



Interim Financial Report 2022

INTERIM FINANCIAL REPORT 2022

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Miuccia Prada and Patrizio Bertelli

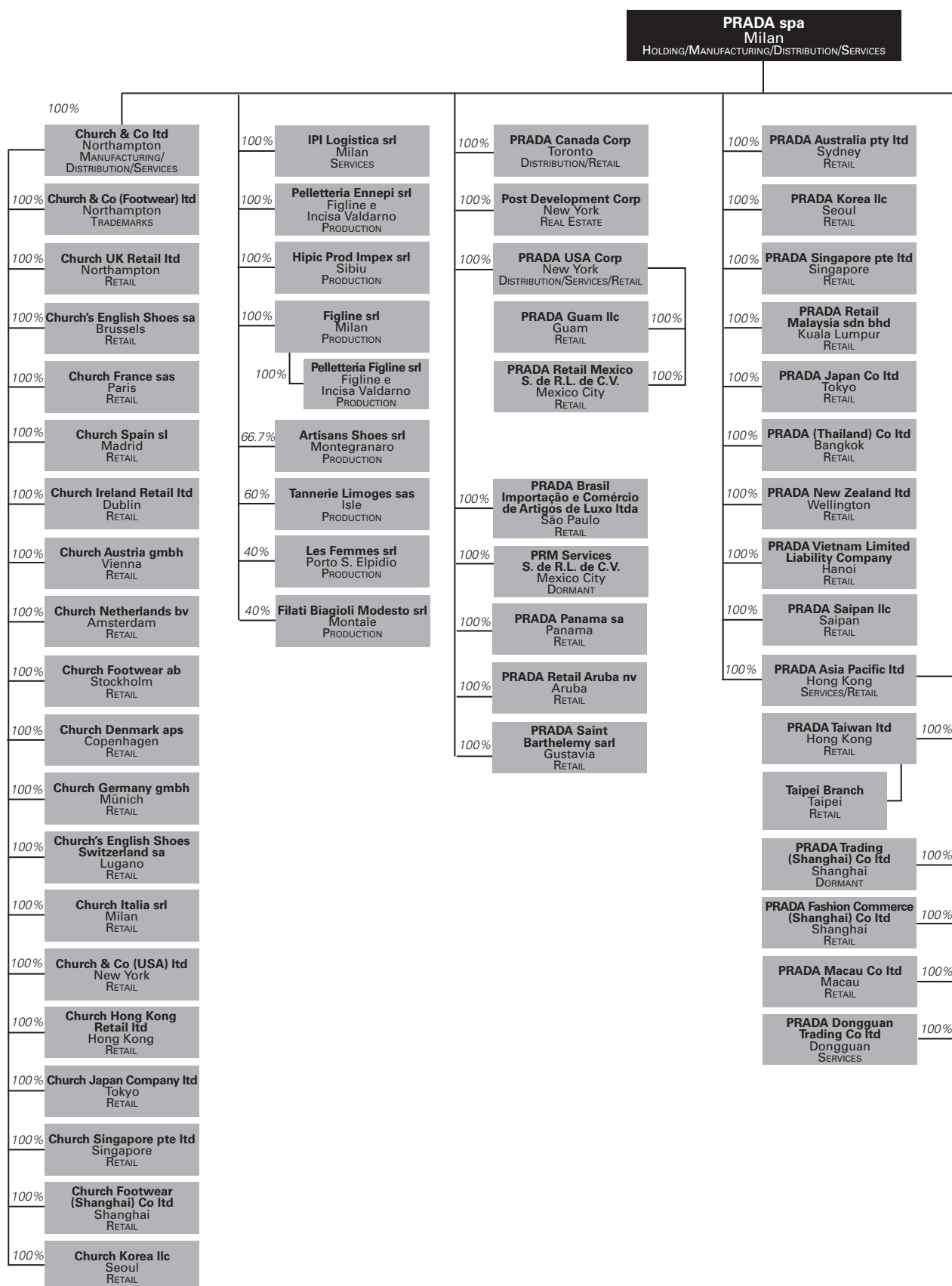
THE PRADA GROUP

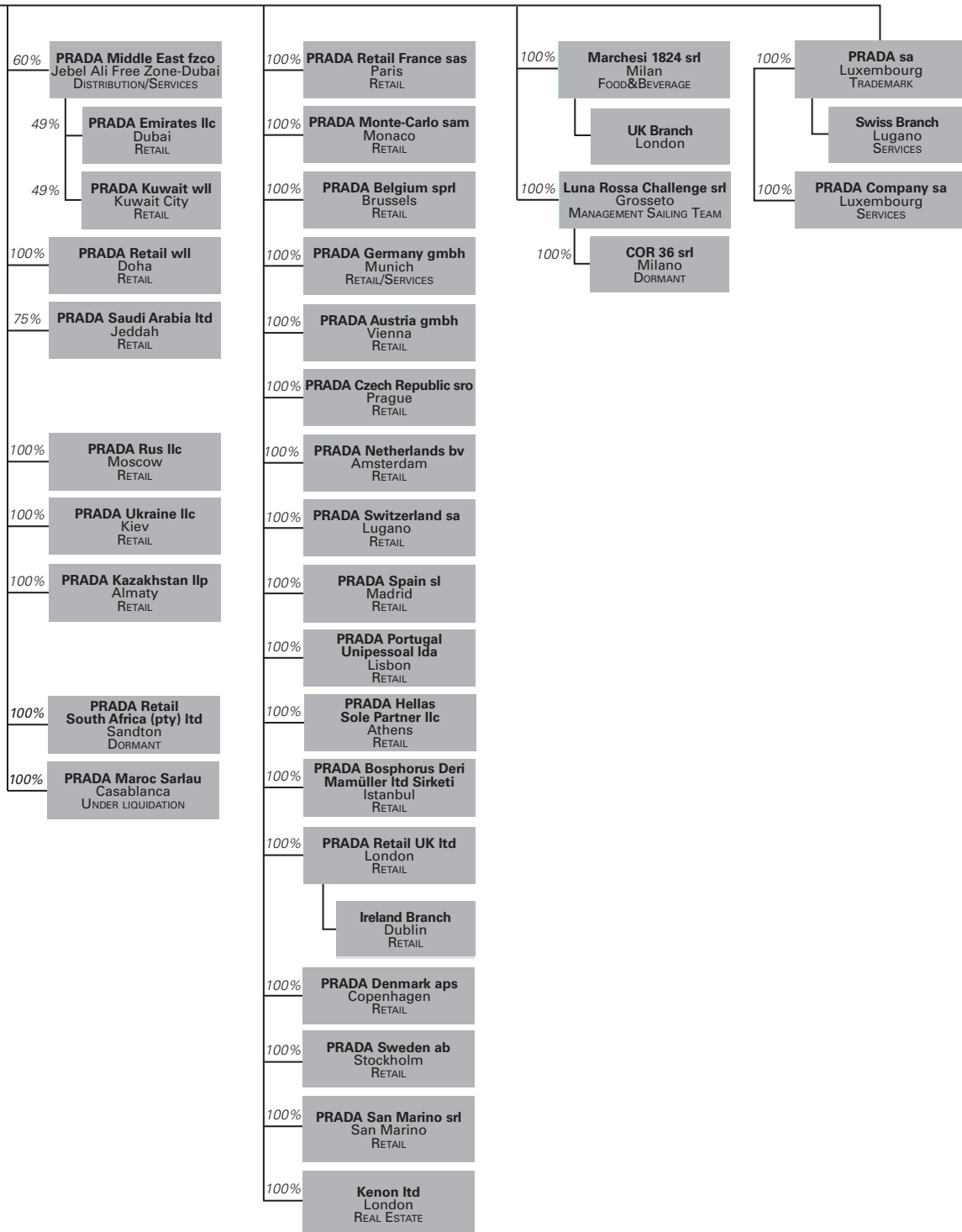
PRADA S.P.A. COMPANY INFORMATION

Registered Office	Via A. Fogazzaro, 28 20135 Milan, Italy
Head Office	Via A. Fogazzaro, 28 20135 Milan, Italy
Place of business in Hong Kong registered under Part 16 of the Hong Kong Companies Ordinance	8th Floor, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong S.A.R. (P.R.C.)
Company Corporate website	www.pradagroup.com
Hong Kong Stock Exchange Identification Number	1913
Share Capital	Euro 255,882,400 (represented by 2,558,824,000 shares of Euro 0.10 each)
Board of Directors	Paolo Zannoni <i>(Chairman & Executive Director)</i> Miuccia Prada Bianchi <i>(Chief Executive Officer & Executive Director)</i> Patrizio Bertelli <i>(Chief Executive Officer & Executive Director)</i> Alessandra Cozzani <i>(Executive Director)</i> Lorenzo Bertelli <i>(Executive Director)</i> Stefano Simontacchi <i>(Non-Executive Director)</i> Marina Sylvia Caprotti <i>(Independent Non-Executive Director)</i> Maurizio Cereda <i>(Independent Non-Executive Director)</i> Yoël Zaoui <i>(Independent Non-Executive Director)</i> Pamela Yvonne Culpepper <i>(Independent Non-Executive Director)</i> Anna Maria Rugarli <i>(Independent Non-Executive Director)</i>
Audit and Risk Committee	Yoël Zaoui <i>(Chairman)</i> Marina Sylvia Caprotti Maurizio Cereda

Remuneration Committee	Marina Sylvia Caprotti (<i>Chairwoman</i>) Paolo Zannoni Yoël Zaoui
Nomination Committee	Maurizio Cereda (<i>Chairman</i>) Lorenzo Bertelli Marina Sylvia Caprotti
Sustainability Committee	Pamela Yvonne Culpepper (<i>Chairwoman</i>) Lorenzo Bertelli Anna Maria Rugarli
Board of Statutory Auditors	Antonino Parisi (<i>Chairman</i>) Roberto Spada David Terracina
Organismo di Vigilanza (Supervisory Body) (Italian Leg. Decr. 231/2001)	Stefania Chiaruttini (<i>Chairwoman</i>) Yoël Zaoui Roberto Spada
Main Shareholder	PRADA Holding S.p.A. Via A. Fogazzaro, 28 20135 Milan, Italy
Company Secretary	Ying-Kwai Yuen 8th Floor, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong S.A.R. (P.R.C.)
Authorized Representatives in Hong Kong S.A.R.	Patrizio Bertelli Via A. Fogazzaro, 28 20135 Milan, Italy Ying-Kwai Yuen 8th Floor, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong S.A.R. (P.R.C.)
Alternate Authorized Representative to Patrizio Bertelli in Hong Kong S.A.R.	Wendy Pui-Ting Tong 8th Floor, One Taikoo Place 979 King's Road Quarry Bay, Hong Kong S.A.R. (P.R.C.)
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong S.A.R. (P.R.C.)
Auditor	Deloitte & Touche S.p.A. Via Tortona, 25 20144 Milan, Italy

PRADA GROUP STRUCTURE





FINANCIAL REVIEW

FINANCIAL REVIEW BASIS OF PREPARATION

The financial information presented herein refers to the group of companies controlled by PRADA spa ("Prada" or the "Company"), the parent company of the Prada Group (collectively the "Group" or the "Prada Group"), and it is based on the unaudited Interim Condensed Consolidated Financial Statements for the six-month period ended June 30, 2022.

The tables reported in the Financial Review have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. Some "non-IFRS measures" are also used in the Financial Review in order to represent some financial or economic aspects of the period from a management perspective.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED
JUNE 30, 2022 (includes Non-IFRS Measures)

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	%	six months ended June 30 2021 (unaudited)	%	six months ended June 30 2019 (unaudited)	%
Net Sales	1,872,418	98.5%	1,477,656	98.4%	1,546,378	98.5%
Royalties	28,524	1.5%	23,350	1.6%	23,745	1.5%
Net Revenues	1,900,942	100%	1,501,006	100%	1,570,123	100%
Cost of goods sold	(423,451)	-22.3%	(386,021)	-25.7%	(444,374)	-28.3%
Gross margin	1,477,491	77.7%	1,114,985	74.3%	1,125,749	71.7%
Product design and development costs	(68,581)	-3.6%	(63,736)	-4.2%	(65,053)	-4.1%
Advertising and promotion costs	(155,168)	-8.2%	(126,892)	-8.5%	(101,477)	-6.5%
Selling costs	(795,510)	-41.8%	(651,139)	-43.4%	(706,565)	-45.0%
General and administrative costs	(127,430)	-6.7%	(107,314)	-7.1%	(102,180)	-6.5%
Total operating expenses	(1,146,689)	-60.3%	(949,081)	-63.2%	(975,275)	-62.1%
Recurring Operating income / (loss) - EBIT Adjusted	330,802	17.4%	165,904	11.1%	150,474	9.6%
Other non-recurring income and expenses	(26,000)	-1.4%	-	-	-	-
Operating income / (loss) - EBIT	304,802	16.0%	165,904	11.1%	150,474	9.6%
Interest and other financial income / (expenses), net	(8,584)	-0.5%	(9,019)	-0.6%	(7,749)	-0.4%
Interest expenses on lease liability	(18,887)	-1.0%	(18,827)	-1.3%	(24,735)	-1.6%
Dividends from investments	119	0.0%	103	-0.0%	2,023	0.1%
Total Financial income / (expenses)	(27,352)	-1.4%	(27,743)	-1.9%	(30,461)	-1.9%
Income / (loss) before taxation	277,450	14.6%	138,161	9.2%	120,013	7.7%
Taxation	(88,033)	-4.6%	(41,273)	-2.7%	34,418	2.2%
Net Income / (Loss) for the period	189,417	10.0%	96,888	6.5%	154,431	9.9%
Net Income / (Loss) - Non-Controlling interests	1,153	0.1%	(355)	0.0%	(463)	0.0%
Net Income / (Loss) - Group	188,264	9.9%	97,243	6.5%	154,894	9.9%

KEY FINANCIAL INFORMATION

Key economic figures (amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)	six months ended June 30 2019 (unaudited)
Net Revenues	1,900,942	1,501,006	1,570,123
EBIT Adjusted (*)	330,802	165,904	150,474
% Incidence of EBIT Adjusted on Net Revenues	17.4%	11.1%	9.6%
EBIT	304,802	165,904	150,474
% Incidence of EBIT on Net Revenues	16.0%	11.1%	9.6%
Net Income / (Loss) of the Group	188,264	97,243	154,894
Earnings / (Losses) per share (Euro)	0.074	0.038	0.061
Net Operating Cash Flow (**)	158,202	315,601	137,334

(*) Non-IFRS measure equal to EBIT less Other non-recurring income and expenses

(**) Non-IFRS measure equal to Net Cash Flow from operating activities less repayments of lease liability

Key indicators (amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)	June 30 2021 (unaudited)
Net Operating working capital	679,640	602,038	622,203
Net Invested capital (Right of use assets included)	5,123,469	4,936,402	5,113,568
Net Financial surplus / (deficit)	179,479	237,653	(101,814)
Group shareholders' equity	3,226,538	3,113,894	2,881,081

HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 30, 2022

The global macroeconomic landscape remained highly uncertain for the first six-months of the year, creating a challenge in how companies implemented their strategy over the period. The global economic growth projections of early 2022 were revised downwards as a result of new geopolitical tensions and the continued impact of the pandemic. The conflict in Ukraine also increased inflationary pressures and operational challenges stemming from global supply chain disruption. Meanwhile, the resurgence of virus cases combined with strict safety measures in Mainland China depressed consumer spending.

Despite this uncertain backdrop, the luxury goods sector, supported by strong domestic demand and some recovery of global tourism flows, demonstrated healthy resilience and provided a number of important development opportunities.

In line with what it demonstrated in 2021, Prada Group succeeded in remaining among those companies that best captured recovery in an industry characterised by constantly evolving consumer trends across brand value, quality and design excellence. Investments in artisanal know-how, creative talent, customer centrality and digital made it possible to harness various growth opportunities.

Prada Group's observations on societal changes, research in historical archives and collaborations with new partners have resulted in a range of products that serves an increasingly connected, young and diverse clientele.

The Prada Triangle Bag, distinguished by the essential, universal Prada logo, is clearly one of the articles most symbolic of the trading performance in the period. In addition, the Group has strengthened the brand identities through collections created through collaboration: Prada with Cassius Hirst, Miu Miu with New Balance for the reinterpretation of the 574 sneaker, and Church's with Off-White for the "Off-White™ c/o Church's" genderless capsule collection.

In June a new image of the Timecapsule project was unveiled, in which the exclusive limited edition article was distributed for the first time with a non-fungible token (NFT), marking the Group's debut in Web 3.0. To mark the occasion, Prada also released Prada Crypted, the new Discord server for the brand's community.

In the first six months of 2022 the Group's retail net sales experienced strong double-digit growth against those of the first six months of 2021, which in turn had already exceeded pre-pandemic levels. The sales increase, underpinned by optimisation of the production processes as well as enhancement of retail performance, enabled the Group to increase its operating margins substantially.

The plan to redesign retail space continued with close to 60 renovations, relocations and new openings. Investments in the shopping experience at stores, which remains the main point of contact in the physical-digital ecosystem where customer relations are shaped, were made with nearly 90 special pop-in and pop-up store events. Prada Tropico was undoubtedly one of the most successful pop-up store series. It included colors and atmospheres of distant lands inspiring an original landscape, reinterpreting Prada's visual identity with contemporary, pop-culture based themes. On the total number of stores, some Church's stores closed in order to continue the right-sizing of the network for the brand. Moreover, in January, the planned roll-out of the client journey began in line with a global project that recast the concept of customer centrality with renewed values based on empathy, warmth, passion and verve.

The Group's ties with the world of culture were revitalised with the reopening to the public of all the permanent projects at Fondazione Prada in Milan, which now includes a new area dedicated to study and reading. During the 75th Cannes Film Festival, Prada presented the third edition of its "The Sound of Prada" musical

program, following the successful Paris and London editions. The seventh edition of Prada Mode, an itinerant private club dedicated to contemporary culture, opened in Los Angeles and included leading figures in the world of art and culture.

The Group's connections with high-profile sports and the most advanced frontiers of innovation will be further developed during the campaign around the 37th America's Cup, to be held in Barcelona in 2024. The Group will participate in the competition through its subsidiary, Luna Rossa Challenge srl.

From a manufacturing stand point, investments in Group's factories continued along with the definition of new industrial verticalisation projects, which will soon be implemented. Important steps were identified also in starting leather tracing in order to increase supply chain transparency and to lay the foundations also with a view to reducing CO₂ Scope 3 emissions.

To foster the Group's development, the work force was strengthened both at managerial and technical level, especially in the core business areas, while the Compensation & Benefit processes and methods were revised; this, for example, led to targeted welfare initiatives to help employees deal with the considerably higher cost of living. The commitment to diversity, equity and inclusion continued in the first half with the introduction of numerous initiatives, including the Dorchester Industries Experimental Design Lab, a three-year program started up by Theaster Gates and the Prada Group to support and promote talents of color working in various sectors. In addition, through the Drivers of Change project, the Group has an ambitious plan to raise employees' awareness about environmental sustainability and social responsibility in the 40 countries where it operates directly.

ANALYSIS OF NET REVENUES

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	%	six months ended June 30 2021 (unaudited)	%	six months ended June 30 2019 (unaudited)	%
Net Sales by geographical area						
Europe	590,386	31.5%	372,707	25.2%	598,800	38.7%
Asia Pacific	620,099	33.1%	644,716	43.6%	498,578	32.2%
Americas	408,791	21.8%	262,738	17.8%	215,676	14.0%
Japan	169,438	9.1%	135,905	9.2%	180,556	11.7%
Middle East and Other countries	83,704	4.5%	61,590	4.2%	52,768	3.4%
Total Net Sales	1,872,418	100%	1,477,656	100%	1,546,378	100%
Net Sales by brand						
Prada	1,625,887	86.8%	1,264,829	85.6%	1,284,429	83.1%
Miu Miu	216,378	11.6%	190,938	12.9%	220,774	14.3%
Church's	19,546	1.0%	15,752	1.1%	32,844	2.1%
Other	10,607	0.6%	6,137	0.4%	8,331	0.5%
Total Net Sales	1,872,418	100%	1,477,656	100%	1,546,378	100%
Net Sales by product line						
Leather goods	928,102	49.6%	793,647	53.7%	867,852	56.1%
Clothing	497,434	26.6%	372,074	25.2%	339,442	22.0%
Footwear	405,604	21.7%	290,229	19.6%	309,393	20.0%
Other	41,278	2.2%	21,706	1.5%	29,691	1.9%
Total Net Sales	1,872,418	100%	1,477,656	100%	1,546,378	100%
Net Sales by channel						
Net Sales of direct operated stores (DOS)	1,677,950	89.6%	1,281,439	86.7%	1,231,918	79.7%
Sales to independent customers and franchisees	194,468	10.4%	196,217	13.3%	314,460	20.3%
Total Net Sales	1,872,418	100%	1,477,656	100%	1,546,378	100%
Net Revenues						
Net Sales	1,872,418	98.5%	1,477,656	98.4%	1,546,378	98.5%
Royalties	28,524	1.5%	23,350	1.6%	23,745	1.5%
Total Net Revenues	1,900,942	100%	1,501,006	100%	1,570,123	100%

During the reporting period, the Prada Group generated net revenues of Euro 1,900.9 million, up by 22.5% at constant exchange rates from those of the first six months of 2021 and by 22.2% from the same period of 2019. At current exchange rates, the 2021 performance was boosted by an additional 4.2%, to 26.6% growth.

DISTRIBUTION CHANNELS

In the first six months of 2022, sales of the retail channel had double-digit growth of 26.4% at constant exchange rates against the same period of 2021; the increase was 37.7% versus the same period of 2019.

Direct e-commerce sales (included in the above results) in the first half rose by 29.1% versus the same period of 2021 and accounted for approximately 7% of total retail sales, which is in line with the annual 2021 data.

There were 627 stores at June 30, 2022, following 7 openings and 15 closures in the period, 9 of which related to the Church's brand.

Sales in the wholesale channel slightly declined by 3% compared to the first six months of 2021 in line with the high-control strategy of the Group.

MARKETS

In Asia Pacific, the retail sales of the six months ended June 30, 2022 decreased by 6.7% at constant exchange rates from those of the same period of 2021, due to the decline in China ensuing from the restrictions imposed by the authorities following Covid-19 outbreaks. The situation improved in June 2022 when the restrictions were relaxed, and the decline was offset by double-digit growth in all the other countries in the region (Korea and Southeast Asia in particular). Compared with the first six months of 2019, Asian Pacific sales increased by 26.1%.

Retail sales in Europe, driven by domestic consumption and the tourism recovery in the second quarter of the period, showed an upsurge of 88.7% at constant exchange rates against those of the first six months of 2021, and of 34.4% against the same period of 2019.

The retail sales of the American market rose by 41.1% at constant exchange rates from those of 2021, staying on the positive trend of double-digit growth underway in 2021. Compared with the first six months of 2019, the sales had triple-digit growth. All the countries in the region reported sales gains.

The retail sales of the Japanese market rose by 28.2% at constant exchange rates compared with the same period of 2021, which was still suffering from persisting restrictions; the growth accelerated further in the second quarter. Set against the first six months of 2019, the Japanese market showed a slight decline of 2.9%.

At constant exchange rates, retail sales in the Middle East were 24% higher than in the first six months of 2021 and 59.4% above those of the same period of 2019, continuing on 2021's growth trend there as well.

PRODUCTS

The Group posted retail growth across all product categories against the first six

months of 2021.

Sales of RTW rose by 32.1% from those of 2021, and footwear sales, up by 38.5%, performed even better thanks to lifestyle products and new collections. Sales of leather goods, assisted by both novel and iconic products, rose by 18.1% over those of 2021. The increases compared with 2019 were: 64.8% for RTW, 46.3% for footwear and 23.9% for leather goods.

BRANDS

The Prada brand retail net sales were 28.1% higher than in the first six months of 2021 and 45.5% above those of the same period of 2019. Miu Miu's sales increased by 13.6% from the first half of 2021 and by 5.3% from that of 2019. The Prada brand benefited from important growth involving all the product categories, based on an extensive, diversified clientele. Miu Miu finds itself in a relaunch phase, with solid growth rates in the first six months of 2022. Church's, the brand most affected by the geographical exposure to Europe, reported a gain of 28.7% on the 2021 sales.

ROYALTIES

Royalty income, supported by the growth in the eyewear segment, rose by 22.2% versus the first six months of 2021.

NUMBER OF STORES

	June 30, 2022		December 31, 2021		June 30, 2021	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Prada	421	22	420	21	415	20
Miu Miu	146	5	146	5	148	5
Church's	52	-	61	-	62	-
Car Shoe	2	-	2	-	2	-
Marchesi 1824 and others	6	-	6	-	6	-
Total	627	27	635	26	633	25

	June 30, 2022		December 31, 2021		June 30, 2021	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Europe	219	-	228	-	225	-
Americas	105	-	105	-	106	-
Asia Pacific	195	22	193	21	193	20
Japan	86	-	88	-	88	-
Middle East	22	5	21	5	21	5
Total	627	27	635	26	633	25

OPERATING RESULTS

The gross margin for the six months ended June 30, 2022 corresponded to 77.7% of the net revenues, up substantially from the 74.3% of 2021. A higher average price, greater absorption of production overheads, a better sales mix in terms of distribution channels and a favorable exchange rate were behind the improvement despite cost inflation, for example in logistics costs. The increase is even more significant when comparing the 2022 margin with that of the first half of 2019 (71.7%).

Total operating expenses were Euro 1,146.7 million, up by Euro 197.6 million from those of 2021. The increase is attributable, among other factors, to higher variable costs ensuing from the sales increase, reduced benefits in terms of the rent discounts and subsidies available in 2021, and greater communication activities. The Euro 171.4 million increase compared to the 2019 data was affected by much higher communication expenses, particularly in the digital areas.

The recurring operating result for the period, or EBIT Adjusted, was Euro 331 million (17.4% of net revenues), whereas in 2021 it was Euro 165.9 million (11.1%). The EBIT Adjusted was also considerably higher than that of the first half of 2019

(Euro 150.5 million, 9.6% of net revenues).

FINANCIAL EXPENSES AND TAXATION

Net financial expenses, equal to Euro 27.4 million, were in line with the comparative period: in 2022, the lower net interest expense resulting from the improvement in the net financial position was offset by higher exchange rate losses following the discontinuation of financial derivatives to hedge the Ruble exchange rate risk against the Euro.

The income tax charge for the period was Euro 88 million, corresponding to 31.7% of the pre-tax profit.

ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

NET INVESTED CAPITAL

The following table reclassifies the Statement of financial position to provide a better understanding of the composition of the Net Invested capital:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)	June 30 2021 (unaudited)
Right of use assets	1,975,605	1,956,289	2,035,222
Non-current assets (excluding deferred tax assets)	2,499,857	2,490,047	2,463,832
Trade receivables, net	317,861	329,547	269,679
Inventories, net	731,376	662,654	628,482
Trade payables	(369,597)	(390,163)	(275,958)
Net Operating working capital	679,640	602,038	622,203
Other current assets (excluding items of financial position)	234,941	186,866	214,440
Other current liabilities (excluding items of financial position)	(389,677)	(349,915)	(242,604)
Other current assets/(liabilities), net	(154,736)	(163,049)	(28,164)
Provision for risks	(60,409)	(59,201)	(46,044)
Post-employment benefits	(71,421)	(73,819)	(73,125)
Other long-term liabilities	(66,216)	(73,559)	(76,882)
Deferred taxation assets/(liabilities), net	321,149	257,656	216,526
Other non-current assets/(liabilities)	123,103	51,077	20,475
Net Invested capital	5,123,469	4,936,402	5,113,568
Shareholder's equity - Group	(3,226,538)	(3,113,894)	(2,881,081)
Shareholder's equity - Non-controlling interests	(16,742)	(14,749)	(13,289)
Total Consolidated shareholders' equity	(3,243,280)	(3,128,643)	(2,894,370)
Long-term financial payables, net	(443,542)	(491,676)	(391,816)
Short-term financial, net surplus/(deficit)	623,021	729,329	290,002
Net Financial surplus/(deficit)	179,479	237,653	(101,814)
Net Financial surplus/(deficit) to Consolidated shareholders' equity ratio	-5.5%	-7.6%	3.5%
Long-term lease liability	(1,650,121)	(1,627,197)	(1,708,185)
Short-term lease liability	(409,547)	(418,215)	(409,199)
Total Lease liability	(2,059,668)	(2,045,412)	(2,117,384)
Net Financial surplus/(deficit), including lease liability	(1,880,189)	(1,807,759)	(2,219,198)
Shareholders' equity and Net Financial surplus / (deficit), including lease liability	(5,123,469)	(4,936,402)	(5,113,568)

The Net Invested capital at June 30, 2022 is Euro 5,123 million, financed by equity of Euro 3,243 million and lease liabilities of Euro 2,060 million; the end-of-period net financial position is a positive Euro 179.5 million.

The Right-of-use assets increased by Euro 19.3 million as a result of increases for new leases and remeasurements of existing leases totaling Euro 207.7 million, revaluations of Euro 31.9 million from foreign exchange differences as well as the adoption of IAS 29 in Turkey for Euro 9.3 million, net of the depreciation and

writedowns for the period amounting to Euro 229.5 million.

The Non-current assets, net increased by Euro 10 million (Euro 2,500 million at June 30, 2022 versus Euro 2,490 million at December 31, 2021) due in substance to the increase in Non-current assets. The capital expenditures for the period amounted to Euro 97.2 million, against depreciation, amortization and impairment losses of Euro 122.8 million, including the Euro 18 million writedown of the assets in Russia following the extraordinary condition of the market. The increase in this item was affected by revaluations for foreign exchange differences of Euro 37.1 million, due to a weaker Euro against the main currencies in which the Group's assets are denominated.

The Capital expenditures regarded primarily restyling and relocation projects, investments in manufacturing structures, and technological and digital evolution in all the business areas.

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Retail	62,051	41,599
Real estate	-	19,587
Production, Logistics and Corporate	35,145	13,624
Total	97,196	74,810

The Net Operating working capital at June 30, 2022 is Euro 680 million, up by Euro 78 million compared with 2021. The increase was attributable largely to the inventory increase supporting the sales growth.

Other current liabilities, net amount to Euro 155 million at June 30, 2022.

Other non-current assets, net present a Euro 72 million increase versus the comparative period, attributable primarily to the increase in deferred tax assets regarding greater temporary differences on the inventory tax bases.

NET FINANCIAL POSITION

The following table provides details of the Group's Net Financial position:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)	June 30 2021 (unaudited)
Bank borrowing - non-current	(444,667)	(492,801)	(392,941)
Financial payables and bank overdrafts - current	(159,700)	(249,103)	(311,466)
Financial payables to related parties - current	(3,663)	(3,360)	(3,202)
Total Financial payables - current	(163,363)	(252,463)	(314,668)
Total Financial payables	(608,030)	(745,264)	(707,609)
Cash and cash equivalents	784,173	981,786	604,668
Financial receivables from related parties - non-current	1,125	1,125	1,125
Financial receivables from related parties - current	2,211	6	2
Total Cash and cash equivalents and Financial receivables	787,509	982,917	605,795
Net Financial surplus / (deficit)	179,479	237,653	(101,814)

The Net Operating cash flow for the six-month period, after lease payments (Euro 216.5 million), was cash generation of Euro 158.2 million. At period end, after the cash outflows for investing activities (Euro 93.1 million) and those for the dividends payments (Euro 169.8 million), and net of the foreign exchange revaluation of banks accounts denominated in currencies other than Euro, the net financial surplus amounts to Euro 179.5 million.

The total amount of undrawn lines of credit as at June 30, 2022 is Euro 752 million, consisting of Euro 400 million of committed lines and Euro 352 million of uncommitted lines.

The loan covenants were fully complied with at June 30, 2022.

The following table sets forth the lease liability:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (unaudited)
Short-term lease liability	409,547	418,215
Long-term lease liability	1,650,121	1,627,197
Total	2,059,668	2,045,412

The lease liability increased by Euro 14 million from the December 31, 2021 amount

primarily as a result of new leases and remeasurements for Euro 207.8 million (net of the closures of the period) and positive foreign exchange differences (Euro 31.2 million), offset in part by the payments made in the period (Euro 216.5 million) and the obtainment of rent discounts (Euro 9 million).

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

The net financial indebtedness, including the lease liability, is Euro 1,880 million at June 30, 2022 (Euro 1,808 million at December 31, 2021).

Further information on the maturity profile of debt and obligation of the Group, currency and interest rate structure, details of charge on Group's assets and contingent liabilities is set out in notes 18, 23 and 25 of the Notes to the Interim Condensed Consolidated Financial Statements.

RISK FACTORS

RISK FACTORS REGARDING THE INTERNATIONAL LUXURY GOODS MARKET

ECONOMIC RISKS AND INTERNATIONAL BUSINESS RISKS

The performance of the luxury goods market is influenced by individuals' propensity to consume and by the general economy. Accordingly, the Group's financial and business performance is exposed to global social and macroeconomic risks due to its international scale. An unfavorable economy in one or more of the main countries where the Group operates, or at a global level, could adversely affect the propensity to spend on luxury goods and have a negative impact on the Group's operations, results, cash flows and financial condition.

Moreover, a substantial portion of sales originates from purchases of products by customers on trips abroad. Therefore, unfavorable economic conditions, social, health or geopolitical situations leading to instability, adverse natural events or government restrictions on movement could negatively affect the Group's sales operations, results, cash flows and general financial condition.

The Group believes that full control over the value chain, a well-balanced physical retail presence in the global market accompanied by an omnichannel strategy with closely integrated sales and communication channels, and a sufficiently diversified product range, enable it to mitigate the risk that adverse conditions such as these could influence significantly the business performance.

RISKS REGARDING IMAGE AND BRAND RECOGNITION

The Group's success in the international luxury goods business is linked to the image and distinct character of its brands. These features depend on many factors, such as the style and design of the products, the quality of materials and production techniques, the image and locations of DOS, the careful selection of licensees, the communications activities and the corporate profile in general.

Preserving the image and prestige acquired by its brands is a primary objective of the Prada Group. This is pursued by monitoring constantly the changes in society, including through close collaboration with the world of art and culture, and by continuously seeking innovation in styles, products and communications in order to convey messages that are always consistent with the strong brand identities. Meanwhile, monitoring meticulously each internal and external phase of the value chain reduces considerably the risk that inappropriate performance could affect

the image and therefore the value of the brands.

RISKS REGARDING ABILITY TO ANTICIPATE TRENDS AND REACT TO SHIFTS IN CONSUMER TASTES

The Group's success is reliant on its ability to create and influence fashion and product trends, and to anticipate shifts in consumer tastes and societal trends in a timely manner.

Miuccia Prada, assisted by a qualified team of stylists and designers, is capable of combining intellectual curiosity, the pursuit of new and unconventional ideas, and cultural and social interests with a strong sense of fashion. This has made it possible to establish a genuine design culture, based on method and discipline, which guides everyone who works in the creative process. The recent appointment of a Creative Co-Director for the Prada brand enables the Group to benefit from cooperation between two designers widely acknowledged as among the most important and influential of our times - Miuccia Prada and Raf Simons - emphasizing the importance and power of creativity.

Approximately one thousand individuals work in the design and development department. In the first one a mix of different nationalities, cultures and talents contribute to creativity, while in the second one craft skills combined with solid manufacturing processes dominate the area. This enables the Group to keep abreast of emerging consumer trends and lifestyles and remain a major player in the industry.

INTELLECTUAL PROPERTY RISKS

The Prada Group's brands have always been associated with beauty, creativity, tradition and excellent quality. Prada's ability to protect its brands and other intellectual property rights means safeguarding these fundamental assets that are responsible for the success of the brands and the brand positioning.

The Group protects its brands, designs, patents and websites by registering them and obtaining legal protection for them in all countries throughout the world. At a global level, the Group actively opposes all forms of counterfeiting and intellectual property infringement by adopting strong, systematic measures. The wholesale, retail, online and offline markets are monitored daily in close collaboration with customs authorities, tax authorities and the police.

RISKS SPECIFIC TO THE PRADA GROUP

STRATEGIC RISKS

The possibility for the Group to improve its financial and business performance depends on successful implementation of its commercial strategy for each brand, which is achieved through the continuous support and development of retail sales and the constant recognition of the brands as reference points in the industry.

The Group provides support to the retail network by offering leather goods, clothing and footwear that reflect the brand position, accompanied by a unique buying experience featuring a careful revisiting of the physical and digital store concepts and layouts as well as, constant enrichment of customer services. The performance of the retail channel is supported by marketing initiatives intended to enhance the identity of the brands in the specific markets, emphasizing the unique features that distinguish the style and craftsmanship of the products.

Moreover, the implementation of the omnichannel strategy has paved the way for long-term business development based on product quality, strong innovation and integration of distribution and communication channels in line with the evolving demands of consumers.

RISKS REGARDING THE IMPORTANCE OF KEY PERSONNEL

The Group's success depends on the contribution of key individuals who have played an essential role in the Group's expansion and who have substantial experience in the fashion and luxury goods business. Its success also depends on Prada's ability to train new generations of artisans and to attract and retain people who are qualified in the design, product development, marketing, merchandising and corporate functions.

The Group considers its management structure to be capable of ensuring managerial continuity, and has recently implemented a long-term incentive plan to retain key employees so that they will continue to cover the roles essential to the achievement of the challenging objectives that the Group constantly sets itself.

RISKS REGARDING THE OUTSOURCING OF MANUFACTURING ACTIVITIES

The Prada Group's products are made at 23 manufacturing facilities owned in Europe (20 in Italy, 1 in France, 1 in the United Kingdom and 1 in Romania) and by contract manufacturers carefully selected on the basis of competence, quality and reliability. Nearly all the prototypes and samples and some finished products

are made at the Group's own manufacturing facilities. The most sensitive phases of production, such as the cutting of hides and the controls conducted over all raw materials (including those to be sent to contract manufacturers) and semi-finished goods take place there as well.

All stages of the production process are checked by the Prada Group's technical staff to ensure that the products meet the quality standards and that the entire supply chain complies with Prada Spa's Code of Ethics, which must be signed before any business relationship is entered into.

A key part of the strategy is to establish long-term business relationships with suppliers based on mutual trust and transparency. The Prada Group works with approximately 1,000 raw material suppliers and contract manufacturers, some 80% of which are located in Italy. The Group has implemented a strict quality control process for all outsourced production, and contractually requires its contract manufacturers to comply with all regulations on brand ownership and other intellectual property rights. Moreover, the Group demands compliance with the applicable regulations concerning labor law, social security and occupational health and safety, and monitors such compliance with a process that uses document controls and, since 2019, audits conducted at the suppliers' premises.

CREDIT RISK

Credit risk is defined as the risk of financial loss caused by the failure of a counterparty to meet its contractual obligations. The maximum risk to which an entity is exposed is represented by all the financial assets recognized in the financial statements. The Group considers its credit risk to involve primarily trade receivables generated from the wholesale channel and liquid assets. The Group manages credit risk and mitigates the related effects through its business and financial strategies, which are based on the monitoring of the creditworthiness and solvency of customers, the stipulation of insurance contracts and the use of safe solutions such as advance payments.

Concerning liquid assets, the risk of default substantially relates to bank deposits, which represent the Group's most widely-used financial product for investing surplus operating cash flows. Default risk is mitigated by the allocation of cash holdings to bank deposits that are diversified in terms of counterparties (always investment grade), country and currency, and by the consistently short-term period. The residual portion of liquid assets consists of cash and bank accounts. The Group considers no significant risk to exist on these kinds of liquid assets

given that they are used for operating activities and business processes and, consequently, the number of independent parties involved is fragmented.

LIQUIDITY RISK

Cash flow risk refers to difficulty that the Group could have in meeting its financial obligations. The Directors are responsible for managing liquidity risk, whereas the Corporate Finance management, which reports to the CFO, is responsible for optimizing financial resources.

The Directors consider the currently available funds and lines of credit, in addition to the funding that will be generated by operating and financing activities, to be sufficient for enabling the Group to meet its requirements in terms of working capital management, investing activities, punctual loan repayment and the payment of any dividends as planned.

TAX RISKS

The Prada Group's tax strategy is based on the prevention of tax risks and on tax certainty, both of which are pursued through ongoing dialogue and long-term, principled interaction with the tax authorities in the countries where it operates. The Group's tax risks, which could arise from compliance errors or incorrect interpretation of regulations, are constantly monitored within the scope of an extensive internal control system, formalized into the tax control framework.

The effectiveness of the tax risk management system has made Prada spa eligible to participate in the Cooperative Compliance Tax Regime in Italy (under Italian Legislative Decree 128/2015), enhancing its tax control framework.

Within such regime, the Group has expanded a systematic, open communication channel with the Italian and the foreign tax authorities of the most strategically important countries where it operates, based on reciprocal transparency and trust, with the purpose of minimizing the level of uncertainty about potentially risky situations.

LEGAL AND REGULATORY RISKS

The Prada Group uses centralized models to comply with the rules and regulations ensuing from the complexity of the global context in which it operates. The guidelines, policies and practices established by Prada spa ensure unequivocal compliance with processes and conduct in order to manage the following legal and regulatory risks:

- risks associated with non-compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong or with other laws or regulations in force in Hong Kong S.A.R. that the Company must observe as it is listed on the Stock Exchange of Hong Kong Limited;
- risks associated with occupational health and safety under Italian Legislative Decree 81/08 and equivalent regulations in force in other countries;
- possible legal penalties for wrongful acts pursuant to Italian Law 231/2001, as subsequently amended;
- possible events that could adversely affect the accuracy of the annual financial statements and the protection of assets;
- possible manufacturing compliance risks with respect to Italian and international laws and regulations regarding finished goods distributed and raw materials and consumables used. In 2020 Prada spa obtained "AEO Full" (Authorized Economic Operator) certification from the Italian Customs Agency for its handling of goods, becoming one of very few taxpayers in Italy to simultaneously hold this qualification and participate in the Cooperative Compliance regime with the Italian Revenue Agency.

The Group involves various divisions and uses external experts as necessary to keep its processes and procedures constantly updated in order to comply with changing rules and regulations in a timely manner, thereby reducing the risk of non-compliance to an acceptable level. Monitoring activities are performed by divisional managers, auditors, special entities and committees such as the Supervisory Board and the Internal Control Committee.

FOREIGN EXCHANGE RISK

The Group has a vast international presence, and therefore is exposed to the risk that changes in currency exchange rates could adversely impact revenue, expenses, margins and profit. In order to hedge foreign exchange risk, the Group enters into derivative contracts designed to fix the value in Euro (or other functional currency) of identified future cash flows. The future cash flows consist primarily of inflows of trade and financial receivables and outflows of trade payables. They refer mainly to Prada spa, the Group's parent company and worldwide distributor of Prada and Miu Miu brand products.

The management of foreign exchange risk is described in more detail in the Notes to the Interim Condensed Consolidated Financial Statements.

INTEREST RATE RISK

Interest rate risk is the risk that future cash flows could be affected by interest rate fluctuations. In order to hedge this risk, which refers mainly to Prada spa, the Group uses derivatives (such as interest rate swaps) to convert variable-rate debt into fixed-rate debt or debt at rates within a specified range.

The management of interest rate risk is described in more detail in the Notes to the Interim Condensed Consolidated Financial Statements.

DATA PROTECTION RISKS

The Prada Group is aware of the importance of ensuring adequate safeguards to its stakeholders on the processing of data and personal information that each Group company performs in the course of its business activities.

In order to guarantee the right to the protection of personal data and minimize the risks associated with their processing, the Prada Group has developed policies and implemented technical and organizational security measures and transparency requirements regarding data subjects.

Taking into account the evolving technological and regulatory landscape, as well as the varying likelihood and severity of risks regarding the rights and freedoms of individuals involved in each processing activity, the Prada Group has set up a control system consisting inter alia of operating procedures, training sessions, and periodic risk assessments capable of ensuring that:

- data are adequately protected against the risk of accidental or unlawful destruction, loss, alteration, unauthorized disclosure or access;
- personal data collected and processed by the Group's companies are handled with the utmost confidentiality and secrecy, may not be used for purposes other than those that justify and permit their collection, processing and storage, and may not be disclosed or transferred to third parties except in cases and in the manner permitted by applicable law;
- personal data are processed in compliance with the European General Data Protection Regulation (GDPR) and any other applicable privacy law and regulation in force in the jurisdictions in which the Group operates.

As part of the measures adopted, the Prada Group has designated a Data Protection Officer (DPO), whose functions include supervising regulatory compliance, reporting activities and advising on personal data protection matters.

CYBER SECURITY RISKS

Organizations are becoming more vulnerable to cyber threats due to their increasing reliance on computers, networks, programs, social media and data.

An external cyberattack, insider threat or supplier breach could cause service interruption, confidential data breaches and incapacity to perform daily operations, thus affecting the Group and potentially the stakeholders involved.

In light of the recent increased threats from cyber security attacks worldwide, the Prada Group raised the security levels of its information systems, reinforcing the lines of defense and taking the measures necessary to ensure business continuity. The Group recently conducted a test campaign aimed at simulating dangerous, external attacks that led to setting up a milestone IT security program based on the recurring execution of broad campaigns of cyber-attack simulation and cyber-security training through massive e-learning courses and specific programs for those most exposed.

At the reporting date, organisational changes are underway to make sure that the cyber-security risks are further addressed and managed across all operations and sites.

ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE) RISKS

The Prada Group's main ESG risks were determined within the scope of the materiality analysis conducted to draw up the 2021 Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) reporting standards published in 2016, posted on Prada's and the Hong Kong Stock Exchange's websites. The materiality analysis, which focused on the convergence of the Group's perspective with that of its stakeholders, identified the sustainability issues relevant to the Group's short-term and long-term value creation. The most significant environmental, social and governance topics that emerged were climate action, occupational health and safety, the improvement of environmental and social standards along the supply chain, and the championing of diversity and equal opportunity. Strategic, operational, financial and compliance risks are present in such areas, and their assessment is underway at the time of this writing.

The Prada Group is mindful of the transparency and accountability demanded by its stakeholders in the rapidly evolving environmental, social and regulatory scenario in which it operates, and intends to strengthen its control system to ensure more pervasive integration of the ESG aspects into its business strategy and model.

OTHER INFORMATION

INFORMATION ON RELATED-PARTY TRANSACTIONS

Information on the Group's transactions and balances with related parties is provided in the Notes to the Interim Condensed Consolidated Financial Statements, insofar as required by IFRS, and in the Corporate Governance Report, insofar as required by the Hong Kong Stock Exchange rules.

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 consolidated financial statements. Other companies operating in the luxury goods industry might use the same measures, but with different calculation criteria, so non-IFRS measures should always be read in conjunction with the related explanatory notes, and they may not be directly comparable with those used by other companies.

In this Interim Report the Prada Group used the following non-IFRS measures:

EBIT: Earnings before Interest and Taxation, i.e. "Consolidated net result for the period" adjusted to exclude "Total financial income/(expenses)" and "Taxation".

Within the scope of the Prada Group's activities, which consist of the management and development of the brands owned, some transactions may be qualified as non-recurring when their nature, amount or frequency requires separate disclosure in order to offer the reader a better understanding of the Group's operating result. For this purpose, in 2022 the Group introduced the use of a new non-IFRS measure, "other non-recurring income and expenses", to identify the non-recurring transactions as defined above. Consequently, the difference between the "operating result" (or "EBIT") and the "other non-recurring income and expenses" is defined as the "recurring operating result" (or "EBIT Adjusted") and represents the metric with which the Prada Group intends to measure the results of the operating activities. This measure, adopted with consistency and stability over time, enables maintaining continuity in understanding the business performance. Therefore,

impairment and write-downs of non-current assets, restructuring costs, litigation costs and gains or losses on disposals of fixed assets might be excluded from the recurring operating result (or EBIT adjusted) according to their nature, amount and frequency.

For the six months ended June 30, 2022, the other non-recurring income and expenses include a write-down of Euro 26 million of tangible fixed assets and right-of-use assets as a result of the extraordinary market conditions in Russia.

The reconciliation of Prada Group's EBIT adjusted and EBIT with the nearest IFRS measure (Net Income/(Loss) for the period) are reported below:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	% on net revenues	six months ended June 30 2021 (unaudited)	% on net revenues	six months ended June 30 2019 (unaudited)	% on net revenues
Net Income / (Loss) for the period	189,417	10.0%	96,888	6.5%	154,431	9.9%
Taxation	88,033	4.6%	41,273	2.7%	(34,418)	-2.2%
Total Financial income / (expenses)	27,352	1.4%	27,743	1.9%	30,461	1.9%
Operating Income / (Loss) - EBIT	304,802	16.0%	165,904	11.1%	150,474	9.6%
Other non-recurring income and expenses	26,000	1.4%	-	-	-	-
Recurring Operating Income / (Loss) - EBIT Adjusted	330,802	17.4%	165,904	11.1%	150,474	9.6%

Net Financial surplus/(deficit): 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.

Net Financial surplus/(deficit), including lease liability:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Net Financial surplus/(deficit)	179,479	237,653
Short-term lease liability	(409,547)	(418,215)
Long-term lease liability	(1,650,121)	(1,627,197)
Total Lease liability	(2,059,668)	(2,045,412)
Net Financial surplus/(deficit), including lease liability	(1,880,189)	(1,807,759)

Net Operating Cash Flow: Net Cash Flow generated by operating activities, less the repayment of lease liability.

Free cash flow: Net Operating Cash Flow after the net cash flows used for the investing activities.

(amounts in thousands of Euro)	June 30 2022 (unaudited)	June 30 2021 (unaudited)	June 30 2019 (unaudited)
Cash Flow from operating activities	537,742	551,817	404,939
Cost of net financial debt: interest paid	(4,685)	(6,142)	(452)
Lease liability: interest paid	(18,887)	(18,827)	(24,580)
Taxes paid	(139,495)	(19,974)	(15,724)
Net Cash Flow from operating activities	374,675	506,874	364,183
Repayment of lease liability	(216,473)	(191,273)	(226,849)
Net Operating Cash Flow	158,202	315,601	137,334
Net cash flow utilized by investing activities	(93,067)	(33,362)	(184,748)
Free Cash Flow	65,135	282,239	(47,414)

TREASURY SHARES

At June 30, 2022 the Group does not hold treasury shares.

EVENTS AFTER THE REPORTING DATE

There are no significant events after the end of the period to report.

OUTLOOK

Despite the highly uncertain global macro-economic environment, current trading remains strong and the results of the first six months of 2022 accelerated the Group's trajectory towards the mid-term targets.

Going forward, several factors could influence the Group's performance, including the development of the health situation, the rate of recovery in consumer spending in Mainland China, and global geopolitical developments and economic risks as authorities seek to manage challenges of inflation and possible recession.

These significant uncertainties make the Group vigilant, but it will continue to pursue its strategy with confidence and determination. The Prada Group will continue to develop its brands focusing on creativity, quality and customer experience.

To achieve long-term sustainable growth, the Group intends to balance margin improvement with continued investment in its people, distribution network, technological and manufacturing infrastructure, omni-channel capabilities and sustainability.

Milan, July 28, 2022

CORPORATE GOVERNANCE

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 shareholders' 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, 2022 to June 30, 2022 (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 is composed of eleven directors, of which five are executive directors, one is a non-executive director, and five are independent non-executive directors.

During the Reviewed Period, the Board has held three meetings on February 4, March 14 and May 3, 2022.

The Board has established the Audit and Risk 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 February 4, 2022, the Board established the Sustainability Committee, chaired by an independent non-executive director.

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 appropriate professional qualifications in accounting, or related financial management expertise to discharge the responsibility of the Audit and Risk Committee. The Committee has changed its name from "Audit Committee" to "Audit and Risk Committee" on July 27, 2022. The Audit and Risk Committee consists of three independent non-executive directors, namely, Mr. Yoël Zaoui (Chairman), Ms. Marina Sylvia Caprotti and Mr. Maurizio Cereda.

The primary duties of the Audit and Risk 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 and Risk Committee by the Board.

During the Reviewed Period, the Audit Committee held three meetings on February 23, March 9, and May 2, 2022, with an attendance rate of 100%.

The Audit and Risk 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 selection of the independent auditor of the Company's accounts for the years 2022 to 2024 to be proposed to the shareholders' meeting on 28 April 2022, the audit plan for the year 2022, the new Model of Organization of the Company pursuant to the Decree (as defined below) and the new guidelines for the composition and functioning of the *organismo di vigilanza* (supervisory body) pursuant to the same Decree (as defined below), the findings of the internal auditors, internal controls, risk assessment, annual review of the Group's continuing connected transactions for the year 2021, tax and legal updates (including management of data privacy matters), the financial reporting matters (including the annual results for the year 2021), before recommending them to the Board for approval.

The Audit and Risk Committee held a further meeting on July 27, 2022 to, among others, review the interim results for the period ended June 30, 2022, 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 (Chairwoman) 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 February 4 and March 9, 2022, with an attendance rate of 100% to review and recommend, among others, the remuneration of the members of the Sustainability Committee, the adoption of a new long term incentive plan for senior management and for executives, based on updated criteria, in line with the current trends and market standards on long term incentive plans.

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 (Chairman) 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 4 and March 14, 2022, with an attendance rate of 100% to establish the Sustainability Committee and suggest the appointment of its members, and perform the annual review of the independence of independent non-executive directors, as well as assess the composition of the Board.

SUSTAINABILITY COMMITTEE

The Sustainability Committee consists of two independent non-executive directors, Ms. Pamela Yvonne Culpepper (Chairwoman) and Ms. Anna Maria Rugarli, and one executive director, Mr. Lorenzo Bertelli.

The Sustainability Committee assists and supports the Board with proposing and advisory functions in its assessments and decisions on sustainability, meaning the processes, initiatives, and activities, aimed at overseeing the Company's commitment to sustainable development along the value chain. Moreover, the Committee supports the preparation and review of non-financial reports, including the annual Sustainability Report, and communications concerning sustainability to be submitted to the Board for approval.

During the Reviewed Period, the Sustainability Committee held a meeting on April 22, 2022 to, among others, appoint the Chairwoman, present the Group sustainability strategy, and review the Sustainability Report 2021 to be submitted to the Board for approval.

The Sustainability Committee held a further meeting on July 13, 2022 to, among others, present and discuss the Human Rights Policy and new Code of Ethics to be submitted to the Board for approval, and discuss the sustainability action plan and relevant ESG operational committee to be established at a Group level.

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 board of statutory auditors of the Company consists of Mr. Antonino Parisi (Chairman), Mr. Roberto Spada, and Mr. David Terracina. The alternate statutory auditors are Ms. Stefania Bettoni and Ms. Fioranna Negri. During the Reviewed Period, the members of board of statutory auditors attended three meetings of the Board.

ORGANISMO DI VIGILANZA (SUPERVISORY BODY)

In compliance with the Italian Legislative Decree 231 of June 8, 2001 (the "Decree"), the Board 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, 2022, the *organismo di vigilanza* (supervisory body) consists of Ms. Stefania Chiaruttini (Chairwoman), Mr. Yoël Zaoui and Mr. Roberto Spada (who replaced 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 14, 2022, the Board recommended for the financial year 2021 the payment of a final dividend of Euro 0.07 per share, representing a total dividend of Euro 179,117,680. The shareholders approved the distribution and payment of the final dividend at the annual general meeting held on April 28, 2022. The dividend was paid on May 27, 2022, while the relevant withholding tax was paid in July 2022.

CHANGE IN INFORMATION OF DIRECTORS DISCLOSED PURSUANT TO LISTING RULE 13.51B(1)

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors since the Company's 2021 Annual Report and the Company's

announcement dated March 23, 2022 in respect of the change of the Chief Financial Officer on May 2, 2022, other than the changes disclosed in other paragraphs of this Interim Report, are set out below:

Name of Director	Change
Lorenzo Bertelli	Waived base annual remuneration as a member of the Sustainability Committee equal to Euro 30,000, with an increase of the same amount in his annual salary. For the financial year during which his appointment commences or terminates, the fee will be calculated on a pro-rata basis.
Pamela Yvonne Culpepper	Aggregate annual remuneration equal to Euro 100,000 for each financial year of the three-year mandate, being Euro 50,000 as Board member and Euro 50,000 as Chairwoman of the Sustainability Committee. For the financial year during which her appointment commences or terminates, the fees will be calculated on a pro-rata basis.
Anna Maria Rugarli	Aggregate annual remuneration equal to Euro 80,000 for each financial year of the three-year mandate, being Euro 50,000 as Board member and Euro 30,000 as a member of the Sustainability Committee. For the financial year during which her appointment commences or terminates, the fees will be calculated on a pro-rata basis.
Stefano Simontacchi	Ceased to act as board member of Cordusio SIM S.p.A..

CHANGE OF COMPANY SECRETARY

On June 30, 2022, Ms. Stefania Cane ceased to serve as a joint company secretary and Ms. Ying-Kwai Yuen, previously a joint company secretary, assumed the role as the sole company secretary of the Company.

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.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at June 30, 2022, the Directors of the Company and their associates held the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

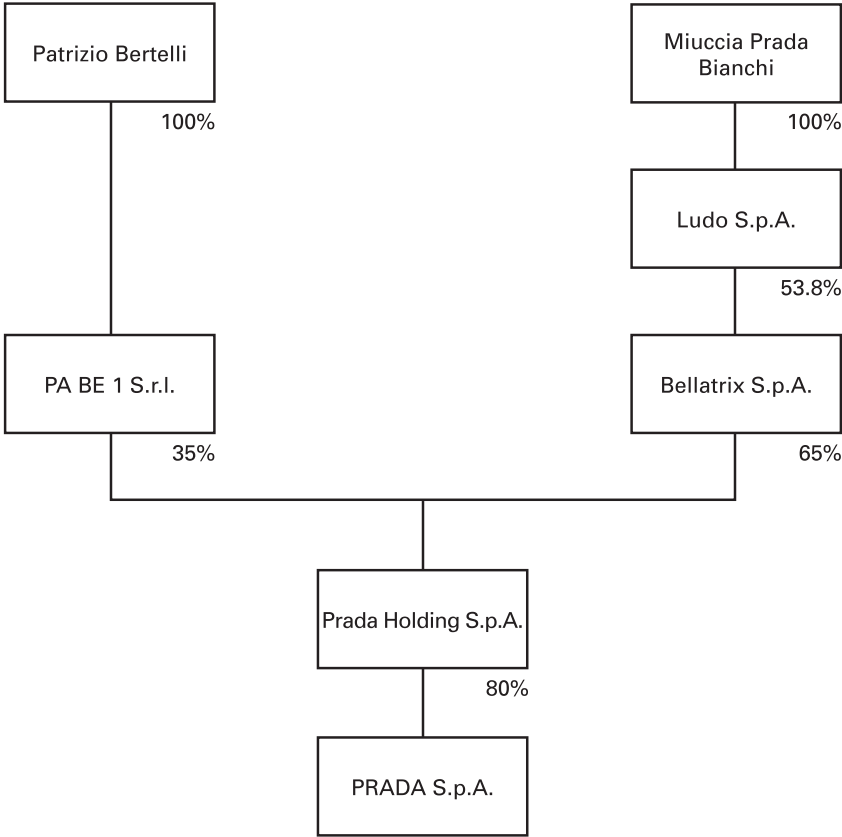
(a) Long positions in shares and underlying shares of the Company

Name of Director	Number of Shares	Nature of Interest	Approximate percentage of Issued Capital
Ms. Miuccia Prada Bianchi	2,046,470,760 (Notes 1 and 2)	Interest of Controlled Corporation	80%
Mr. Patrizio Bertelli	2,046,470,760 (Notes 1 and 3)	Interest of Controlled Corporation	80%

Notes:

1. Prada Holding S.p.A. owns approximately 80% of the issued capital in the Company and is therefore the holding company of the Company.
2. Ms. Miuccia Prada Bianchi controls, indirectly through Ludo S.p.A. 53.8% (comprised of 438,460 ordinary shares and 100,000 preference shares) of the capital in Bellatrix S.p.A., which in turn owns 65% (comprised of 1,650 ordinary shares and 300 preference shares) of the capital in Prada Holding S.p.A.. Ms. Miuccia Prada Bianchi is therefore deemed under the SFO to be interested in all the shares registered in the name of Prada Holding S.p.A.. Ms. Miuccia Prada Bianchi is also a director of Prada Holding S.p.A., Bellatrix S.p.A. and Ludo S.p.A..
3. Mr. Patrizio Bertelli controls, indirectly through PA BE 1 S.r.l., 35% (comprised of 750 ordinary shares and 300 preference shares) of the capital in Prada Holding S.p.A.. Mr. Patrizio Bertelli is therefore deemed under the SFO to be interested in all the shares registered in the name of Prada Holding S.p.A.. Mr. Patrizio Bertelli is also a director of PA BE 1 S.r.l..

The deemed interests of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli in the shares of the Company as at June 30, 2022 are summarized in the following chart:



(b) Long positions in shares and underlying shares of associated corporations:

Name of Director	Name of associated corporations	Class of shares	Number of shares	Nature of Interests	Approximate percentage of Interests
Ms. Miuccia Prada Bianchi	Prada Holding S.p.A.	Ordinary Shares	1,650	Controlled Corporation	68.75%
	Prada Holding S.p.A.	Preference Shares	300	As above	50%
	MFH Munich Fashion Holding GmbH	Registered Share	1	As above	100%
	Bellatrix S.p.A.	Ordinary Shares	438,460	As above	49.83%
	Bellatrix S.p.A.	Preference Shares	100,000	As above	83.34%
	Ludo S.p.A.	Class A Class B	5,066,000 4,965,100	Beneficial Owner	100%
	PH-RE LLC	Capital Contribution (JPY)	1,000,000	Controlled Corporation	100%
Mr. Patrizio Bertelli	Prada Holding S.p.A.	Ordinary Shares	750	Controlled Corporation	31.25%
	Prada Holding S.p.A.	Preference Shares	300	As above	50%
	MFH Munich Fashion Holding GmbH	Registered Share	1	As above	100%
	PH-RE LLC	Capital Contribution (JPY)	1,000,000	As above	100%

Save as disclosed above, as at June 30, 2022, none of the Directors of the Company or their associates held any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at June 30, 2022, other than the interests of the Directors of the Company as disclosed above, the following persons held interests in the shares or underlying shares of the Company, which fall to be disclosed to the Company under Section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of issued capital
<u>Long Positions</u>			
Prada Holding S.p.A.	Legal and beneficial Owner	2,046,470,760	80.00%
Bellatrix S.p.A.	Interest of controlled Corporation	2,046,470,760	80.00%
Ludo S.p.A.	Interest of controlled Corporation	2,046,470,760	80.00%
PA BE 1 S.r.l.	Interest of controlled Corporation	2,046,470,760	80.00%

Note:

Prada Holding S.p.A. owns approximately 80% of the issued capital in the Company. As Ludo S.p.A. owns 53.8% of Bellatrix S.p.A. which in turn owns 65% of Prada Holding S.p.A. and PA BE 1 S.r.l. owns 35% of Prada Holding S.p.A., Bellatrix S.p.A., Ludo S.p.A. and PA BE 1 S.r.l. are all deemed to be interested in the 2,046,470,760 shares held by Prada Holding S.p.A..

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(amounts in thousands of Euro)	Notes	June 30 2022 (unaudited)	December 31 2021 (audited)
Assets			
Current assets			
Cash and cash equivalents	6	784,173	981,786
Trade receivables, net	7	317,861	329,547
Inventories, net	8	731,376	662,654
Derivative financial instruments - current	9	5,278	1,762
Receivables from, and advance payments to, related parties - current	10	24,137	22,866
Other current assets	11	216,712	171,220
Total current assets		2,079,537	2,169,835
Non-current assets			
Property, plant and equipment	12	1,576,803	1,564,853
Intangible assets	13	829,829	829,405
Right of use assets	14	1,975,605	1,956,289
Investments in equity instruments	15	5,909	5,696
Deferred tax assets	33	357,776	287,462
Other non-current assets	16	138,973	144,346
Derivative financial instruments - non-current	9	510	-
Receivables from, and advance payments to, related parties - non-current	10	1,125	1,125
Total non-current assets		4,886,530	4,789,176
Total Assets		6,966,067	6,959,011
Liabilities and Shareholders' Equity			
Current liabilities			
Short-term lease liability	17	409,547	418,215
Short-term financial payables and bank overdrafts	18	159,700	249,103
Payables to related parties - current	19	3,668	8,360
Trade payables	20	369,597	390,163
Tax payables	21	167,781	144,159
Derivative financial instruments - current	9	43,760	29,683
Other current liabilities	22	187,107	180,048
Total current liabilities		1,341,160	1,419,731
Non-current liabilities			
Long-term lease liability	17	1,650,121	1,627,197
Long-term financial payables	23	444,667	492,801
Long-term employee benefits	24	71,421	73,819
Provision for risks and charges	25	60,409	59,201
Deferred tax liabilities	33	36,627	29,806
Other non-current liabilities	26	117,956	123,027
Derivative financial instruments - non-current	9	426	4,786
Total non-current liabilities		2,381,627	2,410,637
Total Liabilities		3,722,787	3,830,368
Shareholders' Equity			
Share capital		255,882	255,882
Total other reserves		2,623,899	2,496,324
Translation reserve		158,493	67,434
Net income / (loss) for the period		188,264	294,254
Net Equity attributable to owners of the Group	27	3,226,538	3,113,894
Net Equity attributable to Non-controlling interests	28	16,742	14,749
Total Net Equity		3,243,280	3,128,643
Total Liabilities and Total Net Equity		6,966,067	6,959,011
Net current assets		738,377	750,104
Total assets less current liabilities		5,624,907	5,539,280

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED JUNE 30, 2022

(amounts in thousands of Euro)	Notes	six months ended June 30 2022 (unaudited)	%	six months ended June 30 2021 (unaudited)	%
Net Revenues	29	1,900,942	100.0%	1,501,006	100.0%
Cost of goods sold	30	(423,451)	-22.3%	(386,021)	-25.7%
Gross margin		1,477,491	77.7%	1,114,985	74.3%
Operating expenses	31	(1,172,689)	-61.7%	(949,081)	-63.2%
Operating income / (loss) - EBIT		304,802	16.0%	165,904	11.1%
Interest and other financial income/(expenses), net		(8,584)	-0.5%	(9,019)	-0.6%
Interest expenses on lease liability		(18,887)	-1.0%	(18,827)	-1.3%
Dividends from investments		119	0.0%	103	0.0%
Total Financial income/(expenses)	32	(27,352)	-1.4%	(27,743)	-1.9%
Income / (Loss) before taxation		277,450	14.6%	138,161	9.2%
Taxation	33	(88,033)	-4.6%	(41,273)	-2.7%
Net Income / (Loss) for the period		189,417	10.0%	96,888	6.5%
Net Income / (Loss) - Non-controlling interests	28	1,153	0.1%	(355)	0.0%
Net Income / (Loss) - Group	27	188,264	9.9%	97,243	6.5%
Basic and diluted earnings / (losses) per share (in Euro per share)	34	0.074		0.038	

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2022

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Income / (loss) before taxation	277,450	138,161
Profit or loss adjustments		
Depreciation and write-downs of the right of use assets	221,466	212,805
Impairment of the right of use assets	8,000	-
Depreciation and amortization of property, plant and equipment and intangible assets	102,981	99,212
Impairment of property, plant and equipment and intangible assets	19,844	292
Non-monetary financial (income) expenses	(13,699)	7,539
Interest expenses on lease liability	18,887	18,827
Other non-monetary (income) expenses	18,017	3,522
Balance Sheet changes		
Other non-current assets and liabilities	(8,595)	11,070
Trade receivables, net	16,092	23,246
Inventories, net	(62,917)	40,711
Trade payables	(24,291)	(17,541)
Other current assets and liabilities	(35,493)	13,973
Cash flows from operating activities	537,742	551,817
Interest paid (net), including interest paid on lease liability - third parties	(23,572)	(24,969)
Taxes paid	(139,495)	(19,974)
Net Cash flows from operating activities	374,675	506,874
Purchases of property, plant and equipment and intangible assets	(88,597)	(76,588)
Disposals of property, plant and equipment and intangible assets	411	15
Earn-out paid to a related party	(5,000)	-
Dividends from investments	119	103
Disposal of equity instruments	-	50,935
Acquisition of additional shares from Non-Controlling interests	-	(7,827)
Net Cash flow utilized by investing activities	(93,067)	(33,362)
Dividends paid to shareholders of PRADA Spa	(169,793)	(84,859)
Dividends paid to Non-Controlling shareholders	-	(1,491)
Repayment of lease liability	(216,473)	(191,273)
Loans to a related party	(2,200)	-
Repayment of short-term portion of long-term borrowings - third parties	(136,519)	(149,614)
Arrangement of long-term borrowings - third parties	-	90,000
Change in short-term borrowings - third parties	4,383	13,780
Net Cash flows generated/(utilized) by financing activities	(520,602)	(323,457)
Change in cash and cash equivalents, net of bank overdrafts	(238,994)	150,055
Foreign exchange differences	40,878	12,221
Opening cash and cash equivalents, net of bank overdrafts	981,786	442,392
Closing Cash and cash equivalents, net of bank overdrafts	783,670	604,668
Cash and cash equivalents, net of bank overdrafts	784,173	604,668
Bank overdrafts	(503)	-
Closing Cash and cash equivalents, net of bank overdrafts	783,670	604,668

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2022

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	twelve months ended December 31 2021 (audited)	six months ended June 30 2021 (unaudited)
Net income / (loss) for the period	189,417	295,103	96,888
A) Items recyclable to P&L:			
Change in Translation reserve	91,899	72,230	33,552
Tax impact	-	-	-
Change in Translation reserve less tax impact	91,899	72,230	33,552
Change in Cash Flow Hedge reserve	4,756	(14,331)	(5,359)
Tax impact	(1,088)	4,247	1,769
Change in Cash Flow Hedge reserve less tax impact	3,668	(10,084)	(3,590)
B) Items not recyclable to P&L:			
Change in Fair Value in equity instruments reserve	(273)	845	4,143
Tax impact	-	-	-
Change in Fair Value in equity instruments reserve less tax impact	(273)	845	4,143
Change in Actuarial reserve	-	4,248	-
Tax impact	-	(1,734)	(385)
Change in Actuarial reserve less tax impact	-	2,514	(385)
Comprehensive Income / (Loss) for the period	284,711	360,608	130,608
Comprehensive Income / (Loss) for the period - Non Controlling Interests	1,993	1,717	8
Comprehensive Income / (Loss) for the period - Group	282,718	358,891	130,600

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (AMOUNTS IN THOUSANDS OF EURO, EXCEPT NUMBER OF SHARES)

(amounts in thousands of Euro)	Number of shares	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 result for the period	Equity		
											Net Equity attributable to owners of the Group	Net Equity attributable Non-controlling interests	Total Net Equity
Balance at December 31, 2020 (audited)	2,558,824,000	255,882	(3,359)	410,047	(5,794)	(8,151)	(25,188)	2,262,759	2,633,673	(54,139)	2,832,057	19,663	2,851,720
Allocation of 2020 loss	-	-	-	-	-	-	-	(54,139)	(54,139)	54,139	-	-	-
Dividends	-	-	-	-	-	-	-	(89,559)	(89,559)	-	(89,559)	(1,491)	(91,050)
Share capital increase/(reduction)	-	-	-	-	-	-	-	-	-	-	-	(141)	(141)
Release for disposal of equity instruments	-	-	-	-	-	-	8,977	411	9,388	-	9,388	-	9,388
Acquisition of additional shares in companies already controlled	-	-	(1,721)	-	-	(7)	-	323	316	-	(1,405)	(4,751)	(6,156)
Comprehensive income/(loss) for the period (recyclable to P&L)	-	-	33,189	-	(3,590)	(385)	-	-	(3,975)	97,243	126,457	8	126,465
Comprehensive income/(loss) for the period (not recyclable to P&L)	-	-	-	-	-	-	4,143	-	4,143	-	4,143	-	4,143
Balance at June 30, 2021 (unaudited)	2,558,824,000	255,882	28,109	410,047	(9,384)	(8,543)	(12,068)	2,119,795	2,499,847	97,243	2,881,081	13,288	2,894,369
Dividends	-	-	-	-	-	-	-	-	-	-	-	(183)	(183)
Release for disposal of equity instruments	-	-	-	-	-	-	4,374	511	4,885	-	4,885	-	4,885
Acquisition of additional shares in companies already controlled	-	-	1,147	-	-	(59)	-	(323)	(382)	-	765	(65)	700
Acquisition of Luna Rossa Challenge srl	-	-	-	-	-	-	-	(1,128)	(1,128)	-	(1,128)	-	(1,128)
Comprehensive income/(loss) for the period (recyclable to P&L)	-	-	38,178	-	(6,494)	385	-	-	(6,109)	197,011	229,080	1,704	230,784
Comprehensive income/(loss) for the period (not recyclable to P&L)	-	-	-	-	-	2,509	(3,298)	-	(789)	-	(789)	5	(784)
Balance at December 31, 2021 (audited)	2,558,824,000	255,882	67,434	410,047	(15,878)	(5,708)	(10,992)	2,118,855	2,496,324	294,254	3,113,894	14,749	3,128,643
Allocation of 2021 net result	-	-	-	-	-	-	-	294,254	294,254	(294,254)	-	-	-
Dividends	-	-	-	-	-	-	-	(179,118)	(179,118)	-	(179,118)	-	(179,118)
Revaluation IAS 29	-	-	-	-	-	-	-	9,044	9,044	-	9,044	-	9,044
Comprehensive income/(loss) for the period (recyclable to P&L)	-	-	91,059	-	3,668	-	-	-	3,668	188,264	282,991	1,993	284,984
Comprehensive income/(loss) for the period (not recyclable to P&L)	-	-	-	-	-	-	(273)	-	(273)	-	(273)	-	(273)
Balance at June 30, 2022 (unaudited)	2,558,824,000	255,882	158,493	410,047	(12,210)	(5,708)	(11,265)	2,243,035	2,623,899	188,264	3,226,538	16,742	3,243,280

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

1. GENERAL INFORMATION

PRADA spa ("Prada" or the "Company"), together with its subsidiaries (collectively the "Group" or "Prada 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 Marchesi 1824, in the most prestigious sailing races with Luna Rossa and in the eyewear and fragrance industries under licensing agreements.

The Prada Group owns 23 manufacturing plants (20 in Italy, 1 in the United Kingdom, 1 in France and 1 in Romania) and its products are sold in 70 countries worldwide, primarily through directly operated stores ("DOS"), of which there were 627 at June 30, 2022. The Prada Group's products are also sold directly through the brands' e-commerce activity and indirectly by selected prestigious department stores, independent retailers in very exclusive locations, and 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. At June 30, 2022 (the reporting date of these Interim Condensed Consolidated Financial Statements), 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.

The unaudited Interim Condensed Consolidated Financial Statements were approved and authorized for issue by the Board of Directors of PRADA spa on July 28, 2022.

2. BASIS OF PREPARATION

The unaudited Interim Condensed Consolidated Financial Statements of the Prada Group for the six months ended June 30, 2022, consisting of the "Consolidated Statement of Financial Position", the "Consolidated Statement of Profit or Loss for the six months ended June 30, 2022", the "Consolidated Statement of Cash Flows for the six months ended June 30, 2022", the "Consolidated Statement of Comprehensive Income for the six months ended June 30, 2022", the "Consolidated Statement of Changes in Equity" and the "Notes to the Interim Condensed

Consolidated Financial Statements”, have been prepared in accordance with “IAS 34 - Interim Financial Reporting”.

These unaudited Interim Condensed Consolidated Financial Statements should be read together with the Consolidated Financial Statements of the Prada Group for the twelve months ended December 31, 2021, which were prepared in accordance with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) as endorsed by the European Union.

In the first half of 2022 the Group applied the “IAS 29 - Financial Reporting in Hyperinflationary Economies”.

IAS 29 - Financial Reporting in Hyperinflationary Economies

At June 30, 2022, the Turkish economy was considered to have a hyperinflationary economy according to the definition and criteria set out in “IAS 29 - Financial Reporting in Hyperinflationary Economies”. In fact, inflation in Turkey has risen exponentially, with a cumulative inflation rate over three years that exceeds 100%:

	Dec 31, 2020	June 30, 2021	Dec 31, 2021	June 30, 2022
Three-year cumulative CPI	54.2%	53.2%	74.4%	136.4%
source: Turkish Statistical Institute				

This condition is one of the indicators stated in IAS 29, which requires, in order to take into account the loss of the general purchasing power of the functional currency, the restatement of the non-monetary items of the Statement of Financial Position and of all the items of the Statement of Profit or Loss by applying the change in the general price index (in this case the consumer price index or “CPI”) from the date of acquisition and/or transaction to the end of the reporting period. Monetary items are not restated because they are already presented in terms of the measuring unit current at the end of the reporting period. The financial statement is translated at the closing exchange rate.

The general price index processed from 2009 (Prada Turkey date of establishment) until June 30, 2022 is as follows:

Year	CPI	Year	CPI	Year	CPI	Year	CPI	Year	CPI
2009	170.91	2012	213.23	2015	269.54	2018	393.88	2021	686.95
2010	181.85	2013	229.01	2016	292.54	2019	440.50	2022	931.76
2011	200.85	2014	247.72	2017	327.41	2020	504.81		

source: Turkish Statistical Institute

The following table reports the main impacts of the restatements of the non-monetary items at June 30, 2022:

(amounts in thousands of Euro)	Opening restatement using CPI at December 31, 2021	Inflation effect of the period	June 30, 2022 restatement
Fixed assets	846	280	1,126
Inventories	185	1,156	1,341
Right-of-use assets	4,716	3,782	8,498
Deferred tax liabilities, net	(1,322)	(138)	(1,460)
Other reserves	(4,425)	(4,619)	(9,044)
Net profit / (loss) impact	-	461	461

At the date of presentation of this unaudited Interim Condensed Consolidated Financial Statements, there were no differences between the IFRSs as endorsed by the European Union and applicable to the Prada Group and those issued by the International Accounting Standard Board (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").

The Group has prepared the Consolidated Statement of Financial Position presenting separately current and non-current assets and liabilities. All the details needed for accurate and complete disclosure are provided in the Notes to the Interim Condensed Consolidated Financial Statements.

Consolidated Statement of Profit or Loss items are classified by destination.

The Consolidated Statement of Cash Flows has been prepared with the indirect method.

The Interim Condensed Consolidated Financial Statements are presented in Euro, the functional currency of PRADA spa.

The unaudited Interim Condensed Consolidated Financial Statements have been prepared on a going concern basis.

3. NEW IFRS AND AMENDMENTS TO IFRS

Amendments to existing standards issued by the IASB, endorsed by the European Union and applicable to the Prada Group from January 1, 2022.

Amendments to existing standards	Effective date for Prada Group	EU endorsement dates
IFRS 3 Business Combinations	January 1, 2022	Endorsed in June 2021
IAS 16 Property, Plant and Equipment	January 1, 2022	Endorsed in June 2021
IAS 37 Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022	Endorsed in June 2021
Annual Improvements 2018-2020	January 1, 2022	Endorsed in June 2021

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

Amendments to existing standards	Effective date for Prada Group	EU endorsement dates
IFRS 17 Insurance contracts	January 1, 2023	Endorsed in November 2021
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	January 1, 2023	Endorsed in March 2022
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	January 1, 2023	Endorsed in March 2022

New Standards and Amendment to existing standards issued by the IASB, but not yet endorsed by the European Union as of June 30, 2022.

Amendments to existing standards	Date of possible adoption	EU endorsement status
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current -Deferral of Effective Date	January 1, 2023	Not endorsed yet
Amendments to IAS 12 Income taxes: deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023	Not endorsed yet
Amendments to IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 - Comparative information (issued on 9 December 2021)	January 1, 2023	Not endorsed yet

4. MERGERS AND ACQUISITIONS

Nothing significant to mention.

5. OPERATING SEGMENTS

IFRS 8, "Operating Segments", requires detailed information to be provided for each operating segment that makes up the business. An operating segment is defined as a business division whose operating results are regularly reviewed by top management in order to adopt decisions to allocate appropriate resources to the segment and assess its performance.

Because of the Group's matrix-based organizational structure (whereby responsibility is assigned cross-functionally in relation to brands, products, distribution channels and geographical areas), the complementary nature of the various brands' production processes and the many relationships between the different business divisions, it is not possible to designate operating segments as defined by IFRS 8 since the top management is provided with the financial performance chiefly on a Group-wide level. For this reason, the business is considered a single operating segment, as it better represents the specific characteristics of the Prada Group business model.

NET REVENUES

Detailed information on the Net Revenues by distribution channel, brand, geographical area and product are provided in the Financial Review together with the related comments.

GEOGRAPHICAL INFORMATION

The following table reports the carrying amount of the Group's Non-current assets by geographical area, as required by IFRS 8, "Operating Segments", for entities, like the Prada Group, that have a single reportable segment:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Europe	3,046,421	3,005,722
Americas	525,153	471,229
Asia Pacific	523,484	536,218
Japan	361,600	417,887
Middle East and Africa	58,549	57,344
Total	4,515,207	4,488,400

The total amount of Euro 4,515 million (Euro 4,488 million at December 31, 2021)

relates to the Group's Non-current assets. Consistently with IFRS 8, the table does not include in both periods derivative financial instruments, deferred tax assets and the pension fund surplus.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follow:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Cash on hand	33,067	36,636
Bank deposit accounts	302,654	189,306
Bank current accounts	448,452	755,844
Total	784,173	981,786

Bank deposits accounts are broken down by currency as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Hong Kong Dollar	151,920	120,469
Chinese Renmimbi	12,947	29,073
US Dollar	110,762	-
Other Currencies	27,025	39,764
Total bank deposit accounts	302,654	189,306

Bank current accounts are broken down by currency as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Euro	169,366	404,164
US Dollar	142,173	202,107
GB Pound	11,976	13,965
Hong Kong Dollar	12,292	4,023
Other Currencies	112,645	131,585
Total bank current accounts	448,452	755,844

At June 30, 2022, bank current accounts and bank deposit accounts generated

interest income of between 0% and 2.0% per year (between 0% and 5.1% at December 31, 2021).

The Group considers no significant risk to exist on bank accounts given that their use is strictly connected with operating activities and business processes and, therefore, they are spread over a large number of banks.

7. TRADE RECEIVABLES, NET

Trade receivables are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Trade receivables - third parties	328,105	338,931
Allowance for bad and doubtful debts	(11,696)	(10,990)
Trade receivables - related parties	1,452	1,606
Total	317,861	329,547

Movements during the period in the Allowance for bad and doubtful debts were as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Opening balance	10,990	11,979
Exchange differences	343	546
Increases	444	581
Reversals	(24)	(1,129)
Utilization	(57)	(987)
Closing balance	11,696	10,990

The following table contains a summary, by due date, of total receivables before the Allowance for bad and doubtful debts at the reporting date:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables	329,557	222,093	29,087	11,805	11,942	13,288	41,342
Total	329,557	222,093	29,087	11,805	11,942	13,288	41,342

(amounts in thousands of Euro)	December 31 2021 (audited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables	340,537	284,762	11,103	15,126	4,187	3,759	21,600
Total	340,537	284,762	11,103	15,126	4,187	3,759	21,600

The following table contains a summary, by due date, of trade receivables less the Allowance for bad and doubtful accounts at the reporting date:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables less allowance for doubtful debts	317,861	220,421	29,043	11,793	11,913	13,260	31,431
Total	317,861	220,421	29,043	11,793	11,913	13,260	31,431

(amounts in thousands of Euro)	December 31 2021 (audited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables less allowance for doubtful debts	329,547	283,363	10,968	15,045	4,146	3,751	12,274
Total	329,547	283,363	10,968	15,045	4,146	3,751	12,274

The increase of some Euro 19 million in the amount overdue by more than 120 days related to the slowdown of activities in Mainland China following the surge of Covid-19 cases in the six months under review. A significant part of the receivable overdue has been collected at the date of approval of these Interim Condensed Consolidated Financial Statements and the management do not expect any loss on the remainder.

8. INVENTORIES, NET

Inventories are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Raw materials	101,572	99,837
Work in progress	34,429	29,938
Finished products	657,136	585,547
Return assets	6,342	7,246
Allowance for obsolete, slow-moving inventories and return assets	(69,444)	(59,914)
Revaluation IAS 29	1,341	-
Total	731,376	662,654

The inventories increased from Euro 662.7 million at December 31, 2021 to Euro 731.4 million at June 30, 2022, following the revenue growth and in line with the seasonality of production activities.

The changes in the Allowance for obsolete, slow-moving inventories and return assets are as follows:

(amounts in thousands of Euro)	Raw materials	Finished products and return assets	Total allowance for obsolete, slow-moving inventories and return assets
Opening balance (audited)	30,735	29,179	59,914
Exchange differences	(3)	189	186
Increases	7,200	2,172	9,372
Utilization	-	(28)	(28)
Closing balance (unaudited)	37,932	31,512	69,444

9. DERIVATIVE FINANCIAL INSTRUMENTS: ASSETS AND LIABILITIES

Derivative financial instruments: assets and liabilities, current and non-current portion:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Financial assets regarding derivative instruments - current	5,278	1,762
Financial assets regarding derivative instruments - non-current	510	-
Total Financial Assets - Derivative financial instruments	5,788	1,762
Financial liabilities regarding derivative instruments - current	(43,760)	(29,683)
Financial liabilities regarding derivative instruments - non-current	(426)	(4,786)
Total Financial Liabilities - Derivative financial instruments	(44,186)	(34,469)
Net carrying amount - current and non-current	(38,398)	(32,707)

The net carrying amount of derivatives, both the current and the non-current portion, has the following composition:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)	IFRS7 Category
Forward contracts	2,799	1,394	Level II
Options	2,479	368	Level II
Interest rate swaps	510	-	Level II
Positive fair value	5,788	1,762	
Forward contracts	(17,718)	(10,139)	Level II
Options	(25,515)	(17,486)	Level II
Interest rate swaps	(953)	(6,844)	Level II
Negative fair value	(44,186)	(34,469)	
Net carrying amount - current and non-current	(38,398)	(32,707)	

All of the above derivative instruments are qualified as Level II in the fair value hierarchy. The Group has not entered into any derivative contracts that could be qualified as Level I or III.

The fair values of derivatives arranged to hedge interest rate risks (interest rate swaps, "IRS") and of derivatives arranged to hedge foreign exchange rate risks (forward contracts and options) were determined by using one of the most widely

used valuation platforms on the financial market and are based on the interest rate curves and on spot and forward exchange rates at the reporting date.

The Group entered into the derivative contracts in the course of its risk management activities, in order to hedge financial risks stemming from exchange and interest rate fluctuation.

FOREIGN EXCHANGE RATE TRANSACTIONS

The cash flows resulting from the Group's international activities are exposed to exchange rate volatility. In order to hedge this risk, the Group enters into options and forward sale and purchase agreements, so as to guarantee the value of identified cash flows in Euro (or in other currencies used locally). The projected future cash flows mainly regard the collection of trade receivables, the settlement of trade payables and financial cash flows.

At the reporting date, the notional amounts of the derivative contracts designated as foreign exchange risk hedges (translated at the European Central Bank exchange rate at June 30, 2020) are as stated below.

Contracts in effect as of June 30, 2022 to hedge projected future trade cash flows:

(amounts in thousands of Euro)	Options	Forward sale contracts	June 30 2022 (unaudited)
Currency			
Chinese Renminbi	202,516	22,981	225,497
US Dollar	119,380	144,411	263,791
Korean Won	68,807	19,104	87,911
Japanese Yen	38,152	18,369	56,521
GB Pound	20,392	9,904	30,296
Russian Ruble	10,442	8,925	19,367
Taiwan Dollar	9,059	5,824	14,883
Canadian Dollar	10,503	4,469	14,972
Other currencies	15,309	48,689	63,998
Total	494,560	282,676	777,237

The cash flow hedge accounting treatment for Russian Ruble has been discontinued as of June 30, 2022.

Contracts in effect as of June 30, 2022 to hedge projected future financial cash flows:

(amounts in thousands of Euro)	Forward sale contracts	Forward purchase contracts	June 30 2022 (unaudited)
Currency			
GB Pound	76,323	-	76,323
Swiss Franc	30,823	-	30,823
US Dollar	14,826	-	14,826
Malaysian Ringgit	5,461	-	5,461
Other currencies	33,327	(14,190)	19,137
Total	160,760	(14,190)	146,570

All contracts to hedge projected future future financial cash flows in place as at June 30, 2022 have a maturity shorter than twelve months.

All contracts in place at the reporting date were entered into with major financial institutions, and no counterparties are expected to default.

INTEREST RATE TRANSACTIONS

The Group enters into interest rate swaps (IRS) in order to hedge the risk of interest rate fluctuations on bank loans. The key features of the IRS agreements in place as at June 30, 2022 are summarized as follows:

Contract	Interest Rate Swap (IRS) Agreement					Hedged loan			
	Currency	Notional amount	Interest rate	Maturity date	June 30, 2022 (unaudited)	Currency	Type of debt	Amount	Expiry
IRS	Euro/000	29,333	1.46%	May-30	254	Euro/000	Term Loan	29,333	May-30
IRS	GBP/000	44,475	2.78%	Jan-29	(697)	GBP/000	Term Loan	44,475	Jan-29
Total fair value (amounts in thousands of Euro)					(443)				

The IRS convert the variable interest rates on bank loans into fixed interest rates. They have been arranged with major financial institutions, and no counterparties are expected to default.

10. RECEIVABLES FROM, AND ADVANCE PAYMENTS TO, RELATED PARTIES - CURRENT AND NON-CURRENT

The current Receivables from and advances to related parties are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Short-term loans	2,211	-
Other receivables and advances	21,926	22,866
Receivables from, and advance payments to, related parties - current	24,137	22,866

The short-term loans at June 30, 2022 is due from the related party Filati Biagioli Modesto S.p.A..

The non-current Receivables from, and advance payments, to related parties are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Financial receivables	1,125	1,125
Receivables from, and advances payments to, related parties - non-current	1,125	1,125

Additional information on related party transactions is provided in Note 37.

11. OTHER CURRENT ASSETS

The Other current assets are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
VAT	45,698	31,121
Income tax and other tax receivables	62,342	56,864
Other assets	8,371	11,937
Prepayments	90,844	63,068
Deposits	9,457	8,230
Total	216,712	171,220

OTHER ASSETS

The Other assets are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Advances to suppliers	3,704	3,005
Incentives for retail investments	1,474	5,804
Other receivables	3,193	3,128
Total	8,371	11,937

PREPAYMENTS

The prepayments are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Rental costs	7,670	3,394
Insurance	3,494	2,199
Design costs	26,476	25,836
Fashion shows and advances on advertising campaigns	27,687	15,063
Other	25,517	16,576
Total	90,844	63,068

The prepaid design costs mainly consist of costs incurred to design collections that will generate revenue after the reporting period.

DEPOSITS

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

12. PROPERTY, PLANT AND EQUIPMENT

Historical cost and accumulated depreciation are set forth below:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improvements	Furniture & fittings	Other tangibles	Assets under construction	Total
Historical cost	1,006,801	241,686	1,355,364	639,481	212,361	51,027	3,506,720
Accumulated depreciation	(176,517)	(184,977)	(1,065,208)	(370,561)	(144,604)	-	(1,941,867)
Net carrying amount as of December 31, 2021 (audited)	830,284	56,709	290,156	268,920	67,757	51,027	1,564,853

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improvements	Furniture & fittings	Other tangibles	Assets under construction	Total
Historical cost	1,015,782	246,011	1,395,449	664,124	218,339	73,028	3,612,733
Accumulated depreciation	(190,029)	(190,509)	(1,108,632)	(393,979)	(152,781)	-	(2,035,930)
Net carrying amount as of June 30, 2022 (unaudited)	825,753	55,502	286,817	270,145	65,558	73,028	1,576,803

The changes in the net carrying amount during the six months ended June 30, 2022 were as follows:

(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 (audited)	830,284	56,709	290,156	268,920	67,757	51,027	1,564,853
Additions	665	3,750	20,553	13,511	5,235	32,343	76,057
Depreciation	(9,639)	(5,963)	(40,500)	(19,077)	(7,840)	-	(83,019)
Disposals	(8)	(13)	(106)	(196)	1	(58)	(380)
Exchange differences	21,427	(41)	7,993	5,352	185	2,884	37,800
Other movements	1,024	1,075	8,931	1,674	106	(12,848)	(38)
Impairment	(18,000)	(15)	(1,172)	(328)	(9)	(320)	(19,844)
Revaluation IAS 29	-	-	962	289	123	-	1,374
Closing balance (unaudited)	825,753	55,502	286,817	270,145	65,558	73,028	1,576,803

The Capital expenditures regarded primarily restyling and relocation projects, investments in manufacturing structures, and technological and digital evolution in all the business areas.

13. INTANGIBLE ASSETS

Historical cost and accumulated amortization are set forth below:

(amounts in thousands of Euro)	Trademarks and other intellectual property rights	Goodwill	Store Lease Acquisitions	Software	Other intangibles	Assets in progress	Total
Historical cost	427,371	580,721	49,793	220,958	65,968	13,936	1,358,747
Accumulated amortization	(210,141)	(67,235)	(49,324)	(141,484)	(61,158)	-	(529,342)
Net carrying amount as of December 31, 2021 (audited)	217,230	513,486	469	79,474	4,810	13,936	829,405

(amounts in thousands of Euro)	Trademarks and other intellectual property rights	Goodwill	Store Lease Acquisitions	Software	Other intangibles	Assets in progress	Total
Historical cost	426,711	579,565	49,902	234,172	65,485	20,794	1,376,629
Accumulated amortization	(215,044)	(66,079)	(49,608)	(153,821)	(62,248)	-	(546,800)
Net carrying amount as of June 30, 2022 (unaudited)	211,667	513,486	294	80,351	3,237	20,794	829,829

The changes in the net carrying amount during the six months ended June 30, 2022 were as follows:

(amounts in thousands of Euro)	Trademarks and other intellectual property rights	Goodwill	Store Lease Acquisitions	Software	Other intangibles	Assets in progress	Total net carrying amount
Opening balance (audited)	217,230	513,486	469	79,474	4,810	13,936	829,405
Additions	960	-	4	1,465	2	18,708	21,139
Amortization	(5,779)	-	(172)	(12,436)	(1,575)	-	(19,962)
Disposals	-	-	-	(31)	-	-	(31)
Exchange differences	(744)	-	1	26	-	-	(717)
Other movements	-	-	(8)	11,849	-	(11,850)	(9)
Revaluation IAS 29	-	-	-	4	-	-	4
Closing balance (unaudited)	211,667	513,486	294	80,351	3,237	20,794	829,829

The carrying amount of trademarks at the reporting date is broken down as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Miu Miu	119,001	121,789
Church's	66,693	69,385
Prada	5,286	5,095
Other trademarks and other intellectual property rights	20,687	20,961
Total	211,667	217,230

No impairment was recognized for the Group's trademarks during the period.

The total capital expenditure for tangibles and intangibles in the six months ended June 30, 2022 was Euro 97.2 million, as broken down below:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Retail	62,051	41,599
Real estate	-	19,587
Production, Logistics and Corporate	35,145	13,624
Total	97,196	74,810

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, 2022, goodwill amounts to Euro 513.5 million, detailed by cash generating unit ("CGU") hereunder:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Italy Wholesale	78,355	78,355
Asia Pacific and Japan Retail	311,936	311,936
Italy Retail and Pasticceria Marchesi 1824	33,825	33,825
Germany and Austria Retail	5,064	5,064
United Kingdom Retail	9,300	9,300
Spain Retail	1,400	1,400
France and Montecarlo Retail	11,700	11,700
North America Retail and Wholesale	48,000	48,000
Production Division	13,906	13,906
Total	513,486	513,486

IAS 36 requires an entity to assess at each reporting date whether there are indications of impairment losses for any other non-current asset recognised in the Statement of Financial Position. In light of the extraordinary market conditions in Russia, the Prada Russia CGU was tested for impairment at June 30, 2022.

The method used to identify the recoverable amount (value in use) of the CGU consisted of discounting the projected cash flows (Discounted Cash Flow) generated by the net invested capital in Russia. Value in use was calculated as the sum of the present value of future cash flows expected from the business plan projections and the present value of the related operating activities at the end of the period (terminal value).

A multi-scenario approach was used for the test, based on three hypothetical cases that were assigned likelihood of occurrence calibrated according to the assumptions made by the Directors. The three scenarios range from the recovery of business in the medium term to the impossibility of returning to normal market conditions.

The business plans used for the impairment tests covered an explicit period up to five years, depending on the considered scenario. The rate used to discount the cash flows was the weighted average cost of capital (WACC). For the period ended June 30, 2022, the WACC used to discount the cash flows generated by the Russia CGU was 20.6% and it was determined taking into due consideration the risk profile of the CGU itself. The "g" rate of growth used to calculate the terminal value was 6.9%, in light of the inflation and GDP growth outlooks in the market.

The results of the impairment test led Directors to write down the assets of the CGU by Euro 26 million: Euro 18 million of the writedown was allocated to reduce the value of the properties owned in Moscow and St. Petersburg, and the remaining Euro 8 million to reduce the value of the right-of-use assets referring to leases. The impairment loss of the properties owned was supported by an appraisal conducted by a leading independent firm of the sector.

The net invested capital of the CGU following the writedown was Euro 96 million (translated at the June 30, 2022 exchange rate).

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

14. RIGHT OF USE ASSETS

The changes in the net carrying amount of the Right of use assets for the period ended June 30, 2022 are shown below:

(amounts in thousands of Euro)	Real Estate	Other	Total net carrying amount
Opening balance (audited)	1,952,834	3,455	1,956,289
New contracts, initial direct costs and remeasurements	206,631	1,060	207,691
Depreciation	(220,486)	(980)	(221,466)
Contracts termination	(142)	(15)	(157)
Impairment	(8,000)	-	(8,000)
Exchange differences	31,900	8	31,908
Revaluation IAS 29	9,340	-	9,340
Closing balance (unaudited)	1,972,077	3,528	1,975,605

The increase in “new contracts, initial direct costs and remeasurements” was attributable to lease renewals (largely in America and Europe) and the remeasurement of lease liabilities to adjust to the indexes typically used in the real estate industry (mainly the consumer price index). The writedowns refer to the aforementioned impairment loss resulting from the impairment test on Russia.

The foreign exchange differences for the period affected the change in the right-of-use assets, as a result of the depreciation of the Euro against the main currencies of the countries in which the Group operates.

The caption “other” of Euro 3.5 million includes plant, machinery, vehicles and hardware.

15. INVESTMENTS IN EQUITY INSTRUMENTS

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Investments in equity instruments	2,691	2,964
Other investments	3,218	2,732
Total	5,909	5,696

The Group, subject to an appropriate assessment by the respective corporate bodies, invests surplus liquidity in rated equity security listed on the most important stock markets in the world. These investments in equity instruments are measured at the

fair value at period end.

16. OTHER NON-CURRENT ASSETS

The Other non-current assets are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Guarantee deposits	59,698	61,842
Deferred rental income	450	383
Pension fund surplus	13,031	13,309
Prepayments for commercial agreements	52,167	54,253
Other long-term assets	13,627	14,559
Total	138,973	144,346

The guarantee deposits are set forth below by nature and maturity:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Nature:		
Stores	53,663	56,003
Offices	4,071	3,982
Warehouses	170	158
Other	1,794	1,699
Total	59,698	61,842

(amounts in thousands of Euro)	June 30 2022 (unaudited)
Maturity:	
Between one to two years	10,796
Between two to five years	23,626
After more than five years	25,276
Total	59,698

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

Prepayments for commercial agreements relate to a commercial contract signed in 2019 for which the related benefits started on January 2021.

17. LEASE LIABILITY

The following table sets forth the Lease liabilities:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Short-term lease liability	409,547	418,215
Long-term lease liability	1,650,121	1,627,197
Total	2,059,668	2,045,412

The lease liability increased by Euro 14 million from the December 31, 2021 amount primarily as a result of new leases and remeasurements for Euro 207.8 million (net of the closures of the period) and positive foreign exchange differences (Euro 31.2 million), offset in part by the payments made in the period (Euro 216.5 million) and the obtainment of rent discounts (Euro 9 million).

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

18. SHORT-TERM FINANCIAL PAYABLES AND BANK OVERDRAFTS

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Short-term bank loans	61,846	61,578
Current portion of long-term loans	98,165	187,887
Deferred costs on loans	(311)	(362)
Total	159,700	249,103

The short-term bank loans, Euro 61.8 million at June 30, 2022, consist of credit lines of PRADA Japan co ltd. Some of these credit lines contain covenants based on the results of its financial statements, all of which were complied with at the date of this writing.

The current portion of the long-term loans, Euro 98.2 million, is the result of a reduction for repayments due in the period (Euro 136.3 million) and of an increase for the period by the reclassifications from long-term to short-term of the payments due in the next 12 months.

Short-term loans are broken down by currency below:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Japanese Yen	53,701	61,578
Other currencies	8,145	-
Total	61,846	61,578

The Group generally borrows at variable interest rates and manages the risk of interest rate fluctuations by using hedging agreements (as explained in Note 9).

19. PAYABLES TO RELATED PARTIES - CURRENT

The current Payables to related parties are shown below:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Financial payables	3,663	3,360
Other payables	5	5,000
Total	3,668	8,360

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.

20. TRADE PAYABLES

Trade payables are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Trade payables - third parties	366,119	382,208
Trade payables - related parties	3,478	7,955
Total	369,597	390,163

The following table summarizes trade payables by maturity date:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade payables	369,597	310,051	15,134	7,993	7,520	7,053	21,846
Total	369,597	310,051	15,134	7,993	7,520	7,053	21,846

(amounts in thousands of Euro)	December 31 2021 (audited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade payables	390,163	348,256	14,226	5,854	3,450	2,580	15,797
Total	390,163	348,256	14,226	5,854	3,450	2,580	15,797

21. TAX PAYABLES

The Tax payables are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Current taxation	95,412	77,466
VAT and other taxes	72,369	66,693
Total	167,781	144,159

The Group recognizes current tax liabilities of Euro 95.4 million as of June 30, 2022 (Euro 77.5 million as at December 31, 2021) against tax receivables of Euro 62.3 million (Euro 56.9 million as of December 31, 2021), as reported in Note 11.

22. OTHER CURRENT LIABILITIES

The Other current liabilities are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Payables for capital expenditure	48,156	43,575
Accrued expenses and deferred income	25,952	30,308
Other payables	112,999	106,165
Total	187,107	180,048

The other payables are detailed as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Short-term benefits for employees and other personnel	72,415	70,397
Customer advances	24,726	17,290
Returns from customers	14,848	16,118
Other	1,010	2,360
Total	112,999	106,165

23. LONG-TERM FINANCIAL PAYABLES

The Long-term financial payables are as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Long-term bank borrowings	445,094	493,518
Deferred costs on loans	(427)	(717)
Total	444,667	492,801

No new long-term loans were taken out in the period.

PRADA spa's loan covenants were fully complied with at June 30, 2022.

The long-term bank borrowings as of June 30, 2022, excluding the amortized costs, are set forth below:

Borrower	Amount in thousands of Euro	Type of loan	Currency	Expiry date	Interest rate (1)	Current Portion (Euro thousands)	Non-current Portion (Euro thousands)	Pledge
PRADA spa	29,334	Term-loan	EUR	05/2030	2.737%	3,667	25,667	Mortgage loan
PRADA spa	25,000	Term-loan	EUR	10/2024	0.600%	10,000	15,000	-
PRADA spa	100,000	Term-loan	EUR	04/2025	0.895%	-	100,000	-
PRADA spa	100,000	Term-loan	EUR	07/2026	0.805%	-	100,000	-
PRADA spa	90,000	Term-loan	EUR	02/2026	0.950%	25,200	64,800	-
PRADA spa	44,444	Term-loan	EUR	06/2024	0.875%	22,222	22,222	-
PRADA spa	48,000	Term-loan	EUR	01/2025	0.373%	18,000	30,000	-
PRADA spa	50,000	Term-loan	EUR	11/2026	0.382%	11,111	38,889	-
PRADA Japan Co.Ltd	1,766	Syndicate loan	JPY	09/2022	0.467%	1,766	-	-
PRADA Japan Co.Ltd	1,766	Syndicate loan	JPY	09/2022	0.467%	1,766	-	-
Kenon Ltd	51,824	Term-loan	GBP	01/2029	4.477%	3,933	47,891	Mortgage loan
Tannerie Limoges sas	1,125	Term-loan	EUR	07/2024	1.200%	500	625	Mortgage loan
Total	543,259					98,165	445,094	

(1) the interest rates include the effect of interest rate risk hedges, if any

The mortgage loan granted to PRADA spa is secured against the building in Milan used for the Group's headquarters, and Kenon Ltd's mortgage loan is secured against the building on Old Bond Street, London, used for one of the most prestigious Prada stores in Europe. The loan granted to Tannerie Limoges sas is secured by that company's factory building.

The Group generally borrows at variable interest rates and manages the risk of interest rate fluctuations through hedging agreements, as described in Note 9.

The financial payables are set forth hereunder by their portions with fixed and variable interest rates:

(amounts in thousands of Euro)	June 30, 2022 (unaudited)		December 31, 2021 (audited)	
	variable interest rates	fixed interest rates	variable interest rates	fixed interest rates
Short-term financial payables	95%	5%	77%	23%
Long-term financial payables	83%	17%	84%	16%

24. LONG-TERM EMPLOYEE BENEFITS

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Post-employment benefits	47,158	49,293
Other long-term employee benefits	24,263	24,526
Total liabilities for long-term benefits	71,421	73,819
Pension plan surplus (Note 16)	(13,031)	(13,309)
Net liabilities for long-term benefits	58,390	60,510

The net balance of long-term employee benefits as at June 30, 2022 is a liability of Euro 58.4 million (Euro 60.5 million as at December 31, 2021), and all the benefits are classified as defined benefit plans.

The following table shows the changes in long-term employee benefits in the six months ended June 30, 2022:

(amounts in thousands of Euro)	Defined Benefit Plans in Italy (TFR)	Defined Benefit Plans in other countries (including Japan)	Pension Funds in UK	Other long-term employee benefits	Total
Opening balance (audited)	25,845	23,448	(13,309)	24,526	60,510
Current service cost	481	1,688	-	5,821	7,990
Benefits paid	(1,137)	(1,891)	-	(6,298)	(9,326)
Exchange differences	-	(1,276)	278	214	(784)
Closing balance (unaudited)	25,189	21,969	(13,031)	24,263	58,390

The defined benefit obligations are measured in accordance with independent appraisals on a yearly basis.

25. PROVISIONS FOR RISKS AND CHARGES

The changes in the Provisions for risks and charges for the six-month period ended June 30, 2022 are as follows:

(amounts in thousands of Euro)	Provision for legal disputes	Provision for tax disputes	Other provisions	Total
Opening balance (audited)	10,899	2,306	45,996	59,201
Exchange differences	(21)	118	1,617	1,714
Reversals	-	-	(97)	(97)
Utilized	(14)	(35)	(1,027)	(1,076)
Increases	-	15	652	667
Closing balance (unaudited)	10,864	2,404	47,141	60,409

The provisions for risks and charges represent the Directors' best estimate of the outflow that will be necessary to settle Group's present obligations. In the Directors' opinion, based on the information available to them, the total amount allocated for risks and charges at the reporting date is adequate in respect of the liabilities that could arise from them.

The other risk provisions amount to Euro 47.1 million at June 30, 2022 and refer primarily to contractual obligations to restore leased commercial properties to their original condition.

The provisions for legal disputes regard primarily the lawsuit filed by Chora S.r.l. in January 2022 against PRADA spa, and no significant events or changes in circumstances occurred in the period that could require an adjustment to the amount allocated for them at December 31, 2021.

No significant events or changes in circumstances occurred that could require an adjustment to the provisions allocated at December 31, 2021 for tax disputes either.

26. OTHER NON-CURRENT LIABILITIES

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Deferred costs for lease payments	5,445	6,143
Deferred income for commercial agreements	112,174	116,661
Other non-current liabilities	337	223
Total	117,956	123,027

Deferred income for commercial agreements relates to contracts that became effective on January 1, 2021.

27. EQUITY ATTRIBUTABLE TO OWNERS OF THE GROUP

The equity attributable to owners of the Group is as follows:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Share Capital	255,882	255,882
Share premium reserve	410,047	410,047
Other reserves	2,243,035	2,118,855
Actuarial reserve	(5,708)	(5,708)
Fair value Investments in equity instruments reserve	(11,265)	(10,992)
Cash flow hedge reserve	(12,210)	(15,878)
Translation reserve	158,493	67,434
Net Income / (Loss) for the period	188,264	294,254
Total	3,226,538	3,113,894

SHARE CAPITAL

As at June 30, 2022, approximately 80% of PRADA spa's share capital is owned by PRADA Holding spa and the remainder is listed on the Main Board of the Hong Kong Stock Exchange.

TRANSLATION RESERVE

The changes in this reserve result from the translation into Euro of the foreign currency financial statements of the consolidated companies. The reserve increased from the Euro 67.4 million at December 31, 2021 to Euro 158.5 million.

OTHER RESERVES

The Other reserves increased from Euro 2,119 million at December 31, 2021 to Euro 2,243 million as at June 30, 2022 as a consequence of the allocation of 2021 net profit and the distribution of dividends of Euro 179,117,680, as approved at the General Meeting held on April 28, 2022 for the approval of the financial statements for the year ended December 31, 2021.

The dividends net of withholding taxes (Euro 169.8 million) were paid during the period under review, whereas the withholding tax (Euro 9.3 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 2022.

NET INCOME / (LOSS) FOR THE PERIOD

The Group's net income for the six months ended June 30, 2022 was Euro 188.3 million (Net Income of Euro 294.3 million for the twelve months ended December 31, 2021).

28. EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The following table shows the changes in the Non-controlling interests during the periods ended June 30, 2022 and December 31, 2021:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Opening balance	14,749	19,663
Translation differences	840	863
Dividends	-	(1,674)
Net Income / (Loss) for the period	1,153	849
Actuarial reserve	-	5
Capital reduction in subsidiaries	-	(141)
Sale of shares to the Group	-	(4,816)
Closing balance	16,742	14,749

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For a better understanding of the performance of the first six-month period of 2022, reference is made to the Financial Review.

29. NET REVENUES

The consolidated Net Revenues are mainly generated by sales of finished products and are stated net of returns and discounts:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Net sales	1,872,418	1,477,656
Royalties	28,524	23,350
Total	1,900,942	1,501,006

The Financial Review describes the net revenues by distribution channel, geographical area, brand and product.

30. COST OF GOODS SOLD

The Cost of goods sold has the following composition:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Purchases of raw materials and manufacturing services	289,836	202,352
Depreciation, amortization and impairment on tangible and intangible fixed assets	8,963	8,906
Depreciation and write-downs of the right of use assets	1,670	1,528
Labor cost	73,197	57,740
Short-term and low value lease (IFRS 16)	33	14
Logistics costs, duties and insurance	92,230	72,596
Change in inventories	(42,478)	42,885
Total	423,451	386,021

The incidence of the Cost of good sold on Net Revenues for the six months ended June 30, 2022 was equal to 22.3%, while in the corresponding period of 2021 stood at 25.7%. A higher average price, greater absorption of production overheads, a better sales mix in terms of distribution channels and a favorable exchange rate were behind the improvement despite cost inflation, for example in logistics costs.

31. OPERATING EXPENSES

The Operating costs are detailed below:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	% of net revenues	six months ended June 30 2021 (unaudited)	% of net revenues
Product design and development costs	68,581	3.6%	63,736	4.2%
Advertising and communications costs	155,168	8.2%	126,892	8.5%
Selling costs	821,510	43.2%	651,139	43.4%
General and administrative costs	127,430	6.7%	107,314	7.1%
Total	1,172,689	61.7%	949,081	63.2%

The Total Operating expenses, including the other non-recurring income and expenses, were Euro 1,172.7 million, up by Euro 223.6 million from those of 2021. The increase was attributable chiefly to higher variable costs ensuing from the sales increase, reduced benefits in terms of the rent discounts and subsidies available in 2021, and greater communication activities.

The following table sets forth depreciation, amortization, impairment, cost of labor (net of the government subsidies for the Covid-19 pandemic) and rent expense included within the operating expenses in accordance with the requirements of IAS 1.

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Depreciation, amortization and impairment on tangible and intangible fixed assets	113,862	90,598
Depreciation and write-downs of the right of use assets (*)	227,796	211,277
Labor cost	359,788	297,130
Pure variable lease (IFRS 16)	103,685	78,439
Short term and low value lease (IFRS 16)	4,753	2,778

(*) shown without the impact of Covid-related discounts

32. FINANCIAL INCOME/(EXPENSES)

The Net financial income/(expense) are presented below:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Interest expenses on borrowings	(1,708)	(4,378)
Interest income	1,074	660
Exchange gains / (losses) - realized	(6,734)	(1,699)
Exchange gains / (losses) - unrealized	(1,304)	(2,334)
Other financial income / (expenses)	88	(1,268)
Interest and other financial income / (expenses), net	(8,584)	(9,019)
Interest expenses on lease liability	(18,887)	(18,827)
Dividends from investments	119	103
Total financial expenses	(27,352)	(27,743)

Net financial expenses, equal to Euro 27.4 million, were in line with the comparative period: in 2022, the lower net interest expense resulting from the improvement in the net financial position was offset by higher exchange rate losses following the discontinuation of financial derivatives to hedge the Ruble exchange rate risk against the Euro.

33. TAXATION

Income taxes have the following composition:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Current taxation	145,142	31,172
Deferred taxation	(57,109)	10,101
Income taxes	88,033	41,273

The income tax charge for the period is Euro 88 million, corresponding to 31.7% of the pre-tax profit.

The changes in deferred tax assets and liabilities are set forth below:

(amounts in thousands of Euro)	June 30 2022 (unaudited)	December 31 2021 (audited)
Opening balance	257,656	222,638
Exchange differences	9,123	8,185
Deferred taxes on derivative instruments recorded in equity (cash flow hedges)	(1,208)	4,247
Deferred taxes on post-employment benefits recorded in equity (reserve for actuarial differences)	-	(1,740)
Other movements	(209)	(331)
Deferred taxes for the period in profit or loss	57,109	24,657
Deferred taxes on revaluation IAS 29	(1,322)	-
Closing balance	321,149	257,656

Deferred tax assets and liabilities are classified by nature hereunder:

(amounts in thousands of Euro)	June 30, 2022 (unaudited)		December 31, 2021 (audited)	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Inventories	213,898	288	159,548	-
Receivables and other assets	693	1,561	1,767	1,510
Useful life of non-current assets	42,919	8,164	36,832	7,587
Deferred taxes due to acquisitions	-	11,980	-	12,462
Provision for risks / accrued expenses	26,827	834	16,465	394
Non-deductible / taxable charges/income	4,244	6,116	5,394	2,246
Deferred tax assets on rental contract	45,138	2,803	43,515	423
Tax loss carryforwards	5,323	-	4,961	-
Derivative financial instruments	3,860	-	5,095	-
Long-term employee benefits	9,124	3,258	10,421	3,327
Other	5,750	1,623	3,464	1,857
Total	357,776	36,627	287,462	29,806

34. EARNINGS / (LOSSES) AND DIVIDENDS PER SHARE

EARNINGS / (LOSSES) PER SHARE BASIC AND DILUTED

Earnings/(losses) per share are calculated by dividing the Net Income (or Net Loss) attributable to the Group's shareholders by the weighted average number of ordinary shares outstanding.

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Group Net Income / (Loss) in Euro	188,264,166	97,243,973
Weighted average number of ordinary shares in issue	2,558,824,000	2,558,824,000
Basic and diluted earnings / (losses) per share in Euro, calculated on weighted average number of shares	0.074	0.038

DIVIDENDS PAID

During the six-month period ended June 30, 2022, the Company distributed dividends of Euro 179,117,680, as approved at the General Meeting held on April 28, 2022 for the approval of the financial statements for the year ended December 31, 2021. The dividends net of withholding taxes (Euro 169.8 million) were paid during the period under review, whereas the withholding tax (Euro 9.3 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 2022.

35. ADDITIONAL INFORMATION

NUMBER OF EMPLOYEES

The average FTE (calculated through ratio between effective working hours and standard working hours) of the employees, by business division, is presented below:

(number of employees)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Production	3,022	2,866
Product design and development	940	950
Advertising and Communications	196	171
Selling	7,856	7,705
General and administrative services	971	927
Total	12,985	12,619

EMPLOYEE REMUNERATION

The employee remuneration by business division, net of government subsidies for Covid-19 pandemic, is presented below:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Production	73,149	61,834
Product design and development	34,011	34,797
Advertising and Communications	15,212	8,801
Selling	250,044	205,635
General and administrative services	60,521	47,897
Total	432,937	358,964

The types of employee remuneration are presented below:

(amounts in thousands of Euro)	six months ended June 30 2022 (unaudited)	six months ended June 30 2021 (unaudited)
Wages and salaries	325,049	269,648
Post-employment benefits and other long-term benefits	18,174	18,754
Social contributions	66,844	55,701
Other	22,870	14,861
Total	432,937	358,964

DISTRIBUTABLE RESERVES OF PARENT COMPANY, PRADA SPA

(amounts in thousands of Euro)	June 30, 2022 (unaudited)	Possible utilization	Distributable amount	Summary of utilization in the last three years	
				Coverage of losses	Distribution of dividends
Share Capital	255,882	-	-	-	-
Share premium reserve	410,047	A, B, C	410,047	-	-
Legal reserve	51,176	B	-	-	-
Other reserves	182,899	A, B, C	182,899	-	-
Retained earnings	1,106,417	A, B, C	1,062,142	-	243,088
Fair value reserve	(11,265)	-	-	-	-
Time value reserve	564	-	-	-	-
Intrinsic value reserve	(12,493)	-	-	-	-
Distributable amount	1,983,227	-	1,655,088	-	243,088

A share capital increase
B coverage of losses
C distributable to shareholders

Under Italian Civil Code Article 2431, the share premium reserve is fully distributable since the amount of the legal reserve is equal to or exceeds 20%

of share capital. Under Italian Legislative Decree 38/2005, Article 7, Euro 20.5 million of the retained earnings is not distributable.

The Company has Retained Earnings and Share Premium Reserve totaling Euro 1,516.5 million at June 30, 2022, out of which an amount of Euro 102.7 million is potentially subject to deferred taxation. This means that this amount shall be subject to Italian corporate income tax upon distribution to shareholders, as required by Article 110 of the Italian Legislative Decree n. 104 of August 14, 2020.

EXCHANGE RATES

The exchange rates against the Euro used for consolidation of the statements of financial position and statements of profit or loss whose presentation currency differed from that of the consolidated financial statements as at June 30, 2022, June 30, 2021 and December 31, 2021 are listed hereunder:

Currency	Average rate six months ended June 30 2022	Average rate six months ended June 30 2021	Closing rate June 30 2022	Closing rate December 31 2021
UAE Dirham	4.024	4.428	3.815	4.160
Australian Dollar	1.522	1.563	1.510	1.562
Brazilian Real	5.578	6.494	5.423	6.310
Canadian Dollar	1.392	1.504	1.343	1.439
Swiss Franc	1.032	1.094	0.996	1.033
Czech Koruna	24.638	25.862	24.739	24.858
Danish Kronor	7.440	7.437	7.439	7.436
GB Pound	0.842	0.868	0.858	0.840
Hong Kong Dollar	8.571	9.356	8.149	8.833
Japanese Yen	134.165	129.779	141.540	130.380
Korean Won	1,348.195	1,347.015	1,351.600	1,346.380
Kuwait Dinar	0.333	0.364	0.319	0.343
Kazakhstani Tenge	491.863	511.236	490.470	489.100
Macau Pataca	10.608	10.750	10.557	10.518
Moroccan Dirham	8.822	9.632	8.429	9.113
Mexican Peso	22.208	24.324	20.964	23.144
Malaysian Ringgit	4.672	4.937	4.578	4.718
New Zealand Dollar	1.650	1.681	1.671	1.658
Qatari Riyal	4.007	4.448	3.816	4.158
Chinese Renminbi	7.087	7.799	6.962	7.195
Romanian Leu	4.946	4.901	4.946	4.949
Russian Ruble	84.318	89.604	56.021	85.300
Saudi Riyal	4.109	4.521	3.900	4.254
Swedish Kronor	10.469	10.131	10.730	10.250
Singapore Dollar	1.494	1.606	1.448	1.528
Thai Baht	36.880	37.122	36.754	37.653
Turkish Lira	16.204	9.498	17.322	15.234
Taiwan Dollar	31.394	33.788	30.908	31.342
Ukrainian Hryvna	31.726	33.476	30.402	30.923
US Dollar	1.096	1.205	1.039	1.133
Vietnamese Dong	25,307.840	27,924.144	24,134.000	26,212.000
South African Rand	16.860	17.531	17.014	18.063

36. REMUNERATION OF BOARD OF DIRECTORS

REMUNERATION OF THE PRADA SPA BOARD OF DIRECTORS FOR THE SIX MONTHS ENDED JUNE 30, 2022

(amounts in thousands of Euro)	Directors' fees	Remuneration and other benefits	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contributions	June 30 2022 (unaudited)
Paolo Zannoni	750	12	-	-	4	766
Miuccia Prada Bianchi	8,683	-	-	-	25	8,708
Patrizio Bertelli	8,683	-	-	-	25	8,708
Lorenzo Bertelli	-	160	32	2	24	218
Alessandra Cozzani	-	195	-	7	104	306
Stefano Simontacchi	25	-	-	-	1	26
Maurizio Cereda	40	-	-	-	2	42
Marina Sylvia Caprotti	45	-	-	-	7	52
Yoël Zaoui	55	-	-	-	9	64
Pamela Yvonne Culpepper	42	-	-	-	9	51
Anna Maria Rugarli	33	-	-	-	1	34
Total	18,356	367	32	9	211	18,975

REMUNERATION OF THE PRADA SPA BOARD OF DIRECTORS FOR THE SIX MONTHS ENDED JUNE 30, 2021

(amounts in thousands of Euro)	Directors' fees	Remuneration and other benefits	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contributions	June 30 2021 (unaudited)
Paolo Zannoni	125	-	-	-	20	145
Miuccia Prada Bianchi	6,250	-	-	-	24	6,274
Patrizio Bertelli	6,250	-	-	-	24	6,274
Lorenzo Bertelli	-	94	27	-	32	153
Alessandra Cozzani	-	190	205	6	93	494
Stefano Simontacchi	25	-	-	-	-	25
Maurizio Cereda	40	-	-	-	-	40
Marina Sylvia Caprotti	8	-	-	-	1	9
Yoël Zaoui	9	-	-	-	1	10
Total	12,707	284	232	6	195	13,424

37. RELATED PARTY TRANSACTIONS

The Group carries out transactions with companies classifiable as related parties according to IAS 24 "Related Party Disclosures". These transactions mainly refer to the sales and purchase of goods, supplies of services, loans, sponsorships, leases and franchise agreements. These transactions take place on an arm's

length basis.

The following tables show the effect of related-party transactions on the consolidated financial statements in terms of statement of financial position balances at the reporting date and total transactions affecting the statement of profit or loss.

STATEMENT OF FINANCIAL POSITION BALANCES AS OF JUNE 30, 2022 (UNAUDITED)

(amounts in thousands of Euro)	Trade receivables	Receivables from, and advances to, related parties - current	Receivables from, and advances to, related parties - non current	Right of Use Assets	Trade payables	Payables to related parties - current	Lease Liabilities	Other liabilities
Les Femmes Srl	371	6	1,125	-	654	-	-	-
Filati Biagioli Modesto Spa	5	2,206	-	-	855	-	-	-
Spelm Sa	-	-	-	4,041	-	-	4,099	-
Rubaiyat Modern Lux.Pr.Co.Ltd	-	-	-	-	-	1,083	-	-
Ludo Due Srl	-	-	-	9,429	-	-	10,380	-
Chora Srl	-	3,736	-	-	528	-	-	-
Peschiera Immobiliare Srl	1	-	-	3,025	44	-	3,605	-
Premiata Srl	-	-	-	-	158	-	-	-
Conceria Superior Spa	1	-	-	-	920	-	-	-
Perseo Srl	-	-	-	-	286	-	-	-
Al Tayer Group LLC	-	-	-	-	11	-	-	-
Al Tayer Insignia LLC	1,034	-	-	-	13	2,580	-	-
Danzas LLC	-	-	-	-	-	-	-	119
Prada Holding Spa	14	18,000	-	37	-	-	37	-
PH-RE LLC	-	148	-	204,186	-	-	228,181	-
Others	2	41	-	-	9	5	-	-
Members of the Board of Directors of PRADA spa								755
Total at June 30, 2022 (unaudited)	1,428	24,137	1,125	220,718	3,478	3,668	246,302	874

STATEMENT OF FINANCIAL POSITION BALANCES AS OF DECEMBER 31, 2021 (AUDITED)

(amounts in thousands of Euro)	Trade receivables	Receivables from, and advances to, related parties - current	Receivables from, and advances to, related parties - non-current	Right of Use Assets	Trade payables	Payables to related parties - current	Lease Liability	Other Liabilities
Les Femmes Srl	569	6	1,125	-	2,676	-	-	-
Filati Biagioli Modesto Spa	-	-	-	-	2,877	-	-	-
Spelm Sa	-	-	-	4,174	-	-	4,225	-
Rubaiyat Modern Lux.Pr.Co.Ltd	-	-	-	-	-	994	-	-
Ludo Due Srl	-	-	-	9,972	-	-	10,942	-
Chora Srl	-	4,711	-	-	433	-	-	-
Peschiera Immobiliare Srl	-	-	-	3,294	41	-	3,869	-
Premiata Srl	2	-	-	-	234	-	-	-
Conceria Superior Spa	1	-	-	-	1,351	-	-	-
Perseo Srl	2	-	-	-	288	-	-	-
PA BE 1 Srl	-	-	-	-	-	5,000	-	-
Al Tayer Group LLC	-	-	-	-	2	-	-	-
Al Tayer Insignia LLC	995	-	-	-	12	2,366	-	-
Danzas LLC	-	-	-	-	38	-	-	133
Al Sanam Rent a Car LLC	-	-	-	-	1	-	-	-
Prada Holding Spa	11	-	-	-	-	-	-	-
Orexis Srl	-	18,000	-	74	-	-	81	-
PH-RE LLC	-	149	-	231,046	-	-	256,219	-
Others	3	-	-	-	2	-	-	-
Members of the Board of Directors of PRADA spa	-	-	-	-	-	-	-	1,702
Total at December 31, 2021 (audited)	1,583	22,866	1,125	248,560	7,955	8,360	275,336	1,835

STATEMENT OF PROFIT OR LOSS TRANSACTIONS FOR THE SIX MONTHS ENDED JUNE 30, 2022 (UNAUDITED)

(amounts in thousands of Euro)	Net revenues	Cost of goods sold	General, admin. & selling costs	Interest incomes	Interest expenses
Les Femmes Srl	-	3,992	48	6	-
Filati Biagioli Modesto Spa	-	2,938	30	6	-
Spelm Sa	-	-	278	-	17
Ludo Due Srl	-	-	543	-	66
Chora Srl	-	-	975	-	-
Peschiera Immobiliare Srl	-	22	268	-	16
Premiata Srl	-	97	357	-	-
Conceria Superior Spa	-	6,653	-	-	-
Perseo Srl	-	455	-	-	-
Al Tayer Group LLC	-	-	29	-	-
Al Tayer Insignia LLC	1,429	-	67	-	-
Danzas LLC	-	40	87	-	-
Al Sanam Rent a Car LLC	-	-	5	-	-
Prada Holding Spa	-	-	35	-	-
PH-RE LLC	-	-	9,119	-	1,115
Total at June 30, 2022 (unaudited)	1,429	14,197	11,841	12	1,214

STATEMENT OF PROFIT OR LOSS TRANSACTIONS FOR THE SIX MONTHS ENDED JUNE 30, 2021 (UNAUDITED)

(amounts in thousands of Euro)	Net revenues	Cost of goods sold	General, admin. & selling costs (incomes)	Interest incomes	Interest expenses
Les Femmes Srl	-	2,311	-	6	-
Cecco Bruna 2011 Srl	-	2	-	-	-
Luna Rossa Challenge 2013 NZ LTD	-	-	(12)	-	-
Spelm Sa	-	-	263	-	18
Ludo Due Srl	-	-	558	-	21
Ludo Tre Srl	-	-	(1)	-	-
Luna Rossa Challenge Srl	3	-	10,527	-	-
Chora Srl	-	-	861	-	-
Peschiera Immobiliare Srl	-	21	265	-	18
Premiata Srl	-	9	338	-	-
Conceria Superior Spa	-	4,405	30	-	-
Perseo Srl	-	321	-	-	-
COR 36 Srl	1	-	5,748	-	-
Al Tayer Group LLC	-	-	14	-	-
Al Tayer Insignia LLC	910	-	66	-	-
Danzas LLC	-	20	24	-	-
Al Sanam Rent a Car LLC	-	-	5	-	-
Prada Holding Spa	-	-	(7)	-	-
PH-RE LLC	-	-	9,427	-	1,225
Relatives of members of the Board of Directors	-	-	1,005	-	-
Total at June 30, 2021 (unaudited)	914	7,089	29,111	6	1,282

The foregoing tables report information on transactions with related parties

in accordance with IAS 24, "Related Party Disclosures", while the following transactions with related parties fall within the scope of application of the Hong Kong Stock Exchange Listing Rules.

The transactions with related party PH-RE llc (formerly PABE-RE llc) refer to the transaction between such company and PRADA Japan co ltd in relation to the lease for the two Aoyama Buildings in Tokyo for Prada and Miu Miu stores. The transactions reported for the six months ended June 30, 2022 are regulated by Chapter 14A of the Listing Rules because they are considered continuing connected transactions subject to disclosure, but they are exempt from the independent shareholders' approval requirement. As required by the Listing Rules, comprehensive disclosure of those continuing connected transactions is contained in PRADA spa's Announcements dated, respectively, July 15, 2015 ("Prada Aoyama") and May 26, 2017 ("Miu Miu Aoyama").

Apart from the non-exempt continuing connected transactions and non-exempt connected transactions reported above, no other transaction reported in the 2022 Interim condensed consolidated financial statements meets the definition of "connected transaction" or "continuing connected transaction" contained in Chapter 14A of the Hong Kong Stock Exchange Listing Rules or, if it does meet the definition of "connected transaction" or "continuing connected transaction" according to Chapter 14A, it is exempt from the announcement, disclosure and independent shareholders' approval requirements laid down in Chapter 14A.

38. FINANCIAL TREND

(amounts in thousands of Euro)	December 31 2021	December 31 2020	December 31 2019	December 31 2018	December 31 2017 (*)
Net Revenues	3,365,667	2,422,739	3,225,594	3,142,148	2,741,095
Gross margin	2,547,358	1,743,378	2,319,612	2,262,594	2,030,696
Operating income - EBIT	489,484	20,061	306,779	323,846	315,878
Net Income/ (Loss) - Group	294,254	(54,139)	255,788	205,443	217,721
Total assets	6,959,011	6,527,927	7,038,439	4,678,812	4,739,375
Total liabilities	3,830,368	3,676,207	4,049,864	1,781,743	1,873,204
Net equity attributable to owners of the Group	3,113,894	2,832,057	2,967,158	2,877,986	2,844,652

(*) eleven-month statement of profit or loss

39. CONSOLIDATED COMPANIES

Company	Local currency	Share capital (000s of local currency)	% Interest	Registered office	Principal place of operation	Date of incorporation/establishment (MM/DD/YYYY)	Main Business
Italy							
PRADA Spa	EUR	255,882		Milan	Italy		Group Holding/Manufacturing/Distribution/Retail
Artisans Shoes Srl (*)	EUR	1,000	66.7	Montegranaro	Italy	02/09/1977	Manufacturing
IPI Logistica Srl (*)	EUR	600	100	Milan	Italy	01/26/1999	Services
Pelletteria Ennepi Srl (*)	EUR	93	100	Figline e Incisa Valdarno	Italy	12/01/2016	Manufacturing
Church Italia Srl	EUR	51	100	Milan	Italy	01/31/1992	Retail/Services
Marchesi 1824 Srl (*)	EUR	1,000	100	Milan	Italy	07/10/2013	Food&Beverage
Figline Srl (*)	EUR	10	100	Milan	Italy	07/24/2019	Manufacturing
Pelletteria Figline Srl	EUR	20	100	Figline e Incisa Valdarno	Italy	09/30/2020	Manufacturing
Luna Rossa Challenge Srl (*)	EUR	10	100	Grosseto	Italy	12/01/2021	Management sailing team
COR 36 Srl	EUR	10	100	Milan	Italy	12/01/2021	Dormant
Europe							
PRADA Retail UK Ltd (*)	GBP	5,000	100	London	U.K.	01/07/1997	Retail
PRADA Germany Gmbh (*)	EUR	215	100	Munich	Germany	03/20/1995	Retail/Services
PRADA Austria Gmbh (*)	EUR	40	100	Wien	Austria	03/14/1996	Retail
PRADA Spain Sl (*)	EUR	240	100	Madrid	Spain	05/14/1986	Retail
PRADA Retail France Sas (*)	EUR	4,000	100	Paris	France	10/10/1984	Retail
PRADA Hellas Sole Partner Llc (*)	EUR	4,350	100	Athens	Greece	12/19/2007	Retail
PRADA Monte-Carlo Sam (*)	EUR	2,000	100	Monaco	Principality of Monaco	05/25/1999	Retail
PRADA Sa (*)	EUR	31	100	Luxembourg	Switzerland	07/29/1994	Trademarks/Services
PRADA Company Sa	EUR	3,204	100	Luxembourg	Luxembourg	04/12/1999	Services
PRADA Netherlands Bv (*)	EUR	20	100	Amsterdam	Netherlands	03/27/2000	Retail
Church Denmark Aps	DKK	50	100	Copenhagen	Denmark	03/13/2014	Retail
Church France Sas	EUR	2,856	100	Paris	France	06/01/1955	Retail
Church UK Retail Ltd	GBP	1,021	100	Northampton	U.K.	07/16/1987	Retail
Church's English Shoes Switzerland Sa	CHF	100	100	Lugano	Switzerland	12/29/2000	Retail
Church & Co. Ltd (*)	GBP	2,811	100	Northampton	U.K.	01/16/1926	Sub-Holding/Manufacturing/Distribution
Church & Co. (Footwear) Ltd	GBP	44	100	Northampton	U.K.	03/06/1954	Trademarks
Church English Shoes Sa	EUR	75	100	Brussels	Belgium	02/25/1963	Retail
PRADA Czech Republic Sro (*)	CZK	2,500	100	Prague	Czech Republic	06/25/2008	Retail
PRADA Portugal Unipessoal Lda (*)	EUR	5	100	Lisbon	Portugal	08/07/2008	Retail
PRADA Rus Llc (*)	RUB	250	100	Moscow	Russian Federation	11/07/2008	Retail
Church Spain Sl	EUR	3	100	Madrid	Spain	05/06/2009	Retail
PRADA Bosphorus Deri Mamuller Ltd Sirketi (*)	TRY	73,000	100	Istanbul	Turkey	02/26/2009	Retail
PRADA Ukraine Llc (*)	UAH	240,000	100	Kiev	Ukraine	10/14/2011	Retail
Church Netherlands Bv	EUR	18	100	Amsterdam	Netherlands	07/07/2011	Retail
Church Ireland Retail Ltd	EUR	50	100	Dublin	Ireland	11/20/2011	Retail
Church Austria Gmbh	EUR	35	100	Wien	Austria	01/17/2012	Retail
Prada Sweden Ab (*)	SEK	500	100	Stockholm	Sweden	12/18/2012	Retail
Church Footwear Ab	SEK	100	100	Stockholm	Sweden	12/18/2012	Retail
Prada Switzerland Sa (*)	CHF	24,000	100	Lugano	Switzerland	09/28/2012	Retail
Prada Kazakhstan Llp (*)	KZT	500,000	100	Almaty	Kazakhstan	06/24/2013	Retail
Kenon Ltd (*)	GBP	84,000	100	London	U.K.	02/07/2013	Real Estate
Tannerie Limoges Sas (*)	EUR	600	60	Isle	France	08/19/2014	Manufacturing

Company	Local currency	Share capital (000s of local currency)	% Interest	Registered office	Principal place of operation	Date of incorporation/establishment (MM/DD/YYYY)	Main Business
Prada Denmark Aps (*)	DKK	26,000	100	Copenhagen	Denmark	05/19/2015	Retail
Prada Belgium Sprl (*)	EUR	4,000	100	Brussels	Belgium	12/04/2015	Retail
Hipic Prod Impex Srl (*)	RON	25,471	100	Sibiu	Romania	04/15/2016	Manufacturing
Church Germany Gmbh	EUR	200	100	Munich	Germany	09/18/2018	Retail
Prada San Marino (*)	EUR	26	100	Falciano	San. Marino	04/15/2021	Retail
Americas							
PRADA USA Corp. (*)	USD	152,211	100	New York	U.S.A.	10/25/1993	Distribution/ Services/ Retail
PRADA Canada Corp. (*)	CAD	300	100	Toronto	Canada	05/01/1998	Distribution/ Retail
Church & Co. (USA) Ltd	USD	85	100	New York	U.S.A.	09/08/1930	Retail
Post Development Corp (*)	USD	86,592	100	New York	U.S.A.	02/18/1997	Real Estate
PRADA Retail Mexico, S. de R.L. de C.V.	MXN	269,140	100	Mexico City	Mexico	07/12/2011	Retail
PRADA Brasil Importação e Comércio de Artigos de Luxo Ltda (*)	BRL	340,000	100	Sao Paulo	Brazil	04/12/2011	Retail
PRM Services S. de R.L. de C.V. (*)	MXN	7,203	100	Mexico City	Mexico	02/27/2014	Dormant
PRADA Panama Sa (*)	USD	30	100	Panama	Panama	09/15/2014	Retail
PRADA Retail Aruba Nv (*)	USD	2,011	100	Oranjestad	Aruba	09/25/2014	Retail
PRADA Saint Barthelemy Sarl (*)	EUR	1,600	100	Gustavia	St. Barthelemy	04/01/2016	Retail
Asia-Pacific and Japan							
PRADA Asia Pacific Ltd (*)	HKD	3,000	100	Hong Kong	Hong Kong S.A.R., P.R.C.	09/12/1997	Retail/Services
PRADA Taiwan Ltd	TWD	3,800	100	Hong Kong	Taiwan P.R.C.	09/16/1993	Retail
PRADA Retail Malaysia Sdn. Bhd. (*)	MYR	1,000	100	Kuala Lumpur	Malaysia	01/23/2002	Retail
PRADA Singapore Pte Ltd (*)	SGD	1,000	100	Singapore	Singapore	10/31/1992	Retail
PRADA Korea Llc (*)	KRW	8,125,000	100	Seoul	South Korea	11/27/1995	Retail
PRADA (Thailand) Co. Ltd (*)	THB	372,000	100	Bangkok	Thailand	06/19/1997	Retail
PRADA Japan Co. Ltd (*)	JPY	1,200,000	100	Tokyo	Japan	03/01/1991	Retail
Prada Guam Llc	USD	0.001	100	Guam	Guam	02/04/2021	Retail
Prada Saipan Llc (*)	USD	1,405	100	Northern Marianas Islands	Saipan	01/20/2021	Retail
PRADA Australia Pty Ltd (*)	AUD	13,500	100	Sydney	Australia	04/21/1997	Retail
PRADA Trading (Shanghai) Co. Ltd (***)	RMB	1,653	100	Shanghai	P.R.C.	02/09/2004	Retail/Dormant
PRADA Fashion Commerce (Shanghai) Co. Ltd (***)	RMB	624,950	100	Shanghai	P.R.C.	10/31/2005	Retail
Church Japan Company Ltd	JPY	100,000	100	Tokyo	Japan	04/17/1992	Retail
Church Hong Kong Retail Ltd	HKD	29,004	100	Hong Kong	Hong Kong S.A.R., P.R.C.	06/04/2004	Retail
Church Singapore Pte Ltd	SGD	7,752	100	Singapore	Singapore	08/18/2009	Retail
Prada Dongguan Trading Co. Ltd (***)	RMB	8,500	100	Dongguan	P.R.C.	11/28/2012	Services
Church Footwear (Shanghai) Co. Ltd (***)	RMB	31,900	100	Shanghai	P.R.C.	12/05/2012	Retail
Prada New Zealand Ltd (*)	NZD	3,500	100	Wellington	New Zealand	07/05/2013	Retail
PRADA Vietnam Limited Liability Company (*)	VND	146,246,570	100	Hanoi	Vietnam	09/09/2014	Retail
PRADA Macau Co. Ltd	MOP	25	100	Macau	Macau S.A.R., P.R.C.	01/22/2015	Retail
Church Korea Llc	KRW	650,000	100	Seoul	South Korea	09/03/2018	Retail
Middle East							
PRADA Middle East Fzco (*)	AED	18,000	60	Jebel Ali Free Zone	U.A.E.	05/25/2011	Distribution/ Services
PRADA Emirates Llc (**)	AED	300	29.4	Dubai	U.A.E.	08/04/2011	Retail
PRADA Kuwait Wll (**)	KWD	50	29.4	Kuwait City	Kuwait	09/18/2012	Retail
PRADA Retail Wll (*)	QAR	15,000	100	Doha	Qatar	02/03/2013	Retail
PRADA Saudi Arabia Ltd (*)	SAR	26,666	75	Jeddah	Saudi Arabia	07/02/2014	Retail

Company	Local currency	Share capital (000s of local currency)	% Interest	Registered office	Principal place of operation	Date of incorporation/ establishment (MM/DD/YYYY)	Main Business
Other countries							
PRADA Maroc Sarlau (*)	MAD	95,000	100	Casablanca	Morocco	11/11/2011	Under liquidation
PRADA Retail South Africa (pty) ltd (*)	ZAR	50,000	100	Sandton	South Africa	06/09/2014	Dormant

(*) Company owned directly by PRADA spa
(**) Company consolidated based on definition of control per IFRS 10
(***) Wholly foreign owned enterprises

40. DISCLOSURES REGARDING NON-CONTROLLING INTERESTS

The financial information of companies not entirely controlled by the Group is provided below, as required by IFRS 12. The amounts are stated before the consolidation adjustments.

June 30, 2022 financial statements (amounts in thousands of Euro):

(amounts in thousands of Euro)	Group's percentage interest	Local currency	Total assets	Total equity	Net revenues	Net income / (loss)	Dividends paid to non-controlling shareholders
Artisans Shoes S.r.l.	66.7	EUR	31,618	8,137	34,615	268	-
Prada Emirates Llc	29.4	AED	80,782	(11,683)	51,554	2,100	-
Prada Middle East Fzco	60	AED	121,668	52,647	58,260	4,290	-
Prada Kuwait Wll	29.4	KWD	21,200	3,518	12,189	339	-
Prada Saudi Arabia Ltd	75	SAR	21,604	5,800	8,368	219	-
Tannerie Limoges S.A.S.	60	EUR	9,948	186	4,006	63	-

There are no significant restrictions on the Group's ability to access or use assets and settle liabilities as of the reporting date.

41. EVENTS AFTER THE REPORTING DATE

There are no significant events after the end of the period to report.

