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## **PRADA S.p.A.**

Registered office at Milan (Italy), Via A. Fogazzaro n. 28  
Registry of Companies of Milan, Monza, Brianza, Lodi (Italy): No. 10115350158  
(Incorporated under the laws of Italy as a joint-stock company with limited liability)  
(Stock Code: 1913)

### **INSIDE INFORMATION ANNOUNCEMENT**

#### **UNAUDITED COMMERCIAL AND FINANCIAL UPDATE OF THE PRADA GROUP FOR THE SIX MONTHS ENDED DECEMBER 31, 2020 IN THE MIDST OF COVID-19 PANDEMIC**

The Board of Directors of PRADA S.p.A. (the “**Company**” and, together with its consolidated subsidiaries, the “**Prada Group**”) is pleased to provide a commercial and financial update of the performance of the Prada Group for the six months ended December 31, 2020 (the “**Second Half of 2020**”) just ended. Due to the extraordinary conditions created by the COVID-19 pandemic, and the consequent uncertainty about the business development of the Prada Group that should be generated in the shareholder, the Board wishes to keep the shareholders of the Company and any potential investor, timely and duly informed about the latest business development of the Prada Group. This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Second Half of 2020, despite being impacted by ongoing store closures averaging 9% of the network, saw a progressive recovery in sales, culminating for the retail sales in a full recovery to 2019 levels in the month of December.

In the Second Half of 2020, the impact of the COVID-19 pandemic on the retail channel was limited to an average of -6% (at constant exchange rate). Europe and Japan were penalized by the lack of tourist flows, while the Americas, the Middle East, Russia and, above all, Asia Pacific recorded positive performances particularly China with +52%.

Wholesale sales reduced in line with the Prada Group strategy, which has been started in 2019, to protect the images of the brands and has been maintained despite the difficult economic situation. Currently, the retail channel accounts for around 90% of the total sales.

Careful management of quality and product mix has contributed to margin recovery and offset the deficit incurred in the first half of 2020, thus ending financial year 2020 with EBIT in positive territory.

Finally, cash generation and strict control of investment, in particular of stocks of raw materials and of finished products, has contributed to an improved Net Financial Position compared with the beginning of the year.

Mr. Patrizio Bertelli, Chief Executive Officer of the Company, commented:

*“I am very satisfied with how we have faced the serious difficulties of the year just ended and how, despite the persistent uncertainty which will likely continue for the next months, we have managed to deliver positive results. Thanks to the generous commitment of all Prada Group staff, we were able to respond rapidly and consistently to market changes, which has been appreciated by all of our customers.”*

The above information is based solely on the Board preliminary review of the internal data currently available and gathered by the Company only and is not intended to be a comprehensive statement of the Prada Group’s financial or operational result. The said information and data have not been reviewed, confirmed nor audited by the auditors of the Company. Therefore, the above information and data may be subject to modification during the preparation of the Prada Group’ consolidated financial statements for 2020 financial year. The announcement of the consolidated results of the Prada Group for the financial year ended December 31, 2020 and the relevant 2020 annual report will be published in due course.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Milan (Italy), January 5, 2021

*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.*