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

Registered office at Via A. Fogazzaro n. 28, Milan, Italy  
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)

## **CONNECTED TRANSACTION**

### **LEASE AGREEMENT**

On March 18, 2025 (New York Time), PRADA USA (a wholly-owned subsidiary of the Company), as lessee, and 720 Fifth USA, as lessor, entered into the Lease Agreement for the Premises for a term comprising (a) three (3) years starting on the “Rent Commencement Date” (being the earlier of (i) the opening date of the retail space located within the Premises, and (ii) June 1, 2025), with a two (2) year renewal option upon 6 months’ prior written notice; and (b) the Rent-Free Period from the Signing Date to the day immediately prior to the Rent Commencement Date (both days inclusive). The Premises will be used as additional retail space as part of the flagship store for the Prada brand in New York, USA.

As 720 Fifth USA is an indirect wholly-owned subsidiary of Prada Holding S.p.A. (a substantial shareholder of the Company holding approximately 80% of the Company’s total issued share capital), 720 Fifth USA is a connected person of the Company. Therefore, the transaction contemplated under the Lease Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable Percentage Ratio in respect of the Transaction calculated on the basis of the value of the Right of Use Asset, exceeds 0.1% but is less than 5%, the entering into of the Lease Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## Introduction

On March 18, 2025 (New York Time), PRADA USA (a wholly-owned subsidiary of the Company), as lessee, and 720 Fifth USA, as lessor, entered into the Lease Agreement for the Premises for a term comprising (a) three (3) years starting on the “Rent Commencement Date” (being the earlier of (i) the opening date of the retail space located within the Premises, and (ii) June 1, 2025), with a two (2) year renewal option upon 6 months’ prior written notice; and (b) the Rent-Free Period from the Signing Date to the day immediately prior to the Rent Commencement Date (both days inclusive). The Premises will be used as additional retail space as part of the flagship store for the Prada brand in New York, USA.

## Principal terms of the Lease Agreement

<b>Signing Date:</b>	March 18, 2025.
<b>Rent Commencement Date:</b>	The date which is the earlier of (i) the opening date of the retail space located within the Premises, and (ii) June 1, 2025.
<b>Parties:</b>	(i) 720 Fifth USA, as the lessor, and (ii) PRADA USA (a wholly-owned subsidiary of the Company), as the lessee.
<b>Term:</b>	Three (3) years starting on the Rent Commencement Date, with a two (2) year renewal option upon 6 months’ prior written notice.
<b>Rent-Free Period:</b>	The period from the Signing Date to the day immediately prior to the Rent Commencement Date (both days inclusive), during which no rental fees will be paid by PRADA USA to 720 Fifth USA under the Lease Agreement.
<b>Rent:</b>	USD 20 million per year, increasing 3% annually.  The rent is payable monthly in advance on the first day of each calendar month. In case the Rent Commencement Date does not fall on the first day of a calendar month, the first and last rental payments are payable pro-rata in advance on, respectively, the Rent Commencement Date and on the last calendar month.  The amount of rent was determined after arm’s length negotiations between the parties on normal commercial terms with reference to, among other things, (i) the location and strategic value of the Premises, and (ii) the current New York property market sentiment for prime locations. In addition, the annual rent falls within the valuation range of USD 19.1 million to USD 32.5 million, as determined by independent primary standing real estate brokers, based on prevailing market rates of similar premises, with comparable sizes, in the same district.
<b>Real estate taxes:</b>	The lessee is responsible for paying its proportionate share (40.7%) of any increases in real estate taxes that the lessor is required to pay above the base tax year of 2024/2025, as set by the New York municipality.

<b>Premises:</b>	Ground floor and Second floor of 720 Fifth Avenue, New York, USA.
<b>Gross Floor Area:</b>	Ground Floor – 7,653 square feet Second Floor – 7,502 square feet
<b>Expansion Right:</b>	Lessee has the right to expand into any or all of the entire square footage of the basement or third floor of 720 Fifth Avenue, New York, USA, and depending on the amount of square footage it selects, the parties will agree upon a rental value, if any, for the same. In the event that PRADA USA exercises the expansion right, the Company will comply with the requirements under Chapter 14A of the Listing Rules, as applicable.
<b>Permitted Use:</b>	Retail sales and ancillary purposes, including office for operations management and storage.

### **Accounting implications and treatment under the Listing Rules**

Pursuant to the International Financial Reporting Standards 16, the Group will recognise the rent payable under the Lease Agreement (being fixed payments) as an acquisition of right-of-use asset of capital in nature taking into account the carrying amount of such right-of-use asset, *i.e.* USD 57,415,110 (equivalent to approximately HK\$ 446,115,405) initially, in respect of the first three years of the Term, which has been initially measured on the basis of the discounted present value of the fixed rent payable by the Group under the Lease Agreement. Such acquisition of right-of-use asset constitutes a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

### **Information on the parties**

The Group owns some of the world's most prestigious luxury brands, Prada, Miu Miu, Church's, Car Shoe, the historic Pasticceria Marchesi and Luna Rossa. The Group designs, manufactures and distributes ready-to-wear collections, leather goods and footwear in more than 70 countries through a network of 593 stores (at June 30, 2024) as well as e-commerce channels, selected e-tailers and department stores around the world. The Group also operates in the eyewear and beauty sector through licensing agreements.

PRADA USA is a wholly-owned subsidiary of the Company, and its principal business activity is the management of retail activity of all brands of the Group in USA.

720 Fifth USA is an investment holding company and is an indirect wholly-owned subsidiary of Prada Holding S.p.A., a substantial shareholder of the Company.

### **Reasons for and benefits of entering into the Lease Agreement**

The Directors believe that the Premises offers a unique opportunity to expand and strengthen the visibility and presence of the Prada brand in New York as it is located adjacent to the current flagship store. The expanded flagship will be a landmark retail space at the heart of a superb location that has recently seen an influx of significant investments across retail, residential and hospitality premises. In addition, the Directors believe that it is in the best interests of the Group to enter into the Lease Agreement and to set up the Premises as an expansion of the current Prada flagship store, as this is consistent with the Group's strategic objective of pursuing retail excellence and elevating the in-store

experience of its customers.

The Directors (including the Independent Non-executive Directors) consider that the Lease Agreement has been entered into in the ordinary course of business of the Group and that the Lease Agreement was negotiated on an arm's length basis, on normal commercial terms or better, which are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

### **Listing Rules implications**

As 720 Fifth USA is an indirect wholly-owned subsidiary of Prada Holding S.p.A. (a substantial shareholder of the Company holding approximately 80% of the Company's total issued share capital), 720 Fifth USA is a connected person (as defined in the Listing Rules) of the Company. Therefore, the transaction contemplated under the Lease Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable Percentage Ratio in respect of the Transaction calculated on the basis of the value of the Right of Use Asset, exceeds 0.1% but is less than 5%, the entering into of the Lease Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Patrizio Bertelli, Chairman of the Board and Executive Director of the Company, is an indirect substantial shareholder of Prada Holding S.p.A.. Ms. Miuccia Prada Bianchi, Executive Director of the Company, is an indirect substantial shareholder and a director of Prada Holding S.p.A.. Mr. Paolo Zannoni, Executive Deputy Chairman and Executive Director of the Company, is the Chairman of the Board of Prada Holding S.p.A.. Mr. Lorenzo Bertelli, Executive Director of the Company, is a director of Prada Holding S.p.A.. Accordingly, Mr. Patrizio Bertelli, Ms. Miuccia Prada Bianchi, Mr. Paolo Zannoni, and Mr. Lorenzo Bertelli have a material interest in the above transaction. Ms. Miuccia Prada Bianchi, Mr. Paolo Zannoni and Mr. Lorenzo Bertelli abstained from voting at the board meeting of the Company to approve this announcement and acknowledge on the Lease Agreement and the transaction contemplated thereunder. Mr. Patrizio Bertelli did not attend the board meeting approving such transaction and therefore did not vote on the relevant resolution.

### **Definitions**

Unless the context otherwise requires, capitalised terms used in this announcement have the following meanings:

“720 Fifth USA”	720 Fifth USA, LLC, a corporation incorporated under the laws of Delaware with limited liability and an indirect wholly-owned subsidiary of Prada Holding S.p.A. a substantial shareholder of the Company
“Company”	PRADA S.p.A., a company incorporated under the laws of Italy as a joint-stock company, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Signing Date”	March 18, 2025

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Lease Agreement”	the lease agreement entered into between PRADA USA and 720 Fifth USA on March 18, 2025 in respect of the Premises, the principal terms of which are set out under the section headed “Principal terms of the Lease Agreement” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratio(s)”	has the meaning as ascribed to it under Rule 14.07 of the Listing Rules
“PRADA USA”	PRADA USA Corp., a company incorporated under the laws of Delaware with limited liability and a wholly-owned subsidiary of the Company
“Premises”	Ground floor and Second floor of 720 Fifth Avenue, New York, USA
“Rent Commencement Date”	the date which is the earlier of (i) the opening date of the retail space located within the Premises, and (ii) June 1, 2025
“Right of Use Asset”	USD 93,978,429 (equivalent to approximately HK\$ 730,212,393), being the estimated aggregate value of the right of use asset for the maximum term (including upon any exercise of the renewal option) under the Lease Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning as ascribed to it under the Listing Rules
“Transaction”	the transaction contemplated under the Lease Agreement, including any renewal for a term of two years upon any exercise by the Group of the renewal option, as disclosed in the section headed “Principal terms of the Lease Agreement – Term” of this announcement
“USD”	US Dollar, the lawful currency of the United States
“%”	per cent

*Unless otherwise stated, all references in this announcement to HK\$ are for information only and are referenced to Hong Kong dollars based on an approximate exchange rate of USD 1 = HK\$ 7.77 as at March 18, 2025.*

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

Milan (Italy), March 19, 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 ZAOUÏ, Ms. Marina Sylvia CAPROTTI, Ms. Cristiana RUELLA, Ms. Pamela Yvonne CULPEPPER and Ms. Anna Maria RUGARLI.*