The Board is pleased to announce that on March 1st, 2020 (European time), the Company entered into the COR36 Sponsorship Agreement for the sponsorship of the management and organization by COR36 of the COR36 Events in the context of the XXXVI edition of the America’s Cup sailing competition (the “36th America’s Cup”) i.e. COR36 America’s Cup World Series, the Christmas Race and the Prada Cup.

COR36 is a company indirectly controlled by Mr. Patrizio Bertelli, who is a Chief Executive Officer, an Executive Director and a substantial shareholder (as defined in the Listing Rules) of the Company. Therefore, COR36 is a connected person (as defined in the Listing Rules) of the Company. As such, the COR36 Sponsorship Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

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

Background

Pursuant to the protocol governing the 36th America’s Cup, all commercial and media rights, including but not limited to sponsorship, licensing, image, digital and broadcasting, that are associated with COR36 America’s Cup World Series, the
Christmas Race and the Prada Cup were vested in the Challenger of Record (which is Circolo della Vela Sicilia, as defined below). In addition, the Challenger of Record was granted rights to organize and conduct the COR36 Events, which it subsequently assigned to COR36.

In this context, COR36 is going to organize, manage and coordinate three main events, two of which are non-competitive events, (i) two preliminary regattas and the related events to take place at selected venues such as Cagliari (Italy), from 23\textsuperscript{rd} to 26\textsuperscript{th} April 2020, and Auckland (New Zealand), from 17\textsuperscript{th} to 20\textsuperscript{th} December 2020 (the “\textit{COR36 America’s Cup World Series}”) and (ii) the regattas and the related events to take place in Auckland (New Zealand) in December 2020 (the “\textit{Christmas Race}”), while the third aimed at selecting the challenger at the 36\textsuperscript{th} America’s Cup the regattas and the related events to take place in Auckland (New Zealand), from January 15\textsuperscript{th} to February 22\textsuperscript{nd}, 2021 (the “\textit{Prada Cup}”).

\textbf{COR36 Sponsorship Agreement}

The Board is pleased to announce that on March 1\textsuperscript{st}, 2020 (European time), the Company entered into the COR36 Sponsorship Agreement as follows:

\textbf{Date:} March 1\textsuperscript{st}, 2020;

\textbf{Parties:} (i) the Company, as grantor; and
(ii) COR36, as grantee.

\textbf{Term:} takes effect from March 1\textsuperscript{st}, 2020 to June 30\textsuperscript{th}, 2021;

\textbf{Sponsorship Contribution to be paid by the Company for the management and organization of the COR36 Events as naming and primary exclusive sponsor}

Euro 23 million (equal to approximately HK$196.55 million) (the “\textit{Sponsorship Contribution}”), to be paid as follows: Euro 18 million to be paid in quarterly instalments over the period from March to December 2020 and Euro 5 million to be paid in monthly instalments over the period January to June 2021. One or more installment due in 2021 can be paid in advance during 2020 upon the occurrence of certain conditions;

The Sponsorship Contribution has been determined based on the budget for the organization, management and coordination of the COR36 Events, including fitting out of selected venues and setting up activities where the races will be held. In determining the basis of the Sponsorship Contribution, the Company has taken into account many factors, including the fame and the press coverage of the COR36 Events and the 36\textsuperscript{th} America’s Cup in general, the quality standards imposed on COR36 for the organization and the setting up of such events, the association of the PRADA brand and logo with the COR36 Events, and the prestige of being the naming and the primary
exclusive sponsor of the COR36 Events, which will attract enormous attention all around the world and tremendous press coverage from the media.

**Annual Caps for the continuing connected transaction**

Reference is made to the Company’s announcement dated December 1st, 2017 in relation to the sponsorship agreement with Luna Rossa Challenge S.r.l. ("Luna Rossa Sponsorship Agreement") which constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

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

The estimated annual caps in respect of the COR36 Sponsorship Agreement for each of the years ending 31 December 2020 and 2021 (the “Annual Caps”) is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Annual Cap for the year ending 31.12.2020</th>
<th>Annual Cap for the year ending 31.12.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>COR36 Sponsorship Agreement</td>
<td>Euro 23 million</td>
<td>Euro 5 million</td>
</tr>
</tbody>
</table>

The Annual Caps represent the maximum amount to be paid by the Company to COR36 in each financial year. However, the total amount of Sponsorship Contribution over the Term will not exceed Euro 23 million. Under the COR36 Sponsorship Agreement, it is not expected that COR36 will make any payments to the Company.

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

<table>
<thead>
<tr>
<th></th>
<th>Annual Cap for the year ending 31.12.2020</th>
<th>Annual Cap for the year ending 31.12.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>COR36 Sponsorship Agreement and Luna Rossa Sponsorship Agreement</td>
<td>Euro 48 million</td>
<td>Euro 14 million</td>
</tr>
</tbody>
</table>
**General description of the principal business activities carried out by the Parties involved in the continuing connected transaction**

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

COR36 is a company whose main activities involve the organization, management, coordination and promotion of sporting events in the context of the 36th America’s Cup.

**Reasons for and benefits of the continuing connected transaction**

The Directors of the Company are of the view that the effects of the COR36 Sponsorship Agreement, as demonstrated by the sponsorship of *Luna Rossa* yachts participation in previous editions of the America’s Cup, were very successful in terms of media impact and in raising the Prada Group’s profile and promoting the Prada Group’s brand name and Prada’s trademark. The America’s Cup is the competition for the oldest trophy in international sport and dates back to 1851. The sponsorship of COR36 in the management and organization of the COR36 Events by the Company as the naming and the primary exclusive sponsor will further raise the Prada Group’s profile by expanding its role in the 36th America’s Cup, thereby establishing a stronger presence of the brand in one of the most ancient sport competitions.

The Directors (including the independent non-executive Directors) consider that entering into the COR36 Sponsorship Agreement for promoting Prada’s brand name and trademark is in the ordinary and usual course of business of the Prada Group and that the COR36 Sponsorship Agreement was entered on arm’s length basis, on normal commercial terms or better, which are fair and reasonable, and in the interests of the Prada Group and the Company’s shareholders as a whole.

**Listing Rules implications**

COR36 is a company wholly owned by Luna Rossa Challenge S.r.l., thus indirectly controlled by Mr. Patrizio Bertelli, who is a Chief Executive Officer, an Executive Director and a substantial shareholder (as defined in the Listing Rules) of the Company. Therefore, COR36 is a connected person (as defined in the Listing Rules) of the Company and the COR 36 Sponsorship Agreement constitutes a continuing connected transaction (as defined in the Listing Rules) of the Company under Chapter 14A of the Listing Rules.
Mr. Patrizio Bertelli, who has a material interest in the COR36 Sponsorship Agreement, and his spouse Ms. Miuccia Prada Bianchi did not attend the board meeting of the Company approving the COR36 Sponsorship Agreement; therefore, each of them did not vote on the relevant resolution.

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

Definitions

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board” the board of directors of the Company

“Challenger of Record” or “Circolo della Vela Sicilia” Circolo della Vela Sicilia, the yacht club, challenging the defending title holder of the America’s Cup, being an independent third party

“Company” PRADA S.p.A., a company incorporated under the laws of Italy as a joint-stock company with limited liability and the shares of which are listed on the Stock Exchange

“connected person(s)” has the same meaning ascribed to it under the Listing Rules

“COR36” Challenger of Record 36 S.r.l., a limited liability company incorporated under the laws of Italy, and a wholly owned subsidiary of Luna Rossa Challenge S.r.l.

“COR36 Events” refers collectively to the COR36 America’s Cup World Series, the Christmas Race and the Prada Cup
“COR36 Sponsorship Agreement” the sponsorship agreement entered into between the Company and COR36 for the sponsorship of the management and organization of the COR36 Events

“Listing Rules” The Rules Governing the Listing of Securities on the Stock Exchange

“Prada Group” the Company and its subsidiaries

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Milan, Italy, March 1st, 2020

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