Group audits suppliers and their sub-contractors to ensure their practices are compliant with the Code of Ethics.

Shareholders

One of the main corporate goals of the Group is to enhance shareholders' value through appreciation in the share price and by granting dividends payouts, taking into account, among other factors, the liquidity position and business expansion needs of the Group. Details of the Group's communication with its shareholders are set out in the "Corporate Governance" section of this Annual Report, which forms part of this Directors' Report.

Results and dividends

The results of the Group for the 2024 Year are set out in the Consolidated Statement of Profit and Loss.

The Board recommends the distribution of final dividends of Euro 419,647,136 (Euro 0.164 per share) for the 2024 Year.

The final dividends will be subject to the shareholders' approval at the forthcoming shareholders' general meeting of the Company to be held on Wednesday, April 30, 2025.

Subject to the shareholders' approval of the recommended final dividends, such dividends will be paid on Monday, May 19, 2025.

The final dividend will be paid to the shareholders recorded on the Company's shareholders register on Thursday, May 8, 2025, only, net of Italian withholding tax, where applicable. The current rate of Italian withholding tax applied to applicable dividend payments is equal to 26%.

Five-year financial summary

The five-year financial summary of the Group is set out in Note 41 to the Consolidated Financial Statements.

Reserves

Details of the movements in the reserves of both the Group and the Company during the 2024 Year are set out in the Consolidated Statement of Changes in Shareholders' Equity and in the Statement of Changes in the Company's Equity.

Distributable reserves

As of December 31, 2024, the Company's reserves available for distribution to the shareholders in accordance with the Company's by-laws amounted to Euro 2,157.4 million.

Property, plant and equipment

Details of the movements in the property, plant, and equipment of the Group during the 2024 Year are set out in Note 15 to the Consolidated Financial Statements.

Donation

Donations by the Group mainly related to charities amounted to Euro 3,754,208.

Pre-emptive rights

The Company's by-laws do not provide for shareholders' pre-emptive rights.

Purchase, sale or redemption of the Company's listed securities

During the 2024 Year, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the

Company's listed securities. The Company did not hold any treasury shares as at December 31, 2024.

Capital gains tax in Italy

Capital gains realized from the sale of securities in an Italian company by shareholders resident in Hong Kong are not subject to taxation in Italy.

Subsidiaries

Details of the Company's subsidiaries as at December 31, 2024, are set out in Note 42 to the Consolidated Financial Statements.

Directors

The current Directors of the Company as of the date of this Directors' Report are:

Executive Directors
Mr. Patrizio BERTELLI (re-elected as Executive Director and appointed as Chairman of the Board on April 24, 2024)
Mr. Paolo ZANNONI (re-elected as Executive Director and re-appointed as Executive Deputy Chairman of the Board on April 24, 2024)
Mr. Andrea GUERRA (re-elected as Executive Director and re-appointed as Chief Executive Officer on April 24, 2024)
Ms. Miuccia PRADA BIANCHI (re-elected as Executive Director on April 24, 2024)
Mr. Andrea BONINI (Chief Financial Officer, re-elected as Executive Director on April 24, 2024)
Mr. Lorenzo BERTELLI (re-elected as Executive Director on April 24, 2024)

Independent Non-Executive Directors
Mr. Yoël ZAOUI (re-elected as Independent Non-Executive Director and re-appointed as Lead Independent Director on April 24, 2024)
Ms. Marina Sylvia CAPROTTI (re-elected as Independent Non-Executive Director on April 24, 2024)
Ms. Pamela Yvonne CULPEPPER (re-elected as Independent Non-Executive Director on April 24, 2024)
Ms. Anna Maria RUGARLI (re-elected as Independent Non-Executive Director on April 24, 2024)
Ms. Cristiana RUELLA (elected as Independent Non-Executive Director on April 24, 2024)

Ceased Director
Mr. Maurizio CEREDA (former Independent Non-Executive Director, mandate expired on April 24, 2024)

Biographical information of Directors

A brief biography of each current Director is set out in the "Directors and Senior Management" section of this Annual Report.

Directors' permitted indemnity

There is no permitted indemnity provision in any contract entered into by the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) that is or was in force during the 2024 Year and until the date when this Directors' Report is approved by the Board, which is required to be disclosed under section 470 of the Hong Kong Companies Ordinance.

Management contract

No contract, other than employment contracts and directors' service contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into, or was effective, during the 2024 Year.

Directors' service contracts

None of the Directors of the Company has a service contract with any member of the Group that cannot be terminated within one year without payment of compensation, other than statutory compensation.

Directors' interests in competing business

During the 2024 Year, none of the Directors of the Company held any interest in a business that competes, or is likely to compete, directly or indirectly, with the business of the Company or the Group.

Directors' interests and short positions in securities

As at December 31, 2024, the Directors and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):

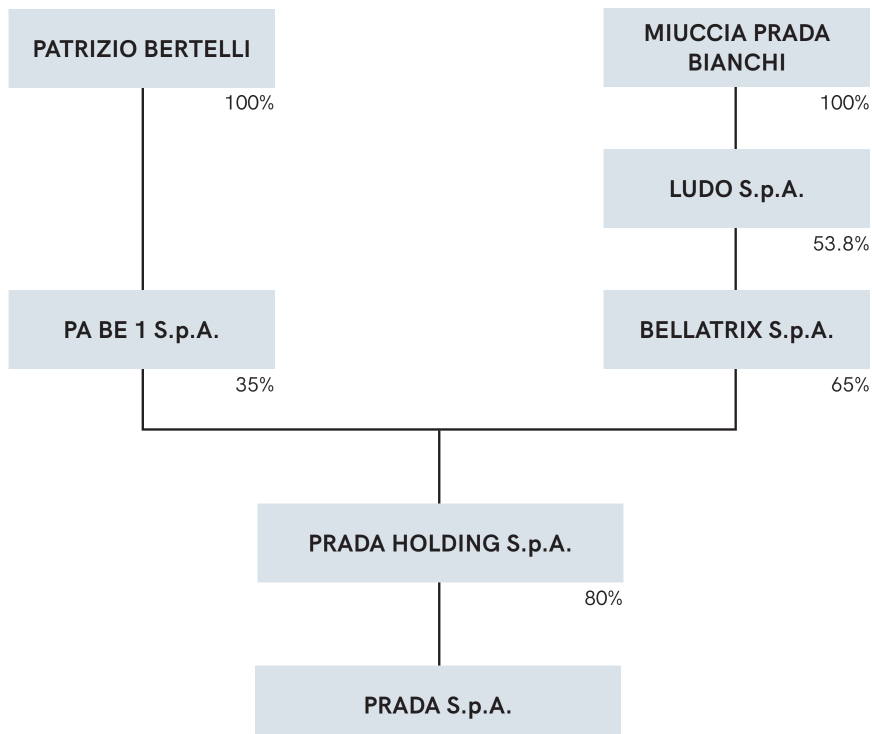
(a) Long positions in shares and underlying shares of the Company:

Name of Director	Number of Shares	Nature of Interest	Approximate percentage of Issued Capital
Ms. Miuccia Prada Bianchi	2,046,470,760 (Notes 1 and 2)	Interest of Controlled corporation	80%
Mr. Patrizio Bertelli	2,046,470,760 (Notes 1 and 3)	Interest of Controlled corporation	80%

Notes:

1. Prada Holding S.p.A. owns approximately 80% of the issued capital in the Company and, therefore, is the holding company of the Company.
2. Ms. Miuccia Prada Bianchi controls, indirectly through Ludo S.p.A., 53.8% (comprised of 438,460 ordinary shares and 100,000 preference shares) of the capital in Bellatrix S.p.A., which in turn owns 65% (comprised of 1,650 ordinary shares and 300 preference shares) of the capital in Prada Holding S.p.A.. Ms. Miuccia Prada Bianchi is therefore deemed under the SFO to be interested in all the shares registered in the name of Prada Holding S.p.A.. Ms. Miuccia Prada Bianchi is also a director of Prada Holding S.p.A., Bellatrix S.p.A. and Ludo S.p.A..
3. Mr. Patrizio Bertelli controls, indirectly through PA BE 1 S.p.A. ("PA BE"), 35% (comprised of 750 ordinary shares and 300 preference shares) of the capital in Prada Holding S.p.A.. Mr. Patrizio Bertelli is therefore deemed under the SFO to be interested in all the shares registered in the name of Prada Holding S.p.A.. Mr. Patrizio Bertelli is also a director of PA BE.

The simplified shareholding chart below illustrates the interests of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli in the shares of the Company as at December 31, 2024:



(b) Long positions in shares and underlying shares of associated corporations:

Name of Director	Name of associated corporations	Class of shares	Number of Shares	Nature of interest	Approximate percentage of interests
Ms. Miuccia Prada Bianchi	Prada Holding S.p.A.	Ordinary Shares	1,650	Controlled Corporation	68.75%
	Prada Holding S.p.A.	Preference Shares	300	As above	50%
	MFH Munich Fashion Holding GmbH	Registered Share	1	As above	100%
	Bellatrix S.p.A.	Ordinary Shares	438,460	As above	49.83%
	Bellatrix S.p.A.	Preference Shares	100,000	As above	83.34%
	Ludo S.p.A.	Class A shares	5,066,000	Beneficial Owner	100%
	Ludo S.p.A.	Class B shares	4,965,100	Beneficial Owner	100%
	Ludo S.p.A.	Class C shares	10	Ownership	100%
	PH-RE Llc	Capital Contribution (JPY)	1,000,000	Controlled Corporation	100%
	Prada Re S.r.l.	Participation Quota (Euro)	1	As above	100%
	FINANZIARIA E DI PARTECIPA-ZIONI S.A.S. DI PRADA RE S.r.l.	Limited Partnership	0	As above	80%
	Immobiliare Rivalsa S.p.A.	Ordinary shares	104,000	As above	100%
	Prada RE Holding USA, Llc	Membership interest	0	As above	100%
	720 Fifth USA, Llc	Membership interest	0	As above	100%
Mr. Patrizio Bertelli	Prada Holding S.p.A.	Ordinary Shares	750	Controlled Corporation	31.25%
	Prada Holding S.p.A.	Preference Shares	300	As above	50%
	MFH Munich Fashion Holding GmbH	Registered Share	1	As above	100%
	PH-RE Llc	Capital Contribution (JPY)	1,000,000	As above	100%
	Prada Re S.r.l.	Participation Quota (Euro)	1	As above	100%
	FINANZIARIA E DI PARTECIPA-ZIONI S.A.S. DI PRADA RE S.r.l.	Limited Partnership	0	As above	80%
	Immobiliare Rivalsa S.p.A.	Ordinary shares	104,000	As above	100%
	Prada RE Holding USA, Llc	Membership interest	0	As above	100%
	720 Fifth USA, Llc	Membership interest	0	As above	100%

Save as disclosed above, as of December 31, 2024, none of the Directors of the Company or their associates had any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

Substantial shareholders' interests and short positions in securities

As of December 31, 2024, other than the interests of the Directors of the Company as disclosed above, the following persons held interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of Issued Capital
Long Positions			
Prada Holding S.p.A.	Legal and beneficial owner	2,046,470,760	80%
Bellatrix S.p.A.	Interest of controlled corporation	2,046,470,760	80%
Ludo S.p.A.	Interest of controlled corporation	2,046,470,760	80%
PA BE 1 S.p.A.	Interest of controlled corporation	2,046,470,760	80%

Note:
Prada Holding S.p.A. owns approximately 80% of the issued capital in the Company. As Ludo S.p.A. owns 53.8% of Bellatrix S.p.A., which in turn owns 65% of Prada Holding S.p.A. and PA BE 1 S.p.A. owns 35% of Prada Holding S.p.A., Bellatrix S.p.A., Ludo S.p.A. and PA BE 1 S.p.A. are all deemed to be interested in the 2,046,470,760 shares of the Company held by Prada Holding S.p.A..

Share capital

Details of the share capital of the Company during the 2024 Year are set out in the Consolidated Statement of Changes in Shareholders' Equity and Note 30 to the Consolidated Financial Statements.

Directors' interests in transactions, arrangements and contracts

Save for those contracts disclosed under the section on Continuing Connected Transactions below, and in Note 40, Related Parties Transactions, and Note 39, Remuneration of the Board of Directors, to the Consolidated Financial Statements, no transaction, arrangement, or contract of significance to the Group's business was entered into or subsisted at any time during the 2024 Year in which the direct or indirect interest of a Director, or an entity connected with a Director, was material.

During the 2024 Year, there were no arrangements to which the Company, or any of the Company's subsidiaries or holding companies or a subsidiary of any of the Company's holding companies is a party, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company.

Issuance of debt securities

Neither the Company, nor any members of the Group, issued any debt securities during the 2024 Year.

Continuing connected transactions

During the 2024 Year, the Group had the following non-exempt continuing connected transactions, details of which were disclosed in the Company's announcements dated July 15, 2015, and May 26, 2017, respectively:

(a) Lease Agreement and Guarantee for Prada Aoyama Building in Japan
On July 15, 2015, PH-RE Llc purchased a building in Minami-Aoyama, Tokyo, Japan (the "Aoyama Building"). Prada Japan Co. Ltd ("Prada Japan"), a wholly owned subsidiary of the Company, has been leasing the Aoyama Building for use as its flagship store in Tokyo since 2004.

On May 25, 2015, Prada Japan, as lessee, and the former lessor, renewed the lease of the Aoyama Building by entering into a lease agreement for a term of 20 years (the "Lease Agreement"). On the same date, the Company granted a guarantee in favour of the former lessor to guarantee the full compliance by Prada Japan with all its obligations under the Lease Agreement (the "Guarantee").

As a result of the purchase of the Aoyama Building, PH-RE Llc, a connected person of the Company, has become the lessor under the Lease Agreement and the beneficiary of the Guarantee granted by the Company in favour of the former lessor. Accordingly, the Lease Agreement and the Guarantee, which were continuing transactions of the Group, have become continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

On April 28, 2017, PH-RE Llc, which was previously a wholly owned subsidiary of PA BE 1 S.p.A. (formerly known as "PA BE 1 S.r.l."), became a wholly owned subsidiary of Prada Holding S.p.A., a substantial shareholder of the Company. Both Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli – Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company – are indirect shareholders of Prada Holding S.p.A..

As a consequence of this transaction, the Lease Agreement and the Guarantee remained as subsequent continuing connected transaction of the Group with no variation of their terms.

The annual cap for the 2024 Year for the rent paid to PH-RE Llc, or accrued by the Company in accordance with applicable accounting rules, under the Lease Agreement and the Guarantee was JPY 2,040,703,000, as disclosed in the Company's announcement dated May 26, 2017.

(b) Lease Agreement and Guarantee for Miu Miu Aoyama Building in Japan
On May 26, 2017, PH-RE Llc purchased a building in Minami-Aoyama, Tokyo, Japan (the "MM Aoyama Building"). Prada Japan has been leasing the MM Aoyama Building for use as flagship store for the Miu Miu brand in Tokyo since 2015 under a lease agreement entered into with the former owner of the MM Aoyama Building (the "MM Lease Agreement"). In the context of the MM Lease Agreement, the Company granted a guarantee in favour of the former owner to guarantee the full compliance by Prada Japan with of all its obligations under the MM Lease Agreement (the "MM Guarantee").

As a result of the purchase of the MM Aoyama Building, PH-RE Llc has become the lessor under the MM Lease Agreement and the beneficiary of the MM Guarantee granted by the Company in favour of the former owner.

PH-RE Llc is a wholly owned subsidiary of Prada Holding S.p.A., a substantial shareholder (as defined in the Listing Rules) of the Company. Both Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli - Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company – are indirect shareholders of Prada Holding S.p.A..

In this context, the MM Lease Agreement and the MM Guarantee, being continuing transactions of the Group, have become subsequent continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

The annual cap for the 2024 Year for the rent paid to PH-RE Llc, or accrued by the Company in accordance with applicable accounting rules, under the MM Lease Agreement and the MM Guarantee was JPY 630,000,000, as disclosed in the Company's announcement dated May 26, 2017.

Below is a table setting out the aggregate value for each of the non-exempt continuing connected transactions for the 2024 Year:

	Continuing Connected Transaction ("CCT")	Accounting adjustment to the CCT following the application of IAS 1 "Presentation of Financial Statements"	Impact on the profit or loss for the year ended December 31, 2024
(a) Lease Agreement and Guarantee for Prada Aoyama Building	Japanese Yen million	Japanese Yen million	Japanese Yen million
Depreciation of the right of use assets and interest expenses on lease liabilities	2,040.7	57.2	2,097.9
(b) Lease Agreement and Guarantee for Miu Miu Aoyama Building	Japanese Yen million	Japanese Yen million	Japanese Yen million
Depreciation of the right of use assets and interest expenses on lease liabilities	630	(27.5)	602.5

The Independent Non-Executive Directors have reviewed the above non-exempt continuing connected transactions and confirmed that these have been entered into:

(i) in the ordinary and usual course of business of the Group;
(ii) on normal commercial terms or better; and
(iii) according to the agreements governing them, on terms that are fair and reasonable, and in the interests of the shareholders of the Company as a whole.

The Directors of the Company have engaged the External Auditor to review the above non-exempt continuing connected transactions. Based on the work performed, the External Auditor has provided a letter to the Directors of the Company to confirm that nothing has come to its attention causing them to believe that the continuing connected transactions:

(i) have not been approved by the Company's Board of Directors;
(ii) were not, in all material respects, in accordance with the pricing policies of the Group, if the transaction involved the provision of goods or services by the Group;
(iii) were not entered into, in all material respects, in accordance with the terms of the relevant agreements governing such transactions; and
(iv) have exceeded the relevant annual cap.

Save as disclosed above, none of the transactions disclosed as related party transaction in Note 40 to the Consolidated Financial Statements is a connected transaction or continuing connected transaction, which is subject to the reporting or disclosure requirements under the Listing Rules. The Company has complied with the disclosure requirements governing "connected transactions" or "continuing connected transactions" in accordance with Chapter 14A of the Listing Rules.

Bank loans and other borrowings

Details of the Group's bank loans and other borrowings as at December 31, 2024 are set out in Notes 21 and 26 to the Consolidated Financial Statements.

Major customers and suppliers

The nature of the Group's activities is such that the percentage of sales or purchases attributable to the Group's five largest customers or suppliers is less than 30% of the total sales or purchases, and the Directors do not consider any customer or supplier to have an influence on the Group.

Retirement benefit schemes

Details of the retirement benefit schemes of the Group are set out in Note 27 to the Consolidated Financial Statements.

Model Code for securities transactions

The Company has adopted the Model Code. Having made specific enquiries to all Directors, all of them have confirmed that they have complied with the standard set out in the Model Code throughout the 2024 Year.

Events after the reporting period – if applicable

Details of significant events occurring after the reporting date – if any – are set out in Note 44 to the Consolidated Financial Statements.

Commitments and contingencies

Details of capital commitments and contingent liabilities of the Group as at December 31, 2024 are set out in Note 28 to the Consolidated Financial Statements.

Sufficiency of public float

At the time the Company was listed, the Stock Exchange granted a waiver from strict compliance with Rule 8.08(1) of the Listing Rules (the "Public Float Waiver"). Pursuant to the Public Float Waiver, the Company must at all times maintain a minimum public float of 20%. Based on the information available to the Company and within the knowledge of the Directors, the Company has maintained such minimum public float as at the date of this annual report.

Directors' responsibilities for the Consolidated financial statements

The Directors are responsible for the preparation of the Consolidated Financial Statements for the year ended December 31, 2024, to ensure such Consolidated Financial Statements give a true and fair view of the state of affairs of the Group. In preparing these Consolidated Financial Statements, the Directors have selected suitable accounting policies, made judgments and estimates that are prudent and reasonable, and prepared the Consolidated Financial Statements on a going concern basis and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Union. The Directors are responsible for keeping proper accounting records for safeguarding the assets of the Company and the Group.

External Auditor

The Consolidated Financial Statements and the Separate financial statements of the Company are audited by Deloitte & Touche S.p.A.. Under Italian company law, the external auditor is appointed, and its remuneration is resolved every three years by the shareholders' general meeting of the Company, on the basis of a proposal made by the Board of Statutory Auditors.

On April 13, 2012, the Stock Exchange granted to the Company a waiver from strict compliance with Rule 13.88 of the Listing Rules, which requires the appointment of an external auditor at each annual general meeting to hold office until the next annual general meeting. Therefore, the Company's external auditor is appointed, and its remuneration is determined, every three years at the shareholders' general meeting of the Company under the applicable Italian laws.

On January 23, 2025, the Board resolved, in accordance with the recommendations received from the Board of Statutory Auditors and the Audit and Risk Committee, to propose a resolution at the shareholders' general meeting of the Company on April 30, 2025 (the "2025 AGM") to appoint KPMG S.p.A. as the External Auditor of the Company for the three financial years ending December 31, 2025 to December 31, 2027, and to fix its remuneration.

By order of the Board

Paolo Zannoni
Executive Deputy Chairman

Milan (Italy), March 4, 2025

CHAPTER 6

Corporate Governance

Corporate governance practices

The Company is committed to maintaining the highest standards of corporate governance to create long-term sustainable value for all its stakeholders, including its shareholders.

The corporate governance model adopted by the Company consists of a set of rules, standards and structured procedures aimed at establishing efficient and transparent operations within the Group, to protect the rights of the Company's shareholders, to enhance shareholder value and to uphold the Group's credibility and reputation. The corporate governance model adopted by the Company complies with the applicable laws and regulations in Italy, where the Company is incorporated, as well as with the principles set out in the Corporate Governance Code (the "Code") in Appendix C1 of the Listing Rules.

Compliance with the Code

The Board has reviewed the Company's corporate governance practices and it is satisfied that such practices have complied with the code provisions set out in the Code, for the year ended December 31, 2024 (the "2024 Year"), save for Code Provision F.2.2, as Mr. Patrizio Bertelli (Chairman of the Board) was not able to attend the annual general meeting of the Company held on April 24, 2024 (the "2024 AGM") due to other business commitments. In his absence, Mr. Paolo Zannoni (Executive Deputy Chairman of the Board) assumed the Chairman's role and duties at the 2024 AGM, ensuring the meeting proceeded smoothly with effective communication with the shareholders. This Corporate Governance Section of this Annual Report summarizes how the Company applied the principles and implemented the code provisions contained in the Code for the 2024 Year.

Directors' securities transactions

The Company has adopted a written procedure governing Directors' securities transactions on terms no less exacting than those set out in the Model Code. In response to specific enquiries by the Company, all Directors confirmed that they complied with the required standard set out in the Model Code and the Company's procedure at all applicable times during the 2024 Year. There were no incidents of non-compliance during the 2024 Year.

The Company has also adopted a written procedure governing securities transactions carried out by the relevant employees who are likely to possess inside information in relation to the Company and its securities. This procedure is on terms no less exacting than those set out in the Model Code.

Directors' interests as at December 31, 2024, in the shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange, pursuant to the Model Code contained in Appendix C3 of the Listing Rules, are set out in the Directors' Report.

Board of Directors

A. Board Composition

The Board is currently made up of eleven Directors – six Executive Directors and five Independent Non-Executive Directors. The Board has an appropriate mix of skills and experience that is relevant to the Company's strategy, governance, and business, and underpins its management effectiveness and efficiency. Its approach to achieving diversity is set out in the Board Diversity Policy, which is discussed in more detail in the paragraph headed Nomination Committee. Currently female representation at Board level is about 45%. Gender diversity at workforce levels is disclosed in this Annual Report and gender diversity (including Senior Management) is disclosed in the Sustainability Report. The Board believes that diversity should not be limited to gender.

The table below shows the structure, skill sets, expertise, and competencies of the Board:

					Committees				Skills and Expertise				
Directors	Age	Gender	Ethnicity *	ED / INED	Audit and Risk	Remuneration	Nomination	Sustainability	Business Management	Strategic Planning & Risk Management	Financial Reporting / Banking	Legal / ESG	Related Industry Knowledge / Experience
Mr. Patrizio BERTELLI (Chairman of the Board)	78	M	I	ED					x	x			x
Mr. Paolo ZANNONI (Executive Deputy Chairman of the Board)	76	M	I	ED		x			x	x	x		x
Mr. Andrea GUERRA (Chief Executive Officer)	59	M	I	ED					x	x			x
Ms. Miuccia PRADA BIANCHI	76	F	I	ED					x	x			x
Mr. Andrea BONINI (Chief Financial Officer)	45	M	I	ED					x	x	x		x
Mr. Lorenzo BERTELLI	36	M	I	ED			x	x	x	x		x	x
Mr. Yoël ZAOUI (Lead Independent Director)	64	M	NI	INED	x	x			x	x	x		x
Ms. Marina Sylvia CAPROTTI	47	F	I	INED					x	x		x	x
Ms. Pamela Yvonne CULPEPPER	60	F	NI	INED			x	x	x	x		x	x
Ms. Anna Maria RUGARLI	52	F	I	INED	x	x		x	x	x		x	x
Ms. Cristiana RUELLA	62	F	I	INED	x		x		x	x	x		x

* I refers to Italian and NI refers to Non-Italian

Biographical details of the Directors and their relationships, where applicable, are set out in the Directors and Senior Management section of this Annual Report. The Company has maintained both on its own website and on the website of the Stock Exchange an updated list of its Directors, identifying their respective roles and functions.

B. Board Meetings

During the 2024 Year, the Board held six meetings to discuss the Group's overall corporate strategic direction and objectives, assess its operational and financial performance (including the annual budget and the annual, interim and quarterly results), and approve the Group's main investments, extraordinary transactions, appointment of the Chief Executive Officer, the Executive Deputy Chairman and the Lead Independent Director, granting of powers to the Executive Directors, remuneration of Directors vested with special offices, including the Board Committees members, the adoption and updating of Group policies, and the approval of the 2024 Year Audit Plan and the Sustainability Report, and connected transactions. The average attendance rate of the Directors for these six meetings, held both in presence and through electronic means, was 87.88%.

Minutes of the Board meetings are kept by the Corporate Affairs Department. Minutes of the Board meetings and all Board Committees meetings are sent to the relevant Directors and are available for inspection by any Director by giving reasonable notice to the Company.

C. Board Attendance

The details of attendance at Board meetings, Board Committees meetings and shareholders' general meeting held during the 2024 Year are set out in the following table:

Directors	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Sustainability Committee	Shareholders' Meeting
Executive Directors						
Mr. Patrizio BERTELLI (Chairman)	5/6					0/1
Mr. Paolo ZANNONI (Executive Deputy Chairman)	6/6		3/3			1/1
Mr. Andrea GUERRA (Chief Executive Officer)	6/6					1/1
Ms. Miuccia PRADA BIANCHI	3/6					0/1
Mr. Andrea BONINI (Chief Financial Officer)	6/6					1/1
Mr. Lorenzo BERTELLI	6/6			0/2	5/5	1/1
Independent Non-Executive Directors						
Mr. Yoël ZAOUI (Lead Independent Director) [1]	5/6	8/9	3/3			1/1
Ms. Marina Sylvia CAPROTTI	4/6	3/4	2/2	2/2		0/1
Ms. Pamela Yvonne CULPEPPER [2]	6/6				5/5	1/1
Ms. Anna Maria RUGARLI [3]	5/6	4/5	1/1		5/5	1/1
Ms. Cristiana RUELLA [4]	4/4	5/5		-		-
Statutory Auditors						
Mr. Roberto SPADA (Chairman)	6/6					0/1
Ms. Maria Luisa MOSCONI	4/4					-
Ms. Patrizia ARIENTI	4/4					-
Dates of the Meetings	Jan 25, 2024	Jan 22, 2024	Mar 5, 2024	Feb 20, 2024	Jan 31, 2024	Apr 24, 2024
	Mar 7, 2024	Feb 27, 2024	Apr 24, 2024	Mar 5, 2024	Feb 29, 2024	
	April 24, 2024	Mar 4, 2024	July 9, 2024		Jul 11, 2024	
	Jul 30, 2024	Apr 22, 2024			Oct 8, 2024	
	Oct 30, 2024	Jul 15, 2024			Dec 12, 2024	
	Dec 19, 2024	Jul 29, 2024				
		Oct 28, 2024				
		Nov 26, 2024				
		Dec 16, 2024				
Average Attendance Rate of the Directors	87.88%	88.89%	100%	66.67%	100%	72.72%

Notes:

1. Chairman of the Audit and Risk Committee
2. Chairwoman of the Sustainability Committee
3. Chairwoman of the Remuneration Committee
4. Chairwoman of the Nomination Committee

* Mr. Maurizio CEREDA, former member of the Board (2/2 Board attendance and 1/1 Shareholders' Meeting attendance); former Chairman of the Nomination Committee (2/2 attendance); former Member of the Audit and Risk Committee (4/ 4 attendance)
* Mr. Antonino PARISI, former Chairman of the Board of Statutory Auditors (2/2 attendance at the Board meetings)
* Mr. David TERRACINA, former member of the Board of Statutory Auditors (2/2 attendance at the Board meetings)

D. Roles and Responsibilities

The Board is the highest decision-making body of the Company vested with the power to manage all ordinary and extraordinary matters of the Company. The Board has the power to perform all acts it deems necessary or useful in the pursuit of the Company's corporate purposes, except for those acts specifically reserved for approval by the shareholders by relevant laws or regulations or the By-laws. In particular, the Board is responsible for setting the overall strategy, as well as reviewing the operational and financial performance of the Company and the Group. Therefore, the Board considers and decides on all matters concerning the overall Group strategy, including the sustainability strategy, the Group's strategic objectives, annual budgets, annual, interim, and quarterly results, approval of major transactions, connected transactions, and any other significant operational and financial matters. The Board is also responsible for evaluating on an ongoing basis the effectiveness of the internal control and risk management system.

Among the Directors, some, upon the decision of the Board, are granted with specific delegated powers and with power to sub-delegate their powers to selected personnel outside the Board. To this respect, the Company has adopted a system of delegated powers and powers of attorney aimed at ensuring the segregation of duties and the efficient and regular performance of the activities in accordance with the procedures adopted by the Company itself.

During the 2024 Year, all Board members were provided with monthly financial updates, prepared by the Executive Directors with the support of the management. The purpose of such updates was to provide a balanced and comprehensive assessment of the performance, position, and prospects of the Group in sufficient detail, in order to enable each Director to perform his/her duties.

The Board believes that corporate culture underpins the long-term business, economic success, and sustainable growth of the Group. The Board sets and promotes company culture and expects and requires employees to follow the Group's procedures and policies. For details, please refer to the Directors' Report and the Sustainability Report.
The Executive Directors are responsible for the day-to-day management of the Company and to make operational and business decisions within the control and delegated powers framework of the Company.

The types of decisions delegated by the Board to the management include:

- the preparation of annual, interim, and quarterly results for the Board's approval;
- the execution of business strategies and other initiatives adopted by the Board;
- the monitoring of operating budgets adopted by the Board;
- the design, implementation and monitoring of the internal control and risk management system; and
- the compliance with relevant statutory requirements, rules and regulations.

E. Independent Non-executive Directors

The Independent Non-Executive Directors provide the Company with diversified skills, expertise, and qualifications as well as varied backgrounds and perspectives. They participate in the Board and Board Committees meetings to provide independent and objective opinions, advice and judgment on important matters relating to the Company's strategy, policy, financial performance, and take the lead on matters where conflicts of interests may arise. The Board also reviews on an annual basis the implementation and effectiveness of the mechanisms established to ensure independent views and input are available to the Board. They also attend the shareholders' general meetings of the Company to understand the views of the shareholders. They make a positive contribution to the development of the Company's strategy and policy through independent, constructive, and informed comments.

The Independent Non-Executive Directors enhance the effectiveness and decision-making of the Board by providing objective judgement and constructive challenge. Their independence is assessed upon appointment, annually, and whenever the circumstances warrant reconsideration.

All the Independent Non-Executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and have, as required by the Listing Rules, provided the Company with the written confirmations as to their independence. The independence of the Independent Non-Executive Directors was further confirmed following the review by the Nomination Committee conducted on February 4, 2025. None of the Independent Non-Executive Directors of the Company has any business or financial interest in the Company or its subsidiaries.

F. Liability Insurance for the Directors
The Company has arranged appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

G. Directors' Training
Upon appointment to the Board, Directors are provided with a comprehensive induction program to ensure that they have a thorough understanding of the key areas of business operations and practices of the Company, as well as their role and responsibilities under the relevant laws, rules, and regulations.

During the 2024 Year, Mr. Patrizio Bertelli, Mr. Paolo Zannoni, Ms. Miuccia Prada Bianchi, Mr. Andrea Guerra, Mr. Lorenzo Bertelli, Mr. Andrea Bonini, Mr. Yoël Zaoui, Ms. Marina Sylvia Caprotti, Ms. Pamela Yvonne Culpepper, Ms. Anna Maria Rugarli, and Ms. Cristiana Ruella participated in training provided by Company on business updates and sector's developments. The Directors also received updates on the development of the laws, rules and/or regulations relating to Directors' duties and responsibilities to develop and refresh their knowledge and skills, including the proposed amendments on corporate governance rules and related Listing Rules. Ongoing training helps Directors keep abreast of current trends and issues facing the Group, while enabling them to update and refresh their skills and knowledge necessary to perform their duties. As the mandate of Mr. Maurizio Cereda expired as Independent Non-Executive Director on April 24, 2024, he did not participate in the director's training provided by the Company during the 2024 Year.

Directors were required to provide the Company with their training records during the 2024 Year. The records are maintained by the Corporate Affairs Department.

Chairman and Chief Executive Officer

At the 2024 AGM, Mr. Patrizio Bertelli was appointed as the Chairman of the Board. On the same date, the Board appointed Mr. Andrea Guerra as Chief Executive Officer, granting him with the relevant delegated powers. The role of the Chairman is separate from that of the Chief Executive Officer. The Chairman is vested with the powers to represent the Company and provides leadership to the Board. He is responsible for ensuring that the Board is functioning effectively and adheres to good corporate governance practices and procedures. The Chief Executive Officer, supported by the other Executive Directors and senior management, is responsible for managing the Company's business, including the implementation of major strategies and other initiatives adopted by the Board.

Relationships between Directors

Ms. Miuccia Prada Bianchi (Executive Director of the Company) and Mr. Patrizio Bertelli (Chairman of the Board and Executive Director of the Company) are husband and wife. Mr. Lorenzo Bertelli (Executive Director of the Company) is the son of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli.

Appointment of the Board members

At the 2024 AGM, the Board (consisting of eleven Directors) was appointed for a term of three financial years. The mandate of all the current Directors will lapse on the date of the shareholders' general meeting called to approve the financial statements of the Company for the year ending December 31, 2026. Under the Company's By-laws, the Directors may be re-appointed.

On April 9, 2024, Ms. Cristiana Ruella obtained legal advice as regards the requirements under the Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange and has confirmed she understood her obligations as a director of a listed issuer.

The mandate of Mr. Maurizio Cereda as an Independent Non-Executive Director expired on April 24, 2024.

Corporate Governance Functions of the Board

The Board is responsible for determining and supervising the implementation of the Company's corporate governance policies and ensuring its compliance with the provisions of the Code. The Board's role in this regard is:

(i) to develop and review the Company's policies and practices on corporate governance;
(ii) to review and monitor the training and continuous professional development of Directors and senior management;
(iii) to review and monitor the Company's policies and practices regarding compliance with legal and regulatory requirements;
(iv) to develop, review and monitor the Code of Ethics, the Organisation, Management and Control Model (adopted pursuant to Italian Legislative Decree no. 231 of June 8, 2001) and the Company's procedures applicable to directors and employees;
(v) to review relevant Environmental, Social and Governance ("ESG") matters;
(vi) to review the Company's compliance with the Code and the disclosure of such in this Corporate Governance Section of this Annual Report; and
(vii) to perform any other corporate governance duties and functions set out by the Listing Rules or other applicable rules, for which the Board shall be responsible.

During the 2024 Year, the Board completed the following activities with respect to corporate governance matters:

(i) approved the appointment of the Chief Executive Officer, the Executive Deputy Chairman, and the Lead Independent Director;
(ii) approved the granting of powers to the Executive Directors;
(iii) approved the composition of the Board Committees and appointed the members of the same;
(iv) approved the remuneration of Directors vested with special offices, including the members of the Board Committees;
(v) approved the appointment of the members of the Supervisory Body (Organismo di Vigilanza), including its Chairwoman;
(vi) reviewed the level of compliance with the Code;
(vii) reviewed the effectiveness of the internal control, risk management system and ESG performance of the Company through the Internal Audit Department, the Audit and Risk Committee, and the Sustainability Committee;
(viii) reviewed and approved the Sustainability Report;
(ix) approved the Group's main transactions, including connected transactions, and extraordinary transactions with third parties;
(x) reviewed and/or approved the updated versions of the Connected Transaction Policy, Disclosure Policy, Board Diversity Policy (including review of its implementation and effectiveness), Dividend Policy, and Director Nomination Policy;
(xi) adopted the Notifiable Transactions Policy; and
(xii) approved the compliance with the new Rule 2.07 of the Listing Rules and reviewed the Shareholders Communication Policy accordingly.

Board Committees

The Board has established the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, and the Sustainability Committee, each chaired by an Independent Non-Executive Director, in compliance with the Code. The Terms of Reference and membership of the first three Board Committees are published on the websites of both the Company and the Stock Exchange. The Terms of Reference of the Board Committees are no less exacting than those set out in the Code. The Board Committees are provided with sufficient resources to perform their duties and upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense.

A. Audit and Risk Committee

The Company has established an Audit and Risk Committee in compliance with Rule 3.21 of the Listing Rules, where at least one member possesses related financial management expertise to perform the duties of the Audit and Risk Committee. The current members of the Audit and Risk Committee were appointed by the Board on April 24, 2024, and consist of three Independent Non-Executive Directors, namely Mr. Yoël Zaoui (Chairman, appointed on July 15, 2024), Ms. Cristiana Ruella and Ms. Anna Maria Rugarli. The former members of the Audit and Risk Committee, whose mandate elapsed on April 24, 2024, were also three Independent Non-Executive Directors, namely Mr. Yoël Zaoui (Chairman), Ms. Marina Sylvia Caprotti and Mr. Maurizio Cereda.

The primary duties of the Audit and Risk Committee are to assist the Board in providing an independent view on the independence, adequacy, effectiveness and efficiency of the internal audit function, the Company's financial reporting process and its internal control and risk management system, to oversee the external audit process, the internal audit process and financial controls activity, to implement the Company's risk management functions, to examine the work plan of internal audit, to review the relationship with the External Auditor by reference to the work performed by the External Auditor, as well as their independence, fees and terms of engagement, and to perform any other duties and responsibilities assigned to it by the Board.

During the 2024 Year, the Audit and Risk Committee held nine meetings on January 22, February 27, March 4, April 22, July 15, July 29, October 28, November 26, and December 16 (with an average attendance rate of 88.89%) mainly to review, with senior management, Internal Audit Department, External Auditor and Board of Statutory Auditors, the significant internal and external audit findings and financial matters as required under the Audit and Risk Committee's Terms of Reference and to make relevant recommendations to the Board. The Audit and Risk Committee's review covered, inter alia, the audit plan for the 2024 Year, the findings of both the Internal Audit Department and the External Auditor reporting activities, internal controls and audit activities over the supply chain, risk assessment, annual review of the continuing connected transactions of the Group for 2023, the Group budget for the 2024 Year, the Sustainability Report for the year ended December 31, 2023, connected transactions and extraordinary transactions with third parties, Group policies, the selection process for the new External Auditor to be appointed by the shareholders' meeting for the three-year period 2025-2027, the methodology applied to the impairment test, tax and legal updates and financial reporting matters (including the annual results for the year ended December 31, 2023, the interim financial results for the six months ended June 30, 2024, and the quarterly results for the three months ended March 31, 2024, and the nine months ended September 30, 2024, respectively), before recommending them to the Board for approval.

In 2025, the Audit and Risk Committee also held three meetings – on January 20, 2025, February 10, 2025, and February 28, 2025 – to examine and recommend to the Board the approval of the 2025 Group budget, to review connected transactions and extraordinary transactions with third parties, to give updates on the selection process for the new External Auditor to be appointed by the shareholders' meeting for the three-year period 2025-2027 and recommend it to the Board, to discuss the audit activities on the 2024 Separate Financial Statements and Annual Report of the Company presented by Deloitte & Touche S.p.A., to evaluate the methodology applied to the impairment test, to discuss the status of the major pending litigations, including tax litigations, of the Group, to have an update on the internal audit and risk management activities, and to review, for the 2024 Year, the annual results, the Sustainability Report, the continuing connected transactions, and the Internal Audit Department and Audit and Risk Committee reports.

External Auditor's compensation

The total fees and expenses accrued in favor of Deloitte & Touche S.p.A. and its network for the audit of the financial statements for the 2024 Year and for the year ended December 31, 2023, together with non-audit services, are illustrated below (amounts in thousands of Euros):

Type of service	Audit Firm	Provided to	twelve months ended December 31 2024	twelve months ended December 31 2023
Audit services	Deloitte & Touche S.p.A.	Prada S.p.A.	550	514
Audit services	Deloitte & Touche S.p.A.	Subsidiaries	229	227
Audit services	Deloitte Network	Subsidiaries	1,017	967
Total audit fees to Deloitte Network			1,796	1,708
Other advisory services	Deloitte Network	Prada S.p.A.	150	756
Other advisory services	Deloitte Network	Subsidiaries	90	111
Total non-audit fees to Deloitte Network			240	867
Total compensation to Deloitte Network			2,036	2,575

B. Remuneration Committee

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for the remuneration package of Directors and senior management and the establishment of a formal and transparent procedure for developing policies on such remuneration. The recommendations of the Remuneration Committee are then submitted to the Board for consideration and adoption, where appropriate.

The current members of the Remuneration Committee were appointed by the Board on April 24, 2024, and consist of two Independent Non-Executive Directors, Ms. Anna Maria Rugarli (Chairwoman, appointed on April 24, 2024) and Mr. Yoël Zaoui, and the Executive Deputy Chairman and Executive Director, Mr. Paolo Zannoni. The former members of the Remuneration Committee, whose mandate elapsed on April 24, 2024, were also two Independent Non-Executive Directors, Ms. Marina Sylvia Caprotti (Chairwoman) and Mr. Yoël Zaoui, and the Executive Deputy Chairman and Executive Director, Mr. Paolo Zannoni.

During the 2024 Year, the Remuneration Committee held three meetings on March 5, April 24, and July 9, 2024 (with an average attendance rate of 100%) to recommend the remuneration of the Directors vested with special offices, to review the remuneration of the Directors and Board Committees members and the Board of Statutory Auditors, to review the remuneration of the senior management of the Company, and to review and discuss fringe benefits and provide an update on the existing long-term incentive ("LTI") plans.

The Remuneration Committee also held one meeting on January 15, 2025 to review and provide an update on the remuneration of the Executive Directors and top management of the Company and on the new LTI plan for the three-year period 2025-2027, and review the Terms of Reference of the Remuneration Committee.

Remuneration Policy

The Group's remuneration policy is aimed at attracting, rewarding, and retaining its personnel, who are considered the key to the success of the Group's business. This "Human Capital" is preserved through constant monitoring, in order both to maintain engagement with the Company and a remuneration policy in line with the market. To ensure the Company's ability to attract and retain talent, the Company's remuneration policy is built upon the principles of providing an equitable and market-competitive remuneration package that supports the performance culture and enable the achievement of strategic business goals.

The Group's remuneration policy is designed to reward and retain highly professional staff and skilled managers, new graduates, and workers, and to create value in the medium and long term through constant organisational learning and the consolidation of collaborators' experiences and skills.

The policy comprises fixed, variable, direct and deferred components, appropriate for the relevant position and professional qualifications, and is consistent with the needs of the various geographic areas.

The Group has an incentive system that links compensation with the annual performance of the Group, taking into account the Group's economic and financial objectives, as well as the objectives of each department, depending on the role of the specific individual.

The Group has adopted long-term cash incentive plans for executive directors, senior managers, and key managers for retention purposes. Entitlement to benefits under such plans vests in the eligible executive director, senior manager, or key manager, subject to the achievement by the Group of one or more economic and financial objectives, as well as certain ESG targets, and his/her presence within the Group at the end of a three-year period.

Other incentive schemes specific to sales staff are also in place, and operations and manufacturing staff of the Group may receive a collection bonus following the development of a seasonal collection.

The aggregate basic remuneration of the Board is approved by the shareholders in a general meeting. The additional remuneration of each Director vested with special offices (that is, the Executive Directors and members of the Board Committees) is determined by the Board after having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

Under the current remuneration package, the Executive Directors receive remuneration in the form of fees, salaries and other benefits, discretionary bonuses and/or other incentives, including non-monetary benefits and other allowances and contributions such as contributions to retirement benefits schemes. The Independent Non-Executive Directors receive remuneration in the form of fees and contributions to retirement benefits schemes, as the case may be. No Director is allowed to approve his/her own remuneration.

C. Nomination Committee

The primary duties of the Nomination Committee are to determine the policy for the nomination of Directors and to make recommendations to the Board for consideration and, where appropriate, adoption on the structure, size, and composition of the Board itself, on the selection of new Directors and on the succession plans for Directors.

The current members of the Nomination Committee were appointed by the Board on April 24, 2024, and consist of two Independent Non-Executive Directors, Ms. Cristiana Ruella (Chairwoman, appointed on July 24, 2024) and Ms. Pamela Yvonne Culpepper, and one Executive Director, Mr. Lorenzo Bertelli. The former members of the Nomination Committee, whose mandate elapsed on April 24, 2024, were also two Independent Non-Executive Directors, Mr. Maurizio Cereda (Chairman) and Ms. Marina Sylvia Caprotti, and one Executive Director, Mr. Lorenzo Bertelli.

During the 2024 Year, the Nomination Committee held two meetings on February 20, and March 5, 2024 (with an average attendance rate of 66.67%) to perform the annual review of both the independence of the Independent Non-Executive Directors and of the structure, size and composition of the Board for the year ended December 31, 2023, to provide recommendations on the structure, size and composition of the new Board and new Board of Statutory Auditors to be appointed at the 2024 AGM, in line both with the Director Nomination Policy and the Board Diversity Policy, and to review the list of both the new Directors and new Statutory Auditors submitted by the majority shareholder Prada Holding S.p.A. to be proposed at the 2024 AGM.

The Nomination Committee also held one meeting on February 4, 2025, to review the Terms of Reference and to perform the annual review of both the independence of the Independent Non-Executive Directors and of the structure, size, and composition of the Board for the 2024 Year.

With a view to achieving a sustainable and balanced development, the Company has viewed diversity at the Board level as an essential element to attain its strategic objectives and its development. The Board Diversity Policy was originally adopted by the Board in September 2013. On January 25, 2024, the Board adopted a new version of the Board Diversity Policy, substantially in line with the previous version, updated to the current applicable Listing Rules, as well as compliant with the most recent best practices. According to the principles set out in the Board Diversity Policy, all Board members' appointments are based on merit, with candidates proposed and selected based on objective criteria, with due regard for diversity within the Board. Diversity in this sense encompasses a wide range of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, and knowledge. The final selection is based on merit and the contribution, which the candidates can bring to the Board. Throughout the 2024 Year, and until the appointment of the current Board, which occurred at the 2024 AGM, the Board had four female Directors (three being Independent Non-Executive Directors), representing approximately 36% of the Board and 60% of the Independent Non-Executive Directors. As a result of the appointment of the current Board at the 2024 AGM, and up to the date of this Annual Report, the Board has five female Directors (four being Independent Non-Executive Directors), representing approximately 45% of the Board and 80% of the Independent Non-Executive Directors. The Company is committed to maintaining a Board with an appropriate level of female members, which shall be no less than 40% of the Independent Non-Executive Directors and 30% of all members of the Board by year. The Nomination Committee has been delegated the overall responsibility for implementing and monitoring the implementation of the Board Diversity Policy. The Nomination Committee discusses any revisions that may be required to ensure the effectiveness of the Board Diversity Policy with access to independent external consultants and recommends any such revisions to the Board for its approval.

On March 15, 2019, the Board first adopted the nomination policy for the Directors (the "Director Nomination Policy"), which provides guidance on the proposal for the appointment or re-appointment of the directors or to fill casual vacancies and sets out the processes and criteria for the nomination of a candidate for directorship in the Company. The Company adopted the Director Nomination Policy to regulate the nomination process of Directors, so as to ensure that all nominations of the Board members are made in a fair and transparent manner, in order to maintain an appropriate balance of skills, experience and diversity within the Board, that are relevant to the Company's strategy, governance and business, and which can contribute to the effectiveness and efficiency of the Board's management. On January 25, 2024, the Board adopted a new version of the Director Nomination Policy, substantially in continuity with the previous version, updated to the current applicable Listing Rules, as well as compliant with the most recent best practices.

The Director Nomination Policy contains a number of factors for assessing the suitability of a proposed candidate, including the high ethical character and reputation for integrity, professional qualifications, skills, knowledge and experience, available time commitment, merit and potential contributions to the Board, as well as the independence criteria under the Listing Rules (where applicable), including the independence of long serving Independent Non-Executive Directors (where applicable).

The Nomination Committee considers the candidates proposed by shareholders for new directorship or for re-election and make recommendations for the Board's consideration. The Board will then decide whether the proposed candidate shall be eligible to be appointed or re-appointed, as the case may be, as a director of the Company and will in turn recommend to shareholders to vote in favor of the relevant resolutions to be proposed at the shareholders' general meeting of the Company.

D. Sustainability Committee

The Sustainability Committee assists and supports the Board with proposing and advisory functions in its assessments and decisions on sustainability, meaning the processes, initiatives and activities aimed at overseeing the Company's commitment to sustainable development along the value chain and strategy. Moreover, the Committee supports the preparation and review of non-financial reports, including the annual Sustainability Report, and communications concerning sustainability to be submitted to the Board for approval. The Directors' Report includes the governance of sustainability issues and how the Company approaches and manages the Group's material ESG topics.

The current members of the Sustainability Committee were appointed by the Board on April 24, 2024, and consist of two Independent Non-Executive Directors, Ms. Pamela Yvonne Culpepper (Chairwoman) and Ms. Anna Maria Rugarli, and one Executive Director, Mr. Lorenzo Bertelli. The former Sustainability Committee consisted of the same members as the current Sustainability Committee.

During the 2024 Year, the Sustainability Committee held five meetings on January 31, February 29, July 11, October 8, and December 12 (with an average attendance rate of 100%) to discuss and approve the Sustainability Report for the year ended December 31, 2023, to provide updates on the progress and achievements in the ESG strategy of the Group both for corporate, industrial, and HR sustainability, to discuss the establishment of the Diversity, Equity & Inclusion ("DE&I") executive committee of Prada USA Corp. and the new DE&I Group governance, to review and discuss the main initiatives and partnerships to support ESG-related projects, and to review and discuss the ESG information to be included in the presentation of financial results for both the year ended December 31, 2023, and the first half of the 2024 Year.

The Sustainability Committee also held one meeting on February 26, 2025, to discuss and approve the Sustainability Report for the 2024 Year, and to provide updates on the progress and achievements in the ESG strategy of the Group both for corporate, industrial, and HR sustainability.

Board of statutory auditors

Under Italian law, a joint-stock company is required to have a board of statutory auditors, appointed by the shareholders for a term of three financial years, with the authority to supervise the Company on its compliance with the applicable laws, regulations, its By-laws, the principles of proper management and, in particular, on the adequacy and functioning of the organisational, administrative and accounting structure adopted by the Company.

At 2024 AGM, the Board of Statutory Auditors was appointed for a term of three financial years (2024-2026). The mandate of the current Board of Statutory Auditors will expire at the shareholders' general meeting to approve the financial statements of the Company for the year ending December 31, 2026.

The Board of Statutory Auditors of the Company consists of Mr. Roberto Spada (Chairman), Ms. Maria Luisa Mosconi, and Ms. Patrizia Arienti. The alternate statutory auditors are Ms. Stefania Bettoni and Mr. Cristiano Proserpio.

Directors' responsibility and auditors' responsibility for Consolidated Financial Statements

The Directors are responsible for preparing the Consolidated Financial Statements of the Group for the 2024 Year to ensure such Consolidated Financial Statements give a true and fair view of the state of affairs of the Group. In preparing these Consolidated Financial Statements, the Directors have selected suitable accounting policies and made prudent and reasonable judgments and estimates. The Consolidated Financial Statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Union. In addition, the Board is generally satisfied of the adequacy of resources, staff qualifications and experience, training program and budget of the Company's accounting and financial reporting function during the 2024 Year.

With respect to the External Auditor of the Company, its responsibilities are stated in the auditor's reports on the Consolidated Financial Statements.

Internal control and risk management

The Group's internal control system has mainly been designed to safeguard the assets of the Group, to maintain proper accounting standards, to ensure that appropriate authority has been given for the performance of acts by the Company, and to comply with the relevant laws and regulations. The Group has adopted a strict Anti-Corruption Policy and an Auditor Transactions Policy to support anti-corruption laws and regulations and monitoring the independence of External Auditor.

To better control its activities in achieving the established objectives, the Group has adopted procedures to identify, evaluate and manage the specific risks arising out of the continuous changes which affect the Group's operations and the regulatory framework to which it is subject.

The Board has adopted a Whistleblowing Policy which provides reporting channels and guidance for employees and other parties who deal with the Group (e.g., contractors and suppliers, etc.) to report possible improprieties in matters of financial reporting or other matters. The Whistleblowing Policy and the Anti-Corruption Policy are available on the Company's website.

The Board places great importance on maintaining a sound and effective internal control and risk management system to safeguard the shareholders' investment and the Company's assets.

The Board has acknowledged its responsibility for the internal control and risk management system – including financial, operational and compliance controls functions – and for the ongoing monitoring and review of its effectiveness. Such a system is designed to manage rather than eliminate risks and is aimed at providing reasonable and not absolute assurance against material misstatement or loss.

The management, with the support of the Internal Audit Department, has the responsibility, as delegated by the Board, to identify, evaluate and manage the risk factors that may affect the Group's operations and to resolve any material internal control defects that may arise.

In particular, during the 2024 Year the Internal Audit Department assessed the Company's activities and controls to mitigate the health and safety risk at work as well as the risk of data breach and cyber-attack.

The Internal Audit Department provides an independent review of the adequacy and effectiveness of the internal control and risk management system. The audit plan is discussed and agreed every year by the Audit and Risk Committee before being submitted to the Board for approval. In addition to its agreed annual schedule of work, the Internal Audit Department conducts other special reviews as required. The risk assessment documents are periodically updated by the Internal Audit Department with the support of the management, then reviewed by the Audit and Risk Committee and submitted to the Board for approval.

The Board has received specific confirmation from the relevant management personnel of the Company on the effectiveness of the Group's internal control and risk management system throughout the 2024 Year.
During the 2024 Year, no significant control failings or weaknesses were identified.
The Board, with the support from the Audit and Risk Committee, has been reviewing the internal control and risk management system of the Group on an ongoing basis (with the same frequency as regular Board meetings were held) and is generally satisfied that the internal control and the risk management system has functioned effectively and has been adequate for the Group as a whole, throughout the 2024 Year.

Moreover, the Board is generally satisfied of the adequacy of resources, staff qualifications and experience, the training program and the budget of the Company's internal audit and risk management function during the 2024 Year.

Supervisory Body (Organismo di vigilanza)
In compliance with Italian Legislative Decree no. 231 of June 8, 2001 (the "Decree"), the Company established a Supervisory Body (Organismo di Vigilanza) whose primary duty is to ensure the functioning, effectiveness and enforcement of the Company's Organization, Management and Control Model, adopted by the Company pursuant to the Decree. The Supervisory Body has three members appointed by the Board and selected among qualified and experienced individuals. The current members of the Supervisory Body, including its Chairwoman, were appointed by the Board on April 24, 2024, and consists of Ms. Stefania Chiaruttini (Chairwoman), Mr. Armando Simbari and Mr. Roberto Spada, Chairman of the Board of Statutory Auditors.

Inside Information

The Company handles and disseminates inside information in accordance with the requirements of the Securities and Futures Ordinance and the Listing Rules.

With regard to the procedures and internal controls for the handling and dissemination of inside information, the Company:

- has adopted an inside information disclosure policy to ensure potential inside information is identified and confidentiality is maintained until timely and proper disclosure is made (the "Inside Information Disclosure Policy"), which has been reviewed and updated by the Board on January 25, 2024;

- has made available on the Company's intranet the Inside Information Disclosure Policy in order to ensure immediate access to it by the entire Group's staff;
- has included in the procedures governing Directors and relevant employees a prohibition on dealing in the Company's shares whilst in possession of inside information; and
- has authorized only the Executive Directors and a few selected members of the management to act as spokespersons and respond to external enquiries.

In addition, the Board has established an Inside Information Committee, whose current members were appointed on April 24, 2024, and consist of the Chairman of the Board and Executive Director Mr. Patrizio Bertelli, the Executive Deputy Chairman of the Board and Executive Director Mr. Paolo Zannoni, and the Chief Financial Officer and Executive Director Mr. Andrea Bonini. The Inside Information Committee has been delegated with the power to assess, if necessary, any potential inside information, and to keep all other Directors timely informed about its decisions.

Company Secretary

During the 2024 Year, Ms. Tong Pui Ting, Wendy undertook over 15 hours of relevant professional training to update her skills and knowledge. Her biography is set out in the Directors and Senior Management section of this Annual Report.

Shareholders' Rights

A. Convening of shareholders' general meeting at shareholders' request

Pursuant to Article 14.2 of the Company's By-Laws, a shareholders' general meeting has to be called by the Board when requested by shareholders representing at least one-twentieth of the Company's share capital, provided that the request mentions the item(s) to be discussed at the meeting. If there is an unjustified delay in calling the meeting by the Board, action will be taken by the Board of Statutory Auditors.

B. Putting forward proposals at shareholders' general meeting

Pursuant to Article 14.5 of the Company's By-Laws, shareholders who, individually or jointly, own or control at least one-fortieth of the Company's share capital may request in writing for additions to be made to the list of items on the agenda, within ten days from the notice of call for a shareholders' general meeting, by setting out the proposed additions. The proposals should be directed to the Company by email at corporateaffairs@prada.com.

C. Making an enquiry to the Board

Enquiries about matters to be put forward to the Board should be directed to the Company by email at corporateaffairs@prada.com. The Company will not normally deal with verbal or anonymous enquiries.

D. Procedures for shareholders to propose a person for election as Director

The procedures for a shareholder to nominate a person for election as a Director of the Company are set out in Articles 19.3 and 19.4 of the Company's By-laws, details of which have been disclosed on the Company's corporate website (www.pradagroup.com).

Constitutional Documents

The current By-laws of the Company (the "By-laws") was adopted by the shareholders' meeting on April 27, 2023, and are available for viewing on the websites of the Company and the Stock Exchange.

Communication with Shareholders

A. Dividend Policy

On March 15, 2019, the Board formalized and adopted a Dividend Policy to set out the framework that the Company has put in place in relation to dividend payouts to shareholders. The Company aims to provide its shareholders a sustainable dividend stream, taking into account financial results, cash flow situation, working capital requirements, capital expenditures, investment requirements, future operations and earnings, business conditions and strategies, interests of shareholders and any statutory or regulatory restrictions (including under Italian law and the Company's By-laws) on payment of dividends.

The Board reviews the Dividend Policy from time to time and may adopt changes, as appropriate, to ensure the effectiveness of the Dividend Policy. The Board reviewed and updated the Dividend Policy on January 25, 2024.

At the 2024 AGM, the shareholders approved the distribution of a final dividend of Euro 0.137 per share for the financial year ended December 31, 2023, representing a total dividend of Euro 350,558,888, which was paid on May 17, 2024.

B. Investor relations and communication

The Company endeavors to maintain a high level of transparency when communicating with the shareholders and the financial community in general. The Company has maintained a regular dialogue with – and fair disclosure to – institutional shareholders, fund managers, research analysts and the finance media. Investor/ analysts briefings and one-to-one meetings, investor conferences and results briefings are conducted on a regular basis in order to facilitate communication between the Company, shareholders, and the investment community. The Company strives to ensure effective and timely dissemination of information to shareholders and the investment community at all times and will regularly review the arrangements to ensure its effectiveness.

The Company's corporate website (www.pradagroup.com) facilitates effective communications with shareholders, investors, and other stakeholders, making corporate information and other relevant financial and non-financial information available electronically and on a timely basis. This includes extensive information about the Group's performance and activities via the annual report, interim report, social responsibility report, press releases, presentations, announcements, circulars to shareholders and notices of general meetings, etc.

The Board has adopted a Shareholders Communication Policy, which is subject to annual review to ensure its effectiveness and implementation. On July 30, 2024, the Board adopted a new version of the Shareholders Communication Policy, substantially in continuity with the previous version, updated to the current applicable Listing Rules, including the new Rule 2.07, as well as compliant with the most recent best practices. The Company is generally satisfied that the implementation of the Shareholders Communication Policy has functioned effectively throughout the 2024 Year.

C. Shareholders' meetings

The Company strives to maintain an on-going dialogue with its shareholders. Shareholders are encouraged to participate in general meetings either in person or through appointed proxies to attend and vote at meetings for and on their behalf if they are unable to attend such meetings. The process of the Company's general meeting is monitored and reviewed on a regular basis.

The Company uses the shareholders' general meeting as one of the main channels for communicating with the shareholders and to ensure that shareholders' views are communicated to the Board. At the shareholders' general meeting, each substantially separate issue is proposed and considered by a separate resolution (including the election of individual directors).

The 2024 AGM was held online only. Directors, including the Executive Deputy Chairman, the Chief Executive Officer, and the majority of Independent Non-Executive Directors, the Company Secretary, the External Auditor of the Company, Deloitte & Touche S.p.A., the majority of the members of the Board of Statutory Auditors, and the scrutineer, attended the 2024 AGM.

All resolutions submitted to the shareholders at the 2024 AGM were duly passed, and the voting results of such resolutions were disclosed in the announcement of the Company dated April 24, 2024. Computershare Hong Kong Investor Services Limited, the Company's Hong Kong share registrar, acted as scrutineer for the vote taking at the 2024 AGM.

D. Corporate communications

In order to increase the efficiency in communication with shareholders and to contribute to environmental protection, the Company has adopted electronic dissemination of corporate communications in compliance with the new Rule 2.07 of the Listing Rules and will only send corporate communications in printed form to shareholders upon request. The English and Chinese versions of all corporate communications are available electronically on the Company's website at www.pradagroup.com and on the HKEXnews website at www.hkexnews.hk.

CHAPTER 7

Consolidated Financial Statements

Consolidated Statement of financial position

(amounts in thousands of Euro)	Notes	December 31 2024	December 31 2023
Assets			
Current assets			
Cash and cash equivalents	9	1,011,563	689,519
Trade receivables, net	10	423,733	405,151
Inventories, net	11	866,160	782,978
Derivative financial instruments - current	12	12,487	17,550
Receivables due from, and advance payments to, related parties - current	13	141	138
Other current assets	14	245,324	267,412
Total current assets		2,559,408	2,162,748
Non-current assets			
Property, plant and equipment	15	2,255,055	2,032,876
Intangible assets	16	867,920	846,024
Right of use assets	17	2,278,955	2,024,552
Investments in equity instruments, associates and joint ventures	18	37,624	41,610
Deferred tax assets	36	408,971	374,847
Other non-current assets	19	139,086	131,504
Derivative financial instruments - non-current	12	2,571	890
Receivables due from, and advance payments to, related parties - non-current	13	369	-
Total non-current assets		5,990,551	5,452,303
Total assets		8,549,959	7,615,051
Liabilities and equity			
Current liabilities			
Lease liabilities – current	20	434,135	411,289
Short-term financial payables and bank overdrafts	21	183,247	148,338
Payables due to related parties - current	22	8,279	5,858
Trade payables	23	481,615	453,387
Tax payables	24	177,138	121,823
Derivative financial instruments - current	12	27,778	7,543
Other current liabilities	25	371,260	302,143
Total current liabilities		1,683,452	1,450,381
Non-current liabilities			
Lease liabilities - non-current	20	1,940,978	1,699,599
Long-term financial payables	26	220,941	338,422
Long-term employee benefits	27	81,749	60,875
Provisions for risks and charges	28	64,284	49,867
Deferred tax liabilities	36	43,416	35,731
Other non-current liabilities	29	95,310	103,367
Derivative financial instruments – non-current	12	399	-
Total non-current liabilities		2,447,077	2,287,861
Total liabilities		4,130,529	3,738,242
Share capital		255,882	255,882
Total other reserves		3,155,617	2,833,889
Translation reserve		148,959	92,998
Net income for the year		838,907	671,026
Equity attributable to the owners of the Group	30	4,399,365	3,853,795
Equity attributable to Non-controlling interests	31	20,065	23,014
Total equity		4,419,430	3,876,809
Total liabilities and total equity		8,549,959	7,615,051

Consolidated Statement of profit or loss for the year ended December 31, 2024

(amounts in thousands of Euro)	Notes	twelve months ended December 31 2024	% on net revenues	twelve months ended December 31 2023	% on net revenues
Net revenues	32	5,431,557	100%	4,726,411	100%
Cost of goods sold	33	(1,094,865)	-20.2%	(924,640)	-19.6%
Gross margin		4,336,692	79.8%	3,801,771	80.4%
Operating expenses	34	(3,057,142)	-56.3%	(2,740,079)	-58.0%
Operating income - EBIT		1,279,550	23.6%	1,061,692	22.5%
Interest and other financial income / (expenses), net		(21,315)	-0.4%	(32,031)	-0.7%
Interest expenses on lease liabilities		(69,623)	-1.3%	(58,825)	-1.2%
Dividends from investments		111	0.0%	627	0.0%
Total financial expenses	35	(90,827)	-1.7%	(90,229)	-1.9%
Income before taxation		1,188,723	21.9%	971,463	20.6%
Taxation	36	(345,323)	-6.4%	(298,071)	-6.3%
Net income for the year		843,400	15.5%	673,392	14.2%
Net income - Non-controlling interests	31	4,493	0.1%	2,366	0.1%
Net income - Group	30	838,907	15.4%	671,026	14.2%
Basic and diluted earnings per share (in Euro per share)	37	0.328		0.262	

Consolidated Statement of comprehensive income for the year ended December 31, 2024

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Net income for the year	843,400	673,392
A) Items that may be reclassified subsequently to P&L:	**42,213**	**(23,879)**
Foreign exchange differences on translation of foreign operations	56,573	(20,115)
Tax impact	-	-
Change in Translation reserve less tax impact	56,573	(20,115)
Gains / (losses) on cash flow hedging instruments	(18,890)	(4,973)
Tax impact	4,530	1,209
Change in Cash flow hedge reserve less tax impact	(14,360)	(3,764)
B) Items that will not be reclassified subsequently to P&L:	**(1,382)**	**(1,419)**
Change in Fair Value investments in equity instruments reserve	(2,219)	1,632
Tax impact	-	-
Change in Fair Value investments in equity instruments reserve less tax impact	(2,219)	1,632
Gains / (losses) on remeasurement of defined benefit plans	1,128	(4,076)
Tax impact	(291)	1,025
Change in Actuarial reserve less tax impact	837	(3,051)
Comprehensive income for the year - Consolidated	884,231	648,094
Comprehensive income for the year - Non-controlling interests	5,109	1,888
Comprehensive income for the year - Group	879,122	646,206

Consolidated Statement of cash flows for the year ended December 31, 2024

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Income before taxation	1,188,723	971,463
Profit or loss adjustments		
Depreciation of the right of use assets	454,163	445,465
Depreciation and amortisation of property, plant and equipment and intangible assets	280,500	230,915
Impairment of the right of use assets	8,563	18,633
Impairment of property, plant and equipment and intangible assets	16,193	9,614
Non-monetary financial expenses	19,441	48,932
Interest expenses on lease liabilities	69,623	58,825
Other non-monetary expenses	54,531	34,005
Balance sheet changes		
Other non-current assets and liabilities	(12,112)	(24,300)
Trade receivables, net	(22,955)	(85,400)
Inventories, net	(83,546)	(60,784)
Trade payables	25,699	56,351
Other current assets and liabilities	(54)	(8,768)
Cash flows from operating activities	1,998,769	1,694,951
Interest paid (net), including interest paid on lease liabilities	(76,600)	(52,962)
Taxes paid	(270,552)	(486,708)
Net cash flows from operating activities	1,651,617	1,155,281
Purchases of property, plant and equipment and intangible assets	(459,575)	(759,676)
Proceeds from the sale assets	-	4,534
Disposals of equity instruments	2,963	-
Dividends from investments	111	627
Purchase of equity instruments	(1,363)	(4,676)
Acquisition of additional shares from Non-controlling interests	(4,589)	-
Net cash flow utilised by investing activities	(462,453)	(759,191)
Dividends paid to shareholders of Prada S.p.A.	(350,559)	(281,471)
Dividends paid to Non-controlling shareholders	(250)	(250)
Repayment of lease liabilities	(438,833)	(429,685)
Repayment of current portion of long-term borrowings - third parties	(83,773)	(94,784)
Arrangement of long-term borrowings – third parties	27,994	25,475
Change in short-term borrowings – third parties	(30,049)	4,436
Capital increase from Non-controlling shareholders	-	2,560
Loans from related parties	-	2,500
Capital injection in associates	-	(4,509)
Net cash flows utilised by financing activities	(875,470)	(775,728)
Change in cash and cash equivalents, net of bank overdrafts	313,694	(379,638)
Foreign exchange differences	8,325	(22,481)
Opening cash and cash equivalents, net of bank overdrafts	689,503	1,091,622
Closing cash and cash equivalents, net of bank overdrafts	1,011,522	689,503

Consolidated Statement of changes in equity

(amounts in thousands of Euro, except number of shares)

(amounts in thousands of Euro)	Number of shares	Share capital	Translation reserve	Share premium reserve	Cash flow hedge reserve	Actuarial reserve	Fair Value investments in equity instruments Reserve	Other reserves	Total other reserves	Net income for the year	EQUITY Equity attributable to the owners of the Group	Equity attributable to Non-controlling interests	Total equity
Balance as of December 31, 2022	2,558,824,000	**255,882**	**112,646**	410,047	10,060	(7,107)	(10,405)	2,245,901	**2,648,496**	**465,193**	**3,482,217**	**18,805**	**3,501,022**
Allocation of 2022 net income	–	–	–	–	–	–	–	465,193	**465,193**	**(465,193)**	–	–	–
Dividends	–	–	–	–	–	–	–	(281,471)	**(281,471)**	–	**(281,471)**	**(250)**	**(281,721)**
Share capital increase	–	–	–	–	–	–	–	-	–	–	–	**2,571**	**2,571**
Monetary revaluation IAS 29	–	–	–	–	–	–	–	6,843	**6,843**	–	**6,843**	–	**6,843**
Comprehensive income / (loss) for the year (recyclable to P&L)	–	–	**(19,648)**	–	(3,764)	–	–	–	**(3,764)**	**671,026**	**647,614**	**1,899**	**649,513**
Comprehensive income / (loss) for the year (not recyclable to P&L)	–	–	–	–	–	(3,040)	1,632	–	**(1,408)**	–	**(1,408)**	**(11)**	**(1,419)**
Balance as of December 31, 2023	2,558,824,000	**255,882**	**92,998**	410,047	6,296	(10,147)	(8,773)	2,436,466	**2,833,889**	**671,026**	**3,853,795**	**23,014**	**3,876,809**
Allocation of 2023 net income	–	–	–	–	–	–	–	671,026	**671,026**	**(671,026)**	–	–	–
Dividends	–	–	–	–	–	–	–	(350,559)	**(350,559)**	–	**(350,559)**	**(250)**	**(350,809)**
Acquisition of additional shares from Non-controlling interests	–	–	–	–	–	–	–	5,295	**5,295**	–	**5,295**	**(9,576)**	**(4,281)**
Monetary revaluation IAS 29	–	–	–	–	–	–	–	13,480	**13,480**	–	**13,480**	–	**13,480**
Other movements	–	–	–	–	-	–	–	(1,768)	**(1,768)**	–	**(1,768)**	**1,768**	–
Comprehensive income / (loss) for the year (recyclable to P&L)	–	–	**55,961**	–	(14,360)	–	–	–	**(14,360)**	**838,907**	**880,508**	**5,105**	**885,613**
Comprehensive income / (loss) for the year (not recyclable to P&L)	–	–	–	–	–	833	8,773	(10,992)	**(1,386)**	–	**(1,386)**	**4**	**(1,382)**
Balance as of December 31, 2024	2,558,824,000	**255,882**	**148,959**	410,047	(8,064)	(9,314)	–	2,762,948	**3,155,617**	**838,907**	**4,399,365**	**20,065**	**4,419,430**

CHAPTER 8

Prada S.p.A. Separate Financial Statements

Prada S.p.A. Statement of financial position

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Assets		
Current assets		
Cash and cash equivalents	601,743	225,028
Trade receivables, net	760,671	724,076
Inventories, net	402,034	343,017
Derivative financial instruments – current	12,487	15,774
Financial receivables and other receivables due from, and advance payments to, parent company, subsidiaries, associates and related parties - current	168,718	208,892
Other current assets	154,489	187,491
Total current assets	2,100,142	1,704,278
Non-current assets		
Property, plant and equipment	842,589	820,241
Intangible assets	292,701	263,013
Right of use assets	356,683	349,283
Investments	1,567,469	1,318,220
Deferred tax assets	79,733	67,111
Other non-current assets	54,323	59,649
Derivative financial instruments - non-current	2,571	890
Financial receivables and other receivables due from, and advance payments to, parent company, subsidiaries, associates and related parties - non-current	52,580	164,195
Total non-current assets	3,248,649	3,042,602
Total assets	5,348,791	4,746,880
Liabilities and shareholders' equity		
Current liabilities		
Lease liabilities - current	61,733	56,945
Short-term financial payables and bank overdrafts	130,842	129,691
Financial payables and other payables due to parent company, subsidiaries, associates and related parties - current	128,666	109,871
Trade payables	655,469	557,055
Tax payables	93,846	47,347
Derivative financial instruments - current	27,964	8,550
Other current liabilities	315,646	265,690
Total current liabilities	1,414,166	1,175,149
Non-current liabilities		
Lease liabilities - non-current	309,476	309,764
Long-term financial payables	141,968	272,262
Long-term employee benefits	51,274	33,851
Provisions for risks and charges	11,913	10,205
Deferred tax liabilities	2,945	4,030
Other non-current liabilities	89,739	98,713
Derivative financial instruments - non-current	1,996	347
Total non-current liabilities	609,311	729,172
Total liabilities	2,023,477	1,904,321
Share capital	255,882	255,882
Total other reserves	2,219,725	2,019,937
Net income for the year	849,707	566,740
Total equity	3,325,314	2,842,559
Total liabilities and total equity	5,348,791	4,746,880

Prada S.p.A. Statement of profit or loss for year ended December 31, 2024

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Net revenues	2,976,971	2,552,341
Cost of goods sold	(947,952)	(819,274)
Gross margin	2,029,019	1,733,067
Operating expenses	(1,022,279)	(882,868)
Operating income - EBIT	1,006,740	850,199
Interest and other financial income / (expenses), net	(21,593)	(60,300)
Interest expenses on lease liabilities	(7,228)	(5,853)
Dividends from investments	170,501	24,584
Total financial expenses	141,680	(41,569)
Income before taxation	1,148,420	808,630
Taxation	(298,713)	(241,890)
Net income for the year	849,707	566,740

Prada S.p.A. Statement of comprehensive income for the year ended December 31, 2024

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Net income for the year	849,707	566,740
A) Items that may be reclassified subsequently to P&L:	**(14,647)**	**(2,621)**
Gains / (losses) on cash flow hedging instruments	(19,272)	(3,449)
Tax impact	4,625	828
Change in cash flow hedge reserve less tax impact	(14,647)	(2,621)
B) Items that will not be reclassified subsequently to P&L:	**(1,748)**	**783**
Change in Fair Value investments in equity instruments reserve	(2,222)	1,633
Tax impact	–	–
Change in Fair Value investments in equity instruments reserve less tax impact	(2,222)	1,633
Gains / (losses) on remeasurement of defined benefit plans	623	(1,119)
Tax impact	(149)	269
Change in Actuarial reserve less tax impact	474	(850)
Comprehensive income for the year	833,312	564,902

Prada S.p.A. Statement of cash flows for the year ended December 31, 2024

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Income before taxation	1,148,420	808,629
Profit or loss adjustments		
Depreciation of the right of use assets	60,109	56,647
Depreciation and amortisation of property, plant and equipment and intangible assets	94,475	79,988
Impairment of property, plant and equipment and intangible assets	504	1,856
Losses / (gains) on disposal of non-current assets	(643)	271
Impairment of investments	19,939	56,689
Interest expenses on lease liabilities	7,228	5,853
Non-monetary financial (income) expenses	(171,337)	(37,478)
Other non-monetary expenses	83,759	37,617
Balance sheet changes		
Trade receivables, net	(31,630)	213,088
Inventories, net	(69,507)	(58,398)
Trade payables	98,246	10,028
Other current assets and liabilities	(22,827)	(58,856)
Other non-current assets and liabilities	(10,361)	(23,656)
Cash flows from operating activities	1,206,375	1,092,278
Interest received / (paid) net, including interest paid of lease liabilities	1,145	14,925
Taxes paid	(220,407)	(442,958)
Net cash flows from operating activities	987,113	664,245
Purchase of property, plant and equipment and intangible assets	(133,140)	(113,447)
Investments in subsidiaries and associates	(123,140)	(455,251)
Financial (investments) / disinvestments	2,963	–
Dividends received from investments	170,501	24,584
Net cash flow utilised by investing activities	(82,816)	(544,114)
Dividends paid to shareholders	(350,559)	(281,471)
Change in short-term bank loans	(50,000)	50,000
Change in intercompany loans	38,148	19,516
Loans repaid by subsidiaries	12,730	31,959
Loans repaid to subsidiaries	(13,878)	–
Repayment of lease liabilities	(64,872)	(59,802)
Loans made to subsidiaries	(20,062)	(87,369)
Repayment of short-term portion of long-term borrowings - third parties	(79,089)	(90,200)
Net cash flows utilised by financing activities	(527,582)	(417,367)
Change in cash and cash equivalents, net of bank overdrafts	376,715	(297,236)
Opening cash and cash equivalents, from merged companies	–	1,380
Opening cash and cash equivalents, net of bank overdrafts	225,028	520,884
Closing cash and cash equivalents, net of bank overdrafts	601,743	225,028

Prada S.p.A. Statement of changes in equity
(amounts in thousands of Euro, except number of shares)

(amounts in thousands of Euro)	Number of shares	Share Capital	Share premium reserve	Legal reserve	Other reserves	Retained earnings	Cash flow hedge reserve	Fair Value investments in equity instruments Reserve	Total other reserves	Net income for the year	Total equity
Balance as of December 31, 2022	2,558,824,000	**255,882**	410,047	51,176	182,899	1,094,216	7,927	(10,404)	**1,735,861**	**571,683**	**2,563,426**
Allocation of 2022 net income	–	–	–	–	–	571,683	–	–	**571,683**	**(571,683)**	–
Other movements	–	–	–	–	–	(4,297)	–	–	**(4,297)**	–	**(4,297)**
Dividends	–	–	–	–	–	(281,471)	–	–	**(281,471)**	–	**(281,471)**
Comprehensive income / (loss) for the year (recyclable to P&L)	–	–	–	–	–	–	(2,621)	–	**(2,621)**	**566,740**	**564,119**
Comprehensive income / (loss) for the year (not recyclable to P&L)	–	–	–	–	–	(850)	–	1,633	**783**	–	**783**
Balance as of December 31, 2023	2,558,824,000	**255,882**	410,047	51,176	182,899	1,379,281	5,306	(8,771)	**2,019,938**	**566,740**	**2,842,560**
Allocation of 2023 net income	–	–	–	–	–	566,740	–	–	**566,740**	**(566,740)**	**–**
Other movements	–	–	–	–	–	(10,993)	–	10,993	**–**	**–**	-
Dividends	–	–	–	–	–	(350,559)	–	–	**(350,559)**	**–**	**(350,559)**
Comprehensive income / (loss) for the year (recyclable to P&L)	–	–	–	–	–	–	(14,647)	–	(14,647)	**849,707**	**835,060**
Comprehensive income / (loss) for the year (not recyclable to P&L)	–	–	–	–	–	474	–	(2,222)	**(1,748)**	**–**	**(1,748)**
Balance as of December 31, 2024	2,558,824,000	**255,882**	410,047	51,176	182,899	1,584,943	(9,341)	–	2,219,724	849,707	3,325,313

CHAPTER 9

Notes to the Consolidated Financial Statements

1. General information

Prada S.p.A. (“Prada” or the “Company”), together with its subsidiaries (collectively the “Group” or the “Prada Group”), is listed on the Hong Kong Stock Exchange (HKSE code: 1913). The Prada Group is a leading player in the luxury goods industry, where it operates with the Prada, Miu Miu, Church’s and Car Shoe brands producing and distributing leather goods, footwear and ready-to-wear. It also operates in the food sector with the Marchesi 1824 brand, in the most prestigious sailing races with Luna Rossa and in the eyewear and beauty industries under licensing agreements.
The Group owns 26 industrial facilities (23 in Italy, 1 in the United Kingdom, 1 in France and 1 in Romania) and its products are sold in 70 countries worldwide mainly through its directly operated stores, which numbered 609 as of December 31, 2024. The Prada Group’s products are also sold directly through the brands’ e-commerce activity and indirectly in selected high-end department stores, by independent retailers in very exclusive locations and by important e-tailers.

The Company is a joint-stock company with limited liability, registered and domiciled in Italy. Its registered office is at via Fogazzaro 28, Milan. As of December 31, 2024 (the reporting date of these Consolidated Financial Statements), 79.98% of the share capital was owned by Prada Holding S.p.A., a company domiciled in Italy, and the remainder consisted of floating shares listed on the Main Board of the Hong Kong Stock Exchange.
The Consolidated Financial Statements were approved and authorized for issue by the Board of Directors of Prada S.p.A. on March 4, 2025.

2. Basis of preparation

The Consolidated Financial Statements of the Prada Group as of December 31, 2024, which consist of the “Consolidated Statement of financial position”, the “Consolidated Statement of profit or loss for the year ended December 31, 2024”, the “Consolidated Statement of comprehensive income for the year ended December 31, 2024”, the “Consolidated Statement of cash flows for the year ended December 31, 2024”, the “Consolidated Statement of changes in equity” and the “Notes to the Consolidated Financial Statements”, have been prepared in accordance with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union.

At the date of presentation of these Consolidated Financial Statements, there were no differences between the IFRSs endorsed by the European Union and applicable to the Prada Group and those issued by the IASB.
IFRSs also refer to all International Accounting Standards (“IAS”) and all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously called the Standing Interpretations Committee (“SIC”).

The Group has prepared the Consolidated Statement of Financial Position presenting separately the current and non-current assets and liabilities. All details needed for accurate and complete disclosure are provided in the Notes to the Consolidated Financial Statements. Consolidated Statement of Profit or Loss items are classified by function of expenses. The Consolidated Statement of Cash Flows has been prepared with the indirect method. The Consolidated Financial Statements are presented in Euro, the functional currency of Prada S.p.A..

The Consolidated Financial Statements have been prepared on a going concern basis.

3. New IFRS and amendments to IFRS

Amendments to existing standards issued by the IASB, endorsed by the European Union and applicable to the Prada Group from January 1, 2024.

Amendments to existing standards	Effective Date for Prada Group	EU endorsement dates
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	January 1, 2024	November 2023
Amendments to IAS 1 Presentation of Financial Statements: -Classification of Liabilities as Current or Non-current -Deferral of Effective Date -Non-current Liabilities with Covenants	January 1, 2024	December 2023
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	January 1, 2024	May 2024

The introduction of these amendments did not have any effect on these Consolidated Financial Statements.

Amendments to existing standards issued by the IASB, endorsed by the European Union, but not yet applicable to the Prada Group because they are effective for annual periods beginning on or after January 1, 2025.

Amendments to existing standards	Effective Date forPrada Group	EU endorsement dates
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	January 1, 2025	November 2024

New standards and amendments to existing standards issued by the IASB, but not yet endorsed by the European Union as of December 31, 2024.

New standards and amendments to existing standards	Date of possible application	EU endorsement status
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)	January 1, 2026	Not endorsed yet
Annual Improvements Volume 11 (issued on 18 July 2024)	January 1, 2026	Not endorsed yet
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	January 1, 2026	Not endorsed yet
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	January 1, 2027	Not endorsed yet
IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)	January 1, 2027	Not endorsed yet

At the date of the Consolidated Financial Statements, the Directors had not yet completed the analysis necessary to assess the impacts of the new standards and the interpretations not yet applicable to the Prada Group, in terms of both those already endorsed and not yet endorsed by the European Union.

4. Scope of consolidation

The consolidated financial information comprises the accounts of Prada S.p.A. and the Italian and foreign companies over which the Company has the right to exercise control either directly or indirectly. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use that power to affect its returns from the investee.
The companies in which the Group has more than 50% of the voting rights or that are controlled by the Group in some other way are consolidated using the full consolidation method from the date on which the Group gains control until

the date on which that control ceases.

Associates, which are consolidated using the equity method, are companies in which the Group has significant influence but does not exercise control. Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee without having control or joint control.

The companies included in the Consolidated Financial Statements are listed in Note 42.

5. Basis of consolidation

The main consolidation procedures used to prepare the Consolidated Financial Statements are explained below:

- the separate financial statements of Prada S.p.A. and its subsidiaries are prepared in accordance with IFRS and those of its subsidiaries are adjusted, as necessary, to comply with IFRS and with the standards applied throughout the Group. The financial statements used to prepare the consolidated financial information have all the same reporting date;

- the financial statements of subsidiaries are consolidated using the full consolidation method, incorporating the entire amount of the assets, liabilities, revenues and expenses of each company irrespective of the percentage of ownership held, and eliminating the carrying amount of the consolidated equity interests owned directly or indirectly by the Company against the corresponding portion of the related equity;

- for fully consolidated companies that are not wholly owned by the parent company, the portions of equity and annual profit or loss belonging to third parties are shown separately as "Net equity attributable to Non-controlling interests" in the Consolidated Statement of Financial Position and "Net income - Non-controlling interests" in the Consolidated Statement of Profit or Loss;

- for business combinations, the difference between the purchase price of the equity interest acquired and the corresponding portion of equity at the acquisition date is allocated, if positive, to the identifiable assets acquired and liabilities assumed measured at their fair value. Any residual amount, if positive, is recognised as goodwill, and if negative is recognised immediately in the Consolidated Statement of Profit or Loss. The difference between the cost of acquisition of an additional controlling interest and the related value of the interest acquired is recognised directly in equity reserves. If the business combination is achieved in stages (a step acquisition), the previous held interest owned in the company acquired is remeasured at fair value at the date on which control is acquired. Differences identified in this manner are recognised in profit or loss. In business combinations under common control, the difference between the purchase price of the equity interest acquired and the corresponding portion of equity is recognised directly in equity;

- the acquisition cost of an equity interest or an activity that does not constitute a business, and which therefore does not originate a business combination, is allocated to the individual assets acquired and liabilities assumed measured at their fair value at the acquisition date;

- the resulting profits, losses, assets and liabilities of associates are accounted for using the equity method. Under such method, the investments in associates are recognised in the Consolidated Statement of Financial Position at cost, subsequently adjusted to reflect post-acquisition changes and any impairment losses. Losses exceeding the Parent Company's owners' interest in the associate are not recognised, unless the Group has taken on an obligation to cover such losses. An excess of the cost of acquisition over the Company's share of the fair value of the assets acquired and liabilities assumed at the acquisition date is accounted for as goodwill. Goodwill is included in the carrying amount of the investment and is tested for impairment. Any excess between the cost of acquisition and the Company's share of the fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date is recognised in the Consolidated Statement of Profit or Loss of the period of acquisition;

- during the consolidation process, all payables, receivables, expenses and revenues deriving from transactions between the consolidated companies are eliminated. Any unrealized profits and losses deriving from transactions between the

Group's consolidated companies and included in the inventory valuation at the reporting date are eliminated. Unrealized losses are eliminated except where the transaction provides evidence of impairment of the asset transferred, in which case the value of the transferred asset is written down;

- dividends distributed by the consolidated companies are eliminated from the Consolidated Statement of Profit or Loss and added to the retained earnings if and to the extent that they were extracted from them;

- the financial statements of subsidiaries are prepared in their respective local currency. Assets and liabilities are translated into Euro using the end-of-period exchange rate, and income and expenses are translated using the average exchange rate of the period. If translation at the average exchange rate does not present the transaction fairly, the exchange rate prevailing at the date of the transaction is used to translate its effect on the Consolidated Statement of Profit or Loss. Differences arising on translating Statement of Financial Position balances at the beginning and at the end of the period, and differences arising on translating Statement of Profit or Loss items at the average exchange rate for the period (or another exchange rate, as mentioned above) and at the end of the period, are recognised in a translation reserve in consolidated equity until the disposal of the investee. The translation reserve includes the accumulated translation differences generated since first-time consolidation (January 1, 2004). In the preparation of the Consolidated Statement of Cash Flows, the cash flows of subsidiaries are translated using the average exchange rate for the period. Exchange differences arising on a monetary item qualified as a net investment in a foreign operation are initially recognised in the translation reserve and subsequently released to profit or loss upon disposal of the investment;

- the reporting currency of the Consolidated Financial Statements is the Euro. All amounts are expressed in thousands of Euro unless stated otherwise

6. Material accounting policies

Cash and cash equivalents
Cash and cash equivalents are recognised at their nominal value. Cash equivalents include all highly liquid investments originally with a short-term maturity.
Solely for the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand, bank accounts and deposit accounts. Bank overdrafts and the current portions due to banks on medium and long-term loans are recognised in the Statement of Financial Position as short-term financial payables and bank overdrafts.

Trade receivables and payables
Trade receivables are recognised at their nominal value net of the bad debt provision determined on the basis of the requirements set by IFRS 9. According to this standard, receivables are written off following the application of the "expected loss" impairment method together with, if necessary, further impairments recognised upon specific doubtful conditions on the single credit positions.
Trade accounts payable are recognised at fair value and then at amortised cost.
Transactions denominated in foreign currency are recognised at the exchange rate as at the date of the transaction. At the reporting date, transactions denominated in foreign currencies are translated using the exchange rate as at the reporting date. Gains and losses arising from the translation are reflected in the profit or loss.

Inventories
Raw materials, work in progress and finished products are recognised at the lower of the acquisition or production cost and the net realizable value. Cost comprises direct production costs and those indirect that have been incurred in bringing the inventories to their present location and condition. Acquisition or production cost is determined by the weighted average cost method.
Provisions, adjusting the value of the inventories, are made for slow moving, obsolete inventories or if, in the end, the estimated selling price or realizable value is reasonably expected to be lower than the cost.

Property, plant and equipment
Property, plant and equipment are recognised at purchase cost or production cost, including any charges directly

attributable. They are shown net of accumulated depreciation calculated on the basis of the useful lives of the assets and net of any impairment losses.
Ordinary maintenance expenses are charged in full to the profit or loss for the year they are incurred. Extraordinary maintenance expenses are capitalized if they increase the value or the useful life of the related asset.
The costs included under leasehold improvements relate to refurbishment works carried out on premises, mainly commercial, not owned by the Group.

Depreciation methods, useful lives and net book values are reviewed annually. The depreciation rates representing the useful lives are listed below:

Category of property, plant and equipment	Depreciation rate or period
Land	not depreciated
Buildings and construction	2.5% - 10%
Production facilities and equipment	4% - 25%
Improvements to leased retail premises	Shorter of lease term (*) and useful life
Improvements to leased industrial and corporate premises	Shorter of lease term (*) and useful life
Furniture and fixture - retail	Shorter of lease term (*) and useful life
Furniture and fixture - corporate and industrial	7% - 20%
Other tangible fixed assets	4% - 50%
Assets under construction	0%

(*) the lease term includes the renewal period when the exercise of the option is deemed reasonably certain

When assets are sold or disposed of, their cost and accumulated depreciation are eliminated from the financial statements and any gains or losses are recognised in the profit or loss.
If the term of a lease agreement is terminated in advance, the useful life of non-current assets related to such premise is adjusted consistently.
The value of land is stated separately from the value of buildings. Depreciation is only charged on the value of buildings.
Property, plant and equipment are subsequently carried at cost less accumulated amortisation and impairment losses as described in the paragraph "Impairment test" in the current section.
An owned investment property is recognised at acquisition cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure which includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. After initial recognition, investment property is measured using the cost model.

Intangible assets
Only identifiable assets, controlled by the Group and capable of producing future economic benefits, are included in intangible assets.
Intangible assets include trademarks, licenses, store lease acquisition costs, software, development costs and goodwill.
Trademarks are recognised at cost or at the value attributed upon acquisition and include the cost of trademark registration in the various countries in which the Group operates. The Directors estimate a useful life of between 20 and 40 years for trademarks, assuming there are no risks or limitations on control over their use. Every trademark is tested for impairment whenever indicators of impairment emerge. The useful life of trademark registration costs is estimated to be 10 years. The caption trademark also includes other intellectual property rights which useful life is determinated in accordance with the relevant contracts.
Store lease acquisition costs (or key money) represent expenditures incurred to enter into or take over retail store lease agreements. When the lease contracts fall under the application of IFRS 16 Leases, the store lease acquisition is included within the initial direct costs that contribute to the formation of the right of use assets. Otherwise, the store lease acquisition is an intangible assets.

Intangible assets with a definite useful life are subsequently carried at cost less impairment losses and are amortised on a straight-line basis at the following rates:

Category of intangible assets	Amortisation rate or period
Trademarks and other intellectual property rights	2.5% - 25%
Store lease acquisition costs	Shorter of lease term (*) and useful life
Software	10% - 33%
Development costs and other intangible assets	10% - 33%
Assets in progress	0%

(*) the lease term includes the renewal period when the exercise of the option is deemed reasonably certain

Intangible assets with indefinite useful lives are not amortised, but they are tested for impairment at least once per year. The Group does not report intangible assets with indefinite useful lives other than goodwill, an asset that produces future economic benefits, but which is not individually identified and separately measured, and is initially recognised at cost.
Goodwill is not amortised but tested for impairment every year to check if its value has been impaired. If specific events or altered circumstances indicate the possibility that goodwill has been impaired, the impairment test is performed more frequently.

Impairment test
Intangible assets with indefinite useful lives are tested for impairment at least once per year. Goodwill acquired in a business combination shall be, from the acquisition date, allocated to the cash generating units ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination. CGUs and group of CGUs are determined based on the organisational structure of the Group and represent groups of assets that generate independent cash inflows from continuing use of the relevant assets.
The group of CGUs to which goodwill has been allocated are tested for impairment annually and, whenever there is an indication of impairment, the carrying value of the cash generating unit is compared with their recoverable amount. If changes in the composition of one or more cash-generating units to which goodwill has been allocated occur, the goodwill is reallocated to the units affected.
Property, plant and equipment, right of use assets and intangible assets (other than goodwill) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs).
The carrying amount of the CGUs and group of CGUs tested for impairment for consolidation purposes is represented by the net invested capital, which means the net equity adjusted by the net financial position including the lease liabilities.
Recoverable amount is the higher of fair value less costs to sell and value in use, as calculated based on an estimate of the future cash flows expected to derive from the cash generating unit tested for impairment. Estimated cash flow is based on budget, forecast and on long-term projections approved by the management. A long-term growth rate is calculated and applied to project future cash flows. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate post-tax that reflects current market assessments of the time value of money and the risks specific to the CGU.
An impairment loss is recognised in the profit or loss for the period whenever the recoverable amount of the cash generating unit or group of cash generating units is lower than its book value.
Non-current assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. An impairment loss recognised for goodwill is never reversed in subsequent years.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the top management. The only reportable segment identified, as in previous years, corresponds to the entire Prada Group.

Further details can be found in Note 8 "Operating segments".

Right of use assets and lease liabilities

Right of use assets and lease liabilities are regulated by IFRS 16 Leases which apply to all lease contracts that provide for the payment of fixed rents, including those indexed and those that set a guaranteed minimum.

The Group recognise the right of use assets and the lease liabilities at the commencement date of the lease and based on the lease term.

The identification of a lease term is very important, especially in the field of real estate, because the form, legislation and common business practice can vary considerably from one jurisdiction to another. The Group determines the lease term as the non-cancellable period of a lease, together with the periods covered by an option to extend or to terminate the lease under the control of the Company. The management evaluates the exercise of the option if it's considered "reasonably certain" based on several factors and circumstances that create an incentive for the lessee to exercise, or not to exercise the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

The lease term begins on the 'commencement date' of the lease. This is defined as the date on which the lessor makes an underlying asset available for use by a lessee. It is the date on which the lessee initially recognises and measures right of use assets and lease liabilities.

The commencement date is not necessarily the date on which the depreciation of the right of use assets starts. For retail premises, the asset leased is ready for use when works on premises are completed and, therefore, the depreciation of the right of use assets shall begin after the completion of works necessary to bring a store to its working condition according to the management instructions (consistently with the IAS 16 requirements).

The right of use assets are measured at cost, identified as the initial measurement of the lease liabilities, increased by any initial direct costs incurred by the lessee (key money, legal fees, agent fees or other incremental costs incurred to conclude the contract) or by any restoration cost necessary to bring back the premises to its original condition. The right of use assets are depreciated over the lease term or, if shorter, the useful life of the asset.

The lease liabilities are measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using an incremental borrowing rate calculated at Group level. The profit or loss caption "interest expenses IFRS 16" represents the adjustment to the present value of the lease liabilities. Since most leases stipulated by the Group do not have an interest rate implicit in the lease, the discount rate applicable to future lease payments is determined as the risk-free rate of each contract currency in which the leases are stipulated, with payment dates based on the terms of the specific lease, increased by the parent company's credit spread.

A lease modification occurs when there is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term). The effective date of the modification is defined as "the date when both parties agree to a lease modification". When this occurs, the right of use assets and the lease liabilities are updated accordingly. If a lease is terminated before the original lease term date defined at the commencement date, both the right of use assets and the lease liabilities are remeasured, impacting also the profit or loss statement.

In addition, the options for the extension and early termination of the lease agreements are re-evaluated when a significant event or a change occurs in the circumstances that are under the control of the Group and this will influence the assessment of the reasonable certainty of the exercise options.

Low value contracts (when the price of the asset, new and recognised on a single-component basis approach, is less than Euro 5,000) and leases whose lease term is shorter than 12 months are not in the scope of IFRS 16 Leases, so they are recognised through profit or loss on a straight-line basis over the lease term. Purely variable rents, typically linked to sales without a guaranteed minimum, are also excluded from the scope of application of such standard and are recognized in the statement of profit and loss in the period in which the condition that triggers those payments occurs.

A lessee is expected to make judgement about whether other changes are substantive based on its understanding of those changes and based on how they were historically managed by the Group. As a result, in the Group's view, a modification of the contract such as a renewal or an extension of the lease term is to be considered substantive only when it is not consistent with the usual practices applied by the Group and in the industry as a whole.

The right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses as described in the paragraph "Impairment test" in the current section.

Investments in equity instruments, associates and joint ventures

The initial recognition of investments in equity instruments (previously "available for sale") is at purchase cost, increased by any directly attributable transaction costs. The Group evaluates these instruments at fair value and the related changes are recognised in a specific equity reserve. This change (Fair Value through Other Comprehensive Income) is also included in the statement of comprehensive income as "items not recyclable to profit or loss", therefore only dividends received will be recorded in the statement of profit or loss of the Group. IFRS 9 also provides for an alternative treatment that allows the recognition of fair value changes directly to profit or loss (Fair Value Through Profit or Loss). The choice of this accounting treatment (FVTPL or FVOCI) has to be done for each investment and has to be considered irrevocable once adopted. Any exceptions to the initial recognition will be reported in the Notes to the Consolidated Financial Statements.

In the case of securities listed on active markets, the fair value is the price recorded at the end of the trading day of the period under review. For investments for which there is no an active market, the fair value is determined based on the price of recent transactions between independent parts of substantially similar instruments, or by using other valuation techniques such as, for example, income assessments or based on flow analysis discounted financial figures.

Associated undertakings ("associates") are recognised in the Consolidated Financial Statement using the equity method. Associates are companies in which the Group has significant influence but does not exercise control. Significant influence is defined as the power to participate in the financial and operating policy decisions of the investee without having control or joint control.

Deferred tax assets

Deferred tax assets are amounts of income taxes recoverable in future periods in relation to deductible temporary differences or carryforward of unused tax losses.

Deductible temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax value which, in determining taxable income for future years, will result in deductible amounts when the carrying amount of the asset or liability is realized or settled.

Deferred tax assets are recognised for all deductible temporary differences, tax losses carried-forward and unused tax credits only to the extent that is probable that taxable income will be available in future years against which the deductible temporary differences can be used. Recoverability is reviewed at every year end. Deferred tax assets are measured at the tax rates which are expected to apply to the period when the asset is realized based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are not discounted.

Deferred tax assets are recognised through the profit or loss unless the tax amount is generated from a transaction or an event directly recognised in equity or from a business combination.

Derivative financial instruments

Derivative financial instruments that hedge interest rate risk and exchange rate risk exposure are recognised at the fair value based on hedge accounting rules.

According to these rules, within the framework of IFRS 9, future cash flow hedging contracts such as those listed above are qualified as cash flow hedges. Hedge accounting treatment is allowed if derivative financial instruments are designated as a hedge of the exposure to changes in future cash flows of a recognised asset or liability or a highly probable transaction which could affect profit or loss. In this case, the change in fair value of the hedging instrument is recognised in shareholders' equity. Accumulated gains or losses are reversed from shareholders' equity and recognised in the profit or loss for the period in which the profit or loss effect of the hedged operation is recognised. Any gain or loss on a hedging instrument (or portion thereof) which is no longer effective as a cash flow hedge is immediately recognised in the profit or loss. If the hedged transaction is no longer expected to take place, any related cumulative gain or loss outstanding in equity will be recognised in the profit or loss.

Non-current financial liabilities

Non-current financial liabilities include payables to banks for medium and long-term loans.

Non-current financial liabilities are initially recognised at fair value on the transaction date less transaction costs which are directly attributable to the acquisition. After initial recognition, non-current financial liabilities are valued at amortised cost, which means at the initial amount less principal repayments already made, plus or minus the amortisation (using the effective interest method) of any difference between that initial amount and the maturity amount.

Employee benefits

Defined benefit plans are recognised using actuarial techniques to estimate the amount of the obligations resulting from employee service in the current and past periods and discounting it to determine the present value of the Group's obligations. The present value of the obligations is determined by an independent actuary using the Projected Unit Credit Method.
Actuarial gains and losses are recognised directly in equity, net of the tax effect.
Other long-term employee benefits are recognised among non-current liabilities and their value corresponds to the present value of the defined benefit obligation at the reporting date, adjusted according to the period of the underlying agreement. The recognition of these benefits is usually subject to the attainment of specific earnings by the Group, and their payment, deferred over time to keep the beneficiaries in the organisation, is remeasured using indices relating to the Group's profitability or market value. Like defined benefit plans, other long-term benefits are also valued using the Projected Unit Credit Method. Unlike defined benefits plans, the actuarial gains and losses of other long-term benefits are recognised through profit or loss rather than through net equity.
Long-term employee benefits in the form of share-based payments ("phantom shares") are cash-settled and fall within the scope of IFRS 2. These benefits are measured at fair value, the estimation of which follows a risk neutral approach. In the model, the risk free rate curve is deducted from the Euro area rates at the valuation date; in addition, the expected dividend rate of the underlying was taken into account. Until the liability is settled, the fair value is restated at the date of each year and at the settlement date. Changes in fair value are recognised through profit or loss.

Provisions for risks and charges and contingent assets

The Prada Group is mainly involved in civil and tax disputes and the related provisions for risks and charges are booked in the financial statements both on the basis of historical experience and on the basis of assumptions concerning future events that are difficult to predict as also depending on factors that are not under the full control of the Group. Therefore it is possible that after the reporting period, departures between the estimates made and the actual results materialise so that it might be necessary to make adjustments to the values of the liabilities recognised.
Application of exemptions to some or all the disclosures required by IAS 37 are applied when these could prejudice seriously the position the Group in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset.

Deferred tax liabilities

Deferred tax liabilities are amounts of income taxes due in future periods in respect of taxable temporary differences. Taxable temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base which, in determining the taxable income for future years, will result in taxable amounts when the carrying amount of the asset or liability is recovered or settled.
Deferred tax liabilities are recognised for all taxable timing differences except when liability is generated by the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that does not affect the accounting result or the tax result at the transaction date.
Deferred tax liabilities are measured at the tax rates which are expected to apply to the period when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax liabilities are not discounted.
Deferred tax liabilities are recognised through the profit or loss unless the tax amount is generated from a transaction or an event directly recognised in equity or from a business combination.

Accounting in hyperinflationary economies

Non-monetary assets and liabilities and gains and losses of entities whose functional currency is the currency of a hyperinflationary economy are restated to reflect the changes in the general pricing power of their functional currency, in accordance with IAS 29, by applying the change in the general price index between the date those items were acquired or incurred and the end of the reporting period.
Therefore, for non-monetary items recognised at their historical cost, the opening Statement of Financial Position is restated to reflect the effect of inflation from the date on which the assets were acquired and the liabilities were incurred or assumed to the date of the previous year closing Statement of Financial Position. This effect is recognised in equity.
Afterward, all the corresponding restated data in the subsequent financial statements and the Statement of Profit or Loss items are restated by applying the change in the general price index for the current reporting period, thereby generating a gain or loss, charged to the income statement in a specific item called "net monetary position gain or loss".
Moreover, IAS 21 states that the financial statements of a subsidiary whose functional currency is the currency of a

hyperinflationary economy must be translated into a different presentation currency, i.e., all the amounts (assets, liabilities, items of equity, income and expenses) must be translated at the closing rate of the reporting period, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy.

Since June 30, 2022, the Turkish economy has been considered hyperinflationary according to the definition and criteria set out in "IAS 29 - Financial Reporting in Hyperinflationary Economies" as inflation in Turkey has risen exponentially, with a cumulative inflation rate over three years that exceeds 100%.

	Dec 31, 2020	Dec 31, 2021	June 30, 2022	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
Three-year cumulative CPI*	54.2%	74.4%	136.4%	156.2%	268.3%	290.8%

(*) source: Turkish Statistical Institute

Revenue recognition and cost recognition

Revenues from the sale of goods are recognised in the profit or loss when all of the following criteria have been satisfied:

- identification of the contract (in writing, orally or in accordance with other customary business practices) with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction selling price for each performance obligations;
- the amount of revenue (transaction selling price) can be measured reliably;
- the significant risks and rewards of ownership are transferred to the buyer;
- all control over the goods sold has ceased;
- the economic benefits generated by the transaction will probably be enjoyed by the Group;
- the costs pertaining to the transaction can be reliably measured;
- each performance obligation has been satisfied.

Royalties are accounted for based on sales made by the licensees and the terms of the contracts.
Costs are recognised on an accrual basis. In particular, a cost is immediately recognised in the profit or loss when:

- an expense does not generate any future economic benefit;
- the future economic benefits do not qualify or cease to qualify as assets for recognition in the statement of financial position;
- a liability is incurred and no asset has been recognised.

Pre-opening rents

Costs incurred during the pre-opening period of new or refurbished retail stores are charged to the profit or loss when incurred, except for the suspension of the depreciation of the right of use assets.

Interest expenses

Interest expenses might include interest on bank overdrafts, on short and long term loans, financial charges related to the adjustments of the present value of the lease liabilities, amortisation of initial costs of loan operations, changes in the fair value of derivatives - insofar as chargeable to the profit or loss -, annual interest maturing on the present value of post-employment benefits and interests on late payments.

Taxation

The provision for taxation is determined based on a realistic estimate of the tax charge of each consolidated entity, in accordance with the tax rates (and tax laws) that have been enacted or substantially enacted in each country at the reporting date.
Current taxes are recognised in the profit or loss as an expense, except for taxes deriving from transactions or events directly recognised through shareholders' equity which are directly charged to equity.
The implementation of the Global Minimum Tax, provided for in Directive No. 2022/2523 of December 15, 2022 (implementing the OECD/G20 Pillar II proposal), is effective in Italy from January 1, 2024 as per Italian Legislative Decree No. 209 of December 27, 2023.
Given the complexity of the system outlined in the above legislation to ensure this minimum level of taxation, for the

first three tax periods (for the Prada Group - financial years 2024 to 2026) the possibility of applying a simplified regime has been provided for (so-called "transitional safe harbours"). This simplified regime is primarily based on accounting information already available for each jurisdiction and the application of three tests (De Minimis test, Simplified Effective Tax Rate test and Routine Profits test); passing at least one of these tests allows the disapplication of any additional taxes required to reach the prescribed minimum tax level and the reduction of compliance burdens.
The top-up tax recorded in the caption "Taxation" as of December 31, 2024 is related to the Pillar II jurisdictions that do not pass any of the transitional safe harbour tests. The amount accrued as of December 31, 2024 is the best estimate effect based on the information known or reasonably estimable to date.
The Group, with the support of external consultants, has performed analyses and calculation of the impacts of the new legislation and has set up the compliance requirements related to the application of Pillar II, implemented by adequate company systems and procedures.

The Prada Group's exposure arising from the application of Pillar II depends on the fact that:
(i) most of the Group's entities, assumed at aggregate level in the jurisdictions in which they are located, pass at least one of the three tests referred to above;
(ii) with respect to entities that, on the other hand, do not satisfy, at the aggregate level in the jurisdictions in which they are located, any of the three tests mentioned above, it is considered that their profits, and therefore the potential tax exposure arising from the Pillar II framework, do not have a relevant impact on the profits and tax liability of the Group as a whole.

The Group has applied the temporary exception, introduced in May 2023 by IASB with the "Amendments to IAS 12 Income taxes: International Tax Reform – Pillar II Model Rules", regarding the accounting requirements for deferred taxes under IAS 12; therefore, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar II income taxes.

Earnings or losses per share
Earnings or losses per share are calculated by dividing the net result attributable to the parent company by the weighted average number of ordinary shares in issue.

Changes of accounting policies, errors and changes of estimates
The accounting policies adopted change from one year to the next only if the change is required by an accounting standard or if it helps provide more reliable and meaningful information on the impact of operations on the entity's statement of financial position, profit or loss or cash flows.
Changes of accounting policy are accounted for retroactively with the effect allocated to the opening equity of the earliest of the periods presented. The other comparative amounts reported for each prior period are also adjusted as if the new policy had been applied from the outset. A prospective approach is adopted only when it would be impracticable to restate the comparative information.
The application of a new or amended accounting standard is accounted for as requested by the standard itself. If the standard does not regulate the transition method, the change is accounted for on a retroactive basis or, if impracticable, on a prospective basis.
Material errors are treated on the same basis as changes of accounting policy as described above. Non-material errors are corrected through the profit or loss in the period in which the error was identified.
Changes of accounting estimates are accounted for prospectively in the profit or loss for the year in which the change is made if it only affects the profit or loss for that year, or in the profit or loss for the year in which the change is made and in subsequent periods if they are also affected by the change.

Use of estimates
In accordance with IFRS, preparation of these consolidated financial statements requires the use of estimates and assumptions when determining certain types of assets, liabilities, revenues and costs and when assessing contingent assets and liabilities.
These assumptions refer, first of all, to operations and events not settled at the end of the period. Therefore, upon payment, the actual outcome may differ from the estimated amounts. Estimates and assumptions are reviewed periodically and the effects of each change are immediately recognised in the profit or loss.
Significant estimates are used mainly for impairment tests, when determining the provisions for risks and bad debts,

the inventory obsolescence provision, the post-employment benefits, the share-based plans, the tax computation, the measurement of derivatives, the lease term of contracts with renewal or early termination options (in accordance with IFRS 16) and the useful life of property, plant and equipment and intangible assets.

Impact of climate change-related matters on financial statements

The Group has defined a climate strategy with the objective of reducing greenhouse gases (GHG) emissions, positively contributing to the global goal of fighting climate change. The strategy, which is integrated into Group's business model and operations, includes medium-term carbon reduction targets related to direct GHG emissions (scope 1), indirect GHG energy emissions (scope 2), and other indirect GHG emissions from sources not owned or controlled by the Company itself (scope 3).

The main actions ongoing to reach the targets for scope 1, 2 and 3 are the following:

- electrification of industrial sites heating/cooling systems;
- switch to a green company car fleet;
- increase in self-produced energy from owned photovoltaic systems;
- investment in renewable energy procurement, including Collective Virtual Power Purchase Agreements (CVPPA) for which effects for the Group will be granted in the next few years;
- increase of LEED Gold or Platinum certifications;
- raw materials transition plan towards lower impact alternatives.

The above actions have had and will have an impact on the Group's Consolidated Financial Statements in terms of investments and recurring operations (e.g. purchase of certified renewable energy, purchase of lower impact raw materials).

Management has also assessed the impact of climate change and the measures taken to comply with the climate strategy on the criteria for the preparation of the Consolidated Financial Statements, with particular reference to the estimates and assumptions as defined in the section "Use of Estimates".

In addition, to align the performance of the Group's key personnel with the interests of the stakeholders and to reinforce the Group's commitment to ESG issues, the Group has established a long-term variable incentive plan that includes financial indicators and the achievement of specified sustainability objectives. Fulfillment of these criteria was taken into account in the evaluation of the long-term incentive plans.

At this stage, management has assessed that the impact on the Group's financial statements is not material as it has not identified any specific asset or liability whose measurement could be significantly affected by climate change issues.

Impact of the outbreak of war in Ukraine on financial statements

The effects of the ongoing conflict have been considered in the preparation of the financial statements as of December 31, 2024. The only notable impact on the preparation of the financial statements is the valuation of the assets held in Russia and Ukraine and in particular the right of use assets related to the lease agreements still in place in the two countries and two buildings owned in Moscow and St. Petersburg (net book value as of December 31, 2024 is Euro 15.4 million).

Consistently with last year, the right of use assets have been entirely written-down while the recoverable amount of the buildings has been assessed with the support of leading independent real estate firm, based on the fair value using the Comparative Method of valuation. The writedown recorded in the current fiscal year is equal to Euro 0.6 million.

The management will continue to closely monitor the evolution of the business and legal scenario to ensure the appropriate valuation of the assets recognised in the consolidated financial statements of the Group and to abide by the law and regulations being imposed.

7. Mergers and acquisitions

Most significant mergers and acquisitions include:

On January 9, 2024, Prada S.p.A. purchased 19% of the share capital of Prada Middle East Fzco. As a result, Prada S.p.A.'s stake in Prada Middle East Fzco increased from 60% to 79%.

On July 10, 2024, Prada S.p.A. established the company Prada Bahrain Wll with the aim of expanding commercial activities in Bahrein.

On December 20, 2024, Prada S.p.A. purchased 40% of the share capital of Effepì S.r.l..

8. Operating segments

In accordance with IFRS 8, which defines an operating segment as "a business division whose operating results are regularly reviewed by top management in order to adopt decisions to allocate appropriate resources to the segment and assess its performance", the management identified each owned brand as the operating segments.

For financial statements presentation all operating segments identified have been aggregated into a single reportable segment which corresponds to the entire Prada Group and is consistent with the core principles of IFRS 8.

It should be noted that the two main brands, Prada and Miu Miu, have similar economic and business profile and they represent together 99% of the Group's revenue. The other brands, which represent the remaining 1% of the Group's revenue, have been considered as not material.
The main economic indicators assessed to determine that the operating segments, Prada and Miu Miu, have similar economic characteristics are:
- long-term financial performance (in particular, average gross margin)
- currency, competitive, operating and financial risks.

Moreover, Prada and Miu Miu present products of similar nature, similar production processes and customers and the same distribution channels.

Therefore, as of December 31, 2024 it has been identified only one reportable segment as occurred in previous years.

Net sales
Detailed information on the net sales by distribution channel and brand are provided below and in the Financial Review together with the related comments.

(amounts in thousands of Euro)	twelve months ended December 31 2024		twelve months ended December 31 2023		% change current exc. rates	% change constant exc. rates (*)
Net revenues						
Retail net sales (Directly Operated Stores and e-commerce)	4,849,208	89.3%	4,189,676	88.6%	15.7%	18.0%
Wholesale net sales (independent customers and franchisees)	460,818	8.5%	433,206	9.2%	6.4%	7.1%
Royalties	121,531	2.2%	103,529	2.2%	17.4%	17.4%
Total net revenues	5,431,557	100%	4,726,411	100%	14.9%	17.0%
Retail net sales by brand						
Prada	3,563,376	73.5%	3,488,276	83.3%	2.2%	4.2%
Miu Miu	1,228,053	25.3%	648,936	15.5%	89.2%	93.2%
Church's	31,659	0.7%	28,555	0.7%	10.9%	10.1%
Other	26,120	0.5%	23,909	0.6%	9.2%	9.0%
Total retail net sales	4,849,208	100%	4,189,676	100%	15.7%	18.0%
Retail net sales by geographic area						
Asia Pacific	1,604,413	33.1%	1,446,146	34.5%	10.9%	13.1%
Europe	1,531,622	31.6%	1,312,023	31.3%	16.7%	17.5%
Americas	829,809	17.1%	767,365	18.3%	8.1%	8.9%
Japan	656,431	13.5%	483,838	11.5%	35.7%	45.8%
Middle East	226,933	4.7%	180,304	4.3%	25.9%	26.0%
Total retail net sales	4,849,208	100%	4,189,676	100%	15.7%	18.0%

(*) calculated excluding the effect of the hyperinflation in Turkey

Geographic information

The following table reports the carrying amount of the Group's non-current assets by geographic area, as required by IFRS 8, "Operating Segments", for entities, like the Prada Group, that have a single reportable segment:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Europe	3,191,693	3,135,326
Americas	1,092,143	900,086
Asia Pacific	846,836	623,716
Japan	298,067	276,239
Middle East and Africa	148,068	137,437
Total	5,576,807	5,072,804

The total amount of Euro 5,577 million (Euro 5,073 million as of December 31, 2023) refers to the Group's non-current assets excluding, as per IFRS 8, those relating to derivatives, deferred tax assets and the pension fund surplus.

Consolidated Statement of Financial Position

9. Cash and cash equivalents

The cash and cash equivalents are detailed as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Cash on hand	3,634	5,900
Bank current accounts	213,236	245,113
Bank deposit accounts	734,858	377,376
Other cash equivalents	59,835	61,130
Total	1,011,563	689,519

As of December 31, 2024, the bank accounts and deposits accruing interest income had yields in the range of 0% and 5.77% annually (0% and 5.95% as of December 31, 2023). These ranges do not include the bank accounts and deposits in Turkish lira, which have had very high yields due to high inflation and were not relevant in terms of amount. For the bank deposits, interest income had average yield of 3.70% as of December 31, 2024 (3.94% as of December 31, 2023).

10. Trade receivables, net

The trade receivables, net are detailed below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Trade receivables - third parties	435,403	414,621
Allowance for bad and doubtful debts	(14,062)	(11,341)
Trade receivables - related parties	2,392	1,871
Total	423,733	405,151

The change in the allowance for bad and doubtful debts is set forth below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Opening balance	11,341	11,595
Exchange differences	150	(244)
Increases	4,277	2,979
Reversals	(932)	(173)
Utilization	(774)	(2,816)
Closing balance	14,062	11,341

11. Inventories, net

The inventories, net can be broken down as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Raw materials	132,455	115,531
Work in progress	45,893	38,580
Finished products	799,772	726,295
Return assets	16,862	12,942
Allowance for obsolete and slow-moving inventories	(128,822)	(110,370)
Total	866,160	782,978

The stock increase was largely attributable to the need to support sales growth. In 2024, the inventory allowance was increased, net of the utilisations and reversal, by Euro 18.5 million with allocations for slow-moving products and raw materials.

The changes in the allowance for obsolete and slow-moving inventories in 2024 are as follows:

(amounts in thousands of Euro)	Raw materials	Finished products	Total allowance for obsolete and slow-moving inventories
Opening balance	41,663	68,707	110,370
Exchange differences	6	243	249
Increases	4,164	24,122	28,286
Utilisation	-	(10,030)	(10,030)
Reversal	-	(53)	(53)
Closing balance	45,833	82,989	128,822

The changes in the allowance for obsolete and slow-moving inventories in 2023 were as follows:

(amounts in thousands of Euro)	Raw materials	Finished products	Total allowance for obsolete and slow-moving inventories
Opening balance	32,222	56,222	88,444
Exchange differences	-	(185)	(185)
Increases	9,441	12,801	22,242
Utilisation	-	(97)	(97)
Reversal	-	(34)	(34)
Closing balance	41,663	68,707	110,370

12. Derivative financial instruments: assets and liabilities

Derivative financial instruments: assets and liabilities, current and non-current portions:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Financial assets regarding derivative instruments - current	12,487	17,550
Financial assets regarding derivative instruments - non-current	2,571	890
Total financial assets - derivative financial instruments	15,058	18,440
Financial liabilities regarding derivative instruments – current	(27,778)	(7,543)
Financial liabilities regarding derivative instruments – non-current	(399)	-
Total financial liabilities - derivative financial instruments	(28,177)	(7,543)
Net carrying amount – current and non-current portion	(13,119)	10,897

The net carrying amount of derivatives, considering both the current and non-current portions, has the following composition:

(amounts in thousands of Euro)	December 31 2024	December 31 2023	IFRS7 Category
Forward contracts	9,844	11,187	Level II
Options	2,658	2,423	Level II
Interest rate swaps	2,556	4,830	Level II
Positive fair value	15,058	18,440	
Forward contracts	(24,472)	(7,474)	Level II
Options	(3,705)	(69)	Level II
Negative fair value	(28,177)	(7,543)	
Net carrying amount – current and non-current	(13,119)	10,897	

All the above derivative instruments are classified as Level II in the fair value hierarchy. The Group has not entered

into any derivative contracts that could be qualified as Level I or III.
The fair values of derivatives arranged to hedge interest rate risks (interest rate swaps or "IRS") and of derivatives arranged to hedge foreign exchange risks (forward contracts and options) were determined by using one of the most widely used valuation platforms on the financial market and are based on the interest rate curves and on spot and forward exchange rates at the reporting date.
The Group entered into the derivative contracts in the course of its risk management activities in order to hedge financial risks stemming from exchange rate and interest rate fluctuations. In addition, the Group mitigated the interest rate risk balancing exposures of floating-rate debt with floating-rate liquidity investments.

Foreign exchange rate transactions
The cash flows of the Group are exposed to exchange rate volatility because it operates on an international scale. In order to hedge this risk, the Group enters into options and forward sale and purchase agreements, so as to protect the value of identified cash flows in Euro (or in other currencies used locally). The expected future cash flows mainly regard the collection of intercompany trade receivables, the settlement of intercompany trade payables and financial cash flows.

The notional amounts of the derivative contracts (translated at the December 31, 2024 exchange rates reported in Note 38) designated as foreign exchange risk hedges are as stated below.

Contracts in effect as of December 31, 2024 to hedge projected future trade cash flows:

(amounts in thousands of Euro)	Options	Forward sale contracts	December 31 2024
Currency			
US Dollar	86,630	294,542	381,172
Chinese Renminbi	69,627	235,518	305,145
Japanese Yen	104,869	117,748	222,617
Korean Won	91,375	74,732	166,107
GB Pound	43,416	70,552	113,968
Hong Kong Dollar	7,436	48,893	56,329
Turkish Lira	-	46,955	46,955
Thai Baht	-	29,151	29,151
Canadian Dollar	-	28,766	28,766
Taiwan Dollar	-	24,938	24,938
Swiss Franc	-	22,418	22,418
Malaysia Ringgit	-	13,465	13,465
Other currencies	-	55,758	55,758
Total	403,353	1,063,436	1,466,789

Contracts in effect as of December 31, 2024 to hedge projected future financial cash flows:

(amounts in thousands of Euro)	Forward sale contracts	December 31 2024
Currency		
US Dollar	40,382	40,382
Swiss Franc	23,952	23,952
Korean Won	19,580	19,580
Taiwan Dollar	8,802	8,802
Malaysia Ringgit	1,292	1,292
Other currencies	8,409	8,409
Total	102,417	102,417

Contracts in effect as of December 31, 2023 to hedge projected future trade cash flows:

(amounts in thousands of Euro)	Options	Forward sale contracts	December 31 2023
Currency			
US Dollar	55,204	238,914	294,118
Chinese Renminbi	57,318	173,229	230,547
Korean Won	54,406	115,788	170,194
Japanese Yen	-	118,339	118,339
GB Pound	-	77,096	77,096
Canadian Dollar	7,035	17,620	24,655
Taiwan Dollar	-	22,811	22,811
Hong Kong Dollar	8,457	29,312	37,769
Swiss Franc	-	18,143	18,143
Malaysia Ringgit	-	11,620	11,620
Other currencies	4,798	80,766	85,564
Total	187,218	903,638	1,090,856

Contracts in effect as of December 31, 2023 to hedge projected future financial cash flows:

(amounts in thousands of Euro)	Forward sale contracts	December 31 2023
Currency		
US Dollar	43,514	43,514
GB Pound	35,671	35,671
Swiss Franc	33,153	33,153
Korean Won	20,925	20,925
Taiwan Dollar	8,876	8,876
Malaysia Ringgit	3,939	3,939
Other currencies	26,329	26,329
Total	172,407	172,407

All contracts in place as of December 31, 2024 have a maturity shorter than twelve months, except for some forward contracts to hedge future financial cash flows which mature after December 31, 2025 and whose notional net amount is Euro 17.2 million (referring entirely to forward sale contracts).
All contracts in place at the reporting date were entered into with major financial institutions, and no counterparties are expected to default. A liquidity analysis of the derivative contracts maturities is provided in the financial risks section of these Notes.

Interest rate transactions

The Group enters into interest rate swaps ("IRS") in order to hedge the risk of interest rate fluctuations on bank loans. The key features of the IRS agreements in place as of December 31, 2024 and December 31, 2023 are summarized below:

Interest Rate Swap (IRS) Agreement						Hedged loan			
Contract	Currency	Notional amount	Interest rate	Maturity date	Fair value as of Dec. 31 2024	Currency	Type of debt	Amount	Expiry
IRS	Euro/000	20,168	1.46%	May-2030	449	EUR	Term Loan	20,168	May-2030
IRS	Euro/000	100,000	1.33%	Apr-2025	346	EUR	Term Loan	100,000	Apr-2025
IRS	Euro/000	27,000	2.65%	Feb-2026	(88)	EUR	Term Loan	27,000	Feb-2026
IRS	GBP/000	36,450	2.78%	Jan-2029	1,849	GBP	Term Loan	36,450	Jan-2029
Total fair value (amounts in thousands of Euro)					2,556				

Interest Rate Swap (IRS) Agreement						Hedged loan			
Contract	Currency	Notional amount	Interest rate	Maturity date	Fair value as of Dec. 31 2023	Currency	Type of debt	Amount	Expiry
IRS	Euro/000	23,833	1.46%	May-2030	875	EUR	Term Loan	23,833	May-2030
IRS	Euro/000	100,000	1.33%	Apr-2025	2,332	EUR	Term Loan	100,000	Apr-2025
IRS	Euro/000	52,200	2.65%	Feb-2026	190	EUR	Term Loan	52,200	Feb-2026
IRS	GBP/000	39,300	2.78%	Jan-2029	1,433	GBP	Term Loan	39,300	Jan-2029
Total fair value (amounts in thousands of Euro)					4,830				

The IRS convert variable interest rates on bank loans into fixed interest rates. They have been arranged with major financial institutions, and no counterparties are expected to default.

Information on financial risks

Capital management

The Group's capital management strategy aims to guarantee a fair economic return to shareholders, protect the interests of other stakeholders, maintain a balanced capital structure with a high degree of creditworthiness, reducing the average cost of debt and minimizing financial risks.

Categories of financial assets and liabilities according to IFRS 7

Financial assets

The following is the detail of financial assets required by IFRS 7 under the categories required by IFRS 9:

(amounts in thousands of Euro)	Financial assets designated at fair value	Held to collect	Held to collect and sale	Other	Equity instruments	Total	Notes
Cash and cash equivalents	-	-	-	1,011,563	-	1,011,563	9
Trade receivables, net	-	423,733	-	-	-	423,733	10
Derivative financial instruments	15,058	-	-	-	-	15,058	12
Other investments	-	-	-	-	37,624	37,624	18
Total as of December 31, 2024	15,058	423,733	-	1,011,563	37,624	1,487,978	

(amounts in thousands of Euro)	Financial assets designated at fair value	Held to collect	Held to collect and sale	Other	Equity instruments	Total	Notes
Cash and cash equivalents	-	-	-	689,519	-	689,519	9
Trade receivables, net	-	405,151	-	-	-	405,151	10
Derivative financial instruments	18,440	-	-	-	-	18,440	12
Investments in equity instruments	-	-	-	-	5,184	5,184	18
Other investments	-	-	-	-	36,426	36,426	18
Total as of December 31, 2023	18,440	405,151	-	689,519	41,610	1,154,720	

Financial liabilities

The following is the detail of financial liabilities required by IFRS 7 under the categories required by IFRS 9:

(amounts in thousands of Euro)	Financial liabilities designated at fair value	Amortised cost	Financial liabilities held for trading	Total	Notes
Financial payables	-	412,337	-	412,337	21,22,26
Trade payables	-	481,615	-	481,615	23
Derivative financial instruments	28,177	-	-	28,177	12
Lease liabilities	-	2,375,113	-	2,375,113	20
Total as of December 31, 2024	28,177	3,269,065	-	3,297,242	

(amounts in thousands of Euro)	Financial liabilities designated at fair value	Amortised cost	Financial liabilities held for trading	Total	Notes
Financial payables	-	492,613	-	492,613	21,22,26
Trade payables	-	453,387	-	453,387	23
Derivative financial instruments	7,543	-	-	7,543	12
Lease liabilities	-	2,110,888	-	2,110,888	20
Total as of December 31, 2023	7,543	3,056,888	-	3,064,431	

Fair Value

The reported amount of derivative instruments, whether assets or liabilities, reflects their fair value, as explained in this Note 12.

The carrying amount of cash and cash equivalents, financial receivables and trade receivables, as adjusted for impairment where necessary in accordance with IFRS 9, approximates their estimated realizable value and, hence, their fair value.

The amount of the investments in equity instruments corresponds to its fair value (Level I).

The lease liabilities are reported at their present value, while all other financial liabilities are stated at their fair value.

Credit risk

Credit risk is defined as the risk of financial loss caused by the failure of a counterparty to meet its contractual obligations. The maximum risk to which an entity is exposed is represented by all the financial assets recognised in the financial statements. However, according to management, the Group's credit risk regards essentially the trade receivables from wholesale and other commercial partners, and the cash holdings. The Group has implemented specific control systems to manage such risk, as explained in the section describing risk factors in the Financial Review.

Trade receivables

The table below provides an aging analysis of the trade receivables before accounting for the allowance for bad and doubtful debts:

(amounts in thousands of Euro)	December 31, 2024	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables	437,795	376,641	34,956	8,277	2,981	817	14,123
Total December 31, 2024	437,795	376,641	34,956	8,277	2,981	817	14,123

(amounts in thousands of Euro)	December 31, 2023	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables	416,492	331,052	55,306	9,854	3,717	2,570	13,993
Total December 31, 2023	416,492	331,052	55,306	9,854	3,717	2,570	13,993

The following table provides an aging analysis of the trade receivables after accounting the allowance for bad and doubtful debts:

(amounts in thousands of Euro)	December 31, 2024	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables less allowance for bad and doubtful accounts	423,733	373,853	34,926	8,107	2,839	791	3,217
Total December 31, 2024	423,733	373,853	34,926	8,107	2,839	791	3,217

(amounts in thousands of Euro)	December 31, 2023	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables less allowance for bad and doubtful accounts	405,151	329,418	54,350	8,780	3,578	2,548	6,477
Total December 31, 2023	405,151	329,418	54,350	8,780	3,578	2,548	6,477

Bank current accounts and deposits
The bank deposits are broken down by currency below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Currency		
Euro	514,735	171,804
US Dollar	91,434	86,191
Hong Kong Dollar	55,307	55,624
Other Currencies	73,382	63,757
Total bank deposit accounts	734,858	377,376

The Group aims to reduce the financial counterparty risk on bank deposits by allocating the available funds to multiple accounts that differ by currency, country and bank (always investment grade); such investments are always short-term.

The bank current accounts are broken down by currency as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Currency		
UAE Dirham	42,197	14,988
Euro	32,519	54,569
Korean Won	22,411	6,442
US Dollar	18,374	70,098
Hong Kong Dollar	7,824	6,406
GB Pound	594	12,644
Other currencies	89,317	79,966
Total bank current accounts	213,236	245,113

For its operational activities and business processes the Group makes use of financial counterparties of primary standing and appropriate level of diversification; as a result the counterparty risk on bank accounts can be considered not significant.

Liquidity risk
Liquidity risk refers to the difficulty the Group could have in securing new funds, leading to a failure in meeting its financial obligations. The Directors are responsible for managing liquidity risk, while the Group Chief Financial Officer (CFO), supported by the Deputy Group CFO, is in charge of optimizing the management of financial resources.

According to the Directors, the funds and credit lines currently available, in addition to those that will be generated by operating and financing activities, will enable the Group to meet its financial requirements arising from investing activities, working capital management, punctual loan repayment and dividend payment in the foreseeable period.

To provide greater financial flexibility, on April 17, 2024 Prada S.p.A. signed a new Euro 800 million Sustainability-Linked Revolving Credit Facility (5-year duration), replacing the existing Euro 400 million facility. This new Revolving Credit Facility is undrawn as of December 31, 2024.

As of December 31, 2024, the Group had undrawn cash credit lines of Euro 1,296 million available at banks (Euro 768 million as of December 31, 2023), of which Euro 861 million were committed credit lines and Euro 435 million were uncommitted ones.

An aging analysis of the trade payables is set forth below:

(amounts in thousands of Euro)	December 31, 2024	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade payables	481,615	404,736	54,869	5,349	3,671	3,313	9,677
Total December 31, 2024	481,615	404,736	54,869	5,349	3,671	3,313	9,677

(amounts in thousands of Euro)	December 31, 2023	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade payables	453,387	372,015	56,875	8,958	3,473	1,694	10,372
Total December 31, 2023	453,387	372,015	56,875	8,958	3,473	1,694	10,372

Financial liabilities under derivative financial instruments (forward contracts and options)
The maturities of the financial liabilities according to the earliest date on which the Group could be required to pay (worst-case scenario) are presented in the following tables.

As required by IFRS 7, the following tables show the financial liabilities under forward contracts and options designated as cash flow hedges where a negative cash flow is expected at the reporting date:

(amounts in thousands of Euro)	Future contractual cash flows at Dec. 31, 2024	6 mths or less	6 to 12 mths	1 to 2 years	2 to 3 years	3 to 4 years	more than 4 years
Net cash flows (outflows / inflows) of forward contracts	(24,472)	(13,007)	(11,066)	(399)	-	-	-
Net cash flows (outflows / inflows) of options	(3,705)	(1,849)	(1,852)	(4)	-	-	-
Net amount	(28,177)	(14,856)	(12,918)	(403)	-	-	-

(amounts in thousands of Euro)	Future contractual cash flows at Dec. 31, 2023	6 mths or less	6 to 12 mths	1 to 2 years	2 to 3 years	3 to 4 years	more than 4 years
Net cash flows (outflows / inflows) of forward contracts	(7,474)	(3,803)	(3,671)	-	-	-	-
Net cash flows (outflows / inflows) of options	(69)	-	(1)	(22)	(46)	-	-
Net amount	(7,543)	(3,803)	(3,672)	(22)	(46)	-	-

Financial liabilities under derivative financial instruments (interest rate swaps)
There are no interest rate swaps with a negative cash flow in 2023 and 2024.

Financial liabilities

(amounts in thousands of Euro)	Carrying amount at Dec. 31, 2024	Future contractual cash flows at Dec. 31, 2024	on demand	6 mths or less	6 to 12 mths	1 to 2 years	2 to 3 years	3 to 4 years	more than 4 years
Lease liabilities	2,375,113	2,681,664	-	249,134	247,122	428,078	373,811	308,782	1,074,737
Financial liabilities - third parties (without deferred costs on loans)	404,453	424,062	-	172,372	20,275	153,523	17,352	22,583	37,957
Financial liabilities - related parties	8,149	8,636	-	2,088	6,548	-	-	-	-
Total	2,787,715	3,114,362	-	423,594	273,945	581,601	391,163	331,365	1,112,694

(amounts in thousands of Euro)	Carrying amount at Dec. 31, 2023	Future contractual cash flows at Dec. 31, 2023	on demand	6 mths or less	6 to 12 mths	1 to 2 years	2 to 3 years	3 to 4 years	more than 4 years
Lease liabilities	2,110,888	2,334,644	-	239,094	226,276	388,426	329,148	290,240	861,460
Financial liabilities - third parties (without deferred costs on loans)	487,327	519,976	-	120,942	43,942	156,610	151,900	10,442	36,140
Financial liabilities - related parties	5,853	5,853	-	1,505	4,348	-	-	-	-
Total	2,604,068	2,860,473	-	361,541	274,566	545,036	481,048	300,682	897,600

Some of the above financial liabilities contain loan covenants, as described in Note 26.

Sensitivity on exchange rate risk
The exchange rate risk to which the Group is exposed is concentrated largely with Prada S.p.A. and it results from fluctuation of foreign currencies against the Euro.
Prada S.p.A. is the Group's parent and worldwide distributor of brand products. Intercompany transactions involving the parent and the subsidiaries are mainly settled in the local currency of the latter. Therefore, foreign exchange risk mainly arises from such intercompany transactions. Derivative transactions are put in place to mitigate such foreign exchange rate risk.
In terms of exposure, the most important currencies for the Group are the British Pound, Hong Kong Dollar, Japanese Yen, US Dollar, Chinese Renminbi and Korean Won.

The following table shows the sensitivity of the consolidated net income and equity to a range of hypothetical fluctuations in the main foreign currencies against the Euro, based on the statement of financial position of the Group's companies as of December 31, 2024:

(amounts in thousands of Euro)	Euro strengthens by 5%		Euro weakens by 5%	
	Impact on net result	Impact on net equity	Impact on net result	Impact on net equity
GP Pound	246	3,700	(634)	(4,938)
Hong Kong Dollar	1,000	3,299	(1,142)	(3,774)
Japanese Yen	(3,185)	4,631	3,537	(5,042)
US Dollar	1,842	16,393	(2,283)	(19,288)
Chinese Renminbi	1,938	12,149	(2,357)	(14,031)
Korean Won	(834)	4,785	1,194	(4,933)
Other currencies	(5,618)	2,756	6,210	(3,047)
Total	(4,611)	47,713	4,525	(55,053)

The total impact on equity (positive for Euro 47.7 million and negative for Euro 55.1 million) is the sum of the

theoretical effect on the statement of profit or loss and on the cash flow hedge reserve of a hypothetical strengthening or weakening of the Euro against the other currencies.
The effects on the financial statement items are presented above before taxes. The sensitivity analysis is based on currency exposure at the end of the period, which might not reflect the actual exposure during the period. For this reason it is purely indicative.

Sensitivity on interest rate risk
The Prada Group is exposed to interest rate fluctuations mainly with regard to interest expense on the medium / long-term debt of the parent company, Prada S.p.A., and of some of its subsidiaries. The financial risk management is under the ultimate responsibility of the Group CFO.

The following table shows the sensitivity of the consolidated net income and equity to a hypothetical shift in the interest rate curve based on the financial position of the Group's companies as of December 31, 2024:

	Interest rate curve shift			
	+0.50%		-0.50%	
(amounts in thousands of Euro)	Impact on net result	Impact on net equity	Impact on net result	Impact on net equity
Euro	1,377	1,638	(1,377)	(1,646)
GP Pound	(131)	427	131	(439)
Hong Kong Dollar	316	316	(316)	(316)
Japanese Yen	11	11	(11)	(11)
US Dollar	513	513	(513)	(513)
Other currencies	596	596	(596)	(596)
Total	2,682	3,501	(2,682)	(3,521)

The total impact on equity (positive and negative for Euro 3.5 million) is the sum of the theoretical effect on the statement of profit or loss and on the cash flow hedge reserve of a hypothetical shift in the interest rate curve. The effects on the financial statement items are presented above before taxes.
The sensitivity analysis is based on the net financial position at the end of the period, which might not reflect the actual exposure to interest rate risk during the period. For this reason it is purely indicative.

Other risks
Risks factors affecting the international luxury goods market and those specific to the Prada Group are described in the Financial Review in the paragraph "Risks factors and management".

13. Receivables due from, and advance payments to, related parties – current and non-current

The current receivables due from, and advance payments to, related parties are detailed as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Financial receivables	7	2
Other receivables and advances	134	136
Receivables due from, and advance payments to, related parties - current	141	138

The non-current receivables due from, and advance payments to, related parties are detailed as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Financial receivables	369	-
Receivables due from, and advance payments to, related parties - non-current	369	-

Additional information on related party transactions is provided in Note 40.

14. Other current assets

The other current assets are set forth below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
VAT	37,833	38,317
Taxation and other tax receivables	62,283	82,853
Other assets	15,584	15,063
Prepayments	124,011	124,244
Guarantee deposits	5,613	6,935
Total	245,324	267,412

Other assets

The other assets are detailed as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Advances to suppliers	9,589	6,493
Incentives for retail investments	484	455
Other receivables	5,511	8,115
Total	15,584	15,063

Prepayments

The prepayments are detailed below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Rental costs	6,309	3,371
Insurance	3,203	2,180
Design costs	31,494	33,194
Fashion shows and advances on advertising campaigns	43,640	37,163
Other	39,365	48,336
Total	124,011	124,244

Prepayments primarily relate to costs incurred to design collections, launch advertising campaigns and host fashion shows, that will generate revenue after the reporting period.

Guarantee deposits
The guarantee deposits refers primarily to security deposits paid under retail leases.

15. Property, plant and equipment

The historical cost and accumulated depreciation of the past two years are set forth below:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improvements	Furniture & fittings	Other tangibles	Assets under construction	Total
Historical cost	1,401,574	281,459	1,443,765	708,792	232,658	71,307	4,139,555
Accumulated depreciation	(214,678)	(206,819)	(1,113,221)	(406,587)	(165,374)	-	(2,106,679)
Net carrying amount as of December 31, 2023	1,186,896	74,640	330,544	302,205	67,284	71,307	2,032,876
Historical cost	1,476,603	300,975	1,556,832	781,981	229,670	100,361	4,446,422
Accumulated depreciation	(245,303)	(221,184)	(1,129,733)	(434,101)	(161,046)	-	(2,191,367)
Net carrying amount as of December 31, 2024	1,231,300	79,791	427,099	347,880	68,624	100,361	2,255,055

The changes in the net carrying amount for the year are as follows:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improvements	Furniture & fittings	Other tangibles	Assets under construction	Total net carrying amount
Opening balance	1,186,896	74,640	330,544	302,205	67,284	71,307	2,032,876
Change in the consolidation area	-	533	-	-	276	-	809
Additions	35,624	15,240	179,226	77,616	8,547	99,324	415,577
Depreciation	(28,116)	(14,229)	(123,650)	(47,411)	(11,902)	-	(225,308)
Disposals	(510)	(121)	(224)	(190)	(44)	(1,303)	(2,392)
Exchange differences	28,235	79	6,043	5,225	81	16	39,679
Other movements	9,937	4,223	37,843	15,352	4,385	(68,707)	3,033
Impairment	(766)	(574)	(9,442)	(4,953)	(38)	(276)	(16,049)
Revaluation IAS 29	-	-	6,759	36	35	-	6,830
Closing balance	1,231,300	79,791	427,099	347,880	68,624	100,361	2,255,055

The increase in leasehold improvements and furniture & fittings regarded primarily restyling and relocation projects for the retail premises.
The assets under construction at the end of the period concern retail and industrial projects.

Impairment test
As required by IAS 36 "Impairment of assets", it has been assessed whether there was any indicator of impairment on property, plant and equipment, right of use and intangible assets (other than goodwill), allocated to CGUs. The CGUs for which an indicator of impairment emerged have been tested for impairment.
The Discounted Cash Flow method used to identify the recoverable amount of the CGUs consists of discounting the projected cash flows generated by the activities directly attributable to the CGU (value in use). Value in use is the sum

of the present value of the future cash flows expected from the CGU (based on management's best estimate) and the present value of the related operating activities at the end of the period (terminal value).

The projected cash flows do not consider either significant improvements in the performance of the assets existing as of December 31, 2024 or future developments of new activities.
For each CGUs tested, the weighted average cost of capital ("WACC") was determined by taking into due consideration the risk profile of the CGU, as well as other specific parameters, such as geographic location.
The "g" rate of growth used to calculate the terminal value was assumed in line with inflation expectations prospects and not higher than the long-term growth expected for the luxury goods market.
As a result of the impairment test as of December 31, 2024, the Group recognized impairment losses on property, plant and equipment equal to Euro 3.2 million, in addition to the impairment equal to Euro 12.9 million related to asset disposal and/or substitution. Total impairment recognized on property, plant and equipment during the year amounts to Euro 16 million.

16. Intangible assets

The historical cost and accumulated amortisation / impairment of the past two years are set forth below:

(amounts in thousands of Euro)	Trademarks and intellectual property rights	Goodwill	Store lease acquisition	Software	Other intangibles	Assets in progress	Total
Historical cost	407,798	580,909	49,885	300,639	65,432	50,003	1,454,666
Accumulated amortisation / impairment	(231,012)	(65,402)	(49,873)	(197,154)	(65,201)	-	(608,642)
Net carrying amount as of December 31, 2023	176,786	515,507	12	103,485	231	50,003	846,024
Historical cost	412,090	583,484	52,157	372,937	65,434	53,288	1,539,390
Accumulated amortisation / impairment	(243,360)	(67,977)	(52,101)	(242,778)	(65,254)	-	(671,470)
Net carrying amount as of December 31, 2024	168,730	515,507	56	130,159	180	53,288	867,920

The changes in the net carrying amount for the year are as follows:

(amounts in thousands of Euro)	Trademarks and intellectual property rights	Goodwill	Store lease acquisition	Software	Other intangibles	Assets in progress	Total net carrying amount
Opening balance	176,786	515,507	12	103,485	231	50,003	846,024
Additions	1,138	-	-	32,955	-	42,775	76,868
Amortisation	(10,658)	-	1,618	(44,985)	(1,167)	-	(55,192)
Disposals	-	-	-	(203)	-	(201)	(404)
Exchange differences	1,464	-	3	18	2	(1)	1,486
Other movements	-	-	(1,577)	39,009	1,138	(39,288)	(718)
Impairment	-	-	-	(120)	(24)	-	(144)
Closing balance	168,730	515,507	56	130,159	180	53,288	867,920

The net carrying amount of trademarks and intellectual property rights at the reporting date is broken down in the following table:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Miu Miu	105,013	110,565
Church's	40,947	42,190
Prada	5,617	5,419
Other trademarks and other intellectual property rights	17,153	18,612
Total	168,730	176,786

During the year no impairment was recognised for the Group's trademarks.
The capital expenditures for software refer to technological and digital evolution projects in the retail, manufacturing and corporate areas.

The total capital expenditure for property, plant and equipment and intangible assets in the twelve months ended December 31, 2024 was Euro 493.3 million, as broken down below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Retail	324,039	215,884
Real estate	30,855	381,711
Industrial, logistics and corporate	138,360	155,106
Total	493,254	752,701

Impairment test
As required by IAS 36 "Impairment of assets", intangible assets with indefinite useful lives are not amortised, but they are tested for impairment at least once a year. The Group does not report intangible assets with indefinite useful lives other than goodwill.
Consistently with last year, the groups of CGUs - which represent the lowest level within the Group at which management tests goodwill for impairment - correspond to the brands Prada and Miu Miu (the operating segments identified for segment reporting purpose in compliance with IFRS 8 as reported in Note 8).

As of December 31, 2024, the goodwill recognised in the consolidated financial statements is Euro 515.5 million, and it is allocated to the following group of CGUs as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Prada	424,262	424,262
Miu Miu	91,245	91,245
Total	515,507	515,507

The impairment tests as of December 31, 2024 did not identify any impairment losses for the groups of CGU listed above.

The Discounted Cash Flow method used to identify the recoverable amount of the group of CGUs consists of discounting the projected cash flows generated by the activities directly attributable to the operating segment to which the intangible asset or net invested capital has been assigned (value in use). Value in use is the sum of the present value of the future cash flows expected on the basis of the business plan projections prepared by the management for each group of CGUs and the present value of the related operating activities at the end of the period (terminal value). The recoverable amount was estimated with the assistance of a leading consulting firm.

The business plans used for the impairment tests were prepared by the management starting from the 2025 budget and cover a period that does not exceed five years. The 2025 budget was approved by the Board of Directors on January 23, 2025. The business plans do not take into account either significant improvements in the performance of the assets existing as of December 31, 2024 or future developments of new activities.

For each group of CGUs tested, the weighted average cost of capital ("WACC") was determined by taking into due consideration the risk profile of the CGUs' group activities, as well as other specific parameters, such as geographic location.

The "g" rate of growth used to calculate the terminal value was assumed equal to 2.5%, in line with inflation expectations prospects and not higher than the long-term growth expected for the luxury goods market.

The WACC (post-tax) and g-rates used for impairment tests of groups of CGUs that include goodwill are reported below:

	2024	
CGU	WACC	g-rate
Prada	7.2%	2.5%
Miu Miu	7.2%	2.5%

Concerning such group of CGUs, an analysis of the sensitivity of the impairment test has been performed to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. It has been verified that no reasonable change in the key assumptions would generate a reduction in the recoverable amount to the extent of constituting an impairment loss.

However, since the value in use is measured on the basis of estimates and assumptions, management cannot guarantee that the value of goodwill or other tangible and intangible assets will not be subject to impairment in the future.

Church's

IAS 36 requires an entity to assess at each annual reporting date whether there are indications of impairment for any other asset (excluding goodwill) recognised in the Statement of Financial Position.
In this respect, an impairment test was carried out on Church's group of CGUs, which include the value of the brand for Euro 41 million subject to depreciation with a residual useful life of 15 years, in order to identify any further potential impairment following the reorganisation process started in 2022.
The Discounted Cash Flow method used to identify the recoverable amount (value in use) consisted of discounting the projected cash flows generated by the net invested capital. The recoverable amount was estimated with the assistance of a leading consulting firm. The cash flow projections used for the impairment test were based on the business plan prepared by management. The rate used to discount the cash flows is the weighted average cost of capital (WACC) in a post-tax configuration. For the year ended December 31, 2024, the WACC used to discount the cash flows generated by the Church's group of CGUs was 7.3%, and it was determined taking into due consideration the risk profile of the group of CGU's activities. The "g" rate of growth used to calculate the terminal value was assumed equal to 2.5%, in light of the medium-term inflation rate in the countries where Church's operates and of the growth outlook for the luxury goods market.
The impairment test as of December 31, 2024 did not identify any impairment losses.
A sensitivity analysis of the impairment test was carried out to changes in the key assumptions used to determine the recoverable amount for the group of CGUs and did not show any potential impairment loss. The "break-even" WACC at which the recoverable amount would be equal to the carrying amount is 10.2%.

17. Right of use assets

The changes in the net carrying amount of the right of use assets for the year ended December 31, 2024 are shown below:

(amounts in thousands of Euro)	Real estate	Other	Total net carrying amount
Opening balance	2,020,536	4,016	2,024,552
New contracts, initial direct costs and remeasurements	658,950	8,731	667,681
Depreciation	(451,529)	(2,634)	(454,163)
Contracts termination	(389)	5	(384)
Exchange differences	42,799	4	42,803
Impairment	(8,563)	-	(8,563)
Revaluation IAS 29	7,029	-	7,029
Closing balance	2,268,833	10,122	2,278,955

The right of use assets increased by Euro 254.4 million, mainly as a result of new leases and remeasurements of existing leases totaling Euro 667.7 million, net of depreciation of Euro 454.2 million, termination of contracts of Euro 0.4 million, writedowns of Euro 8.6 million and foreign exchange differences impact of Euro 42.8 million.

The increase for new leases, initial direct costs and remeasurements is attributable to lease renewals (largely in Asia and Europe) and the remeasurement of the liability to adjust it to indexes commonly used in the real estate industry (mainly the consumer price index).

Right of use assets "other", amounting to Euro 10.1 million, includes plant, machinery, vehicles and hardware.

Impairment test
As required by IAS 36 "Impairment of assets", it has been assessed whether there was any indicator of impairment on property, plant and equipment, right of use and intangible assets (other than goodwill), allocated to CGUs. The CGUs for which an indicator of impairment emerged have been tested for impairment.

Please refer to the Note 15 Property, plant and equipment for the details of the impairment test carried out. As a result of the impairment test as of December 31, 2024, Euro 8.6 million impairment losses has been recorded on the right of use assets of the CGUs tested.

18. Investments in equity instruments, associates and joint ventures

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Investments in equity instruments	-	5,184
Associates and joint ventures	37,624	36,426
Total	37,624	41,610

The increase in "Associates and joint ventures" includes the acquisition of Effepì S.r.l..

19. Other non-current assets

The other non-current assets are detailed as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Guarantee deposits	84,513	70,510
Prepayments for commercial agreements	41,733	45,907
Pension fund surplus (Note 27)	4,773	4,652
Other long-term assets	8,067	10,435
Total	139,086	131,504

The guarantee deposits are set forth below by nature and maturity:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Nature:		
Stores	71,146	58,672
Offices	4,952	5,409
Warehouses	438	181
Other	7,977	6,248
Total	84,513	70,510

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Maturity:		
Between one to two years	14,143	15,750
Between two to five years	34,632	25,802
After more than five years	35,738	28,958
Total	84,513	70,510

The guarantee deposits refer primarily to security deposits paid under retail leases.

20. Lease liabilities

The following table sets forth the changes in the lease liabilities:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Opening balance	2,110,888	2,107,577
New contracts, initial direct costs and remeasurements	658,907	602,172
Payments (net of interests)	(438,833)	(429,685)
Contracts termination	(4,078)	(108,023)
Exchange differences	48,229	(61,153)
Closing balance	2,375,113	2,110,888

The lease liabilities increased from Euro 2,111 million as of December 31, 2023 to Euro 2,375 million as of December 31, 2024, primarily as a result of new contracts and remeasurements for lease extensions or modifications for Euro 658.9 million, net of the payments of the period for Euro 438.8 million, termination of contracts of Euro 4.1 million, and the foreign exchange differences impact for the period for Euro 48.2 million.

The lease liabilities were concentrated mainly in the following countries: U.S.A., Italy and Japan.

21. Short-term financial payables and bank overdrafts

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Short-term bank loans	34,322	64,778
Current portion of long-term loans	149,126	83,865
Deferred costs on loans	(201)	(305)
Total	183,247	148,338

Short-term financial payables as of December 31, 2024 are uncommitted credit lines partially used by Prada Fashion Commerce (Shanghai) co Ltd and Prada Japan co Ltd.

The short-term bank loans are broken down by currency below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Japanese Yen	20,238	13,753
Chinese Renminbi	13,187	-
Euro	-	50,000
Other currencies	897	1,025
Total	34,322	64,778

The Group generally borrows at variable interest rates, as explained in Note 26, and manages the risk of interest rate fluctuations by using hedging contracts, as explained in Note 12.
Additional information on the covenants applicable to the long-term loans is reported in Note 26.

22. Payables due to related parties – current

The current payables due to related parties are shown below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Financial payables	8,149	5,853
Other payables	130	5
Total	8,279	5,858

The current financial payables due to related parties regard loans granted by non-controlling shareholders of the Group's subsidiaries in the Middle East.
Additional information on related party transactions is provided in Note 40.

23. Trade payables

The trade payables are detailed as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Trade payables - third parties	475,822	447,615
Trade payables - related parties	5,793	5,772
Total	481,615	453,387

24. Tax payables

The tax payables are detailed hereunder:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Current taxation	99,306	32,409
VAT and other taxes	77,832	89,414
Total	177,138	121,823

The Group recognises current tax liabilities of Euro 99.3 million as of December 31, 2024 (Euro 32.4 million as of December 31, 2023) against tax receivables (shown among the current assets) of Euro 62.3 million (Euro 82.9 million as of December 31, 2023), as reported in Note 14.

25. Other current liabilities

The other current liabilities are as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Payables for capital expenditure	124,163	92,137
Accrued expenses and deferred income	26,560	24,052
Other payables	220,537	185,954
Total	371,260	302,143

The other payables are detailed below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Short-term benefits for employees and other personnel	121,969	115,066
Customer advances	46,342	32,737
Provision for returns from customers	50,451	35,450
Other	1,775	2,701
Total	220,537	185,954

26. Long-term financial payables

The long-term financial payables are as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Long-term bank borrowings	221,005	338,684
Deferred costs on loans	(64)	(262)
Total	220,941	338,422

Prada S.p.A.'s loan covenants were fully complied with as of December 31, 2024 and they are expected to be complied with within the next 12 months as well.

The long-term bank borrowings as of December 31, 2024, excluding amortised costs, are set forth below:

Borrower	Amount (Euro thousands)	Type of loan	Currency	Expiry date	Interest rate (1)	Current Portion (Euro thousands)	Non-current Portion (Euro thousands)	Pledge	Covenant (2)
Prada S.p.A.	20,171	Term-loan	EUR	05/2030	2.737%	3,666	16,505	Mortgage loan	n.a.
Prada S.p.A.	100,000	Term-loan	EUR	04/2025	2.000%	100,000	-	-	Leverage ≤ 3
Prada S.p.A.	100,000	Term-loan	EUR	07/2026	3.137%	-	100,000	-	Leverage ≤ 3.5
Prada S.p.A.	27,000	Term-loan	EUR	02/2026	3.549%	12,600	14,400	-	Leverage ≤ 3.5
Prada S.p.A.	3,000	Term-loan	EUR	01/2025	3.682%	3,000	-	-	Leverage ≤ 3
Prada S.p.A.	22,222	Term-loan	EUR	11/2026	3.662%	11,111	11,111	-	Leverage ≤ 3.5
Kenon Ltd	42,783	Term-loan	GBP	01/2029	4.477%	4,975	37,808	Mortgage loan	Loan to value < 60%
Prada Fashion Commerce (Shanghai) co Ltd	26,961	Term-loan	RMB	07/2026	3.451%	13,774	13,187	-	n.a.
Prada Fashion Commerce (Shanghai) co Ltd	27,994	Term-loan	RMB	08/2029	3.796%	-	27,994	-	n.a.
Total	370,131					149,126	221,005		

(1) the interest rates include the effect of any interest rate risk hedges
(2) "leverage" is the ratio between the net financial position (deficit) and the sum of "EBIT", "Interest expenses on lease liabilities" and "Depreciation, amortisation and impairment on tangible and intangible fixed assets"
"loan to value" is the ratio between the amount of the mortgage loan and the market value of the property
Covenants are calculated on a semester basis based on the financial information as of December 31 and June 30

In 2024, the current portions of long-term loans were repaid for a total amount of Euro 84 million. Prada Fashion Commerce (Shanghai) co Ltd stipulated a new medium/long-term loan, with a term of 5 years, for the amount of RMB 400 million (Euro 52.7 million), which was drawn at the end of the year for RMB 212.3 million (Euro 27.4 million).

Moreover, on April 17, 2024 Prada S.p.A. signed a new Euro 800 million Sustainability-Linked Revolving Credit Facility (5-year duration), replacing the existing Euro 400 million facility. This new Revolving Credit Facility is undrawn as of December 31, 2024.

Prada S.p.A.'s mortgage loan is secured by the Group's headquarter building in Milan, and Kenon Ltd's mortgage loan is secured by the building on Old Bond Street, London, used for one of the most prestigious Prada stores in Europe and offices.
The Group generally borrows at variable interest rates and manages the risk of interest rate fluctuations through hedging agreements, as described in Note 12.

The financial payables are set forth hereunder by their portions with fixed (that are connected to the existing IRS) and variable interest rates:

	December 31, 2024		December 31, 2023	
	variable interest rates	fixed interest rates	variable interest rates	fixed interest rates
Short-term financial payables	33%	67%	77%	23%
Long-term financial payables	56%	44%	44%	56%

27. Long-term employee benefits

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Post-employment benefits	40,974	42,092
Other long-term employee benefits	40,775	18,783
Total liabilities for long-term benefits	81,749	60,875
Pension plan surplus (Note 19)	(4,773)	(4,652)
Net liabilities for long-term benefits	76,976	56,223

Post-employment benefits
The net balance of long-term employee benefits as of December 31, 2024 is a liability of Euro 77 million (Euro 56.2 million as of December 31, 2023) and all the benefits fall within the scope of defined benefit plans.

The post-employment benefits consist of:
– Euro 19.9 million (Euro 21.3 million as of December 31, 2023) in liabilities accounted for by Italian companies;
– Euro 21.1 million by the foreign subsidiaries (Euro 20.8 million as of December 31, 2023).

The Italian liabilities regard the "Trattamento di Fine Rapporto" ("TFR", or staff leaving indemnities), a deferred benefit for employees that is mandatory for Italian businesses and is based on the employees' length of service and salary. The present value of the liability recognised was determined by projecting the amount accrued as of December 31, 2024 as per Italian law to the estimated future date of employment termination, and then discounting it to the present value at the same reporting date using the projected unit credit method ("PUCM").

The following table presents the changes in long-term employee benefits as of December 31, 2024:

(amounts in thousands of Euro)	Defined Benefit Plans in Italy (TFR)	Defined Benefit Plans in other countries (including Japan)	Pension Funds in UK	Other long-term employee benefits	Total
Opening balance	21,335	20,757	(4,652)	18,783	56,223
Current service cost	(48)	3,736	43	26,440	30,171
Financial charges (income)	769	182	(236)	614	1,329
Actuarial (gains) / losses	(668)	(271)	(195)	249	(885)
Benefits paid	(1,525)	(2,851)	586	(5,435)	(9,225)
Contributions	-	-	(97)	-	(97)
Exchange differences	-	(442)	(222)	124	(540)
Closing balance	19,863	21,111	(4,773)	40,775	76,976

The actuarial gains and losses are reported below:

(amounts in thousands of Euro)	Defined Benefit Plans in Italy (TFR)	Defined Benefit Plans in other countries (including Japan)	Pension Funds in UK
Actuarial adjustments due to:			
(a) Changes in financial assumptions	(682)	(392)	2,457
(b) Changes in other assumptions (e.g. demographic assumptions, remuneration increases)	14	121	(2,652)
Actuarial (gains) / losses	(668)	(271)	(195)

The current service cost and financial charges / (income) are recognised in the statement of profit or loss. For the item other long-term employee benefits only, the actuarial differences are also recognised in the statement of profit or loss.

The TFR liability was measured on the basis of an independent appraisal by Federica Zappari, an Italian actuary, member (n. 1134) of the Ordine Nazionale degli Attuari (Italian Society of Actuaries). The technical basis was processed using statistical data, whereas the demographic assumptions involved variables such as the probabilities of death, retirement, resignations and dismissals; contract expiration; leaving indemnity advances; supplementary pension schemes.

In the Consolidated Statement of Financial Position, the post-employment benefits are stated gross of the pension plan surplus for the Group companies operating in the United Kingdom that supply pension services to their employees. In 2024 Church & Co Ltd has terminated the Works Retirement Benefits Scheme with effective date on April 1, 2024. As of December 31, 2024, the fair value of the remaining pension plan (Staff pension scheme) was a surplus of Euro 4.8 million (Euro 4.7 million as of December 31, 2023). The fair value of the plan assets was determined by the independent actuary Broadstone Limited. It is detailed below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Fair value of plan assets	36,022	44,539
Fair value of plan liabilities	(31,249)	(39,887)
Pension plan surplus	4,773	4,652

The composition of the main plan assets on the reporting date is as follows:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Equities	7,430	9,960
Alternatives	2,144	11,273
Bonds	24,732	20,994
Cash	1,716	2,312
Total	36,022	44,539

The main actuarial assumptions used as of December 31, 2024 are as follows:

	Defined Benefit Plans in Italy (TFR)	Pension Funds in UK	Defined Benefit Plans in Japan
Average duration of plan (years)	10	11	9.9
Average increase in remuneration	2.60%	2.99%	2.61%
Rate of inflation	2.00%	2.99%	N/A

The main actuarial assumptions used as of December 31, 2023 are as follows:

	Defined Benefit Plans in Italy (TFR)	Pension Funds in UK	Defined Benefit Plans in Japan
Average duration of plan (years)	10	11	9.7
Average increase in remuneration	2.60%	2.74%	2.61%
Rate of inflation	2.50%	2.74%	N/A

The discount rate used to measure defined benefit plans was determined on the basis of yields on bonds with an AA rating and a maturity date similar to that of the plans.

With respect to the December 31, 2024 liability, a sensitivity analysis was performed on the main actuarial variables such as the discount rate, salary changes and inflation rate. The analysis did not lead to significant changes in the liability, except for the sensitivity analysis conducted on the interest rate curve, according to which a 50 basis point increase or decrease would cause an increase or decrease in the Group's total defined benefit obligation ("DBO") up to approximately Euro 3 million (or 4% of the current debt on the balance sheet).

Other long-term employee benefits

The other long-term employee benefits meet the IAS 19 and IFRS 2 definition of long-term employee benefits for the Group's key management personnel. Their actuarial valuation as of December 31, 2024, calculated using PUCM and fair value methodologies, resulted in Euro 40.8 million (Euro 18.8 million as of December 31, 2023), according to an independent actuarial appraisal.

Phantom stock options beneficiaries are entitled to cash payment based on the variable number of phantom shares assigned, depending on the achievement by the Group of economic and financial objectives and ESG target, in the period covered by the phantom share plans.

Phantom stock options value will be determined as the difference between the Prada share price at the end of the remuneration plan and its value at the beginning of the plan when stock options were assigned to the beneficiary.

As of December 31, 2024 there are four phantom stock options plans reserved to the Group top management, with vesting period in the years 2025, 2026 (two plans) and 2027, totaling n. 13,973,601 options.

Details of the phantom stock options assigned as of December 31, 2024 are set forth below:

Number of Phantom stock options	
Assigned as of December 31, 2023	3,232,430
Increase of the period	4,465,191
Payments of the period	-
Total as of December 31, 2024	7,697,621

The fair value of the options assigned is calculated with the Monte Carlo model, in line with IFRS2 requirements, and amounts to Euro 32.8 million.

28. Provisions for risks and charges

The changes in the provisions for risks and charges are as follows:

(amounts in thousands of Euro)	Provision for legal disputes	Provision for tax disputes	Other provisions	Total
Opening balance	1,133	582	48,152	49,867
Exchange differences	11	11	1,405	1,427
Reversals	(845)	(885)	(435)	(2,165)
Utilisation	(576)	(418)	(5,379)	(6,373)
Increases	806	2,218	18,504	21,528
Closing balance	529	1,508	62,247	64,284

The provisions for risks and charges represent Directors' best estimate of the maximum outflow of resources needed to settle liabilities deemed to be probable. In the Directors' opinion, based on the information available to them, the total amount accrued for risks and charges at the reporting date is adequate in respect of the liabilities that could arise from them.

Other provisions

The other provisions amount to Euro 62.2 million as of December 31, 2024 and mainly relate for Euro 52 million to contractual obligations to restore leased commercial properties to their original condition. Other provisions also include the Group's commitment in relation to the SEA BEYOND project.

29. Other non-current liabilities

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Deferred income for commercial agreements	89,739	98,713
Accrued costs for lease payments (out of scope for IFRS 16)	5,534	4,616
Other non-current liabilities	37	38
Total	95,310	103,367

30. Equity attributable to the owners of the Group

The equity attributable to the owners of the Group is set forth below:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Share capital	255,882	255,882
Share premium reserve	410,047	410,047
Other reserves	2,762,948	2,436,466
Actuarial reserve	(9,314)	(10,147)
Fair Value investments in equity instruments reserve	-	(8,773)
Cash flow hedge reserve	(8,064)	6,296
Translation reserve	148,959	92,998
Net income for the year	838,907	671,026
Total	4,399,365	3,853,795

Share capital
As of December 31, 2024, approximately 80% of Prada S.p.A.'s share capital was owned by Prada Holding S.p.A. and the remainder is listed on the Main Board of the Hong Kong Stock Exchange.

Share premium reserve
The share premium reserve of Euro 410 million is the same as that of December 31, 2023.

Other reserves
The other reserves amount to Euro 2,762.9 million as of December 31, 2024, up by Euro 326.5 million compared to December 31, 2023. The increase is mainly due to the allocation of the previous year's profit of Euro 671 million, offset in part by the distribution of dividends totaling Euro 350.6 million to Prada S.p.A. shareholders.

Translation reserve
Changes in this reserve result from the translation into Euro of the foreign currency financial statements of the consolidated companies. The reserve increased from Euro 93 million as of December 31, 2023 to Euro 149 million as of December 31, 2024.

Net income for the year
The Group's net result for the twelve months ended December 31, 2024 is a profit of Euro 838.9 million (versus a profit of Euro 671 million for the twelve months ended December 31, 2023).

31. Equity attributable to Non-controlling interests

The following table shows the changes in the Non-controlling interests during the years ended December 31, 2024 and December 31, 2023:

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Opening balance	23,014	18,805
Translation differences	612	(467)
Dividends	(250)	(250)
Net income for the year	4,493	2,366
Actuarial reserve	4	(11)
Sale of shares to the Group	(9,576)	-
Share capital increase	-	2,571
Other reserves	1,768	-
Closing balance	20,065	23,014

Consolidated Statement of Profit or Loss

For a detail explanation of the financial and business performances of 2024, refer to the Financial Review.

32. Net revenues

The consolidated net revenues are generated primarily from sales of finished products and are stated net of returns and discounts.

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Net sales	5,310,026	4,622,882
Royalties	121,531	103,529
Total	5,431,557	4,726,411

The Financial Review describes the net sales by distribution channel, brand and geographic area.

33. Cost of goods sold

The cost of goods sold has the following composition:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Purchases of raw materials and manufactoring services, net of change in inventories	693,552	567,472
Depreciation, amortisation and impairment on tangible and intangible fixed assets	20,678	18,690
Depreciation and impairment of the right of use assets	4,095	3,878
Labor cost	181,046	159,442
Short-term and low value lease (IFRS 16)	119	134
Logistics costs, duties and insurance	195,375	175,024
Total	1,094,865	924,640

The incidence of the cost of goods sold on net revenues for the twelve months ended December 31, 2024 was 20.2%, an increase from the 19.6% of 2023. Excluding the effect of exchange rate differences, the incidence of the cost of goods sold was substantially stable.

34. Operating expenses

The operating expenses are detailed below:

(amounts in thousands of Euro)	twelve months ended December 31 2024	% of net revenues	twelve months ended December 31 2023	% of net revenues
Product design and development costs	158,084	2.9%	150,616	3.2%
Advertising and communications costs	473,095	8.7%	420,288	8.9%
Selling costs	2,082,752	38.3%	1,872,626	39.6%
General and administrative costs	343,211	6.3%	296,549	6.3%
Total	3,057,142	56.3%	2,740,079	58.0%

Operating expenses totaled Euro 3,057.1 million, up by Euro 317.1 million versus 2023. The increase was attributable primarily to variable costs resulting from the sales increase, higher marketing spend, personnel expenses, and IT spend.

The following table sets forth depreciation, amortisation, impairment, personnel cost and rent expense included within the operating expenses in accordance with the requirements of IAS 1:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Depreciation, amortisation and impairment on tangible and intangible fixed assets	276,015	221,839
Depreciation and impairment of the right of use assets	458,631	460,220
Labor cost	907,836	817,085
Pure variable lease (IFRS 16)	316,961	252,373
Short term and low value lease (IFRS 16)	19,649	16,640

35. Financial income / (expenses)

The net interest and other financial income / (expenses) are presented below:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Interest expenses on borrowings	(19,802)	(18,596)
Interest income	19,095	26,064
Interest income / (expenses) IAS 19	(950)	(709)
Exchange gains / (losses) - realized	(2,512)	(14,867)
Exchange gains / (losses) - unrealized	(7,867)	(12,440)
Other financial income / (expenses)	(9,279)	(11,483)
Interest and other financial income / (expenses), net	(21,315)	(32,031)
Interest expenses on lease liabilities	(69,623)	(58,825)
Dividends from investments	111	627
Total financial expenses	(90,827)	(90,229)

The net financial expenses of Euro 90.8 million were substantially in line with 2023, due to lower exchange rate losses offset by higher interest expense on the lease liabilities.

36. Taxation

Income taxes have the following composition:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Current taxation	363,081	317,642
Deferred taxation	(18,508)	(19,571)
Pillar II - top-up tax	750	-
Total	345,323	298,071

The taxation for the twelve months ended December 31, 2024 was Euro 345.3 million, corresponding to 29.0% of the profit before tax.

The best estimate effect on the income taxes as of December 31, 2024 of the Pillar II jurisdictions that do not pass any of the transitional safe harbour tests lead to an accrual for the top-up tax of Euro 750 thousand.

In 2024, an agreement between Prada S.p.A. and the Italian Tax Authority was signed to settle the disputed deductibility of the commission paid by Prada S.p.A. to Prada Asia Pacific Ltd to remunerate its support activity for the wholesale distribution for the period from 2016 to 2021. Based on this agreement, Prada S.p.A. paid around Euro 15.2 million of taxes and interest; no penalties were applied by virtue of the correctness of the Transfer Pricing documentation prepared by Prada S.p.A..
Following the payment of the taxes described above, Prada S.p.A. recalculated the Patent Box benefit on trademarks with a higher benefit estimated at approximately Euro 3 million, of which Euro 2.3 million has been already recognised to profit or loss.

The reconciliation between the Group's theoretical tax rate and its effective tax rate for 2024 and 2023 is presented in the table below:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Group's weighted theoretical tax rate (calculated in absolute values on the basis of subsidiaries' pre-taxable income / loss)	27.9%	27.2%
Non deductible expenses, net of not taxable income	0.8%	1.6%
Write-off of the deferred tax asset and utilization of tax losses carried forward	-0.1%	0.1%
Prior years taxes adjustments	0.1%	1.3%
Withholding and other income taxes	0.3%	0.5%
Effective tax rate of the Group	29.0%	30.7%

The changes in deferred tax assets and liabilities are set forth below:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Opening balance	339,116	332,235
Exchange differences	3,501	(14,858)
Deferred taxes on derivative instruments recorded in equity (cash flow hedges)	4,530	1,209
Deferred taxes on post-employment benefits recorded in equity (reserve for actuarial differences)	(262)	1,021
Deferred taxes on revaluation IAS 29	1,451	(120)
Other movements	162	(61)
Deferred taxes for the year in profit or loss	17,057	19,690
Closing balance	365,555	339,116

The deferred tax assets and liabilities are classified by nature hereunder:

(amounts in thousands of Euro)	December 31, 2024		December 31, 2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Inventories	259,178	-	240,317	-
Receivables and other assets	3,141	729	2,595	738
Useful life of non-current assets	29,414	10,208	32,322	8,839
Deferred taxes due to acquisitions	-	10,468	-	10,881
Provision for risks / accrued expenses	34,864	2,799	26,482	1,662
Non-deductible / taxable charges / income	9,827	3,209	11,367	2,652
Deferred tax assets and liabilities on lease contracts	46,978	2,575	40,605	2,909
Tax loss carryforwards	5,249	-	5,491	-
Derivative financial instruments	3,632	1,115	682	2,686
Long term employee benefits	9,215	1,193	9,191	1,163
Other	7,473	11,120	5,795	4,201
Total	408,971	43,416	374,847	35,731

The tax loss carryforwards as of December 31, 2024, including those already recognised in the Group's financial statements, are detailed below:

(amounts in thousands of Euro)	December 31 2024
Expiring within 5 years	2,133
Expiring after 5 years	2,816
Available for carryforward with no time limit	118,092
Total tax loss carryforwards	123,041

The Directors updated the deferred tax assets recognised on tax loss carryforwards taking into consideration, for their recoverability, the macroeconomic scenario and the business developments of each of the Group's companies.

37. Earnings and dividends per share

Earnings per share basic and diluted

Earnings per share are calculated by dividing the net profit attributable to the Group's shareholders by the weighted average number of ordinary shares outstanding.

	twelve months ended December 31 2024	twelve months ended December 31 2023
Group net income in Euro	838,907,132	671,026,021
Weighted average number of ordinary shares in issue	2,558,824,000	2,558,824,000
Basic and diluted earnings per share in Euro, calculated on weighted average number of shares	0.328	0.262

Dividends per share

The Board of Directors of the Company has proposed a final dividend of Euro 419,647,136 (Euro 0.164 per share) for the twelve months ended December 31, 2024.

During 2024, the Company distributed dividends of Euro 350,558,888 (Euro 0.137 per share), as approved at the Shareholders' General Meeting held on April 24, 2024 to approve the December 31, 2023 financial statements.

The dividends and the related Italian withholding tax due (Euro 18.3 million), determined by applying the ordinary Italian tax rate to the entire amount of the dividends distributed to the beneficial owners of the Company's shares held through the Hong Kong Central Clearing and Settlement System, were fully paid during the year.

The dividends paid in the past three years are detailed hereunder:

	Financial statements ended December 31 2023	Financial statements ended December 31 2022	Financial statements ended December 31 2021
Total dividends paid (Euro)	350,558,888	281,470,640	179,117,680
Dividends per share (Euro)	0.137	0.110	0.070
Date of approval by Shareholders' Meeting	24/04/2024	27/04/2023	28/04/2022
Date of payment	May 2024	May 2023	May 2022

38. Additional information

Number of employees

The average number of full-time equivalent ("FTE") employees (calculated by dividing the number of actual hours worked by the total number of scheduled hours), by business division, is presented below:

(number of employees)	twelve months ended December 31 2024	twelve months ended December 31 2023
Production	3,707	3,406
Product design and development	1,022	973
Advertising and communications	258	240
Selling	8,808	8,473
General and administrative services	1,187	1,099
Total	14,982	14,191

As headcount, the Group has 15,216 employees as of December 31, 2024.

Employee remuneration

The employee remuneration by business division is presented below:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Production	181,046	159,442
Product design and development	83,990	71,452
Advertising and communications	39,115	35,133
Selling	633,797	574,475
General and administrative services	150,934	136,025
Total	1,088,882	976,527

The classification by type of employee remuneration is presented below:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Wages and salaries	808,326	737,374
Post-employment benefits and other long-term benefits	60,364	43,064
Social contributions	165,836	151,967
Other	54,356	44,122
Total	1,088,882	976,527

Distributable reserves of the parent company, Prada S.p.A.

(amounts in thousands of Euro)	December 31 2024	Possible utilization	Distributable amount	Summary of utilization in the last three years	
				Coverage of losses	Distribution of dividends
Share capital	255,882		-	-	-
Share premium reserve	410,047	A, B, C	410,047	-	-
Legal reserve	51,176	B	-	-	-
Other reserves	182,899	A, B, C	182,899	-	-
Retained earnings	1,584,943	A, B, C	1,564,427	16,176	550,147
Cash flow hedge reserve	(9,341)		-	-	-
Distributable amount			2,157,373	16,176	550,147

A: share capital increase
B: coverage of losses
C: distributable to shareholders

Under Italian Civil Code Article 2431, the share premium reserve is fully distributable since the amount of the legal reserve is equal to or exceeds 20% of the share capital.

Under Italian Legislative Decree 38/2005, Article 7, Euro 20.5 million of the retained earnings is not distributable.

Exchange rates

The exchange rates against the Euro used for consolidation of the Statements of Financial Position and Statements of Profit or Loss whose presentation currency differed from that of the Consolidated Financial Statements as of December 31, 2024 and December 31, 2023 are listed hereunder:

Currency	Average rate December 31 2024	Average rate December 31 2023	Closing rate December 31 2024	Closing rate December 31 2023
UAE Dirham	3.975	3.972	3.816	4.059
Australian Dollar	1.640	1.628	1.677	1.626
Brazilian Real	5.821	5.405	6.425	5.362
Canadian Dollar	1.482	1.459	1.495	1.464
Swiss Franc	0.953	0.972	0.941	0.926
Czech Koruna	25.118	24.000	25.185	24.724
Danish Kronor	7.459	7.451	7.458	7.453
GB Pound	0.847	0.870	0.829	0.869
Hong Kong Dollar	8.445	8.467	8.069	8.631
Japanese Yen	163.776	151.794	163.060	156.330
Korean Won	1,475.136	1,412.443	1,532.150	1,433.660
Kuwait Dinar	0.332	0.332	0.320	0.340
Kazakhstani Tenge	507.287	493.268	546.740	502.240
Moroccan Dirham	10.756	10.955	10.510	10.912
Macau Pataca	8.697	8.721	8.304	8.913
Mexican Peso	19.797	19.210	21.550	18.723
Malaysian Ringgit	4.954	4.929	4.645	5.078
New Zealand Dollar	1.788	1.761	1.853	1.750
Norwegian Krone	11.629	11.417	11.795	11.241
Philippine Peso	61.972	60.150	60.301	61.283
Qatari Riyal	3.946	3.933	3.789	4.029
Chinese Renminbi	7.788	7.656	7.583	7.851
Romanian Leu	4.975	4.946	4.974	4.976
Russian Ruble	100.170	92.347	116.562	100.014
Saudi Riyal	4.061	4.057	3.904	4.144
Swedish Kronor	11.431	11.474	11.459	11.096
Singapore Dollar	1.446	1.452	1.416	1.459
Thai Baht	38.192	37.617	35.676	37.973
Turkish Lira	35.538	25.685	36.737	32.653
Taiwan Dollar	34.738	33.685	34.085	33.800
Ukrainian Hryvna	43.451	39.549	43.686	41.996
US Dollar	1.082	1.082	1.039	1.105
Vietnamese Dong	26,144.849	25,732.534	25,311.000	26,437.000
South African Rand	19.841	19.941	19.619	20.348

Auditor's compensation

The total fees and expenses recognised to Deloitte & Touche S.p.A. and its network for auditing the financial statements of the years ended December 31, 2024 and December 31, 2023 and for providing non-audit services are presented below (amounts in thousands of Euro):

Type of service	Audit firm	Provided to	twelve months ended December 31 2024	twelve months ended December 31 2023
Audit services	Deloitte & Touche S.p.A.	Prada S.p.A.	550	514
Audit services	Deloitte & Touche S.p.A.	Subsidiaries	229	227
Audit services	Deloitte Network	Subsidiaries	1,017	967
Total audit fees to Deloitte Network			1,796	1,708
Other advisory services	Deloitte Network	Prada S.p.A.	150	756
Other advisory services	Deloitte Network	Subsidiaries	90	111
Total non-audit fees to Deloitte Network			240	867
Total compensation to Deloitte Network			2,036	2,575

39. Remuneration of Board of Directors, five highest paid individuals and Senior Managers

Remuneration of Prada S.p.A. Board of Directors for the year ended December 31, 2024:

(amounts in thousands of Euro)	Directors' fees	Salaries	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contrbutions	Total
Patrizio Bertelli	20,468	-	-	-	28	20,496
Paolo Zannoni	4,953	24	-	-	10	4,987
Andrea Guerra	-	1,685	3,554	58	1,543	6,840
Miuccia Prada Bianchi	20,468	-	-	-	28	20,496
Andrea Bonini	-	1,019	1,421	31	60	2,531
Lorenzo Bertelli	-	304	462	16	53	835
Yoël Zaoui	165	-	-	-	28	193
Marina Sylvia Caprotti	125	-	-	-	-	125
Cristiana Ruella	107	-	-	-	-	107
Pamela Yvonne Culpepper	160	-	-	-	28	188
Anna Maria Rugarli	170	-	-	-	28	198
Maurizio Cereda	50	-	-	-	2	52
Total	46,666	3,032	5,437	105	1,808	57,048

The Directors' Fees include both the remuneration approved by the shareholders at the Annual General Meeting and the remuneration approved by the Board of Directors, with the favorable opinion of the Board of Statutory Auditors, for the Directors holding special offices.

The Salaries of Andrea Guerra, Andrea Bonini and Lorenzo Bertelli are inclusive also of their Directors' Fees.

Remuneration of Prada S.p.A. Board of Directors for fiscal year ended December 31, 2023:

(amounts in thousands of Euro)	Directors' fees	Salaries	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contrbutions	Total
Patrizio Bertelli	19,273	-	-	-	27	19,300
Paolo Zannoni	4,408	24	-	-	5	4,437
Andrea Guerra	-	1,671	2,633	44	1,295	5,643
Miuccia Prada Bianchi	19,273	-	-	-	27	19,300
Andrea Bonini	-	958	692	34	157	1,841
Lorenzo Bertelli	-	240	182	15	62	499
Yoël Zaoui	147	12	-	-	27	186
Marina Sylvia Caprotti	147	-	-	-	-	147
Maurizio Cereda	133	-	-	-	5	138
Pamela Yvonne Culpepper	133	-	-	-	27	160
Anna Maria Rugarli	113	-	-	-	15	128
Stefano Simontacchi	4	-	-	-	-	4
Total	43,631	2,905	3,507	93	1,647	51,783

Remuneration of five highest paid individuals

The Group's five highest paid individuals included three Board of Director members for 2024 and three Board Members for 2023. The total remuneration of the remaining two highest paid individuals for the twelve months ended December 31, 2024 and the remaining two highest paid individuals for the twelve months ended December 31, 2023 is set forth below:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Remuneration and other benefits	16,727	15,463
Bonuses and other incentives	12,582	16,788
Non-monetary benefits	413	271
Pension / social security, healthcare and TFR contributions	32	301
Total	29,754	32,823

Excluding the remuneration of the Board of Directors' members, the remuneration of the highest paid individuals by range of amount is as follows:

	twelve months ended December 31 2024	twelve months ended December 31 2023
Less than HKD 8,000,000	-	-
Between HKD 8,000,000 and HKD 20,000,000	-	-
Between HKD 20,000,000 and HKD 50,000,000	1	1
More than HKD 50,000,000	1	1
Total individuals	2	2

Senior Managers remuneration

The remuneration of the Senior Managers is as follows:

(amounts in thousands of Euro)	twelve months ended December 31 2024	twelve months ended December 31 2023
Remuneration and other benefits	25,692	23,133
Bonuses and other incentives	24,723	20,518
Non-monetary benefits	1,381	1,104
Pension / social security, healthcare and TFR contributions	3,345	2,597
Total	55,141	47,352

There were 23 Senior Managers as of December 31, 2024, and 26 Senior Managers as of December 31, 2023.

The remuneration range of the Senior Managers is as follows:

	twelve months ended December 31 2024	twelve months ended December 31 2023
Less than HKD 4,000,000	3	8
between HKD 4,000,000 and HKD 8,000,000	7	14
between HKD 8,000,000 and HKD 16,000,000	9	2
between HKD 16,000,000 and HKD 50,000,000	3	1
more than HKD 50,000,000	1	1
Total individuals	23	26

The above table does not include the remuneration of Senior Managers who are also Directors.

The amounts reported in the tables setting forth the remuneration of the Prada S.p.A. Board of Directors, five highest paid individuals and Senior Managers are those recognised in the Statement of Profit or Loss.

40. Related party transactions

The Group carries out transactions with companies classifiable as related parties according to IAS 24, "Related Party Disclosures". In the twelve months ended December 31, 2024, these transactions referred primarily to the purchase or sale of finished and semi-finished products and raw materials, the supply of services, loans and leases.

The following tables present the effect of related-party transactions on the Consolidated Financial Statements in terms of end-of-year Statement of Financial Position balances and total transactions affecting the Statement of Profit or Loss.

Statement of financial position balances as of December 31, 2024

(amounts in thousands of Euro)	Trade receivables (net)	Receivables due from, and advance payments to, related parties – current	Receivables due from, and advance payments to, related parties – non current	Right of use assets	Trade payables	Payables due to related parties – current	Lease liabilities	Other liabilities
Les Femmes S.r.l.	812	7	369	-	1,985	-	-	-
Filati Biagioli Modesto S.p.A.	-	-	-	-	270	-	-	-
Luigi Fedeli e Figlio S.r.l.	-	-	-	-	-	-	-	-
Spelm Sa	-	-	-	2,749	-	-	2,818	-
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	275	5,569	-	-
Immobiliare Rivalsa S.p.A. (*)	-	5	-	47,740	9	-	39,257	-
Ludo Due S.r.l.	-	-	-	6,641	-	-	7,744	-
Peschiera Immobiliare S.r.l.	12	-	-	4,338	72	-	4,910	-
Premiata S.r.l.	-	-	-	-	220	-	-	-
Conceria Superior S.p.A.	14	-	-	-	1,670	-	-	-
Perseo S.r.l.	-	-	-	-	247	-	-	-
Antica Buca di San Francesco S.r.l.	9	-	-	-	-	-	-	-
Effepi S.r.l.	-	-	-	-	779	-	-	-
Al Tayer Group Llc	-	-	-	-	31	-	-	-
Al Tayer Insignia Llc	1,285	-	-	-	176	2,580	-	-
Danzas Llc	-	-	-	-	-	-	-	-
Store Specialists Inc	141	-	-	-	24	130	-	-
Al Sanam Rent a Car Llc	-	-	-	-	-	-	-	-
Prada Holding S.p.A.	96	-	-	19	35	-	19	-
PH-RE Llc	-	129	-	139,724	-	-	163,590	-
Members of the Board of Directors of Prada S.p.A.	-	-	-	-	-	-	-	10,285
Total as of December 31, 2024	2,369	141	369	201,211	5,793	8,279	218,338	10,285

(*) Immobiliare Rivalsa S.p.A., previously an independent third party that owns a real estate property in Milan leased by the Company since 2019, was acquired in 2023 by a subsidiary of Prada Holding S.p.A. (the "Acquisition"). The right of use assets and lease liabilities amounts are recognised under lease agreements (including remeasurements pursuant to the automatic renewal of an existing lease) entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

Statement of financial position balances as of December 31, 2023

(amounts in thousands of Euro)	Trade receivable (net)	Receivables due from, and advance payments to, related parties – current	Receivables due from, and advance payments to, related parties – non current	Right of use assets	Trade payables	Payables due to related parties – current	Lease liabilities	Other liabilities
Les Femmes S.r.l.	716	2	-	-	2,470	-	-	-
Filati Biagioli Modesto S.p.A.	59	-	-	-	171	-	-	-
Luigi Fedeli e Figlio S.r.l.	-	-	-	-	2	-	-	-
Spelm Sa	-	-	-	3,415	-	-	3,486	-
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	55	3,428	-	-
Immobiliare Rivalsa S.p.A. (*)	-	-	-	29,521	-	-	22,964	-
Ludo Due S.r.l.	-	-	-	7,940	-	-	8,830	-
Peschiera Immobiliare S.r.l.	-	1	-	2,474	41	-	3,009	-
Premiata S.r.l.	-	-	-	-	187	-	-	-
Conceria Superior S.p.A.	-	-	-	-	2,317	-	-	-
Perseo S.r.l.	-	-	-	-	252	-	-	-
Al Tayer Group Llc	-	-	-	-	17	-	-	-
Al Tayer Insignia Llc	1,016	-	-	-	145	2,425	-	-
Danzas Llc	-	-	-	-	113	-	-	5
Al Sanam Rent a Car Llc	-	-	-	-	2	-	-	-
Prada Holding S.p.A.	57	-	-	-	-	-	-	-
PH-RE Llc	-	135	-	161,391	-	-	185,114	-
Others	4	-	-	-	-	-	-	-
Members of the Board of Directors of Prada S.p.A.	-	-	-	-	-	-	-	8,575
Total as of December 31, 2023	1,852	138	-	204,741	5,772	5,853	223,403	8,580

(*) Immobiliare Rivalsa S.p.A., previously an independent third party that owns a real estate property in Milan leased by the Company since 2019, was acquired in 2023 by a subsidiary of Prada Holding S.p.A. (the "Acquisition"). The right of use assets and lease liabilities amounts are recognised under lease agreements (including remeasurements pursuant to the automatic renewal of an existing lease) entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

Statement of profit or loss transactions for the twelve months ended December 31, 2024

(amounts in thousands of Euro)	Net revenues	Cost of goods sold	General, admin. & selling costs (income)	Interest income	Interest expenses	Royalties
Les Femmes S.r.l.	-	8,577	3	7	-	-
Filati Biagioli Modesto S.p.A.	-	7,589	114	-	-	-
Luigi Fedeli e Figlio S.r.l.	-	910	3	-	-	-
Spelm Sa	-	-	604	-	25	-
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	265	-
Immobiliare Rivalsa S.p.A. (*)	-	-	6,023	-	645	-
Ludo Due S.r.l.	-	-	1,091	-	103	-
Peschiera Immobiliare S.r.l.	-	236	641	-	154	-
Premiata S.r.l.	-	96	731	-	-	-
Conceria Superior S.p.A.	31	17,540	211	-	-	-
Perseo S.r.l.	-	802	-	-	-	-
Antica Buca di San Francesco S.r.l.	1	-	(15)	-	-	-
Effepi S.r.l.	-	182	-	-	-	-
Al Tayer Group Llc	-	-	409	-	-	-
Al Tayer Insignia Llc	3,220	-	138	-	145	-
Danzas Llc	-	-	10	-	-	-
Al Sanam Rent a Car Llc	-	-	7	-	-	-
Stores Specialists Inc	-	2,610	140	-	-	20
Prada Holding S.p.A.	-	-	72	-	2	-
PH-RE Llc	-	-	14,940	-	1,549	-
Total as of December 31, 2024	3,252	38,542	25,122	7	2,888	20

(*) Immobiliare Rivalsa S.p.A., previously an independent third party that owns a real estate property in Milan leased by the Company since 2019, was acquired in 2023 by a subsidiary of Prada Holding S.p.A. (the "Acquisition"). The right of use assets and lease liabilities amounts are recognised under lease agreements (including remeasurements pursuant to the automatic renewal of an existing lease) entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

Statement of profit or loss transactions for the twelve months ended December 31, 2023

(amounts in thousands of Euro)	Net revenues	Cost of goods sold	General, admin. & selling costs (income)	Interest income	Interest expenses
Les Femmes S.r.l.	-	8,730	-	11	-
Filati Biagioli Modesto S.p.A.	-	4,327	113	77	-
Luigi Fedeli e Figlio S.r.l.	-	2	-	-	-
Spelm Sa	-	-	591	-	30
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	56
Immobiliare Rivalsa S.p.A. (*)	-	-	1,206	-	75
Ludo Due S.r.l.	-	-	1,115	-	118
Peschiera Immobiliare S.r.l.	-	47	575	-	27
Premiata S.r.l.	-	54	720	-	-
Conceria Superior S.p.A.	-	12,996	172	-	-
Perseo S.r.l.	-	714	-	-	-
Al Tayer Group Llc	-	-	297	-	-
Al Tayer Insignia Llc	3,187	-	139	-	124
Danzas Llc	-	254	170	-	-
Al Sanam Rent a Car Llc	-	-	12	-	-
Prada Holding S.p.A.	22	-	73	-	2
PH-RE Llc	-	-	16,119	-	1,805
Others	2	-	-	-	-
Total as of December 31, 2023	3,211	27,124	21,302	88	2,237

(*) Immobiliare Rivalsa S.p.A., previously an independent third party that owns a real estate property in Milan leased by the Company since 2019, was acquired in 2023 by a subsidiary of Prada Holding S.p.A. (the "Acquisition"). The right of use assets and lease liabilities amounts are recognised under lease agreements (including remeasurements pursuant to the automatic renewal of an existing lease) entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

The foregoing tables report information on transactions with related parties in accordance with IAS 24, "Related Party Disclosures", while the following transactions also fall within the scope of application of the Hong Kong Stock Exchange Listing Rules.

The transactions with related party PH-RE Llc (formerly PABE-RE Llc) refer to the transaction between such company and Prada Japan co Ltd in relation to the lease of two buildings in Aoyama, Tokyo for Prada and Miu Miu stores. The transactions reported for the twelve months ended December 31, 2024 are regulated by Chapter 14A of the Listing Rules because they are considered continuing connected transactions subject to disclosure, but they are exempt from the independent shareholders' approval requirement. As required by the Listing Rules, comprehensive disclosure of those continuing connected transactions is contained in Prada S.p.A.'s Announcements dated, respectively, July 15, 2015 ("Prada Aoyama") and May 26, 2017 ("Miu Miu Aoyama").

Apart from the non-exempt continuing connected transactions and non-exempt connected transactions reported above, no other transaction reported in the 2024 consolidated financial statements meets the definition of "connected transaction" or "continuing connected transaction" contained in Chapter 14A of the Hong Kong Stock Exchange Listing Rules or, if it does meet the definition of "connected transaction" or "continuing connected transaction" according to Chapter 14A, it is exempt from the announcement, disclosure and independent shareholders' approval requirements laid down in Chapter 14A.

41. Financial trend

(amounts in thousands of Euro)	December 31 2024	December 31 2023	December 31 2022	December 31 2021	December 31 2020
Net revenues	5,431,557	4,726,411	4,200,674	3,365,667	2,422,739
Gross margin	4,336,692	3,801,771	3,312,094	2,547,358	1,743,378
Operating income - (EBIT)	1,279,550	1,061,692	775,990	489,484	20,061
Net income / (loss) - Group	838,907	671,026	465,193	294,254	(54,139)
Total assets	8,549,959	7,615,051	7,377,578	6,959,011	6,527,927
Total liabilities	4,130,529	3,738,242	3,876,556	3,830,368	3,676,207
Net equity attributable to owners of the Group	4,399,365	3,853,795	3,482,217	3,113,894	2,832,057

42. Consolidated companies

Company	Local currency	Share capital (000s of local currency)	% Interest	Registered office	Principal place of operation	Date of incorporation / establishment (MM/DD/YYYY)	Main business
Italy							
Prada S.p.A.	EUR	255,882		Milan	Italy		Group Holding / Manufacturing / Services / Distribution / Retail
Artisans Shoes S.r.l. (*)	EUR	1,000	66.7	Montegranaro	Italy	02/09/1977	Manufacturing
IPI Logistica S.r.l. (*)	EUR	600	100	Milan	Italy	01/26/1999	Services
Marchesi 1824 S.r.l. (*)	EUR	1,000	100	Milan	Italy	07/10/2013	Food & Beverage
Figline S.r.l. (*)	EUR	535	100	Milan	Italy	07/24/2019	Manufacturing
Luna Rossa Challenge S.r.l. (*)	EUR	10	100	Grosseto	Italy	12/01/2021	Management sailing team
Pelletteria Scandicci S.r.l. (*)	EUR	10	100	Terranuova Bracciolini	Italy	08/02/2024	Dormant
Europe							
Prada Retail UK Ltd (*)	GBP	5,000	100	London	U.K.	01/07/1997	Retail
Prada Germany Gmbh (*)	EUR	215	100	Munich	Germany	03/20/1995	Retail / Services
Prada Austria Gmbh (*)	EUR	40	100	Vienna	Austria	03/14/1996	Retail
Prada Spain Sl (*)	EUR	240	100	Madrid	Spain	05/14/1986	Retail
Prada Retail France Sas (*)	EUR	7,252	100	Paris	France	10/10/1984	Retail
Prada Hellas Sole Partner Llc (*)	EUR	4,350	100	Athens	Greece	12/19/2007	Retail
Prada Monte-Carlo Sam (*)	EUR	2,000	100	Monaco	Principality of Monaco	05/25/1999	Retail
Prada Sa (*)	EUR	31	100	Luxembourg	Switzerland	07/29/1994	Trademarks / Services
Prada Netherlands Bv (*)	EUR	20	100	Amsterdam	Netherlands	03/27/2000	Retail
Prada Czech Republic Sro (*)	CZK	2,500	100	Prague	Czech Republic	06/25/2008	Retail
Prada Portugal Unipessoal Lda (*)	EUR	5	100	Lisbon	Portugal	08/07/2008	Retail
Prada Rus Llc (*)	RUB	250	100	Moscow	Russian Federation	11/07/2008	Retail
Prada Bosphorus Deri Mamuller Ltd Sirketi (*)	TRY	353,000	100	Istanbul	Turkey	02/26/2009	Retail
Prada Ukraine Llc (*)	UAH	240,000	100	Kiev	Ukraine	10/14/2011	Retail
Prada Sweden Ab (*)	SEK	500	100	Stockholm	Sweden	12/18/2012	Retail
Prada Switzerland Sa (*)	CHF	24,000	100	Lugano	Switzerland	09/28/2012	Retail
Prada Kazakhstan Llp (*)	KZT	500,000	100	Almaty	Kazakhstan	06/24/2013	Retail

Company	Local currency	Share capital (000s of local currency)	% Interest	Registered office	Principal place of operation	Date of incorporation / establishment (MM/DD/YYYY)	Main business
Europe							
Kenon Ltd (*)	GBP	84,000	100	London	U.K.	02/07/2013	Real Estate
Tannerie Limoges Sas (*)	EUR	600	60	Isle	France	08/19/2014	Manufacturing
Prada Denmark Aps (*)	DKK	26,000	100	Copenhagen	Denmark	05/19/2015	Retail
Prada Belgium Sprl (*)	EUR	4,075	100	Brussels	Belgium	12/04/2015	Retail
Hipic Prod Impex Srl (*)	RON	25,471	100	Sibiu	Romania	04/15/2016	Manufacturing
Prada San Marino S.r.l. (*)	EUR	26	100	Falciano	San Marino	04/15/2021	Retail
Prada Norway As (*)	NOK	30	100	Oslo	Norway	09/01/2022	Retail
Luna Rossa Challenge 2024 Sl	EUR	10	100	Barcelona	Spain	06/27/2023	Management sailing team
Church UK Retail Ltd	GBP	0.001	100	Northampton	U.K.	07/16/1987	Under liquidation
Church & Co. Ltd (*)	GBP	2,811	100	Northampton	U.K.	01/16/1926	Manufacturing / Services
Church & Co. (Footwear) Ltd	GBP	44	100	Northampton	U.K.	03/06/1954	Trademarks
Church Germany Gmbh	EUR	200	100	Munich	Germany	09/18/2018	Under liquidation
Americas							
Prada USA Corp. (*)	USD	579,211	100	New York	U.S.A.	10/25/1993	Distribution / Services / Retail
Prada Canada Corp. (*)	CAD	300	100	Toronto	Canada	05/01/1998	Distribution / Retail
Prada USA Cafe Corp.	USD	0.001	100	New York	U.S.A.	06/10/2024	Dormant
Post Development Corp. (*)	USD	86,592	100	New York	U.S.A.	02/18/1997	Real Estate
Prada Retail Mexico, S. de R.L. de C.V.	MXN	269,140	100	Mexico City	Mexico	07/12/2011	Retail
Prada Brasil Importação e Comércio de Artigos de Luxo Ltda (*)	BRL	340,000	100	Sao Paulo	Brazil	04/12/2011	Retail
Prada Panama Sa (*)	USD	30	100	Panama	Panama	09/15/2014	Dormant
Prada Retail Aruba Nv (*)	USD	2,011	100	Oranjestad	Aruba	09/25/2014	Retail
Prada Saint Barthelemy Sarl (*)	EUR	1,600	100	Gustavia	St. Barthelemy	04/01/2016	Retail
Asia-Pacific and Japan							
Prada Asia Pacific Ltd (*)	HKD	3,000	100	Hong Kong	Hong Kong S.A.R., P.R.C.	09/12/1997	Retail / Services
Prada Taiwan Ltd	TWD	3,800	100	Hong Kong	Taiwan P.R.C.	09/16/1993	Retail
Prada Retail Malaysia Sdn. Bhd. (*)	MYR	36,000	100	Kuala Lumpur	Malaysia	01/23/2002	Retail
Prada Singapore Pte Ltd (*)	SGD	1,000	100	Singapore	Singapore	10/31/1992	Retail
Prada Korea Llc (*)	KRW	8,125,000	100	Seoul	South Korea	11/27/1995	Retail
Prada (Thailand) co Ltd (*)	THB	572,000	100	Bangkok	Thailand	06/19/1997	Retail
Prada Japan co Ltd (*)	JPY	1,200,000	100	Tokyo	Japan	03/01/1991	Retail
Prada Guam Llc	USD	0.001	100	Guam	Guam	02/04/2021	Retail
Prada Saipan Llc (*)	USD	1,405	100	Northern Marianas Islands	Saipan	01/20/2021	Retail
Prada Australia Pty Ltd (*)	AUD	13,500	100	Sydney	Australia	04/21/1997	Retail
Prada Trading (Shanghai) Co Ltd (***)	RMB	1,653	100	Shanghai	P.R.C.	02/09/2004	Dormant
Prada Fashion Commerce (Shanghai) Co Ltd (***)	RMB	924,950	100	Shanghai	P.R.C.	10/31/2005	Retail
Church Hong Kong Retail Ltd	HKD	29,004	100	Hong Kong	Hong Kong S.A.R., P.R.C.	06/04/2004	Dormant
Prada Dongguan Trading Co. Ltd (***)	RMB	8,500	100	Dongguan	P.R.C.	11/28/2012	Services
Prada New Zealand Ltd (*)	NZD	3,500	100	Wellington	New Zealand	07/05/2013	Retail
Prada Vietnam Limited Liability Company (*)	VND	146,246,570	100	Hanoi	Vietnam	09/09/2014	Retail
Prada Macau Co Ltd	MOP	25	100	Macau	Macau S.A.R., P.R.C.	01/22/2015	Retail
Prada Philippines Inc. (*)	PHP	380,000	60	Manila	Philippines	10/10/2023	Retail

Company	Local currency	Share capital (000s of local currency)	% Interest	Registered office	Principal place of operation	Date of incorporation / establishment (MM/DD/YYYY)	Main business
Middle East							
Prada Middle East Fzco (*)	AED	18,000	79	Jebel Ali Free Zone	U.A.E.	05/25/2011	Distribution / Services
Prada Emirates Llc (**)	AED	300	38.7	Dubai	U.A.E.	08/04/2011	Retail
Prada Kuwait Wll (**)	KWD	50	38.7	Kuwait City	Kuwait	09/18/2012	Retail
Prada Retail Wll (*)	QAR	15,000	100	Doha	Qatar	02/03/2013	Retail
Prada Saudi Arabia Ltd (*)	SAR	26,666	75	Jeddah	Saudi Arabia	07/02/2014	Retail
Prada Bahrain Wll (*)	BHD	5	100	Manama	Bahrain	07/10/2024	Retail
Other countries							
Prada Retail South Africa (pty) Ltd (*)	ZAR	50,000	100	Sandton	South Africa	06/09/2014	Dormant

(*) Company owned directly by Prada S.p.A.
(**) Company consolidated based on definition of control per IFRS 10
(***) Wholly foreign owned enterprises

43. Disclosures regarding non-controlling interests

The financial information of companies not entirely controlled by the Group is provided below, as required by IFRS 12. The amounts are stated before the consolidation adjustments.

December 31, 2024 financial statements (amounts in thousands of Euro):

Company	Group's percentage interest	Local currency	Total assets	Total equity	Net revenues	Net income/ (loss)	Dividends paid to non-controlling shareholders
Artisans Shoes S.r.l.	66.7	EUR	44,773	6,798	77,380	1,381	(250)
Prada Emirates Llc	38.7	AED	167,395	7,825	162,170	8,026	-
Prada Middle East Fzco	79	AED	130,447	64,595	94,802	5,798	-
Prada Kuwait Wll	38.7	KWD	41,521	5,781	24,151	506	-
Prada Saudi Arabia Ltd	75	SAR	51,216	4,601	14,585	(232)	-
Tannerie Limoges Sas	60	EUR	11,626	248	10,747	(17)	-
Prada Philippines Inc.	60	PHP	8,599	6,463	4,128	158	-

December 31, 2023 financial statements (amounts in thousands of Euro):

Company	Group's percentage interest	Local currency	Total assets	Total equity	Net revenues	Net income/ (loss)	Dividends paid to non-controlling shareholders
Artisans Shoes S.r.l.	66.7	EUR	40,351	6,167	59,936	423	(250)
Prada Emirates Llc	29.4	AED	141,903	(505)	128,257	6,348	-
Prada Middle East Fzco	60	AED	127,346	55,052	87,175	3,289	-
Prada Kuwait Wll	29.4	KWD	44,829	4,957	19,941	823	-
Prada Saudi Arabia Ltd	75	SAR	30,495	4,562	10,921	(746)	-
Tannerie Limoges Sas	60	EUR	9,729	264	9,850	-	-

There were no significant restrictions on the Group’s ability to access or use assets or to settle liabilities at the end of the reporting period.

44. Events after the reporting date

No significant events to be reported.

CHAPTER 10

Independent Auditor's Reports

Independent Auditor's Reports

The Independent Auditor's Reports included in this Annual Report are in two different formats taking into account the differences between the International Auditing Standards (ISAs) issued by the International Auditing and Assurance Standard Boards (IAASB) and the auditing standards adopted in the Italian jurisdiction (ISA Italia). Specifically, in accordance to the regulations applicable in Hong Kong, where the Company's shares are listed on the Main Board of the Hong Kong Stock Exchange, the Independent Auditor's report is issued in accordance with ISAs, while in Italy, where the Company is domiciled, the Independent Auditor's report is issued for statutory purposes in accordance with ISA Italia pursuant to art. 14 of Italian Legislative Decree No. 39 of January 27, 2010.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Prada S.p.A.

Opinion

We have audited the consolidated financial statements of Prada S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment test	
Description of the key audit matter	As described in Note 16 to the consolidated financial statements, the Group accounts for goodwill of Euro 515.5 million, allocated to the groups of cash generating units ("CGUs") Prada and Miu Miu, which correspond to the operating segments identified by Management.

In accordance with IAS 36 - Impairment of assets, goodwill is not amortized, but tested for impairment at least annually by comparing the recoverable amount of the CGUs to their carrying amount.

To measure the recoverable amount of the CGUs Prada and Miu Miu, Management determined the value in use using present value techniques. This was based on estimates and assumptions, including projected cash flows of the CGUs, appropriate discount rates (“WACC”) and long-term growth rates (“g-rate”).

For such CGUs, no impairment losses have been identified and Management believes that such conclusion would be confirmed for any reasonable change in the main assumptions used for the purpose of the impairment tests.

As described in the same Note 16, Management also tested for impairment the non-current assets allocated to the Church’s group of CGUs (“Church’s CGUs”), which include the brand value of Euro 41 million (subject to depreciation), to identify any further potential impairment following the reorganisation process initiated in 2022.

The impairment test has been carried out determining the value in use of the Church’s CGUs and not caused any impairment loss. Additionally, to verify the variability of results with changing key assumptions, a sensitivity analysis was conducted on the Church’s CGUs. This analysis confirmed the absence of impairment loss even with an increase in WACC of approximately 300 basis points.

Moreover, as described in Notes 15 and 17, Management tested for impairment the property, plant and equipment, right of use and intangible assets (other than goodwill) grouped in CGUs, for which an indicator of impairment had been identified. As a result of the impairment test, the Group recognized an impairment loss of Euro 3.2 million on property, plant and equipment and Euro 8.6 million on right of use assets.

Given the materiality of the carrying amount of the non-current assets tested for impairment, and the complexity of the cash flows projections and other estimates and assumptions used in the impairment model, we considered the impairment test to be a key audit matter.

Audit procedures performed

For our audit, we have evaluated the methods used by Management to determine the recoverable amount of the CGUs and analyzed these methods and the related assumptions used by Management in the impairment test.

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Our audit procedures included, among others, the following, which were performed with the support of our internal valuation specialists:

- Evaluation of the appropriateness of the methodologies used by Management to test the CGUs;
- Analysis of the reasonableness of the main assumptions used to develop cash flow forecasts, through sector data analysis (luxury goods market studies) as well as of supporting data and information obtained from Management;
- Evaluation of the reasonableness of the WACC and g-rate used by Management;
- Verification of the correct determination of the carrying amount of each CGU;
- Verification of the mathematical accuracy of the models used to determine the recoverable amount of each CGU;
- Evaluation of the sensitivity analysis performed by Management and development of an independent sensitivity analysis;
- Analysis of the information disclosed in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2024 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Those Charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Those Charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats and safeguards applied.

From the matters communicated with Those Charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

DELOITTE & TOUCHE S.p.A.

Marco Ricci
Partner

Milan, Italy
March 4, 2025

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Prada S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Prada S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Prada S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10

The Directors of Prada S.p.A. are responsible for the preparation of the financial review of the Group as at December 31, 2024, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the financial review with the consolidated financial statements;

- express an opinion on compliance with the law of the financial review;

- make a statement about any material misstatement in the financial review.

In our opinion, the financial review is consistent with the consolidated financial statements of Prada Group as at December 31, 2024.

In addition, in our opinion, the financial review is prepared in accordance with the law.

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With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Ricci
Partner

Milan, Italy
March 4, 2025

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.