
INTERIM FINANCIAL REPORT 2024

PRADA Group





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CHAPTER 1

The Prada Group

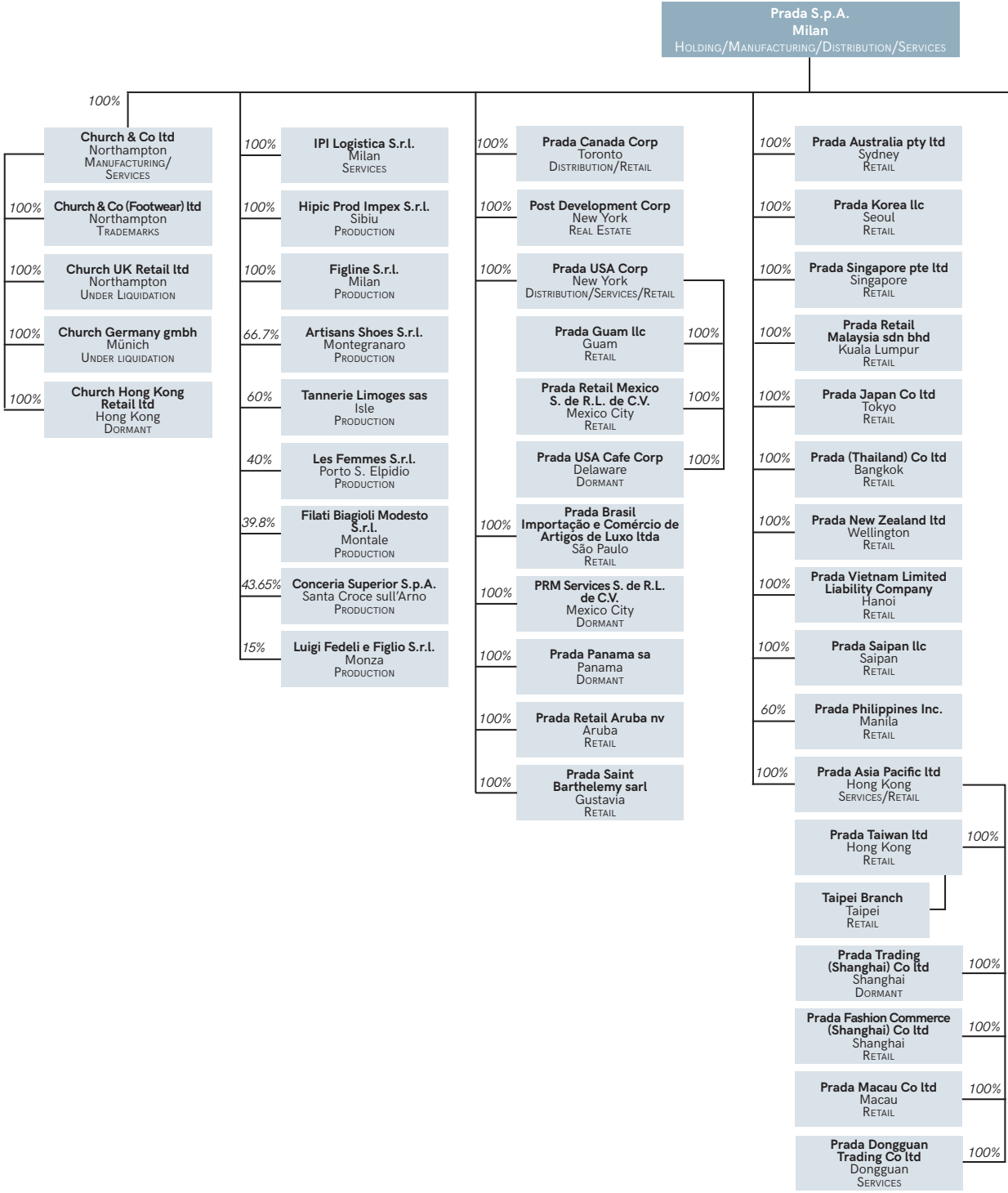


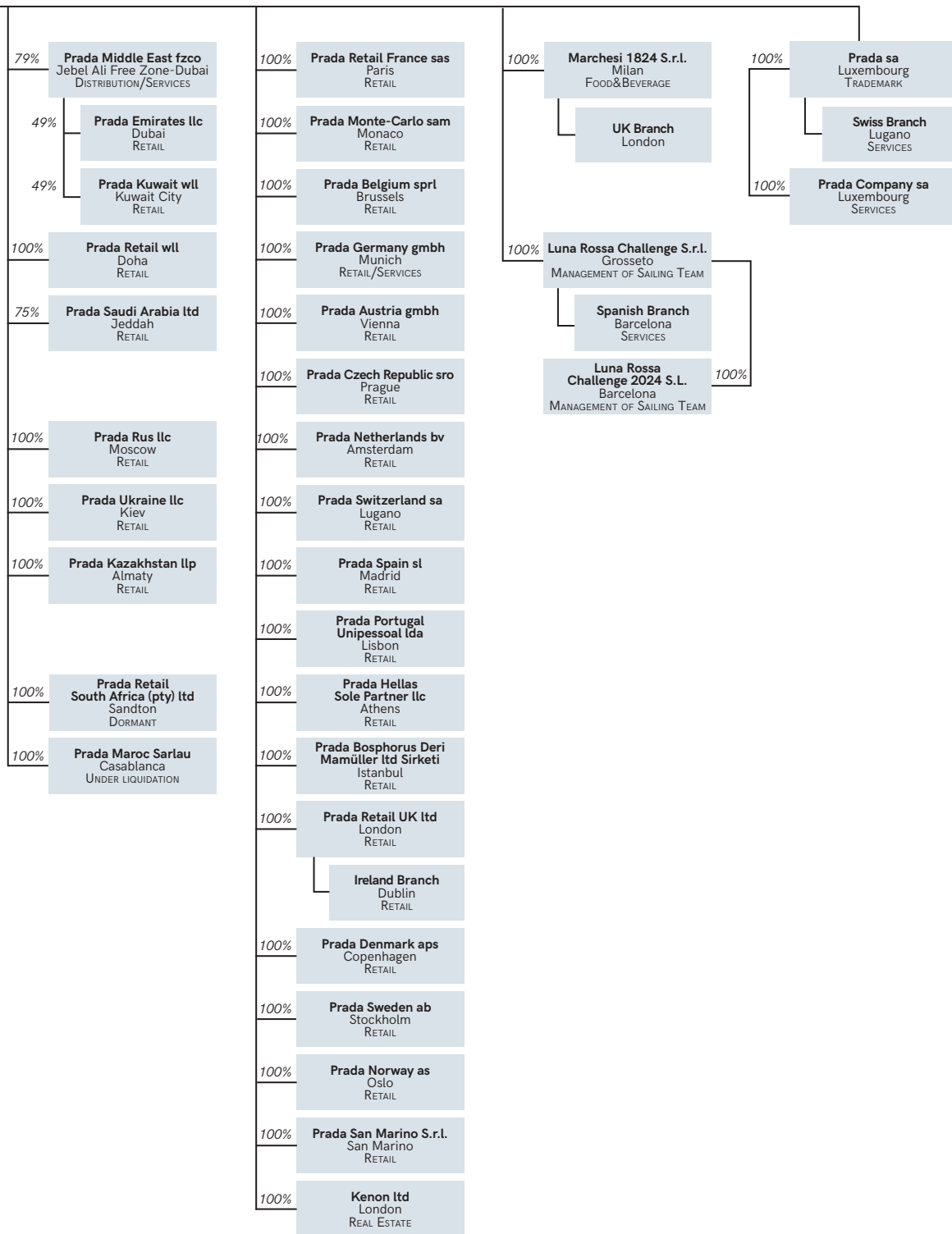
Prada S.p.A. - Corporate information

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	<p>Patrizio Bertelli (Chairman of the Board & Executive Director)</p> <p>Paolo Zannoni (Executive Deputy Chairman of the Board & Executive Director)</p> <p>Andrea Guerra (Chief Executive Officer & Executive Director)</p> <p>Miuccia Prada Bianchi (Executive Director)</p> <p>Andrea Bonini (Chief Financial Officer & Executive Director)</p> <p>Lorenzo Bertelli (Executive Director)</p> <p>Yoël Zaoui (Lead Independent Director & Independent Non-Executive Director)</p> <p>Marina Sylvia Caprotti (Independent Non-Executive Director)</p> <p>Cristiana Ruella (Independent Non-Executive Director)</p> <p>Pamela Yvonne Culpepper (Independent Non-Executive Director)</p> <p>Anna Maria Rugarli (Independent Non-Executive Director)</p>
Audit and Risk Committee	Yoël Zaoui (Chairman) Cristiana Ruella Anna Maria Rugarli

Remuneration Committee	Anna Maria Rugarli (Chairwoman) Paolo Zannoni Yoël Zaoui
Nomination Committee	Cristiana Ruella (Chairwoman) Lorenzo Bertelli Pamela Yvonne Culpepper
Sustainability Committee	Pamela Yvonne Culpepper (Chairwoman) Lorenzo Bertelli Anna Maria Rugarli
Board of Statutory Auditors	Roberto Spada (Chairman) Maria Luisa Mosconi Patrizia Arienti
Organismo di Vigilanza (Supervisory Body) (Italian Leg. Decr. 231/2001)	Stefania Chiaruttini (Chairwoman) Armando Simbari Roberto Spada
Main Shareholder	Prada Holding S.p.A. Via A. Fogazzaro, 28 - 20135 Milan, Italy
Company Secretary	Wendy Pui-Ting Tong 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 Wendy Pui-Ting Tong 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.	Cynthia Wing Han Cheng 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.)
External Auditor	Deloitte & Touche S.p.A. Via Tortona, 25 - 20144 Milan, Italy

Prada Group Structure





CHAPTER 2

Financial Review



Basis of preparation

The Board of Director's Financial Review refers to the group of companies controlled by Prada S.p.A. ("Prada" or the "Company"), the operating parent company of the Prada Group (the "Group" or "Prada Group"), and it is based on the unaudited Interim Condensed Consolidated Financial Statements for the six-month period ended June 30, 2024. The tables reported in the Financial Review have been prepared in accordance with the measurement and classification criteria of the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union. Some "non-IFRS measures" are also used within the Financial Review in order to represent some financial aspects of the period from a management perspective.

Consolidated Statement of profit or loss for the six-month period ended June 30, 2024 (includes Non-IFRS Measures)

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	% on net revenues	six months ended June 30 2023 (unaudited)	% on net revenues	change	% change
Net sales	2,487,804	97.6%	2,184,896	97.9%	302,908	13.9%
Royalties	60,830	2.4%	47,483	2.1%	13,347	28.1%
Net revenues	2,548,634	100%	2,232,379	100%	316,255	14.2%
Cost of goods sold	(514,673)	-20.2%	(438,984)	-19.7%	(75,689)	17.2%
Gross margin	2,033,961	79.8%	1,793,395	80.3%	240,566	13.4%
Product design and development costs	(81,659)	-3.2%	(72,489)	-3.2%	(9,170)	12.7%
Advertising and communications costs	(219,250)	-8.6%	(187,274)	-8.4%	(31,976)	17.1%
Selling costs	(978,470)	-38.4%	(894,587)	-40.1%	(83,883)	9.4%
General and administrative costs	(179,463)	-7.0%	(147,626)	-6.6%	(31,837)	21.6%
Total operating expenses	(1,458,842)	-57.2%	(1,301,976)	-58.3%	(156,866)	12.0%
Operating income - EBIT	575,119	22.6%	491,419	22.0%	83,700	17.0%
Interest and other financial income / (expenses), net	(4,410)	-0.2%	(19,292)	-0.9%	14,882	-77.1%
Interest expenses on lease liability	(33,791)	-1.3%	(27,342)	-1.2%	(6,449)	23.6%
Dividends from investments	111	0.0%	226	0.0%	(115)	-50.9%
Total financial income / (expenses)	(38,090)	-1.5%	(46,408)	-2.1%	8,318	-17.9%
Income before taxation	537,029	21.1%	445,011	19.9%	92,018	20.7%
Taxation	(151,316)	-5.9%	(138,381)	-6.2%	(12,935)	9.3%
Net income for the period	385,713	15.1%	306,630	13.7%	79,083	25.8%
Net income - Non-controlling interests	2,214	0.1%	1,462	0.1%	752	51.4%
Net income - Group	383,499	15.0%	305,168	13.7%	78,331	25.7%

Key financial information

Key economic indicators (amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Net revenues	2,548,634	2,232,379
EBIT (*)	575,119	491,419
% incidence on net revenues	22.6%	22.0%
Net income of the Group	383,499	305,168
Earnings per share (Euro)	0.150	0.119
Net operating cash flow (**)	580,484	181,753

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

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

Key financial position indicators (amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Net operating working capital (*)	779,869	734,742
Net invested capital (right of use assets included) (**)	5,825,290	5,790,789
Net financial surplus / (deficit) (***)	265,383	196,908
Group shareholders' equity	3,919,867	3,853,795

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

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

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

Highlights of the six-month period ended June 30, 2024

In the first half of 2024 the Prada Group achieved a solid performance reflecting strong brand momentum and desirability. The high-quality growth, delivered at both Prada and Miu Miu, rests on unique creativity, dynamism, and a disciplined execution of the strategy amidst increasingly complex industry and geopolitical dynamics.

Group's net revenues grew by 17.4% at constant exchange rates compared to the first half of 2023, a performance driven by full price, like-for-like volumes.

At brand level, Prada's retail net sales recorded solid growth of 5.5% over the period; Miu Miu's retail net sales grew by 92.7% yoy, a remarkable performance reflecting strength across all categories and regions.

The EBIT margin (22.6%) showed further expansion, notwithstanding higher investments. The Group closes the period with a healthy balance sheet and a net cash position of Euro 265 million.

At Prada, the positive momentum continued as the brand capitalised on its creative strength, high-impact initiatives, and engagement with audiences. The positive performance was supported by a well-balanced category mix: newness and icons continued to sustain Leather Goods, while creative dynamism drove Ready-To-Wear and Footwear traction. Successful menswear and womenswear shows confirmed the appeal of the brand's aesthetic codes. Collaborations with celebrated talents boosted the unveiling of a bold reinterpretation of the iconic Galleria bag and the presentation of the Re-Nylon collection campaign.

As for Miu Miu, the brand kept shining as excitement continued to rise among its community, fuelled by acclaimed fashion shows and engaging activations. The brand's very positive commercial response extended across all categories, with impactful communication initiatives, including the new Leather Goods campaign, fostering the brand's desirability.

Special projects like Miu Miu Upcycled and successful collaborations kept the brand in the spotlight. Moreover, Miu Miu's distinctive voice continued to nurture contemporary cultural debates and inspire its community worldwide with the launch of Miu Miu's first Literary Club "Writing Life" and the introduction of the itinerant Miu Miu Summer Reads. At retail level, the upgrade of the network progressed at pace with 36 renovations and relocation projects completed in the first six months of the year, confirming the Group's unwavering commitment to elevate the client experience and support retail execution. Following 9 openings and 22 closures, the Group ends the period with 593 Directly Operated Stores.

Alongside retail initiatives, further progress was made in the digital evolution and in the strengthening of the supply chain, with a capex spending of Euro 15 million and Euro 32 million dedicated to Industrial and IT projects, respectively. Of note, in May the Group unveiled the expansion of a key facility in Torgiano (PG) specialised in knitwear and employing 214 resources. In addition to supporting the production cycle from design to manufacturing, the plant will be instrumental in preserving the know-how by hosting a new edition of the Prada Academy in September.

The Group also continued to build on its climate strategy, focusing on reducing the impact of its operations in terms of Scope 3 GHG emissions through an ambitious plan of transition to lower-impact raw materials, with particular attention to leather, cotton, viscose, polyester and nylon, as well as paper and plastic for packaging. Chemical stewardship, raw material traceability and water data collection were also key areas of focus.

Over the period, the Group further strengthened the governance overseeing the supply chain and trained procurement teams and strategic suppliers to reinforce the alignment to the Group's key sustainability objectives.

On the People side, the Group set the pillars of its 3-year DE&I roadmap, with initiatives encompassing gender equality in top management, training, parenting policies and the development of sustainability-linked leadership behaviours. Moreover, the remuneration of a higher proportion of key executives has been linked to sustainability.

Finally, the Group's commitment to culture and ocean conservation continued with the launch of the third SEA BEYOND educational module involving almost 35,000 students in 56 countries and a very successful international conference dedicated to ocean education, held in Venice in partnership with UNESCO.

Analysis of net revenues

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)		six months ended June 30 2023 (unaudited)		% change current exc. rates	% change constant exc. rates (*)	Q2-24 vs Q2-23 % change constant exc. rates (*)
Net revenues							
Retail net sales (Directly Operated Stores and e-commerce)	2,262,591	88.8%	1,974,710	88.5%	14.6%	18.2%	18.5%
Wholesale net sales (independent customers and franchisees)	225,213	8.8%	210,186	9.4%	7.1%	7.8%	13.8%
Royalties	60,830	2.4%	47,483	2.1%	28.1%	28.1%	33.1%
Total net revenues	2,548,634	100%	2,232,379	100%	14.2%	17.4%	18.3%
Retail net sales by brand							
Prada	1,707,710	75.5%	1,667,909	84.5%	2.4%	5.5%	4.6%
Miu Miu	530,129	23.4%	285,160	14.4%	85.9%	92.7%	95.4%
Church's	14,656	0.6%	12,665	0.6%	15.7%	15.4%	9.6%
Other	10,096	0.4%	8,976	0.5%	12.5%	12.2%	11.1%
Total retail net sales	2,262,591	100%	1,974,710	100%	14.6%	18.2%	18.5%
Retail net sales by geographic area							
Asia Pacific	774,435	34.2%	715,724	36.2%	8.2%	12.0%	8.3%
Europe	682,192	30.2%	582,112	29.5%	17.2%	18.3%	18.6%
Americas	386,961	17.1%	361,073	18.3%	7.2%	7.0%	8.9%
Japan	308,612	13.6%	223,587	11.3%	38.0%	55.0%	64.6%
Middle East	110,391	4.9%	92,214	4.7%	19.7%	19.8%	24.8%
Total retail net sales	2,262,591	100%	1,974,710	100%	14.6%	18.2%	18.5%

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

In the comments below the growth percentages are at constant exchange rates, unless differently specified.

The Prada Group generated net revenues of Euro 2,548.6 million in the six-month period ended June 30, 2024, up by 17.4% compared to the same period of 2023. Exchange rate fluctuations reduced growth by 3.2%, to 14.2%. During the six-month period of 2024, retail net sales increased by 18.2% against the same period of 2023, driven by full price like-for-like sales. Over the period, retail net sales accounted for 88.8% of total net revenues, therefore in line with 2023 level.

As of June 30, 2024, the Group operated 593 stores, following 9 openings and 22 closures over the period. Sales in the wholesale channel rose by 7.8% compared to the corresponding period of 2023, supported by duty free stores channel and with a controlled evolution of independent wholesale, in line with the Group strategy. Royalty income grew by 28.1% on the same period of 2023, a strong performance driven by the contribution of both eyewear and fragrances.

Number of stores

	June 30, 2024		December 31, 2023		June 30, 2023	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Prada	417	18	428	20	426	22
Miu Miu	139	6	141	5	141	6
Church's	28	-	28	-	28	-
Car Shoe	2	-	2	-	2	-
Marchesi 1824	7	-	7	-	6	-
Total	593	24	606	25	603	28

	June 30, 2024		December 31, 2023		June 30, 2023	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Asia Pacific	200	22	196	23	192	25
Europe	195	-	200	-	200	-
Americas	92	-	102	-	102	-
Japan	84	-	85	-	86	-
Middle East	22	2	23	2	23	3
Total	593	24	606	25	603	28

Brands

Prada retail net sales increased by 5.5% yoy, a high-quality performance driven by full price like-for-like sales. Growth was spread across all product categories and genders, and delivered against a challenging comparison in China and in the rest of Asia Pacific countries.

Miu Miu retail net sales reported a remarkable organic performance in the six-month period at +92.7% yoy, with strong growth across regions and product categories.

During the semester Church's retail net sales reported a growth of 15.4% yoy.

The net revenues by brand amounted to Euro 1,924.9 million for Prada, Euro 595.4 million for Miu Miu, Euro 17.7 million for Church's, and Euro 10.7 million for the other brands:

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)	% change current exc. rates	% change constant exc. rates (*)	Q2-24 vs Q2-23 % change constant exc. rates (*)		
Net revenues by brand							
Prada	1,924,869	75.5%	1,880,406	84.2%	2.4%	5.2%	4.5%
Miu Miu	595,417	23.4%	326,620	14.6%	82.3%	88.3%	94.7%
Church's	17,676	0.7%	15,521	0.7%	13.9%	13.6%	20.9%
Other	10,672	0.4%	9,832	0.4%	8.5%	8.3%	10.3%
Total net revenues	2,548,634	100%	2,232,379	100%	14.2%	17.4%	18.3%

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

Markets

Over the period the Group delivered double-digit growth across all regions, excluding Americas which nevertheless reported a further slight improvement.

In Asia Pacific, retail net sales rose by 12%, albeit moderated in the second quarter on a tougher comparison base and increasing spending outside the area.

In Europe, retail net sales rose by 18.3%, with a continued and stable growth supported by local clients and tourists spending.

In the Americas, retail net sales rose by 7%, with the second quarter showing a further slight sequential improvement.

Japan reconfirmed as the best performing region in the semester, as retail net sales increased by 55%, supported by a solid local demand and strong tourism flow. Japan reported a further acceleration in the second quarter.

Retail net sales in the Middle East also delivered a solid performance (+19.8%), with the second quarter showing acceleration.

Operating results

The gross margin for the six-month period ended June 30, 2024 corresponded to 79.8% on net revenues, down from the 80.3% of the same period of 2023. Excluding the effect of exchange rate differences, gross margin was substantially stable.

Operating expenses totaled Euro 1,458.8 million, up by Euro 156.9 million versus the same period of 2023. The increase was attributable primarily to variable costs resulting from the sales increase, higher marketing spend, personnel expenses, and other general and administrative costs.

The operating income for the period, or EBIT, was Euro 575.1 million, 22.6% of net revenues, compared to the Euro 491.4 million (22% of net revenues) of the same period of 2023.

Financial expenses and taxation

The net financial expenses of Euro 38.1 million were Euro 8.3 million lower than the same period of 2023. The decrease was largely attributable to lower exchange rate losses partially offset by higher interest expense on the lease liability.

The taxation for the six-month period ended June 30, 2024 was Euro 151.3 million, corresponding to 28.2% of the profit before tax.

Net income

The net income for the six-month period ended June 30, 2024 amounted to Euro 385.7 million (15.1% of net revenues), versus Euro 306.6 million (13.7% of net revenues) reported in the same period of 2023.

Analysis of the Statement of financial position

Net invested capital

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

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Right of use assets	2,071,808	2,024,552
Non-current assets (excluding deferred tax assets), net	3,057,105	3,006,998
Trade receivables, net	378,719	405,151
Inventories, net	864,403	782,978
Trade payables	(463,253)	(453,387)
Net operating working capital	779,869	734,742
Other current assets (excluding items of financial position)	262,007	276,123
Other current liabilities (excluding items of financial position)	(524,450)	(422,541)
Other current assets / (liabilities), net	(262,443)	(146,418)
Provision for risks	(55,397)	(49,867)
Post-employment benefits	(66,903)	(60,875)
Other long-term liabilities	(54,275)	(57,459)
Deferred taxation, net	355,526	339,116
Other non-current assets / (liabilities), net	178,951	170,915
Net invested capital	5,825,290	5,790,789
Shareholder's equity - Group	(3,919,867)	(3,853,795)
Shareholder's equity - Non-controlling interests	(17,360)	(23,014)
Total consolidated shareholders' equity	(3,937,227)	(3,876,809)
Long-term financial, net surplus / (deficit)	(207,707)	(338,422)
Short-term financial, net surplus / (deficit)	473,090	535,330
Net financial surplus / (deficit)	265,383	196,908
Net financial surplus / (deficit) to consolidated shareholders' equity ratio	-6.7%	-5.1%
Long-term lease liabilities	(1,737,678)	(1,699,599)
Short-term lease liabilities	(415,768)	(411,289)
Total lease liabilities	(2,153,446)	(2,110,888)
Net financial surplus / (deficit), including lease liabilities	(1,888,063)	(1,913,980)
Shareholders' equity and net financial surplus / (deficit), including lease liabilities	(5,825,290)	(5,790,789)

The net invested capital as of June 30, 2024 amounts to Euro 5,825 million, with equity of Euro 3,937 million and lease liabilities of Euro 2,153 million; the net financial position at the end of the period is a surplus of Euro 265.4 million.

The right of use assets increased by Euro 47.3 million, mainly as a result of new leases and remeasurements of existing leases totaling Euro 265.4 million, net of depreciation of Euro 220.4 million and foreign exchange differences negative impact of Euro 1.4 million.

The non-current assets, excluding deferred tax assets, (net) rose by Euro 50.1 million (Euro 3,057 million as of June 30, 2024 versus Euro 3,007 million as of December 31, 2023) following capital expenditures of the year amounting to Euro 168.7 million, against depreciation, amortisation and writedowns of Euro 136.8 million and foreign exchange differences positive impact of Euro 18.4 million.

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Retail	116,843	94,650
Real estate	2,369	-
Production, logistics and corporate	49,491	55,856
Total	168,703	150,506

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

The net operating working capital as of June 30, 2024 is Euro 779.9 million, up by Euro 45.1 million from December 31, 2023: trade receivables decreased by Euro 26.4 million, inventories increased by Euro 81.4 million, and trade payables increased by Euro 9.9 million.

The other current liabilities (net) amount to Euro 262.4 million as of June 30, 2024, up by Euro 116 million from December 31, 2023, essentially due to the increase of the income tax liability.

The other non-current assets (net) of Euro 179 million as of June 30, 2024 rose by Euro 8 million from December 31, 2023.

Net financial position

The following table provides details of the net financial position:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Bank borrowing - non-current	(208,076)	(338,422)
Financial payables and bank overdrafts - current	(182,127)	(148,338)
Payables to related parties - current	(6,043)	(5,853)
Total financial payables - current	(188,170)	(154,191)
Total financial payables	(396,246)	(492,613)
Cash and cash equivalents	661,260	689,519
Financial receivables from related parties - non-current	369	-
Financial receivables from related parties - current	-	2
Total financial receivables and cash and cash equivalents	661,629	689,521
Net financial surplus / (deficit)	265,383	196,908

The net operating cash flow for the six-month period, after the payment of the lease liability (Euro 218.8 million), was positive for Euro 580.5 million, which also benefitted from a calendar shift in the payment of Euro 67.1 million in income taxes from June to July 2024. After the cash outflows for investing activities (Euro 184.4 million), dividend payments (Euro 331.3 million), net of the revaluation of the items of the net financial position (Euro 4.6 million) and other minor items, the net financial surplus reached Euro 265.4 million at the end of the period.

(amounts in thousands of Euro)	June 30 2024 (unaudited)	June 30 2023 (unaudited)
Cash flow from operating activities	871,126	720,344
Net cash, interest received (paid)	(5,480)	5,424
Lease liabilities: interest paid	(33,792)	(27,342)
Tax paid	(32,577)	(304,922)
Net cash flow from operating activities	799,277	393,504
Repayment of lease liabilities	(218,793)	(211,751)
Net operating cash flow	580,484	181,753
Net cash flow utilized by investing activities	(184,425)	(148,975)
Free cash flow	396,059	32,778

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

The total amount of undrawn lines of credit as of June 30, 2024 is equal to Euro 1,252 million (Euro 768 million as of December 31, 2023), consisting of Euro 858 million of committed lines and Euro 394 million of uncommitted lines.

All financial covenants were fully complied with as of June 30, 2024 and they are expected to be complied with within the next 12 months as well.

The following table sets forth the lease liabilities:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Long-term lease liabilities	1,737,678	1,699,599
Short-term lease liabilities	415,768	411,289
Total	2,153,446	2,110,888

The lease liabilities increased from Euro 2,111 million as of December 31, 2023 to Euro 2,153 million as of June 30, 2024, primarily as a result of remeasurements for lease extensions or modifications for Euro 263 million net of the payments of the period for Euro 218.8 million and termination of contracts of Euro 1.6 million.

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

The net financial indebtedness, including the lease liabilities, amounted to Euro 1,888 million as of June 30, 2024 (Euro 1,914 million as of December 31, 2023).

Further information on the Group's debt maturities and obligations, currency and interest rate risk management, commitments and contingent liabilities is provided in Notes 18, 23 and 25 of the Notes to the Interim Condensed Consolidated Financial Statements.

Risk factors and management

The Prada Group’s business is exposed to various risks that, if they materialize, could adversely affect its operations, results and financial situation, or reputation.

Some of these risks depend on the constantly changing and highly competitive environment for the luxury industry, which primarily concern the desirability of the Group’s products. For this reason, some of the main strategies of the Group are (i) guaranteeing constant recognition of the brands as reference points in the industry, (ii) supporting and developing retail sales, as well as (iii) the continuous identification, monitoring and mitigation of the main Group risks.

In order to manage, anticipate and mitigate its risk exposure, and to ensure that it can develop its business sustainably over the long term, the Group has set up a risk management system.

Risk factors are presented as follows:

1. Operational and ESG Risks

1.a. Intellectual property and brand protection

Description	What we do
<p>The Group’s brands and other intellectual property rights are fundamental assets. Infringements of the Group’s intellectual property rights can have significant negative impacts on its results and damage its image.</p>	<p>The Group pursues an active anti-counterfeiting policy involving both preventive measures and legal actions. Its strategy is based on the following pillars:</p> <ul style="list-style-type: none"> – the Group’s brands, designs, patents and websites are registered to obtain legal protection in all countries throughout the world; – an Intellectual Property Team is responsible for brand protection efforts globally, online and offline, through – among others – monitoring actions (in both traditional markets and on the internet), inspections, contacts with competent local and international authorities and custom agencies, legal actions; for all such actions, the team can act directly or with the support of external consultants. <p>In addition, all products have been equipped with a remote frequency identification (RFID) tag, using a technology that makes it possible to verify the authenticity of the products and track them. All retail and wholesale products bearing the RFID tag have also been registered on the blockchain of the Aura Consortium.</p>

1.b. Commercial attractiveness and desirability

Description	What we do
<p>The Group's success is reliant on its ability to create and influence fashion and product trends, to timely anticipate shifts in consumer taste and trends, and to meet and exceed customer expectations. Failure to timely perceive fashion needs or to translate them into the styling, design and development phase could negatively impact the appeal of the Group's brands and, therefore, its results and financial situation.</p>	<p>The Group addresses the risk – first of all – by investing in strong and structured style and design teams, capable of fine-tuning with cultural and consumer changes. The teams – guided by Miuccia Prada and Raf Simons, as for the "Prada" brand, and by Miuccia Prada for the "Miu Miu" brand – are composed of professionals of different nationalities, cultures and talents, to foster creativity. In addition, they are invited to combine a strong sense of fashion with intellectual curiosity, the pursuit of new and unconventional ideas, as well as cultural and social interests.</p> <p>Secondly, the Group pursues cutting edge communication strategies, to be in-tune with – and even to anticipate or create – fashion trends.</p> <p>In addition, the Group invests in regular store renovations (both brick-and-mortar and online) to channel the brands' images and guarantee enhanced customer experiences.</p> <p>Brand attractiveness and customer satisfaction are also pursued through regular training and professional qualification programs for its employees, especially those working in stores.</p>

1.c. Talent management and retention

Description	What we do
<p>The Group's operations require managers, employees and artisans having the right qualifications in the design, product development, production, marketing, merchandising, management and corporate functions. It is therefore key for the Group to retain skilled workforce and to train new generations, especially in a dynamic and evolving job market. Loss of talented and skilled people, high turnover rate, departure of senior executives and disappearance of craftsmanship heritage may impact on the Group's operations, product quality and, consequently, results.</p>	<p>The Group proactively addresses the risk by:</p> <ul style="list-style-type: none">(i) carrying out training initiatives, such as through the Prada Academy, where knowledge is shared and skills, techniques, and innovative ideas are shaped in a way to foster talent and hand down the professional expertise essential for the Group;(ii) monitoring the market, to acquire the best, and most fitting, professional skills and métiers;(iii) setting up retention initiatives, such as a performance management process based on individual goals and leadership development, as well as adequate incentive schemes.

1.d. Real Estate

Description	What we do
<p>Should the Group lose strategic retail places, due to difficulties in finding fitting locations or in negotiating new leases at adequate terms and conditions, the Group’s strategy could be undermined, with negative consequences for its results.</p> <p>Conversely, should the Group be compelled to carry out significant construction/renovation projects to align facilities to its standards, or unable to carry out projects timely and on budget, its financial situation could be negatively impacted.</p>	<p>Specific teams are responsible to handle real estate activities, such as market monitoring, conducting negotiations concerning real estate assets (leases and acquisitions) and construction and renovation projects for retail places.</p> <p>Moreover, the Group performs periodical reviews of contracts, site visits and “ad-hoc” counterparty due diligence.</p>

1.e. Corporate image

Description	What we do
<p>The Group’s success in the international luxury goods business is linked to the image and distinct character of its brands, in a highly competitive environment. These features depend on many factors, such as the style and design of the products, the quality of the materials used and production techniques, image and locations of directly operated stores, careful selection of business partners, communication activities and the corporate profile in general.</p> <p>The Group is also mindful of the transparency and accountability demanded by its stakeholders in the rapidly evolving environmental, social and governance landscape in which it operates.</p> <p>Negative events concerning the above - such as unfavourable or inaccurate media coverage, negative campaigns on social network, individual behaviour contrary to the Group’s values of ethics and integrity - can affect the Group’s image and reputation and, consequently, negatively impact results.</p>	<p>The Group pursues the preservation of the image and prestige of the brands by (i) maintaining its innovative features for style, product and communication; (ii) monitoring each internal and external phase of the value chain to reduce the risk of inadequate performance; (iii) oversight of external communication concerning the brands, including through social media.</p> <p>The Group also undertakes ESG specific initiatives, through Prada S.p.A.’s Sustainability Committee, as well as its Board members with significant professional ESG experience, as well as corporate and industrial sustainability dedicated functions.</p>

1.f. Fraud

Description	What we do
<p>Frauds may be perpetrated to obtain money or – among others – property or services, personal or business advantage.</p> <p>Lack of controls and insufficient segregation of duties could lead to fraud and, consequently, economic losses and reputational damages.</p>	<p>The Group has equipped itself with various control tools, preventive and deterrent processes, aimed at improving the efficiency and the monitoring of its treasury activities, such as:</p> <ul style="list-style-type: none">(i) various Group procedures in place (Code of Ethics, Anti-corruption policy, Corporate Finance & Treasury policy);(ii) the set up of the Whistleblowing system and its related policy;(iii) providing banking Power of Attorney to a limited number of people, regularly updated and duly approved by Board of Directors;(iv) strengthening Segregation of Duties, access controls to Corporate systems and its internal controls over treasury activities.

1.g. Supply Chain Management

Description	What we do
<p>Inability to source raw materials, manufacture, procure and distribute finished products on a timely basis at the required quality, quantity and cost from suppliers who meet quality and the Group's ethics standards could lead to disruptions in production, negative effects on the Group's results and/or damages to the Group's reputation.</p> <p>Although the Group does not significantly depend on any façon manufacturer, the suspension or termination of a relationship with some of the most significant façon manufacturers could adversely affect the Group's business and, as a consequence, its results.</p>	<p>The Group contracts with several suppliers, to avoid concentration of supply.</p> <p>The fact that production is mainly located in Europe, especially in Italy, grants an adequate level of competence, quality and reliability.</p> <p>In addition, sensitive processes – such as the creation of prototypes and samples, the cutting of hides and controls over raw materials and semifinished goods – take place at the Group's own manufacturing facilities.</p> <p>The Group's technical staff carries out controls to ensure that products meet quality standards and that the entire supply chain complies with Prada S.p.A.'s Code of Ethics, which must be signed by business partners.</p> <p>Moreover, the Group demands – and monitors (including through inspections) – compliance by manufacturers with applicable regulations concerning labor law, social security and occupational health and safety, as well as with the Group's regulations on brand ownership and other intellectual property rights.</p>

1.h. Business resilience

Description	What we do
<p>Business interruption can occur due to a variety of factors, including escalations in geopolitical or social tensions, restrictions to people movement or to exports, cyberattacks, property damages caused by an extreme weather event, public health events, machinery breakdowns, labor disputes and quality control failures on the operations. The resulting losses can be economic (e.g., decreased sales, increased labor costs, need to substitute a key supplier, decreased revenue potential due to natural disasters) and reputational.</p>	<p>The Group addresses these risks through a balanced geographical distribution of its stores, to avoid high concentration; operations/production mainly located in Italy, but in several facilities; operations/production located in new/renewed premises; continuous development of online sales activities; strengthening of the Information System department; insurance programs aimed at mitigating such risks.</p>

1.i. Health, security and safety

Description	What we do
<p>The Group is exposed to risks related to (i) workers' health and safety, such as injuries, occupational diseases and accidents that could lead to physical harm to people, (ii) non-compliance with quality and security standards of products. Such risks can lead to litigation, and related costs affecting the Group's financial situation, as well as damage to the Group's image.</p>	<p>To mitigate these risks, the Group (i) conducts periodic safety training and refresher courses; (ii) undergoes renovations and new constructions; (iii) carries out fire risk assessments on high-risk premises; and with respect to product quality, carries out quality control on manufacturing used in the production process (from sourcing to finishing touches).</p>

1.j. Environmental

Description	What we do
<p>The financial situation and the reputation of the Group could be affected by (i) extreme climatic phenomena, cost increases for raw materials and other similar environmental circumstances capable of affecting its production; (ii) new regulations aimed at containing pollution and climate change, which may trigger compliance costs or failures for the Group and (iii) changes in customer purchasing habits related to evolutions of the environmental context.</p>	<p>To prevent or mitigate these risks, the Group adopted ad hoc internal processes, including the sustainability policy which laid the foundations for the Company's sustainability focus based on three pillars - Planet, People and Culture - where the Group firmly believes it can make the greatest contribution in terms of value creation in its own industry and for the benefit of society as a whole. The Group formalized a sustainability strategy with a clear roadmap for the reduction of greenhouse gas emissions, extensive use of alternative, low impact materials for both finished products and packaging, and a more circular approach to materials used in production and for other purposes such as shows and events, where waste is recycled and reused. The strategy also focuses on the traceability of raw materials and the continuous improvement of social and environmental standards along the supply chain through close collaboration with suppliers.</p>

Description	What we do
	<p>The strategy is an evolving plan that will be improved and updated over time to respond to the needs and expectations of the Group's stakeholders and the changing market conditions in which it operates. In 2023, the organization moved towards identifying and formalizing medium-term targets and internal Key Performance Indicators (KPIs) to monitor the progress, with a particular focus on the decarbonization of its operations and the transition to lower impact materials for its finished products.</p> <p>In addition, the Group enforced the sustainability culture through the promotion of internal and external initiatives (e.g. Sea Beyond, Forestami Academy, corporate on/off-line dedicated trainings).</p>

2. Financial risks

2.a. Credit risk

Description	What we do
<p>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 other commercial partners, and liquid assets.</p> <p>As part of Credit risk, the financial counterparty risk is managed through a proper diversification of financial counterparties, considering their creditworthiness and solvency: The risk of default of liquid assets 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.</p>	<p>The Group manages credit risk and mitigates the related effects through a control system 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.</p> <p>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. However, there is a potential risk related to cash shortages at stores. The Group has equipped itself with various control tools, preventive and deterrent, aimed at improving the efficiency of cash management activities.</p>

2.b. Liquidity risk

Description	What we do
<p>Liquidity risk refers to difficulty that the Group could have in securing new funds, leading to a failure in meeting its financial obligations. The Directors are responsible for managing liquidity risk, whereas the Group CFO, supported by the Deputy Group CFO, is responsible for optimizing financial resources.</p>	<p>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.</p>

2.c. Foreign exchange risk

Description	What we do
<p>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 intercompany inflows of trade and financial receivables and intercompany outflows of trade payables. They refer mainly to Prada S.p.A., the Group's parent company and worldwide distributor of Prada and Miu Miu brand products.</p>	<p>The management of foreign exchange risk is described in more detail in the Notes to the Interim Condensed Consolidated Financial Statements.</p>

2.d. Interest rate risk

Description	What we do
<p>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 S.p.A., the Group uses derivatives (such as interest rate swaps or collar) to convert variable-rate debt into fixed-rate debt or debt at rates within a specified range.</p>	<p>The management of interest rate risk is described in more detail in the Notes to the Interim Condensed Consolidated Financial Statements.</p>

3. Legal and regulatory risks

3.a. Risks related to the evolution of the regulatory framework

Description	What we do
<p>In the various jurisdictions where it operates, the Group is subject to laws and regulations and, therefore, exposed to the risk of non-compliance, which - in the case of a major breach - could have a material impact on the business and performance of the Group. In addition, new legislation imposing more stringent standards may entail increased compliance or may limit the Group's operations, with negative consequences for its financial performance.</p> <p>This can concern, in particular, the following:</p> <ul style="list-style-type: none">- risks associated to non-compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or with other laws or regulations in force in Hong Kong S.A.R. that Prada S.p.A. 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 81/2008 and equivalent regulations in force in other countries;- possible legal penalties for wrongful acts pursuant to Italian Law 231/2001, as subsequently amended;- events that could adversely affect the accuracy of the annual financial statements and the protection of assets;- manufacturing compliance risks with respect to Italian and international laws and regulations regarding finished goods distributed and raw materials and consumables used.	<p>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 mitigating the risk of non-compliance. Monitoring activities are performed by division managers, auditors, special entities and committees such as the Supervisory Body and the Audit and Risk Committee.</p> <p>Prada S.p.A. holds the status of Authorized Economic Operator ("AEO full"). This recognition, issued by the Customs Agency, is granted to companies that prove to be competent and virtuous in the management of their business processes, in compliance with both customs regulations and safety standards for goods.</p>

3.b. Tax risk

Description

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.

What we do

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, incorporated into the tax control framework.

The effectiveness of the tax risk management system has made Prada S.p.A. 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.

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

The Prada Group uses the following non-IFRS measures in this Interim Financial Report:

Net revenues at constant exchange rates: current year net revenues calculated considering the prior year exchange rates.

Net sales at constant exchange rates: current year net sales calculated considering the prior year exchange rates.

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

Other non-recurring income / (expenses): transactions qualified by the Directors as non-recurring when their nature, materiality or frequency requires separate disclosure in order to give readers additional information of the Group's operating results. Other non-recurring transactions could include, for example, impairment losses or reversal of impairment losses of fixed assets, restructuring costs, litigation costs, and gains and losses on disposals of fixed assets only when they are related to unusual material transactions considered outside the normal course of business.

Recurring operating income - EBIT Adjusted: the difference between the "Operating income - EBIT" and the "Other non-recurring income / (expenses)".

Net financial position 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 position surplus / (deficit), including lease liability: Net financial position including lease liability.

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Net financial position surplus / (deficit)	265,383	196,908
Short-term lease liability	(415,768)	(411,289)
Long-term lease liability	(1,737,678)	(1,699,599)
Total lease liability	(2,153,446)	(2,110,888)
Net financial position surplus / (deficit), including lease liability	(1,888,063)	(1,913,980)

Net operating working capital: the sum of trade receivables (net), inventories (net) and trade payables.

Net invested capital (right of use assets included): the sum of the total consolidated shareholders' equity, the lease liability and net financial surplus / (deficit).

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 2024 (unaudited)	June 30 2023 (unaudited)
Cash flow from operating activities	871,126	720,344
Net cash, interest received (paid)	(5,480)	5,424
Lease liability: interest paid	(33,792)	(27,342)
Tax paid	(32,577)	(304,922)
Net cash flow from operating activities	799,277	393,504
Repayment of lease liability	(218,793)	(211,751)
Net operating cash flow	580,484	181,753
Net cash flow utilized by investing activities	(184,425)	(148,975)
Free cash flow	396,059	32,778

Treasury shares

As of June 30, 2024 the Group did not own any treasury shares, as reported in the "Corporate Governance" section.

Events after the reporting date

No significant events to be reported.

Outlook

The management is pleased with the Group's performance for the first half of the year, which was delivered on the backdrop of increasingly complex industry and geopolitical dynamics. For the months ahead, priority will remain to nurture the brands' desirability to continue to drive client engagement, and to progress in the journey towards retail excellence. While the current environment requires to be vigilant, the management has confidence in the Group's strategy and remains committed to the ambition to deliver solid, sustainable and above-market growth.

Milan, July 30, 2024

CHAPTER 3

Corporate Governance



Corporate governance practices

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

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

Compliance with the Code

The Board of Directors of the Company (the "Board") has reviewed the Company's corporate governance practices and it is satisfied that such practices have complied with the code provisions set out in the Code throughout the six months from January 1, 2024, to June 30, 2024 (the "Reviewed Period"), save for Code Provision F.2.2, as Mr. Patrizio Bertelli (Chairman of the Board) was not able to attend the annual general meeting of the Company held on April 24, 2024 (the "AGM") due to other business commitments. In his absence, Mr. Paolo Zannoni (Executive Deputy Chairman of the Board) assumed the Chairman's role and duties at the AGM, ensuring the meeting proceeded smoothly with effective communication with the Shareholders.

The Company will continue to review and evaluate such practices from time to time to ensure that it complies with the Code and aligns with the latest developments.

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 current members of the Board were appointed at the AGM for a term of three financial years, ending on the date of the shareholders' meeting to be called to approve the financial statements for the year ending December 31, 2026.

The Board is currently made up of eleven directors, of which six are Executive Directors and five are Independent Non-Executive Directors, namely:

- Mr. Patrizio BERTELLI (Chairman of the Board and Executive Director)
- Mr. Paolo ZANNONI (Executive Deputy Chairman of the Board and Executive Director)
- Mr. Andrea GUERRA (Chief Executive Officer and Executive Director)
- Ms. Miuccia PRADA BIANCHI (Executive Director)
- Mr. Lorenzo BERTELLI (Executive Director)
- Mr. Andrea BONINI (Chief Financial Officer and Executive Director)
- Mr. Yoël ZAOUÏ (Lead Independent Director and Independent Non-Executive Director)
- Ms. Marina Sylvia CAPROTTI (Independent Non-Executive Director)
- Ms. Cristiana RUELLA (Independent Non-Executive Director)
- Ms. Pamela Yvonne CULPEPPER (Independent Non-Executive Director)
- Ms. Anna Maria RUGARLI (Independent Non-Executive Director).

During the Reviewed Period, the Board held three meetings on January 25, March 7, and April 24, 2024.

The Board has established the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, and the Sustainability Committee. In compliance with the Code, the Board has recommended an Independent Non-Executive Director to serve as the Chairperson for each Committee. The Chairperson is to be determined by the members of such Committee. The Terms of Reference and composition of the Audit and Risk Committee, the

Remuneration Committee and the Nomination Committee are published on the websites of both the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Terms of Reference of the Board Committees are no less exacting than those set out in the Code.

Audit and Risk Committee

The Company has established an Audit and Risk Committee in compliance with Rule 3.21 of the Listing Rules, where at least one member possesses related financial management expertise to perform the duties of the Audit and Risk Committee. The Board appointed on April 24, 2024, the current members of the Audit and Risk Committee, being three Independent Non-Executive Directors, namely Mr. Yoël Zaoui (Chairman), Ms. Anna Maria Rugarli and Ms. Cristiana Ruella, for a term of three financial years, ending on the date of the shareholders' meeting to be called to approve the financial statements for the year ending December 31, 2026.

The primary duties of the Audit and Risk Committee are to assist the Board in providing an independent view on the independence, adequacy, effectiveness and efficiency of the internal audit function, the Company's financial reporting process and its internal control and risk management system, to oversee the external audit processes, the internal audit process and financial controls activity, to implement the Company's risk management functions, to assess the Company's business model and strategies, to examine the work plan of internal audit, to review the relationship with the External Auditor by reference to the work performed by the External Auditor, as well as their independence, fees and terms of engagement, and to perform any other duties and responsibilities assigned to it by the Board.

During the Reviewed Period, the Audit and Risk Committee held three meetings on January 22, March 4, and April 22, 2024, with an attendance rate of 77.78% to, among others, examine and recommend to the Board the approval of the 2024 budget of the Group and its updates, to evaluate the methodology applied to the impairment test, to discuss the status of the major pending litigations of the Group and the internal audit and risk management activities, and to review, for the 2023 Year, the annual results and the Sustainability Report, the continuing connected transactions, the recapitalization of certain subsidiaries, and the unaudited financial results for the first quarter ended March 31, 2024.

The Audit and Risk Committee held two further meetings on July 15 and July 29, 2024 to, among others, appoint the Chairperson of the Audit and Risk Committee, review the interim results for the Reviewed Period, provide updates on the selection process for the External Auditor, and on ongoing litigations, review the recapitalization of certain subsidiaries and related-parties transactions, present the 2024 Audit Plan, the reports of the Supervisory Board and Audit and Risk Committee for the Reviewed period, and the Internal Audit annual report.

Remuneration Committee

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 submitted to the Board for consideration and adoption, where appropriate. The Board appointed on April 24, 2024, the current members of the Remuneration Committee being two Independent Non-Executive Directors, Ms. Anna Maria Rugarli (Chairwoman) and Mr. Yoël Zaoui, and the Executive Director and Executive Deputy Chairman, Mr. Paolo Zannoni, for a term of three financial years, ending on the date of the shareholders' meeting to be called to approve the financial statements for the year ending December 31, 2026.

During the Reviewed Period, the Remuneration Committee held two meetings on March 5 and April 24, 2024, with an attendance rate of 100%, to review and recommend, among others, the aggregate basic remuneration of the Board, to appoint its Chairperson, to determine the additional remuneration of the directors vested with special authorities and to review the remuneration of the new members of the Board and of the new Statutory Auditors.

The Remuneration Committee held a further meeting on July 9, 2024, to review and discuss fringe benefits and provide an update on the existing long-term incentive ("LTI") plans.

Nomination Committee

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.

The Board appointed on April 24, 2024, the current members of the Nomination Committee being two Independent Non-Executive Directors, Ms. Cristiana Ruella (Chairwoman) and Ms. Pamela Yvonne Culpepper, and one Executive Director, Mr. Lorenzo Bertelli for a term of three financial years, ending on the date of the shareholders' meeting to be called to approve the financial statements for the year ending December 31, 2026.

During the Reviewed Period, the Nomination Committee held two meetings on February 20, and March 5, 2024, with an attendance rate of 66.67%, to verify the independence of the Independent Non-Executive Directors for the 2023 Year, to recommend the structure of the Board and the election and appointment of eleven directors in total at the AGM, and to recommend the proposed candidates for both the Board and the Board of Statutory Auditors, whose appointment is subject to the approval at the AGM.

Sustainability Committee

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 and strategy. 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.

The Board appointed on April 24, 2024, the current members of the Sustainability Committee being two Independent Non-Executive Directors, Ms. Pamela Yvonne Culpepper (Chairwoman) and Ms. Anna Maria Rugarli, and one Executive Director, Mr. Lorenzo Bertelli for a term of three financial years, ending on the date of the shareholders' meeting to be called to approve the financial statements for the year ending December 31, 2026.

During the Reviewed Period, the Sustainability Committee held two meetings on January 31 and February 29, 2024, with an attendance rate of 100%, to provide updates on progresses and achievements in ESG, and to approve the Sustainability Report for the 2023 Year and the industrial roadmap for supporting sustainability in the Group's operations for the year ending December 31, 2024, to discuss the establishment of the Diversity, Equity & Inclusion ("DE&I") executive committee of Prada USA Corp. and the new DE&I Group governance.

The Sustainability Committee held a further meeting on July 11, 2024 to, among others, appoint the Chairperson of the Sustainability Committee, and provide updates on the latest initiatives and achievements in the Corporate and Industrial Sustainability strategy and activities.

Board of Statutory Auditors

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

The following persons were elected as statutory auditors or alternate statutory auditors (as the case maybe) at the AGM for a term of three financial years, ending on the date of the shareholders' meeting to be called to approve the financial statements for the year ending December 31, 2026:

- Mr. Roberto SPADA – Chairman of the Board of Statutory Auditors
- Ms. Maria Luisa MOSCONI – Statutory Auditor

- Ms. Patrizia ARIENTI – Statutory Auditor
- Ms. Stefania BETTONI – Alternate Statutory Auditor
- Mr. Cristiano PROSERPIO – Alternate Statutory Auditor

During the Reviewed Period, the Board of Statutory Auditors held four meetings.

“Organismo di Vigilanza” (Supervisory Body)

In compliance with Italian Legislative Decree 231 of June 8, 2001 (the “Decree”), the Company established an “Organismo di Vigilanza” (Supervisory Body) whose primary duty is to ensure the functioning, effectiveness and enforcement of the Company’s Organization, Management and Control Model, adopted by the Company pursuant to the same Decree. The “Organismo di Vigilanza” has three members appointed by the Board and selected among qualified and experienced individuals. The Board appointed on April 24, 2024, the current members of the “Organismo di Vigilanza” being Ms. Stefania Chiaruttini (Chairwoman), Mr. Armando Simbari, and Mr. Roberto Spada, Chairman of the Board of Statutory Auditors for a term of three financial years, ending on the date of the shareholders’ meeting to be called to approve the financial statements for the year ending December 31, 2026.

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 7, 2024, the Board recommended for the 2023 Year the payment of a final dividend of Euro 0.137 per share, representing a total dividend of Euro 350,558,888. The shareholders approved the distribution and payment of the final dividend at the AGM. The dividend was paid on May 17, 2024, while the relevant withholding tax has been paid in July 2024.

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 2023 Annual Report, other than the changes disclosed in other paragraphs of this Interim Report, are set out below:

Name of Director	Change
Patrizio Bertelli	As resolved by the Remuneration Committee on July 9, 2024, Mr. Patrizio Bertelli's remuneration includes the new potential fringe benefit of the private use of the Company's aircraft. The taxable value of such fringe benefit is calculated based on the average market price of the private use of the aircraft.
Miuccia Prada Bianchi	As resolved by the Remuneration Committee on July 9, 2024, Ms. Miuccia Prada Bianchi's remuneration includes the new potential fringe benefit of the private use of the Company's aircraft. The taxable value of such fringe benefit is calculated based on the average market price of the private use of the aircraft.
Andrea Bonini	Effective May 2024, the gross annual remuneration under Mr. Andrea Bonini's employment agreement with the Company has been increased to Euro 900,000 gross per year.
Lorenzo Bertelli	Effective January 2024, the gross annual remuneration under Mr. Lorenzo Bertelli's employment agreement with the Company has been increased to Euro 300,000 gross per year.
Yoël Zaoui	Mr. Yoël Zaoui was appointed as Chairman of the Audit and Risk Committee on July 15, 2024.
Anna Maria Rugarli	As a result of Ms. Anna Maria Rugarli being appointed as Chairwoman of the Remuneration Committee and a member of the Audit and Risk Committee on April 24, 2024, her aggregate annual remuneration was increased by Euro 60,000.
Marina Sylvia Caprotti	As a result of Ms. Marina Sylvia Caprotti ceasing to act as Chairwoman of the Remuneration Committee and a member of the Audit and Risk Committee effective from April 24, 2024, her aggregate annual remuneration was decreased by Euro 60,000 as calculated on a pro-rata basis.
Pamela Yvonne Culpepper	Ms. Pamela Yvonne Culpepper was appointed as Chairwoman of the Sustainability Committee on July 11, 2024. As a result of Ms. Culpepper being appointed as a member of the Nomination Committee on April 24, 2024, her aggregate annual remuneration was increased by Euro 15,000.
Cristiana Ruella	Ms. Cristiana Ruella was appointed as Chairwoman of the Nomination Committee on July 24, 2024.

Save as disclosed above, the remuneration packages of the Directors as disclosed and updated previously by the Company pursuant to the Listing Rules will continue to apply in the three-year term mandate.

Directors' securities transactions

The Company has adopted a set of written procedures governing Directors' securities transactions on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "Model Code"). In response to specific enquiries by the Company, all Directors confirmed that they complied with the required standard set out in the Model Code and the Company's procedure at all applicable times during the Reviewed Period. There were no incidents of non-compliance during the Reviewed Period.

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

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

During the Reviewed Period, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company’s listed securities. The Company did not hold any treasury shares during the Reviewed Period.

Directors’ interests and short positions in securities

As at June 30, 2024, the Directors and their associates had 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:

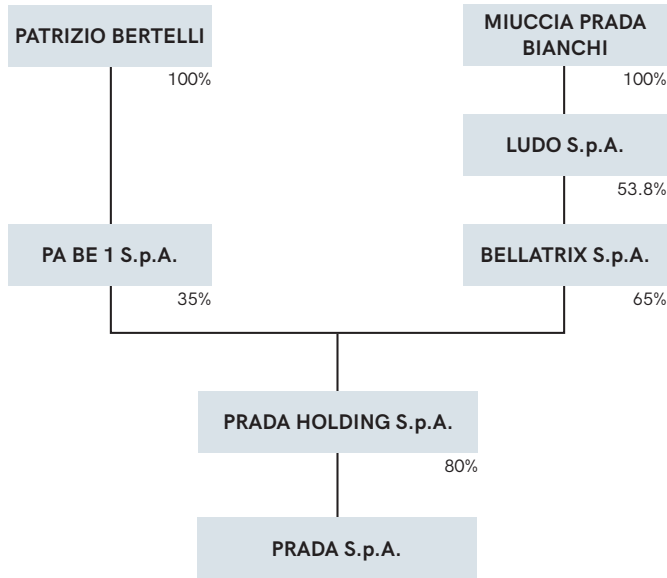
(a) Long positions in shares and underlying shares of the Company

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, therefore, is 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.p.A., 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.p.A..

The deemed interests of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli in the shares of the Company as at June 30, 2024 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 interest	Approximate percentage of interest
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 shares	5,066,000	Beneficial Owner	100%
	Ludo S.p.A.	Class B shares	4,965,100	Beneficial Owner	100%
	Ludo S.p.A.	Class C shares	10	Ownership	100%
	PH-RE Llc	Capital Contribution (JPY)	1,000,000	Controlled Corporation	100%
	Prada Re S.r.l.	Participation Quota (Euro)	1*	As above	100%
	FINANZIARIA E DI PARTECIPAZIONI S.A.S. DI PRADA RE S.r.l.	Limited Partnership	0	As above	80%
	Immobiliare Rivalsa S.p.A.	Ordinary shares	104,000	As above	100%
	Prada RE Holding USA, Llc	Membership interest	0	As above	100%
	720 Fifth USA, Llc	Membership interest	0	As above	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%
	Prada Re S.r.l.	Participation Quota (Euro)	1*	As above	100%
	FINANZIARIA E DI PARTECIPAZIONI S.A.S. DI PRADA RE S.r.l.	Limited Partnership	0	As above	80%
	Immobiliare Rivalsa S.p.A.	Ordinary shares	104,000	As above	100%
	Prada RE Holding USA, Llc	Membership interest	0	As above	100%
	720 Fifth USA, Llc	Membership interest	0	As above	100%

*Please refer to the relevant forms filed on July, 25 2024.

Save as disclosed above, as at June 30, 2024, none of the Directors of the Company or their associates held any interest or short position in the shares, underlying shares and/or 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, 2024, 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 were recorded in the register required to be kept by 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%
Bellatrix S.p.A.	Interest of controlled corporation	2,046,470,760	80%
Ludo S.p.A.	Interest of controlled corporation	2,046,470,760	80%
PA BE 1 S.p.A.	Interest of controlled corporation	2,046,470,760	80%

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.p.A. owns 35% of Prada Holding S.p.A., Bellatrix S.p.A., Ludo S.p.A. and PA BE 1 S.p.A. are all deemed to be interested in the 2,046,470,760 shares of the Company held by Prada Holding S.p.A..

CHAPTER 4

Interim Condensed Consolidated Financial Statements



Consolidated Statement of financial position

(amounts in thousands of Euro)	Note	June 30 2024 (unaudited)	December 31 2023 (audited)
Assets			
Current Assets			
Cash and cash equivalents	6	661,260	689,519
Trade receivables, net	7	378,719	405,151
Inventories, net	8	864,403	782,978
Derivative financial instruments - current	9	17,202	17,550
Receivables due from, and advance payments to, related parties - current	10	125	138
Other current assets	11	253,654	267,412
Total current assets		2,175,363	2,162,748
Non-current Assets			
Property, plant and equipment	12	2,076,944	2,032,876
Intangible assets	13	853,038	846,024
Right of use assets	14	2,071,808	2,024,552
Investments in equity instruments, associates and joint ventures	15	36,154	41,610
Deferred tax assets	33	392,009	374,847
Other non-current assets	16	133,684	131,504
Derivative financial instruments - non-current	9	1,105	890
Receivables due from, and advance payments to, related parties - non-current	10	369	-
Total non-current assets		5,565,111	5,452,303
Total assets		7,740,474	7,615,051
Liabilities and equity			
Current liabilities			
Lease liabilities - current	17	415,768	411,289
Short-term financial payables and bank overdrafts	18	182,127	148,338
Payables due to related parties - current	19	6,043	5,858
Trade payables	20	463,253	453,387
Tax payables	21	252,459	121,823
Derivative financial instruments - current	9	7,879	7,543
Other current liabilities	22	273,086	302,143
Total current liabilities		1,600,615	1,450,381
Non-current Liabilities			
Lease liabilities - non-current	17	1,737,678	1,699,599
Long-term financial payables	23	208,076	338,422
Long-term employee benefits	24	66,903	60,875
Provisions for risks and charges	25	55,397	49,867
Deferred tax liabilities	33	36,483	35,731
Other non-current liabilities	26	98,095	103,367
Total non-current liabilities		2,202,632	2,287,861
Total liabilities		3,803,247	3,738,242
Equity			
Share capital		255,882	255,882
Total other reserves		3,162,419	2,833,889
Translation reserve		118,067	92,998
Net income for the period		383,499	671,026
Equity attributable to the owners of the Group	27	3,919,867	3,853,795
Equity attributable to Non-controlling interests	28	17,360	23,014
Total equity		3,937,227	3,876,809
Total liabilities and total equity		7,740,474	7,615,051

Consolidated Statement of profit or loss for the six-month period ended June 30, 2024

(amounts in thousands of Euro)	Notes	six months ended June 30 2024 (unaudited)	% on net revenues	six months ended June 30 2023 (unaudited)	% on net revenues
Net revenues	29	2,548,634	100%	2,232,379	100.0%
Cost of goods sold	30	(514,673)	-20.2%	(438,984)	-19.7%
Gross margin		2,033,961	79.8%	1,793,395	80.3%
Operating expenses	31	(1,458,842)	-57.2%	(1,301,976)	-58.3%
Operating income - EBIT		575,119	22.6%	491,419	22.0%
Interest and other financial income / (expenses), net		(4,410)	-0.2%	(19,292)	-0.9%
Interest expenses on lease liability		(33,791)	-1.3%	(27,342)	-1.2%
Dividends from investments		111	0.0%	226	0.0%
Total financial income / (expenses)	32	(38,090)	-1.5%	(46,408)	-2.1%
Income before taxation		537,029	21.1%	445,011	19.9%
Taxation	33	(151,316)	-5.9%	(138,381)	-6.2%
Net income for the period		385,713	15.1%	306,630	13.7%
Net income - Non-controlling interests	28	2,214	0.1%	1,462	0.1%
Net income - Group	27	383,499	15.0%	305,168	13.7%
Basic and diluted earnings / (losses) per share (in Euro per share)	34	0.150		0.119	

Consolidated Statement of comprehensive income for the six-month period ended June 30, 2024

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Net income for the period	385,713	306,630
A) Items that may be reclassified subsequently to P&L:	24,559	(8,398)
Foreign exchange differences on translation of foreign operations	25,259	(15,849)
Tax impact	-	-
Change in translation reserve less tax impact	25,259	(15,849)
Gains / (losses) on cash flow hedging instruments	(912)	9,820
Tax impact	212	(2,369)
Change in Cash Flow Hedge reserve less tax impact	(700)	7,451
B) Items that will not be reclassified subsequently to P&L:	(2,221)	1,299
Change in Fair Value in equity instruments reserve	(2,221)	1,299
Tax impact	-	-
Change in Fair Value in equity instruments reserve less tax impact	(2,221)	1,299
Comprehensive income for the period - Consolidated	408,051	299,531
Comprehensive income for the period - Non-controlling interests	2,404	1,270
Comprehensive income for the period - Group	405,647	298,261

Consolidated Statement of cash flows for the six-month period ended June 30, 2024

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Income before taxation	537,029	445,011
<u>Profit or loss adjustments</u>		
Depreciation of the right of use assets	220,359	221,203
Depreciation and amortization of property, plant and equipment and intangible assets	131,070	108,869
Impairment of the right of use assets	-	3,917
Impairment of property, plant and equipment and intangible assets	5,776	2,510
Non-monetary financial (income) expenses	12,609	35,662
Interest expenses on lease liability	33,791	27,342
Other non-monetary (income) expenses	11,737	17,298
<u>Balance sheet changes</u>		
Other non-current assets and liabilities	(5,131)	(26,038)
Trade receivables, net	19,890	(2,179)
Inventories, net	(100,076)	(56,615)
Trade payables	25,976	(7,591)
Other current assets and liabilities	(21,904)	(49,045)
Cash flows from operating activities	871,126	720,344
Interest paid (net), including interest paid on lease liability	(39,272)	(21,918)
Taxes paid	(32,577)	(304,922)
Net cash flows from operating activities	799,277	393,504
Purchases of property, plant and equipment and intangible assets	(182,916)	(149,204)
Disposals of equity instruments	2,969	-
Acquisition of additional shares from Non-controlling interests	(4,589)	-
Dividends from investments	111	229
Net cash flows utilised by investing activities	(184,425)	(148,975)
Dividends paid to shareholders of Prada S.p.A.	(331,060)	(266,818)
Dividends paid to Non-controlling shareholders	(250)	(250)
Repayment of lease liabilities	(218,793)	(211,751)
Loans from related parties	-	1,500
Repayment of current portion of long-term borrowings - third parties	(47,617)	(47,335)
Change in short-term borrowings - third parties	(50,816)	(24,032)
Capital injection in associates	-	(4,509)
Net cash flows utilised by financing activities	(648,536)	(553,195)
Change in cash and cash equivalents, net of bank overdrafts	(33,684)	(308,666)
Foreign exchange differences	5,441	(16,620)
Opening cash and cash equivalents, net of bank overdraft	689,503	1,091,557
Closing cash and cash equivalents, net of bank overdraft	661,260	766,271

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 income for the period	EQUITY		
											Equity attributable to owners of the Group	Equity attributable to Non-controlling interests	Total equity
Balance as of December 31, 2022	2,558,824,000	255,882	112,646	410,047	10,060	(7,107)	(10,405)	2,245,901	2,648,496	465,193	3,482,217	18,805	3,501,022
Allocation of 2022 net income	-	-	-	-	-	-	-	465,193	465,193	(465,193)	-	-	-
Dividends	-	-	-	-	-	-	-	(281,471)	(281,471)	-	(281,471)	(250)	(281,721)
Monetary revaluation IAS 29	-	-	-	-	-	-	-	2,409	2,409	-	2,409	-	2,409
Comprehensive income / (loss) for the period (recyclable to P&L)	-	-	(15,657)	-	7,451	-	-	-	7,451	305,168	296,962	1,270	298,232
Comprehensive income / (loss) for the period (not recyclable to P&L)	-	-	-	-	-	-	1,299	-	1,299	-	1,299	-	1,299
Balance as of June 30, 2023	2,558,824,000	255,882	96,989	410,047	17,511	(7,107)	(9,106)	2,432,032	2,843,377	305,168	3,501,416	19,825	3,521,241
Share capital increase	-	-	-	-	-	-	-	-	-	-	-	2,571	2,571
Monetary revaluation IAS 29	-	-	-	-	-	-	-	4,434	4,434	-	4,434	-	4,434
Comprehensive income / (loss) for the period (recyclable to P&L)	-	-	(3,991)	-	(11,215)	-	-	-	(11,215)	365,858	350,652	629	351,281
Comprehensive income / (loss) for the period (not recyclable to P&L)	-	-	-	-	-	(3,040)	333	-	(2,707)	-	(2,707)	(11)	(2,718)
Balance as of December 31, 2023	2,558,824,000	255,882	92,998	410,047	6,296	(10,147)	(8,773)	2,436,466	2,833,889	671,026	3,853,795	23,014	3,876,809
Allocation of 2023 net income	-	-	-	-	-	-	-	671,026	671,026	(671,026)	-	-	-
Dividends	-	-	-	-	-	-	-	(350,559)	(350,559)	-	(350,559)	(250)	(350,809)
Acquisition of additional shares from Non-controlling interests	-	-	-	-	-	-	-	5,101	5,101	-	5,101	(9,576)	(4,475)
Monetary revaluation IAS 29	-	-	-	-	-	-	-	7,651	7,651	-	7,651	-	7,651
Other movements	-	-	-	-	-	-	-	(1,768)	(1,768)	-	(1,768)	1,768	-
Comprehensive income / (loss) for the period (recyclable to P&L)	-	-	25,069	-	(700)	-	-	-	(700)	383,499	407,868	2,404	410,272
Comprehensive income / (loss) for the period (not recyclable to P&L)	-	-	-	-	-	-	8,773	(10,994)	(2,221)	-	(2,221)	-	(2,221)
Balance as of June 30, 2024	2,558,824,000	255,882	118,067	410,047	5,596	(10,147)	-	2,756,923	3,162,419	383,499	3,919,867	17,360	3,937,227

Interim Condensed Consolidated Financial Statements

CHAPTER 5

Notes to the Interim Condensed Consolidated Financial Statements

MIAMI

1. General information

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

The Group owns 26 production facilities (23 in Italy, 1 in the United Kingdom, 1 in France and 1 in Romania) and its products are sold in 70 countries worldwide mainly through its directly operated stores, which numbered 593 as of June 30, 2024. The Prada Group's products are also sold directly through the brands' e-commerce activity and indirectly in selected high-end department stores, by independent retailers in very exclusive locations and by important e-tailers.

The Company is a joint-stock company with limited liability, registered and domiciled in Italy. Its registered office is at via Fogazzaro 28, Milan. As of June 30, 2024 (the reporting date of these unaudited Interim Condensed Consolidated Financial Statements), 79.98% of the share capital was owned by Prada Holding S.p.A., a company domiciled in Italy, and the remainder consisted of floating shares listed on the Main Board of the Hong Kong Stock Exchange.

The unaudited Interim Condensed Consolidated Financial Statements were approved and authorized for issue by the Board of Directors of Prada S.p.A. on July 30, 2024.

2. Basis of preparation

The unaudited Interim Condensed Consolidated Financial Statements of the Prada Group as of June 30, 2024, which consist of the "Consolidated Statement of financial position", the "Consolidated Statement of profit or loss for the six-month period ended June 30, 2024", the "Consolidated Statement of comprehensive income for the six-month period ended June 30, 2024", the "Consolidated Statement of cash flows for the six-month period ended June 30, 2024", 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, 2023, which were prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU").

At the date of presentation of these unaudited Interim Condensed Consolidated Financial Statements, there were no differences between the IFRSs endorsed by the European Union and applicable to the Prada Group and those issued by the IASB, excluding the amendments not yet endorsed as explained in Note 3.

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 the current and non-current assets and liabilities. All 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 function of expenses. 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 S.p.A..

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, 2024.

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

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

Amendments to existing standards issued by the IASB, but not yet endorsed by the European Union as of June 30, 2024.

Amendments to existing standards	Date of possible application	EU endorsement status
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	January 1, 2025	Not endorsed yet
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)	January 1, 2026	Not endorsed yet

At the date of the Interim Condensed Consolidated Financial Statements, the Directors had not yet completed the analysis necessary to assess the impacts of the new standards and the interpretations not yet applicable to the Prada Group, in terms of both those already endorsed and not yet endorsed by the European Union.

4. Mergers and acquisitions

Nothing significant to mention.

5. Operating segments

In accordance with IFRS 8, which defines an operating segment 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”, the management identified each owned brand as the operating segments.

For financial statements presentation all operating segments identified have been aggregated into a single reportable segment which corresponds to the entire Prada Group and is consistent with the core principles of IFRS 8 as the two main brands, Prada and Miu Miu, have similar economic characteristics:

- long-term financial performance (in particular, average gross margin)
- currency, competitive, operating and financial risks.

Moreover, Prada and Miu Miu present products of similar nature, similar production processes and customers and the same distribution channels.

Net sales

Detailed information on the net sales by distribution channel, brand and geographic area are provided below and in the Financial Review, together with the related comments.

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)		six months ended June 30 2023 (unaudited)		% change current exc. rates	% change constant exc. rates (*)
Net revenues						
Retail net sales (Directly Operated Stores and e-commerce)	2,262,591	88.8%	1,974,710	88.5%	14.6%	18.2%
Wholesale net sales (independent customers and franchisees)	225,213	8.8%	210,186	9.4%	7.1%	7.8%
Royalties	60,830	2.4%	47,483	2.1%	28.1%	28.1%
Total net revenues	2,548,634	100%	2,232,379	100%	14.2%	17.4%
Retail net sales by brand						
Prada	1,707,710	75.5%	1,667,909	84.5%	2.4%	5.5%
Miu Miu	530,129	23.4%	285,160	14.4%	85.9%	92.7%
Church's	14,656	0.6%	12,665	0.6%	15.7%	15.4%
Other	10,096	0.4%	8,976	0.5%	12.5%	12.2%
Total retail net sales	2,262,591	100%	1,974,710	100%	14.6%	18.2%
Retail net sales by geographic area						
Asia Pacific	774,435	34.2%	715,724	36.2%	8.2%	12.0%
Europe	682,192	30.2%	582,112	29.5%	17.2%	18.3%
Americas	386,961	17.1%	361,073	18.3%	7.2%	7.0%
Japan	308,612	13.6%	223,587	11.3%	38.0%	55.0%
Middle East	110,391	4.9%	92,214	4.7%	19.7%	19.8%
Total retail net sales	2,262,591	100%	1,974,710	100%	14.6%	18.2%

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

Geographic information

The following table reports the carrying amount of the Group's non-current assets by geographic 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 2024 (unaudited)	December 31 2023 (audited)
Europe	3,134,242	3,135,326
Americas	924,180	900,086
Asia Pacific	732,495	623,716
Japan	239,942	276,239
Middle East and Africa	137,466	137,437
Total	5,168,325	5,072,804

The total amount of Euro 5,168 million (Euro 5,073 million at December 31, 2023) refers to the Group's non-current assets excluding, as per IFRS 8, those relating to derivatives, deferred tax assets and the pension fund surplus.

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6. Cash and cash equivalents

The cash and cash equivalents are detailed as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Cash on hand and other cash equivalents	54,708	67,030
Bank deposit accounts	358,759	377,376
Bank current accounts	247,793	245,113
Total	661,260	689,519

As of June 30, 2024 the bank accounts and deposits accruing interest income had yields in the range of 0% and 5.37% annually (0% and 5.95% at December 31, 2023). These ranges do not include the bank accounts and deposits in Turkish lira, which have had very high yields due to high inflation and were not relevant. For the bank deposits, interest income had average yield of 3.72%.

The bank deposits are broken down by currency below:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
<u>Currency</u>		
Euro	196,220	171,804
US Dollar	59,032	86,191
Hong Kong Dollar	52,037	55,624
Other Currencies	51,470	63,757
Total bank deposit accounts	358,759	377,376

The Group aims to reduce the financial counterparty risk on bank deposits by allocating the available funds to multiple accounts that differ by currency, country and bank (always investment grade); such investments are always short-term.

The bank current accounts are broken down by currency as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
<u>Currency</u>		
US Dollar	47,132	70,098
Euro	41,449	54,569
GB Pound	12,364	12,644
Korean Won	27,227	6,442
Hong Kong Dollar	11,297	6,406
Other currencies	108,324	94,954
Total bank current accounts	247,793	245,113

For its operational activities and business processes the Group makes use of financial counterparties of primary standing and appropriate level of diversification; as a result the counterparty risk on bank accounts can be considered not significant.

7. Trade receivables, net

The trade receivables, net are detailed below:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Trade receivables - third parties	390,288	414,621
Allowance for bad and doubtful debts	(13,419)	(11,341)
Trade receivables - related parties	1,850	1,871
Total	378,719	405,151

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

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Opening balance (audited)	11,341	11,595
Exchange differences	35	(244)
Increases	2,782	2,979
Reversals	(559)	(173)
Utilization	(180)	(2,816)
Closing balance (unaudited)	13,419	11,341

The table below provides an aging analysis of the trade receivables before accounting for the allowance for bad and doubtful debts:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables	392,138	324,281	33,296	7,702	3,538	5,908	17,413
Total June 30, 2024 (unaudited)	392,138	324,281	33,296	7,702	3,538	5,908	17,413

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

The following table provides an aging analysis of the trade receivables after accounting the allowance for bad and doubtful debts:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables less allowance for bad and doubtful accounts	378,719	322,750	33,219	7,697	3,514	5,798	5,741
Total June 30, 2024 (unaudited)	378,719	322,750	33,219	7,697	3,514	5,798	5,741

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

8. Inventories, net

The inventories, net can be broken down as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Raw materials	126,188	115,531
Work in progress	52,609	38,580
Finished products	803,648	726,295
Return assets	9,556	12,942
Allowance for obsolete and slow-moving inventories	(127,598)	(110,370)
Total	864,403	782,978

The stock increase was largely attributable to the need to support sales growth. In the first semester of 2024, the inventory allowance was increased, net of the utilisations and reversal, by Euro 17.2 million with allocations for slow-moving products and raw materials.

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

(amounts in thousands of Euro)	Raw materials	Finished products	Total allowance for obsolete and slow-moving inventories
Opening balance (audited)	41,663	68,707	110,370
Exchange differences	2	36	38
Increases	3,750	14,696	18,446
Utilisation	-	(1,225)	(1,225)
Reversals	-	(31)	(31)
Closing balance (unaudited)	45,415	82,183	127,598

The changes in the allowance for obsolete and slow-moving inventories in 2023 were as follows:

(amounts in thousands of Euro)	Raw materials	Finished products	Total allowance for obsolete and slow-moving inventories
Opening balance (audited)	32,222	56,222	88,444
Exchange differences	-	(185)	(185)
Increases	9,441	12,801	22,242
Utilisation	-	(97)	(97)
Reversal	-	(34)	(34)
Closing balance (audited)	41,663	68,707	110,370

9. Derivative financial instruments: assets and liabilities

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

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Financial assets regarding derivative instruments - current	17,202	17,550
Financial assets regarding derivative instruments - non-current	1,105	890
Total financial assets - derivative financial instruments	18,307	18,440
Financial liabilities regarding derivative instruments - current	(7,879)	(7,543)
Total financial liabilities - derivative financial instruments	(7,879)	(7,543)
Net carrying amount - current and non-current portion	10,428	10,897

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

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)	IFRS7 Category
Forward contracts	12,268	11,187	Level II
Options	955	2,423	Level II
Interest rate swaps	5,084	4,830	Level II
Positive fair value	18,307	18,440	
Forward contracts	(7,871)	(7,474)	Level II
Options	(8)	(69)	Level II
Negative fair value	(7,879)	(7,543)	
Net carrying amount - current and non-current	10,428	10,897	

All the above derivative instruments are classified 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 or "IRS") and of derivatives arranged to hedge foreign exchange 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 rate and interest rate fluctuations. In addition, the Group mitigated the interest rate risk balancing exposures of floating-rate debt with floating-rate liquidity investments.

Foreign exchange rate transactions

The cash flows of the Group are exposed to exchange rate volatility because it operates on an international scale. In order to hedge this risk, the Group enters into options and forward sale and purchase agreements, so as to protect the value of identified cash flows in Euro (or in other currencies used locally). The expected future cash flows mainly regard the collection of intercompany trade receivables, the settlement of intercompany trade payables and financial cash flows.

The notional amounts of the derivative contracts (translated at the June 30, 2024 exchange rates reported in Note 35) designated as foreign exchange risk hedges are as stated below.

Contracts in effect as of June 30, 2024 to hedge projected future trade cash flows:

(amounts in thousands of Euro)	Options	Forward sale contracts	Forward purchase contracts	June 30 2024 (unaudited)
<u>Currency</u>				
US Dollar	-	207,380	-	207,380
Chinese Renminbi	30,869	91,321	-	122,190
Korean Won	28,477	69,159	-	97,636
Japanese Yen	-	62,813	-	62,813
GB Pound	-	49,623	(1,772)	47,851
Hong Kong Dollar	479	29,188	-	29,667
Swiss Franc	-	20,345	-	20,345
Canadian Dollar	-	14,315	-	14,315
Taiwan Dollar	-	10,261	-	10,261
Malaysia Ringgit	-	6,138	-	6,138
Other currencies	-	52,813	-	52,813
Total	59,825	613,356	(1,772)	671,409

Contracts in effect as of June 30, 2024 to hedge projected future financial cash flows:

(amounts in thousands of Euro)	Forward sale contracts	Forward purchase contracts	June 30 2024 (unaudited)
<u>Currency</u>			
US Dollar	50,054	(20,738)	29,316
Swiss Franc	31,867	(8,467)	23,400
Korean Won	20,341	-	20,341
Taiwan Dollar	8,647	-	8,647
Malaysia Ringgit	3,960	(1,980)	1,980
Other currencies	7,630	-	7,630
Total	122,499	(31,185)	91,314

Contracts in effect at December 31, 2023 to hedge projected future trade cash flows:

(amounts in thousands of Euro)	Options	Forward sale contracts	December 31 2023 (audited)
Currency			
US Dollar	55,204	238,914	294,118
Chinese Renminbi	57,318	173,229	230,547
Korean Won	54,406	115,788	170,194
Japanese Yen	-	118,339	118,339
GB Pound	-	77,096	77,096
Hong Kong Dollar	8,457	29,312	37,769
Canadian Dollar	7,035	17,620	24,655
Taiwan Dollar	-	22,811	22,811
Swiss Franc	-	18,143	18,143
Malaysia Ringgit	-	11,620	11,620
Other currencies	4,798	80,766	85,564
Total	187,218	903,638	1,090,856

Contracts in effect at December 31, 2023 to hedge projected future financial cash flows:

(amounts in thousands of Euro)	Forward sale contracts	December 31 2023 (audited)
Currency		
US Dollar	43,514	43,514
GB Pound	35,671	35,671
Swiss Franc	33,153	33,153
Korean Won	20,925	20,925
Taiwan Dollar	8,876	8,876
Malaysia Ringgit	3,939	3,939
Other currencies	26,329	26,329
Total	172,407	172,407

All contracts in place as at June 30, 2024 will mature within 12 months, except for some forward contracts to hedge future trade and financial cash flows which mature after June 30, 2025 and whose notional net amount is Euro 22.5 million (referring entirely to forward sale contracts).

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 of June 30, 2024 and December 31, 2023 are summarized below:

Interest Rate Swap (IRS) Agreement						Hedged loan			
Contract	Currency	Notional amount	Interest rate	Maturity date	Fair value as of June 30, 2024 (unaudited)	Currency	Type of debt	Amount	Expiry
IRS	Euro/000	22,000	1.46%	May-2030	1,019	EUR	Term Loan	22,000	May-2030
IRS	Euro/000	100,000	1.33%	Apr-2025	1,674	EUR	Term Loan	100,000	Apr-2025
IRS	Euro/000	39,600	2.65%	Feb-2026	275	EUR	Term Loan	39,600	Feb-2026
IRS	GBP/000	38,400	2.78%	Jan-2029	2,116	GBP	Term Loan	38,400	Jan-2029
Total fair value (amounts in thousands of Euro)					5,084				

Interest Rate Swap (IRS) Agreement						Hedged loan			
Contract	Currency	Notional amount	Interest rate	Maturity date	Fair value as of Dec. 31, 2023 (audited)	Currency	Type of debt	Amount	Expiry
IRS	Euro/000	23,833	1.46%	May-2030	875	EUR	Term Loan	23,833	May-2030
IRS	Euro/000	100,000	1.33%	Apr-2025	2,332	EUR	Term Loan	100,000	Apr-2025
IRS	Euro/000	52,200	2.65%	Feb-2026	190	EUR	Term Loan	52,200	Feb-2026
IRS	GBP/000	39,300	2.78%	Jan-2029	1,433	GBP	Term Loan	39,300	Jan-2029
Total fair value (amounts in thousands of Euro)					4,830				

The IRS convert 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 due from, and advance payments to, related parties – current and non-current

The current receivables due from, and advance payments to, related parties are detailed as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Financial receivables	-	2
Other receivables and advances	125	136
Receivables due from, and advance payments to, related parties - current	125	138

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

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Financial receivables	369	-
Receivables due from, and advance payments to, related parties - non-current	369	-

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

11. Other current assets

The other current assets are set forth below:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
VAT	41,418	38,317
Taxation and other tax receivables	56,159	82,853
Other assets	12,480	15,063
Prepayments	137,629	124,244
Guarantee deposits	5,968	6,935
Total	253,654	267,412

Other assets

The other assets are detailed as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Advances to suppliers	6,797	6,493
Incentives for retail investments	469	455
Other receivables	5,214	8,115
Total	12,480	15,063

Prepayments

The prepayments are detailed below:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Rental costs	8,293	3,371
Insurance	4,314	2,180
Design costs	32,473	33,194
Fashion shows and advances on advertising campaigns	37,824	37,163
Other	54,725	48,336
Total	137,629	124,244

Prepayments primarily relate to costs incurred to design collections, launch advertising campaigns and host fashion shows, that will generate revenue after the reporting period.

Guarantee deposits

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

12. Property, plant and equipment

The historical cost and accumulated depreciation of the past two years 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	1,401,574	281,459	1,443,765	708,792	232,658	71,307	4,139,555
Accumulated depreciation	(214,678)	(206,819)	(1,113,221)	(406,587)	(165,374)	-	(2,106,679)
Net carrying amount at December 31, 2023 (audited)	1,186,896	74,640	330,544	302,205	67,284	71,307	2,032,876
Historical cost	1,426,128	289,044	1,297,825	698,515	230,482	97,023	4,039,017
Accumulated depreciation	(230,447)	(213,697)	(951,723)	(400,997)	(165,209)	-	(1,962,073)
Net carrying amount at June 30, 2024 (unaudited)	1,195,681	75,347	346,102	297,518	65,273	97,023	2,076,944

The changes in the net carrying amount for the period are 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)	1,186,896	74,640	330,544	302,205	67,284	71,307	2,032,876
Additions	1,339	5,996	46,852	15,405	3,352	64,065	137,009
Depreciation	(13,982)	(6,894)	(58,755)	(22,174)	(5,696)	-	(107,501)
Disposals	(36)	(39)	(119)	(62)	(6)	(450)	(712)
Exchange differences	17,532	41	(881)	1,468	(12)	(544)	17,604
Other movements	3,932	1,648	27,591	3,931	367	(37,307)	162
Impairment	-	(45)	(2,373)	(3,269)	(15)	(74)	(5,776)
Revaluation IAS 29	-	-	3,243	14	(1)	26	3,282
Closing balance (unaudited)	1,195,681	75,347	346,102	297,518	65,273	97,023	2,076,944

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

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

13. Intangible assets

The historical cost and accumulated amortisation / impairment of the past two years are set forth below:

(amounts in thousands of Euro)	Trademarks and intellectual property rights	Goodwill	Store lease acquisition	Software	Other intangibles	Assets in progress	Total
Historical cost	407,798	580,909	49,885	300,639	65,432	50,003	1,454,666
Accumulated amortisation / impairment	(231,012)	(65,402)	(49,873)	(197,154)	(65,201)	-	(608,642)
Net carrying amount at December 31, 2023 (audited)	176,786	515,507	12	103,485	231	50,003	846,024
Historical cost	409,898	582,343	49,870	338,390	65,429	43,595	1,489,525
Accumulated amortisation / impairment	(237,034)	(66,836)	(49,870)	(217,530)	(65,217)	-	(636,487)
Net carrying amount at June 30, 2024 (unaudited)	172,864	515,507	-	120,860	212	43,595	853,038

The changes in the net carrying amount for the period are as follows:

(amounts in thousands of Euro)	Trademarks and intellectual property rights	Goodwill	Store lease acquisition	Software	Other intangibles	Assets in progress	Total net carrying amount
Opening balance (audited)	176,786	515,507	12	103,485	231	50,003	846,024
Additions	534	-	-	5,567	-	25,593	31,694
Amortization	(5,286)	-	1,553	(19,811)	(25)	-	(23,569)
Disposals	-	-	-	(68)	-	(97)	(165)
Exchange differences	830	-	2	7	(2)	(1)	836
Other movements	-	-	(1,567)	31,680	8	(31,903)	(1,782)
Closing balance (unaudited)	172,864	515,507	-	120,860	212	43,595	853,038

The net carrying amount of trademarks and intellectual property rights at the reporting date is broken down in the following table:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Miu Miu	107,769	110,565
Church's	41,675	42,190
Prada	5,565	5,419
Other trademarks and other intellectual property rights	17,855	18,612
Total	172,864	176,786

During the period no impairment was recognised for the Group's trademarks.

The capital expenditures for software refer to technological and digital evolution projects in the retail, manufacturing and corporate areas.

The total capital expenditure for property, plant and equipment and intangible assets in the six months ended June 30, 2024 was Euro 168.7 million, as broken down below:

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Retail	116,843	94,650
Real estate	2,369	-
Production, logistics and corporate	49,491	55,856
Total	168,703	150,506

Impairment test

As required by IAS 36 "Impairment of Assets", intangible assets with indefinite useful lives are not amortised, but they are tested for impairment at least once per year. The Group does not report intangible assets with indefinite useful lives apart from goodwill. As of June 30, 2024, the goodwill recognised in the consolidated financial statements is Euro 515.5 million, and it is allocated to the following cash generating units ("CGUs"):

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Prada	424,262	424,262
Miu Miu	91,245	91,245
Total	515,507	515,507

No indications of impairment emerged during the reporting period. 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 in the future.

14. Right of use assets

The changes in the net carrying amount of the right of use assets for the six-month period ended June 30, 2024 are shown below:

(amounts in thousands of Euro)	Real estate	Other	Total net carrying amount
Opening balance (audited)	2,020,536	4,016	2,024,552
New contracts, initial direct costs and remeasurements	263,754	1,676	265,430
Depreciation	(219,162)	(1,197)	(220,359)
Contracts termination	(250)	-	(250)
Exchange differences	(1,375)	(1)	(1,376)
Revaluation IAS 29	3,811	-	3,811
Closing balance (unaudited)	2,067,314	4,494	2,071,808

The right of use assets increased by Euro 47.3 million, mainly as a result of new leases and remeasurements of existing

leases totaling Euro 265.4 million, net of depreciation of Euro 220.4 million and foreign exchange differences negative impact of Euro 1.4 million.

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

Right of use assets "other", amounting to Euro 4.5 million, includes plant, machinery, vehicles and hardware.

15. Investments in equity instruments, associates and joint ventures

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Investments in equity instruments	-	5,184
Associates and joint ventures	36,154	36,426
Total	36,154	41,610

The decrease in "Investments in equity instruments" is due to the sale of the investments in Sityo Group Holdings Limited completed in May 2024.

16. Other non-current assets

The other non-current assets are detailed as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Guarantee deposits	74,507	70,510
Prepayments for commercial agreements	43,820	45,907
Pension fund surplus (Note 24)	4,777	4,652
Other long-term assets	10,580	10,435
Total	133,684	131,504

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

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Nature:		
Stores	61,541	58,672
Offices	5,167	5,409
Warehouses	187	181
Other	7,612	6,248
Total	74,507	70,510

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Maturity:		
between one to two years	14,166	15,750
between two to five years	34,585	25,802
After more than five years	25,756	28,958
Total	74,507	70,510

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

17. Lease liabilities

The following table sets forth the changes in the lease liabilities:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Opening balance	2,110,888	2,107,577
New contracts, initial direct costs and remeasurements	263,000	602,172
Payments (net of interests)	(218,793)	(429,685)
Contracts termination	(1,603)	(108,023)
Exchange differences	(46)	(61,153)
Closing balance	2,153,446	2,110,888

The lease liabilities increased from Euro 2,111 million as of December 31, 2023 to Euro 2,153 million as of June 30, 2024, primarily as a result of remeasurements for lease extensions or modifications for Euro 263 million net of the payments of the period for Euro 218.8 million and termination of contracts of Euro 1.6 million.

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

18. Short-term financial payables and bank overdrafts

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Short-term bank loans	13,733	64,778
Current portion of long-term loans	168,646	83,865
Deferred costs on loans	(252)	(305)
Total	182,127	148,338

In the short-term bank loans, an amount of RMB 100 million (Euro 12.9 million) relates to the use of the uncommitted line by Prada Fashion Commerce (Shanghai) Co Ltd.

The remaining short-term financial payables as of June 30, 2024 consist of the current portions of the long-term credit lines by Prada S.p.A., Kenon Ltd, Prada Fashion Commerce (Shanghai) Co Ltd and Tannerie Limoges Sas.

The short-term bank loans are broken down by currency below:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Euro	-	50,000
Japanese Yen	-	13,753
Other currencies	13,733	1,025
Total	13,733	64,778

The Group generally borrows at variable interest rates, as explained in Note 23, and manages the risk of interest rate fluctuations by using hedging contracts, as explained in Note 9.

19. Payables due to related parties – current

The current payables due to related parties are shown below:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Financial payables	6,043	5,853
Other payables	-	5
Total	6,043	5,858

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

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

20. Trade payables

The trade payables are detailed as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Trade payables - third parties	456,120	447,615
Trade payables - related parties	7,133	5,772
Total	463,253	453,387

The following table summarizes trade payables by maturity date:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade payables	463,253	421,574	20,364	3,693	3,021	2,276	12,325
Total June 30, 2024 (unaudited)	463,253	421,574	20,364	3,693	3,021	2,276	12,325

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

21. Tax payables

The tax payables are detailed hereunder:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Current taxation	137,395	32,409
VAT and other taxes	115,064	89,414
Total	252,459	121,823

The Group recognises current tax liabilities of Euro 137.4 million as of June 30, 2024 (Euro 32.4 million as of December 31, 2023) against tax receivables (shown among the current assets) of Euro 56.2 million (Euro 82.9 million at December 31, 2023), as reported in Note 11.

22. Other current liabilities

The other current liabilities are as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Payables for capital expenditure	76,438	92,137
Accrued expenses and deferred income	32,869	24,052
Other payables	163,779	185,954
Total	273,086	302,143

The other payables are detailed below:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Short-term benefits for employees and other personnel	91,949	115,066
Customer advances	41,929	32,737
Provision for returns from customers	28,607	35,450
Other	1,294	2,701
Total	163,779	185,954

23. Long-term financial payables

The long-term financial payables are as follows:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Long-term bank borrowings	208,214	338,684
Deferred costs on loans	(138)	(262)
Total	208,076	338,422

Prada S.p.A.'s loan covenants were fully complied with as of June 30, 2024.

The long-term bank borrowings as of June 30, 2024, excluding amortized costs, are set forth below:

Borrower	Amount (Euro thousands)	Type of loan	Currency	Expiry date	Interest rate (1)	Current Portion (Euro thousands)	Non-current Portion (Euro thousands)	Pledge
Prada S.p.A.	22,000	Term-loan	EUR	05/2030	2.737%	3,667	18,333	Mortgage loan
Prada S.p.A.	5,000	Term-loan	EUR	10/2024	4.435%	5,000	-	-
Prada S.p.A.	100,000	Term-loan	EUR	04/2025	2.000%	100,000	-	-
Prada S.p.A.	100,000	Term-loan	EUR	07/2026	4.232%	-	100,000	-
Prada S.p.A.	39,600	Term-loan	EUR	02/2026	3.549%	25,200	14,400	-
Prada S.p.A.	12,000	Term-loan	EUR	01/2025	4.453%	12,000	-	-
Prada S.p.A.	27,778	Term-loan	EUR	11/2026	4.544%	11,111	16,667	-
Kenon Ltd	44,217	Term-loan	GBP	01/2029	4.477%	4,696	39,521	Mortgage loan
Tannerie Limoges Sas	125	Term-loan	EUR	07/2024	5.092%	125	-	Mortgage loan
Prada Fashion Commerce (Shanghai) co Ltd	26,140	Term-loan	RMB	07/2026	3.801%	6,847	19,293	-
Total	376,860					168,646	208,214	

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

In the first semester of 2024, the current portions of long-term loans were repaid for a total amount of Euro 47.5 million.

Prada S.p.A.'s mortgage loan is secured by the Group's headquarter building in Milan, and Kenon Ltd's mortgage loan

is secured by the building on Old Bond Street, London, used for one of the most prestigious Prada stores in Europe and offices. The mortgage loan to Tannerie Limoges Sas is secured by that company's factory building in France.

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 (that are connected to the existing IRS) and variable interest rates:

(amounts in thousands of Euro)	June 30, 2024 (unaudited)		December 31, 2023 (audited)	
	variable interest rates	fixed interest rates	variable interest rates	fixed interest rates
Short-term financial payables	26%	74%	77%	23%
Long-term financial payables	65%	35%	44%	56%

24. Long-term employee benefits

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Post-employment benefits	41,565	42,092
Other long-term employee benefits	25,338	18,783
Total liabilities for long-term benefits	66,903	60,875
Pension plan surplus (Note 16)	(4,777)	(4,652)
Net liabilities for long-term benefits	62,126	56,223

Post-employment benefits

The net balance of long-term employee benefits as of June 30, 2024 is a liability of Euro 62.1 million (Euro 56.2 million at December 31, 2023) and all the benefits fall within the scope of defined benefit plans.

The following table presents the changes in long-term employee benefits in the six-month period ended June 30, 2024:

(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)	21,335	20,757	(4,652)	18,783	56,223
Current service cost	220	1,447	-	11,582	13,249
Benefits paid	(182)	(621)	-	(5,092)	(5,895)
Exchange differences	-	(1,391)	(125)	65	(1,451)
Closing balance (unaudited)	21,373	20,192	(4,777)	25,338	62,126

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, 2024 are as follows:

(amounts in thousands of Euro)	Provision for legal disputes	Provision for tax disputes	Other provisions	Total
Opening balance (audited)	1,133	582	48,152	49,867
Exchange differences	5	4	260	269
Reversals	(575)	-	(294)	(869)
Utilisation	(393)	(79)	(1,002)	(1,474)
Increases	367	-	7,237	7,604
Closing balance (unaudited)	537	507	54,353	55,397

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

Tax disputes

Since 2016, Prada Asia Pacific Ltd (a retail subsidiary wholly owned by Prada S.p.A.) has been providing Prada S.p.A. with commercial services to support its wholesale distribution business in Asia Pacific, for remuneration (in place until 2021) disclosed, as early as the 2016 tax year, to the Italian Tax Authority through the submission of an advance pricing agreement application and various explanatory documents.

The Italian Tax Authority started discussions on the topic on October 2022 and, in order not to have the 2016 and 2017 fiscal years time barred, on April 28, 2023 and on April 26, 2024 respectively, it issued tax notices (IRES and IRAP) in which it challenged in full the deductibility of the remuneration paid to Prada Asia Pacific Ltd in both fiscal years, setting higher taxes (amounting to c. Euro 10.8 million for 2016 and c. Euro 9.8 million for 2017) and interests (amounting to c. Euro 2.3 million for 2016 and c. Euro 2 million for 2017).

In these tax notices the Italian Tax Authority recognised (i) the possibility for Prada S.p.A. to deduct the amount that, in the opinion of the Italian Tax Authority, it should have recognised to Prada Asia Pacific Ltd, without however quantifying it, and (ii) the non-application of penalties, by virtue of the correctness of the Transfer pricing contemporaneous documentation prepared by Prada S.p.A..

The Italian Tax Authority has not yet formalized a final position. Prada S.p.A. has filed an appeal against these tax notices both for 2016 and 2017 within the legal deadlines and discussions with the Italian Tax Authority are still ongoing.

The Company, also supported by the opinion of a leading tax consultancy firm, at this stage believes that there is no basis for recording a tax liability in relation to this case.

Other risk provisions

The other risk provisions amount to Euro 54.4 million as of June 30, 2024, primarily referring to contractual obligations to restore leased commercial properties to their original condition, and include also other liabilities for customs duty risks for an amount of Euro 3.7 million, consisting of Euro 1 million for a mistaken customs classification of footwear imported into the United States and Euro 2.7 million for risks of assessments regarding price adjustments, split among a few non-EU countries.

26. Other non-current liabilities

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Deferred income for commercial agreements	94,227	98,713
Accrued costs for lease payments (out of scope for IFRS 16)	3,833	4,616
Other non-current liabilities	35	38
Total	98,095	103,367

27. Equity attributable to the owners of the Group

The equity attributable to the owners of the Group is set forth below:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Share capital	255,882	255,882
Share premium reserve	410,047	410,047
Other reserves	2,756,923	2,436,466
Actuarial reserve	(10,147)	(10,147)
Fair Value investments in equity instruments reserve	-	(8,773)
Cash flow hedge reserve	5,596	6,296
Translation reserve	118,067	92,998
Net income for the period	383,499	671,026
Total	3,919,867	3,853,795

Share capital

As of June 30, 2024, approximately 80% of Prada S.p.A.'s share capital was owned by Prada Holding S.p.A. and the remainder is listed on the Main Board of the Hong Kong Stock Exchange.

Share premium reserve

The share premium reserve of Euro 410 million is the same as that of December 31, 2023.

Other reserves

The other reserves amount to Euro 2,757 million at June 30, 2024, up by Euro 320.5 million compared to December 31, 2023. The increase is mainly due to the allocation of the previous year's profit of Euro 671 million, offset in part by the distribution of dividends totaling Euro 350.6 million to Prada S.p.A. shareholders.

Translation reserve

Changes in this reserve result from the translation into Euro of the foreign currency financial statements of the consolidated companies. The reserve increased from Euro 93 million at December 31, 2023 to Euro 118.1 million.

Net income for the period

The Group's net result for the six-month period ended June 30, 2024 is a profit of Euro 383.5 million (versus a profit of Euro 671 million for the twelve months ended December 31, 2023).

28. Equity attributable to Non-controlling interests

The following table shows the changes in the Non-controlling interests during the periods ended June 30, 2024 and December 31, 2023:

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Opening balance (audited)	23,014	18,805
Translation differences	190	(467)
Dividends	(250)	(250)
Net income for the period	2,214	2,366
Actuarial reserve	-	(11)
Share capital increase	-	2,571
Sale of shares to the Group	(9,576)	-
Other reserves	1,768	-
Closing balance (unaudited)	17,360	23,014

Consolidated Statement of Profit or Loss

For a detail explanation of the financial and business performances of the first semester of 2024, refer to the Financial Review.

29. Net revenues

The consolidated net revenues are generated primarily from sales of finished products and are stated net of returns and discounts.

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Net sales	2,487,804	2,184,896
Royalties	60,830	47,483
Total	2,548,634	2,232,379

The Financial Review describes the net sales by distribution channel, brand and geographic area.

30. Cost of goods sold

The cost of goods sold has the following composition:

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Purchases of raw materials and manufacturing services, net of change in inventories	314,626	263,842
Depreciation, amortization and impairment on tangible and intangible fixed assets	10,013	9,019
Depreciation and impairment of the right of use assets	1,965	1,993
Labor cost	90,653	80,257
Short-term and low value lease (IFRS 16)	61	55
Logistics costs, duties and insurance	97,355	83,818
Total	514,673	438,984

The incidence of the cost of goods sold on net revenues for the six-month period ended June 30, 2024 was 20.2%, an increase from the 19.7% of the same period of 2023. Excluding the effect of exchange rate differences, the incidence of the cost of goods sold on net revenues was substantially stable.

31. Operating expenses

The operating expenses are detailed below:

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	% of net revenues	six months ended June 30 2023 (unaudited)	% of net revenues
Product design and development costs	81,659	3.2%	72,489	3.2%
Advertising and communications costs	219,250	8.6%	187,274	8.4%
Selling costs	978,470	38.4%	894,587	40.1%
General and administrative costs	179,463	7.0%	147,626	6.6%
Total	1,458,842	57.2%	1,301,976	58.3%

Operating expenses totaled Euro 1,458.8 million, up by Euro 156.9 million versus the same period of 2023. The increase was attributable primarily to variable costs resulting from the sales increase, higher marketing spend, personnel expenses, and other general and administrative costs.

The following table sets forth depreciation, amortization, impairment, personnel cost 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 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Depreciation, amortization and impairment on tangible and intangible fixed assets	126,833	102,360
Depreciation and impairment of the right of use assets	218,394	223,127
Labor cost	440,311	400,415
Pure variable lease (IFRS 16)	148,785	119,153
Short term and low value lease (IFRS 16)	9,326	7,297

32. Financial income / (expenses)

The net interest and other financial income / (expenses) are presented below:

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Interest expenses on borrowings	(9,322)	(8,806)
Interest income	9,684	13,177
Exchange gains / (losses) - realized	415	(5,563)
Exchange gains / (losses) - unrealized	(1,034)	(16,785)
Other financial income / (expenses)	(4,153)	(1,315)
Interest and other financial income / (expenses), net	(4,410)	(19,292)
Interest expenses on lease liability	(33,791)	(27,342)
Dividends from investments	111	226
Total financial expenses	(38,090)	(46,408)

The net financial expenses of Euro 38.1 million were Euro 8.3 million lower than the same period of 2023. The decrease was largely attributable to lower exchange rate losses partially offset by higher interest expense on the lease liability.

33. Taxation

Income taxes have the following composition:

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Current taxation	168,552	158,516
Deferred taxation	(17,311)	(20,135)
Pillar II - top-up tax	75	-
Total	151,316	138,381

The taxation for the six-month period ended June 30, 2024 was Euro 151.3 million, corresponding to 28.2% of the profit before tax.

The implementation of the Global Minimum Tax, provided for in Directive No. 2022/2523 of December 15, 2022 (implementing the OECD/G20 Pillar II proposal), is effective in Italy from January 1, 2024 as per Italian Legislative Decree No. 209 of December 27, 2023.

Given the complexity of the system outlined in the above legislation to ensure this minimum level of taxation, for the first three tax periods (for the Prada Group - financial years 2024 to 2026) the possibility of applying a simplified regime has been provided for (so-called "transitional safe harbours"). This simplified regime is primarily based on accounting information already available for each jurisdiction and the application of three tests (De Minimis test, Simplified Effective Tax Rate test and Routine Profits test); passing at least one of these tests allows the disapplication of any additional taxes required to reach the prescribed minimum tax level and the reduction of compliance burdens.

The best estimate effect on the income taxes as of June 30, 2024 of the Pillar two jurisdictions that do not pass any of the transitional safe harbour tests lead to a top-up tax of Euro 75 thousand. Amounts accrued as of June 30, 2024 may have to be adjusted in a subsequent period of the financial year.

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

(amounts in thousands of Euro)	June 30 2024 (unaudited)	December 31 2023 (audited)
Opening balance	339,116	332,235
Exchange differences	(1,113)	(14,858)
Deferred taxes on derivative instruments recorded in equity (cash flow hedges)	212	1,209
Deferred taxes on post-employment benefits recorded in equity (reserve for actuarial differences)	-	1,021
Deferred taxes on revaluation IAS 29	1,095	(120)
Other movements	-	(61)
Deferred taxes for the period in profit or loss	16,216	19,690
Closing balance	355,526	339,116

The deferred tax assets and liabilities are classified by nature hereunder:

(amounts in thousands of Euro)	June 30, 2024		December 31, 2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Inventories	251,998	-	240,317	-
Receivables and other assets	1,424	675	2,595	738
Useful life of non-current assets	33,497	9,690	32,322	8,839
Deferred taxes due to acquisitions	-	10,687	-	10,881
Provision for risks / accrued expenses	31,277	2,239	26,482	1,662
Non-deductible / taxable charges / income	11,146	2,981	11,367	2,652
Deferred tax assets and liabilities on lease contracts	42,305	2,739	40,605	2,909
Tax loss carryforwards	5,342	-	5,491	-
Derivative financial instruments	-	1,797	682	2,686
Long term employee benefits	7,871	1,194	9,191	1,163
Other	7,149	4,481	5,795	4,201
Total	392,009	36,483	374,847	35,731

34. Earnings and dividends per share

Earnings per share basic and diluted

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

	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Group net income in Euro	383,499,246	305,167,809
Weighted average number of ordinary shares in issue	2,558,824,000	2,558,824,000
Basic and diluted earnings per share in Euro, calculated on weighted average number of shares	0.150	0.119

Dividends paid

During the six-month period ended June 30, 2024, the Company distributed dividends of Euro 350,558,888 (Euro 0.137 per share), as approved at the Annual General Meeting held on April 24, 2024 to approve the December 31, 2023 financial statements.

The dividends and the related Italian withholding tax due (Euro 18.3 million), determined by applying the ordinary Italian tax rate to the entire amount of the dividends distributed to the beneficial owners of the Company's shares held through the Hong Kong Central Clearing and Settlement System, were paid in May 2024 and July 2024, respectively.

35. Additional information

Number of employees

The average number of full-time equivalent ("FTE") employees (calculated by dividing the number of actual hours worked by the total number of scheduled hours), by business division, is presented below:

(number of employees)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Production	3,647	3,300
Product design and development	1,019	968
Advertising and communications	254	233
Selling	8,845	8,283
General and administrative services	1,168	1,071
Total	14,933	13,855

Employee remuneration

The employee remuneration by business division is presented below:

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Production	90,653	80,257
Product design and development	43,047	35,914
Advertising and communications	20,218	17,418
Selling	301,297	280,408
General and administrative services	75,749	66,675
Total	530,964	480,672

The classification by type of employee remuneration is presented below:

(amounts in thousands of Euro)	six months ended June 30 2024 (unaudited)	six months ended June 30 2023 (unaudited)
Wages and salaries	397,029	360,466
Post-employment benefits and other long-term benefits	26,537	22,411
Social contributions	81,885	76,167
Other	25,513	21,628
Total	530,964	480,672

Distributable reserves of the parent company, Prada S.p.A.

(amounts in thousands of Euro)	June 30 2024 (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	1,584,470	A, B, C	1,563,323	-	550,147
Time value reserve	(630)	-	-	-	-
Intrinsic value reserve	4,747	-	-	-	-
Distributable amount			2,156,269		550,147

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 the share capital.

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

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 of June 30, 2024, June 30, 2023 and December 31, 2023 are listed hereunder:

Currency	Average rate six months ended June 30 2024	Average rate six months ended June 30 2023	Closing rate June 30 2024	Closing rate December 31 2023
UAE Dirham	3.972	3.970	3.932	4.059
Australian Dollar	1.642	1.597	1.608	1.626
Brazilian Real	5.489	5.488	5.892	5.362
Canadian Dollar	1.468	1.456	1.467	1.464
Swiss Franc	0.961	0.986	0.963	0.926
Czech Koruna	25.017	23.684	25.025	24.724
Danish Kronor	7.458	7.446	7.458	7.453
GB Pound	0.855	0.877	0.846	0.869
Hong Kong Dollar	8.456	8.473	8.359	8.631
Japanese Yen	164.271	145.463	171.940	156.330
Korean Won	1,459.625	1,399.730	1,474.860	1,433.660
Kuwait Dinar	0.332	0.331	0.328	0.340
Kazakhstani Tenge	485.603	488.584	498.200	502.240
Moroccan Dirham	10.834	11.023	10.659	10.912
Macau Pataca	8.708	8.727	8.609	8.913
Mexican Peso	18.507	19.688	19.565	18.723
Malaysian Ringgit	5.110	4.812	5.050	5.078
New Zealand Dollar	1.775	1.730	1.760	1.750
Norwegian Krone	11.492	11.301	11.397	11.241
Philippine Peso	61.484	59.686	62.560	61.283
Qatari Riyal	3.943	3.951	3.899	4.029
Chinese Renminbi	7.801	7.480	7.775	7.851
Romanian Leu	4.974	4.933	4.977	4.976
Russian Ruble	98.238	83.364	91.479	100.014
Saudi Riyal	4.056	4.056	4.012	4.144
Swedish Kronor	11.387	11.324	11.360	11.096
Singapore Dollar	1.456	1.443	1.451	1.459
Thai Baht	39.101	36.922	39.319	37.973
Turkish Lira	34.218	21.463	35.187	32.653
Taiwan Dollar	34.464	33.015	34.694	33.800
Ukrainian Hryvna	42.168	39.520	43.266	41.996
US Dollar	1.081	1.081	1.071	1.105
Vietnamese Dong	26,032.733	25,552.135	25,973.000	26,437.000
South African Rand	20.251	19.633	19.497	20.348

36. Remuneration of Board of Directors, five highest paid individuals and Senior Managers

Remuneration of Prada S.p.A. Board of Directors for six months ended June 30, 2024:

(amounts in thousands of Euro)	Directors' fees	Remuneration	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contributions	Total
Patrizio Bertelli	10,042	-	-	-	28	10,070
Paolo Zannoni	2,505	12	-	-	5	2,522
Andrea Guerra	-	861	1,667	29	732	3,289
Miuccia Prada Bianchi	10,042	-	-	-	28	10,070
Andrea Bonini	-	584	568	14	68	1,234
Lorenzo Bertelli	-	156	160	8	32	356
Yoël Zaoui	83	-	-	-	19	102
Marina Sylvia Caprotti	75	-	-	-	-	75
Cristiana Ruella	27	-	-	-	-	27
Pamela Yvonne Culpepper	78	-	-	-	18	96
Anna Maria Rugarli	75	-	-	-	18	93
Maurizio Cereda	50	-	-	-	2	52
Total	22,977	1,613	2,395	51	950	27,986

The Directors' fees includes the base remuneration resolved upon by the Annual General Meeting on April 24, 2024, plus the additional remuneration for the specific duties carried out by the relevant Director approved on April 24, 2024 by the Board of Directors, with the previous favorable opinion of the Board of Statutory Auditors.

Remuneration of Prada S.p.A. Board of Directors for six months ended June 30, 2023:

(amounts in thousands of Euro)	Directors' fees	Remuneration	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contributions	Total
Patrizio Bertelli	9,348	-	-	-	27	9,375
Paolo Zannoni	2,155	12	-	-	5	2,172
Andrea Guerra	-	842	1,392	20	669	2,923
Miuccia Prada Bianchi	9,348	-	-	-	27	9,375
Andrea Bonini	-	551	450	14	44	1,059
Lorenzo Bertelli	-	126	100	7	28	261
Marina Sylvia Caprotti	59	-	-	-	-	59
Maurizio Cereda	53	-	-	-	2	55
Yoël Zaoui	64	10	-	-	17	91
Pamela Yvonne Culpepper	58	-	-	-	14	72
Anna Maria Rugarli	48	-	-	-	17	65
Stefano Simontacchi	4	-	-	-	-	4
Total	21,137	1,541	1,942	41	850	25,511

The amounts are those recognised in the Statement of Profit or Loss.

37. Related party transactions

The Group carries out transactions with companies classifiable as related parties according to IAS 24, "Related Party Disclosures". In the six-month period ended June 30, 2024, these transactions referred primarily to the purchase or sale of finished and semi-finished products and raw materials, the supply of services, loans and leases.

The following tables present the effect of related-party transactions on the Consolidated Financial Statements in terms of Statement of Financial Position balances and total transactions affecting the Statement of Profit or Loss.

Statement of financial position balances as of June 30, 2024 (unaudited)

(amounts in thousands of Euro)	Trade receivable, net	Receivables due from, and advance payments to, related parties – current	Receivables due from, and advance payments to, related parties – non-current	Right of use assets	Trade payables	Payables to related parties – current	Lease liabilities	Other liabilities
Les Femmes S.r.l.	558	-	369	-	1,946	-	-	-
Filati Biagioli Modesto S.p.A.	66	-	-	-	2,133	-	-	-
Luigi Fedeli e Figlio S.r.l.	-	-	-	-	44	-	-	-
Spelm Sa	-	-	-	2,984	-	-	3,052	-
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	92	3,539	-	-
Immobiliare Rivalsa S.p.A. (*)	-	3	-	37,565	-	-	28,543	-
Ludo Due S.r.l.	1	-	-	7,387	-	-	8,243	-
Peschiera Immobiliare S.r.l.	2	-	-	4,831	51	-	5,378	-
Premiata S.r.l.	-	-	-	-	158	-	-	-
Conceria Superior S.p.A.	17	-	-	-	2,298	-	-	-
Perseo S.r.l.	-	-	-	-	232	-	-	-
Antica Buca di San Francesco S.r.l.	4	-	-	-	-	-	-	-
Al Tayer Group Llc	-	-	-	-	27	-	-	-
Al Tayer Insignia Llc	1,129	-	-	-	98	2,504	-	-
Danzas Llc	-	-	-	-	-	-	-	-
Al Sanam Rent a Car Llc	-	-	-	-	1	-	-	-
Prada Holding S.p.A.	51	-	-	32	53	-	24	-
PH-RE Llc	-	122	-	139,623	-	-	161,740	-
Others	2	-	-	-	-	-	-	-
Members of the Board of Directors of Prada S.p.A.	-	-	-	-	-	-	-	2,981
Total at June 30, 2024 (unaudited)	1,830	125	369	192,422	7,133	6,043	206,980	2,981

(*) Immobiliare Rivalsa S.p.A., previously an independent third party that owns a real estate property in Milan leased by the Company since 2019, was acquired in 2023 by a subsidiary of Prada Holding S.p.A. (the "Acquisition"). The right of use asset and lease liability amounts are recognised under a lease agreement entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

Statement of financial position balances as of December 31, 2023 (audited)

(amounts in thousands of Euro)	Trade receivable, net	Receivables due from, and advance payments to, related parties - current	Receivables due from, and advance payments to, related parties - non-current	Right of use assets	Trade payables	Payables to related parties - current	Lease liabilities	Other liabilities
Les Femmes S.r.l.	716	2	-	-	2,470	-	-	-
Filati Biagioli Modesto S.p.A.	59	-	-	-	171	-	-	-
Luigi Fedeli e Figlio S.r.l.	-	-	-	-	2	-	-	-
Spelm Sa	-	-	-	3,415	-	-	3,486	-
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	55	3,428	-	-
Immobiliare Rivalsa S.p.A. (*)	-	-	-	29,521	-	-	22,964	-
Ludo Due S.r.l.	-	-	-	7,940	-	-	8,830	-
Peschiera Immobiliare S.r.l.	-	1	-	2,474	41	-	3,009	-
Premiata S.r.l.	-	-	-	-	187	-	-	-
Conceria Superior S.p.A.	-	-	-	-	2,317	-	-	-
Perseo S.r.l.	-	-	-	-	252	-	-	-
Al Tayer Group Llc	-	-	-	-	17	-	-	-
Al Tayer Insignia Llc	1,016	-	-	-	145	2,425	-	-
Danzas Llc	-	-	-	-	113	-	-	5
Al Sanam Rent a Car Llc	-	-	-	-	2	-	-	-
Prada Holding S.p.A.	57	-	-	-	-	-	-	-
PH-RE Llc	-	135	-	161,391	-	-	185,114	-
Others	4	-	-	-	-	-	-	-
Members of the Board of Directors of Prada S.p.A.	-	-	-	-	-	-	-	8,575
Total at December 31, 2023 (audited)	1,852	138	-	204,741	5,772	5,853	223,403	8,580

(*) Immobiliare Rivalsa S.p.A., previously an independent third party that owns a real estate property in Milan leased by the Company since 2019, was acquired in 2023 by a subsidiary of Prada Holding S.p.A. (the "Acquisition"). The right of use asset and lease liability amounts are recognised under a lease agreement entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

Statement of profit or loss transactions for the six months ended June 30, 2024

(amounts in thousands of Euro)	Net revenues	Cost of goods sold	General, admin. & selling costs (income)	Interest expenses
Les Femmes S.r.l.	-	4,394	(1)	-
Filati Biagioli Modesto S.p.A.	-	4,500	88	-
Luigi Fedeli e Figlio S.r.l.	-	909	-	-
Spelm Sa	-	-	299	13
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	35
Immobiliare Rivalsa S.p.A. (*)	-	-	3,008	275
Ludo Due S.r.l.	-	-	551	53
Peschiera Immobiliare S.r.l.	-	105	457	76
Premiata S.r.l.	-	53	368	-
Conceria Superior S.p.A.	18	8,052	78	-
Perseo S.r.l.	-	442	-	-
Antica Buca di San Francesco S.r.l.	1	-	(4)	-
Al Tayer Group Llc	-	-	208	-
Al Tayer Insignia Llc	1,542	-	70	62
Danzas Llc	-	-	10	-
Al Sanam Rent a Car Llc	-	-	6	-
Prada Holding S.p.A.	-	-	50	1
PH-RE Llc	-	-	7,447	788
Others	-	-	-	-
Total at June 30, 2024 (unaudited)	1,561	18,455	12,635	1,303

(*) Immobiliare Rivalsa S.p.A., previously an independent third party that owns a real estate property in Milan leased by the Company since 2019, was acquired in 2023 by a subsidiary of Prada Holding S.p.A. (the "Acquisition"). The right of use asset and lease liability amounts are recognised under a lease agreement entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

Statement of profit or loss transactions for the six months ended June 30, 2023

(amounts in thousands of Euro)	Net revenues	Cost of goods sold	General, admin. & selling costs (income)	Interest income	Interest expenses
Les Femmes S.r.l.	-	4,149	(12)	6	-
Filati Biagioli Modesto S.p.A.	-	2,684	95	50	-
Spelm Sa	-	-	292	-	15
Ludo Due S.r.l.	-	-	562	-	61
Peschiera Immobiliare S.r.l.	-	23	282	-	14
Premiata S.r.l.	-	39	363	-	-
Conceria Superior S.p.A.	-	5,608	67	-	-
Perseo S.r.l.	-	344	-	-	-
Rubaiyat Modern Lux.Pr.Co.Ltd	-	-	-	-	24
Al Tayer Group Llc	-	-	188	-	-
Al Tayer Insignia Llc	1,662	-	62	-	25
Danzas Llc	-	95	51	-	-
Al Sanam Rent a Car Llc	-	-	6	-	-
Prada Holding S.p.A.	22	-	33	-	1
PH-RE Llc	-	-	8,410	-	959
Total at June 30, 2023 (unaudited)	1,684	12,942	10,399	56	1,099

The foregoing tables report information on transactions with related parties in accordance with IAS 24, "Related Party Disclosures", while the following transactions also 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 transactions between such company and Prada Japan co Ltd in relation to the lease of two buildings in Aoyama, Tokyo for Prada and Miu Miu stores. The transactions reported for the six-month period ended June 30, 2024 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 S.p.A.'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 2024 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 2023	December 31 2022	December 31 2021	December 31 2020	December 31 2019
Net revenues	4,726,411	4,200,674	3,365,667	2,422,739	3,225,594
Gross margin	3,801,771	3,312,094	2,547,358	1,743,378	2,319,612
Operating income - (EBIT)	1,061,692	775,990	489,484	20,061	306,779
Net income / (loss) - Group	671,026	465,193	294,254	(54,139)	255,788
Total assets	7,615,051	7,377,578	6,959,011	6,527,927	7,038,439
Total liabilities	3,738,242	3,876,556	3,830,368	3,676,207	4,049,864
Net equity attributable to owners of the Group	3,853,795	3,482,217	3,113,894	2,832,057	2,967,158

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 S.p.A.	EUR	255,882		Milan	Italy		Group Holding / Manufacturing / Services / Distribution / Retail
Artisans Shoes S.r.l. (*)	EUR	1,000	66.7	Montegranaro	Italy	02/09/1977	Manufacturing
IPI Logistica S.r.l. (*)	EUR	600	100	Milan	Italy	01/26/1999	Services
Marchesi 1824 S.r.l. (*)	EUR	1,000	100	Milan	Italy	07/10/2013	Food & Beverage
Figline S.r.l. (*)	EUR	535	100	Milan	Italy	07/24/2019	Manufacturing
Luna Rossa Challenge S.r.l. (*)	EUR	10	100	Grosseto	Italy	12/01/2021	Management sailing team

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
Europe							
Prada Retail UK Ltd (*)	GBP	6,000	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	7,252	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
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
Prada Bosphorus Deri Mamuller Ltd Sirketi (*)	TRY	593,000	100	Istanbul	Turkey	02/26/2009	Retail
Prada Ukraine Llc (*)	UAH	240,000	100	Kiev	Ukraine	10/14/2011	Retail
Prada Sweden Ab (*)	SEK	500	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
Prada Denmark Aps (*)	DKK	7,500	100	Copenhagen	Denmark	05/19/2015	Retail
Prada Belgium Sprl (*)	EUR	4,075	100	Brussels	Belgium	12/04/2015	Retail
Hipic Prod Impex Srl (*)	RON	50,000	100	Sibiu	Romania	04/15/2016	Manufacturing
Prada San Marino (*)	EUR	26	100	Falciano	San Marino	04/15/2021	Retail
Prada Norway As (*)	NOK	30	100	Oslo	Norway	09/01/2022	Retail
Luna Rossa Challenge 2024 Sl	EUR	10	100	Barcelona	Spain	06/27/2023	Management sailing team
Church UK Retail Ltd	GBP	0.001	100	Northampton	U.K.	07/16/1987	Under liquidation
Church & Co. Ltd (*)	GBP	2,811	100	Northampton	U.K.	01/16/1926	Manufacturing / Services
Church & Co. (Footwear) Ltd	GBP	44	100	Northampton	U.K.	03/06/1954	Trademarks
Church Germany Gmbh	EUR	200	100	Munich	Germany	09/18/2018	Under liquidation
Americas							
Prada USA Corp. (*)	USD	579,211	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
Post Development Corp (*)	USD	39,592	100	New York	U.S.A.	02/18/1997	Real Estate
Prada USA Cafe Corp.	USD	0.001	100	New York	U.S.A.	06/10/2024	Dormant
Prada Retail Mexico, S. de R.L. de C.V.	MXN	314,140	100	Mexico City	Mexico	07/12/2011	Retail
Prada Brasil Importação e Comércio de Artigos de Luxo Ltda (*)	BRL	365,000	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	Dormant
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

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
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	36,000	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	572,000	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	Dormant
Prada Fashion Commerce (Shanghai) co Ltd (***)	RMB	1,224,950	100	Shanghai	P.R.C.	10/31/2005	Retail
Church Hong Kong Retail Ltd	HKD	29,004	100	Hong Kong	Hong Kong S.A.R., P.R.C.	06/04/2004	Dormant
Prada Dongguan Trading Co., Ltd (***)	RMB	8,500	100	Dongguan	P.R.C.	11/28/2012	Services
Prada New Zealand Ltd (*)	NZD	6,000	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
Prada Philippines Inc. (*)	PHP	380,000	60	Manila	Philippines	10/10/2023	Retail
Middle East							
Prada Middle East Fzco (*)	AED	18,000	79	Jebel Ali Free Zone	U.A.E.	05/25/2011	Distribution / Services
Prada Emirates Llc (**)	AED	300	38.7	Dubai	U.A.E.	08/04/2011	Retail
Prada Kuwait Wll (**)	KWD	50	38.7	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
Other countries							
Prada Maroc Sarl au (*)	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 S.p.A.

(**) 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, 2024 financial statements (amounts in thousands of Euro):

Company	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	45,274	6,339	42,580	922	(250)
Prada Emirates Llc	38.7	AED	149,860	3,173	80,301	3,657	-
Prada Middle East Fzco	79	AED	120,546	58,323	47,996	1,482	-
Prada Kuwait Wll	38.7	KWD	40,431	5,640	11,003	500	-
Prada Saudi Arabia Ltd	75	SAR	43,370	4,611	6,522	(100)	-
Tannerie Limoges Sas	60	EUR	10,314	185	4,777	(80)	-
Prada Philippines Inc.	60	PHP	7,243	6,145	1,556	74	-

June 30, 2023 financial statements (amounts in thousands of Euro):

Company	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	35,418	6,109	31,511	365	(250)
Prada Emirates Llc	29.4	AED	144,465	(2,900)	65,153	3,953	-
Prada Middle East Fzco	60	AED	116,900	53,850	51,245	1,147	-
Prada Kuwait Wll	29.4	KWD	40,363	4,385	10,062	164	-
Prada Saudi Arabia Ltd	75	SAR	26,294	4,950	5,739	(437)	-
Tannerie Limoges Sas	60	EUR	10,122	5	5,167	(150)	-

There were no significant restrictions on the Group's ability to access or use assets or to settle liabilities at the end of the reporting period.

41. Events after the reporting date

No significant events to be reported.

