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PRADA Group

Prada S.p.A.
(Stock Code: 1913)

ANNOUNCEMENT OF THE CONSOLIDATED RESULTS FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2024

- Prada Group reported net revenues of Euro 5,431.6 million, up by 17.0% at constant exchange rates compared to 2023.
- Retail net sales increased by 18.0% at constant exchange rates compared to 2023.
- Retail net sales of the Prada brand increased by 4.2% and Miu Miu by 93.2%, at constant exchange rates.
- Double-digit growth of the retail net sales in Japan +45.8%, Middle East +26.0%, Europe +17.5% and Asia Pacific +13.1%, all at constant exchange rates; Americas high single-digit growth (+8.9%) with a sequential improvement during the year.
- EBIT of Euro 1,279.6 million, corresponding to 23.6% of net revenues, increasing by 20.5% versus 2023 (Euro 1,061.7 million, 22.5% of net revenues).
- Group net income of Euro 838.9 million, up 25.0% versus 2023.
- Net financial position positive for Euro 599.6 million as of December 31, 2024.
- Proposed dividend distribution of Euro 0.164 per share.

Presentation of the Prada Group

Prada S.p.A. ("Prada" or the "Company"), together with its subsidiaries (collectively the "Group" or the "Prada Group"), is listed on the Hong Kong Stock Exchange (HKSE code: 1913). The Prada Group is a leading player in the luxury goods industry, where it operates with the Prada, Miu Miu, Church's and Car Shoe brands producing and distributing leather goods, footwear and ready to wear. It also operates in the food sector with the Marchesi 1824 brand, in the most prestigious sailing races with Luna Rossa and in the eyewear and beauty industries under licensing agreements.

The Group owns 26 industrial facilities (23 in Italy, 1 in the United Kingdom, 1 in France and 1 in Romania) and its products are sold in 70 countries worldwide mainly through its directly operated stores, which numbered 609 as of December 31, 2024. The Prada Group's products are also sold directly through the brands' e-commerce activity and indirectly in selected high-end department stores, by independent retailers in very exclusive locations and by important e-tailers.

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

Basis of presentation

The financial information presented herein refers to the group of companies controlled by the Company, the operating parent company of the Prada Group, and it is based on the Consolidated Financial Statements for the twelve-month period ended December 31, 2024.

At the date of presentation of these Consolidated Financial Statements, there were no differences between the IFRSs endorsed by the European Union and applicable to the Prada Group and those issued by the IASB.

IFRSs also refer to all International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretations Committee ("SIC").

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

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

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

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

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

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

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

Key financial information

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

(*) Non-IFRS measure equal to Earnings before Interest and Taxation

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

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

(*) Non-IFRS measure equal to the sum of trade receivables (net), inventories (net) and trade payables

(**) Non-IFRS measure equal to the sum of the total consolidated shareholders' equity, the lease liabilities and the net financial surplus

(***) Non-IFRS measure equal to short-term and long-term financial payables due to third parties and related parties, net of cash and cash equivalents and short-term and long-term financial receivables due from third parties and related parties

2024 Highlights

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Scope of work of Messrs. Deloitte & Touche S.p.A.

The figures in respect of the Group's "Consolidated Statement of Profit or Loss for the year ended December 31, 2024", "Consolidated Statement of financial position", "Consolidated Statement of changes in equity", "Consolidated Statement of cash flows for the year ended December 31, 2024", "Consolidated Statement of comprehensive income for the year ended December 31, 2024" as set out in this announcement have been agreed by the Group's auditors, Messrs. Deloitte & Touche S.p.A., to the amounts set out in the Group's audited Consolidated financial statements for the twelve-month period ended December 31, 2024 and some of the "Notes to the Consolidated financial statements" thereto. The work performed by Messrs. Deloitte & Touche S.p.A. in this respect does not constitute an assurance engagement in accordance with International Standards on Auditing and consequently no assurance has been expressed by Messrs. Deloitte & Touche S.p.A. on this announcement.

Consolidated Statement of Profit or Loss for the year ended December 31, 2024 (includes Non-IFRS Measures)

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

Consolidated Statement of financial position

(amounts in thousands of Euro)	Notes	December 31 2024	December 31 2023
Assets			
Current assets			
Cash and cash equivalents		1,011,563	689,519
Trade receivables, net	4	423,733	405,151
Inventories, net	5	866,160	782,978
Derivative financial instruments - current		12,487	17,550
Receivables due from, and advance payments to, related parties - current	6	141	138
Other current assets	7	245,324	267,412
Total current assets		2,559,408	2,162,748
Non-current assets			
Property, plant and equipment	8	2,255,055	2,032,876
Intangible assets	8	867,920	846,024
Right of use assets	9	2,278,955	2,024,552
Investments in equity instruments, associates and joint ventures		37,624	41,610
Deferred tax assets		408,971	374,847
Other non-current assets	10	139,086	131,504
Derivative financial instruments - non-current		2,571	890
Receivables due from, and advance payments to, related parties - non-current		369	-
Total non-current assets		5,990,551	5,452,303
Total assets		8,549,959	7,615,051
Liabilities and equity			
Current liabilities			
Lease liabilities - current		434,135	411,289
Short-term financial payables and bank overdrafts		183,247	148,338
Payables due to related parties - current	11	8,279	5,858
Trade payables	12	481,615	453,387
Tax payables		177,138	121,823
Derivative financial instruments - current		27,778	7,543
Other current liabilities	13	371,260	302,143
Total current liabilities		1,683,452	1,450,381
Non-current liabilities			
Lease liabilities - non-current		1,940,978	1,699,599
Long-term financial payables		220,941	338,422
Long-term employee benefits		81,749	60,875
Provisions for risks and charges	14	64,284	49,867
Deferred tax liabilities		43,416	35,731
Other non-current liabilities		95,310	103,367
Derivative financial instruments - non-current		399	-
Total non-current liabilities		2,447,077	2,287,861
Total liabilities		4,130,529	3,738,242
Share capital			
Share capital		255,882	255,882
Total other reserves			
Total other reserves		3,155,617	2,833,889
Translation reserve		148,959	92,998
Net income for the year		838,907	671,026
Equity attributable to the owners of the Group		4,399,365	3,853,795
Equity attributable to Non-controlling interests		20,065	23,014
Total equity		4,419,430	3,876,809
Total liabilities and total equity		8,549,959	7,615,051

Consolidated Statement of changes in equity (amounts in thousands of Euro, except number of shares)

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

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

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

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

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

Non-IFRS measures

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

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

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

Notes to the consolidated results for the period closed as of December 31, 2024

1. Analysis of net revenues

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

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

2. Number of stores

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

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

3. Earnings and dividends per share

Earnings per share basic and diluted

Earnings per share are calculated by dividing the net profit attributable to the Group's shareholders by the weighted average number of ordinary shares outstanding.

	twelve months ended December 31 2024	twelve months ended December 31 2023
Group net income (in Euro)	838,907,132	671,026,021
Weighted average number of ordinary shares in issue	2,558,824,000	2,558,824,000
Basic and diluted earnings per share in Euro, calculated on weighted average number of shares	0.328	0.262

Dividends per share

The Board of Directors of the Company has proposed a final dividend of Euro 419,647,136 (Euro 0.164 per share) for the twelve months ended December 31, 2024.

During 2024, the Company distributed dividends of Euro 350,558,888 (Euro 0.137 per share), as approved at the Shareholders' General Meeting held on April 24, 2024 to approve the December 31, 2023 financial statements.

The dividends and the related Italian withholding tax due (Euro 18.3 million), determined by applying the ordinary Italian tax rate to the entire amount of the dividends distributed to the beneficial owners of the Company's shares held through the Hong Kong Central Clearing and Settlement System, were fully paid during the year.

4. Trade receivables, net

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

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

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

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

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

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

An aging analysis of the trade receivables, net of the allowance for bad and doubtful debts, is shown below:

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

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

5. Inventories, net

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

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

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

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

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

(amounts in thousands of Euro)	December 31 2024	December 31 2023
Financial receivables	7	2
Other receivables and advances	134	136
Total	141	138

7. Other current assets

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

8. Capital expenditure

The changes in the net carrying amount of property, plant and equipment for the period ended December 31, 2024 are shown below:

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

The increase in leasehold improvements and furniture & fittings regarded primarily restyling and relocation projects for the retail premises.

The assets under construction at the end of the period concern retail and industrial projects.

Impairment test

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

The Discounted Cash Flow method used to identify the recoverable amount of the CGUs consists of discounting the projected cash flows generated by the activities directly attributable to the CGU (value in use). Value in use is the sum of the present value of the future cash flows expected from the CGU (based on management's best estimate) and the present value of the related operating activities at the end of the period (terminal value).

The projected cash flows do not consider either significant improvements in the performance of the assets existing as of December 31, 2024 or future developments of new activities.

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

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

As a result of the impairment test as of December 31, 2024, the Group recognized impairment losses on property, plant and equipment equal to Euro

3.2 million, in addition to the impairment equal to Euro 12.9 million related to asset disposal and/or substitution. Total impairment recognized on property, plant and equipment during the year amounts to Euro 16 million.

The changes in the net carrying amount of intangible assets for the period ended December 31, 2024 are shown below:

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

Impairment test

As required by IAS 36 "Impairment of assets", intangible assets with indefinite useful lives are not amortised, but they are tested for impairment at least once a year. The Group does not report intangible assets with indefinite useful lives other than goodwill.

Consistently with last year, the groups of CGUs - which represent the lowest level within the Group at which management tests goodwill for impairment - correspond to the brands Prada and Miu Miu (the operating segments identified for segment reporting purpose in compliance with IFRS 8).

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

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

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

The Discounted Cash Flow method used to identify the recoverable amount of the group of CGUs consists of discounting the projected cash flows generated by the activities directly attributable to the operating segment to which the intangible asset or net invested capital has been assigned (value in use). Value in

use is the sum of the present value of the future cash flows expected on the basis of the business plan projections prepared by the management for each group of CGUs and the present value of the related operating activities at the end of the period (terminal value). The recoverable amount was estimated with the assistance of a leading consulting firm.

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

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

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

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

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

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

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

Church's

IAS 36 requires an entity to assess at each annual reporting date whether there are indications of impairment for any other asset (excluding goodwill) recognised in the Statement of Financial Position.

In this respect, an impairment test was carried out on Church's group of CGUs, which include the value of the brand for Euro 41 million subject to depreciation with a residual useful life of 15 years, in order to identify any further potential impairment following the reorganisation process started in 2022.

The Discounted Cash Flow method used to identify the recoverable amount (value in use) consisted of discounting the projected cash flows generated by the net invested capital. The recoverable amount was estimated with the assistance of a leading consulting firm. The cash flow projections used for the impairment test were based on the business plan prepared by management. The rate used to discount the cash flows is the weighted average cost of capital (WACC) in a post-tax configuration. For the year ended December 31, 2024, the WACC used to discount the cash flows generated by the Church's group of CGUs was 7.3%, and it was determined taking into due consideration the risk profile of the group of CGU's activities. The "g" rate of growth used to calculate the terminal value was assumed equal to 2.5%, in light of the medium-term inflation rate in the countries where Church's operates and of the growth outlook for the luxury goods market.

The impairment test as of December 31, 2024 did not identify any impairment losses.

A sensitivity analysis of the impairment test was carried out to changes in the key assumptions used to determine the recoverable amount for the group of CGUs and did not show any potential impairment loss. The "break-even" WACC at which the recoverable amount would be equal to the carrying amount is 10.2%.

9. Right of use assets

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

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

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

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

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

Impairment test

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

Please refer to the Note 8 Capital expenditure for the details of the impairment test carried out. As a result of the impairment test as of December 31, 2024, Euro 8.6 million impairment losses has been recorded on the right of use assets of the CGUs tested.

10. Other non-current assets

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

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

11. Payables due to related parties - current

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

12. Trade payables

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

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

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

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

13. Other current liabilities

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

14. Provisions for risks and charges

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

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

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

Other provisions

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

Management discussion and analysis for the year ended December 31, 2024

(growth percentages at constant exchange rates, unless differently specified)

The Prada Group generated net revenues of Euro 5,431.6 million in the twelve months ended December 31, 2024, up by 17.0% compared to 2023. Exchange rate fluctuations reduced growth by 2.1%, to 14.9%.

During the twelve months of 2024, retail net sales increased by 18.0% against the same period of 2023, driven by full price like-for-like sales, with a strong and consistent performance in the fourth quarter with +17.5% yoy. Over the period, retail net sales accounted for 89.3% of total net revenues, therefore in line with 2023 level.

As of December 31, 2024, the Group operated 609 stores, following 38 openings and 35 closures over the period.

Sales in the wholesale channel rose by 7.1% compared to the corresponding period of 2023, with a controlled evolution of independent wholesale, in line with the Group strategy, and an increase in the duty-free stores channel.

Royalty income grew by 17.4% compared to 2023, driven by the contribution of both eyewear and fragrances.

Brands

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

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

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

Markets

Over the period the Group delivered double-digit growth in Asia Pacific, Europe, Japan and Middle East, while Americas reported high single-digit growth with a sequential improvement during the year.

In Asia Pacific, retail net sales rose by 13.1%, despite the more challenging market conditions in the region, with a broad-base improvement in the fourth quarter.

In Europe, retail net sales rose by 17.5%, with consistent growth supported by demand from both local clients and tourists.

The Americas retail net sales rose by +8.9%, entering double-digit territory in the second half of the year.

Japan remained the top performing region, with an outstanding growth of 45.8% in retail net sales, driven by solid domestic demand and strong touristic flow.

The fourth quarter continued to deliver high growth, albeit in further moderation vs. the third quarter.

Retail net sales in the Middle East also delivered a solid performance (+26.0%), including the fourth quarter, fuelled by both domestic demand and tourist spending.

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

The royalties are entirely attributable to Europe.

Operating results

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

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

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

Financial expenses and taxation

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

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

Net income

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

Net invested capital

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

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

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

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

The non-current assets (net) rose by Euro 253.5 million (Euro 3,260 million as of December 31, 2024 versus Euro 3,007 million as of December 31, 2023) following capital expenditures of the year amounting to Euro 493.3 million, net of depreciation, amortisation and writedowns of Euro 296.7 million, and foreign exchange differences impact of Euro 41.2 million.

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

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

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

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

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

Net financial position

The following table provides details of the net financial position:

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

The net operating cash flow for the twelve-month period, after the payment of the lease liabilities (Euro 438.8 million), was positive for Euro 1,212.8 million. After the cash outflows for investing activities (Euro 462.5 million), dividend payments (Euro 350.8 million), net of the revaluation of the items of the net

financial position (Euro 4.8 million) and other minor items, the net financial surplus reached Euro 599.6 million at the end of the period.

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

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

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

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

The following table sets forth the lease liabilities:

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

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

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

The net financial indebtedness, including the lease liabilities, amounted to Euro 1,776 million as of December 31, 2024 (Euro 1,914 million as of December 31, 2023).

Events after the reporting date

No significant events to be reported.

Outlook

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

Corporate governance practices

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

The corporate governance model adopted by the Company consists of a set of rules, standards and structured procedures aimed at establishing efficient and transparent operations within the Group, to protect the rights of the Company's shareholders, to enhance shareholder value and to uphold the Group's credibility and reputation. The corporate governance model adopted by the Company complies with the applicable laws and regulations in Italy, where the Company is incorporated, as well as with the principles set out in the Corporate Governance Code (the "Code") in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Full details on the Company's corporate governance practices are set out in the Company's 2024 Annual Report.

Compliance with the Code

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

Directors' securities transactions

The Company has adopted a written procedure governing Directors' securities transactions on terms no less exacting than those set out in the Model Code for

Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix C3 of the Listing Rules. In response to specific enquiries by the Company, all Directors confirmed that they complied with the required standard set out in the Model Code and the Company's procedure at all applicable times during the 2024 Year. There were no incidents of non-compliance during the 2024 Year.

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

Audit and Risk Committee

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

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

In 2025, the Audit and Risk Committee also held three meetings - on January 20, 2025, February 10, 2025, and February 28, 2025 - to examine and

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

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

During the 2024 Year, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities. The Company did not hold any treasury shares as at December 31, 2024.

Shareholders' general meeting

The Shareholders' general meeting of the Company will be held on Wednesday, April 30, 2025 (the "AGM").

Notice of the AGM will be published on the Company's website at www.pradagroup.com and on the Hong Kong Exchanges and Clearing Limited's website at www.hkexnews.hk and dispatched to the shareholders of the Company in due course.

Final dividend

The Board recommends, for the 2024 Year, a final dividend of Euro 419,647,136 (Euro 0.164 per share). The payments shall be made:

- (i) in Euro to the shareholders recorded in the section of the Company's shareholders register kept by the Company at its registered office in Milan (Italy), and
- (ii) in Hong Kong dollars to the shareholders recorded in the section of the Company's shareholders register kept in Hong Kong.

The relevant exchange rate will be the opening buying T/T rate of Hong Kong dollars to Euros as announced by the Hong Kong Association of Banks (www.hkab.org.hk) on the day the final dividend is approved by the shareholders.

Subject to the shareholders' approval at the AGM of the final dividend, such dividend will be paid on Monday, May 19, 2025.

Book closure and record dates

For determining shareholders' right to attend and vote at the AGM:

Latest time to lodge transfer documents with the Company's Hong Kong Share Registrar or the Company in Milan (<i>Note 1</i>)	April 25, 2025 - 4:30 pm HK time/10:30 am CET time
Book closure (both sections) (<i>Note 2</i>)	From April 28 to April 30, 2025 (both days inclusive)
Record date	April 28, 2025

For determining shareholders' entitlement to the payment of the proposed final dividend:

Latest time to lodge transfer documents with the Company's Hong Kong Share Registrar or the Company in Milan (<i>Note 1</i>)	May 7, 2025 - 4:30 pm HK time/10:30 am CET time
Book closure (both sections) (<i>Note 2</i>)	May 8, 2025
Record Date	May 8, 2025
Dispatch date of dividend warrants	May 19, 2025

Notes:

1. *All transfers accompanied by the relevant share certificate(s) must be lodged with:*
 - (i) *the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited whose address is at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, if the transfer concerns shares registered in the section of the Company's shareholders register kept by the Company's Hong Kong share registrar itself; or*
 - (ii) *the Company's registered office at Via Antonio Fogazzaro no. 28, Milan 20135, Italy, if the transfer concerns shares registered in the section of the Company's shareholders register kept by the Company itself.*
2. *No transfer of shares will be registered on the book closure date.*

Publication of Annual Results Announcement and Annual Report

This Annual Results Announcement is published on the Company's website at www.pradagroup.com and on the Hong Kong Exchanges and Clearing Limited's website at www.hkexnews.hk. The Company's 2024 Annual Report will be published on the same websites and dispatched to shareholders of the Company in due course.

By Order of the Board
Prada S.p.A.
Mr. Paolo Zannoni
*Executive Deputy
Chairman*

Milan (Italy), March 4, 2025

As at the date of this Announcement, the Company's executive directors are Mr. Patrizio BERTELLI, Mr. Paolo ZANNONI, Ms. Miuccia PRADA BIANCHI, Mr. Andrea GUERRA, Mr. Andrea BONINI and Mr. Lorenzo BERTELLI; and the Company's independent non-executive directors are Mr. Yoël ZAOUI, Ms. Marina Sylvia CAPROTTI, Ms. Cristiana RUELLA, Ms. Pamela Yvonne CULPEPPER and Ms. Anna Maria RUGARLI.