ANNOUNCEMENT OF THE CONSOLIDATED RESULTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

- Retail net sales were up by 60% against the first six months of 2020 and up by 8% compared to the same period of 2019, both at constant exchange rates. Asia Pacific, America and the Middle East had double-digit growth compared with 2019. Europe recovered quickly with the reopenings thanks to robust demand from local customers, while Japan continued to be impacted by store closures following new lockdowns;
- Gross margin uptick: 74.3% of net revenues for six months ended June 30, 2021 against 70.4% for first half of 2020 and 71.7% for first half of 2019;
- thanks to a disciplined management of expenses, operating costs declined versus the first half of 2019;
- EBIT above pre-Covid levels: Euro 166 million for the six months ended June 30, 2021, corresponding to 11.1% of net revenues against Euro 150.5 million of the same period of 2019, corresponding to 9.6% of net revenues;
- More effective inventory management made possible to reduce the Net operating working capital by Euro 45 million;
- Net operating cash flow was Euro 316 million;
- Net financial debt of Euro 102 million, a huge improvement from the Euro 311 million net debt at December 2020.
Presentation of the Prada Group

PRADA spa (the “Company” or “Parent Company”), together with its subsidiaries (collectively the “Group”), is listed on the Hong Kong Stock Exchange (HKSE code: 1913). The Prada Group is a leading business 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 apparel. It also operates in the food industry with the brand Marchesi 1824 and in the eyewear and fragrance industries under licensing agreements.

The Prada Group owns 23 manufacturing plants (20 in Italy, 1 in France, 1 in the United Kingdom and 1 in Romania) and its products are sold in 70 countries worldwide, primarily through directly operated stores (DOS), of which there were 633 at June 30, 2021. The Prada Group’s products are also sold through the brands’ e-commerce, selected prestigious department stores, independent retailers in very exclusive locations and important e-tailers.

The Company is a joint-stock company, registered and domiciled in Italy. Its registered office is at via Fogazzaro 28, Milan. At June 30, 2021, 79.98% of the share capital was owned by PRADA Holding spa, a company domiciled in Italy, and the remainder consisted of floating shares on the Main Board of the Hong Kong Stock Exchange.
Basis of Presentation

The financial information presented herein refers to the group of companies controlled by PRADA spa (the “Company”), the parent company of the Prada Group (the “Group”) and is based on the unaudited consolidated results for the six-month period ended June 30, 2021.

This report has been prepared consistently with the accounting standards used to prepare the 2020 Annual Report, since none of the new standards and amendments that became effective during the period had any impact on the Group's figures and information.

Amendments to existing standards issued by the International Accounting Standard Board (“IASB”), endorsed by the European Union and applicable to the Prada Group from January 1, 2021.

<table>
<thead>
<tr>
<th>Amendments to existing standards</th>
<th>Effective Date for Prada Group</th>
<th>EU endorsement date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9</td>
<td>January 1, 2021</td>
<td>Endorsed in December 2020</td>
</tr>
<tr>
<td>Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform- Phase 2</td>
<td>January 1, 2021</td>
<td>Endorsed in January 2021</td>
</tr>
</tbody>
</table>

Amendments to existing standards issued by the IASB, endorsed by the European Union but not yet applicable to the Prada Group.

<table>
<thead>
<tr>
<th>Amendments to existing standards</th>
<th>Effective Date for Prada Group</th>
<th>EU endorsement date</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS 3 Business Combinations</td>
<td>January 1, 2022</td>
<td>Endorsed in June 2021</td>
</tr>
<tr>
<td>IAS 16 Property, Plant and Equipment</td>
<td>January 1, 2022</td>
<td>Endorsed in June 2021</td>
</tr>
<tr>
<td>IAS 37 Provisions, Contingent Liabilities and Contingent Assets</td>
<td>January 1, 2022</td>
<td>Endorsed in June 2021</td>
</tr>
<tr>
<td>Annual Improvements 2018-2020</td>
<td>January 1, 2022</td>
<td>Endorsed in June 2021</td>
</tr>
</tbody>
</table>
New Standards and Amendments issued by the IASB, but not yet endorsed by the European Union as of June 30, 2021

<table>
<thead>
<tr>
<th>New IFRS and Amendments to existing standards</th>
<th>Date of possible adoption</th>
<th>EU endorsement date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021)</td>
<td>April 1, 2021</td>
<td>Not endorsed yet</td>
</tr>
<tr>
<td>IFRS 17 Insurance contracts</td>
<td>January 1, 2023</td>
<td>Not endorsed yet</td>
</tr>
<tr>
<td>Amendment to IAS 1 Presentation of Financial Statements</td>
<td>January 1, 2023</td>
<td>Not endorsed yet</td>
</tr>
<tr>
<td>Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)</td>
<td>January 1, 2023</td>
<td>Not endorsed yet</td>
</tr>
<tr>
<td>Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)</td>
<td>January 1, 2023</td>
<td>Not endorsed yet</td>
</tr>
<tr>
<td>Amendments to IAS 12 Income taxes: deferred tax related to assets and liabilities arising from a single transaction</td>
<td>January 1, 2023</td>
<td>Not endorsed yet</td>
</tr>
</tbody>
</table>

Amendment to “IFRS 16 Leases” for Covid-Related Rent Concessions beyond June 30, 2021

On March 31, 2021, the IASB extended by one year the application period of the practical expedient in IFRS 16, previously approved by the IASB on May 28, 2020 and subsequently endorsed by the European Union. As a result of this amendment, added in response to the protraction of the Covid-19 pandemic, immediate recognition in profit or loss of rent discounts is applicable if the rent reduction affects payments originally due on or before June 30, 2022 (instead of June 30, 2021); the other requirements previously stated in the standard and in the practical expedient adopted in 2020 remain.

The amendment is effective for annual reporting periods ending on or after April 1, 2021 and the approval by the European Union has not been completed yet.

In the six months ended June 30, 2021, the Group recognized Covid-19 related rent discounts of Euro 21.7 million, none of which in relation to the above-described 2021 amendment, case for which no significant cases emerged at the reporting date.
Key financial information

<table>
<thead>
<tr>
<th>Key economic figures (amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>June 30 2020 (unaudited)</th>
<th>June 30 2019 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>1,501,006</td>
<td>937,657</td>
<td>1,570,123</td>
</tr>
<tr>
<td>Operating income/(loss) - EBIT</td>
<td>165,904</td>
<td>(195,796)</td>
<td>150,474</td>
</tr>
<tr>
<td>Incidence of the EBIT on net revenues</td>
<td>11.1%</td>
<td>-20.9%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Net income/(loss) of the Group</td>
<td>97,243</td>
<td>(180,332)</td>
<td>154,894</td>
</tr>
<tr>
<td>Earnings/(losses) per share (Euro)</td>
<td>0.038</td>
<td>(0.070)</td>
<td>0.061</td>
</tr>
<tr>
<td>Average number of employees (in unit)</td>
<td>12,619</td>
<td>13,669</td>
<td>13,618</td>
</tr>
<tr>
<td>Net Operating Cash Flows (*)</td>
<td>315,602</td>
<td>(26,455)</td>
<td>137,334</td>
</tr>
</tbody>
</table>

(*) Net Cash flows from operating activities less repayments of lease liability

<table>
<thead>
<tr>
<th>Key indicators (amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
<th>June 30 2020 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating working capital</td>
<td>622,203</td>
<td>667,024</td>
<td>650,444</td>
</tr>
<tr>
<td>Net invested capital</td>
<td>5,113,568</td>
<td>5,296,489</td>
<td>5,557,031</td>
</tr>
<tr>
<td>Net financial position surplus / (deficit)</td>
<td>(101,814)</td>
<td>(311,357)</td>
<td>(515,488)</td>
</tr>
<tr>
<td>Group shareholders’ equity</td>
<td>2,881,081</td>
<td>2,832,057</td>
<td>2,736,332</td>
</tr>
</tbody>
</table>

Highlights of the first six months of 2021

In the first six months of 2021, the Prada Group kept up the retail sales performance of the final months of 2020: net revenues were higher than those reported in the same period of 2019 and, naturally, in the past year. Notwithstanding the Covid-19 pandemic, the Group positioned itself again on a long-term growth trajectory thanks to the ability to grasp and seize the opportunities offered on the markets. The restrictions on movement imposed by governments all over the world eliminated tourism flows, while benefiting domestic spending and accelerating the impact of digital technology on social relationships and purchasing behavior. In this scenario, customer centrality and the omnichannel system, a major part of the sales and marketing strategy in recent years, further increased customer interactions. The investments in digital channels continued during the period, transmitting more effectively the brand creativity and facilitating customer engagement. These initiatives, combined with an enhancement of the product offer, were particularly rewarding.

The communications activities fully resumed. In the initial months of the year, the most intensive phases of the 36th edition of the America’s Cup presented by Prada and Luna Rossa sponsorships took shape. The extensive broadcasting and webcast coverage of the event - the most viewed ever - successfully promoted the association of the brand with the prestige of the competition. It also drove the identification of activewear line with the concept of extreme technological innovation applied to the world of sailing. Moreover, the sailing team sponsored by the Group won the Prada Cup, setting the stage for the exciting final duel with the Defender for the conquest of the trophy.
The return to in-person shopping gave back the opportunity to engage with consumers: displays dedicated to special collections were set up for both Prada, as in the case of its Outdoor exhibits, and Miu Miu, for example with the new release of the Upcycled project with Levi’s.

The interest in the world of art and culture has led to new initiatives. The Group supported the Damien Hirst Archaeology Now exhibition, at the Galleria Borghese Museum in Rome, and undertook valuable collaborations with representatives of the world of cinema to narrate the eternal dream of fashion through an interpretation of the Galleria, the Prada’s classic handbag.

Even the post-fashion show conversations of Miuccia Prada and Raf Simons represented a new, valued moment of communication, providing unlimited access to the creative thinking of the two Co-Directors and promoting the concept of dialogue as an occasion for advancement for the entire fashion community.

Investments continued to target the Group’s values, embracing sustainability of course. During the period, an action plan was announced to step up the efforts regarding diversity, equity and inclusion, involving prestigious partnerships with universities, large international institutions and activists. In 2021 training programs will be developed to assist the professional careers of young talented people of color in the fashion industry. Equally important plans are being drawn up for the environment.

Metrics measuring brand visibility on social media, particularly followers numbers and engagement, showed important solidity. Further development strategies were devised to achieve both short-term and long-term targets.

Investments continued to regard the digital evolution, spanning all business areas, and enhancement of the store network, with relocation and restyling projects. Agreements were stipulated to acquire the remaining stakes in five subsidiaries operating in the travel retail shop industry and two manufacturing companies specialized in leather goods. On the manufacturing side, in addition to such investments and those to improve existing production and logistics structures, on June 22 the Prada Group announced the commitment to enter with a 40% stake into the share capital of Filati Biagioli Modesto spa. This Tuscan company that has been a symbol of excellence for over a century in the production of cashmere and other noble yarns and in the fiber-to-yarn transformation process.

Direct control over the chain of production, which the Group considers key to ensuring perfect quality throughout the entire production process, continues to guide the investments in manufacturing activities with a long-term growth perspective.

The significant generation of operating cash flow in the first six months led management to review the credit lines existing with banks, confident that the current financial resources and those produced by the retail activity, whose projections at the reporting date are very encouraging, can meet the funding demands regarding working capital management, investing activities, loan repayment and dividend payment.

Two new ESG-linked loans were stipulated: a Euro 90 million bilateral long term loan and a Euro 400 million revolving credit facility with a pool of banks, the
latter amending and increasing an existing Euro 300 million one. Moreover, during the period the Group canceled an additional Euro 300 million back-up revolving credit facility stipulated in May 2020, to add financial flexibility in the midst of the public health emergency.
### Consolidated statement of Profit or Loss for the six months ended June 30, 2021

(amounts in thousands of Euro)

<table>
<thead>
<tr>
<th></th>
<th>six months ended June 30 2021</th>
<th>% on net revenues</th>
<th>six months ended June 30 2020</th>
<th>% on net revenues</th>
<th>six months ended June 30 2019</th>
<th>% on net revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales (Note 1)</strong></td>
<td>1,477,656</td>
<td>98.4%</td>
<td>925,283</td>
<td>98.7%</td>
<td>1,546,378</td>
<td>98.5%</td>
</tr>
<tr>
<td><strong>Royalties</strong></td>
<td>23,350</td>
<td>1.6%</td>
<td>12,374</td>
<td>1.3%</td>
<td>23,745</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Net revenues</strong></td>
<td>1,501,006</td>
<td>100%</td>
<td>937,657</td>
<td>100%</td>
<td>1,570,123</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Cost of goods sold</strong></td>
<td>(386,021)</td>
<td>-25.7%</td>
<td>(277,332)</td>
<td>-29.6%</td>
<td>(444,374)</td>
<td>-28.3%</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>1,114,985</td>
<td>74.3%</td>
<td>660,325</td>
<td>70.4%</td>
<td>1,125,749</td>
<td>71.7%</td>
</tr>
<tr>
<td><strong>Product design and development costs</strong></td>
<td>(63,736)</td>
<td>-4.2%</td>
<td>(52,986)</td>
<td>-5.7%</td>
<td>(65,053)</td>
<td>-4.1%</td>
</tr>
<tr>
<td><strong>Advertising and communications costs</strong></td>
<td>(126,892)</td>
<td>-8.5%</td>
<td>(94,177)</td>
<td>-10.0%</td>
<td>(101,477)</td>
<td>-6.5%</td>
</tr>
<tr>
<td><strong>Selling costs</strong></td>
<td>(651,139)</td>
<td>-43.4%</td>
<td>(611,422)</td>
<td>-65.2%</td>
<td>(706,565)</td>
<td>-45.0%</td>
</tr>
<tr>
<td><strong>General and administrative costs</strong></td>
<td>(107,314)</td>
<td>-7.1%</td>
<td>(97,536)</td>
<td>-10.3%</td>
<td>(102,180)</td>
<td>-6.5%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>(949,081)</td>
<td>-63.2%</td>
<td>(856,121)</td>
<td>-91.3%</td>
<td>(975,275)</td>
<td>-62.1%</td>
</tr>
<tr>
<td><strong>Operating income / (loss) - EBIT</strong></td>
<td>165,904</td>
<td>11.1%</td>
<td>(195,796)</td>
<td>-20.9%</td>
<td>150,474</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>Interest and other financial income/(expenses), net</strong></td>
<td>(9,019)</td>
<td>-0.6%</td>
<td>(16,407)</td>
<td>-1.7%</td>
<td>(7,749)</td>
<td>-0.4%</td>
</tr>
<tr>
<td><strong>Interest expenses on Lease Liability</strong></td>
<td>(18,827)</td>
<td>-1.3%</td>
<td>(23,433)</td>
<td>-2.5%</td>
<td>(24,735)</td>
<td>-1.6%</td>
</tr>
<tr>
<td><strong>Dividends from investments</strong></td>
<td>103</td>
<td>0.0%</td>
<td>116</td>
<td>0.0%</td>
<td>2,023</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Total financial income/(expenses)</strong></td>
<td>(27,743)</td>
<td>-1.9%</td>
<td>(39,724)</td>
<td>-4.2%</td>
<td>(30,461)</td>
<td>-1.9%</td>
</tr>
<tr>
<td><strong>Income / (loss) before taxation</strong></td>
<td>138,161</td>
<td>9.2%</td>
<td>(235,520)</td>
<td>-25.1%</td>
<td>120,013</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(41,273)</td>
<td>-2.7%</td>
<td>52,005</td>
<td>5.5%</td>
<td>34,418</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Net income / (loss) for the period</strong></td>
<td>96,888</td>
<td>6.5%</td>
<td>(183,515)</td>
<td>-19.6%</td>
<td>154,431</td>
<td>9.9%</td>
</tr>
<tr>
<td><strong>Net income / (loss) - Non-controlling interests</strong></td>
<td>(355)</td>
<td>0.0%</td>
<td>(3,183)</td>
<td>-0.3%</td>
<td>(463)</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Net income / (loss) - Group</strong></td>
<td>97,243</td>
<td>6.5%</td>
<td>(180,332)</td>
<td>-19.2%</td>
<td>154,894</td>
<td>9.9%</td>
</tr>
<tr>
<td><strong>Basic and diluted earnings / (losses) per share</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>(in Euro per share) - (Note 3)</strong></td>
<td>0.038</td>
<td></td>
<td>(0.070)</td>
<td></td>
<td>0.061</td>
<td></td>
</tr>
</tbody>
</table>
### Consolidated statement of financial position

(amounts in thousands of Euro)

<table>
<thead>
<tr>
<th>Note</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>604,668</td>
<td>442,392</td>
</tr>
<tr>
<td>Trade receivables, net</td>
<td>269,679</td>
<td>290,380</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>628,482</td>
<td>666,222</td>
</tr>
<tr>
<td>Derivative financial instruments - current</td>
<td>6,249</td>
<td>10,691</td>
</tr>
<tr>
<td>Receivables from, and advance payments to, related parties - current</td>
<td>42,142</td>
<td>51,035</td>
</tr>
<tr>
<td>Other current assets</td>
<td>175,026</td>
<td>194,188</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>1,726,246</td>
<td>1,654,908</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,500,026</td>
<td>1,506,011</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>829,699</td>
<td>832,445</td>
</tr>
<tr>
<td>Right of Use assets</td>
<td>2,035,222</td>
<td>2,054,338</td>
</tr>
<tr>
<td>Investments in equity instruments</td>
<td>28,786</td>
<td>66,191</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>246,162</td>
<td>251,888</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>143,352</td>
<td>142,712</td>
</tr>
<tr>
<td>Receivables from, and advance payments to, related parties – non-current</td>
<td>19,434</td>
<td>19,434</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>4,802,681</td>
<td>4,873,019</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>6,528,927</td>
<td>6,527,927</td>
</tr>
<tr>
<td><strong>Liabilities and Shareholders’ Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term lease liability</td>
<td>409,199</td>
<td>403,593</td>
</tr>
<tr>
<td>Short-term financial payables and bank overdrafts</td>
<td>311,466</td>
<td>300,577</td>
</tr>
<tr>
<td>Payables to related parties - current</td>
<td>3,201</td>
<td>3,481</td>
</tr>
<tr>
<td>Trade payables</td>
<td>275,958</td>
<td>289,578</td>
</tr>
<tr>
<td>Tax payables</td>
<td>75,422</td>
<td>68,863</td>
</tr>
<tr>
<td>Derivative financial instruments - current</td>
<td>15,484</td>
<td>7,789</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>160,673</td>
<td>153,382</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,251,403</td>
<td>1,227,263</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term lease liability</td>
<td>1,708,185</td>
<td>1,729,819</td>
</tr>
<tr>
<td>Long-term financial payables</td>
<td>392,941</td>
<td>451,200</td>
</tr>
<tr>
<td>Long-term employment benefits</td>
<td>73,125</td>
<td>73,256</td>
</tr>
<tr>
<td>Provision for risks and charges</td>
<td>46,044</td>
<td>45,416</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>29,636</td>
<td>29,250</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>126,507</td>
<td>110,754</td>
</tr>
<tr>
<td>Derivative financial instruments - non-current</td>
<td>6,716</td>
<td>9,249</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>2,383,154</td>
<td>2,448,944</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>3,634,557</td>
<td>3,676,207</td>
</tr>
<tr>
<td><strong>Share capital</strong></td>
<td>255,882</td>
<td>255,882</td>
</tr>
<tr>
<td><strong>Total other reserves</strong></td>
<td>2,499,847</td>
<td>2,633,673</td>
</tr>
<tr>
<td><strong>Translation reserve</strong></td>
<td>28,109</td>
<td>(3,359)</td>
</tr>
<tr>
<td><strong>Net income / (loss) for the period</strong></td>
<td>97,243</td>
<td>54,139</td>
</tr>
<tr>
<td><strong>Net Equity attributable to owners of Group</strong></td>
<td>2,881,081</td>
<td>2,832,057</td>
</tr>
<tr>
<td><strong>Net Equity attributable to Non-controlling interests</strong></td>
<td>13,289</td>
<td>19,663</td>
</tr>
<tr>
<td><strong>Total Net Equity</strong></td>
<td>2,894,370</td>
<td>2,851,720</td>
</tr>
<tr>
<td><strong>Total Liabilities and Total Net Equity</strong></td>
<td>6,528,927</td>
<td>6,527,927</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>474,843</td>
<td>427,645</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>5,277,524</td>
<td>5,300,664</td>
</tr>
</tbody>
</table>
Statement of changes in consolidated shareholders’ equity
(amounts in thousands of Euro, except for number of shares)

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>Number of Shares (in thousands)</th>
<th>Share Capital</th>
<th>Translation Reserve</th>
<th>Share premium reserve</th>
<th>Cash flow hedge reserve</th>
<th>Actuarial Reserve</th>
<th>Fair Value investments in equity instruments Reserve</th>
<th>Total Other Reserves</th>
<th>Net result for the period</th>
<th>Net Equity attributable to owners of Group</th>
<th>Net Equity attributable to Non-controlling interests</th>
<th>Total Net Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 2019 (audited)</td>
<td>2,558,824</td>
<td>255,882</td>
<td>61,437</td>
<td>410,047</td>
<td>(8,469)</td>
<td>(4,516)</td>
<td>(9,982)</td>
<td>2,006,971</td>
<td>2,394,051</td>
<td>255,788</td>
<td>2,967,158</td>
<td>21,417</td>
</tr>
<tr>
<td>Allocation of 2019 net income - retained earnings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>204,612</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Allocation of 2019 net income - extraordinary reserve</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51,176</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Comprehensive income/(loss) for the six months (recyclable to P&amp;L)</td>
<td>-</td>
<td>-</td>
<td>(20,742)</td>
<td>-</td>
<td>(108)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(108)</td>
<td>(180,332)</td>
<td>(201,182)</td>
<td>(3,041)</td>
</tr>
<tr>
<td>Comprehensive income/(loss) for the six months (not recyclable to P&amp;L)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(198)</td>
<td>(29,450)</td>
<td>4</td>
<td>(29,644)</td>
<td>-</td>
<td>(29,644)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at June 30, 2020 (unaudited)</td>
<td>2,558,824</td>
<td>255,882</td>
<td>40,695</td>
<td>410,047</td>
<td>(8,577)</td>
<td>(4,714)</td>
<td>(39,432)</td>
<td>2,262,763</td>
<td>2,620,087</td>
<td>(180,332)</td>
<td>2,736,332</td>
<td>18,376</td>
</tr>
<tr>
<td>Comprehensive income/(loss) for the six months (recyclable to P&amp;L)</td>
<td>-</td>
<td>-</td>
<td>(44,054)</td>
<td>-</td>
<td>2,783</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,783</td>
<td>126,193</td>
<td>84,922</td>
<td>1,286</td>
</tr>
<tr>
<td>Comprehensive income/(loss) for the six months (not recyclable to P&amp;L)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,437)</td>
<td>14,244</td>
<td>(4)</td>
<td>10,803</td>
<td>-</td>
<td>10,803</td>
<td>1</td>
</tr>
<tr>
<td>Balance at December 31, 2020 (audited)</td>
<td>2,558,824</td>
<td>255,882</td>
<td>(3,359)</td>
<td>410,047</td>
<td>(5,794)</td>
<td>(8,151)</td>
<td>(25,188)</td>
<td>2,262,759</td>
<td>2,633,673</td>
<td>(54,139)</td>
<td>2,832,057</td>
<td>19,663</td>
</tr>
<tr>
<td>Allocation of 2020 net profit/(loss)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(54,139)</td>
<td>(54,139)</td>
<td>54,139</td>
<td>-</td>
</tr>
<tr>
<td>Dividends</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(89,559)</td>
<td>(89,559)</td>
<td>-</td>
<td>(1,491)</td>
</tr>
<tr>
<td>Share capital increase/reduction</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(140)</td>
<td>(140)</td>
</tr>
<tr>
<td>Release for disposal of equity instruments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,777</td>
<td>411</td>
<td>9,388</td>
<td>-</td>
<td>9,388</td>
<td>-</td>
<td>9,388</td>
</tr>
<tr>
<td>Acquisition of additional shares in companies already controlled</td>
<td>-</td>
<td>-</td>
<td>(1,721)</td>
<td>-</td>
<td>-</td>
<td>(7)</td>
<td>-</td>
<td>323</td>
<td>316</td>
<td>-</td>
<td>(1,405)</td>
<td>(4,751)</td>
</tr>
<tr>
<td>Comprehensive income/(loss) for the six months (recyclable to P&amp;L)</td>
<td>-</td>
<td>-</td>
<td>33,189</td>
<td>-</td>
<td>(3,590)</td>
<td>(385)</td>
<td>-</td>
<td>-</td>
<td>(3,975)</td>
<td>97,243</td>
<td>126,457</td>
<td>8</td>
</tr>
<tr>
<td>Comprehensive income/(loss) for the six months (not recyclable to P&amp;L)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,143</td>
<td>-</td>
<td>4,143</td>
<td>-</td>
<td>4,143</td>
<td>-</td>
<td>4,143</td>
</tr>
<tr>
<td>Balance at June 30, 2021 (unaudited)</td>
<td>2,558,824</td>
<td>255,882</td>
<td>28,109</td>
<td>410,047</td>
<td>(9,384)</td>
<td>(8,543)</td>
<td>(12,068)</td>
<td>2,119,795</td>
<td>2,499,847</td>
<td>97,243</td>
<td>2,881,081</td>
<td>13,289</td>
</tr>
</tbody>
</table>
## Statement of consolidated cash flows for the six months ended June 30, 2021

((amounts in thousands of Euro)

<table>
<thead>
<tr>
<th></th>
<th>six months ended June 30</th>
<th>six months ended June 30</th>
<th>six months ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021 (unaudited)</td>
<td>2020 (unaudited)</td>
<td>2019 (unaudited)</td>
</tr>
<tr>
<td>Income/(loss) before taxation</td>
<td>138,161</td>
<td>(235,520)</td>
<td>120,013</td>
</tr>
<tr>
<td>Profit or loss adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and write-downs of the Right of Use assets</td>
<td>212,805</td>
<td>230,462</td>
<td>229,419</td>
</tr>
<tr>
<td>Depreciation and amortization of property, plant and equipment and intangible assets</td>
<td>99,212</td>
<td>113,740</td>
<td>108,561</td>
</tr>
<tr>
<td>Impairment of property, plant and equipment and intangible assets</td>
<td>292</td>
<td>6,544</td>
<td>2,169</td>
</tr>
<tr>
<td>Non-monetary financial (income) expenses</td>
<td>7,539</td>
<td>25,701</td>
<td>3,156</td>
</tr>
<tr>
<td>Interest expenses on Lease Liability</td>
<td>18,827</td>
<td>23,433</td>
<td>24,735</td>
</tr>
<tr>
<td>Other non-monetary (income) expenses</td>
<td>3,822</td>
<td>(53,896)</td>
<td>3,492</td>
</tr>
<tr>
<td>Balance Sheet changes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-current assets and liabilities</td>
<td>11,070</td>
<td>34,842</td>
<td>(7,414)</td>
</tr>
<tr>
<td>Trade receivables, net</td>
<td>23,246</td>
<td>109,714</td>
<td>(13,864)</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>40,711</td>
<td>(35,932)</td>
<td>(50,401)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(17,541)</td>
<td>(41,607)</td>
<td>11,563</td>
</tr>
<tr>
<td>Other current assets and liabilities</td>
<td>13,973</td>
<td>26,494</td>
<td>(26,490)</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>551,817</td>
<td>203,975</td>
<td>404,939</td>
</tr>
<tr>
<td>Interest paid (net), including interest paid on Lease Liability</td>
<td>(24,969)</td>
<td>(29,861)</td>
<td>(25,032)</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>(19,974)</td>
<td>(22,980)</td>
<td>(15,724)</td>
</tr>
<tr>
<td>Net cash flows from operating activities</td>
<td>506,874</td>
<td>151,134</td>
<td>364,183</td>
</tr>
<tr>
<td>Purchases of property, plant and equipment and intangible assets</td>
<td>(76,588)</td>
<td>(49,905)</td>
<td>(187,231)</td>
</tr>
<tr>
<td>Disposals of property, plant and equipment and intangible assets</td>
<td>15</td>
<td>396</td>
<td>860</td>
</tr>
<tr>
<td>Dividends from investments</td>
<td>103</td>
<td>116</td>
<td>2,023</td>
</tr>
<tr>
<td>Disposal of Investments in equity instruments</td>
<td>50,935</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of additional shares from Non-Controlling</td>
<td>(7,827)</td>
<td>-</td>
<td>(400)</td>
</tr>
<tr>
<td>Business Combination</td>
<td>-</td>
<td>(32,828)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash flow utilized by investing activities</td>
<td>(33,362)</td>
<td>(82,221)</td>
<td>(184,748)</td>
</tr>
<tr>
<td>Dividends paid to shareholders of PRADA spa</td>
<td>(84,859)</td>
<td>-</td>
<td>(145,536)</td>
</tr>
<tr>
<td>Dividends paid to Non-Controlling shareholders</td>
<td>(1,491)</td>
<td>-</td>
<td>(310)</td>
</tr>
<tr>
<td>Repayment of Lease Liability</td>
<td>(191,273)</td>
<td>(177,589)</td>
<td>(226,849)</td>
</tr>
<tr>
<td>Repayment of short term portion of long term borrowings - third parties</td>
<td>(149,614)</td>
<td>(154,959)</td>
<td>(222,580)</td>
</tr>
<tr>
<td>Arrangement of long-term borrowings - third parties</td>
<td>90,000</td>
<td>175,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Change in short-term borrowings - third parties</td>
<td>13,780</td>
<td>199,975</td>
<td>41,425</td>
</tr>
<tr>
<td>Repayment of Loans from related parties</td>
<td>-</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td>Loans to related parties</td>
<td>-</td>
<td>(750)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash flows generated / (utilized) by financing activities</td>
<td>(323,457)</td>
<td>43,677</td>
<td>(453,850)</td>
</tr>
<tr>
<td>Change in cash and cash equivalents, net of bank overdrafts</td>
<td>150,055</td>
<td>112,590</td>
<td>(274,415)</td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>12,221</td>
<td>(3,238)</td>
<td>2,094</td>
</tr>
<tr>
<td>Opening cash and cash equivalents, net of bank overdraft</td>
<td>442,392</td>
<td>421,069</td>
<td>599,821</td>
</tr>
<tr>
<td>Closing cash and cash equivalents, net of bank overdraft</td>
<td>604,668</td>
<td>530,421</td>
<td>327,500</td>
</tr>
<tr>
<td>Cash and cash equivalents, net of bank overdraft</td>
<td>604,668</td>
<td>530,421</td>
<td>327,500</td>
</tr>
</tbody>
</table>
Statement of consolidated comprehensive income/(loss) for the six months ended June 30, 2021

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>six months ended June 30</th>
<th>six months ended June 30</th>
<th>six months ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>Net income/(loss) for the period – Consolidated</td>
<td>96,888</td>
<td>(183,515)</td>
<td>154,431</td>
</tr>
<tr>
<td>Items recyclable to P&amp;L:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Translation reserve</td>
<td>33,552</td>
<td>(20,600)</td>
<td>9,210</td>
</tr>
<tr>
<td>Tax impact</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Translation reserve less tax impact</td>
<td>33,552</td>
<td>(20,600)</td>
<td>9,210</td>
</tr>
<tr>
<td>Change in Cash Flow Hedge reserve</td>
<td>(5,359)</td>
<td>948</td>
<td>(4,371)</td>
</tr>
<tr>
<td>Tax impact</td>
<td>1,769</td>
<td>(1,056)</td>
<td>1,052</td>
</tr>
<tr>
<td>Change in Cash Flow Hedge reserve less tax impact</td>
<td>(3,590)</td>
<td>(108)</td>
<td>(3,319)</td>
</tr>
<tr>
<td>Item not recyclable to P&amp;L:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Fair Value in the equity instruments reserve</td>
<td>4,143</td>
<td>(29,450)</td>
<td>14,915</td>
</tr>
<tr>
<td>Tax impact</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in Fair Value in the equity instruments reserve less tax impact</td>
<td>4,143</td>
<td>(29,450)</td>
<td>14,915</td>
</tr>
<tr>
<td>Change in Actuarial reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax impact</td>
<td>(385)</td>
<td>(198)</td>
<td></td>
</tr>
<tr>
<td>Change in Actuarial reserve less tax impact</td>
<td>(385)</td>
<td>(198)</td>
<td></td>
</tr>
<tr>
<td>Consolidated comprehensive income/(loss) for the period</td>
<td>130,608</td>
<td>(233,871)</td>
<td>175,237</td>
</tr>
<tr>
<td>Comprehensive income/(loss) for the period – Non-controlling Interests</td>
<td>8</td>
<td>(3,041)</td>
<td>(249)</td>
</tr>
<tr>
<td>Comprehensive income/(loss) for the period – Group</td>
<td>130,600</td>
<td>(230,830)</td>
<td>175,486</td>
</tr>
</tbody>
</table>
Non-IFRS Measures

The Group uses certain financial measures (“non-IFRS measures”) to assess its business performance and to help readers understand and analyze its financial situation. Although they are used by the Group’s management, the measures are not universally or legally defined and are not regulated by the IFRS adopted to prepare the unaudited interim condensed consolidated financial statements. Other companies operating in the luxury goods business might use the same measures, but with different calculation criteria, so non-IFRS measures should always be read in conjunction with the related notes, and may not be directly comparable with those used by other companies.

As a consequence of the health emergency the Group introduced in 2020 a new non-IFRS measure, named as “Selling expenses of the closed stores during the lockdowns” and related to the portion of the selling operating expenses that could not generate revenues following the constraints imposed by the pandemic. By including this non-IFRS measure, the Group would like to provide additional quantitative information to improve the reader’s understanding about the impacts of the Covid-19 pandemic on the business, while assisting also the comparison with previous periods.

The Prada Group’s EBIT and EBITDA are reported below:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>six months ended June 30, 2021 (unaudited)</th>
<th>% on net revenues</th>
<th>six months ended June 30, 2020 (unaudited)</th>
<th>% on net revenues</th>
<th>six months ended June 30, 2019 (unaudited)</th>
<th>% on net revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income / (loss) - EBIT</td>
<td>165,904</td>
<td>11.1%</td>
<td>(195,796)</td>
<td>-20.9%</td>
<td>150,474</td>
<td>9.6%</td>
</tr>
<tr>
<td>Selling expenses of the closed stores during the lockdowns</td>
<td>27,068</td>
<td>1.8%</td>
<td>112,375</td>
<td>12.0%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating income / (loss) - EBIT excluding Selling expenses of the closed stores during the lockdowns</td>
<td>192,972</td>
<td>12.9%</td>
<td>(83,421)</td>
<td>-8.9%</td>
<td>150,474</td>
<td>9.6%</td>
</tr>
<tr>
<td>Depreciation, amortization and impairment on tangible and intangible fixed assets</td>
<td>99,504</td>
<td>6.6%</td>
<td>120,284</td>
<td>12.8%</td>
<td>110,730</td>
<td>7.1%</td>
</tr>
<tr>
<td>Depreciation and write-downs of the Right of Use assets</td>
<td>212,805</td>
<td>14.2%</td>
<td>230,462</td>
<td>24.6%</td>
<td>229,419</td>
<td>14.6%</td>
</tr>
<tr>
<td>Total depreciation, amortization and impairment</td>
<td>312,309</td>
<td>20.8%</td>
<td>350,746</td>
<td>37.4%</td>
<td>340,149</td>
<td>21.7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>478,213</td>
<td>31.9%</td>
<td>154,950</td>
<td>16.5%</td>
<td>490,623</td>
<td>31.2%</td>
</tr>
</tbody>
</table>
Notes to the consolidated results for the six months ended June 30, 2021

1. Analysis of Net Revenues

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>six months ended June 30, 2021 (unaudited)</th>
<th>six months ended June 30, 2020 (unaudited)</th>
<th>six months ended June 30 2019 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales by geographical area</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>372,707 25.2%</td>
<td>297,518 32.2%</td>
<td>598,800 38.7%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>644,716 43.6%</td>
<td>378,971 41.0%</td>
<td>498,578 32.2%</td>
</tr>
<tr>
<td>Americas</td>
<td>262,738 17.8%</td>
<td>104,857 11.3%</td>
<td>216,676 13.9%</td>
</tr>
<tr>
<td>Japan</td>
<td>135,905 9.2%</td>
<td>114,765 12.4%</td>
<td>180,556 11.7%</td>
</tr>
<tr>
<td>Middle East and Other countries</td>
<td>61,590 4.2%</td>
<td>29,172 3.2%</td>
<td>52,768 3.4%</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>1,477,656 100%</td>
<td>925,283 100%</td>
<td>1,546,378 100%</td>
</tr>
<tr>
<td><strong>Net Sales by brand</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prada</td>
<td>1,264,829 85.6%</td>
<td>774,876 83.7%</td>
<td>1,284,429 83.1%</td>
</tr>
<tr>
<td>Miu Miu</td>
<td>190,938 12.9%</td>
<td>130,878 14.1%</td>
<td>220,774 14.3%</td>
</tr>
<tr>
<td>Church’s</td>
<td>15,752 1.1%</td>
<td>15,054 1.6%</td>
<td>32,844 2.1%</td>
</tr>
<tr>
<td>Other</td>
<td>6,137 0.4%</td>
<td>4,475 0.6%</td>
<td>8,331 0.5%</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>1,477,656 100%</td>
<td>925,283 100%</td>
<td>1,546,378 100%</td>
</tr>
<tr>
<td><strong>Net Sales by product line</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leather goods</td>
<td>793,647 53.7%</td>
<td>525,621 56.8%</td>
<td>867,852 56.1%</td>
</tr>
<tr>
<td>Clothing</td>
<td>372,074 25.2%</td>
<td>223,230 24.1%</td>
<td>339,442 22.0%</td>
</tr>
<tr>
<td>Footwear</td>
<td>290,229 19.6%</td>
<td>162,601 17.6%</td>
<td>309,393 20.0%</td>
</tr>
<tr>
<td>Other</td>
<td>21,706 1.5%</td>
<td>13,831 1.5%</td>
<td>29,691 1.9%</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>1,477,656 100%</td>
<td>925,283 100%</td>
<td>1,546,378 100%</td>
</tr>
<tr>
<td><strong>Net Sales by channel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales of Directly Operated Stores (DOS)</td>
<td>1,281,439 86.7%</td>
<td>834,525 90.2%</td>
<td>1,231,918 79.7%</td>
</tr>
<tr>
<td>Sales to independent customers and franchisees</td>
<td>196,217 13.3%</td>
<td>90,758 9.8%</td>
<td>314,460 20.3%</td>
</tr>
<tr>
<td><strong>Total net sales</strong></td>
<td>1,477,656 100%</td>
<td>925,283 100%</td>
<td>1,546,378 100%</td>
</tr>
<tr>
<td><strong>Net Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>1,477,656 98.4%</td>
<td>925,283 98.7%</td>
<td>1,546,378 98.5%</td>
</tr>
<tr>
<td>Royalties</td>
<td>23,350 1.6%</td>
<td>12,374 1.3%</td>
<td>23,745 1.5%</td>
</tr>
<tr>
<td><strong>Total net revenues</strong></td>
<td>1,501,006 100%</td>
<td>937,657 100%</td>
<td>1,570,123 100%</td>
</tr>
</tbody>
</table>
2. Number of stores

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2021</th>
<th>December 31, 2020</th>
<th>June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned</td>
<td>Franchisees</td>
<td>Owned</td>
</tr>
<tr>
<td>Prada</td>
<td>415</td>
<td>20</td>
<td>410</td>
</tr>
<tr>
<td>Miu Miu</td>
<td>148</td>
<td>5</td>
<td>152</td>
</tr>
<tr>
<td>Church’s</td>
<td>62</td>
<td>-</td>
<td>62</td>
</tr>
<tr>
<td>Car Shoe</td>
<td>2</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Marchesi 1824 and others</td>
<td>6</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>633</td>
<td>25</td>
<td>633</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2021</th>
<th>December 31, 2020</th>
<th>June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned</td>
<td>Franchisees</td>
<td>Owned</td>
</tr>
<tr>
<td>Europe</td>
<td>225</td>
<td>-</td>
<td>222</td>
</tr>
<tr>
<td>Americas</td>
<td>106</td>
<td>-</td>
<td>108</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>193</td>
<td>20</td>
<td>194</td>
</tr>
<tr>
<td>Japan</td>
<td>88</td>
<td>-</td>
<td>88</td>
</tr>
<tr>
<td>Middle East</td>
<td>21</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>633</td>
<td>25</td>
<td>633</td>
</tr>
</tbody>
</table>

3. Earnings/(losses) and dividends per share, basic and diluted

Earnings/(losses) per share

Earnings/(losses) per share are calculated by dividing the net profit (or net loss) of the period attributable to the Group’s shareholders by the weighted average number of ordinary shares outstanding.

<table>
<thead>
<tr>
<th></th>
<th>six months ended June 30 2021 (unaudited)</th>
<th>six months ended June 30 2020 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group net income/(loss) in Euro</td>
<td>97,242,973</td>
<td>(180,332,175)</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares in issue</td>
<td>2,558,824,000</td>
<td>2,558,824,000</td>
</tr>
</tbody>
</table>

| Basic and Diluted earnings (losses) per share in Euro, calculated on weighted average number of shares | 0.038 | (0.070) |

Dividends

During the six-month period ended June 30, 2021, the Company distributed dividends of Euro 89,558,840, as approved at the General Meeting held on May 27, 2021 for the approval of the financial statements for the year ended December 31, 2020.

The dividends net of the withholding taxes (Euro 84.9 million) were paid during the period under review, whereas the withholding tax (Euro 4.7 million), calculated 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, was paid in July 2021.

4. Trade receivables, net

<table>
<thead>
<tr>
<th>Amounts in thousands of Euro</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables – third parties</td>
<td>277,949</td>
<td>297,953</td>
</tr>
<tr>
<td>Allowance for bad and doubtful debts</td>
<td>(12,308)</td>
<td>(11,979)</td>
</tr>
<tr>
<td>Trade receivables – related parties</td>
<td>4,038</td>
<td>4,406</td>
</tr>
<tr>
<td>Total</td>
<td>269,679</td>
<td>290,380</td>
</tr>
</tbody>
</table>

The change in the provision for doubtful debts for the period is detailed below:

<table>
<thead>
<tr>
<th>Amounts in thousands of Euro</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance (audited)</td>
<td>11,979</td>
<td>9,354</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>225</td>
<td>(317)</td>
</tr>
<tr>
<td>Increases</td>
<td>402</td>
<td>4,135</td>
</tr>
<tr>
<td>Reversals</td>
<td>(116)</td>
<td>(109)</td>
</tr>
<tr>
<td>Utilization</td>
<td>(182)</td>
<td>(1,084)</td>
</tr>
<tr>
<td>Closing balance (unaudited)</td>
<td>12,308</td>
<td>11,979</td>
</tr>
</tbody>
</table>

An aging analysis of the trade receivables, before the provision for doubtful debts, is shown below:

<table>
<thead>
<tr>
<th>Amounts in thousands of Euro</th>
<th>June 30 2021 (unaudited)</th>
<th>Not overdue</th>
<th>Overdue (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 ≤ 30</td>
<td>31 ≤ 60</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>281,987</td>
<td>240,689</td>
<td>13,588</td>
</tr>
<tr>
<td>Total</td>
<td>281,987</td>
<td>240,689</td>
<td>13,588</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amounts in thousands of Euro</th>
<th>Dec. 31 2020 (audited)</th>
<th>Not overdue</th>
<th>Overdue (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 ≤ 30</td>
<td>31 ≤ 60</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>302,359</td>
<td>265,763</td>
<td>6,157</td>
</tr>
<tr>
<td>Total</td>
<td>302,359</td>
<td>265,763</td>
<td>6,157</td>
</tr>
</tbody>
</table>
An aging analysis of the trade receivables, net of the provision for doubtful debts, is shown below:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>Not overdue</th>
<th>1 ≤ 30</th>
<th>31 ≤ 60</th>
<th>61 ≤ 90</th>
<th>91 ≤ 120</th>
<th>&gt; 120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables less allowance for doubtful debts</td>
<td>269,679</td>
<td>239,356</td>
<td>13,502</td>
<td>1,615</td>
<td>3,807</td>
<td>3,179</td>
<td>8,220</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>269,679</strong></td>
<td><strong>239,356</strong></td>
<td><strong>13,502</strong></td>
<td><strong>1,615</strong></td>
<td><strong>3,807</strong></td>
<td><strong>3,179</strong></td>
<td><strong>8,220</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>Dec. 31 2020 (audited)</th>
<th>Not overdue</th>
<th>1 ≤ 30</th>
<th>31 ≤ 60</th>
<th>61 ≤ 90</th>
<th>91 ≤ 120</th>
<th>&gt; 120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables less allowance for doubtful debts</td>
<td>290,380</td>
<td>263,358</td>
<td>6,094</td>
<td>12,720</td>
<td>1,492</td>
<td>854</td>
<td>5,862</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>290,380</strong></td>
<td><strong>263,358</strong></td>
<td><strong>6,094</strong></td>
<td><strong>12,720</strong></td>
<td><strong>1,492</strong></td>
<td><strong>854</strong></td>
<td><strong>5,862</strong></td>
</tr>
</tbody>
</table>

5. Inventories, net

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw materials</td>
<td>99,928</td>
<td>99,827</td>
</tr>
<tr>
<td>Work in progress</td>
<td>31,177</td>
<td>20,386</td>
</tr>
<tr>
<td>Finished products</td>
<td>543,384</td>
<td>586,917</td>
</tr>
<tr>
<td>Return assets</td>
<td>7,080</td>
<td>6,974</td>
</tr>
<tr>
<td>Allowance for obsolete, slow-moving inventories and return assets</td>
<td>(53,087)</td>
<td>(47,882)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>628,482</strong></td>
<td><strong>666,222</strong></td>
</tr>
</tbody>
</table>

The changes in the provision for obsolete and slow-moving inventories and return assets were as follows:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>Raw materials</th>
<th>Finished Products and return assets</th>
<th>Total Allowance for obsolete, slow-moving inventories and return assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance (audited)</td>
<td>24,449</td>
<td>23,433</td>
<td>47,882</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>6</td>
<td>104</td>
<td>110</td>
</tr>
<tr>
<td>Increases</td>
<td>-</td>
<td>5,298</td>
<td>5,298</td>
</tr>
<tr>
<td>Utilization</td>
<td>-</td>
<td>(37)</td>
<td>(37)</td>
</tr>
<tr>
<td>Reversal</td>
<td>-</td>
<td>(166)</td>
<td>(166)</td>
</tr>
<tr>
<td>Closing balance (unaudited)</td>
<td>24,455</td>
<td>28,632</td>
<td>53,087</td>
</tr>
</tbody>
</table>

17
6. Receivables from, and advance payments to, related parties - current

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid sponsorship</td>
<td>16,453</td>
<td>25,032</td>
</tr>
<tr>
<td>Other receivables and advances</td>
<td>25,689</td>
<td>26,003</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42,142</strong></td>
<td><strong>51,035</strong></td>
</tr>
</tbody>
</table>

7. Other current assets

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VAT</td>
<td>18,860</td>
<td>34,677</td>
</tr>
<tr>
<td>Income tax and other tax receivables</td>
<td>88,683</td>
<td>100,406</td>
</tr>
<tr>
<td>Prepayments</td>
<td>54,205</td>
<td>48,319</td>
</tr>
<tr>
<td>Deposits</td>
<td>6,026</td>
<td>6,181</td>
</tr>
<tr>
<td>Advance to suppliers</td>
<td>2,998</td>
<td>1,250</td>
</tr>
<tr>
<td>Other receivables</td>
<td>4,254</td>
<td>3,355</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>175,026</strong></td>
<td><strong>194,188</strong></td>
</tr>
</tbody>
</table>

8. Capital expenditure

The changes in the carrying amount of property, plant and equipment for the six months ended June 30, 2021 were as follows:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>Land and buildings</th>
<th>Production plant and machinery</th>
<th>Leasehold improvements</th>
<th>Furniture &amp; fittings</th>
<th>Other tangibles</th>
<th>Assets under construction</th>
<th>Total net carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance (audited)</td>
<td>762,501</td>
<td>58,676</td>
<td>317,681</td>
<td>266,182</td>
<td>62,639</td>
<td>38,332</td>
<td>1,506,011</td>
</tr>
<tr>
<td>Additions</td>
<td>20,006</td>
<td>2,389</td>
<td>16,414</td>
<td>11,825</td>
<td>1,600</td>
<td>9,533</td>
<td>61,767</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(8,802)</td>
<td>(5,965)</td>
<td>(43,791)</td>
<td>(18,320)</td>
<td>(4,851)</td>
<td>-</td>
<td>(81,729)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>8,065</td>
<td>78</td>
<td>3,850</td>
<td>2,407</td>
<td>99</td>
<td>67</td>
<td>14,566</td>
</tr>
<tr>
<td>Other movements</td>
<td>11,312</td>
<td>3,494</td>
<td>2,823</td>
<td>3,271</td>
<td>78</td>
<td>(21,260)</td>
<td>(282)</td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>-</td>
<td>(148)</td>
<td>(139)</td>
<td>(5)</td>
<td>-</td>
<td>(292)</td>
</tr>
<tr>
<td>Closing balance (unaudited)</td>
<td>793,082</td>
<td>58,663</td>
<td>296,829</td>
<td>265,226</td>
<td>59,554</td>
<td>26,672</td>
<td>1,500,026</td>
</tr>
</tbody>
</table>
The changes in the carrying amount of intangible assets for the period ended June 30, 2021 were as follows:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>Trade-marks</th>
<th>Goodwill</th>
<th>Store Lease Acquisitions</th>
<th>Software</th>
<th>Other intangibles</th>
<th>Assets in progress</th>
<th>Total net carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance (audited)</td>
<td>210,405</td>
<td>513,486</td>
<td>770</td>
<td>80,968</td>
<td>5,831</td>
<td>20,985</td>
<td>832,445</td>
</tr>
<tr>
<td>Additions</td>
<td>393</td>
<td>-</td>
<td>7</td>
<td>2,984</td>
<td>429</td>
<td>9,229</td>
<td>13,042</td>
</tr>
<tr>
<td>Amortization</td>
<td>(7,166)</td>
<td>-</td>
<td>(178)</td>
<td>(8,786)</td>
<td>(1,353)</td>
<td>-</td>
<td>(17,483)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>1,713</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>3</td>
<td>-</td>
<td>1,731</td>
</tr>
<tr>
<td>Other movements</td>
<td>17,400</td>
<td>(75)</td>
<td>41</td>
<td>2,066</td>
<td>1,331</td>
<td>(20,799)</td>
<td>(36)</td>
</tr>
<tr>
<td>Closing balance (unaudited)</td>
<td>222,745</td>
<td>513,411</td>
<td>640</td>
<td>77,247</td>
<td>6,241</td>
<td>9,415</td>
<td>829,699</td>
</tr>
</tbody>
</table>

Impairment test

As required by IAS 36, “Impairment of Assets,” intangible assets with indefinite useful lives are not amortized, but they are tested for impairment at least once per year. The Group reports no intangible assets with indefinite useful lives other than goodwill. At June 30, 2021, goodwill amounts to Euro 513.4 million, detailed by cash generating unit ("CGU") hereunder:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy Wholesale</td>
<td>78,355</td>
<td>78,355</td>
</tr>
<tr>
<td>Asia Pacific and Japan Retail</td>
<td>311,936</td>
<td>311,936</td>
</tr>
<tr>
<td>Italy Retail</td>
<td>25,850</td>
<td>25,850</td>
</tr>
<tr>
<td>Germany and Austria Retail</td>
<td>5,064</td>
<td>5,064</td>
</tr>
<tr>
<td>United Kingdom Retail</td>
<td>9,300</td>
<td>9,300</td>
</tr>
<tr>
<td>Spain Retail</td>
<td>1,400</td>
<td>1,400</td>
</tr>
<tr>
<td>France and Montecarlo Retail</td>
<td>11,700</td>
<td>11,700</td>
</tr>
<tr>
<td>North America Retail and Wholesale</td>
<td>48,000</td>
<td>48,000</td>
</tr>
<tr>
<td>Production Division</td>
<td>13,831</td>
<td>13,906</td>
</tr>
<tr>
<td>Pasticceria Marchesi 1824</td>
<td>7,975</td>
<td>7,975</td>
</tr>
<tr>
<td>Goodwill</td>
<td>513,411</td>
<td>513,486</td>
</tr>
</tbody>
</table>

No impairment losses were identified for these CGUs or other CGUs of the Group. However, since the related recoverable amount is determined on the basis of estimates and assumptions, management cannot guarantee that the value of the intangible assets recognized could not be impaired in the future.
9. Right of Use assets

The changes in the carrying amount of the Right of Use assets for the period ended June 30, 2021 are shown below:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>Real Estate</th>
<th>Vehicles</th>
<th>Hardware</th>
<th>Plant and machinery</th>
<th>Total net carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance (audited)</td>
<td>2,050,768</td>
<td>1,163</td>
<td>228</td>
<td>2,179</td>
<td>2,054,338</td>
</tr>
<tr>
<td>New contracts, initial direct costs and re-measurement</td>
<td>191,497</td>
<td>245</td>
<td>5</td>
<td>46</td>
<td>191,793</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(211,894)</td>
<td>(494)</td>
<td>(39)</td>
<td>(378)</td>
<td>(212,805)</td>
</tr>
<tr>
<td>Contracts termination</td>
<td>(9,365)</td>
<td>(3)</td>
<td>-</td>
<td>55</td>
<td>(9,313)</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>11,204</td>
<td>(1)</td>
<td>5</td>
<td>1</td>
<td>11,209</td>
</tr>
<tr>
<td>Closing balance (unaudited)</td>
<td>2,032,210</td>
<td>910</td>
<td>199</td>
<td>1,903</td>
<td>2,035,222</td>
</tr>
</tbody>
</table>

The increase for new contracts, initial direct costs and re-measurements was attributable both to contract renewals (mainly in Italy, Russia, Australia, USA and Mainland China) and re-measurement of contractual provisions like indexes-linked payments.

10. Other non-current assets

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guarantee deposits</td>
<td>61,772</td>
<td>60,051</td>
</tr>
<tr>
<td>Deferred rental income</td>
<td>471</td>
<td>533</td>
</tr>
<tr>
<td>Pension fund surplus</td>
<td>11,815</td>
<td>11,277</td>
</tr>
<tr>
<td>Prepayments for commercial agreements</td>
<td>56,340</td>
<td>58,427</td>
</tr>
<tr>
<td>Other long-term assets</td>
<td>12,954</td>
<td>12,424</td>
</tr>
<tr>
<td>Total</td>
<td>143,352</td>
<td>142,712</td>
</tr>
</tbody>
</table>
11. Payables to related parties – current

The current payables to related parties are shown below:

<table>
<thead>
<tr>
<th></th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial payables</td>
<td>3,201</td>
<td>3,101</td>
</tr>
<tr>
<td>Other payables</td>
<td>-</td>
<td>380</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,201</strong></td>
<td><strong>3,481</strong></td>
</tr>
</tbody>
</table>

The financial payables due to related parties regard two interest-free loans granted by non-controlling shareholders of the Group’s subsidiaries in the Middle East.

12. Trade payables

<table>
<thead>
<tr>
<th></th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables – third parties</td>
<td>273,308</td>
<td>286,653</td>
</tr>
<tr>
<td>Trade payables – related parties</td>
<td>2,650</td>
<td>2,925</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>275,958</strong></td>
<td><strong>289,578</strong></td>
</tr>
</tbody>
</table>

An aging analysis of the trade payables at the reporting date is shown below:

<table>
<thead>
<tr>
<th>Trade payables</th>
<th>June 30 2021 (unaudited)</th>
<th>Not overdue</th>
<th>Overdue (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 ≤ 30</td>
<td>31 ≤ 60</td>
</tr>
<tr>
<td><strong>Trade payables</strong></td>
<td><strong>275,958</strong></td>
<td><strong>251,689</strong></td>
<td><strong>5,377</strong></td>
</tr>
</tbody>
</table>

| Total | 275,958 | 251,689 | 5,377 | 3,611 | 1,626 | 977 | 12,678 |

<table>
<thead>
<tr>
<th>Trade payables</th>
<th>Dec. 31 2020 (audited)</th>
<th>Not overdue</th>
<th>Overdue (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1 ≤ 30</td>
<td>31 ≤ 60</td>
</tr>
<tr>
<td><strong>Trade payables</strong></td>
<td><strong>289,578</strong></td>
<td><strong>262,158</strong></td>
<td><strong>10,830</strong></td>
</tr>
</tbody>
</table>

| Total | 289,578 | 262,158 | 10,830 | 2,725 | 1,139 | 652 | 12,074 |
13. Other current liabilities

<table>
<thead>
<tr>
<th></th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables for capital expenditure</td>
<td>37,610</td>
<td>39,958</td>
</tr>
<tr>
<td>Accrued expenses and deferred income</td>
<td>23,576</td>
<td>24,944</td>
</tr>
<tr>
<td>Other payables</td>
<td>99,487</td>
<td>88,480</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160,673</td>
<td>153,382</td>
</tr>
</tbody>
</table>

14. Provisions for risks and charges

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

<table>
<thead>
<tr>
<th></th>
<th>Provision for litigation</th>
<th>Provision for tax disputes</th>
<th>Other Provisions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening balance</strong></td>
<td>389</td>
<td>1,858</td>
<td>43,169</td>
<td>45,416</td>
</tr>
<tr>
<td>Exchange differences</td>
<td>(1)</td>
<td>30</td>
<td>1,066</td>
<td>1,095</td>
</tr>
<tr>
<td>Reversals</td>
<td>(10)</td>
<td>-</td>
<td>(1)</td>
<td>(21)</td>
</tr>
<tr>
<td>Utilized</td>
<td>(80)</td>
<td>(25)</td>
<td>(1,356)</td>
<td>(1,461)</td>
</tr>
<tr>
<td>Increases</td>
<td>-</td>
<td>312</td>
<td>703</td>
<td>1,015</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>298</td>
<td>2,175</td>
<td>43,571</td>
<td>46,044</td>
</tr>
</tbody>
</table>

The provisions for risks and charges represent management’s best estimate of the maximum amount of potential liabilities. In the Directors’ opinion, based on the information available to them, as also supported by the opinions of independent experts, the total amount allocated for risks and charges at the reporting date is adequate in respect of the liabilities that could arise from them.

With regards to the Other provisions, which mainly consist of contractual obligations to restore leased commercial properties to their original condition, the decrease of the period related to stores closed, essentially in the Asia Pacific region.

In respect of the tax disputes, no significant facts or change in circumstances occurred in the period so as to entail an adjustment to the provisions accrued at December 31, 2020.

In addition, at the date of the approval of this Announcement, the Company is investigating the existence of a potential liability connected with the non-renewal of the advisory agreement with Chora Srl, a company owned by the former Chairman Carlo Mazzi. At this stage, Prada Spa, also supported by a legal opinion, deems appropriate not to accrue any provision in this respect, since the potential liability is not probable and, in any case, not reliably measurable.
Management Discussion and Analysis for the six months ended June 30, 2021

Distribution channels

In the first six months of 2021, the Prada Group steadily improved its retail sales performance, showing growth of 60.3% at constant exchange rates compared with the first six months of 2020 (53.6% at current exchange rates) and of 8.4% versus the same period of 2019 (+4% at current exchange rates). Indeed, compared with 2019, sales accelerated from single-digit growth in the first quarter to double-digit in the second one. This was explained by the progressive consolidation of the business strategies of investment in brand positioning, omnichannel expansion and customer service enhancement. Moreover, the e-commerce sales grew significantly in the period, reaching almost 7% of retail sales in the six-month ended June 30, 2021.

The total number of stores remained the same as at December 31, 2020 (633). The wholesale channel declined by 36.9% at constant exchange rates against the first half of 2019 (-37.6% at current exchange rates) following the selective strategy to preserve the brands’ positioning. Against the first six-month period of 2020, the channel was up more than 100%.

Markets

The retail sales in Asia Pacific for the six months ended June 30, 2021 rose by 64.9% at constant exchange rates from the comparative period (+62% at current exchange rates) and by 34.9% from the corresponding period of 2019. The region showed double-digit growth in both quarters compared with the 2019 data. Consumer demand was particularly strong in key markets compared with the first six-month period of 2019 at constant exchange rates: Mainland China (+77%), Taiwan (+74%) and Korea (+108%).

The wholesale channel reported a slight growth versus the first half of 2019, while against the same six-month period of 2020 it was up triple-digit.

The persistence of the pandemic and of the restrictions imposed by governments impacted considerably retail sales in Europe. At constant exchange rates, during the six-month period the region had retail sales growth of 18.8% over the same period of 2020 (+15.1% at current exchange rates) and a decline of 29.1% compared with the first six months 2019. The region recovered quickly after the re-openings, with robust demand from local customers partially offsetting the lack of tourists. Due to lockdowns, the region operated with 36% fewer working days on average.

The wholesale channel contracted double-digit versus the first half of 2019 following the selective strategy. Instead, against the same six-month period of 2020, this channel was up by double-digit.

Retail sales in the American market recovered well from the first half of 2020 (+163.4% at constant exchange rates and +142.1% at current exchange rates)
and the same period of 2019 (+52.5% at constant exchange rates), thanks to the strength of the local clientele.

The wholesale channel contracted double-digit versus the first half of 2019 for the aforementioned reasons. Instead, against the first six-month period of 2020, this channel was up by triple-digit.

The Japanese market had retail sales up by 24.7% at constant exchange rates compared with the first half of 2020 (14.6% at current exchange rates) and a decline of 24.3% at constant exchange rates compared with the same period of 2019. The absence of tourism flows and the restrictions imposed by the government ahead of the Olympics affected the results of this region to a substantial degree.

The Middle East, led by the results in the United Arab Emirates driven by local spending, had retail sales growth of 128.7% at constant exchange rates from the first half of 2020 (110% at current exchange rates) and of 28.5% at constant exchange rates against the same period of 2019.

**Products**

Retail sales by product were fairly balanced among the three categories, with a significant growth against the first six months of 2020 and a more moderate one against the same period of 2019. It is worth noting that clothing achieved remarkable results for both Prada and Miu Miu, posting a 24.2% growth at constant exchange rates compared with the first half of 2019.

**Brands**

The retail sales of the Prada and Miu Miu brands, at constant exchange rates, rose by 64.2% (57.2% at current exchange rates) and 43.2% (37.7% at current exchange rates), respectively, from those of the first half of 2020. Against the same six months of 2019 and at constant exchange rates, Prada still shows growth (+13.1%) whereas Miu Miu reports a decline (-7.9%).

The total net sales of Church’s brand, which continued to be affected by its dominant presence in Europe, increased by 5.7% at constant exchange rates compared with the corresponding period of 2020 (+4.6% at current exchange rates).

**Royalties**

Royalty income rose by 88.7% from the same period of 2020. The royalties from fragrances increased after benefiting from the new agreement with L’Oréal, which became effective on January 1, 2021.

**Operating results**

The gross margin of the period (74.3% of net revenues) was higher than that of the same period of 2020 (70.4% of net revenues), essentially as a result of the drop in revenues in 2020 and less absorption of production overheads. A more
favorable sales mix in terms of distribution channels, geographical areas and products also improved the margins of the first half of 2021. The total operating expenses were Euro 949 million, up by Euro 93 million from 2020 as a result of higher variable costs relating to the higher sales, less Covid-related discounts obtained from lessors, less use of wage supplements and greater advertising and promotion expenses. EBIT was Euro 166 million, or 11.1% of net revenues, whereas for the first half of 2020 it was negative by Euro 195.8 million.

Financial charges and taxation

The net financial expenses were Euro 27.7 million for the six-month period ended June 30, 2021, a considerable decrease from those of the first six months of 2020 (Euro 39.7 million) attributable primarily to lower foreign exchange losses and lower interest expenses on lease liability.

The income tax charge for the period is Euro 41.3 million, 29.9% of the pre-tax profit. It is worth reminding that in the comparative period of 2019 the taxation line-item showed an income of Euro 34.4 million following the recognition of the patent-box tax benefit of Euro 77 million.
Net invested capital

The following table reclassifies the Statement of Financial Position to provide a better view of the net invested capital:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right of use assets</td>
<td>2,035,222</td>
<td>2,054,338</td>
</tr>
<tr>
<td>Non-current assets (excluding deferred tax assets)</td>
<td>2,463,832</td>
<td>2,507,244</td>
</tr>
<tr>
<td>Trade receivables, net</td>
<td>269,679</td>
<td>290,380</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>628,482</td>
<td>666,222</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(275,958)</td>
<td>(289,578)</td>
</tr>
<tr>
<td>Net operating working capital</td>
<td>622,203</td>
<td>667,024</td>
</tr>
<tr>
<td>Other current assets (excluding items of financial position)</td>
<td>214,440</td>
<td>246,914</td>
</tr>
<tr>
<td>Other current liabilities (excluding items of financial position)</td>
<td>(242,604)</td>
<td>(221,421)</td>
</tr>
<tr>
<td>Other current assets/ liabilities, net</td>
<td>(28,164)</td>
<td>25,493</td>
</tr>
<tr>
<td>Provision for risks</td>
<td>(46,044)</td>
<td>(45,416)</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>(73,125)</td>
<td>(73,256)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>(76,882)</td>
<td>(61,576)</td>
</tr>
<tr>
<td>Deferred taxation, net</td>
<td>216,526</td>
<td>222,638</td>
</tr>
<tr>
<td>Other non-current assets/ liabilities</td>
<td>20,475</td>
<td>42,390</td>
</tr>
<tr>
<td>Net invested capital</td>
<td>5,113,568</td>
<td>5,296,489</td>
</tr>
</tbody>
</table>

Shareholder’s equity – Group (2,881,081) (2,832,057)
Shareholder’s equity – Non-controlling interests (13,289) (19,663)
Total Consolidated shareholders’ equity (2,894,370) (2,851,720)
Long-term financial payables (391,816) (450,075)
Short-term financial, net surplus/(deficit) 290,002 138,718
Net financial position surplus/(deficit) (101,814) (311,357)
Net financial deficit to Consolidated shareholders’ equity ratio 3.5% 10.9%

Long-term lease liability (1,708,185) (1,729,819)
Short-term lease liability (409,199) (403,593)
Total lease liability (2,117,384) (2,133,412)
Net financial position surplus/(deficit), including lease liability (2,219,198) (2,444,769)
Shareholders’ equity and net financial position (5,113,568) (5,296,489)

The net invested capital at June 30, 2021 is Euro 5,114 million, balanced with net financial debt of Euro 102 million, the lease liability of Euro 2,117 million and the Group’s equity of Euro 2,881 million.

The right-of-use asset decreased by Euro 19.1 million as a result of depreciation of Euro 212.8 million, offset by increases for lease renewals and adjustments to revaluation parameters (usually the consumer price index) totaling Euro 192 million and, to a lesser extent, by the favorable impact of foreign exchange differences of Euro 11 million.

The non-current assets (excluding deferred tax assets), which consist essentially of tangible assets, intangible assets and financial assets, fell from Euro 2,507.2 million at December 31, 2020 to Euro 2,463.8 million after the depreciation, amortization and impairment of the period (Euro 99.5 million) and the variation of the equity instruments (Euro 37.4 million). Such decreases were offset in part
by foreign exchange differences (appreciation of Euro 16.4 million due to the stronger Chinese renminbi, U.S. dollar and British pound sterling against the Euro) and by capital expenditures (Euro 74.8 million). The latter amount is detailed as follows:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>six months ended June 30 2021 (unaudited)</th>
<th>six months ended June 30 2020 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>41,599</td>
<td>28,075</td>
</tr>
<tr>
<td>Real estate</td>
<td>19,587</td>
<td>-</td>
</tr>
<tr>
<td>Production, logistics and corporate</td>
<td>13,624</td>
<td>21,225</td>
</tr>
<tr>
<td><strong>Total capital expenditures</strong></td>
<td><strong>74,810</strong></td>
<td><strong>49,300</strong></td>
</tr>
</tbody>
</table>

The capital expenditures regarded primarily store restyling and relocation projects, as well as many technological and digital evolution projects in the retail, manufacturing and corporate areas. In addition, to have greater control over its real estate space, during the period the Group purchased the prestigious building where the Prada store in Athens is located.

The net operating working capital at June 30, 2021 is Euro 622.2 million, down by Euro 44.8 million compared with the end of 2020. The decrease was attributable mainly to a more effective inventory management.

The net current assets, shown as Euro 25.5 million in the net invested capital at December 31, 2020, are now net liabilities of Euro 28.2 million, essentially as a result of the change in the fair value of the hedging instruments and less VAT and other tax credits compared with December 31, 2020.

Other non-current assets, shown in the net invested capital net of the non-current liabilities, are Euro 20 million at June 30, 2021, down by Euro 21.9 million compared with December 31, 2020 substantially as a result of the recognition of deferred income relating to the collection of deferred sales consideration.
## Net financial position

The following table presents the composition of the net financial position:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank borrowing - non-current</td>
<td>(392,941)</td>
<td>(451,200)</td>
</tr>
<tr>
<td><strong>Total financial payables - non-current</strong></td>
<td><strong>(392,941)</strong></td>
<td><strong>(451,200)</strong></td>
</tr>
<tr>
<td>Financial payables and bank overdrafts - current</td>
<td>(311,466)</td>
<td>(300,577)</td>
</tr>
<tr>
<td>Payables to related parties</td>
<td>(3,202)</td>
<td>(3,097)</td>
</tr>
<tr>
<td><strong>Total financial payables - current</strong></td>
<td><strong>(314,668)</strong></td>
<td><strong>(303,674)</strong></td>
</tr>
<tr>
<td><strong>Total financial payables</strong></td>
<td><strong>(707,609)</strong></td>
<td><strong>(754,874)</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>604,668</td>
<td>442,392</td>
</tr>
<tr>
<td>Financial receivables from related parties - non-current</td>
<td>1,125</td>
<td>1,125</td>
</tr>
<tr>
<td>Financial receivables from related parties - current</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Cash and cash equivalents and financial receivables</strong></td>
<td><strong>605,795</strong></td>
<td><strong>443,517</strong></td>
</tr>
<tr>
<td><strong>Net financial deficit, total</strong></td>
<td><strong>(101,814)</strong></td>
<td><strong>(311,357)</strong></td>
</tr>
</tbody>
</table>

The net operating cash flow for the six-month period, after lease payments (Euro 210 million), was cash generation equal to Euro 315.6 million (“net operating cash flow” in the table below), which enabled to finance the cash outflows for investing activities of the period (Euro 33.4 million), pay dividends (Euro 84.9 million) and reduce the Group’s financial deficit (from Euro 311.4 million to Euro 101.8 million).

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>June 30 2020 (unaudited)</th>
<th>June 30 2019 (unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow from operating activities</strong></td>
<td><strong>551,817</strong></td>
<td><strong>203,975</strong></td>
<td><strong>404,939</strong></td>
</tr>
<tr>
<td>Cost of net financial debt: interest paid</td>
<td>(6,142)</td>
<td>(6,428)</td>
<td>(452)</td>
</tr>
<tr>
<td>Lease Liability: interest paid</td>
<td>(18,827)</td>
<td>(23,433)</td>
<td>(24,580)</td>
</tr>
<tr>
<td>Tax Paid</td>
<td>(19,974)</td>
<td>(22,980)</td>
<td>(15,724)</td>
</tr>
<tr>
<td><strong>Net Cash Flow from operating activities</strong></td>
<td><strong>506,874</strong></td>
<td><strong>151,134</strong></td>
<td><strong>364,183</strong></td>
</tr>
<tr>
<td>Repayment of Lease Liability</td>
<td>(191,273)</td>
<td>(177,589)</td>
<td>(226,849)</td>
</tr>
<tr>
<td><strong>Net Operating Cash Flow</strong></td>
<td><strong>315,601</strong></td>
<td><strong>(26,455)</strong></td>
<td><strong>137,334</strong></td>
</tr>
<tr>
<td>Net cash flow utilized by investing activities</td>
<td>(33,362)</td>
<td>(82,221)</td>
<td>(184,748)</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td><strong>282,239</strong></td>
<td><strong>(108,677)</strong></td>
<td><strong>(47,414)</strong></td>
</tr>
</tbody>
</table>

During the period, the Group repaid current portions of long-term loans in an amount of Euro 150 million and stipulated a new ESG-linked long-term loan of Euro 90 million from Unicredit.
The total amount of undrawn lines of credit at June 30, 2021 is Euro 825 million, consisting of Euro 400 million in committed lines and Euro 425 million in uncommitted lines. The loan covenants were fully complied with at the reporting date.

The following table sets forth the lease liability:

<table>
<thead>
<tr>
<th>(amounts in thousands of Euro)</th>
<th>June 30 2021 (unaudited)</th>
<th>December 31 2020 (audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term Lease Liability</td>
<td>409,199</td>
<td>403,593</td>
</tr>
<tr>
<td>Long-term Lease Liability</td>
<td>1,708,185</td>
<td>1,729,819</td>
</tr>
<tr>
<td>Total Lease Liability</td>
<td>2,117,384</td>
<td>2,133,412</td>
</tr>
</tbody>
</table>

The lease liability decreased from Euro 2,133 million at December 31, 2020 to Euro 2,117 million as a result of the payments made in the period (Euro 210 million), net of re-measurements to reflect lease renewals or modifications (Euro 182.5 million) and interest recognized to adjust the present value of the liability (Euro 18.8 million).

The lease liability is concentrated in Japan, the U.S.A. and Italy.

The net financial indebtedness, including the lease liability, is Euro 2,219 million at June 30, 2021.

**Events after the reporting date**

On July 14, the Group executed its commitment to enter the share capital of Filati Biagioli Modesto spa with a 40% stake.

**Outlook**

Commitment to brands and stronger ties with customers have delivered robust growth in sales across markets and product categories. Group’s profitability improved, despite the uncertain environment and the sales momentum is expected to remain strong in the second half of the year. The Group’s brands have plenty of potential and the management is confident to unlock it over the medium term.
Corporate Governance practices

The Company is seamlessly engaged in maintaining a high standard of corporate governance practices as part of its commitment to effective corporate governance. The corporate governance model adopted by the Company consists of a set of rules and standards aimed toward establishing efficient and transparent operations within the Group, to protect the rights of the Company’s shareholders and to enhance shareholder value. Such corporate governance model adopted is in compliance with the applicable regulations in Italy, where the Company is incorporated, as well as the principles of the Corporate Governance Code (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), where its shares are listed.

Compliance with the Code

The Board of Directors of the Company (the “Board”) has reviewed the Company’s corporate governance practices and is satisfied that such practices have complied with the code provisions set out in the Code throughout the six months from January 1, 2021 to June 30, 2021 (the “Reviewed Period”).

The Board

The Board is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Company and the Group.

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee. Each Committee is chaired by an independent non-executive director. The written terms of reference of each Committee are on terms no less exacting than those set out in the Code and are available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

On May 27, 2021, the 2021 shareholders’ general meeting of the Company (the “AGM”) has appointed the current Board consisting of nine directors for a term of three financial years, expiring on the date of the shareholders’ general meeting to be called to approve the financial statements for the year ending December 31, 2023.

On June 4, 2021, the Board held its first meeting after the AGM to, among others, confer the executive roles of the Directors and resolve the membership of the Board Committees.
The Board comprises nine Directors, and their names, roles and functions are set out below:

<table>
<thead>
<tr>
<th>Board Committee</th>
<th>Audit Committee</th>
<th>Remuneration Committee</th>
<th>Nomination Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Paolo Zannoni</td>
<td>-</td>
<td>Member</td>
<td>-</td>
</tr>
<tr>
<td>(Chairperson of the Board)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms. Miuccia Prada Bianchi</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Chief Executive Officer)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Patrizio Bertelli</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Chief Executive Officer)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms. Alessandra Cozzani</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>(Chief Financial Officer)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Lorenzo Bertelli</td>
<td>-</td>
<td>-</td>
<td>Member</td>
</tr>
<tr>
<td>Non-Executive Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Stefano Simontacchi</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Independent Non-Executive Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms. Marina Sylvia Caprotti</td>
<td>Member</td>
<td>Chairperson</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Maurizio Cereda</td>
<td>Member</td>
<td>-</td>
<td>Chairperson</td>
</tr>
<tr>
<td>Mr. Yoël Zaoui</td>
<td>Chairperson</td>
<td>Member</td>
<td>-</td>
</tr>
</tbody>
</table>

During the Reviewed Period, the Board has held five meetings on January 5, March 10, April 16, June 4 and June 28, 2021.

**Audit Committee**

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules where at least one member possesses appropriate professional qualifications in accounting or related financial management expertise to discharge the responsibility of the Audit Committee. The Audit Committee consists of three independent non-executive directors, namely, Mr. Yoël Zaoui (Chairperson), Ms. Marina Sylvia Caprotti and Mr. Maurizio Cereda.

The primary duties of the Audit Committee are to assist the Board in providing an independent view on the effectiveness of the Company’s financial reporting process and its internal control and risk management systems, to oversee the external and internal audit processes and the implementation of the Company’s risk management functions and to perform other duties and responsibilities as are assigned to the Audit Committee by the Board.

During the Reviewed Period, the Audit Committee held four meetings on January 29, February 25, March 8 and April 8, 2021, with an attendance rate of 100%. The Audit Committee often invites the Company’s senior management, the Group’s internal and external auditors and the members of the board of statutory auditors to its meetings. The Audit Committee’s activities for the
Reviewed Period covered: the audit plan for the year 2021, the findings of the internal auditors, internal controls, risk assessment, annual review of the Group’s continuing connected transactions for 2020, tax and legal updates (including management of data privacy matters), the financial reporting matters (including the annual results for the year 2020), before recommending them to the Board for approval.

The Audit Committee held two further meetings on July 16 and 28, 2021 to, among others, appoint its Chairperson and review the interim results for the period ended June 30, 2021, before recommending them to the Board for approval.

**Remuneration Committee**

The Company has established a Remuneration Committee in compliance with the Code. The Remuneration Committee consists of two independent non-executive directors, Ms. Marina Sylvia Caprotti (Chairperson) and Mr. Yoël Zaoui, and one executive director, Mr. Paolo Zannoni.

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 put forward to the Board for consideration and, where appropriate, adoption.

During the Reviewed Period, the Remuneration Committee held two meetings on March 31 and June 28, 2021, with an attendance rate of 100% to review and recommend, among others, the aggregate basic remuneration of the Board, the additional remuneration of the directors vested with special authorities, certain updates to the long term incentive plan and the management by objective plans for executives and the executive directors.

**Nomination Committee**

The Company has established a Nomination Committee in compliance with the Code. The Nomination Committee consists of two independent non-executive directors, Mr. Maurizio Cereda (Chairperson) and Ms. Marina Sylvia Caprotti, and one executive director, Mr. Lorenzo Bertelli.

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. In discharging its duties, the Nomination Committees has considered the Board Diversity Policy and the Directors’ Nomination Policy.
During the Reviewed Period, the Nomination Committee held two meetings on February 26 and April 1, 2021, with an attendance rate of 100% to perform the annual review of the independence of independent non-executive directors, to recommend to the shareholders the structure of the Board and the election and appointment of nine directors for a term of three financial years and to review the candidates proposed to be elected as Directors by Prada Holding spa.

**Board of Statutory Auditors**

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

The AGM has elected the following persons as statutory auditors or alternate statutory auditors (as the case may be) for a term of three financial years, ending on the date of the shareholders’ meeting to be called to approve the financial statements for the year ending December 31, 2023:

Mr. Antonino Parisi – Chairperson of the board of statutory auditors;  
Mr. Roberto Spada – statutory auditor;  
Mr. David Terracina – statutory auditor;  
Ms. Stefania Bettoni – alternate statutory auditor; and  
Ms. Fioranna Negri – alternate statutory auditor.

During the Reviewed Period, the members of board of statutory auditors attended five meetings of the Board.

**Organismo di Vigilanza (Supervisory Body)**

In compliance with the Italian Legislative Decree 231 of June 8, 2001 (the “Decree”), the Company has established an *organismo di vigilanza* (supervisory body) whose primary duty is to ensure the functioning, effectiveness and enforcement of the Model of Organization, adopted by the Company pursuant to the same Decree.

The *organismo di vigilanza* (supervisory body) consists of three members selected among qualified and experienced individuals and appointed by the Board. As at June 30, 2021, the *organismo di vigilanza* (supervisory body) consists of Ms. Stefania Chiaruttini (Chairperson), Mr. Yoël Zaoui and Mr. Gianluca Andriani.
**Dividends**

The Company may distribute dividends subject to the approval of the shareholders in a shareholders’ general meeting.

No dividends have been declared or paid by the Company in respect of the Reviewed Period.

On March 10, 2021, the Board recommended for the financial year 2020 the payment of a final dividend of Euro 0.035 per share, representing a total dividend of Euro 89,558,840. The AGM approved the distribution and payment of the final dividend. The dividend was paid on Wednesday, June 30, 2021.

**Directors’ Securities Transactions**

The Company has adopted written procedures governing Directors’ securities transactions on terms no less exacting than the standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”). Specific written confirmations have been obtained from each Director (where practicable) to confirm his/her compliance with the required standard set out in the Model Code and the Company’s relevant procedures regarding Directors’ securities transactions for the Reviewed Period. There was no incident of non-compliance during the Reviewed Period.

The Company has also adopted written procedures governing securities transactions carried out by relevant employees who are likely to be in possession of inside information in relation to the Company and its securities. The terms of these procedures are no less exacting than the standard set out in the Model Code.

**Purchase, Sale, or Redemption of the Company’s Listed Securities**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Reviewed Period.
Publication of Interim Results Announcement and Interim Report

The interim results announcement of the Company is published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.pradagroup.com. The interim report will be available on the same websites and dispatched to the shareholders of the Company in due course.

By Order of the Board
PRADA S.p.A.
Mr. Paolo Zannoni
Chairperson

Milan (Italy), July 29, 2021

As at the date of this announcement, the Company’s executive directors are Mr. Paolo ZANNONI, Ms. Miuccia PRADA BIANCHI, Mr. Patrizio BERTELLI, Ms. Alessandra COZZANI and Mr. Lorenzo BERTELLI; the Company’s non-executive director is Mr. Stefano SIMONTACCHI and the Company’s independent non-executive directors are Ms. Marina Sylvia CAPROTTI, Mr. Maurizio CEREDA and Mr. Yoël ZAOUI.